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Press Release

**NEW HALIFAX INDUSTRIAL SPACES PUSH WAREHOUSE VACANCY UP, WHILE
OFFICE VACANCY SEES SLIGHT RECOVERY**

Halifax's overall office vacancy rate finished December at 13.59%, down 1.43 pp from 15.02% in 2023. The average net rental rate for office space in Greater Halifax increased year-over-year, rising 1.29% to \$15.54/ft.², up from \$15.74/ft.² in 2023.

Halifax's warehouse rental market saw its vacancy rate rise to 6.03%, up from 3.39% in 2023. The increase to the vacancy rate was driven by large-scale expansions to the rental pool. Despite the increase in vacancy, the overall net rental rate increased by 8.80% year-over-year, rising to \$10.63/ft.².

Downtown Halifax's office vacancy rate continued to exceed that of its suburban counter-parts. The Downtown's office vacancy rate finished December 2024 at 19.42%, down 0.54 pp from 19.96% in 2023. The average net rental rate for office space in Downtown Halifax increased slightly over the past year to \$16.67/ft.², up from \$16.51/ft.² in 2023.

On the warehouse side, Bayers Lake and Burnside each saw their vacancy rates climb over the past year. The rise in vacancy for these submarkets was driven by increases on the supply side that outpaced the year-over-year growth in demand. Over the next year, Bayers Lake is set to see several major industrial developments come online, which will likely continue to push the overall vacancy rate upwards.

These are the conclusions from the latest rental market surveys recently completed by a team of Halifax real estate counsellors at 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 more than 320 office and industrial buildings, some as small as 5,000 ft.², with an aggregate rentable area of over 20 million ft.².

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, Brokerage, 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.

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