

An abstract graphic on the left side of the page consists of several sets of parallel lines in blue, yellow, purple, brown, and green. These lines flow from the left edge, curve into loops, and then continue as arrows pointing towards the right. The lines are of varying thickness and are arranged in a way that suggests movement and interconnectedness.

HALIFAX INDEX 2020

JUNE 23, 2020
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A TALE OF TWO CITIES

HALIFAX 2019

- GDP growth was the best in a decade
- Record growth for population and labour force
- All-time high for business confidence
- Strong uptick in resident satisfaction

HALIFAX 2020

- Record GDP contraction
- Migration stalled
- Mass layoffs
- Deep impacts for some sectors (retail, food & beverage, tourism) and some segments of the population (women, youth, lower-income)



STRONG GROWTH IN GDP, EMPLOYMENT, AND BUSINESS CONFIDENCE

GOAL: PROMOTE &
MAXIMIZE GROWTH

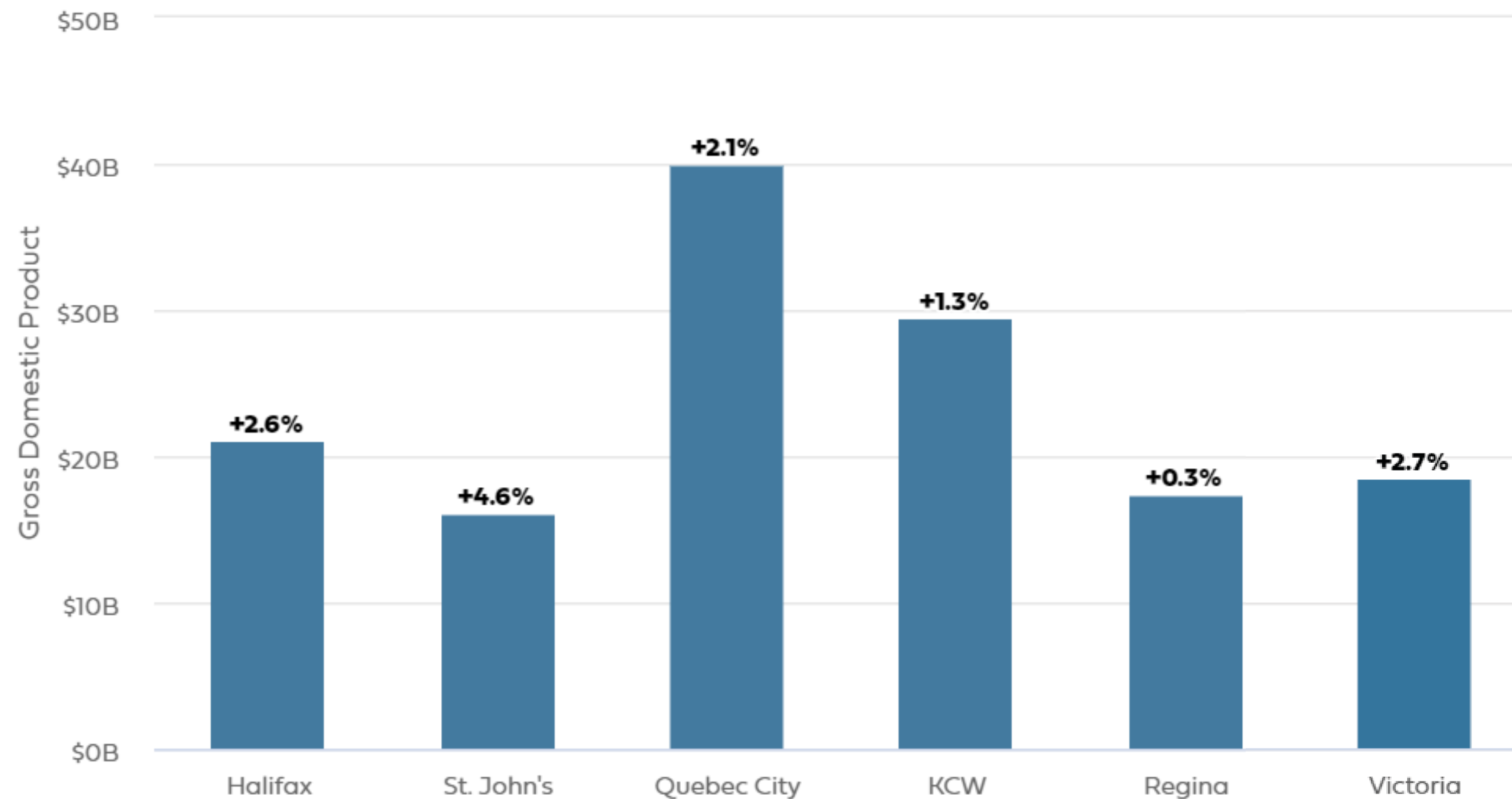
Measurement	Baseline	2016	2017	2018	2019	Status vs. Baseline
Grow Halifax's GDP to \$22.5 Billion	18,300 billion	18,574 billion	18,890 billion	19,190 billion	19,689 billion	Progressing
Increase average annual income growth	+1.2%	+1.5%	+1.7%	+1.6%	+2.6%	Improving
Increase the total number of jobs	224,100	226,000	224,600	234,200	240,700	Improving
Increase the share of full-time work	83%	82%	81%	82%	81%	Worsening
Increase the share of businesses that consider Halifax an above-average place to do business	15%	23%	27%	26%	32%	Improving
Reduce commercial vacancy rates in the downtown	14.3%	15.1%	19.6%	19.1%	18.8%	Worsening
Increase the commercial property tax base	\$7.8 billion	\$8.2 billion	\$8.3 billion	\$8.3 billion	\$8.5 billion	Improving



