



HALIFAX PARTNERSHIP

QUARTERLY ECONOMIC SNAPSHOT

SPRING 2020

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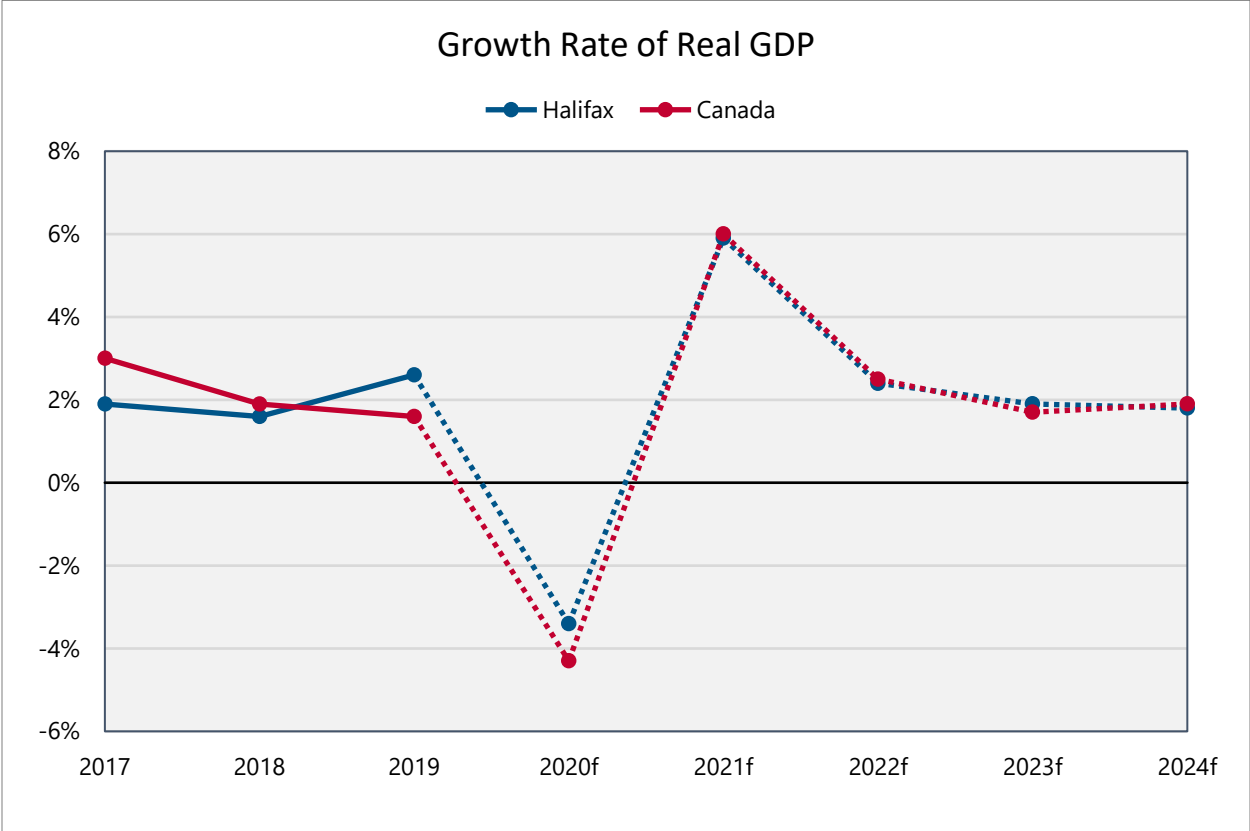
HIGHLIGHTS

- Halifax's GDP grew at a healthy 2.6% rate through 2019. Due to the COVID-19 crisis the economy will contract sharply in 2020, but growth is expected to rebound in 2021.
- Inflation grew marginally faster than earnings, leading to a 0.1% decrease in purchasing power.
- Halifax's labour force grew by 6,833 people (+2.7%) over Q1 2019, while employment grew by 2,133 (+0.9%).
- The unemployment rate was 6.6% in Q1 2020, up from 4.9% in Q1 2019. The participation rate remained steady at 67.8%.
- Aircraft passenger volume in Q1 2020 fell by 16.4% compared to Q1 2019.
- Q1 2020 cargo traffic fell by 15.7% (20,567 TEUs) from Q1 2019.
- The total value of commercial building permits increased by 90% over Q1 2019, marking the second highest quarterly value on record.
- Halifax's overall office vacancy rate dropped by 0.3 percentage points from the previous quarter, reaching 15.2% in Q1 2020. Average net rent fell by nine cents this quarter to \$14.77 psf.
- Halifax's industrial real estate availability rate remained steady at 6.6%.

