Sustained demand supports industrial market

▼ 7.8%
Availability Rate

▲ 138K
SF Net Absorption

▼ 16K
SF Under Construction

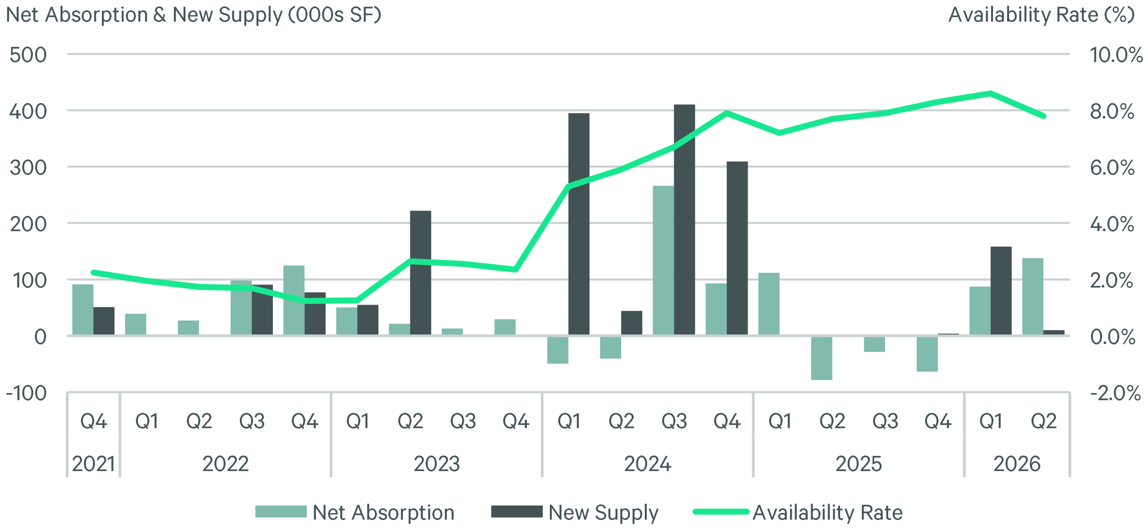
▼ $15.18
PSF Net Asking Rental Rate

Note: Arrows indicate change from previous quarter.

Executive Summary

- The Halifax industrial market continues to see significant leasing activity in Q2 2026, with 138,000 sq. ft of positive net absorption.
- The industrial market saw availability drop 80 basis points (bps) quarter-over-quarter to 7.8%.
- High-quality space remains in-demand, with new-construction spaces seeing significant absorption, and large-format space remains limited.
- With building costs continuing to rise, the industrial development pipeline remains constrained, with only 16,000 sq. ft currently under construction.
- All four industrial submarkets recorded improved conditions in Q2 2026 as sustained leasing activity continued to reinforce Halifax's position as Atlantic Canada's primary logistics and distribution hub.

FIGURE 1: Halifax Industrial Market Demand and Supply



Source: CBRE Research, Q2 2026.

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Availability drops across Halifax

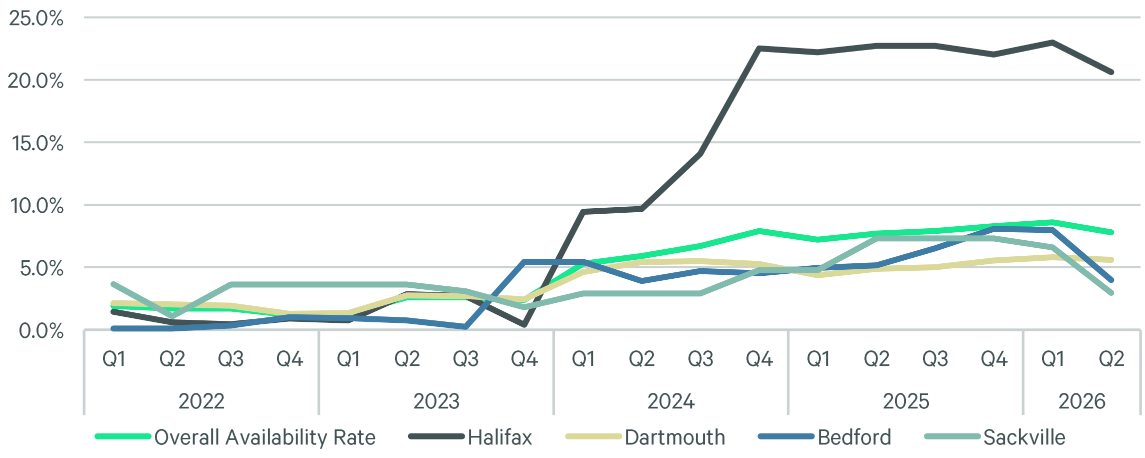
The Halifax industrial market saw availability drop 80 bps quarter-over-quarter to 7.8%. This was driven by 138,000 sq. ft of positive net absorption that took place this quarter, the highest amount of quarterly net absorption recorded since Q3 2024. The Bayers Lake Business Park in Halifax accounted for a significant amount of this absorption, with 59,000 sq. ft leased in Q2. As a result, vacancy in the Halifax submarket dropped 240 bps to 20.5%, with continuous space becoming increasingly difficult to source.

