



2012

THE **HALIFAX** INDEX

An economic gut check with insights for action

PRESENTED BY
GreaterHalifax
PARTNERSHIP



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MESSAGES

NOTE FROM CHAIR ECONOMIC STRATEGY STEERING COMMITTEE

It's been a year since our community launched **AGREATERHalifax**, the five-year economic strategy for Halifax. The development of the strategy was achieved through unprecedented alignment and engagement between organizations and stakeholders that shared a common vision for Halifax's future.

A key component of **AGREATERHalifax**, indeed any strategy, is measurement. Our collective vision for Halifax is not just about economic growth. It can't be measured solely by indicators of economic success such as an increase in overall GDP or total employment. That is why we chose a different approach to tracking our progress using a new tool – *The Halifax Index*.

Today I'm pleased to present the first edition of *The Halifax Index*. It tells our city's story – the strength of our economy, the health of our community, the sustainability of our environment, and the progress of **AGREATERHalifax**. It's a new and smarter way to measure progress that reaches beyond the traditional economic indicators and provides deeper insight into what's happening in Halifax than anything currently available.

The Halifax Index is not meant to be a pass or fail. It highlights opportunities and challenges and provides insights for discussion and action by all economic strategy partners and the community as we truly are all in this together. Our success is dependent on ongoing engagement, collaboration, trust, and alignment. I believe we can achieve so much more by working together and growing the collective confidence we have in our future.

We have all the ingredients and the right players to make Halifax one of the great cities of the world. I hope we continue – at every level of our community and our province – to work together and to wring out every ounce of opportunity that this great city has to offer our people and the world.



Paul Kent

President and CEO, Greater Halifax Partnership
Chair, Economic Strategy Steering Committee

NOTE FROM EXECUTIVE VICE PRESIDENT AND CHIEF ECONOMIST GREATER HALIFAX PARTNERSHIP

Partners in the Halifax economic success story know that that our success has to be measured by more than simple economic growth. In *The Halifax Index*, we are focused on broader economic development, a term that measures economic growth as well as improvement in the economic circumstances of individuals, the quality of life we enjoy, and the sustainability of the environmental and fiscal aspects of our community.

But our measures of economic development are more than a check-in on progress. The Index also provides insight for action in our community. It susses out both opportunities and challenges that we need to face collectively if we want to improve our future results.

New opportunities have come into focus in the last year: the Lower Churchill project, offshore oil potential, and, of course, the \$25 billion Halifax Shipyard project to build combat ships for the Royal Canadian Navy. Halifax also faces challenges. Our analysis shows we are probably growing well below our potential compared to our neighbours and our benchmark cities.

The Index highlights four key opportunities and challenges:

- Our current tax and regulatory climate presents barriers to business growth and individual success;
- We have to grow our population. This means we need more immigrants, a much better retention rate of students, and better access to good jobs for young professionals who may want to stay in, or come back to Halifax;

- We have to stabilize and grow our Regional Centre because if our city is to grow it needs a healthy heart; and
- We have to work together to find the will to maximize the benefits from our natural assets like our harbour and our universities, and major project opportunities that are coming along.

However, I believe our biggest challenge is not economic; it is cultural. Attitude is everything, but it's difficult to measure its impact. Attitude is about a business or an individual having the confidence to invest in the future. Attitude is about how we deal with gatekeepers who block progress and filibuster debate. Attitude is about dealing with opportunity as partners rather than blaming problems on someone else and going it alone.

This is year one for *The Halifax Index*. However, our benchmarking has already told us that while our performance will change from year to year our path forward will always be about partnership.

Sincerely,



Fred Morley
Executive Vice President and Chief Economist,
Greater Halifax Partnership

EXECUTIVE SUMMARY

WHY THE HALIFAX INDEX?

AGREATERHalifax, the 2011-16 economic strategy for Halifax, is about two fundamental things:

- Helping to build better lives for the people who live and work here; and
- Aligning our resources and efforts to make our city a place where more people want to live and work in the future.

The economic strategy's vision is bold. It's not just about creating more jobs, more construction, and more production. The strategy's focus on building vibrant communities and a competitive business environment; creating confidence and pride in the things Halifax does well; building a welcoming and inclusive environment for underrepresented groups; and focusing on quality of place needed a more comprehensive and aligned annual measurement tool to match its vision.

This measurement tool is *The Halifax Index*. Its sections – “People,” “Economy,” “Quality of Place,” and “Sustainability” – reflect a wide-angled view of what economic and community progress looks like. The key indicators that have been selected represent some of the most telling benchmarks for progress available. It is not meant to be a pass/fail exercise or to point fingers but to provide deep insight into the community and allow for course corrections as Halifax moves along the path towards its vision.

WHY DOES HALIFAX NEED A TOOL LIKE THIS? WHY NOW?

Halifax has a level of opportunity in front of it on a scale never seen before. Grasping a full measure of opportunity means people and businesses will need to make important decisions soon. People will have to think about their career path and if that path leads through Halifax. Businesses will have to think about how much to invest and in what kind of technology or training. Maximizing the benefit for people and businesses means making the right decisions now and making good decisions requires good information. That's what *The Halifax Index* is all about: providing the insights and knowledge people need to take action.

This year's Halifax Index is about setting a benchmark for how Halifax is progressing in comparison to benchmark cities: St. John's, Quebec City, London, Regina, and Victoria. Each year *The Halifax Index* will evolve and will devote particular attention to topical issues, trends and emerging opportunities and challenges facing the city. This year the focus is on Halifax's business competitiveness on the world stage; how international student retention is a major talent opportunity; and how demographics in the Regional Centre may affect public policy aimed at creating a vital city core.

The Halifax Index is about sharing timely and relevant information in a useful way. It informs and poses key questions intended to stimulate productive discussion on the issues towards achieving the goals of **AGREATER**Halifax.

WHAT WERE THE FINDINGS?

The Index benchmarks Halifax's progress against other cities in a more comprehensive way than has ever been done before. It provides a view not only as to whether Halifax is achieving growth, but how Halifax's growth compares to other jurisdictions. A number of key trends have emerged and provide an insight into the inner workings of the economy, the community and the long-term success of the region. The Index also highlights the most pressing opportunities and challenges facing the city and region today so the community is ready to meet them head on.

PEOPLE

KEY OPPORTUNITY:

Grow Halifax's population: Halifax needs more immigrants; increased retention of international students; and more high-value jobs for young professionals who want to stay in or return to Halifax. Halifax has the largest population of international students and the region's lowest retention rate; international students are Halifax's best immigration opportunity.

INDICATORS:

- Now home to over 408,000 people, Halifax's population growth has been strong in comparison to benchmark cities.
- Halifax's population is aging at comparable rates to other benchmark cities. Halifax has the second-highest proportion of people at labour force age (15-64).
- Declining international and intraprovincial migration indicate Halifax's ability to attract new residents has slipped compared to regional cities.
- Halifax is a Smart City. Halifax's labour force education rates are comparatively higher than most of the benchmark cities.
- Enrolments in universities are steady and showing recent signs of growth. Community college enrolments increased 14% from 2006-2011, and graduates provide more skilled labour for the labour market.
- Solid labour force and employment growth, mixed with relatively strong participation (70.3%) and low unemployment (6.2%) rates, indicate the marketplace for talent is currently in good shape.

ECONOMY

KEY CHALLENGE:

Improve the tax and regulatory climate. This presents barriers to business growth and individual success. The tax side is difficult to address in the short term given the fiscal challenges faced by cash-strapped governments, but there are few excuses for poor customer service. Getting regulation and client service right needs to become a priority for all business-facing organizations.

INDICATORS:

- Halifax has achieved strong GDP growth, and its diverse economy weathered the recession of 2008-09 relatively unscathed. Growth is expected to be moderate in 2012.
- Halifax's productivity continues to be an issue, lagging behind other benchmark cities.
- Employment growth has fueled strong retail and housing markets.
- Both private and public investment in construction, particularly in the Regional Centre, has not kept up to levels seen in other cities.
- Plenty of people are moving through the Halifax Gateway (air and cruise passengers). Air, sea and land cargo are recovering from recessionary dip in demand.
- New businesses are more confident than existing ones. Improvements in business climate will have the biggest impact on confidence.
- Office space development is mostly occurring outside the downtown core. Downtown office space inventories declined between 2006 and 2011 while peripheral inventories added one million sq. ft. Vacancy rates have also increased in the downtown.

QUALITY OF PLACE

KEY OPPORTUNITY:

Creating a culture of partnership. Halifax's biggest challenge is simple: the community needs to nurture a culture of partnership when tackling every challenge and every opportunity. Halifax needs a community culture that deals with issues by engaging in vital business and community partnerships rather than blaming challenges on others and going it alone.

Halifax has to find the tools to maximize the benefits from its natural assets like the harbour, universities, and the major projects that are coming along and to create good outcomes for as many as possible. Furthermore, a culture of partnership should extend to community development projects. Great examples already exist: Our HRM Alliance, the Halifax Marine Research Institute and others.

INDICATORS:

- Crime and violent crime indicators show Halifax is reducing crime levels. Largely, residents feel safe where they live and work and businesses are confident in police services.
- Halifax is a relatively healthy and active city in comparison to its benchmark cities.
- Over half of Halifax residents in the Regional Centre use either public or active transportation to get to work; this is in contrast to only 15% in the rest of Halifax.
- Halifax is a comparatively expensive city with personal income levels in the middle of benchmark cities.
- Halifax has a growing arts and culture sector with wages increasing at higher-than-average rates.
- Overall life satisfaction is exceptionally high in Halifax, but this does not translate to a high level of community belonging.

SUSTAINABILITY

KEY CHALLENGE:

Grow a healthy Regional Centre. While there has been plenty of commercial space development in Halifax over the last few years, 96% of new inventory between 2008 and 2010 was located outside of the urban core. At the same time, vacancy rates in the Regional Centre for office space have risen dramatically. This could be an indication that the urban core is at a tipping point. Taking action now to ensure the heart of the community is healthy is essential to the well-being of the entire city. Meeting population targets for the urban core where civic infrastructure and services already exist are vital to the long-term sustainability of Halifax.

INDICATORS:

- Halifax's population density is low in comparison to other benchmark cities; increasing density in urban areas is vital to ensuring sustainable infrastructure spending.
- Halifax has the second highest national percentage of people who use public or active transportation to get to work, and use of these modes is increasing. Satisfaction with public transit has decreased in the past year.
- Halifax's water and air are among the highest quality of benchmark cities and waste diversion rates (already among the highest in Canada) are increasing. Waste diversion (rather than disposal) is both environmentally friendly and cost effective.
- The municipality's fiscal health is in excellent shape; an AA- bond rating signifies confidence on the global lending market. Commercial and overall property tax rates have grown at near economic growth rates.

The Halifax Index findings, coupled with the progress report on the Economic Strategy (see page 87), will help inform key decision-makers throughout the community in making the short-term decisions necessary to create long-term growth. Furthermore, for businesses, non-profits, academia, and governments throughout the community, the trends and key questions will lead to further discussion, research, partnership and action.

PEOPLE

PEOPLE

KEY INDICATORS

POPULATION

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

EDUCATION

- Workforce by education
- University and college enrolment
- Programs of study
- Mean reading, science and math scores

LABOUR FORCE

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

WORKFORCE STABILITY

- Days lost to illness, disability, personal and family responsibility
- Days lost to strike
- Average job tenure

WHY ARE THESE INDICATORS IMPORTANT?

People are the lifeblood of an economy and define the region.

Population growth is the primary measure of a community but it does not tell the whole story. Slow growth or a declining population can be an indicator of other problems in the region. Strong population growth is an indicator of a solid economy where consumer demand will remain strong and services can be maintained without increases in taxes.

A population can grow two ways: naturally (e.g., more births than deaths) or through migration. Migration tells the story of how attractive a region is in comparison to other options. The age composition of the population is also very important. A region needs a good mix of young, middle-aged and older people to ensure the sustainability of the workforce and the tax base.

Workforce education shows that business requirements and residents' skills are aligned. University and college enrolment indicate they are well positioned and providing the right skills for local companies to draw upon. Benchmarking of test scores in local schools indicate that students are getting a quality education.

A healthy, growing labour force is required to meet the needs of growing industries. Labour force turnover is good for a region; having too many or too few people out of work can inhibit growth. Unemployment and participation rates provide insight into the market for available labour and how the skills available match up with current jobs.

POPULATION

HOW IS HALIFAX DOING?

Halifax is now home to over 408,000 people. Since 2000, Halifax has achieved strong population growth in comparison to its benchmark cities and at the Canadian average.

Halifax's population growth between 2000 and 2011 was evenly split between natural growth (births vs. deaths) and migration. Halifax had average natural and migration growth when compared to its benchmark cities.

While these numbers suggest the overall population is growing steadily, there is some cause for concern.

Since 2007, annual international immigration totals have fallen 18%. This has been largely offset by strong interprovincial migration figures. Nova Scotians are used to losing people to other provinces, but the impact of the recession in Canada meant fewer residents headed west, reversing historical outmigration trends. These trends are showing signs of shifting back to pre-recession levels in 2011.

Furthermore, while Canada and the world are becoming more urbanized, intraprovincial migration figures indicate that the trend is only moderately occurring in Halifax. When combined with figures that show significant population decline in rural Nova Scotia, it is quite likely that rural Nova Scotians are skipping Halifax and heading to opportunities in other cities and provinces.

Additionally, demographic changes indicate that attraction and retention of young people is critical to Halifax's continued success. Population estimates indicate that since 2000 Halifax's population growth has seen the second largest increase in the population 65+ and the largest decline in the population 0-14 compared to its benchmark cities.

While those of "labour force age" (15-64) were added steadily as baby boomers start to leave the workforce in larger numbers, it is vitally important that a sustainable population is available to replace them and to grow Halifax long term.

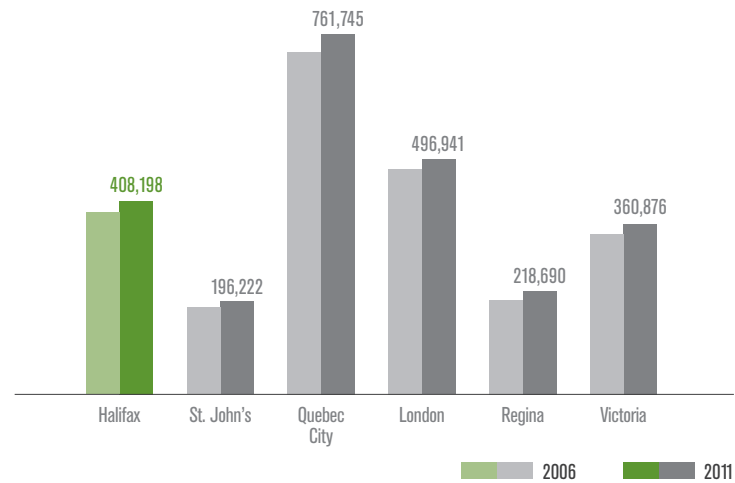
Halifax's population growth is at the heart of its future success. Attracting and retaining more people will ensure it has a sustainable base for growth into the future and that tax burdens are shared by a large collective rather than a few.

KEY QUESTION

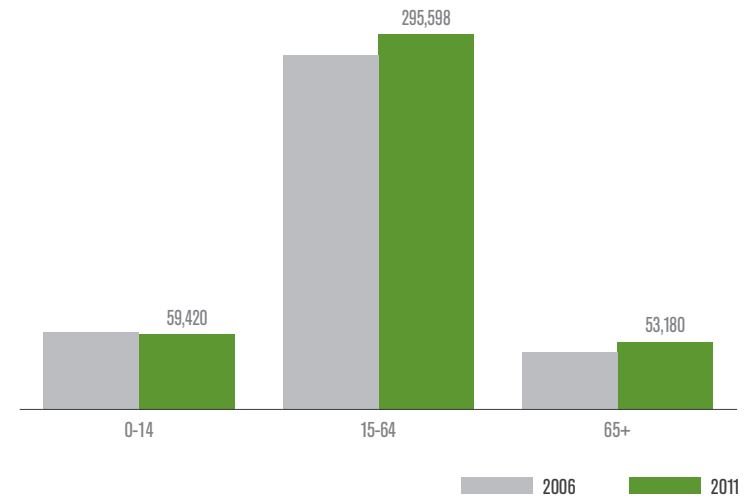
CAN GROWTH IN HALIFAX BE USED TO INCREASE RETENTION OF NOVA SCOTIANS?

Population Estimates

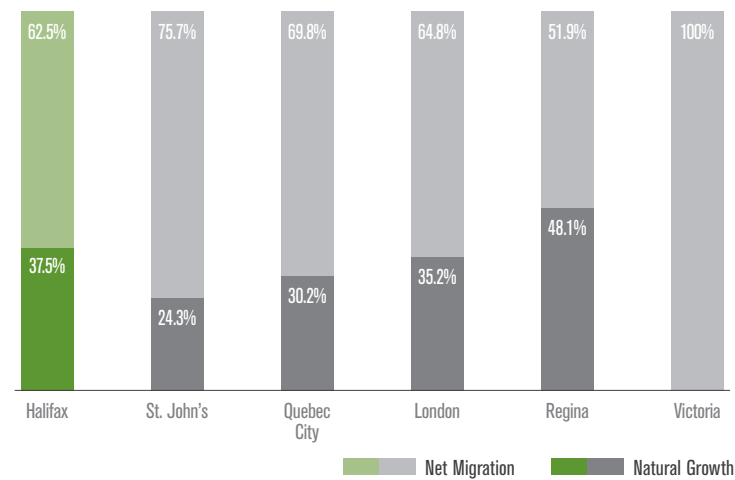
Source: Statistics Canada

**Population by age group, Halifax**

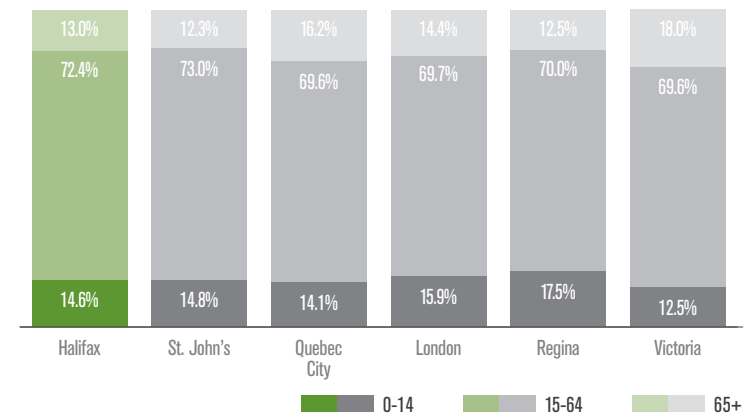
Source: Statistics Canada

**Share of population growth, natural vs migration, 2000-11**

Source: Statistics Canada

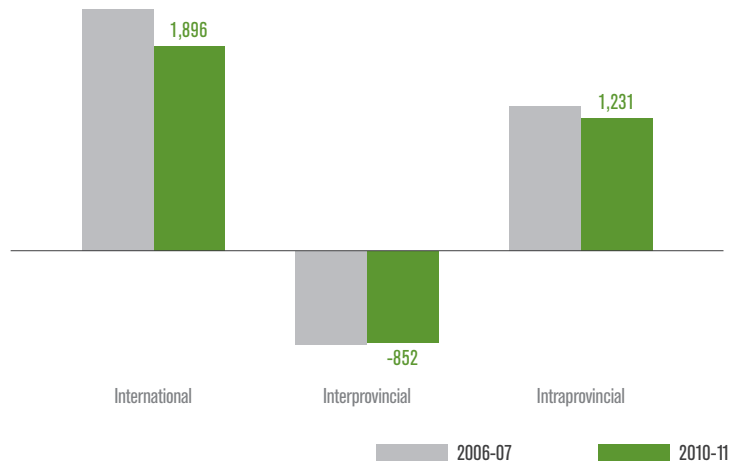
**Proportion of population by age, 2011**

Source: Statistics Canada



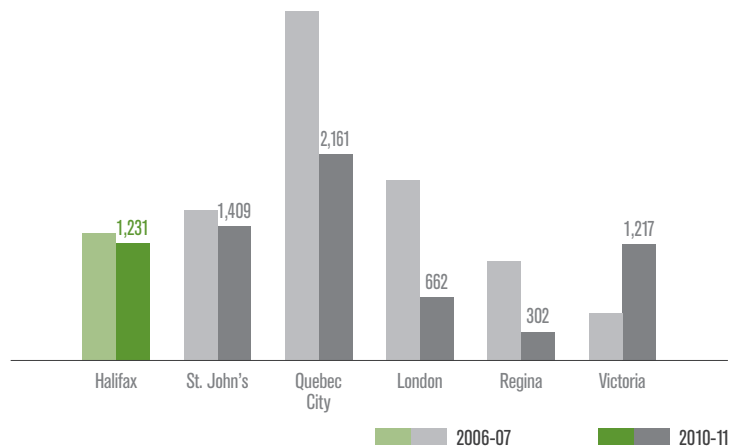
Annual migration estimates, Halifax

Source: Statistics Canada



Intraprovincial migration, 2006-07 and 2010-11

Source: Statistics Canada



EDUCATION

HOW IS HALIFAX DOING?

Halifax is a knowledge-based economy. Over 85% of its jobs are in service industries. As a result, it is important that Halifax retains talented, educated people for the jobs of today and tomorrow. Universities full of talented students are one of Halifax's greatest assets.

Universities are economic drivers for communities. They attract smart people and are a source of high-skilled jobs and research. In communities with a culture of innovation and a strong university presence, like San Diego and San Jose, they can also be engines of community and business transformation.

Halifax is fortunate to have six degree-granting universities and three large community college campuses. Dalhousie is one of Canada's major research universities while others like Saint Mary's, Mount Saint Vincent, King's, NSCAD, the Atlantic School of Theology, and the Nova Scotia Community College have found important niches that for the most part avoid competition with nearby institutions. Both enrolment and research activity are important measures of success.

University enrolment stagnated between 2005 and 2008 mirroring a lack of growth in most other benchmark cities. Among benchmark cities, only London and Victoria have shown substantial movement. The nature of enrolments is changing. Halifax is drawing fewer and fewer students from Nova Scotia because of cost-competitive university options away and fewer young people here, meanwhile more students are coming from elsewhere in Canada and from other countries.

What students at Halifax universities are studying is also changing. Enrolment in health professions and sciences, mathematics and engineering are growing rapidly while graduate commerce/administration and undergraduate humanities enrolment has declined.

Since 2006, Nova Scotia Community College enrolment has increased 14% overall and 32% at Halifax campuses. Given the increasingly important role skilled trades are playing in Halifax's economy (particularly with expansion at Halifax Shipyard), growth at the community college is one key element to ensuring Halifax has the talent we require long term.

Standardized test scores in Nova Scotia at the 8th grade level are lower than other benchmark provinces, particularly in science and math. Making sure Nova Scotian children are well prepared for future academic endeavours is vital to ensuring they compete for tomorrow's jobs and challenges.

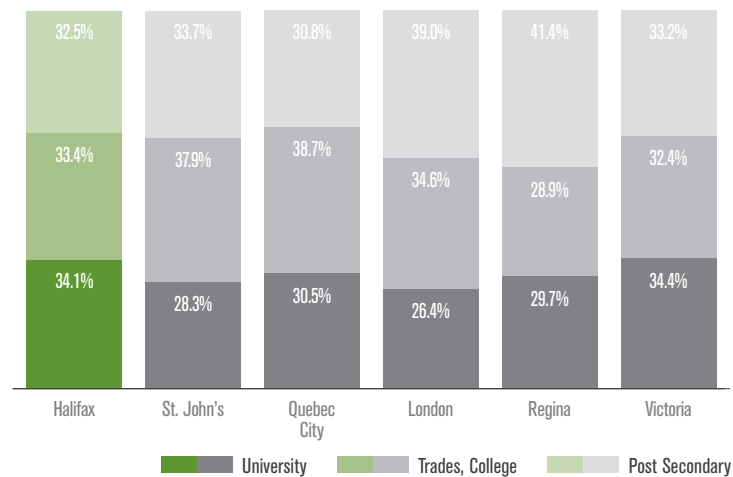
Knowledge-based economies like that in Halifax require a sustainable pool of talented individuals to compete with other locations for investment, jobs and growth. The students educated and trained today will help shape Halifax's future, and ensuring they, and the institutions who teach them, have the resources required to succeed is vital to Halifax's long-term success.

KEY QUESTION

HOW DOES HALIFAX SUSTAIN THE ROLE AND INFLUENCE OF UNIVERSITIES AND COLLEGES IN THE FACE OF GOVERNMENT RESTRAINT AND COMPETITION FOR DOMESTIC AND INTERNATIONAL STUDENTS?

