



# Inflation, Interest Rates and Fundamentals of Income Producing Properties

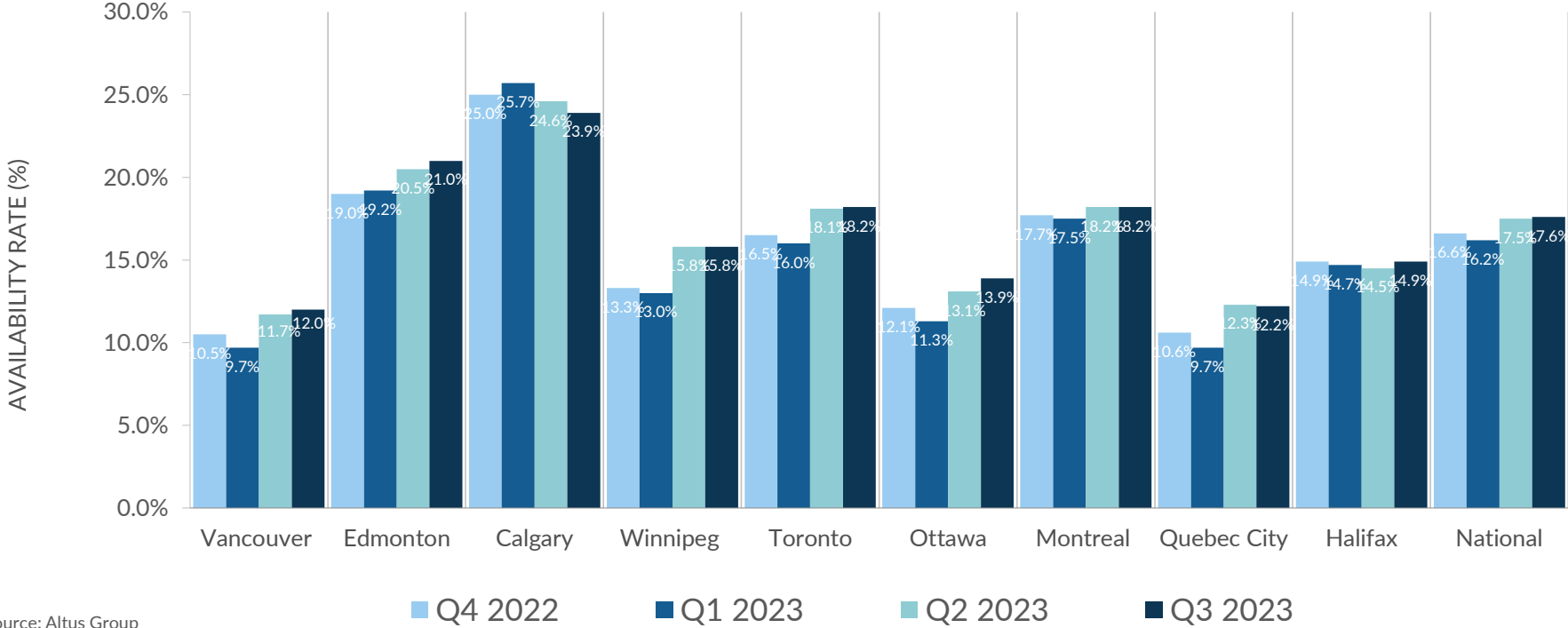
*6th annual REALPAC / Toronto Metropolitan University Canadian Commercial Real Estate Research Symposium*

