

QUARTERLY REPORT MARKET VIEW

Courtesy of:



- The Hardman Group Ltd. started construction at Wright & Burnside Business Campus. The project will include 60,000 SF of Class A office space on three levels, which is expected to be complete in the fourth quarter of 2011.
- A new 16,000 SF office is being built for Exit Realty Metro in Burnside on Garland Avenue.
- The 4th quarter saw 8,000 SF of new industrial space in Burnside with the completion of a building on Burbridge which is occupied by Hull Transportation Limited.
- The availability rate continued to move steadily downward, decreasing from 4.7% last quarter to 4.3% this quarter. The availability rate has fallen for the past three quarters and now sits close to the lowest rate on record, which was 4.1% in the first quarter of 2010.
- Net rental rates increased slightly this quarter to \$7.25 psf, up from \$7.24 psf. Overall taxes and operating costs also increased during the first quarter of 2011, rising from \$4.44 psf to \$4.54 psf. We expect rents to continue to rise due to decreasing availability.

Quick Stats

Change from last

	Current	Yr.	Qtr.
Availability Rate	4.3.0%	↑	↓
Lease Rates	\$7.25	↑	↑
Net Absorption (SF)*	29,482	↓	↓
Construction (SF)	121,314	↑	↓

* 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.)

LATEST LAND SALES

1210 - 64 Burbridge Avenue
Crossman Construction Ltd. bought this 41,874 sf lot where they'll build an office and warehouse storage facility.

1222 - Wright Avenue
consisting of 138,324 sf, this will be the new home for Premier Self Storage.

1233 - Wilkinson Avenue
Armour Realty Inc. purchased this 221,203 sf lot adjacent to its existing facility for operational expansion.

934X - 65 Gloria McCluskey Avenue
This 45,126 sf lot will house a new PODS (Portable on Demand Storage) moving and storage warehouse facility.

1108 - 152 Dorey Avenue
Bracam Holdings Limited purchased this 49,468 sf lot with plans to develop Velocity Machining & Welding shop.

1139 - 110 Garland Avenue
W & M Business Holdings purchased this 42,714 sf lot with plans to construct an office building with a child care centre occupying the ground level.

RECENT DEVELOPMENTS

Lot 1190 - Garland Avenue

Construction on the new RCMP Head Quarters facility has broke ground at civic address 80 Garland Avenue in City of Lakes Business Park.

The new facility, to replace the existing one at Bayers Rd. and Oxford St. in Halifax, will be comprised of 24,000 sm and 5 floors.



Lot Pricing and Availability as of May 11, 2011

Burnside Park

Lot #	Street	Site Condition	sq.ft.	Acres	per sq.ft.	Total
EE-7B*	Brown Avenue	Rough Graded	25,889	0.59	\$3.30	\$85,434
939	Colford Avenue	Rough Graded	29,177	0.67	\$2.75	\$80,237
EE-18A*	Thorne Avenue	Rough Graded	30,065	0.69	\$4.00	\$120,260
EE-21B*	Thorne Avenue	Rough Graded	23,198	0.53	\$3.95	\$91,632
EE-3A*	Thorne Avenue	Rough Graded	47,454	1.09	\$4.00	\$189,816
EE-4	Thorne Avenue	Rough Graded	36,659	0.84	\$4.00	\$146,636
Total			192,442	4.42		\$714,015

Phase 12-1 & 12-2 Lots

1146*	John Savage Avenue	Rough Graded	60,432	1.39	\$7.20	\$435,110
1201	Burbridge Avenue	Rough Graded	55,484	1.27	\$4.75	\$263,548
1232*	Wilkinson Avenue	Rough Graded	103,076	2.37	\$4.75	\$489,611
1223*	Wilkinson at Wright	Ungraded	378,484	8.69	\$8.00	\$3,027,870
1240*	Wilkinson Avenue	Rough Graded	79,329	1.82	\$5.25	\$416,480
1247*	Wilkinson Avenue	Rough Graded	198,760	4.56	\$4.75	\$944,108
Total			875,565	20.10		\$5,576,727
1154A	John Savage Avenue	Rough Graded	227,435	5.22	\$4.75	\$1,080,316.25
1248a	Wilkinson Avenue	Rough Graded	435,600	10.00	\$5.50	\$2,395,800.00
1248b	Wilkinson Avenue	Rough Graded	283,845	6.52	\$4.75	\$1,348,263.75
1249	Wilkinson Avenue	Ungraded	746,718	17.14	\$3.25	\$2,426,833.50
1250	Wilkinson Avenue	Graded	523,614	12.02	\$4.75	\$2,487,166.50
1251	Wilkinson Avenue	Ungraded	830,794	19.07	\$3.25	\$2,700,080.50
Total			3,048,006	69.97		\$12,438,460.50

