MARKETBEAT

HALIFAX

INDUSTRIAL Q4 2024

CUSHMAN & WAKEFIELD Atlantic

MARKET FUNDAMENTALS

	YOY Chg	Outlook
10.9% Vacancy Rate	▲	▲
32K YTD Net Absorption, SF	▼	▼
$9.67 Asking Rent, PSF *(Overall, Net Asking Rent)*	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
522K Nova Scotia Employment	▲	▲
6.3% Nova Scotia Unemployment Rate	▲	▼
6.7% Canada Unemployment Rate	▲	▬

Source: Statistics Canada

ECONOMY

Nova Scotia's economy is experiencing a slower-growing CPI (Consumer Price Index) trailing behind the overall Canadian CPI growth of 1.9% with 1.7% growth since November 2023.This slowdown is represented by the 3.0% decrease in the cost of gas and lower prices in the retail sector. Most notably, Nova Scotia has also reached a lower unemployment rate than the national average due to the softening in population growth. As this slowdown in growth relieves pressure from the workforce, it also decreases demand for apartments which currently sit at a vacancy rate of 2.0% (the highest it has been in seven years). Recently completed developments have also stimulated this increase in vacancy. As this is a notable shift, Nova Scotia continues to trend beneath the national average vacancy rate of 2.2%.

(*Sources: All Nova Scotia, Statistics Canada, RBC, TD Economics*)

SUPPLY AND DEMAND

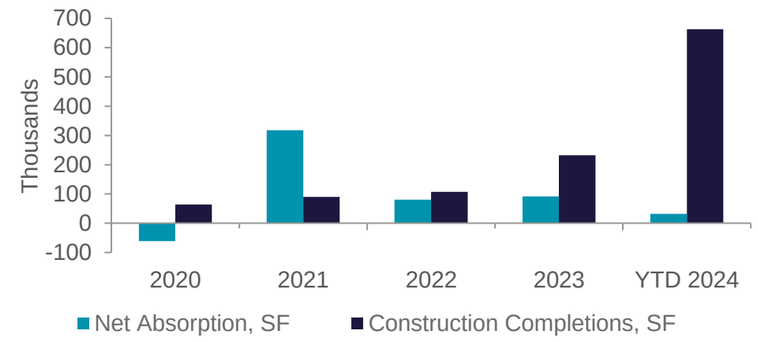
Vacancy in the Halifax industrial market reached 10.9% in the fourth quarter of 2024, a significant increase of 560 basis points (bps) from the previous quarter. This substantial increase in vacancy was driven by the Bayers Lake submarket, which reached a vacancy rate of 63.8% due to the arrival of close to 589k square feet (sf) of new inventory – of which close to 535k sf was vacant upon delivery. The new supply in the Bayers Lake Industrial Park include 125/265 Julius Boulevard owned by HPB BAYERS GP INC., and 29 Dugger McNeil Drive, managed by Hazelview Investments.

Overall absorption in the Halifax industrial market reached 92k sf this quarter bringing the 2024 overall figure to close to 32k sf. The positive absorption in the fourth quarter was primarily focused in Bayers Lake with approximately 67k sf. Intel Com and PLC have leased space at the newly developed 29 Dugger McNeil Drive, which collectively occupies 67k sf.

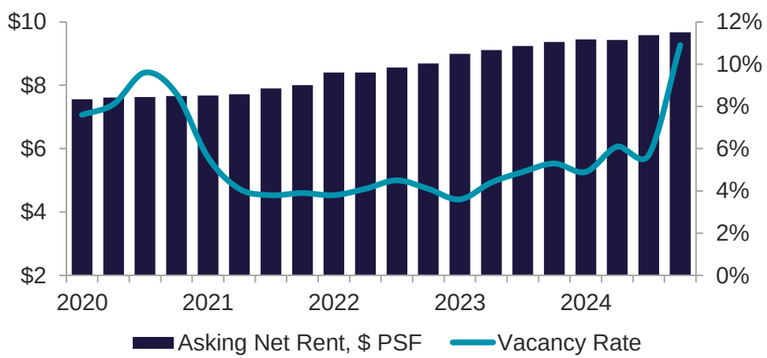
PRICING

The average net increased from last quarter to reach $9.67 psf. This increase was primarily driven by a notable increase in the net rent in the Sackville market, climbing from $7.35 psf to $9.55 psf quarter-over-quarter.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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HALIFAX
INDUSTRIAL Q4 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%	0	18,304	0	0	$11.25	$5.37	$16.62
Bayers Lake Business Park	838,419	534,841	63.8%	67,525	62,718	0	555,680	$9.88	$8.01	$17.88
Bedford	94,819	7,075	7.5%	-2,661	-7,075	37,584	0	$17.56	$8.73	$26.28
Burnside	7,888,829	457,096	5.8%	33,151	-28,250	86,400	44,000	$9.51	$6.37	$15.88
Halifax	493,711	12,853	2.6%	-5,690	-9,077	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	$9.55	$5.64	$15.20
HALIFAX TOTALS	**9,668,158**	**1,051,234**	**10.9%**	**92,325**	**31,820**	**123.984**	**632,680**	**$9.67**	**$6.45**	**$16.11**

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

KEY CONSTRUCTION COMPLETIONS Q4 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
464 Cutler Avenue	Burnside	N/A	44,000	ETT Developments Ltd.
125 Julius Boulevard	Bayer's Lake	N/A	230,235	HPB BAYERS GP INC.
265 Julius Boulevard	Bayer's Lake	N/A	170,445	HPB BAYERS GP INC.
29 Dugger McNeil Drive	Bayer's Lake	PLC & Intel Com	188,000	Hazelview Investments

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	Type
20 Payzant	Burnside	Undisclosed	22,516	Direct
435 Higney	Burnside	Undisclosed	34,550	Direct
50 Thornhill Dr	Burnside	Undisclosed	2,377	Direct
10 Morris Dr	Burnside	Undisclosed	4,425	Direct
10 Ragged Lake Blvd	Halifax	Undisclosed	7,200	Direct

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