2019: THE BEST GDP GROWTH RATE IN MANY YEARS

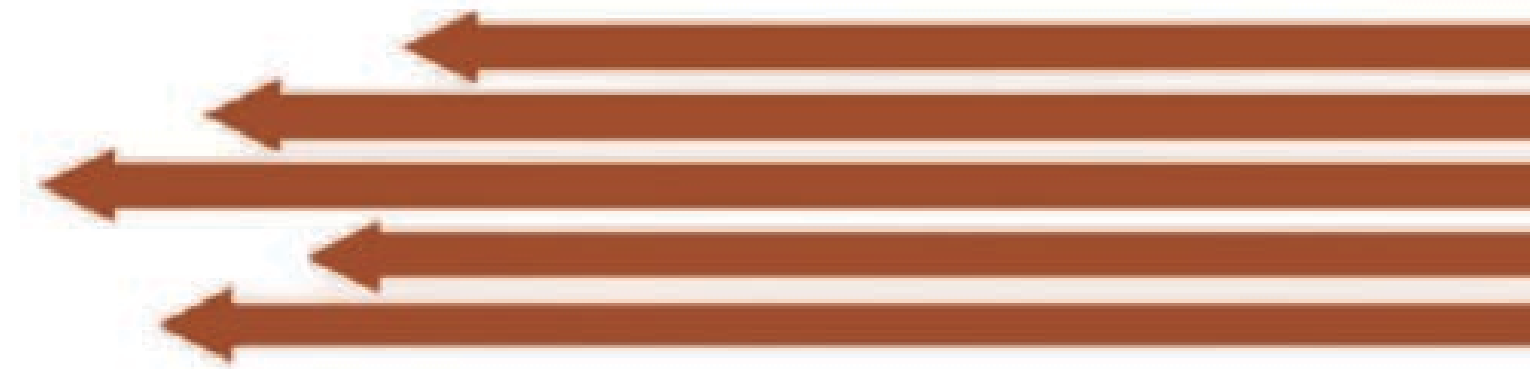
REAL GDP AND ANNUAL GROWTH RATE

\$2012 Chained Billions, Benchmark Cities, 2019



COVID-19 IMPACTS

- GDP forecasted to contract by 3.4% in 2020
- Growth forecasted to rebound in 2021 (+5.9%)



NEW RECORD HIGH FOR BUSINESS CONFIDENCE

Year	BCI	Rating of Halifax as a Place to Do Business			
		Above Average	Just Average	Below Average	Don't Know/ No Answer
Spring 2013	24.6	19%	59%	18%	4%
Spring 2014	20.2	14%	66%	17%	4%
Spring 2015	21.1	15%	61%	20%	4%
Spring 2016	28.1	26%	55%	14%	5%
Spring 2017	29.1	23%	60%	12%	4%
Spring 2018	32.9	27%	57%	12%	3%
Spring 2019	32.8	26%	61%	10%	3%
Spring 2020	34.9	32%	55%	10%	4%

COVID-19 IMPACTS

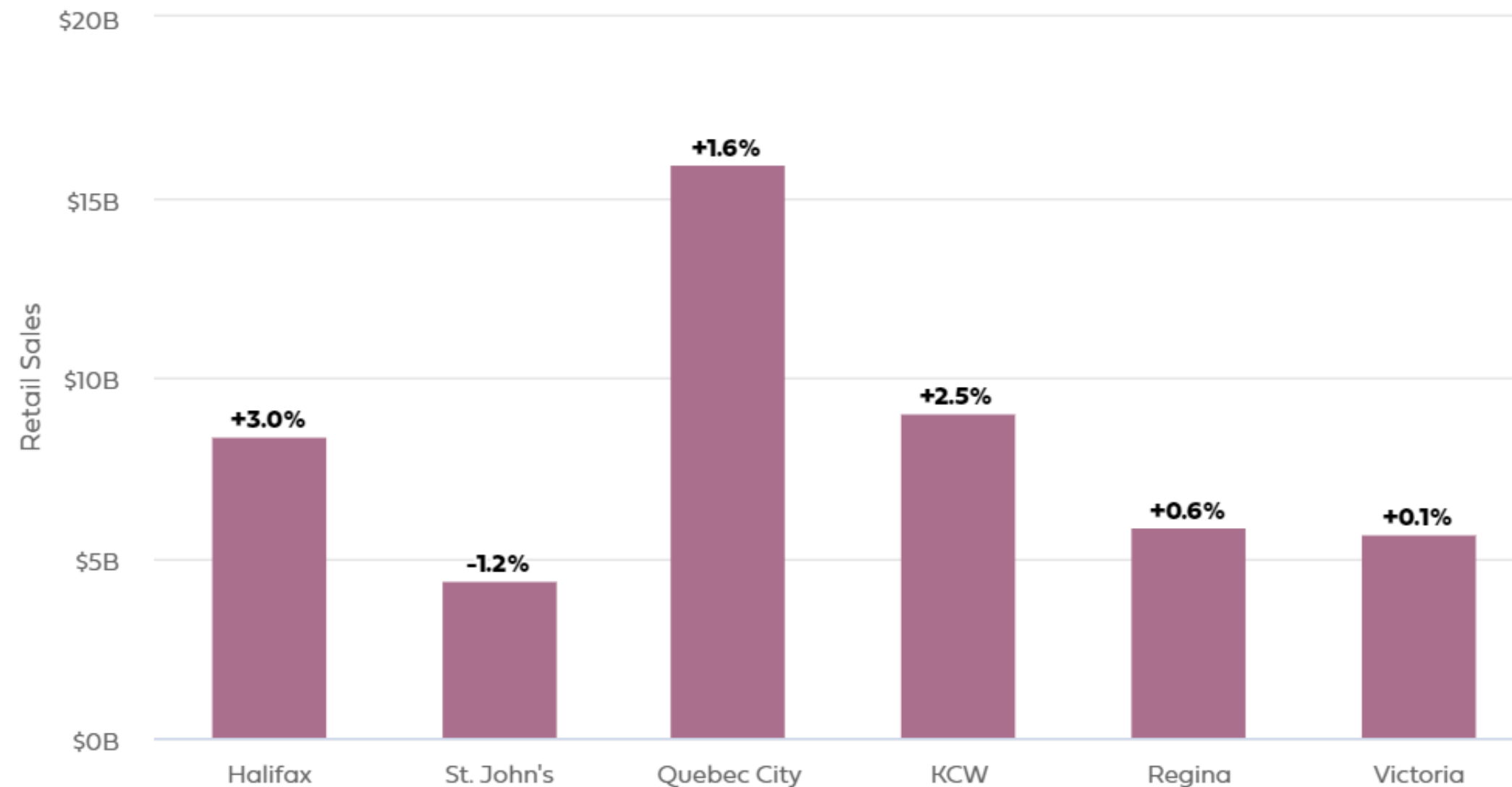
- If survey responses are separated into those captured from March 1-12 and from March 13-16, the BCI for these two subsets drops from 35.6 to 29.7



