



# THE HALIFAX INDEX 2016

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**ChronicleHerald**



# THE HALIFAX INDEX 2016

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ECONOMIST

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# GOLD PARTNER MESSAGE

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The Chronicle Herald is once again delighted to be the Gold Partner of this year's Halifax Index. Over the past five years, the vision for the city's future has become increasingly ambitious. That makes this document more and more important, as it provides the context and insights we need to keep moving in the direction of our collective goals.

And these shared goals are significant. Business growth, population growth, attracting and retaining top talent, opening new markets – it's no secret that we have our work cut out for us. You could look at our current realities as a mountain to climb. Alternatively, you could also look at that mountain as the most exciting adventure any of us could be on. *The Halifax Index* challenges all of us to bring the latter perspective.

Nowhere is that belief in possibility and optimism for the future more important than in a legacy business like The Chronicle Herald. The business model of our past cannot be the business model of the future. Not if we still want to exist for another 130 years, and I can tell you, we plan on existing for another 130 years.

Every day we ask ourselves: how might we build a business that leverages our existing assets and strengths in new or more strategic ways? By coming back to this question over and over again, we're reinventing this business and future-proofing it for generations of Nova Scotians to come.

This mindset isn't unique to us. It's the same one that is required of every single Nova Scotian. We must see the resources we have as assets we can use in new and innovative ways. It's time to release the past and confidently step into the future – even if we don't know exactly where that future will take us.

That requires every one of us to be courageous and to resist business as usual – perhaps even life as usual. We'll continue to do our part in moving Nova Scotia towards a bright, bold future. I know *The Halifax Partnership* will, too. I hope you'll join us.



**Mark Lever**  
President and CEO of The Halifax Herald Ltd.

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A COPY OF *THE HALIFAX INDEX 2016*

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# INTRODUCTION

## EMBARKING ON A NEW FIVE-YEAR JOURNEY

This year marks the fifth time that the Halifax Partnership has published *The Halifax Index*.

The 2016 version of the Index is distinct from recent editions as its release coincides with the launch of implementation activities for the Halifax Economic Growth Plan 2016-21, which was approved by Halifax Regional Council in April of this year. This is the city's first new economic strategy since 2011.

The Index and the Growth Plan are closely linked. Data reported in past versions of the Index informed the development of the plan. Going forward, the Index will continue to serve as a scorecard for how well Halifax is doing in achieving objectives set out in the Growth Plan.

### THE VISION: AGGRESSIVE, BOLD, AND OPTIMISTIC

The top-line vision set out in the Growth Plan is simple: we want to grow the economy, and to do that, we need to grow the population.

This linkage between economic and population growth in Halifax is particularly pronounced given the looming demographic projections of an aging population and a worsening dependency ratio (the ratio of dependents – children plus seniors – to the working-age population). Furthermore, the challenges posed by these demographic shifts are even more acute for smaller towns and rural areas. Halifax is a driver of the provincial and regional economies, and its growth is critical not just for the city itself, but also for Nova Scotia and Atlantic Canada more broadly.

The longer-term vision, out to 2031, aspires to see Halifax growing to a population of 550,000 people with a gross domestic product (GDP) of \$30 billion (in 2007 dollars). In the nearer term, the vision for 2021 includes a population of 470,000, a labour force of 271,000, and a GDP of \$22.5 billion.

This is an optimistic vision. It will not be achieved through a business-as-usual approach – and that is indeed the very point of having a plan focused on achieving higher levels of growth.

### BUILDING ON OUR STRENGTHS

The vision is based upon three core value propositions.

1. **Halifax is Canada's Ocean City.** We are home to Canada's East Coast navy, to a world-class deep-water port, to research facilities including the Bedford Institute of Oceanography, and (soon) the Centre for Ocean Ventures and Entrepreneurship (COVE), to hundreds of scientists doing ocean-related work at our universities and community college, and to a multitude of firms working in ocean technology, defence, seafood, ocean-based pharmaceuticals and nutraceuticals, advanced manufacturing, and transportation and logistics.

2. **Halifax is an educated and innovative community.**

The city boasts six degree-granting institutions and has over 35,000 post-secondary students, including 6,000 international students. Our universities and colleges support such knowledge-based industries as financial services, information and communications technology (ICT), life sciences, and ocean technology. We are also the healthcare hub for Atlantic Canada via facilities like the IWK Health Centre and the Queen Elizabeth II Health Sciences Centre.

3. **Halifax combines the best of urban and rural lifestyles.**

Halifax is a major Canadian city and can offer businesses all the services and resources required to excel in the global economy at highly competitive costs. As Halifax is a provincial capital and regional hub, residents have access to a wide offering of art, music, theatre, sports, recreation, and cuisine. At the same time, Halifax is small enough to feel safe, manageable, and comfortable, with commuting times between a vibrant downtown and rural opportunities for hiking, boating, and other outdoor activities that residents of larger centres can only dream of.

Building on the foundation of the three value propositions, the vision will be worked towards through the pursuit of four broad strategic goals.

1. **Promoting and maximizing growth:** improving regulatory and service efficiency, making it easier to start and grow a business, and helping companies to invest, innovate, and compete.

2. **Attracting and retaining talent:** building and selling the case for students, workers, and immigrants to come to Halifax, and then ensuring that their experiences in the city make them want to stay.

3. **Making Halifax a better place to live:** focusing on improvements in access to cultural assets, mobility, inclusiveness, and affordability.

4. **Aligning economic development:** ensuring that the various entities in the city and the province with an interest in Halifax's economic development collaborate effectively in the pursuit of shared goals.

Drilling deeper, these objectives are fashioned into a number of actions to be carried out in the next two years with accompanying measurement. As was the case with the city's 2011-16 economic strategy and prior versions of the Index, future editions of the Index will measure and document our progress against the action items in the new Growth Plan.

These measurements will capture important statistics such as growth in personal incomes, the size of the commercial property base, levels of youth migration, and the degree to which our hotel rooms are occupied.

More importantly, though, these data points will help us to understand if we are getting the big picture right.

Is Halifax improving as an environment for an entrepreneur to launch a business? Are attitudes changing such that young people can get a fair shot at proving their capabilities in the workplace? Are we recognizing our international students

for the incredible opportunity they represent as conduits to further immigration, investment, and trade, and supporting them accordingly? Does the reality of Halifax's residents truly live up to our rhetoric about the city's quality of life?

### FOCUS ON RURAL HALIFAX

Finally, this year's special topic on rural Halifax deserves a word of introduction as well.

Many people – including many Halifax residents – may not realize that Halifax is the largest municipality in the country by area, that Halifax has the largest share of population living in rural areas of all major Canadian cities, that approximately one in five residents lives in a rural area, and that Halifax is home to the largest rural population in Nova Scotia (as well as, of course, the largest urban population).

Because “Halifax” is synonymous with “urban” in the consciousness of many Nova Scotians, the particular assets, opportunities, and challenges that are present in the rural portion of the municipality often may be overlooked. By focusing on rural Halifax as a special topic in this year's Index, we take a step towards closing that gap and establishing a base for further research and analysis in the future.



**Ian Munro**

Chief Economist, Halifax Partnership

# KEY FINDINGS

*The Halifax Index* benchmarks Halifax's progress against five other cities (St. John's, Quebec City, London, Regina, and Victoria), chosen for their similar size and structure. It enables us to understand whether Halifax is achieving growth, how that growth compares to other cities, and what needs to be done to achieve even better results.

Partners in the Halifax success story know that our progress must be measured by more than simple economic growth. We are focused on broader economic development, a term that measures growth as well as improvement in the economic circumstances of individuals, the quality of life they enjoy, and the sustainability of the environment and fiscal aspects of the community.

The Halifax Index has four sections – People, Economy, Quality of Place, and Sustainability – that reflect a wide-angled view of what economic and community progress look like. It is not meant to be a pass-fail exercise or to point fingers, but rather to provide insight into the community and allow for course corrections as Halifax moves along the path towards realizing its vision.

A number of key trends have emerged and provide insight into the inner workings of the economy, the community, and the long-term success of the region.

## PEOPLE

- Halifax's population climbed to just under 418,000 in 2015, growing by 1.0% compared to 2014. This rate of growth was on par with the national average and middle of the pack among benchmark cities.
- Population growth has improved slightly over the past two years, in contrast to slowing (though typically still higher) growth in resource-driven economies across the country. Increasing growth was due to reduced interprovincial outmigration and increased international immigration.
- Population gains were concentrated in two age groups. The largest was among those age 55 and older, who added 3,800 people as a result of natural aging. Second were 35-39-year-olds who added 2,600 individuals, a much larger number than usual due to improved migration trends as economic weakness in the West reduced the pull for young workers.
- Overall, post-secondary enrolments remained steady in the 2014-15 school year as declining numbers of Nova Scotia-born students offset steady growth in out-of-province students and the continuing rapid increase of international students studying in Halifax. Smaller incoming cohorts of Nova Scotia high school students suggest that this trend will likely continue for a few years.
- The aging workforce and the increasing number of retirements are constraining growth in the Halifax labour force and in employment. Though the working-age population has continued to grow, a

slow but steady decline in the participation rate has continued since 2009, limiting labour force growth to a modest 0.5% in 2015.

**Key Opportunity:** Declining workforce participation rates and modest labour force growth in the past few years highlight the continued importance of young worker and immigrant attraction and retention to grow the Halifax and Nova Scotia economies. Efforts to integrate immigrants and recent graduates into the labour force are as vital now as they have ever been.

## ECONOMY

- 2015 was a strong year for Halifax's GDP growth. The Conference Board of Canada (CBoC) estimates the city's real GDP grew by 2.8% in 2015 to \$19.1 billion – the fourth fastest among Canada's 28 largest cities. Growth was led by manufacturing (especially shipbuilding) and the construction sector, supported by strong major project activity.
- CBoC expects another strong year in 2016, projecting GDP growth of 2.9% – the second fastest in Canada – led by continued strength in manufacturing and construction, as well as steady growth in the service sector.
- The oil price slump and weaker Canadian dollar affected Halifax consumers in 2015. Overall, consumer prices grew by a very modest 0.5%, but that masks larger shifts in specific products. The global oil price slump meant that Nova Scotians paid a lot less for gasoline and home heating fuel, but the weaker Canadian dollar caused a significant increase in the price of imported foods. Lower gasoline prices held

overall retail sales growth to 0.4%; non-gasoline sales, however, grew by a more robust 3.2%.

- Both residential and non-residential construction saw considerable strength in 2015. On the residential side, near-record-high levels of apartment unit starts drove a big year, despite continued weakness in the market for single-detached homes. On the non-residential side, investment in buildings picked up 22% over 2014 levels, and non-building, engineering projects also provided significant activity.
- Business confidence picked up this year, according to the Partnership's Business Confidence Index (BCI), to its highest level since measurement began in 2011. The Business Confidence Survey indicated that Halifax businesses are showing increased optimism around both current and future prospects, and have improved their rating of Halifax as a place to do business.

**Key Opportunity:** The current low value of the Canadian dollar makes Nova Scotia exports more attractive internationally and increases interest in the Port of Halifax as a shipping destination. The impending ratification of the Comprehensive Economic and Trade Agreement (CETA) with Europe provides a significant opportunity for shipping Nova Scotia products like seafood into the European market – already the province's second largest export destination.

## QUALITY OF PLACE

- Total and violent crime rates continued to fall in 2014, both of which are down over 50% compared to the peak in the mid-2000s and are at their lowest level on record. Total crime rates in Halifax have fallen slightly

below the national average; however, violent crime remains somewhat above the national average.

- Halifax's per capita personal income grew by 2.5% in 2015, the third fastest among benchmark cities and outpacing increases in the cost of living. Revisions to publicly available data for Halifax on Statistics Canada's CANSIM database now make it more difficult to track poverty levels in the city. However, when last reported in 2012, 16.3% of people in Halifax lived in households below the "market basket measure" of low income.
- Halifax residents reported relatively strong perceptions of physical health in 2014, with a somewhat higher percentage reporting "very good" or "excellent" health (62% vs 59% nationally). Halifax residents were more likely to report leading active lifestyles and less likely to report lifestyle-related health problems like diabetes and high blood pressure. However, they were less likely than the average Canadian to report having a regular medical doctor.
- Halifax saw a considerable pick up in voter turnout in the 2015 federal election compared to that of 2011. Seventy-two per cent of eligible voters turned out in October compared to 62% four years earlier.
- Average employment in arts, culture, recreation, and sport in Halifax declined in 2015 to 6,500. On the positive side, average wages in the sector increased 11%.

**Key Opportunity:** Living affordability has perhaps the single-largest impact on quality of life, determining our ability to attract students, young professionals, and immigrants as well as determining the standard of living

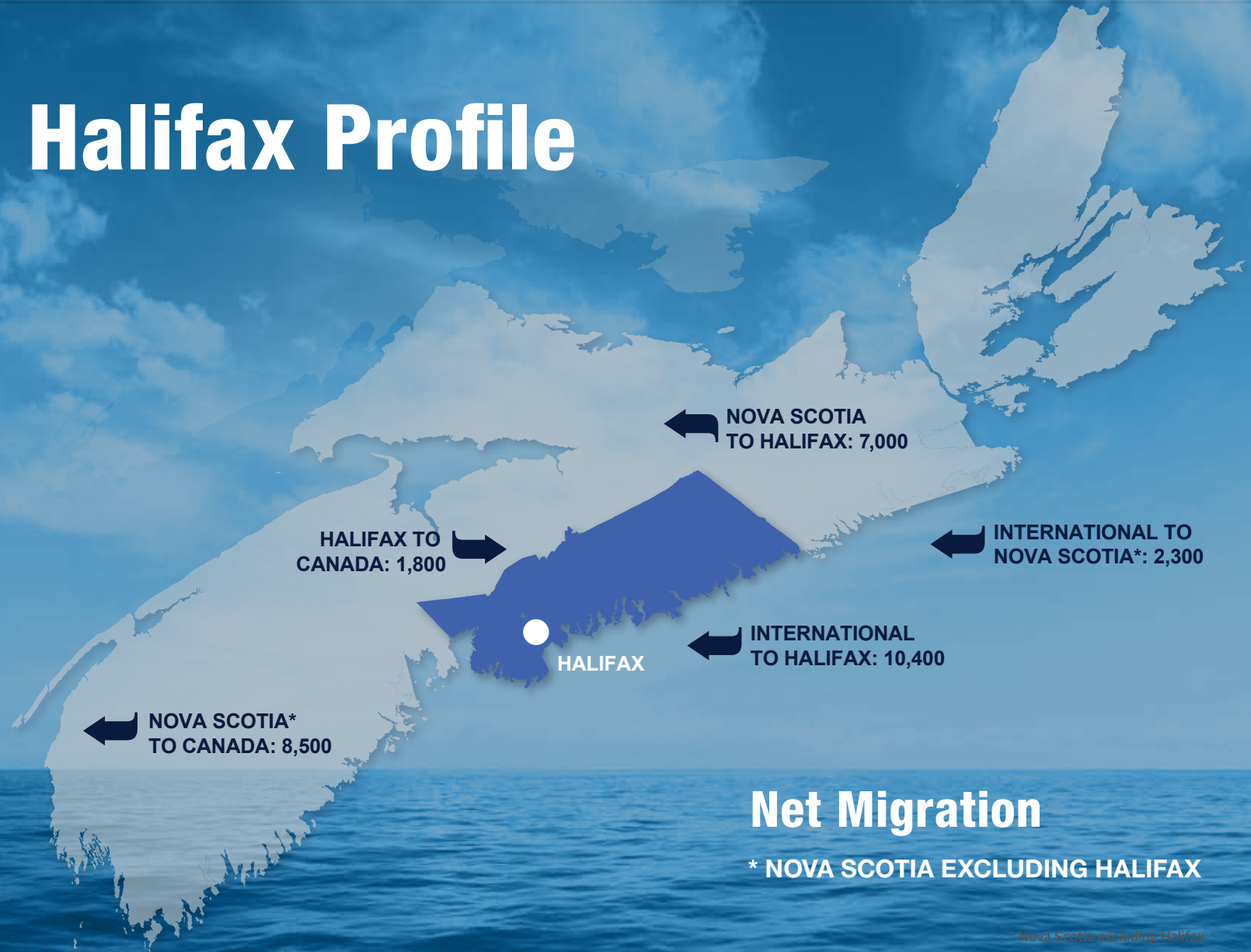
available to Halifax families. The cost of living and the average level of income are the flip sides of the affordability coin. A strategy to increase living affordability in Halifax must include both cost-control and income-growth strategies.

### SUSTAINABILITY

- In the past five years, the boom in multi-unit housing starts has heavily favoured building and development within the Regional Centre (Halifax Peninsula and Dartmouth within the Circumferential Highway). As a result, housing starts during that period have very closely matched the targets for the Regional Centre, suburban, and rural housing starts laid out in the Regional Municipal Planning Strategy adopted in 2006. Building trends suggest that population growth has returned significantly to the Regional Centre. The new census population counts will show this definitively in February 2017.
- Public transit ridership remained flat in fiscal 2015-16 while total hours of service increased by 2.4%. This trend, which has persisted for almost a decade, shows a need to rethink the city's approach to transit. Halifax Transit's recently approved Moving Forward Together Plan aims to do just that.
- Halifax residential and commercial waste levels continued a long-term decline in 2014-15, both falling to historic lows in per capita terms. The proportion of waste diverted from landfills through recycling and composting remained steady at 61%, one of the highest rates in the country.
- The municipality's fiscal health continues to be in excellent shape. The overall tax burden remained steady as a share of income in 2015-16, and the municipality has a long-term strategy of debt reduction. However, KPMG's *Competitive Alternatives 2016* report has found that when all levels of government are taken into account Halifax businesses face higher effective tax rates than benchmark cities.

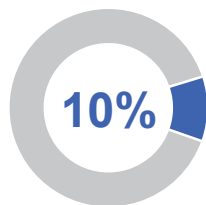
**Key Opportunity:** Increased density of development in the Regional Centre is key to both the environmental and fiscal sustainability of Halifax. Ongoing work on the Centre Plan, Halifax Transit's Moving Forward Together Plan, and the Integrated Mobility Plan will have significant impacts on development and livability in the Regional Centre moving forward.

