

Q1 2021

Halifax

Industrial Market Report

Net Absorption

This Quarter	Previous Quarter
226.3K SF	145.4K SF
12-Month Absorption	3-Year Quarterly Avg.
448K SF	83K SF

Vacancy

This Quarter	Year-over-Year
5.0%	↓ 470 bps

Asking Gross Rent

This Quarter*	Year-over-Year
\$14.50 PSF	↑ 8.9%

Development

Under Construction	New Supply
0 SF	68,508 SF

*Weighted Average
Colliers International (Nova Scotia) Inc.

Market Outlook

After another impressive quarter, the Halifax Industrial Market has proven strong through Q1 2021, carrying the same momentum reflected in Q4 2020. Demand continues to be unabated as vacancy rates deep dive by 130 basis points (bps) to 5.0% and 470 bps year-over-year (YoY).

Burnside led the market in activity this quarter. The sought-after industrial park saw 242,899 square feet in positive absorption, producing an impressive vacancy rate drop of 170 bps in the last quarter alone.

With vacancy hitting remarkable lows, developers are harnessing the unwavering demand, adding new, flexible supply to the market. Stevens Group completed their North Ridge II space this quarter, adding an additional 68,508 SF of opportunity to the Burnside community.

Halifax is the fastest growing city in Canada and currently ranked by Maclean's as the #1 City in Canada. The change in lifestyle and work-from-home shift created by the pandemic led Nova Scotia to become the second-fastest growing province in Canada, attracting attention from

both individuals and multi-national companies. Nova Scotia's reliable transportation infrastructure and ease of international connectivity have proven increasingly desirable amid the pandemic for distribution centres and manufacturers alike.

Most notably, Amazon purchased 215,108 SF for more than \$15M this quarter, taking advantage of the incredibly accessible, affordable, and growing market on the east coast.

Nova Scotia has recently announced that retail and fitness facilities can return to 100% capacity and borders between Atlantic provinces – including N.L. – will open without 14-day quarantine. The aforementioned factors provide exciting financial and operational opportunity for businesses and boost overall activity.

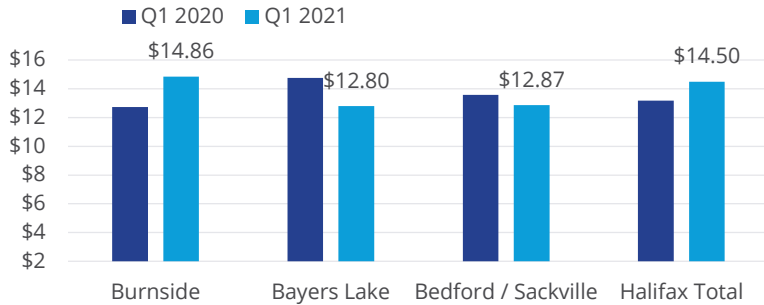
As we move through 2021, experts optimistically anticipate continued high demand for quality industrial space, stable growth in rental rates, healthy competition and a desire for additional development in Halifax's rapidly growing industrial parks.

Accelerating success.

Market Overview

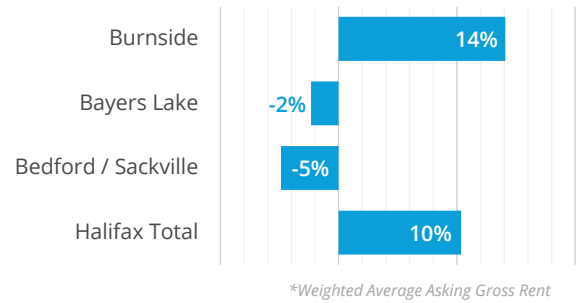
01 Rental Rates by Market

Weighted Average Asking Gross Rent (PSF)



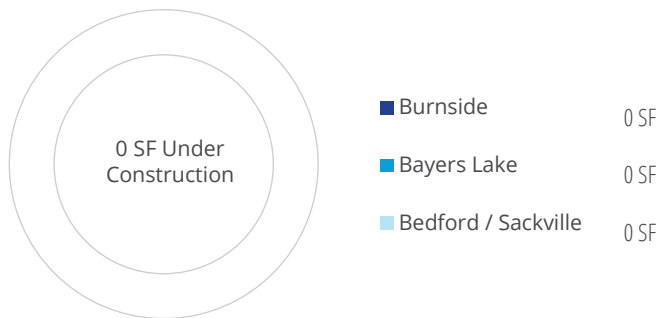
02 Rental Rate Growth*

By Market | Q1 2020 – Q1 2021



03 Under Construction by Market

By Building Area (SF)