HALIFAX LED IN RETAIL SALES GROWTH

RETAIL SALES AND ANNUAL GROWTH RATE

\$ Billions, Benchmark Cities, 2019



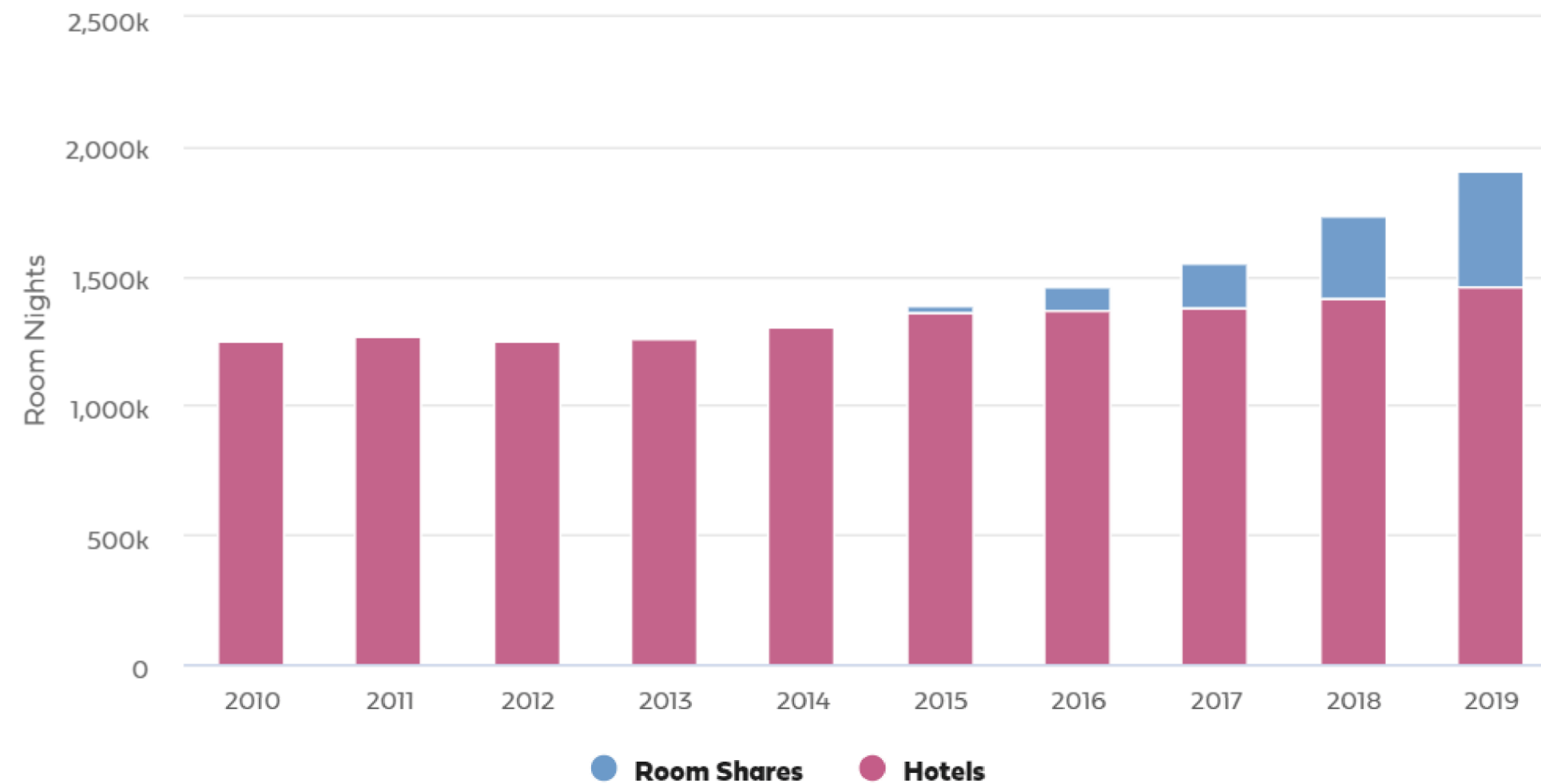
COVID-19 IMPACTS

- Retail is one of the sectors hit hardest by COVID-19
- As with GDP, a sharp decline is forecasted in 2020 (-3.6%), followed by a rebound in 2021 (+2.9%)

