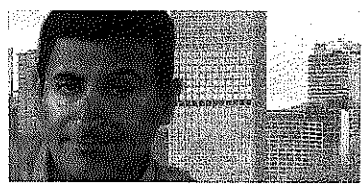


Trust in trust scores can help immigrants secure a financial foothold



PODIUM

ASHIF MAWJI

A trust score can look at data across the world and use it to calculate how trustworthy you are in paying back a loan

In British Columbia, where there are about 40,000 new immigrants coming in every year, the ability for these new productive Canadians to access credit facilities is important.

Leveraging trust scores instead of (or in addition to) credit scores can drastically change the landscape and enable more new Canadians to leverage credit and improve their lifestyles as well as contribute much more to our economy.

My family moved from Kenya to Canada in 1987, and we had zero credit here, even though we were trustworthy. That put our progress back at least a few years, and I can only imagine how much more successful I could have been if I had been given some credit.

Credit scores are regulated, and the bureaus are required to provide a credit report free to those who request it. They don't have to make it easy to provide, but they do have to provide it. The score is calculated based on your ability to

pay bills, which factors in such elements as income, debt load and a person's track record in paying bills. All good if you have credit history in Canada.

Imagine that you are a new immigrant migrating to Canada and in your previous country, you had great credit. However, that history is just that – history – and not relevant in Canada. Even if you move from Canada to the U.S., your Canadian history is not considered there. Just considering how many businesses immigrants start and the number of employees they hire, imagine with well-deserved credit how much more this could be.

In B.C., banks and other lenders require credit scores that at present look only at credit data in Canada. If you're a new immigrant, you won't have that

history, so you automatically get penalized.

A trust score can look at data across the world and use it to calculate how trustworthy you are in paying back a loan. It looks at elements like benevolence, credibility, ability, history, integrity, reputation and psychometric traits. This is much more than what credit scores look at: primarily financial data. Trust scores are based on real-time data, and so even if you are a new immigrant, the score is based on your entire history. This would allow new Canadians to get credit and be productive much faster, give them confidence and trust and help make them outstanding Canadians.

There are, of course, paradigm shifts we need to factor in, and traditional banks

that use the old credit score approach will be hard to convince. It will take months and years to prove that trustworthiness can be calculated and is more relevant than a credit score. However, once that has been done and we have early adopters, we see this trust score catching on quickly.

Trust Science currently has customers in Alberta and wants to work with forward-thinking partners who are ready to give this new way a try. Trust scores can be used for credit decisions as well as hiring, finding trusted partners and a lot more. ■

Ashif Mawji is president and co-CEO at Trust Science. The Young Presidents' Organization (YPO) member will be appearing at the YPO's March 1-3 conference in Vancouver.

B.C. well positioned to capitalize on strong investor interest



PODIUM

MARK E. ROSE

Global investment interest in Metro Vancouver commercial real estate has never been greater, and, with strong economic fundamentals underpinning what will likely be the top provincial economy in Canada in 2017, that interest is not expected to wane any time soon.

Coming off a record year for investment volume in 2016 with more than \$3.7 billion invested in office, industrial and retail assets across the province, the

demand for commercial properties in B.C. from investors and owner-occupiers remains nearly insatiable.

Institutional and private capital – both local and foreign – remain active in the B.C. market and in 2016 resulted in the first commercial real estate transaction in B.C. history to surpass \$1 billion in value. The billion-dollar sale of the Bentall Centre as well as the \$427 million sale of Royal Centre marked the arrival of Vancouver on the global investment stage. This interest will be sustained as investors continue to seek the safe harbour that Metro Vancouver commercial real estate assets represent for buyers.

Metro Vancouver commercial assets' ongoing value proposition (including capital-preservation strategies, political stability and rule of law) has

proven irresistible for investors of all stripes. Investment activity is anticipated to remain strong in 2017 despite a likely return to more historical dollar volumes.

The success of B.C.'s commercial real estate sector, particularly in Metro Vancouver, has revealed the challenges facing not only those who wish to enter the commercial real estate market, but also those seeking to expand or relocate within it. Pricing has achieved record levels as the combination of a lack of supply, high land prices and physical and political boundaries to expansion drives pricing higher each year.

Near-record-low interest rates have so far provided potential buyers with the leverage needed to meet these elevated vendor expectations. Investors – particularly institutional ones

– are also finding the return on investment offered by many assets too low to meet mandated portfolio thresholds necessary to trigger an acquisition. Capitalization rates remain highly compressed in all asset classes with many successful buyers disregarding cap rates as a metric if they wish to successfully acquire property.

Heightened global uncertainty triggered by the new U.S. administration will have unforeseeable impacts on commercial real estate markets throughout North America. Therefore, U.S.-based technology companies with offices in Metro Vancouver may require additional space for expansion plans to accommodate employees who also happen to be immigrants and now face challenges as they try to work in the U.S. This situation is already occurring in

Metro Vancouver. Demand for office space in Metro Vancouver could also be boosted by American technology firms locating offices in B.C. to recruit and retain employees from outside the U.S. The provincial election in May might also give local business leaders pause until the outcome is decided.

The high cost of real estate in Metro Vancouver will continue to be a factor for those choosing to live or invest here, but a drag on investment activity has yet to materialize. Housing costs will remain a factor, particularly for the recruitment of C-suite executives and those in specialized leadership roles. ■

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ADDRESSING B.C.'S

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costs and lost tax revenue are included.

Tech is another booming industry with plenty of opportunity. B.C.'s tech sector employs approximately 86,000 people. Wages for the sector's jobs are 60% higher than B.C.'s industrial average, and surprisingly there is still a serious labour shortage with more than 2,000 tech job vacancies.

Layer on the increasing complexity of legislation, competitive pressure and tighter margins and it can be very challenging for managers or an internal human resources department to keep up.

In non-traditional industries like hospitality, food service and tourism, offering stable hours and better benefits can set one organization dramatically apart from another as a potential employer

What can employers do?

■ **Expand the labour pool.** This can be done by exploring diverse candidates, offering youth and intern programs and by offering more workplace flexibility. Exploring remote work and flexible hours can dramatically expand the number of prospective candidates who are limited by commute times or family scheduling commitments. The additional benefit of this strategy can be a reduced real estate footprint saving significant overhead dollars.

■ **Offer stable hours and better benefits.** In non-traditional industries like hospitality, food service and tourism,

offering stable hours and better benefits can set one organization dramatically apart from another as a potential employer.

■ **Engage third-party expertise.** This can help, and nearly 85% of firms now outsource at least some of their HR functions. **Inspired HR** advises businesses in many industries that range in size from 20 to more than 100,000 employees. Doing less with more and outsourcing the organization's non-core activities like recruitment and training can also help dramatically. Professional services in British Columbia are projected to experience the highest job growth, second only to tech, in

the next decade. The business process outsource model was new to North America when Inspired HR opened its doors; today it is an approximately \$165 billion industry and is rapidly growing locally and globally.

When done well, outsourcing HR transforms organizational culture into a key competitive advantage through catalyzing teams around their strengths and common values without the noise. ■

Debby Carreau is CEO and founder of Inspired HR. The Young Presidents' Organization (YPO) member will be appearing at the YPO's March 1-3 conference in Vancouver.