



HALIFAX PARTNERSHIP

QUARTERLY ECONOMIC SNAPSHOT

WINTER 2019

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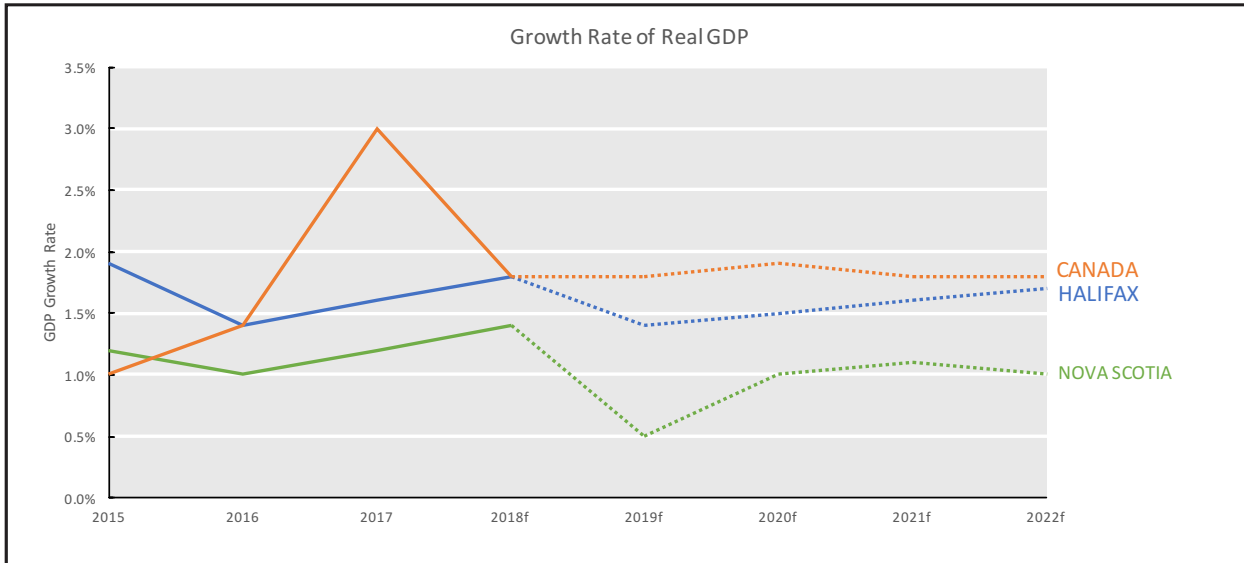


HIGHLIGHTS

- Halifax's GDP growth rate is forecasted to slow to 1.4% in 2019 and average 1.6% between 2019 and 2022
- Consumer purchasing power increased slightly since last quarter, while average weekly earnings remained steady.
- International enrolment in Halifax universities continues to climb and totalled 7,156 students in the 2017-2018 school year.
- The unemployment rate dropped from 7.1% to 6.0% in Q4 2017.
- The number of job vacancies fell from 6,760 in Q2 2018 to 6,360 in Q3 2018. The job vacancy rate fell over the same period from 3.3% to 3.0%. The average offered hourly wage in Q3 2018 was \$18.80/hour, up from \$17.95/hour in Q2 2018.
- Q4 2018 Port of Halifax cargo traffic fell by 7.2% from Q4 2017.
- Housing starts totalled 2,871 in 2018 but are forecasted to come in below 2,400 annually over the next few years in Halifax.
- Vacancy rates for Class-A office space rose in Q4 2018, while average rents declined for the fourth quarter in a row.
- The industrial real estate market continued to tighten in Q4 2018 as we saw another decrease in availability of industrial space and an increase in average asking net rent.

