



HALIFAX PARTNERSHIP

QUARTERLY ECONOMIC SNAPSHOT

FALL 2019

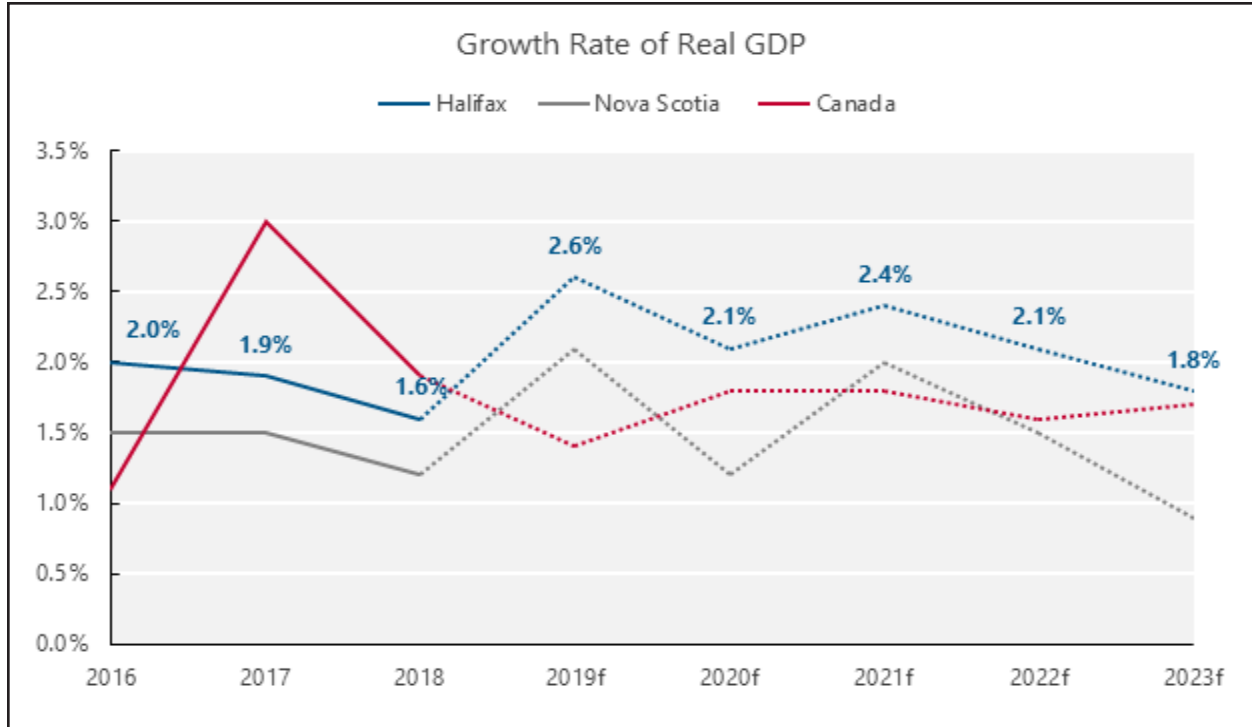
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HIGHLIGHTS

- Halifax's GDP growth is expected to surpass both national and provincial forecasts, with the 2.6% growth rate forecasted for 2019 being the largest increase in a decade.
- Weekly individual earnings grew faster than inflation over Q3 2019, leading to a 1.0% increase in purchasing power.
- International enrolment in Halifax universities grew by 340 students in 2018-19, a 5.2% increase over the previous year. This marks twelve straight years of consecutive growth in the number of international students studying in Halifax.
- Aircraft passengers travelling through the Halifax Stanfield International Airport remain at record heights, with the volume reached in Q3 2019 second only to Q3 2018.
- Year-to-date port cargo traffic in 2019 is on track to meet volumes reached in 2018, with a 1.7% drop in imports and a 1.6% increase in exports.
- The number of cruise passengers visiting Halifax in 2019 is outpacing the record levels reached in 2018.
- Office vacancy rates remain high at 15.9% despite six months of strong leasing activity. Absorption of office space in Q3 2019 was led by the Suburban Class A and Downtown Class C markets.
- Industrial rents continue to climb, led by strong leasing activity in Dartmouth. Net average rent reached \$8.18 psf in Q3 2019.

