

Lower Mainland's commercial real estate market continued to slow in the third quarter of 2022

Sales and dollar values in the Lower Mainland's commercial real estate market continued to decline through the third quarter (Q3) of 2022.

VANCOUVER, BC, CANADA, December 14, 2022 /EINPresswire.com/ -- Sales and dollar values in the Lower Mainland's commercial real estate market continued to decline through the third quarter (Q3) of 2022.



There were 349 [commercial real estate sales in the Lower Mainland in Q3 2022](#), a 46 per cent decrease from the 646 sales in Q3 2021, according to data from Commercial Edge, a commercial real estate system operated by the Real Estate Board of Greater Vancouver (REBGV).

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Andrew Lis

The total dollar value of commercial real estate sales in the Lower Mainland was \$2.023 billion in Q3 2022, a 40.4 per cent decrease from \$3.395 billion in Q3 2021.

“With some fixed income investments earning over four per cent these days, viable alternatives to the relatively low cap rates we've seen over the past few years in commercial real estate now exist,” Andrew Lis, Director of Economics and Data Analytics said. “Correspondingly, we've seen deal volumes drop across all asset classes including land deals, which were a bright spot in Q2.

“The significant pace of rate increases from the Bank of Canada are having their intended effect, which is to cool demand across all sectors of the economy with the goal of bringing inflation back to target. The Q3 data shows us the commercial real estate segment has not been spared

the impact, and with inflation remaining stubbornly high, interest rates may remain at or above current levels for some time. This will likely translate to a slower pace of activity in the commercial market over the coming months and into 2023.”

Q3 2022 activity by category

Land: There were 154 commercial land sales in Q3 2022, which is a 33.3 per cent decrease from 231 land sales in Q3 2021. The dollar value of land sales was \$1.447 billion in Q3 2022, a 22.9 per cent decrease from \$1.876 billion in Q3 2021.

Office and Retail: There were 104 office and retail sales in the Lower Mainland in Q3 2022, which is down 56.1 per cent from 237 sales in Q3 2021. The dollar value of office and retail sales was \$294 million in Q3 2022, a 47.8 per cent decrease from \$563 million in Q3 2021.

Industrial: There were 81 industrial land sales in the Lower Mainland in Q3 2022, which is a 46.7 per cent decrease from 152 sales in Q3 2021. The dollar value of industrial sales was \$226 million in Q3 2022, a 58.3 per cent decrease from \$543 million in Q3 2021.

Multi-Family: There were 10 multi-family land sales in the Lower Mainland in Q3 2022, which is down 61.5 per cent from 26 sales in Q3 2021. The dollar value of multi-family sales was \$57 million in Q3 2022, a 86.2 per cent decrease from \$413 million in Q3 2021.

*Editor’s Note:

Areas covered by the Real Estate Board of Greater Vancouver include: Burnaby, Coquitlam, Maple Ridge, New Westminster, North Vancouver, Pitt Meadows, Port Coquitlam, Port Moody, Richmond, South Delta, Squamish, Sunshine Coast, Vancouver, West Vancouver, and Whistler.

Owned and operated by the Real Estate Board of Greater Vancouver (REBGV), the Commercial EDGE system includes all commercial real estate transactions in the Lower Mainland region of BC that have been registered with the Land Title and Survey Authority of British Columbia. Commercial EDGE is updated monthly based on data originating from the BC Assessment Authority. Commercial EDGE does not include share sale transactions as they are not registered with the Land Title and Survey Authority of British Columbia. Please note that historical data may be subject to revision as transaction records are received from the Land Title and Survey Authority of British Columbia.

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