

WILLIAM | WRIGHT Report

INTEREST RATE VOLATILITY REMAINS, BUT IS THE WORST BEHIND US?

INTEREST RATE-SENSITIVE ASSETS
SUCH AS COMMERCIAL REAL ESTATE
ARE TAKING THE BRUNT OF IT HEAD-ON.



Q2 2023

Vancouver Office
430-605 Robson St
Vancouver, BC
604.428.5255

New Westminster Office
350-522 7th St
New Westminster, BC
604.545.0636

Fraser Valley Office
210-8029 199th St
Langley, BC
604.546.5555

Victoria Office
843 Johnson St
Victoria, BC
250.590.5797

Central Island Office
100B-154 Memorial Ave
Parksville, BC
250.586.1226

Kelowna Office
205-478 Bernard Ave
Kelowna, BC
236.420.3558

Kamloops Office
406-121 5th Ave
Kamloops, BC
236.425.1617



INTEREST RATE VOLATILITY REMAINS, BUT IS THE WORST BEHIND US?

WRITTEN BY



JON SWITZER
MANAGING PARTNER &
COMMERCIAL MORTGAGE BROKER

The interest rate roller coaster continues its generational ascent after the Bank of Canada surprised global markets in June with a 25-basis point (0.25%) hike to its Overnight Rate. This was followed by another equal raise in July. After a pause in January, many market experts believed we had reached the end of the current tightening cycle, but the Bank is resolute in bringing inflation down to its 2% target regardless of the costs, and there's a high probability the Bank is intentionally "over-shooting" to leave room for mistakes. Whether we agree with their recent moves or not is a separate point, but one thing is clear: interest rate-sensitive assets such as commercial real estate are taking the brunt of it head-on.



With the Bank of Canada's Overnight Rate currently sitting at 5% (the highest in over 20 years), this puts the Canadian lenders' Prime lending rate at 7.2%, also the highest in decades. For borrowers with variable rate mortgages, this represents an almost tripling of interest rates since the Bank of Canada starting hiking in 2022. The repercussions of this are the required cash flow to service variable mortgages has risen dramatically leading to a much more restrictive lending environment for all borrowers.

For borrowers looking at fixed rate mortgage, Government of Canada Bond yields (most longer-term mortgages are tied to these) have also increased substantially over the past two years and we're currently witnessing unusual levels of sustained volatility through daily swings of up to 10-20 basis points (0.10% to 0.20%) across the yield curve. For context the 5-Year Bond yield touched 0.72% on

August 1st, 2021, and today is flirting with 4.00%!

During these times of volatility, lenders compound these increases with higher risk premiums or "spreads" to ensure sufficient buffer in order to avoid potential losses, which magnifies the impact on borrowers.

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**Interest rate-sensitive
assets such as commercial
real estate are taking the
brunt of it head-on.**

While the past 18 months have reminded us that it is almost impossible to predict the timing of major market shifts, for now, the prevailing sentiment is we're nearing the end of the tightening cycle. We, along with numerous high-profile economists we follow, are hopeful that interest rates

are nearing their peak with a potential retrenchment sometime in the next 6-12 months. •

For Sale



Modern & Flexible Strata Office Units

4346 WEST SHORE PARKWAY, LANGFORD

Introducing an exceptional opportunity to acquire strata office units in Langford, British Columbia. The Offices at West Shore Business Park are comprised of twenty-two strata office units built by Eagle Builders.

This stunning five-story building offers a modern and sleek design, functional layouts, and floor to ceiling glazing in select units that capture breathtaking views of Langford, Colwood, the Strait of Juan de Fuca, and the Olympics Mountains.

This impressive development offers a range of office spaces, each thoughtfully designed to maximize natural light and space. The building's amenities include high-speed internet, ample parking, and a secure entry system. The strata units are suitable for various uses, including professional offices, medical clinics, and other commercial services.