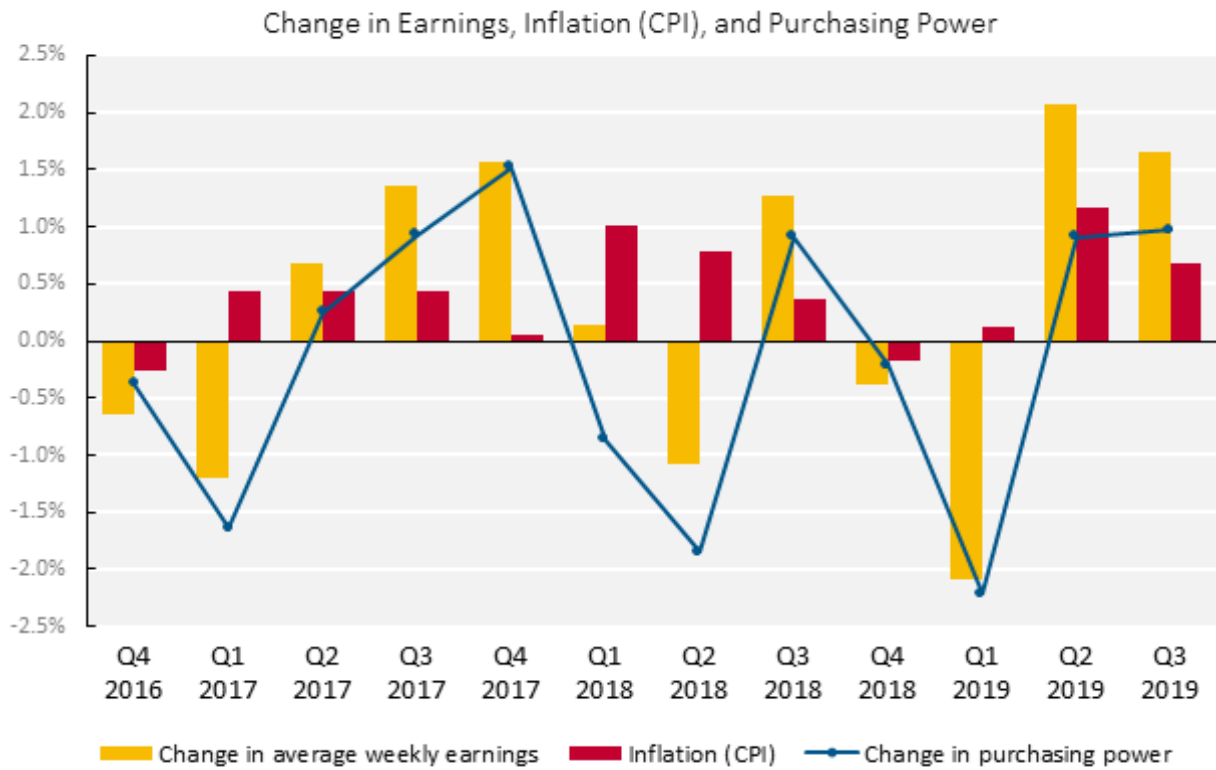
INCOME



Source: Statistics Canada Table 18-10-0004-01, CMHC Housing Now Tables

- Halifax's GDP growth is expected to surpass both national and provincial forecasts, averaging 2.2% annual growth between 2019 and 2023. The 2.6% growth rate forecasted for 2019 is the highest projected rate in a decade.
- All industrial sectors are expected to show positive growth in Halifax through 2023, led by transportation and warehousing (2.6% growth), wholesale and retail trade (2.6% growth), professional, scientific and technical services (2.5% growth), and finance, insurance, and real estate (2.5% growth).