# Halifax Profile

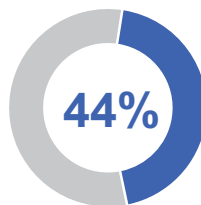


# Halifax Profile

LAND AREA

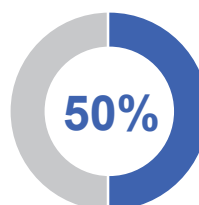
5,490 km<sup>2</sup>

POPULATION



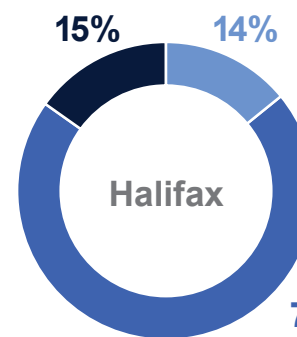
417,847

EMPLOYMENT



224,100

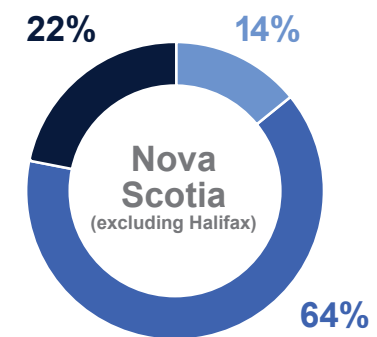
AGE DISTRIBUTION



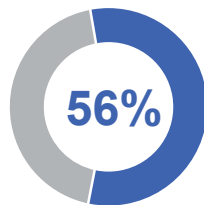
0-14

15-64

65+

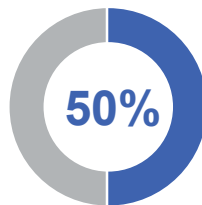


GROSS DOMESTIC PRODUCT (GDP)



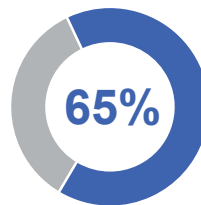
\$19.1 billion

MAJOR PROJECT SPENDING



\$1.6 billion

POST-SECONDARY STUDENTS

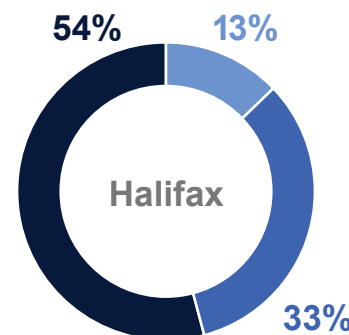


35,661

Halifax

Nova Scotia (excluding Halifax)

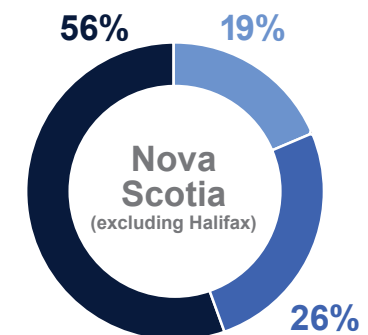
EMPLOYMENT BY SELECT SECTORS



goods

professional services

other services



# People



Population attraction and retention is more important than ever before. Between 2001 and 2015, net migration accounted for two-thirds of Halifax's population growth.

## KEY INDICATORS

### POPULATION

- Population estimates
- Population growth by age
- Migration by source

### EDUCATION

- Post-secondary education attainment
- University and college enrolment
- International and out-of-province enrolment
- Programs of study

### LABOUR FORCE

- Labour force population
- Employment
- Unemployment and participation rates
- Outcomes by age group

### WORKPLACE SAFETY

- Registered claims
- Time-loss claims
- Weeks of short-term disability

# Population

## WHY IS THIS IMPORTANT?

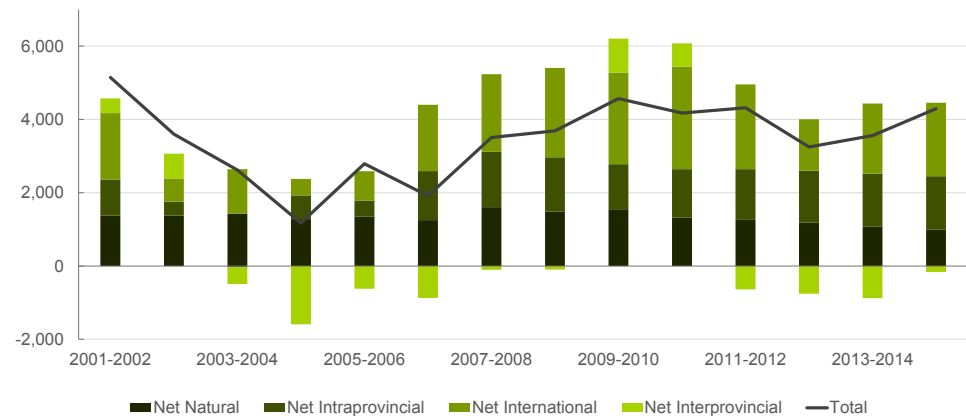
A growing population is as important to a community as a blood supply is to a person. Lose too many people from your community and you are in trouble. Strong population growth drives the economic health of a region. A growing population provides an environment that is supportive for business as more people consume more goods and services. It also provides a growing labour force for the business community to put to work producing goods and services. And a growing population provides more tax revenues for government to spend on new and improved services and to pay down debt without increasing tax rates.

## HOW ARE WE DOING?

Halifax's population grew by 1.0% from 2014 to 2015, to just under 418,000. This rate of growth was on par with the national average and in the middle of the pack among benchmark cities. This represents a slight strengthening of growth over the past two years, which stands in stark contrast to the significant slowdown in growth last year among Canadian oil and resource cities like St. John's, Regina, and Calgary.

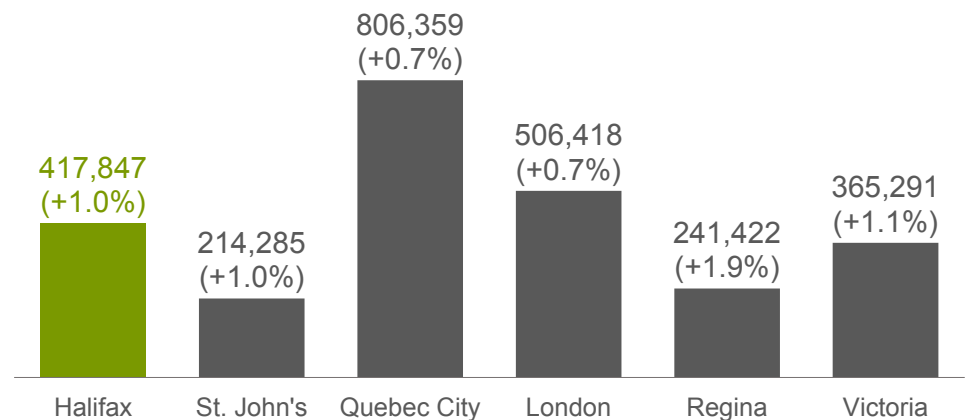
## HISTORICAL POPULATION GROWTH AND SOURCE, HALIFAX

SOURCE: STATISTICS CANADA



## POPULATION ESTIMATES AND ANNUAL GROWTH, CENSUS METROPOLITAN AREA (CMAS) 2015

SOURCE: STATISTICS CANADA



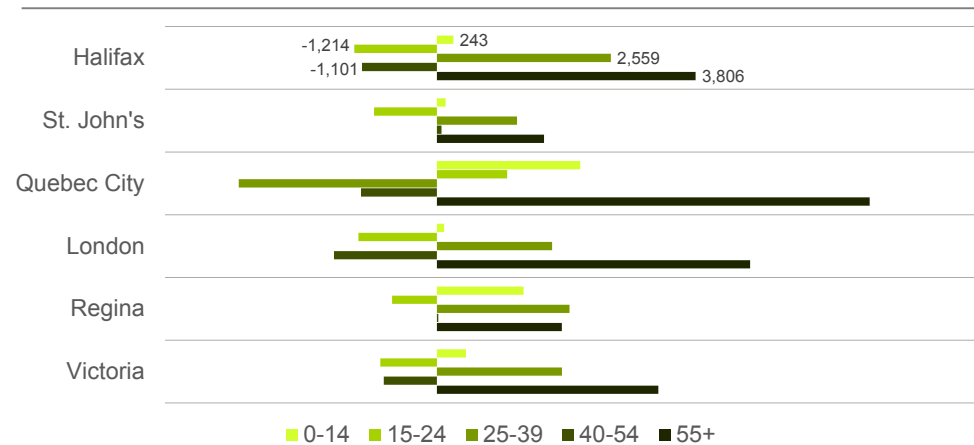
Looking at growth by age group, the gains in 2015 were concentrated in two groups. The largest gain was among those age 55 and over, who added 3,800 to their ranks primarily due to population aging. Second was the 25-39-year-old category, which grew by 2,600 – a much larger number in comparison to recent trends. This was due in part to stronger migration numbers among this age group, especially in the interprovincial category as economic weakness in the West reduced the pull for young workers. Retention of young families in this age category also supported growth in the number of people under the age of 14, which saw positive growth for the first time since at least 2001.

Halifax's natural population growth – the number of births minus the number of deaths – continued to decline in 2015, falling just below 1,000. This represents the lowest number for natural growth since at least 2001. This is due to both a continued five-year slide in birth rates and sustained increases in the number of deaths as the size of the elderly population continues to grow.

Net migration accounted for over three-quarters of the city's population growth in 2015. Though migration typically accounts for the largest share of growth, this is a greater share than normal. The increase in net migration was due almost exclusively to a lower level of outmigration to other provinces, with net interprovincial outmigration down over 80%.

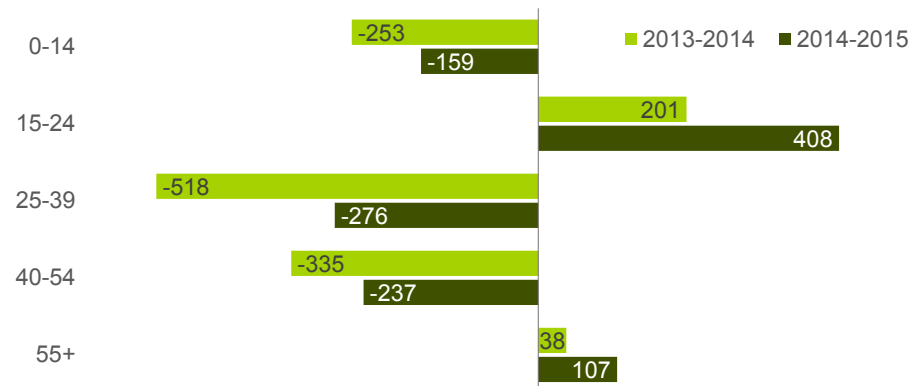
## POPULATION CHANGE BY AGE GROUP, 2014-2015

SOURCE: STATISTICS CANADA



## NET INTERPROVINCIAL MIGRATION BY AGE GROUP, HALIFAX, 2014-2015

SOURCE: STATISTICS CANADA

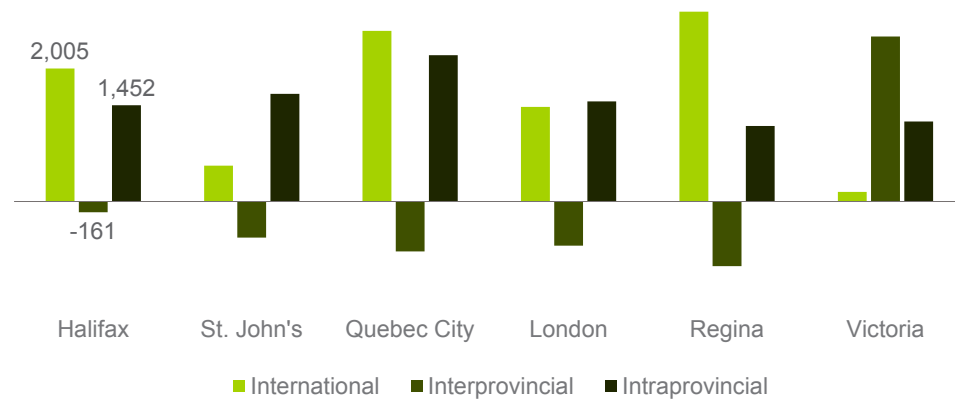


Net international migration increased slightly in 2015 as well, to 2,000. That number is likely to increase in 2016. The number reported here, which reflects the population as of July 1, 2015, does not include the influx of Syrian refugees that has occurred since that time. They will be reflected in the 2016 immigration numbers for Halifax released next February. As of this writing, more than 1,000 Syrian refugees have arrived in Nova Scotia, with more to come. Another likely source of increased immigration to Halifax in 2016 is through the Nova Scotia Nominee Program (NSNP). Two separate increases to Nova Scotia's cap were announced by the federal government in the past year enabling the province to nominate a total of 1,350 individuals for immigration in 2016 through the NSNP. That is nearly double its cap of 700 in 2014.

One important driver of international migration into the city reached a new high in the 2014-15 school year. The number of international students studying at Halifax universities exceeded 5,800, an increase of 77% compared to five years earlier. As noted in previous Indexes, retention of international students represents a key opportunity for Halifax to increase permanent immigration numbers and bolster the aging labour force. The province announced in January a new International Graduate Entrepreneur Stream for individuals who have graduated from a Nova Scotia university or community college and wish to remain in the province to start a business. This will be similar to another new stream – the Entrepreneur Stream – meant for prospective immigrant businesspeople more generally.

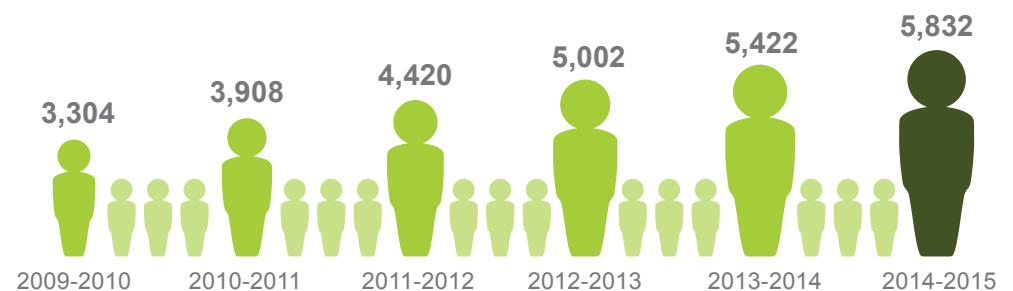
## SOURCE OF NET MIGRATION, 2014-2015

SOURCE: STATISTICS CANADA



## INTERNATIONAL STUDENTS STUDYING IN HALIFAX

SOURCE: MARITIME PROVINCES HIGHER EDUCATION COMMISSION



# Education

## WHY IS THIS IMPORTANT?

Halifax and the world have quickly transitioned to a knowledge-based economy over the last decade. Now over 75% of new jobs require post-secondary education. Strong educational institutions and an educated population are a source of innovation and a productive work force. Education yields better labour market outcomes – last year in Nova Scotia, the unemployment rate for those with post-secondary education was 6% compared to 14% among those without. Studies have also shown that a better-educated population is associated with other positive outcomes, such as lower crime rates and higher levels of community engagement.

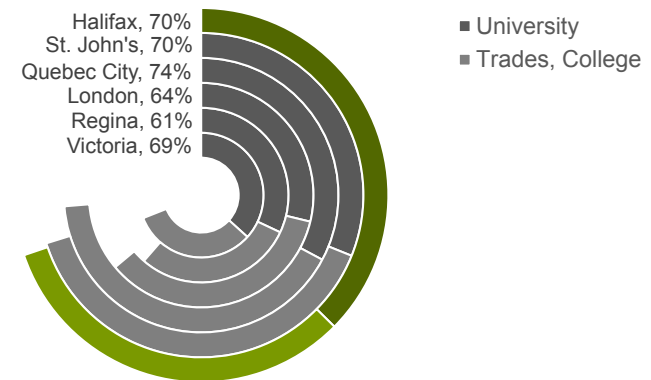
## HOW ARE WE DOING?

The Halifax labour force is well educated with one of the highest post-secondary education attainment rates in the country. Seventy per cent of residents age 25-64 have a post-secondary degree, diploma, or trade certification. In particular, Halifax has one of the highest rates of university education among its workforce, with 37% holding a degree or certificate from a university.

University enrolments remained steady in the 2014-15 school year at 31,000 students. Enrolment growth continues to be fastest in science, mathematics, engineering, and health disciplines.

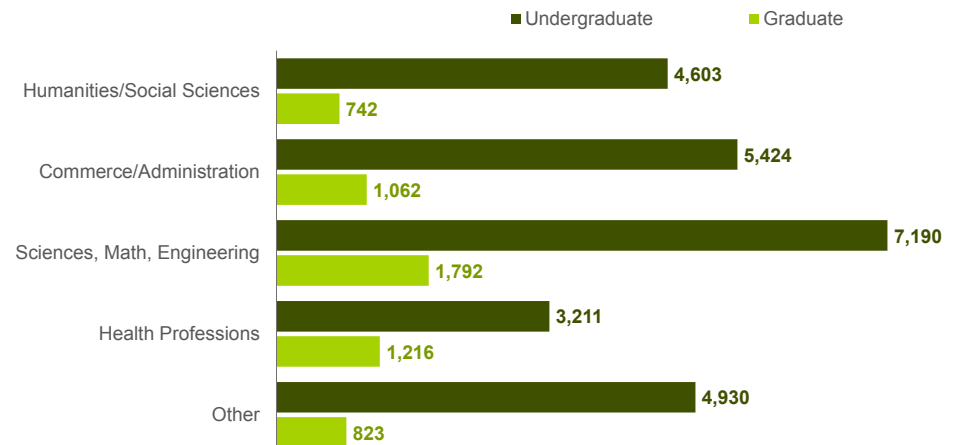
## POST-SECONDARY EDUCATIONAL ATTAINMENT, 2011

SOURCE: NATIONAL HOUSEHOLD SURVEY



## HALIFAX UNIVERSITY ENROLMENTS BY PROGRAM, 2014-2015

SOURCE: MARITIME PROVINCES HIGHER EDUCATION COMMISSION

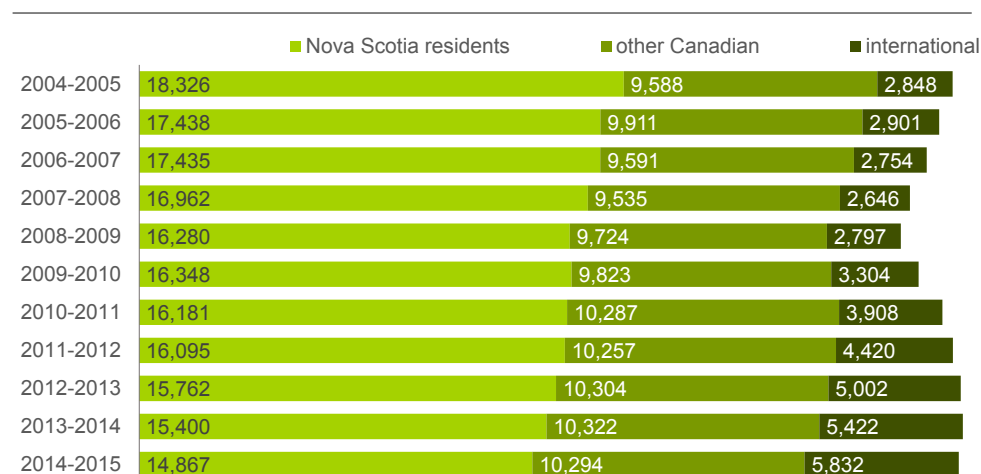


The holding pattern experienced in university enrolments over the past two years has been due to declining numbers of Nova Scotia-born students, which has offset steady growth in the number of out-of-province students and rapid increases in the number of international students. Provincial population numbers by age suggest that declining numbers of local students will likely continue for at least another five or six years before stabilizing. Continued growth in out-of-province and international students may be able to fill that gap, but growth in overall enrolments will nevertheless be hampered in the near term.