Raymond Wong, Vice President, Data Solutions Client Delivery

Altus Group

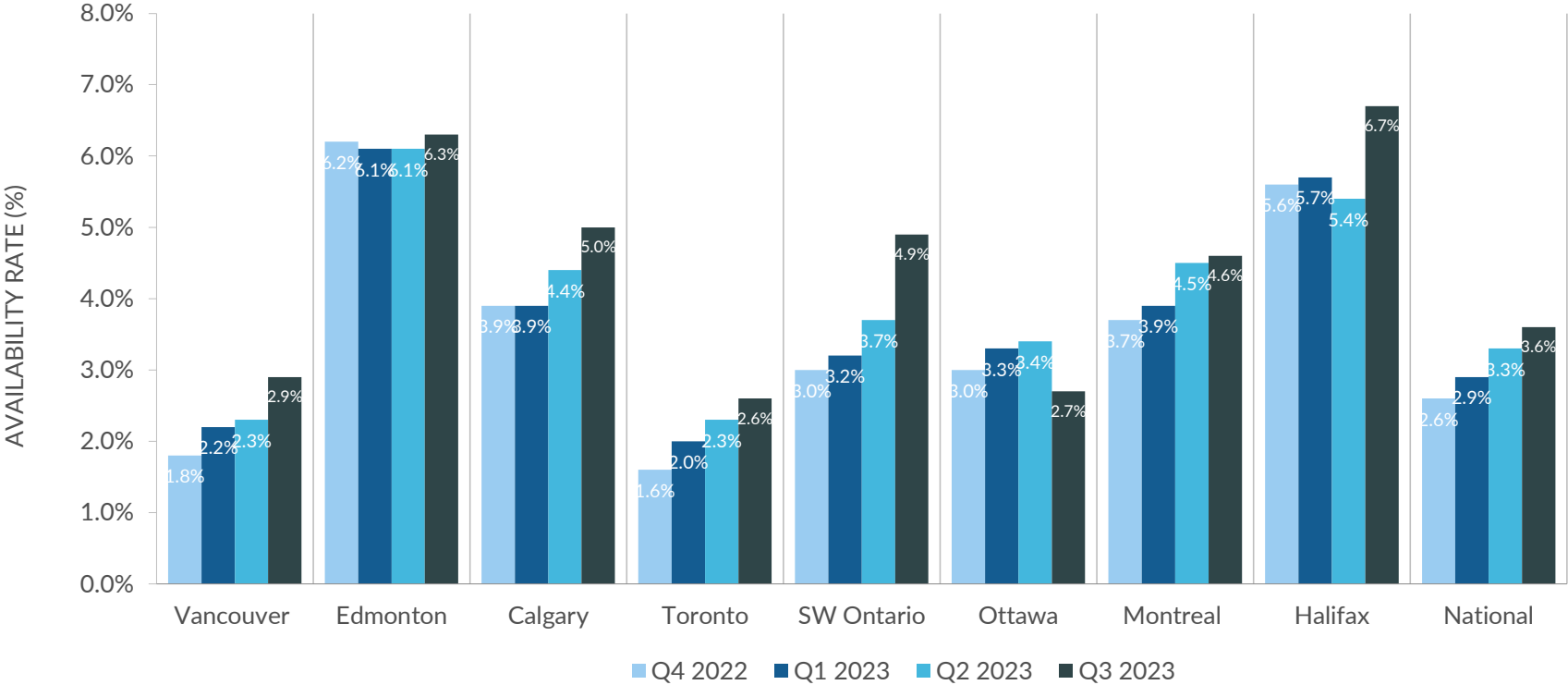
November 3<sup>rd</sup>, 2023

# Office availability rates flattening



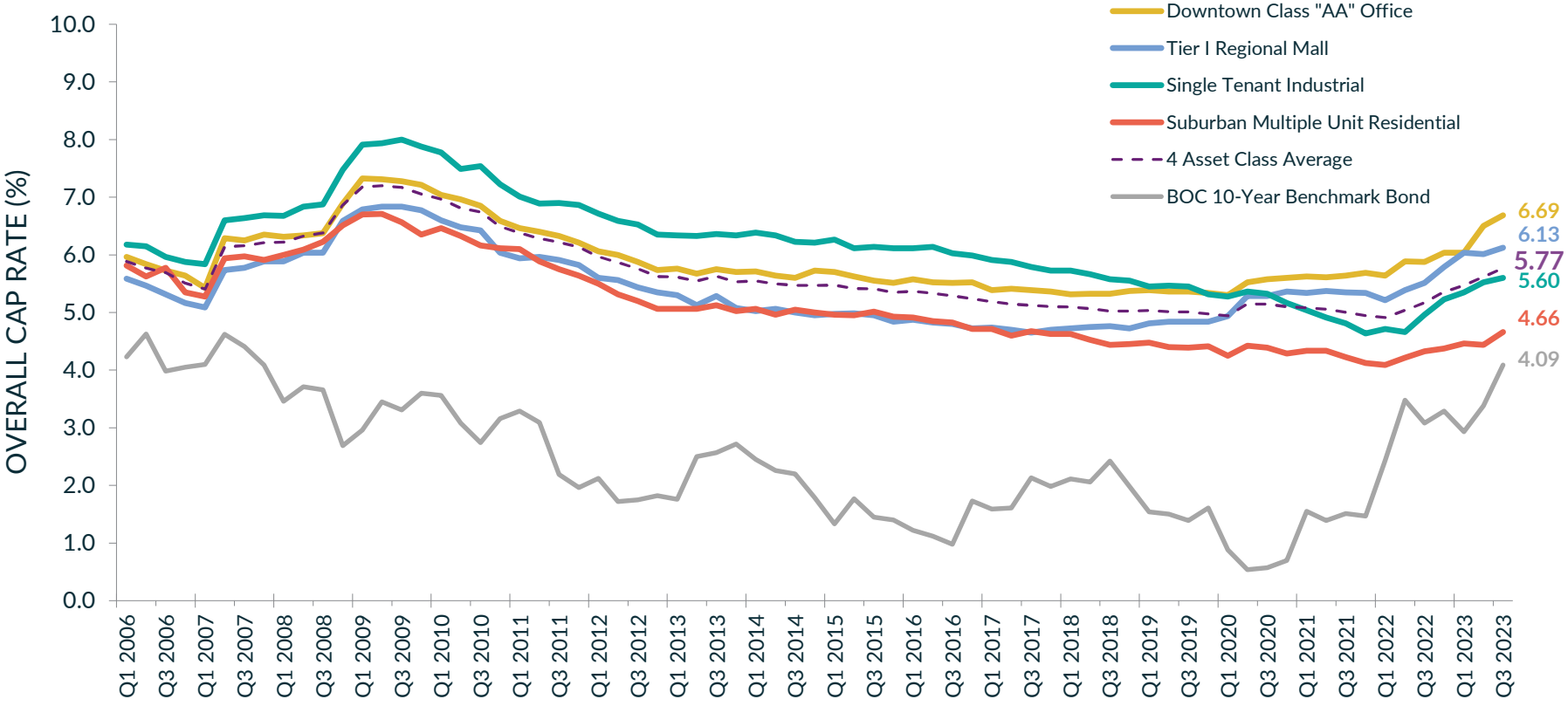
