

StreetWise

Observations on the Greater Vancouver Commercial Real Estate Investment Market by Sam Emam

December 2022

What Will You Be Thinking About This Holiday Season?

The end of the year is a traditional time to take stock and count our blessings as well as our challenges. We have much to be thankful for in Canada, and each year gives us plenty of opportunities to improve our lives and those of others.

It's hard to know what 2023 holds, as uncertainties continue on many fronts. The ongoing war in Europe, inflation and high interest rates have all created a vastly different environment than we expected as pandemic restrictions lifted and people began returning to offices a year ago. I'll be giving thought to how the velocity of deals will unfold in 2023, and how policymakers will be adjusting interest rates to our changing economic circumstances. With little chance we'll see near-zero interest rates again any time soon, I expect the year ahead to be one of acclimatization and deal activity will resume in the second half of the year.

The much-discussed federal ban on foreign purchases of residential real estate won't have a direct effect on commercial properties, but it signals a less investment-friendly stance here in Canada. Provincial statistics show that foreign buyers account for a tiny percentage of residential sales, but the ban indicates that Canada – like many other countries – is less open than it was a year ago to foreign investment. That hurts all of us, no matter which segment of the market we work in.

Challenges make for a more complex world. The uncertainties of interest rates, lower deal velocity and just how long the current environment will last are things many of my existing clients continue to wrestle with. Their challenges are my challenges as an advisor, and one of our team's top priorities every December is to ask how we can better serve our existing clients and meet the needs of those in the year ahead. "You can't do today's job with yesterday's methods and be in business tomorrow," is a quote I keep in mind at this time of year. My team tries to incorporate new methods and strategies into our practices so our clients win every time.

The uncertainties made the return normal seem anything but, adding to the distress triggered by the pandemic. People were coming together again, but the mental wellness issues that had accumulated through two years of isolation were made worse by the new uncertainties.

Our team works hard to understand the issues you face and develop customized solutions and marketing programs to help you succeed. Whether you need space or are looking to sell your current premises, let's see how we can work together. We're happy to discuss the latest market data and understand how your needs fit with current opportunities.

To discuss how to make the most of your property, contact us today!

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