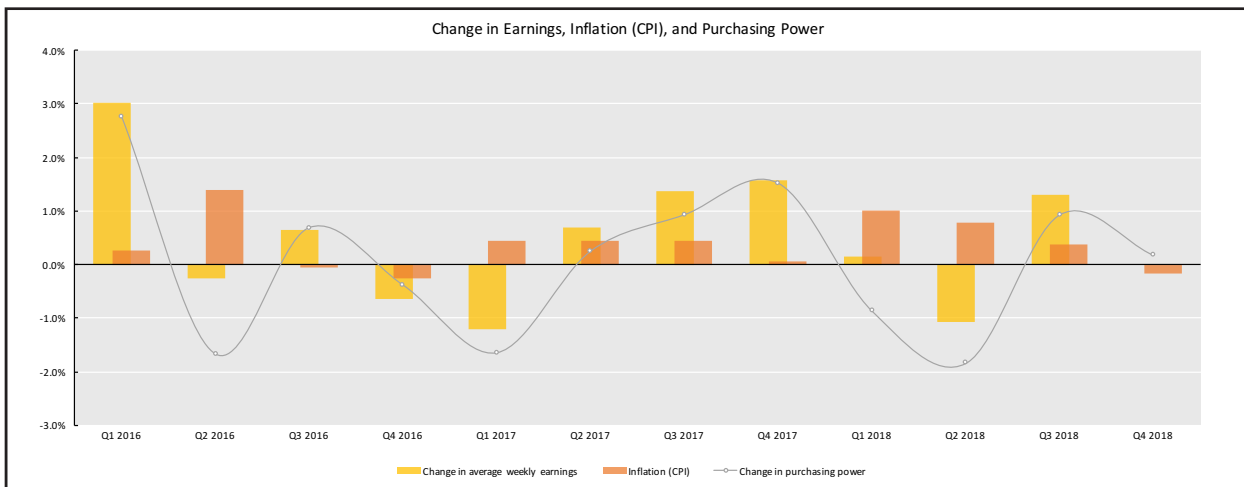
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INCOME



Source: Conference Board of Canada Metropolitan Outlook

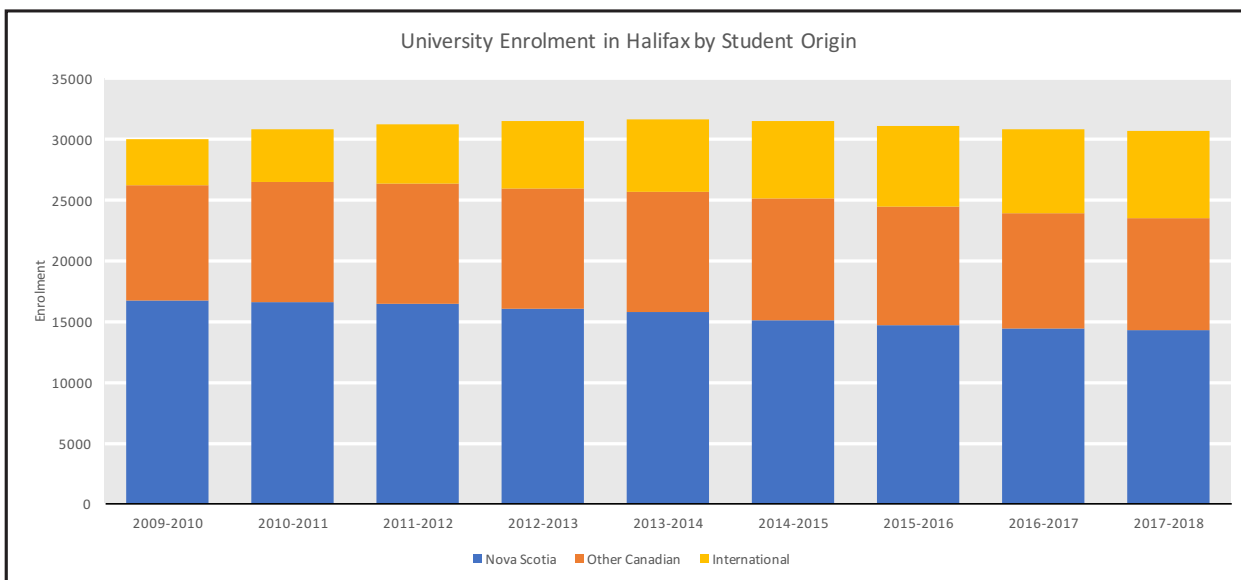
- Halifax’s GDP growth is forecasted to be moderate in 2019, falling to 1.4% from 1.8% in 2018. Over the next few years GDP growth will track slightly below the national figure, averaging 1.6% annually between 2019 and 2022.
- According to the Conference Board of Canada, positive growth is forecasted across all sectors over the 2019-2022 period. Growth will be led by wholesale and retail trade, transportation and warehousing, and finance, insurance and real estate.