ALMOST 10% GROWTH IN OVERNIGHT STAYS IN 2019

OVERNIGHT STAYS IN HOTELS AND ROOM SHARES

Room Nights, Halifax, 2010 to 2019



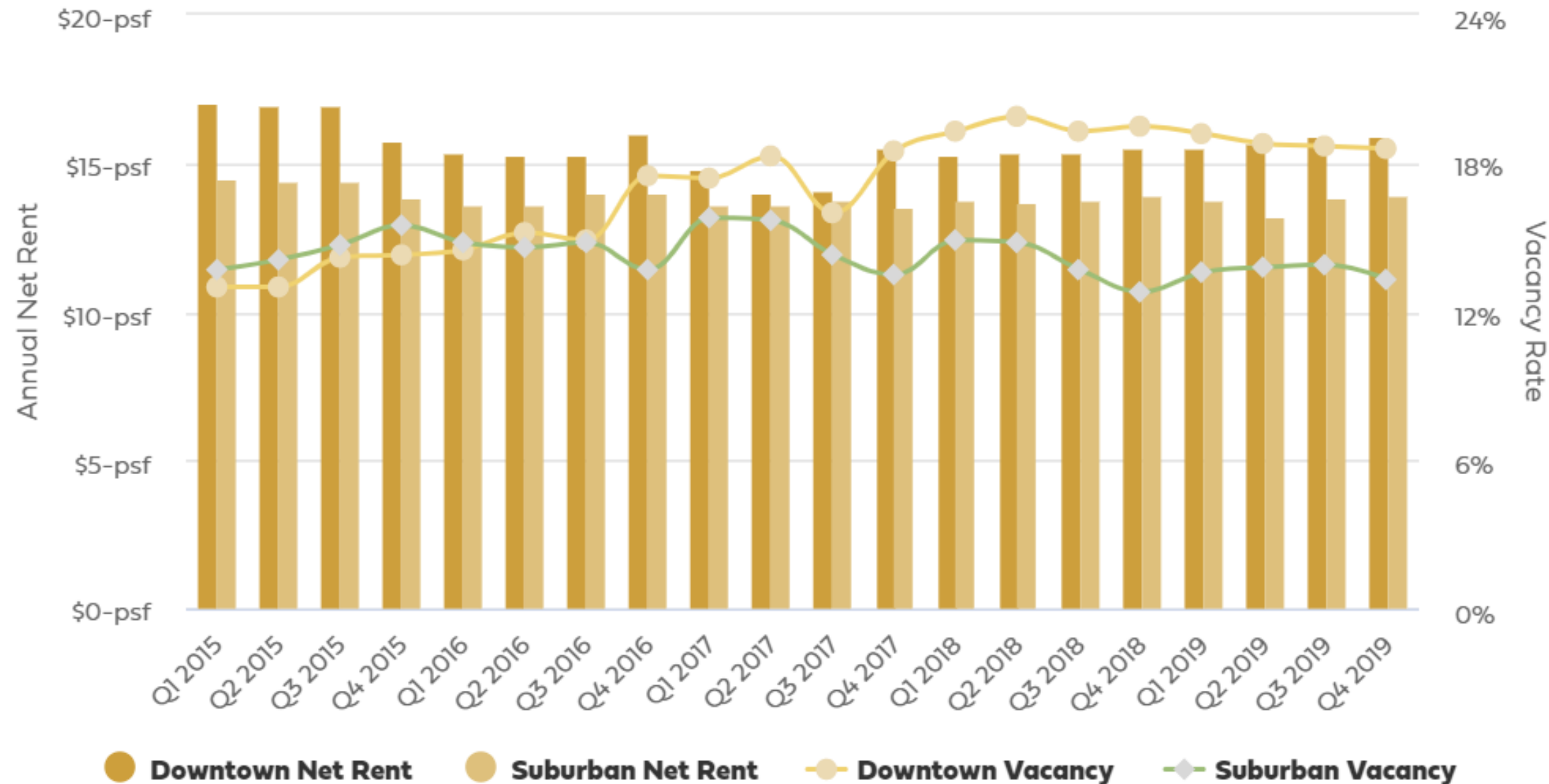
COVID-19 IMPACTS

- Easing travel restrictions across the Maritime provinces will put almost 60% of our traditional visitor base back in play
- Travel from further beyond may be constrained for some time

OFFICE VACANCY RATE DROPS AGAIN IN 2019

OFFICE VACANCY AND RENTAL RATES BY REGION

Annual Net Rent (\$psf) and Vacancy Rate (Share of Square Feet), Halifax, 2015 to 2019



COVID-19 IMPACTS


- Absorption of vacant space may stall
 - Slowdown in business openings and expansions
 - Unknown long-term impact of switch to working-from-home during COVID-19 crisis)



