

Continued demand maintains lowest vacancy among major Canadian city centres

▼ 8.8%

Vacancy Rate

▲ 41K

SF Net Absorption

▲ 160K

SF Under Construction

▼ \$17.53

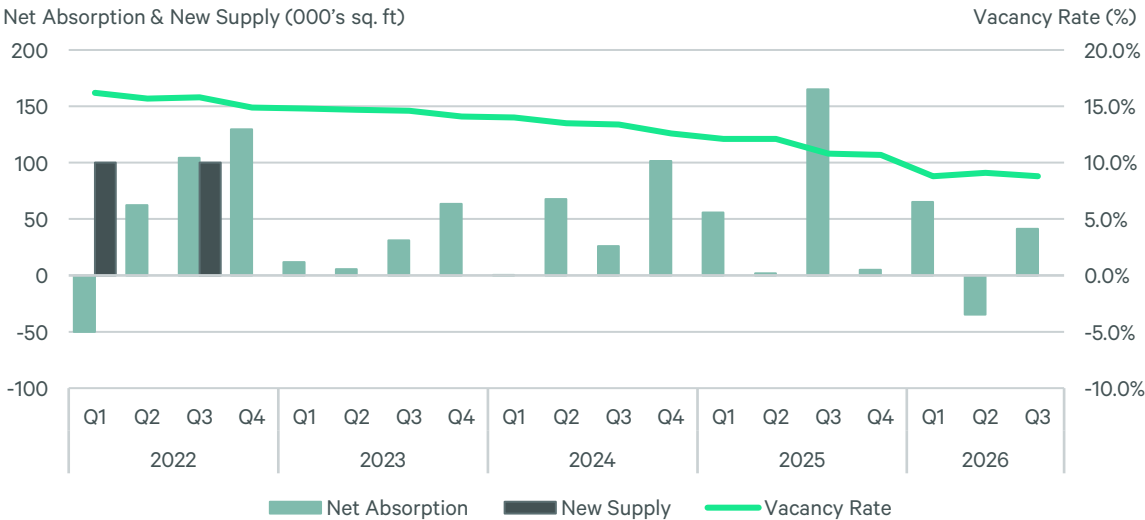
PSF Net Asking Rental Rate

Note: Arrows indicate change from previous quarter.

Executive Summary

- Halifax’s office market strengthened during the third quarter, recording 41,000 sq. ft. of positive net absorption as the overall vacancy rate declined by 30 basis points (bps) to 8.8%.
- Downtown Halifax led the quarter’s activity, recording 37,000 sq. ft. of positive net absorption and lowering its vacancy rate by 70 bps to 11.9%.
- Class A properties across Halifax accounted for most of the quarter’s occupancy gains, with vacancy declining by 80 bps to 9.0%, reinforcing the continued flight-to-quality trend.
- Average net asking rents decreased modestly to \$17.53 per sq. ft. across the total office market, reflecting a change in the composition of available space, as high-quality Class A space was absorbed and a greater share of remaining availability consisted of lower-priced Class B and Class C product.
- Development activity has accelerated across the Halifax market, with 160,000 sq. ft. currently under construction, representing the largest active pipeline since Q4 2021.

FIGURE 1: Halifax Office Demand & Supply
Net Absorption & New Supply (000's sq. ft.)



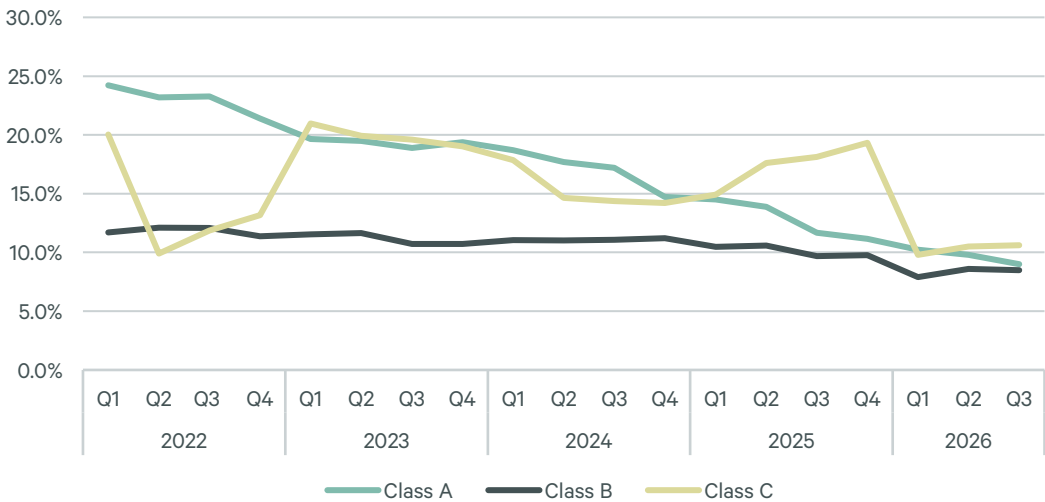
Source: CBRE Research, Q3 2026.