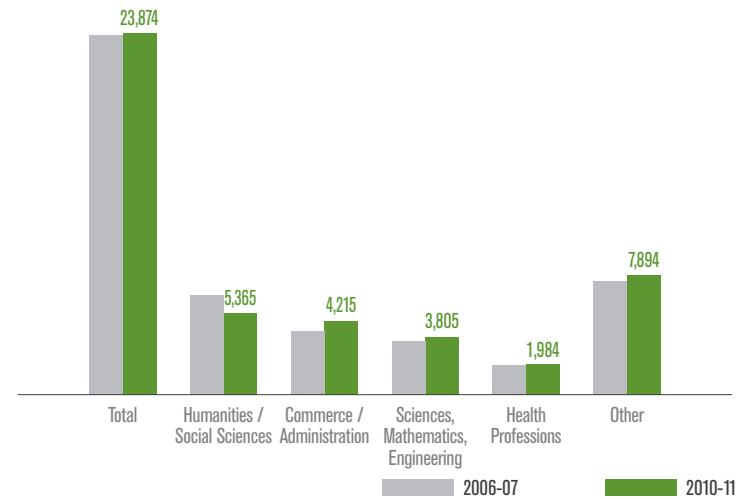
Share of workforce by level of education, 2006

Source: Statistics Canada



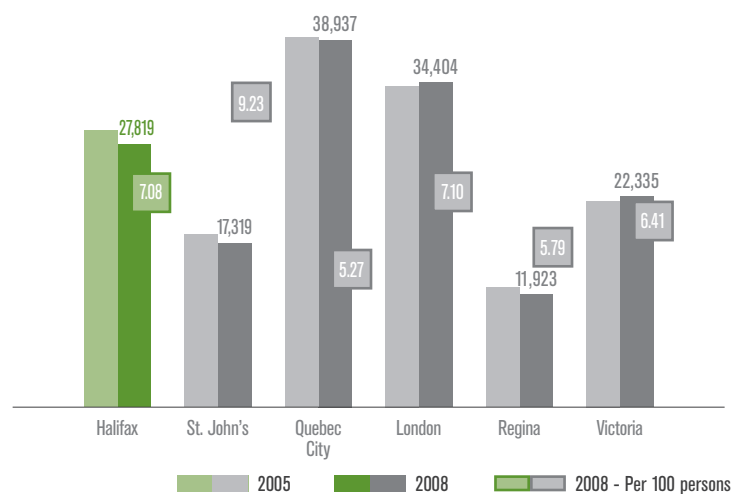
Undergraduate enrolment by program category, Halifax

Source: Maritime Provinces Higher Education Commission



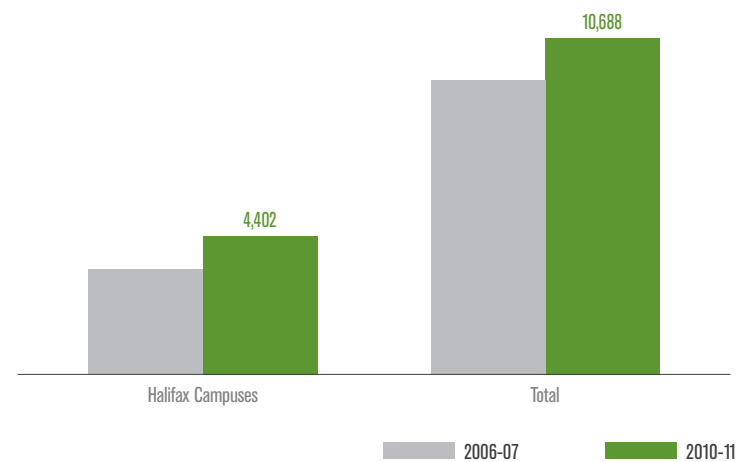
Total university enrolment and enrolment per 100 persons

Source: Association of Universities and Colleges of Canada



Nova Scotia Community College enrolment

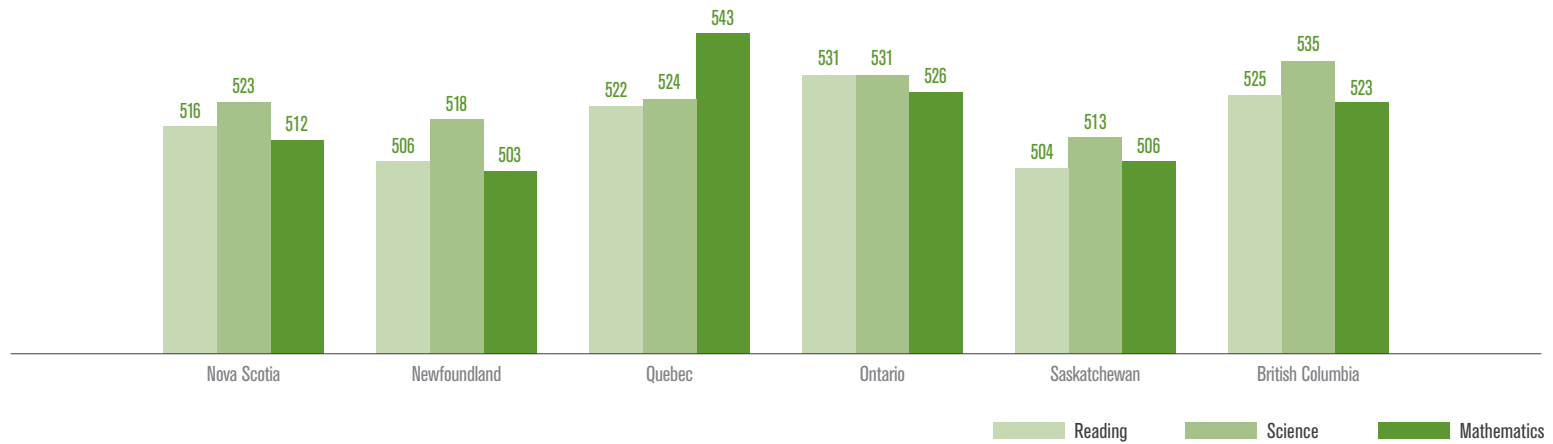
Source: Nova Scotia Community College



*Note: Universities with satellite campuses in Quebec City and Victoria were excluded, as the data did not allow for separation from the main campuses in Montreal and Vancouver.

Program for International Student Assessment (PISA) scores (age 15), 2009

Source: Organization for Economic Co-Operation and Development (OECD)



LABOUR FORCE

HOW IS HALIFAX DOING?

The labour force in Halifax expanded by 10.6% or nearly 23,000 people between 2006 and 2011. This proportional growth was third among benchmark cities.

Halifax employment levels also grew through the Canadian recession of 2008-09 adding more jobs than any of its benchmark cities. Since 2006 Halifax has added over 19,000 jobs, and over 70% of these are in the private sector. This overall employment total represented a 9.3% increase, ranking fourth among benchmark cities.

Halifax's unemployment rate increased from 5.1% to 6.2% between 2006 and 2011 and remained more than 1% below the Canadian average. Among benchmark cities, Halifax's unemployment rate in 2011 tied for third lowest.

Halifax continues to have significantly higher-than-average participation rates, indicating that the overall job market continues to be attractive to residents. Halifax's 70.3% participation rate in 2011 is 3.4% above the Canadian average and second highest among its benchmark cities.

While labour force and employment growth figures are positive, there are long-term risks to be concerned with. In particular, the labour force is aging. Between 2006 and 2011, of the nearly 23,000 new members of the labour force, only 700 were between the ages of 15-24. This calls into question the attractiveness of Halifax's job market for early-career job seekers. Over half of the growth was in persons above the age of 55 indicating that retaining talented, young people will be vital to ensuring that as people reach retirement age Halifax has a sustainable supply of labour.

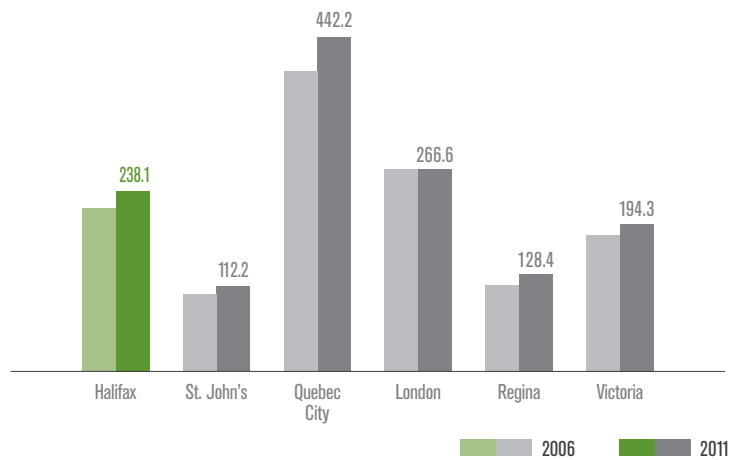
In order for Halifax to continue to achieve economic growth and prosperity, growth in the labour force and in employment must occur. Workforces not only produce the goods and services, but they also pay tax and purchase goods and services.

KEY QUESTION

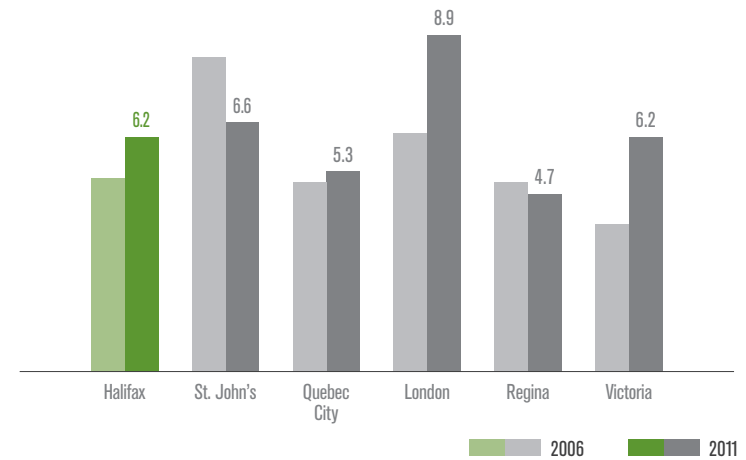
WHAT DOES HALIFAX HAVE TO DO TO ENSURE THE LONG-TERM SUSTAINABILITY OF ITS WORKFORCE?

Labour force population, 000s

Source: Statistics Canada

**Unemployment rates, %**

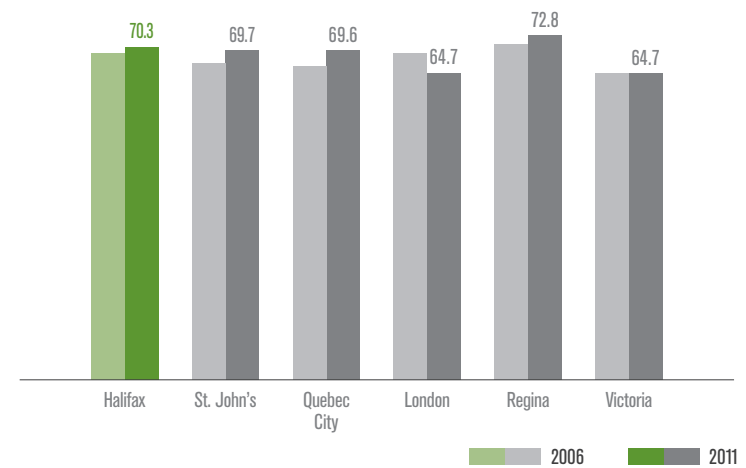
Source: Statistics Canada

**Employment, 000s**

Source: Statistics Canada

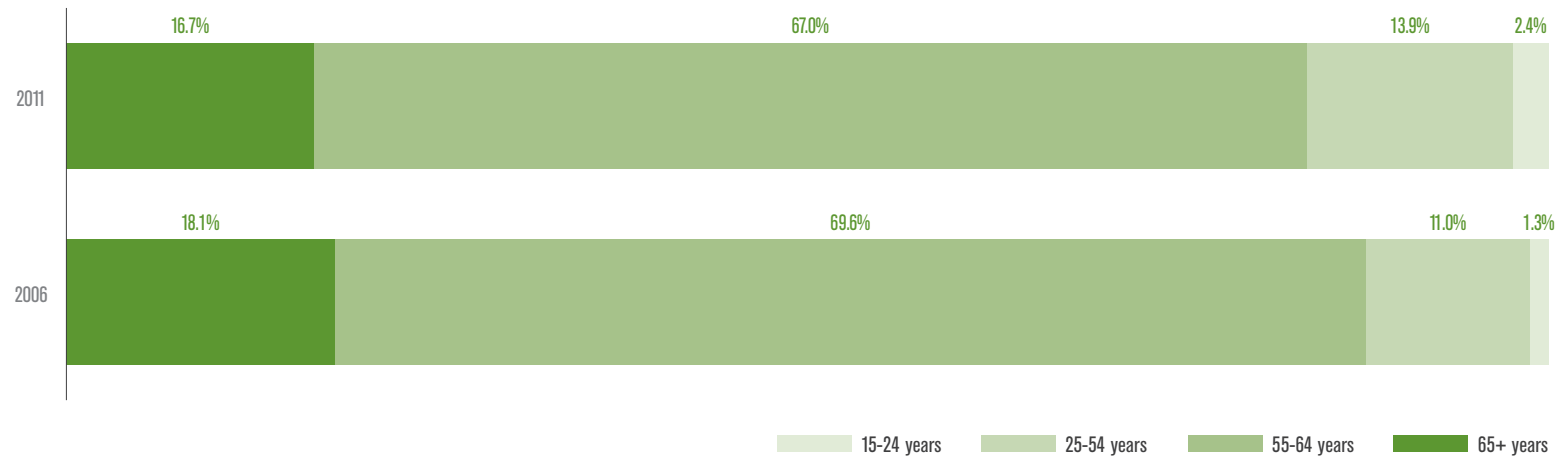
**Participation rates, %**

Source: Statistics Canada



Proportion of labour force by age, Halifax

Source: Statistics Canada



WORKFORCE STABILITY

HOW IS HALIFAX DOING?

Halifax employees lost an average 9.4 days to illness, disability, and personal or family responsibilities in 2010. This was down from 10.1 days in 2006, and the 2010 average was slightly above Canadian averages. Among benchmark cities, Halifax's days lost was third lowest. While provincial data is unavailable, at the Canadian level, industries such as health care and social assistance (13.4 days) and public administration (11.8 days) had the most days missed while professional, scientific and technical services (5.4 days) and primary industries (7.0 days) had the lowest.

Furthermore, Nova Scotia's labour relations environment is among the best in the country. On average, Nova Scotians lost 0.017 days per year per capita to strikes between 2006 and 2011. Nova Scotia's average was half of the national figure and well below all of the benchmark provinces. Furthermore, despite labour relations challenges in many sectors in early 2012, in Halifax, only Metro Transit lost time to a strike.

Average job tenure in Nova Scotia is also one of the highest in the country. The average job tenure in 2011 was nine years and one month, seven months higher than the Canadian average and second highest among benchmark cities.

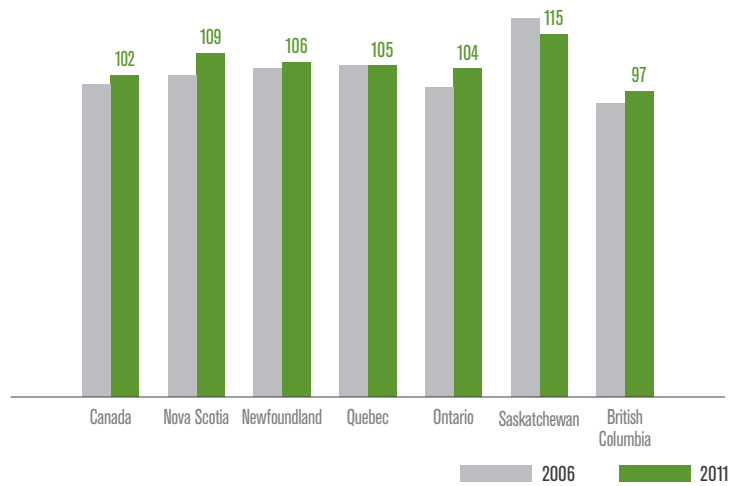
Indicators of workforce stability provide insight into employee-employer relationships; if job tenures are long, workforce stoppages rare and days missed low, it would seem that both parties are satisfied with work conditions.

KEY QUESTION

WHAT CAN HALIFAX EMPLOYERS DO TO KEEP HALIFAX'S WORKFORCE STABILITY COMPETITIVE LONG TERM?

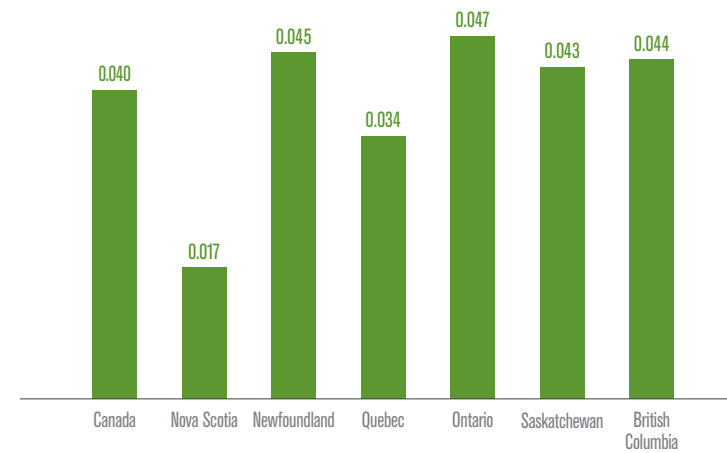
Average job tenure, months

Source: Statistics Canada



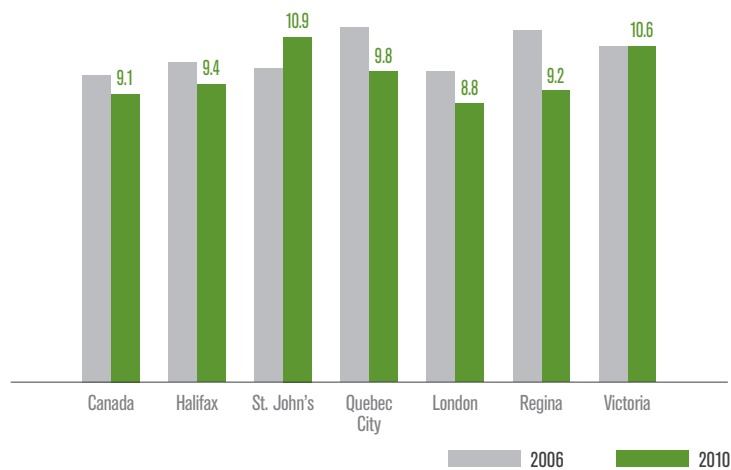
Average person days lost per capita to strike, annual average 2006-11

Source: HRSDC Labour Program



Days lost to illness, disability, personal or family responsibility

Source: Statistics Canada



SPECIAL ANALYSIS: INTERNATIONAL IMMIGRATION AND INTERNATIONAL STUDENT RETENTION

Immigration has long been an important source of population growth in Halifax and the region. Although the Atlantic Provinces attract only a small share of the nation's immigrant population, this share has been consistently growing over the past 10 years. In Halifax, immigrant attraction and retention continues to be a key determinant of economic growth and an important policy focus. A focus on immigration is important because:

- Immigrants provide valuable skills that are otherwise in short supply, helping to bridge labour gaps and empower local businesses;
- Immigrant workers help balance the age cohorts and make health care costs and entitlement programs such as Old Age Security more sustainable; and
- Immigrants help bring diversity to Halifax and enrich the local culture, fuelling creative and cultural industries.

GROWTH TRENDS

The city's ability to grow its economy is dependent on a strong source of immigrant labour and the benefits they provide to local companies.

Unlike many other cities in the Atlantic region, Halifax's immigrant numbers have been in decline over the past five years. Some places, most notably Charlottetown, have increased their immigrant attraction by a significant amount. While Halifax still dwarfs most other locations in the region, it is experiencing a trend that is common among major Canadian cities.

Halifax's immigration numbers fell in 2011 by 12.6%, similar to cities such as Quebec City (15.0%), Montreal (3.5%), Toronto (15.7%), and Vancouver (22.4%). In contrast, many smaller cities such as Fredericton and Moncton have been seeing increased interest. This could represent a significant change in immigrant dynamics, with many choosing smaller towns to live in, rather than large urban centres.

Halifax's performance in attracting immigrants is a major challenge. Filling skill gaps and labour shortfalls in the coming years will largely require a stronger flow of permanent immigrants and more attention from local business and government partners in making that happen.

INTERNATIONAL STUDENTS

Nova Scotia is a hotspot for international students. Nova Scotia's universities attract about 2,000 new international students every year, bringing the city's inflows to levels of much larger cities such as Calgary and Edmonton, and approaching the levels of Ottawa-Gatineau. Increases in the inflow of temporary foreign students have helped to swell the number currently attending Nova Scotia's universities as well.

The issue for Nova Scotia (and Halifax by proxy) is a lack of retention, convincing the students (and other immigrants) who come to the province to stay after they receive their education. Nova Scotia historically dominates foreign student entries (56% of entries to Atlantic Canada were in Nova Scotia between 2005 and 2009) yet falls short on converting these students to permanent residents (only 35% of conversions occurred in Nova Scotia in the same period). New Brunswick, who had only half of the students enter compared to Nova Scotia, retained more students post-graduation.

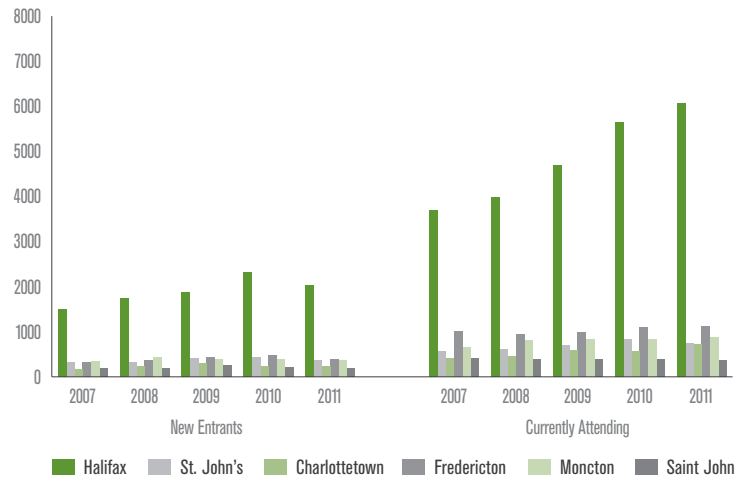
Policy centered on retaining current and future international students may prove to be as efficient in creating economic outcomes as ones that focus on attraction. International students represent talented and entrepreneurial individuals that Nova Scotia has already invested in. Getting the most out of international students and keeping them in Nova Scotia and Halifax will help to ensure the economy remains vibrant.

KEY QUESTION

HOW CAN HALIFAX INCREASE ITS INTERNATIONAL STUDENT RETENTION RATES AND ENSURE THAT TALENTED GRADUATES STAY IN HALIFAX?

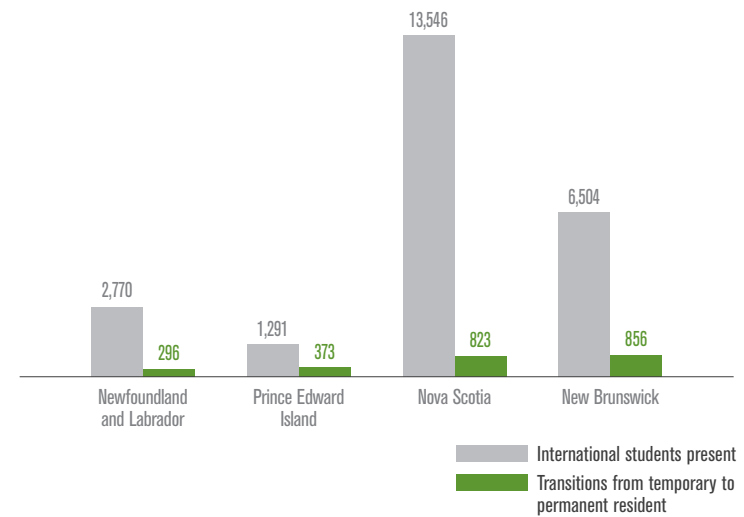
Temporary International Students

Source: Citizenship and Immigration Canada



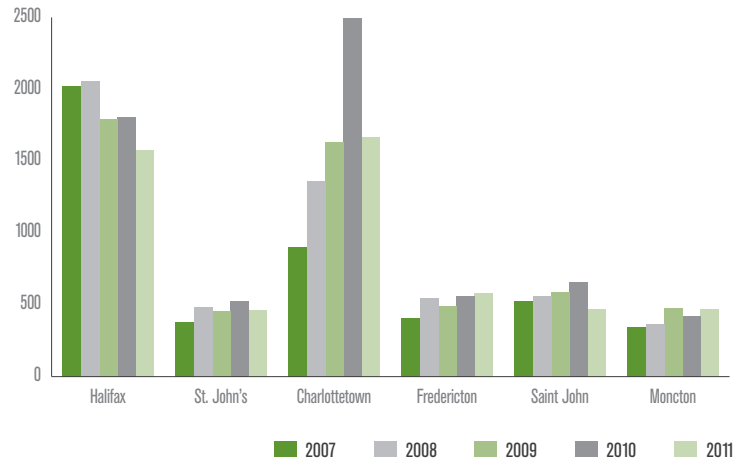
International Students Present and Transitions from Temporary Student to Permanent Resident, 2005-09

Source: Citizenship and Immigration Canada



International Immigrants to Atlantic Canadian Cities

Source: Citizenship and Immigration Canada



ECONOMY

ECONOMY

KEY INDICATORS

GROSS DOMESTIC PRODUCT (GDP)

- GDP growth
- GDP per capita

SECTORS

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

CONSUMER BEHAVIOUR

- Retail sales
- Housing starts and sales
- Housing prices

CONSTRUCTION

- Value of building permits
- Total capital investment
- Building permit processing times

COMMERCIAL SPACE

- Inventory of office and retail space
- Vacancy rates

GATEWAY MOVEMENT

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

BUSINESS CONFIDENCE

- Rating of Halifax as a place to do business
- Optimism of current economic prospects

WHY ARE THESE INDICATORS IMPORTANT?

The economy's growth is partially captured by the amount of production (GDP) that is occurring but more indicators are required to dig deep into how the economy is growing. GDP per capita helps us understand how productive the region is and the return on investment in employment. Public and private sector growth, as well as more employment and increased wage across occupations, indicate the economy is diversely growing.

Retail sales and housing starts and sales are indicators of consumer confidence and the ability to spend. Building permits and capital investment are strong indicators for understanding how positive companies and developers are about the future. Permit processing times show that governments and businesses are interacting in a timely fashion on development projects.

Regional commercial office and retail space inventories ensure that as business expands, there is space for operations to occur. Vacancy rates track the tightness of the market and provide impetus for more or less space to be developed in the near future.

People and cargo moving through the Halifax Gateway are also vital to its economy. More air and cruise passengers show that visitors continue to find Halifax attractive, while plane and boat movements indicate that operators find Halifax to be a winning market.

Finally, business confidence drives the move to invest, innovate and grow. This is why the Partnership conducts Halifax's business confidence survey, to better understand how people feel about the future of their economic prospects.

GROSS DOMESTIC PRODUCT (GDP)

HOW IS HALIFAX DOING?

Halifax's real GDP was close to \$14 billion in 2011, accounting for 50.2% of the total value of goods and services produced in Nova Scotia.

Halifax's real GDP grew by 11% from 2006 to 2011, the second highest growth rate among benchmark cities. Halifax also accounts for much of Nova Scotia's economic growth and truly is a "hub city" for Atlantic Canada. Halifax also weathered the 08-09 recession better than most, with real GDP growth in 2009 being the largest in Canada. This speaks to the diversity of the economy (decline in the manufacturing sector was offset by strong service and construction growth) and the resiliency of the economy.

While positive, growth in 2012 is expected to be slow. The Conference Board of Canada predicts real GDP growth of 2.2% in 2012, eighth out of the 13 cities listed in their Metropolitan Outlook I report. As governments tighten their spending belts and infrastructure programs wind down, construction activity is expected to slow. Despite this, improved trade outlooks related to overall world economic activity should provide upsides in wholesale and retail trade sectors, and with many private sector construction projects rumoured to imminently begin, there are major upsides to the Conference Board's projections.

