

## MONCTON: BENDING LIKE A BOW ...



Photograph Courtesy of Moncton Centre-Ville Inc.

... with its arrow pointing at Halifax's heart; that anyway, is how many in the region's largest city perceive it. Why does Moncton, a tiny city that owes its name to a clerical error, engender such envy? Read on ...

### In the Beginning

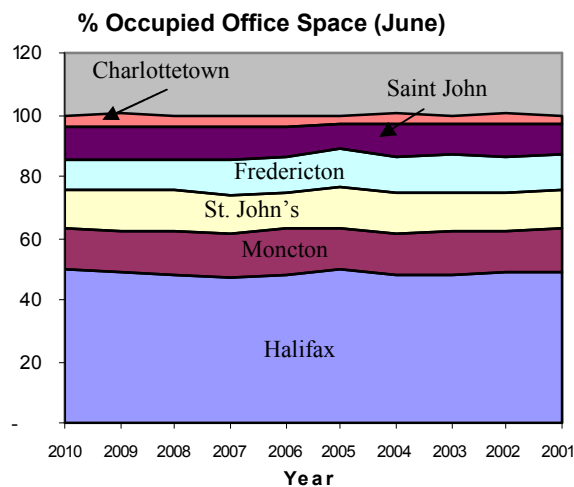
It started with the Mi'kmaq. They first camped here, many centuries ago, on the muddy banks of the Petitcodiac River, as they travelled from their summer home at Shubenacadie, Nova Scotia, to their winter retreat up river at what is now the Village of Petitcodiac, located at the confluence of the Anagance and North rivers. They named their Moncton transit camp "Epetkutogoyek - the river that bends like a bow" in deference to its sharp change in direction from north to south-west. Then, in 1604, the French sailed into the Bay of Fundy with their cartographer Samuel de Champlain. They eschewed the mouths of the Petitcodiac and Saint John rivers in favour of Saint Croix Island in Maine, returning two years later to France. A member of their expedition, Jean de Biencourt, was granted fur trading and fishing privileges by the King of France and founded Port Royal in Nova Scotia. Matters proceeded at a leisurely pace and it was not until 1698 that Pierre Thibodeau, a former resident of Port Royal, founded what is now Shepody, New Brunswick, near Shepody Bay at the mouth of the Petitcodiac River. The French considered the site of Moncton too far inland and it was 1733 before the first families created the tiny settlement of Le Coude, near what is now Halls Creek, in Moncton. They francised the Mi'kmaq "Epetkutogoyek" into "Petitcodiac", an aural rather than literal adoption, as the name of the river and happily settled down to fish, farm, trade and procreate, until the French and British locked horns again, the latter capturing the former's Fortress of Louisburg, Nova Scotia in 1745. (The war had started earlier, in 1739: a Spanish commander had thoughtlessly lopped off a British merchant captain's ear ... it was thus known, in Britain, as the War of Jenkin's Ear). In 1748 the British swapped the Fortress of Louisburg for the City of Madras, in India ... but not for long; the Seven Years War started in 1756, the British

recaptured the Fortress two years later, and blew it up. In 1766 Captain John Hall arrived in Moncton from Pennsylvania, and christened it “Monckton” in honour of his regional British commander. All to naught: in 1855 Monckton was incorporated as a city, a lowly clerk mis-spelled the name and “Moncton” emerged triumphant. Ah, the fickle winds of history; a community born of a sea captain’s missing ear, owes its name to a spelling mistake. Little wonder its presence terrifies Halifax.

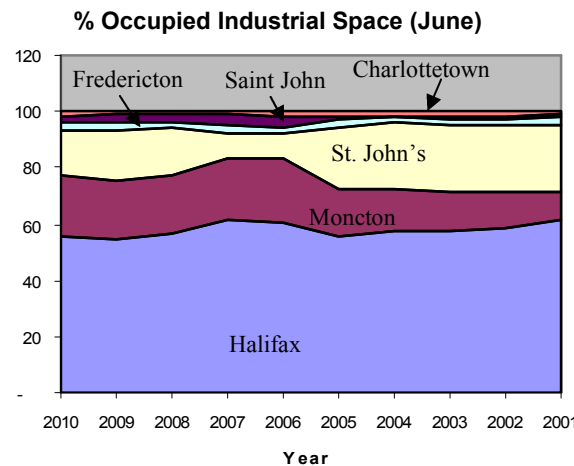
### The Mouse that Roared

True to its motto “Resurgo” (Latin for “rise again”) Moncton has a habit of bouncing back. In 1994, Newsletter ran an article on the city and was impressed with the level of community involvement. It was a community that not only welcomed business, but pulled together to promote it. The public and private sectors worked together with a common purpose. The city had received two body blows, the closure of the T. Eaton Co. warehouse in 1975 and the announcement in 1986 that the CNR was to close its engine repair shops. The Eaton Company closure was a significant emotional event that had galvanized the community into taking the future into their own hands. The CNR decision appeared to reinforce that positive, can do attitude. It is instructive, sixteen years after our original report, to look at the results.

