



MARKET SURVEY

HRM OFFICES & WAREHOUSES

DECEMBER 2024



Survey Scope: 157 office & 165 warehouse buildings
11,746,209 ft.² of rental office space
8,474,884 ft.² of rental warehouse space
expert researchers



Real Estate Counsellors, Brokers and Valuers

6182 North St. Halifax, N.S. B3K 1P5

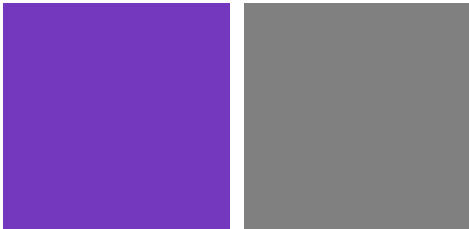
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DECEMBER 2024 MARKET SURVEY

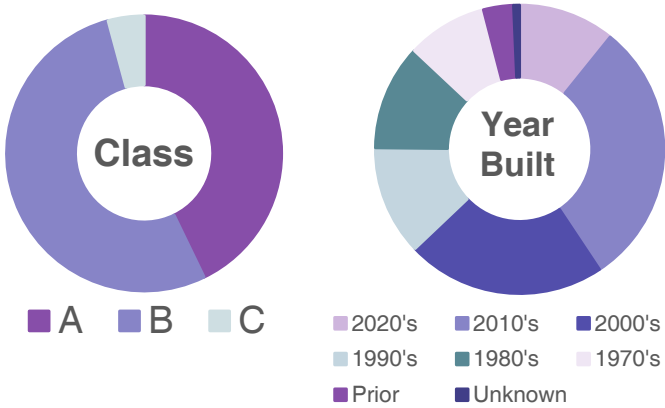
HRM OFFICES



Year at a Glance

	2023	2024	Change
Office Inventory (ft. ²)	11,834,605	11,746,209	↓ 88,396
Net Absorption (ft. ²)	4,886	93,164	↑ 88,278
Vacancy Rate	15.02%	13.59%	↓ 1.43 pp
Avg. Net Rent/ft. ²	\$15.54	\$15.74	↑ 1.29%
Avg. RTCAM/ft. ²	\$12.98	\$13.17	↑ 1.46%
Avg. Gross Rent/ft. ²	\$28.98	\$29.66	↑ 2.35%

Overall Office Inventory



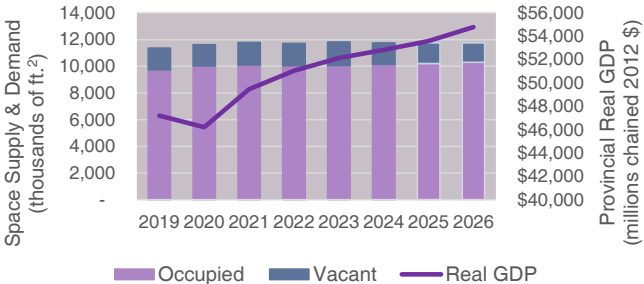
Supply & Demand Overview

The total amount of rentable office space in Greater Halifax decreased 0.75% over last year. The overall vacancy rate decreased slightly from 15.02% in 2023 to 13.59% in 2024. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis indicates that space demand is expected to increase, and that the vacancy rate is projected to stay in the region of 13%-15%.

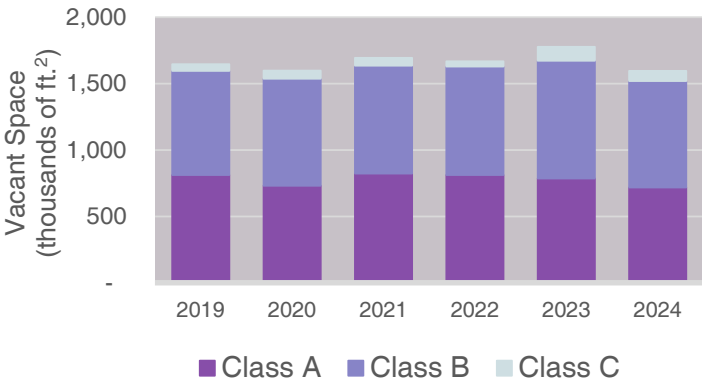
The current vacancy rates by class are: Class A 14.25%; Class B 12.91%; Class C 15.32%; Overall 13.59%. Class A buildings command the highest rents in their community and have distinctive design and lobbies. Class B buildings offer “no frills” modern, air conditioned space. Class C buildings make up the remainder of the office rental market.

Current average net absolute rental rates per square foot are: Class A \$18.28; Class B \$14.56; Class C \$12.67; Overall \$15.74. The vacancy rate and net rental rate are inversely correlated: empirical data indicates that generally a falling vacancy rate portends a rising net rental rate, while a rising vacancy rate indicates that net rental rate increases will moderate or even fall.

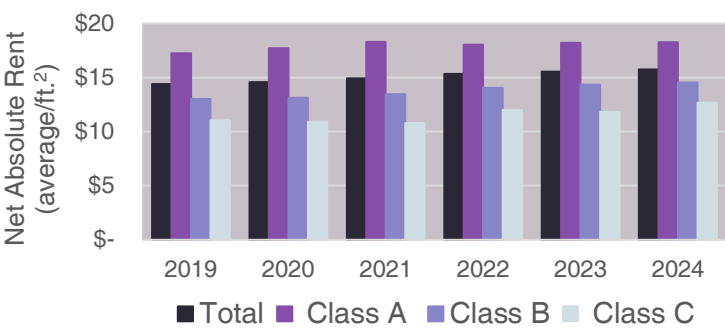
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

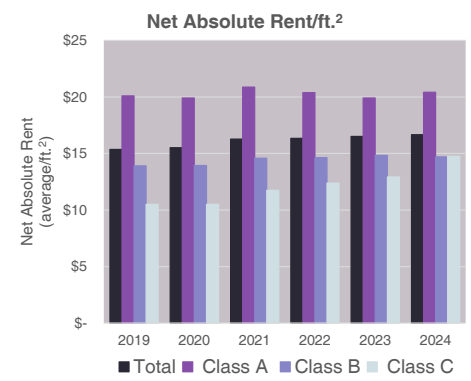
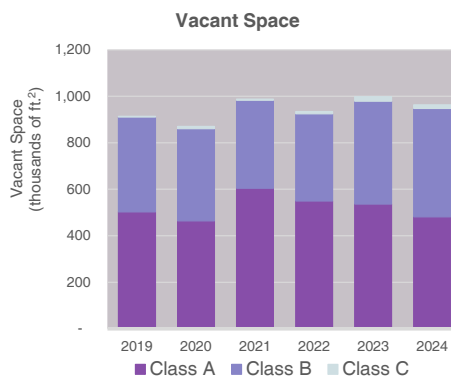
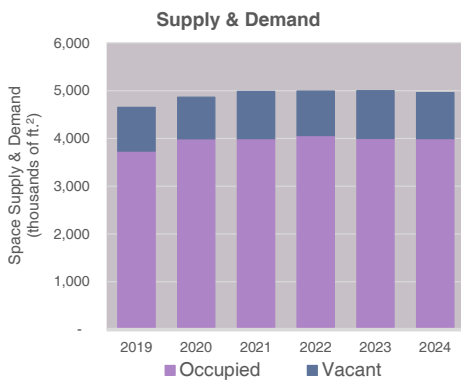
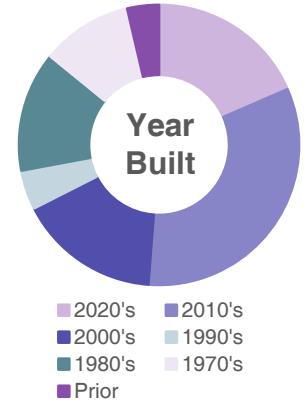
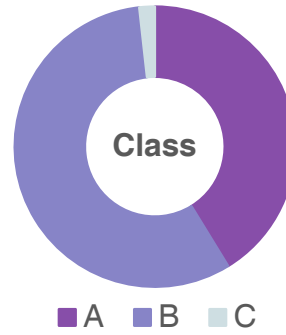