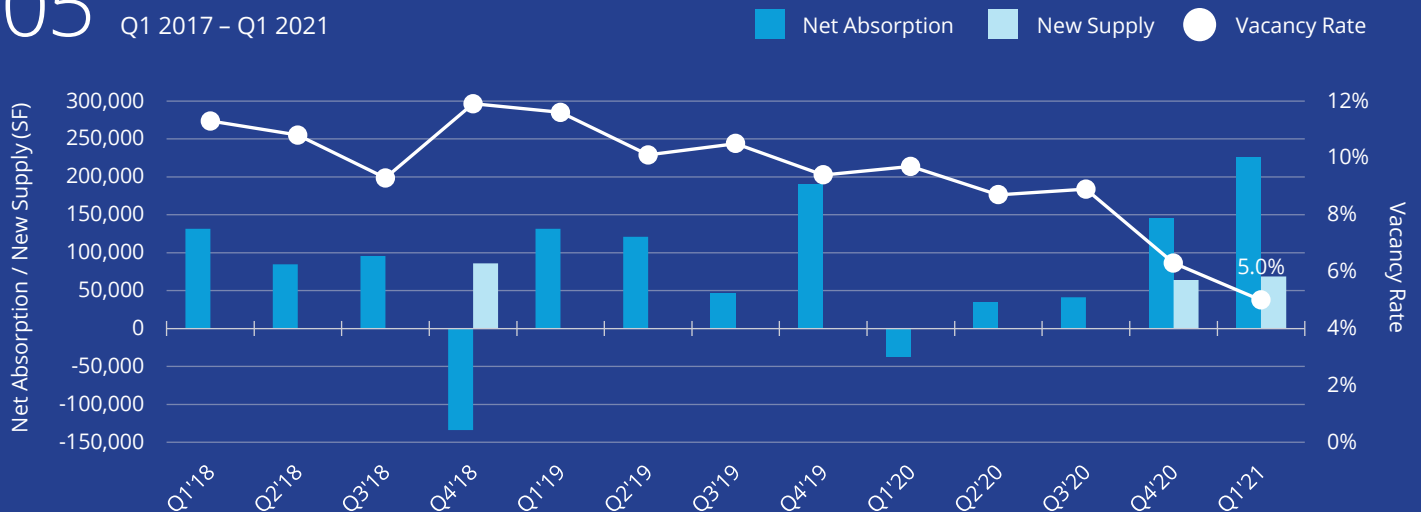
04 Vacancy Rate

By Market | Q1 2020 – Q1 2021

Burnside	4.6%	↓	from 8.2% Q1'20
Bayers Lake	10.9%	↓	from 17.3% Q1'20
Bedford / Sackville	3.2%	↓	from 16.8% Q1'20
Halifax Total	5.0%	↓	from 9.7% Q1'20

05 Historical Overview

Q1 2017 – Q1 2021



Market Statistics & Transaction Highlights

	Burnside	Bayer's Lake	Bedford / Sackville	Halifax Total
Number of Buildings	160	17	23	200
Total Inventory	7,234,962 SF	664,128 SF	455,269 SF	8,354,359 SF
Direct Vacancy	335,169 SF (4.6%)	59,696 SF (9.0%)	14,748 SF (3.2%)	409,613 SF (4.9%)
Sublease Vacancy	0 SF (0.0%)	12,359 SF (1.9%)	0 SF (0.0%)	12,359 SF (0.1%)
Total Vacant Space	335,169 SF	72,055 SF	14,748 SF	421,972 SF
Vacancy Rate (Current Q)	4.6%	10.9%	3.2%	5.0%
Vacancy Rate (Previous Q)	6.3%	8.9%	2.5%	6.3%
Net Absorption	242,899 SF	-13,060 SF	-3,535 SF	226,304 SF
New Supply	0 SF	0 SF	0 SF	0 SF
Under Construction	68,508 SF	0 SF	0 SF	68,508 SF

Notable Transactions

Type	Tenant	Building Name / Address	Market	Size (SF)
Sale	Amazon Canada Fulfillment Services, ULC	40 Oland Court	Burnside	215,108
Sale	O'Regan Properties Limited	41 Akerley Boulevard	Burnside	40,750
Sale	Hallandale Properties	211 John Savage Avenue	Burnside	25,300
Sale	M.G. Nagle Holdings Ltd.	1 Morris Drive	Burnside	12,795

Notable Developments

Building Name / Address	Market	Building Status	Size (SF)	Est. Completion	Owner / Developer
North Ridge II / 36 Ramona Crt	Burnside	Completed	68,508	Q1 2021	Stevens Group

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