

MARKET FUNDAMENTALS

|                                                                              | YOY<br>Chg | Outlook |
|------------------------------------------------------------------------------|------------|---------|
| 21.3%<br>Vacancy Rate                                                        | ▲          | ▼       |
| -43K<br>YTD Net Absorption, SF                                               | ▼          | ▲       |
| \$34.47<br>Gross Rent, PSF<br><small>(Overall, All Property Classes)</small> | ▼          | ▲       |

ECONOMIC INDICATORS

|                                                                                 | YOY<br>Chg | Outlook |
|---------------------------------------------------------------------------------|------------|---------|
| 127K<br>St. John's Employment                                                   | ▲          | ▲       |
| 7.0%<br>St. John's<br>Unemployment Rate                                         | ▬          | ▲       |
| 7.1%<br>Canada Unemployment<br>Rate<br><small>Source: Statistics Canada</small> | ▲          | ▬       |

ECONOMY

In Q3 2025, Newfoundland and St. John's economic conditions are poised against a backdrop of stronger momentum in the provincial economy, anchored by robust growth in the offshore oil sector. The Newfoundland & Labrador government has upgraded its 2025 real GDP growth forecast to about 6.3% (from 4.4%) citing higher oil output. Meanwhile, RBC's provincial outlook cautions that, despite this boost, longer-term growth may lag other provinces due to weak capital investment and demographic headwinds. On the external side, export headwinds and U.S. tariff risks loom as uncertainties. Q3 2025 should see elevated growth in Newfoundland & St. John's relative to national norms, driven largely by energy, though underlying vulnerabilities (investment, population, trade) temper the upside.

(Sources: Statistics Canada, RBC, Government of Newfoundland & Labrador).

SUPPLY AND DEMAND

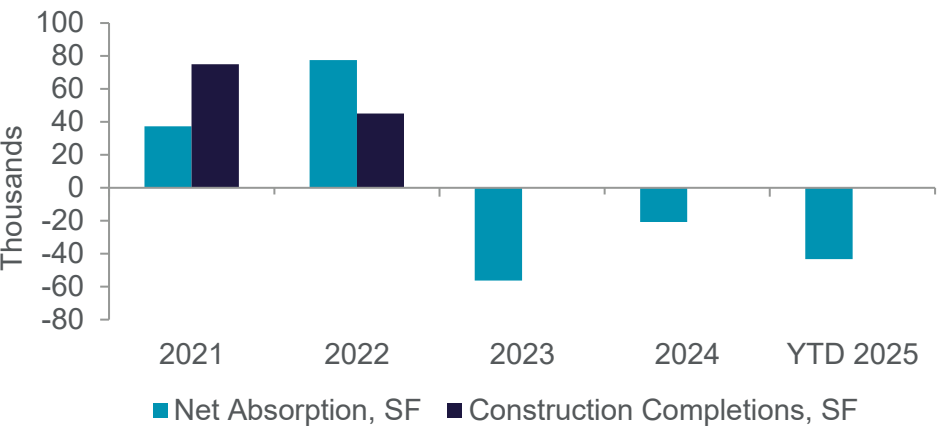
The St. John's office market witnessed an increase in the overall vacancy rate in the third quarter of 2025, increasing by 50 basis points (bps) from last quarter to 21.3%. This increase was particularly notable in the Downtown submarket, where the total vacancy rate increased by 210 bps quarter-over-quarter (QOQ).

Absorption levels were in negative territory this quarter, reaching close to 21k square feet (sf). The downtown submarket witnessed numerous tenants vacate space, resulting in 40k sf of negative absorption this quarter. The East/West submarket saw a notable 14k sf of positive absorption, signaling a potential shift in desirable office locations for future tenants.

PRICING

In the third quarter of 2025, the average net rent in the St. John's office market decreased by \$0.05 to \$21.11 per square foot (psf) from \$21.16 psf last quarter. The overall average additional rent remained unchanged at \$13.36 psf, resulting in an average weighted gross rent of \$34.47 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

| SUBMARKET        | INVENTORY<br>(SF) | SUBLET<br>VACANT<br>(SF) | DIRECT<br>VACANT<br>(SF) | OVERALL<br>VACANCY<br>RATE | CURRENT QTR<br>OVERALL NET<br>ABSORPTION<br>(SF) | YTD OVERALL<br>NET ABSORPTION<br>(SF) | UNDER<br>CNSTR<br>(SF) | OVERALL AVG<br>ASKING RENT<br>(ALL CLASSES)* | OVERALL AVG<br>ASKING RENT<br>(CLASS A)* |
|------------------|-------------------|--------------------------|--------------------------|----------------------------|--------------------------------------------------|---------------------------------------|------------------------|----------------------------------------------|------------------------------------------|
| Downtown         | 1,734,591         | 0                        | 541,884                  | 31.2%                      | -40,012                                          | -29,563                               | 0                      | \$39.94                                      | \$42.37                                  |
| Central          | 324,945           | 0                        | 69,693                   | 21.4%                      | -1,483                                           | -16,765                               | 0                      | \$25.88                                      | n/a                                      |
| North            | 796,770           | 12,130                   | 95,147                   | 13.5%                      | 6,979                                            | 11,702                                | 0                      | \$28.76                                      | n/a                                      |
| East & West      | 1,073,533         | 10,755                   | 106,600                  | 10.9%                      | 13,776                                           | -8,634                                | 0                      | \$30.64                                      | \$37.40                                  |
| St John’s Totals | 3,929,839         | 22,885                   | 813,284                  | 21.3%                      | -20,740                                          | -43,260                               | 0                      | \$34.47                                      | \$40.36                                  |

\*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2025

| PROPERTY | SUBMARKET | TENANT | SF | TYPE* |
|----------|-----------|--------|----|-------|
| N/A      |           |        |    |       |

\*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2025

| PROPERTY | SUBMARKET | BUYER | SF | PRICE |
|----------|-----------|-------|----|-------|
| NA       |           |       |    |       |

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