

Vacancy reaches an over 13-year low following a year of significant leasing activity

▼ 9.0%
Vacancy Rate

▲ 65.1K
sq. ft Net Absorption

▶ 80K
sq. ft Under Construction

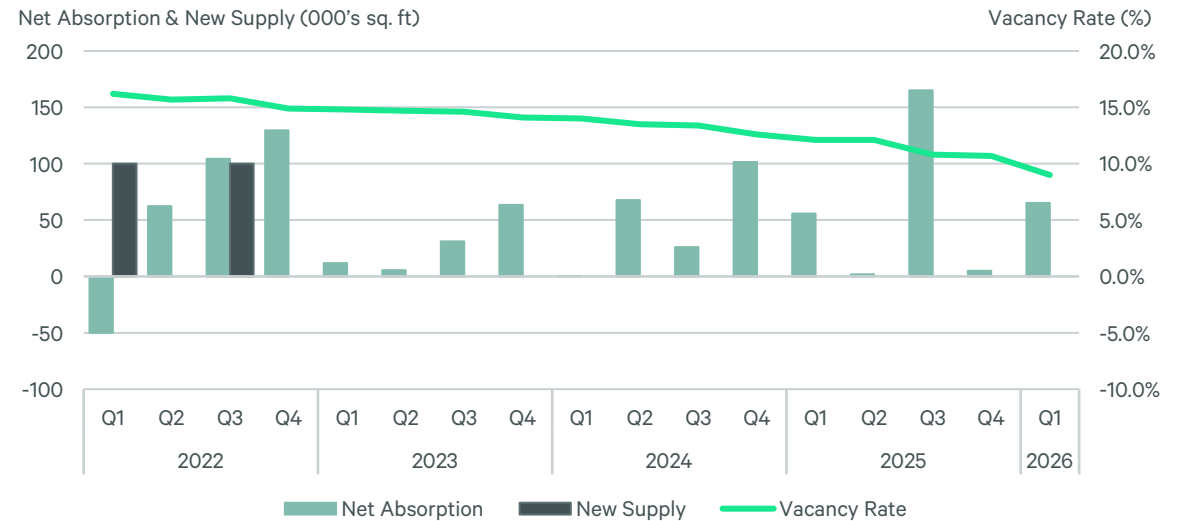
▲ \$17.43
PSF Net Asking Rental Rate

Note: Arrows indicate change from previous quarter.

Executive Summary

- Following a very strong 2025, Halifax’s office market is off to a strong start this year, with over 65,000 sq. ft. in positive absorption.
- The suburban market made a sharp rebound from Q4 2025, with net absorption climbing from negative 3,000 sq. ft to positive 64,000 sq. ft.
- Net asking rates rose across the market throughout Q1 2026, climbing to \$17.43 per sq. ft across all asset classes in the office sector.
- Halifax’s office market continues to tighten following a busy year of leasing activity, seeing vacancy decrease 170 basis points (bps) to 9.0% quarter-over-quarter.
- Class C assets have recognized the greatest reduction in vacancy, dropping from 19.3% to 9.8% in Q1 2026. This is largely due to a few residential conversions that were removed from inventory, as well as continued leasing activity.

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



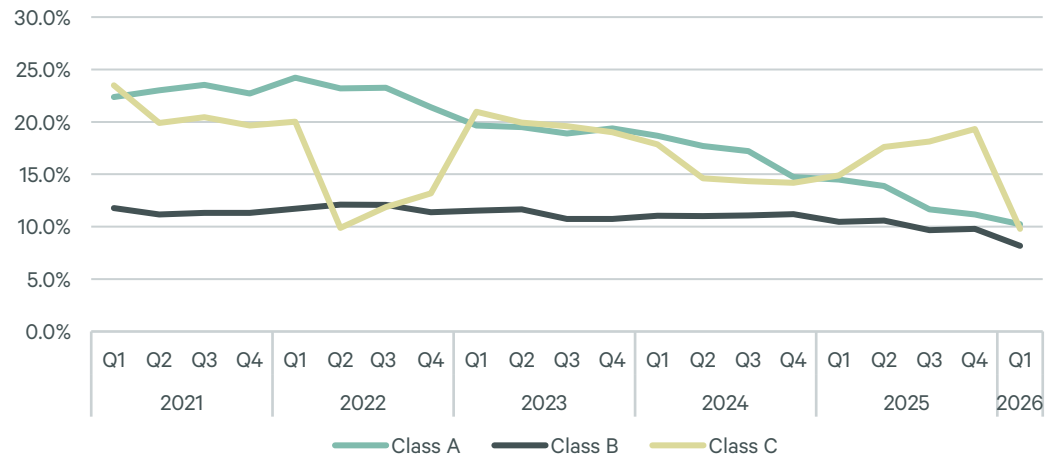
Source: CBRE Research, Q1 2026.