Development pipeline supports long-term confidence

While Halifax maintains one of the lowest office vacancy rates among major Canadian markets, development activity is gaining momentum. Approximately 160,000 sq. ft. of office space is currently under construction, marking the most active development pipeline since Q4 2021. Major projects at Westway Park, Park Place Corporate Campus, and Richmond Yards are set to deliver a new generation of office space designed to meet evolving occupier requirements.

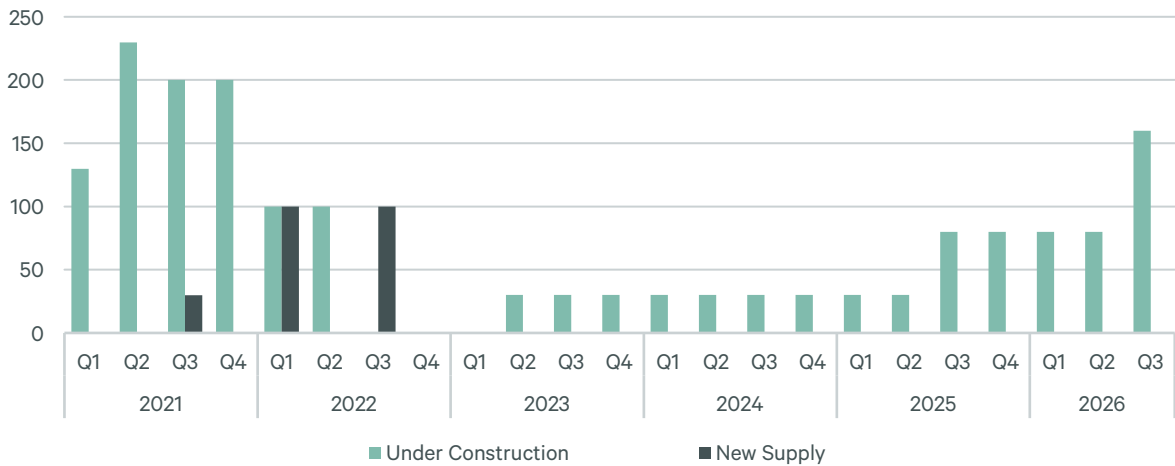
The current construction pipeline represents only part of the city's broader development story. Emerging projects such as Spring Garden West, alongside other planned mixed-use initiatives, demonstrate sustained confidence in Halifax's long-term growth trajectory. As the region continues to attract population, investment, and business expansion, developers remain focused on delivering the next generation of office space to support future occupier demand.

FIGURE 3: Halifax Vacancy Rate by Asset Class (%)



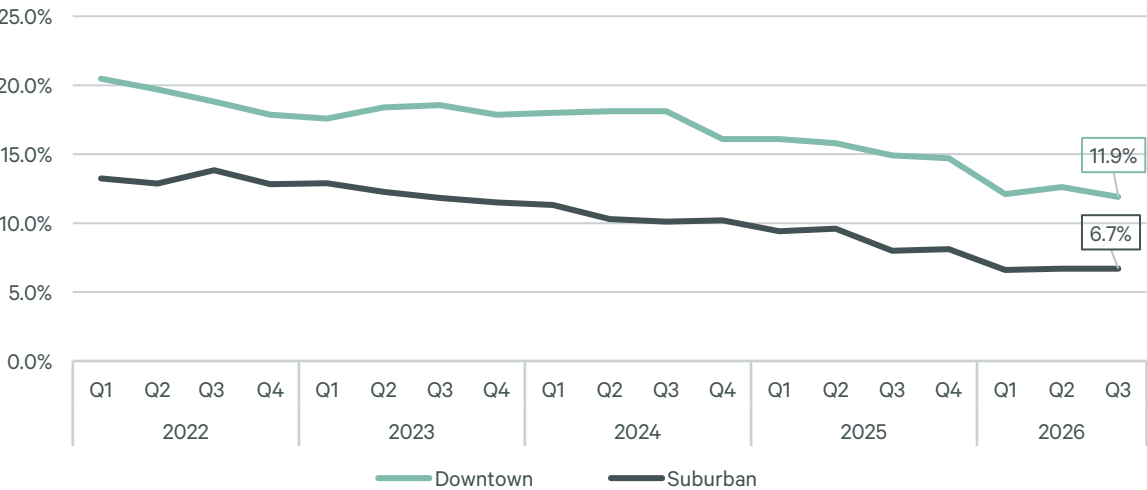
Source: CBRE Research, Q3 2026.

