

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
12.8% Vacancy Rate	▼	▼
-70K YTD Net Absorption, SF	▼	▲
\$30.55 Asking Rent, PSF <small>(Overall, All Property Classes)</small>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
278K Halifax Employment	▲	▲
5.7% Halifax Unemployment Rate	▼	▼
6.6% Canada Unemployment Rate <small>Source: Statistics Canada</small>	▲	▬

ECONOMY

GDP growth in Halifax is expected to hold firm due to robust activity in the wholesale trade sector and gains in the residential/non-residential sector. The robust population growth in past quarters has led to a low vacancy rate, leading to higher rents in the residential sector, with a CPI (Consumer Price Index) in August of 9% year-over-year. Purpose-built house construction has increased to respond to the growing demand and increased population. Overall, the economy in Nova Scotia is on track for steady growth with activity from government spending and responding to the demands of a steadying population.
(Sources: Statistics Canada, RBC, TD Economics).

SUPPLY AND DEMAND

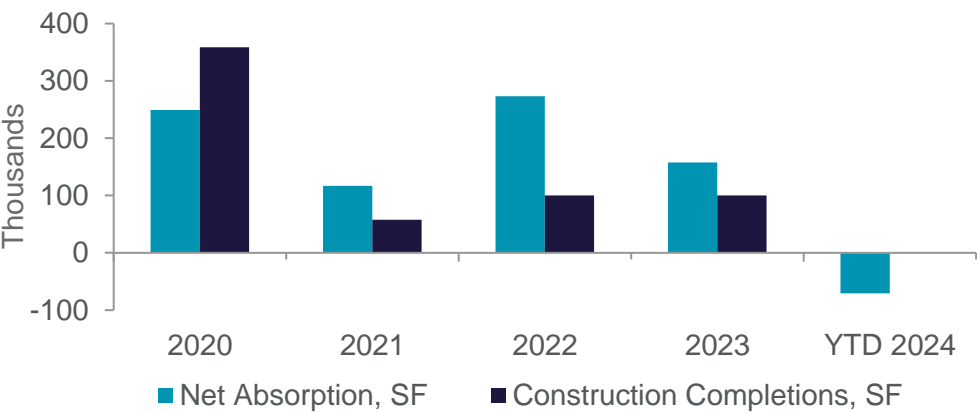
The overall vacancy rate for the Halifax office market has remained steady since last quarter, with only a 10-basis point (bps) decrease. The most significant reduction in vacancy was in the overall Central market, which fell from 15.6% in the previous quarter to 14.2% this quarter.

Overall absorption in the Halifax market remained in negative territory this quarter at approximately 36k sf. This was primarily driven by softening in Dartmouth in both the Class A and B submarkets. Approximately 23k square feet (sf) has been relinquished at 230 Brownlow Avenue due to Efficiency Nova Scotia and Medavie Blue Cross downsizing their office space. The movement at 230 Brownlow Street makes up for 33% of the negative absorption in the Dartmouth Submarket. The Central Submarket had a notable positive movement of 11,049 sf in 1601 Lower Water Street, with the provincial government moving in.

PRICING:

Asking rental rates in the Halifax office market remained stable this quarter, except the Bedford submarket which had a quarter-over-quarter (QOQ) decrease of \$0.24 psf in its average asking rent. In comparison, the gross rent decreased by \$0.21 psf QOQ.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Halifax – Central Business District	6,020,230	22,652	833,447	14.2%	16,621	42,845	0	\$32.21	\$35.89
Halifax - Suburban	2,592,301	18,478	150,187	6.5%	2,257	34,414	0	\$29.51	\$30.51
Dartmouth	3,246,801	117,820	433,897	17.0%	-58,025	-143,382	0	\$28.50	\$29.74
Bedford	1,043,713	3,388	65,965	6.6%	3,365	-4,367	0	\$29.34	\$31.99
Suburban Totals	6,882,815	139,620	650,049	10.03%	-52,403	-113,335	0	\$29.02	\$30.50
Halifax Totals	12,903,045	162,332	1,483,496	12.8%	-35,782	-70,490	0	\$30.55	\$32.77

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
1601 Lower Water Street	Central	NS Provincial Government	11,049	Direct
15 Supreme	Central	4562331 NS Ltd	1,725	Direct
1791 Barrington Street	Central	NATO	4,500	Direct
137 Venture Run	Dartmouth	Undisclosed	2,990	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
NA				

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