Property Features

Sizes: Starting from +/- 570-4,881 SQFT

Price: Contact Listing Agents

Type: Office

Agents: Connor Braid*, Harry Jones*

*PERSONAL REAL ESTATE CORPORATION

The Offices
at WEST SHORE BUSINESS PARK

westshorebusinesspark.com



RECENTLY SOLD CLASS 'A' SELF STORAGE ASSET IN VANCOUVER



William Wright Commercial is pleased to announce the sale of Key Self Storage; a brand new, Class 'A' self storage facility in Vancouver, BC. William Wright Commercial represented the Vendor in this off market transaction and throughout the sales process was able to attract multiple offers for this best in class asset, thus obtaining a record setting price per square foot metric for the client. Please reach out to the listing agents for more information on this sale or for upcoming self-storage opportunities.

- Brand new metropolitan Class 'A' self-storage facility in the City of Vancouver
- 7 storey precast concrete and steel building
- Record-setting price-per-square-foot for the client in an off-market deal

SOLD

1615 Franklin Street, Vancouver

PRICE

\$43,750,000

SIZE

+/- 800 units

TYPE

Self Storage

AGENTS

Patrick Wood*, Connor Braid*

*PERSONAL REAL ESTATE CORPORATION

FEATURED LISTINGS Q2 2023

FOR LEASE



1800 TRANQUILLE ROAD, KAMLOOPS
Marianne DeCotiis*, Jeff Brown
 +/- 343–5,433 SQFT of retail and office at a desirable shopping centre anchored by Save-On-Foods and Shoppers Drug Mart.

FOR SUBLEASE



1-6 8747 JIM BAILEY CRES, KELOWNA
Shelby Kostyshen, Jeff Hancock*
 Recently constructed industrial space with 24' ceilings, LED lighting, and six grade level loading doors. +/- 14,079 SQFT.

FOR LEASE



32559 LOGAN AVENUE, MISSION
Chris van Vliet*
 +/- 1,548–3,589 SQFT of retail space at Logan Crossing with flexible layouts, large storefront windows, and ample parking.

FOR LEASE



350-440 CAMBIE STREET, VANCOUVER
Amrita Guram
 +/- 9,098 SQFT of open concept space with enclosed offices, kitchenette, and lounge area in a modernized heritage building.

FOR LEASE



715 EVANS COURT, KELOWNA
Shelby Kostyshen
 Move-in ready industrial units with offices in a central location with quick access to Highway 97. +/- 1,342–5,955 SQFT.

FOR LEASE



250-610 SIXTH ST, NEW WESTMINSTER
Mark Nemish, Bikram Singh
 +/- 10,749 SQFT of office space with demised options available at a minimum of 2,600 SQFT at a major retail centre.

FOR LEASE



BUILDING 1 830 MCCALLUM RD, LANGFORD
Harry Jones*
 Industrial opportunity offering a warehouse, second floor office/flex work area, and retail frontage. +/- 3,157–49,612 SQFT.

FOR LEASE



A, B & L 1-1600 STROULGER RD, NANOOSE BAY
Theo Kefalas
 Health, fitness, or wellness units with access to the Pacific Shores Resort amenities. +/- 517–3,721 SQFT

FOR SALE



Price: Contact Listing Agent

13260 233 STREET, MAPLE RIDGE
Stathis Michael Savvis*
 +/- 72,901 SQFT residential development site opportunity, with an OCP designation of Medium Density/Commercial.

FOR SALE



\$2,750,000

7255 THUNDERBIRD WAY, PORT HARDY
Theo Kefalas
 Fully leased 18-unit townhouse complex with historically low vacancy and low rents with upside. +/- 86,249 SQFT.

FOR SALE



\$1,650,000

230-233 W 1ST ST, NORTH VANCOUVER
Sam Repchuk, Marianne DeCotiis*
 +/- 1,837 SQFT of office space in Lower Lonsdale with multiple private offices and an open layout with direct patio access.

FOR SALE



\$5,500,000

2507 GOVERNMENT STREET, VICTORIA
Connor Braid*
 Long term industrial redevelopment site with holding income located on a high exposure corner. +/- 19,044 SQFT.

FOR SALE



\$3,449,000–\$4,650,000

UNITS AT 14888 104 AVENUE, SURREY
Chris van Vliet*
 +/- 5,514–12,156 SQFT multi-tenant investment opportunity made up of ground floor retail and second floor office space.

