CBRE

Stable office fundamentals support one of the lowest vacancy rates in the country

▶ 9.0%
Vacancy Rate

▼ -11K
SF Net Absorption

▶ 80K
SF Under Construction

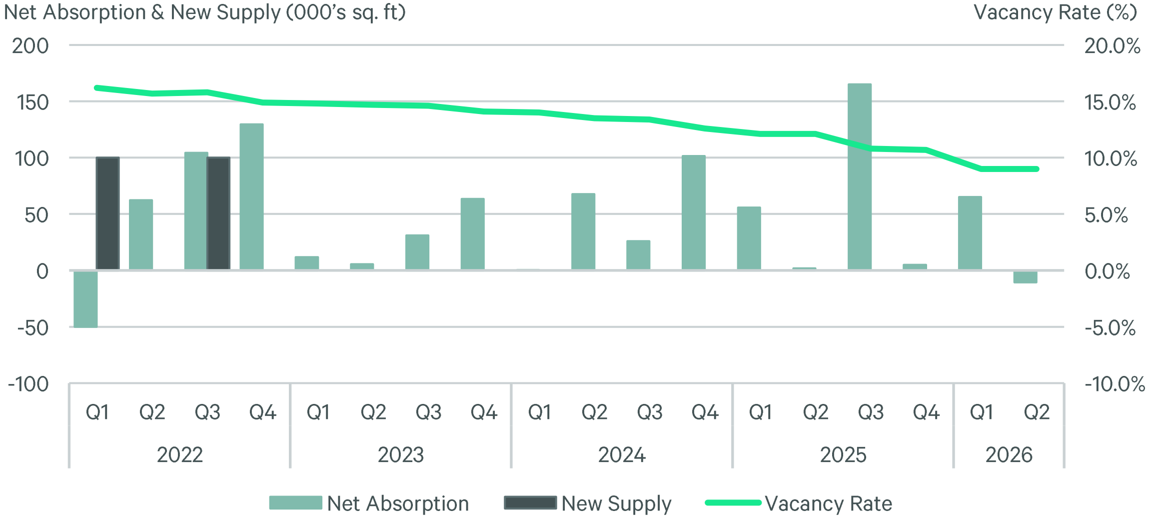
▲ $17.74
PSF Net Asking Rental Rate

Note: Arrows indicate change from previous quarter.

Executive Summary

- Halifax's office market remained constrained in Q2 2026, with vacancy holding steady at 9.0% despite a modest slowdown in leasing activity.
- Limited availability continues to restrict tenant options, particularly for large contiguous blocks of space, creating competitive leasing conditions across the market.
- Flight-to-quality remains a defining trend, with Class A assets accounting for a significant share of leasing activity and average net asking rates rising to $20.04 per sq. ft..
- Net asking rental rates continue to trend upward as landlords capitalize on a limited supply of high-quality office space and sustained tenant demand.
- With no significant vacant office deliveries anticipated before 2027, supply constraints are expected to persist and support market stability in the near term.

FIGURE 1: Halifax Office Demand & Supply



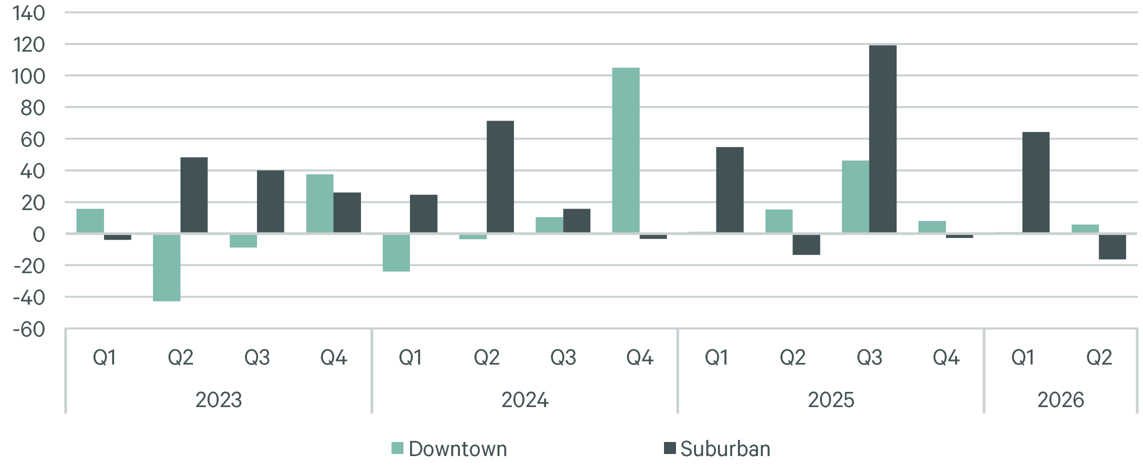
Source: CBRE Research, Q2 2026.