Halifax's output per worker, or productivity, is below the Canadian average. This is not surprising given the service nature of the economy (compared to benchmark cities) and the limited level of manufacturing which is relatively lucrative when compared to service sectors. High-wage, high-value manufacturers generate significant business-to-business opportunities and high incomes that are spent in Halifax. The same can be said of large head-office or regional office operations. Big manufacturers like Imperial Oil and Oland, or head office operations like IMP, Chorus Aviation, Emera, and Bell Aliant, are key foundation elements of Halifax's economy.

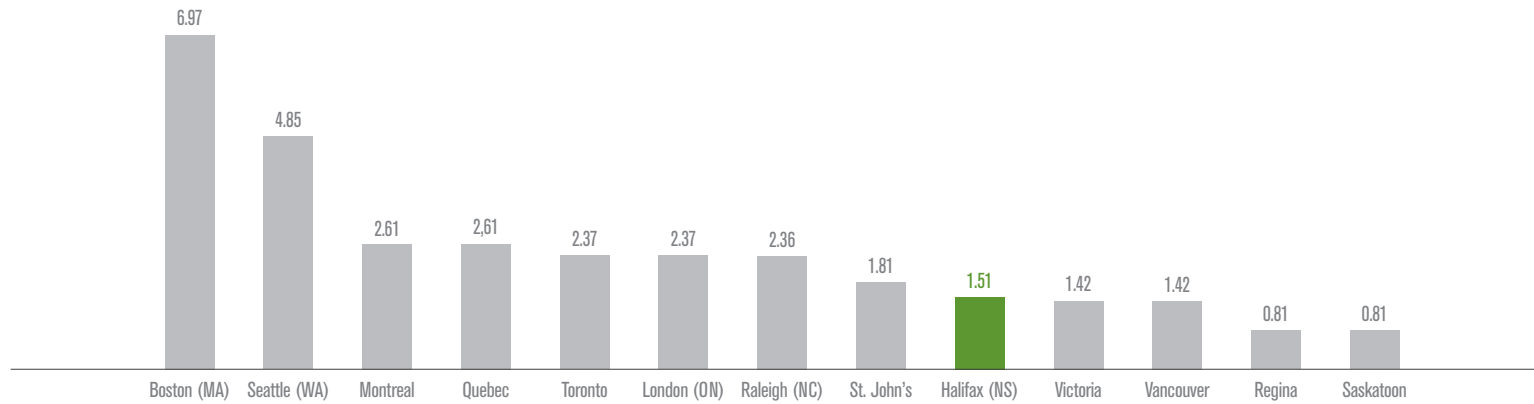
Increasing investment in commercial research and development could provide upsides to this target. With only 1.5% of real GDP, Halifax's investment in research and development is the lowest among benchmark cities.

KEY QUESTION

WHAT CAN BE DONE TO ENCOURAGE HALIFAX COMPANIES TO MAKE INVESTMENTS IN TECHNOLOGY AND PROCESSES, TO INCREASE RESEARCH AND DEVELOPMENT, AND TO GROW THEIR COMPANIES?

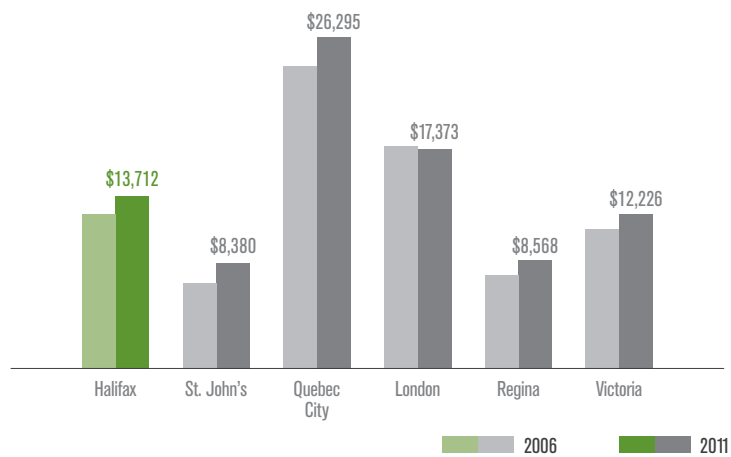
Commercial Research and development spending as a % of GDP

Source: fDi intelligence



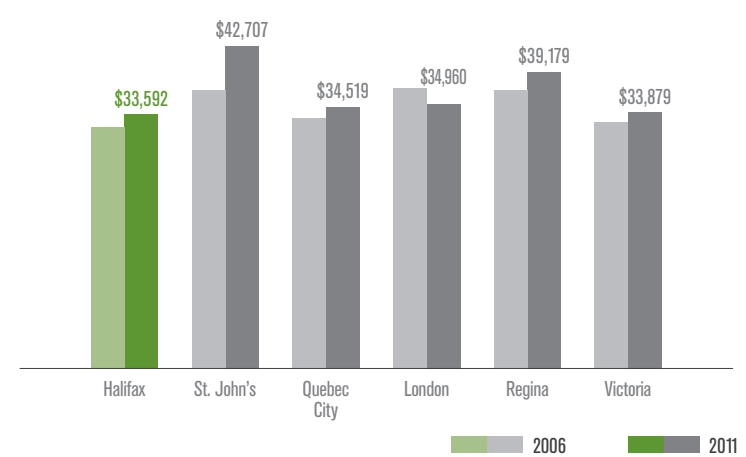
Real Gross Domestic Product, 2002 \$mil

Source: The Conference Board of Canada



Real Gross Domestic Product per capita, 2006-2011

Source: The Conference Board of Canada, Statistics Canada



SECTORS

HOW IS HALIFAX DOING?

Halifax's goods producing sector accounted for about 30,000 jobs in 2011, while service industries accounted for almost 200,000. Halifax's diverse economy and strong service sectors helped it continue to grow through the recession.

It is interesting to note that the goods sector has grown more rapidly than the service sector in Halifax since 2000. Much of this is due to expansion of the construction sector although resurgence of Halifax Shipyard and growth in the aerospace and defence sector has helped. With major opportunities relating directly and indirectly to Halifax Shipyard's \$25 billion shipbuilding contract over the next 30 years, Halifax may see further upsides in goods markets like manufacturing.

The health care sector has been the second biggest employer in Halifax after retail and wholesale trade from 2000 to 2011. Sectors such as agriculture and other primary industries and transportation and warehousing declined in employment while utilities; construction; professional, scientific and technical services; education; and healthcare grew rapidly. Finance and insurance; information and culture; and accommodation and food service sectors showed mixed results over the last decade, but were growing jobs again by 2011.

In terms of wage growth, business, finance, administration, and management jobs grew by the largest proportion between 2006 and 2011. Top earners include management; natural and applied sciences; social sciences; education; and government. Growth in these sectors could boost average earning numbers dramatically.

Of concern to Halifax's stability are cuts to federal and provincial job totals in Halifax. While Halifax has a lower proportion of public sector and health care jobs (not including the Canadian Forces) than other benchmark cities, federal government job levels could drop to the lowest levels in recent memory. This, combined with the potential of significant provincial jobs moving to rural areas of Nova Scotia, presents a risk to economic growth.

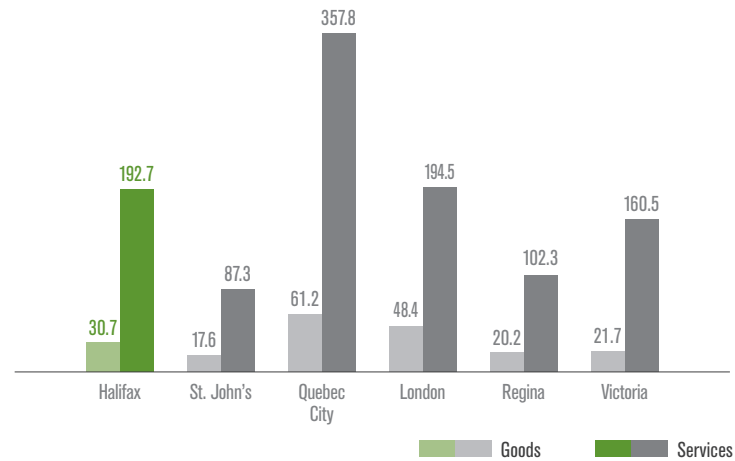
Overall, Halifax's growth has spanned many sectors. This diversity not only provides wide-spread opportunity, but it also offers a shelter from recessionary pressures such as those experienced in 2008-09.

KEY QUESTION

WHAT CAN HALIFAX DO TO MAXIMIZE ITS GROWTH SECTORS AND MAJOR OPPORTUNITIES?

Employment in goods and services sectors, 2011, 000s

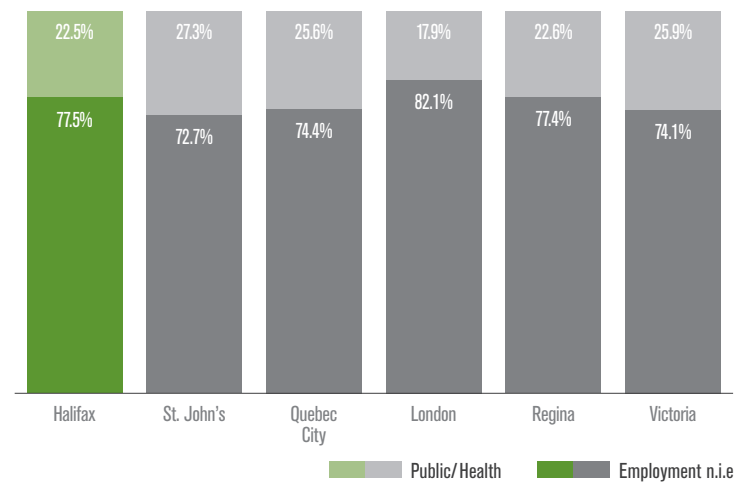
Source: Statistics Canada

**Federal government employment, indexed, 1996 = 1**

Source: Statistics Canada

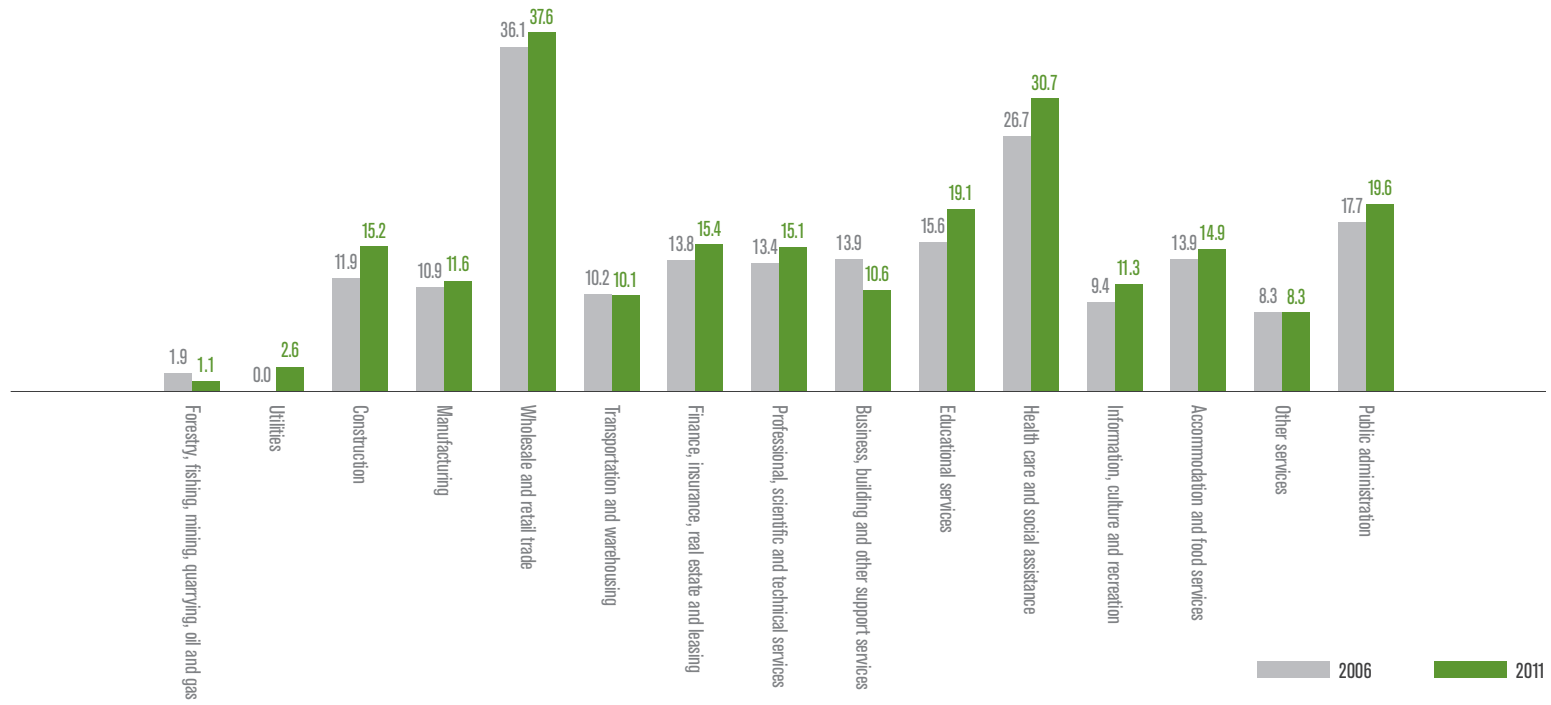
**Public and health sectors vs private employment, 2011**

Source: Statistics Canada



Employment by sector, 000s, Halifax

Source: Statistics Canada



Full-time wages by occupation, Nova Scotia

Source: Statistics Canada



CONSUMER BEHAVIOR

HOW IS HALIFAX DOING?

Halifax consumers bought \$6.5 billion worth of cars, flat screen TVs, groceries, and other goods in 2011. This was up by a billion dollars from 2007 and represented a faster pace of growth than most benchmark cities. This related to continued growth through the 08-09 recession and substantial additions to retail options in Halifax in the last decade.

The \$270 million Dartmouth Crossing retail development is one of the largest east of Calgary in recent years. More retail options locally, more jobs, and steady consumer confidence have been good for retail growth in Halifax.

Housing starts have demonstrated their typical cyclical pattern in Halifax, showing modest growth in the housing stock from 2000 to 2011. The supply of new household units has been much slower and arguably much more sustainable than in some benchmark cities like St. John's, Quebec City and Regina where starts have doubled in the last 10 years.

Cost pressures have been more modest in Halifax. While new home prices have doubled in every benchmark city since 2000, Halifax's average price growth was fourth out of the six benchmark cities. Halifax's average new housing price rose above \$350,000 in 2010 and is third highest among the benchmark cities.

However the average selling price of homes in Halifax was a more affordable \$254,000. Halifax's modest growth in the sales price probably means there isn't much of a real estate bubble in the city. Local strength in the economy means real estate remains a good investment both for the home owner and investors for the near term as the market has room to expand.

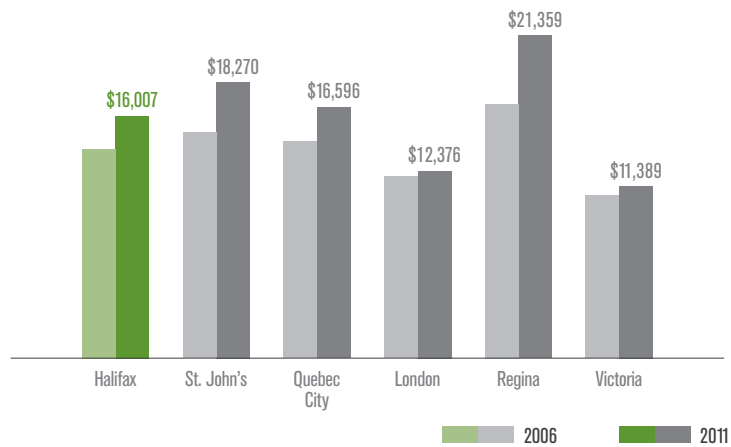
Savvy investors seem to get this. This is one of the factors driving strong growth in multiple unit housing starts in Halifax. This pattern reflects both investor and modest income growth, with both factors favouring apartment construction over singles.

KEY QUESTION

CAN HALIFAX MAINTAIN A BALANCE BETWEEN A RETURN ON INVESTMENT FOR REAL ESTATE INVESTORS AND INDIVIDUAL AFFORDABILITY AS DEMAND FOR HOUSING INCREASES?

Retail sales per capita

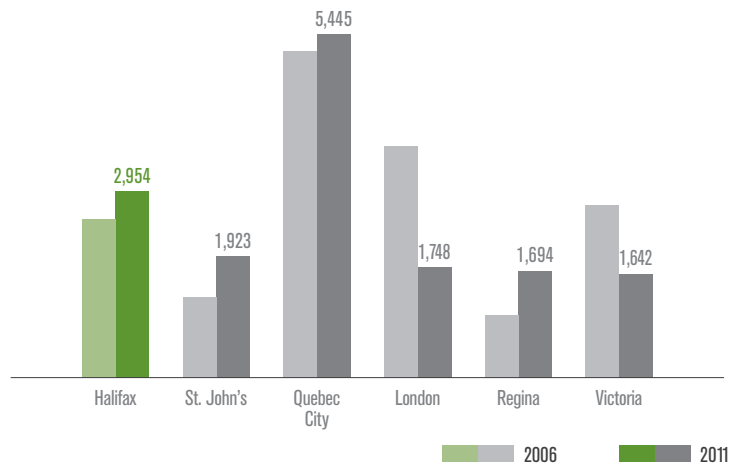
Source: Statistics Canada

**Housing sales**

Source: Canada Mortgage and Housing Corporation

**Housing starts**

Source: Canada Mortgage and Housing Corporation



Mean price of a single-detached house, benchmark CMAs, 2010

Source: Canada Mortgage and Housing Corporation



CONSTRUCTION

HOW IS HALIFAX DOING?

Despite a respectable showing in housing starts, the level of growth of residential and non residential building permits was lower in Halifax than any of the benchmark cities between 2000 and 2011. The value of residential building permits has jumped by 85% in Halifax compared to over 300% in St. John's from 2000 to 2011.

The value of government/institutional and industrial/commercial investment has fluctuated significantly from 2000 to 2011. Government capital spending shows up in basic civic infrastructure like roads and water systems, in improvements to educational facilities, in transportation, and in many other areas. Economies can't grow without good supporting infrastructure. By last year, investment in both categories was lower than the Canadian average. The effects of recession-fighting stimulus spending by governments were clearly evident from 2008 through 2010 but were falling off in most jurisdictions by 2011.

Strangely, government spending - often designed to stabilize economies - was much more variable and inconsistent than private sector investment during the recession and belies explanations relative to city size or economic circumstance. For example, government and institutional capital spending amongst benchmark cities was strongest in London at \$400 million and weakest in Halifax at \$80 million. This suggests that Halifax is building an infrastructure deficit compared to the benchmark cities. This gap is something that will limit growth potential if it is not addressed.

In Halifax, several new university and community college buildings were under construction at the end of the decade. In general, industrial and commercial investment was weaker in Halifax than most benchmark cities. However this will change when Halifax Shipyard begins capital upgrades prior to starting the national shipbuilding contract.

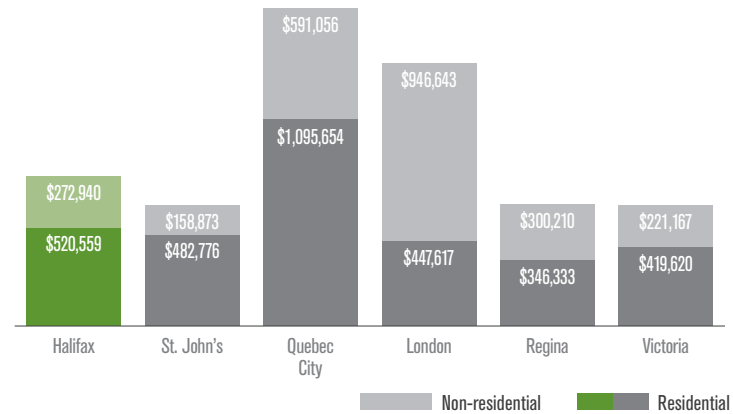
Development timelines for building permits are improving slowly. Many development timelines saw a marked improvement in the past five years. A new streamlined, one-window approach to permitting at the municipal level is in development which should ensure greater efficiency and less duplication of effort.

KEY QUESTION

WHAT DOES HALIFAX NEED TO DO TO SPUR INVESTMENT IN CONSTRUCTION?

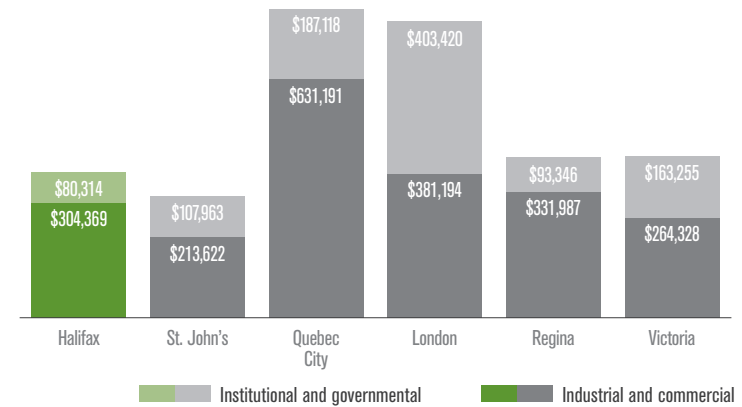
Value of building permits, 000s, 2011

Source: Statistics Canada



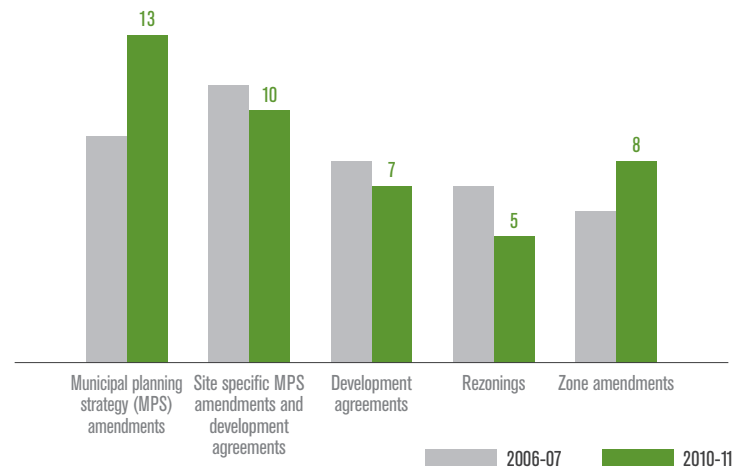
Investment, non-residential construction, 000s, 2011

Source: Statistics Canada



Building permit application times, months, Halifax

Source: HRM Community and Recreation Services



COMMERCIAL SPACE

HOW IS HALIFAX DOING?

Halifax commercial and office space patterns are showing some worrying trends. Downtown office space was approaching five million sq. ft. in 2006 but declined to 4.7 million sq. ft. by 2011.

Even with less supply, vacancy rates have doubled in the downtown in the last five years. At the same time suburban office development has been booming. Indeed, even though commercial growth in peripheral Halifax has been strong, vacancy rates have come down. This is an indication that developers can't keep up with demand.

It would seem that some companies are overlooking the downtown in favour of newer buildings, lower property tax rates and convenient, free parking in the suburbs. The challenge here is that suburban locations, while convenient for some, are not convenient for all. In areas where transit does not service regularly, there will be increased demand for service expansions or for expanded roads to service more car traffic. Where infrastructure does not currently exist, it will need to be built to support urban sprawl.

This kind of trend is costly to HRM and potentially unsustainable. This is why the current regional plan and HRMbyDesign favour greater density and more business activity in downtown areas. Furthermore, increasing the number of workers in downtown regions allows for a catalytic effect to occur for small businesses and retail in the area, which receive more daytime traffic, and can provide an attractive quality-of-life argument for people to both live and work downtown (short commutes and living and working in a vibrant community).

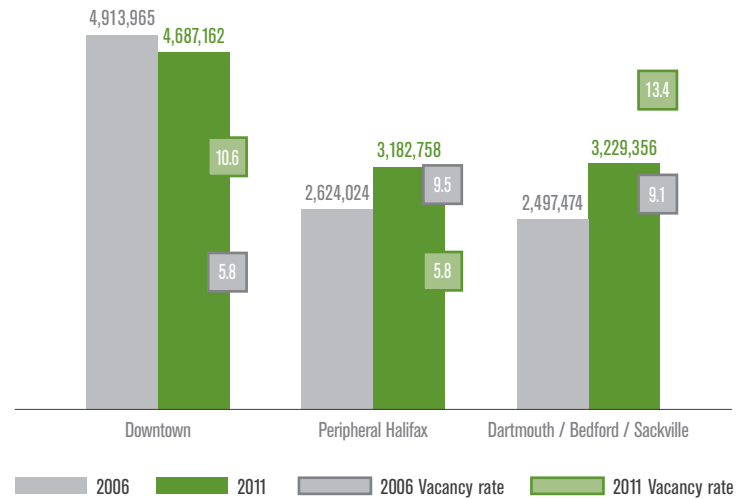
Residential and commercial construction in core areas, however, has started to return. The \$500 million Kings Wharf development is in full swing and the \$25 million Waterside Centre project is now under way. The new Emera building has become an anchor for the seawall area and the south part of the waterfront. More projects are expected to begin shortly.

KEY QUESTION

ARE REFINEMENTS OR MAJOR OVERHAULS TO THE REGIONAL PLAN REQUIRED TO REVERSE CURRENT TRENDS? HAS COMMERCIAL DECLINE IN THE DOWNTOWN HIT A TIPPING POINT?

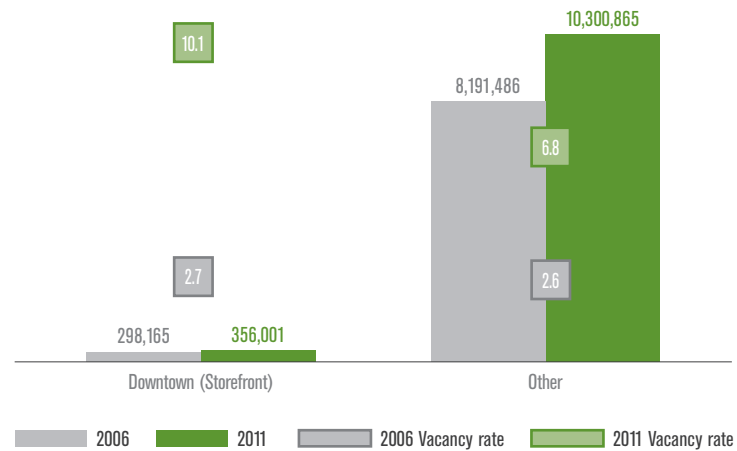
Office space inventory (sq. ft) and vacancy rates (%), Halifax sub-regions

Source: Colliers International (Atlantic) Inc.