Only the initial effects of the COVID-19 pandemic are evident in these data as most Public Health protective measures were implemented towards the end of Q1 2020. Given the truly unprecedented nature of the pandemic, a tremendous amount of uncertainty surrounds any forecasts.

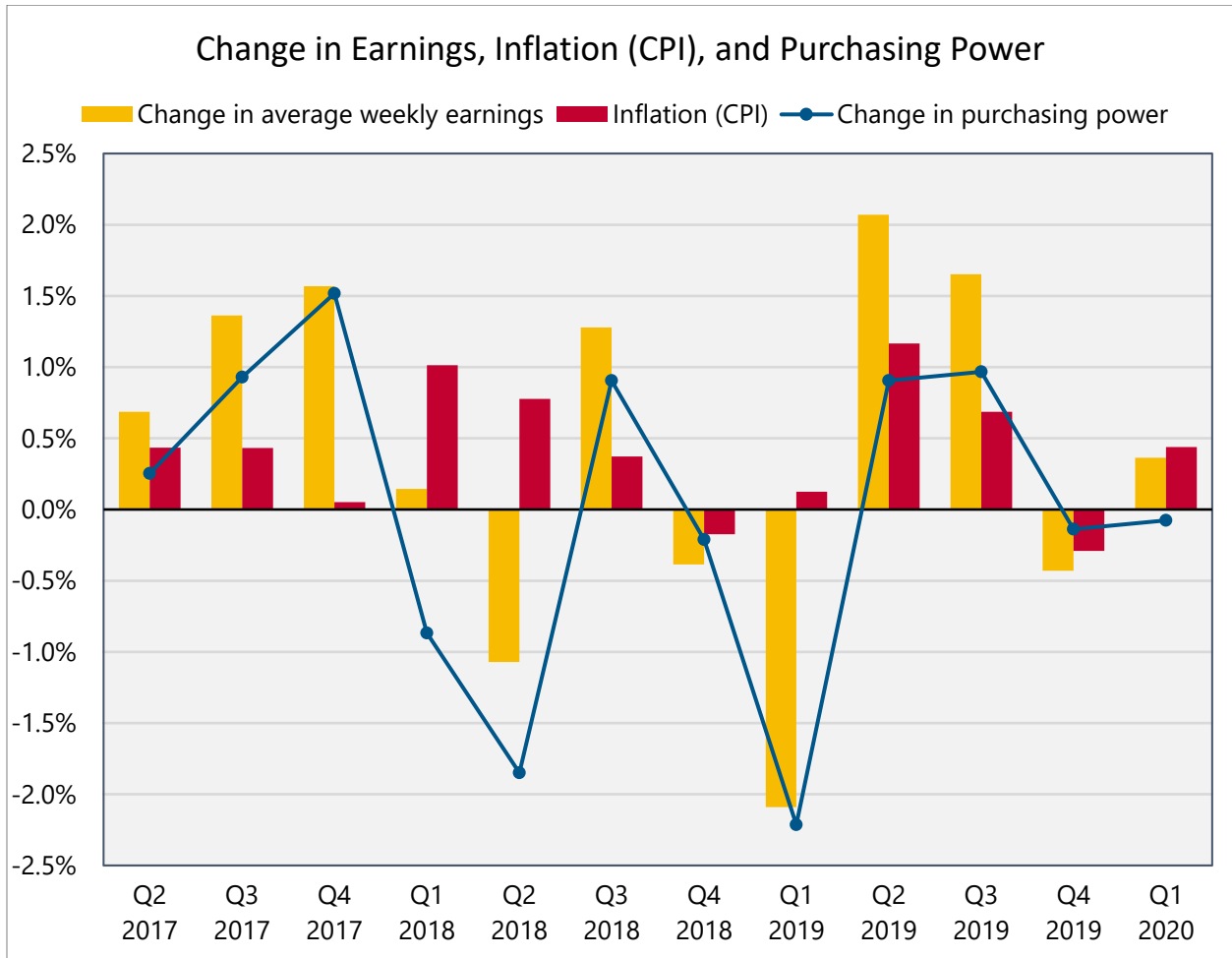
To find the most up-to-date information about support for your business through the COVID-19 pandemic, visit halifaxpartnership.com/covid-19-resources.

