

MARKET SURVEY (JUNE 2015)

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 7,697,847 ft.². The survey successfully collected information on 95% 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

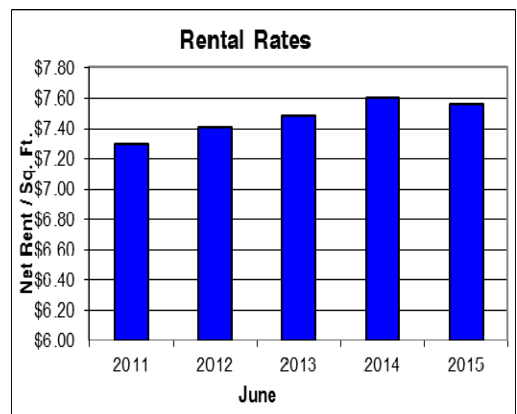
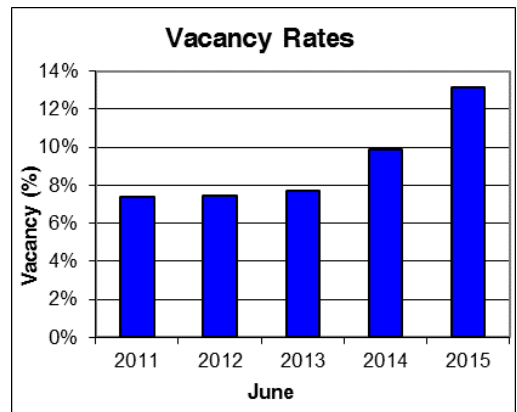
The vacancy rate excludes any space available for sub-lease: it is the total amount of space which is vacant and not currently leased. The vacancy rate in H.R.M. increased from 9.86% in 2014 to 13.12%, driven by increased vacancy across nearly all H.R.M. industrial parks.

Our survey measured the vacancy rate by geographic node. The current vacancy rate in each of the following locations is: Atlantic Acres Industrial Park 43.77%; Bayers Lake Industrial Park 22.45%; Bedford 23.73% Burnside/City of Lakes Industrial Park 11.57%; Central Halifax 10.34%; Ragged Lake Industrial Park 0%; Sackville Industrial Park 0%.

Our survey also measured rental rates. Industrial properties in H.R.M saw the overall net absolute rent/ft.² decrease by 0.53% year over year. The average overall net rental rates/ft.² in each of the following locations are: Atlantic Acres Industrial Park \$6.77; Bayers Lake Industrial Park \$10.59; Bedford \$11.20; Burnside/City of Lakes Industrial Park \$7.16; Central Halifax \$7.55; Ragged Lake Industrial Park \$7.50; Sackville Industrial Park \$9.50.

Forecast (Next 12 months)

We anticipate that the overall vacancy rate will increase slightly to 13.42% from the current 13.12%, resulting from a slight decrease in demand. This is expected to result in the overall net absolute rental rate remaining unchanged.



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