

Vacancy reaches ten-year low following a year of significant leasing activity

▼ 10.7%

Vacancy Rate

▼ 16K

SF Net Absorption

► 80K

SF Under Construction

▲ \$16.04

PSF Net Asking Rental Rate

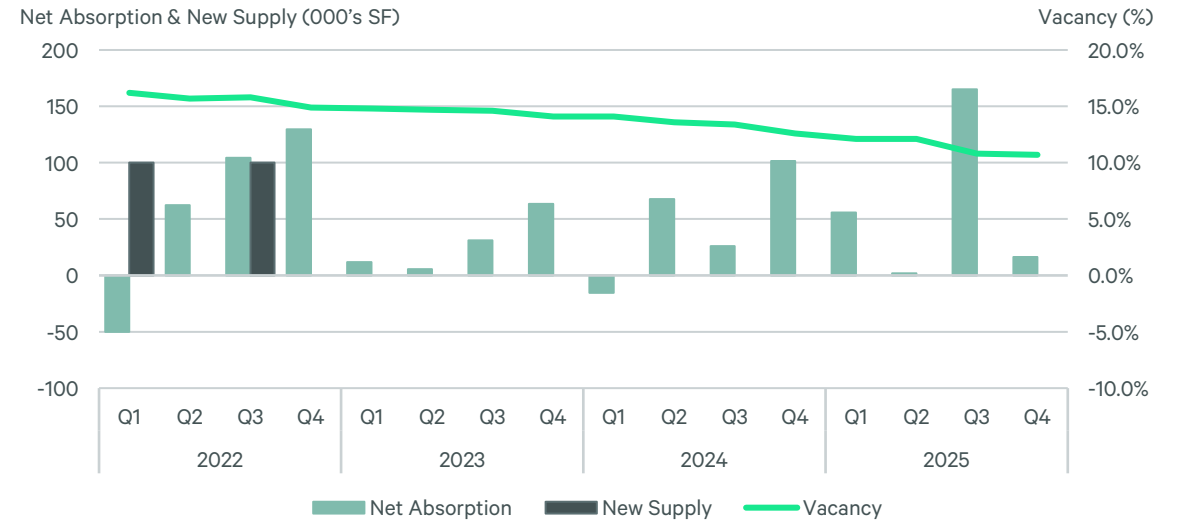
Note: Arrows indicate change from previous quarter.

Executive Summary

- Following a very strong Q3 2025, Halifax’s office market slowed to finish the year, recording 16,379 sq. ft. of positive net absorption throughout Q4 2025.
- Class A assets continue to stand apart, driving leasing activity in both the downtown and suburban markets.
- Net asking rates rose across the market throughout Q4 2025, climbing \$0.09 to \$16.04 per sq. ft.
- Halifax’s office market continues to tighten, following a busy year of leasing activity, seeing vacancy decrease 190 bps over the year to 10.7%.
- Class A assets have recognized the greatest reduction in vacancy, dropping 350 bps on the year to 11.2%.

FIGURE 1: Halifax Office Demand & Supply

Net Absorption & New Supply (000's SF)



Source: CBRE Research, Q4 2025.

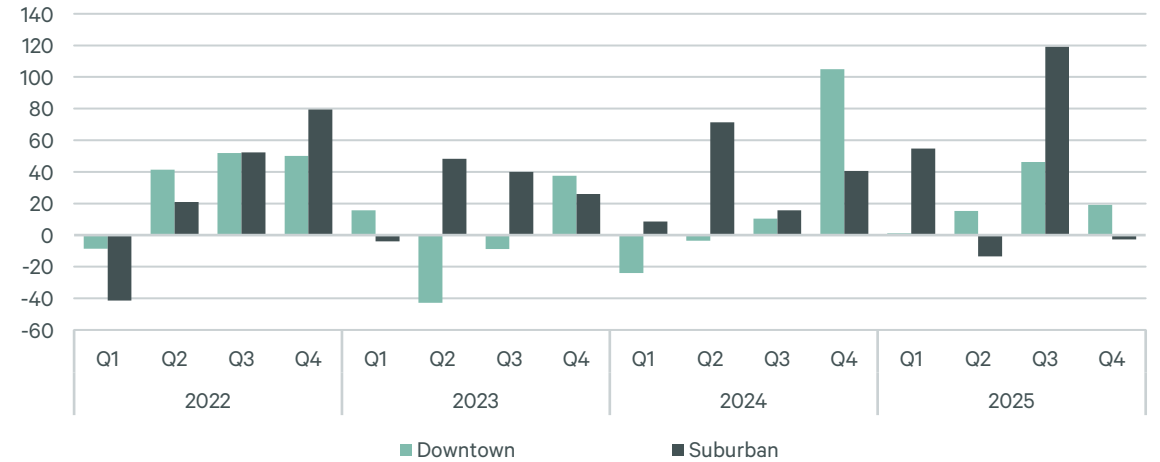
Class A assets continue to stand apart, driving leasing activity