Source: Altus Group

# Industrial Availability (Q3 2023 vs. Previous Two Quarters)



Source: Altus Group

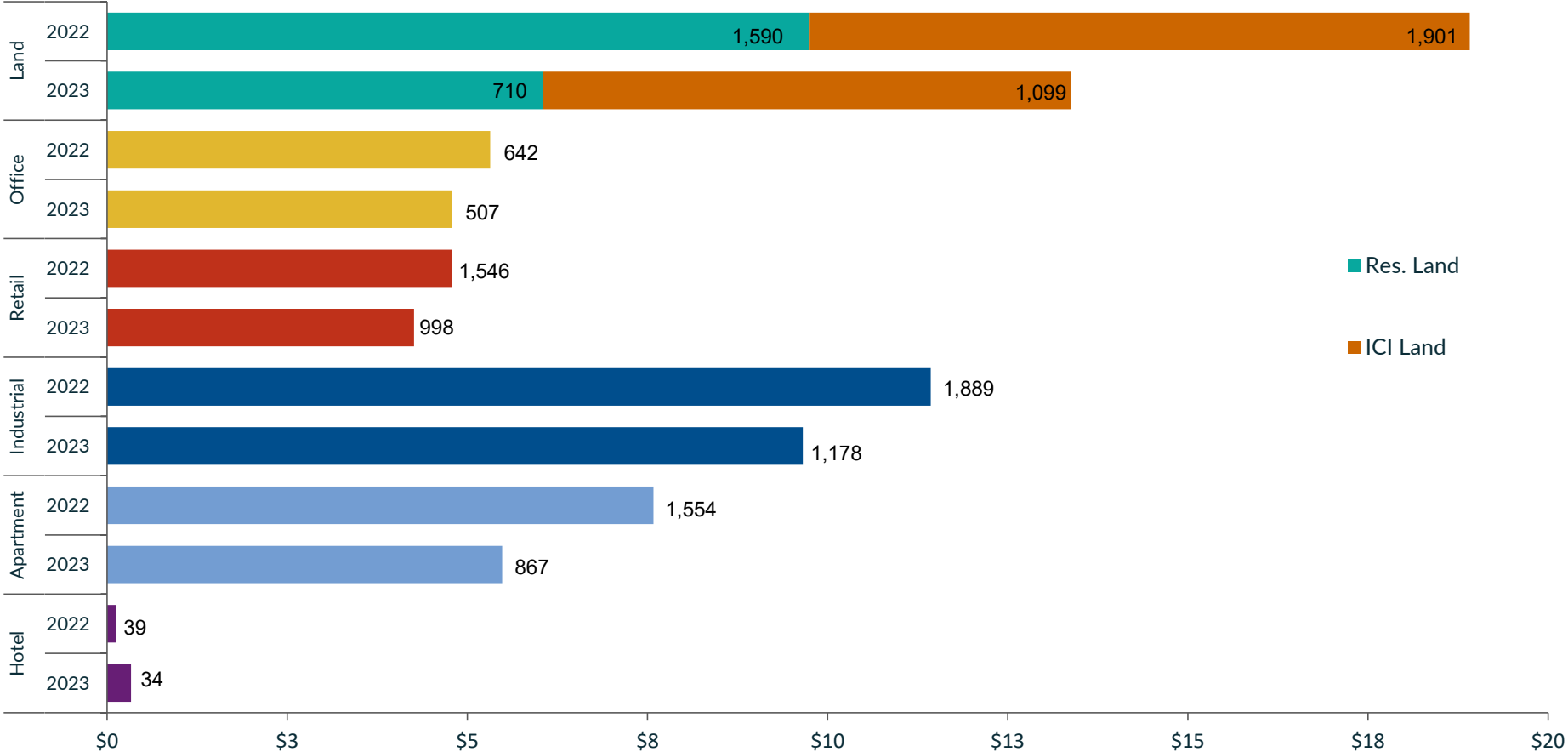
# Canadian Markets | OCR trends - 4 benchmark asset classes