Retail space inventory (sq. ft) and vacancy rates (%), Halifax sub-regions

Source: Colliers International (Atlantic) Inc.



GATEWAY MOVEMENT

HOW IS HALIFAX DOING?

Passenger movements through the Halifax Stanfield International Airport hit record levels in 2011, more than recovering all the lost ground since 2008. While air cargo has slipped from its peak in 2007, it has also seen a big recovery from recession levels and the current \$28 million runway extension should allow the airport to compete successfully for wide-body cargo and provide big upsides to current cargo levels.

Port results have been mixed with TEUs bouncing back from their low point in 2009 when the global economic downturn slowed the flow of cargo moving to and from the United States. However, they have not returned to pre-recession levels.

The recession didn't appear to dampen the enthusiasm of cruise passengers heading to Halifax, as more and larger ships landed in Halifax. Halifax has seen a 33% increase in the number of ships and a 38% increase in the number of cruise passengers in the last four years. Furthermore, with six new ships and two new turnarounds calling at the Port of Halifax, Halifax should see steady numbers of cruise passengers in 2012.

Gateway stakeholders are investing in future growth. The Port and its terminal operators have made investments of over \$250 million in infrastructure in the past five years to secure future business. These investments to increase capacity and create more efficiency should pay big dividends in the long term as world markets improve.

The Halifax Gateway Council and its partners, including HRM business parks, have been aggressively selling the transload option to build Asian traffic at the Port. Several national logistics firms are now working out of the Atlantic Gateway – Logistics Park and others are in the pipeline. European – Canada free trade will ramp up two-way flow of cargo moving through the port and the airport and Halifax should become a hub for trans-Atlantic cargo movement. High-value seafood products stand to benefit most from up to a 25% reduction in European Community tariffs.

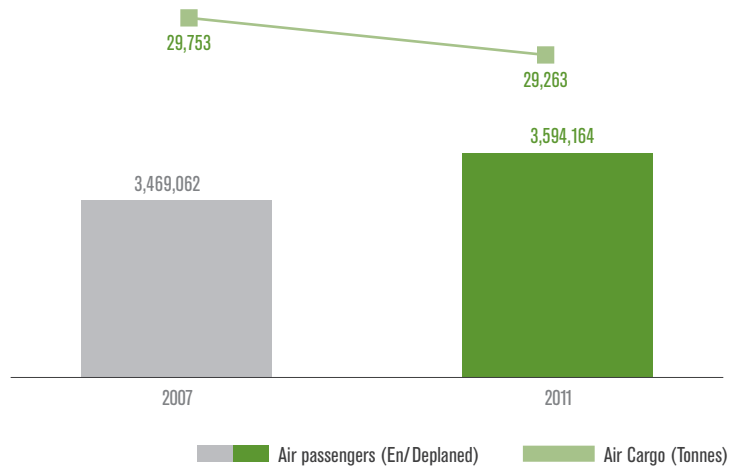
What is clear is that the impact of the Gateway is vital to Halifax's long-term success. Economic impacts at the port and airport total \$1.6 and \$1.2 billion respectively, and the organizations employ thousands of Halifax residents. Their success and Halifax's are entwined.

KEY QUESTION

HOW CAN HALIFAX BEST TAKE ADVANTAGE OF MAJOR REGIONAL PROJECTS AND FREE TRADE AGREEMENTS TO ENSURE THE HALIFAX GATEWAY IS PROSPEROUS INTO THE FUTURE?

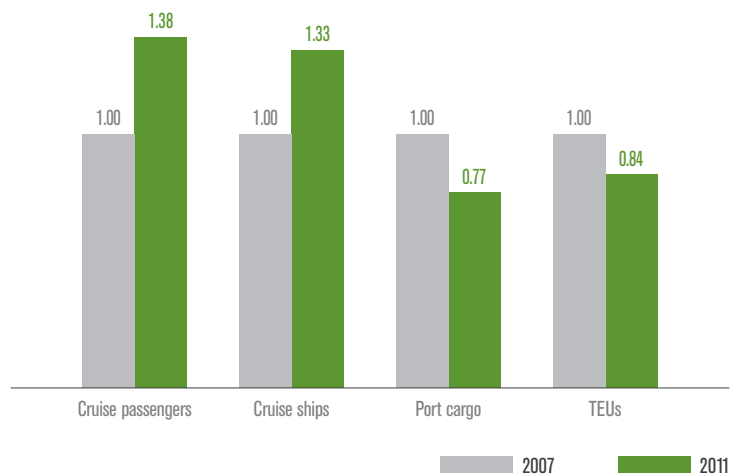
Activity at Halifax Stanfield International Airport

Source: Halifax International Airport Authority



Growth of Port of Halifax indicators, indexed to 2007

Source: Port of Halifax



BUSINESS CONFIDENCE

HOW IS HALIFAX DOING?

The Greater Halifax Partnership's bi-annual survey of business attitudes doesn't show much movement since last year, which is perplexing to analysts given the federal government's announcement of a \$25 billion contract for Halifax Shipyard last October. Some business activity like car sales and housing sales and starts jumped soon after the announcement, but clearly, many businesses are taking a wait-and-see approach.

The Halifax Shipyard contract is the largest single project in the history of the province. The Partnership's early analysis suggests there could be massive direct and indirect benefits to business in Nova Scotia either from the project itself or from industrial regional benefits. Many businesses will directly benefit because the project will expand both the economy and the population. Those who want to take advantage of the opportunity will have to make strategic investments in people or technology to compete for a spot in the shipyard supply chain.

More projects are in the pipeline. Many construction projects including a new convention centre and significant office and residential projects are under way or on the horizon. In the long term, major projects like the Lower Churchill energy project, and offshore oil and gas are also ready to progress. Is there reason to be confident? Yes. However, people remain cautious.

Business confidence may also be something that's hard to change. Business confidence levels spiked among newer businesses and dropped among older ones. Perhaps historical underdog status has long-time Halifax residents needing to see the first building expansions or steel cut to believe that times have changed.

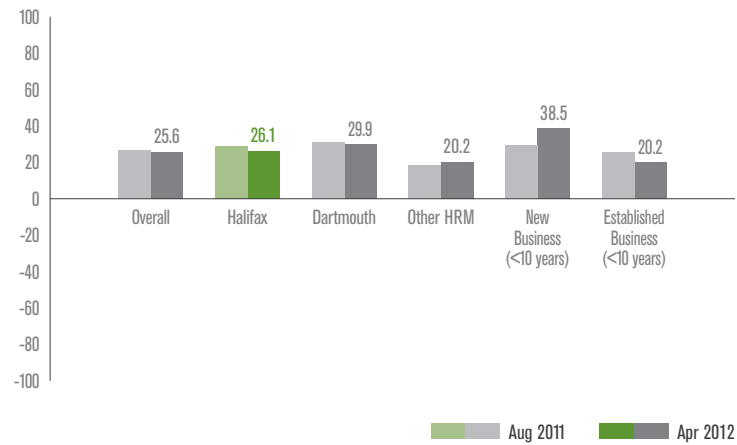
One reason for dampened optimism may be ratings on the business climate, which have dropped in the last year. The Partnership's face-to-face conversations with 200 businesses over the last year through its SmartBusiness program show businesses flag the tax and regulatory environment as key concerns. If Halifax moves towards more streamlined, less cumbersome regulation and competitive taxation, we may see businesses acting more confidently – investing, introducing new products, and hiring, for example.

KEY QUESTION

IN CHALLENGING FISCAL TIMES, WHAT CAN BE DONE TO IMPROVE THE BUSINESS CLIMATE IN HALIFAX?

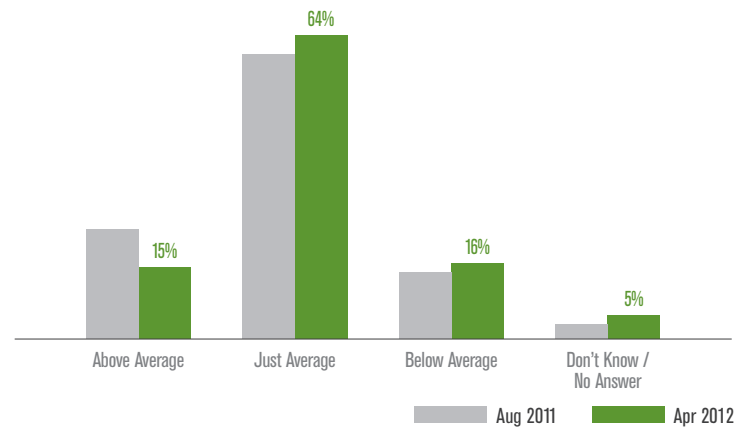
Halifax Business Confidence Index

Source: GHP Business Confidence Survey



Rating of Halifax as a place to do business

Source: GHP Business Confidence Survey



SPECIAL ANALYSIS: HALIFAX'S INTERNATIONAL COMPETITIVENESS

Understanding what international site selectors and investors are looking at and how Halifax compares to other options is an important component of developing a signature city brand to sell Halifax's competitive advantages. Using cutting-edge benchmarking tools including KPMG's Competitive Alternatives publication and the Financial Times' fDi benchmarking database, Halifax was ranked against its typical benchmark cities (as well as select cities from around the world) in categories used by site selectors and foreign direct investors across the globe. Using benchmark company profiles in a number of key sectors, Halifax can better understand how competitive it is and what needs to happen to increase Halifax's profile on the international stage.

HALIFAX: COST COMPETITIVENESS

KPMG's Competitive Alternatives 2012 ranks Halifax fourth among the 113 cities surveyed in the industrialized world in terms of business cost competitiveness. Halifax finished within half a percentage point of two other cities in the Atlantic Provinces and over two points below the Canadian index.

While Halifax was competitive across all 19 sectors measured, it was most competitive in key growth sectors such as aerospace and defence, precision manufacturing, green energy, and digital entertainment – sectors that are a big part of Halifax's economic future.

The costs of doing business in Halifax are about 7% below baseline U.S. cost levels and 2% below the Canadian baseline. Halifax's big competition comes from "high-growth" markets in BRIC countries (Brazil, Russia, India, and China) and Mexico that were included in the survey for the first time.

Canada has remained a strong competitive alternative across a range of sectors compared to the previous survey in 2010. France, Germany, Italy, Mexico, the Netherlands, and the UK have all seen their relative competitive positions improve. Costs of doing business jumped in both Australia and Japan compared to 2010.

LOCATION QUALITY

Using fDi's benchmarking database, Halifax's competitiveness is ranked to get a sense of how the city stacks up against international competition.

Halifax displayed a very high quality-of-life in comparison to its traditional benchmark cities as well as a number of select competitors in key sectors. Halifax ranked third out of 13 cities in this report.

A key component of the quality-of-life ranking is the cost of living, which was third lowest among these cities, in particular larger ones. Halifax is middle of the pack when compared against its typical benchmark cities.

The existence of a foreign-born population is a key drawback for Halifax in comparison with other cities; only 7.4% of the population identify as foreign-born, third lowest among the cities listed. This could be a deterrent to international companies looking to establish themselves in Halifax as convincing staff to relocate can be difficult without supportive, diverse communities to greet them.

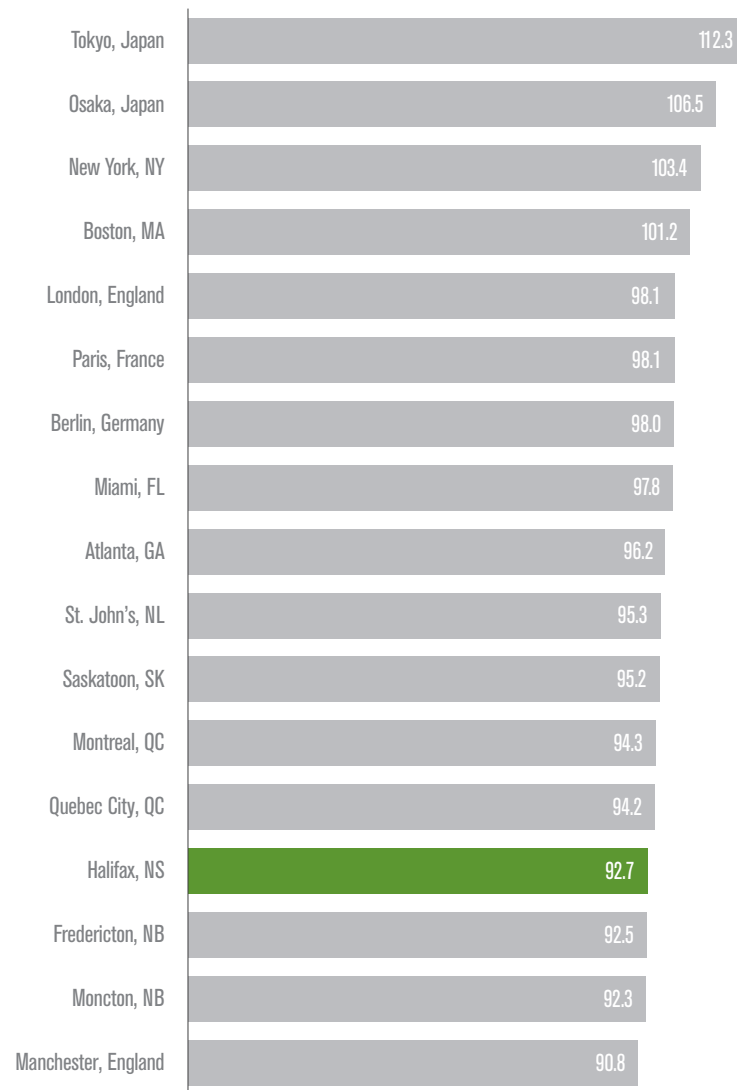
In terms of the overall quality of the business environment, Halifax along with other smaller cities (London, Quebec and St. John's) is behind larger markets in terms of overall competitiveness on the international market. In particular, taxation and incentives, and, economic growth and stability indicators lagged behind major cities like Montreal, Toronto and Vancouver in terms of their competitiveness.

A key component of competitiveness is the effective tax rate on business. Halifax has the highest overall tax rate as a percentage of operating profit among Canadian cities analyzed. The key driver of the higher tax rate is corporate income tax rates that are 1% higher than the next city and 3.3% higher than the average of the Canadian cities listed. Property taxes are also third highest among these cities, as analyzed by KPMG. Reducing the effective tax rate is a critical step towards creating a more competitive business climate in Halifax.

These indicators give a high-level look at what businesses and site selectors are looking for when analyzing Halifax for the first time. With a more competitive business environment and an increase in diversity, Halifax's quality-of-life and overall low cost of doing business will help increase its international profile as a great place to do business.

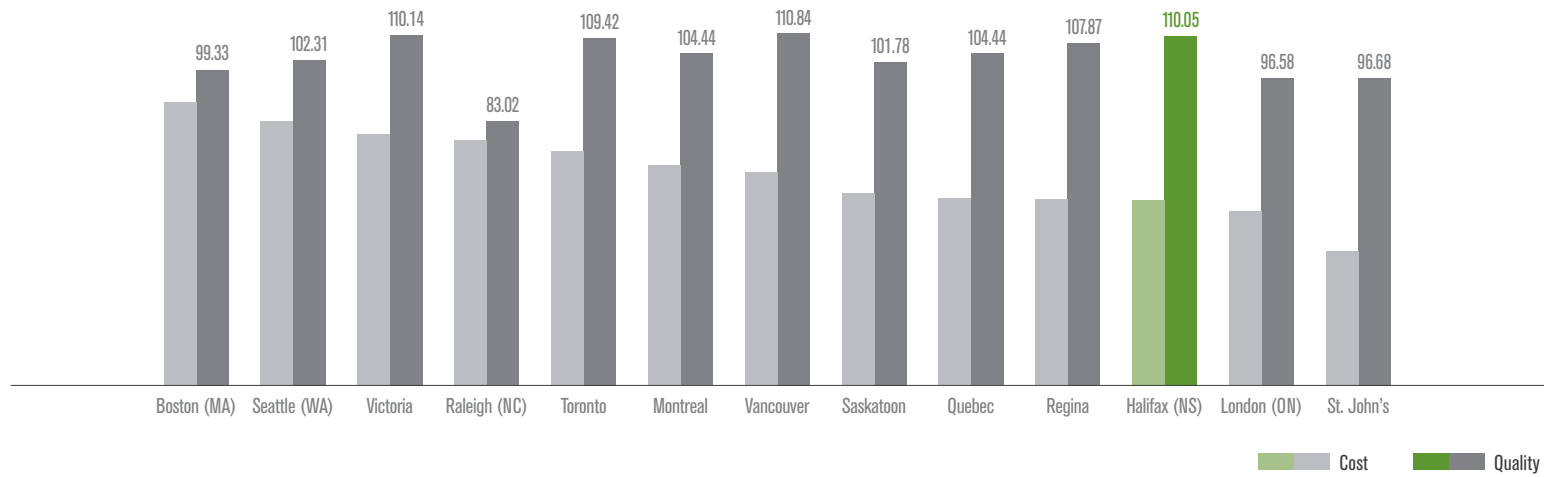
Indexed costs, select cities, 2012

Source: KPMG Competitive Alternatives



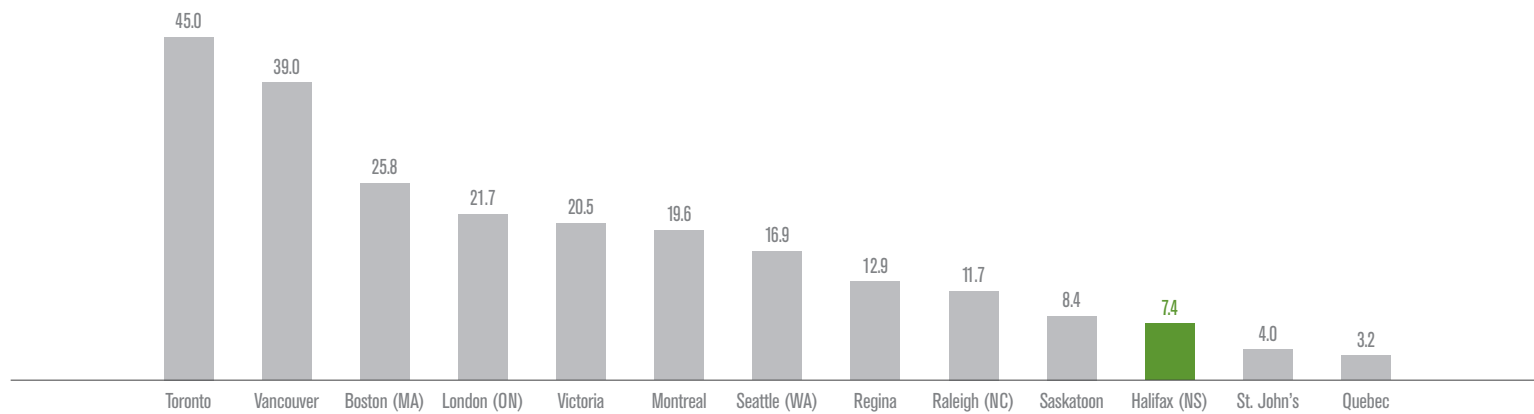
Cost-of-living and quality-of-living indices

Source: fDi intelligence



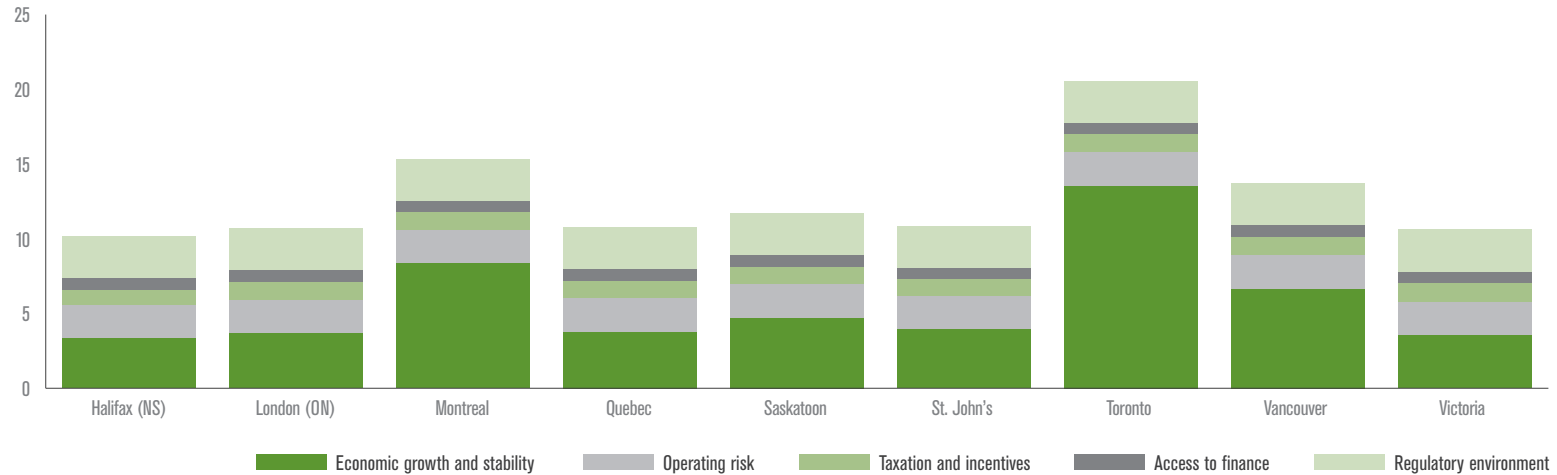
Foreign-born population as % of total

Source: fDi intelligence



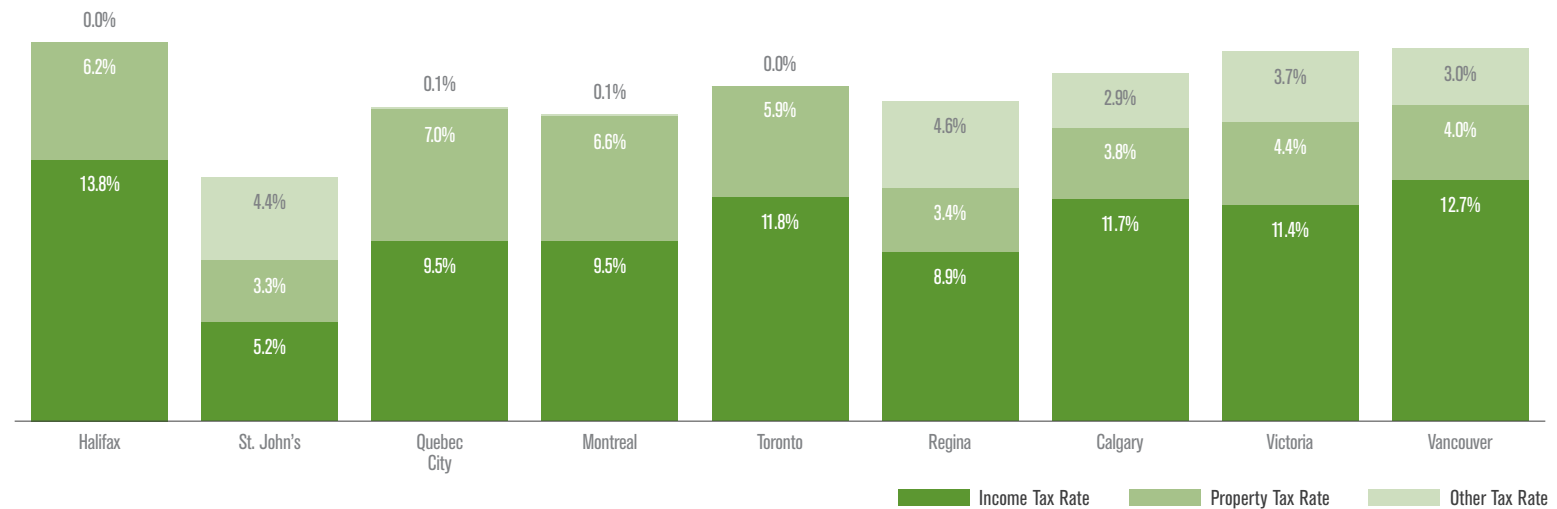
Quality index breakdown

Source: fDi Intelligence.



Effective tax rate as a % of operating profit

Source: KPMG Competitive Alternatives 2012



QUALITY OF PLACE

QUALITY OF PLACE

KEY INDICATORS

SAFETY

- Total and violent crime indices
- Incidence of traffic collision
- Crime and fire stats
- Community safety
- Satisfaction with police services

AFFORDABILITY

- Personal income
- Percentage of people with low income
- Market basket measure
- Apartment rental and vacancy rates
- Median housing prices and affordability

HEALTH

- Life expectancy
- Perceived health and mental health
- Activity levels
- Method of transit

COMMUNITY

- Charitable contributions
- Life satisfaction
- Sense of belonging to community
- Voter turnouts

ARTS, CULTURE AND RECREATION

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

WHY ARE THESE INDICATORS IMPORTANT?

Quality of place is a direct determinant of economic success because it directly impacts where people want to live and work. A vibrant city attracts and retains young people, provides safe and healthy communities for families and offers a compelling place to retire. As attraction and retention is a key determinant of Halifax's success, satisfying the needs of residents is at the forefront of economic development efforts.

Communities also need to be affordable. Personal income rates provide a look at the prosperity of the whole, while low income rates provide a glimpse into whether the wealth is shared. Market basket measures show how expensive goods are in different places, while rental and vacancy rates provide a look at housing affordability.

Quality of health is paramount to an individual's ability to prosper and live a satisfying life. Life expectancy is the overall marker for health and underlies standards for many other health indicators. Life satisfaction is an indicator that people are happy where they live and a sense of belonging suggests whether they'll stay long-term.

Good communities also work together, share and engage with one another. Charitable contributions are an indicator that people are giving back to their community. Voter turnout rates indicate that people feel engaged with their political processes.

Finally, growth in the arts, culture and recreation sector show the community's heartbeat is strong. Local uptake of government arts and recreation programming is important for growing interest long term.

SAFETY

HOW IS HALIFAX DOING?

Total crime in Halifax dropped 21% between 2006 and 2010, while violent crime dropped 32%. These indices show a decrease in both the incidence and severity of crime. When compared to Canadian and benchmark city rates, however, Halifax continues to have higher-than-average crime rates, although the gap has shrunk.