Dartmouth's Burnside Industrial Park recorded 34,000 sq. ft of positive absorption, contributing to a 20 bps decline in availability to 5.6% in the second quarter of 2026. Leasing momentum was also evident in Bedford, where availability dropped 400 bps, reaching 4.0% and marking the lowest availability rate in the Bedford submarket since Q2 2024. Ongoing leasing activity across the Halifax industrial market continues to create a competitive market, with high-quality space seeing heightened demand.

Development pipeline dwindles as new industrial land comes online

After much anticipation, the Halifax Regional Municipality released the Burnside Phase 13-1 industrial lots for sale in late May 2026. With multiple lots already sold, Dartmouth could see more development announced in the coming quarters. As major government investment continues to be announced across Atlantic Canada, industrial space is expected to play an increasingly important role in an already tight market. Without any significant large-bay spaces in the construction pipeline, the Burnside Phase 13-1 lots could help deliver much-needed inventory of high-quality, well-located industrial space.

FIGURE 2: Availability Rate Trends by Submarket



Source: CBRE Research, Q2 2026..

FIGURE 3: Halifax Industrial Construction Pipeline (000's SF)

Source: CBRE Research, Q2 2026

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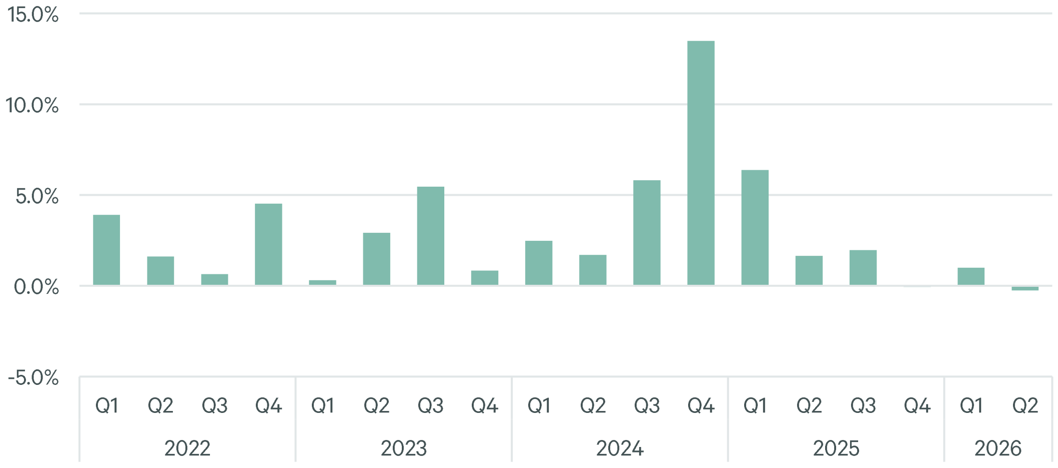
High-quality space remains in high-demand

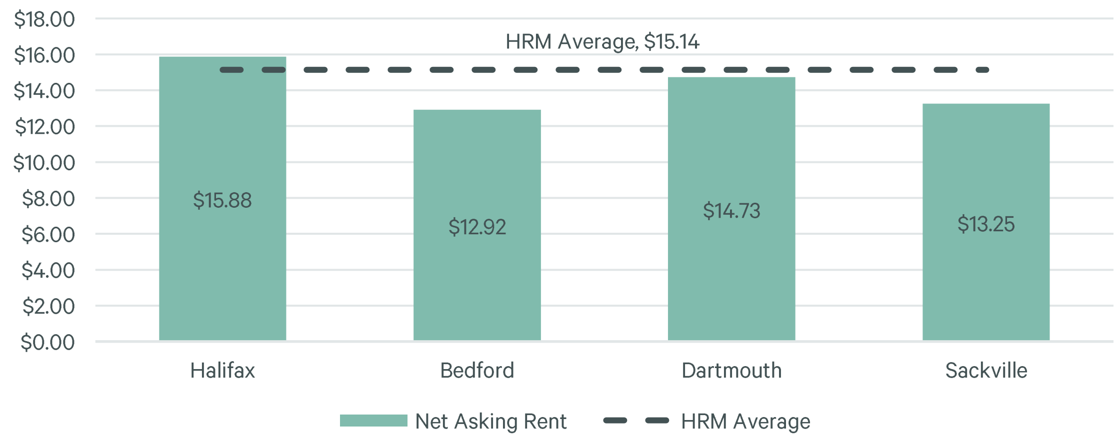
Rental rates remain elevated, supported by stable demand, limited long-term supply, and rising construction costs. While Halifax's average net asking rate decreased $0.04 quarter-over-quarter to $15.14 per sq. ft. in Q2 2026, rates remain 2.6% higher than one year ago, representing a $0.39 per sq. ft. increase from Q2 2025. The Dartmouth submarket recorded a $0.12 increase over the quarter, rising to $14.73 per sq. ft.. Conversely, the Halifax and Bedford submarkets saw decreases of $0.01 and $2.46, bringing rates to $15.88 and $12.92 per sq. ft., respectively. These declines were largely the result of high-quality space being leased, leaving a greater proportion of older, lower-priced inventory within the available space pool. As a result, the decrease in average asking rates reflects a shift in the composition of available space rather than any softening in tenant demand or landlord pricing.