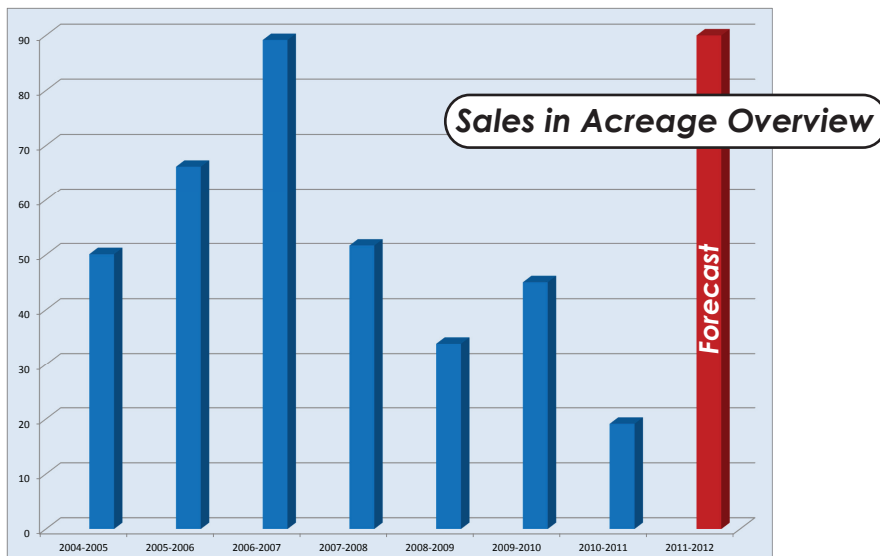
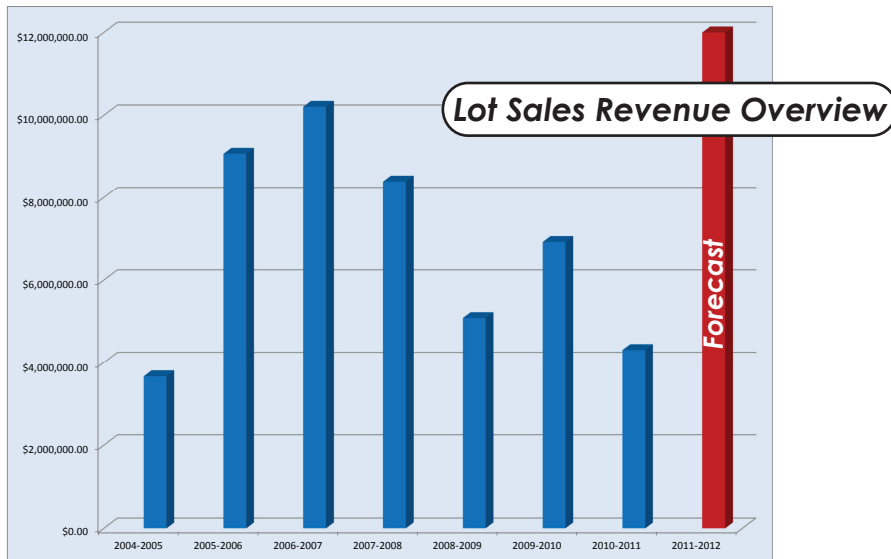
City of Lakes Park

Lot #	Street	Site Condition	sq.ft.	Acres	per sq.ft.	Total
1121	Garland Avenue	Partially Graded	95,405	2.19	\$6.00	\$572,430
1135**	John Savage Avenue	Ungraded	167,306	3.84	\$5.50	\$920,183
1136**	John Savage Avenue	Ungraded	113,497	2.61	\$5.50	\$624,234
1137	Garland Avenue	Ungraded	79,779	1.83	\$6.00	\$478,674
1138	Garland Avenue	Ungraded	87,109	2.00	\$6.00	\$522,654
1139B	Garland Avenue	Ungraded	59,142	1.36	\$6.00	\$354,852
1147	John Savage Avenue	Ungraded	283,140	6.50	\$7.50	\$2,123,550
1148**	John Savage Avenue	Ungraded	113,510	2.61	\$6.00	\$681,060
1150**	John Savage Avenue	Ungraded	145,465	3.34	\$5.00	\$727,325
1152	John Savage Avenue	Ungraded	293,265	6.73	\$6.00	\$1,759,590
1167A*	John Savage Avenue	Ungraded	81,386	1.87	\$6.00	\$488,316
1167B	John Savage Avenue	Partially Graded	88,142	2.02	\$6.00	\$528,852
Total			1,607,146	36.90		\$9,781,720

