

MARKET FUNDAMENTALS

	YOY Chg	Outlook
11.0% Vacancy Rate	▼	▼
68K YTD Net Absorption, SF	▼	▲
\$31.19 Gross Rent, PSF <i>(Overall, All Property Classes)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
524K Nova Scotia Employment	▲	▲
7.1% Nova Scotia Unemployment Rate	▲	▼
6.7% Canada Unemployment Rate	▲	▲

Source: Statistics Canada

ECONOMY

Nova Scotia's labour market remained relatively stable in February 2026, with employment declining marginally by 0.1%. The unemployment rate increased 20 basis points (bps) from Q4 2025 to 7.1% driven by a rise in labour force participation rather than material job losses. Full-time employment declined while part-time employment increased, indicating a modest shift in employment composition. Overall, the province continues to report a stable labour market with slight short-term softening.

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

SUPPLY AND DEMAND

The overall vacancy rate for the Halifax office market declined to 11.0% in Q1 2026, a quarter-over-quarter (QOQ) decrease of 50 bps. The suburban submarkets were the primary driver behind this as the Bedford submarket witnessed a 190 bps fall in vacancy QOQ to 2.0%. Vacancy in the Central submarket also fell by 60 bps from Q4 2025 to 14.2%. This trend likely reflects businesses requiring employees to return to the office as the effects of the pandemic continue to fade. Continued pressure on the suburban office market is evident and there are calls for increased focus on office developments outside of the CBD to meet the growing demand.

Overall absorption in the Halifax market moved into positive territory in Q1 2026. Each submarket saw positive absorption; however, the Central area had the largest increase from last quarter with 36k square feet (sf). The Suburban submarket remained relatively flat with 1k sf of positive absorption. Bedford and Dartmouth posted 19k sf and 12k sf of positive absorption, respectively.

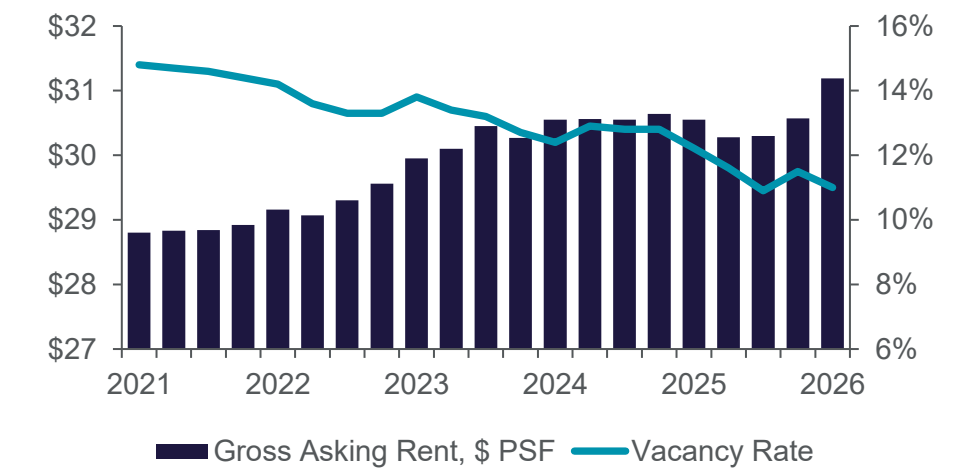
PRICING

The overall asking net rental rate in the HRM office market reached \$16.91 per square foot (psf) in Q1 2026. This is a slight increase from last year, as available supply continues to decline. The highest average asking rent was in Central Class A, sitting at \$20.41 psf. The least expensive location was on the Dartmouth side of the Halifax Peninsula. On average, these asking rates are sitting between \$12.00 psf and \$17.00 psf, depending on the class and type of building.

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	5,847,017	29,592	802,165	14.2%	35,628	35,628	0	\$33.44	\$37.08
Halifax - Suburban	2,537,857	765	162,634	6.4%	1,390	1,390	100,000	\$30.27	\$30.81
Dartmouth	3,246,801	71,000	297,329	11.3%	12,182	12,182	0	\$30.59	\$31.63
Bedford	999,537	0	19,953	2.0%	18,704	18,704	50,000	\$31.13	\$33.09
Suburban Totals	6,784,195	71,765	479,916	8.1%	32,276	32,276	150,000	\$29.27	\$32.88
Halifax Totals	12,631,212	101,357	1,282,081	11.0%	67,904	67,904	150,000	\$31.19	\$34.26

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
1791 Barrington Street	Halifax CBD	Invest Nova Scotia + NS Growth & Development Dept.	23,394 SF	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
N/A				

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About Cushman & Wakefield

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