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HALIFAX DOWNTOWN

Year at a Glance

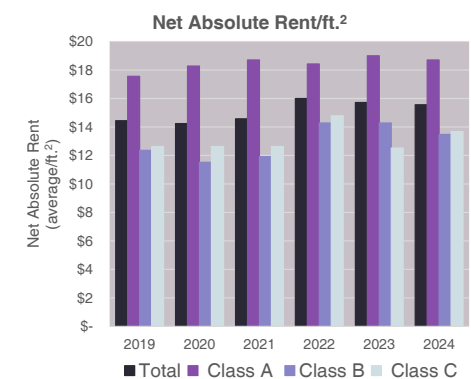
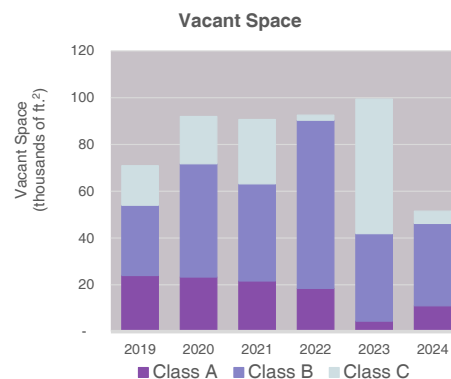
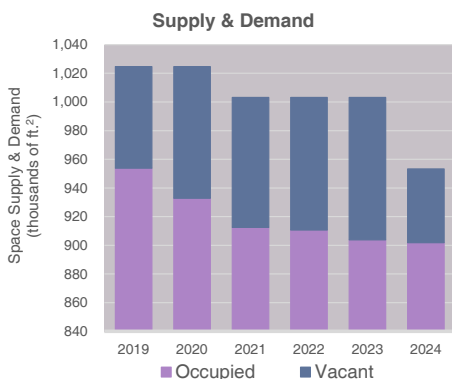
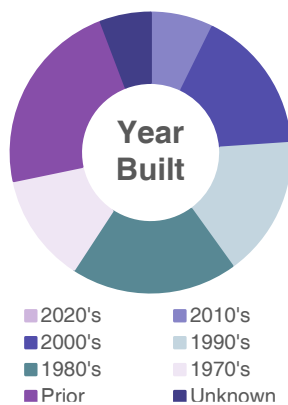
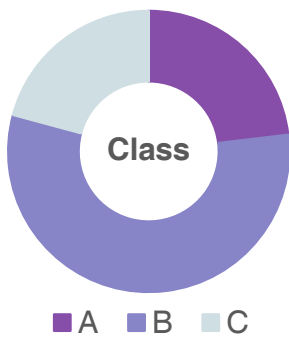
	2023	2024	Change
Office Inventory (ft. ²)	5,001,211	4,962,025	↓ 39,186
Net Absorption (ft. ²)	(56,604)	(4,321)	↑ 52,283
Vacancy Rate	19.96%	19.42%	↓ 0.54 pp
Avg. Net Rent/ft. ²	\$16.51	\$16.67	↑ 0.97%
Avg. RTCAM/ft. ²	\$13.73	\$13.58	↓ 1.09%
Avg. Gross Rent/ft. ²	\$30.58	\$31.30	↑ 2.35%



HALIFAX PERIPHERAL

Year at a Glance

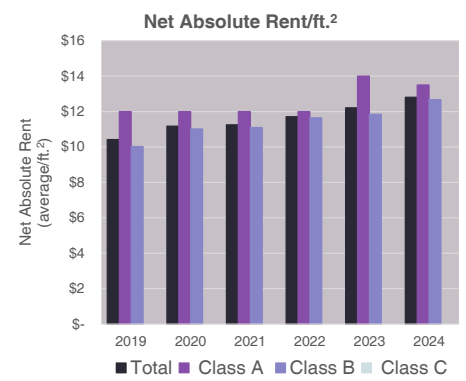
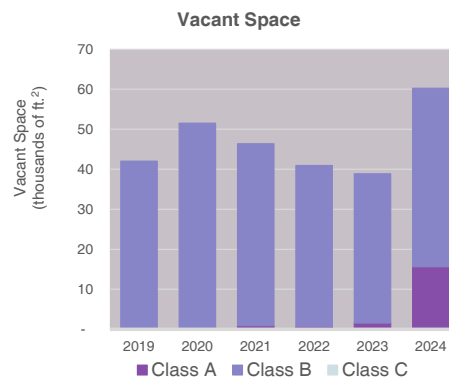
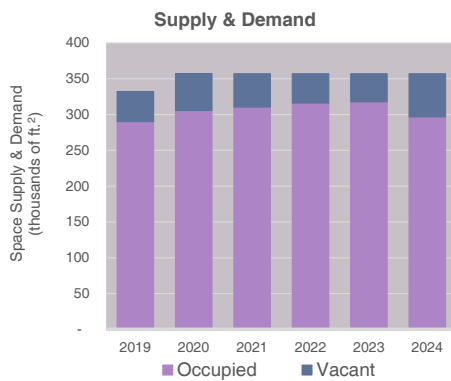
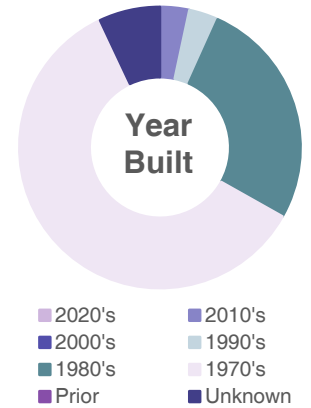
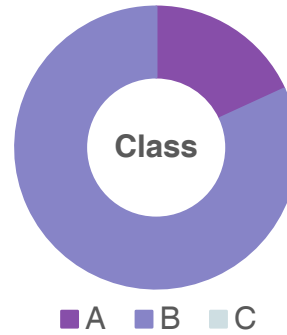
	2023	2024	Change
Office Inventory (ft. ²)	1,003,210	953,295	↓ 49,915
Net Absorption (ft. ²)	(6,904)	(2,037)	↑ 4,867
Vacancy Rate	9.91%	5.40%	↓ 4.50 pp
Avg. Net Rent/ft. ²	\$15.73	\$15.56	↓ 1.08%
Avg. RTCAM/ft. ²	\$13.44	\$13.80	↑ 2.68%
Avg. Gross Rent/ft. ²	\$28.87	\$29.60	↑ 2.53%



