BRUNSWICK BROKERS



Non-Owner Occupied Market Report For Six-Months Ended, Q2 2026

Halifax | **Industrial**

MARKET TRENDS

Vacancy Rate

6 Month Change
1.15%

Total Vacancy Rate
13.41%

Avg. Net Rent

6 Month Change
$1.32

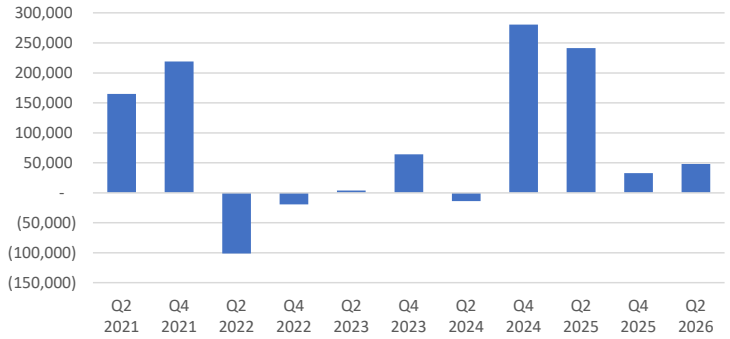
Total Avg. Net Rent
$12.87

Net Absorption

Previous Period
32,837 sf

Current Period
48,002 sf

Halifax Net Absorption (SF)



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

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

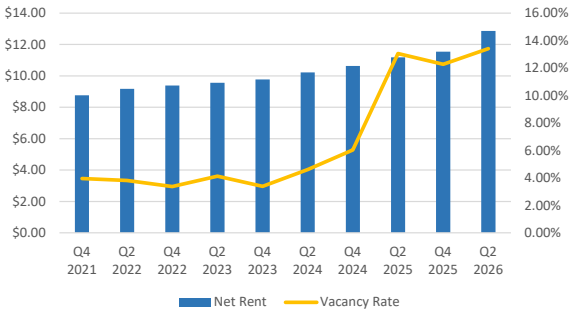
MARKET OVERVIEW

The Halifax industrial market continued to demonstrate resilient leasing fundamentals through the first half of 2026, posting its fourth consecutive period of positive absorption despite vacancy increasing to 13.41%. Vacancy remains heavily concentrated within a small number of large-format properties in the Bayers Lake submarket. Net absorption totaled 48,002 SF during the reporting period, supported by leasing activity at 40-46 Borden Avenue, 81 Ilsley Avenue, and 29 Dugger McNeil Drive.

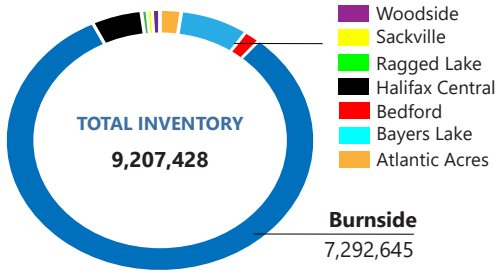
Average net rental rates climbed to a record $12.87 per square foot, increasing $1.32 over the reporting period and surpassing the $12.00 per square foot threshold for the first time. Growth was led by the Burnside and Bayers Lake submarkets, reflecting continued demand for quality industrial space. Average CAM and tax recoveries increased to $8.48 per square foot, bringing the market's average gross rental rate to $21.38 per square foot.

Burnside Industrial Park saw inventory expand during the period with the completion of the new 33,000 SF industrial facility at 266 Cutler Avenue. Vacancy was also impacted by the addition of 473 Windmill Road, a 19,200 SF industrial property built in 1975 that was incorporated into the survey this period. Together, these additions contributed to a 1.77% increase in Burnside's vacancy rate, despite continued leasing activity across the park.

Halifax Vacancy Rate vs. Average Net Rent



Market Share by Submarket (SF)



MARKET OUTLOOK

Halifax's industrial market is entering a transition period as the supply-driven rise in vacancy begins to moderate. Recent leasing activity within several large-format Bayer's Lake properties, completed shortly after the reporting period, is expected to materially reduce available inventory. With speculative development activity slowing and few major projects currently advancing, vacancy should gradually compress as the market works through recently delivered space.

