BRUNSWICK BROKERS

Non-Owner Occupied Market Report For Six-Months Ended, Q2 2025

Halifax | **Industrial**

MARKET TRENDS

Vacancy Rate

6 Month Change
7.03%

Total Vacancy Rate
13.06%

Avg. Net Rent

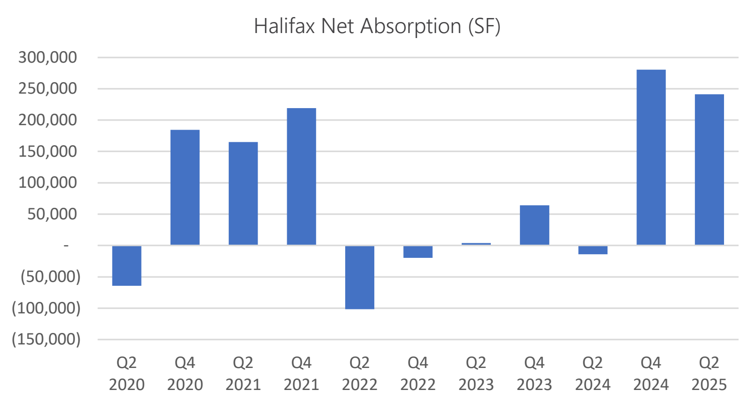
6 Month Change
$0.55

Total Avg. Net Rent
$11.18

Net Absorption

Previous Period
280,578 sf

Current Period
(39,365) sf



Sources: Turner Drake & Partners Ltd. supplemented by Brunswick Brokers Research, AllNovaScotia

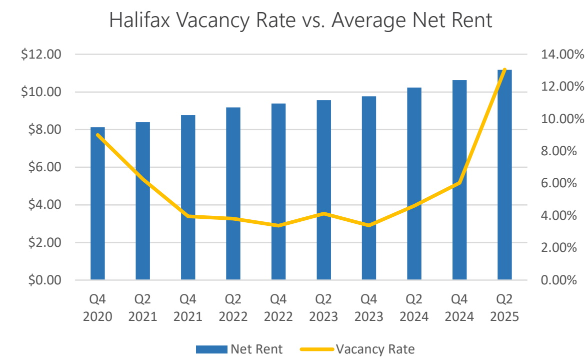
Note: Statistics in this report track non-owner occupied buildings only.

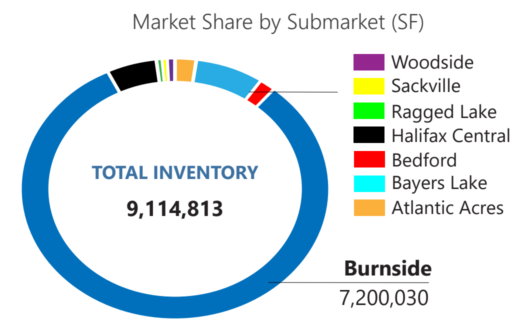
MARKET OVERVIEW

The Halifax industrial market saw a significant increase in vacancy this period, rising by 7.03% to reach 13.06%. This shift is primarily driven by the Bayers Lake submarket, where vacancy jumped from 26.38% to 54.56%. Primarily driven by the Bayers Lake submarket, where over 520,000 square feet (SF) of space was vacant at the time of reporting. This includes two newly completed properties—125 Julius Blvd (230,000 SF) and 265 Julius Blvd (170,000 SF)—both fully unleased, alongside an existing 120,000 SF vacancy at 20 Dugger McNeil Dr.

The average net rental rate across the market now stands at $11.18 per square foot, reflecting a modest increase of $0.55 from the previous period. Common area maintenance (CAM) and taxes average $7.95 per square foot, as the average gross rental rate increased to $19.12 per square foot.

Burnside Industrial Park, the largest industrial hub east of Montreal, added 251,100 SF of new inventory this period as three major projects completed at 54, 196, and 409 Higney Avenue. The park now spans 7.2 million SF and maintains a stable vacancy rate of just 7.66%, underscoring strong tenant demand. Average net rents sit at $10.74 per SF, shaped in part by the park's aging stock—non-owner-occupied assets have an average build year of 1989. In contrast, newly constructed buildings are achieving $15–$20 per SF, reflecting their modern specifications and premium features.





MARKET OUTLOOK

While this period saw a substantial influx of new industrial supply, particularly in submarkets like Bayers Lake, the pace of speculative development is expected to slow. Rising vacancy—now at 13.06%—signals that supply may be catching up to demand, and the lease-up of newer product is taking longer than anticipated. This is especially evident in areas such as Bayers Lake, where absorption has lagged behind expectations. As a result, developers may take a more cautious approach, focusing on build-to-suit or owner-occupied projects rather than speculative builds.