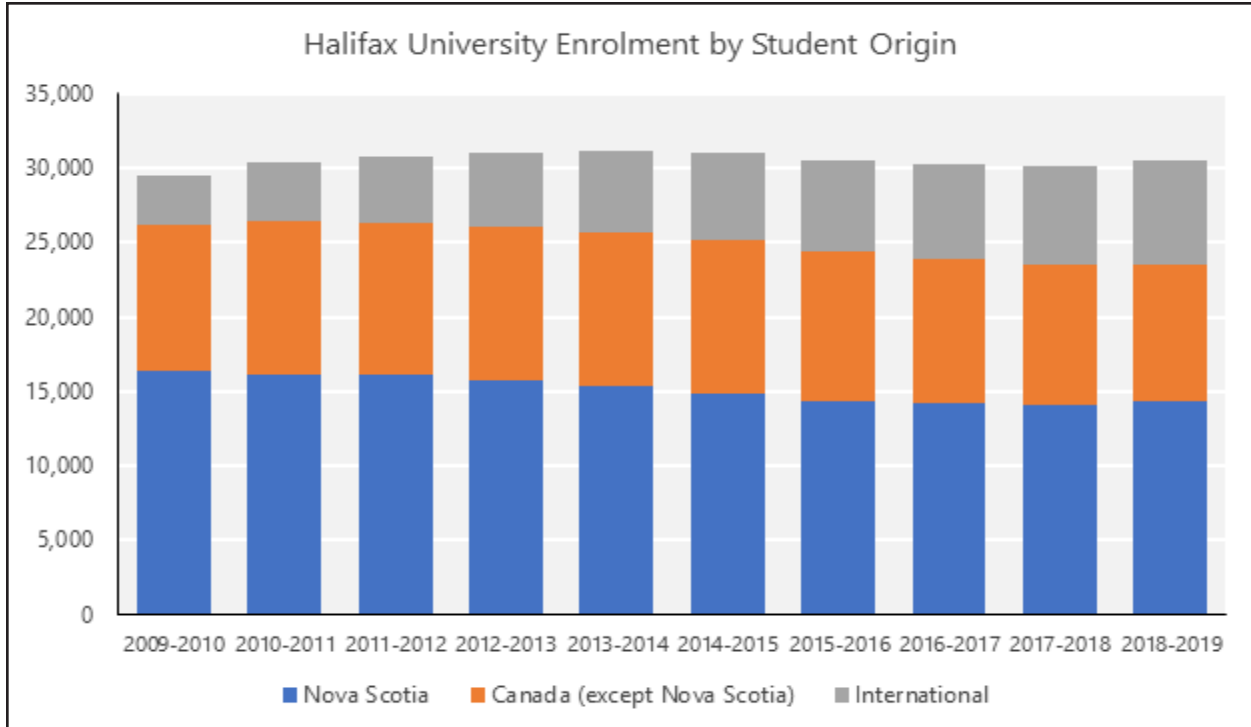
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Source: Conference Board of Canada Metropolitan Outlook, Autumn 2019

- Average individual weekly earnings in Halifax grew by 1.7% in Q3 2019, reaching \$921.
- Earnings grew faster than inflation over Q3 2019, leading to a 1.0% increase in purchasing power.

