



Turner Drake & Partners Ltd.  
6182 North Street,  
Halifax, N.S., B3K 1P5  
Tel.: (902) 429-1811

St. John's, N.L.  
Tel.: (709) 722-1811

Charlottetown, P.E.  
Tel.: (902) 368-1811

Saint John, N.B.  
Tel.: (506) 634-1811

Toronto, ON.  
Tel.: (416) 504-1811

Toll Free: (800) 567-3033  
Fax.: (902) 429-1891  
E-Mail: tdp@turnerdrake.com  
Internet: www.turnerdrake.com



**Subject:** Office Demand Tipping Point.

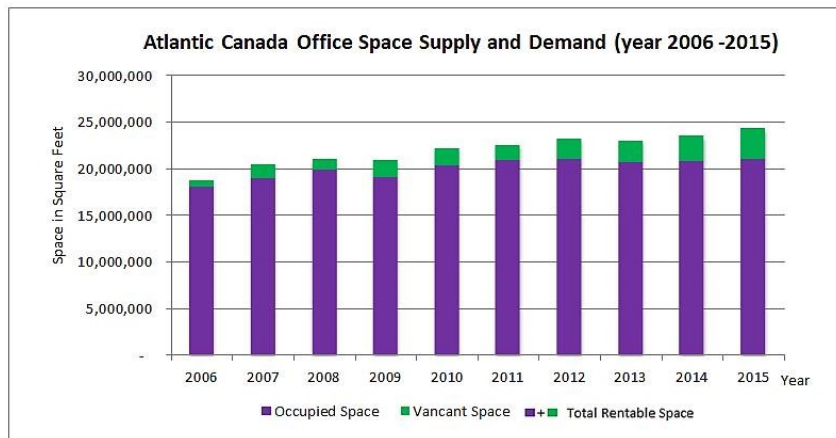
**Comments:** The 1990 recession was the impetus for shrinking office space per worker, but the trend really gathered pace after the turn of this century. The current decade has seen further shrinkage in space allocation per worker as business moves to a more collaborative and team orientated, open plan, environment. CorNet Global, an association of corporate real estate and workplace professionals, service providers and economic developers estimate that the average allocation of usable office space in North America will fall from 225 ft.<sup>2</sup>/worker in 2010 to 151 ft.<sup>2</sup>/worker in 2017 as “Hot Desking” replaces dedicated work stations. The actual application of work space shrinkage will be somewhat more muted since its implementation is governed by the term of the lease and the lease rollover rate.

The office market in Atlantic Canada is part of this workspace shrinkage trend but there are two other forces at work: urbanisation as cities grow by sucking in workers from the countryside, and the countervailing impact of a declining working age population. The table below shows the tipping points in each province, and for the Atlantic Region, for this working age population.

	2001	2006	2011	2016	2021	2026	2031	2036
<b>Newfoundland</b>								
TOTAL POPULATION	522,046	510,584	525,037	521,500	511,500	499,200	483,200	464,000
WORKING AGE (20-64)	329,426	328,984	335,245	318,800	294,800	270,500	248,000	229,200
AGE 65 AND OVER	63,619	69,461	82,304	101,800	121,000	138,300	151,500	157,000
<b>Prince Edward Island</b>								
TOTAL POPULATION	136,665	137,865	144,038	149,400	156,700	163,800	170,500	176,100
WORKING AGE (20-64)	81,137	83,974	88,151	89,100	90,100	90,200	90,400	91,800
AGE 65 AND OVER	18,583	20,117	22,909	28,200	33,500	39,300	45,100	48,600
<b>Nova Scotia</b>								
TOTAL POPULATION	932,491	937,869	944,469	945,700	951,200	953,000	949,200	939,600
WORKING AGE (20-64)	576,249	588,856	594,552	577,700	556,300	525,500	498,400	483,400
AGE 65 AND OVER	126,579	137,138	153,871	184,300	215,300	248,400	275,600	286,500
<b>New Brunswick</b>								
TOTAL POPULATION	749,819	745,609	755,530	760,200	765,400	767,200	764,800	756,800
WORKING AGE (20-64)	466,817	470,243	474,298	461,600	443,000	419,400	398,600	385,600
AGE 65 AND OVER	100,105	107,656	122,294	147,900	174,900	201,700	224,200	233,500
<b>Atlantic Canada</b>								
TOTAL POPULATION	2,341,021	2,331,927	2,369,074	2,376,800	2,384,800	2,383,200	2,367,700	2,336,500
WORKING AGE (20-64)	1,453,629	1,472,057	1,492,246	1,447,200	1,384,200	1,305,600	1,235,400	1,190,000
AGE 65 AND OVER	308,886	334,372	381,378	462,200	544,700	627,700	696,400	725,600

Sources: Stats Canada: CARSEM Tables and Population Projections Medium Growth Scenario.

As the working age population reaches its peak, expect office demand to level off and then start to decline. Atlantic Canada reached its peak working age population in 2011. It will decline slowly until 2016: thereafter the fall in working age population will escalate. The bar chart below reflects this levelling off in office demand starting in 2011.



Source: Turner Drake & Partners Ltd. Market Surveys Dec. 2006 to Dec. 2015.

Most Central Business Districts in the Region now face a future of declining commercial significance; some, such as Halifax, a crisis.