

YoY  
Chg 12-Mo.  
Forecast

14.5%

Vacancy Rate



-2,726

Net Absorption, SF



\$28.85

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS  
Q4 2020YoY  
Chg 12-Mo.  
Forecast

243.5K

Halifax  
Employment

7.3%

Halifax  
Unemployment Rate

8.6%

Canada  
Unemployment Rate

Source: Statistics Canada

## ECONOMIC OVERVIEW

All indicators continue to point towards economic growth for Nova Scotia in 2021, as GDP is still slated to increase by 4.2%. Employment has strongly recovered from earlier this year with around 97% of jobs lost between February and April being restored by November. The province will look towards a steady increase in tourism in the coming year to help mend the losses of 2020, while the brightening prospects of a rebound in the Chinese export sector bodes well for Nova Scotia and its seafood exports. The Nova Scotian Government has also introduced a \$1.3 billion increase to its capital investment budget, which will keep school, healthcare facilities and road work expenditures up, combined with the extension of the Atlantic Immigration Pilot Program (AIPP) by the Federal Government, this will help stimulate population and economical growth. Despite the potential for the coming year, caution should be heeded as the province observed a sharper contraction this year in comparison to most of Atlantic Canada, with the accommodation, food, and retail services taking the biggest blows, along with Nova Scotia's tire manufacturing due to the automotive industries slow down earlier this year.

(Sources: Statistics Canada, RBC, TD Economics)

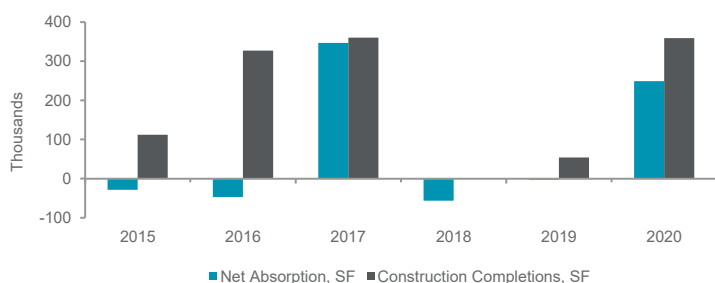
## SUPPLY AND DEMAND

Nova Scotia's overall office vacancy was 14.5% in the fourth quarter of 2020, unchanged from the previous quarter, although it is a 90-basis point (bps) year-over-year decrease. The Central Business District (CBD) was the only submarket to experience an increase in vacancy this quarter, as vacancy rates rose by 130 bps from the previous quarter to 19.4% in the fourth quarter of 2020. This increase was largely the result of 51,421 square feet (sf) of negative absorption at 2021 Brunswick Street (Brunswick Place) as the CIBC call centre space became available for sublease. Class A space in the CBD also saw an increase this quarter but was rather quiet comparatively to other classes within the submarket, as vacancy bumped up by 50 bps quarter-over-quarter to end 2020 at 24.5%. Suburban Halifax was low on activity this quarter as overall vacancy dipped just below 6.0% to 5.7% for a 40-bps decrease compared to the previous quarter. The submarket of Dartmouth observed 53,338 sf of absorption this quarter as Metamaterials Inc leased out the remaining 53,000 sf of space at 60 Highfield Park. This transaction contributed to the 170-bps vacancy decrease from last quarter, as the submarket overall vacancy rate now sits at 14.3%. Activity in Dartmouth and the CBD were major contributors to the stable overall vacancy rate this quarter. Class A and B space in the Bedford submarket saw a moderate amount of leasing activity this quarter as vacancy rates dropped by 140 basis points and 170 bps respectively, to finish 2020 at 3.4% and 8.3%. This resulted in an overall vacancy decrease of 130 bps in Bedford, with vacancy now at 6.6% in the fourth quarter of 2020.

## PRICING

Overall average net rents were virtually unchanged in Nova Scotia this quarter, as only a \$0.02 per square foot (psf) increase was noted compared to the previous quarter, with net rents averaging \$15.32 psf in the fourth quarter of 2020. Similar to the overall numbers, the CBD observed a \$0.01 psf increase in overall net rents this quarter, bumping up to \$15.68 psf. Class A net rents in the CBD remained unchanged from the previous quarter. Suburban Halifax had the most significant net rent activity this quarter as average net rents rose by \$0.11 psf quarter-over-quarter and are now at \$15.85 psf within the submarket. Dartmouth was the only submarket that saw its overall average net rents fall this quarter, albeit slightly, down by \$0.01 psf quarter-over-quarter, setting the average rate in the fourth quarter of 2020 at \$14.74 psf.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY &amp; ASKING RENT



# Halifax, Nova Scotia

Office Q4 2020



CUSHMAN &amp; WAKEFIELD

## 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	6,186,733	73,724	1,128,588	19.4%	-80,265	82,885	0	\$30.47	\$35.37
Halifax - Suburban	2,466,594	0	139,453	5.7%	11,584	-24,789	0	\$28.36	\$30.15
Dartmouth	3,102,426	10,272	432,698	14.3%	53,338	158,615	30,265	\$26.97	\$29.29
Bedford	943,713	3,562	58,292	6.6%	12,617	32,296	0	\$25.63	\$27.00
<b>SUBURBAN TOTALS</b>	6,512,733	13,834	630,443	9.9%	77,539	166,122	30,265	\$27.31	\$29.24
<b>HALIFAX TOTALS</b>	<b>12,699,466</b>	<b>87,558</b>	<b>1,759,031</b>	<b>14.5%</b>	<b>-2,726</b>	<b>249,007</b>	<b>30,265</b>	<b>\$28.85</b>	<b>\$31.91</b>

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
60 Highfield Park	Dartmouth	Metamaterial Inc	53,000	Lease
1959 Upper Water Street	CBD	RBC Dominion Securities	19,365	Renewal
7071 Bayers Road	Suburban (Halifax)	Canadian Blood Services	7,500	Renewal

### BILL MACAVOY

Managing Director

+1 902 425 1872 / [bmacavoy@cwatlantic.com](mailto:bmacavoy@cwatlantic.com)

### DYLAN CURRIE

Research Coordinator

+1 902 334 2169 / [dcurrie@cwatlantic.com](mailto:dcurrie@cwatlantic.com)[cwatlantic.com](http://cwatlantic.com)

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