

Despite a rise in vacancy, demand remains resilient

▲ 20.0%

Vacancy Rate

▼ -24K

SF Net Absorption

▲ \$19.39

PSF Net Asking Rental Rate

Note: Arrows indicate change from previous quarter.

Executive Summary

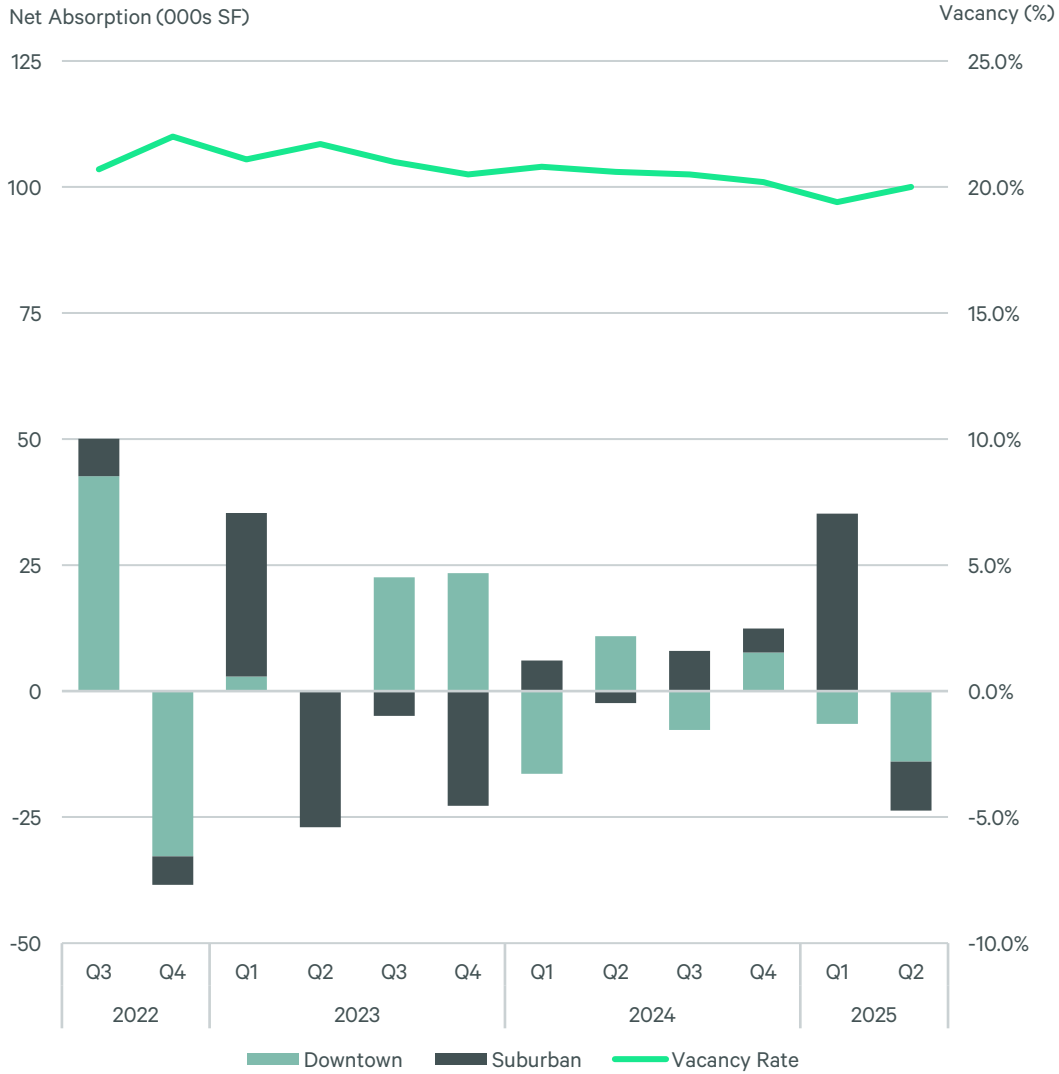
- Average net rental rates grew quarter-over-quarter, rising by \$0.09 to \$19.39 per sq. ft. on the quarter. The downtown submarket recorded a \$0.19 rise to \$21.54 per sq. ft. while the suburban submarket saw net asking rates slightly decrease, dropping \$0.07 to \$15.21 per sq. ft. to end the quarter.
- The St. John's office market saw a slower Q2, reporting 23,703 sq. ft. of negative net absorption. Both the downtown and suburban submarket saw negative leasing momentum throughout the quarter, recording 13,994 sq. ft. and 9,709 sq. ft. of negative net absorption, respectively.
- Vacancy rose for the first time in five quarters, climbing 60 basis points (bps) to 20.0% quarter-over-quarter, yet remains lower than a year ago. The downtown submarket reported a 90 bps increase in vacancy over the quarter to 29.0%, reaching its highest mark in the past seven quarters. The suburban submarket recorded a slight increase in vacancy over the quarter, rising 50 bps to 12.9% to end Q2 2025. Year-over-year, the suburban submarket has reported a reduction in vacancy of 190 bps.