CENTRAL DARTMOUTH

Year at a Glance

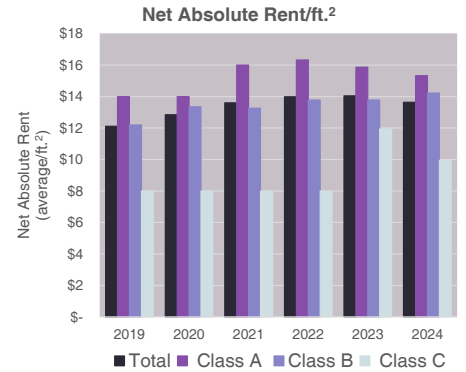
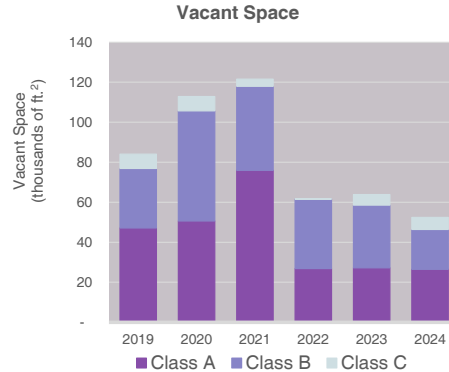
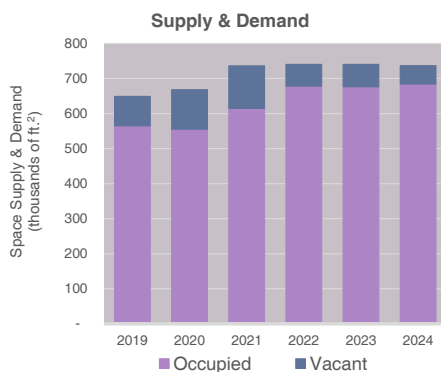
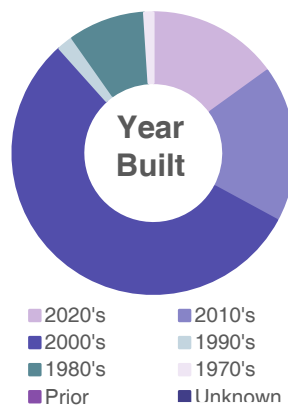
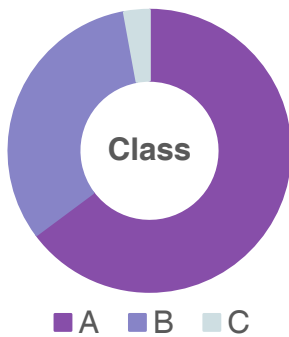
	2023	2024	Change
Office Inventory (ft. ²)	356,863	357,004	↑ 141
Net Absorption (ft. ²)	2,083	(21,240)	↓ 23,323
Vacancy Rate	10.90%	16.88%	↑ 5.98 pp
Avg. Net Rent/ft. ²	\$12.21	\$12.81	↑ 4.91%
Avg. RTCAM/ft. ²	\$10.66	\$10.69	↑ 0.28%
Avg. Gross Rent/ft. ²	\$22.87	\$23.50	↑ 2.75%



DARTMOUTH PERIPHERAL

Year at a Glance

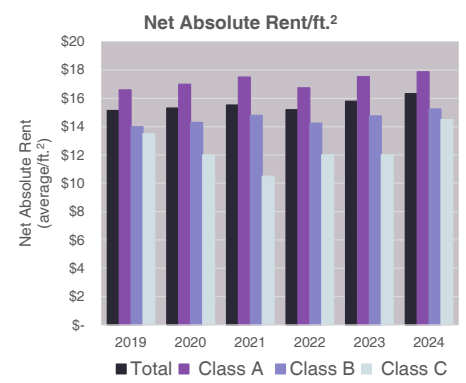
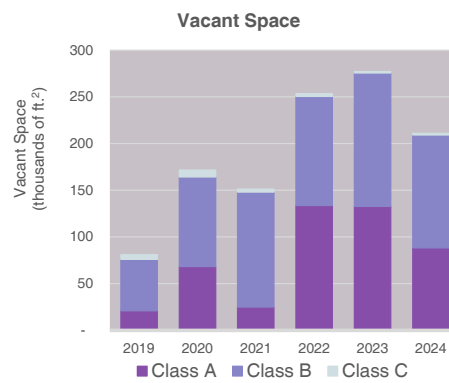
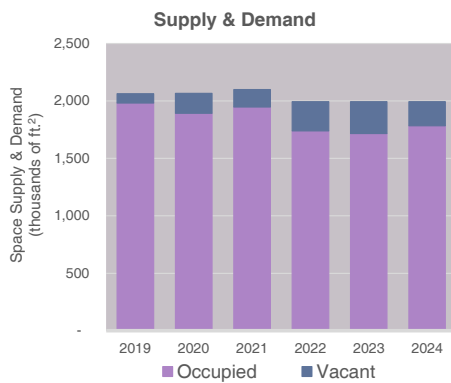
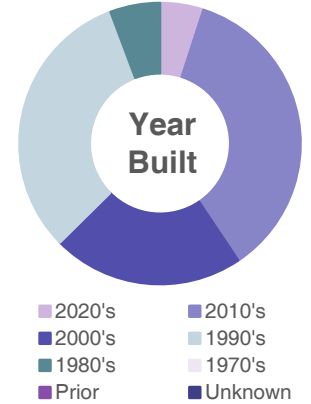
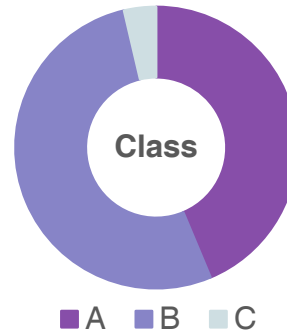
	2023	2024	Change
Office Inventory (ft. ²)	740,227	736,458	↓ 3,769
Net Absorption (ft. ²)	(2,158)	7,668	↑ 9,826
Vacancy Rate	8.63%	7.12%	↓ 1.51 pp
Avg. Net Rent/ft. ²	\$14.04	\$13.64	↓ 2.85%
Avg. RTCAM/ft. ²	\$11.52	\$11.61	↑ 0.78%
Avg. Gross Rent/ft. ²	\$27.26	\$27.16	↓ 0.37%



SUBURBAN HALIFAX

Year at a Glance

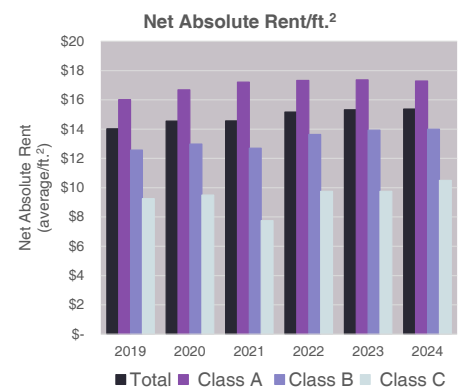
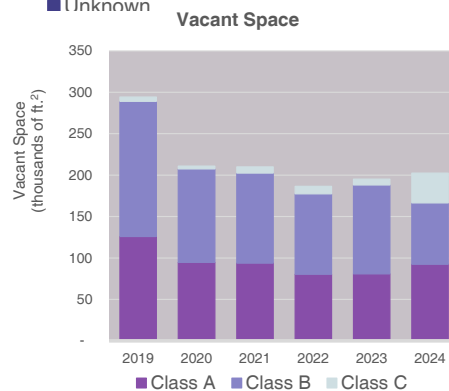
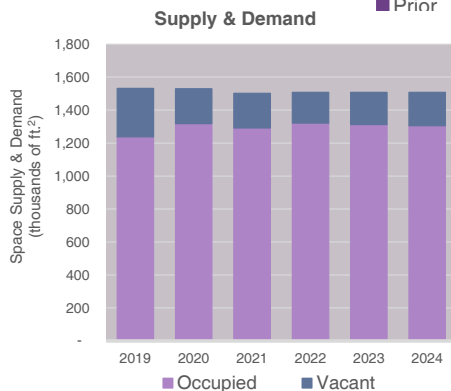
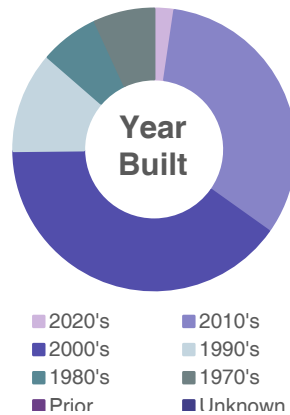
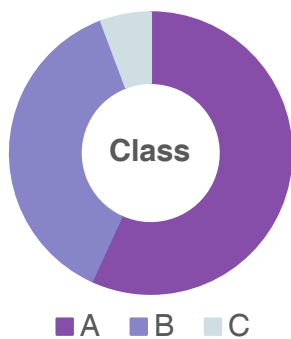
	2023	2024	Change
Office Inventory (ft. ²)	1,993,244	1,994,157	↑ 913
Net Absorption (ft. ²)	(23,730)	67,156	↑ 90,886
Vacancy Rate	13.90%	10.57%	↓ 3.33 pp
Avg. Net Rent/ft. ²	\$15.79	\$16.33	↑ 3.42%
Avg. RTCAM/ft. ²	\$12.82	\$12.76	↓ 0.47%
Avg. Gross Rent/ft. ²	\$30.19	\$30.67	↑ 1.59%



