



HALIFAX PARTNERSHIP

QUARTERLY ECONOMIC SNAPSHOT

FALL 2018

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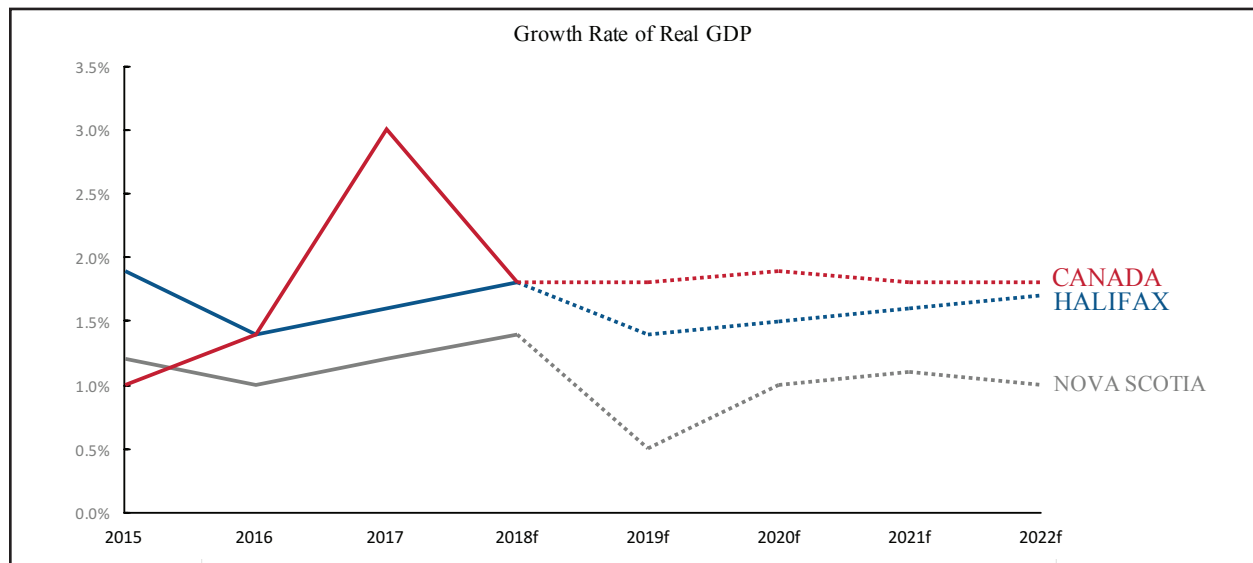


HIGHLIGHTS

- Halifax's GDP growth rate is forecasted to outpace the provincial figure but will track just below Canada's estimated growth rate between 2018 and 2022.
- Consumer purchasing power has increased since the last quarter.
- International student enrolment continues to climb in 2018. The retention rate remains significantly above levels of only a few years ago.
- Both the labour force and employment grew over last year while the unemployment rate fell.
- 2018 builds on four straight years of growth in airport passenger volume; however, Q3 2018 Port of Halifax cargo traffic fell slightly.
- Total investment in non-residential construction in Q3 was up 3.3% from Q3 2017 investment figures.
- In 2018 the Halifax apartment market continued to tighten as average monthly rent for a two-bedroom apartment rose to \$1,156 and the apartment vacancy rate fell for the third consecutive year to just 1.6%.
- Some relief may be in sight as the number of units under construction in Halifax has reached a historic high.
- The vacancy rate for Downtown Class A office space dropped for the first time since Q3 2017. Rents have been stable through 2018.
- The industrial rental market is tightening as we saw a decrease in availability and an increase in average asking net rent in Q3 2018.