Following a very strong Q3 2025, Halifax’s office market slowed to finish the year, recording 16,379 sq. ft. of positive net absorption throughout Q4 2025. This marks the 15th consecutive quarter of positive net absorption, with 793,347 sq. ft. positively absorbed since 2021, equating to 6.1% of total inventory. The downtown submarket outpaced the suburbs for the second time this year, recording 19,189 sq. ft. of positive net absorption compared to the suburbs, 2,801 sq. ft. of negative net absorption. Class A assets continue to stand apart, driving leasing activity in both the downtown and suburban markets, recording positive net absorption of 22,723 sq. ft. on the quarter and 155,478 sq. ft. on the year. The gap between Class A and C assets also continues to widen, with Class C assets recording negative net absorption across the market for four consecutive quarters, recording 32,977 sq. ft. of negative net absorption on the year.

Vacancy tightens as the disparity between asset qualities becomes more apparent

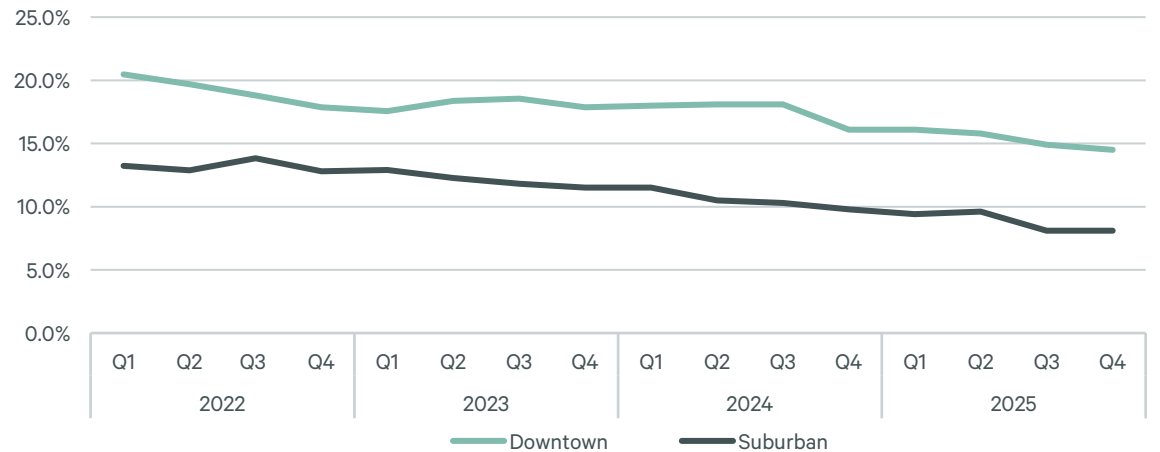
Halifax’s office market continues to tighten, following a busy year of leasing activity, seeing vacancy decrease 190 bps over the year to 10.7%. The downtown submarket recorded a 160 bps reduction in vacancy over the year to 14.5% while the suburban submarket noted a 210 bps decrease in vacancy over the year to 8.1%. Across the market, Class A assets have recognized the greatest reduction in vacancy, dropping 350 bps on the year to 11.2%, followed by Class B, recording a 150 bps reduction on the year to 9.7%. Conversely, Class C assets have seen vacancy rise 510 bps over the year to 19.3%, further demonstrating the gap that persists between asset qualities. The proportion of space for sublet grew for the second time this year, rising 50 bps on the quarter as new sublease options in both the downtown and suburban submarkets became available.

