



HALIFAX INDEX 2021

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ENTREVESTOR



**How I spent half
the pandemic ...**



How I spent the other half of the pandemic



GDP growth reversed by pandemic

Measurement	Baseline	2016	2017	2018	2019	2020	Status vs. Baseline
Grow Halifax's GDP to \$22.5 billion	18.3 billion	18.6 billion	18.9 billion	19.2 billion	19.7 billion	19.0 billion	Progressing
Increase average annual income growth	+1.4%	+1.4%	+1.9%	+1.6%	+2.6%	-3.5%	Worsening
Increase the total number of jobs	216,600	218,700	217,300	227,600	234,100	227,400	Improving
Increase the share of full-time work	83%	82%	81%	82%	81%	82%	Unchanged
Increase the share of businesses that consider Halifax an above-average place to do business	15%	23%	27%	26%	32%	39%	Improving
Reduce commercial vacancy rates in the downtown	14.3%	15.1%	19.6%	19.1%	18.8%	19.5%	Worsening
Increase the commercial property tax base	\$7.8 billion	\$8.2 billion	\$8.3 billion	\$8.3 billion	\$8.5 billion	\$8.6 billion	Improving

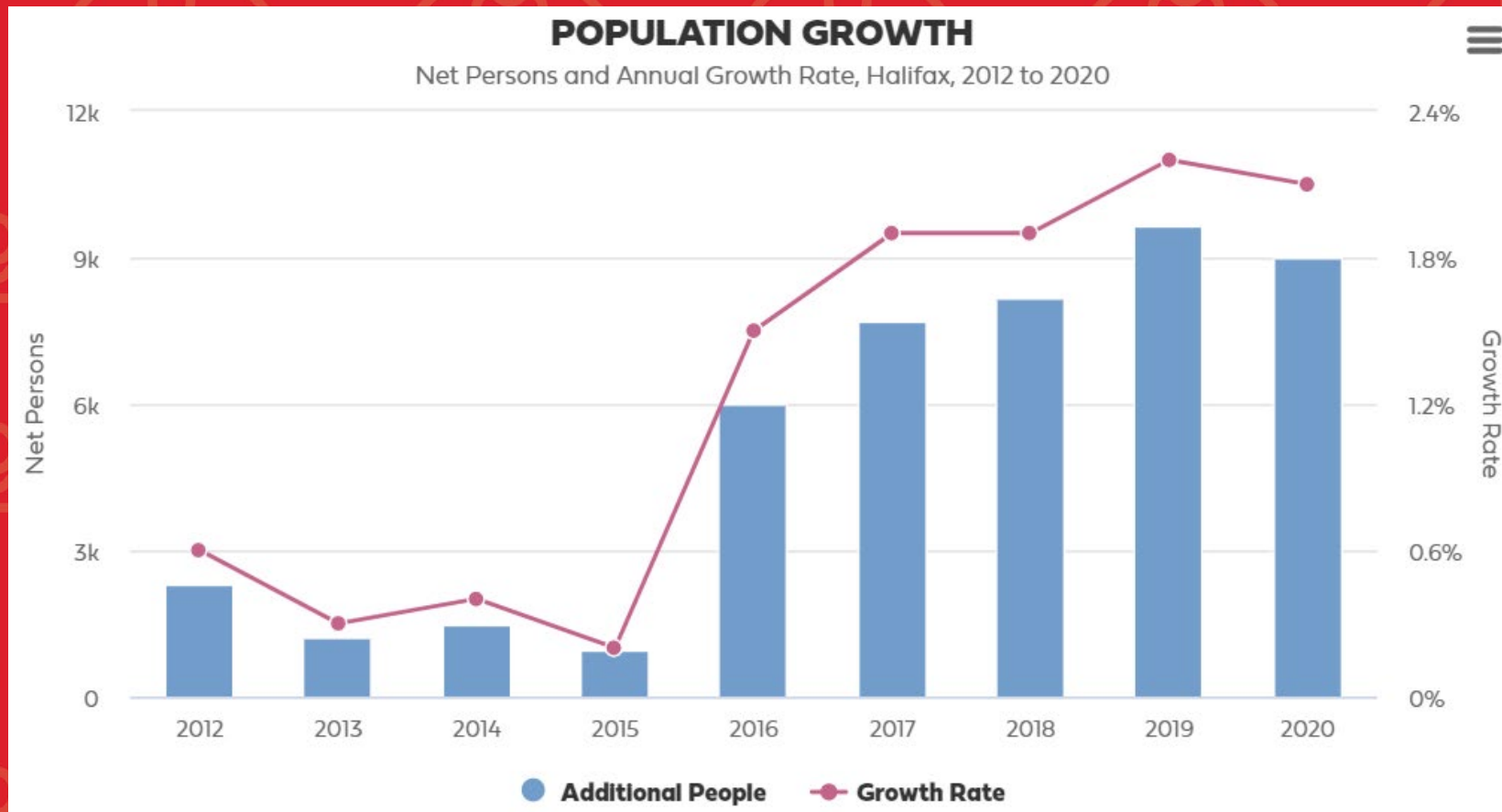
Five years of solid labour force results

Measurement	Baseline	2016	2017	2018	2019	2020	Status vs. Baseline
Grow Halifax's Labour Force to 271,000	231,300	232,900	233,400	242,100	248,600	249,000	Progressing
Increase Halifax's overall labour force growth	-0.5%	+0.7%	+0.2%	+3.7%	+2.7%	+0.2%	Improving
Increase net interprovincial migration of youth ages 20-29 to Nova Scotia	-1,300	-222	252	238	376	{365}	Improving
Grow the international student body...	5,832	6,045	6,413	6,577	6,917	7,588	Improving
...and the gross share that transition into permanent residency	3.4%	6.9%	9.5%	12.9%	12.8%	7.1%	Improving
Increase net international immigration to Halifax	+2,018	+5,476	+4,329	+5,045	+6,341	+5,751	Improving

Population takes off; other measures hit COVID-19 bump

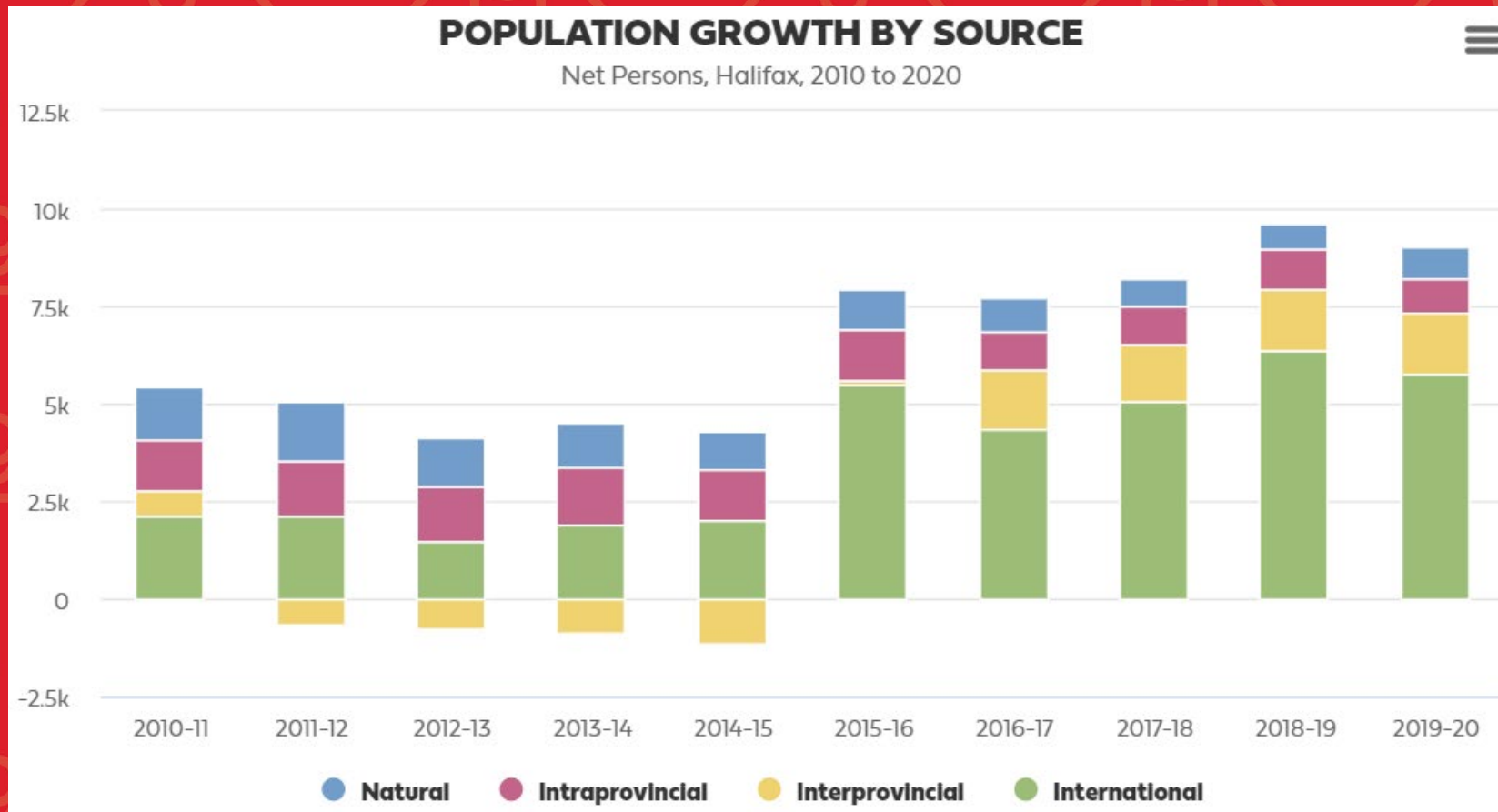
Measurement	Baseline	2016	2017	2018	2019	2020	Status vs. Baseline
Grow Halifax's Population to 470,000	408,017	414,015	421,713	429,895	439,529	448,544	Progressing
Increase Halifax's overall population growth	+0.2%	+1.5%	+1.9%	+1.9%	+2.2%	+2.1%	Improving
Increase the share of Nova Scotians who have a strong or somewhat strong sense of belonging to their community	76.4%	73.4%	~	71.7%	74.2%	75.0%	Worsening
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	7.5	Worsening
... "Good place to raise a family"	7.7	7.8	7.4	7.6	8.1	7.7	Unchanged
... "Outdoor recreational facilities"	7.3	6.8	6.9	6.9	7.5	7.2	Unchanged
... "Indoor recreational facilities"	7.2	6.8	6.8	6.9	7.4	7.2	Unchanged
... "Housing affordability"	6.1	5.7	5.5	5.5	5.1	4.2	Worsening
... "Arts and cultural events"	7.4	6.8	7.0	6.9	7.4	6.9	Worsening
... "City is easy to get around"	6.6	5.9	6.0	5.6	6.4	6.2	Worsening
... "% who feel mostly safe"	61%	80%	80%	87%	90%	81%	Improving
Increase library programming attendance...	209,772	213,576	224,072	241,154	221,409	91,808*	Worsening
... and in-person visits	3,595,902	3,613,986	3,618,317	3,617,008	3,447,146	1,060,662	Worsening

Another year of impressive growth ...



