

# MARKET SURVEY (JUNE 2016)

## 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 155 buildings with an aggregate rentable area of 7,800,849 ft.<sup>2</sup>. The survey successfully collected information on 91% 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

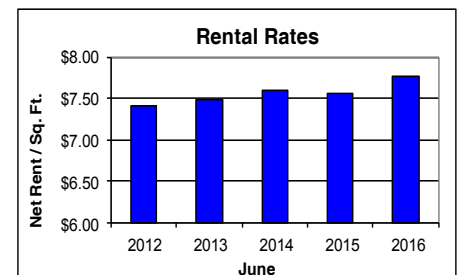
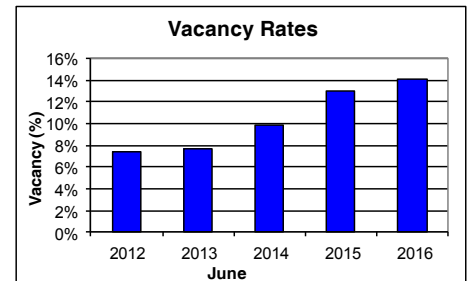
The vacancy rate excludes any space available for sub-lease: it is the total amount of space which is vacant and not currently leased. The vacancy rate in H.R.M. increased from 13.06% in 2015 to 14.07% in 2016, driven largely by increased vacancy in Burnside Industrial Park, the main supplier of warehouse 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 24.22%; Bayers Lake Industrial Park 16.80%; Bedford 18.62%; Burnside/City of Lakes Industrial Park 14.21%; Central Halifax 7.68%; Ragged Lake Industrial Park 0.00%; Sackville Industrial Park 4.95%.

Our survey also measured rental rates. Industrial properties in H.R.M. saw the overall net absolute rent/ft.<sup>2</sup> increase by 2.65% year over year, to \$7.76/ft.<sup>2</sup>. The average overall net rental rates/ft.<sup>2</sup> in each of the following locations are: Atlantic Acres Industrial Park \$7.52; Bayers Lake Industrial Park \$10.92; Bedford \$11.20; Burnside/City of Lakes Industrial Park \$7.34; Central Halifax \$8.36; Ragged Lake Industrial Park \$7.50; Sackville Industrial Park \$7.75.

### Forecast (Next 12 months)

We anticipate that the overall vacancy rate will rise to 14.50% from the current 14.07%, as demand decreases. There will be a 0.10% increase in the net absolute rent/ft.<sup>2</sup>.



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