Some tenant preferences are shifting toward modern, efficient industrial space. Newer facilities offering higher clear heights, improved loading configurations, and energy-efficient systems are increasingly favored over aging stock where the average year built is 1976. This trend is likely to drive demand for retrofits or repositioning of older assets, particularly in submarkets where vacancy is rising. Landlords who invest in upgrades may be better positioned to compete, while outdated buildings could face longer lease-up times.

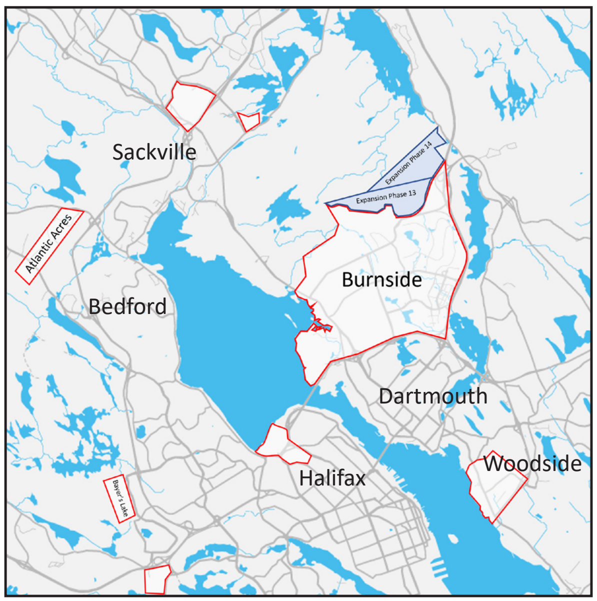
Despite broader market adjustments, owner-occupied development remains resilient. Some companies continue to pursue custom-built facilities that meet their operational needs. These users are less influenced by short-term market fluctuations and more focused on long-term control and efficiency. Their continued activity provides a stabilizing force in the market and supports steady growth, even as speculative leasing shows signs of cooling.

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	VACANT SPACE (SF)	VACANCY RATE	12-MONTH NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	CONSTRUCTION COMPLETIONS (SF)	WEIGHTED AVG. NET RENT	WEIGHTED AVG. GROSS RENT
Atlantic Acres	263,197	41,369	15.72%	2,632	0	0	$12.44	$19.42
Bayers Lake	1,031,258	562,613	54.56%	72,946	0	0	$12.89	$20.87
Bedford	96,204	9,227	9.59%	(6,214)	0	0	$18.17	$28.14
Burnside	7,200,030	551,485	7.66%	220,575	0	0	$10.74	$18.74
Halifax Central	416,027	23,341	5.61%	(22,031)	0	0	$10.54	$17.98
Ragged Lake	39,000	0	0.00%	0	0	0	$13.00	$20.12
Sackville	22,497	2,500	11.11%	(27,500)	0	0	$8.00	$14.86
Woodside	46,600	0	0.00%	805	0	0	$10.17	$17.08
TOTAL MARKET	**9,114,813**	**1,190,535**	**13.06%**	**241,213**	**SF**	**SF**	**$11.18**	**$19.12**

SIGNIFICANT TRANSACTIONS

PROPERTY	SUBMARKET	TENANT/OWNER	Area	Price	TYPE
120 Troop Avenue	Burnside	Gentek	11,648	N/A	Lease Extension
11-19 Pettipas Drive	Dartmouth	N/A	37,000	$6,150,000	Sale