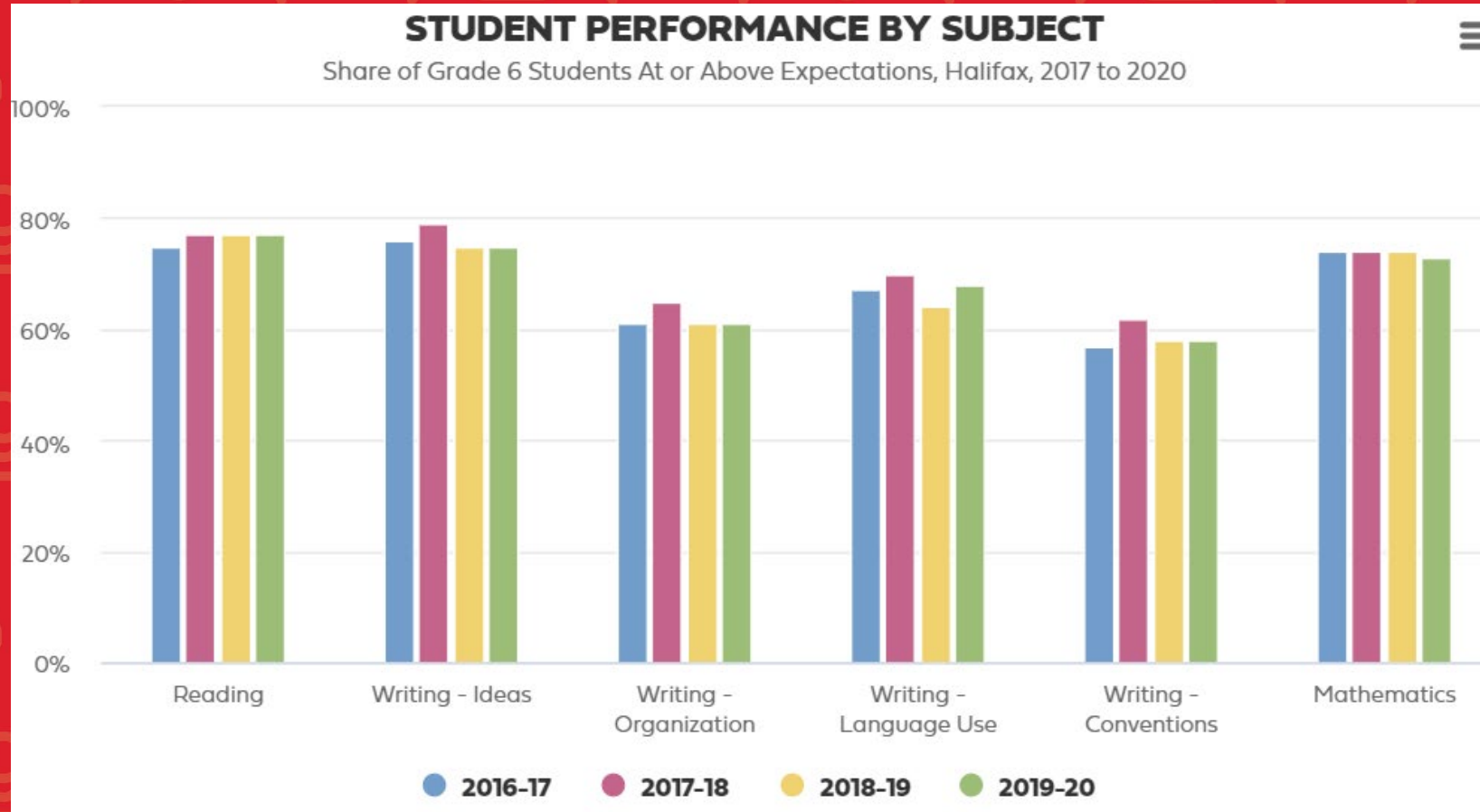
- Second-highest annual growth on record
- Second-fastest growth among all Canadian cities
- But ... measurement year of July 2019 through June 2020 contains six months of pre-COVID migration

... driven again by immigration



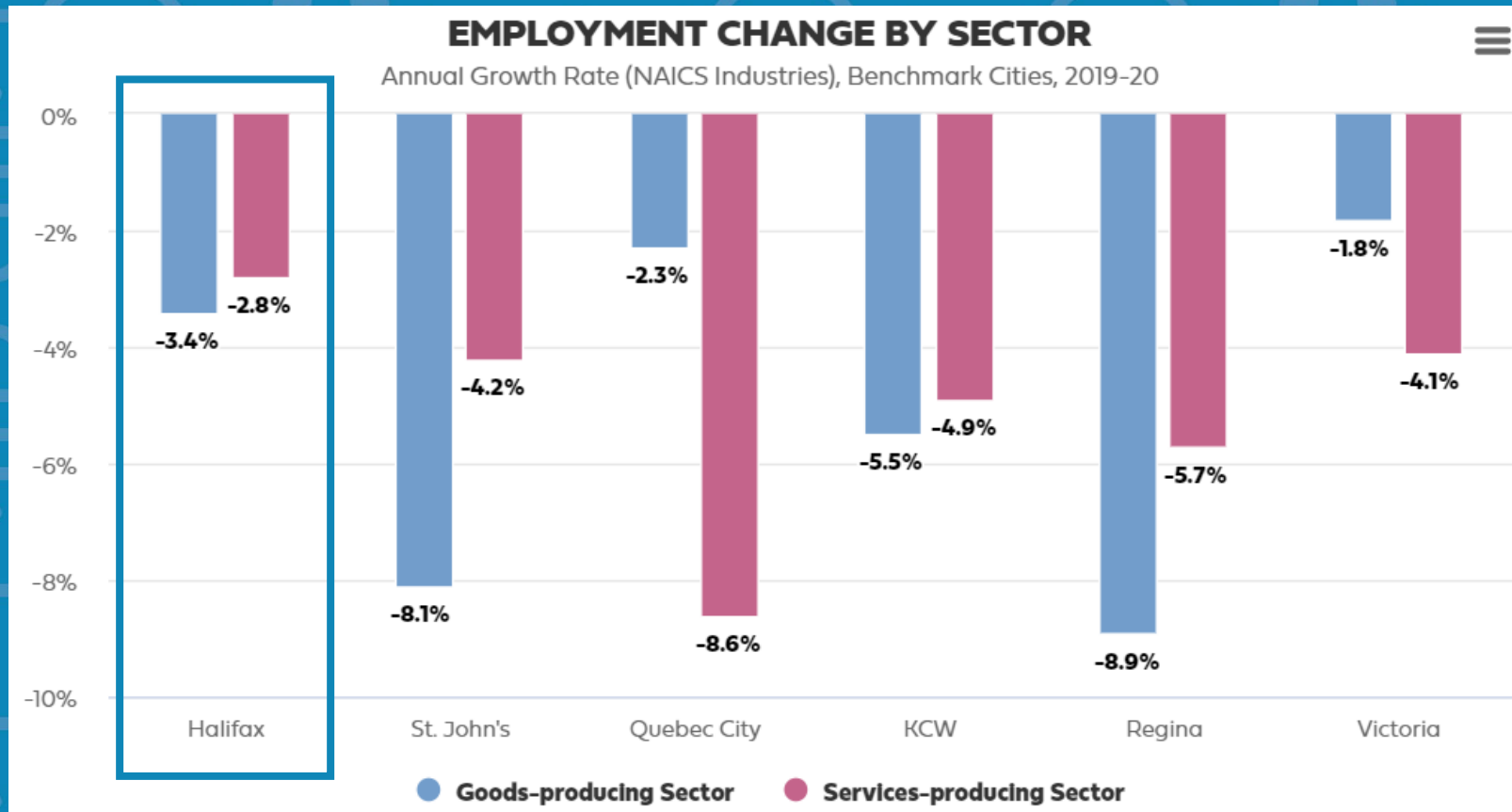
- Second-best year ever for both international and interprovincial migration
- Lowest level of intraprovincial migration since 2005
- Net natural growth (births minus deaths) is up from the previous year, the first annual increase since 2016

