

ECONOMY

Nova Scotia’s labour market remained relatively stable in February 2026, with employment declining marginally since Q4 2025. The unemployment rate increased 20 basis points (bps) from Q4 2025 to 7.1% driven by a rise in labour force participation rather than material job losses. Full-time employment declined while part-time employment increased, indicating a modest shift in employment composition. Overall, the province continues to report a stable labour market with slight short-term softening.

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

SUPPLY AND DEMAND

Vacancy in the Halifax industrial market rose to 11.0% in Q1 2026, a 70 bps increase from the previous quarter. From a demand-focused perspective, Burnside has been the key driver for years, and it continues to show its strength and status in the market with roughly 19k square feet (sf) of positive absorption this quarter. The Bayers Lake submarket is one to watch, as more businesses are making moves into the new buildings on 29 Dugger McNeil Drive and Julius Boulevard. As a result, vacancy is anticipated to remain relatively flat in the short term but rise over time once Burnside phases 13 and 14 are complete over the next few years.

Overall absorption in the Halifax industrial market remained in positive territory this quarter at 33k sf. The positive absorption this quarter was primarily located in Burnside with approximately 19k sf. The Bayers Lake submarket also had positive absorption this quarter reaching approximately 13k sf, while the remaining submarkets had minimal, yet still positive, absorption. While there was less leasing activity compared to Q4 2025, the need for high-quality, new space is still evident. Builders should watch the proposed growth of Bayers Lake and Burnside, as there is always new work to be done.

PRICING

The Halifax industrial overall average net asking rent reached \$13.24 per square foot in Q1 2026. This was primarily driven by slight quarter-over-quarter increases in the average net rent for each submarket and is believed to be an accurate weighted representation of asking rates and occupier’s current rates. The market will continue to witness an upticks in rents so long as supply stays low and demand stays high. However, there may be some flattening upon the new industrial developments in the city.

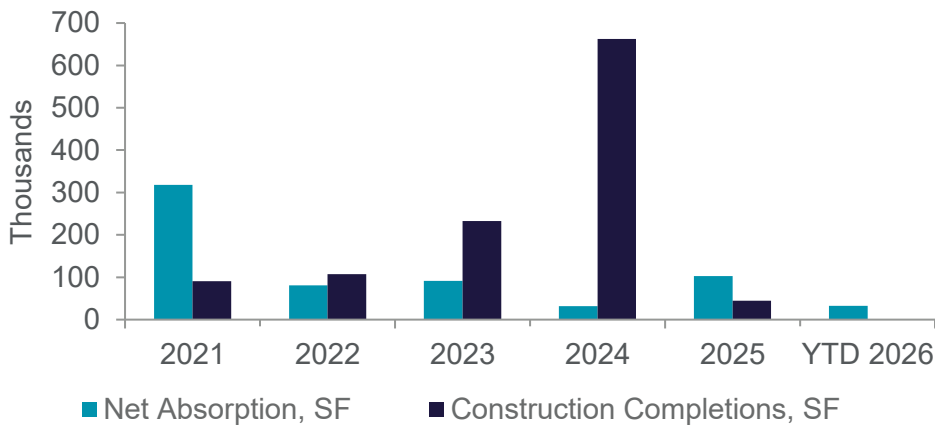
MARKET FUNDAMENTALS

	YOY Chg	Outlook
11.0% Vacancy Rate	▲	▼
33K YTD Net Absorption, SF	▼	▲
\$13.24 Asking Rent, PSF (Overall, Net Asking Rent)	▲	▲

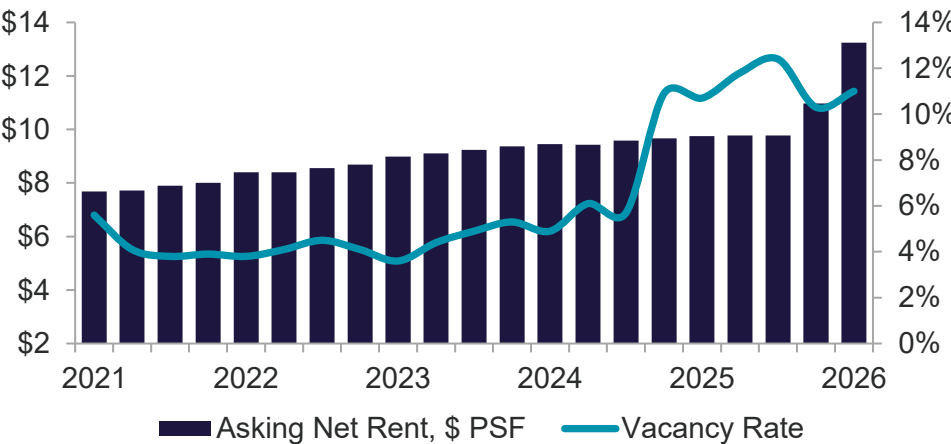
ECONOMIC INDICATORS

	YOY Chg	Outlook
524K Nova Scotia Employment	▲	▲
7.1% Nova Scotia Unemployment Rate	▲	▼
6.7% Canada Unemployment Rate Source: Statistics Canada	▲	▲

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	41,500	9.9%	4,511	4,511	0	0	\$13.62	\$6.96	\$20.58
Bayers Lake	912,003	503,867	55.2%	13,358	13,358	40,500	0	\$14.84	\$7.16	\$22.00
Burnside	7,888,829	515,630	6.5%	18,529	18,529	119,000	0	\$13.12	\$7.53	\$20.64
Woodside	145,735	0	0.0%	0	0	0	0	\$14.57	\$5.28	\$19.85
Halifax	493,711	27,657	5.6%	-3,776	-3,776	0	0	\$12.16	\$7.39	\$19.55
HALIFAX TOTALS	9,858,409	1,088,654	11.0%	32,622	32,622	159,000	0	\$13.24	\$7.33	\$20.57

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

KEY CONSTRUCTION COMPLETIONS Q1 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER
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KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	Tenant	SF	Type
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N/A

KEY SALE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	BUYER	SF	PRICE
155 Chain Lake Drive	Halifax	4770152 Nova Scotia Ltd.	100,000	\$17,600,000
170 Joseph Zatzman Drive	Burnside	Jennings Real Estate	65,000	\$11,400,000
127 Chain Lake Drive	Halifax	AG Property Holdings Ltd.	47,000	\$11,800,000

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