



Map Resources, Photo: Getty Images

Ohhhh Canada!

Self-regulation helps strengthen the industry

by Saadat Keshavjee, CPM®, CMOC

Positive, proactive and professional. These are terms that best characterize today's Canadian real estate management industry. Canadian real estate markets are doing very well thanks, in part, to the industry's focus on self-regulation and professionalism.

With a population of more than 31 million and strong economies in Vancouver, Toronto, Calgary and Montreal, Canada's real estate markets are fast drawing the interest of investors.

A number of positive factors are driving growth in some Canadian provinces. For example, the commercial real estate markets will likely benefit over the next few years as Vancouver prepares to host the 2010 Winter Olympic Games.

Other provinces, such as Calgary, Edmonton and St. John's, are being fueled by the strength of oil and gas developments. The office market is stabilizing in Calgary where the oil and gas industries are demonstrating record profits. Ottawa is also being helped by its high-tech region of Kanata.

Canada has 1.2 billion square feet of industrial real estate, 376 million square feet of office space and 200 million square feet of retail space.

There remains a good demand for multifamily properties in Canada, despite the recent surge in home buying due to low interest rates. REITs are buying up multifamily properties, renovating them and netting good rents.

The real estate industry, in some provinces of Canada, is self-regulated

through the efforts of councils and associations. Anyone who trades in real estate must be licensed, a process generally consisting of passing a qualifying exam and paying a licensing fee.

One of the first of these self-regulated councils is the Real Estate Council of Alberta (RECA). Mandatory licensing offers real estate practitioners several benefits including errors and omissions insurance coverage which is provided in

tional portfolios of office, retail and multifamily properties, Canada's real estate managers are also managing military installations, airports and parking areas.

However, property management in Canada is not without its challenges. Because legislation is province-driven, it is important to have champions in every province working with the real estate councils and institutes. Also, the real estate industry has been relatively slow in

Canadian Market Overview

	Vancouver	Edmonton	Calgary	Winnipeg	Toronto	Ottawa	Montreal	Halifax	National
Office vacancy*	14.4%	12.4%	12.4%	12.0%	11.5%	7.5%	12.0%	11.1%	11.8%
Industrial vacancy*	2.5%	3.6%	5.9%	35.7%	5.3%	3.9%	4.7%	8.3%	4.8%
Multifamily vacancy**	1.4%	1.7%	2.9%	1.2%	2.5%	1.9%	0.7%	2.7%	
Monthly rent (average)**	\$954	\$709	\$804	\$622	\$1,047	\$930	\$552	\$704	

* Source: Royal LePage National Real Estate Market Intelligence Second Quarter 2003

** Source: CMHC (Rental Market Survey—October 2002); based on average monthly rents for two-bedroom apartments

Alberta through the council's mandatory insurance exchange.

Canada's various real estate councils and associations are also beginning to join forces. For example, recently the Real Estate Institute of Canada (REIC) entered into a partnership with the Appraisal Institute of Canada (AIC) to work together to improve services and provide opportunities for career development.

Once lacking the respect it deserved, real estate management is now recognized as a true profession. Property managers are now perceived as proactive, creative professionals who can generate value and opportunities. In addition to their tradi-

adopting technology. The industry must also do better at recruiting a new generation of real estate practitioners. With few educational institutions marketing real estate as a career and few young people entering the field, the industry is soon to face a talent crisis.

With a limited number of property managers, Canada offers real opportunities for real estate professionals. Real estate practitioners have truly raised the bar a few notches and the future is bright for the country's real estate markets. □

Saadat Keshavjee, CPM®, CMOC (Saadat@amhurst.net) is 2003 President of the Real Estate Institute of Canada (REIC) and managing director, broker and founder of Calgary, Alberta-based Amhurst Property Management, Ltd.