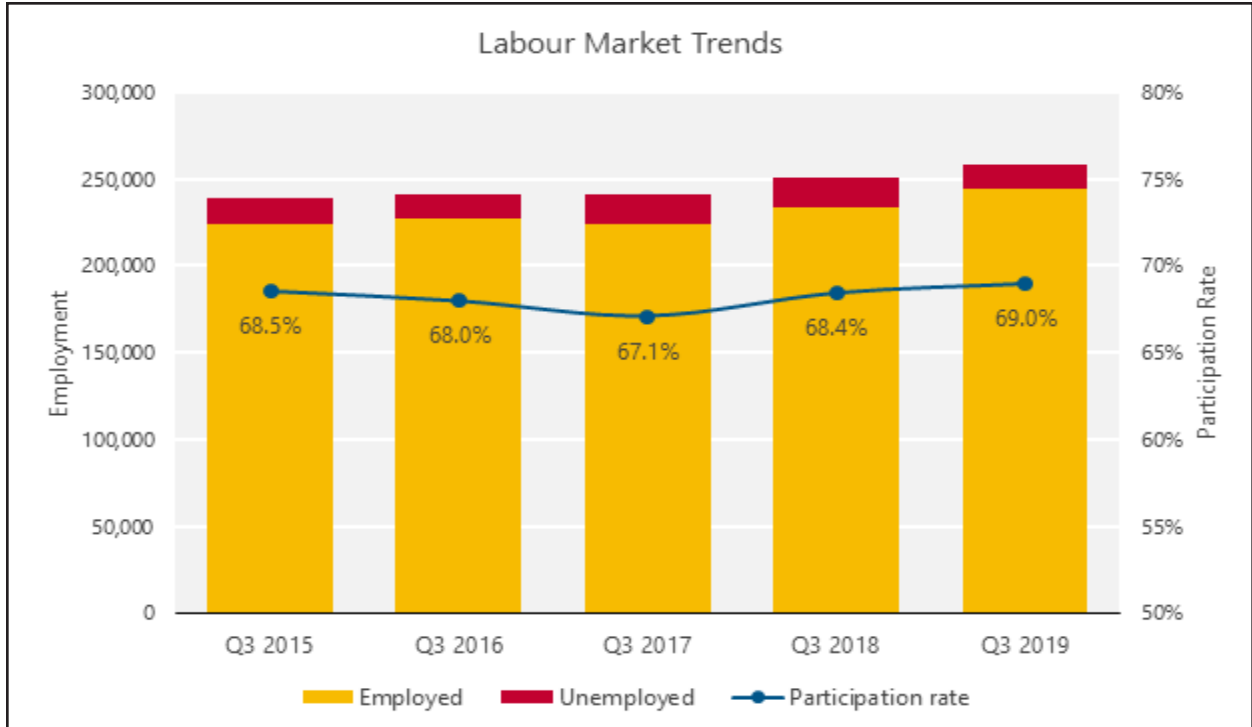
POPULATION



Source: Maritime Provinces Higher Education Commission (MPHEC)

- Total enrolment at Halifax universities remained stable in 2018-19.
- International enrolment in Halifax universities grew by 340 students in 2018-19, a 5.2% increase over the prior year. This marks twelve straight years of consecutive growth in the number of international students studying in Halifax.
- 14,303 Nova Scotian students enrolled in Halifax universities in 2018-19, a 1.9% increase over the previous year.

LABOUR



Source: Statistics Canada Table 14-10-0294-01

- Between Q3 2018 and Q3 2019, Halifax's labour force grew by 7,500 people. Over the same period, employment rose by 9,867.
- The unemployment rate dropped from 6.6% in Q3 2018 to 5.5% in Q3 2019. The participation rate grew by 0.6 percentage points to reach 69.0% in Q3 2019, the highest rate since Q1 2015.