The reduction in crime came as the Halifax Regional Police and the Royal Canadian Mounted Police re-examined their policing methods and implemented a number of proactive changes aimed at targeting problem crime, addressing problem areas and increasing police presence in the community.

These initiatives included:

- The introduction of a Community Response Officer and beat and sector patrols specifically aimed at improving the relationship with and the presence of police in the downtown;
- The creation of a Liquor Establishment Unit to reduce violence and disorder related to liquor establishments and their patrons;
- Street Crime and Guns and Gangs units, aimed at targeting hot spots and gun violence; and
- Increased foot patrols and visibility on public pathways, parks, and schools as well as suspected gathering areas.

Personal and property crime decreased between 2007 and 2011 while federal, provincial and criminal traffic offences increased. Traffic collisions also dropped significantly and a reduction in injuries and fatalities occurred as well.

Fire and emergency services responded to over 11,000 incidents in 2011, down slightly from the previous year. While overall first-unit response rates remain high, rural rates dipped slightly in 2011.

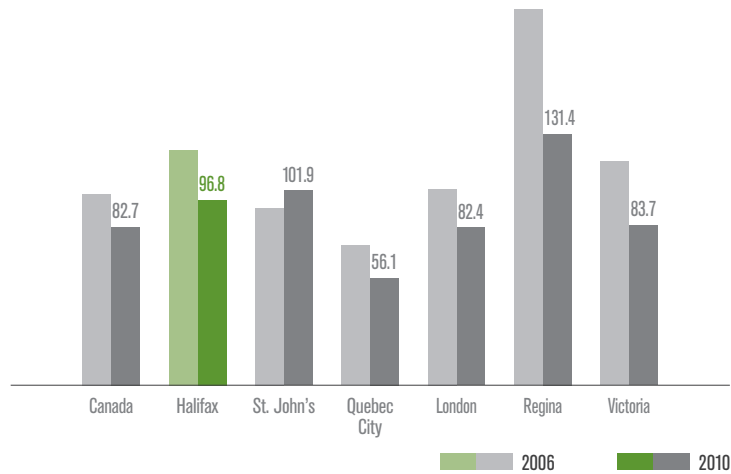
Overall feelings of safety in Halifax remain high. Business and citizen surveying indicates that most residents feel safe where they live and work while businesses are largely satisfied with police services.

KEY QUESTION

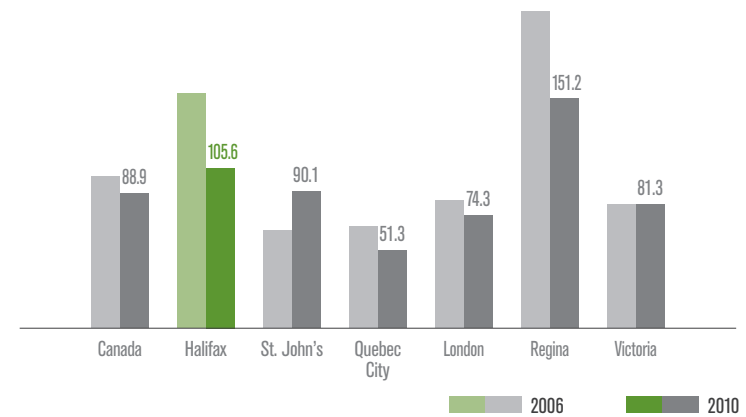
HOW CAN HALIFAX'S CRIME SEVERITY RATES BE REDUCED TO AT LEAST NATIONAL AVERAGES?

Total crime index, Canada and benchmark cities

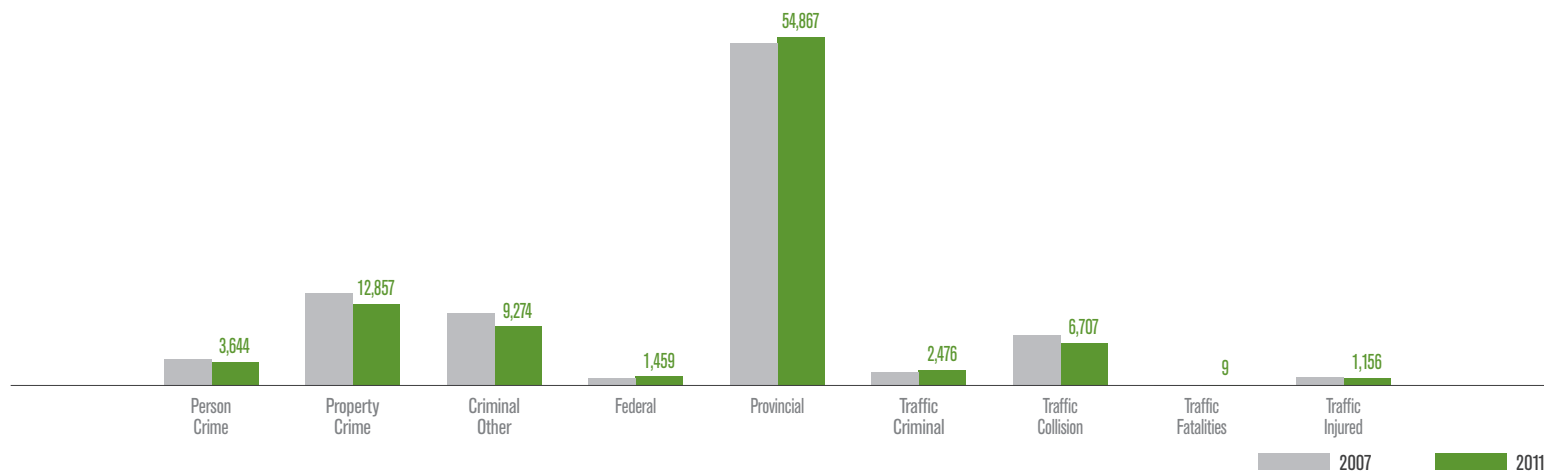
Source: Statistics Canada

**Violent crime index, Canada and benchmark cities**

Source: Statistics Canada

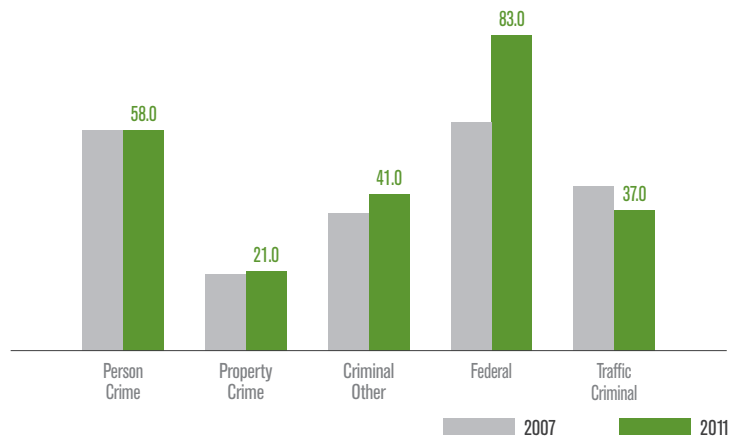
**Crime by type, Halifax**

Source: Halifax Regional Police



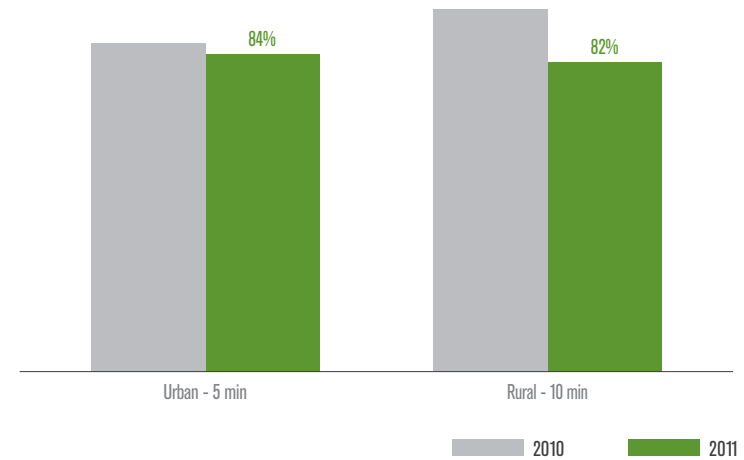
Solvency rates by type of crime, Halifax

Source: Halifax Regional Police



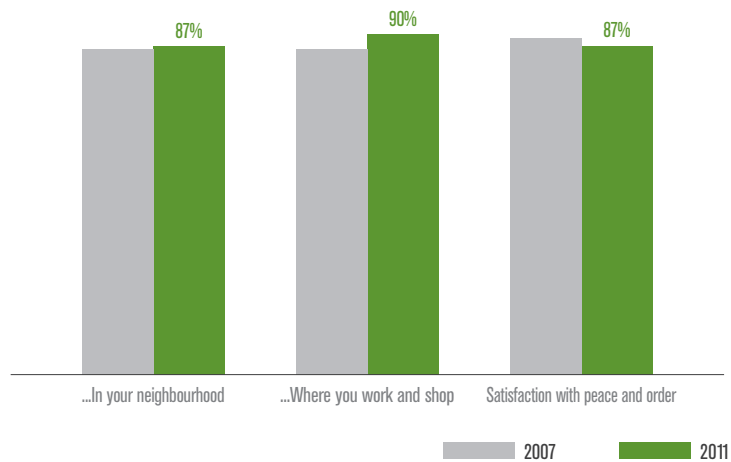
Fire response - % of first unit arriving within target time, Halifax

Source: HRM Fire and Emergency



Share of Halifax residents who feel safe...

Source: Halifax Regional Police Survey



AFFORDABILITY

HOW IS HALIFAX DOING?

Halifax's per capita personal income continues to mirror the Canadian average and sits in the middle of the pack among its benchmark cities. Growth in personal income between 2006 and 2011 in Halifax was moderate with average annual growth at 2.7%.

While incomes are growing in Halifax, overall cost-of-living indicators show that Halifax continues to be an expensive city to live in compared to benchmark cities. The market basket measure (a basic, representative basket of goods purchased in each city) shows that Halifax prices continue to be higher than those in benchmark cities. While this is troubling, price growth between 2006 and 2009 was the second lowest among these same cities, suggesting a lessening of the upward pressure on prices.

Furthermore, higher costs of living in Halifax contribute to higher-than-average levels of poverty. Halifax's proportion of persons who fall below the market basket threshold is the second highest amongst its benchmark cities and is two percentage points higher than the national average of 10.6%.

A driver of these relatively high costs is housing. Halifax's average rents are second only to Victoria. Furthermore, the Greater Halifax Partnership's housing affordability model (housing cost burden vs. after-tax income) shows that overall cost of housing (either renting or owning) is proportionally higher in Halifax than in most other cities benchmarked. Halifax historically has maintained a tight rental market (2.6% vacancy in 2010), indicating that the upward trend will continue. There are reasons for the tight rental market. With steady population growth, increasing university enrolment, and empty nesters downsizing, developers are scrambling to meet demand. Early in 2012, apartment starts had their strongest month in 40 years.

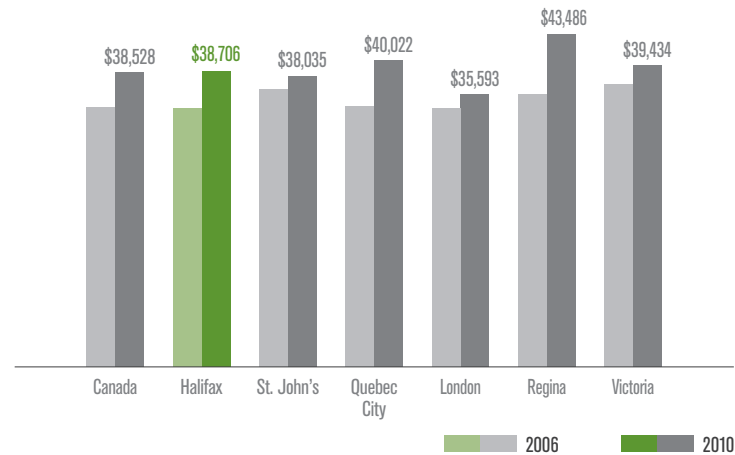
As demand for housing increases, densified and affordable housing projects could provide significant boosts to the affordability of housing in Halifax.

KEY QUESTION

HOW CAN HALIFAX BECOME A MORE AFFORDABLE PLACE FOR RESIDENTS TO LIVE?

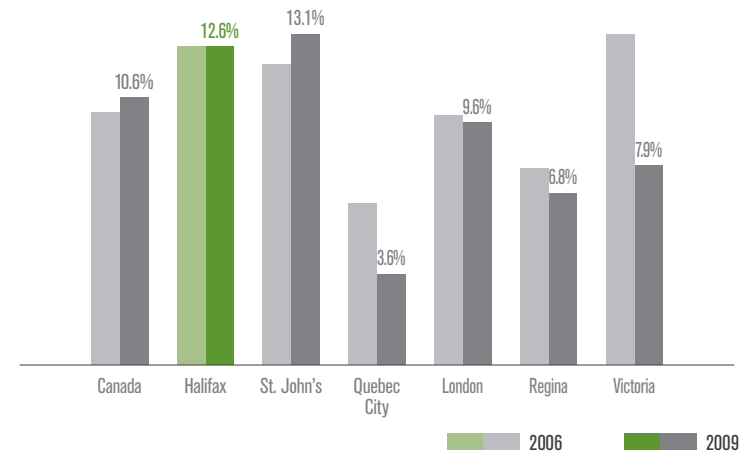
Personal income per capita, Canada and benchmark cities

Source: Conference Board of Canada



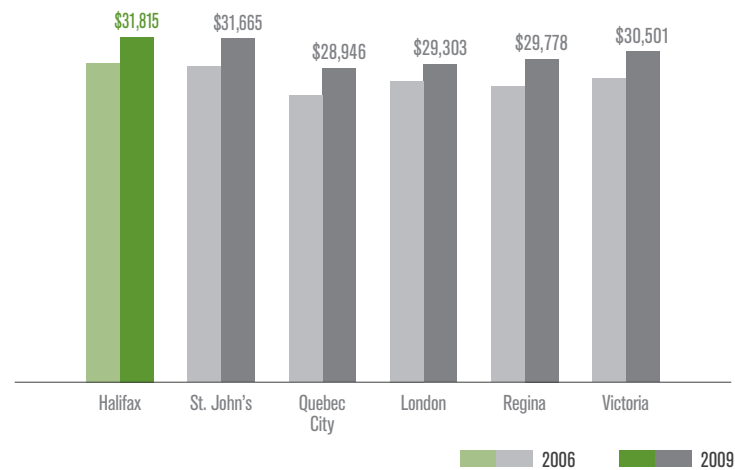
% of persons in low income, market basket threshold, Canada and benchmark cities

Source: Statistics Canada



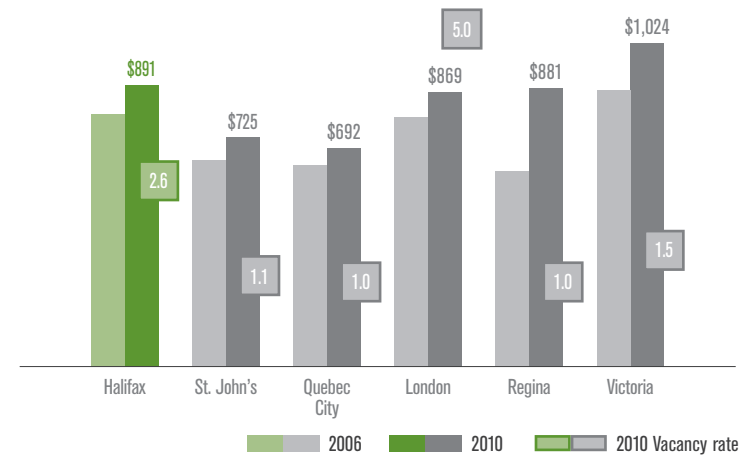
Market basket measure, low-income threshold

Source: Statistics Canada



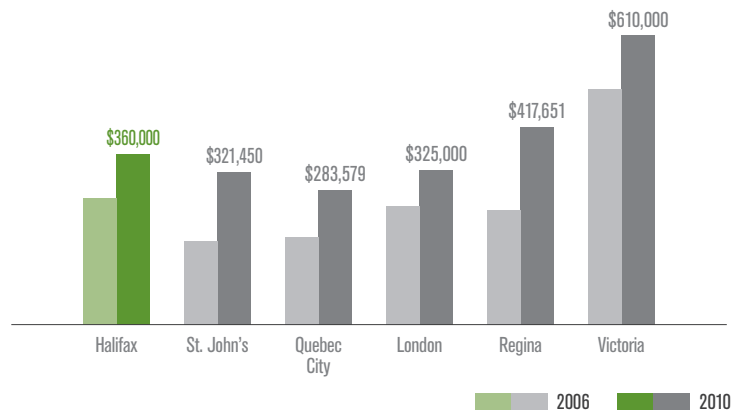
Average rents and vacancy rates (%), benchmark cities

Source: Canada Mortgage and Housing Corporation

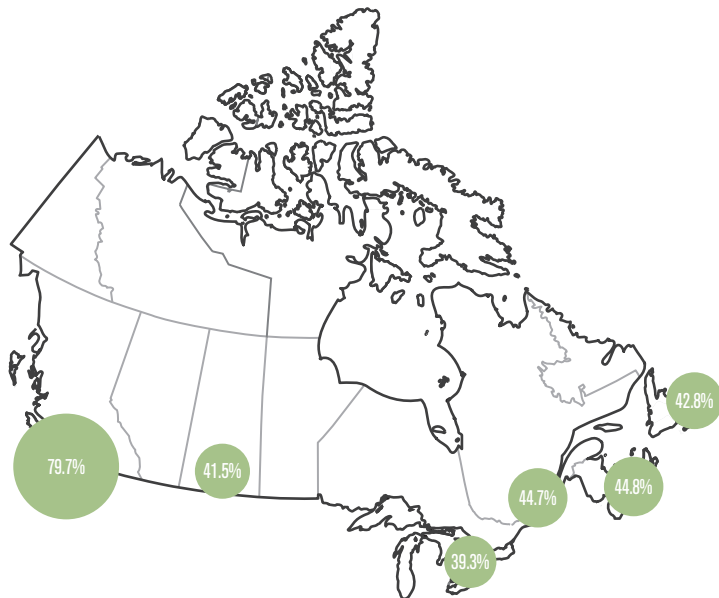


Median house price of a new, single-detached house

Source: Canada Mortgage and Housing Corporation

**Relative housing burden as a percentage of after tax income**

Source: GHP housing affordability model



HEALTH

HOW IS HALIFAX DOING?

Halifax residents' life expectancy is slightly below the national average, although growing at comparable rates. When compared to its benchmark cities, Halifax is middle of the pack in terms of the anticipated length of life.

Halifax residents' rates of diabetes and high blood pressure (two of Canada's biggest killers analyzed at the city level) are near national-average levels. When compared to Halifax's benchmark cities, the diabetes incidence rate is the third highest, while high blood pressure is middle of the pack.

Halifax residents perceive themselves to be largely healthy; over 63% put their health at "very good" or "excellent", second among benchmark cities and 3.5% above the national average. Furthermore, Halifax residents' perceptions of their mental health are on par with national averages and competitive with benchmark cities.

Only 57.7% of residents identify themselves as active or moderately active. While this rate seems low at first glance, activity rates (moderate or active) between 2005 and 2010 jumped more than 5% in Halifax and are over 5% higher than the national average.

Furthermore, activity levels in Halifax could improve even more if Regional Centre population targets are hit. In 2006, 31% of the labour force in the Regional Centre walked or bicycled to work while another 17.5% took public transit (presumably walking between their home/bus stop and bus stop/place of work). This is contrasted with only 3.9% of the rest of Halifax walking or cycling and 9.8% taking public transit. With existing infrastructure like sidewalks and bike lanes and many amenities within walking distance, the Regional Centre has a natural advantage towards promoting active transportation.

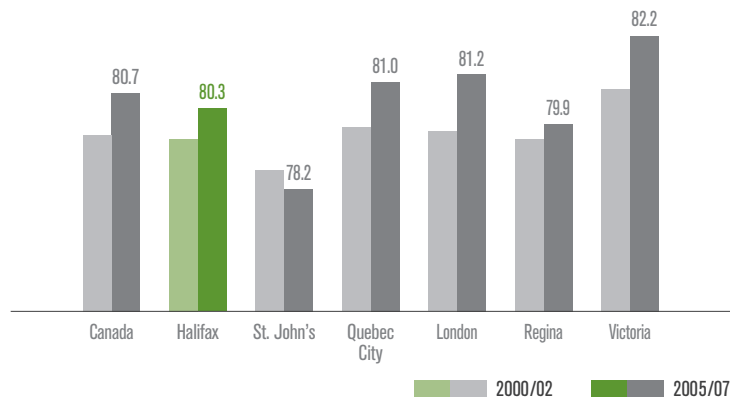
Halifax's perceived health outcomes tend to be better than those in the rest of Nova Scotia. Research shows that when it comes to health outcomes urban tends to be better than suburban and rural.

KEY QUESTION

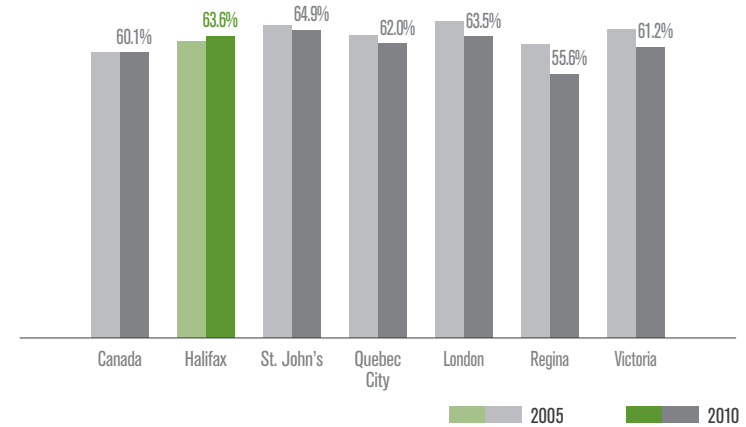
WHAT CAN BE DONE IN HALIFAX TO SUPPORT HEALTHIER, MORE ACTIVE LIFESTYLES?

Life expectancy at birth, years

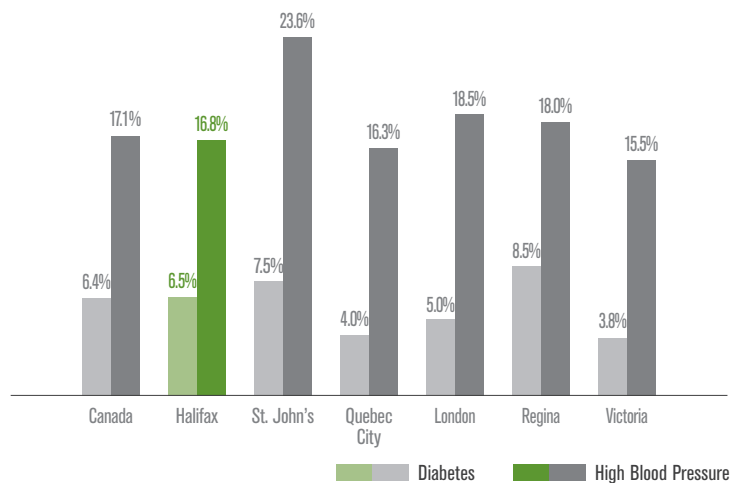
Source: Statistics Canada

**% of population who perceive health to be very good or excellent**

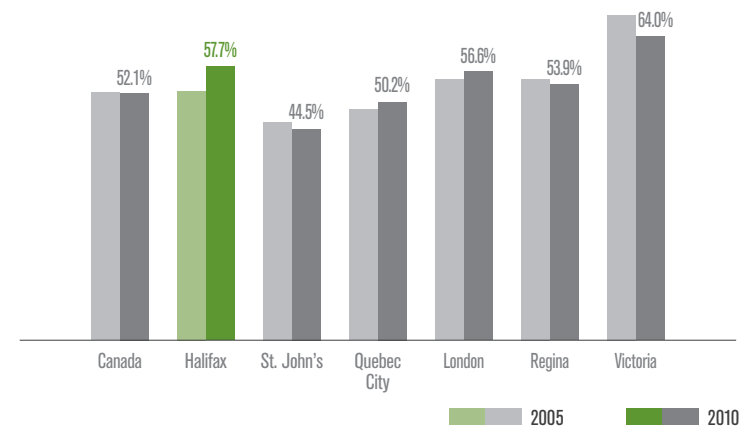
Source: Statistics Canada

**Incidence rates of select chronic illnesses, 2010**

Source: Statistics Canada

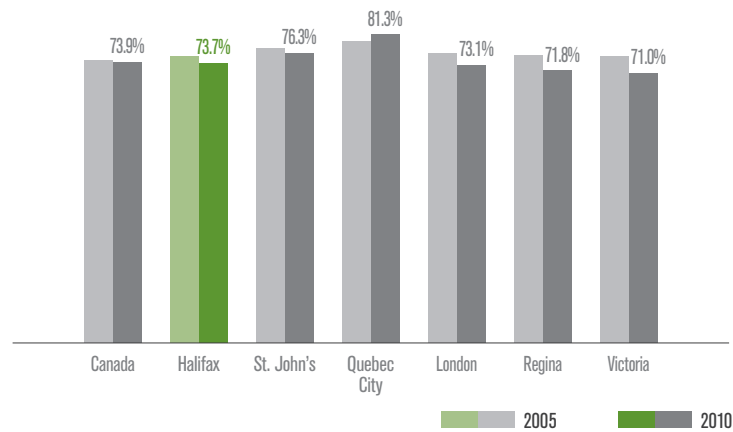
**Activity levels during leisure time, active or moderately active**

Source: Statistics Canada



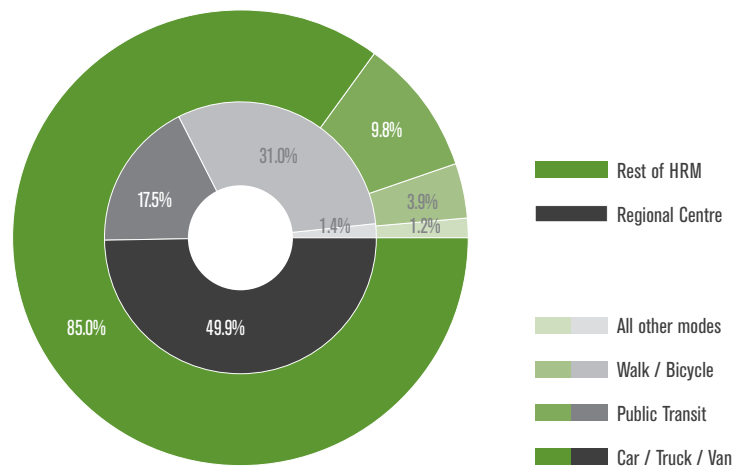
% of population who perceive mental health to be very good or excellent

Source: Statistics Canada



Employed labour force (15 years and older) by mode of transportation, Regional Centre and rest of HRM, 2006

Source: Statistics Canada Census



COMMUNITY

HOW IS HALIFAX DOING?

