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HALIFAX IS NOW LEADING THE MARITIMES WITH THE OVERALL LOWEST OFFICE VACANCY RATE What changed?

Halifax is now leading the Maritimes with the overall lowest vacancy rate, but what changed? Halifax's office vacancy rate increased by 0.11 percentage points; however the remaining city centres in the Maritimes noticed even higher increases. That is the conclusion from the latest of six rental surveys recently completed by Halifax real estate counsellors Turner Drake & Partners Ltd.

The surveys are thought to be the most comprehensive ever conducted in HRM: a team of trained researchers collected rental, operating expense and vacancy data for 292 buildings, some as small as 5,000 square feet, with an aggregate rentable area of over 18.0 million square feet.

Halifax's office rental market is maintaining a healthy status quo: the overall vacancy rate increased slightly from 7.64% in 2010 to 7.75% in 2011 in part due to vacancy in Class C office space increasing by 4.25 percentage points over the past year. The overall increase in net rental rates from 2010 is 2.78%, of which Class C office space had the highest increase of 4.25%. The average rental rate in the Halifax office market now sits at \$13.69/ft.² up from \$13.32/ft.² in 2010. Turner Drake anticipates the overall office vacancy rate will increase to 9.03% in the next year, driven by increases in supply of rental space outpacing the increased demand.

Halifax's industrial market showed an increase in the vacancy rate and is now sitting at 8.22%, up from 6.72% in 2010. The net rental rate in the Halifax industrial market now averages \$7.30/ft.², increasing from \$7.04/ft.² in 2010. Turner Drake anticipates that the overall vacancy rate will rise slightly to 8.32% from the current 8.22% as supply increases. Despite the predicted increase in the vacancy rate, a slight increase in net rent/ft² is expected.

Turner Drake & Partners Ltd. is a multi-disciplinary firm of real estate consultants offering valuation, property tax, counselling, economic intelligence, and Lasercad™ space measurement advice throughout Atlantic Canada; together with brokerage (sales and leasing) services in Nova Scotia, New Brunswick and Prince Edward Island.

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If you would like more information about this topic, or wish to schedule an interview with Ashley Urquhart, please call her at (902) 429-1811 ext. 340 or email aurquhart@turnerdrake.com.