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CONTACT:

Colin Rennie, Economic Intelligence Unit
Turner Drake & Partners Ltd.
Tel: (902) 429-1811 Ext. 337
Fax: (902) 429-1891
Email: crennie@turnerdrake.com
Website: www.turnerdrake.com

TURNER DRAKE & PARTNERS LTD.

Real Estate Counsellors, Brokers & Valuers
6182 North Street
Halifax NS, B3K 1P5

Press Release

HALIFAX OFFICE VACANCY REMAINS HIGH, WAREHOUSE MARKET THRIVES

Halifax's overall office vacancy rate finished June at 14.61%, down 0.25 pp from 14.86% in 2023. The average net rental rate for offices in Greater Halifax increased year-over-year, rising 1.38% to \$15.47/ft.², up from \$15.26/ft.² in 2023. However, Halifax's downtown office vacancy rate continued to exceed many of its suburban counter-parts.

Halifax's warehouse market continued to enjoy an environment of low vacancy, with the overall vacancy rate finishing June 2024 at 4.63%. The sustained level of high demand for warehouse space has spurred increases in rental rates across the board, and prompted the construction of new rental facilities, despite the limited industrial land supply within the City's urban boundaries. The average net rental rate for warehouse space in Greater Halifax rose by 6.56% year-over-year, rising to \$10.23/ft.² up from \$9.60/ft.² in 2023, reflecting the strong demand for, and limited availability of, industrial rental space.

These are the conclusions from the latest rental market surveys recently completed by Halifax real estate counsellors Turner Drake & Partners Ltd. The surveys are thought to be the most comprehensive ever conducted in HRM: a team of trained researchers collected rental, operating expense and vacancy data for 320 office and industrial buildings, some as small as 5,000 ft.², with an aggregate rentable area of over 20 million ft.².

Halifax's downtown office vacancy rate finished June 2024 at 19.96%, up 1.17 pp from 18.79% in 2023. The average net rental rate for office space in Downtown Halifax stayed flat year-over-year at \$16.22/ft.². Suburban Halifax's vacancy rate finished June 2024 at 13.70%, down 1.23 pp from 14.93% in 2023.

On the warehouse side, the Bedford, Central Halifax, Ragged Lake, Sackville and Woodside submarkets, all saw their vacancy rates decline. The vacancy rate in Bayers Lake saw an increase of 3.95 pp, and Burnside experienced a marginal rise of 0.07 pp. Between June 2023 and June 2024 Burnside and Bayers Lake are expected to have space come online throughout the course of the year.

About Turner Drake & Partners Ltd.:

Turner Drake & Partners Ltd., a "home-grown" leader in real estate consulting, specialises in Valuation, Property Tax, Counseling, Planning, Economic Intelligence, and Space Measurement Services. From our offices in Halifax, St. John's, Charlottetown, Saint John, and Toronto, we service clients in the real estate industry across Canada.