Nova Scotia Community College enrolment levels held steady in 2015 as well, with just under 4,700 students at its three Halifax campuses and 11,000 throughout the province. Another 2,000 students are expected to come to the College through off-cycle and continuous intake programs.

## HALIFAX UNIVERSITY ENROLMENTS BY STUDENT ORIGIN, 2004-2015

SOURCE: MARITIME PROVINCES HIGHER EDUCATION COMMISSION



## Labour Force

### WHY IS THIS IMPORTANT?

The labour market is a key junction where the population and the economy intersect. A talented, growing labour force is critical to business success. Conversely, a weak labour market, characterized by high unemployment rates or weak attachment to the workforce, drives outmigration. An efficient labour market is always a balance between good availability of labour and growth in good jobs.

### HOW ARE WE DOING?

A growing number of retiring baby boomers is slowing growth in the Halifax labour force. The city's labour force grew by a modest 0.5% in 2015, weaker than the national average of 0.8% and among the slowest of benchmark cities. Though the working-age population is growing, the increasing retirement rate is driving a slow-but-steady decline in the participation rate, which has continued since 2009. Constrained labour force growth limited Halifax's employment growth to 0.4% last year, despite considerable economic strength.

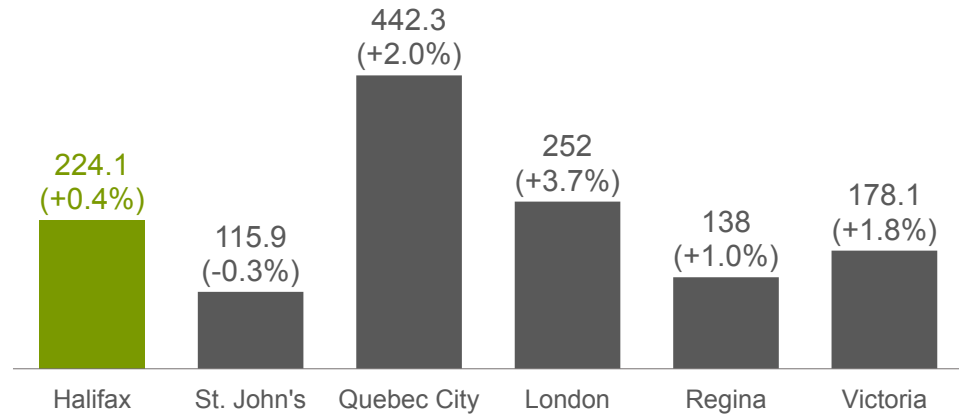
Labour force aging and declining participation rates will likely continue for another 10-15 years before the last of the baby boomers reach typical retirement age. This is cause for concern as a growing number of retirees relative to workers means that each working person will be responsible for providing for a larger number of dependants on average, either directly or through taxes.

On the positive side, though overall employment growth was constrained in 2015, gains were concentrated in full-time work. Last year saw 3,600 full-time jobs added, continuing a trend that has persisted over the past three years.

The unemployment rate remained steady despite the sluggish employment growth, at 6.3%. This was below the national average and middle of the pack among benchmark cities. Importantly, Halifax saw a significant improvement in its unemployment rate among youth (age 15-24), which fell to 12%. That represents one of the largest improvements nationally in 2015 and brings Halifax in line with or below the rate of other cities it typically loses young people to including Calgary (11.2%) and Toronto (15.3%).

### EMPLOYMENT LEVEL AND ANNUAL GROWTH, 2015, 000s

SOURCE: STATISTICS CANADA



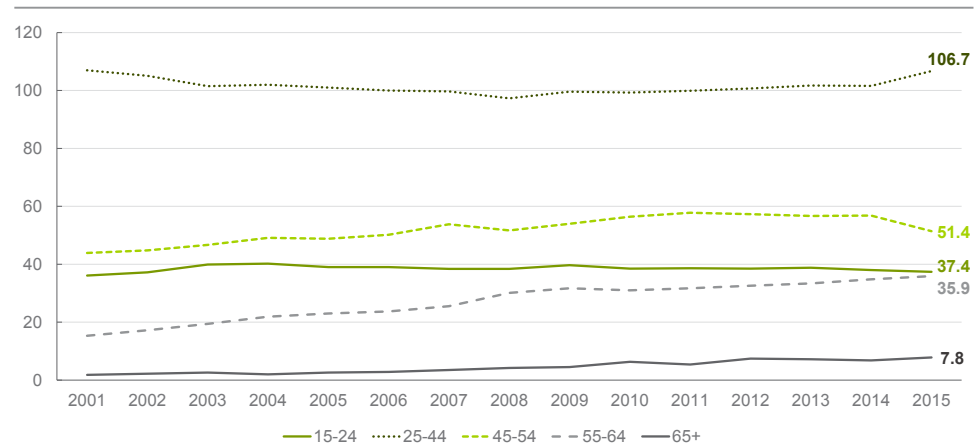
### LABOUR FORCE PARTICIPATION RATE, HALIFAX, PERCENT

SOURCE: STATISTICS CANADA



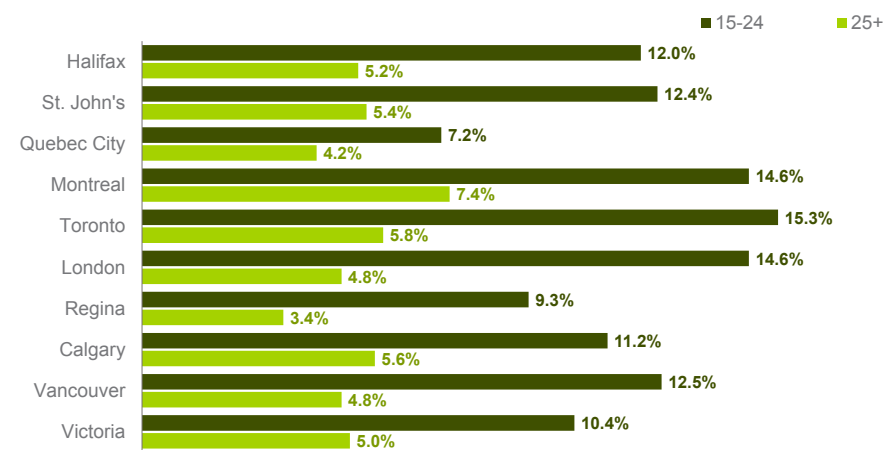
## LABOUR FORCE BY AGE GROUP. HALIFAX, 000s

SOURCE: STATISTICS CANADA

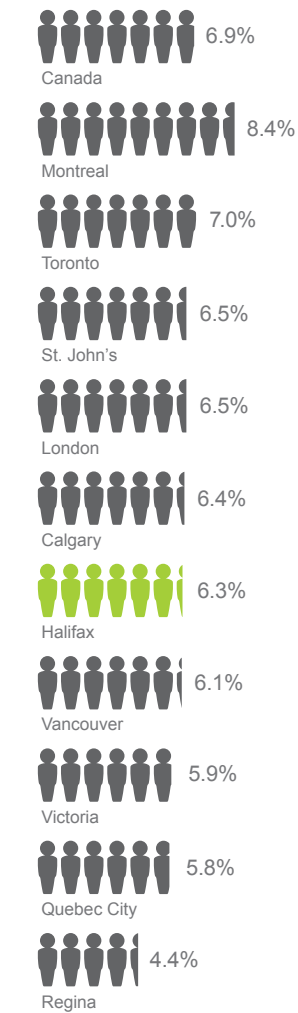


## UNEMPLOYMENT RATE, 2015

SOURCE: STATISTICS CANADA



## UNEMPLOYMENT RATE



# Workforce Safety

## WHY IS THIS IMPORTANT?

Workplace safety is important for a variety of reasons. Most obvious is the quality-of-life and potential loss-of-life impacts that workplace injuries can have on workers and their families. Beyond that, workplace safety and an early and safe return to work for those that are injured are critical to a highly productive economy. Time lost to injury and absences contributes to lower productivity, affects competitiveness, and ultimately impacts wages and salaries. We all share the responsibility to continue to do our part to create the safest possible work environment.

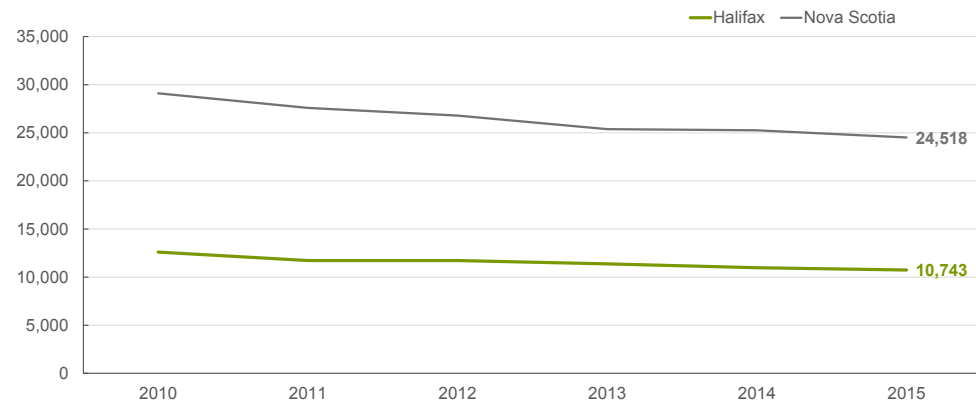
## HOW ARE WE DOING?

Overall, Halifax and Nova Scotia are making long-term progress on workplace safety. There were 2,465 time-loss claims registered in 2015 in Halifax compared to 2,857 in 2010. Last year, the injury rate in Nova Scotia rose slightly to 1.84 per 100 covered workers, but it remains among the lowest levels since this measure has been tracked.

However, the momentum gained in injury prevention in previous years is slowing as complex claims, healthcare challenges, and harsh winters marked by slips and falls show up in performance numbers. From 2014 to 2015, the number of people hurt seriously enough to lose time from work in Nova Scotia increased from 5,953 to 6,013, and when injury does occur, it's taking longer for people to get back to work. At 108 days, Nova Scotia has one of the longest average durations in Canada. At the end of the day, these are statistics. It is important to remember that working safe and workplace-injury prevention are about people, families, and communities.

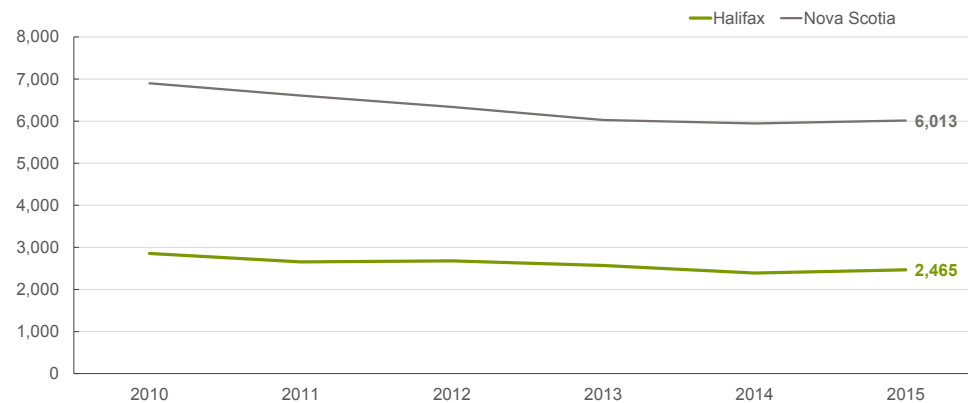
## REGISTERED INJURY CLAIMS

SOURCE: WORKERS' COMPENSATION BOARD OF NOVA SCOTIA



## TIME-LOSS INJURY CLAIMS

SOURCE: WORKERS' COMPENSATION BOARD OF NOVA SCOTIA



### WHAT'S NEW?

The good news is that the conversation in our province is changing when it comes to workplace safety. More and more, people are realizing that work should only be done if it can be done safely, and workplaces are putting the right programs, tools, and processes in place. The Workers' Compensation Board (WCB) is taking action with its partners and investing in new resources. The WCB has expanded direct deposit, introduced an improved telephone service system, and provided online registration for employers. In 2016, it will further expand its online service channels.

### TIME-LOSS INJURY CLAIMS BY INDUSTRY, 2015

SOURCE: WORKERS' COMPENSATION BOARD OF NOVA SCOTIA

	Halifax	Nova Scotia
Health/Social Services	600	1,655
Retail Trade	290	628
Construction	278	521
Government Services	213	556
Transportation/Storage	203	344
Accommodation/Food/Beverages	178	377
Manufacturing	151	619
Wholesale Trade	145	327
Communication/Utilities	118	225
Other Services	101	174
Educational Services	81	220
Business Services	66	112
Real Estate/Insurance Agents	32	50
Logging/Forestry	4	26
Mining/Quarries/Oil Wells	2	11
Agriculture/Related Services	1	41
Finance/Insurance	1	1
Fishing/Trapping	1	121

# Economy



Investment in major projects – those valued at \$25 million or higher – has been a key driver in Halifax's economic growth in recent years. In 2015, spending on major project activity in Halifax reached a record high \$1.6 billion.

## KEY INDICATORS

### GROSS DOMESTIC PRODUCT

- GDP growth
- GDP per capita
- Research and development

### KEY SECTORS

- Employment by sector
- Public and private sector employment
- Wages by industry

### CONSUMER MARKETS

- Retail sales
- Consumer prices
- Personal incomes

## CONSTRUCTION

- Value of building permits
- Total capital investment
- Residential starts and sales
- Office inventory and vacancies

## GATEWAY MOVEMENT

- People and cargo movement through Halifax International Airport and Port of Halifax
- Total air and boat movements

## BUSINESS CONFIDENCE

- Business Confidence Index
- Rating of Halifax as a place to do business
- Optimism of current and future economic prospects

# Gross Domestic Product

## WHY IS THIS IMPORTANT?

Gross Domestic Product is a measure of the amount of goods and services – the amount of “stuff” – an economy produces in a given year. It can also be seen as representing all the spending in an economy. It comprises consumption (about 70% of GDP in Halifax), business investment, government spending, and net exports (the difference between exports and imports). Economic growth fluctuates depending on factors like consumer demand, business confidence, government restraint, and success of local businesses in export markets.

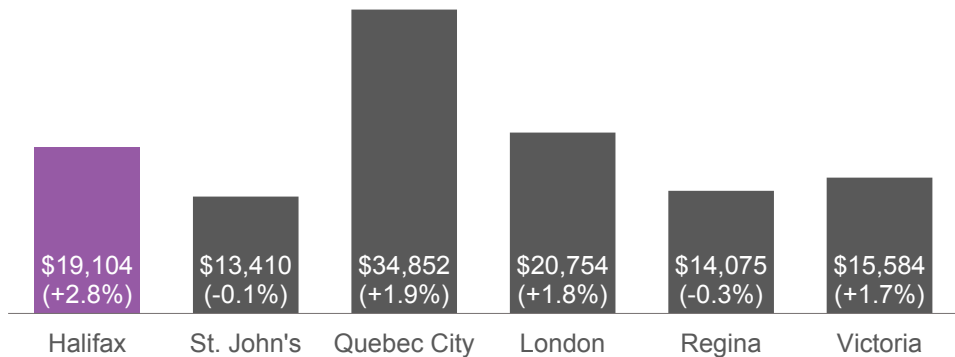
GDP per capita is an important measure of living standards – how much “stuff” the average person has to live on. Growth in GDP is important. If this growth does not keep pace with population growth, our standard of living will decline. That is why economic analysts are so focused on the province's weak performance on output per worker – our productivity. An economy that does not invest in productivity-enhancing measures such as labour skills and training, technology, and research and development (R&D) will ultimately see living standards decline.

## HOW ARE WE DOING?

2015 was a strong year for GDP growth in Halifax. In its latest outlook for Halifax, The Conference Board of Canada (CBoC) estimates the city's real GDP grew by 2.8% in 2015 to \$19.1 billion. This ranks as the fourth fastest growth among the 28 Canadian cities tracked by CBoC and the fastest among Halifax's benchmark cities. Halifax also experienced the fastest growth among benchmark cities in GDP per capita in 2015, which increased by 1.7% to \$45,720. This compares very favourably to an average national increase of only 0.4%. Growth in Halifax was led by significant gains in manufacturing – especially related to the beginning of work on the federal shipbuilding contract at the Irving Shipyard – and in the construction sector, driven by continued strength in major project activity. Halifax has largely been spared the economic turbulence in some other parts of the country caused by the downturn in global markets for oil and other resources, which has been a drag on growth for Canada overall.

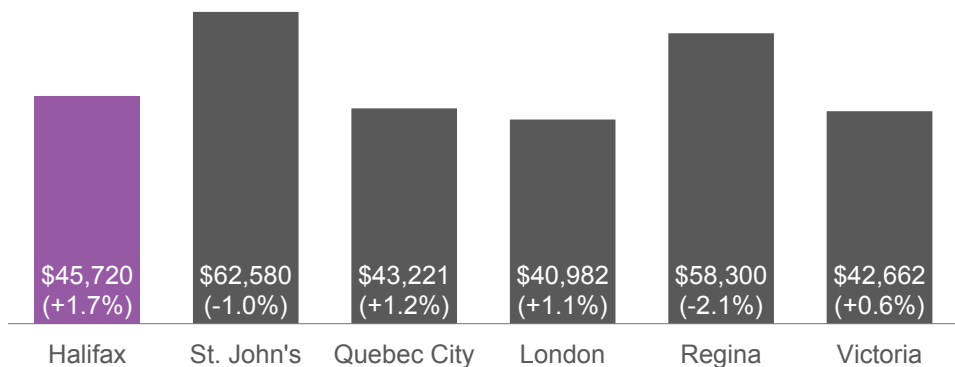
## REAL GDP LEVEL AND ANNUAL GROWTH, 2015, CMAs, \$2007 CHAINED MILLIONS

SOURCE: CONFERENCE BOARD OF CANADA



## REAL GDP PER CAPITA LEVEL AND ANNUAL GROWTH, 2015, CMAs, \$2007 CHAINED MILLIONS

SOURCE: CONFERENCE BOARD OF CANADA



On the negative side, the shift to seasonal production of natural gas at Deep Panuke due to smaller-than-expected reserves has failed to produce the boost to natural gas exports that had been expected, and the continued waning of reserves at Sable Island has affected growth as well.

