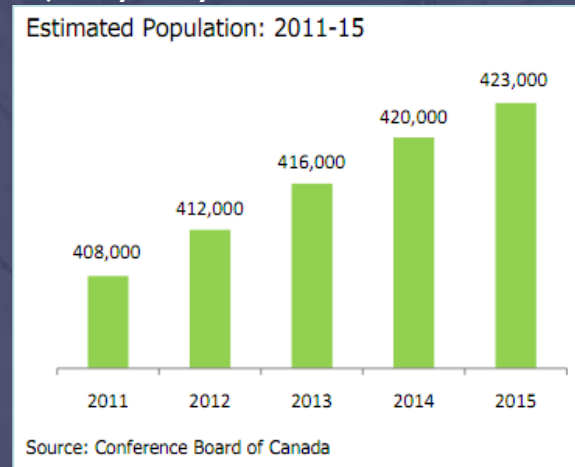


Demographics

- HRM Population - 403,188 (2010)
- Nova Scotia Population – 946,397 (2009)
- Halifax’s population represents 42.8% of the total NS population
- HRM’s Net New Migration – 14,532
- 6,000 people migrated from other areas of NS
- 9,000 from overseas (approx 1/3 from the middle east and 1/4 from Asia)
- HRM attracts 78% of the immigrants coming to NS and the majority stay for at least a decade.
- 92.1% of our residents are English only speakers.



Employment

- 238,100 people employed in Halifax as of December 2011
- Unemployment rate – 5.5%
- Average family income \$75,050 (2009);

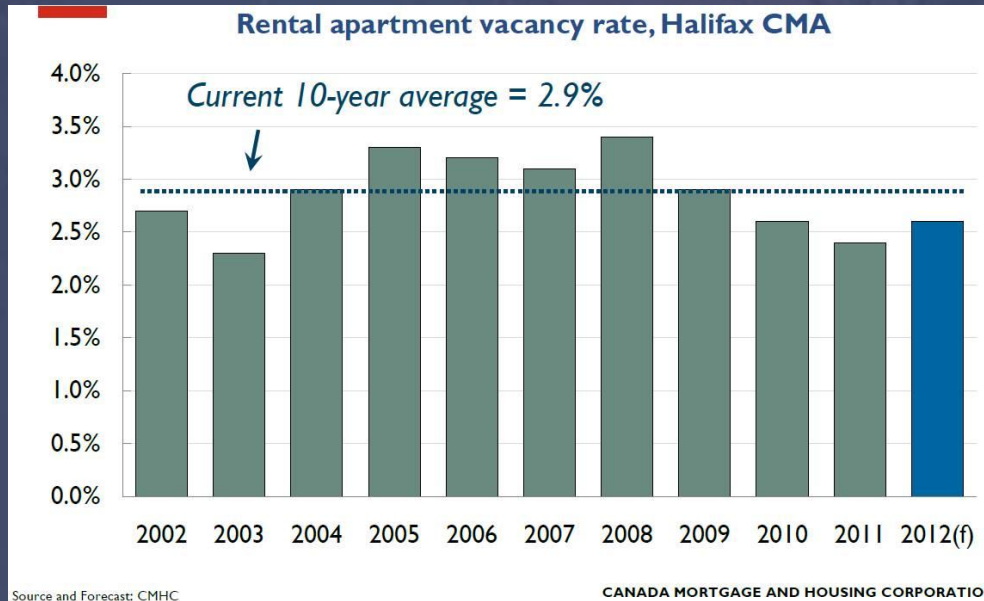
Major Public and Private Employers: 2010

Company	Industry	Employment
Capital Health	Healthcare	11,000
Department of National Defence	Government	9,000-10,000
Government of Canada	Government	7,000-8,000
Halifax Regional Municipality	Government	3,000-4,000
Dalhousie University	Education	3,000-4,000
Province of Nova Scotia	Government	3,000-4,000
IWK Health Centre	Healthcare	3,000-4,000
Bell Aliant	Telecommunications	1,000-2,000
I.M.P. Aerospace Division – Halifax	Aerospace & Defence	1,000-2,000
Staples Business Delivery	Retail/Wholesale Trade	1,000-2,000
BMO Financial Group	Financial Services	1,000-2,000
Gem Health Care Group	Health care and social assistance	1,000-2,000
Saint Mary's University	Colleges, universities and professional schools	1,000-2,000
I.M.P. Group International Inc.	Multiple Industries	1,000-2,000
Eastlink	Telecommunications	1,000-2,000