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

- Average weekly earnings in Q4 remained unchanged since last quarter, sitting at \$910.
- Inflation decreased by 0.2%, resulting in a 0.2% increase in purchasing power.

POPULATION

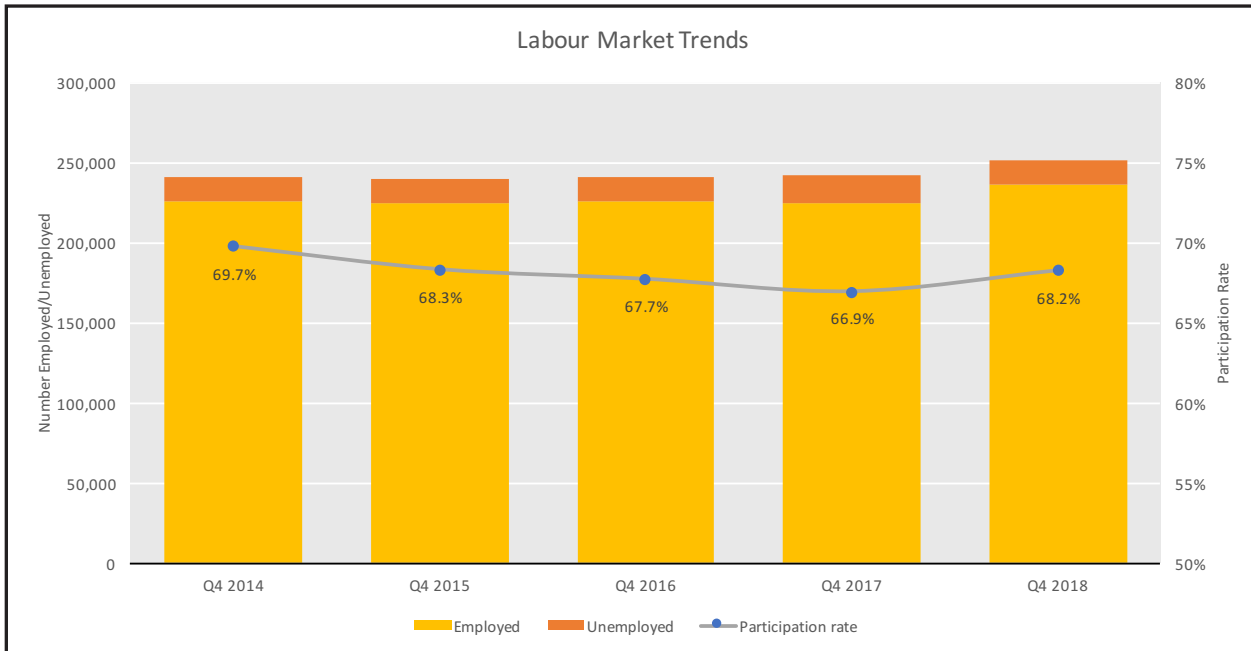


Source: Maritime Provinces Higher Education Commission (MPHEC) Open Data: Enrolment aggregated by province of study, institution, registration status, program type, credential type, level of study, CIP group and province of residence.

- International enrolment at Halifax universities continues to climb and totalled 7,156 students in the 2017-18 school year. The top three countries for international student enrolment were China, India, and Saudi Arabia.
- While international enrolment has been increasing in Halifax for several years, enrolment of Nova Scotian students and students from other Canadian provinces has been trending downward since 2009-10 and 2015-16, respectively.