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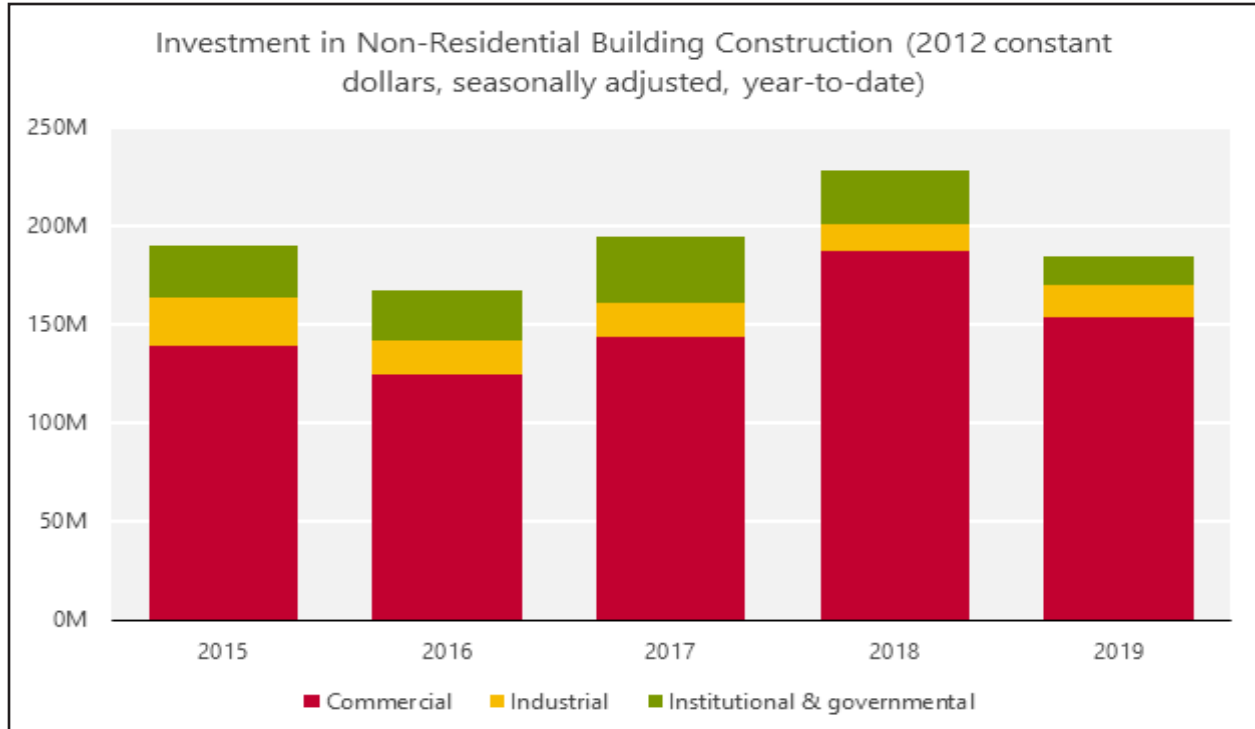
HALIFAX GATEWAY

Halifax Gateway			
	YTD 2019	YTD 2018	Change
Aircraft Passengers	3,273,898	3,357,723	-2.5%
Port of Halifax Total Cargo Throughput (TEU)	416,883	417,245	-0.1%
Cargo Throughput – Imports (TEU)	211,681	215,234	-1.7%
Cargo Throughput – Exports (TEU)	205,202	202,011	+1.6%
Cruise Passengers	214,048	207,610	+3.1%

Sources: Halifax Stanfield International Airport, Port of Halifax

- Aircraft passengers travelling through the Halifax Stanfield International Airport remain at record heights, with the volume reached in Q3 2019 second only to Q3 2018. The year-to-date volume of passengers in 2019 has decreased 2.5% compared to 2018.
- Year-to-date port cargo traffic in 2019 is on track to meet volumes reached in 2018, with a 1.7% drop in imports and a 1.6% increase in exports.
- The number of cruise passengers visiting Halifax in 2019 is outpacing the record levels reached in 2018.

