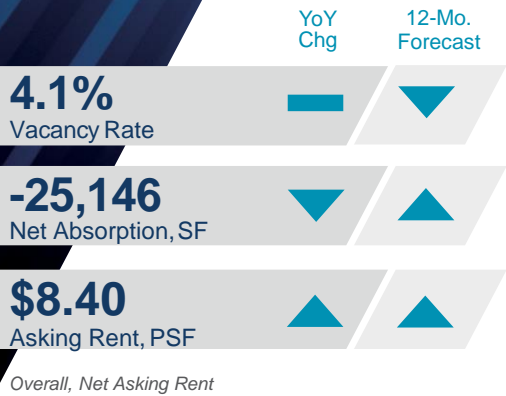
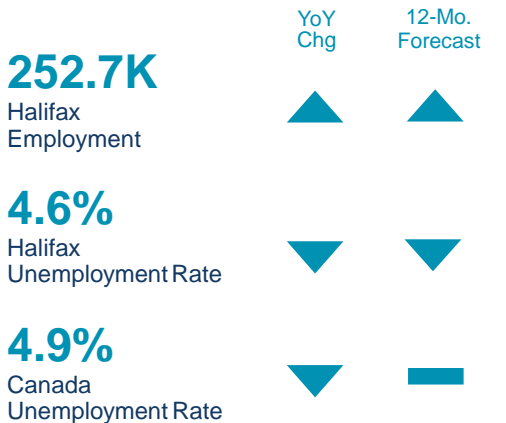


# Halifax, Nova Scotia

## Industrial Q2 2022



### ECONOMIC INDICATORS Q2 2022



Source: Statistics Canada

### ECONOMIC OVERVIEW

Nova Scotia's economy began to see diminishing growth during the second quarter of 2022, as the provincial forecasts were tightened from 2.0%-2.5% GDP growth to 1.9%-2.1%. Despite the resumption of activity within the province's tourism industry, this forecast reflects how well the province recovered from the pandemic. Ultimately leaving less headway to make up during 2022. Employment growth for Nova Scotia is up with a forecasted 3.3%-3.5% increase in 2022. Population growth within the province is also up in the second quarter of 2022 and forecasted to increase throughout the year as immigration rises. This population increase should bode well for the construction industry, which is already being bolstered by the QEII expansion project and the Cogswell residential development. Although, interprovincial migration may begin to slow as interest rate hikes and remote work options should soften activity in the housing market through the remainder of the year. Additionally, exports have once again been a catalyst for the province, as the Halifax harbor should benefit from U.S. economic growth. Specifically, Nova Scotia's tire manufacturing industry will be boosted by the increasing activity in the automotive sector. Lastly, rising energy costs for residents, soaring fuel prices for commuters and inflation sitting above the national average at 6.1% will begin to put pressure on household budgets. This should slow consumption in the latter half of 2022 but will help the combat the inflation curve going forward. (Sources: Statistics Canada, RBC, TD Economics)

### SUPPLY AND DEMAND

Nova Scotia's Industrial market saw a slight increase in vacancy during the second quarter of 2022, as vacancy rose by 30 basis points (bps) from the previous quarter and now sits at 4.1%. Many of the submarkets remained relatively quiet in the second quarter of 2022, as overall vacancy within the Atlantic Acres, Ragged Lake and Sackville markets was unchanged this quarter. Larger submarkets such as Halifax, Bedford and Burnside however, experienced material changes in their availability. The Halifax submarket experienced a relatively large increase of 110 bps, as vacancy corrected from its 250-basis point decrease in the first quarter of 2022, landing at 3.9% in the second quarter. This change is due in part to activity seen at the Brunswick Place Warehouse as a combined area of 13,000 square feet (sf) became available this quarter. Bedford's vacancy declined once again this quarter shifting by 120 bps quarter-over-quarter to 2.0%, due to the activity within the Bedford Trade Mart. Lastly, the Burnside submarket saw a sizeable amount of activity, both positive and negative, and finished the second quarter of 2022 with 23,831 sf of negative absorption, due in large part to the vacancy at 122 Dorey Avenue, 10 Morris Drive and 21 McCurdy Avenue. This ultimately led to an increase in the overall vacancy rate within Burnside, shifting upwards by 20 bps from 4.0% to 4.2% in the second quarter.

### PRICING

Overall average net rents in Nova Scotia's industrial market held at \$8.40 per square foot (psf) during the second quarter of 2022, after rates rose by \$0.40 psf in the first quarter of 2022. The overall net rental rate held steady despite a minor decrease in the Burnside net rental rate which moved from \$8.34 psf to \$8.33 psf in the second quarter. All of the rents in the remaining markets remained unchanged in the second 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	0	0.0%	3,004	3,004	0	0	\$9.07	\$7.38	\$16.45
Bedford	94,819	1,854	2.0%	1,229	1,868	0	0	\$16.54	\$6.75	\$23.29
Burnside	7,169,934	314,077	4.4%	-23,831	-22,270	151,200	0	\$8.33	\$5.47	\$13.80
Halifax	493,711	19,378	3.9%	-5,548	6,720	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>336,665</b>	<b>4.1%</b>	<b>-25,146</b>	<b>-10,678</b>	<b>151,200</b>	<b>0</b>	<b>\$8.40</b>	<b>\$5.50</b>	<b>\$13.90</b>

## KEY LEASE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
12-26 Borden Avenue	Burnside	Benjamin Moore & Co. Ltd.	12,988	Lease
100 Wright Avenue	Burnside	ALS Canada Ltd.	9,624	Lease

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
PRO REIT & Crestpoint Deal	Dartmouth	Confidential	3,100,000 (41 Office & Industrial Properties)	\$227,000,000

**BILL MACAVOY**

Managing Director

+1 902 425 1872 / [bmacavoy@cwatlantic.com](mailto:bmacavoy@cwatlantic.com)

**CAMERON BELL HARDING**

Research Coordinator

+1 902 334 2169 / [charding@cwatlantic.com](mailto:charding@cwatlantic.com)

[cwatlantic.com](http://cwatlantic.com)

**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in over 400 offices and 60 countries. In 2021, the firm had revenue of \$9.4 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

©2022 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.