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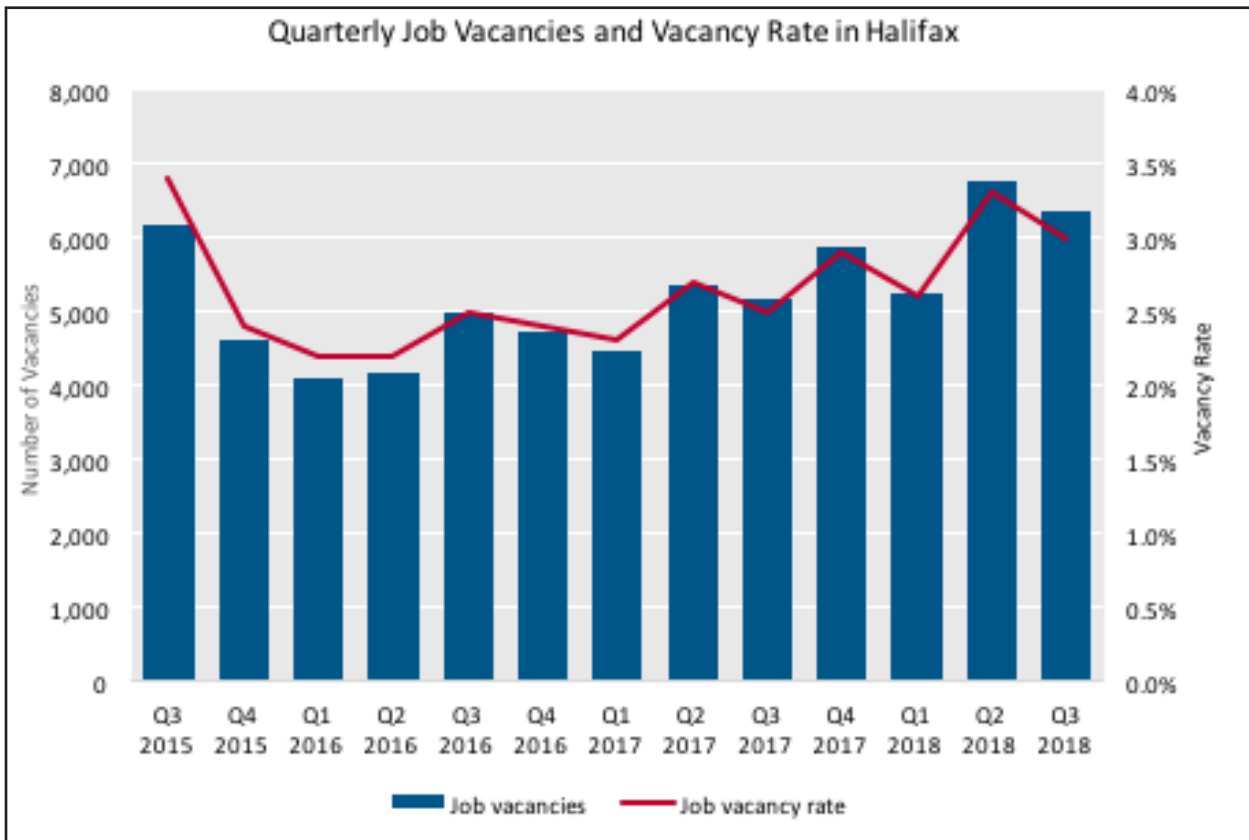
LABOUR



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

- Both the number of people employed in Halifax and the labour force increased over the last year, with an 11,467 person increase in employment and a 9,567 person increase in the labour force since Q4 2017.
- The unemployment rate dropped to 6.0% in Q4 2018, down from 7.1% in Q4 2017.
- The increase in the labour force participation rate from Q4 2017 to Q4 2018 marked the first year-over-year increase in that statistic since Q4 2012.

HOUSING



Source: Statistics Canada. Table 14-10-0325-01 Job vacancies, payroll employees, job vacancy rate, and average offered hourly wage by provinces and territories, quarterly, unadjusted for seasonality.