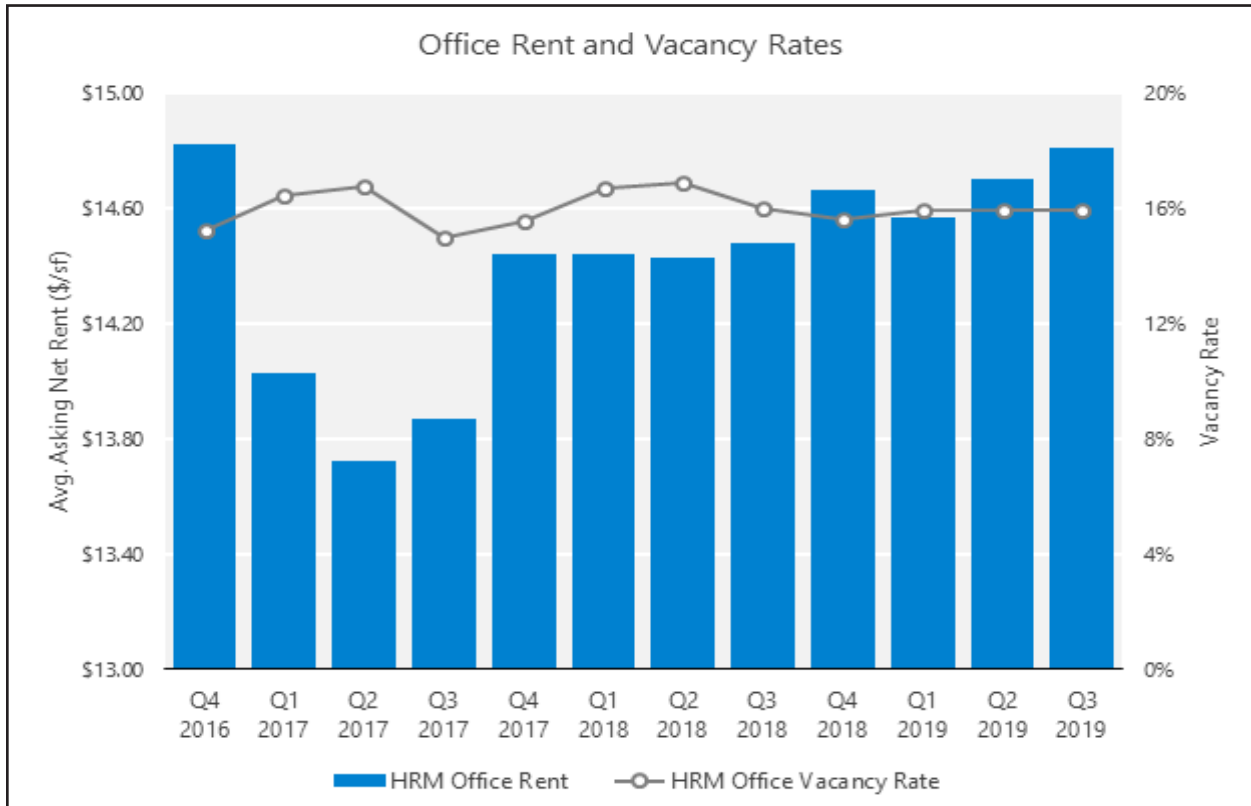
REAL ESTATE



Source: Statistics Canada Table 34-10-0175-01

- Year-to-date investment in commercial building construction is 18% lower than the strong investment levels achieved in 2018 but remains above the long-term average.
- Industrial building construction investment is up 19% over last year while institutional and governmental construction investment shrank by 46%. Both these types of construction are tracking below their five-year averages.