INCOME



Source: Conference Board of Canada Metropolitan Outlook

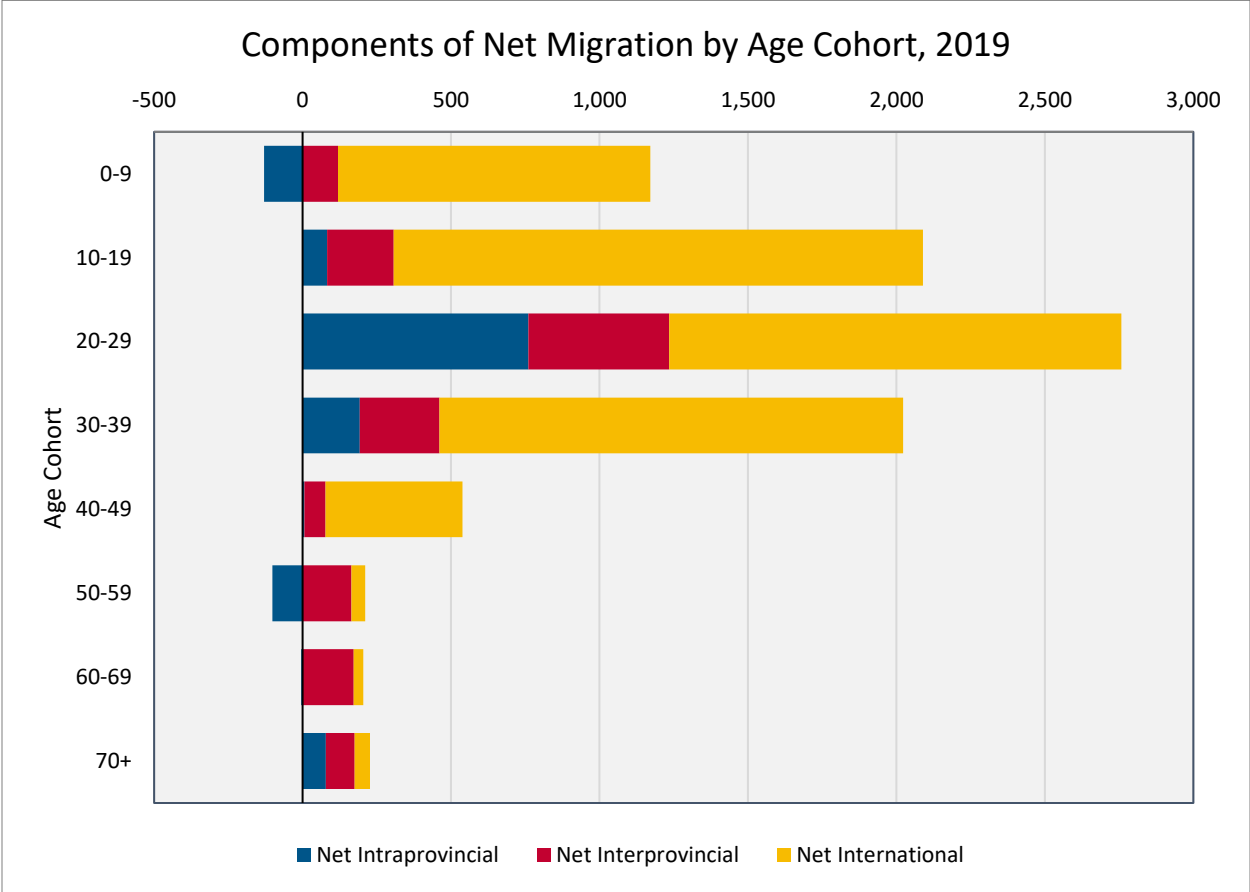
- Halifax’s GDP grew by a healthy 2.6% through 2019. As of May 2020, the Conference Board of Canada expects Halifax’s GDP to contract by 3.4% this year as a result of the COVID-19 pandemic.
- Halifax’s recovery is projected to track closely with the overall Canadian trendline, with GDP growth expected to rebound in 2021 at a robust 5.9% growth rate.