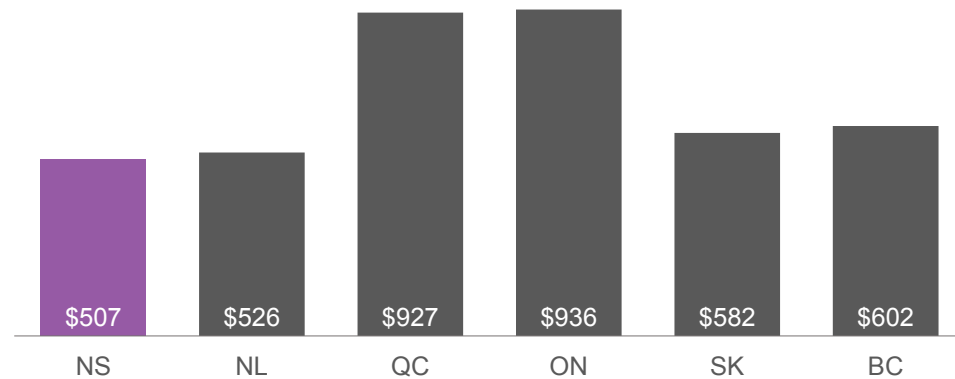
Turning to 2016, CBoC is projecting similar growth of 2.9% – the second fastest in Canada – led by ramping up in both manufacturing and construction, as well as steady growth in services. Current-year spending on major project activity is expected to climb significantly this year, boosted by projects like Shell's offshore oil exploration.

The latest data on research and development spending, an important driver of productivity growth, show that Nova Scotia's per capita expenditure on R&D continued to lag behind the national average by a wide margin in 2013. This is typically the case in Nova Scotia, as business investment in R&D tends to be focused in the country's largest cities, which is reflected in Quebec and Ontario's disproportionately higher per capita expenditure. One exception to this is Newfoundland and Labrador, which benefits from a relatively higher level of business R&D spending in the form of offshore oil exploration and development. In Nova Scotia, the higher education sector is responsible for the largest portion of R&D spending and a larger per capita investment than in other provinces. Post-secondary institutions like Dalhousie University and the Nova Scotia Community College are heavily involved in major research areas, namely ocean technology and life sciences.

The new Centre for Ocean Ventures and Entrepreneurship (COVE) is a prime example of work that is under way to bridge the gap between academic research and the businesses and entrepreneurs who are developing commercialized products in the ocean tech sector. COVE's primary purpose will be to bring together industry, government, and the post-secondary sector to drive greater investment, commercialization, and exports related to the province's ocean industries.

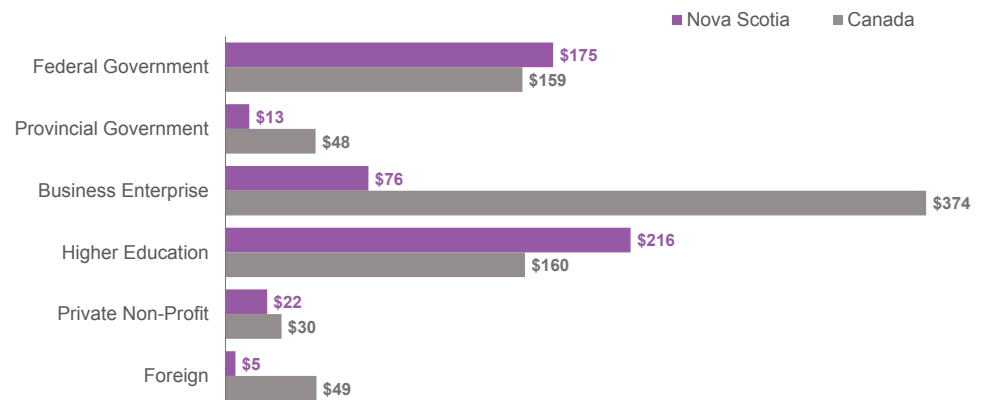
### R&D EXPENDITURE PER CAPITA, 2013, SELECT PROVINCES, \$2007

SOURCE: STATISTICS CANADA



### R&D EXPENDITURE PER CAPITA BY SOURCE, NOVA SCOTIA AND CANADA, 2013, CURRENT \$

SOURCE: STATISTICS CANADA



## Key Sectors

### WHY IS THIS IMPORTANT?

Diversity in an economy is necessary for steady growth. An economy that is invested disproportionately in a small number of industries will be subject to the ebbs and flows of those industries. Resource economies, for example, are notoriously prone to boom-and-bust cycles depending on the pressures of world commodity prices. Halifax, and similarly structured economies like Toronto, does not have all its eggs in one basket.

### HOW ARE WE DOING?

The Halifax economy is generally very well diversified across a broad industry spectrum compared to other Canadian cities. At a high level, the city's industrial structure is fairly close to that of the national average of all Canadian cities. As a service hub for the Atlantic Region, Halifax's employment share is weighted more toward service industries than the Canadian average and proportionally less so toward goods-producing industries, in particular manufacturing. The largest industries by a fairly wide margin are healthcare and social assistance, and retail and wholesale trade. This is typical of most cities; however, Halifax's healthcare sector is proportionally larger, owing to resources that serve the larger Maritime region, like the IWK Health Centre. As the provincial capital and the site of several federal government offices that serve the Atlantic Region, Halifax also has an above-average share of employment in public administration.

In the past year, and over the longer term, growth has generally been focused in healthcare and social assistance (+11,800 jobs since 2001); professional, scientific, and technical services (+7,600); construction (+4,300); accommodation and food services (+3,900); and finance, insurance, and real estate (+3,000). Though manufacturing has declined over the past decade, that is expected to change in the coming years as a result of the federal shipbuilding contract work at the Irving Shipyard, with operations there ramping up through the mid-2020s.

Underlying the high-level data are a number of specific industries that are key sources of growth and offer a global competitive advantage, as well as being emblematic of Halifax's

history as an ocean city. Though the ocean sector is not represented explicitly in the high-level industry categories used by Statistics Canada, much of the employment within those sectors is ocean related. For example, much of the city's manufacturing employment is focused in sectors like shipbuilding, seafood processing and packaging, marine pharmaceuticals, and electronic equipment for ocean navigation and sensors. A fair share of the city's professional and scientific service employment is in ocean-related technology and life sciences, and the city's recreation and accommodation sectors are reliant on ocean-related tourism.

### EMPLOYMENT BY SECTOR, HALIFAX

SOURCE: STATISTICS CANADA

	2015 (000s)	ANNUAL GROWTH
<b>Total Employed</b>	<b>224.1</b>	<b>800</b>
<b>Goods-producing Sector</b>	<b>29.3</b>	<b>-1,500</b>
Agriculture	0.6	N/A
Forestry, Fishing, Mining, Quarrying, Oil & Gas	2.1	100
Utilities	2.0	100
Construction	14.9	-1,000
Manufacturing	9.7	-900
<b>Services-producing Sector</b>	<b>194.8</b>	<b>2,300</b>
Trade	33.2	-3,200
Transportation & Warehousing	10.8	400
Finance, Insurance, Real Estate & Leasing	16.1	1,500
Professional, Scientific & Technical Services	20.0	1,000
Business, Building & Other Support Services	10.7	-400
Educational Services	18.0	600
Health Care & Social Assistance	33.3	1,500
Information, Culture & Recreation	10.6	-1,700
Accommodation & Food Services	16.4	1,400
Other Services	8.4	-300
Public Administration	17.1	1,300

# Consumer Markets

## WHY IS THIS IMPORTANT?

Consumer spending can represent up to 70% of GDP making it one of the main drivers of the Halifax economy from year to year. Healthy growth in retail sales is an indicator of growth in local business and economic activity. Growth in consumer spending is generally driven by underlying economic conditions like employment and wage growth relative to increasing prices.

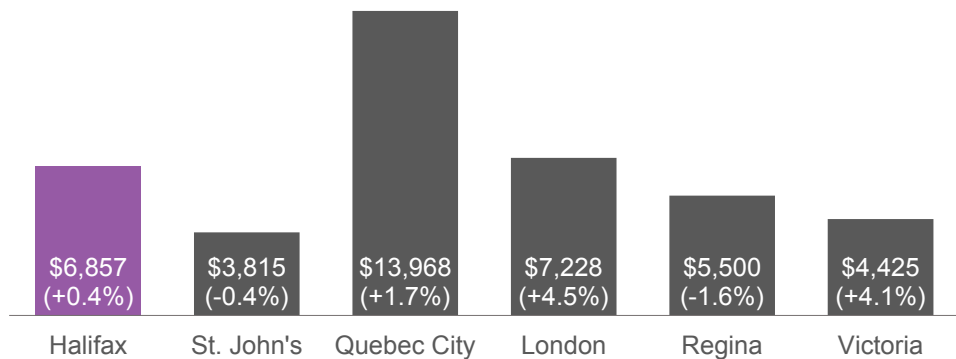
## HOW ARE WE DOING?

Overall, retail spending in Halifax remained virtually unchanged in 2015. Sales grew by a very modest 0.4%, near the low end of benchmark cities and well below the Canadian average of 2.2%. However, the topline data in 2015 were skewed downward by the large decline in gasoline prices, which led to a decline in province-wide sales at gas stations of over 17%. Removing gasoline from the picture, all other retail sales in Halifax grew by 3.2% in 2015. Auto dealerships, in particular, saw a large bump in sales of over 10%. The value of food and beverage sales also declined, despite a fairly significant average food price increase of 4.5% across the province, suggesting that consumers reacted to the price increase by making fewer or less-expensive grocery purchases.

Retail sales growth was supported by per capita personal income growth of 2.5% in Halifax in 2015, bringing average personal income up to about \$41,000. That growth was on par with the national average and in the middle of the pack among benchmark cities. It also well outpaced growth in consumer prices in Halifax of only 0.5%, which was well below that of most other Canadian cities.

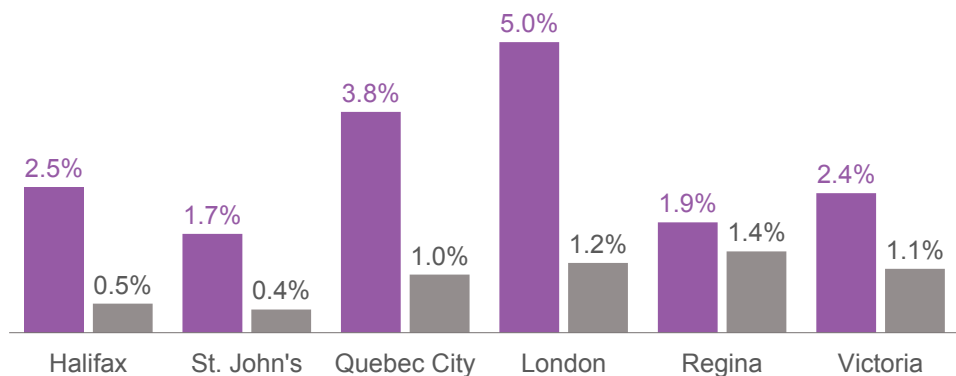
## RETAIL SALES LEVEL AND ANNUAL GROWTH, 2015, CMAs, \$ MILLIONS

SOURCE: CONFERENCE BOARD OF CANADA



## GROWTH IN PERSONAL INCOME PER CAPITA AND THE CONSUMER PRICE INDEX, 2015, CMAs, PERCENTAGE

SOURCE: CONFERENCE BOARD OF CANADA, STATISTICS CANADA



## Construction

### WHY IS THIS IMPORTANT?

Building construction accounts for roughly half of all investment spending in Nova Scotia and 10% of overall economic activity. Building permits and capital investment are strong indicators of how positively the business community feels about the local economy. Confident businesses invest in new technology and equipment, and in the construction of new buildings. Conversely, businesses that are pessimistic about the future will reduce investment and look to consolidate or even downsize their operations. Significant regulatory or red tape barriers tilt business attitudes further to the negative because of additional cost and time pressures.

Housing markets are important both as a large portion of business for the construction industry and as an indicator of consumer confidence. Housing represents the single largest purchase that most people will ever make, so growth in the housing market is a good indicator of the confidence local consumers have in the economy.

An adequate supply of commercial and industrial space ensures that there is space to accommodate growth as well as shifting business and consumer patterns. Vacancy rates – the ratio of vacant space to the total amount of space – are indicators of business demand for space. This provides signals to the commercial real estate sector on price and an indication of future demand to developers. Vacancy rates are also a leading indicator of business activity. Declining vacancy rates suggest business is growing and increasing the demand for commercial space.

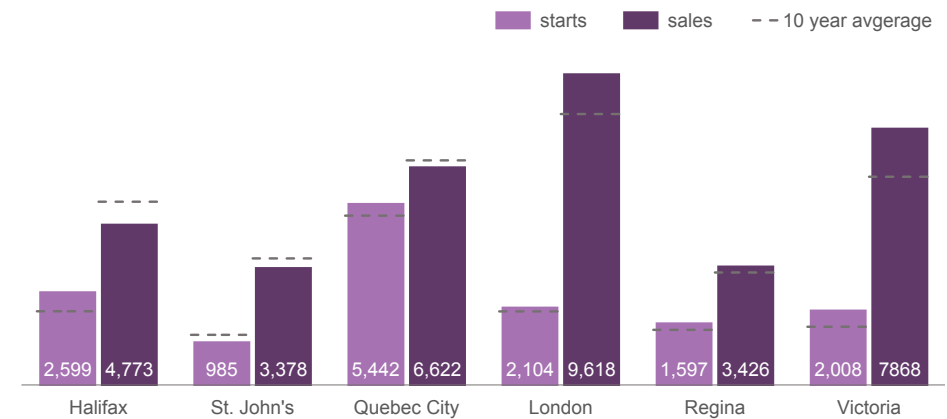
### HOW ARE WE DOING?

The construction sector in Halifax continued to see high levels of activity in 2015 with growth driven by both residential and non-residential activity. Annual major project spending in the city, as measured by the Atlantic Provinces Economic Council's Major Projects Inventory, reached a high of \$1.6 billion in 2015.

On the residential side, housing construction surged last year with starts reaching

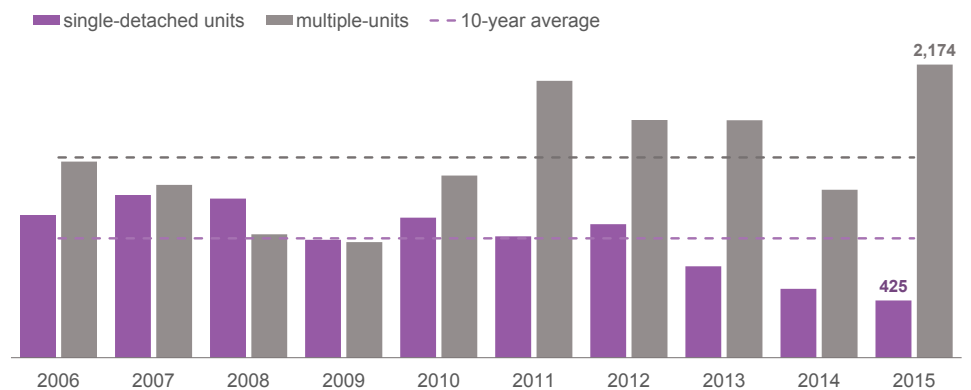
### HOUSING STARTS AND RESALES, 2015, CMAs

SOURCE: CANADA MORTGAGE AND HOUSING CORPORATION



### SINGLE-DETACHED AND MULTIPLE-UNIT HOUSING STARTS, HALIFAX

SOURCE: CANADA MORTGAGE AND HOUSING CORPORATION



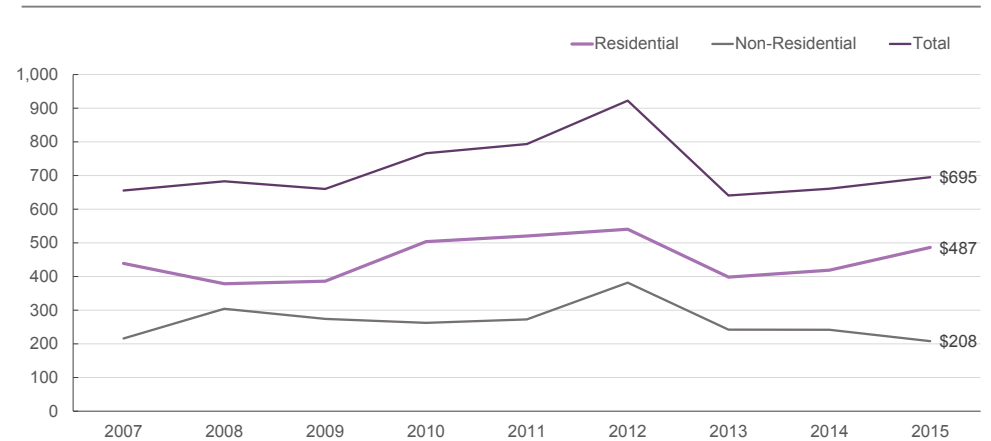
2,600 units, the third highest level in the last decade. However, this topline number hides very different trends in the market for single-detached housing and multi-unit developments. Construction of new single-detached housing continued to slide to historic lows last year, with only 425 starts – less than half the 10-year average. The resale market for single-detached housing saw a similar decline in activity, though not quite as pronounced. In contrast, multi-unit starts surged to their highest level in nearly four decades with almost 2,200 units beginning construction. This continues an explosion in multi-unit construction that began in 2011, which has seen a large number of new units coming to the Regional Centre in particular. Of note in 2015 is the number of these multi-unit dwellings that are destined for the condo market – 380 units, mainly on the peninsula. Prior to this, almost all multi-unit developments had been meant for the rental market, a feature that differentiated Halifax's boom from the similar but condo-dominated, multi-unit boom seen in other parts of the country.