Halifax residents have a below average sense of belonging to the local community when compared to its benchmark cities. Halifax is ahead of only Quebec City in terms of belonging. There may be a number of factors behind this. Halifax's largely rental market may leave people feeling like "home" is not where they live now, or historical movements west for work leave people without a sense of attachment to the community.

Despite this, Halifax residents have a high level of satisfaction with life; over 93% indicate they are "satisfied" or "very satisfied" with life, second among Halifax's benchmark cities. High levels of satisfaction with life indicate that Halifax has many of the intangible qualities its residents are looking for in life despite the fact lower numbers feel they belong in the community.

Voter turnout rates in elections vary significantly at different levels of government; turnout rates in Halifax federal election districts were over 61% in the 2011 election, slightly above the national average. Despite this, Halifax had the second lowest turnouts among its benchmark cities.

Voter turnout in provincial and municipal elections has slipped significantly; a 6% drop in provincial rates and a 12% drop in municipal turnout. At the municipal level, a bump in 2004 due to a plebiscite on Sunday shopping and multiple races going uncontested in 2008 likely led to a drop in turnout.

In addition to declining voter turnouts, the number of candidates offering and the number of races contested have dipped at the municipal level. The former dropped by 15 as 4 of 24 races were uncontested in 2008. However, with a reduction in the number of polling districts from 24 to 16, it is likely the proportion of races contested will increase.

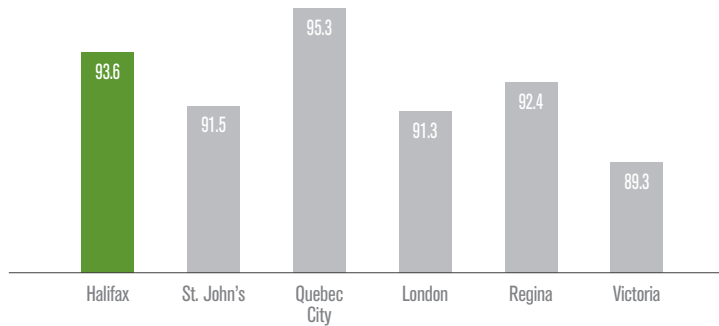
The proportion of tax filers who claim charitable contributions remained virtually the same from 2006 to 2010 in Halifax at 25.1%. This proportion was the second lowest among benchmark cities. Median charitable contributions in 2010 were \$310, tying for second highest behind Victoria's \$390. This indicates that while rates may be low in Halifax, those who donate are relatively charitable.

KEY QUESTION

WHAT CAN HALIFAX DO TO FOSTER A GREATER SENSE OF BELONGING TO THE COMMUNITY?

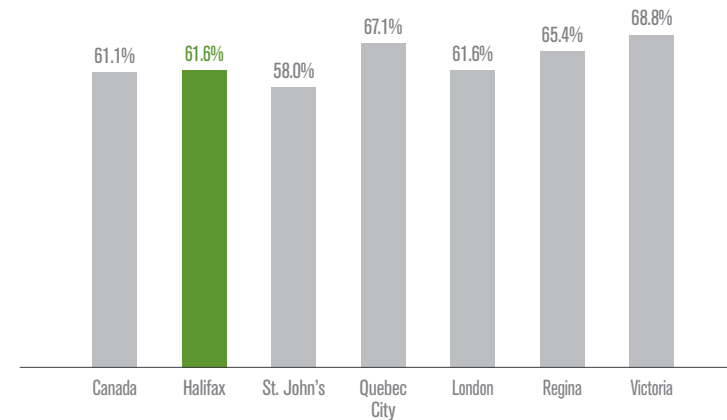
% (12+) satisfied or very satisfied with life

Source: Statistics Canada



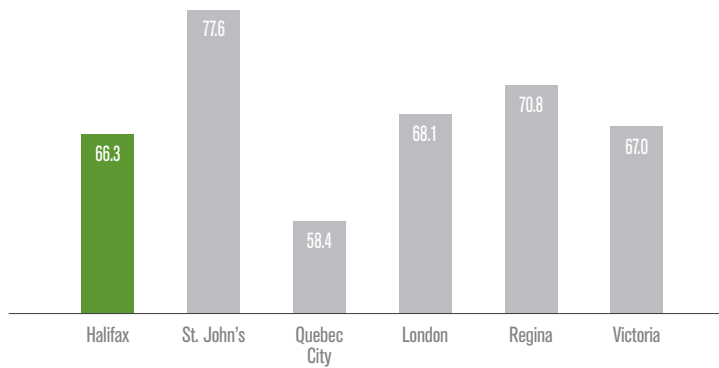
Voter turnout, federal elections, Canada and CMAs

Source: Elections Canada



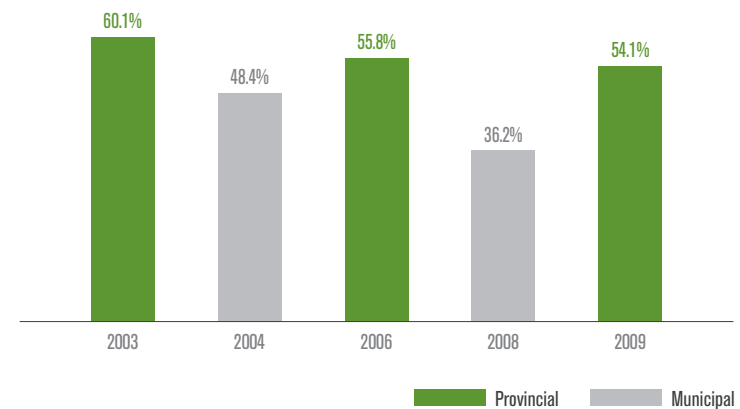
Sense of belonging to the local community, somewhat or very strong, %

Source: Statistics Canada



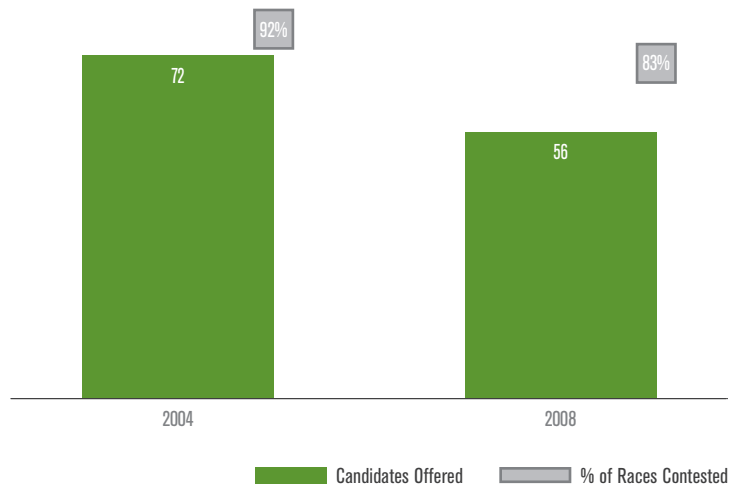
Voter turnout, provincial and municipal elections, HRM

Source: Elections Nova Scotia, HRM Municipal Clerk's Office

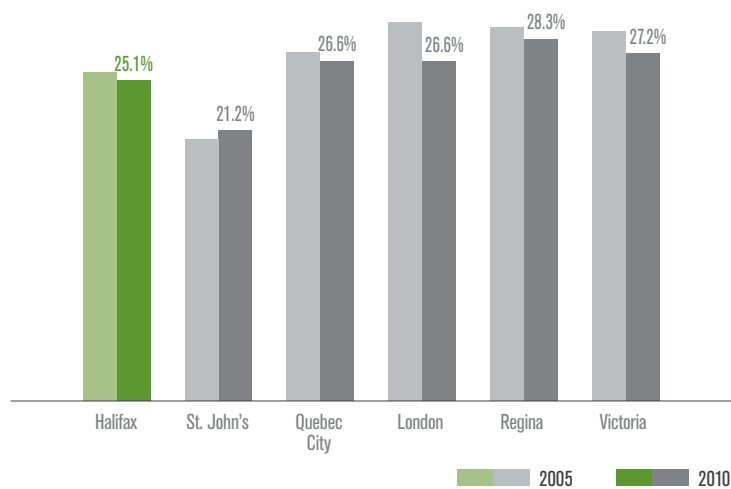


Candidates offering and races contested, municipal elections

Source: HRM Municipal Clerk's Office

**% of tax filers who claim charitable contributions**

Source: Statistics Canada



ARTS, CULTURE AND RECREATION

HOW IS HALIFAX DOING?

Employment in arts, culture and recreation has increased by 21% since 2006. This was higher than the national average at 17% and the second highest increase among benchmark cities. Over 7,600 people work in arts, culture and recreation in Halifax, ranked fourth among benchmark cities.

Furthermore, wages in occupations relating to arts, culture and recreation have increased by \$4.10 per hour or 23% between 2006 and 2010 and outpaced total wage growth in Nova Scotia during that period. Occupations in these fields are now above the average in Nova Scotia with an average wage of \$21.60 per hour.

There were over 930,000 attendees for performances and programs in 2011 put on by the 18 organizations that make up the Greater Halifax Arts Coalition (GHAC). These professional arts organizations have a sustainable base of attendees with over 39% of participants under the age of 25.

Funding for these organizations typically comes from four avenues: provincial (36.7%), corporate (32.1%), federal (25.1%), and municipal (6.1%). Together the public and private sectors contribute nearly \$10.4 million to these organizations' \$22 million in annual revenues. These GHAC indicators are new for 2011 and will be annually tracked in *The Halifax Index* going forward.

Uptake of HRM's recreation, culture and leisure programs has dipped since 2007-08 with over 7,000 fewer registrations between 2007-08 and 2011-12. The biggest drop occurred in 2011 as HRM moved away from direct service delivery to partnerships with community organizations and lease agreements with third-party organizations. This approach, along with staff training initiatives, is aimed at nurturing more community-developed programming.

Library programming and usage continues to rise, with a 12% increase in program uptake since 2007-08. Visits per capita (six in 2011-12) ranked thirteenth out of 35 cities with populations between 100,000 – 499,000 in Canada, indicating that Halifax residents are relatively active users of library services.

KEY QUESTION

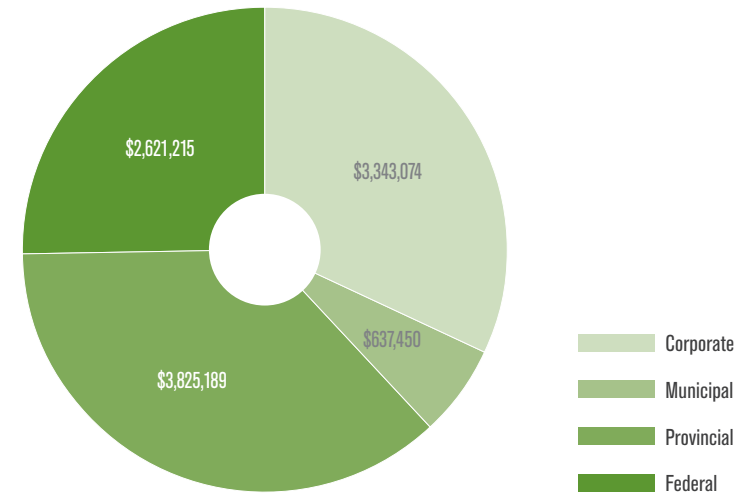
WHAT CAN HALIFAX DO TO ENSURE THE SUCCESS AND VIBRANCY OF THE ARTS, CULTURE AND RECREATION SECTOR?

Employment in arts, culture and recreation, 000s

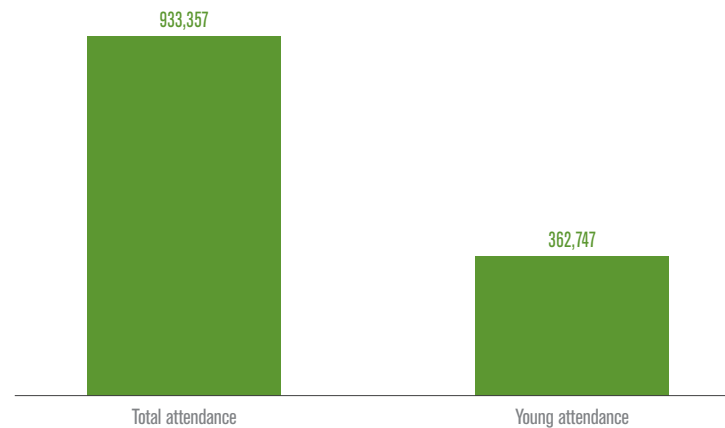
Source: Statistics Canada

**Funding for professional arts organizations, 2011**

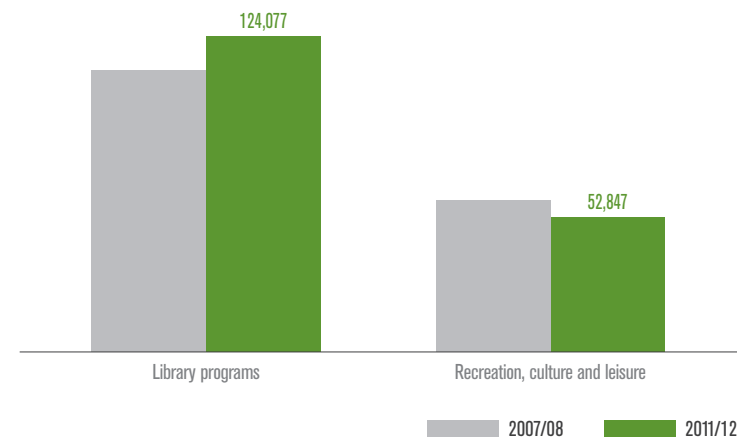
Source: Greater Halifax Arts Coalition

**Total and young (25 and under) attendance, professional arts organizations, 2011**

Source: Greater Halifax Arts Coalition

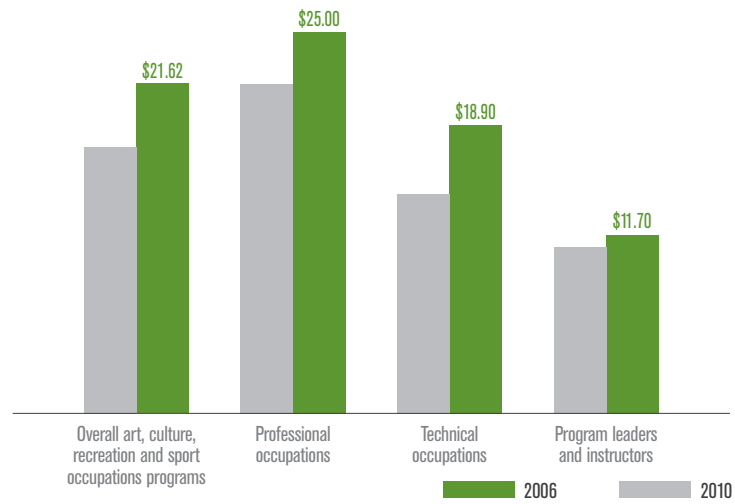
**HRM program registrations by type**

Source: Halifax Regional Library



**Full time wages in occupations in art, culture, recreation
and sport, Nova Scotia**

Source: Statistics Canada



SUSTAINABILITY

SUSTAINABILITY

KEY INDICATORS

DENSITY

- Density of cities and urban areas
- Regional Centre population and dwelling counts

TRANSPORTATION

- Mode of transportation to work
- Median commuting distance
- Public transit usage, availability and satisfaction

ENVIRONMENT

- Water quality
- Air quality
- Average water usage
- Waste disposal and diversion

MUNICIPAL FISCAL SUSTAINABILITY

- Bond rating
- Revenues
- Commercial tax per property

WHY ARE THESE INDICATORS IMPORTANT?

Economic growth is a worthwhile goal but not at all costs. Sustainable communities balance short-term gains with long-term planning.

One tool for achieving sustainability is to drive density. Halifax is the largest of the benchmark cities and nearly the size of the entire province of Prince Edward Island. Providing infrastructure for the over 5400 km² it covers is not environmentally or fiscally sustainable. That's why density - particularly in urban areas - is critical to the long-term viability of the city.

Public and active transportation is also important to a sustainable community. Both the environment and the road network benefit from fewer cars on the road every day. Median commuting distance and the mode that people use to get to work provide indications that Halifax is heading in the right direction on density objectives and environmental outcomes.

Water and air quality are also critical to a healthy living environment. Reasonable water usage at both the residential and commercial levels help to ensure the fresh water supply is sustainable. Quality measures help to ensure cities have quality in addition to quantity and that the environment is safe and healthy.

Fiscal sustainability is also vital. Local governments need the resources necessary to build infrastructure and provide services long term. Revenue growth is key to understanding the ability of the city to keep up with increasing costs, infrastructure and service provision. Commercial property taxes that outpace the capacity for businesses to generate income will stifle growth. Finally, the bond rating shows the long-term outlook on the fiscal health of the city.

DENSITY

HOW IS HALIFAX DOING?

Halifax has the second lowest population density among its benchmark cities; however this is not surprising given the landscape. When considering just the population centres, Halifax's population density jumps to the middle of the pack among its benchmark cities. Halifax has significant work to do to achieve the kind of urban density that cities such as London and Regina have. Population density in the urban areas of Halifax did not change greatly between 2006 and 2011.

Nearly 300,000 people in Halifax live on just 300 km², with the other 90,000 residents living in rural areas across the municipality's remaining 5200 km². This proportion (76.3%) of people living in urban areas is the lowest among benchmark cities.

Of concern is the population density in the Regional Centre. Halifax's core has been stagnant in terms of population growth. This trend has turned around just recently but not quite at target levels. Between 2006 and 2011, the Regional Centre added 1,832 people, providing a marginal increase in the amount of density in that time.

Halifax is dangerously close to the development donut problem (no growth in the centre) experienced by so many North American cities. It has always been significantly easier to build out, on wood lots and corn fields, than to build in by making the downtown denser. Reducing the burdens associated with downtown densification (cost, increased regulation and traffic/parking to name a few) is crucial to ensuring urban population density increases.

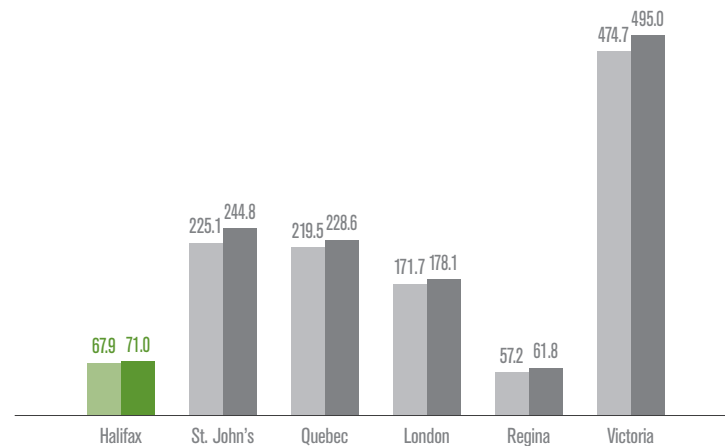
Downtowns often make the first impression on tourists, prospective residents, and companies alike. Iconic cities like New York, Toronto, London (U.K), and Paris all have prominent downtowns full of people, businesses, culture, and activity, which help sell the entire region. If Halifax is to become a truly "international city" as aspired to in the vision of the economic strategy, it will have to focus on enhancing its urban core.

KEY QUESTION

WHAT ELEMENTS NEED TO BE IN PLACE FOR HALIFAX TO ENCOURAGE MORE DENSIFIED LIVING?

Density (persons per km²), 2006 and 2011

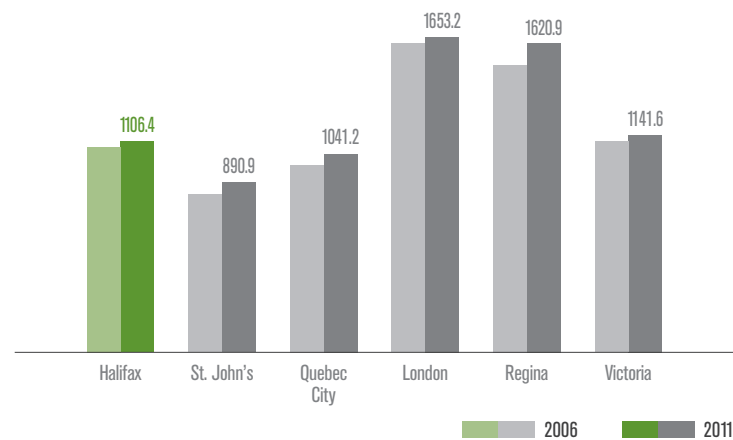
Source: Statistics Canada Census

**% of total population who live in urban areas/population centres**

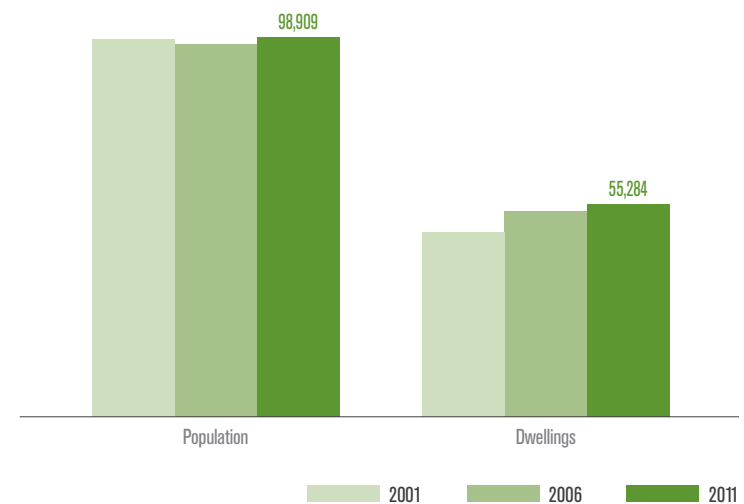
Source: Statistics Canada Census

**Density (persons per km²) of urban areas/population centres**

Source: Statistics Canada Census

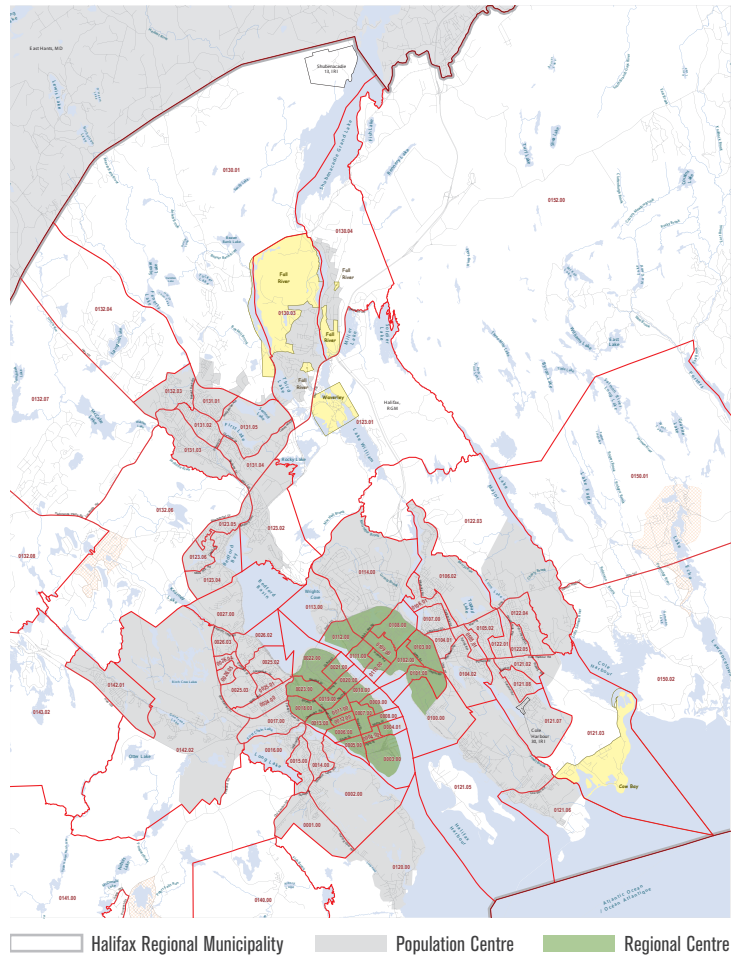
**Population and dwelling counts in the Regional Centre**

Source: Statistics Canada Census



Populations and density, HRM, Regional Centre and Population Centre

Source: Statistics Canada



Population Statistics - 2011

	Population	Density
Regional Centre	98909	1805.9
Population Centre	297943	1106.4
Halifax Regional Municipality	390328	71.0

TRANSPORTATION

HOW IS HALIFAX DOING?

Halifax had the highest proportion of its population that took public transit to work in 2006 among its benchmark cities. With nearly 12% of the population taking public transit, Halifax is a full percentage point above the national average.

Halifax also had the second highest proportion of the population who walked or biked to work. Over 11% of the population walked or bicycled, nearly 3.5% above the Canadian average.

Furthermore, the median commuting distance in Halifax was 6.5 km, 1.1 km below the national average but the second highest among benchmark cities, increasing slightly between 2001 and 2006.

Overall use of public transportation grew significantly since 2011-12, with a projected increase of nearly one million passengers over 2007-08. This represented a 4.8% increase. During this time, the total hours of service increased 14.6% to more than 700,000 hours annually.

Overall satisfaction with transportation among the public and business community is fair. Most businesses surveyed show some level of satisfaction with the public transportation system and local road and street network. The Partnership's SmartBusiness data shows that many issues surrounding transit are focused on the availability and quality of infrastructure and buses, particularly in outlying areas of the municipality. Among the general public, satisfaction with public transit dropped 14% between 2010-11 and 2011-12.