- Both the number of job vacancies and the job vacancy rate fell, reaching 6,360 and 3.0%, respectively, in Q3 2018, down from 6,760 and 3.3% in the previous quarter. The average offered hourly wage in Q3 2018 was \$18.80/hour, up from \$17.95/hour in Q2 2018.
- Comparing the year-over-year figures from Q3 2018 to Q3 2017, the number of job vacancies and the job vacancy rate are higher in Q3 2018 by 1,195 and 0.5 percentage points, respectively. The average offered hourly wage was \$18.50/hour in Q3 2017.
- Breaking down the job vacancies by National Occupational Classification (NOC), the top occupations in terms of vacancies were in sales and service occupations (2,465 offering \$13.30/hour on average), trades, transport and equipment operators and related occupations (780 offering \$19.50/hour on average), business, finance, and administration occupations (770 offering \$18.70/hour on average), and health occupations (730 offering \$13.30/hour on average). There were 265 vacancies in management occupations, which offered the highest average wage (\$34.05/hour) in Q3 2018.

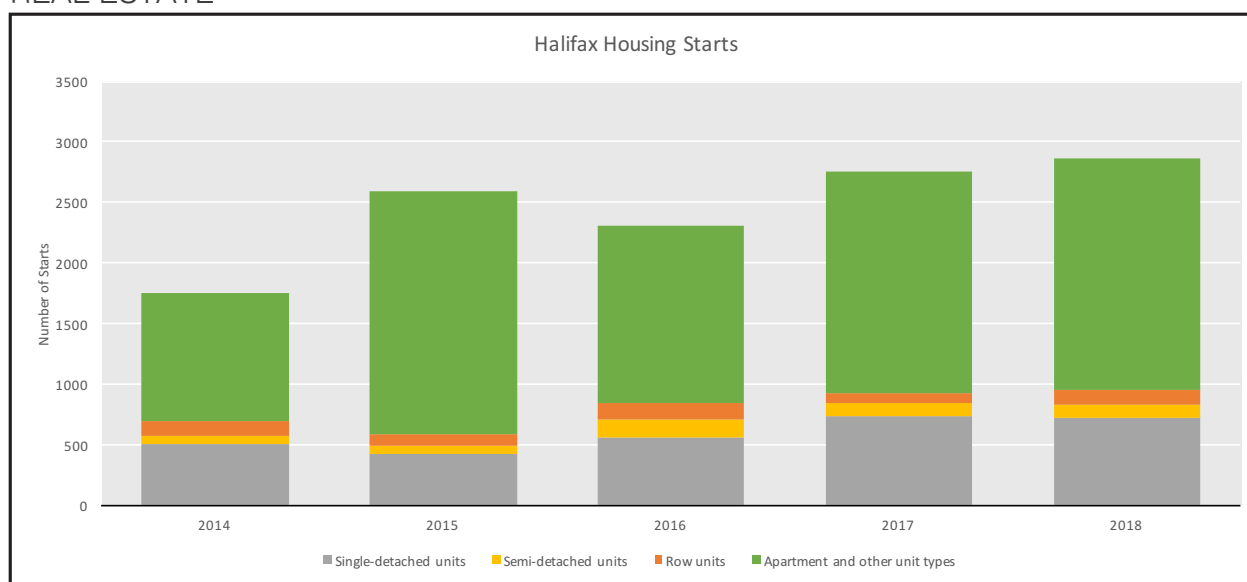
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Halifax Gateway			
	Q4 2017	Q4 2018	Change
Aircraft Passengers	931,447	958,356	2.9%
Port of Halifax Total Cargo Throughput (TEU)	140,299	130,200	-7.2%
Cargo Throughput – Imports (TEU)	70,568	65,461	-7.2%
Cargo Throughput – Exports (TEU)	69,731	64,739	-7.2%

Sources: Halifax Stanfield International Airport, Port of Halifax

- 2018 builds on four straight years of growth in airport passenger volume, with a 2.9% increase in passengers from Q4 2017.
- Q4 2018 cargo traffic fell 7.2% (10,099 TEUs) from Q4 2017. Cargo imports and exports were down from Q4 2017 figures by 7.2% in each case, or 5,107 TEUs and 4,992 TEUs, respectively.

