MARKETBEAT

Industrial Snapshot Q3 2015

HALIFAX, NS

CUSHMAN & WAKEFIELD Atlantic

HALIFAX INDUSTRIAL

Economic Indicators

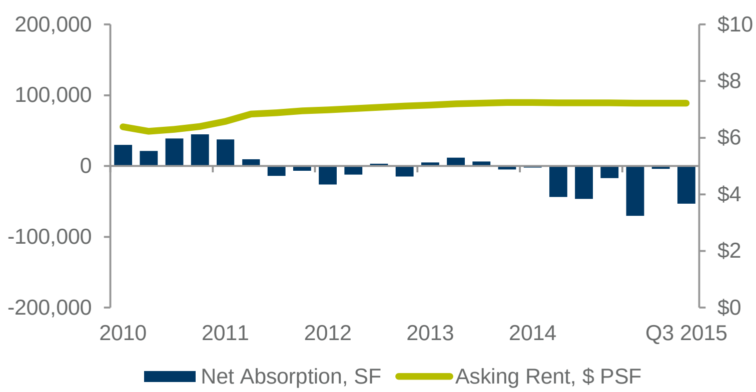
	Q3 14	Q3 15	12-Month Forecast
Halifax Employment	222k	227k	▲
Halifax Unemployment	5.8%	5.9%	▼
Canada Unemployment	6.9%	7.0%	▬

Market Indicators

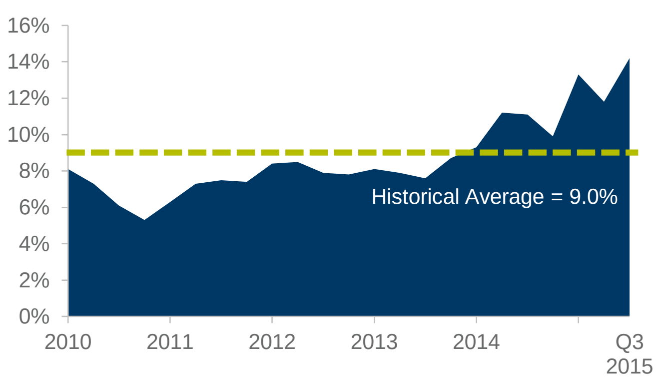
	Q3 14	Q3 15	12-Month Forecast
Overall Vacancy	11.1%	14.2%	▲
Net Absorption	11k	(186)k	▼
Under Construction	0	0	▬
Overall Average Asking Rent	$7.24	$7.25	▲

Net Absorption/Asking Rent

4Q TRAILING AVERAGE



Overall Vacancy



Economic Overview

Nova Scotia's economic momentum is expected to slow this year, with RBC Economics forecasting real Gross Domestic Product (GDP) to grow by only 0.9% in 2015; but it is anticipated to increase to 2.1% in 2016 as a result of a full year of ship building activity. TD Economics is forecasting that Nova Scotia will be the top-performing Atlantic economy in 2015-2016 as the province is benefitting from both the weak Canadian dollar and strong performances in the construction, tourism and manufacturing sectors.

Market Overview

Nova Scotia's industrial market saw a significant increase in its overall vacancy rate this quarter, climbing to 14.2% from 11.8% last quarter. This climb in the overall vacancy rate can largely be attributed to significant new availability within Burnside Business Park; which saw its overall vacancy rate rise from 11.3% last quarter to 14.4% in Q3. Within the Burnside Business Park a number of companies downsized, such as PowerTel at 120 Troop Avenue which resulted in close to 12,000 square feet (sf) coming on the market. Other companies in the park closed for business and vacated their space entirely including Alpha Strike at 202 Brownlow Avenue, and Allied Reclamation at 101 Thornhill Drive; which combined, placed 25,000 sf on the market. The Industrial Market in Halifax is in a transformation phase, as new construction has enabled movement to higher ceiling and larger yard offerings, creating vacancies in older product.