BURNSIDE/CITY OF LAKES & DARTMOUTH CROSSING

Year at a Glance

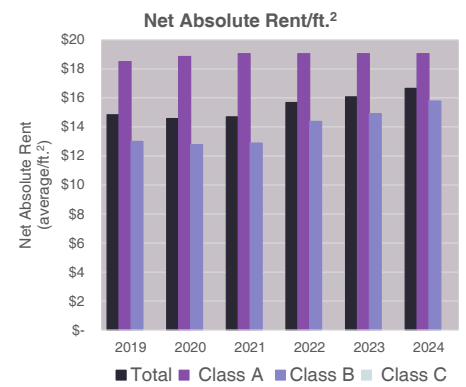
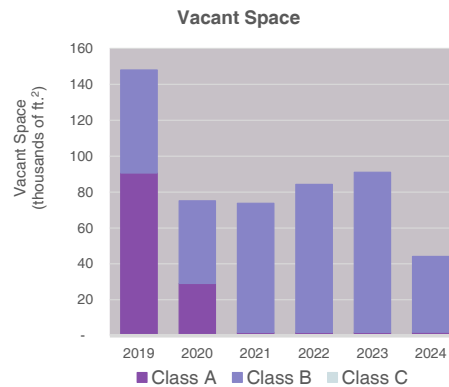
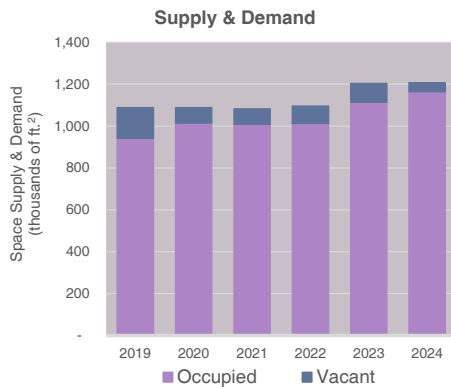
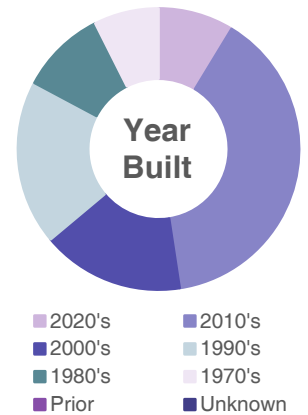
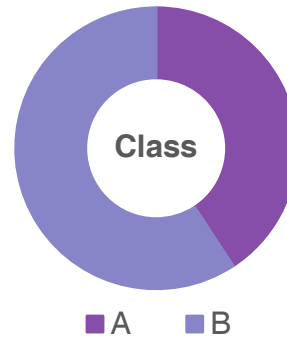
	2023	2024	Change
Office Inventory (ft. ²)	1,507,494	1,507,494	↔ ---
Net Absorption (ft. ²)	(8,715)	(7,186)	↑ 1,529
Vacancy Rate	12.95%	13.43%	↑ 0.48 pp
Avg. Net Rent/ft. ²	\$15.32	\$15.37	↑ 0.33%
Avg. RTCAM/ft. ²	\$13.45	\$14.29	↑ 6.25%
Avg. Gross Rent/ft. ²	\$28.77	\$29.66	↑ 3.09%



BEDFORD

Year at a Glance

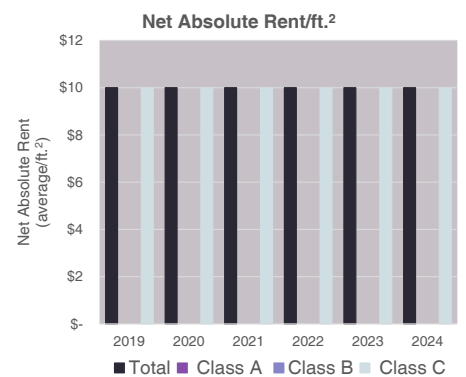
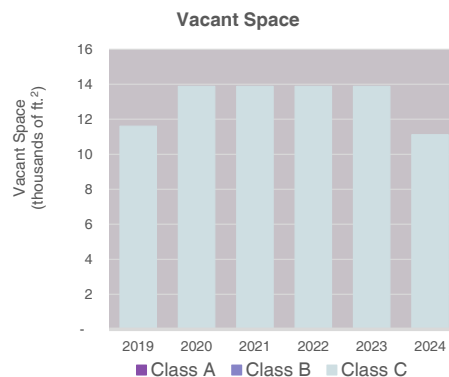
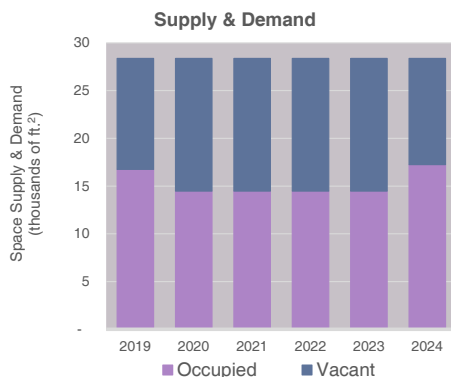
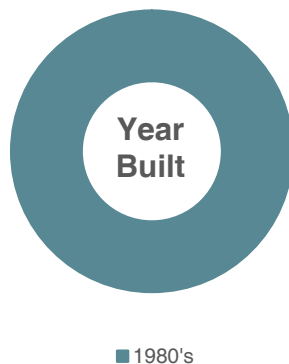
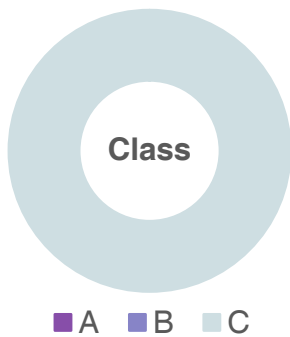
	2023	2024	Change
Office Inventory (ft. ²)	1,203,993	1,207,413	↑ 3,420
Net Absorption (ft. ²)	100,914	50,360	↓ 50,554
Vacancy Rate	7.56%	3.65%	↓ 3.91 pp
Avg. Net Rent/ft. ²	\$16.07	\$16.65	↑ 3.61%
Avg. RTCAM/ft. ²	\$12.76	\$12.75	↓ 0.08%
Avg. Gross Rent/ft. ²	\$29.04	\$29.90	↑ 2.96%



SACKVILLE

Year at a Glance

	2023	2024	Change
Office Inventory (ft. ²)	28,363	28,363	↔ - - -
Net Absorption (ft. ²)	- - -	2,764	↑ 2,764
Vacancy Rate	48.94%	39.19%	↓ 9.75 pp
Avg. Net Rent/ft. ²	\$10.00	\$10.00	↔ - - -
Avg. RTCAM/ft. ²	\$ 6.20	\$ 7.21	↑ 16.29%
Avg. Gross Rent/ft. ²	\$16.20	\$17.21	↑ 6.23%