Student performance remains a concern



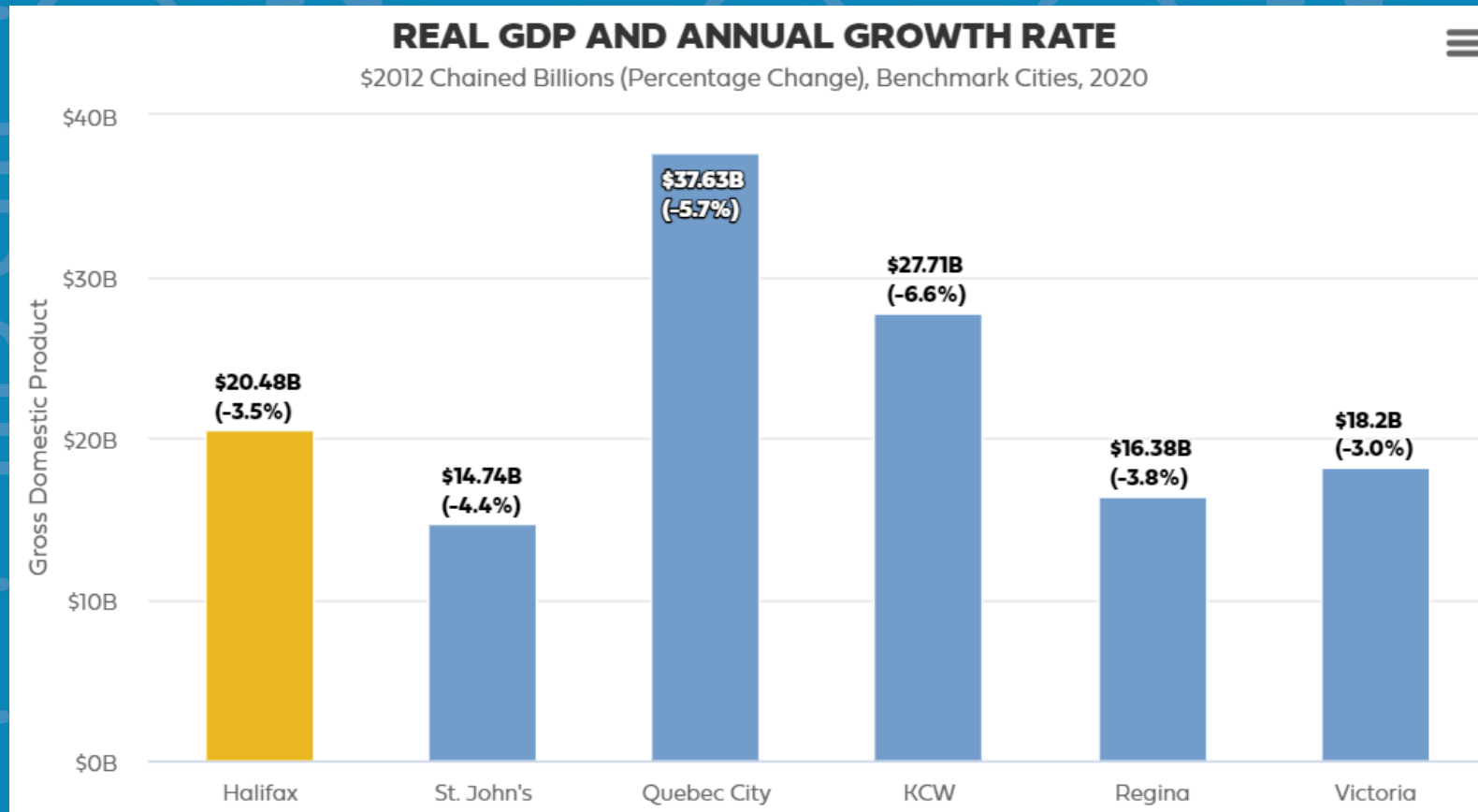
- These scores have been stable for the past four years
- Depending on the subject, roughly 60% to 80% of students are at or above expectations
- Which means that 20% to 40% are not

Halifax job losses *relatively* mild ...



- Halifax suffered deep employment losses in the spring of 2020 in both the goods sector (e.g., construction) and in the services sector (e.g., tourism and retail trade)
- Halifax rebounded strongly beginning in the summer
- Overall, Halifax suffered lower job losses than the other benchmark cities

... as was the size of the recession

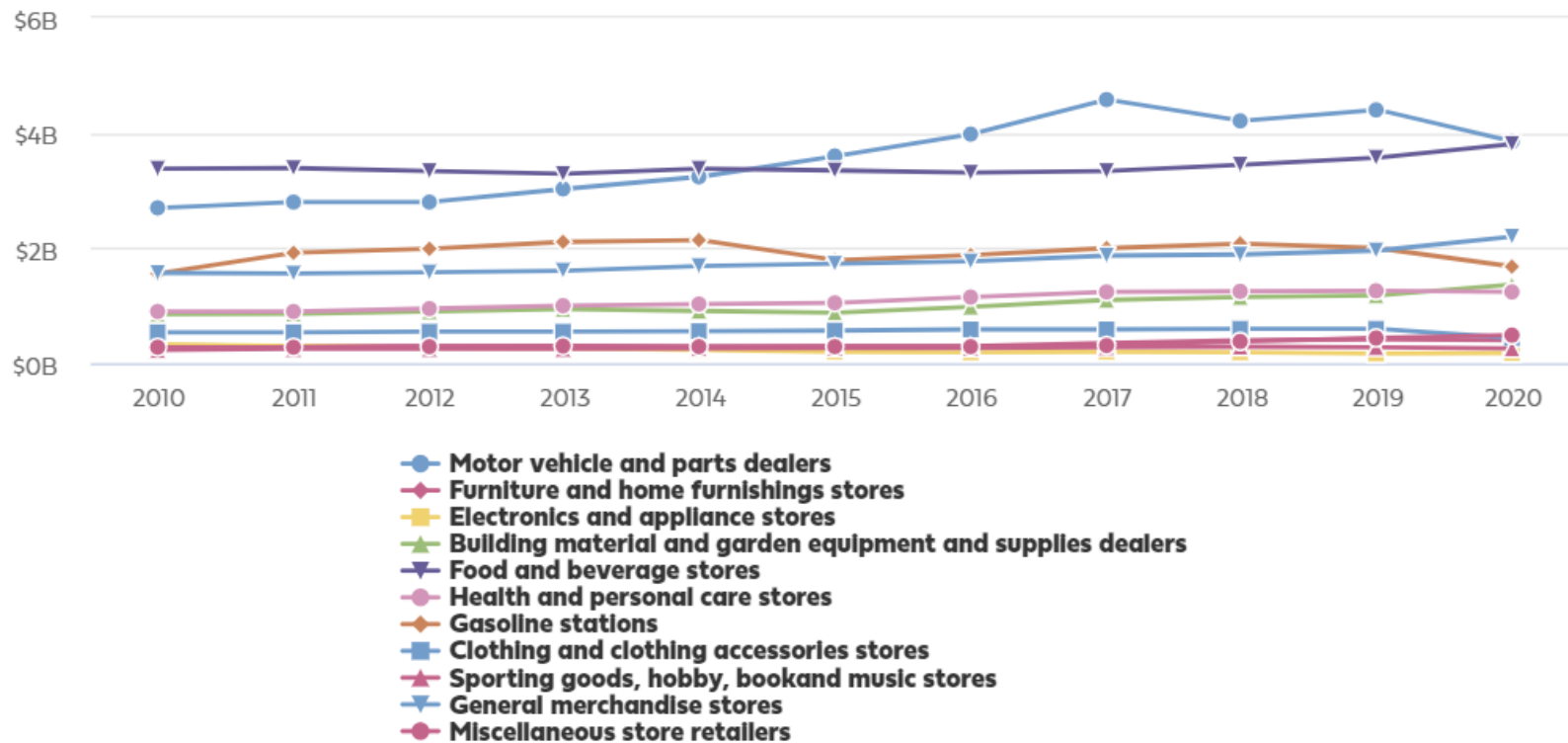


- Halifax experienced the second-smallest GDP contraction among all benchmark cities
- GDP growth for Halifax in 2021 is forecasted to be almost 5%

