

# Transaction levels spike ahead of new capital gains policy deadline

*Commercial transactions in the Lower Mainland spiked ahead of the June 25 deadline to increase the capital gains inclusion rate from one half to two thirds.*

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Commercial transactions in the Lower Mainland spiked ahead of the June 25 deadline to increase the capital gains inclusion rate from one half to two thirds, with total transaction volumes up 67 per cent year-over-year in the second quarter.



There were 553 commercial real estate sales in the Lower Mainland in Q2 2024, a 66.6 per cent increase from the 332 sales in Q2 2023, [according to data from Commercial Edge](#), a commercial real estate system operated by Greater Vancouver Realtors (GVR).



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*Andrew Lis, GVR Director of Economics and Data Analytics*

The total dollar value of commercial real estate sales in the Lower Mainland was \$3.459 billion in Q2 2024, a 71.5 per cent increase from \$2.017 billion in Q2 2023.

"Policy impacts to real estate markets are often difficult to predict because so many factors can influence the trends we see in the data at any given point in time. With that said, the recent announcement by the federal government to increase the capital gains inclusion rate from one half to two thirds after June 25 was a policy change with a somewhat predictable outcome" Andrew Lis, GVR's director

of economics and data analytics said.

"The significant increase in transaction volumes seen in the Q2 data has undoubtedly been influenced by this policy shift, as the only other variable that has changed to any significant degree since Q1 has been the reduction to the Bank of Canada's policy rate, along with a

commitment by the bank to continue reducing rates” Lis said. “The combination of these factors has been a powerful stimulus for transaction volumes, with many deals rushing to complete ahead of the June 25 deadline to realize significant tax savings. What we’ll be watching for closely in the Q3 data is whether this strength will continue, or whether transaction volumes will fall below historical averages due to deals being ‘pulled forward’ which otherwise may have closed at a later date.”

## Q2 2024 activity by asset class

**Land:** There were 141 commercial land sales in Q2 2024, which is a 28.2 per cent increase from the 110 land sales in Q2 2023. The dollar value of land sales was \$1.606 billion in Q2 2024, a 65.3 per cent increase from \$972 million in Q2 2023.

**Office:** There were 86 office sales in the Lower Mainland in Q2 2024, which is a 68.6 per cent increase from the 51 sales in Q2 2023. The dollar value of office sales was \$123 million in Q2 2024, a 73.1 per cent increase from \$71 million in Q2 2023.

**Retail and Other:** There were 130 retail (and other) sales in the Lower Mainland in Q2 2024, which is a 85.7 per cent increase from the 70 sales in Q2 2023. The dollar value of retail sales was \$541 million in Q2 2024, a 128.5 per cent increase from \$237 million in Q2 2023.

**Industrial:** There were 166 industrial land sales in the Lower Mainland in Q2 2024, which is a 110.1 per cent increase decrease from the 79 sales in Q2 2023. The dollar value of industrial sales was \$875 million in Q2 2024, a 91.1 per cent increase from \$458 million in Q2 2023.

**Multi-Family:** There were 30 multi-family land sales in the Lower Mainland in Q2 2024, which is a 36.4 per cent increase from 22 sales in Q2 2023. The dollar value of multi-family sales was \$314 million in Q2 2024, a 12.2 per cent increase from \$280 million in Q2 2023.

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## Editor’s Notes:

Owned and operated by Greater Vancouver Realtors (GVR), 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 with 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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