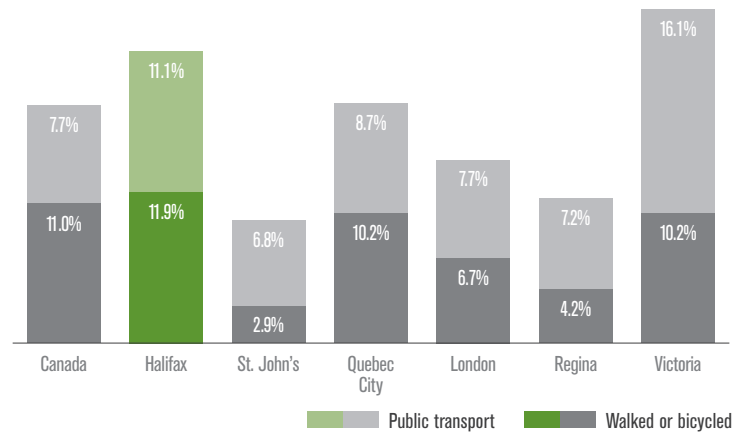
In many communities, transit priorities often sit between providing service to new neighbourhoods and maintaining or enhancing service where demand is high. The first is inconsistent with density and sustainability efforts; the second drives higher-level benefits.

KEY QUESTION

ARE HALIFAX'S TRANSIT AND PLANNING PRIORITIES
ALIGNED TO CREATE SUSTAINABLE GROWTH?

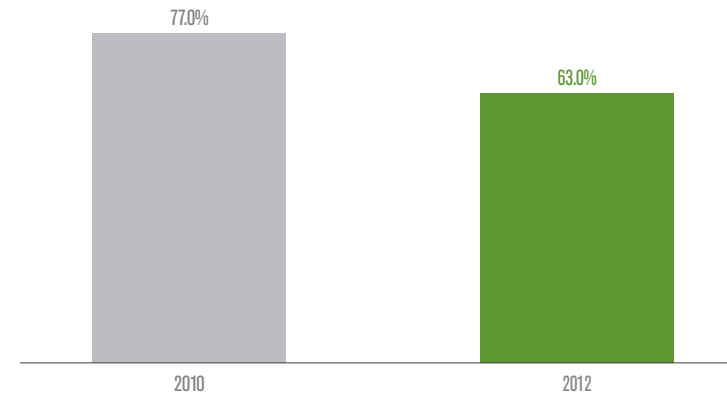
% of population who walked, bicycled or took public transit to work, 2006

Source: Statistics Canada Census



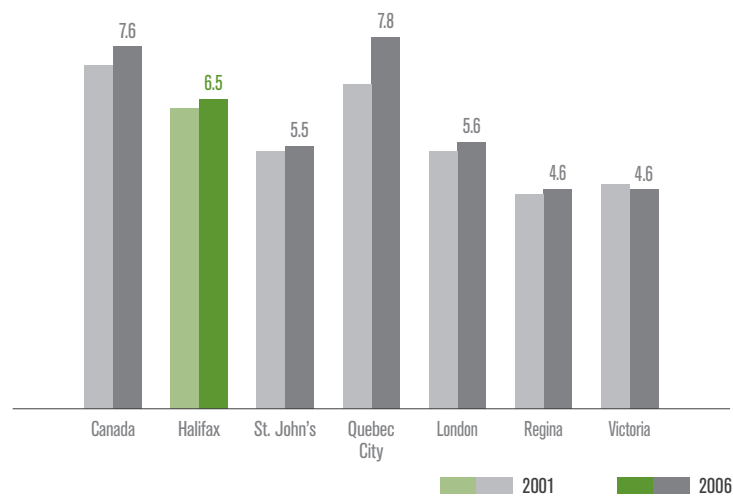
Citizen satisfaction with public transit, 2010 and 2012

Source: HRM Citizen Survey



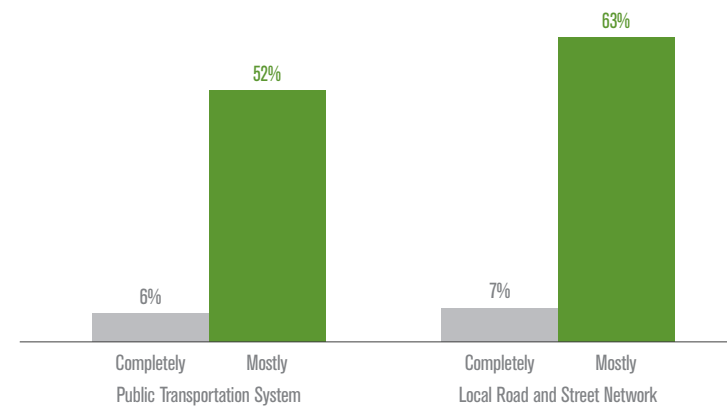
Median commuting distance (kms)

Source: Statistics Canada Census



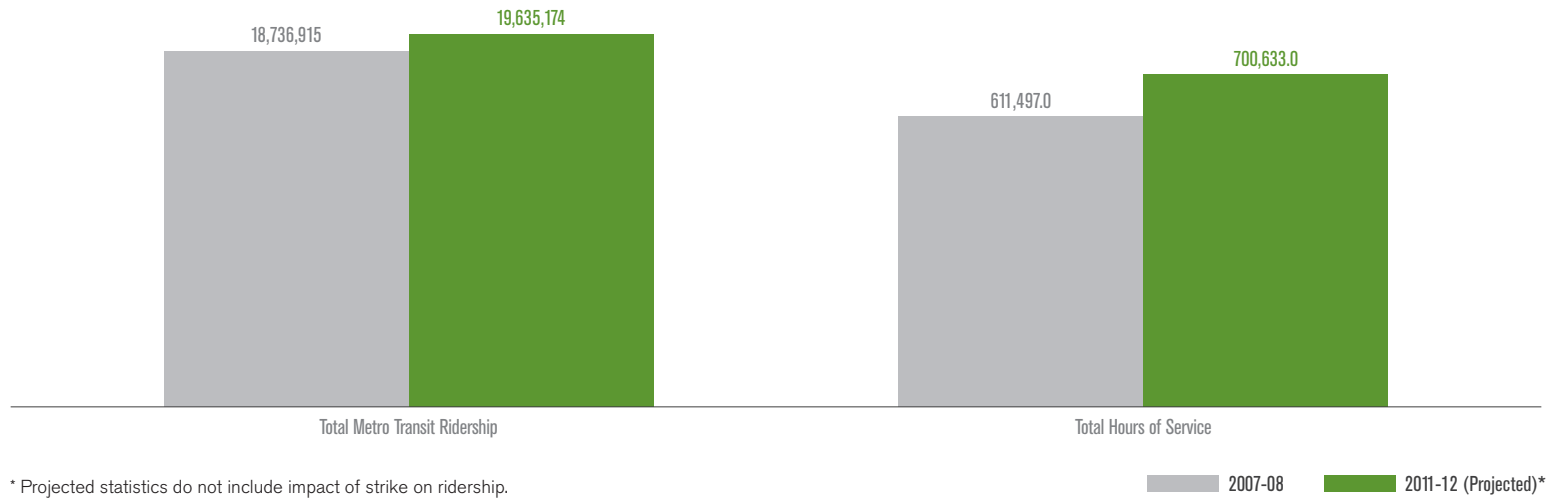
Business satisfaction with public transportation and local road and street network, HRM, 2012

Source: GHP Business Confidence Survey



Total ridership and hours of service*

Source: Statistics Canada



* Projected statistics do not include impact of strike on ridership.

ENVIRONMENT

HOW IS HALIFAX DOING?

Nova Scotia water quality is second highest among benchmark provinces and has improved since 2006. Waterproof 3: Canada's Drinking Water Report Card, states that Nova Scotia has "protected a large percentage of water sources that concomitantly protect the vast majority of the population." It also lauds Nova Scotia's regulations regarding water treatment, standards and testing.

Use of water in Halifax has decreased by nearly 9L per capita since 2004 and ranks as the third lowest usage among benchmark cities. Residential water use, which accounts for 65% of all water use in the municipality, decreased by 2% in that time frame. While this is positive, decreases in several other jurisdictions during this timeframe were higher and furthered the gap between lower users and Halifax.

Air quality in Halifax is among the best in its benchmark cities. Ground-level ozone levels, a major contributor to urban smog and a health irritant, rank lowest among benchmark cities. Fine particulate-matter levels, remnants from fuel burned that can cause a variety of serious health problems, are among the lowest in the benchmark cities.

Halifax commercial and residential waste levels have decreased by 0.03 tonnes per capita since 2007-08 as more and more waste is diverted. Both commercial and residential waste levels per capita dropped during this period. Diversion rates from landfills jumped from 56% in 2007-08 to 61% in 2010-11 as the municipality increased its targeted outreach and education programming in commercial, industrial and institutional sectors.

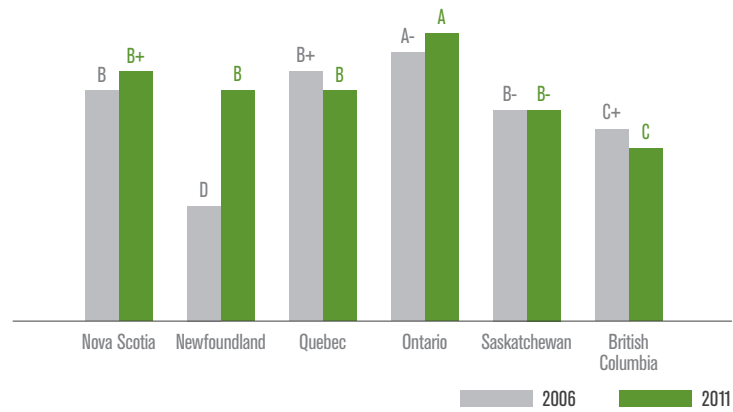
In addition to the environmental impacts, waste diversion has fiscal sustainability impacts. Both composting - and recycling-per-tonne costs are significantly lower than waste - disposal rates, especially as disposal rates for all waste streams increased 17% between 2007-08 and 2010-11. HRM's recycling costs are one of the best rates per tonne in the country, indicating that current policies are efficient.

KEY QUESTION

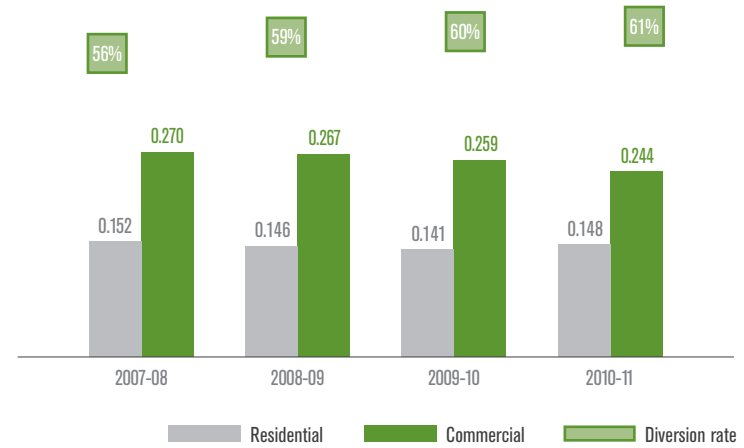
HOW CAN HALIFAX ENHANCE ITS REPUTATION AS AN ENVIRONMENTAL LEADER?

Water Quality by Province

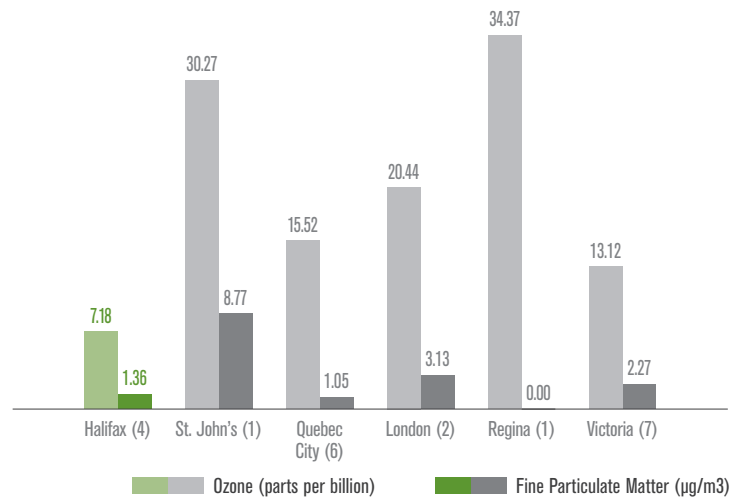
Source: Waterproof - Canada's Drinking Water Report Card

**Waste diversion and tonnes of waste per capita, Halifax**

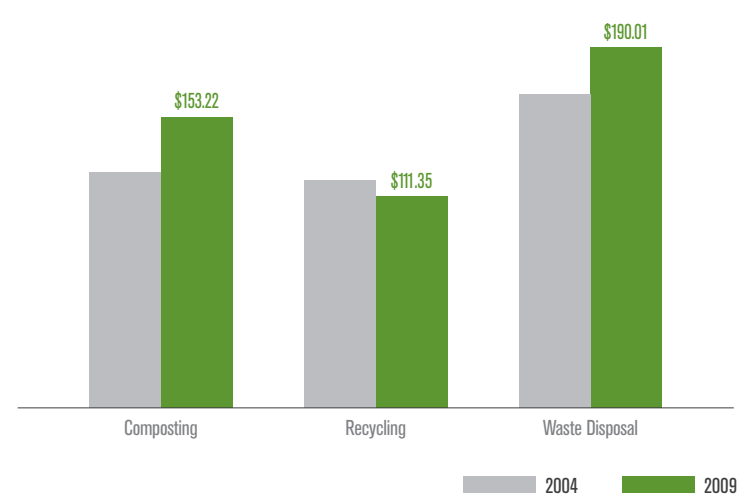
Source: HRM Transportation and Public Works

**Air quality measures, 2011 (# of test sites in parentheses)**

Source: Environment Canada

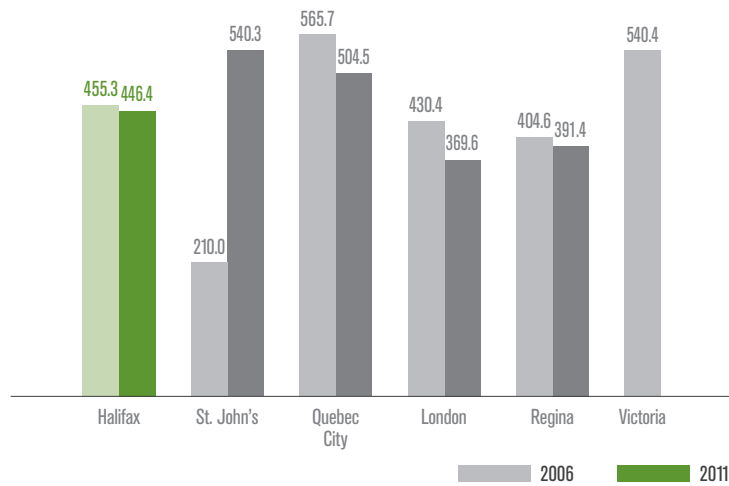
**Cost of composting, recycling and waste disposal, per tonne, Halifax**

Source: HRM Transportation and Public Works



Average daily water flow per capita, litres

Source: Environment Canada Municipal Water and Wastewater Survey



Note: Victoria data for 2009 was unavailable. St. John's data reflects a change in reporting methodology.

MUNICIPAL FISCAL SUSTAINABILITY

HOW IS HALIFAX DOING?

The commercial proportion of property taxes paid has declined by 1.5% since 2007. Approximately 40% of property taxes are collected from commercial properties. This has declined slightly over the past five years, from 40.3% in 2007 to 38.8% in 2012. Key factors in this trend have been the increase of total residential assessed values relative to commercial assessed values, as well as increasing payments in lieu of taxes (PILT) for federal and provincial properties as the business occupancy (BO) tax is phased out.

The average commercial property tax (per property) increased by 1.7% annually, on average, over the past five years, including a decrease in 2012. This was less than the average Halifax inflation rate over that period (2.1%), indicating that commercial property taxes are not outpacing overall price growth.

Property tax as a percentage of GDP indicates that commercial property taxes have grown at the same pace as the economy over the past five years. In fact, commercial property taxes have fallen slightly from 1.26% to 1.25% of GDP since 2007. Since then, total tax revenues in Halifax – including residential/resource property taxes, area rates, tax agreements and PILT revenues – also rose slightly relative to GDP from 3.49% to 3.64%.

When looking at different components of HRM revenues that contribute to overall expenditures, we see that expenditures increased by 4.0% annually, on average. However, non-tax revenues – mostly user fees, fines and provincial contributions – increased by less than 0.2% annually. The tax-related revenues, which make up 83.5% of overall revenues, made up the difference, increasing 4.8% on average, annually.

These revenue increases are used to fund rising costs due to inflation, greater demand for services (from the growing population and number of properties) and new and expanded services, such as the Canada Games Centre and enhanced transit service.

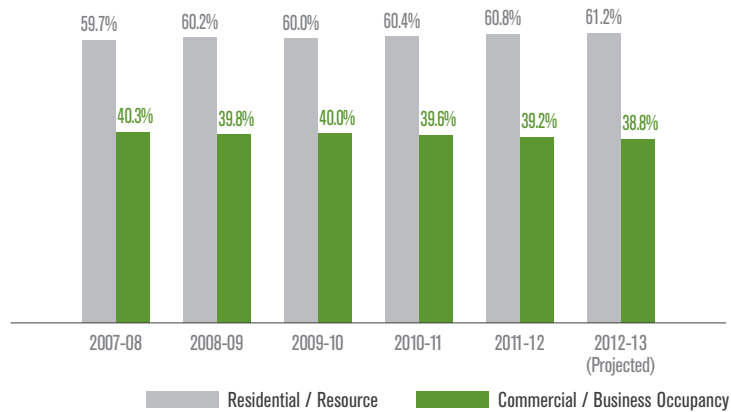
HRM's credit rating improved in 2012 to AA- and the outlook is stable, indicating that the municipality's credit worthiness continues to be high.

KEY QUESTION

ARE TRENDS IN REVENUE GROWTH IN HRM SUSTAINABLE LONG TERM?

Residential and commercial tax split (General, Provincial & Transit Taxes)

Source: HRM



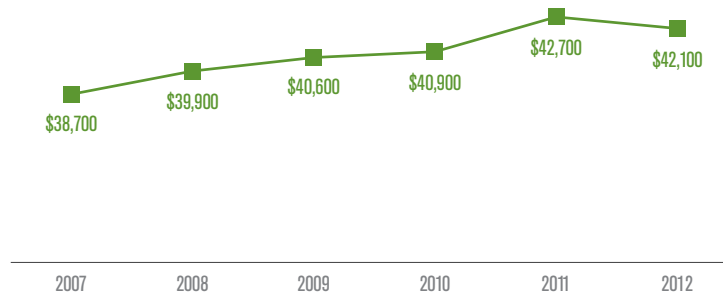
Standard & Poor Credit Rating for HRM

Source: Standard & Poor

Date	Credit Rating	Outlook
May 2012	AA-	Stable
April 2011	A+	Positive
February 2010	A+	Stable
September 2008	A+	Positive
April 2007	A	Positive

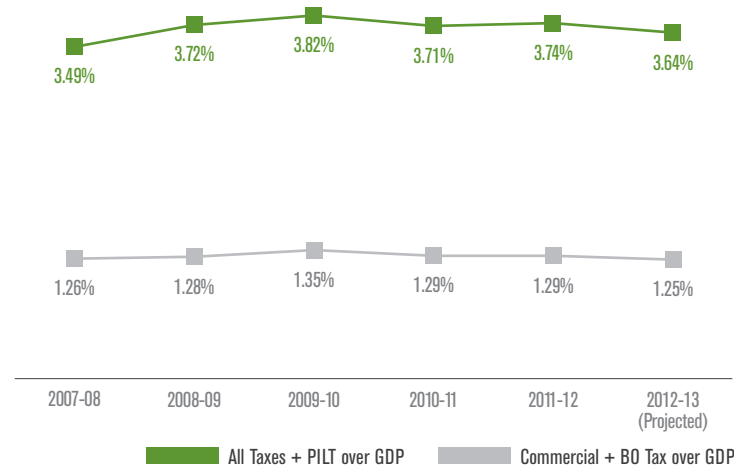
Average Commercial and Business Occupancy Tax per Property

Source: HRM



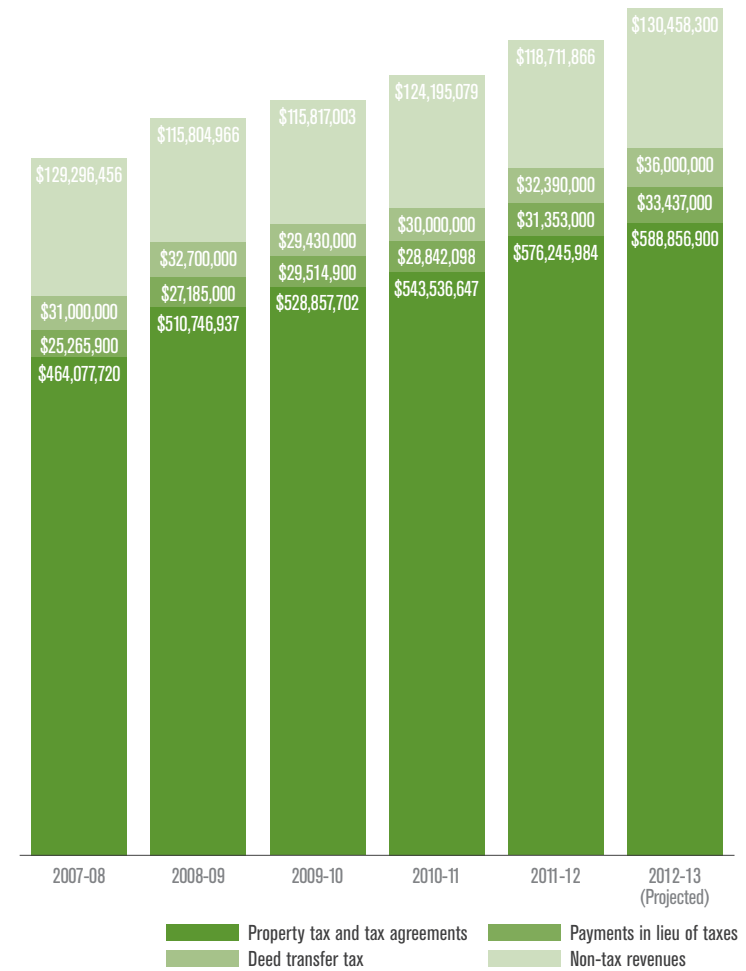
Property tax as a % of nominal GDP

Source: HRM Taxation and Fiscal Policy



HRM municipal revenues by source

Source: HRM



SPECIAL ANALYSIS: DEMOGRAPHICS OF THE REGIONAL CENTRE

Building a vibrant and attractive Regional Centre is one of the five goals of **AGREATERHalifax**, Economic Strategy 2011-2016 for Halifax. The impetus for focus on the Regional Centre is two-fold:

1. Every city has an attractive, vibrant, dynamic and successful heart and Halifax's Regional Centre is the economic, social and government engine for the city, the province and the Atlantic Region.
2. In the last major development period (2000-2008), the Regional Centre did not see significant new building construction, and development has shifted to suburban business parks and away from a healthier balance of suburban and urban growth.

Council-approved growth targets aim for 25% of growth to be in the Regional Centre over the 25-year period of the regional plan to ensure Halifax grows in a sustainable way.

The Partnership has developed a demographic profile and historical trend analysis for the Regional Centre and the rest of the municipality. This assessment includes demographic, residential and commercial information obtained from the 2006 and 2011 Statistics Canada censuses as well as building permit data from HRM Planning and Infrastructure.

IF YOU LIVE IN THE REGIONAL CENTRE YOU ARE...

- twice as likely to be in your 20s, but half as likely to be a child or teenager.
- slightly more likely to be 70+, and less likely to be 35-50.
- more likely to be single or in a common-law relationship, less likely to be married.
- twice as likely to rent, rather than to own your home.
- more likely to be in an older home than one constructed in the last 20 years.
- more likely to be a single mother, but not a single father.
- much less likely to live with children.
- much more likely to live alone.
- more likely to have a native language other than English or French, and to speak it at home.
- more likely to be bilingual.
- more likely to be an immigrant, and slightly more likely to be a recent immigrant.
- much more likely to be a non-permanent resident.
- much more likely to have come from a different part of the city or from a different province.
- more likely to have come from a different city in the province.
- are more likely to be university educated, but less likely to be an apprentice or have a college degree.
- are slightly more likely to be unemployed, or outside the labour force.
- are more likely to work in government/education/social science/religion, art/culture/sport, or the sales and service sectors. You are also much less likely to work as a tradesman, or in primary industries.
- are more likely to take public transit to work.
- are MUCH, MUCH more likely to walk to work.
- are much less likely to drive to work, but almost as likely to be a passenger.
- are more likely to be a visible minority.

Source: GHP analysis based on 2006 Statistics Canada census tract data.

REGIONAL CENTRE PRIORITIES

AGREATERHalifax identifies four main objectives to be achieved between 2011-2016:

1. Direct and oversee a pro-development policy environment within the Regional Centre that attracts \$1.5 billion of private investment;
2. Further the liveability and attractiveness of the urban core to attract 8,000 new residents to the Regional Centre;
3. Reinvent the current approach to mobility in the Regional Centre; and
4. Celebrate and enable a rich variety of cultural and creative opportunities in the Regional Centre.

As such, this demographic analysis will focus on three areas:

- Commercial investment in the Regional Centre since 2006
- Demographic profile of those who live in the Regional Centre today
- Mobility trends in the Regional Centre

As future developments surrounding the cultural and creative elements occur, they will be added to develop a comprehensive, benchmarked Regional Centre profile.

SLOW GROWTH IN THE REGIONAL CENTRE

Between the 2006 and 2011 censuses, Halifax added over 17,400 residents and over 10,500 dwellings. Of these, only 1,800 (11%) of those new residents and 1,670 (16%) of the dwelling units were located in the Regional Centre. Given growth targets for the next five years are for 8,000 new residents in the Regional Centre, these numbers need to drastically improve.

These figures indicate that growth in the Regional Centre is below target levels for this period, although growth targets are meant to be realized over a 25-year period, allowing for policy changes and incentives to have the desired effect.

COMMERCIAL INVESTMENT IN THE REGIONAL CENTRE

Between 2006 and 2011, a total of 4,666 permit applications were filed for industrial, commercial, institutional, and multi-unit residential building projects worth a total of \$2.57 billion.

Of the total, 1,919 (41%) of permit applications and \$800 million (31%) of the project values occurred in the Regional Centre. These lackluster Regional Centre investment figures are further exacerbated when you consider the development of office space within Halifax; 96% of the 624,000 sq. ft. of office space developed between 2008 and 2010 was in suburban Halifax and only 4% was in the urban core.