Retail sector hit hard in 2020

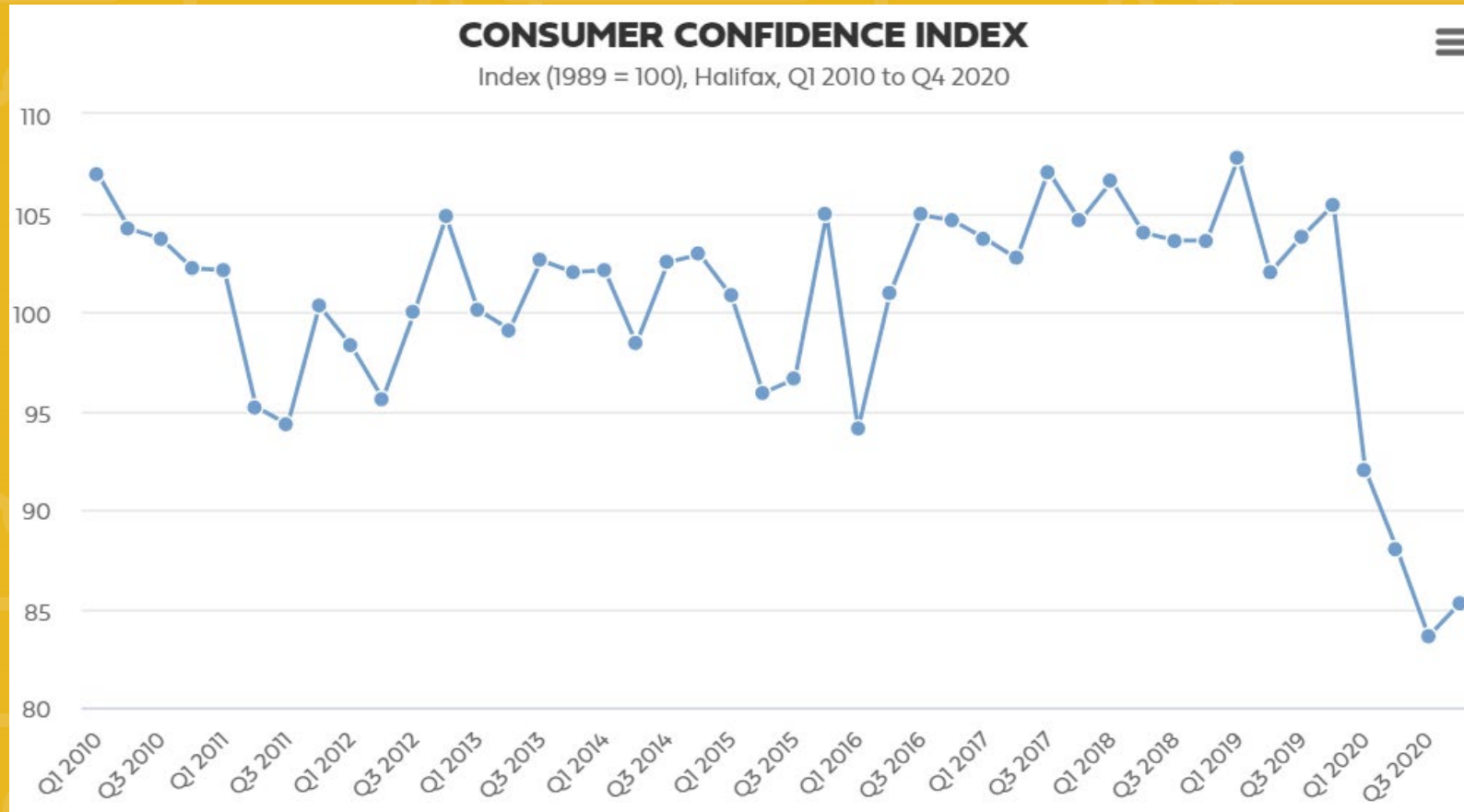
RETAIL SALES BY CATEGORY

\$ Billions (Unadjusted for Seasonality), Nova Scotia, 2010 to 2020



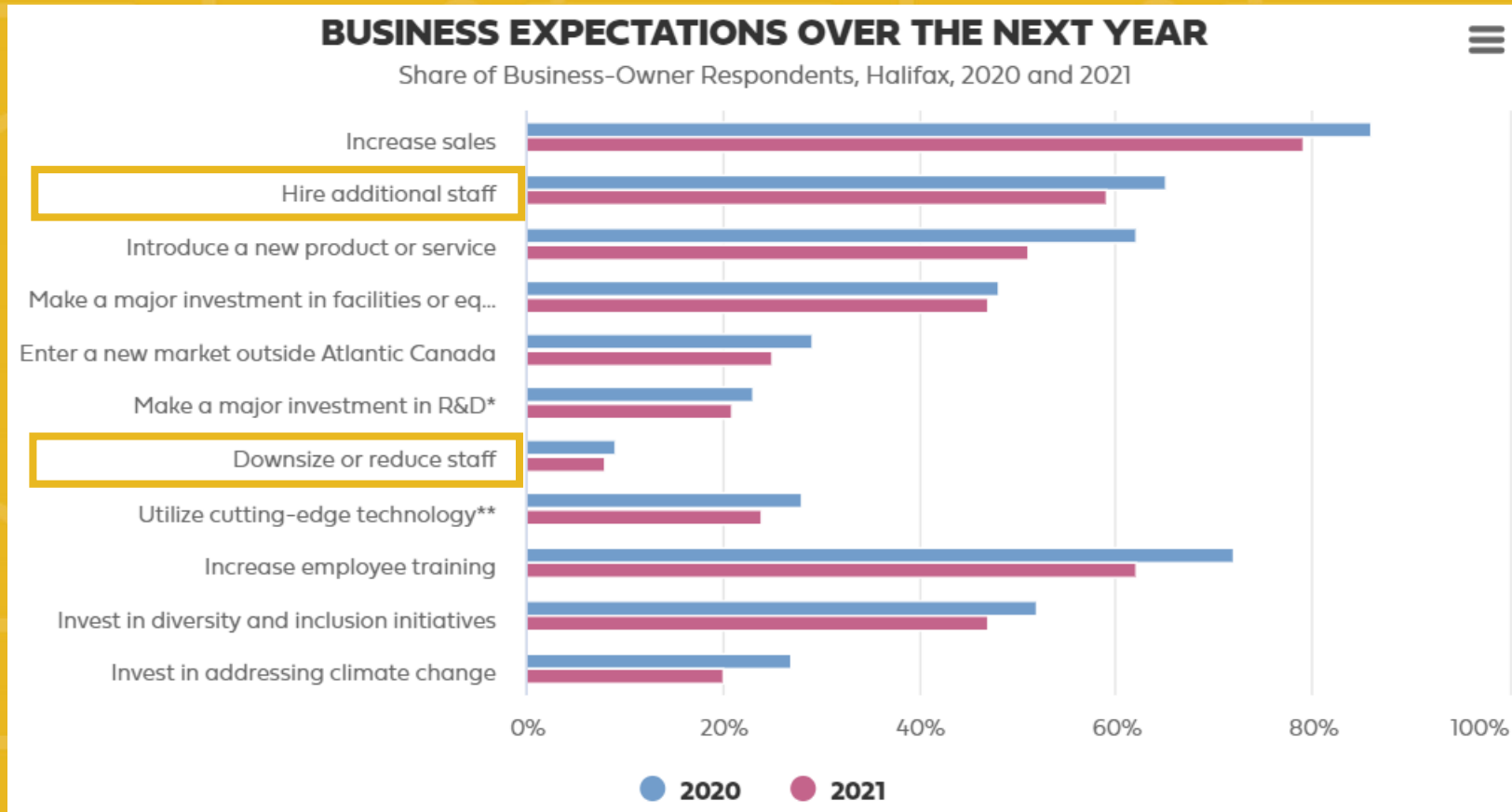
- Lockdowns, closures, social distancing requirements, and the absence of tourists led to a 4.8% decline for Halifax retail sales in 2020
- Biggest losses on a provincial basis were in clothing and gasoline
- Sales of building materials and garden equipment actually saw a sharp increase

Consumer confidence plummeted



- Narrative Research's consumer confidence index fell sharply through early 2020 but began to turn around at the end of the year
- We did not hit the lows seen in the Great Recession of 2008-09
- Confidence continued to rise in Q1 2021

Some caution seen in expectations ...



- Our annual business survey carried out by Narrative Research shows that expectations for 2021 are tempered compared to 2020
- The drops, however, are generally small

... but record-high overall confidence

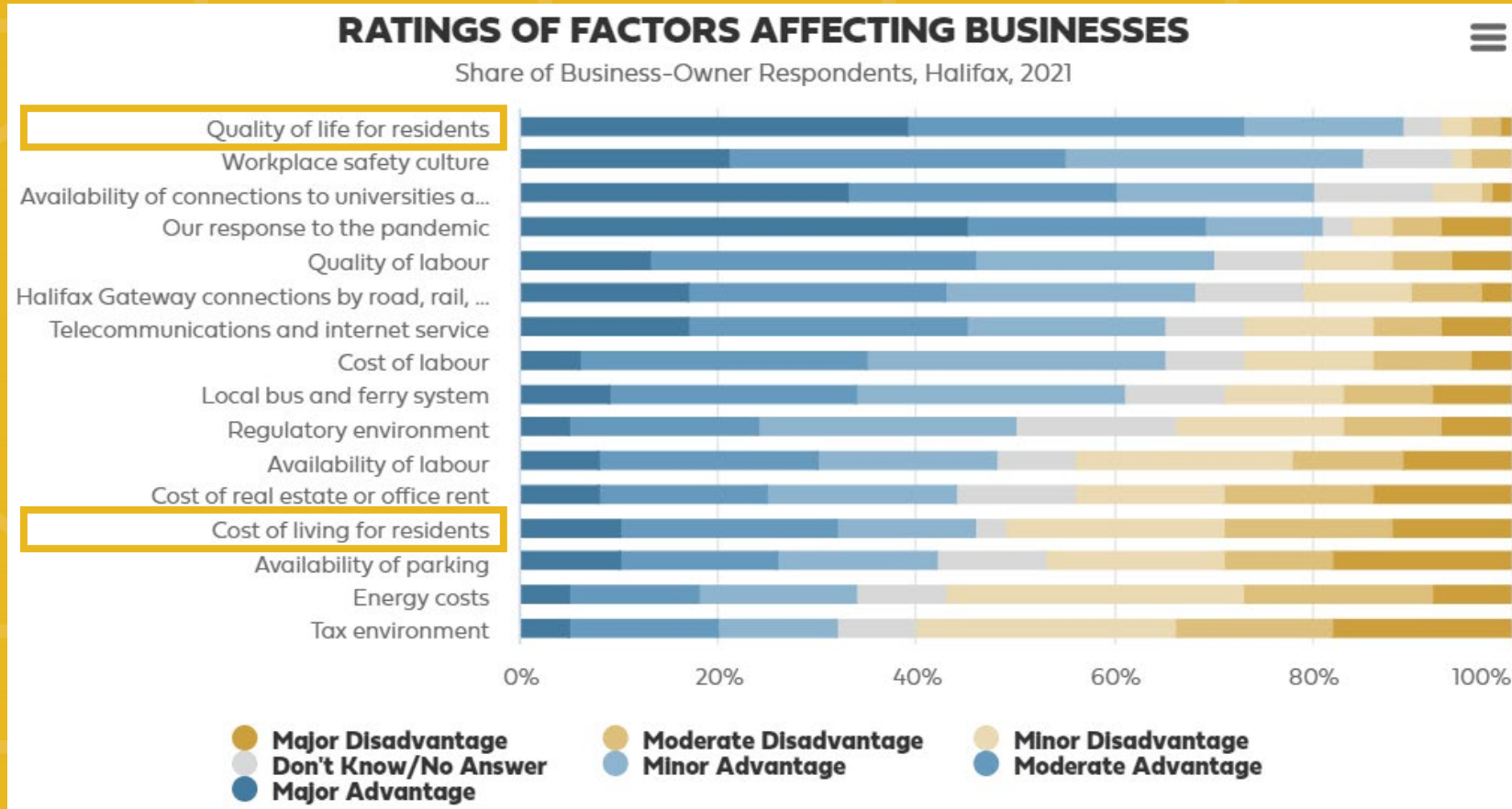
RATINGS OF BUSINESS CONFIDENCE

Index (-100 to +100) and Share of Business-Owner Respondents, Halifax, 2013 to 2021