Every six months our Economic Intelligence Unit surveys every office building ( $\geq 10,000$  ft.<sup>2</sup>) and industrial property ( $\geq 20,000$  ft.<sup>2</sup>) available for rent in each of the six major urban areas in Atlantic Canada. This is a multi-year project for the Federal Government and the information generated by the survey is used by their leasing officers to source accommodation. We also provide a copy of each survey to every participant who requests it. Prior to 2006, the brokerage firm Cushman & Wakefield LePage conducted a similar, albeit much smaller survey for the Federal Government. We now survey 750 buildings with an aggregate rentable area of 33 million ft.<sup>2</sup> located in Moncton, Fredericton, Saint John, Charlottetown, HRM and St. John’s. It continues to be the most comprehensive survey conducted in the region and five of our professional staff were engaged in the December phase. We could not do it without the assistance of many who are reading this Newsletter. Many thanks! It is probably the most accurate way of measuring the economic pulse of each of the metropolitan areas: indeed of the Atlantic Region as a whole. So how is Moncton doing?



In June 2010 Greater Moncton captured 14% of the total rental office demand in the Atlantic Region’s six major metropolitan areas, exactly the same percentage as in June 2001. As the stacked area chart indicates the office demand landscape has changed little over past decade. Halifax Regional Municipality is still the dominant player, capturing 49% of the total demand. Round one, to Halifax.



It is a much different story however when it comes to industrial demand. In June 2001, Moncton was able to capture 10% of total demand, well ahead of Fredericton at 2%, and Saint John at 1%. However during the past decade it has roared ahead until, in June 2010, it had captured 21% of total demand. Halifax Regional Municipality meanwhile had lost ground, sinking from 61% of total demand down to 55%. Round two to Moncton.



Year	Household Income/Unemployment			
	Halifax		Moncton	
	Average Hse. Income	Unempl. Rate (%)	Average Hse. Income	Unempl. Rate (%)
2010	75,676	5.0	68,819	4.70
2009	73,400	5.3	67,494	4.20
2008	71,000	4.6	63,925	4.90
2007	70,300	5.1	62,762	5.80
2006	65,300	5.5	58,729	5.80
2005	65,000	6.0	57,374	6.60
2004	63,700	6.5	57,413	6.80
2003	65,400	6.3	53,691	6.80
2002	65,400	5.8	52,613	7.00
2001	64,000	4.2	51,289	6.00
2000	50,540	8.3	45,551	10.60

Source: Financial Post Survey of Markets


Average Household Income has grown from \$45,551 per year in 2000 to \$68,819 today, in Moncton, an increase of 51%. During that same period unemployment has fallen from 10.6% to 4.7%, an impressive performance. Halifax Regional Municipality Average Household Income has grown from \$50,540 per year to \$75,676 today; an increase of 50%. Unemployment has fallen from 8.3% to 5.0%. Round three to Moncton.

Year	Investment (Building Permits)		
	Six Cities Total	Halifax \$	Moncton \$
2009	\$1,584,622,765	\$ 681,578,000	\$ 314,814,000
2008	\$1,682,335,414	\$ 731,904,000	\$ 249,324,000
2007	\$1,437,496,419	\$ 672,090,000	\$ 232,007,000
2006	\$1,501,292,383	\$ 696,721,000	\$ 241,222,000
2005	\$1,363,356,492	\$ 627,487,000	\$ 225,113,000
Total	\$7,569,103,473	\$3,409,780,000	\$ 1,262,480,000

Source: Financial Post Survey of Markets

Over the past five years investment, as measured by the value of building permits, has grown steadily each year in Moncton from \$225,113,000 to \$314,814,000. Moncton's share of the building investment in the six cities has grown from 17% of the total to 20%. Halifax Regional Municipality's share has increased from \$627,487,000 (2005) to \$681,578,000 (2009): a decrease from 46% of the total for the six metropolitan areas in Atlantic Canada to 43%. Over the five years Moncton has captured 17% of the regional cities' total investment versus 45%

for Halifax Regional Municipality ... not bad for a little city with just 32% of HRM's population. Round four: Moncton wins on points.

 For more information on our Market Surveys and the antics of our Economic Intelligence Unit visit our web site [www.turnerdrake.com](http://www.turnerdrake.com) and watch the video (Splash Page → Economic Intelligence Unit). To order a December 2010 Market Survey call Ashley Urquhart toll free at 1-800-567-3033 (429-1811 in HRM, 634-1811 in Saint John).