MARKET SURVEY (DECEMBER 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 7,661,818 ft.². The survey successfully collected information on 98% 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.



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 11.16% in 2014 to 13.78%, driven largely by increased vacancy in Burnside Industrial Park, the main supplier of warehouse space in H.R.M.

Our survey measured the vacancy rate by geographic node. The current vacancy rate in each of the following locations is: Atlantic Acres Industrial Park 29.79%; Bayers Lake Industrial Park 23.23%; Bedford 15.47% Burnside/City of Lakes Industrial Park 12.73%; Central Halifax 10.52%; Ragged Lake Industrial Park 0%; Sackville Industrial Park 30.49%.

Our survey also measured rental rates. Industrial properties in H.R.M saw the overall net absolute rent/ft.² increase by 1.19% year over year, to \$7.64/ft² The average overall net rental rates/ft.² in each of the following locations are: Atlantic Acres Industrial Park \$7.42; Bayers Lake Industrial Park \$11.20; Bedford \$11.20; Burnside/City of Lakes Industrial Park \$7.18; Central Halifax \$7.55; Ragged Lake Industrial Park \$7.50; Sackville Industrial Park \$9.83.

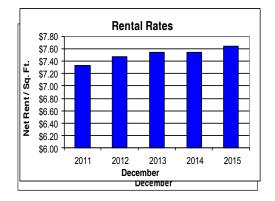
Forecast (Next 12 months)

We anticipate that the overall vacancy rate will rise to 14.04% from the current 12.65%, resulting from a decrease in demand. There will be a 0.1 % increase in the net absolute rent/ft².

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