

Canada Commercial Real Estate Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 150 pages | Mordor Intelligence

AVAILABLE LICENSES:

- Single User License \$4750.00
- Team License (1-7 Users) \$5250.00
- Site License \$6500.00
- Corporate License \$8750.00

Report description:

The Canadian commercial real-estate Market is expected to register a CAGR of more than 8% during the forecast period (2023 - 2028).

With lockdowns looming or in effect in major city centers of Canada, the office market grew slowly during the pandemic. In Q3 2020, Canada's downtown office markets showed a 1% increase (2.4 million square feet) in vacancy compared to Q2 and an additional 1.6 million square feet of sublet space for a total of four million square feet of vacant office space. During the pandemic, office and retail space experienced problems, but e-commerce continued to drive the rise of industrial real estate in Canada. In the fourth quarter of 2020, the vacancy rate for offices of all types was 12.2%. During the pandemic, retail spaces with grocery stores and pharmacies did relatively well, whereas other retail spaces suffered.

In 2022, the Canadian economy is predicted to continue to recover from the pandemic-driven downturn, with output recovering by 4.0-5.0% on an annualized rate. Following substantially higher expansion in the goods production sector in the early phases of the pandemic, the services sector will be the main driver of growth in the coming years. In 2022, retail spending and housing market activity may boost economic growth, bolstering the commercial real estate sector's good performance trends. Looking ahead to the rest of 2022 and 2023, obstacles to Canada's consistently robust industrial demand are on the way. E-commerce sales growth, a significant driver of user growth earlier in the epidemic, is decreasing as people return to traditional shops. Meanwhile, rising interest rates and soaring inflation are expected to limit economic development in 2022.

In the first half of 2021, office property transactions totaled CAD 19.11 billion (USD 13.97 billion); in 2020, they totaled CAD 3 billion (USD 2.36 billion). In 2021, industrial assets in Canada had record-low inventory levels. After the first half of 2021, the national industrial availability rate was 2.3%, with even lower rates in Vancouver, Toronto, and Montreal.

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scott-international.com

www.scott-international.com

Canada Commercial Real Estate Market Trends

Industry Property Demand Growing in the Country

With COVID-19-control measures showing the industrial sector's persisting supply-demand mismatch, Canada's industrial market, which was already enjoying strong fundamentals in major urban centers across the country before the pandemic, proved extremely resilient in 2020. Despite the pandemic, nearly 13 million sq. ft of new supply was being supplied across Canada, industrial vacancy remained around record low levels throughout Canada's urban areas, and industrial rents have remained stable or have increased until 2020.

In 2021, industrial assets in Canada had record-low inventory levels. At the mid-point of 2021, the national industrial availability rate had dropped to 2.3%. At the midpoint of 2021, Vancouver, Toronto, and Montreal had availability rates of 1.1, 1.2, and 1.4%, respectively. Despite an expected increase in development activity, leasing demand in certain locations continues to outpace supply, resulting in a situation where tenants may have trouble obtaining accessible industrial space in 2022.

Greater Vancouver has seen a 22% rise in under-construction space during the fourth quarter of 2021, totaling slightly over 8 million sq. ft, due to historic pent-up demand. Since the pandemic's beginning, the increased demand across Metro Vancouver has been stressed, and small and large users have continued to take up space far in advance of occupancy. Greater Toronto's industrial market finished 2021 with unprecedented demand and an extreme lack of available products. Under these conditions, upward pressure on occupancy costs accelerated notably in Q4. In the last quarter of 2021, the average asking rates reached a substantial increase of 7.8% from the previous quarter and 13.8% since Q4 2020.

Multi-family Demand Growing in the market

Investors showed great interest in the multi-suite residential rental category in the first quarter of 2021, as vacancy rates in most locations remained near crisis highs. The reopening of Canada's international borders and an increase in foreign migration are predicted to boost rental demand and put upward pressure on occupancy and rates. Given the strength of the segment's underlying outlook and good medium-to-long-term performance, investors are projected to continue to target multi-suite residential rental properties. The outperformance of multi-suite rental units will be fueled by a comeback in immigration and post-secondary students, both of which were hit hard by the epidemic.

During the third quarter of 2020, the multi-suite residential and industrial sectors of Canada's commercial real estate remained resilient despite the economic slowdown resulting from the pandemic. The steady performance of multi-suite residential and industrial assets during the pandemic continued to attract investors during the third quarter of 2020. Demand for multi-suite residential assets outperformed the office and retail sectors in the third quarter of 2020, continuing with the trend seen since early 2020.

Greater Toronto Area (GTA) multi-suite residential rents increased slightly during the fourth quarter of 2021 after an extended period of erosion. The average GTA rent increased by 0.5% Y-o-Y as of November 2021. The average monthly rent for all rental property types rose by a healthy 4.3% over the same period. The more modest year-over-year purpose-built multi-suite residential property rent increase was due largely to the preference over the past year for landlords to offer incentives to lure tenants rather than reduce rents.

