

**MARKET FUNDAMENTALS**

|   | YOY Chg | Outlook |
|---|---------|---------|
| <b>20.8%</b><br>Vacancy Rate  | ▲       | ▼       |
| <b>-23K</b><br>YTD Net Absorption, SF                                       | ▼       | ▲       |
| <b>\$34.51</b><br>Gross Rent, PSF<br><i>(Overall, All Property Classes)</i> | ▲       | ▲       |

**ECONOMIC INDICATORS**

|   | YOY Chg | Outlook |
|---|---------|---------|
| <b>126K</b><br>St. John's Employment  | ▲       | ▲       |
| <b>6.7%</b><br>St. John's Unemployment Rate                                 | ▼       | ▲       |
| <b>7.0%</b><br>Canada Unemployment Rate<br><i>Source: Statistics Canada</i> | ▲       | ▲       |

**ECONOMY**

As of the end of Q2 2025, St. John's and the province of Newfoundland and Labrador is expected to lead Canada in growth throughout the rest of 2025. Oil production is up 13% year-to-date following the SeaRose vessel's resumption at the White Rose oil field in March 2025. New gold and nickel projects are boosting the mining sector, supported by strong commodity prices. Export activity has softened, but the province has shifted shipments toward Europe in light of the ongoing yet softening trade war with the United States. U.S. exports now make up less than 33% of the total shipments out of the province. Those exports are comprised mostly of unrefined crude, currently exempt from tariffs. With energy production ramping up, a softening trade risk, and increasing consumer confidence, Newfoundland and Labrador is bound to turn offshore headwinds into tailwinds for success. *(Sources: Statistics Canada, RBC, TD Economics).*

**SUPPLY AND DEMAND**

The St. John's office market witnessed a decrease in the overall vacancy rate in the second quarter of 2025, decreasing by 30 basis points (bps) from last quarter to 20.8%. This decrease was particularly notable in the North submarket, where the total vacancy rate decreased by 190 bps quarter-over-quarter (QOQ).

Absorption levels rebounded this quarter, reaching close to 6k sf. Although there was minor negative absorption in the overall Suburban market, this was counteracted by the just over 9k sf of positive absorption in the overall Central market.

**PRICING**

In the second quarter of 2025, the average net rent in the St. John's office market increased to \$21.16 per square foot (psf) from \$21.10 psf last quarter. The overall average additional rent increased from \$13.26 psf to \$13.35 psf, bringing the overall gross rent to \$34.51 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)* |
|-------------------------|------------------|--------------------|--------------------|----------------------|---|---------------------------------|------------------|--|------------------------------------|
| Downtown                | 1,724,835        | 0                  | 501,832            | 29.1%                | 9,185                                   | 10,449                          | 0                | \$40.06                                | \$42.10                            |
| Central                 | 324,945          | 0                  | 68,210             | 21.0%                | -8,434                                  | -15,282                         | 0                | \$25.88                                | n/a                                |
| North                   | 796,770          | 12,444             | 101,812            | 14.3%                | 15,117                                  | 4,723                           | 0                | \$28.73                                | n/a                                |
| East & West             | 1,073,533        | 10,755             | 120,376            | 12.2%                | -10,105                                 | -22,410                         | 0                | \$30.64                                | \$37.40                            |
| <b>St John's Totals</b> | <b>3,920,083</b> | <b>23,199</b>      | <b>792,230</b>     | <b>20.8%</b>         | <b>5,763</b>                            | <b>-22,520</b>                  | <b>0</b>         | <b>\$34.51</b>                         | <b>\$40.10</b>                     |

\*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2025

| PROPERTY         | SUBMARKET | TENANT      | SF        | TYPE*  |
|------------------|-----------|-------------|-----------|--------|
| 331 Water Street | Downtown  | Undisclosed | 20,000 SF | Direct |
| Icon Building    | North     | Undisclosed | 11,974 SF | Direct |

\*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2025

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

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