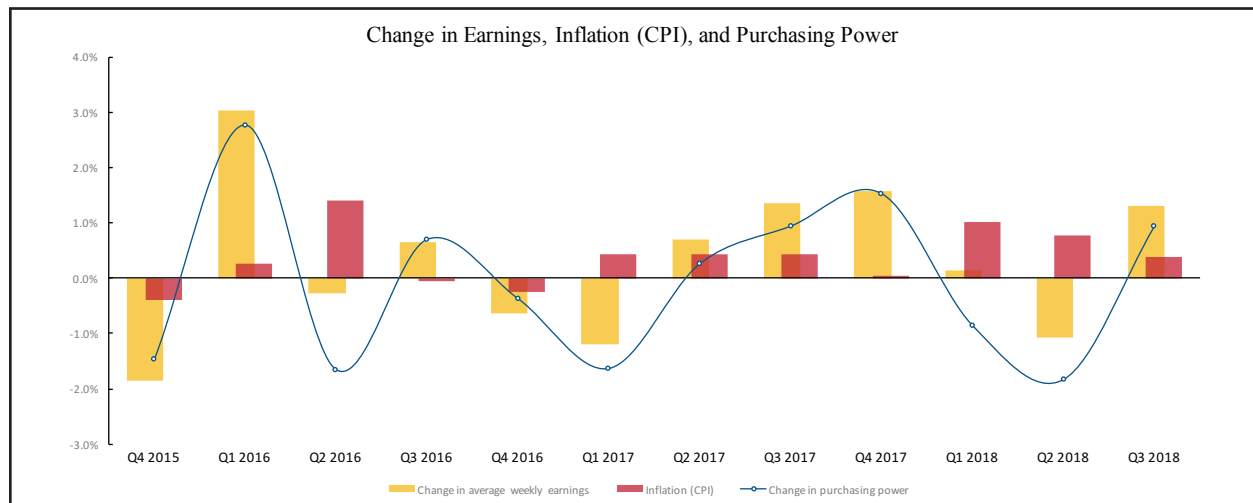
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INCOME



Source: Conference Board of Canada Metropolitan Outlook

- Halifax's GDP growth rate is forecasted to outpace the provincial figure, but will track slightly below the national figure, averaging 1.6% annually between 2018 and 2022.
- Looking at individual sectors, growth in 2018 will be led by transportation & warehousing and wholesale & retail trade. According to the Conference Board of Canada, these two sectors also will lead over the 2019-2022 period, with all sectors showing positive growth.