Year	BCI	Rating 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%
Spring 2021	37.8	39%	52%	7%	2%

- Record highs for Narrative Research's Business Confidence Index and for share calling Halifax "above average"
- Record low for "below average"
- Note, though, that survey collection straddled the third wave

QOL rated high, COL a growing concern



- Quality of life and workplace safety culture continue to be highly rated
- Energy costs and taxes remain at the bottom
- Cost of living for residents has moved from a net positive to a net negative

Not much goes through a closed gate

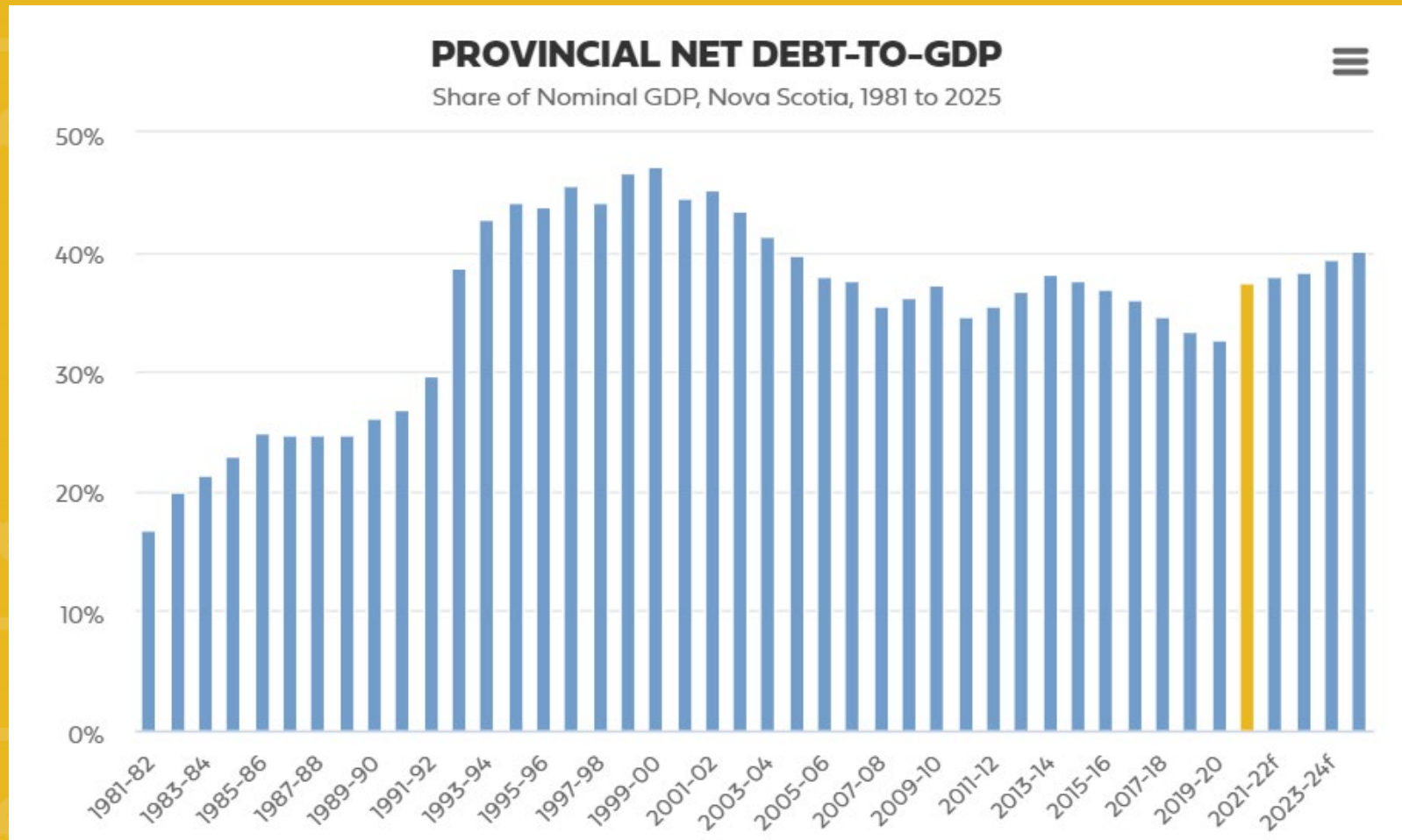
HALIFAX GATEWAY ACTIVITIES

Units Indicated in Table, Halifax, 2015 to 2020

Year	Air Passengers (En/Deplaned)	Cruise Passengers	Plane Movements	Cruise Ships	Port Cargo (Metric Tonnes)	HPA Port Cargo (TEUs)	Air Cargo (Metric Tonnes)
2015	3,702,705	222,309	78,295	141	7,569,286	418,359	32,000
2016	3,908,799	238,217	80,332	136	8,272,345	480,722	33,329
2017	4,083,188	292,722	78,972	173	8,902,348	559,242	34,051
2018	4,316,079	316,869	78,264	198	8,990,289	547,445	36,938
2019	4,188,443	323,709	74,708	179	8,622,250	546,691	41,129
2020	995,426	0	31,057	0	8,273,457	507,185	32,984

- Complete wipeout of cruise season – both in 2020 and 2021
- Staggering drops in air passengers and plane movements
- Cargo metrics also dropped substantially in 2020

Government debts climb



- After six consecutive years of decline, the provincial debt-to-GDP ratio jumped in 2020-21
- The One Nova Scotia target of 30% by 2024 is no longer in play
- Federal debt has risen sharply as well

**Yes, Jesse, I am
done ... for now**



Affordability top issue for rural & urban

MOST IMPORTANT ISSUES FACING THE CITY
Share of Respondents, Rural and Urban Halifax, 2021

	Rural	Urban
Affordability/cost of living	31%	47%
Lowering taxes	23%	11%
Handling the COVID pandemic	16%	12%
Ensuring growth is sustainable	9%	9%
Economic growth	6%	9%
Ensuring growth is inclusive	4%	2%
Improving access to labour/more workers	2%	4%
Less red tape/bureaucracy	4%	1%
Other	3%	2%
Don't know	1%	2%
Prefer not to say	0%	1%

- The City Matters survey carried out by MQO Research found affordability to be the top issue in rural Halifax and in urban Halifax
- The shares citing affordability as a top concern took a big jump from 2020 to 2021

Rural/urban agreement: affordability worsening

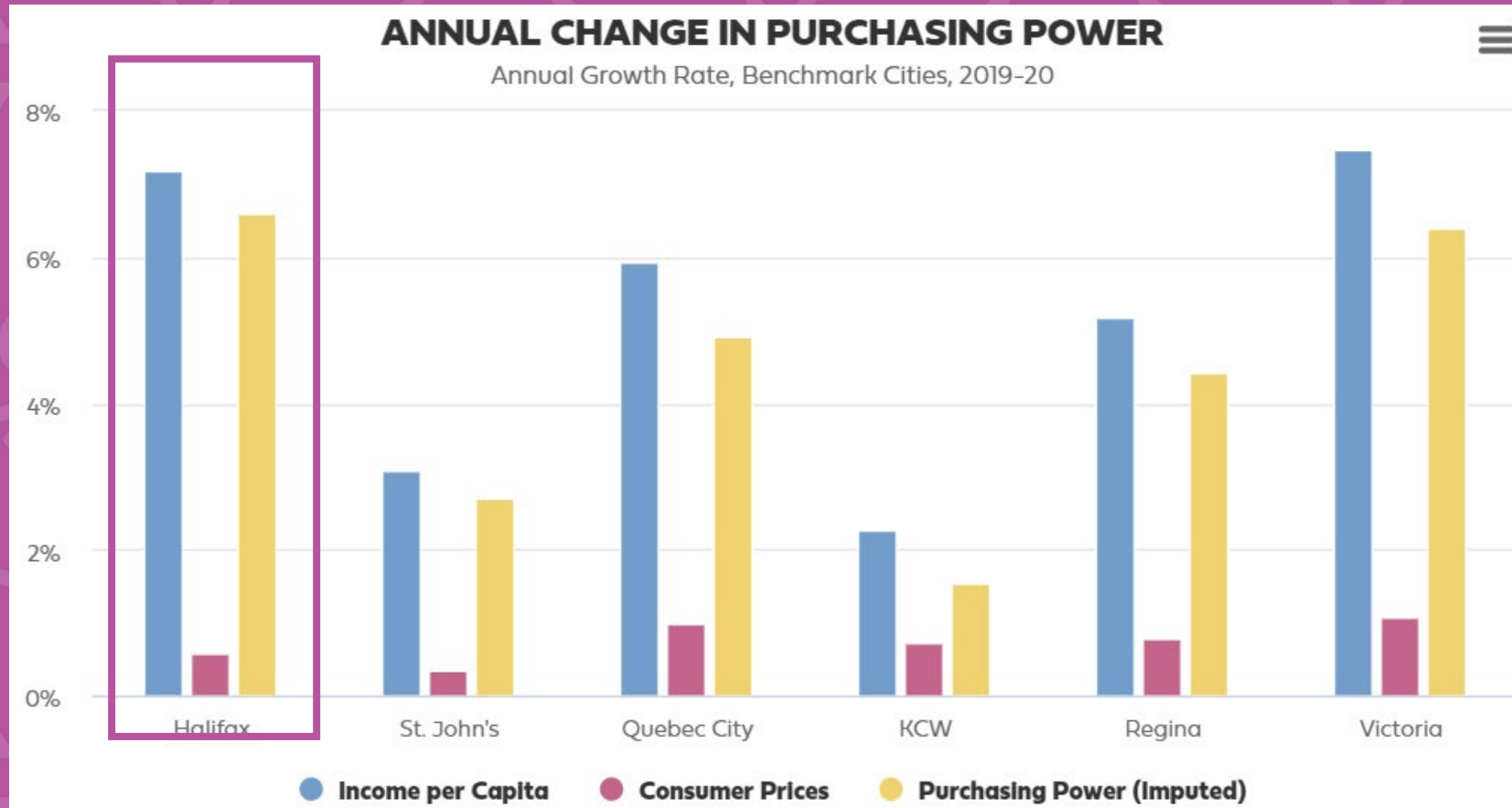
OPINIONS ON AFFORDABILITY OF GOODS AND SERVICES

