

The Water Cooler

Smart and provocative stuff to rule the break room

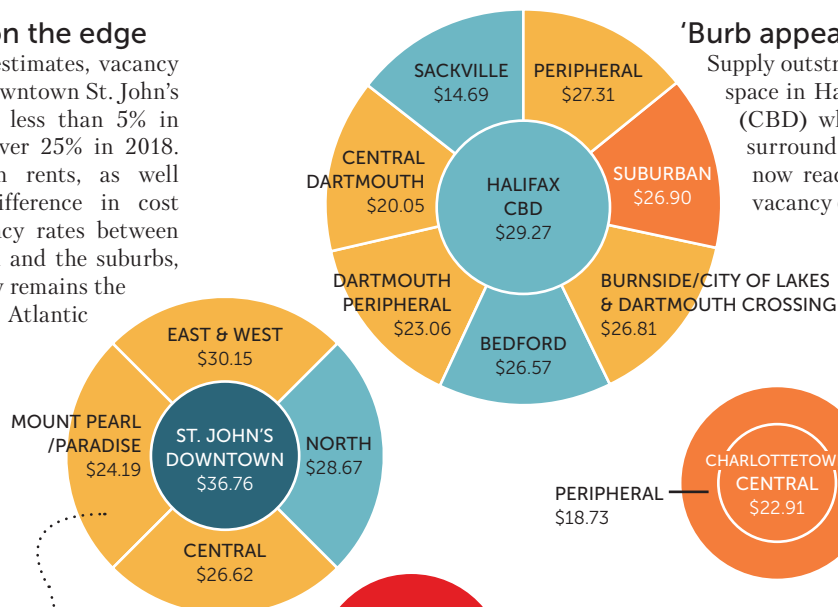
HAS DOWNTOWN LOST ITS GROOVE?

When Petula Clarke recorded her 1964 homage to everything downtown, it really was the heart of the city. Would she be singing the same tune today? The following summarizes rental and vacancy rates in Atlantic Canada cities with populations of 50K+, as well as P.E.I.'s capital. Source: Numbers are an agglomeration of real estate surveys from the fourth quarter of 2018 (specifically Cushman Wakefield Atlantic, CBRE Limited Real Estate Brokerage and Turner Drake & Partners Ltd.)

BY EMILY DEMING

Living on the edge

By some estimates, vacancy rates in downtown St. John's shot from less than 5% in 2014 to over 25% in 2018. Downtown rents, as well as the difference in cost and vacancy rates between downtown and the suburbs, stubbornly remains the highest in Atlantic Canada.

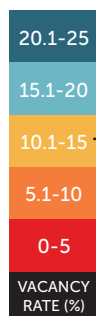
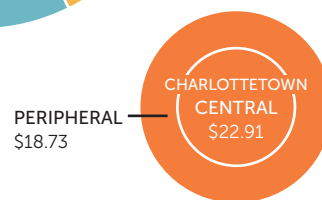


'Burb appeal

Supply outstrips demand for commercial office space in Halifax's Central Business District (CBD) while the opposite is true for the surrounding areas. Some suburbs have now reached peak health at roughly 5% vacancy (considered a "balanced" market.)

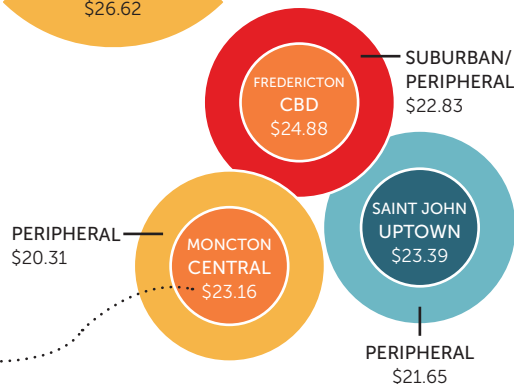
Living the dream

Central Charlottetown shows low (and dropping) vacancy despite recent significant square footage increases. Prices remain stable.



The three musketeers

New Brunswick rents are relatively uniform and maintain the smallest spread between city centres and suburbs. The Fredericton and Moncton downtowns are closer to balanced than Saint John which suffers a significantly higher vacancy rate (though still considerably lower than its eponymous sister in Newfoundland). All three cities, however, had a positive fourth quarter holding stable prices with even lower vacancies.



Spotlight on Sydney

While there is no comparable citywide survey data, some interesting things are happening in Sydney, N.S. After no new office space was built downtown in 11 years, developer Martin Chernin says his company may add an office building to his planned downtown library and apartment building project "if [he] finds the right tenant." According to Chernin, his buildings downtown currently have between 0-10% vacancy. Meanwhile, Roy Milley, a local realtor with Keller Williams, estimates overall commercial vacancies at 35% for Sydney generally. He adds, however, that the Membertou Development Corporation has low or no vacancies just south of downtown in their "ground level with drive-up parking" office space.

Digging deeper

Is your company in a downtown or central business district? Why or why not?

Send your comments to dchafe@atlanticbusinessmagazine.com or tag us on Twitter @AtlanticBus; #downtown