Quarterly report

Market view

Recent Development

Lot L-36A

CKG Elevator has completed construction and now occupies its new facility at 70 MacDonald Avenue in Burnside Park. The 7,000 sq. ft building features a warehouse and office space for sales and service.

Lot 1138A-1

Construction nears completion at this soon-to-be new home for the Nova Scotia Nurses Union Head Office. Relocating from Frazee Avenue in Burnside Park, their new address will now be 150 Garland Avenue in the City of Lakes Park.

Quick Stats

<table>
<thead>
<tr>
<th>INDUSTRIAL MARKET</th>
<th>CHANGE FROM LAST</th>
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<tbody>
<tr>
<td></td>
<td>QTR. YR.</td>
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<tr>
<td>AVAILABILITY RATE (%)</td>
<td>11.1% ▼ ▼</td>
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<tr>
<td>NET RENT (PSF)</td>
<td>$7.90 ▼ ▼</td>
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<tr>
<td>NET ABSORPTION* (SF)</td>
<td>215,206 ▲ ▲</td>
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<tr>
<td>CONSTRUCTION (SF)</td>
<td>46,500 ▼ ▼</td>
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* The arrows are trend indicators over the specified time period and do not represent a positive or negative value. (eg. absorption could be negative, but still represent a positive trend over a specified period.)

• There was 73,400 sq. ft. of new supply added to the industrial inventory during this quarter; these properties are owner-occupied.

• Halifax’s industrial market was busy this quarter as a number of significant size vacant spaces were leased in Burnside.

Quarter-over-quarter the availability rate dropped 130 bps from 12.4% to 11.1%. This is the greatest quarterly change in the availability rate in the last fifteen years.

• Net absorption jumped to positive terrain for the first time this year with 215,206 sq. ft. of space absorbed this quarter.

• The Halifax economy is expected to maintain a healthy momentum through to the end of 2016. The Conference Board of Canada projects GDP growth to be within the range of 2.8%.

Courtesy of:

CBRE
CB Richard Ellis
Development Cont’d.

Lot 1210

Crossman Construction continues with construction at 64 Burbridge Avenue in Burnside Park, where they’re developing a 4,500 sq. ft. office / warehouse facility to accommodate their light duty construction company and associated businesses.

Block R3X-1

Construction continues at the four-pad arena site on Commodore Drive in City of Lakes Park, next to the existing All Weather Fields. The facility will feature three NHL sized rinks, one Olympic sized rink, additional dressing rooms for field users, amenities for food and beverage service providers as well as office and community space.

2nd Quarter Sales

Lot 66B-1 Chain Lake Drive - Samir Metlej Holdings Inc. (Juicy Fruit Market Inc.) purchased this 115,001 sq. ft. lot in Bayers Lake Park where they intend to build a 7,640 sq. ft. warehouse and distribution facility for commercial and retail, fresh fruit and produce market.