

MARKET FUNDAMENTALS

	YOY Chg	Outlook
12.8% Vacancy Rate	▲	▼
-73K YTD Net Absorption, SF	▼	▲
\$30.64 Asking Rent, PSF <small>(Overall, All Property Classes)</small>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
522K Nova Scotia Employment	▲	▲
6.3% Nova Scotia Unemployment Rate	▲	▼
6.7% Canada Unemployment Rate <small>Source: Statistics Canada</small>	▲	▬

ECONOMY

Nova Scotia's economy is experiencing a slower-growing CPI (Consumer Price Index) trailing behind the overall Canadian CPI growth of 1.9% with 1.7% growth since November 2023. This slowdown is represented by the 3.0% decrease in the cost of gas and lower prices in the retail sector. Most notably, Nova Scotia has also reached a lower unemployment rate than the national average due to the softening in population growth. As this slowdown in growth relieves pressure from the workforce, it also decreases demand for apartments which currently sit at a vacancy rate of 2.0% (the highest it has been in seven years). Recently completed developments stimulate this increase in vacancy. As this is a notable shift, Nova Scotia continues to trend beneath the national average vacancy rate of 2.2% (Sources: All Nova Scotia, Statistics Canada, RBC, TD Economics).

SUPPLY AND DEMAND

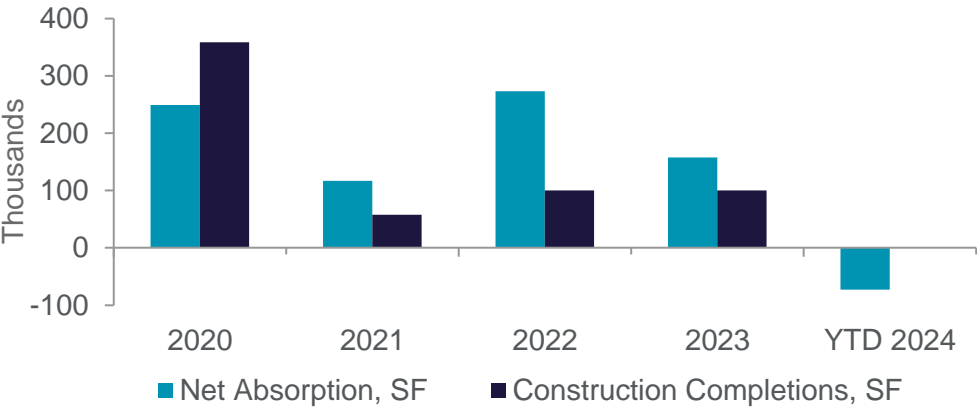
The overall vacancy rate for the Halifax office market remained unchanged from last quarter at 12.8%. The Central and Dartmouth submarkets both witnessed a slight decrease in vacancy of 20 basis points (bps), while the Suburban and Bedford markets witnessed an increase in vacancy, with Suburban vacancy increasing by 50 bps quarter-over-quarter (QOQ).

Overall absorption in the Halifax market remained in minimal negative territory this quarter at close to 3k square feet (sf). While there was strong absorption in the Central Class A market this quarter of 95k sf, this was counteracted by the Central Class B submarket where absorption was negative 81k sf this quarter. In the Central Business district, The Department of Justice vacated 86k sf from 1690 Hollis Street, but remained in the Central market, leasing space at 1969 Upper Water St. (Purdy's Wharf Tower II). The overall Suburban market posted negative absorption this quarter driven by The Chronicle Herald vacating 37k sf at the Manulife Building after being acquired by Postmedia.

PRICING

Asking rental rates in the Halifax office market remained stable this quarter with the exception of the Dartmouth submarket, which had a QOQ increase of \$0.12 per square foot (psf) in its average net rent, while the gross rent increased by \$0.25 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	819,543	14.0%	13,904	56,749	0	\$32.23	\$35.89
Halifax - Suburban	2,592,301	18,478	171,601	7.3%	-21,414	13,000	0	\$29.36	\$30.46
Dartmouth	3,246,801	114,580	430,826	16.8%	6,331	-137,071	0	\$28.75	\$30.03
Bedford	1,043,713	3,388	67,411	6.8%	-1,446	-5,813	0	\$29.34	\$31.99
Suburban Totals	6,882,815	136,446	669,838	9.7%	-16,549	-129,884	0	\$29.17	\$30.48
Halifax Totals	12,903,045	1,489,381	1,489,381	12.8%	-2,645	-73,135	0	\$30.64	\$32.76

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1791 Barrington St	Central	Toronto Dominion Bank	38,541	Renewal*
1969 Upper Water St	Central	The Department of Justice	86,000	Direct
168 Hobsons Lake Drive	Suburban	Nova Scotia Health Authority	9,800	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2024

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

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