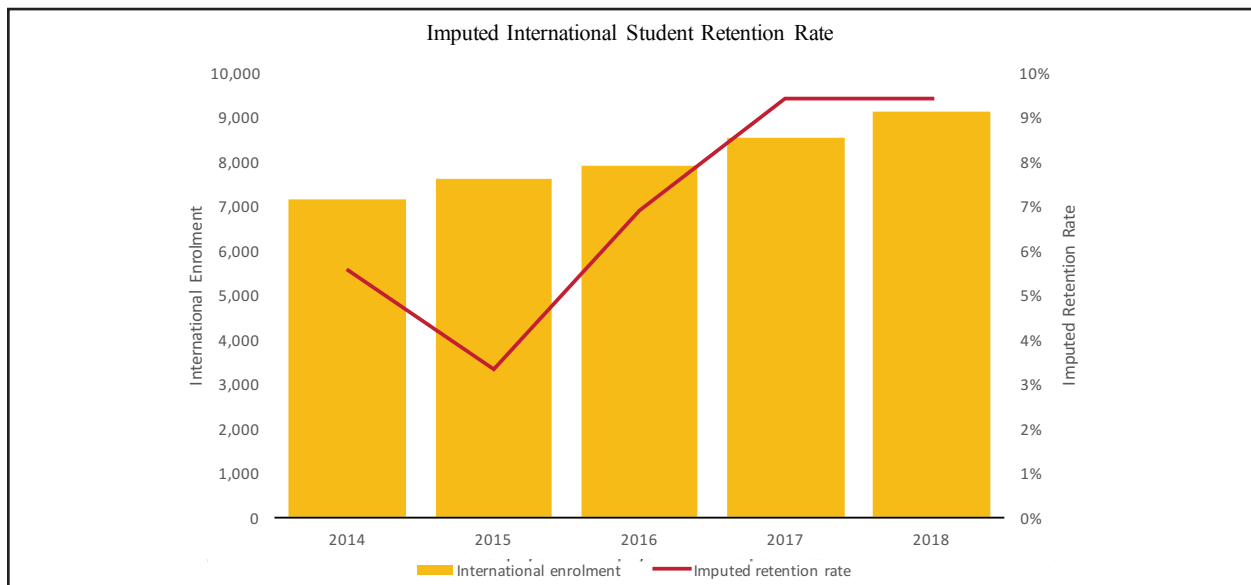


Source: Statistics Canada Table 18-10-0004-01, CMHC Housing Now Tables

- Average weekly earnings in Q3 2018 grew by 1.3% since the last quarter, increasing from \$898 to \$910.
- Inflation increased by 0.4% in Q3, resulting in a 0.9% increase in purchasing power.

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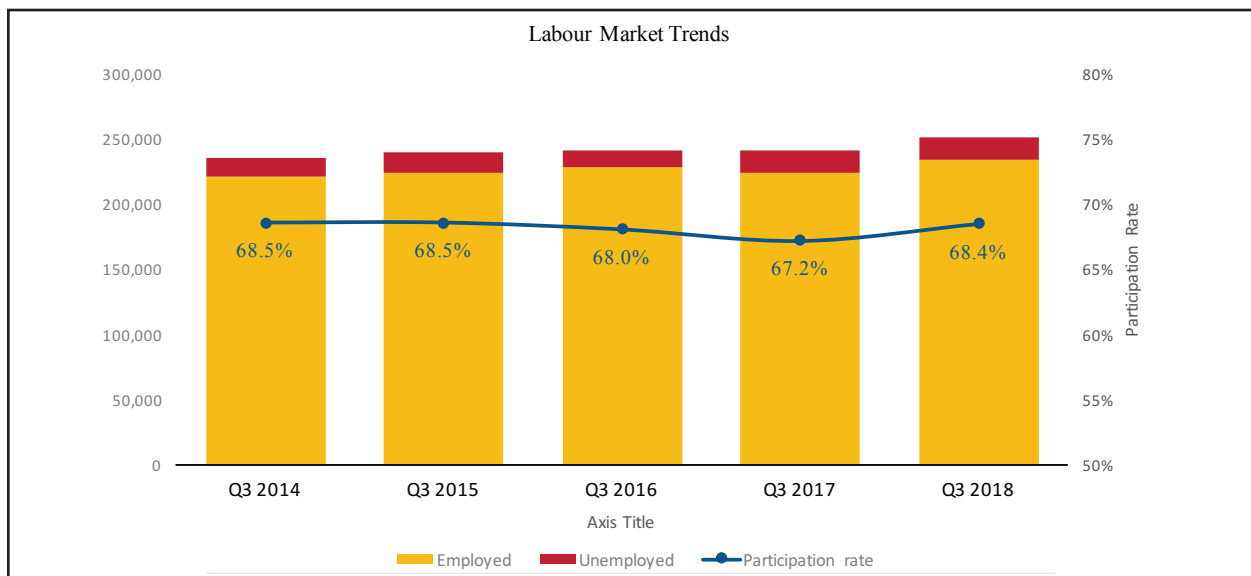
POPULATION



Source: Immigration, Refugees and Citizenship Canada (IRCC), Nova Scotia Community College (NSCC), Maritime Provinces Higher Education Commission (MPHEC) Table 5: Enrolment of International Students by Province, Institution and Registration Status as a Percentage of Total Enrolments

- International enrolment continues to climb in 2018 at 9,137 students, up from 8,538 in the previous year.
- The imputed retention rate, the rate at which international students transition to Permanent Resident Status in Nova Scotia, has remained constant since 2017, sitting at 9.4%.

LABOUR



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

- Both the labour force and employment increased over the last year, with a 9,000 person increase in labour force size and a 9,600 person increase in employment over Q3 2017.
- The unemployment rate dropped to 6.7% in Q3 2018, down from 7.2% in Q3 2017.