FIGURE 1: St. John's Office Market Statistics Summary

Submarket	Building Class	Rentable Area (SF)	Vacancy Rate	Net Absorption (SF)	Avg. Asking Rent (PSF)
Downtown	A	1,305,219	24.4%	-13,994	\$23.55
	B	301,823	43.9%	0	\$17.85
	C	60,731	53.9%	0	\$17.36
Downtown Total		1,667,773	29.0%	-13,994	\$21.54
Suburban	A	762,020	6.9%	-9,053	\$19.87
	B	835,123	15.1%	-656	\$15.31
	C	510,511	17.9%	0	\$13.17
Suburban Total		2,107,654	12.9%	-9,709	\$15.21
Overall Total		3,775,427	20.0%	-23,703	\$19.39

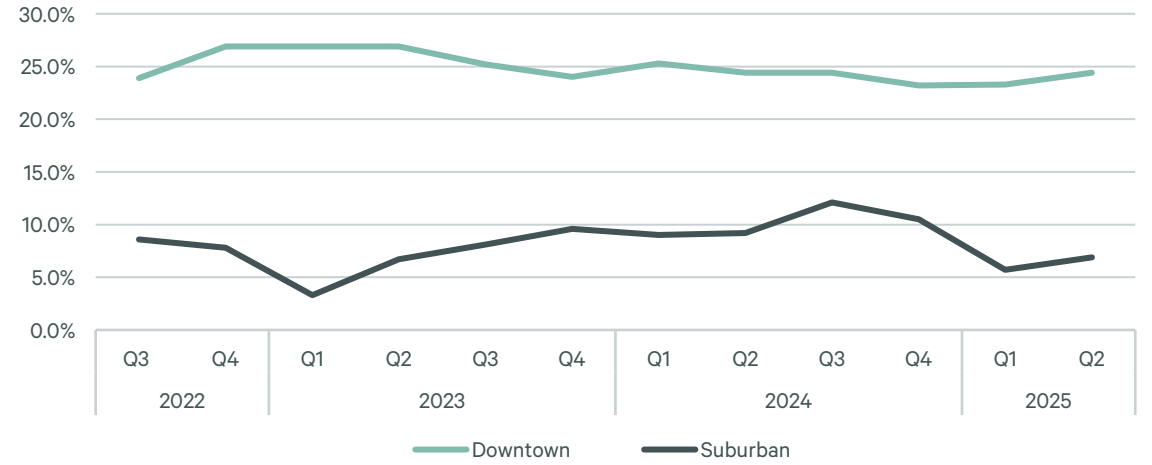
Source: CBRE Research, Q2 2025.

FIGURE 2: Historical Net Absorption and Vacancy



Source: CBRE Research, Q2 2025.

FIGURE 3: Class A Historical Vacancy – Downtown vs. Suburban (%)



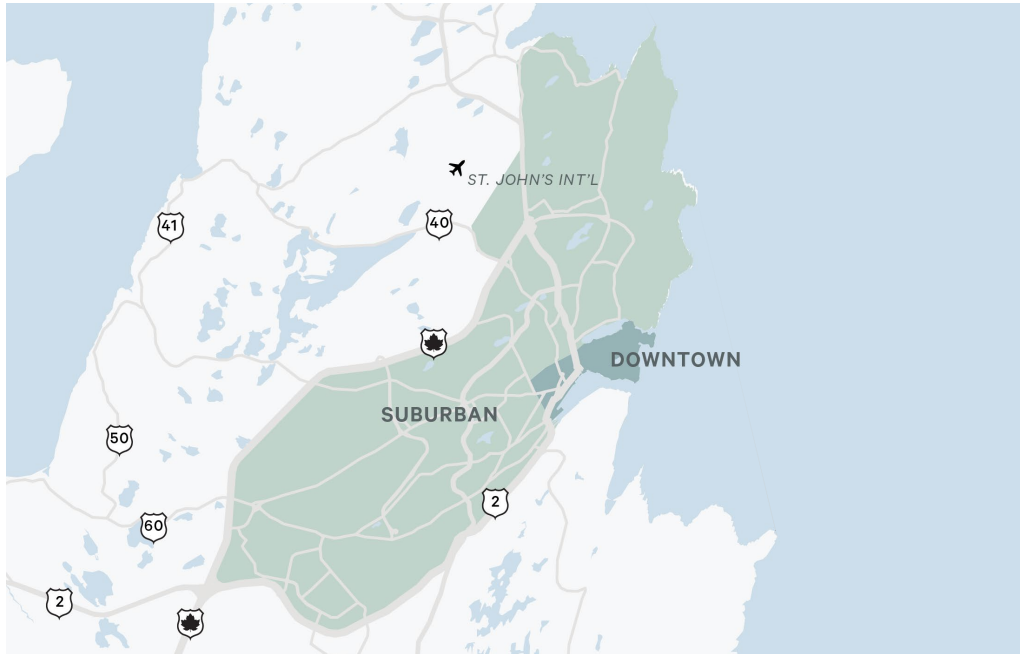
Source: CBRE Research, Q2 2025.

FIGURE 4: Average Net Asking Rental Rate by Class and Submarket (PSF)



Source: CBRE Research, Q2 2025.

Market Area Overview



Definitions

Net Absorption: The change in Occupied sq. ft. from one period to the next. Net Rental Rate: Rent excludes one or more of the "net" costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Vacancy Rate: Total Vacant sq. ft. divided by the total Building Area.

Survey Criteria

Includes office buildings in Downtown and Suburban St. John's. CBRE collects information through telephone conversations and listings received from members of the commercial real estate brokerage community.

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