

# Halifax, Nova Scotia

## Industrial Q1 2022

YoY Chg 12-Mo. Forecast

**3.8%**

Vacancy Rate



**14,468**

Net Absorption, SF



**\$8.40**

Asking Rent, PSF



Overall, Net Asking Rent

### ECONOMIC INDICATORS Q1 2022

YoY Chg 12-Mo. Forecast

**241.8K**

Halifax Employment



**5.4%**

Halifax Unemployment Rate



**5.3%**

Canada Unemployment Rate



Source: Statistics Canada

### ECONOMIC OVERVIEW

Nova Scotia's economy continued to see growth in the early stages of 2022, as the province is still on schedule for a 2.0-2.5% GDP increase this year. This occurred despite the Omicron variant restrictions that were still in place during January of this year. Employment for Nova Scotia was up 0.6% from January to February as positive gains throughout many industries were seen, including, finance, insurance, real estate, and manufacturing. If this trend continues, the province is poised to yet again see yearly growth surpass earlier predictions. Nova Scotia consistently saw population growth pre-pandemic, which has been a source of growth and continues to be, as the population appears to be on the rise for 2022, even with a cooled interprovincial migration when compared to 2021. A healthy population increase should bode well for the construction industry which is already being bolstered by the QEII expansion project, and the Cogswell residential development. Exports have yet again been a strong point for the province, and appear to be doing so yet again, as U.S. economic growth should benefit the sector. The auto sector is also ready for activity improvements and should help boost the province's ever-important tire manufacturing industry.

Nova (Sources: Statistics Canada, RBC, TD Economics)

### SUPPLY AND DEMAND

Nova Scotia's overall industrial market saw a slight change in vacancy during the first quarter of 2022, as vacancy declined to 3.8%, for a 10-basis point (bps) decrease from the previous quarter's vacancy rate of 3.9%. Many of the submarkets remained relatively quiet in the first quarter of 2022, as the Bedford and Halifax submarkets were the only submarkets to see a change. Bedford vacancy was down by 60 bps quarter-over-quarter to 3.3% in the first quarter of 2022, due to the activity within the Bedford Trademart that saw space returned to the market and over 2,000 square feet (sf) taken off the market at 20 Duke Street. The Halifax submarket experienced a relatively larger decrease, as vacancy dropped by 250 bps from the previous quarter to 2.8% in the first quarter of 2022. This change is due in large part to activity at 3600-3606 Strawberry Hill, along with 3667 Strawberry Hill – which saw a combined 12,000 sf of positive absorption as undisclosed tenants moved into new space. Despite remaining at a vacancy rate of 4.1%, the Burnside submarket saw a sizeable amount of activity, both positive and negative, and finished the first quarter of 2022 with just 1,561 sf of positive absorption, due in large part to the vacancy left at 71 Thornhill Drive by Nova Cold Storage. The vacancy rate of the remaining submarkets was unchanged during the first quarter of 2022 when compared to the previous quarter.

### PRICING

Overall average net rents in Nova Scotia's industrial market were up by a staggering \$0.40 per square foot (psf) during the first quarter of 2022, as rates jumped from \$8.00 psf in the previous quarter to \$8.40 psf. This change was from the overall changes seen in the Burnside and Halifax submarkets, as Burnside experienced a sizeable increase in net rents when compared to last quarter, increasing by \$0.44 psf to \$8.34 psf. The Halifax submarket saw a slightly smaller change climbing from \$7.84 psf last quarter to \$8.19 psf in the first quarter of 2022, for a \$0.35 psf quarter-over-quarter change. All remaining markets remained unchanged during the first quarter of 2022.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & NET ASKING RENT



## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT	OVERALL WEIGHTED AVG ADD. RENT	OVERALL WEIGHTED AVG GROSS RENT
Atlantic Acres Industrial Park	203,014	0	0.0%	0	0	0	0	\$6.25	\$3.84	\$10.10
Bayers Lake	249,739	3,004	1.2%	0	0	0	0	\$9.07	\$7.38	\$16.45
Bedford	94,819	3,083	3.3%	639	639	0	0	\$16.54	\$6.75	\$23.29
Burnside	7,169,934	290,246	4.0%	1,561	1,561	151,200	0	\$8.34	\$5.47	\$13.81
Halifax	493,711	13,830	2.8%	12,268	12,268	0	0	\$8.19	\$5.49	\$13.69
Ragged Lake Business Park	36,000	1,356	3.8%	0	0	0	0	\$10.00	\$5.15	\$15.15
Sackville	27,300	0	0.0%	0	0	0	0	\$7.35	\$4.68	\$12.03
<b>HALIFAX TOTALS</b>	<b>8,274,517</b>	<b>311,519</b>	<b>3.8%</b>	<b>14,468</b>	<b>14,468</b>	<b>151,200</b>	<b>0</b>	<b>\$8.40</b>	<b>\$5.50</b>	<b>\$13.91</b>

## KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
35 Williams Avenue	Dartmouth	Amspec Services Canada Ltd	7,535	Lease

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
61 Sterns Court	Dartmouth		13,280	\$2.9 M / \$218.37

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