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

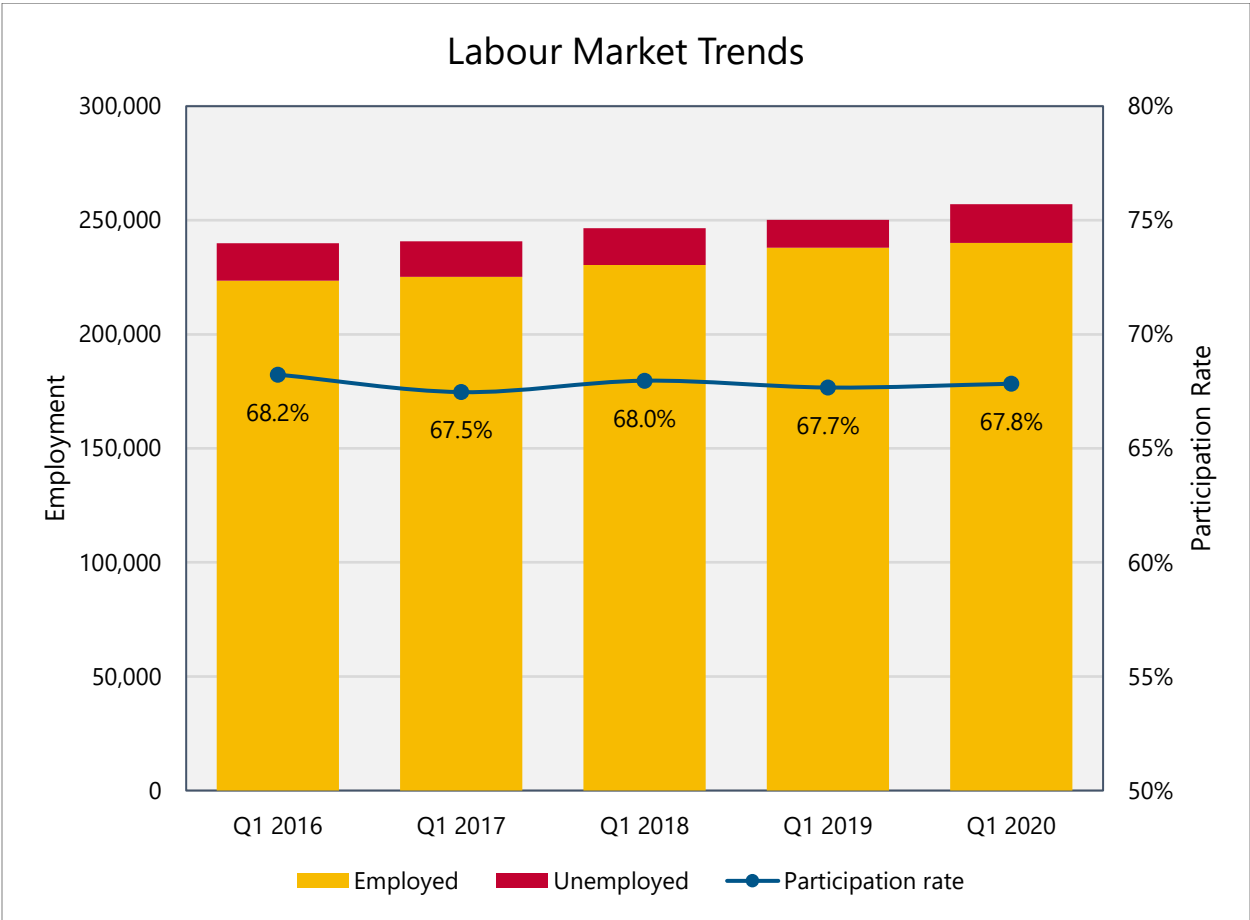
- Weekly earnings for the average worker in Halifax increased by 0.4% during Q1 2020, reaching \$920.
- Inflation grew marginally faster than earnings, leading to a 0.1% decrease in purchasing power through Q1 2020.

POPULATION, LABOUR & EDUCATION



Source: Statistics Canada Table: 17-10-0136-01

- 5,887 (66%) of the 8,982 net migrants arriving in Halifax through 2019 were under 30 years of age.
- Nearly three-quarters (72%) of net migration were international migrants.