Outlook

Despite a significant drop of natural gas production, growth is expected in the market which will be fueled by the strengthening manufacturing and construction sectors, in combination with strong U.S. export demand and a declining Canadian dollar (RBC). Many proposed capital projects have continued in the region including the Irving Shipbuilding work, the Maritime Link project, construction on the $500-million Nova Centre, construction on the Macdonald Bridge, and finally a $2 billion investment in offshore oil exploration. RBC Economics is forecasting that further declines in the production of natural gas output will have smaller negative effects next year. Job creation is will be bolstered by growth in both the construction and manufacturing sectors. This is also expected to propel economic growth to a 6-year high in 2016.

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HALIFAX, NS

SUBMARKET	TOTAL BLDGS	INVENTORY	OVERALL VACANCY (SF)	OVERALL VACANCY RATE	CURRENT NET QUARTER ABSORPTION	YTD NET OVERALL ABSORPTION	UNDER CNSTR	YTD CNSTR COMPLETIONS	DIRECT WEIGHTED AVG. NET RENT*	DIRECT WEIGHTED AVG. ADD. RENT*	DIRECT WEIGHTED AVG. GROSS RENT*
Atlantic Acres Industrial Park	5	203,014	34,515	17.0%	2,700	16,100	0		$7.54	$3.26	$10.79
Bayers Lake	5	249,739	51,072	20.5%	(3,625)	(5,360)	0		$9.20	$4.38	$13.58
Bedford	4	94,819	17,837	18.8%	7,309	5,728	0		$11.35	$6.55	$17.90
Burnside	120	6,377,150	921,399	14.4%	(198,080)	(324,714)	0	30,000	$7.06	$4.56	$11.62
Halifax	13	585,336	49,110	8.4%	5,933	10,890	0		$7.63	$5.25	$12.88
Ragged Lake Business Park	1	36,000	0	0%	0	0	0		$7.50	$4.46	$11.96
Sackville	2	27,300	2,500	9.2%	0	0	0		$7.35	$4.68	$12.03
HALIFAX TOTALS	150	7,573,358	1,076,433	14.2%	(185,763)	(297,356)	0	30,000	$7.25	$4.60	$11.84

*Rental rates reflect asking $psf/year

Key Lease Transactions Q3 2015

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
171 John Savage Avenue	12,500	CTI	Industrial	Burnside
171 John Savage Avenue	12,500	J.W. Bird & Company Ltd.	Industrial	Burnside

Key Sale Transactions Q3 2015

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
N/A				

About Cushman & Wakefield

Cushman & Wakefield is a global leader in commercial real estate services, helping 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 in the world with revenues of $5 billion across core services of agency leasing, asset services, capital markets, facilities services (branded C&W Services), global occupier services, investment management (branded DTZ Investors), tenant representation and valuations & advisory. To learn more, visit www.cushmanwakefield.com or follow @Cushwake on Twitter.

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CUSHMAN & WAKEFIELD Atlantic

