

MARKET FUNDAMENTALS

	YOY Chg	Outlook
11.8% Vacancy Rate	▲	▲
-70K YTD Net Absorption, SF	▲	▼
\$9.78 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
527K Nova Scotia Employment	▲	▲
6.5% Nova Scotia Unemployment Rate	▬	▼
7.0% Canada Unemployment Rate <i>Source: Statistics Canada</i>	▲	▲

ECONOMY

Halifax's economy has remained steady in Q2 2025, with signs of growth due to an increase in retail spending of 3.0% year-over-year (YOY), and a decrease in household debt. On the other hand, job growth in the province has seen a downward trend and a slowdown in population growth. The decreasing population growth continues to force housing prices back to where they were a year ago, potentially softening residential homebuilding activity. Housing starts projections are steady at 7,400 units. The effects of U.S. tariffs are limited in Nova Scotia as a majority of U.S. exports are exempt under CUSMA. Nova Scotia has witnessed a decrease YOY in food manufacturing shipments due to Chinese tariffs on Canadian seafood products. (Sources: All Nova Scotia, Statistics Canada, RBC, TD Economics).

SUPPLY AND DEMAND

Vacancy in the Halifax industrial market increased to 11.8% in the second quarter of 2025, a 90 basis points (bps) increase from the previous quarter. The Halifax submarket posted the most significant increase in vacancy of 390 bps to 6.1%, with the Burnside submarket posting a notable quarter-over-quarter (QOQ) increase of 140 bps.

Overall absorption in the Halifax industrial market shifted into negative territory this quarter reaching 121k square feet (sf). The negative absorption this quarter was primarily focused in Burnside with approximately 112k sf. The Halifax submarket experienced a decrease in absorption QOQ by nearly negative 19k sf, while the remaining submarkets showed slight increases in absorption levels or remained unchanged. The negative absorption in the Halifax Submarket is due to Denis Office Supplies vacating 17k sf at 3667 Strawberry Hill. In Burnside, a significant portion of the negative absorption was from Metrie vacating 70k sf at 200 Akerley Boulevard and Bronswerk Group vacating 21k sf at 20-24 Akerley Boulevard.

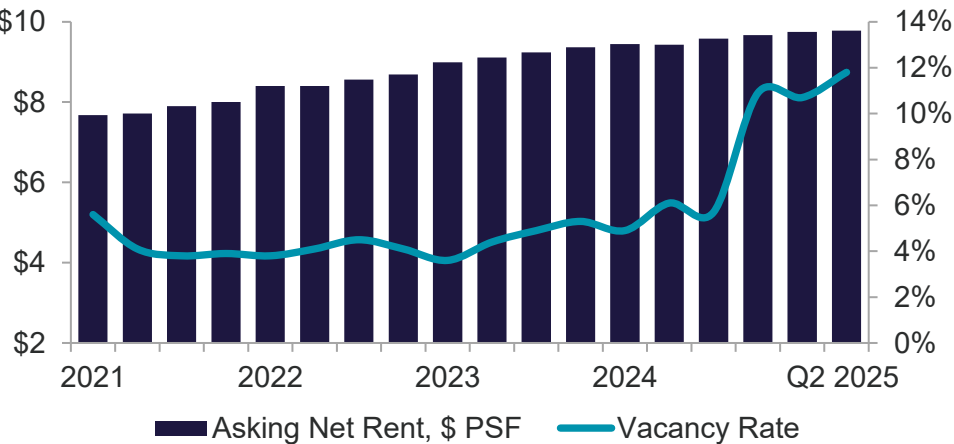
PRICING

The Halifax industrial overall average net asking rent slightly increased from last quarter to \$9.78 per square foot, a QOQ increase of 30 bps. This increase was primarily driven by the Bedford Sackville submarket, which witnessed asking rates increasing by 130 bps QOQ.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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
Bedford- Sackville	418,131	44,931	10.7%	5,797	8,445	0	6,932	\$11.38	\$5.57	\$16.95
Bayers Lake	912,003	530,731	58.2%	4,706	41,694	40,500	0	\$10.07	\$5.65	\$15.72
Burnside	7,888,829	559,733	7.1%	-111,950	-102,637	119,000	0	\$9.72	\$6.69	\$16.41
Woodside	145,735	0	0.0%	0	0	0	0	\$14.57	\$5.28	\$16.22
Halifax	493,711	30,109	6.1%	-19,333	-17,256	0	0	\$9.20	\$6.39	\$15.59
HALIFAX TOTALS	9,858,409	1,165,504	11.8%	-120,780	-69,754	159,900	6,932	\$9.78	\$6.44	\$16.21

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

KEY CONSTRUCTION COMPLETIONS Q2 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER
306 Bluewater Road	Bedford- Sackville	Undisclosed	6,932	N/A

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KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	Tenant	SF	Type
89 Cutler Avenue	Burnside	Undisclosed	14,869	Direct

KEY SALE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	BUYER	SF	PRICE
31 Simmonds Drive	Burnside	Halifax Bread Factory	20,000	\$10M

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