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

- Halifax’s labour force grew by 6,833 people (+2.7%) over Q1 2019. Over the same period employment rose by 2,133 (+0.9%).
- The unemployment rate was 6.6% in Q1 2020, up from 4.9% in Q1 2019. The labour force participation rate remained steady at 67.8%.

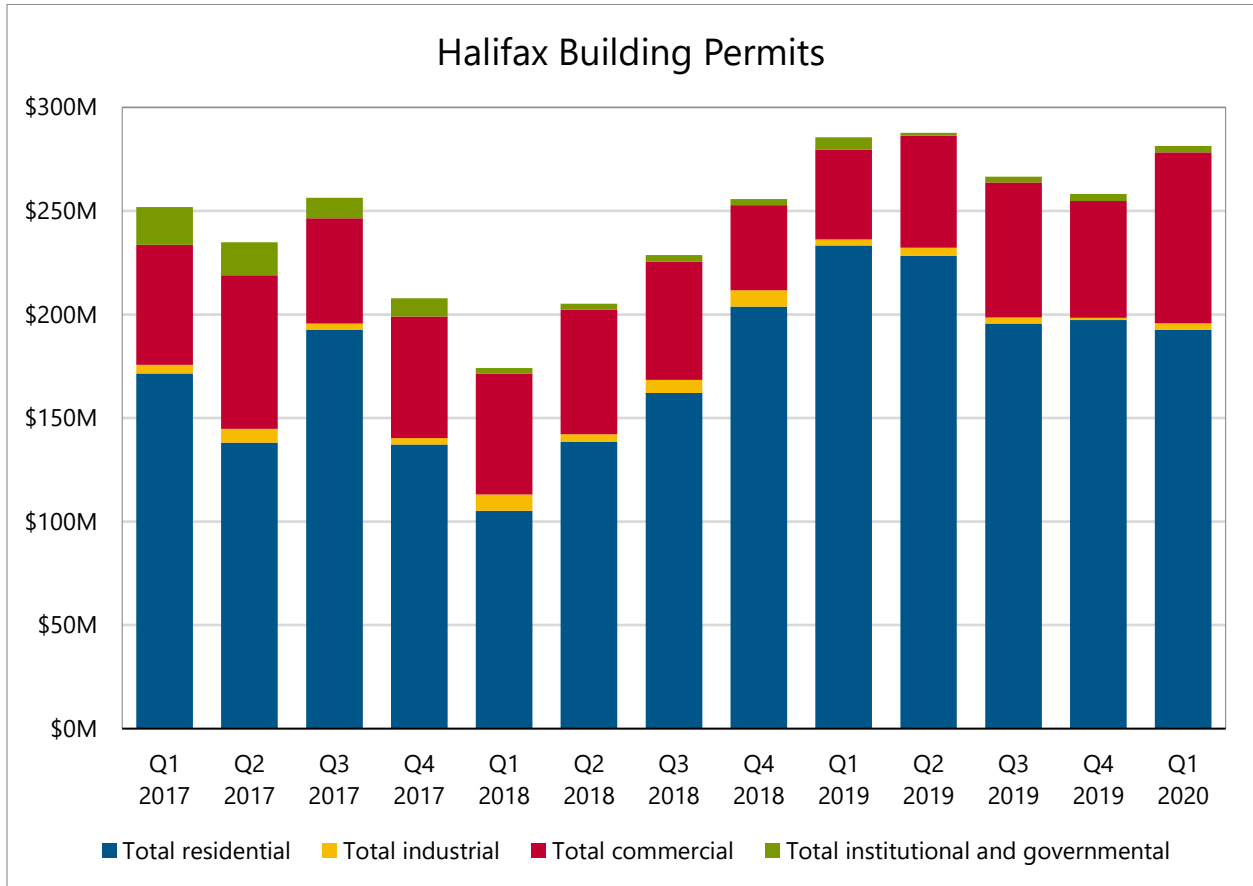
GATEWAY

Halifax Gateway			
	Q1 2019	Q1 2020	Change
Aircraft Passengers	828,399	692,174	-16.4%
Port of Halifax Total Cargo Throughput (TEU)	130,551	110,084	-15.7%
Cargo Throughput – Imports (TEU)	68,404	57,142	-16.5%
Cargo Throughput – Exports (TEU)	62,147	52,942	-14.8%