Q3 2015	Halifax	Bayers Lake	Ragged Lake	Atlantic Acres	Sackville	Bedford	Burnside	Total Market
Area (sf)	585,336	249,739	36,000	203,014	27,300	94,819	6,377,150	7,573,358
Direct Vacant Space (sf)	49,110	42,665	0	34,515	2,500	17,837	906,543	1,053,170
Sublet Space (sf)	0	8,407	0	0	0	0	14,856	23,263
Total Vacant (Includes sublet)	**49,110**	**51,072**	**0**	**34,515**	**2,500**	**17,837**	**921,399**	1,076,433
Direct Vacancy Rate	8.4%	17.1%	0.0%	17.0%	9.2%	18.8%	14.2%	13.9%
Total Vacancy Rate	**8.4%**	**20.5%**	**0.0%**	**17.0%**	**9.2%**	**18.8%**	**14.4%**	14.2%
Occupied Space (including sublet)	536,226	207,074	36,000	168,499	24,800	76,982	5,470,607	6,520,188
Occupied Space (exc. Sublet)	**536,226**	**198,667**	**36,000**	**168,499**	**24,800**	**76,982**	**5,455,751**	6,496,925
3 Month Absorption (Direct)	1,884	-3,625	0	2,700	0	7,309	-198,841	-190,573
YTD Absorption (Direct)	6,841	3,047	0	16,100	0	5,728	-350,389	-318,673
3 month Absorption (Overall)	**5,933**	**-3,625**	**0**	**2,700**	**0**	**7,309**	**-198,080**	-185,763
YTD Absorption (Overall)	**10,890**	**-5,360**	**0**	**16,100**	**0**	**5,728**	**-324,714**	-297,356
Net Rent	$7.63	$9.20	$7.50	$7.54	$7.35	$11.35	$7.06	$7.25
CAM/Taxes	$5.25	$4.38	$4.46	$3.26	$4.68	$6.55	$4.56	$4.60
Gross Rent	$12.88	$13.58	$11.96	$10.79	$12.03	$17.90	$11.62	$11.84
New Supply (Current Quarter)	0	0	0	0	0	0	0	0
New Supply YTD	0	0	0	0	0	0	30,000	30,000

Q2 2015	Halifax	Bayers Lake	Ragged Lake	Atlantic Acres	Sackville	Bedford	Burnside	Total Market
Area (sf)	585,336	249,739	36,000	203,014	27,300	94,819	6,377,150	7,573,358
Direct Vacant Space (sf)	50,994	39,040	0	37,215	2,500	25,146	707,702	862,597
Sublet Space (sf)	4,049	8,407	0	0	0	0	15,617	28,073
Total Vacant (Includes sublet)	**55,043**	**47,447**	**0**	**37,215**	**2,500**	**25,146**	**723,319**	890,670
Direct Vacancy Rate	8.7%	15.6%	0.0%	18.3%	9.2%	26.5%	11.1%	11.4%
Total Vacancy Rate	**9.4%**	**19.0%**	**0.0%**	**18.3%**	**9.2%**	**26.5%**	**11.3%**	11.8%
Occupied Space (including sublet)	534,342	210,699	36,000	165,799	24,800	69,673	5,669,448	6,710,761
Occupied Space (exc. Sublet)	**530,293**	**202,292**	**36,000**	**165,799**	**24,800**	**69,673**	**5,653,831**	6,682,688
3 Month Absorption (Direct)	0	6,672	0	13,500	0	0	66,796	86,968
YTD Absorption (Direct)	4,957	6,672	0	13,400	0	-1,581	-151,548	-128,100
3 month Absorption (Overall)	**0**	**-1,735**	**0**	**13,500**	**0**	**0**	**108,135**	119,900
YTD Absorption (Overall)	**4,957**	**-1,735**	**0**	**13,400**	**0**	**-1,581**	**-126,634**	-111,593
Net Rent	$7.63	$9.20	$7.50	$7.54	$7.35	$11.35	$6.99	$7.19
CAM/Taxes	$5.25	$4.38	$4.46	$3.26	$4.68	$6.55	$4.56	$4.60
Gross Rent	$12.88	$13.58	$11.96	$10.79	$12.03	$17.90	$11.55	$11.78
New Supply (Current Quarter)	0	0	0	0	0	0	0	0
New Supply YTD	0	0	0	0	0	0	30,000	30,000