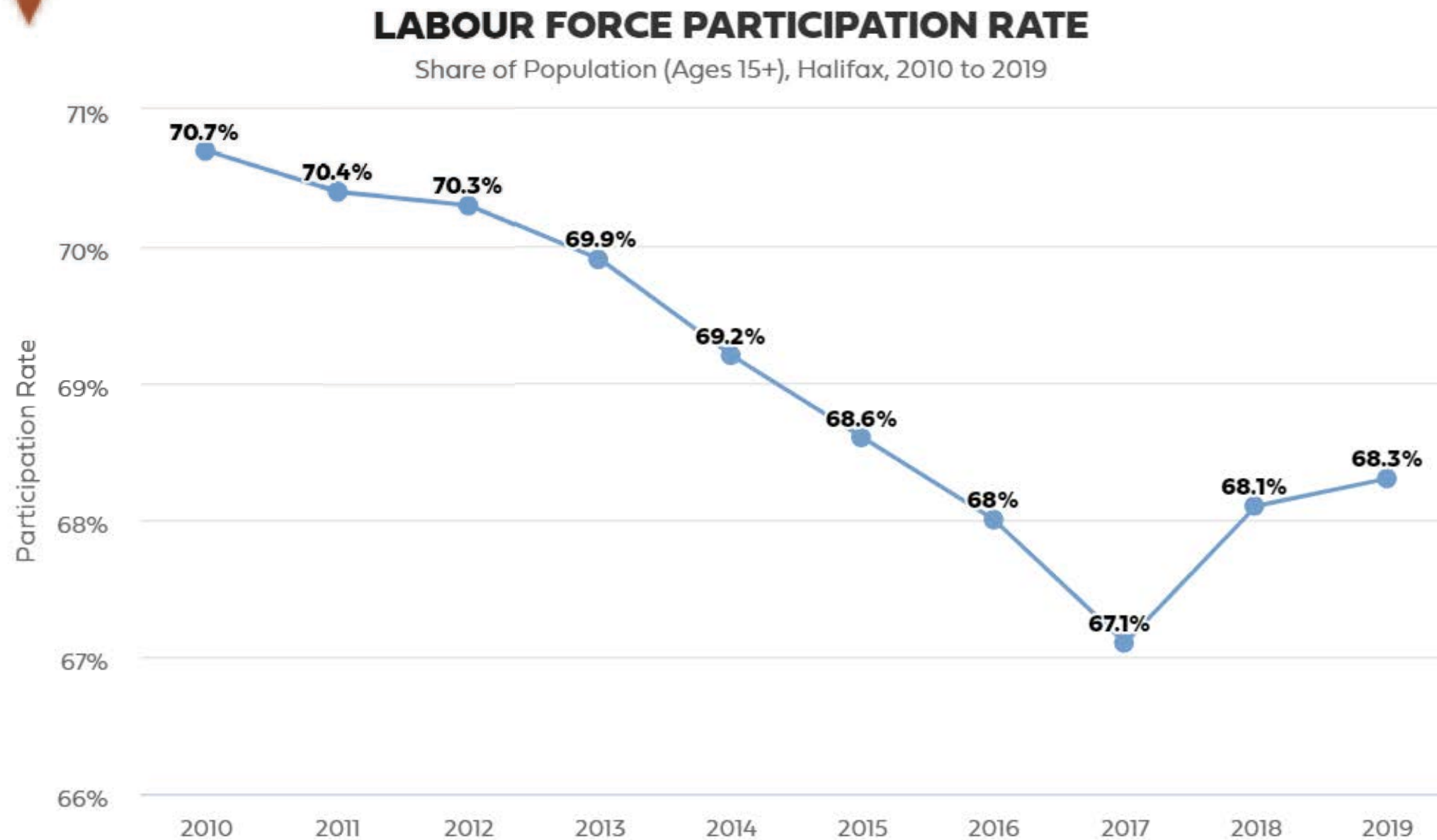
OUR WELCOME MAT IS GETTING GOOD USE

GOAL: ATTRACT & RETAIN TALENT

Measurement	Baseline	2016	2017	2018	2019	Status vs. Baseline
Grow Halifax's Labour Force to 271,000	239,100	240,700	241,000	249,000	255,400	Progressing
Increase Halifax's overall labour force growth	+0.5%	+0.7%	+0.1%	+3.3%	+2.6%	Improving
Increase net interprovincial migration of youth ages 20-29 to Nova Scotia	-1,300	-222	252	238	{220}	Improving
Grow the international student body...	5,832	6,045	6,413	6,577	6,917	Improving
...and the gross share that transition into permanent residency	3.4%	6.9%	9.5%	12.9%	12.8%	Improving
Increase net international immigration to Halifax	+2,018	+5,476	+4,548	+5,413	+6,509	Improving



REBOUND IN LABOUR FORCE PARTICIPATION RATE CONTINUED IN 2019



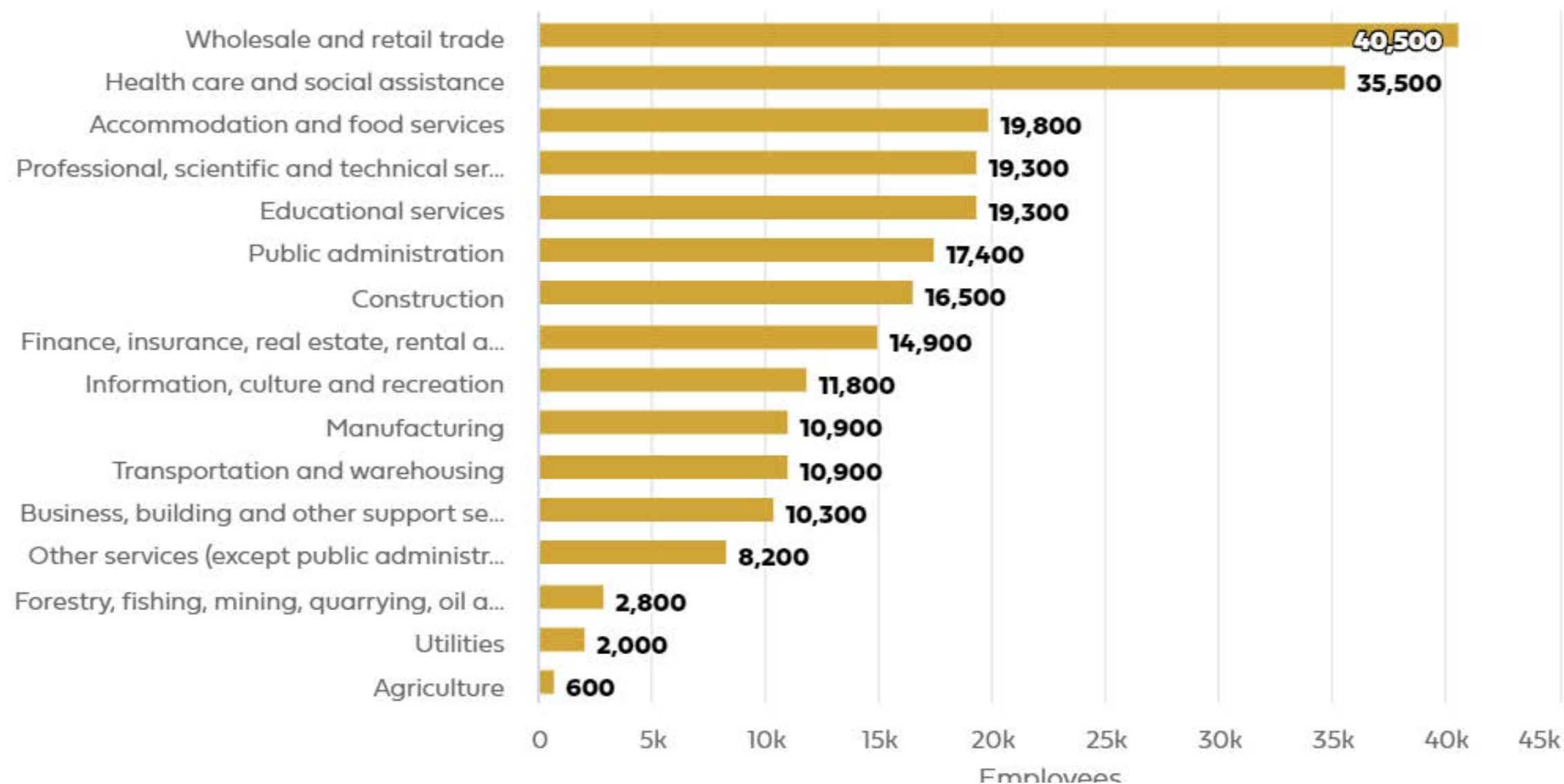
COVID-19 IMPACTS

- Labour force and employment have shrunk by almost 5% and 10%, respectively, as compared to last year
- Halifax's unemployment rate is now almost 11%, but our labour underutilization rate is close to 35%

LARGEST EMPLOYERS ARE AMONG THE HARDEST-HIT SECTORS

EMPLOYMENT BY INDUSTRY

Employees (NAICS Industries), Halifax, 2019



COVID-19 IMPACTS

- Biggest losses: wholesale & retail; accommodations & food; information, culture & recreation; personal services
- Employment losses especially pronounced for youth, women, and less-educated workers
- Impacts on specific communities such as African and Indigenous Nova Scotians are ... data gaps