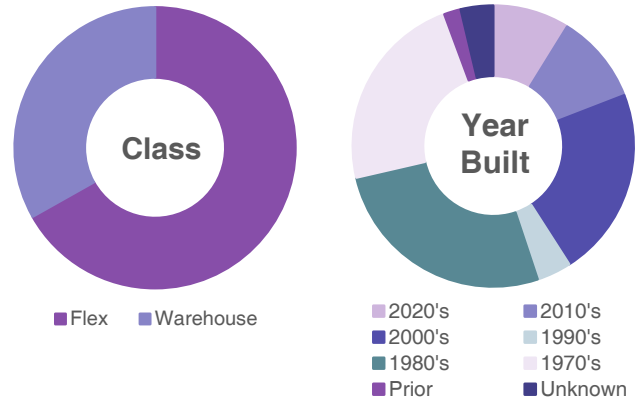
DECEMBER 2024 MARKET SURVEY

HRM WAREHOUSES

Year at a Glance

Warehouse	2023	2024	Change
Inventory (ft. ²)	7,967,142	8,474,884	↑ 507,742
Net Absorption (ft. ²)	67,877	266,764	↑ 198,887
Vacancy Rate	3.39%	6.03%	↑ 2.64 pp
Avg. Net Rent/ft. ²	\$ 9.77	\$10.63	↑ 8.80%
Avg. RTCAM/ft. ²	\$ 6.38	\$ 7.30	↑ 14.42%
Avg. Gross Rent/ft. ²	\$16.34	\$18.01	↑ 10.22%

Overall Warehouse Inventory



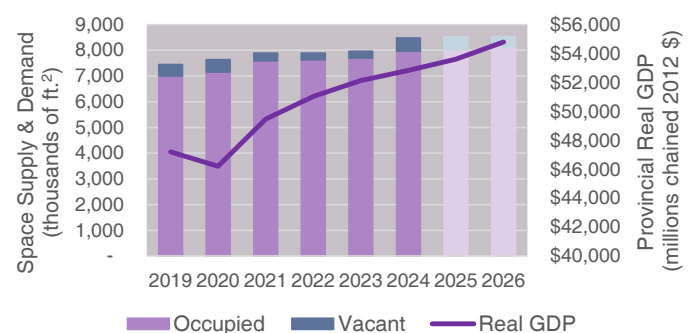
Supply & Demand Overview

The total amount of rentable warehouse space in Greater Halifax increased substantially (6.37%) over last year. The overall vacancy rate increased from 3.39% in 2023 to 6.03% in 2024; this was driven by new space coming online in Burnside and Bayers Lake. Our analysis indicates that space demand is expected to increase, however vacancy is likely to increase due to large-scale additions to the rental pool coming online later in the year. Warehouse vacancy will likely hold in the region of 7%-9% over the next year until the new supply is absorbed by the market.

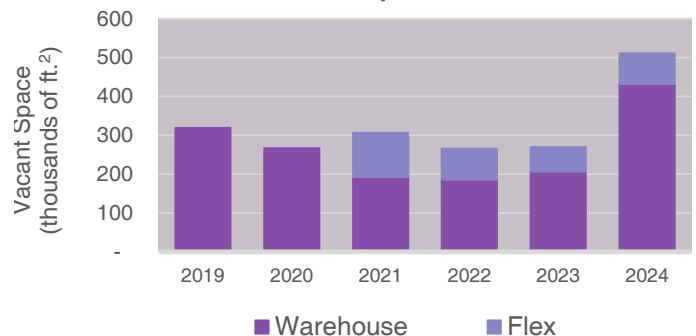
The current vacancy rate in each of the following areas is: Atlantic Acres Industrial Park 14.47%; Bayers Lake Industrial Park 26.38%; Bedford 6.62%; Burnside/City of Lakes Industrial Park 4.11%; Central Halifax 4.19%; Ragged Lake Industrial Park 0.00%; Sackville Industrial Park 0.00%; Woodside Industrial Park 0.00%.

Industrial properties in H.R.M. saw the overall net absolute rent/ft.² increase by 8.80% year over year, to \$10.63/ft.² in 2024. The average overall net rental rates per square foot in each of the following locations were: Atlantic Acres Industrial Park \$12.25; Bayers Lake Industrial Park \$11.69; Bedford \$18.17; Burnside/City of Lakes Industrial Park \$10.19; Central Halifax \$10.54; Ragged Lake Industrial Park \$12.00; Sackville Industrial Park \$7.75; Woodside \$10.00.

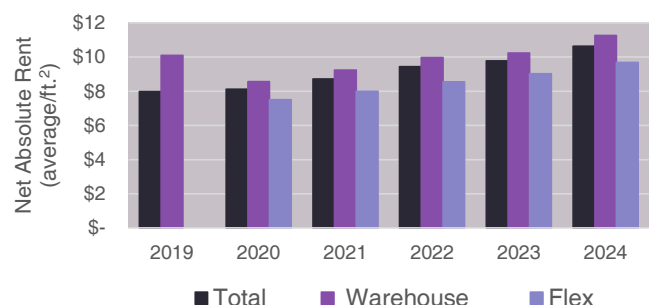
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

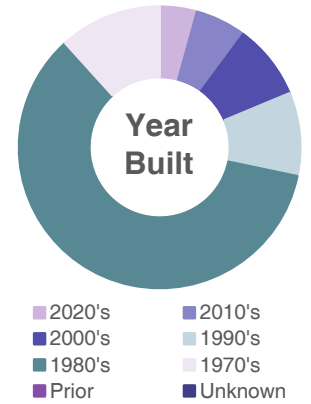
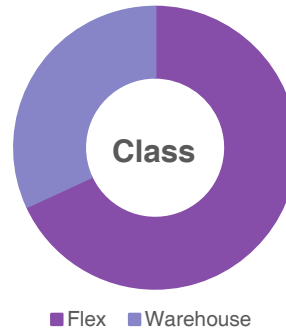


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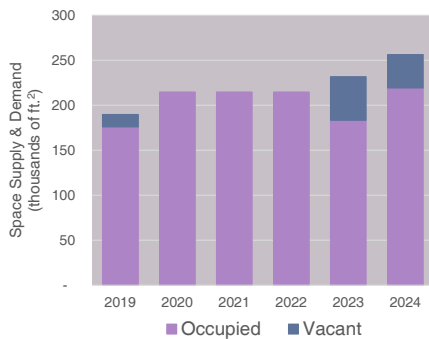
ATLANTIC ACRES

Year at a Glance

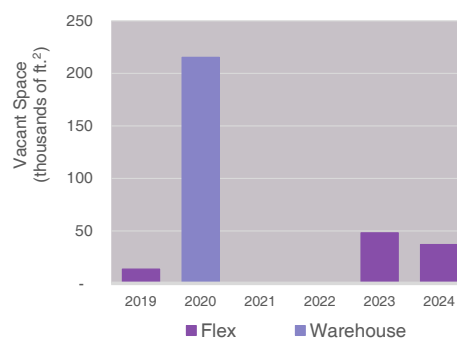
Warehouse	2023	2024	Change
Inventory (ft. ²)	231,625	256,265	↑ 24,640
Net Absorption (ft. ²)	(31,236)	35,817	↑ 67,053
Vacancy Rate	20.83%	14.47%	↓ 6.36 pp
Avg. Net Rent/ft. ²	\$10.07	\$12.25	↑ 21.65%
Avg. RTCAM/ft. ²	\$ 6.26	\$ 5.99	↓ 4.31%
Avg. Gross Rent/ft. ²	\$16.33	\$18.24	↑ 11.70%



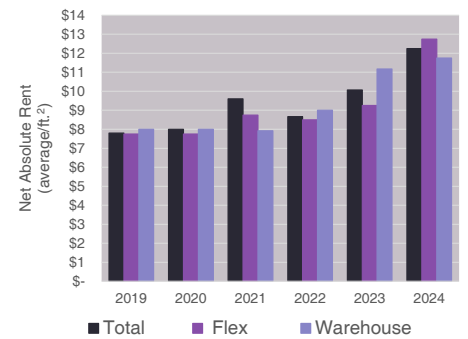
Supply & Demand



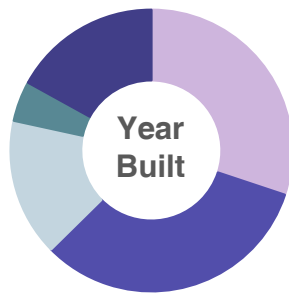
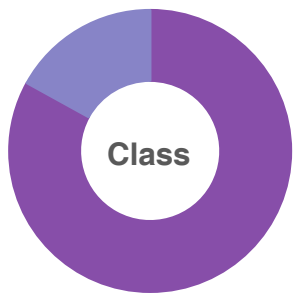
Vacant Space