Q1 2015	Halifax	Bayers Lake	Ragged Lake	Atlantic Acres	Sackville	Bedford	Burnside	Total Market
Area (sf)	585,336	249,739	36,000	203,014	27,300	94,819	6,377,150	7,573,358
Direct Vacant Space (sf)	50,994	45,712	0	50,715	2,500	25,146	774,498	949,565
Sublet Space (sf)	4,049	0	0	0	0	0	56,956	61,005
Total Vacant (Includes sublet)	**55,043**	**45,712**	**0**	**50,715**	**2,500**	**25,146**	**831,454**	1,010,570
Direct Vacancy Rate	8.7%	18.3%	0.0%	25.0%	9.2%	26.5%	12.1%	12.5%
Total Vacancy Rate	**9.4%**	**18.3%**	**0.0%**	**25.0%**	**9.2%**	**26.5%**	**13.0%**	13.3%
Occupied Space (including sublet)	534,342	204,027	36,000	152,299	24,800	69,673	5,602,652	6,623,793
Occupied Space (exc. Sublet)	**530,293**	**204,027**	**36,000**	**152,299**	**24,800**	**69,673**	**5,545,696**	6,562,788
3 Month Absorption (Direct)	4,957	0	0	-100	0	-1,581	-218,344	-215,068
YTD Absorption (Direct)	4,957	0	0	-100	0	-1,581	-218,344	-215,068
3 month Absorption (Overall)	**4,957**	**0**	**0**	**-100**	**0**	**-1,581**	**-234,769**	-231,493
YTD Absorption (Overall)	**4,957**	**0**	**0**	**-100**	**0**	**-1,581**	**-234,769**	-231,493
Net Rent	$7.63	$10.10	$7.50	$7.54	$7.35	$11.35	$6.96	$7.19
CAM/Taxes	$5.25	$4.38	$4.46	$3.26	$4.68	$6.55	$4.56	$4.59
Gross Rent	$12.88	$14.48	$11.96	$10.79	$12.03	$17.90	$11.52	$11.79
New Supply (Current Quarter)	0	0	0	0	0	0	30,000	30,000
New Supply YTD	0	0	0	0	0	0	30,000	30,000

Q4 2014	Halifax	Bayers Lake	Ragged Lake	Atlantic Acres	Sackville	Bedford	Burnside	Total Market
Area (sf)	585,336	249,739	36,000	203,014	27,300	94,819	6,347,150	7,543,358
Direct Vacant Space (sf)	55,951	45,712	0	50,615	2,500	23,565	526,154	704,497
Sublet Space (sf)	4,049	0	0	0	0	0	40,531	44,580
Total Vacant (Includes sublet)	**60,000**	**45,712**	**0**	**50,615**	**2,500**	**23,565**	**566,685**	749,077
Direct Vacancy Rate	9.6%	18.3%	0.0%	24.9%	9.2%	24.9%	8.3%	9.3%
Total Vacancy Rate	**10.3%**	**18.3%**	**0.0%**	**24.9%**	**9.2%**	**24.9%**	**8.9%**	9.9%
Occupied Space (including sublet)	529,385	204,027	36,000	152,399	24,800	71,254	5,820,996	6,838,861
Occupied Space (exc. Sublet)	**525,336**	**204,027**	**36,000**	**152,399**	**24,800**	**71,254**	**5,780,465**	6,794,281
3 Month Absorption (Direct)	-17,665	3,917	0	-43,740	0	1,600	132,656	76,768
YTD Absorption (Direct)	-29,915	-645	5,350	-21,865	-2,500	-20,210	9,245	-60,540
3 month Absorption (Overall)	**-17,665**	**3,917**	**0**	**-43,740**	**0**	**1,600**	**140,497**	84,609
YTD Absorption (Overall)	**-33,964**	**-645**	**5,350**	**-21,865**	**-2,500**	**-19,071**	**5,135**	-67,560
Net Rent	$7.63	$10.10	$7.50	$7.98	$7.35	$11.35	$7.01	$7.24
CAM/Taxes	$5.18	$4.36	$3.29	$3.20	$4.68	$4.43	$4.37	$4.40
Gross Rent	$12.82	$14.47	$10.79	$11.18	$12.03	$15.78	$11.37	$11.64
New Supply (Current Quarter)	0	0	0	0	0	0	0	0
New Supply YTD	0	0	0	0	0	0	32,000	32,000