

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.7% Vacancy Rate	▼	▲
-1K YTD Net Absorption, SF	▼	▲
\$24.82 Asking Rent, PSF (Overall, All Property Classes)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
94K Prince Edward Island Employment	▲	▲
7.5% Prince Edward Island Unemployment Rate	▲	▼
6.7% Canada Unemployment Rate (Source: Statistics Canada)	▲	▲

ECONOMY OVERVIEW

As of Q1 2025, Prince Edward Island’s economy showed signs of strength, though a moderate slowdown is expected. Population growth remains robust at 2.8%, reaching 178,550 as of July 2024, making PEI the fourth fastest-growing province in Canada. Housing starts surged 50.9% through the first three quarters of 2024, signaling strong activity in construction and real estate. Key sectors like tourism, construction, and services continue to support the economy, but inflation, labour shortages and uncertainty in Canada-U.S remain concerns. PEI’s real GDP is projected to grow by 1.7% in 2025, reflecting a deceleration from previous years. This slowdown is attributed to moderating population growth and subdued demand from key trading partners, including Ontario, Nova Scotia, New Brunswick, and the United States.

(Sources: Statistics Canada, RBC, TD Economics)

DEMAND

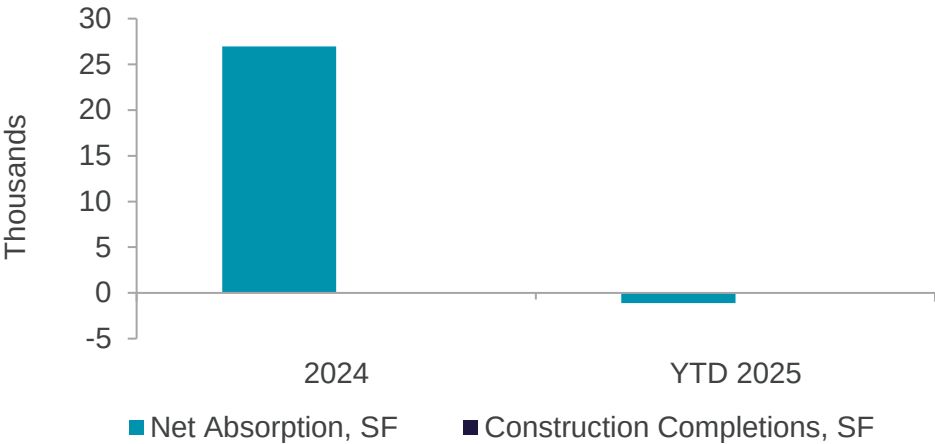
The Charlottetown office market posted an overall vacancy rate of 4.7% in the first quarter of 2025, an increase of 10 basis points (bps) from last quarter. Central market vacancy increased by 10 bps quarter-over-quarter (QOQ) to 4.5%, while vacancy in the Suburban market remained stable from last quarter at 5.9%.

The total vacant space available in Charlottetown this quarter was close to 58k square feet (sf), a 1k-sf increase QOQ, and was comprised entirely of direct space. The Central market witnessed a decrease in vacant space of about 1k sf in the first quarter, while vacant space the Suburban market remained the same at approximately 12k sf.

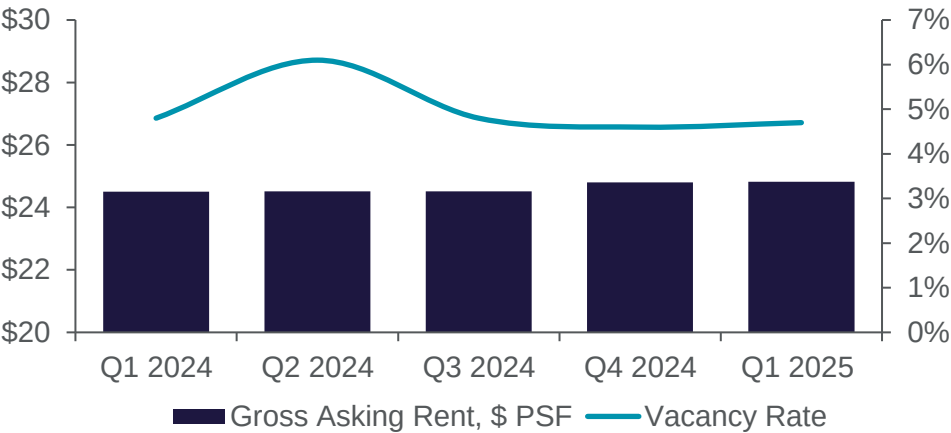
PRICING

The average net rent in the Charlottetown office market slightly increased this quarter from \$15.91 per square foot (psf) in Q4 2024 to \$15.93 psf. The overall average additional rent remained stable at \$8.89 psf, bringing the overall gross rent to \$24.82 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Charlottetown- Central	1,035,199	-	46,209	4.5%	-1,115	-1,115	0	\$24.99	\$25.66
Charlottetown- Suburban	197,704	-	11,708	5.9%	0	0	0	\$23.91	\$29.50
Charlottetown Totals	1,232,903		56,802	4.7%	-1,115	-1,115	0	\$24.82	\$25.73

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
18 Queen	Charlottetown- Central	Undisclosed	5,400	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
N/A				

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