Net Absolute Rent/ft.²



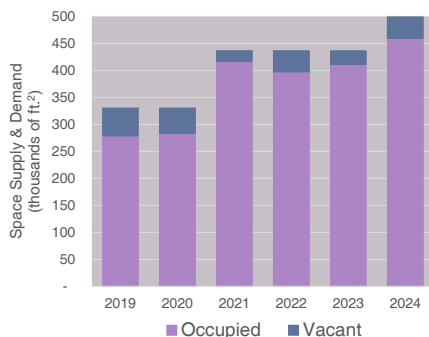
BAYERS LAKE INDUSTRIAL PARK



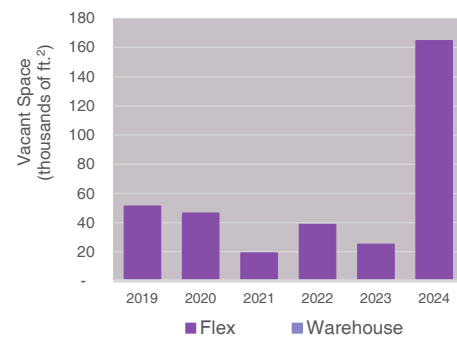
Year at a Glance

Warehouse	2023	2024	Change
Inventory (ft. ²)	436,361	624,361	↑ 188,000
Net Absorption (ft. ²)	13,609	48,418	↑ 34,809
Vacancy Rate	5.76%	26.38%	↑ 20.62 pp
Avg. Net Rent/ft. ²	\$11.01	\$11.69	↑ 6.18%
Avg. RTCAM/ft. ²	\$ 6.86	\$ 7.85	↑ 14.43%
Avg. Gross Rent/ft. ²	\$17.87	\$19.07	↑ 6.72%

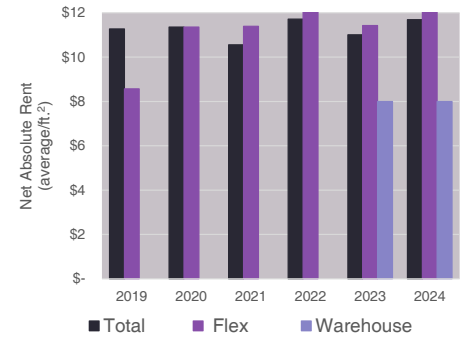
Supply & Demand



Vacant Space



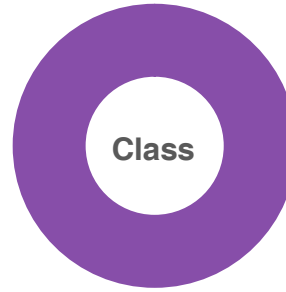
Net Absolute Rent/ft.²



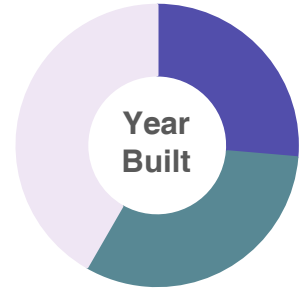
BEDFORD

Year at a Glance

Warehouse	2023	2024	Change
Inventory (ft. ²)	96,204	96,204	↔ ---
Net Absorption (ft. ²)	6,941	(6,368)	↓ 13,309
Vacancy Rate	0.00%	6.62%	↑ 6.62 pp
Avg. Net Rent/ft. ²	\$16.40	\$18.17	↑ 10.79%
Avg. RTCAM/ft. ²	\$ 8.06	\$ 9.18	↑ 13.90%
Avg. Gross Rent/ft. ²	\$24.46	\$27.34	↑ 11.77%

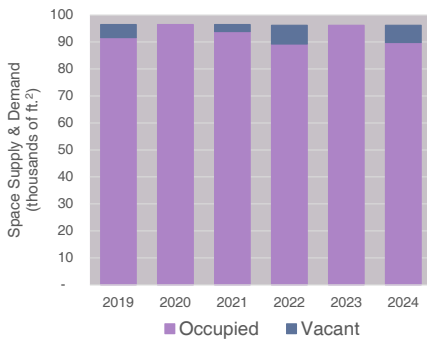


Flex Warehouse

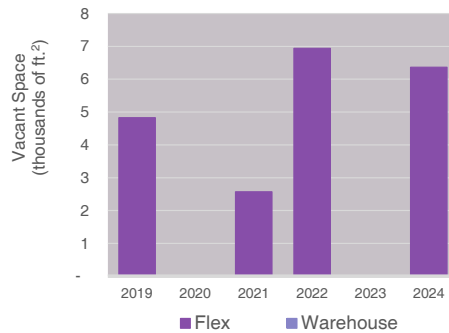


2020's 2010's
2000's 1990's
1980's 1970's
Prior Unknown

Supply & Demand

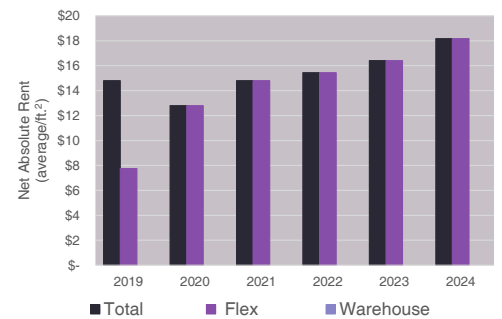


Vacant Space



Flex Warehouse

Net Absolute Rent/ft.²

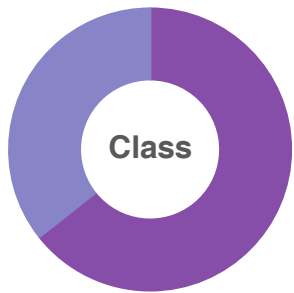


Total Flex Warehouse

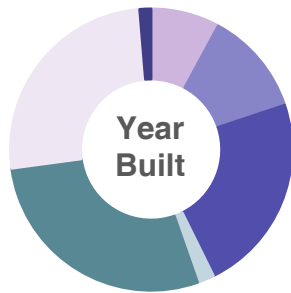
BURNSIDE / CITY OF LAKES

Year at a Glance

Warehouse	2023	2024	Change
Inventory (ft. ²)	6,654,633	6,948,930	↑ 294,297
Net Absorption (ft. ²)	55,111	205,507	↑ 150,396
Vacancy Rate	2.96%	4.11%	↑ 1.15 pp
Avg. Net Rent/ft. ²	\$ 9.37	\$10.19	↑ 8.75%
Avg. RTCAM/ft. ²	\$ 6.25	\$ 7.34	↑ 17.44%
Avg. Gross Rent/ft. ²	\$15.81	\$17.67	↑ 11.76%

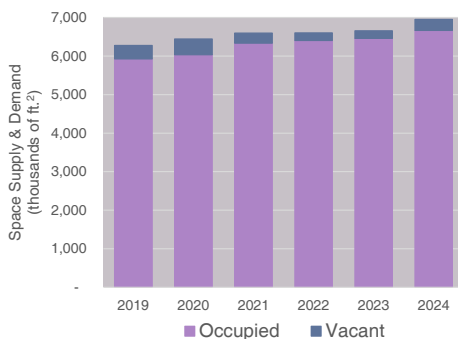


Flex Warehouse



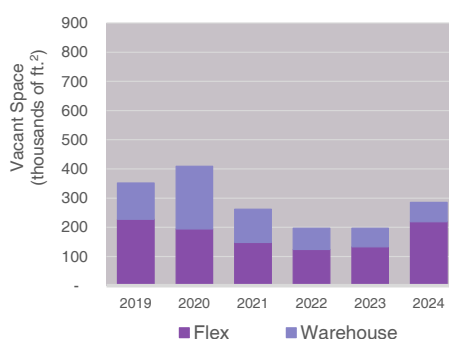
2020's 2010's 2000's
1990's 1980's 1970's
Prior Unknown