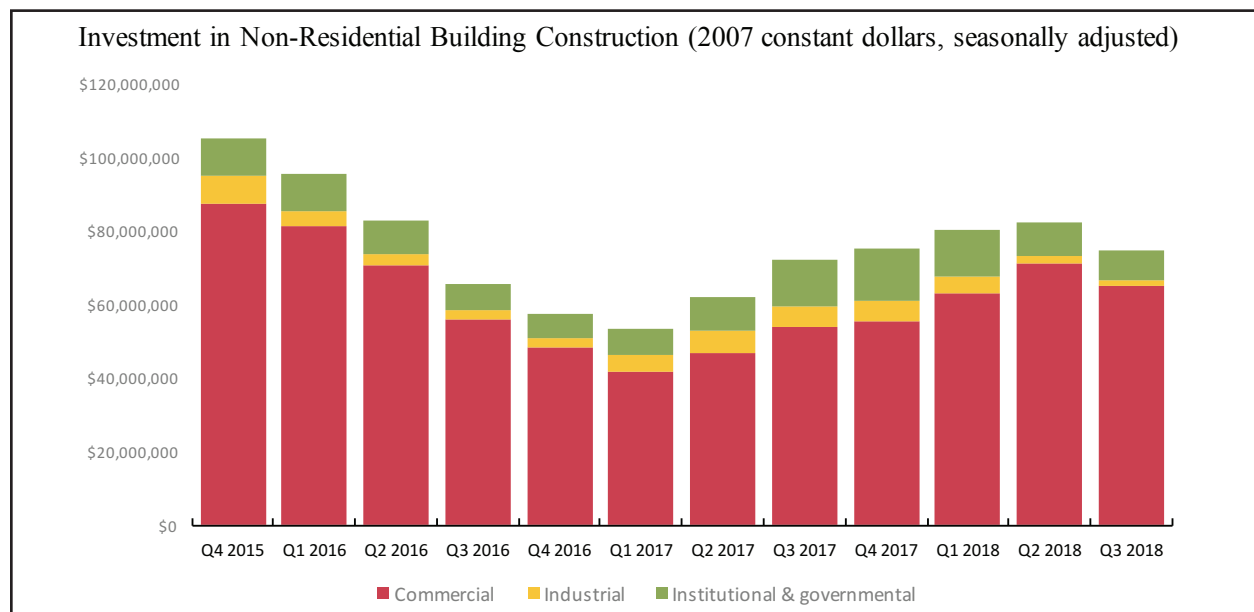
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Halifax Gateway			
	Q3 2017	Q3 2018	Change
Aircraft Passengers	1,254,172	1,365,195	8.9%
Port of Halifax Total Cargo Throughput (TEU)	144,765	141,340	-2.4%
Cargo Throughput – Imports (TEU)	72,800	72,649	-0.2%
Cargo Throughput – Exports (TEU)	71,321	68,691	-3.7%

Sources: Halifax Stanfield International Airport, Port of Halifax

- 2018 builds on four straight years of growth in airport passenger volume, with an 8.9% increase in passengers from Q3 2017.
- Q3 2018 cargo traffic fell 2.4% (3,425 TEUs) from Q3 2017. Cargo imports and exports were down from Q3 2017 figures by 0.2% (151 TEUs) and 3.7% (2,630 TEUs), respectively.

