

Office market snapshot

Positive leasing activity

“We have been experiencing some generally positive movement on the office leasing front this year.

As we wrap up the second quarter of 2023, the pent-up demand for leasing decisions that businesses have been putting off are now actionable. This leads to more companies securing new spaces. This increase in activity was observed not long after the interest rates halted their upward trend in the first quarter and continues to increase on a weekly basis.

Having said the above, it remains a reality that the downtown office vacancy rate has seen a rise but is slowly bouncing back to normal.

Previously, it reached levels of vacancy of up to 20%, but is gradually showing signs of improvement, with certain areas progressively trending closer to 12%.

Some outlying suburban markets are steadily beginning to see declining levels of vacancy. While there is a lack of newer development in these areas, the demand for space has risen. This rising demand is driven by numerous factors, including lower rental rates, convenience of access, faster commutes with less time spent in traffic, and affordability (especially in terms of parking).”



Dave Kerr
Senior Commercial Advisor
Sales Representative

What do higher interest rates mean for real estate?

The global economic landscape is rapidly evolving. With inflation moderating but still at some of the highest levels seen in decades, policymakers remain focused on price rises as a key risk to the economy.

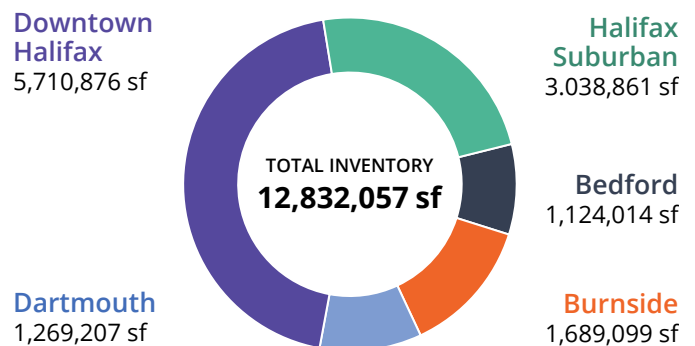
Interest rates appear close to their peak – but some further rises are still anticipated in many countries, given that economic growth is holding up far better than previously anticipated.

However, expectations that interest rates will return to their previous low levels are misplaced. Rates will be cut from their current levels – but inflation may well prove higher than policymakers would like, and we believe interest rates will remain “higher for longer” before rates are reduced during 2024.

For more information on **interest rates and real estate**, please view our report [here](#).

Halifax regional municipality

Inventory breakdown



Halifax statistics

480,523
Population

5,475.57
Land area (km²)

Average gross rent (psf)

	Class A	Class B	Class C
Central Business District	\$36.50	\$29.00	\$27.56
Halifax Suburban	\$30.38	\$28.53	\$24.09
Dartmouth	\$31.85	\$25.37	\$21.33
Burnside	\$29.36	\$27.84	\$20.32
Bedford/Sackville	\$30.19	\$27.10	\$25.65

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