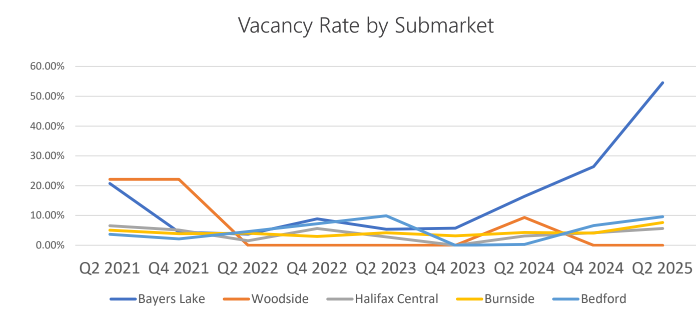


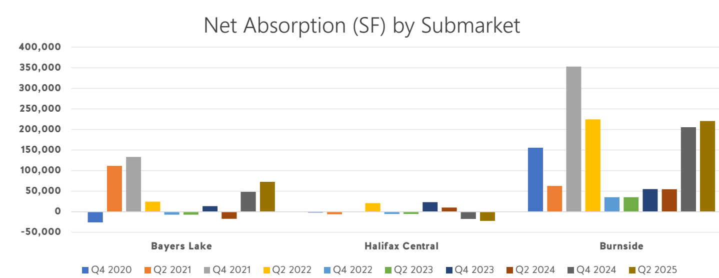
The total industrial inventory in Halifax surpassed the 9 million square foot mark this period, now sitting at 9,114,813 square feet. This growth is supported by the completion of several major projects, including 196 Higney Ave, 125 Julius Blvd, and 265 Julius Blvd, which have recently come to market, totalling 536,000 SF alone, contributing to the region's expanding industrial footprint.

Halifax Regional Municipality's Industrial Real Estate team has indicated that updated details on Phase 13 lot pricing, availability, and purchase process are expected in the coming weeks. This release will clarify how the remaining inventory will be made available for sale and development.

Phase 13-1 comprises approximately 120 net acres of industrial land across 17 lots, with sizes ranging from roughly 3 acres to 18 acres.

Phase 13 was initiated in response to rising industrial land demand and is being developed in three sub-phases: 13-1, 13-2, and 13-3. The first phase began construction in 2021 and was completed in 2024, delivering key infrastructure such as natural gas, power, and communications to support future phases





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ECONOMIC OVERVIEW

GDP Growth

2024 Rate **3.8%**

2025 Forecast **1.5%**

Unemployment Rate

Dec-24 **6.3%**

Jun-25 **6.7%**

Population Growth

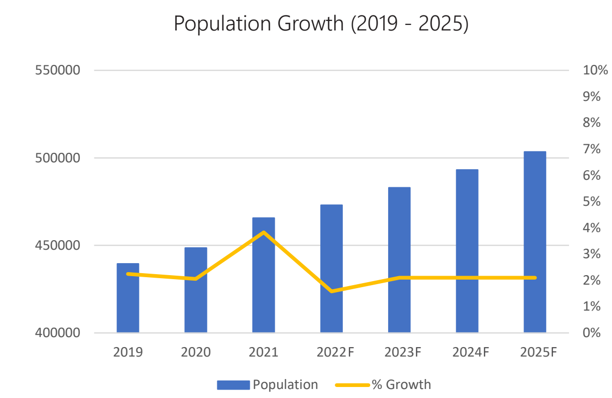
2023 **517,981**

2024 **530,167**

Source: Statistics Canada, Conference Board of Canada, Halifax Partnership, InsideLogistics

GDP Growth

Halifax's real GDP grew by 3.8% in 2024, significantly outpacing both the national average (1.5%) and Nova Scotia's overall growth (2.7%). For 2025, GDP growth is expected to moderate to 1.3%, with a projected average of 1.5% annually through 2029. Notably, Halifax accounted for 86% of Nova Scotia's net real GDP growth in 2024, underscoring its central role in the province's economic performance. Ongoing economic uncertainty in the United States—underscored by 35% tariff on Canadian exports outside CUSMA imposed on Aug 1, 2025—could pose external risks to Nova Scotia's export and investment outlook over the medium term.



Population Growth

Halifax's population surpassed the half-million mark in 2024, reaching 503,037 residents—an increase of 11,600 people or 2.4% over the previous year. While growth slowed compared to record highs in 2022 and 2023, it still represented the third-highest annual increase on record. Importantly, this growth was driven entirely by international migration, with the majority of newcomers under the age of 45.

Port of Halifax Activity

The Port of Halifax handled 509,273 TEUs (twenty-foot equivalent units) of containerized cargo in 2024, including 117 calls by 42 ultra-class vessels—each capable of carrying over 10,000 TEUs. While container volumes declined by 6.8% compared to 2023 due to global geopolitical factors, Q4 saw a rebound driven by diverted cargo and seasonal peaks. The port remains a vital gateway for trade with Asia, Europe, and Latin America, and continues to support industrial demand through its logistics and distribution infrastructure.

Brunswick Brokers Limited
100 Main Street
Suite 2033
Dartmouth, NS B2X 1R5

Paul Moore
President
pmoore@bbrokers.ca
(506) 645-8488

Troy Nesbitt
Vice President
tnesbitt@bbrokers.ca
(506) 349-5670

Steve Morrison
Senior Advisor
smorrison@bbrokers.ca
(902) 450-5767

Andrew MacNeil
Advisor
amacneil@bbrokers.ca
(506) 220-3408

Connor Carson
Marketing & Research Associate
ccarson@bbrokers.ca
(506) 647-5093