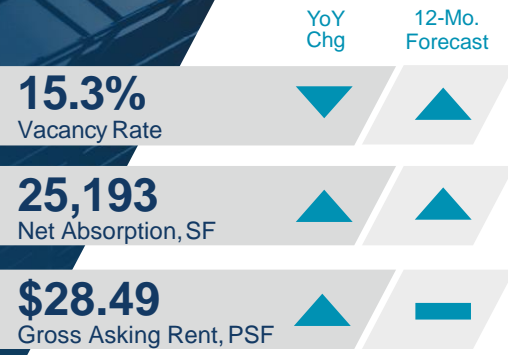


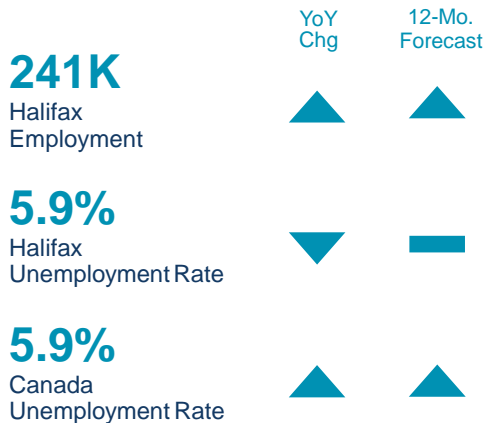
Halifax, Nova Scotia

Office Q4 2019



(Overall, All Property Classes)

ECONOMIC INDICATORS Q4 2019



Source: Statistics Canada

ECONOMIC OVERVIEW

Nova Scotia's economic growth continues to strengthen and is expected to continue through 2020. Halifax's GDP growth in 2019 saw a 1.0% increase from 2018 and growth is forecasted to average 2.2% over the next four years. Halifax's annual population growth increased by 1.6%, bringing the total population to just over 445,000. Average weekly wages were up 5.3% which resulted in an uptick in household spending. International exports saw large gains as trade disputes continue between the U.S. and China. Housing demand continues to rise which resulted in an increase of 15% for residential construction and 30% increase in building permits year-over-year. The upcoming closure of the Northern Pulp mill may have an impact on the local economy but to what extent, is still unclear.

(Sources: Statistics Canada, RBC, Halifax Partnership)

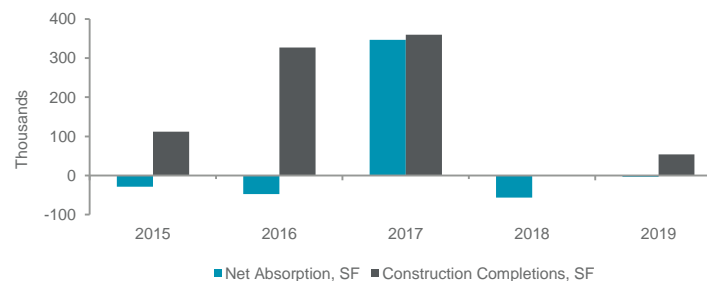
SUPPLY AND DEMAND

Nova Scotia's office vacancy rate in the fourth quarter of 2019 decreased to 15.3% from 15.5% the previous quarter. The Bedford submarket experienced the biggest decrease in vacancy, dropping by 500 basis points (bps) from 14.8% in the third quarter of 2019 to 9.8% in the fourth quarter, as Westway Park II and III saw total absorption of over 55,000 square feet (sf). Halifax's Central Business District (CBD) was the only submarket that had an increase in vacancy in the fourth quarter of 2019, rising by 50 bps from the third quarter to reach 20.3%. This climb in vacancy was partly due to various tenants vacating 74,821 sf at the Centennial Building located at 1660 Hollis Street.

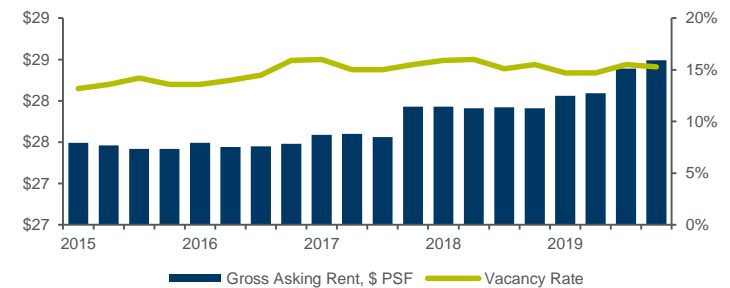
PRICING

The net average asking rent for all classes saw a \$0.04 per square foot (psf) increase in the fourth quarter compared to the third quarter rate of 2019. Class A net rents climbed to \$17.36 psf, an increase of \$0.06 psf from \$17.30 psf last quarter. Class B space also saw an increase of \$0.06 psf, pushing net rents from \$13.38 psf last quarter to \$13.44 psf. Class C experienced an overall decrease in net rents, declining from \$12.31 psf last quarter to \$12.19 psf in the fourth quarter of 2019. The CBD had the largest submarket net rent increase observed in the fourth quarter of 2019, with rents rising to average \$15.60 psf compared to \$15.47 psf last quarter. Class B net rents in Bedford had the largest decline of any submarket with a decrease of \$1.35 psf, bringing the average to \$12.13 psf for the fourth quarter of 2019.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & GROSS ASKING RENT



Halifax, Nova Scotia

Office Q4 2019


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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	6,136,836	12,146	1,234,637	20.3%	-34,044	-25,480	105,000	\$30.26	\$35.12
Halifax - Suburban	2,515,542	24,189	120,992	5.8%	23,600	-3,889		\$27.51	\$29.72
Dartmouth	2,799,126	12,127	397,383	14.6%	-12,354	-54,679		\$26.04	\$28.26
Bedford	943,713	0	94,150	10.0%	47,991	129,655		\$25.55	\$27.00
SUBURBAN TOTALS	6,258,230	36,316	610,417	10.4%	59,237	71,087		\$26.72	\$28.58
HALIFAX TOTALS	12,395,217	48,462	1,847,162	15.3%	25,193	45,607	105,000	\$28.49	\$31.59

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1701 Hollis Street	Halifax CBD	Jam Filled Entertainment	10,000	Lease
1809 Barrington Street	Halifax CBD	EduNova	2,000	Lease

*Renewals not included in leasing statistics

KEY CONSTRUCTION COMPLETIONS 2019

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
Westway Park III	Bedford		54,000	Armour Group

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