

Q2 2021

Halifax

Industrial Market Report

Net Absorption

This Quarter	Previous Quarter
77K SF	226.3k SF
12-Month Absorption	3-Year Quarterly Avg.
489K SF	80K SF

Vacancy

This Quarter	Year-over-Year
3.1%	↓ 556 bps

Asking Gross Rent

This Quarter*	Year-over-Year
\$15.65 PSF	↑ 20%

Development

Under Construction	New Supply
90K SF	19.3K SF

*Weighted Average
Colliers International (Nova Scotia) Inc.

Market Outlook

Despite the pandemic, the Halifax industrial vacancy rate dropped to an all-time low of 3.1% by the end of Q2 2021, down an impressive 190 basis points from the previous quarter's vacancy rate of 5.0%. Limited supply and unabated demand have led to another impressive drop in industrial vacancy rates across all Halifax submarkets, with the exception of Bedford/Sackville which saw a slight increase.

Burnside, Halifax Regional Municipality's (HRM) key industrial park, led the industrial market in leasing activity during the quarter. This sought-after industrial park saw positive absorption of 30,675 square feet in Q2 and continued its impressive quarterly trend of diving vacancy rates. With Burnside's vacancy rate hitting a historic low of 2.6%, developers are eager to invest in adding new supply to meet Burnside's booming demand.

The Bayers Lake Business Park observed a vacancy rate drop, with a reported vacancy rate of 7.8% compared to 10.9% in Q1 2021. However, the Bedford/Sackville submarket saw a slight increase in vacancy rates of 1.5%.

The cost to lease industrial space has climbed in the past quarter, landing at an average net rate of \$9.32 per square foot, an increase of 10.8% since the start of 2021. This can be attributed to both new supply and the rental rents rising across all asset classes. This trend of rising industrial rents is consistent with the national trends.

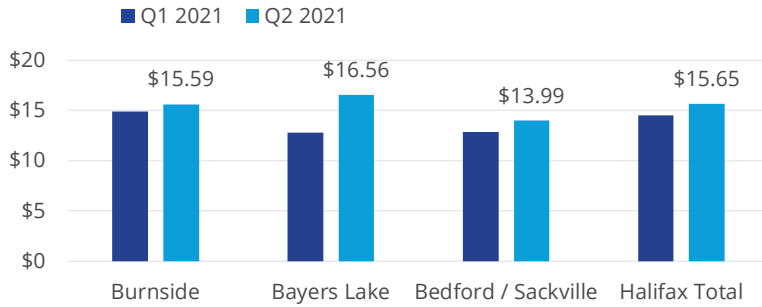
With Halifax growing rapidly, COVID-19 cases dropping, travel restrictions lifting within the Maritime provinces, and regional and global economic certainty returns to the market, we are expecting the industrial market to remain tight for the foreseeable future.

Accelerating success.

Market Overview

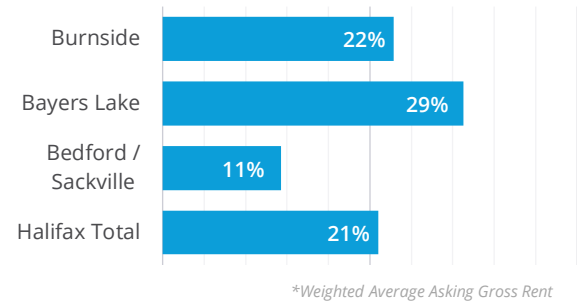
01 Rental Rates by Market

Weighted Average Asking Gross Rent (PSF)



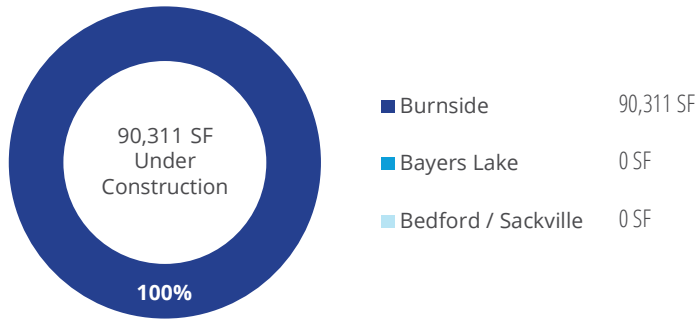
02 Rental Rate Growth*

By Market | Q2 2020 – Q2 2021



03 Under Construction by Market

By Building Area (SF)