FIGURE 2: Construction Activity (000's SF)



Source: CBRE Research, Q3, 2026

FIGURE 4: Halifax Vacancy Rate by Submarket (%)



Source: CBRE Research, Q3 2026.

Downtown leasing activity picks up as suburban market remains tight

Halifax's office market strengthened during the third quarter as vacancy declined 30 bps to 8.8% alongside 41,000 sq. ft. of positive net absorption. Leasing activity was concentrated in the downtown submarket, which recorded 37,000 sq. ft. of positive net absorption and lowered vacancy from 12.6% to 11.9%. By comparison, suburban vacancy remained stable at 6.7% while posting a modest 4,000 sq. ft. of positive net absorption. Notably, Halifax recorded the lowest suburban office vacancy rate among the 11 major Canadian markets tracked by CBRE, significantly below the national suburban average of 16.7%, underscoring the continued strength and resilience of the suburban market.

Class A properties continued to outperform all other asset classes, recording the majority of occupancy gains this quarter. Overall Class A vacancy declined 80 bps to 9.0%, while Downtown Class A vacancy fell to 10.2% following several significant lease commitments. Purdy's Wharf was a major contributor to the quarter's performance, securing long-term commitments from government and financial sector occupiers. Demand for high-quality office space remains evident across the market, particularly in suburban business parks where accessibility, abundant parking, and shorter commute times continue to attract occupiers seeking alternatives to the downtown core.

Flight-to-quality remains a defining trend

Flight-to-quality continued to shape leasing activity throughout Q3 2026. Class A assets recorded the strongest occupancy gains during the quarter, with vacancy declining 80 bps to 9.0%. As occupiers gravitate toward newer, amenity-rich workplaces, demand for lower-quality office product has become increasingly limited, widening the performance gap between asset classes. In some cases, this trend has contributed to discussions surrounding the repositioning of older office assets, including potential office-to-residential conversions. The migration of tenants into higher-quality buildings can also influence market rents, as premium Class A space is absorbed and a greater share of remaining availability consists of lower-priced Class B and C product.

FIGURE 5: Average Net Asking Rental Rate by Market (PSF)



Source: CBRE Research, Q3 2026

FIGURE 6: Office Market Statistics Summary

Submarket	Building Class	Rentable Area (SF)	Vacancy Rate (%)	Net Absorption (SF)	Avg. Asking Rent (PSF)
Downtown	A	2,243,809	10.2%	35,826	\$21.08
	B	2,711,839	12.6%	1,430	\$16.30
	C	179,970	21.5%	0	\$14.32
Downtown Total		5,135,618	11.9%	37,256	\$17.98
Suburban	A	2,184,414	7.7%	1,403	\$18.11
	B	5,093,407	6.3%	3,152	\$16.47
	C	373,604	5.4%	-486	\$12.40
Suburban Total		7,651,425	6.7%	4,069	\$16.98
Overall Total		12,787,043	8.8%	41,325	\$17.53

Source: CBRE Research, Q3 2026

Market Area Overview



Definitions

Net Absorption: The change in Occupied sq. ft. from one period to the next.
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.
Vacancy Rate: Total Vacant sq. ft. divided by the total Building Area.
One basis point (bps) is equal to 0.01%.

Survey Criteria

Includes office buildings in the five submarkets. Four of the submarkets - Halifax Peninsula/Mainland, Dartmouth, Bedford and Sackville comprise the *suburban office market* with 7.6 million sq. ft. or 59.8% of inventory. CBRE collects information through telephone conversations and listings received from members of the commercial real estate brokerage community.

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