Share of Respondents, Rural and Urban Halifax, 2020 and 2021

	2020		2021	
	Rural	Urban	Rural	Urban
Very easy to afford	3%	3%	3%	6%
Somewhat easy to afford	57%	59%	38%	42%
Somewhat difficult to afford	33%	30%	43%	39%
Very difficult to afford	7%	6%	14%	12%

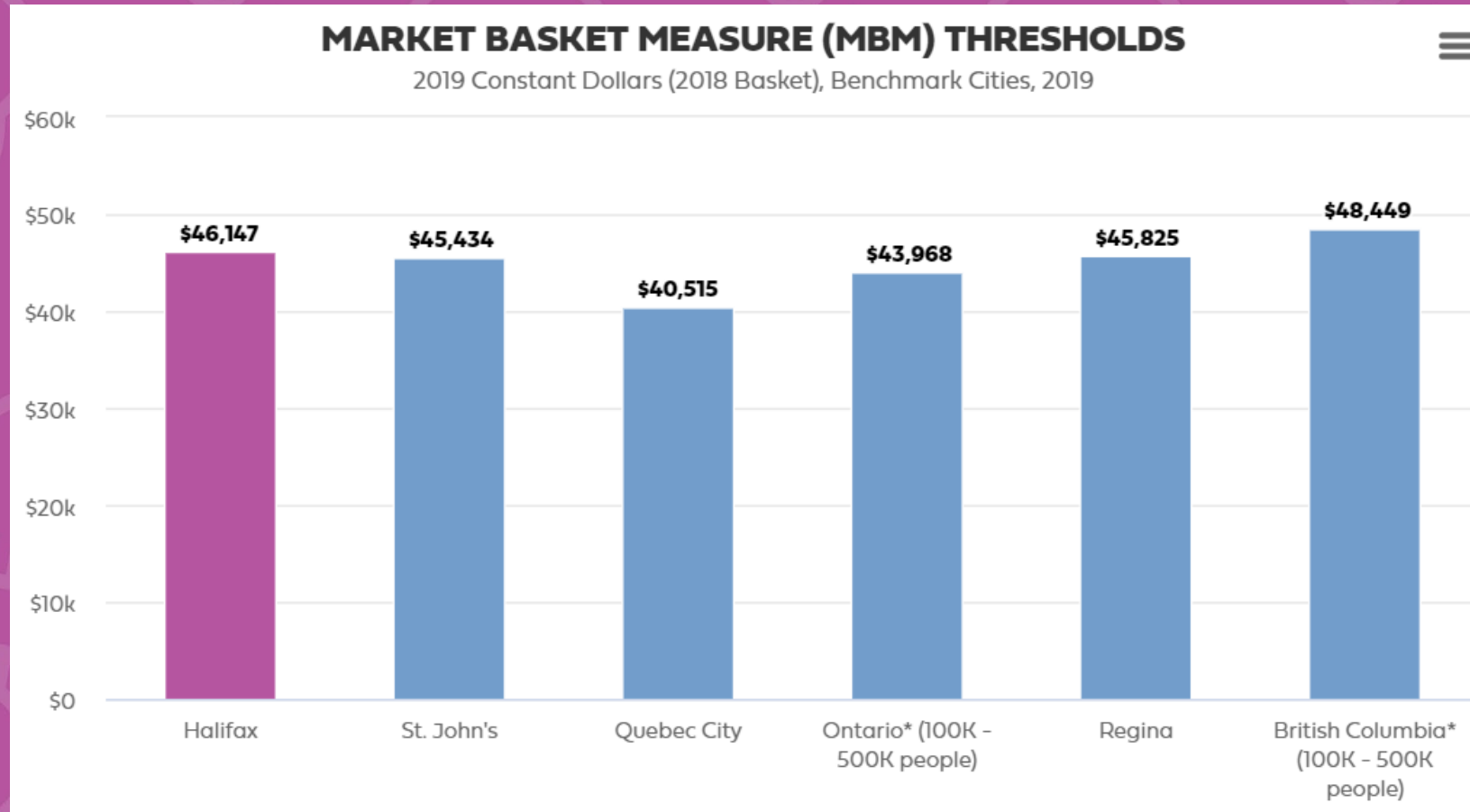
- Less than half of rural and urban respondents cited “difficulty” with affordability in 2020 but more than half did so in 2021
- Rural and urban shares finding affordability “very difficult” have doubled

Despite affordability concerns, purchasing power rises



- Income per capita in Halifax had an extraordinary increase in 2020, driven in part by COVID supports
- Coupled with very low inflation, purchasing power in Halifax rose by 6.6%, the highest level across all benchmark cities

Poverty threshold for family of four just over \$46,000



- The MBM is the federal government's Official Poverty Line
- A rough approximation suggests that about 13% of two-parent families in Halifax fall below the MBM threshold

More than one in four do not feel most people can be trusted

RESIDENTS' FEELINGS OF TRUST

Share of Responses "Most People Can be Trusted", Halifax, 2021

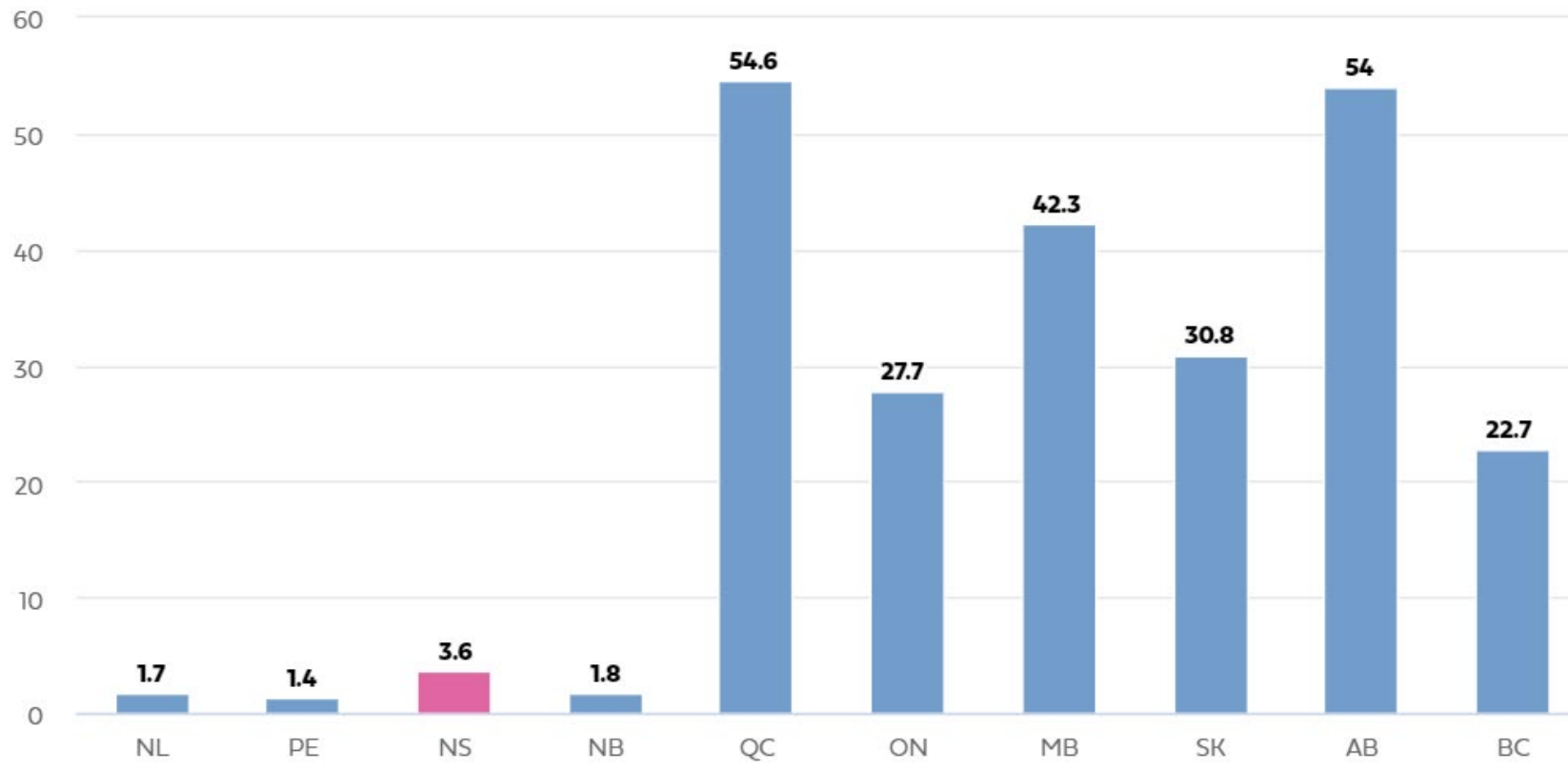
Response	Overall	Gender		Age			Area	
		Male	Female	18 - 34	35 - 54	55+	Urban	Rural
Yes	58%	61%	56%	47%	52%	73%	58%	62%
No	28%	29%	26%	34%	33%	18%	28%	25%
Don't know	13%	9%	17%	19%	14%	7%	14%	12%
Prefer not to say	1%	1%	1%	0%	1%	2%	1%	1%

- MQO Research's City Matters survey found that 28% of respondents did not feel that most people can be trusted
- Trust levels increase with age and are higher in rural Halifax than in urban Halifax
- The share who say most can be trusted is down 9 percentage points from 2020

