

HALIFAX INDUSTRIAL

Economic Indicators

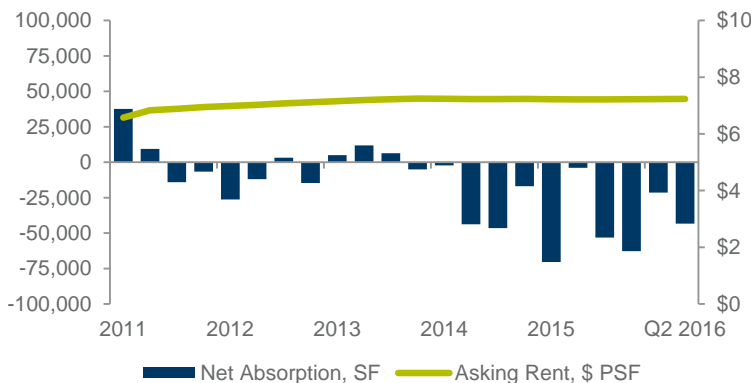
	Q2 15	Q2 16	12-Month Forecast
Halifax Employment	224K	227K	▲
Halifax Unemployment	7.0%	6.4%	▼
Canada Unemployment	6.8%	6.9%	▲

Market Indicators (Overall, All Product Types)

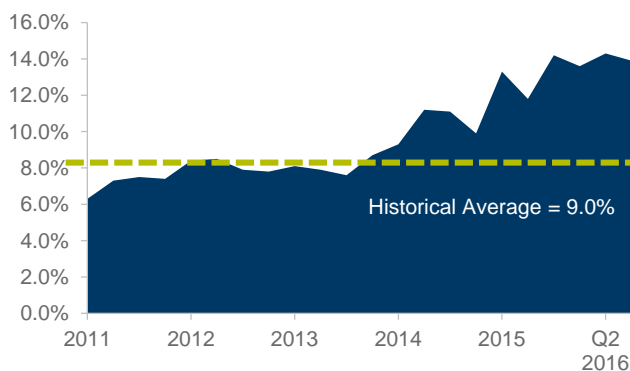
	Q2 15	Q2 16	12-Month Forecast
Vacancy	11.8%	13.9%	▼
Net Absorption (sf)	119,900	32,541	▲
Under Construction (sf)	0	0	■
Average Asking Rent*	\$7.19	\$7.22	▼

*Rental rates reflect net asking \$psf/year

Overall Net Absorption/Overall Asking Rent 4Q TRAILING AVERAGE



Overall Vacancy



Economy

Growth in the Nova Scotia is expected to accelerate this year, with RBC Economics forecasting real GDP growth of 1.3% in 2016. The continuation of construction throughout Halifax is a contributing factor for this growth as construction activities begin to ramp up due to fast approaching completion dates. Another factor in the growth forecast are exports, which are still benefiting from a weaker Canadian dollar. With a substantial decline in natural gas production, natural gas now only represents a small share of exports and will no longer have a significant impact on the overall export growth in Nova Scotia. Looking to 2017, construction activity will most likely begin to slow as both major residential and non-residential projects are completed, contributing to GDP forecasted growth falling to 1.1% in 2017.

Market Overview

Nova Scotia's industrial market remained relatively steady from the first quarter into the second quarter of 2016, posting an overall vacancy rate of 13.9%. That being said the vacancy rate in Bayers Lake decreased significantly from 38.9% in Q1 to 22.9% this quarter, with strong levels of positive absorption of close to 40,000 square feet (sf). The vacancy rate in the Burnside submarket decreased by 0.1 percentage point from the first quarter to 13.9%. This submarket saw some movement of tenants this quarter with Trans Atlantic moving out of 109 Williams Avenue, undisclosed tenants moving into 86 Troop Avenue, and finally Trebley Warehousing Ltd. moving into 10 Vidito Drive. Vacancy within the other submarkets of Halifax, Atlantic Acres, Ragged Lake Business Park & Sackville remained steady from Q1 2016 to Q2 2016.

Outlook

With Great Britain voting to leave the European Union, there is a lot of global uncertainty concerning the ramifications. John Forrester, EMEA Chief Executive of Cushman & Wakefield weighed in stating "we are entering a period of unprecedented change as markets and sectors begin to adapt". A number of clients of fund managers and individual investors are worried as it is almost impossible to say who will be affected and to what extent.

For the Nova Scotia market, the only significant impact would be a materially change in global trade, which would impact container volume at the Port of Halifax. The city's industrial market is partially dependent on container loading and breakdown.

MARKETBEAT

Industrial Snapshot Q2 2016

HALIFAX, NS



SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	OVERALL VACANCY (SF)	OVERALL VACANCY RATE	CURRENT OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	DIRECT WEIGHTED AVG. NET RENT*	DIRECT WEIGHTED AVG. ADD. RENT	DIRECT WEIGHTED AVG. GROSS RENT
Atlantic Acres Industrial Park	5	203,014	35,683	17.6%	0	(1,168)	0	0	\$6.25	\$3.57	\$9.83
Bayers Lake	5	249,739	57,090	22.9%	39,997	(6,193)	0	0	\$8.42	\$4.76	\$13.18
Bedford	5	94,819	20,925	22.1%	(8,155)	(6,013)	0	0	\$9.60	\$6.75	\$16.36
Burnside	120	6,449,831	899,079	13.9%	699	(20,961)	0	0	\$7.09	\$4.95	\$12.05
Halifax	15	585,336	48,679	8.3%	0	441	0	0	\$7.96	\$5.42	\$13.39
Ragged Lake Business Park	1	36,000	0	0.0%	0	0	0	0	\$7.50	\$4.46	\$11.96
Sackville	2	27,300	2,500	9.2%	0	0	0	0	\$7.35	\$4.68	\$12.03
HALIFAX TOTALS	153	7,646,039	1,063,956	13.9%	32,541	(33,894)	0	0	\$7.22	\$4.96	\$12.18

*Rental rates reflect asking \$psf/year

Key Lease Transactions Q2 2016

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
10 Akerley Boulevard	4,800	Pro Insul	Lease	Burnside

Key Sale Transactions Q2 2016

PROPERTY	SF	TENANT	PRICE / \$PSF	SUBMARKET
N/A				

Cushman & Wakefield Atlantic
 Suite 601
 5475 Spring Garden Road
 Halifax, NS
cushmanwakefield.com

For more information, contact:
 Meaghan MacDougall
 Research & Sales Coordinator
 Tel: +1 902 334 2169
mmacdougall@cwatlantic.com

About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop, and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for occupiers and investors around the world. Cushman & Wakefield is among the largest commercial real estate services firms with revenue of \$5 billion across core services of agency leasing, asset services, capital markets, facility services (C&W Services), global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation, and valuation & advisory. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

Copyright © 2016 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources considered to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.