With that said, growth related to Irving's win of the combat portion of the National Shipbuilding Procurement Strategy should provide a solid base for increased population and investment in the short and long term. Already, 100,000 sq. ft. of office space has broken ground in the urban core with speculation of other projects swirling. At its peak, the shipbuilding contract stands to increase employment by 11,500 and increase the population of the labour force age by over 13,000 during the life of the project.

In order to understand where people might live in the future, the Partnership did a deep dive into census data to see if there were demographic differences in who lives where within Halifax to see if any patterns emerged.

AGE AND MARITAL STATUS

When looking at the population by age, significant different profiles between the Regional Centre and the rest of Halifax emerge. The Regional Centre has a much smaller proportion of people below the age of 19 and between the ages of 30 and 55. The Regional Centre has an appreciably larger portion of people between the ages of 19-30 and over the age of 70.

There is also a significant difference when it comes to marital status; nearly 50% of the Regional Centre has never been married, 20% higher than the rest of Halifax. In contrast, over 50% of residual Halifax are legally married, 20% higher than the Regional Centre. Divorced, widowed and separated persons do not trend significantly to one area over another.

If combined with age ranges, a pattern emerges; young, single adults and older people are more likely to live in the Regional Centre while families with kids are more likely to live elsewhere in Halifax.

OWNERSHIP AND MOBILITY

When looking at the proportion of who rents and owns, another significant difference presents itself. 62% of Regional Centre residents rent their place of residence while only 38% own. This is strongly contrasted by the rest of Halifax where over 75% own their residence and only 24.4% rent.

This suggests that the Regional Centre is a transitional area for most people. When single, residents predominantly rent in the Regional Centre, however when they settle down and raise a family, they head to the suburbs where there are more schools, quieter neighbourhoods and lower housing prices.

This theme matches data on mobility. When looking at people's addresses compared to five years ago, only 49% of people in the Regional Centre have the same address they did then compared to 63% of residual Halifax. Furthermore, of the people who moved within the municipality, nearly 70% now reside in the rest of Halifax. The proportion of people moving from elsewhere (external NS, Canada or internationally) is significantly lower in residual Halifax (11.2%) than in the Regional Centre (19.7%). This confirms the idea that, predominantly, the Regional Centre is a first choice for a newcomer; however, as time passes many move to suburban Halifax.

EDUCATIONAL ATTAINMENT

When looking at the educational attainment of those who live in Halifax, another difference presents itself. The proportion of the population who have a university education is nearly 37% in the Regional Centre compared to 25% in residual Halifax. In contrast, the proportion of apprenticeship, trades and college-educated people is higher (31%) in residual Halifax than in the Regional Centre (22%).

WHAT DOES THIS ALL MEAN?

The Regional Centre profile in 2006 is one of transition. Over half of the residents lived at another address in 2001, and 32% of people who moved within the municipality between 2001 and 2006 now live in the Regional Centre. Those numbers are encouraging as the Regional Centre represents only a quarter of the total population of Halifax. The Regional Centre demographic profile presents a number of challenges to ensuring a stable population into the future, but ones that may be addressed with planning policies.

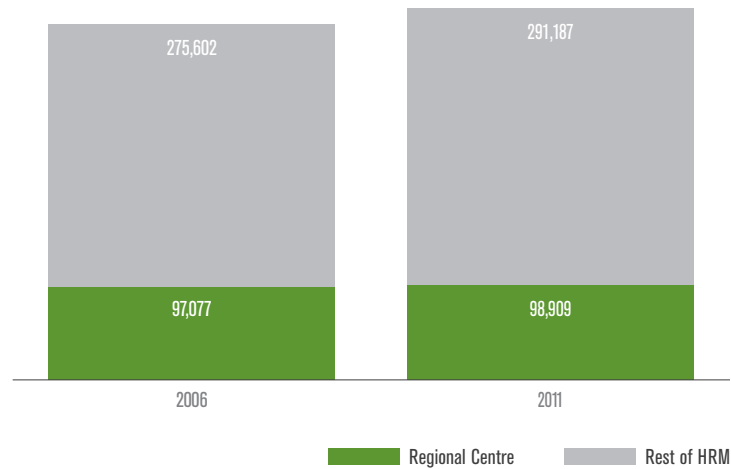
People at different stages of life require different infrastructure to consider the community vibrant. For young singles or older, retired people, restaurants, arts and culture and nightlife are keys to life satisfaction. For families: schools, parks, safety and quiet neighbourhoods take precedence. As such, if people are to live in the Regional Centre for their whole life, a mix of infrastructure is required.

Given what is known about future job creation directly at Halifax Shipyard, a significant number of jobs created will be in skilled trades. Currently, only 22% of people in Halifax with apprenticeships, trades certificates or college-level education live in the Regional Centre. There may be a whole host of reasons for this (affordability, job location, renting vs. owning, etc.) but the salient detail is that if historical movement continues, many of the employees working on the shipbuilding contract may live outside of the Regional Centre.

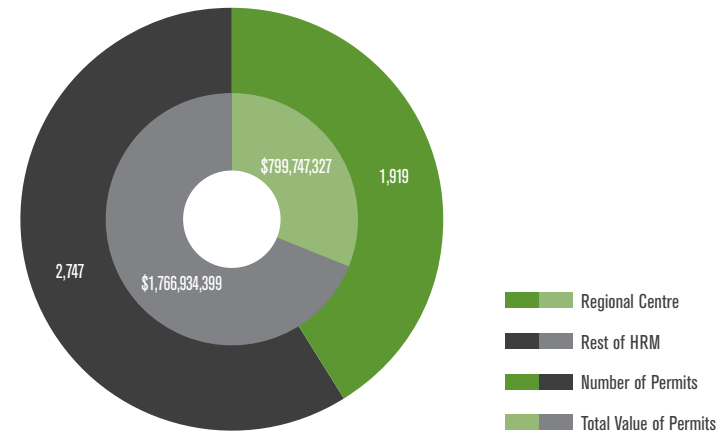
Creating a vibrant Regional Centre is a critical goal of the economic strategy. Based on current demographic data, developing a vibrant Regional Centre that attracts newcomers and retains them is critical to increasing the growth in the Regional Centre and highlights the work of the regional plan review (RP+5) that is currently underway.

Population in regional centre and rest of HRM, 2006 and 2011

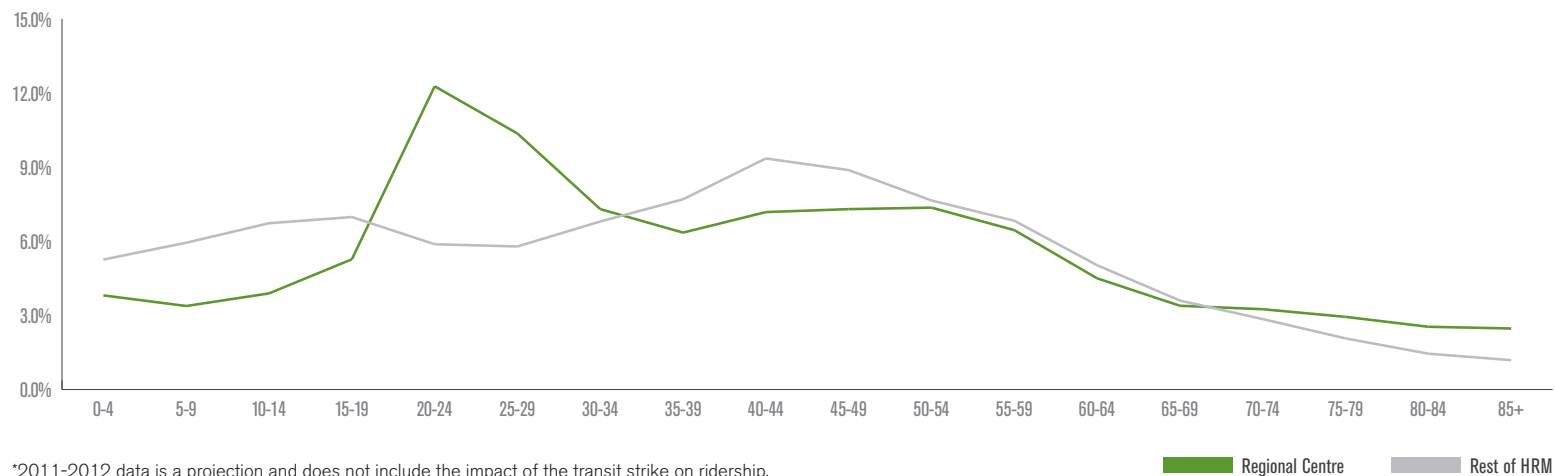
Source: Statistics Canada Census

**Number of permits and value, Regional Centre and rest of HRM, 2006-2011**

Source: HRM Planning Services

**Share of Population by Age, RC and rest of HRM, 2006**

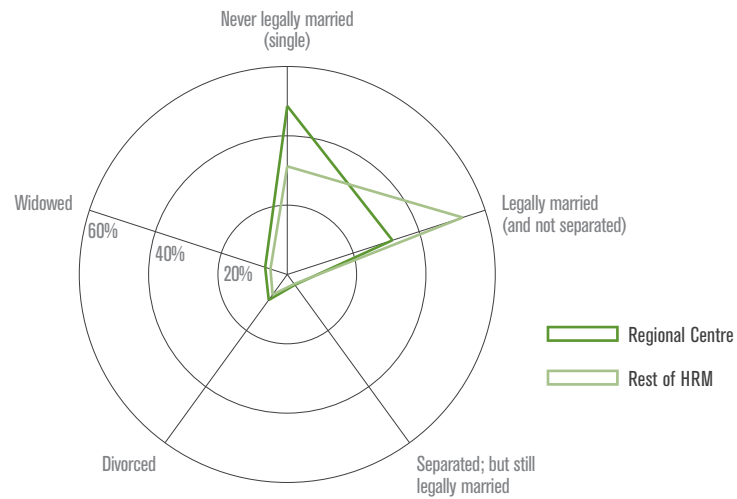
Source: Statistics Canada Census



*2011-2012 data is a projection and does not include the impact of the transit strike on ridership.

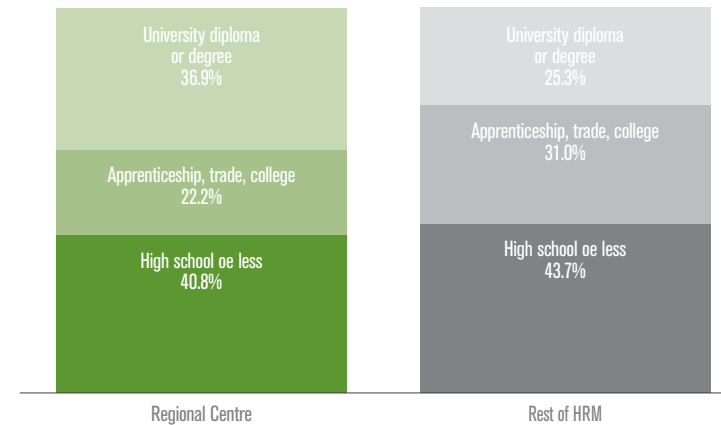
Share of Individuals by Marital Status, 2006

Source: Statistics Canada Census



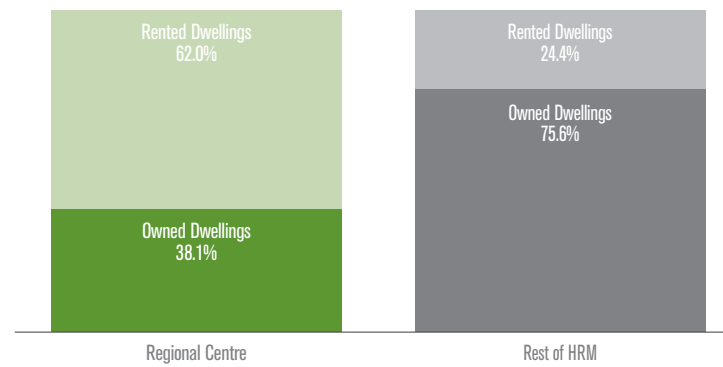
Labour force by highest level of educational attainment, 2006

Source: Statistics Canada Census



Share of Property Ownership by Dwelling, 2006

Source: Statistics Canada Census



CONCLUSIONS

This year's *Halifax Index* was focused on setting a benchmark for how Halifax has historically performed across a number of economic and community development indicators. While studying these indicators, a number of key challenges and opportunities arose:

- 1. Improve Regulation/Client Service:** The tax and regulatory climate present barriers to business growth and individual success. The tax side is difficult to deal with in the short term given the fiscal challenges faced by cash-strapped governments, but there are few excuses for poor customer service. Getting regulation and client service right needs to become a priority for all business-facing organizations.
- 2. Grow the Population:** This means Halifax need more immigrants, a much better retention rate of international students, and better access to good jobs for the young professionals who may want to stay in or return to Halifax. International students represent Halifax's most significant immigration opportunity. With the biggest population of international students and the region's worst retention rate, more effort here could bring great outcomes.
- 3. Build a healthy heart and grow the Regional Centre:** While there has been plenty of commercial space development in Halifax over the last few years, 96% of new development between 2008 and 2010 was located outside of the urban core. At the same time, vacancy rates in the Regional Centre for office space have risen dramatically. This could be an indication that the urban core is at a tipping point. Taking action now to ensure the heart of the community is healthy is vital to Halifax's well-being. Looking out a bit further, analysis points out that some of the challenges of the urban core have now spread to the broader Regional Centre. Ensuring that population growth targets are met for the Regional Centre where civic infrastructure and municipal services already exist is vital to the Halifax's long-term sustainability.

4. Creating a Culture of Partnership. The community has to work together to maximize the benefits from Halifax's natural assets like the harbour, the universities, and the major projects that are coming along. Halifax's biggest challenge is nurturing a culture of partnership when tackling every challenge and every opportunity. Halifax needs a community culture that deals with issues by engaging in vital business and community partnerships rather than blaming challenges on others and going it alone. Strong partnership will allow the community to deal effectively with the four top challenges and opportunities and anything else that comes along.

ECONOMIC STRATEGY PROGRESS UPDATE

REGIONAL CENTRE

GOAL:

Build a vibrant and attractive Regional Centre that attracts \$1.5 billion of private investment and 8,000 more residents.

PROGRESS TO DATE:

- Regional Plan Review and prioritized Centre Plan processes are underway. HRMbyDesign being implemented. Seven projects approved.
- Strategic Urban Partnership (SUP) formed, fundraising now for transition to a paid centre.
- Defined regional 5-year \$50M capital improvement and prioritized plan.
- Momentum is building for development downtown e.g. convention centre, library, RBC Waterside Centre, King's Wharf.

MEASUREMENTS:

Increased building permits in the Regional Centre.

- Lackluster Regional Centre investment figures indicate challenges; suggests a late start in meeting Regional Plan targets.

More private investment in Regional Centre (\$1.5 billion)

- Significant increases in private investment required to meet targets. Shipbuilding win may provide a stable base to improve on current trends.

Regional Centre population growth

- Low population growth in Regional Centre is challenging despite reversal of 20 year trend of decline.
- Majority of new residents and 1/3 of residents who move end up in the Regional Centre.
- Demographic analysis shows government planning policies are needed to encourage density.

WHAT'S NEXT?

- Implement HRM's Centre Plan and recommended enhancements to the Regional Plan.
- Make changes to provincial legislation to allow density bonusing and measures to advance sustainable and affordable development.

BUSINESS CLIMATE

GOAL:

Promote a business climate that drives and sustains growth by improving competitiveness and by leveraging our strengths.

PROGRESS TO DATE:

- Proposal underway to study the impact of commercial taxation on the urban core.
- Chamber Roundtable on Taxation is ongoing.
- Provincial capital tax eliminated as of July 1, 2012.
- Project plans developed for tax discussion paper and analysis to reduce regulatory burden.

MEASUREMENTS:

Construction approval speed

- Gradual improvement in building permit timelines.
- One-window approach in development at HRM; should lead to further efficiencies.

Perception of business climate

- Greater Halifax Partnership's research shows business confidence remains the same; new businesses are more confident than older ones. Majority surveyed predicting sales increases and additional hiring.
- Only 15% believe Halifax is an above average place to do business, down from 23% in 2011.

Competitive public investment

- Recently has become lower than all of Halifax's benchmark cities.
- Fluctuates widely and irregularly, irrespective of economic trends.

Competitive business tax burden

- Commercial taxes at municipal level are increasing slower than inflation.
- Total corporate income taxes are highest when compared to Canadian cities but lower than American ones.
- Provincial capital tax eliminated as of July 1, 2012.

WHAT'S NEXT?

- Halifax Chamber Roundtable to provide direction on tax priorities.
- Complete tax discussion paper and communicate findings.
- Implement recommendations of commercial tax and locations decisions study.
- Develop strategy to address gaps in general tax competitiveness.
- Clarify top regulatory issues facing business.

TALENT

GOAL:

Create a welcoming community where the world's talent can find great opportunities, engaged employers and resources for career advancement.

PROGRESS TO DATE:

- Greater Halifax Partnership's Connector Program has been expanded to include young and emerging talent.
- Nova Scotia's Workforce Strategy has been developed to address a shrinking workforce and to help Nova Scotians acquire the right skills for good jobs.
- Provincial retention of immigrants has improved significantly.
- Expanded foreign-credential recognition efforts are underway.

ISSUES DEFINED:

- Enhancing foreign credential recognition.
- Creating a welcoming community.
- Improving the HR competitive advantage in small and medium-sized enterprises.

MEASUREMENTS:

Attraction and retention of immigrants and students

- National in-migration has dropped; immigrants are heading for high growth cities.
- Halifax attracts well above average numbers of international students.
- International student retention is low but remains Halifax's biggest immigrant opportunity.

Employer attitudes

- Greater Halifax Partnership's research shows positive attitudes and interest in hiring skilled immigrants.
- Benchmarking of employer attitudes toward young and emerging talent has been completed.
- Availability and quality of labour is a top business concern, but businesses are not too worried yet.

Perception of Halifax as a great place to live and work

- Quality of life is very high in Halifax in comparison to benchmark cities.
- Vast majority of residents feel safe and satisfied with life.
- Majority feel healthy and active, with a higher share of active residents than most benchmark cities.
- Sense of belonging and low social capital remains a hurdle for talent attraction/retention.

WHAT'S NEXT?

- Make Halifax a more welcoming community; engage with all population growth areas – young and emerging talent, immigrants, international students and others.

INTERNATIONAL BRAND

GOAL:

Create a unique, international city brand for Halifax.

PROGRESS TO DATE:

Background research has been completed, including:

- A compilation of existing Halifax brand research, including an assessment of existing stakeholders and current marketers.
- A review of branding best practices.
- A comprehensive list of Halifax's functional and emotional benefits.
- Definitions of target audiences.
- Initial benchmarking of local levels of business confidence.

MEASUREMENTS:

Business confidence in Halifax

- Local business confidence has been benchmarked.
- Halifax's advantages include cost competitiveness for businesses, quality of life, and convenient central locations of key infrastructure/human resources/market conditions.
- Comparative disadvantages identified are a lack of diversity, regulation, and high overall levels of taxation.

Further indicators will be introduced as brand is developed.

WHAT'S NEXT?

- Secure resources to fund brand development and benchmarking.
- Continuing business confidence surveying.
- Build a team of "Ambassadors" that promote the city's new international brand.
- Encourage all residents to **live the brand!**

MAXIMIZE GROWTH OPPORTUNITIES

GOAL:

Capitalize on our best opportunities for economic growth.

PROGRESS TO DATE:

- Successful Ships Start Here campaign to rally support for Irving bid. Economic impact analysis complete.
- Identification of marine industries cluster as a major opportunity.
- First Halifax Index has been completed.
- In-depth analysis of growth sectors – aerospace and defence, financial services, ICT and digital technologies, oceans, transportation and logistics, and life sciences.
- The Halifax Marine Research Institute has been launched.

MEASUREMENTS:

Increased productivity

- Halifax trails benchmark cities in GDP per capita and R&D as a percentage of GDP.
- Business confidence is an imperative that Halifax can't overlook. Halifax needs a business climate that builds confidence and drives more investment, hiring, R&D and new product development.

Further indicators will be developed as this area progresses.

WHAT'S NEXT?

- Leverage shipbuilding opportunity.
- Halifax Index: Create stronger economic and community partnerships; strengthen and deepen findings.
- Halifax Gateway: Logistics Park and air route development.
- Competitive Intelligence: Research and act on opportunities and challenges.
- Further a culture of partnership and innovation, and act on opportunities and challenges based on the successful Ships Start Here model.

SPECIAL THANKS TO THE FOLLOWING
ORGANIZATIONS FOR CONTRIBUTING DATA AND
EXPERTISE IN DEVELOPING THE HALIFAX INDEX.

- Atlantic Canada Opportunities Agency
- Association of Universities and Colleges of Canada
- Canadian Mortgage and Housing Corporation
- Colliers International (Atlantic) Inc.
- Community Foundation of Nova Scotia
- Conference Board of Canada
- Corporate Research Associates
- Department of Fisheries and Oceans
- Ecology Action Centre
- Elections Canada
- Elections Nova Scotia
- Environment Canada
- Greater Halifax Arts Coalition
- Halifax International Airport
- Halifax Regional Library
- Halifax Regional Municipality
- Halifax Regional Police
- Halifax Water
- KPMG
- Maritime Provinces Higher Education Commission
- Nova Scotia Community College
- Nova Scotia Economic and Rural Development and Tourism
- Nova Scotia Office of Immigration
- Port of Halifax
- Service Canada
- Statistics Canada

GLOSSARY

- **AGREATERHalifax** – the 5 year plan and economic strategy for the city, encompassing wide reaching plans for economic, cultural, and strategic development.
- **Benchmark Cities** – Halifax's benchmark cities were approved by Halifax City Council January 8th, 2008. These cities were chosen as comparators based on their relative size, population and economic similarities to Halifax. These cities are St. John's, Newfoundland; Quebec City, Quebec; London, Ontario; Regina, Saskatchewan; and, Victoria, British Columbia.
- **Business Confidence Index** – an index based on a bi-annual survey of business confidence. It is a weighted average of business attitudes about past, present, and future performance within the local business climate.
- **CMA: Census Metropolitan Area** – an area of one or more adjacent municipalities situated around a major urban core. To form a census metropolitan area, the urban core must have a population of at least 100,000.
- **fDi benchmarking database** – a collection of relevant statistics compiled by the Financial Times to compare the costs of operating a business in various international cities.
- **Greater Halifax Partnership (GHP)** – the lead economic development organization for Halifax. It works to attract, keep, and grow businesses and help the community succeed.
- **Greater Halifax Arts Coalition** – a coalition of the leaders of 18 professional arts organizations dedicated to supporting the Halifax community through the presentation of world-class events, bringing the artistic culture of our region to audiences around the world.
- **Greater Halifax Partnership's Housing Affordability Model** – an economic model designed to compare the relative affordability of housing in Canada's major metropolitan areas under various income assumptions.
- **Gross Domestic Product (GDP)** – the market value of all finished goods and services produced within a region in a given period. Real GDP describes this value independent of changes in prices; Nominal GDP describes the value given concurrent price levels.
- **Halifax Gateway Council** – established in 2004, it is a forum for transportation providers and stakeholders in the Halifax region to work collaboratively to improve efficiency and competitiveness.
- **Halifax Regional Municipality (HRM)** – the municipal government entity encompassing approximately 5,577 square kilometres and more than 200 urban and rural communities.
- **HRMbyDesign** – an urban design project for the Regional Centre mandated by the regional plan, it is a tool to build healthy, liveable communities.
- **Hub City** – a province or region's economically leading census metropolitan area.
- **International Students** – a term used to describe temporary foreign students, a Canadian classification for non-native migrants attending a local post-secondary institution.
- **Knowledge-based economies** – an expression coined to describe trends in advanced economies towards greater dependence on knowledge, information, high skill levels, and increasing need for ready access to all these by the business and public sectors.
- **KPMG Competitive Alternatives** – a publication for comparing the operating cost of business, across sectors, in select cities internationally.

- **Market Basket Measure (MBM)** – a quantitative tool used by Statistics Canada to measure a standard of living that is a compromise between subsistence and social inclusion. The MBM reflects the cost of a basket that includes: a nutritious diet, clothing and footwear, shelter, transportation, and other necessary goods and services (such as personal care items and household supplies).
- **Migration (International)** – the movement of individuals across national boundaries; e.g. Japan to Canada.
- **Migration (Interprovincial)** – the movement of individuals across provincial boundaries within Canada; e.g. Alberta to Nova Scotia.
- **Migration (Intraprovincial)** – the movement of individuals across boundaries within the same province; e.g. Cape Breton to Halifax.
- **Participation Rate** – the proportion of individuals who are participating in the economy, representing those ages 25 to 65, who are employed or actively seeking employment, as defined by Statistics Canada.
- **Productivity** – a term used to describe the economic output produced per unit input of a given factor; e. g. labour productivity describes the amount produced per hour of labour used in production.
- **Program for International Student Assessment** – a system of international assessments coordinated by the Organization for Economic Cooperation and Development that focuses on 15-year-olds' capabilities in reading literacy, mathematics literacy, and science literacy.
- **Quality of Place** – the characteristics of a community that affect the quality of life of the people who live and work there (e.g. diversity, environment, arts and culture).
- **Research and Development (R & D)** – investment and activity that actively seeks to improve productivity or create new products.
- **Regional Centre** – the symbolic, historic, and functional heart of the Halifax Regional Municipality. Geographically this is defined as the Halifax Peninsula and Dartmouth within the arc of the circumferential highway.
- **Regional Plan** – short for the municipality's Regional Municipal Planning Strategy; an initiative designed in August 2006 to create a long-range, region-wide plan outlining where, when, and how future growth and development should take place in HRM.
- **RP+5** – an amendment process for the Regional Plan designed to take place 5 years after its inception to reassess the region's situation.
- **Site Selector** – an individual or firm who identifies the optimal location for a business to establish or expand their operations.
- **SmartBusiness** – the Partnership's Business Retention and Expansion initiative. A consultative activity which seeks to promote the viability of maintaining or expanding business operations in Halifax.
- **Social Capital** – connections and collaboration between social networks to enhance innovation and, economic and social development.
- **Strategic Urban Partnership (SUP)** – a public/private partnership aimed at identifying and championing local strategic urban investments.
- **Twenty-foot equivalent unit (TEU)** – a measure used by shipping companies to describe and quantify containerized cargo. One TEU represents the storage capacity of a 20-foot long intermodal container, though the measure is inexact due to varying container heights.
- **Unemployment Rate** – the proportion of working-age individuals participating in the economy (see "Participation Rate") who are involuntarily unemployed.