Atlantic Canada was the envy of the country in 2020

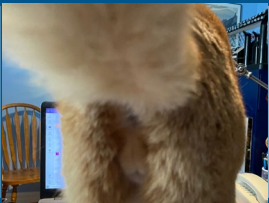
AVERAGE COVID-19 WEEKLY CASE COUNTS

Number of Weekly Cases Per 100,000 Population*, Provinces, January 1st 2020 to December 31st 2020

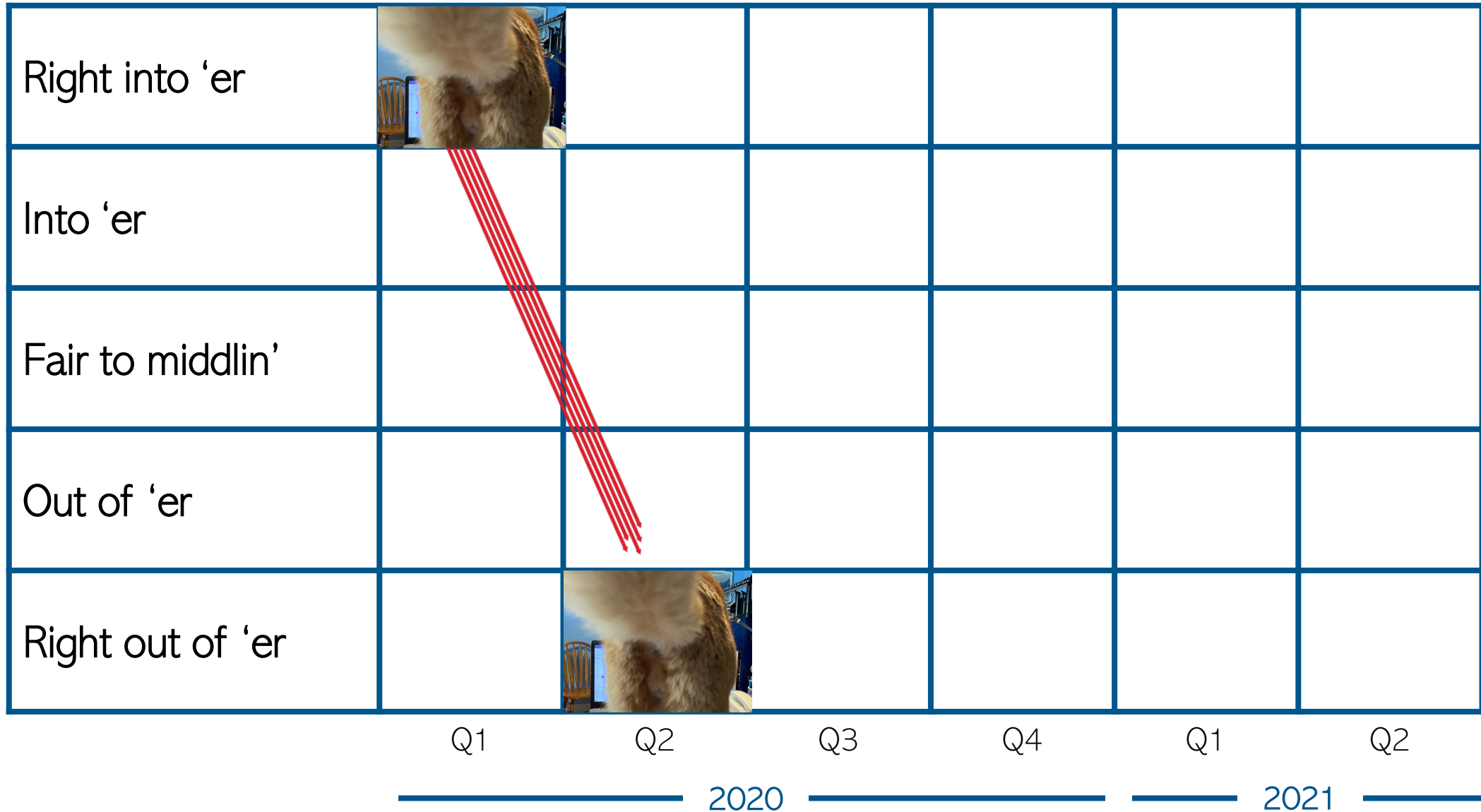


- Case counts in our region were an order of magnitude below other provinces
- Nova Scotia endured a tough first wave, but we bounced back very well in the summer and had a relatively minor second wave in the fall
- Our third wave this spring has been difficult, but we are turning the corner

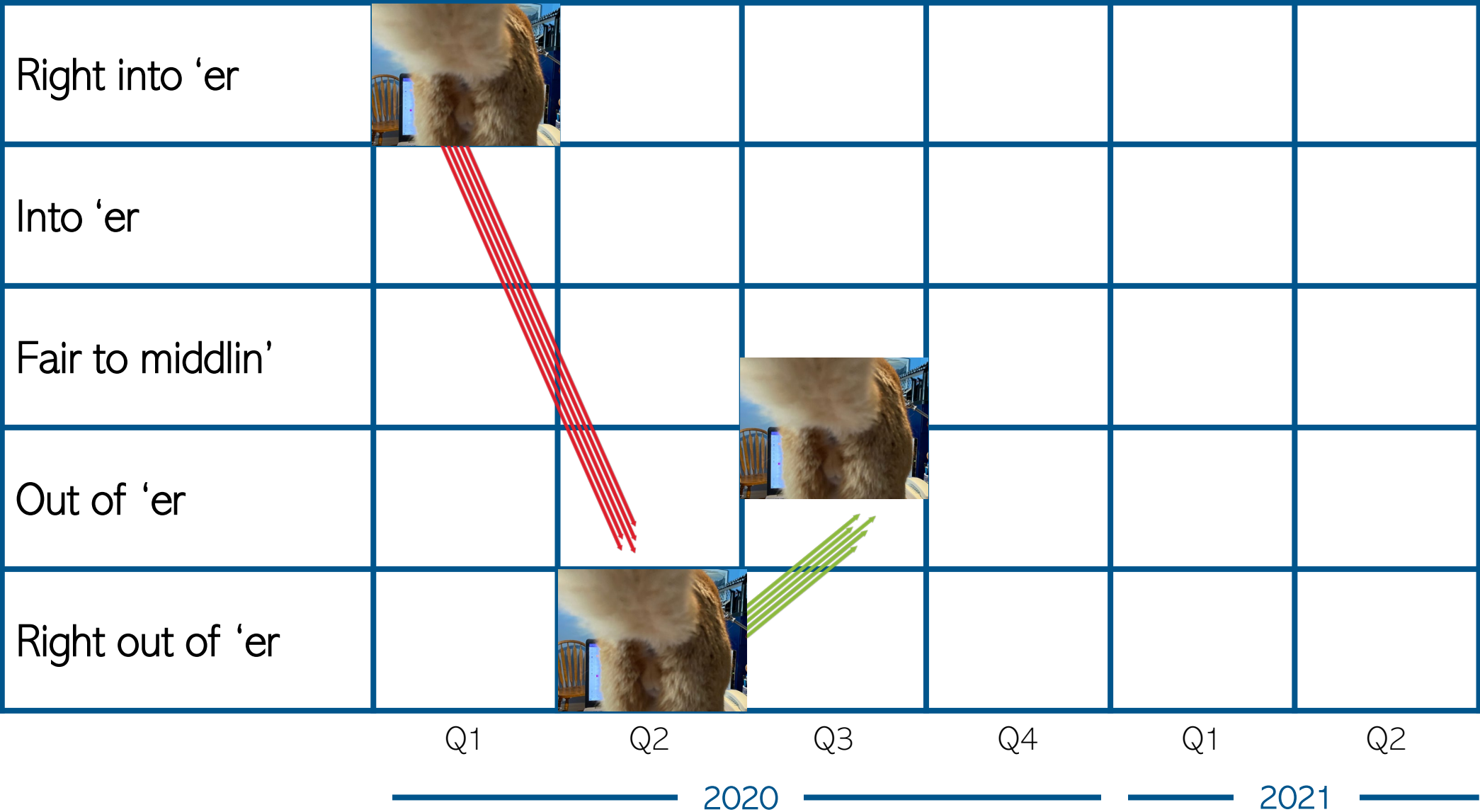
Assessment of Recent Shock to the Economy

Right into 'er						
Into 'er						
Fair to middlin'						
Out of 'er						
Right out of 'er						
	Q1	Q2	Q3	Q4	Q1	Q2
	2020				2021	