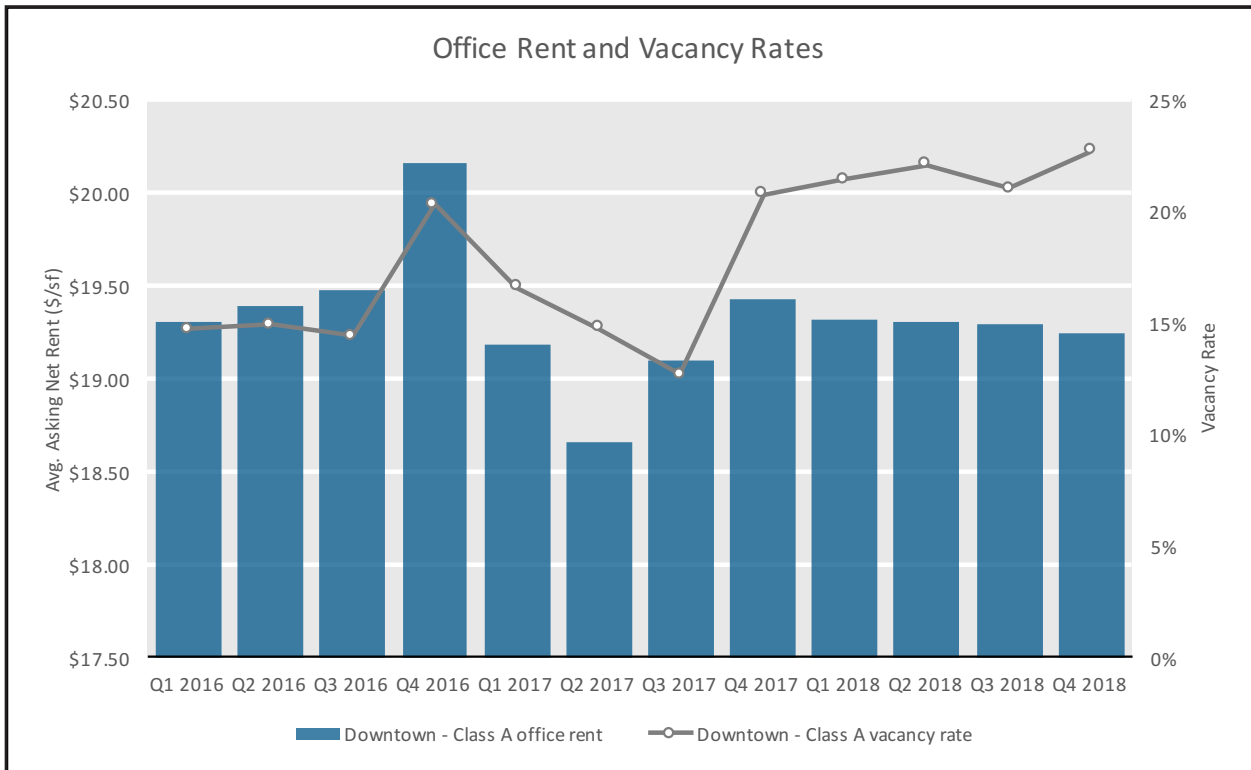
REAL ESTATE



Source: Statistics Canada Table 34-10-0154-01 Canadian Mortgage and Housing Corporation, housing starts, under construction and completions

- Consistent with strong population growth in Halifax, housing starts also have been on the rise in the city to accommodate newcomers. 2018 was a record year for housing starts, with the city seeing 2,871 total starts. Breaking housing starts down, construction increased in apartment and row units from 2017 by 96 and 35 unit starts, respectively, whereas semi-detached and single-detached units were only down by one and nine unit starts, respectively.
- The Conference Board of Canada forecasts total starts to come in below the 2,400 mark in 2019 and estimates that total housing starts will continue to be under 2,400 for the next few years as Halifax experiences moderating population growth and rising interest rates.