GOAL: MAKE HALIFAX
A BETTER PLACE TO
LIVE & WORK

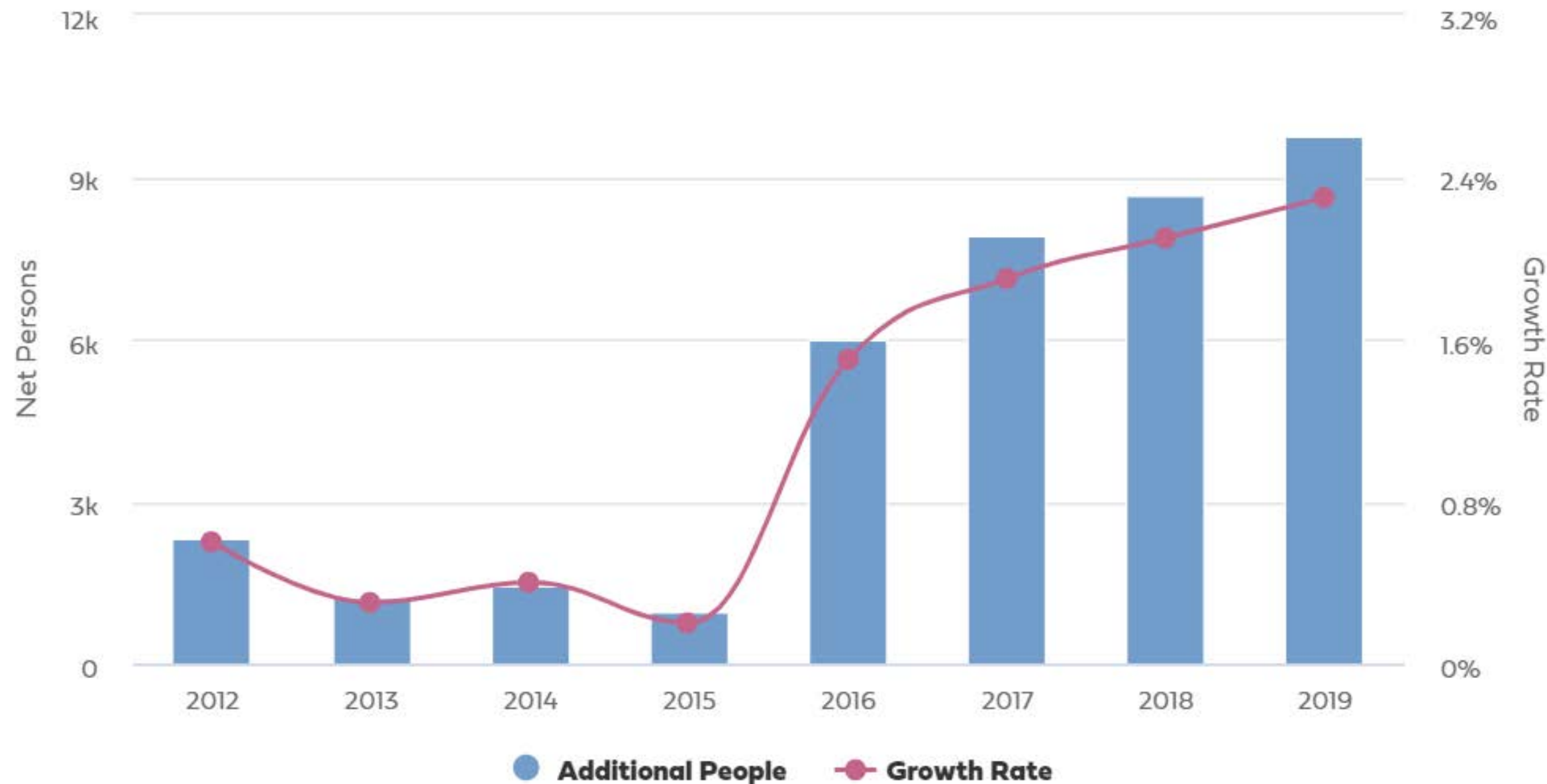
THE MORE AND THE MERRIER

Measurement	Baseline	2016	2017	2018	2019	Status vs. Baseline
Grow Halifax's Population to 470,000	408,017	414,015	421,939	430,601	440,348	Progressing
Increase Halifax's overall population growth	+0.2%	+1.5%	+1.9%	+2.1%	+2.3%	Improving
Increase the share of Nova Scotians who have a strong or somewhat strong sense of belonging to their community	76.4%	73.4%	~	71.7%	74.2%	Worsening
Increase the supply of non-market housing as a proportion of total HRM households	4%	~	~	~	~	Uncertain
Raise the mean score on various quality of life indicators as measured by the City Matters survey...	7.7	7.2	7.1	7.4	7.7	Unchanged
..."Good place to raise a family"	7.7	7.8	7.4	7.6	8.1	Improving
..."Outdoor recreational facilities"	7.3	6.8	6.9	6.9	7.5	Improving
..."Indoor recreational facilities"	7.2	6.8	6.8	6.9	7.4	Improving
..."Housing affordability"	6.1	5.7	5.5	5.5	5.1	Worsening
..."Arts and cultural events"	7.4	6.8	7.0	6.9	7.4	Unchanged
..."City is easy to get around"	6.6	5.9	6.0	5.6	6.4	Worsening
..."% who feel mostly safe"	61%	80%	80%	87%	90%	Improving
Increase library programming attendance...	209,772	213,576	224,072	241,154	211,754*	Improving
...and in-person visits	3,595,902	3,613,986	3,618,317	3,617,008	3,463,547	Worsening