NOTES: * indicates lot is under deposit ** lots are partially encumbered by NSPI right-of-way easement

Land Sales for Fiscal 2010 - 2011

Lot #	Street	Date Sold	SqFt / Acres	Sale Price	Sold To
1231X	25 Wilkinson Ave	25-May-10	102,480 / 2.35	\$461,160	3244640 NS Ltd. - Guildfords 2005 Inc.
EE-5A1	64 Thorne Ave	25-May-10	18,541 / .43	\$69,529	Kileen & Sons Welding Ltd.
1220	581 Wright Ave	25-May-10	107664 / 2.47	\$645,984	Action - John C. Chamberlaine Holdings Inc.
1203Y	107 Burbridge Ave	28-Jul-10	65,340 / 1.50	\$294,030	Hull Transport (South Coast Holdings
1210	64 Burbridge Ave	22-Nov-10	41,874 / .96	\$188,433	Crossman Construction Limited
934X	65 Gloria McCluskey A\	01-Feb-11	45,126 / 1.04	\$148,916	3249355 NS Ltd. Portable on Demand Storage
1222X	Wright Ave	18-Feb-11	138,324 / 3.18	\$1,058,177	3250637 NS Ltd. Premier Self Storage
1108	152 Dorey Ave	28-Feb-11	49,468 / 1.14	\$210,239	Bracam Holdings - Velocity Machining & Welding
1233A	Wilkinson Ave	18-Mar-11	221,203 / 5.08	\$995,413	Armour Realty Inc.
1139AX	Garland Ave	21-Mar-11	42,714 / .99	\$234,926	W & M Business Holdings
Total			832,734 / 19.14	4,306,807	



HRM BUSINESS PARKS TEAM

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A Business Visit from HRM Solid Waste Resources

On a typical day, HRM Solid Waste Resource Compliance Officers will visit anywhere from 2 to 10 businesses throughout HRM. Our message is simple, business and property owners must provide employees and tenants with access to containers for collection of organics (from lunch rooms), diverting paper (offices) and blue bag recyclingit's the law!

On a good day, a multi-unit property (i. e, strip mall) will have exterior commercial containers on-site, provided by the building

owner or management group. Each tenant of that property is responsible to separate and collect their waste items and deposit them in the correct commercial container.

On most days, businesses are deficient of at least 2 streams, blue bag recycling and organics, very few have all five streams for source separation. Compliance Officers complete an Inspection Report noting the lack of interior or exterior waste collection containers, and indicate a 14 day turn around period to reach compliance with By-Law S600. A copy of this report is left with the tenant/owner along with educational resource material as well as the contact information for one of HRM Solid Waste Resource Education Officers.

If compliance isn't reached within the 14 days, a Summary Offence Ticket can be issued.

On this day, we visited Eastern Optical in Burnside Industrial Park. Eastern Optical work stations were littered with oversized garbage bins, and there were no containers for the collection of blue bag recycling and organic material. All of

the waste generated at this business was destined for landfill. An inspection report was issued and the businesses owner was encouraged to contact an HRM Education Officer.



Stacey

Blagden, Lens Expeditor, wasted no time in arranging a meeting with an Education Officer. She assisted Stacey in understanding the requirements of By-Law S-600, work area waste systems, and even identified items from their regular waste stream that could be diverted elsewhere.

Stacey recruited fellow staff members to form a Green Team. With their new found education they set out to create clusters of waste bins in the work areas. Since much of the waste generated at Eastern Optical is recyclable or organic materials many of the regular waste bins were removed or converted for recycling. They also used HRM signage to identify all waste streams. Eastern Optical is now diverting approximately 60% of their waste from landfill!

To contact an HRM Education Officer about becoming compliant with HRM By-Law S600 please call 490-5040 or email soundd@halifax.ca



Organics

Do



Recyclables

Your



Garbage

Part