Underlying this shift in construction from single-unit dwellings to multi-unit developments is changing demographic trends. As the population ages and the large cohort of baby boomers becomes “empty-nesters” and begins entering retirement, many among them are looking to sell their homes and downsize, allowing them to access some of their homes' equity to finance their retirement, to move into a dwelling that requires less work to maintain, and, in many cases, to move into more central, urban neighborhoods like the North End of the peninsula and downtown Dartmouth. This trend is not unique to Halifax. Indeed, it can be seen across the country, but it has been more pronounced here so far, perhaps because Nova Scotia's population is older on average than the rest of the country.

Activity picked up on the non-residential side as well. Investment in non-residential building construction climbed by 22%, even as investment at the national level slid by 1.0%. Growth was driven on the industrial and commercial side, reflecting work on projects like the Nova Centre while institutional and government spending slowed down for the fourth year in a row. Non-residential construction was also boosted by work on a number

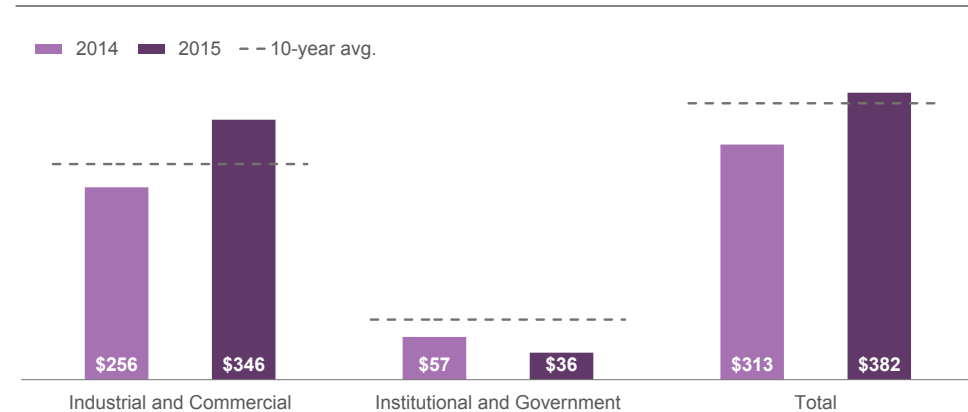
## VALUE OF BUILDING PERMITS, HALIFAX, \$ MILLIONS

SOURCE: STATISTICS CANADA



## INVESTMENT IN NON-RESIDENTIAL BUILDING CONSTRUCTION, HALIFAX, \$ MILLIONS

SOURCE: STATISTICS CANADA



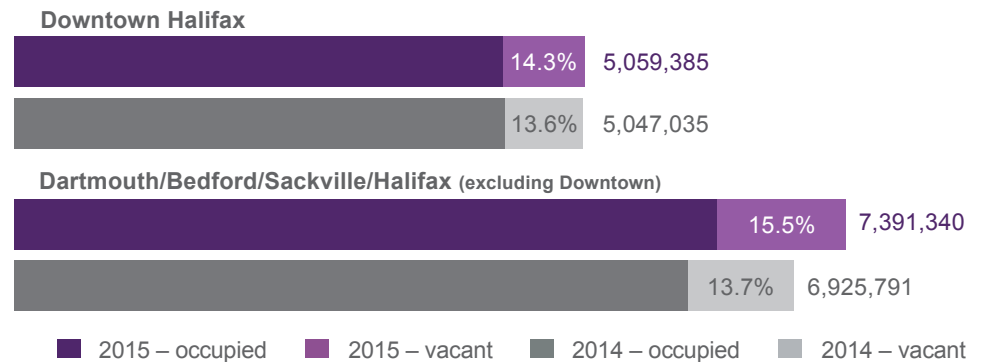
of engineering projects that were not reflected in the building investment data, such as continued work on the re-decking of the MacDonald Bridge.

Overall, office space climbed by 4% in 2015, with about 480,000 square feet of new inventory entering the market. This pushed vacancy rates up across the region. Though office and commercial vacancy rates are high by historical levels, the short-term increase is not cause for major concern. Developers and property managers take a long-term view when constructing offices and other buildings. Though the current boom of construction has pushed up vacancy rates in the short term, rates are expected to decline in the longer term back to historic levels. In the meantime, businesses will benefit from a variety of choices for new, class A office space in the city.

Looking forward, there are a number of longer-term projects on the horizon that suggest the construction sector can remain a source of economic strength for years to come. The redevelopment of the Cogswell Interchange area, which is currently in its design phase, represents a major change to the face of the city's downtown. The project will open up 16 acres of land that will reconnect the city's downtown to the North End. Of that area, about four acres will be streetscape to replace the current roads, six acres will be new parkland, and six acres will be available for new development, likely mixed-use residential. Other major infrastructure work is necessary as well. The city's wastewater system is due for significant upgrade work that could span the next 30 years. Commitments in the latest federal budget for infrastructure spending should support this work, including \$86.9 million earmarked for Nova Scotia through the Clean Water and Wastewater Fund.

## TOTAL SUPPLY OF OFFICE SPACE INVENTORY AND VACANCY RATE BY REGION (SQ. FT.), HALIFAX

SOURCE: ALTUS GROUP



# Gateway Movement

## WHY IS THIS IMPORTANT?

The Halifax Gateway includes a number of pieces of transportation infrastructure and activities in the Halifax region, including the Port of Halifax, Halifax Stanfield International Airport (HSIA), Halifax Logistics Park, CN's Autoport and rail infrastructure, and the Port of Sheet Harbour. People and cargo moving through the Halifax Gateway are both a vital part of the local economy and an indicator of how well we are positioning ourselves as an attractive city and international trade hub. More air passengers are an indication that people find Halifax an attractive place to visit and do business. Ocean cargo movements are not only an indicator of the strength of the local economy, but also a stronger world economy. The Comprehensive Economic and Trade Agreement with Europe is poised to open up new opportunities for the Halifax Gateway. Movements of people and cargo through the Gateway are a key indicator of our success in this regard.

## HOW ARE WE DOING?

2015 was a positive year for movements of people and goods through the Halifax Gateway. Beginning with the Port of Halifax, cargo volumes, as measured by the number of 20-foot equivalent units (TEUs) of containerized cargo, increased by 4.6%. This is despite a number of disruptions early in the year due to worse-than-normal winter conditions. The Port attributed the success to the addition of two new cargo services calling on Halifax in 2015. Last year also saw improvements for the Port in terms of cruise ship tourism, with the total number of passengers for the year climbing 2.3% and 141 ships calling on Halifax – a record high.

HSIA also saw a strong year despite turbulence caused by winter weather. The number of passengers moving through the airport climbed to a record high of 3.7 million, despite the cancellation of nearly 1,400 flights in the first half of 2015 due to storms. Cargo volumes moving through the airport remained steady, equalling 2014's record high of 32,000 metric tonnes.

Taking a longer-term view, the Gateway has struggled since the 2009 recession to see overall cargo movements through Halifax return to pre-recession levels, due in part to slower growth in the global economy and the high value of the Canadian dollar internationally (until recently). However, there are opportunities for strong growth in the coming years. The current low value of the Canadian dollar makes the Port of Halifax a more attractive shipping destination and the impending ratification of the Comprehensive Economic and Trade Agreement with Europe provides significant opportunity for shipping Nova Scotia products like seafood into the European market – already the province's second largest export destination. CETA will eliminate European export tariffs on shrimp, live and frozen lobster, and frozen scallops. In addition, the Canada-Korea Free Trade Agreement will eliminate tariffs on almost all of Nova Scotia's key exports, including lobster and blueberries. Lobster exports to South Korea have been a major driver of record-high cargo movements through HSIA in the past two years.

## TOTAL PEOPLE, PLANE/CRUISE MOVEMENT, AND CARGO MOVEMENT THROUGH HALIFAX GATEWAY

SOURCE: STATISTICS CANADA

YEAR	AIR PASSENGERS (EN/DEPLANED)	CRUISE PASSENGERS	PLANE MOVEMENTS	CRUISE SHIPS	PORT CARGO (TONNES)	TEUs	AIR CARGO (TONNES)
2014	3,663,039	217,305	78,254	134	7,831,883	400,063	32,000
2015	3,702,705	222,309	77,943	141	7,569,286	418,359	32,000

# Business Confidence

## WHY IS THIS IMPORTANT?

Confident businesses and confident communities grow faster. Sustained economic growth and improved living standards do not happen without investment in new technologies and infrastructure, and businesses will not invest if they do not feel good about the future. When businesses believe the future is bright, they take risks and innovate, producing technologies and new ways of doing business. When businesses feel pessimistic, attitudes turn toxic and innovation craters.

## HOW ARE WE DOING?

Business confidence in Halifax saw a significant increase in the Partnership's latest iteration of the Business Confidence Index (BCI). This spring, the BCI reached its highest level since the Partnership began measurement in 2011. This followed several consecutive years of sliding or sluggish business confidence.

The BCI measures confidence regarding the respondent businesses' current and future economic prospects in Halifax. It ranges from a value of -100 to 100, where positive numbers indicate positive feedback and expectations. The Index is currently up to 28.1, from 21.1 a year ago.

This increase in business confidence in Halifax stands in contrast to measures of business confidence nationally, conducted by The Conference Board of Canada and the Richard Ivey School of Business at Western University. National trends are generally weaker; the oil market slump has created economic headwinds in resource-dependent markets across the country. Halifax businesses are feeling more optimistic amid strengthening economic growth in this region. This is consistent with provincial measurements of confidence among small businesses conducted by the Canadian Federation of Independent Business.

Increased confidence among Halifax businesses was seen in respondents' ratings of the current economic environment as well as their optimism for the future. A larger share of businesses rated Halifax as an "above average" place to do business (26%, up from 15% last year), while fewer rated it "just average" (55%) or "below average" (14%). A larger share also reported that they were "extremely optimistic" about their future economic prospects (17%, up from 13%), while 70% reported they were "moderately optimistic."

## BUSINESS CONFIDENCE INDEX, HALIFAX

SOURCE: HALIFAX PARTNERSHIP BUSINESS CONFIDENCE SURVEY

YEAR	GENERAL	REGIONS			AGE OF BUSINESS	
	Overall	Halifax	Dartmouth	Other HRM	New (<10 years)	Established (10+ years)
Spring 2012	25.6	26.1	29.9	20.2	38.5	20.2
Spring 2013	24.5	25.2	25.3	22.6	29.1	22.5
Spring 2014	20.2	20.0	21.7	18.6	13.9	20.8
Spring 2015	21.1	19.2	24.6	20.2	22.4	19.6
Spring 2016	28.1	26.9	36.7	20.2	34.0	26.7

## RATING OF HALIFAX AS A PLACE TO DO BUSINESS AND OPTIMISM OF FUTURE ECONOMIC PROSPECTS

SOURCE: HALIFAX PARTNERSHIP BUSINESS CONFIDENCE SURVEY

YEAR	RATING OF HALIFAX AS A PLACE TO DO BUSINESS				OPTIMISM OF FUTURE ECONOMIC PROSPECTS FOR BUSINESS IN HALIFAX OVER NEXT FIVE YEARS				
	Above Average	Just Average	Below Average	Don't Know /No Answer	Extremely Optimistic	Moderately Optimistic	Not Very Optimistic	Not at all Optimistic	Don't Know /No Answer
Spring 2012	15%	64%	16%	5%	17%	70%	9%	3%	2%
Spring 2013	19%	59%	18%	4%	12%	77%	10%	1%	1%
Spring 2014	14%	66%	17%	4%	12%	74%	10%	3%	1%
Spring 2015	15%	61%	20%	4%	13%	73%	11%	2%	1%
Spring 2016	26%	55%	14%	5%	17%	70%	10%	1%	2%

# SPECIAL ANALYSIS:

## A RURAL HALIFAX PROFILE

### INTRODUCTION

Halifax's new economic strategy, Halifax Economic Growth Plan 2016-2021, identifies quality of life as being at the core of the region's value proposition. It emphasizes the uniqueness of Halifax as a community with access to "big city" amenities while maintaining a "small town" feel and the opportunity for residents to enjoy a proximity to rural, coastal, and natural beauty and recreational opportunities that other large cities in Canada do not offer. Rural communities within the municipality are, thus, of critical importance to Halifax's value proposition to residents and businesses, both current and prospective.

However, due to Halifax's reputation as the urban centre of Nova Scotia, its rural communities are often overlooked and their economic challenges and opportunities unrecognized or misunderstood in economic development discussions. The goal of this analysis is to shed some light on these issues, with a statistical profile of the municipality's rural regions and a discussion of key challenges and opportunities related to the businesses within.

Further statistical information on the municipality's rural regions and communities can be found in the data workbook available on the Halifax Index's website ([halifaxindex.com](http://halifaxindex.com)).

### HALIFAX'S RURAL COMMUNITIES

In most contexts, including economic development and policy discussions, Halifax is seen as the urban centre of the province.

In recent noteworthy policy and research reports, such as the One Nova Scotia *Now or Never* report, the word "Halifax" is used more or less synonymously with the word "urban" in the Nova Scotia context. There is, of course, good reason for this. With close to 418,000 people, Halifax accounts for just under half of the provincial population total and is the largest centre in Atlantic Canada.

However, the notion that all of Halifax's population lives in an urban environment is far from the truth. According to data from the 2011 census and Statistics Canada's definition of an urban "population centre," about 306,600 people lived in urban parts of the municipality at that time, with the remaining 84,000 – one in five residents – living in rural areas. This means that Halifax is home not only to the largest urban population in Nova Scotia, but also the largest rural population in the province (though rural residents account for a smaller share of the total population than in any other county in the province).

Halifax is unique in this regard among Canadian cities of its size or larger. Though Halifax has only the fifth largest rural population among Canadian census metropolitan areas, or CMAs, (the statistical unit used by Statistics Canada to measure city-level data), it has by far the largest share of its population living in rural areas (21.5%) compared to CMAs with more than 250,000 people. Ottawa has the next largest rural share, at 12% of the total population.

## TOTAL AND RURAL POPULATION FOR SELECT CANADIAN CMAs, 2011

SOURCE: STATISTICS CANADA

	Population (000's)	Rural population (000's)	Rural share of total (%)
Toronto	5,583.1	139.0	2.5
Montreal	3,824.2	106.1	2.8
Vancouver	2,313.3	52.6	2.3
Ottawa-Gatineau	1,236.3	142.9	11.6
Calgary	1,214.8	38.2	3.1
Edmonton	1,159.9	95.7	8.3
Quebec	765.7	62.7	8.2
Winnipeg	730.0	52.1	7.1
Hamilton	721.1	42.6	5.9
Kitchener-Cambridge-Waterloo	477.2	16.3	3.4
London	474.8	43.1	9.1
St. Catharines-Niagara	392.2	40.2	10.2
Halifax	390.3	83.8	21.5
Oshawa	356.2	20.1	5.7
Victoria	344.6	20.1	5.8
Windsor	319.2	28.3	8.9
Saskatoon	260.6	19.7	7.6

Geographically the rural population in Halifax is spread widely. Since amalgamation, the municipality encompasses 5,500 km<sup>2</sup> of land, making it the largest municipality in the country. For the purposes of this analysis, rural Halifax has been divided into three general areas: Inner Rural, Western Rural, and Eastern Rural.

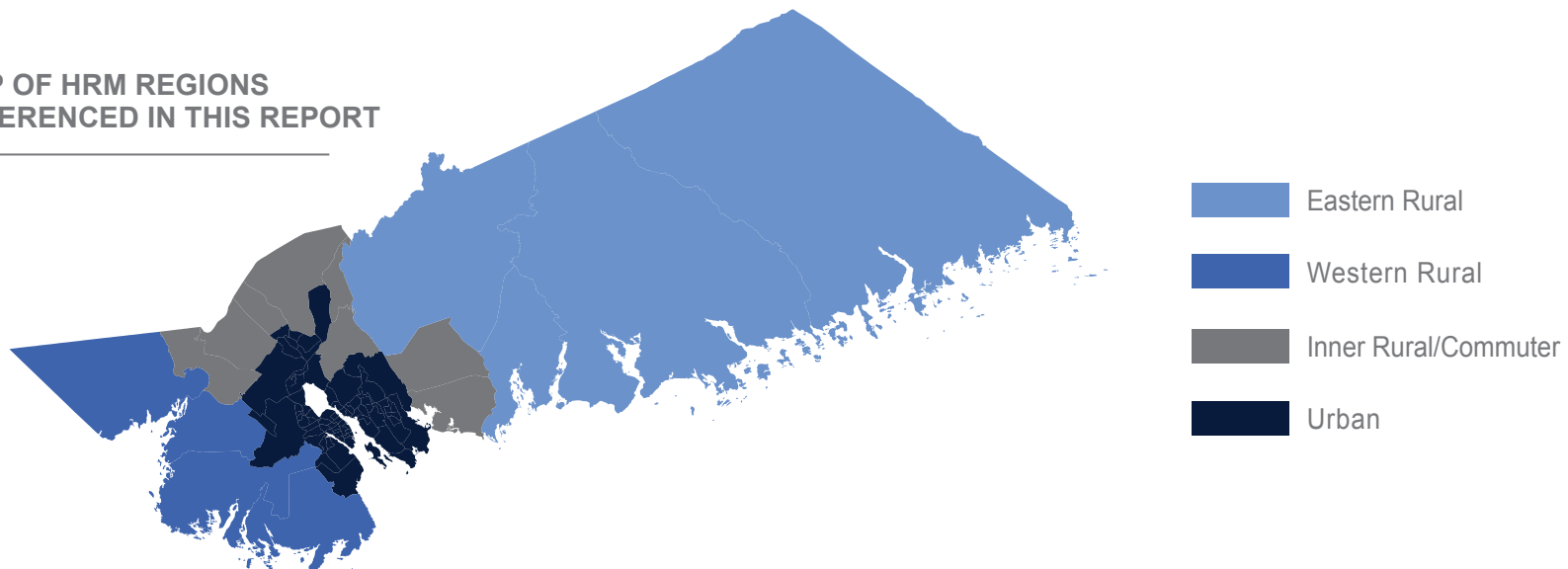
Generally, the Inner Rural and Western Rural areas represent commuter sheds of the urban core, and their demographic and other summary statistics reflect that. Population growth rates from 2006 to 2011 in those regions were the highest in the municipality, as population flows and property development generally favoured suburbanization during that time. The age profile in those regions shows a higher proportion of young children and 35- to 54-year-olds, suggesting those regions are home to many young families. Their overall post-secondary attainment rate is around 70%, about the same as in the urban core, favouring apprenticeship and college training

over university to a somewhat larger extent. Labour force participation rates are similar to the urban core and unemployment rates are actually lower.

