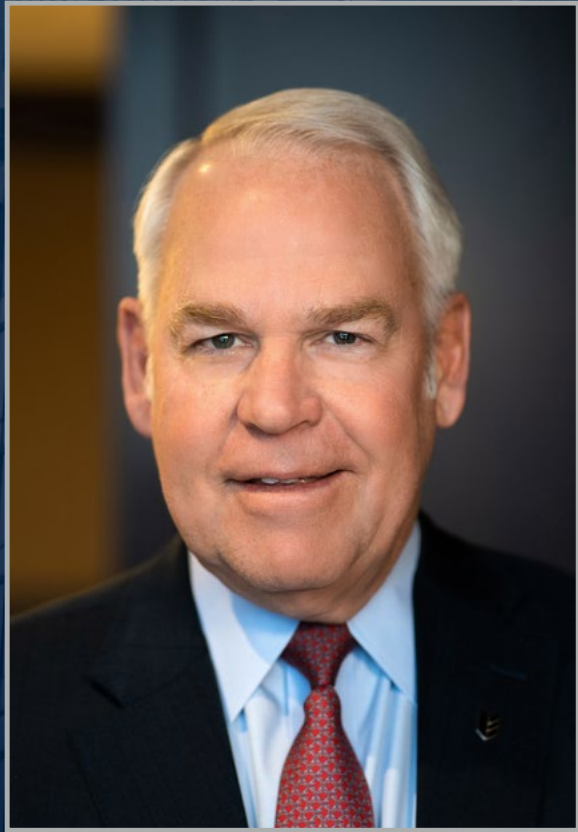




Martin

**Commercial Real Estate Report
Review & Forecast**



Van Martin, SIOR, CCIM, CRE

President & CEO

van.martin@martincommercial.com



Market Index Brief

2023 Review

2 key factors driving the economic landscape: Interest rates & Inflation

- Increased cost of borrowing
- Profitability of new developments
- Feasibility of projects

Investment volume declined by 42%

Construction starts saw a sharp decline

- Office experienced most significant decline with more than a 40% decrease

Deal volume was stagnate across all asset classes



Market Index Brief

2024 Forecast

Office sector expected to have another tough year:

- \$150-\$180 billion in loan maturation
- Vacancy will peak
- Leasing activity should rise by 5%
 - ◆ 20-25% lower than pre-pandemic levels

Downtown revitalizations

- Create spaces people desire with first class amenities, modernization, and flexibility
- Convert underused office buildings



Market Index Brief

2024 Forecast

Housing market

- Slight improvement with a decline in mortgage interest rates
- Inventory will continue to be a challenge

Booming industrial market will begin to slow down with net absorption similar to 2023 and moderate rent growth

Continued increase in cap rates indicate a 20% decline in values



Market Index Brief

2024 Forecast

Investment volume expected to be down again but at a modest 5% year over year

Construction will continue to impact all sectors

Retail poised to maintain its strength with the lowest vacancy rate across the sectors

- Malls will continue to under-perform undergoing transformations



Brokerage Services



Investment Services



Property Management



Corporate Services



Property Development

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