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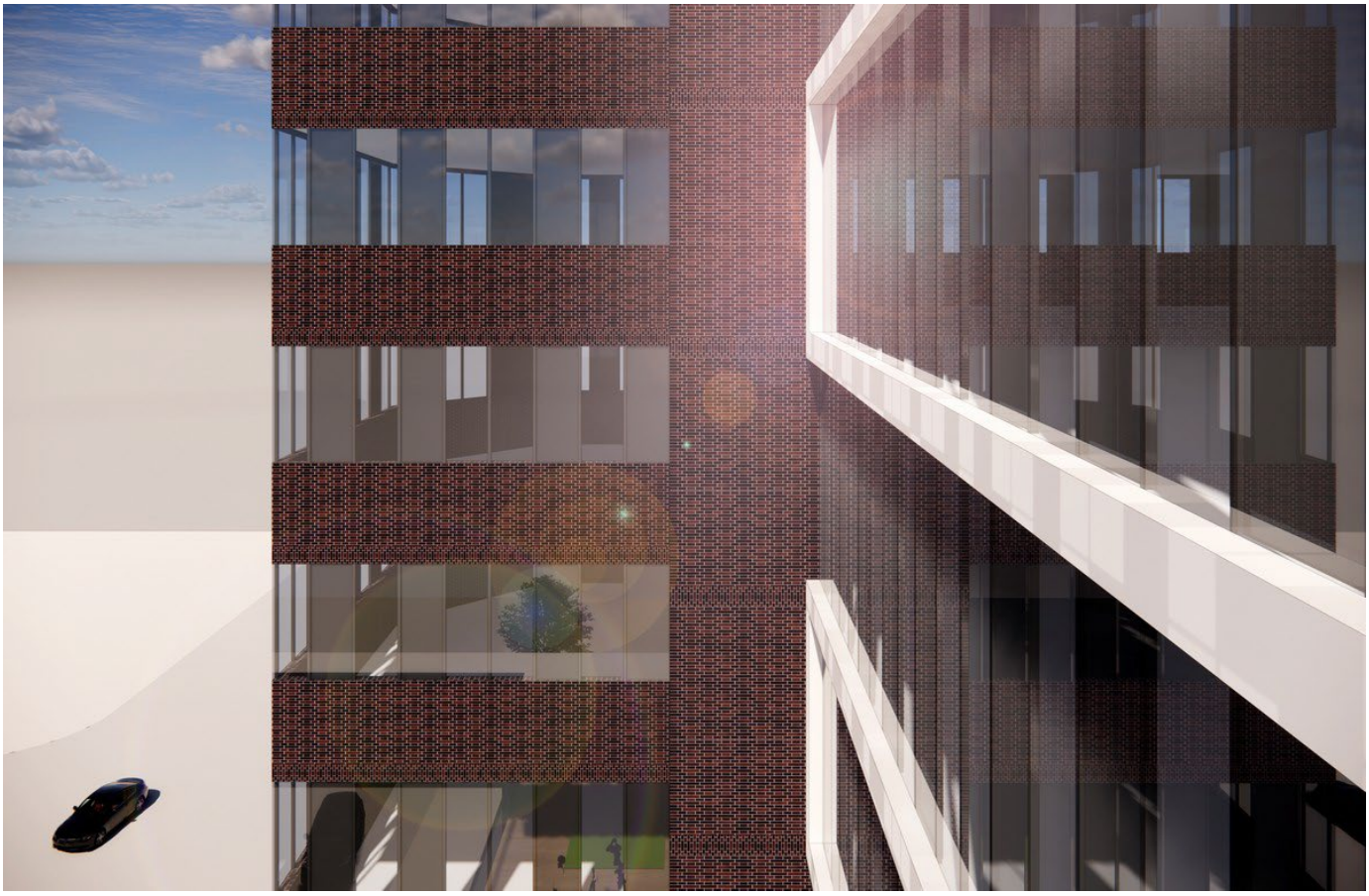
From Outdated Offices to New Beginnings: Tackling Housing Shortages Across Canada

With an office vacancy rate of 18 per cent and a surging demand for housing, Halifax faces an urgent need for innovative urban solutions.

By **Paul Fritze** Last updated **Feb 19, 2025**



Hanover Place is a $40 to $45 million conversion project that will add more than 300 residential units to downtown Calgary, set to be completed in 2026.

The 2024 Q4 CBRE report revealed a national office vacancy rate of 18.7 per cent to end 2024, highlighting a consistent challenge across Canadian cities. Amid this, Halifax emerged as a leader in innovation, addressing its housing crisis by converting vacant office spaces into much-needed homes. Supported by the federal Housing Accelerator Fund, the city launched a groundbreaking pilot program to enable developers to transform outdated buildings into vibrant residential spaces. A truly visionary approach that tackles housing shortages while showcasing creative problem-solving and sustainable urban planning. Early successes in 2024 demonstrate the potential for impactful change, offering a blueprint for revitalizing urban cores across Canada.

A Plan that Tackles Two Problems at Once

With an office vacancy rate of 18 per cent and a surging demand for housing, Halifax, Nova Scotia faces an urgent need for innovative urban solutions. The pilot program, introduced after the federal Housing Accelerator Fund agreement was reached towards the end of 2023, addresses both challenges head-on. Post-pandemic work habits and shifting economic pressures have left many commercial spaces unused, while the housing market struggles to meet the needs of families and individuals. The solution lies in adaptive reuse: re-purposing existing office spaces into residential units.

