MARKETBEAT HALIFAX
INDUSTRIAL Q3 2024

CUSHMAN & WAKEFIELD Atlantic

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
5.7% Vacancy Rate	▲	▲
-60K YTD Net Absorption, SF	▼	▼
$9.58 Asking Rent, PSF *(Overall, Net Asking Rent)*	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
278k Halifax Employment	▲	▲
5.7% Halifax Unemployment Rate	▼	▼
6.6% Canada Unemployment Rate	▲	—

Source: Statistics Canada

ECONOMY

GDP growth in Nova Scotia is expected to hold firm due to robust activity in the wholesale trade sector and gains in the residential/non-residential sector. The robust population growth in past quarters has led to a low vacancy rate, leading to higher rents in the residential sector, with a CPI (Consumer Price Index) in August of 9% year-over-year. Purpose-built house construction has increased to respond to the growing demand and increased population. Overall, the economy in Nova Scotia is on track for steady growth with activity from government spending and responding to the demands of a steadying population.

(Sources: Statistics Canada, RBC, TD Economics).

SUPPLY AND DEMAND

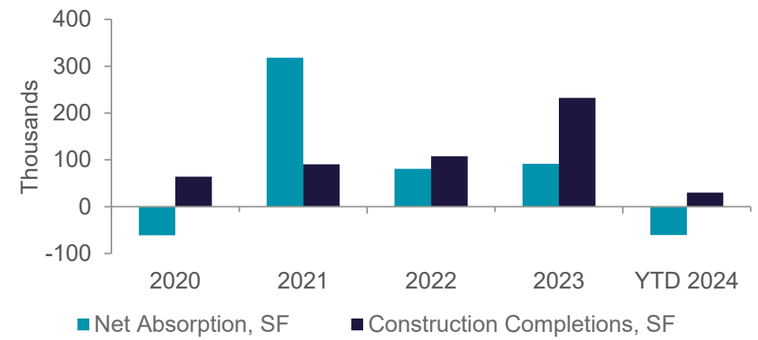
Vacancy in the Halifax industrial market reached 5.7% in the third quarter of 2024, a decrease of 40 basis points (bps) from the previous quarter. While almost all submarkets remained either stable or posted a slight decrease in vacancy compared to last quarter, the overall decline was driven by multiple movements in the Bedford submarket.

Overall absorption in the Halifax industrial market increased significantly compared to last quarter, from negative 136k square feet (sf) to 30k sf. The driving force behind the change was tightening in the Burnside submarket with positive absorption of 26k sf. Significant movement in Burnside Industrial Park occurred during the third quarter. Gesco, a distribution company, moved into 130 John Savage, taking 20,595 off the market. Groupe Touchette Tire Company moved out of 29 Ramona Court, vacating 21,025 sf.

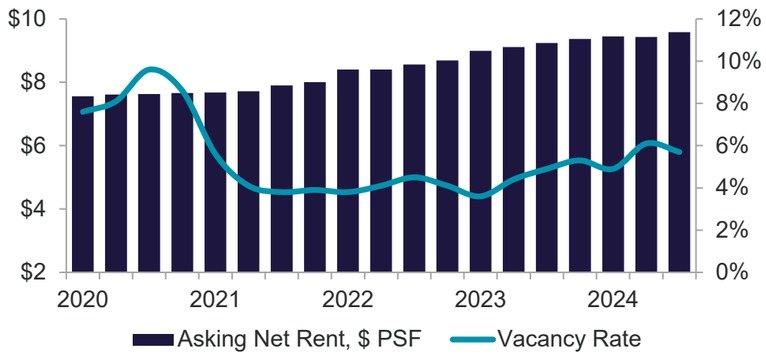
PRICING

The Halifax industrial market average net rent was unchanged from last quarter, remaining at $9.58 per square foot (psf). The overall gross rent increased by $0.08 psf from the previous quarter, with Burnside being the only submarket that experienced an increase.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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HALIFAX
INDUSTRIAL Q3 2024

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT *	OVERALL WEIGHTED AVG ADD. RENT	OVERALL WEIGHTED AVG GROSS RENT
Atlantic Acres Industrial Park	289,080	34,569	12.0%	4,607	18,304	0	0	$11.25	$5.37	$16.62
Bayers Lake Business Park	249,739	13,686	5.5%	0	-4,807	37,584	0	$9.88	$8.01	$17.89
Bedford	94,819	4,414	4.7%	2,019	-4,414	0	0	$17.56	$8.73	$26.28
Burnside	7,844,829	446,247	5.7%	22,973	-61,401	130,400	0	$9.43	$6.34	$15.77
Halifax	493,711	7,163	1.5%	491	-3,387	0	0	$9.20	$6.40	$15.60
Ragged Lake Business Park	36,000	0	0.0%	0	0	0	0	$9.88	$8.01	$17.89
Sackville	27,300	4,800	17.6%	0	-4,800	0	0	$7.35	$5.64	$13.00
HALIFAX TOTALS	**9,035,478**	**510,879**	**5.7%**	**30,090**	**-60,505**	**167,984**	**0**	**$9.58**	**$6.38**	**$15.96**

**Rental rates reflect weighted net asking $psf/year*

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
18 Higney Ave, Unit 2	Dartmouth	Halifax Regional Municipality	3,200	Direct
71 Ilsley Ave, Unit 2	Dartmouth	Undisclosed	7,852	Direct

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
522 Bedford Hwy	Bedford	Undisclosed	2943 bldg/14422 lot	$1.125M
39 England Ave	Halifax	KD Pharma Group	23,0000	$16.6M

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