Vacancy tightens as the disparity between asset qualities narrows

Halifax's office market continues to tighten, following a busy year of leasing activity, seeing vacancy decrease 170 bps quarter-over-quarter to 9.0%. The downtown submarket recorded a 220 bps reduction in vacancy in Q1 2026 to 12.5% while the suburban submarket noted a 150 bps decrease to 6.6%.

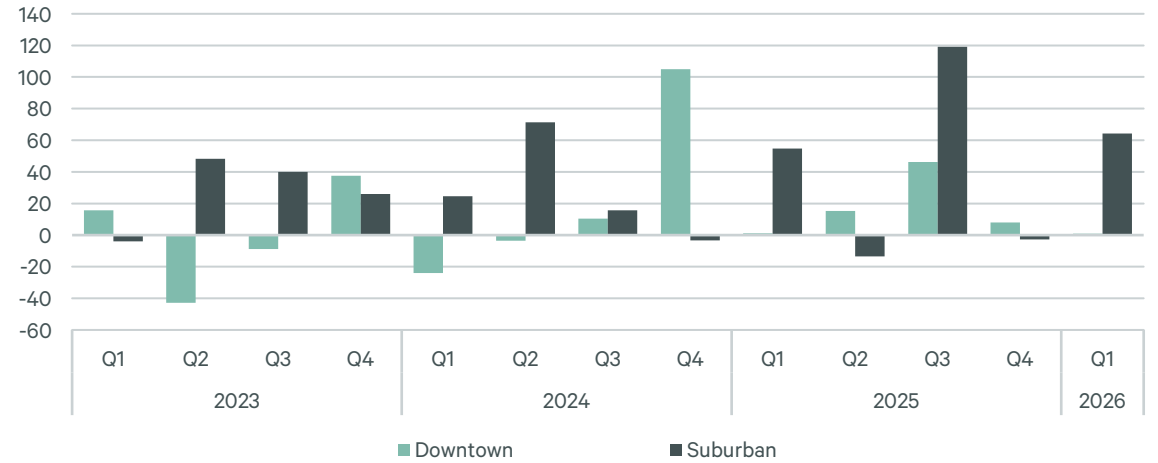
Overall Class C assets saw the sharpest vacancy drop, falling 950 bps to 9.8% in Q1. This primarily came from an office conversion, which previously held roughly 64,000 sq. ft of vacant space. Class A assets continue to see high demand, with vacancy dropping 100 bps to 10.2%. Class B assets also experienced heavy leasing activity in Q1, with vacancy dropping 160 bps to 8.2%.

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



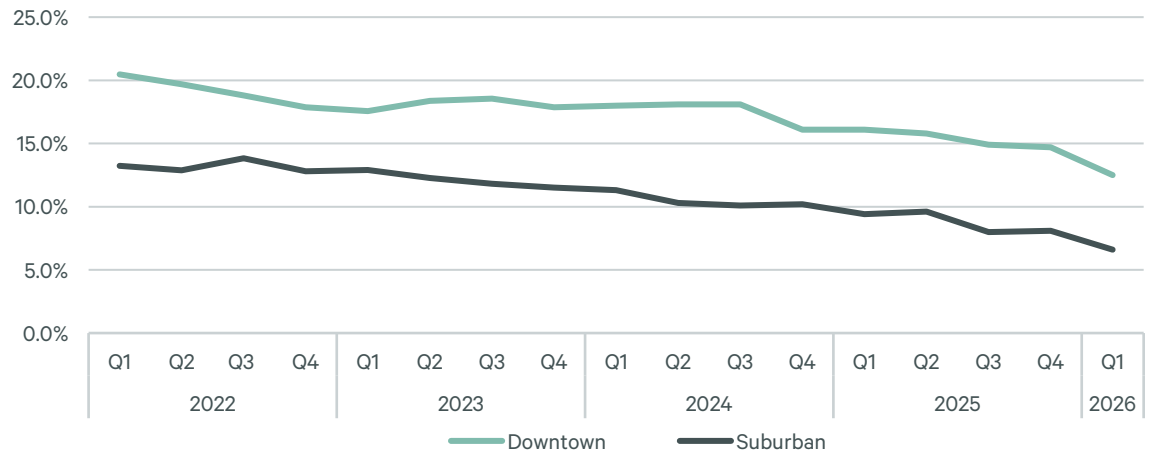
Source: CBRE Research, Q1 2026.