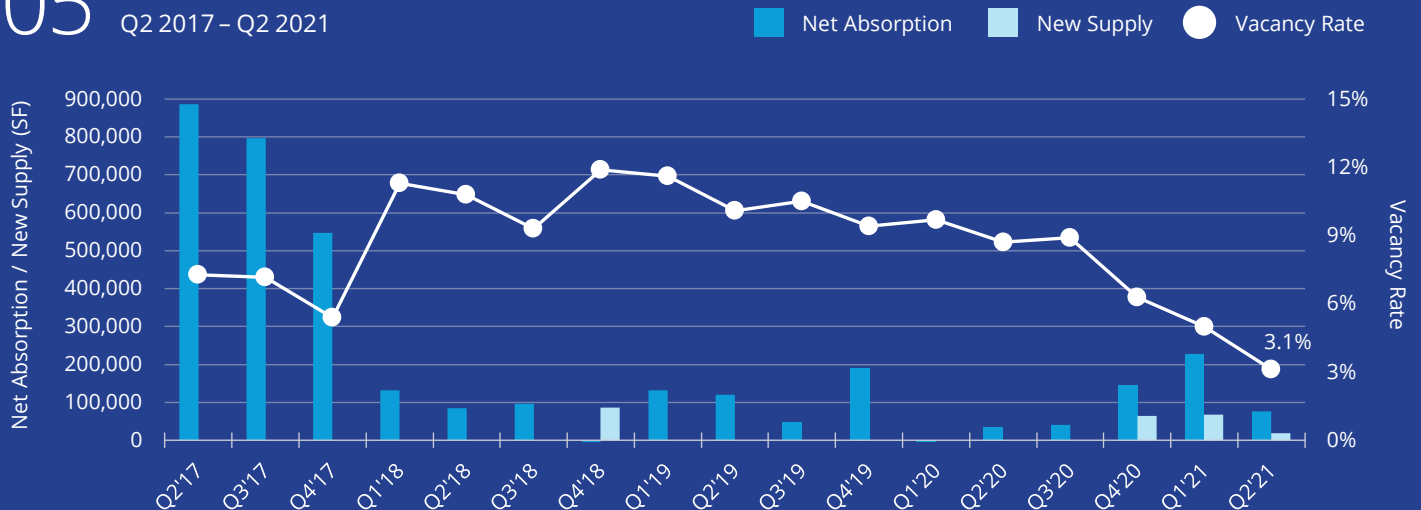
04 Vacancy Rate

By Market | Q2 2020 – Q2 2021

Burnside	2.6%	↓	from 7.4% Q2'20
Bayers Lake	7.8%	↓	from 22.6% Q2'20
Bedford / Sackville	4.7%	↓	from 8.0% Q2'20
Halifax Total	3.1%	↓	from 10.1% Q2'20

05 Historical Overview

Q2 2017 – Q2 2021



Market Statistics & Transaction Highlights

	Burnside	Bayer's Lake	Bedford / Sackville	Halifax Total
Number of Buildings	160	17	23	200
Total Inventory	7,254,319 SF	664,128 SF	454,950 SF	8,373,397 SF
Direct Vacancy	189,952 SF (100%)	39,184 SF (76%)	21,149 SF (100%)	250,285 SF (95.3%)
Sublease Vacancy	0 SF (0.0%)	12,359 SF (24%)	0 SF (0.0%)	12,359 SF (4.7%)
Total Vacant Space	189,952 SF	51,543 SF	21,149 SF	262,644 SF
Vacancy Rate (Current Q)	2.6%	7.8%	4.7%	3.1%
Vacancy Rate (Previous Q)	2.9%	10.9%	3.2%	5.0%
Net Absorption	30,675 SF	32,871 SF	-6,401 SF	76,502 SF
New Supply	19,357 SF	00,000 SF	00,000 SF	19,357SF
Under Construction	0 SF	0 SF	0 SF	0 SF

Notable Transactions

Type	Tenant	Building Name / Address	Market	Size (SF)
Sale	Private Tenant	2631 Clifton Street, Nova Scotia	Halifax	5,000
Sale	Private Tenant	15 Neptune Crescent, Nova Scotia	Dartmouth	2,500
Lease	Private Tenant	340 Wright Avenue, Nova Scotia	City of Lakes	10,490
Lease	Private Tenant	320 Wright Avenue, Nova Scotia	City of Lakes	6,671

Notable Developments

Building Name / Address	Market	Building Status	Size (SF)	Est. Completion	Owner / Developer
90 Higney Avenue	Burnside	Under Construction	21,803	Q3 2021	Jetco Holding

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For more information on the Halifax Industrial Market, please contact:

Greg Taylor, SIOR
Managing Director &
Broker, Halifax
+1 902 422 1423
greg.taylor@colliers.com

Report Author:
William Wang
Research Coordinator
+1 902 442-8718
william.wang@colliers.com

Report Contributors:

Janice Mitchell
President
+1 902 422 1425
janice.mitchell@colliers.com

Greg Brewster
Senior Vice President
+1 902 423 3911
greg.brewster@colliers.com

Linda Harrie
Senior Vice President
+1 902 425 4396
linda.harrie@colliers.com

Aaron Ferguson
Vice President
+1 902 442 8707
aaron.ferguson@colliers.com

Betsy Thompson
Senior Marketing and Client
Project Coordinator
+1 902 442 5087
Betsy.Thompson@colliers.com

Gabrielle Bailey
Marketing and Client Project
Coordinator
+1 902 442 8705
Gabrielle.bailey@colliers.com

Colliers Canada | Halifax
Colliers International (Nova Scotia) Inc.
202 Brownlow Avenue, Suite 610, Dartmouth, NS, B3B 1T5
+1 902 422 1422

collierscanada.com/research



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