FIGURE 4: Quarter-over-Quarter Net Rental Rate Growth (%)



Source: CBRE Research, Q2 2026.

FIGURE 5: Asking Net Rental Rate by Submarket (PSF)



Source: CBRE Research, Q2 2026

FIGURE 6: Halifax Industrial Market Statistics Summary

Submarket	Inventory (SF)	Availability Rate (%)	Net Absorption (SF)	Net Asking Rent (PSF)
Halifax	2,472,430	20.6%	58,770	$15.88
Dartmouth	12,146,118	5.6%	35,459	$14.73
Bedford	968,227	4.0%	38,779	$12.92
Sackville	138,079	3.0%	4,994	$13.25
Overall Total	**15,724,854**	**7.8%**	**138,002**	**$15.14**

Source: CBRE Research, Q2 2026

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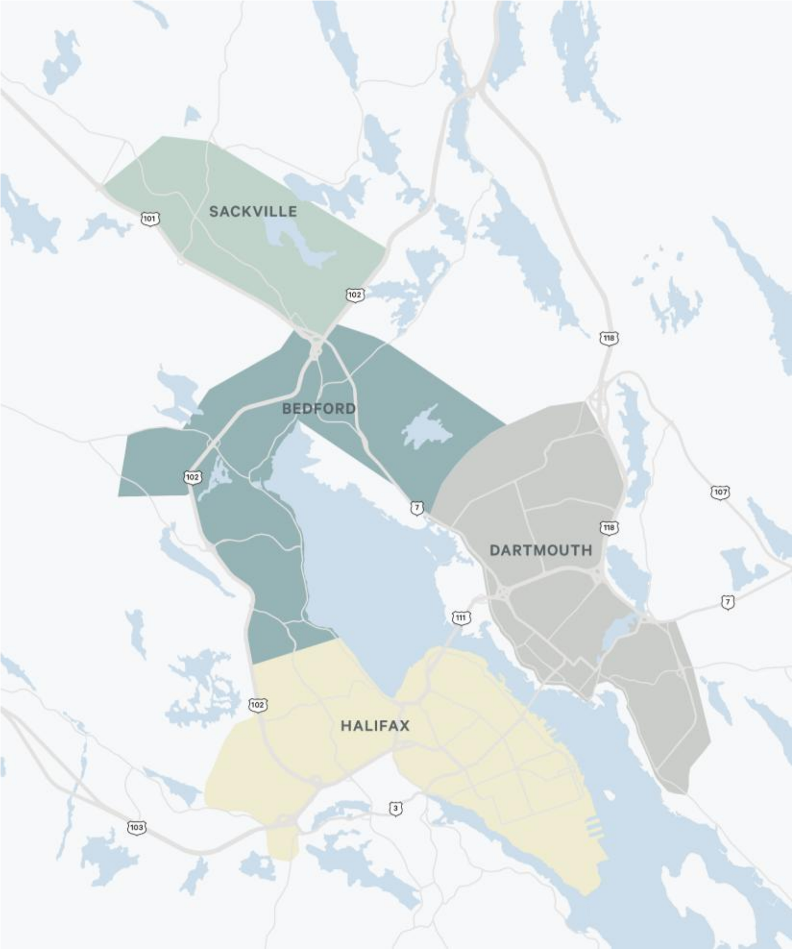
Market Area Overview



Definitions

Availability Rate: Total Available sq. ft. (sublease included) divided by the total building Area.
Net Rental Rate: Rent excludes one or more of the "net" costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate.
Net Absorption: The change in occupied sq. ft. from one period to the next.
One basis point (bps) is equal to 0.01%.

Survey Criteria

Includes industrial buildings in the four submarkets. Comprising of Halifax, Dartmouth, Bedford and Sackville with 14.3 million sq. ft. of total inventory. The industrial market universe consists of 4.5 million sq. ft. of owner occupied (32%) and 9.7 million sq. ft. of leasable space (68%). CBRE collects information through telephone conversations and listings received from members of the commercial real estate brokerage community.

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