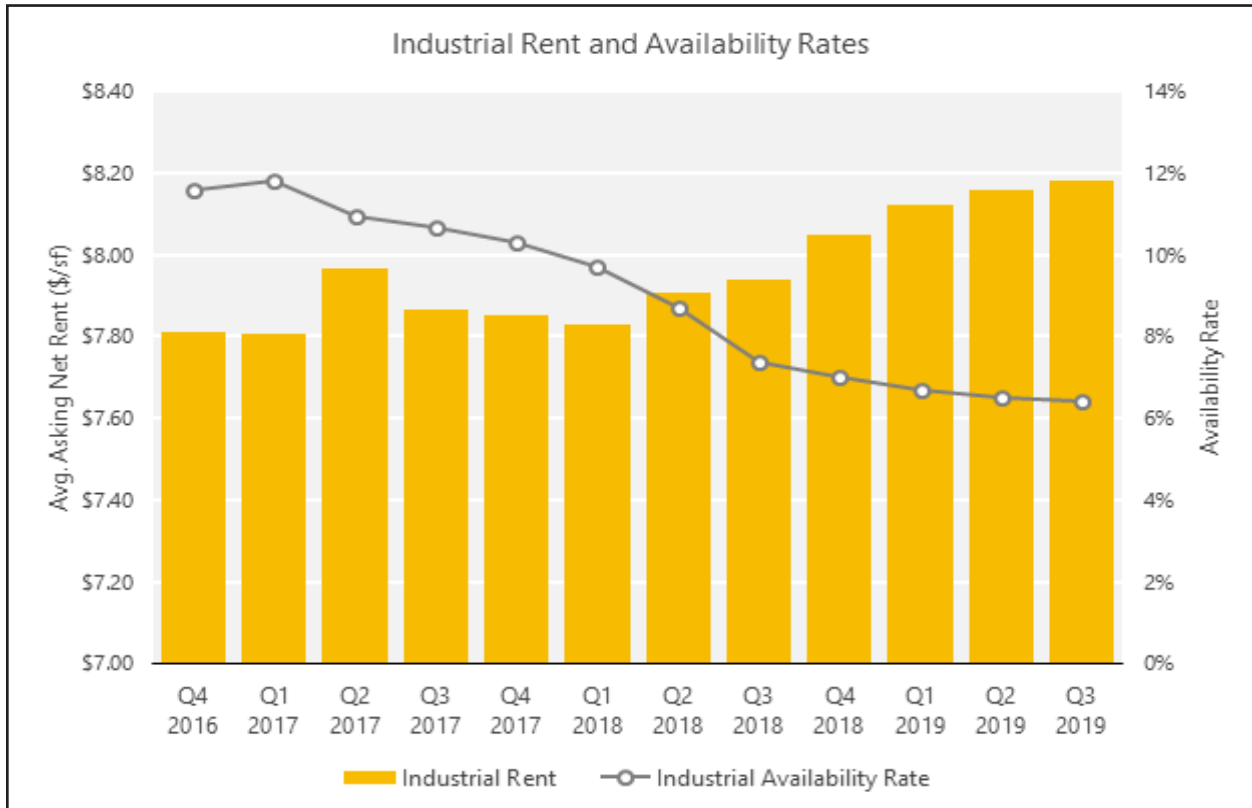
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Source: CBRE MarketView Report

- Office vacancy rates remain high at 15.9% despite six months of strong leasing activity. Absorption of office space in Q3 2019 was led by the Suburban Class A and Downtown Class C markets.
- Net rents for office space in Halifax increased by 11 cents to \$14.81 psf in Q3 2019.
- The vacancy rate for Downtown Class A office space is 24.3% and net rent is \$19.10 psf, a 1.1 percentage point and \$0.05 increase over the previous quarter.

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Source: CBRE MarketView Report

- Halifax's industrial availability rate dropped for the tenth straight quarter, reaching 6.4% as industrial markets continue to tighten.
- Industrial rents continue to climb, led by strong leasing activity in Dartmouth. Net average rent reached \$8.18 psf in Q3 2019.

The Halifax Partnership is Halifax's economic development organization. We help keep, grow and get business, talent and investment. We do this through leadership on economic issues, our core programs, our partnerships across all sectors, and by marketing Halifax to the world.

If you have any questions or concerns about this document, its methodology, or how its indices are measured, please contact the Partnership at info@halifaxpartnership.com for further details.

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