FOR SALE



\$1,298,000

990 KINGSWAY, VANCOUVER
Nathan Armour*, Josh Jawanda
 Prime retail investment with exceptional corner exposure in a high-visibility, sought-after location. +/- 1,042 SQFT.

FOR SALE



\$3,780,000

1010-320 GRANVILLE ST, VANCOUVER
Amrita Guram
 Brand new office space with spectacular views and top amenities at Bosa Waterfront in the heart of downtown. +/- 1,514 SQFT.

FOR SALE



\$3,395,000

4275 GOODISON ROAD, KELOWNA
Nick Renton
 Wiseacre Farm Distillery features a custom log home, operating craft distillery, event venue, and hobby farm on +/- 6.06 acres.

*PERSONAL REAL ESTATE CORPORATION

For Lease



Malahat
BUSINESS PARK



malahatbusinesspark.com



Large Format Industrial Park • 1800 Trowse Road, Mill Bay

The Malahat Business Park (MBP) is a 44-acre industrial business park located in Mill Bay, British Columbia. The MBP caters to a wide range of uses with a flexible Business Park Zoning within one of Canada's tightest industrial markets. The property includes a mix of industrial zoned land parcels with various lot sizes and configurations.

MBP will become a high-quality, state-of-the-art development offering versatile leasing opportunities for both industrial and commercial land use through a phased development approach. The business park's phased build-out will progress with guidance from development procedures and design guidelines, ensuring consistent high-quality land and building development while also providing flexibility in meeting the range of requirements of various tenants.

Lease Rates: Contact Listing Agents

Sizes: +/- 0.5–10.0 acres

Type: Industrial

Agents: Connor Braid*, Harry Jones*, Patrick Wood*

*PERSONAL REAL ESTATE CORPORATION



EY Entrepreneur Of The Year®

2023 Finalist



Cory Wright



EY Entrepreneur Of The Year® 2023

We are proud to announce that Cory Wright, Founder and Managing Director of William Wright Commercial, has been named an EY Entrepreneur Of The Year® 2023 finalist in the Pacific region. Selected by an independent panel of judges, businesses from each Canadian region have been recognized for transforming our world through unbounded innovation, growth and prosperity.



WILLIAM WRIGHT WHISTLER²⁰₂₃

The William Wright Annual Retreat 2023 was held on June 9–11 at the Westin Resort in Whistler, marking our company's 10th anniversary.



RECENT TRANSACTIONS Q2 2023

LEASED



6822 VEYANESS ROAD, SAANICH
Connor Braid*, Patrick Wood*
 I-1 industrial zoned, secured lot located within the Keating Business District. +/- 20,500 SQFT.

LEASED



3 & 6-1611 BOWEN ROAD, NANAIMO
Theo Kefalas
 Offices at Bowen Professional Center, featuring heat pumps, modern bathrooms, new flooring, & doors. ± 850–2,282 SQFT.

LEASED



8250 FRASE R STREET, VANCOUVER
Nathan Armour*
 Freestanding I-2 industrial zoned building with dock loading and rear yard space off Fraser and Marine Drive. +/- 21,000 SQFT.

LEASED



400-554 LEON AVE, KELOWNA
Jeff Brown, Victoria Mitchell
 +/- 4,321 SQFT office space 12 private offices, a large open concept workspace, and kitchenette in downtown Kelowna.

LEASED



6637 HASTINGS STREET, BURNABY
Stathis Michael Savvis*, Nathan Armour*
 Freestanding building with exceptional signage opportunities and ample rear parking. +/- 1,380–5,512 SQFT

SUBLEASED



7959 ENTERPRISE STREET, BURNABY
Josh Jawanda, Nathan Armour*
 +/- 15,300 SQFT rare warehouse equipped with dock and grade loading options in the desirable Lake City neighbourhood.

LEASED



308-20385 64TH AVENUE, LANGLEY
Magnus Heaney
 +/- 1,872 SQFT office space in this newly renovated building within walking distance of the Township of Langley Civic Facility.

LEASED



1847 W 4TH AVENUE, VANCOUVER
Roderick MacKay, Meg Cooney
 +/- 2,216 SQFT of streetfront retail in Kitsilano very high vehicular and pedestrian traffic.