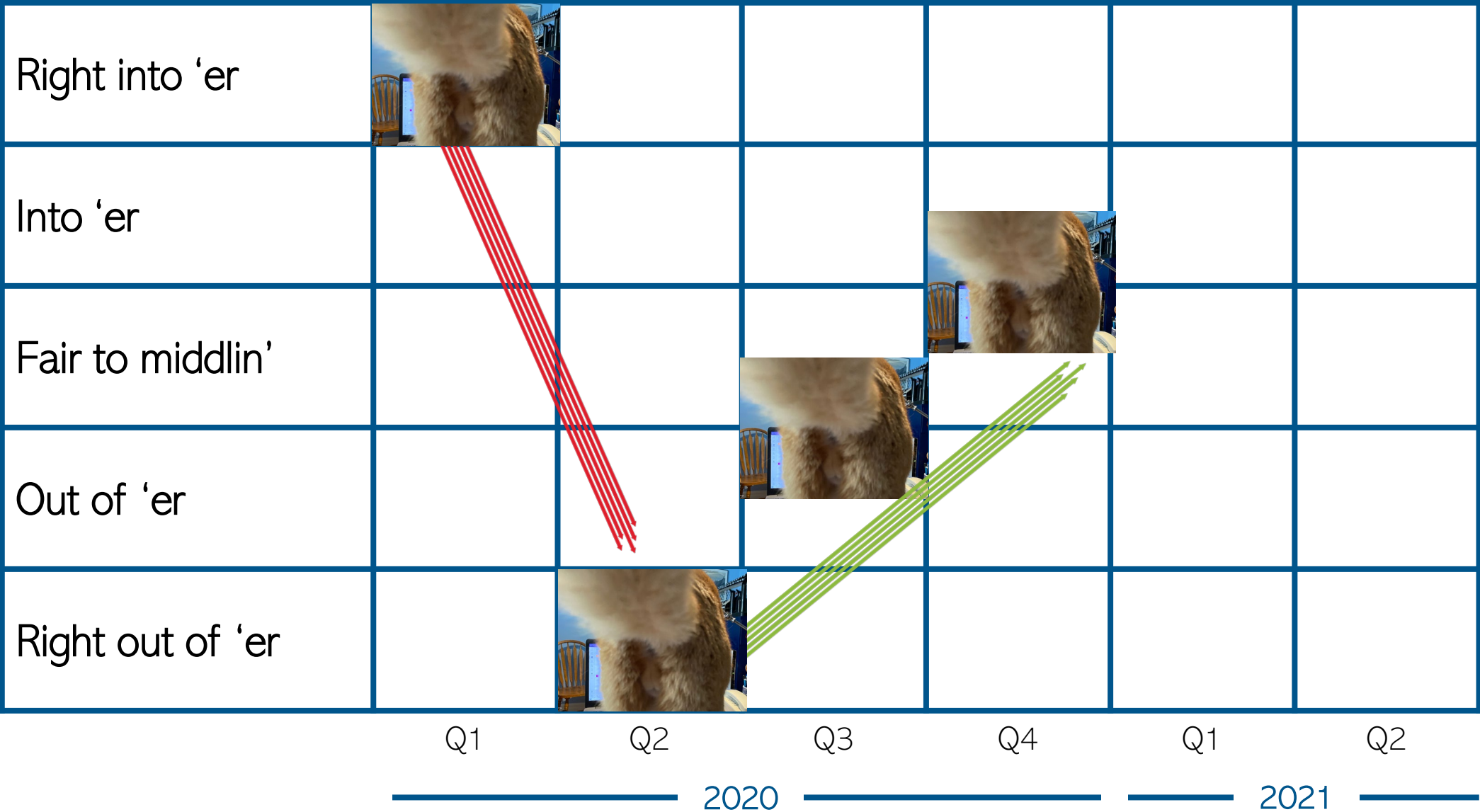
Assessment of Recent Shock to the Economy



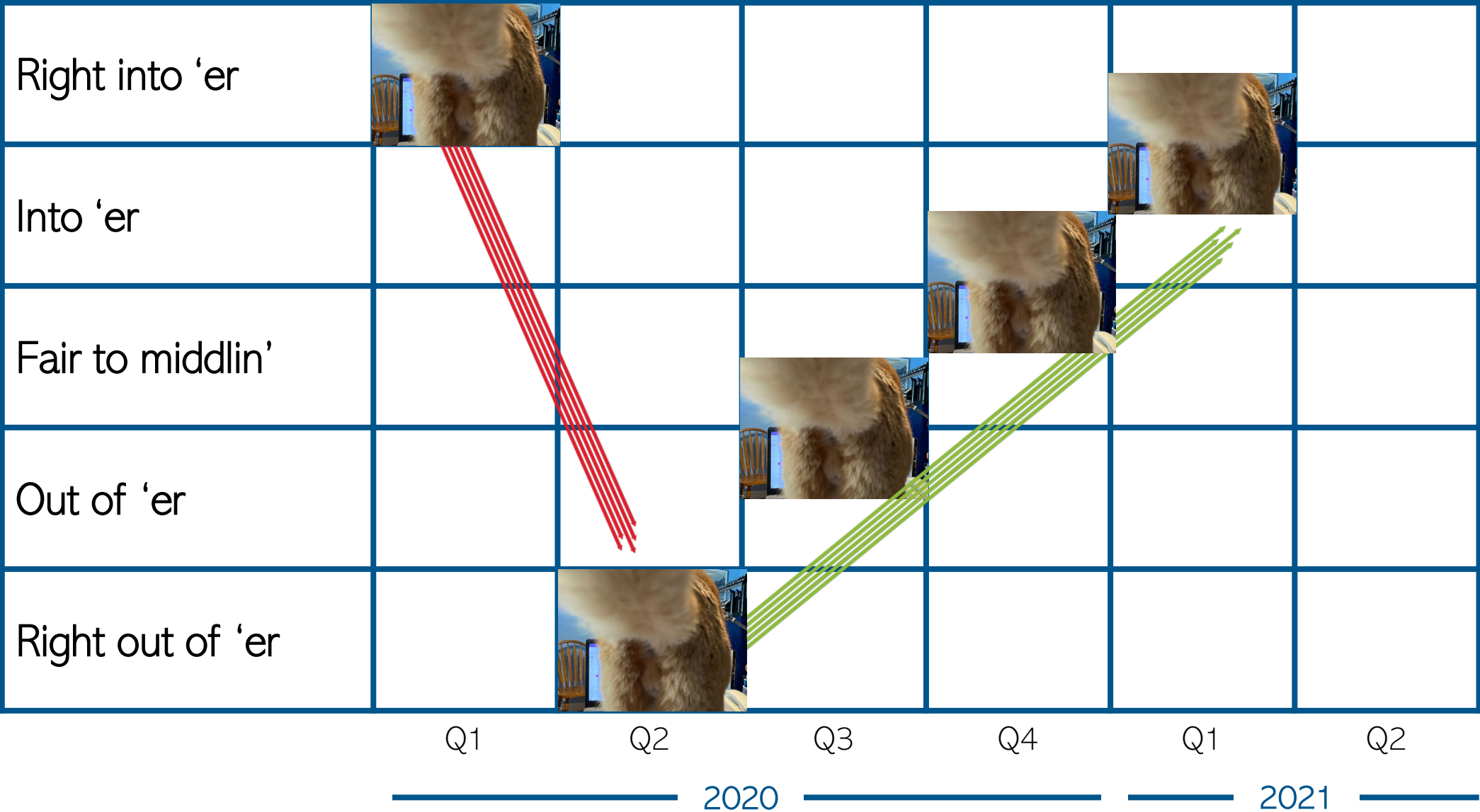
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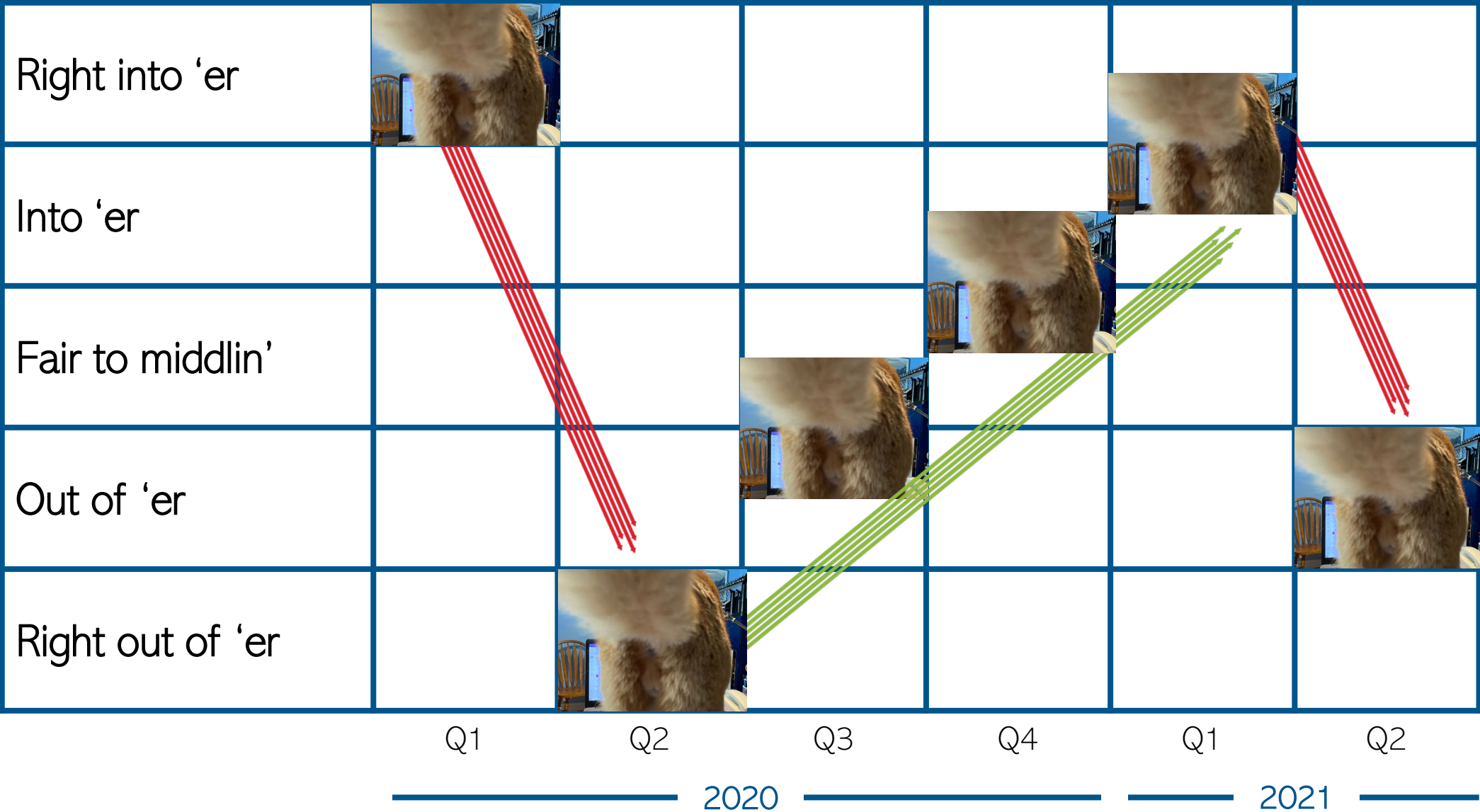
Assessment of Recent Shock to the Economy



Assessment of Recent Shock to the Economy



Assessment of Recent Shock to the Economy



Going forward? We are roaring back!





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