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



Source: CBRE Research, Q1, 2026

FIGURE 4: Halifax Vacancy Rate by Submarket (%)



Source: CBRE Research, Q1 2026.

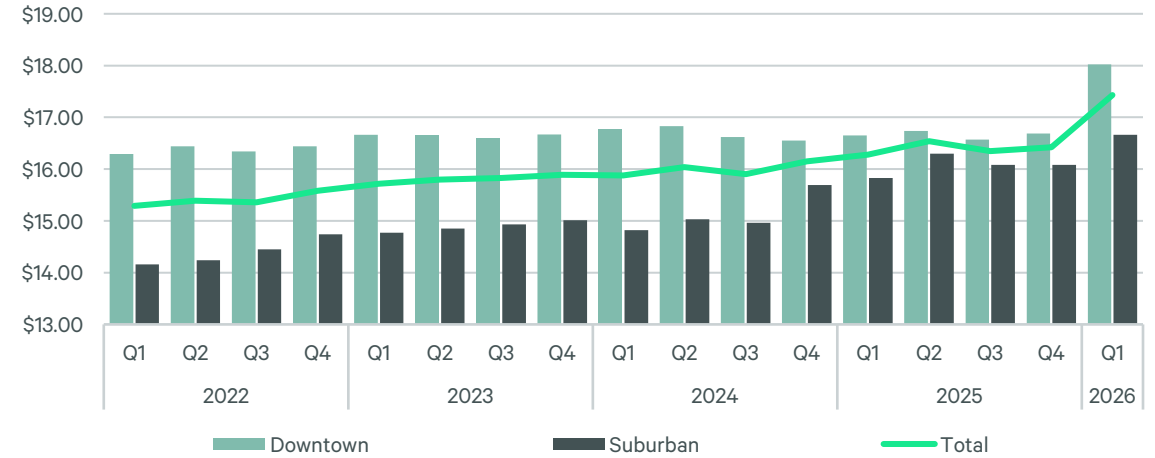
Suburban market drives net absorption

2026 is off to a strong start, marking the 16th consecutive quarter of positive net absorption, with Q1 at 65,000 sq. ft. The suburban submarket saw most of this, with 64,000 sq. ft of positive net absorption, a sharp increase from the 3,000 sq. ft of negative absorption the suburban market saw in Q4. Meanwhile, the downtown market has continued its seven quarter streak of positive net absorption despite only registering 843 sq. ft. Class A assets continue to drive leasing activity in the suburban and downtown market, making up over 40,000 sq. ft of total absorption. As vacancy tightens, Class B and C assets are seeing an uptick in leasing activity within the suburban market, recording 27,000 sq. ft of positive net absorption, compared to the 16,000 sq. ft of negative net absorption in Q4 2025.

Net asking rates grow across the market

Net asking rates rose across the market throughout Q1 2026, climbing \$1.01 to \$17.43 per sq. ft. Asking rates in the downtown market hit an all-time high, reaching \$18.02 per sq. ft. As downtown vacancy hits its lowest rate since Q2 2014, leasing continues to become more competitive. Downtown Class B assets saw a 370 bps drop in vacancy, and multiple proposed redevelopments may further tighten downtown vacancy. The suburban market also saw sharp rent increases, with net asking rates rising \$0.58 to \$16.66 per sq ft across all asset Classes. Suburban Class C assets have reached their highest net asking rates on record, hitting \$13.93 per sq. ft. One major residential conversion accounted for a 725 bps drop in overall Class C vacancy, removing lower priced space, and driving up rental rates significantly.

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



Source: CBRE Research, Q1 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	12.7%	3,015	\$20.49
	B	2,711,839	11.9%	-3,261	\$16.29
	C	179,970	19.2%	1,080	\$14.36
Downtown Total		5,135,618	12.5%	834	\$18.02
Suburban	A	2,184,414	7.7%	37,527	\$18.31
	B	5,093,407	6.2%	23,532	\$15.77
	C	373,604	5.3%	3,255	\$13.93
Suburban Total		7,651,425	6.6%	64,314	\$16.66
Overall Total		12,787,043	9.0%	65,148	\$17.43

Source: CBRE Research, Q1 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.

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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