The industrial investment market continues to face challenges as asset values remain elevated relative to achievable rental rates. For many investors, current acquisition pricing makes it increasingly difficult to generate acceptable return. As a result, buyer demand is expected to remain strongest among owner-occupiers, who can justify acquisitions based on long-term operational benefits, occupancy certainty, and protection from future rental rate growth. This trend is likely to continue until either rental rates increase further or asset pricing adjusts to improve investment fundamentals.

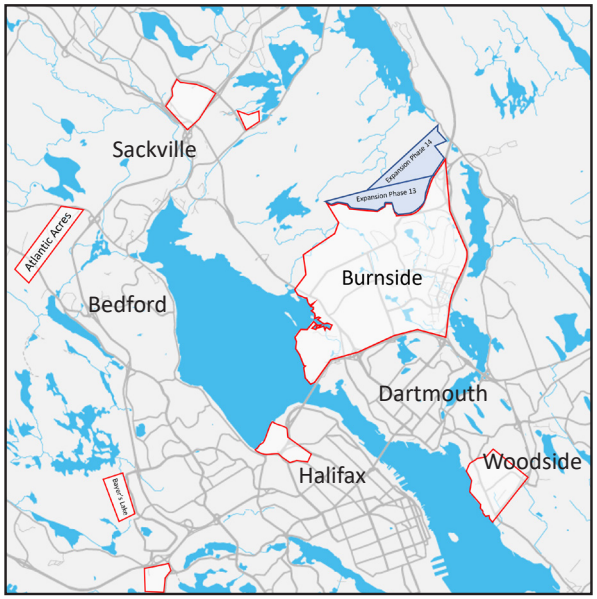
Increased federal defence spending is expected to provide demand drivers for Halifax's industrial market. As Canada's largest naval base and a key centre for shipbuilding, logistics, and defence-related manufacturing, Halifax is well positioned to benefit from this initiative. Sustained federal investment has the potential to generate new industrial requirements and support long-term market growth, making it an important trend for both landlords and brokers to consider when planning leasing, development, and investment strategies.

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	39,731	15.10%	1,638			$13.13	$19.19
Bayers Lake	1,031,258	524,849	50.89%	37,764			$14.05	$22.77
Bedford	96,204	0	0%	9,227			$18.17	$29.17
Burnside	7,292,645	647,320	8.88%	(3,234)		33,000 SF	$12.75	$21.38
Halifax Central	416,027	20,748	4.99%	2,593			$10.98	$18.92
Ragged Lake	39,000	0	0%	0			$13.00	$19.65
Sackville	22,497	2,500	11.11%	0			$8.00	$14.87
Woodside	46,600	0	0%	0			$10.18	$16.74
TOTAL MARKET	**9,207,428**	**1,235,148**	**13.41%**	**47,988**		**33,000 SF**	**$12.87**	**$21.38**

SIGNIFICANT TRANSACTIONS

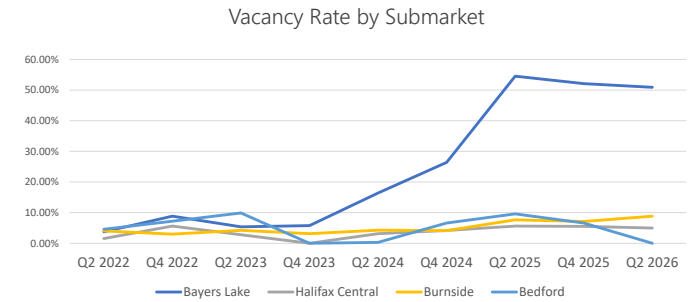
PROPERTY	SUBMARKET	TENANT/OWNER	Area	Price	TYPE
29 Dugger McNeil Drive	Bayers Lake	ID Logistics, F3 Group, Unnamed Tenant	401,127 SF (combined)	N/A	Lease
LOT 13-1-6 Aileen Meagher Avenue	Burnside	14088379 CANADA INC.	3.38 acres	$2,210,130	Land Sale
LOT 13-1-7 Aileen Meagher Avenue	Burnside	Jetco Holdings Inc.	3.24 acres	$2,139,988	Land Sale

