

MARKET FUNDAMENTALS

	YOY Chg	Outlook
11.6% Vacancy Rate	▼	▼
211K YTD Net Absorption, SF	▲	▲
\$30.28 Gross Rent, PSF <small>(Overall, All Property Classes)</small>	▬	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
527K Nova Scotia Employment	▲	▲
6.5% Nova Scotia Unemployment Rate	▬	▼
7.0% Canada Unemployment Rate <small>Source: Statistics Canada</small>	▲	▲

ECONOMY

Halifax's economy has remained steady in Q2 2025, with signs of growth due to an increase in retail spending of 3.0% year-over-year (YOY), and a decrease in household debt. On the other hand, job growth in the province has seen a downward trend as well as a slowdown in population growth. The decreasing population growth continues to force housing prices back to where they were a year ago, potentially softening residential homebuilding activity. Housing starts projections are steady at 7,400 units. The effects of U.S. tariffs are limited in Nova Scotia as a majority of U.S. exports are exempt under CUSMA. Nova Scotia has witnessed a decrease YOY in food manufacturing shipments due to Chinese tariffs on Canadian seafood products.

(Sources: All Nova Scotia, Statistics Canada, RBC, TD Economics).

SUPPLY AND DEMAND

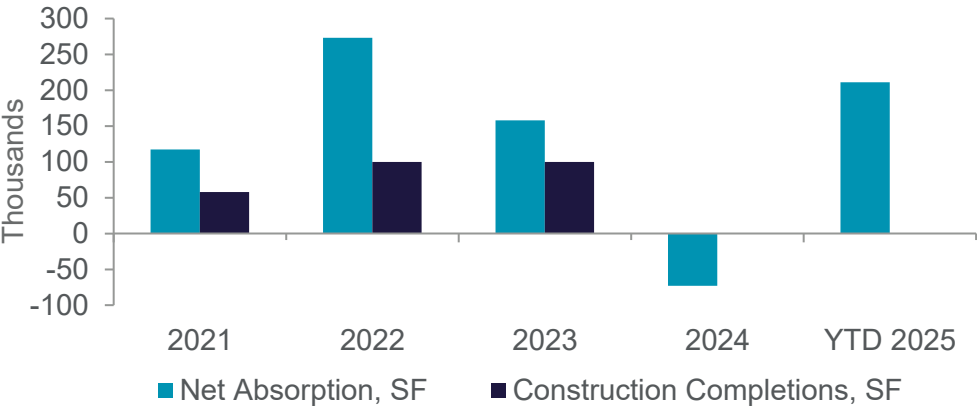
The overall vacancy rate for the Halifax office market decreased to 11.6% in Q1 2025, a quarter-over-quarter (QoQ) decrease of 69 basis points (bps). The Dartmouth submarket was the primary driver behind the decrease, as this market witnessed a significant decrease in vacancy of 330 bps QOQ. The Central submarket had no change to vacancy QOQ, while the remaining submarkets posted slight increases in vacancy.

Overall absorption in the Halifax market remained in positive territory this quarter at close to 106k square feet (sf). Most submarkets witnessed positive absorption, with the most significant totals of 108k sf in the Dartmouth submarket and 19k sf in the Central submarket. The most significant contributing factor to the positive absorption in Dartmouth was the Workers' Compensation Board, which occupied 46k sf at 137 Venture Run, accounting for 63% of the overall absorption in the Burnside City of Lakes and approximately 42% of the total Dartmouth office market. In the Central market, the provincial government is responsible for a positive absorption of about 8k sf at the Bank of Montreal Tower.

PRICING

The overall asking net rental rate in the Halifax office market remained unchanged at \$16.14 per square foot this quarter, with the submarkets either posting identical rates or only small variations from last quarter.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Halifax – Central Business District	5,844,077	30,834	797,192	14.2%	19,821	39,635	0	\$33.00	\$37.81
Halifax - Suburban	2,602,864	10,198	170,041	6.9%	-23,201	12,490	0	\$29.63	\$31.04
Dartmouth	3,246,801	68,000	134,143	12.7%	109,142	118,495	0	\$29.06	\$30.44
Bedford	1,043,713	0	339,816	4.5%	1,112	24,307	0	\$29.40	\$32.67
Suburban Totals	6,893,378	81,000	556,349	9.2%	86,062	171,387	0	\$29.07	\$30.45
Halifax Totals	12,737,455	112,032	1,353,541	11.5%	105,883	211,022	0	\$30.55	\$32.76

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
137 Venture Run	Burnside City of Lakes	Workers Compensation Board	46,080	Direct/Sublet

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
NA				

BILL MACAVOY
Managing Director
Tel: +1 902 425 1872
bmacavoy@cwatlantic.com

JAKE MACMILLAN
Market Analyst
Tel: +1 902 334 2169
jmacmillan@cwatlantic.com

VINCENT BREEN
Market Analyst
Tel: +1 902 717 7314
vbreen@cwatlantic.com

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