FIGURE 2: Quarterly Net Absorption by Submarket (000's SF)



Source: CBRE Research, Q4 2025.

FIGURE 3: Halifax Vacancy Rate by Submarket (%)



Source: CBRE Research, Q4 2025.

Net asking rates grow across the market

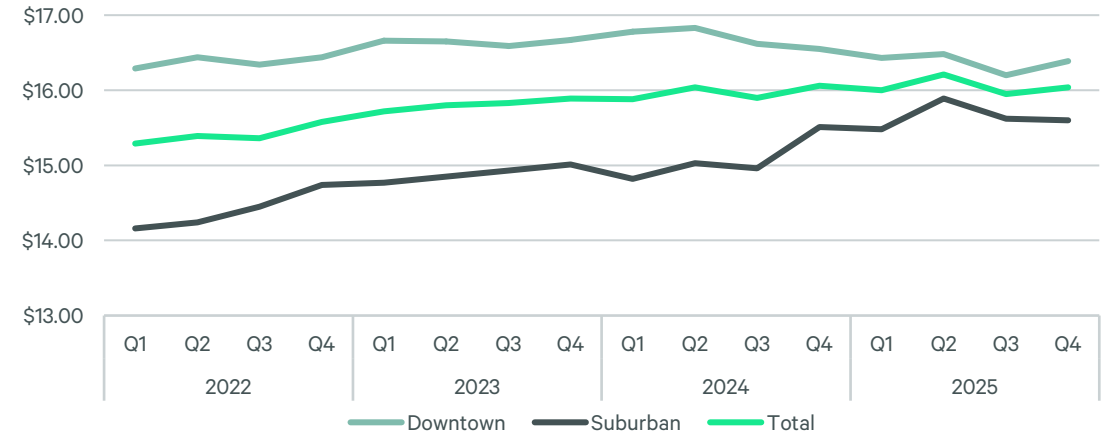
Net asking rates rose across the market throughout Q4 2025, climbing \$0.09 to \$16.04 per sq. ft. Asking rates across all asset classes marked increases this quarter, with Class A rates climbing \$0.08 to \$18.42 per sq. ft., Class B rates rising to \$14.98 per sq. ft. and Class C rates asking an additional \$0.10, growing to \$12.70 per sq. ft. Halifax’s downtown saw net asking rates rise across the entire submarket, climbing to \$16.39 per sq. ft. across all asset classes. For the second time this year, each asset class in the downtown recorded growth in net asking rates, as tightening availability pushes net rates. The suburban submarket held relatively steady, ending the quarter at \$15.60 per sq. ft. Conversely to the downtown, the suburban submarket only recognized rate growth in Class A assets, while Class B and C assets remained constant.

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



Source: CBRE Research, Q4 2025.

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



Source: CBRE Research, Q4 2025.

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 | 12.8% | 8,871 | \$19.32 |
| | B | 2,757,839 | 15.3% | 17,949 | \$14.72 |
| | C | 179,970 | 23.9% | -7,640 | \$13.63 |
| Downtown Total | | 5,181,618 | 14.5% | 19,180 | \$16.39 |
| Suburban | A | 2,184,414 | 9.5% | 13,852 | \$17.19 |
| | B | 5,087,569 | 6.6% | -16,653 | \$15.32 |
| | C | 464,605 | 17.5% | 0 | \$12.10 |
| Suburban Total | | 7,736,588 | 8.1% | -2,801 | \$15.60 |
| Overall Total | | 12,918,206 | 10.7% | 16,379 | \$16.04 |

Source: CBRE Research, Q4 2025.

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.

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 7.8 million sq. ft. or 59.5% of inventory. CBRE collects information through telephone conversations and listings received from members of the commercial real estate brokerage community.

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