Source: Port of Halifax, Halifax Stanfield International Airport

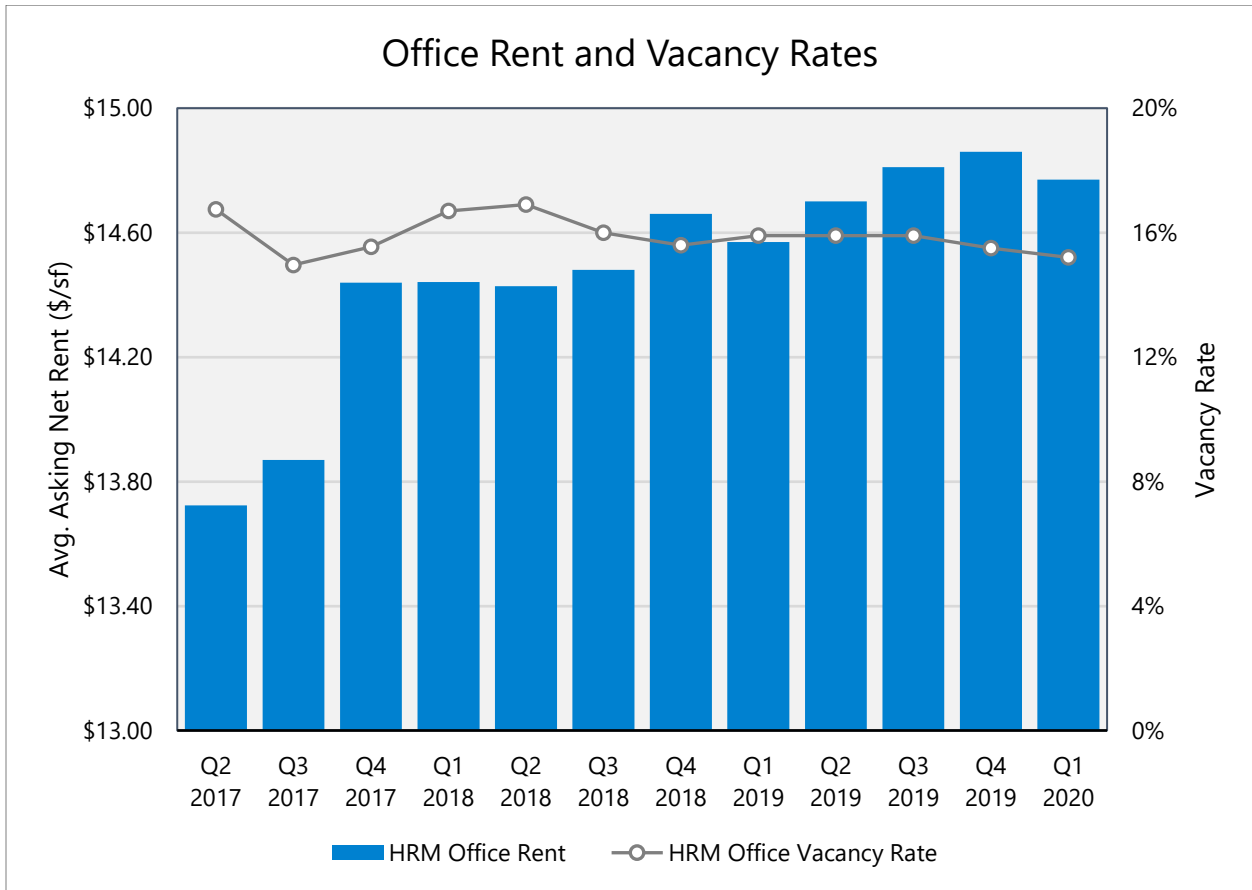
- Aircraft passenger volume in Q1 2020 fell by 16.4% compared to Q1 2019.
- Q1 2020 cargo traffic fell by 15.7% (20,567 TEUs) from Q1 2019.