The concept is as practical as it is impactful. Compared to constructing new buildings, converting offices into housing is faster, more cost-efficient, and significantly more sustainable. This approach seamlessly aligns with Halifax's need to take swift action in re-purposing vacant buildings, while upholding its environmental and community-focused goals. So far, approximately 400 housing units have already been completed or are underway, with the Canadian Urban Institute forecasting the potential for an additional 500 units. Halifax isn't just tackling a crisis—it's setting a precedent for forward-thinking urban development.

Hanover Place was identified by the City of Calgary as underutilized space that was well-suited for redevelopment.

Halifax in the Context of a Broader Canadian Trend

Here in Canada, office-to-residential conversions are gaining momentum, and the innovative efforts of Halifax are part of a larger, national movement. Calgary, for instance, has emerged as another leader in adaptive reuse. The city has 10 active conversion projects underway as part of its highly successful Downtown Calgary Development Incentive Program. This initiative has laid a strong foundation for reimagining underutilized office spaces and addressing housing shortages in a way that benefits both residents and the urban economy.

Edmonton, however, faces more significant hurdles in taking similar steps. The Downtown Revitalization Coalition, comprising local business and community groups, proposed a $100-million fund to support office-to-residential conversions. However, city council rejected the plan, citing concerns about its long-term payback compared to subsidizing new housing construction. Despite this setback, the coalition unveiled a broader $427-million Downtown Investment Plan, aiming to double downtown Edmonton's population by converting underused office buildings and vacant land into housing.

Kalen Anderson, CEO of BILD Edmonton Metro and member of the Downtown Revitalization Coalition's steering committee, stressed the urgent need to attract residents, businesses, and activity to revitalize the city's core. Anderson called for "transformational investments" to restore vibrancy to downtown Edmonton.

Anderson identified office-to-residential conversions as a pivotal strategy, suggesting that re-purposing vacant office spaces into housing could address economic challenges while boosting the downtown population. With only 100 new apartment projects breaking ground in the area this year, she underscored the urgency for immediate action to overcome financial hurdles and build momentum toward creating a thriving, dynamic city center.

Eau Claire Place II is a 17-storey tower being redeveloped into a 195-unit apartment building in downtown Calgary, set to be completed in 2025.

The Engineering Feat of Turning Offices into Homes

With various Provinces, including Nova Scotia, looking to participate in the revitalization of office spaces into homes, a new challenge arises, as transforming office buildings into residential spaces presents a host of complex engineering challenges. At RJC Engineers, each of our adaptive reuse projects require the careful reconfiguration of essential building systems—such as partitioning and HVAC, plumbing, and electrical layouts to suit—since office buildings are typically open and do not inherently have wider distribution required for segmented residential use.

Fenestration and corresponding structural modifications are often the most critical aspect. Architects and engineers must reimagine floor plans to enhance livability by providing natural light from windows to maximize the efficiency of the floor plate.

Creative structural solutions are also required when adapting key elements like elevators, balconies, and amenity space to meet the needs of residents.

While challenging, the benefits of these conversions are undeniable. By addressing urgent housing needs and breathing new life into underutilized urban spaces, cities like Halifax and Calgary are paving the way in adaptive reuse and sustainable urban development. Transforming existing structures eliminates the waste and environmental impact of demolishing old office buildings, significantly cutting emissions and preserving valuable resources. However, the biggest advantage to conversions is the ability to save time and speed up project schedules.

RJC Engineers is providing Structural Engineering and Building Envelope consulting services to both Claire Place II (above) and Hannover Place.

A Blueprint for Change

Halifax's pilot program is more than just a local achievement—it's becoming a model for cities across Canada. By harnessing the federal Housing Accelerator Fund and embracing bold innovation, Halifax is showcasing how two major challenges, rising housing demand and building vacancies, can be transformed into a single powerful solution. RJC Engineers recently opened its Halifax office in 2024.

At RJC Engineers, we strive to stay at the forefront of office-to-residential conversions. We bring our expertise in structural engineering to ensure these projects are both practical and sustainable. With a strong focus on minimizing environmental impact, we help play a pivotal role in re-purposing existing structures, reducing waste, and lowering emissions, aligning with a broader commitment to sustainable urban development. With decades of experience working with existing buildings, RJC confidently addresses unforeseen or concealed conditions that often surface during these types of complex projects. Navigating the unique constraints of retrofitting structures, compared to new builds, requires both expertise and flexibility.

Across Canada, this concept is coming to life in cities like Halifax and Calgary. Calgary's established program has set the benchmark for adaptive reuse, while Halifax is embracing similar strategies to transform underused spaces into housing. With Edmonton and other cities advocating for comparable initiatives, a nationwide shift toward creative and sustainable urban reuse is gaining momentum. Although challenges remain – such as ensuring economic feasibility and maintaining downtown vitality – Halifax and Calgary demonstrate that adaptive reuse is more than a trend; it's a forward-thinking solution for building vibrant, future-ready communities.

Paul Fritze is a structural engineer with extensive experience in the investigation and rehabilitation of pre-cast, post-tensioned, and reinforced concrete structures. Fritze has managed one of RJC Toronto's largest post-tensioning rehabilitation projects and has led structural efforts on a variety of renovation initiatives. His expertise in project sequencing and delivery ensures exceptional results in every project he undertakes.