

MARKET SURVEY (JUNE 2013)

H.R.M. WAREHOUSE

Scope

This survey included every warehouse building with a total rentable area of 5,000 ft.² 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 7,648,364 ft.². The survey successfully collected information on 100% 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

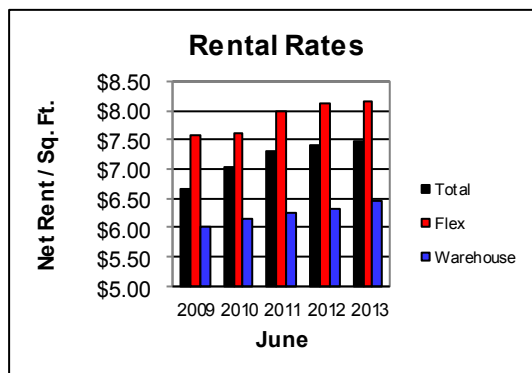
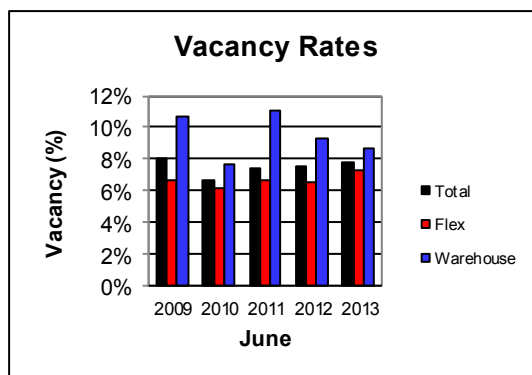
The vacancy rate excludes any space available for sub-lease: it is the total amount of space which is vacant and not currently leased. The overall vacancy rate in H.R.M. increased from 7.48% in 2012 to 7.75% in 2013.

Our survey also measured vacancy rates by geographic node. Vacancy rates increased across five of the seven geographic nodes over the year. The current vacancy rate in each of the following locations is: Atlantic Acres Industrial Park 24.96%; Bayers Lake Industrial Park 21.69%; Bedford 5.95% Burnside/City of Lakes Industrial Park 6.00%; Central Halifax 7.92%; Ragged Lake Industrial Park 13.72%; Sackville Industrial Park 8.88%.

Our survey also measured rental rates. Industrial properties in the H.R.M saw the overall net absolute rent/ft.² increase by 0.94% over last year, to \$7.48/ft.². The average overall net rental rates/ft.² in each of the following locations are: Atlantic Acres Industrial Park \$6.57; Bayers Lake Industrial Park \$11.16; Bedford \$11.00; Burnside/City of Lakes Industrial Park \$7.02; Central Halifax \$7.69; Ragged Lake Industrial Park \$7.50; Sackville Industrial Park \$11.00.

Forecast (Next 12 months)

We anticipate that the overall vacancy rate will decrease to 7.38% from the current 7.75% as the market absorbs additional supply. A moderate increase of 1.90% in the overall net absolute rent/ft.² is also projected.



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