Supply & Demand



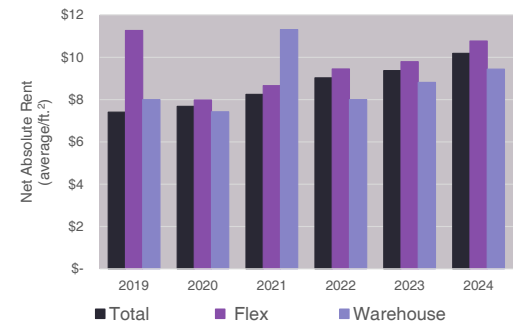
Occupied Vacant

Vacant Space



Flex Warehouse

Net Absolute Rent/ft.²

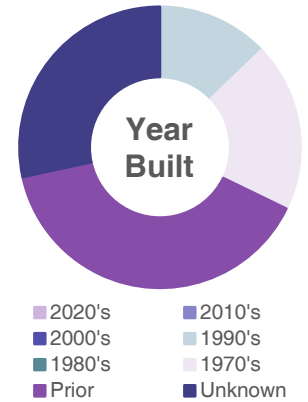
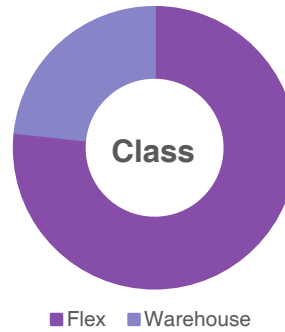


Total Flex Warehouse

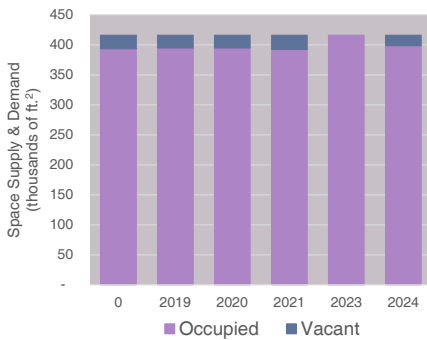
CENTRAL HALIFAX

Year at a Glance

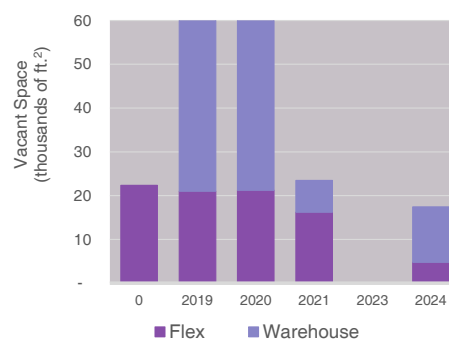
Warehouse	2023	2024	Change
Inventory (ft. ²)	416,027	416,027	↔ ---
Net Absorption (ft. ²)	23,452	(17,415)	↓ 40,867
Vacancy Rate	0.00%	4.19%	↑ 4.19 pp
Avg. Net Rent/ft. ²	\$ 9.83	\$10.54	↑ 7.22%
Avg. RTCAM/ft. ²	\$ 6.63	\$ 7.29	↑ 9.95%
Avg. Gross Rent/ft. ²	\$16.46	\$17.83	↑ 8.32%



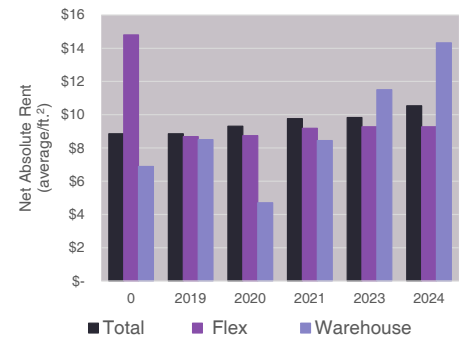
Supply & Demand



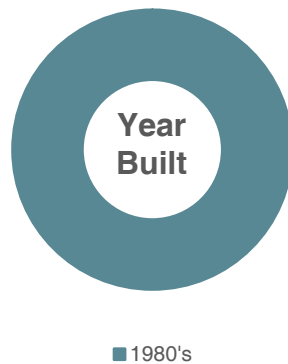
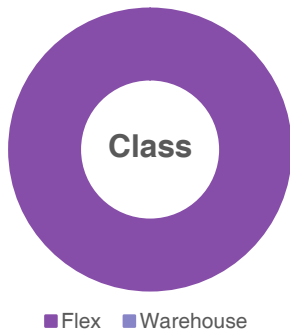
Vacant Space



Net Absolute Rent/ft.²



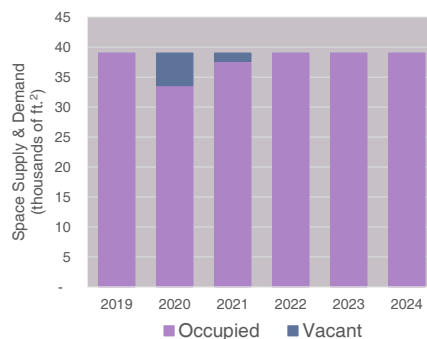
RAGGED LAKE INDUSTRIAL PARK



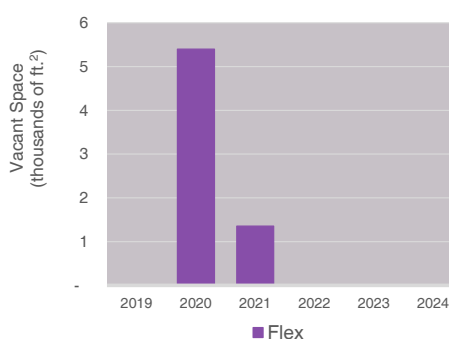
Year at a Glance

Warehouse	2023	2024	Change
Inventory (ft. ²)	39,000	39,000	↔ ---
Net Absorption (ft. ²)	---	---	↔ ---
Vacancy Rate	0.00%	0.00%	↔ ---
Avg. Net Rent/ft. ²	\$ 9.50	\$12.00	↑ 26.32%
Avg. RTCAM/ft. ²	\$ 8.90	\$ 6.51	↓ 26.85%
Avg. Gross Rent/ft. ²	\$18.40	\$18.51	↑ 0.60%

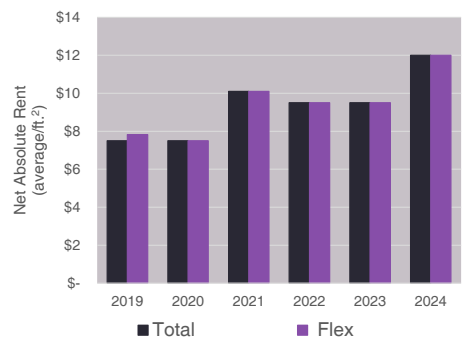
Supply & Demand



Vacant Space



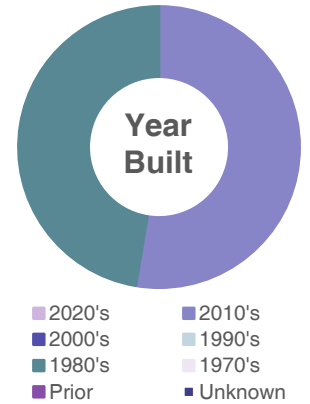
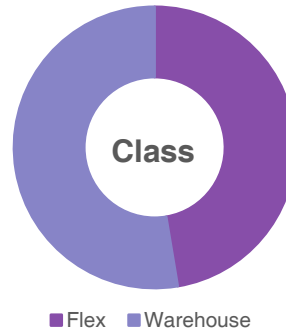
Net Absolute Rent/ft.²