Source: Greater Halifax Partnership, SmartBusiness Consultations

Apartment Market Rental Highlights

- Strong Rental market – low vacancy rate (Vacancy remained at 2.4% from last year)
- Lots of new apartment construction – underway and planned
- Lowest vacancy since 2003
- HRM apartment inventory - 40,624 units (vs 48,156 apartment units total Nova Scotia)



Apartment Market Rental Highlights

What's impacting vacancy rates? Supply and Demand Drivers

- Apartment Supply – below average
- Demand – steady demand for rental units
- Steady migration / immigration (14,352 positive Net Migration)
- Demographic – based demand – aging baby boomers starting to rent
- Reduced demand for Home ownership
- Single Family Home Construction near 10 Year Lows
- Weakening Demand for Condos with little new condo construction
- Highly competitive development community offering high quality rental accommodations
- Average new high quality 2 Bedroom Apartment Rents for \$1,300 vs \$1,800 carry Condo

New Apartment Projects Underway

Currently 2,187 Apartment Projects Under Construction with another 1,200 anticipated in 2012. Submarkets with multiple new projects include:

<u>Location</u>	<u>Developer</u>	<u>Project</u>	<u># Units</u>
Halifax CBD	Dexel / Paramount	The Vic	82
Halifax CBD	Dexel / Paramount	City Centre Atlantic	97
Halifax CBD	Southwest	The Grainery	113
Halifax Peninsula North – Bayers Rd	Sol Ghosn	The Vincent Coleman	121
Halifax Peninsula North – Almon Street	Westwood Developments	Gladstone North	149
Halifax Peninsula North – Barrington St	Haddad Properties	NorthBridge	37
Halifax Mainland - Clayton Park	Mosaic Properties	The Litchfield	80
Halifax Mainland – Mount Royale	City Centre Property	Washmill	97
Halifax Mainland – Mount Royale	Margeson / Williams	Bentley Drive	96
Halifax Mainland – Mount Royale	Joe Arab	Bentley Drive	90
Halifax Mainland – Walter Havill Drive	United Gulf Developments	The Waterton II	165

Larger Apartment Ownership Groups

<u>Owner/Developer</u>	<u># Units</u>	<u>Comments</u>
Killam Properties	4,329	Starting to develop for own account and partner with developers. Emphasis now on newer product. 44% of portfolio located in Halifax area.
Transglobe REIT	2,100	Mostly older stock. Own 3,400 units in Atlantic Canada.
Realstar / GWL	1,100	6 Building portfolio. Mature concrete hi-rise buildings in Halifax CBD.
Oxford Properties/ OMERS Realty Corp	1,351	19 building portfolio located in Highfield Park. Dartmouth. All 25 year old 4 storey wood frame walk up buildings.
TimberCreek Asset Management	964	13 building portfolio located in Halifax and Lower Sackville. Mostly mature mid range product.
Cap REIT	1,083	Park Vic, Somerset Place, Ocean Brook, The Welsford

Apartment Trading Statistics - Recent Sales

Larger 2011 transactions:

<u>Property</u>	<u># Units</u>	<u>Price</u>	<u>Unit Price</u>	<u>Cap Rate</u>	<u>Seller/Buyer</u>
100 Royale Blvd Baker Drive – Dartmouth	81	\$15,800,000	\$195,000	6.0%	Metlege / Killam
22 & 40 Bedros Lane Larry Uteck – Bedford	150	\$24,8750,000	\$165,000	6.0%	Private / Realstar
361 Larry Uteck Phase 1 & 2 – Bedford	68 + 68	\$26,200,000	\$192,647	5.75%	Kiel / Roycom
Homburg Portfolio Nova Scotia New Brunswick	726 539	\$64,850,000	\$51,427	6.75%	Homburg/TransGlobe
Baker Arms / Wexford Larry Uteck	52 + 62	\$19,500,000	\$171,000	5.75%	Private / Realstar

Apartment Sales Statistics - Trade Volume

<u>Year</u>	<u>Transactions</u>	<u># Buildings</u>	<u># Units</u>	<u>\$ Volume</u>	<u>Unit Price</u>	<u>Cap Rate</u>
2011	7	33	1,288	\$130M	\$100,931	5.5% - 6.5%
2010	10	15	622	\$46M	\$73,954	6.5% - 7.5%
2009	10	15	746	\$43M	\$57,238	7.0% - 8.5%
2008	6	9	411	\$39M	\$94,890	6.3% - 8.5%
2007	12	34	2,028	\$158M	\$78,068	6.5% - 7.0%
2006	10	21	1,105	\$72M	\$64,700	7.2% - 8.5%