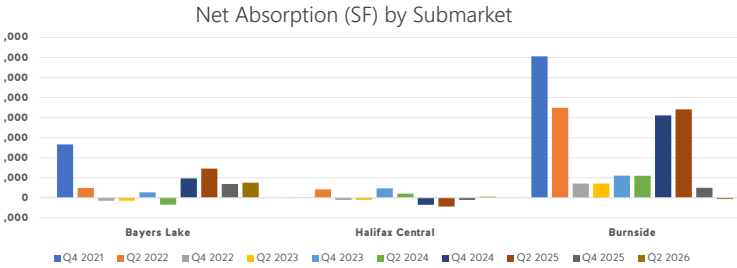


The elevated vacancy reported in Bayer's Lake during the period is expected to moderate in the coming quarter following three major lease transactions at 29 Dugger McNeil Drive. 401,127 SF has been leased to ID Logistics, an unnamed Canadian logistics company, and F3 Group. As these transactions are not yet reflected in reported statistics, vacancy is expected to decline from nearly 50% to a more balanced 10% to 15% in the next reporting period.

Phase 13-1 of Burnside Industrial Park was released in May 2026, adding approximately 120 net acres across 17 industrial lots. Sales have been steady, with eight lots sold and nine remaining available. A recent transaction on Aileen Meagher Avenue achieved approximately $660,000 per acre, while current asking prices average roughly $750,000 per acre, highlighting continued demand for serviced industrial land in Burnside.

Meanwhile, Amazon's proposed Burnside distribution facility continues to advance. Planned on approximately 82 acres within Phase 13-2, the project is expected to exceed 1.2 million SF and represent a $200 million investment, reinforcing Halifax's growing role within Canada's logistics and distribution network.





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

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ECONOMIC OVERVIEW

GDP Growth

2025 Rate
3.3%

2026 Forecast
1.6%

Unemployment Rate

2025
6.6%

2026 Forecast
6.9%

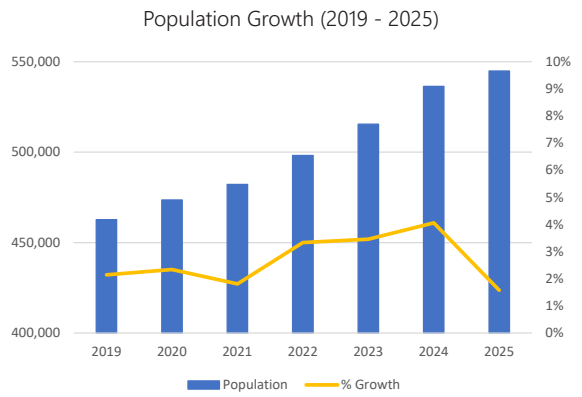
Population Growth

2024
536,372

2025
544,834

Source: Statistics Canada, Signal49 Research, Port of Halifax, CMHC, SignalHFX, Halifax Partnership,

GDP Growth
Halifax's economy continued to outperform both provincial and national benchmarks in 2025. According to the latest estimates from Signal49 Research, Halifax's real GDP increased by 3.3% in 2025, compared with 1.6% growth across Nova Scotia and 2.3% nationally. Halifax accounted for an estimated 93% of Nova Scotia's net real GDP growth during the year, reinforcing the municipality's role as the primary driver of economic activity within the province. Growth is expected to moderate but remain positive, with Halifax's real GDP forecast to increase by 1.6% in 2026 and 1.8% in 2027.



Apartment Housing Market
Halifax's apartment market showed early signs of rebalancing in 2025 as a surge of newly completed rental units entered the market. The apartment vacancy rate increased to 2.7%, up from 2.1% in 2024 and 1.0% in 2023, marking the highest level recorded in several years. While the market remains comparatively tight by national standards, new purpose-built rental projects have faced increased competition, leading some landlords to offer incentives such as free rent periods, discounted parking, and move-in credits to attract tenants. Vacancy within newer buildings has reportedly reached approximately 5.5%, substantially higher than rates observed within older apartment stock.

Port of Halifax Activity
The Port of Halifax handled approximately 502,000 TEUs in 2025, a modest 1.4% decrease from 2024's total of 509,273 TEUs. The decline was largely attributed to the absence of one-time cargo diversions and ad hoc vessel calls that benefited volumes in the prior year. Despite softer container activity, the port maintained strong international trade connections and handled a total of 8.6 million metric tonnes of cargo

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