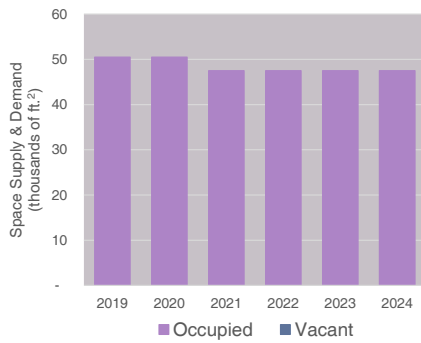
SACKVILLE

Year at a Glance

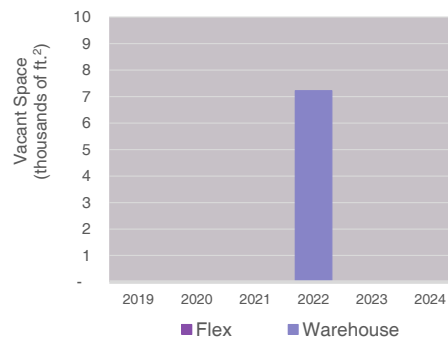
Warehouse	2023	2024	Change	
Inventory (ft. ²)	47,497	47,497	↔	---
Net Absorption (ft. ²)	---	---	↔	---
Vacancy Rate	0.00%	0.00%	↔	---
Avg. Net Rent/ft. ²	\$ 9.00	\$ 7.75	↓	13.89%
Avg. RTCAM/ft. ²	\$ 6.31	\$ 4.72	↓	25.20%
Avg. Gross Rent/ft. ²	\$15.31	\$12.47	↓	18.55%



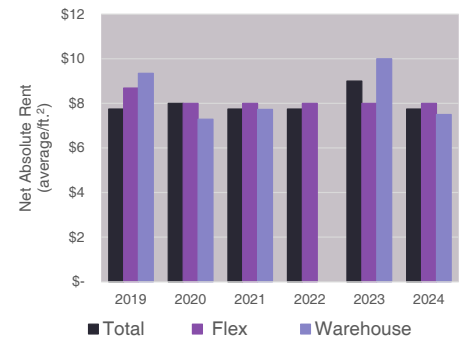
Supply & Demand



Vacant Space



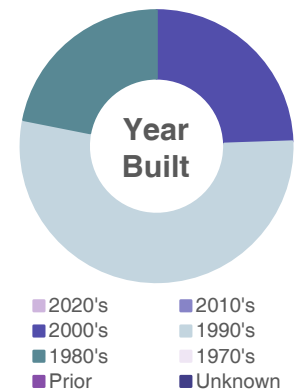
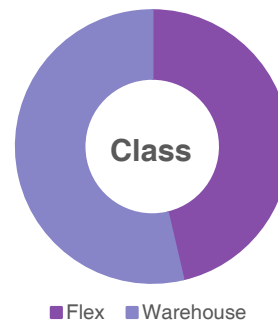
Net Absolute Rent/ft.²



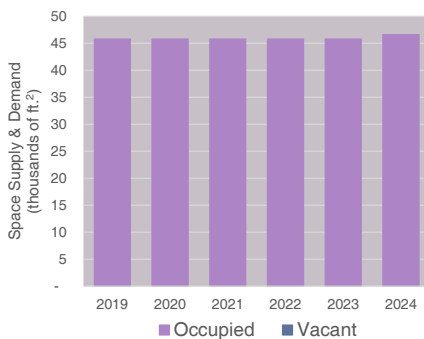
WOODSIDE

Year at a Glance

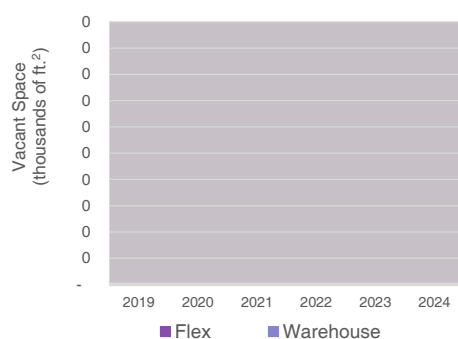
Warehouse	2023	2024	Change	
Inventory (ft. ²)	45,795	46,600	↑	805
Net Absorption (ft. ²)	---	805	↑	805
Vacancy Rate	0.00%	0.00%	↔	---
Avg. Net Rent/ft. ²	\$11.00	\$10.00	↓	9.09%
Avg. RTCAM/ft. ²	\$ 6.58	\$ 6.48	↓	1.52%
Avg. Gross Rent/ft. ²	\$19.74	\$16.48	↓	16.51%



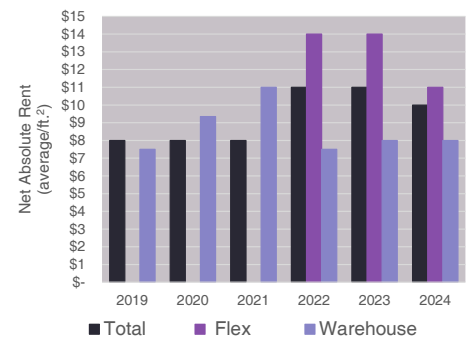
Supply & Demand



Vacant Space



Net Absolute Rent/ft.²



MARKET SURVEY

HRM OFFICES & WAREHOUSES

Glossary

Inventory/Supply: The total rentable area of office space in the rental market, occupied or vacant.

Vacancy Rate - The vacancy rate excludes any space available for sub-lease: it is the total amount of space which is vacant and not currently leased.

Absorption - This is the amount of additional space absorbed by the market during that period. It is the incremental market demand.

Building Class:

Office Class - This is the industry definition common to this particular marketplace.

Class A - These office buildings command the highest rents, have “presence” by virtue of their distinctive design and lobbies, are air-conditioned and sprinklered. They are regarded as “prestige” buildings in their marketplace and are usually the most modern buildings. They typically include the leading firms of lawyers and accountants, together with regional or head offices for banks, financial institutions and other major companies, as their tenants.

Class B - These are “second tier” office buildings in terms of rents. They are usually older than Class A buildings and lack “presence”. They are air conditioned and are usually sprinklered. They are regarded as offering modern, but not “prestige” office accommodation in their marketplace. Typically they were built over 20 years ago. Tenants usually include second tier firms of lawyers and accountants, together with a wide selection of private sector companies, provincial and local government agencies.

Class C - These include all office buildings not classed as “A” or “B”.

Class W - Distribution warehouse

Class F - Flex space. This type of space may be used for retail or office use as an alternative to pure warehousing and is typically located at the entrance to a business park in an area with high traffic exposure.

Income & Expense Data:

Net Absolute Rent - This is often referred to as “AAA” or “Base” rent and does not include Realty or Business Occupancy Taxes, Common Area Maintenance (CAM), or any other services such as Electricity, Cleaning or Heating.

Current Realty Taxes - These are the Realty Taxes (not the Business Occupancy Taxes) currently paid by the Landlord and which are recovered from the Tenant usually as part of the Service Rent.

Current CAM - This is the additional amount recovered by the Landlord from the Tenant to cover the operating and maintenance costs of the building including the tenant suites. Common Area Maintenance (CAM) typically includes fire insurance, repairs and maintenance, cleaning (common areas plus often the tenant suites), electricity (common areas plus often the tenant suites), heating and air conditioning (common areas plus often the tenant suites), water, garbage removal, snow clearing, elevator maintenance, management, security, etc. It, together with the Realty Taxes, is recovered by the Landlord from the Tenant as “Service Rent”, if the Tenant has a “net absolute” lease.

Total Realty Taxes + CAM (RTCAM) - This is the total of the Realty Taxes and CAM, and is often recovered from the tenant as “Service Rent”.

Total Gross Rent - This is the total rent recovered from the Tenant by the Landlord and is the total of the Base (Net Absolute Rent) plus the Service Rent (Realty Taxes + CAM).



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