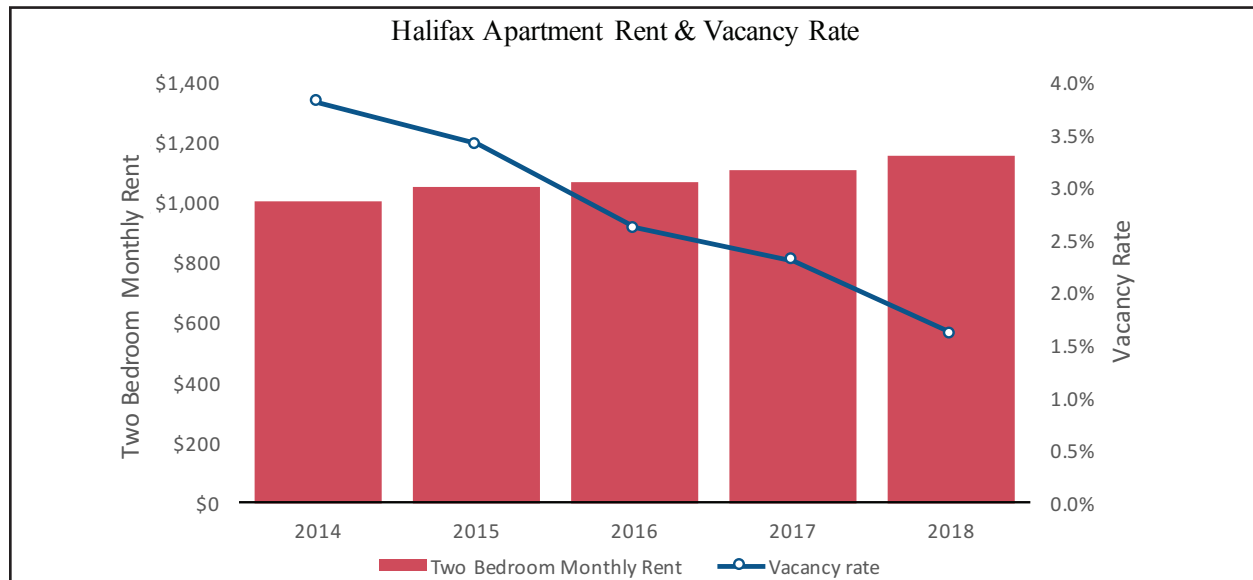
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Source: Statistics Canada Table 026-0016

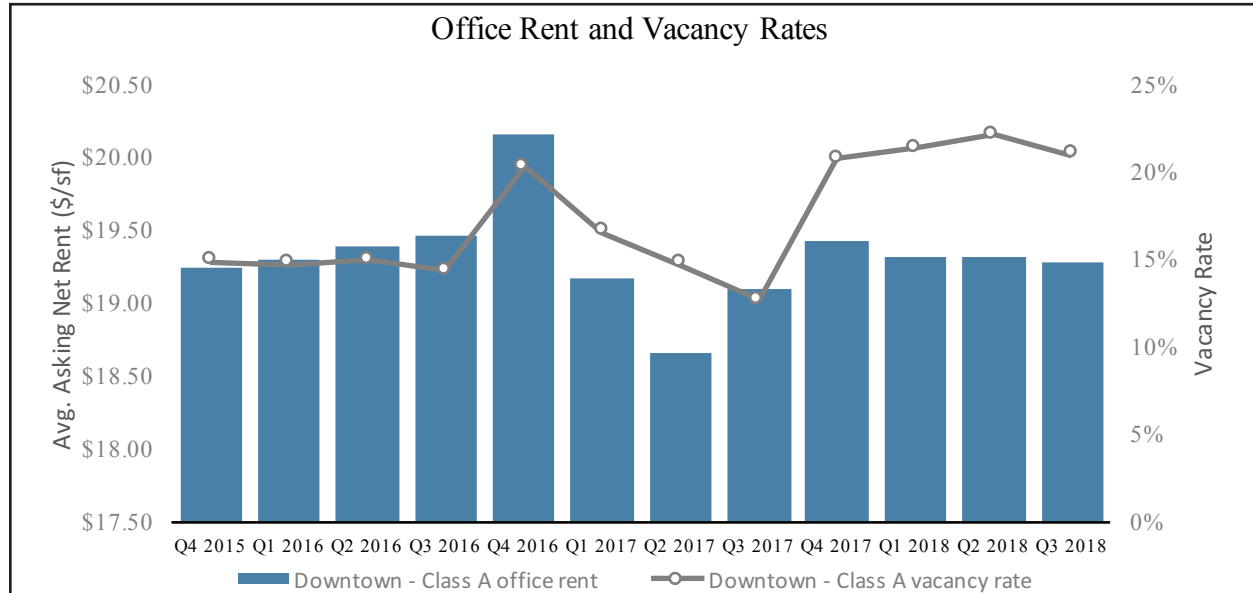
- Total investment in non-residential construction in Q3 2018 was up 3.3% from the Q3 2017 investment figure; however, it was down 9.4% from last quarter.
- Industrial and institutional & governmental investment in Q3 2018 fell by 73.2% and 37.3% respectively from Q3 2017 figures, while commercial investment rose by 20.9%.