Canada Commercial Real Estate Market Competitor Analysis

The Canadian commercial real estate market is fragmented, with local and few international players. The Canadian commercial

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

real estate market is attracting many investments supported by an increasing number of real estate acquisitions and an increase in new property builders. Some leading Canadian commercial real estate players include Onni Group, WestBank Corp., Amazon, and Maxwell Realty.

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

Table of Contents:

1 INTRODUCTION

- 1.1 Study Assumptions
- 1.2 Scope of the Study

2 RESEARCH METHODOLOGY

3 EXECUTIVE SUMMARY

4 MARKET INSIGHTS

- 4.1 Current Economic Scenario and Consumer Sentiment
- 4.2 Commercial Real Estate Buying Trends - Socioeconomic and Demographic Insights
- 4.3 Government Initiatives, Regulatory Aspects for the Commercial Real Estate Sector
- 4.4 Insights on Existing and Upcoming Projects
- 4.5 Insights on Interest Rate Regime for General Economy, and real estate lending
- 4.6 Insights on rental yields in commercial real estate segment
- 4.7 Insights on capital market penetration and REIT presence in commercial real estate
- 4.8 Insights on public-private partnerships in commercial real estate
- 4.9 Insights on real estate tech and startups active in real estate segment (broking, social media, facility management, and property management)
- 4.10 Impact of COVIf-19 on the market

5 MARKET DYNAMICS

- 5.1 Drivers
- 5.2 Restraints
- 5.3 Opportunities
- 5.4 Porter's Five Forces Analysis
 - 5.4.1 Bargaining Power of Suppliers
 - 5.4.2 Bargaining Power of Consumers / Buyers
 - 5.4.3 Threat of New Entrants
 - 5.4.4 Threat of Substitute Products
 - 5.4.5 Intensity of Competitive Rivalry

6 MARKET SEGMENTATION (Market Size By Value)

- 6.1 By Type
 - 6.1.1 Office
 - 6.1.2 Retail
 - 6.1.3 Industrial

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

- 6.1.4 Multi-family
- 6.1.5 Hospitality
- 6.2 By Key Cities
 - 6.2.1 Toronto
 - 6.2.2 Vancouver
 - 6.2.3 Calgary
 - 6.2.4 Ottawa
 - 6.2.5 Montreal
 - 6.2.6 Edmonton
 - 6.2.7 Other Cities

7 COMPETITIVE LANDSCAPE

- 7.1 Market Concentration
- 7.2 Company Profiles
 - 7.2.1 Developers
 - 7.2.1.1 Onni Group
 - 7.2.1.2 WestBank Corp.
 - 7.2.1.3 Amacon
 - 7.2.1.4 Pinnacle International
 - 7.2.1.5 Anthem Properties Group Limited
 - 7.2.1.6 Knights Bridge Development Corp.
 - 7.2.1.7 Chard Development
 - 7.2.1.8 TAG Developments
 - 7.2.1.9 Goodman Commercial
 - 7.2.1.10 Redev Properties
 - 7.2.2 Real Estate Brokerage Firms
 - 7.2.2.1 Manulife Real Estate
 - 7.2.2.2 Harvey Kalles Real Estate
 - 7.2.2.3 Maxwell Realty
 - 7.2.3 Other Companies(startups, associations, etc.)
 - 7.2.3.1 Brookfield Global Integrated Solutions
 - 7.2.3.2 Relogix
 - 7.2.3.3 Realtor 360
 - 7.2.3.4 Hausway
 - 7.2.3.5 Dream Office REIT
 - 7.2.3.6 Cominar REIT
 - 7.2.3.7 Allied REIT*

8 FUTURE OF THE MARKET

9 INVESTMENT ANALYSIS

10 APPENDIX

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

Canada Commercial Real Estate Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 150 pages | Mordor Intelligence

To place an Order with Scotts International:

- Print this form
- Complete the relevant blank fields and sign
- Send as a scanned email to support@scott's-international.com

ORDER FORM:

Select license	License	Price
	Single User License	\$4750.00
	Team License (1-7 Users)	\$5250.00
	Site License	\$6500.00
	Corporate License	\$8750.00
		VAT
		Total

*Please circle the relevant license option. For any questions please contact support@scott's-international.com or 0048 603 394 346.

** VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email*	<input type="text"/>	Phone*	<input type="text"/>
First Name*	<input type="text"/>	Last Name*	<input type="text"/>
Job title*	<input type="text"/>		
Company Name*	<input type="text"/>	EU Vat / Tax ID / NIP number*	<input type="text"/>
Address*	<input type="text"/>	City*	<input type="text"/>
Zip Code*	<input type="text"/>	Country*	<input type="text"/>
		Date	<input type="text" value="2026-03-01"/>
		Signature	

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scott's-international.com

www.scott's-international.com



Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com