REAL ESTATE & CONSTRUCTION



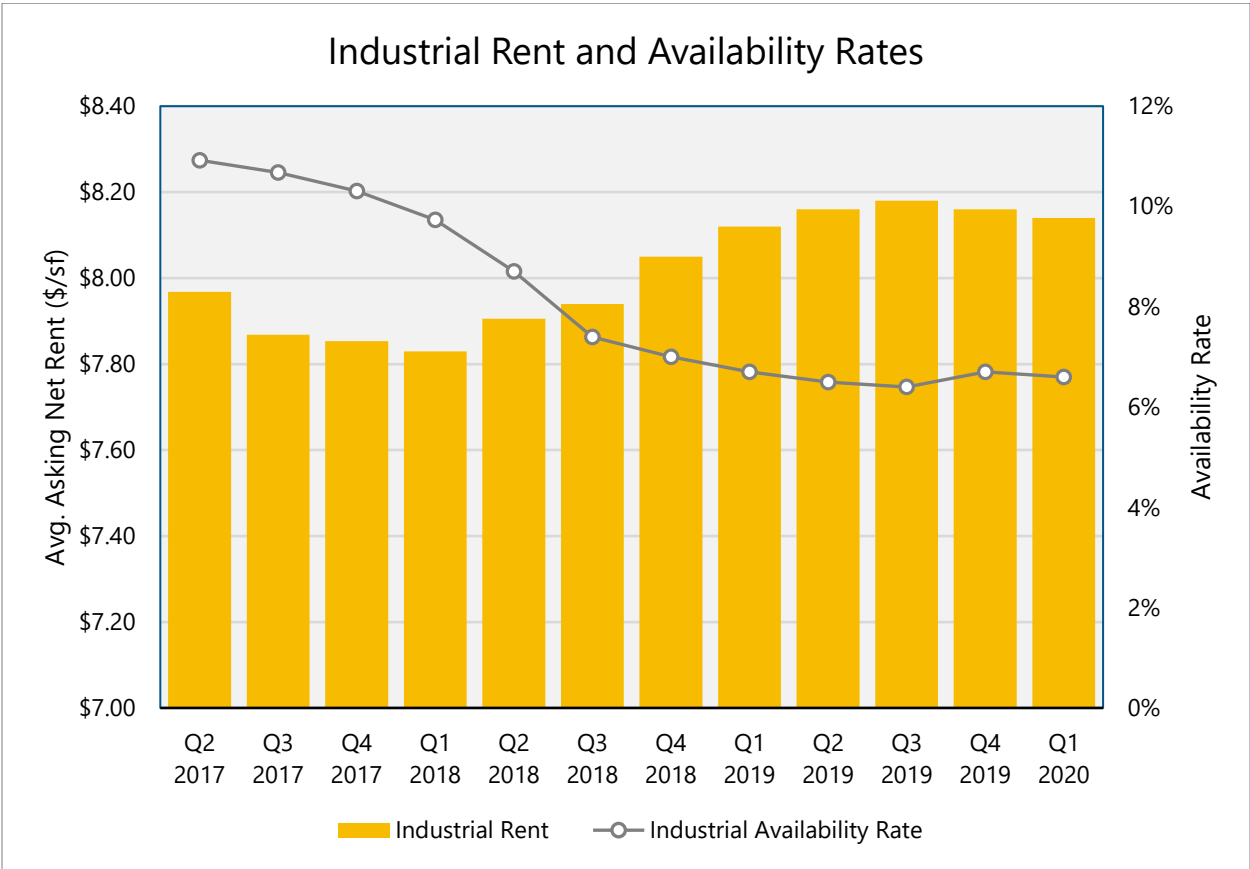
Source: Statistics Canada Table 34-10-0066-01

- The total value of building permits issued in Q1 2020 was \$281.3 million, approximately \$4 million shy of the total permits issued in Q1 2019.
- The total value of commercial building permits increased by 90% over Q1 2019, marking the second highest quarterly value on record (second to Q4 2012).
- Residential permit values fell by 18% as compared to Q1 2019.



Source: CBRE Quarterly Office MarketView

- Halifax’s overall office vacancy rate dropped by 0.3 percentage points from the previous quarter, reaching 15.2% in Q1 2020. Average net rent fell by nine cents this quarter to \$14.77 psf.
- The vacancy rate for Downtown Class A office space dropped from 24.0% in Q4 2019 to 20.9% in Q1 2020. Downtown Class A rent rose from \$19.16 psf to \$19.42 psf this quarter.



Source: CBRE Quarterly Industrial MarketView

- Halifax’s industrial real estate availability rate remained steady at 6.6% (-0.1pp).
- Average rent for industrial space was \$8.14 psf in Q1 2020, a two-cent drop from the previous quarter.



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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