The Eastern Rural area has a much lower population density and is geographically much farther from the urban core. As a result, it faces unique economic challenges and opportunities compared to the rest of the municipality, more akin to that of rural areas in the rest of the province. The population in that region declined slightly from 2006 to 2011. In part, that was because it drew a proportionately smaller number of interprovincial and international migrants than other parts of the municipality. It did, however, draw a similar proportion of migrants from within the province, perhaps reflecting lifestyle similarities to that of other rural parts of the province. The region's population is also older than the rest of the municipality; the share of its population age 45 or higher (51.9%) is almost 10 percentage points higher than in the urban core (42.3%).

The Eastern Rural labour force is highly educated, but labour market outcomes generally lag behind other parts of the municipality to a small extent. Post-secondary attainment rates are somewhat lower, which likely reflects the tendency of young university graduates to congregate in urban areas. However, there is a much higher percentage of trades workers and college graduates than in the urban centre. The participation rate lags other parts of the municipality, likely reflecting the older population, and the unemployment rate is higher at 8.1%, though still better than other rural parts of the province. The region has the highest rate of self-employment in the municipality, perhaps reflecting the large numbers of people working in agriculture, forestry, and fishing. The seasonal nature of these industries is also reflected in the share of the labour force that worked fewer than 40 weeks in 2011, which was almost five percentage points higher in the Eastern Rural region than in the urban core.

## MAP OF HRM REGIONS REFERENCED IN THIS REPORT



Not surprisingly, the industrial structure of rural areas of the municipality – especially the Eastern Rural area – differs from that of the urban core. This can be seen in the industrial breakdown of both employment data and business counts. In general, goods-producing industries are much more prevalent in rural areas of the municipality. In the Eastern Rural area, for example, goods-producing industries account for 28% of employment and 38% of businesses, compared to around 10% in both categories in the urban core. In particular, this is due to a higher share of employment and businesses in fishing and agriculture, and, to a lesser extent, construction and manufacturing. The region accounts for roughly half of businesses in fishing and animal farming in the municipality.

Though relatively less prevalent, due to a lower share of businesses and employment involved in professional service categories like public administration or financial and scientific services, services overall still account for the lion's share of employment and business counts in rural parts of the municipality. Consumer services like retail trade are just as important in rural areas, and transportation and warehousing accounts for a larger share of business and employment than in the urban core.

### A DIFFERENT SET OF CHALLENGES

Given the differences in population size and density, and the proximity to amenities and services between rural and urban areas, businesses in rural parts of the municipality face a different set of economic challenges. In interviews conducted as part of the Halifax Partnership's SmartBusiness Program, businesses in both urban and rural areas tend to identify similar business climate factors as the most important: workforce availability and quality, the tax and regulatory environment, and communications infrastructure like broadband Internet and cell phone services. Rural businesses were more likely to list transportation infrastructure like provincial

## SUMMARY STATISTICS BY HRM SUB-REGION, 2011

SOURCE: STATISTICS CANADA

	Urban Core	Inner Rural	Western Rural	Eastern Rural
<b>Population</b>				
Population	298,535	47,791	24,474	19,523
Population change '06-'11 (%)	4.2	10.8	5.9	-3.0
Share of HRM total population (%)	76.5	12.2	6.3	5.0
Population density (pop. per km <sup>2</sup> )	818.0	82.5	31.9	5.2
Share of population age 45+ (%)	42.3	39.7	46.6	51.9
<b>Migrant Population (number that moved to HRM in last five years)</b>				
Intraprovincial	11,305	965	400	620
Interprovincial	21,245	3,185	1,270	720
International	9,655	710	405	65
<b>Post-secondary Attainment, population aged 25-64 (%)</b>				
Post-secondary total	69.8	71.3	69.6	61.1
Apprenticeships	9.5	13.0	14.8	18.2
College	21.2	25.2	22.2	24.9
University	39.1	33.2	32.7	17.9
<b>Labour Force</b>				
Labour force	169,030	27,565	13,535	10,230
Participation rate (%)	69.0	73.4	67.3	62.1
Unemployment rate (%)	7.3	5.7	6.2	8.1
Employment rate (%)	64.0	69.2	63.0	57.0
Self-employment rate (%)	7.6	9.4	11.3	11.7
Worked fewer than 40 weeks	18.2	16.3	15.8	22.9
<b>Business</b>				
Number of businesses	26,013	3,183	1,736	1,242

Note: Sub-regions are based on census tract data, which do not line up exactly with Statistics Canada's "population centre" designations. As a result, "urban core" and the "rural" population counts in this table do not exactly match Statistics Canada's "population centre" and "rural area" counts.

highways and port facilities as a key factor as well. Where the primary differences between rural and urban businesses lie is in their rating of these factors, in particular related to workforce availability and communications infrastructure.

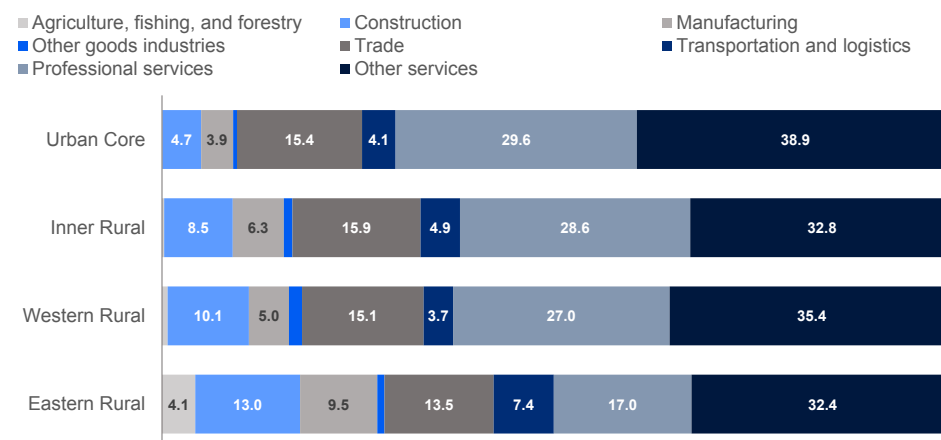
In the face of aging demographics and increasing demands for higher skills, workforce availability and qualifications are increasingly cited as concerns by business in both urban and rural settings globally. Throughout Halifax, businesses cite this as the business climate factor most important to their success. However, rural-based businesses have significantly more trouble finding the labour they need due to the smaller, more spread out, and older local population. While many businesses in the eastern regions of the municipality try to recruit from the urban core, limited transportation options make it difficult for residents of the core to commute to those businesses for work.

In the past year especially, businesses located on the Eastern Shore have increasingly cited issues with communications infrastructure – broadband Internet and cell phone services – as a major issue. This infrastructure is crucial for communicating with clients and for online sales. While communities along the Eastern Shore receive provincially subsidized broadband Internet, in practice, businesses often report speed and service-outage problems that significantly affect their operations. Currently, broadband service in rural Halifax is subsidized through the Broadband for Rural Nova Scotia initiative. This year, the province has contracted EY and Concertia Technologies Inc., to conduct a study identifying gaps that still exist in rural service and potential solutions.

Ironically, rural communities within the Halifax Regional Municipality sometimes face challenges obtaining government funding for projects because of their attachment to HRM and a perception that this means they are not truly “rural”. For example, the federal government’s Small Communities Fund is intended to support important infrastructure projects in small and rural communities across the country. However, in order to be eligible, applicants must be municipalities (or applying on behalf of

## EMPLOYMENT SHARE BY INDUSTRY, 2011, PERCENT OF TOTAL

SOURCE: NATIONAL HOUSEHOLD SURVEY



## BUSINESS LOCATION SHARE BY INDUSTRY, 2015 PERCENT OF TOTAL

SOURCE: STATISTICS CANADA, BUSINESS REGISTER



municipalities) with fewer than 100,000 residents. Though all of the communities along the Eastern Shore meet this requirement, they are considered to be a part of HRM and, thus, cannot access these funds.

### OPPORTUNITIES FOR THE FUTURE

Despite the unique challenges faced by rural communities, opportunities exist for economic growth and development. Important to the sustainability of development efforts in those communities is the concept of asset-based community development (ABCD). ABCD is a philosophy that promotes identification and development of natural and unique assets and advantages that exist in a community.

One great example of ABCD in practice is the ongoing work by Destination Eastern and Northumberland Shores (DEANS) in partnership with the larger community and ACOA's Strategic Tourism Expansion Program (STEP) to develop tourism-related economic opportunities in the Eastern Shore. The area's unique coastline includes numerous coastal and inland parks and wilderness areas as well as the colloquially known 100 Wild Islands. These are the same islands that have received recent attention as a result of Nova Scotia Nature Trust's 100 Wild Islands Legacy Campaign, which focuses on raising funds and working with private landowners to convert a number of the islands from private ownership to protected lands. This is one of Canada's last largely untouched archipelagoes, which offers a plethora of unique and attractive recreational, adventure, educational, and nature-based tourism opportunities.

As part of this work, DEANS and the Nova Scotia Department of Environment is developing a comprehensive inventory to identify assets and tourism opportunities, as well as things like ecologically sensitive lands or historic Aboriginal sites that need to be protected. Further work will include the development of a unique brand and the identification of necessary infrastructure to support visitation to the area. This could include things like boat launches and anchorages, highway look-offs, and public washroom facilities.

Importantly, the ultimate goal of this process is to enrich the quality of life for local residents. This means improving local employment opportunities and increasing the flow of tourism dollars into the region. It will be up to local private tourism businesses to identify and develop opportunities stemming from the STEP process to achieve this goal.

The Port of Sheet Harbour represents another example of ABCD employed in the Eastern Shore. Capitalizing on a natural rural advantage over urban environments – availability of open space – the Port is able to handle break bulk freight that is too large to be handled by facilities located in the urban core, such as wind turbine blades. As such, the Port has benefited from strong major project activity in the Atlantic region in recent years, especially related to the development of renewable and offshore energy projects.

A new generation of young entrepreneurs are also recognizing the opportunities for a different way of life and are investing in the Eastern Shore. In keeping with what differentiates the area, the new businesses and start-ups have tapped into the area's unique opportunities through tourism and local agriculture and aquaculture.

Sober Island is an area known for its seafood, and business owners Trevor and Michelle Munroe are making waves with their award-winning oysters across North America. Sober Island Oysters has recently reached a size of 3.5 million oysters in the water last year. Another young Eastern Shore entrepreneur, Rebecca Atkinson, has just launched Sober Island Brewing Company, a mobile craft beer bar and micro-brewery, with plans to become permanent in the area and contribute to the growing tourism industry. Ryan Murphy, co-chair of the Strategic Tourism Expansion Program, runs a small business consulting and marketing agency geared to helping local businesses on the Eastern Shore grow. Emma Kiley is the owner of Uprooted Market & Cafe in Musquodoboit Harbour and is focused on creating resilience in her community by improving the accessibility of locally grown food for people living along the Eastern Shore. Her café space is often used to hold community and networking events for entrepreneurs in the area. These young entrepreneurs recognize that by investing in rural Halifax they are supporting and promoting local industry, creating jobs, and breathing new life into the area.

Opportunities like these, based on natural, competitive advantages and developed with the engagement of the local community, represent the way forward for rural communities in Halifax. These communities represent an important part of the municipality, and their development and sustainability will be key to delivering on the city's economic growth plan goals in the coming years.

# Quality of Place



Health and social outcomes are directly linked to economic outcomes. They contribute to quality of life, attract investment, and allow the population to live up to its creative and productive potential.

## KEY INDICATORS

### SAFETY

- Total and violent crime indices
- Incidence of traffic collisions
- Crime and fire stats

### AFFORDABILITY

- Personal income per capita
- Inter-city price differentials
- Percentage of people in low-income households

### HEALTH

- Perceived physical and mental health
- Activity levels
- Smoking rates

### COMMUNITY

- Life satisfaction
- Sense of belonging
- Charitable contributions

### ARTS, CULTURE, AND RECREATION

- Employment and wages in arts, culture, and recreation
- Use of programs in arts, culture, and recreation

# Safety

## WHY IS THIS IMPORTANT?

Safety and security is one of the most important quality-of-life factors for both businesses and residents. Perceptions of safety have a direct impact on our ability to attract and retain people and business, and affect the bottom line of all sectors from retail to technology. Data regarding overall trends in this area are also helpful to keep perceptions in perspective.

## HOW ARE WE DOING?

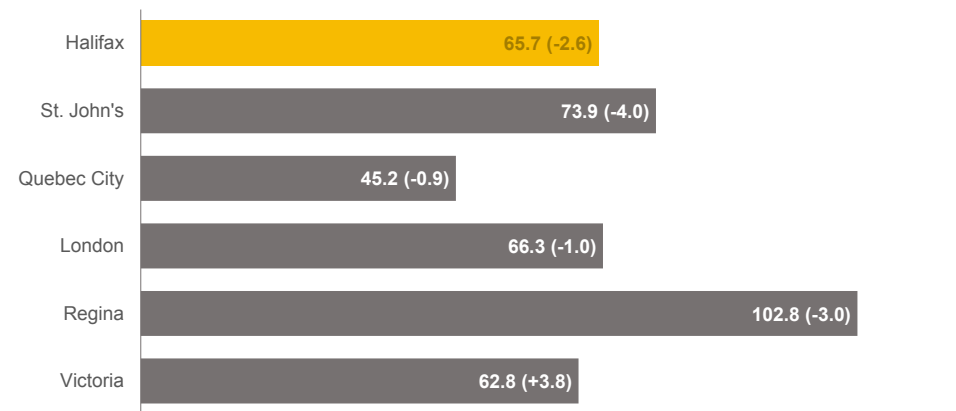
The latest indicators show that Halifax is continuing its longer-term trend of becoming a safer city. Statistics Canada's Total Crime Severity Index (TCSI), which measures the incidence and severity of crime over time and across cities, shows that overall crime rates declined in Halifax again in 2014. This marks six straight years of decline and a decrease of 51% in crime incidence and severity since the TCSI's peak in 2004. This also puts Halifax's TCSI below the Canadian average and among the lowest compared to benchmark cities.

Looking more specifically at violent crime, Halifax's Violent Crime Severity Index (VCSI) also continued to show long-term improvement in 2014, falling almost 11 points compared to 2013 and 52% compared to its peak in 2006. Nevertheless, this particular indicator remains higher than most other benchmark cities and slightly above the Canadian average, though that gap has closed rapidly over the past 10 years.

Data from the Halifax Regional Police on the incidence of crimes by category further reflect the downward trend. Person crime, property crime, and other criminal offences all declined in the past year and all show a reduction of about a third since 2007. We have not seen much improvement in the incidence of traffic accidents, however, though the number of injuries resulting from these accidents has declined by 43% since 2007. Unfortunately, the number of traffic fatalities has remained steady.

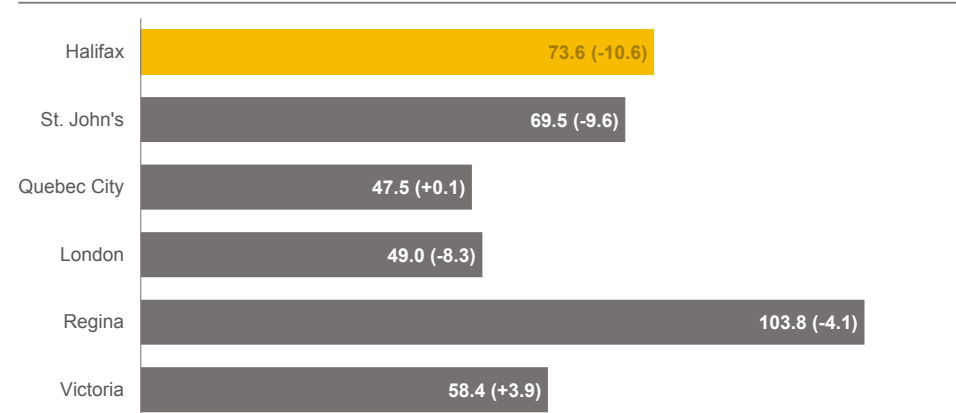
## TOTAL CRIME SEVERITY INDEX LEVEL AND ANNUAL CHANGE, CMAs, 2014

SOURCE: STATISTICS CANADA



## VIOLENT CRIME SEVERITY INDEX LEVEL AND ANNUAL CHANGE, CMAs, 2014

SOURCE: STATISTICS CANADA



## INCIDENCE OF CRIME BY CATEGORY, HRM

SOURCE: HALIFAX REGIONAL POLICE

YEAR	PERSON CRIME	PROPERTY CRIME	CRIMINAL OTHER	FEDERAL	PROVINCIAL	TRAFFIC CRIMINAL	TRAFFIC COLLISION	TRAFFIC FATALITIES	TRAFFIC INJURED
2014	2,725	10,951	7,633	1,365	40,700	2,618	7,333	12	733
2015	2,693	9,602	7,331	1,104	38,743	2,827	8,075	19	733

## Affordability

### WHY IS THIS IMPORTANT?

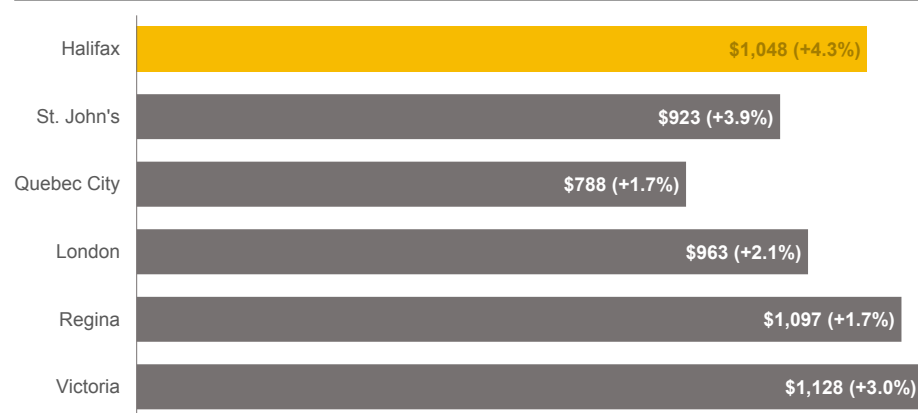
Affordable living is tremendously important to the social and economic health of a community and has perhaps the single largest impact on quality of life. A lack of affordable housing limits our ability to attract students to our universities, cuts into our ability to attract and hold on to young professionals, and impacts the quality of life of all residents. Lack of affordability contributes to expensive urban sprawl, resulting in longer commutes, less time with family and friends, and increased costs to our city, our families, and our environment. For those among the worst off, high housing costs and low income can mean an inability to pay for other basic necessities like food and clothing.

