MARKETBEAT
NEW BRUNSWICK
OFFICE Q2 2025

CUSHMAN & WAKEFIELD Atlantic

MARKET FUNDAMENTALS

	YOY Chg	Outlook
20.5% Vacancy Rate	▼	▼
125K YTD Net Absorption, SF	▲	▲
$26.14 Gross Rent, PSF	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
408K New Brunswick Employment	▲	▲
6.3% New Brunswick Unemployment Rate	▼	▲
7.0% Canada Unemployment Rate	▲	▲

Source: Statistics Canada

ECONOMY

The 2025 GDP forecast for New Brunswick has been upgraded due to strong momentum from late 2024 and solid early-year indicators. While 90% of its goods are exported to the U.S. — the highest share of any province — and a third of its GDP depends on trade, recent tariff pauses have slightly eased pressure. Consumer spending remains a bright spot, supported by low household debt and strong labour markets, even as population growth begins to slow. The unemployment rate is expected to peak around 7.4% by year-end 2025, still below pre-pandemic levels, with residential construction remaining strong. To counter ongoing trade uncertainty, the province introduced a $112 million support package and has eliminated multiple interprovincial trade barriers. *(Sources: Statistics Canada, RBC, TD Economics)*

SUPPLY AND DEMAND

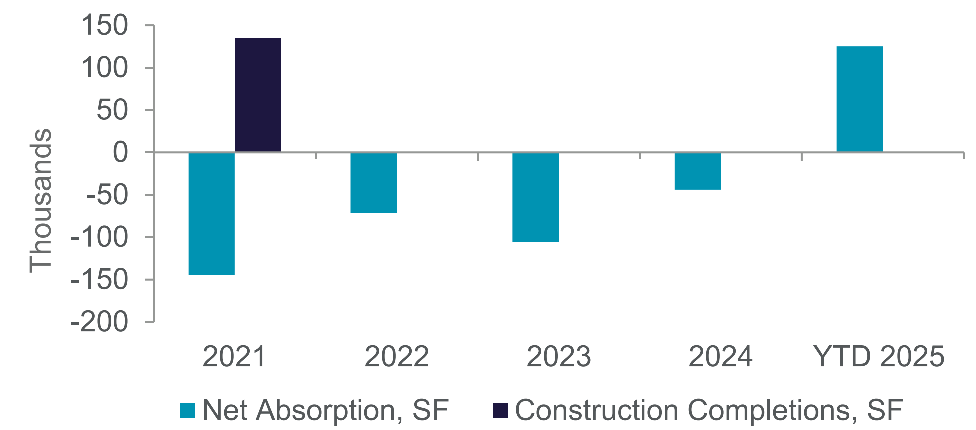
The overall vacancy rate in New Brunswick decreased by 140 basis points (bps) quarter-over-quarter (QOQ) from 21.9% to 20.5% . Vacancy decreased slightly in the Fredericton market by 20 bps and fell by 110 bps in the Moncton market. Saint John also experienced a significant decrease in vacancy by 330 bps from last quarter.

Overall absorption in New Brunswick strengthened this quarter to close to 125k square feet (sf) as all classes of space in Moncton, and Class B and C space in Saint John, all witnessed positive absorption this quarter. Fredericton had overall negative absorption of 4k sf, largely the result of 16k sf becoming available at 82 Westmorland Street. Moncton's increase in absorption came from numerous tenant movements at 1234 Main Street and 100 Cameron Street. These movements totaled 13k sf and 27k sf respectfully.

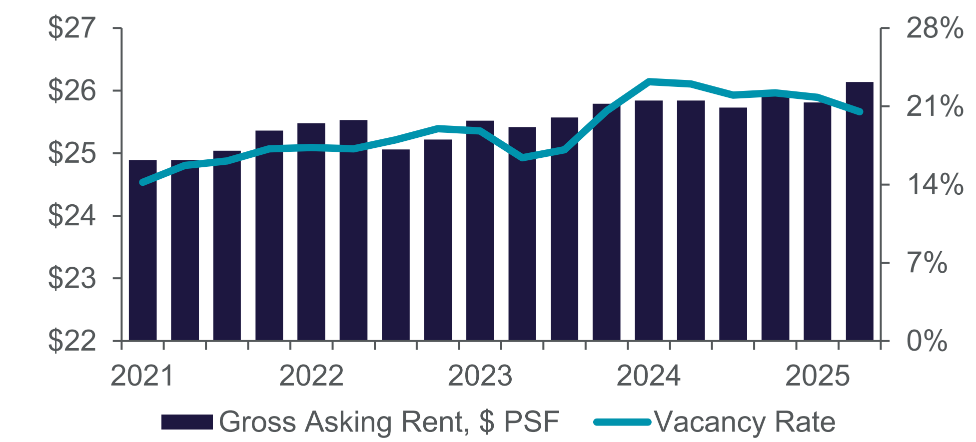
PRICING

The overall net asking rental rate in New Brunswick decreased slightly from $14.03 per square foot (psf) to $13.99 psf QOQ. The Fredericton market had a decrease, with the overall net rate falling by $0.32 psf from last quarter to $15.43 psf. However, Moncton had an increase in its overall net rent of $0.06 psf QOQ to $14.07 psf. Saint John also had an increase of $0.09 psf from last quarter bringing its average net rent to $12.54 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)*
Moncton	3,063,541	14,557	491,064	16.0%	31,582	35,950	38,764	$26.75	$31.18
Fredericton	2,278,872	16,294	258,892	11.4%	-4,111	15,463	0	$27.29	$30.97
Saint John	2,476,133	42,972	856,725	34.6%	74,474	73,705	0	$23.52	$30.74
Totals	**7,818,546**	**73,823**	**1,532,858**	**20.5%**	**101,945**	**125,118**	**38,764**	**$26.14**	**$30.99**

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
400 Main Street	Saint John	Connexion Works	10,891 SF	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	BUYER	SF	PRICE
55 Driscoll Drive	Moncton	Undisclosed	10,500	1,435,000

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