GROWTH PLAN LAUNCHED IN 2016 HAS SUCCEEDED

POPULATION GROWTH

Net Persons and Annual Growth Rate, Halifax, 2012 to 2019



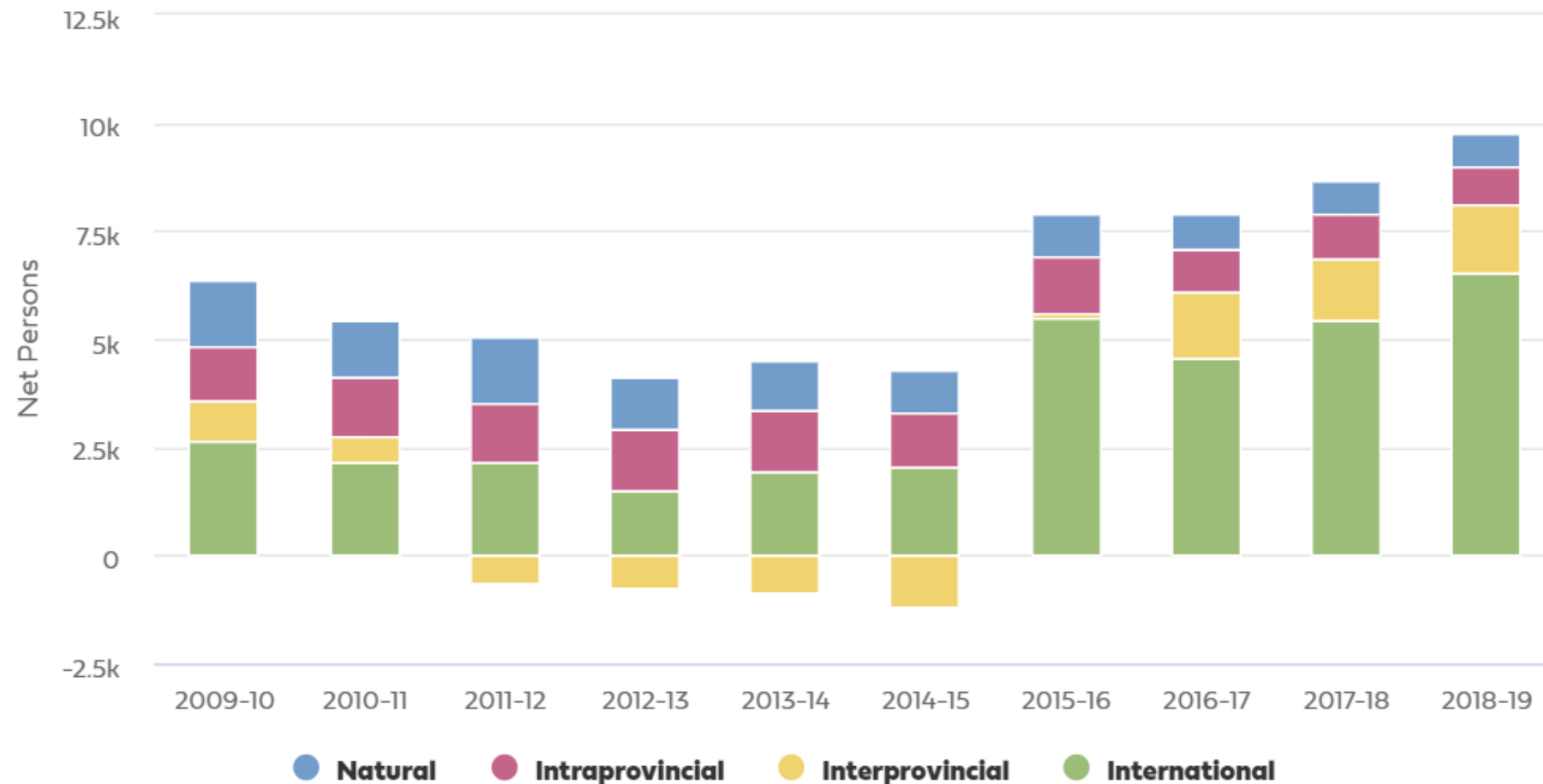
COVID-19 IMPACTS

- Borders likely will not be fully open for some time
- Would-be migrants may be less able or less willing to come to Halifax
- Alternatively, once travel can return to (near) normal, Halifax may be more attractive as a destination than ever

POPULATION GROWTH AGAIN DRIVEN BY IMMIGRATION

POPULATION GROWTH BY SOURCE

Net Persons, Halifax, 2009 to 2019



COVID-19 IMPACTS

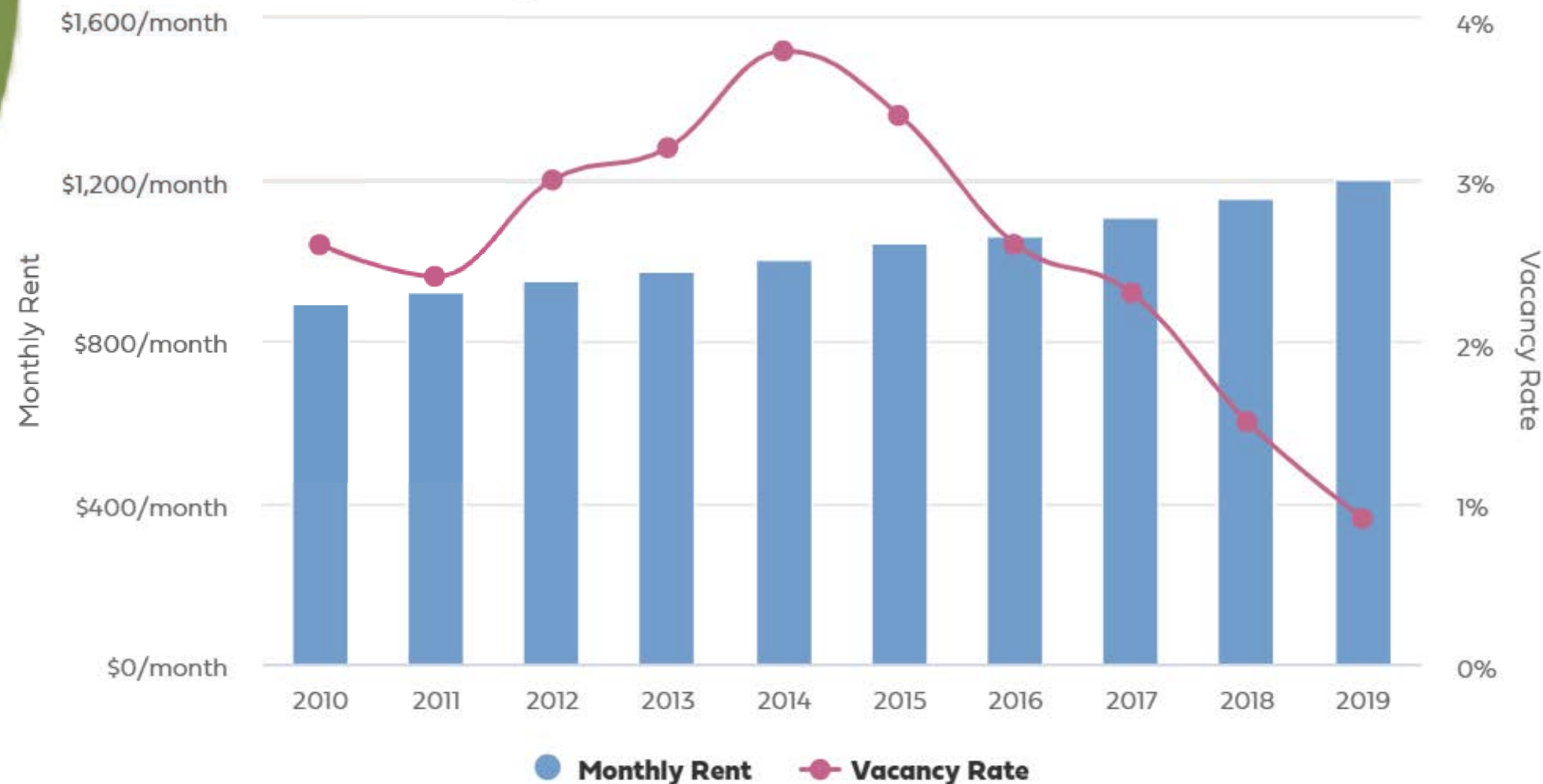
- Physical closure of post-secondary classrooms will hinder growth in near term
- Resumption in the flow of international students may represent both a great risk and a great opportunity