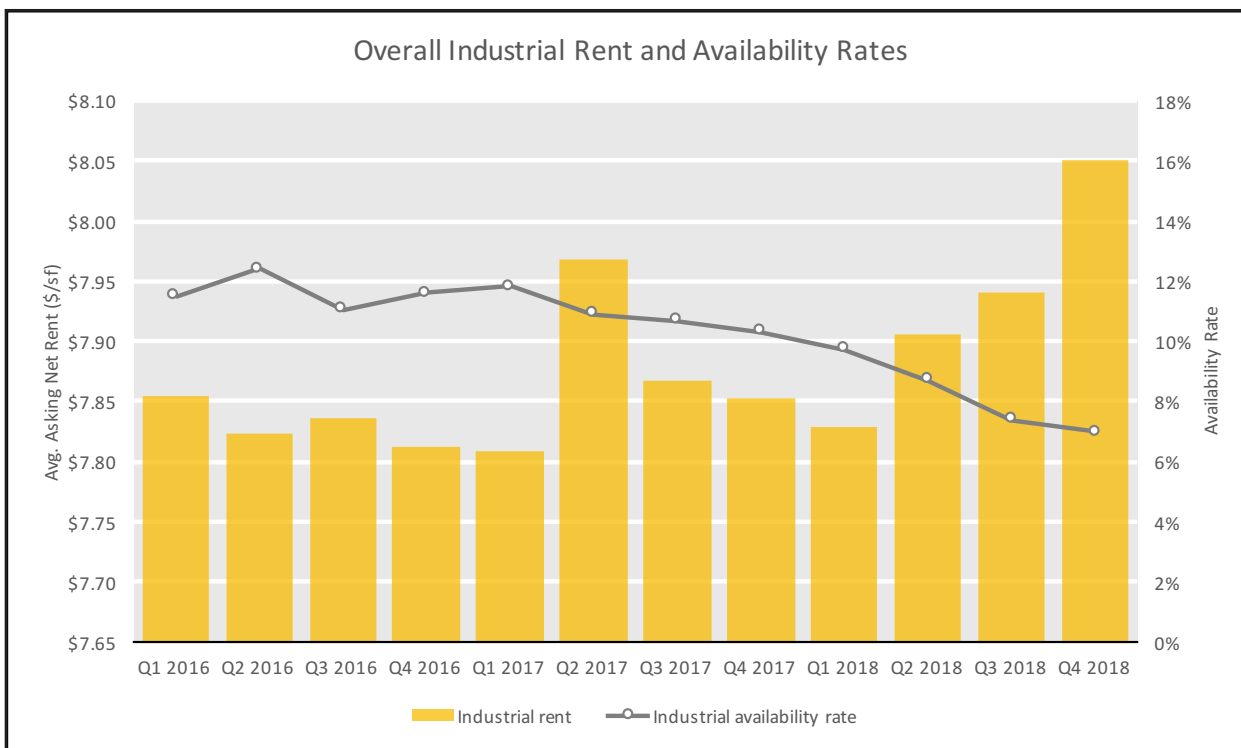
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Source: CBRE MarketView Report

- The vacancy rate for Downtown Class A office space rose from Q3 2018 to Q4 2018 by more than one percentage point.
- Rent for Downtown Class A space has been declining over 2018, coming in at \$19.25/square foot in Q4.
- The overall office vacancy rate for Halifax fell from 16.0% in Q3 2018 to 15.6% in Q4, with Q4 rent averaging \$14.66/square foot.

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- Average asking net rent for industrial real estate increased since last quarter to \$8.05/square foot.
- The industrial real estate availability rate remains on a downward trend and dropped by 0.4 percentage points from last quarter, down to 7.0%.

The Halifax Partnership is Halifax's economic development organization. We help keep, grow and get business, talent and investment. We do this through leadership on economic issues, our core programs, our partnerships across all sectors, and by marketing Halifax to the world.

If you have any questions or concerns about this document, its methodology, or how its indices are measured, please contact the Partnership at info@halifaxpartnership.com for further details.

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