Vacancy remains tight as steady leasing activity continues

Halifax's office market remains tight, with vacancy holding steady at 9.0% over the quarter, marking the lowest office vacancy rate in the country for major centres. The downtown submarket recorded a 10 basis points (bps) reduction in vacancy in Q2 2026 to 12.4% while the suburban submarket noted a 20 bps increase to 6.8%.

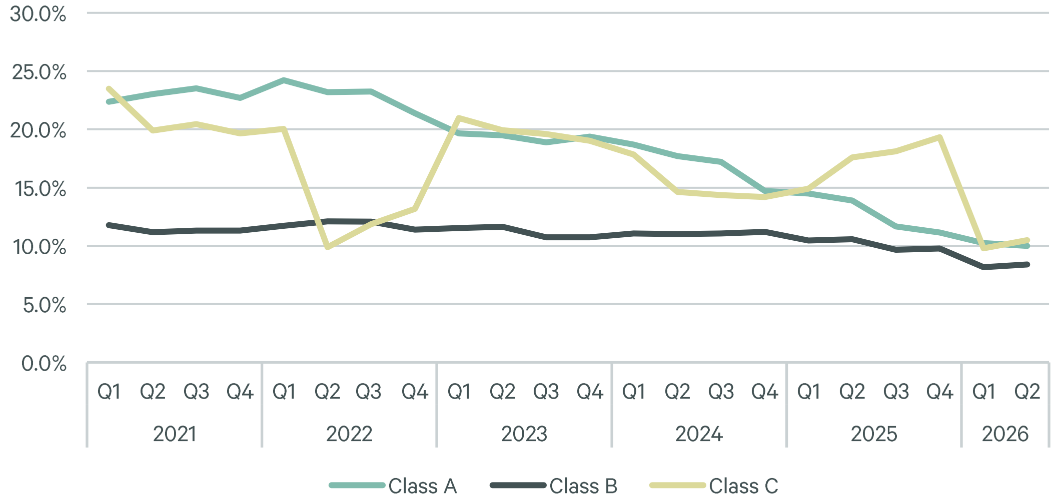
For the fourth consecutive quarter, Class A assets saw the highest levels of positive net absorption, with 11,000 sq. ft being leased during Q2. Class B and C assets saw negative absorption of 18,000 and 4,000 sq. ft, respectively. Overall, Class A assets saw the sharpest vacancy drop, falling 20 bps to 10.0% in Q2. This tightening has led Class A net rental rates to increase by $0.39 to $20.04 per sq. ft in Q2, a 2.0% increase from last quarter. Similar pricing increases were seen among Class B assets, which saw net rental rates increase by $0.38 to $16.42 per sq. ft, a 2.4% increase quarter-over-quarter

FIGURE 2: Quarterly Net Absorption by Submarket (000's sq. ft)



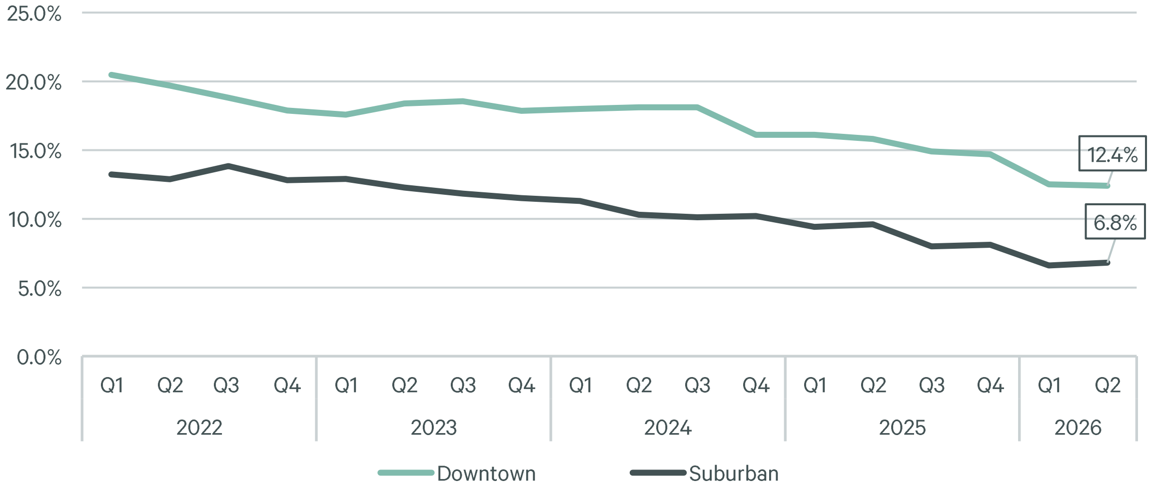
Source: CBRE Research, Q2, 2026

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



Source: CBRE Research, Q2 2026.