APARTMENTS AGAIN BECAME HARDER TO FIND AND MORE EXPENSIVE

TWO-BEDROOM APARTMENT RENT AND VACANCY RATES

Monthly Rent and Share of Units, Halifax, 2010 to 2019



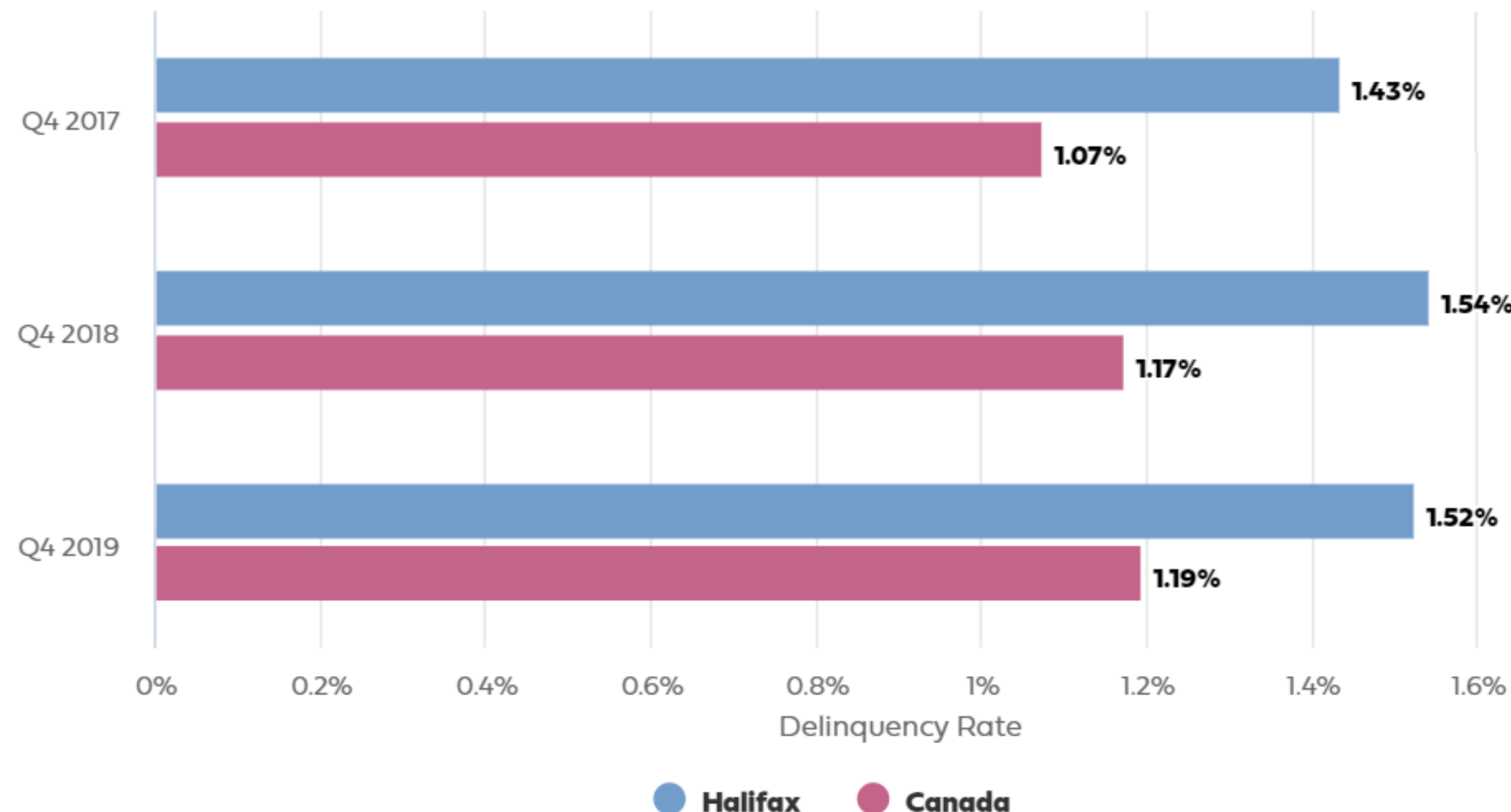
COVID-19 IMPACTS

- Typical renters have taken biggest employment and income hits
- Inflows of students and migrants will be dampened for some time
- Net impacts on construction, rents, and vacancy... ?

ABOVE-AVERAGE DEBT DELINQUENCY RATE IN HALIFAX

CONSUMER DEBT DELINQUENCY RATE

Share of Consumer Debtors, Halifax and Canada, 2017 to 2019



COVID-19 IMPACTS

- Personal and business debt delinquency and insolvency can be expected to rise
- On top of this will be massive increases in deficits and increasing debt loads, both provincially and federally

GETTING BACK TO THE FUTURE



Me before COVID-19.



Future me if I had gone one more week without a haircut.

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