SOLD



\$2,250,000

1876 MORELLO ROAD, NANOOSE BAY
Theo Kefalas
 +/- 8,697 SQFT bed and breakfast opportunity on a 5+ acre hillside property with ocean and mountain views.

SOLD



\$43,750,000

1615 FRANKLIN STREET, VANCOUVER
Patrick Wood*, Connor Braid*
 Brand new metropolitan Class 'A' self-storage facility with +/- 800 units in a 7 storey precast concrete and steel building.

SOLD



\$1,550,000

CRU 7-1526 FINLAY ST, WHITE ROCK
Liam Simpson, Meg Cooney, Matthew Ho
 Brand new retail strata unit in Altus, a mixed-use high rise building by Oviedo Developments. +/- 1,596 SQFT.

SOLD



\$3,300,000

1875 SOOKE LAKE RD, SHAWNIGAN LAKE
Harry Jones*
 +/- 55 acre parcel located off of the Trans-Canada Highway in the Shawnigan Lake trade area.

SOLD



\$1,005,000

216-830 MCCALLUM ROAD, LANGFORD
Amrita Guram
 +/- 1,588 SQFT industrial unit situated minutes from Steveston Highway and Highway 99.

SOLD



\$2,200,000

685 FINNS ROAD, KELOWNA
Shelby Kostyshen
 Fully leased income-generating industrial building just off of Highway 97 and 12 minutes from downtown. +/- 10,698 SQFT.

SOLD



\$3,761,300

2115-955 SEABORNE AVE, PORT COQUITLAM
Zuber Jamal
 Brand new +/- 5,188 SQFT modern industrial unit with a professionally designed and fully finished second floor office.

SOLD



\$1,227,000

75 FRONT STREET, PENTICTON
Nick Renton
 Standalone commercial building in downtown Penticton with +/- 4,005 SQFT of usable floor space over two units.

***PERSONAL REAL ESTATE CORPORATION**



VANCOUVER COMMERCIAL REAL ESTATE PODCAST

For all the curious minds interested in commercial real estate investing, grab a coffee and pull up a chair because we have exclusive stories and tips from commercial real estate brokers, investors, developers, economists, urban planners, and everyone in-between. From the successes and failures to the motivations and lessons learned, the Vancouver Commercial Real Estate Podcast is your insight into commercial real estate in Vancouver, Victoria, Kelowna, and beyond.

Hosted by Cory Wright, founder of William Wright Commercial, and co-hosts Adam and Matt Scalena of the Vancouver Real Estate Podcast, our podcast opens the door to real estate investing.

A Top 20 Apple Business Podcast as of May 2021



FEATURED EPISODE

VCREP #101: INTEREST RATES AND WHERE ARE THEY HEADED? WITH JON SWITZER

Join Cory and Melisa this week as they unpack the recent interest rate hike with past guest and fan favourite, Jon Switzer, Managing Partner and Commercial Mortgage Broker at Impact Commercial.

Jon sheds light on the recent interest rate adjustments and their impact on individuals and businesses alike. Gain a deeper understanding of how these changes reverberate throughout the market and explore the potential ramifications for the local economy. As well as providing valuable insight to help navigate the evolving landscape, we also get Jon to give us his expert predictions on the future of interest rates and whether we can expect upward or downward shifts.

FEATURED EPISODE

VCREP #93: HOW TO RETURN 100% ON YOUR INVESTMENT ON COMMERCIAL REAL ESTATE

Ever wonder how companies buy commercial buildings, fix them up, keep them, and then seem to buy more?

After receiving tens of emails over the past few months, Cory Wright and Melisa Moretti walk through the 5 key indicators and steps on how you can buy value-add properties and get a 100% return on your equity in under 2 years.

Cory outlines the areas, asset classes, and types of property this is achievable with and provides some essential information you will not want to miss. If you have ever wondered how the professionals do it, this is the episode you will want to listen to over-and-over again.



WILLIAM | WRIGHT

Commercial Real Estate Services

williamwright.ca



For more information please contact our Vancouver office.
sales@williamwright.ca | 604.428.5255