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Source: CBRE MarketView Report

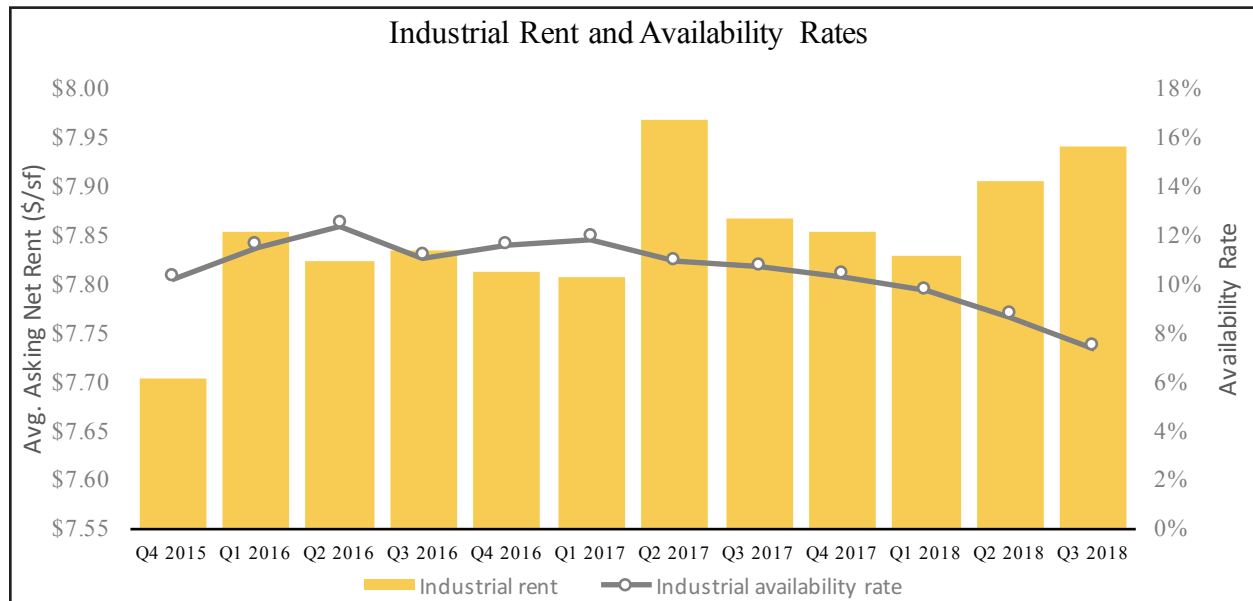
- In 2018 the Halifax apartment market continued to tighten as average monthly rent for a two-bedroom apartment rose to \$1,156 and the apartment vacancy rate fell for the third consecutive year to just 1.6%.
- Some relief may be in sight as the number of units under construction in Halifax has reached a historic high.



Source: CBRE MarketView Report


- While still in a historically high range, the vacancy rate for Downtown Class A office space fell from Q2 2018 to Q3 2018 by nearly one percentage point.
- Rent for Downtown Class A space has been stable over 2018, coming in at \$19.29/square foot in Q3.
- The overall office vacancy rate for Halifax fell from 16.9% in Q2 2018 to 16.0% in Q3, with Q3 rent averaging \$14.48/square foot.

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Source: CBRE MarketView Report

- Average asking net rent for industrial real estate increased slightly to \$7.94/square foot since last quarter.
- The industrial real estate availability rate remains on a downward trend and dropped by 1.3 percentage points from last quarter, down to 7.4%.



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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