Source: Altus Group's Investment Trends Survey



# Canadian Markets | Property transactions by asset class (Q1-Q3 2022 vs. Q1-YTD 2023)

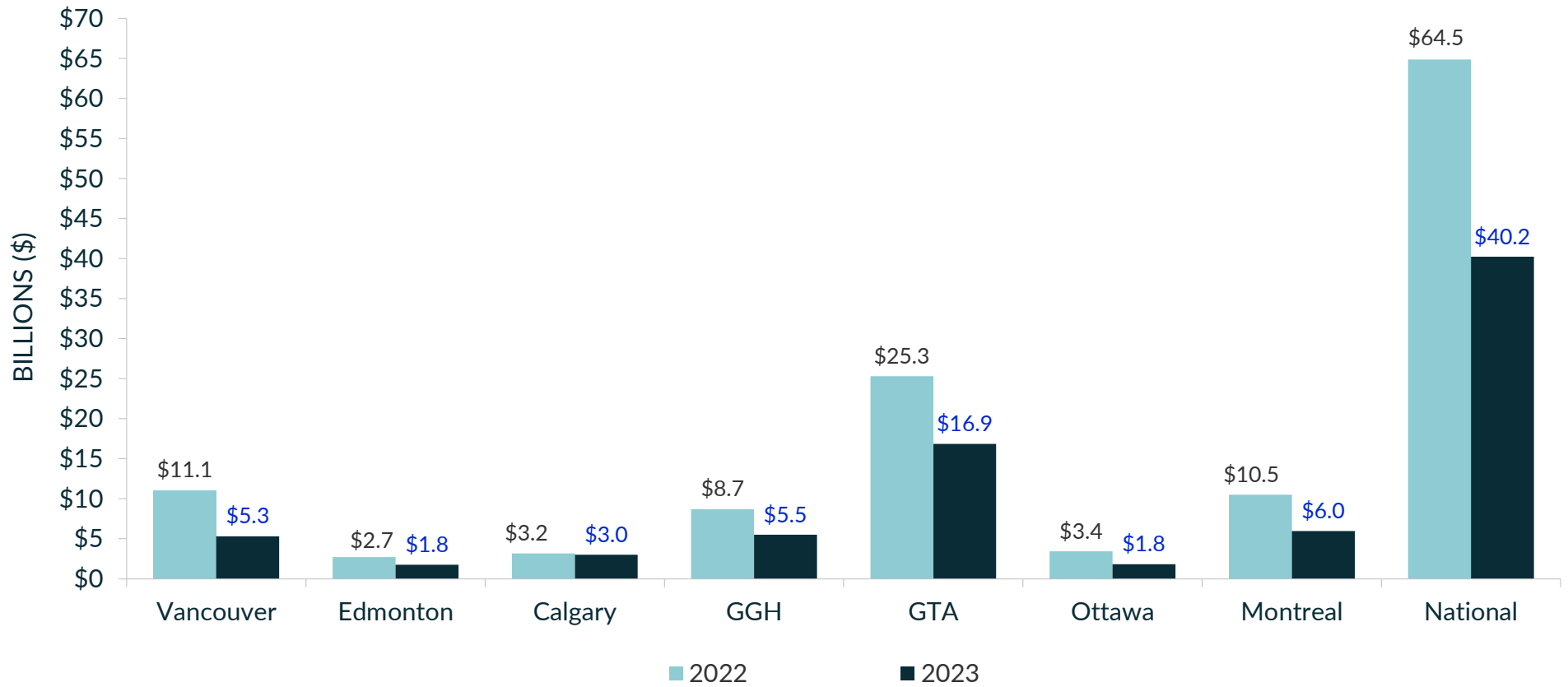


Source: Altus Group, as of Oct 31, 2023

\$BILLIONS



## 2022 Q1-Q3 vs 2023 YTD



Source: Altus Group, as of Oct 31, 2023

# Commercial : Trends & takeaways

1

Challenges for financing especially for office and land acquisitions.

2

Can no longer to depend on low interest rates to bail you out.

3

Multi-res and industrial investment demand remains strong, however buyers are avoiding negative leverage for the most part



Continued seller and buyer price discovery

4

Increasing operational costs, need to find efficiencies.

5



Going to get worst before it gets better

6