

# MARKET SURVEY (DECEMBER 2012) H.R.M. WAREHOUSE

## Scope

This survey included every warehouse building with a total rentable area of 5,000 ft.<sup>2</sup> or greater, available for rent in the Halifax Regional Municipality. A team of trained researchers collected rental, operating expense and vacancy data on 148 buildings with an aggregate rentable area of 7,649,738 ft.<sup>2</sup>. The survey successfully collected information on 93% of the rental stock polled. The following results flow from what we believe is the most comprehensive survey of warehouse space ever undertaken in Greater Halifax.

## Vacancy Rates

The vacancy rate excludes any space available for sub-lease: it is the total amount of space which is vacant and not currently leased. The vacancy rate in H.R.M. decreased 0.21 percentage points from the 2011 level. The current overall vacancy rate is 7.27%, down from 7.48% last year.

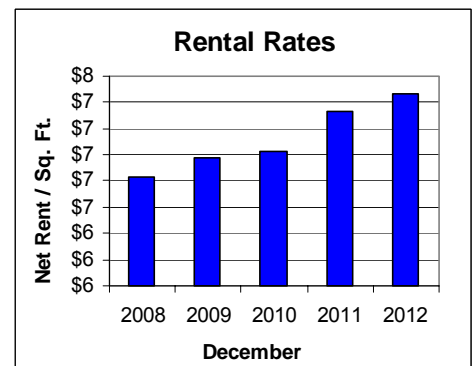
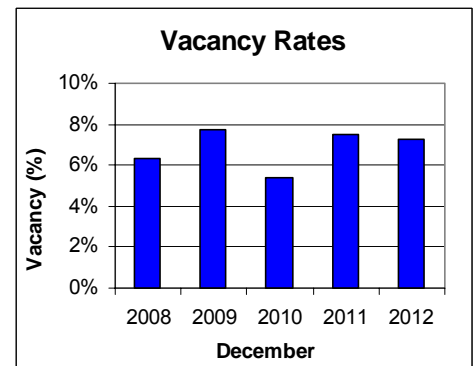
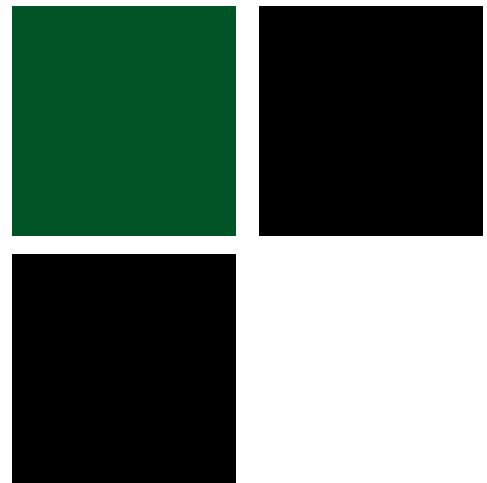
Our survey measured the vacancy rate by geographic node. The current vacancy rate in each of the following locations is: Atlantic Acres Industrial Park 1.75%; Bayers Lake Industrial Park 3.81%; Bedford 2.40%; Burnside/City of Lakes Industrial Park 7.71%; Central Halifax 7.92%; Sackville Industrial Park 8.88%.

Our survey also measured rental rates. Industrial properties in the H.R.M saw overall net absolute rent/ft.<sup>2</sup> increase by 1.91% year over year. The average overall net rental rates/ft.<sup>2</sup> in each of the following locations are: Atlantic Acres Industrial Park \$6.47; Bayers Lake Industrial Park \$11.00; Bedford \$11.00; Burnside/City of Lakes Industrial Park \$7.05; Central Halifax \$7.51; Sackville Industrial Park \$11.00.

Our survey includes all the major centres in Atlantic Canada. The overall warehouse vacancy rate by location is as follows: Greater Fredericton 14.39%; Greater Saint John 5.91%; Greater Moncton 6.95%; Greater St. John's 4.36%; Halifax Regional Municipality 7.27%; Greater Charlottetown 16.50% .

## Forecast (Next 12 months)

We anticipate that the overall vacancy rate will decrease to 6.19% from the current 7.27% as market absorption outpaces additions to supply. A moderate increase of 2.00% in the overall net absolute rent/ft.<sup>2</sup> is also projected.



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