### HOW ARE WE DOING?

Affordability can be thought of as a comparison between incomes and costs. A city with a high cost of living can be affordable if incomes are also high while relatively low living costs will not necessarily be affordable if incomes are also low. Comparing Halifax to other cities across Canada on these metrics, affordability here is roughly average. However, it should be noted that cross-city comparisons of cost of living are problematic, often because comparable data are lacking.

## AVERAGE MONTHLY RENT FOR TWO-BEDROOM APARTMENTS, CMAs, 2015

SOURCE: CANADA MORTGAGE AND HOUSING CORPORATION



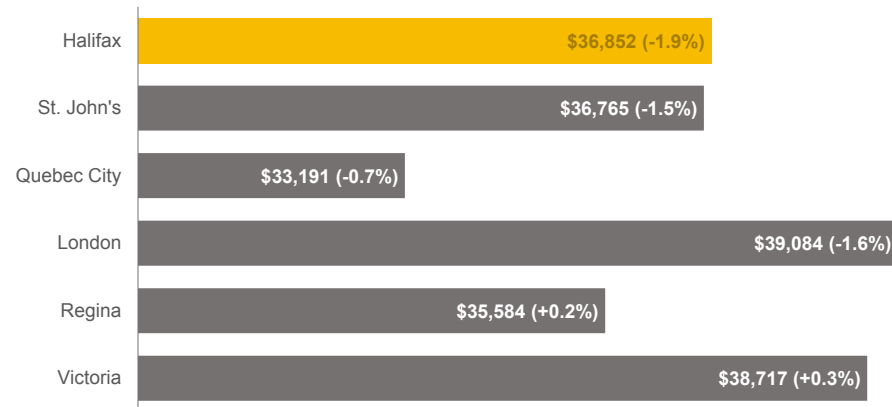
Personal income per capita in Halifax was about \$41,000 in 2015, which was near but somewhat below the national average and near the low end of benchmark cities. Annual growth of 2.5% in this indicator was third highest among benchmark cities and right on the national average.

According to Statistics Canada's inter-city index of price differentials, which compares the cost of a basket of goods and services purchased by the average household in 11 cities across the country, Halifax's overall price level is exactly average. The assumption that average household consumption patterns is uniform across cities is problematic; thus, this data can only provide a rough comparison. Halifax's shelter and transportation costs are about 5% below the all-city average, while things like food, clothing, and furniture were slightly higher. Overall, consumer prices, as measured by the Consumer Price Index, remained relatively unchanged last year as the large decline in fuel costs offset increased food prices.

It is now more difficult to report on the incidence of poverty in Halifax, however, due to limitations in publicly available data from Statistics Canada's new Canadian Income Survey. Data on the percentage of Halifax residents living in low-income households were available until last year from the now-discontinued Survey of Labour and Income Dynamics. The latest available data from 2012 showed that 16.3% of people in Halifax lived in households with income below the "market basket measure" of low income, an index of the cost of a basket of goods considered necessities. However, the data do show that the cost of that basket of goods declined in Halifax in 2013 by almost 2%, to just under \$37,000 per year for a representative household.

## HOUSEHOLD LOW-INCOME THRESHOLD, MARKET BASKET MEASURE, REPRESENTATIVE HOUSEHOLD, CMAs, 2013

SOURCE: STATISTICS CANADA



## Health

### WHY IS THIS IMPORTANT?

The state of both physical and mental health in a community has far-reaching implications. Most obvious is the impact it has on quality of life and healthcare costs, as healthy individuals are more likely to live longer and maintain mobility and independence later into their lives. Healthy individuals are more able to participate in their communities. From an economic perspective, a healthy community means a more productive workforce. In addition, better job opportunities and low unemployment rates drive better health outcomes.

### HOW ARE WE DOING?

Overall, Halifax residents are slightly more likely than the average Canadian to report “very good” or “excellent” physical health. Sixty-two per cent of Halifax residents reported this in 2014 compared to 59% nationally. This puts Halifax in the middle of the pack among benchmark cities. Though that percentage has varied from year to year, it generally has not shown any consistent increasing or decreasing trend.

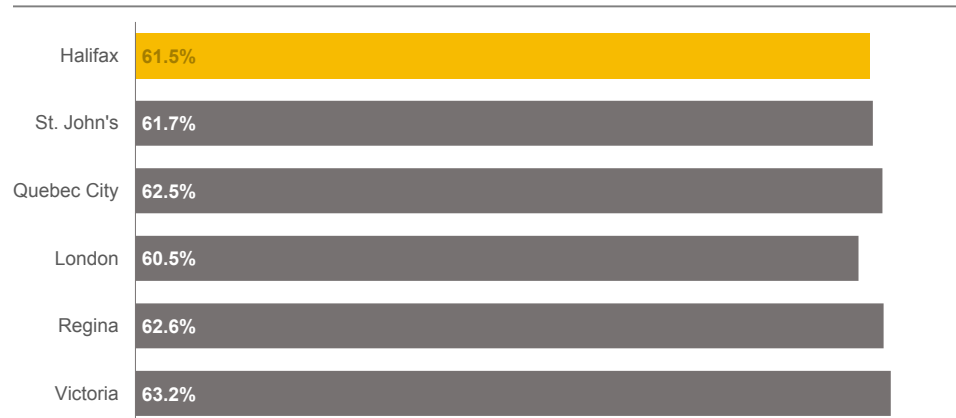
Relatively strong perceptions of physical health are supported by reported lifestyle choices and incidence of common health problems. Just over 56% of residents report typically engaging in “active” or “moderately active” levels of activity during leisure time, a number that is slightly above the national average and second among benchmark cities. Residents in Halifax also report a below-average incidence of lifestyle-related health problems like diabetes (5.5% compared to 6.7% nationally) and high blood pressure (under 16%, compared to almost 18% nationally).

Perceptions of mental health among residents is roughly equal to the national average, with 71% reporting “very good” or “excellent” mental health. This ranks in the middle of the pack among benchmark cities.

When it comes to access to medical resources, 86% of Halifax residents report having a regular medical doctor compared to 85% nationally. That number has declined over the longer term, however, with 95% of residents reported having a regular doctor in 2003.

### PERCEIVED PHYSICAL HEALTH, VERY GOOD OR EXCELLENT, CMAs, 2014

SOURCE: STATISTICS CANADA



### PERCEIVED MENTAL HEALTH, VERY GOOD OR EXCELLENT, CMAs, 2014

SOURCE: STATISTICS CANADA



# Community

## WHY IS THIS IMPORTANT?

Sense of belonging and life satisfaction are important indicators that people are happy with the community they live in and provide a sense of whether they will stay in those communities over the long term. Voter turnouts indicate the level of engagement the community has with the political process and is reflective of the overall strength of our democracy. Charitable contributions are an indicator of people giving back to their community.

## HOW ARE WE DOING?

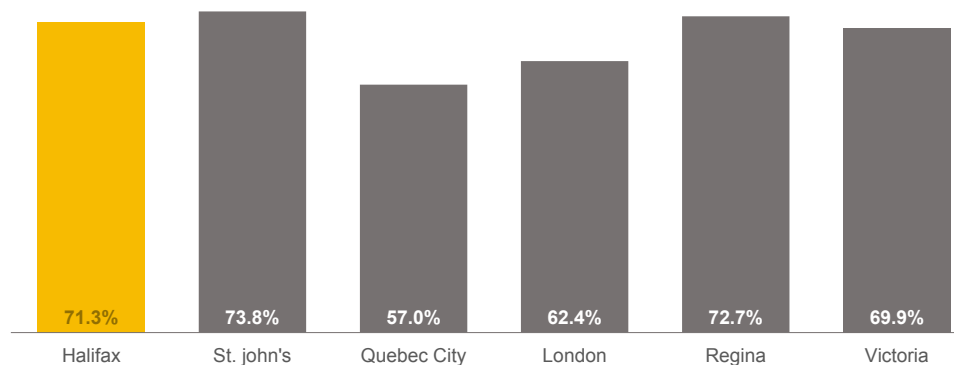
Halifax residents generally feel well connected to their local community and satisfied with life. Just over 71% of Halifax residents reported a “somewhat strong” or “very strong” sense of belonging to their local community in 2014, an increase over previous years and five percentage points higher than the national average. Ninety-two per cent of residents reported being “satisfied” or “very satisfied” with life in 2014, which is equal to the national average.

Turnout among Halifax voters in last October's federal election showed considerable improvement compared to the 2011 federal election. Just under 72% of Halifax voters turned out to vote compared to 62% in 2011. Turnout generally increased across the country, but Halifax saw an above-average increase consistent with that of other jurisdictions that voted for a change of government in 2015.

Halifax is seeing continued efforts by citizens and community groups like the United Way and Engage Nova Scotia to bring a renewed sense of belonging and shared purpose to the city and province. Efforts by various groups in the past year to sponsor and welcome the influx of Syrian refugees show the passion for community building that exists here and provide an example of the kind of grassroots community engagement needed to continue to grow and improve the quality of life for current residents and the successful integration of newcomers.

## SENSE OF BELONGING TO LOCAL COMMUNITY, SOMEWHAT OR VERY STRONG, CMAs, 2014

SOURCE: STATISTICS CANADA



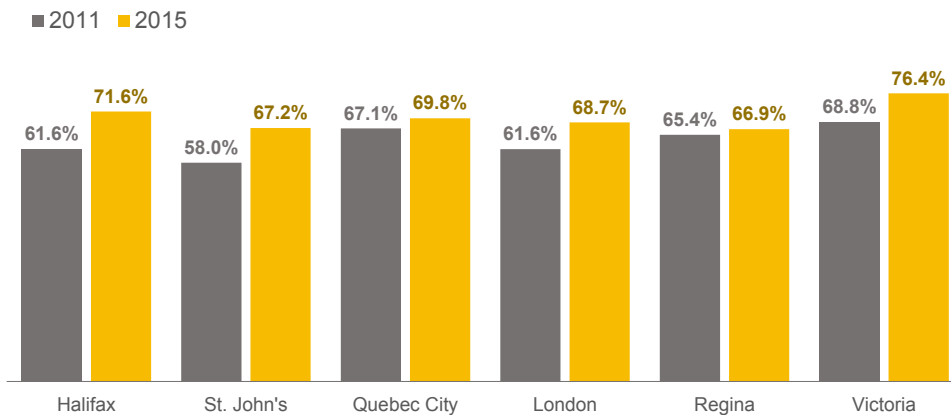
## PERCENTAGE (AGED 12+) SATISFIED OR VERY SATISFIED WITH LIFE, CMAs, 2014

SOURCE: STATISTICS CANADA



## VOTER TURNOUT, FEDERAL ELECTIONS, CMAs

SOURCE: STATISTICS CANADA



## Arts, Culture and Recreation

### WHY IS THIS IMPORTANT?

Arts, culture, and recreation are at the heart of any vibrant community. Arts and culture organizations are both employers of creative artists and producers of art and culture that reflect our region's diversity and quality of life. A strong arts and culture community and a variety of available recreational activities are important to promoting a healthy lifestyle and making the city an attractive place to live and work.

### HOW ARE WE DOING?

Though it is difficult to benchmark the qualitative and subjective impacts of a city's arts and culture scene, data on employment and wages in the arts and culture sector and usage of local cultural resources provide some quantitative benchmarks. Employment in arts, culture, recreation, and sport in Halifax declined in 2015 to about 6,500. On the positive side, average wages in this sector saw a significant increase of 11% in 2015, well above the all-industry average of 0.8%.

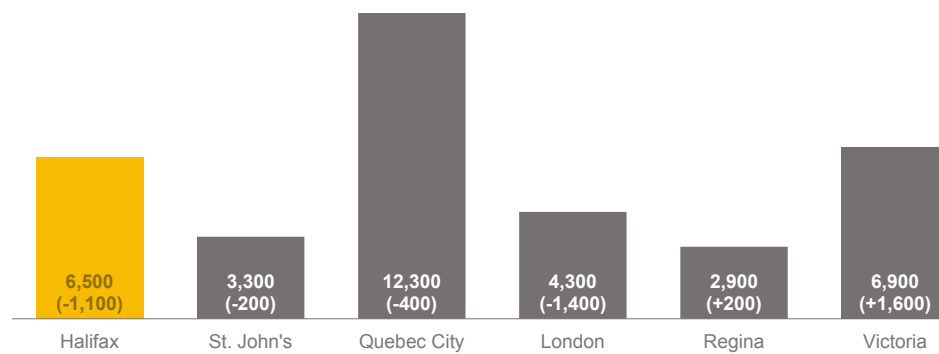
Part of the decline in arts and culture employment is likely the result of the phasing out of the province's payroll tax credit for the film industry in 2015. Regardless of the controversy surrounding this decision and the public debate regarding the return on investment of the tax credit, the

fact remains that the industry will likely downsize as a result of the decision. Formerly, the program provided a fully refundable credit worth up to 65% of eligible labour expenses for film productions in Nova Scotia. In 2014, the credit provided \$23.5 million worth of funding to the province's film industry. Given that productions that began prior to July 2015 are still eligible to receive the credit, the full impact will not be seen this year.

Halifax Public Libraries had another record year for visits and program attendance in fiscal 2015-16. In-person visits to all of their sites increased by 28% last year, to 3.7 million visits. In the less than two years since the new Halifax Central Library opened, that number has jumped by 55%, following years of no increases. Program attendance rose by a third last year and website visits grew by 10%.

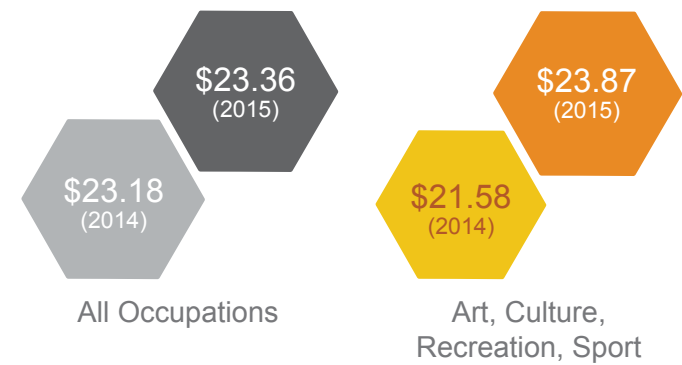
## UNEMPLOYMENT IN ARTS, CULTURE, RECREATION, AND SPORT, CMAs, 2015

SOURCE: STATISTICS CANADA



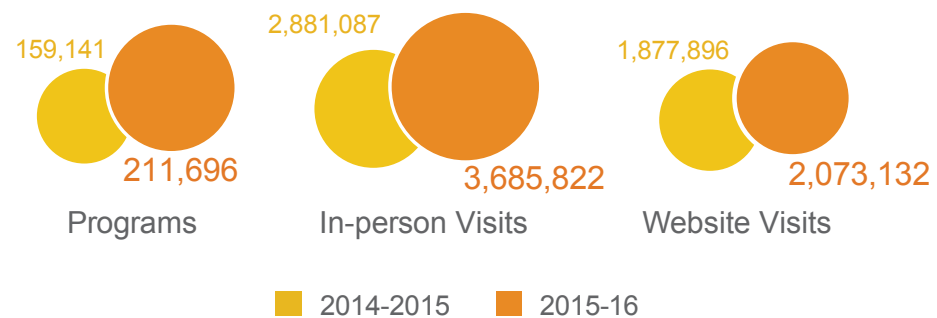
## FULL-TIME HOURLY WAGES IN ART, CULTURE, RECREATION, AND SPORT OCCUPATIONS, NOVA SCOTIA

SOURCE: STATISTICS CANADA



## LIBRARY PROGRAMMING ATTENDANCE AND VISITS, HRM

SOURCE: HALIFAX REGIONAL LIBRARY



# Sustainability



Denser, well-designed cities enjoy environmental and fiscal benefits due to less dependence on motor vehicles and more efficient use of existing infrastructure.

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## KEY INDICATORS

### DENSITY

- Regional Centre population and dwelling counts
- Regional Centre housing starts
- Value of building permits in Regional Centre

### TRANSPORTATION

- Mode of transportation to work
- Public transit usage and availability

### ENVIRONMENTAL

- Waste disposal and diversion
- Air and drinking water quality
- Greenhouse gas emissions per capita

### MUNICIPAL FISCAL SUSTAINABILITY

- Revenues
- Commercial tax per property

# Density

## WHY IS THIS IMPORTANT?

In an urban setting, density and sustainability, both environmental and financial, go hand in hand. Increasing density improves health outcomes of individuals, reduces dependency on automobiles, and reduces commutes thereby increasing family time. Densification reduces the need for costly new infrastructure like roads, sewers, and parks, which keeps tax rates down. In addition, better-planned cities are more able to achieve environmental targets.

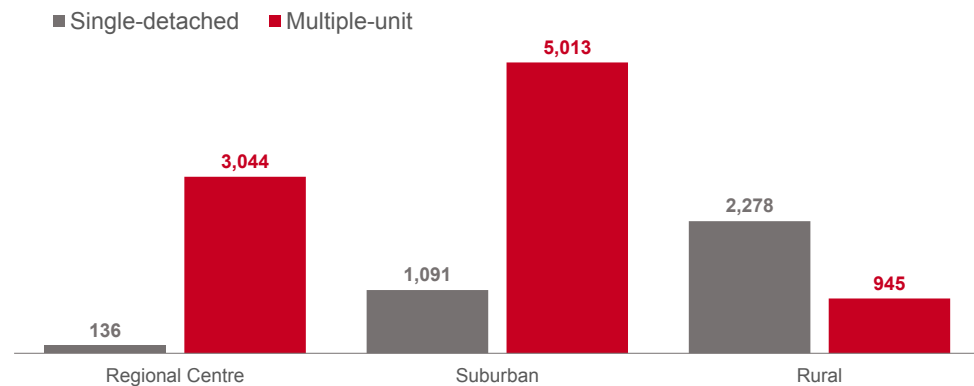
## HOW ARE WE DOING?

Following a period of slumped population growth in the Regional Centre the 2011 Census of Canada showed growth of 1,832 people over the previous five years. Once available in February 2017, the new 2016 census population counts will provide a more updated picture of population trends and densification in the Regional Centre. Until then, however, surging development in the Regional Centre – both residential and commercial – provides evidence of urban renewal in the municipality.