FIGURE 4: Halifax Vacancy Rate by Submarket (%)



Source: CBRE Research, Q2 2026.

Flight-to-quality remains a defining trend

Downtown Halifax recorded its eighth consecutive quarter of positive net absorption in Q2 2026, with 6,000 sq. ft. of additional occupied space. Demand remained concentrated within Class A properties, which captured 19,000 sq. ft. of positive absorption during the quarter, while Downtown Class B and C assets collectively recorded nearly 12,000 sq. ft. of negative absorption. As a result, Downtown Class A vacancy declined from 12.7% to 11.8%, further reinforcing the flight-to-quality trend that has characterized Halifax's office market in recent years.

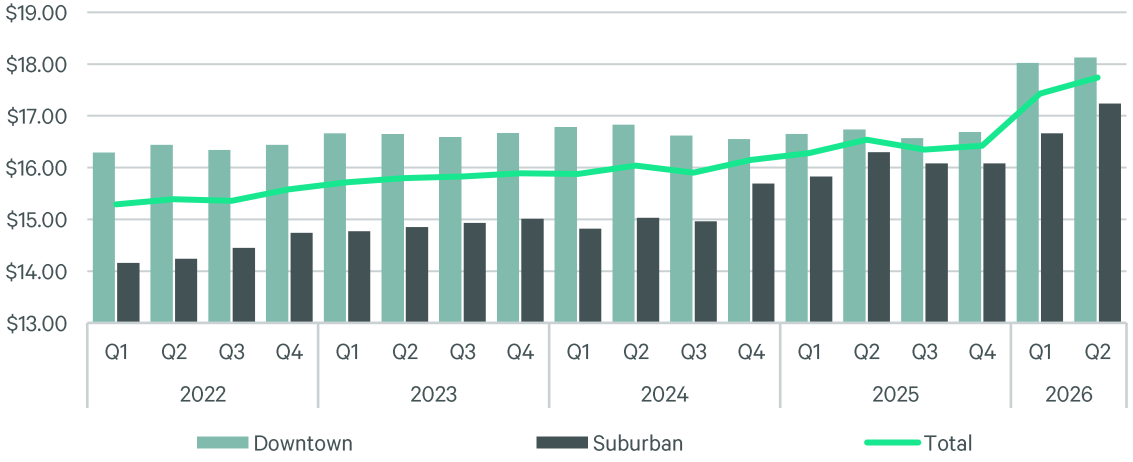
As organizations continue to evaluate workplace strategies, newer and amenity-rich buildings remain best positioned to attract tenants. Consequently, occupiers searching for larger blocks of premium office space are facing a progressively narrower range of options, creating increasingly competitive leasing conditions within Halifax's most sought-after assets.

Larger occupiers face a shrinking pool of options

Halifax's role as a major defence and naval centre continues to support long-term occupier demand. Recent federal defence procurement announcements, including the selection of a preferred supplier for Canada's new submarine program, reinforce the region's strategic importance. While direct office requirements remain uncertain, continued investment in defence-related industries is expected to support long-run demand for office space. In a market where large blocks of contiguous space are already becoming increasingly difficult to secure, additional demand could further limit options for future occupiers.

Despite a modest slowdown in leasing activity during Q2, tenant options remain limited across much of the Halifax market. Vacancy held at 9.0% while availability of larger contiguous space blocks continued to decline, particularly within high-quality assets. Halifax’s suburban vacancy remains the lowest in the country at 6.8%, with 80,000 sq. ft of office space currently under construction and expected to deliver between Q2 and Q4 2027. With 30,000 sq. ft of upcoming supply already pre-leased, constraints are expected to persist in the near term, potentially driving suburban net asking rates higher.

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



Source: CBRE Research, Q2 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	11.8%	18,679	$20.91
	B	2,711,839	12.2%	-8,849	$16.38
	C	179,970	21.5%	-4,164	$14.32
Downtown Total		**5,135,618**	**12.4%**	**5,666**	**$18.02**
Suburban	A	2,184,414	7.7%	-7,390	$18.75
	B	5,093,407	6.2%	-8,920	$16.46
	C	373,604	5.3%	0	$12.40
Suburban Total		**7,651,425**	**6.8%**	**-16,310**	**$17.24**
Overall Total		**12,787,043**	**9.0%**	**-10,644**	**$17.74**

Source: CBRE Research, Q2 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 7.8 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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