

MARKET FUNDAMENTALS

	YOY Chg	Outlook
20.6% Vacancy Rate	▼	▼
7K YTD Net Absorption, SF	▲	▲
\$36.04 Gross Rent, PSF <i>(Overall, All Property Classes)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
127K St. John's Employment	▲	▲
7.3% St. John's Unemployment Rate	▲	▼
6.7% Canada Unemployment Rate <i>Source: Statistics Canada</i>	▲	▲

ECONOMY

Newfoundland and Labrador recorded employment growth of 0.8% in February 2026, representing the strongest monthly increase among Atlantic provinces. The provincial unemployment rate remained unchanged at 9.2%, the highest in the region, despite gains in both full-time and part-time employment. The participation rate increased to 58.1%, reflecting improved labour market activity. While momentum has strengthened, structural labour market challenges persist relative to regional peers. Thanks to the growth of the offshore oil & gas industry, St. John's is still expected to be a leader in industrial employment growth.

(Sources: Statistics Canada)

SUPPLY AND DEMAND

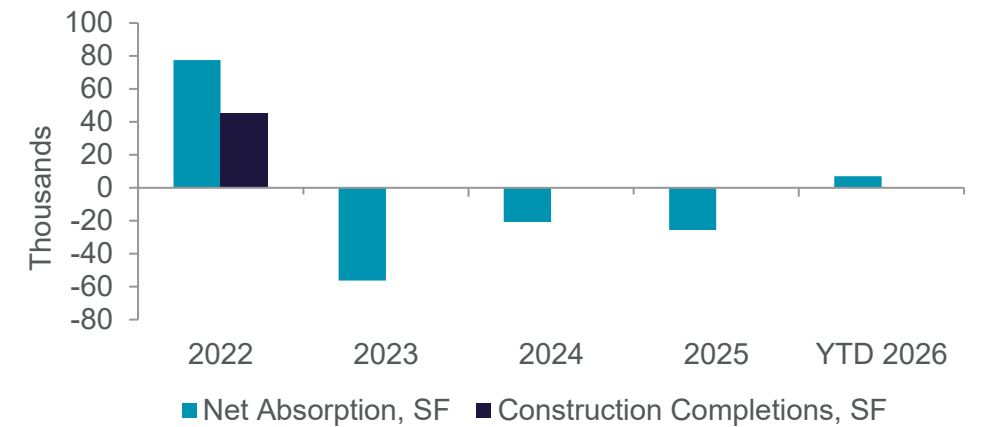
The St. John's office market witnessed a slight decrease in the overall vacancy rate in Q1 2026, falling by 20 basis points (bps) to 20.6%. The decrease in vacancy was a result of increased activity in the East/West submarket with vacancy at 9.1%. Vacancy in the Central submarket increased by 30 bps to 23.7%, while vacancy in the Downtown area fell by 20 bps to 30.8%. Overall, leasing activity in St. John's is expensive and slow, but remains strong, nevertheless.

Generally, when a market witnesses' positive absorption vacancy likely declined that quarter as well. The minimal leasing activity in Q1 2026 was evident in the Central submarket in St. John's with just 866 square feet (sf) of negative absorption. The more notable area was Downtown, which had 4k sf of positive absorption. In the North and East/West submarkets, they sat in between the other two, both with 2k sf of positive absorption.

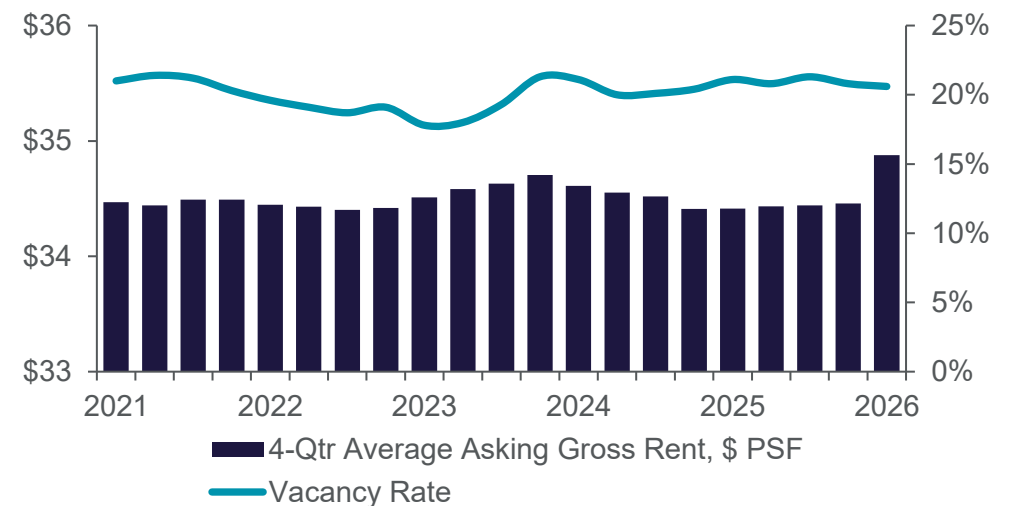
PRICING

In Q1 2026 the overall average net rent in the St. John's office market decreased from \$21.08 per square foot (psf) last quarter to \$20.10 psf. The overall average additional rent increased to \$15.94 psf, bringing the overall gross rent to \$36.04 psf. Traditionally, Newfoundland has been one of the most expensive provinces to lease space in, and these numbers reinforce that fact.

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	1,734,591	0	533,700	30.8%	3,984	3,984	0	\$39.94	\$42.37
Central	324,945	0	76,965	23.7%	-866	-866	0	\$26.06	n/a
North	796,770	15,000	99,665	10.6%	1,499	1,499	0	\$28.38	n/a
East & West	1,073,533	10,755	97,961	8.1%	2,369	2,369	0	\$31.03	\$37.40
St John's Totals	3,929,839	25,755	782,536	20.6%	6,950	6,950	0	\$36.04	\$40.36

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
N/A				

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	BUYER	SF	PRICE
N/A				

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