The Regional Municipal Planning Strategy (RMPS), adopted in 2006, laid out targets for the geographic allocation of housing starts moving forward – 25% of growth in new-dwelling construction was targeted for the Regional Centre, with the next 50% targeted for suburban areas, and the remaining 25% for rural areas. In the years immediately following the launch of the strategy, housing starts in the Regional Centre did not reach this target. However, according to Canada Mortgage and Housing Corporation (CMHC) data, which allow for a rough approximation of the Regional Centre and suburban borders laid out in RMPS, housing starts since 2011 hit the targets almost right on. Just over 25% of all starts from 2011 to 2015 fell within the Regional Centre, with 49% in the suburban boundaries and 26% in rural areas.

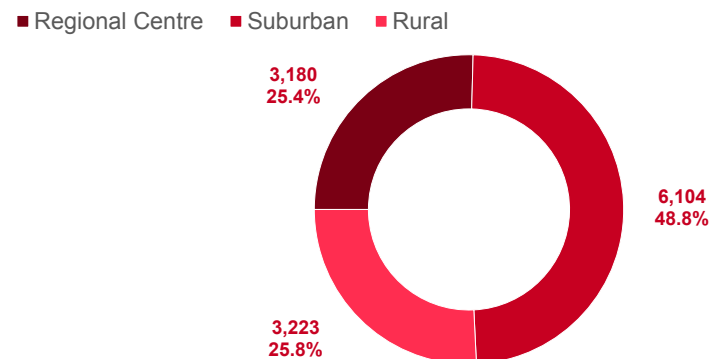
## SINGLE-DETACHED AND MULTIPLE-UNIT HOUSING STARTS BY SUB-REGION, 2011-2015

SOURCE: CANADA MORTGAGE AND HOUSING CORPORATION



## TOTAL HOUSING STARTS AND SHARES BY HRM SUB-REGION, 2011-2015

SOURCE: CANADA MORTGAGE AND HOUSING CORPORATION



Surging multi-unit starts, which tend to be built more often in urban areas and have accounted for almost three-quarters of all development in the past five years, are primarily responsible for this. Of all multi-unit starts during that period, 34% fell in the Regional Centre and 56% were in suburban areas.

Looking forward, the potential for continued strength in development within the Regional Centre is huge. The redevelopment of the Cogswell Interchange will open up 16 acres in the heart of downtown Halifax. The implementation of the Centre Plan, the next phase in HRM by Design, will help to direct high-quality, well-designed development to neighbourhoods within the Regional Centre that can more readily accommodate growth. The Centre Plan will modernize and unify the four separate community plans that currently govern development in the Regional Centre. The plan is currently being drafted and is expected to be delivered to Council for review in late 2016 with implementation to begin in 2017.

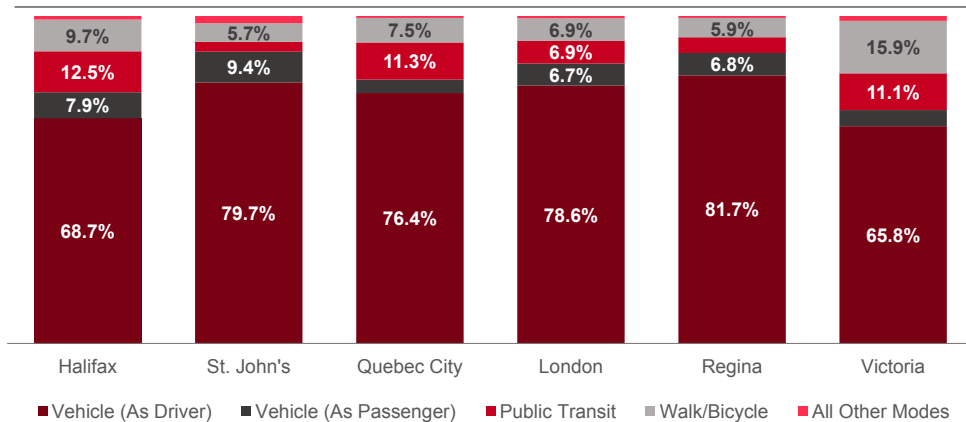
## Transportation

### WHY IS THIS IMPORTANT?

Use of public and active (e.g., walking and biking) transportation is important to a healthy, environmentally friendly community. Fewer cars on the road mean lower levels of carbon emissions, and less congestion reduces commute times. Physically active modes of transportation are associated with all kinds of physical and mental health benefits, including lower rates of obesity and heart disease, and improved mood. Median commute times and the mode of transportation that people use to get to work are indicators of how Halifax is doing on density and environmental outcomes.

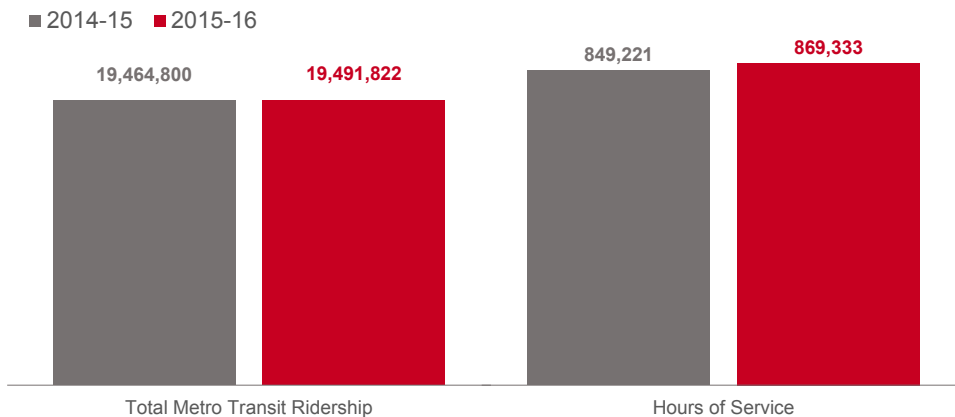
### EMPLOYED LABOUR FORCE BY MODE OF TRANSPORTATION TO WORK, 2011

SOURCE: NATIONAL HOUSEHOLD SURVEY



### TRANSIT PASSENGER VOLUME & HOURS OF SERVICE, HALIFAX

SOURCE: HRM – METRO TRANSIT



## HOW ARE WE DOING?

When it comes to transportation, Halifax residents are less dependent on cars than the average Canadian. Data from the 2011 National Household Survey show that 22% of Halifax residents take public transit, walk, or cycle to work compared to 19% nationally. This was also the second highest rate among benchmark cities. Not surprisingly, that number climbs substantially among Regional Centre residents, to 46%. Of those who do commute in private vehicles (77%), a greater proportion report carpooling as opposed to driving alone compared to the national average and all but one benchmark city.

Metro Transit ridership stats remained unchanged in fiscal 2015-16 at 19.5 million rides, while total hours of service increased by 2.4% to a record high of 869,000 hours. This is consistent with the longer-term trend. Overall, since fiscal 2007-08, ridership has only increased by 3.2% despite hours of service rising by 34%. This suggests that additional routes and hours added during this time period were not distributed to areas or routes that saw significant usage by passengers. This underscores the need to think differently about the transit system, as the Moving Forward Together Plan is intended to do.

The revised Moving Forward Together Plan was approved by Regional Council in April. The plan aims to make the public transit network in Halifax simpler and more efficient by moving to a transfer-based network with more resources allocated to high-ridership routes and services. Implementation of the plan will begin this year, with a five-year timeline for full implementation. Halifax Transit will also continue to implement previously planned technological upgrades, including web and app support for

tracking buses, during that time. Regional Council has also approved the development by city staff of the Integrated Mobility Plan, which will consider a broader range of potential transportation projects and how each affects the need and effectiveness of the others. The report, which is expected in February 2017, will likely consider projects like commuter light rail, the widening of some main commuter routes like Bayer's Road, and rapid transit bus systems.

The municipality should also benefit from newly committed federal funding for public transit infrastructure. In its latest budget, the federal government announced a new \$3.4 billion Public Transit Infrastructure Fund, \$32.2 million of which is earmarked for Nova Scotia municipalities.

# Environment

## WHY IS THIS IMPORTANT?

Environmental outcomes have a direct effect on quality of life outcomes. Environmental quality is of central importance to a healthy, productive population. In the longer-term, environmental outcomes are also tied directly to economic outcomes, affecting our supply of natural resources and the attractiveness of our region. Achievement of environmental goals is a requirement of truly sustainable progress.

## HOW ARE WE DOING?

Per capita solid waste in Halifax from both residential and commercial sources declined in fiscal 2014-15, the latest year for which data are available, to the lowest levels on

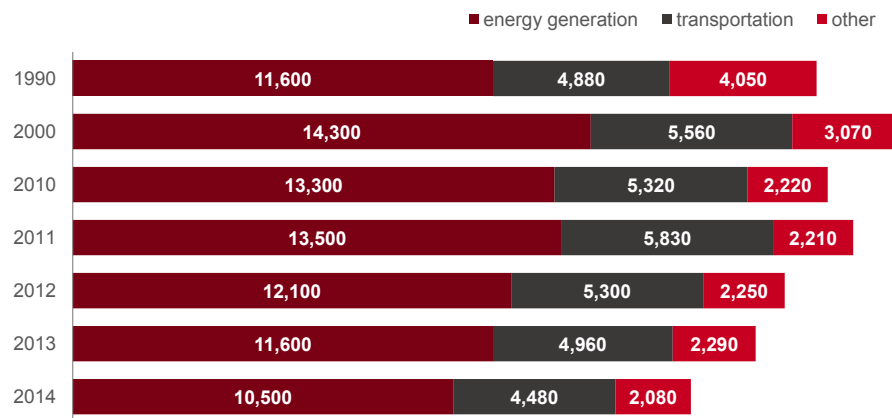
record – 0.13 tonnes per capita in residential waste and 0.24 tonnes in commercial waste. Both streams of waste have declined steadily over the longer term and are well below the national average. This is in part due to overall waste reduction, but is also due to Halifax's successful recycling and composting programs. In Halifax, 61% of all waste is diverted away from landfills, one of the highest rates in the country.

On measures of water and air quality, Halifax compares favourably to benchmark cities. In its latest report on drinking-water quality from 2011, Ecojustice gave Nova Scotia's water a grade of A-, the second highest in the country behind Ontario. (The Ecojustice report does not provide data at the municipal level). Air quality in the city remains high, as measured by the concentration of ambient ozone and fine particulate matter in the air, which were both on the mid to low end of benchmark cities and well below Environment Canada's acceptable standards.

Nova Scotia also continues to have a strong record on greenhouse gas emission (GHG) reductions. The latest data from 2014 show that the province's emissions have declined to 17% below 1990 levels. (Data are not available at the municipal level). This makes Nova Scotia the province with the best record of improvement in GHG emissions over that time period and also puts the province's per capita emissions level well below the national average. The most significant reductions have come from changes to the province's energy generation, which has added considerable renewable generation capacity and shifted fossil fuel-generating facilities away from burning coal to cleaner fuel sources like natural gas.

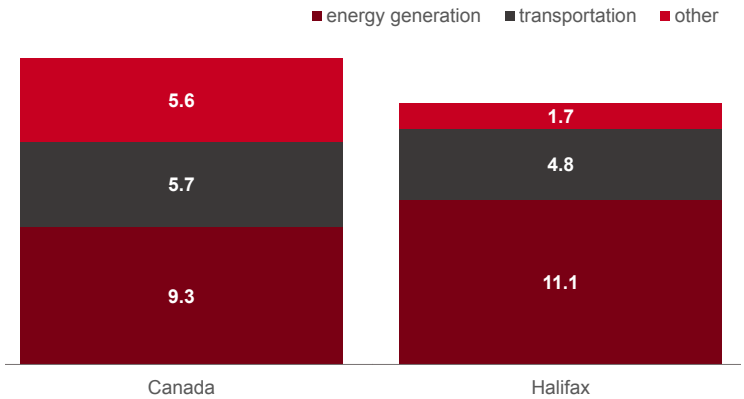
## GREENHOUSE GAS EMISSIONS, KILOTONNES OF CO<sup>2</sup> EQUIVALENT, NOVA SCOTIA

SOURCE: ENVIRONMENT CANADA



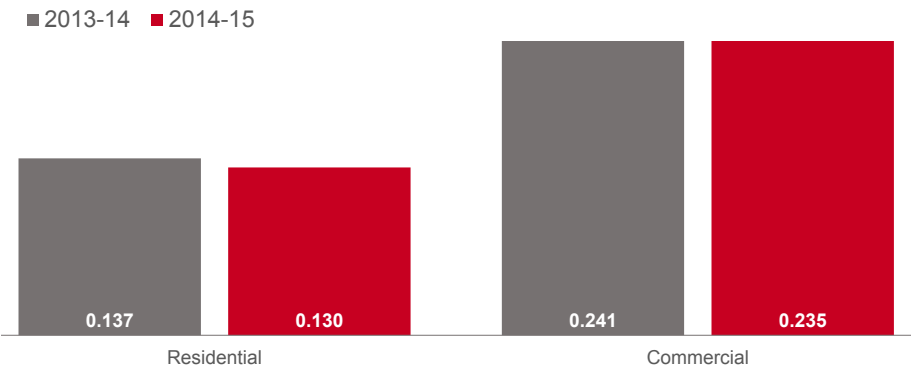
## GREENHOUSE GAS EMISSIONS PER CAPITA BY SOURCE, TONNES OF CO<sup>2</sup> EQUIVALENT, 2014

SOURCE: ENVIRONMENT CANADA



## TONNES OF WASTE PER CAPITA BY SOURCE, HALIFAX

SOURCE: HRM – TRANSPORTATION AND PUBLIC WORKS



# Municipal Fiscal Sustainability

## WHY IS THIS IMPORTANT?

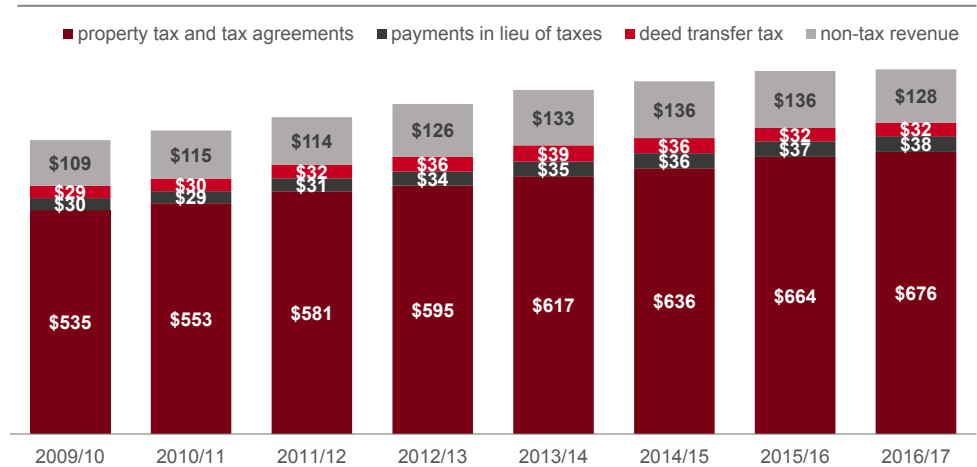
Fiscal sustainability is vital to the long term viability of a city. Revenue growth is key for local government to be able to build infrastructure and provide services to a growing population. It is also important to ensure that revenue growth is balanced with growth in household incomes and business activity. Otherwise the burden placed on households and business can become too large, reducing standards of living and the level of investment. Indeed, several towns in Nova Scotia have found their costs outstripping revenues and have dissolved or are on the path to dissolution.

## HOW ARE WE DOING?

Municipal revenues and expenditures grew by 2.9% in fiscal 2015-16, to \$869.1 million. This represents a relatively modest increase compared to the average over the last six years. The split between residential and commercial tax revenue remained relatively constant, at 61% residential and 39% commercial. On the residential side, the average tax paid by a single family home increased by 3.4% to \$1,943, driven mainly by assessment increases. On the commercial side, average tax per business increased by 3.5% to \$43,971. In both cases, growth in taxes paid was proportional to increases in residential income and commercial revenue, keeping the tax burden roughly the same. Looking forward to the coming fiscal year, the city plans to keep revenue and expenditure growth to a very modest 0.5%. In particular, average tax bills for both households and businesses are targeted to remain unchanged, with tax rate reductions planned to offset increases in residential and commercial assessment.

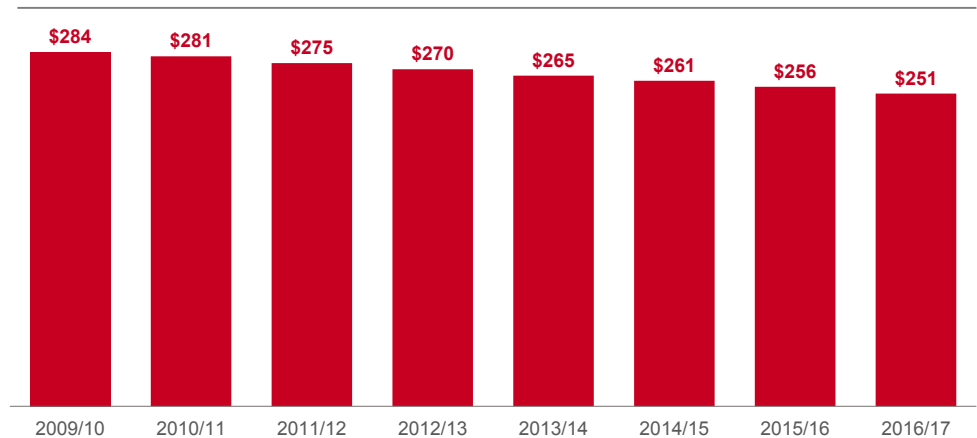
## TOTAL REVENUES BY SOURCE, HRM, \$ MILLIONS

SOURCE: HRM – FINANCE & ICT



## TAX SUPPORTED DEBT, HRM, \$ MILLIONS

SOURCE: HRM – FINANCE & ICT



Over the longer term, the municipality has pursued an aggressive debt-reduction strategy. Since the size of tax-supported debt peaked in 1998-99 at \$350 million, the debt has declined in all but two years. As of the 2016-17 budget, tax-funded debt stands at \$251 million, an average decline of 1.6% per year. Overall, the city is in a strong fiscal position and is well positioned to participate in infrastructure-improvement partnerships that may arise from the federal government's renewed commitment to municipal infrastructure funding.

KPMG's *Competitive Alternatives 2016* report found that Halifax's effective business property tax rate (property taxes paid as a share of before-tax profits) was 4.0%, in the middle of the pack among the cities that were included in the report. However, the effective corporate income tax rate, including both provincial and federal taxes, was the highest among benchmark cities. This left Halifax with the highest overall business tax burden among benchmark cities.





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