

# APARTMENT DIGEST

## Condo Apartment Rents Grew Strongly 2011

### Economic Indicators:

**Real GDP Growth**  
Q3 2011 +3.5%

**Toronto Employment Growth**  
December 2011 -0.6%

**Toronto Unemployment Rate**  
December 2011 8.6%

**Inflation**  
November 2011 +2.9%

**Bank of Canada Overnight Rate**  
December 2011 1.0%

**Prime Rate**  
December 2011 3.0%

**5 Year Mortgage Rate Fixed**  
December 2011 5.29%

**Toronto, January 20, 2012** — Greater Toronto REALTORS® reported the leasing of 4,664 condominium apartments during the September to December 2011 period – up two per cent from the 4,563 units leased during the same time-frame in 2010.

While the number of transactions was up, the number of apartments listed for rent through TorontoMLS during the last four months of 2011 dropped by seven per cent compared to the same period in 2010.

“The rental market for condominium apartments is very tight in the Greater Toronto Area. Growth in rental transactions outstripped growth in listings throughout

2011, even with strong condominium apartment completions,” said Toronto Real Estate Board President Richard Silver.

“In line with tightening market conditions, the CMHC condominium apartment vacancy rate for the GTA dropped in 2011. The end result was robust increases in average rents.”

Average condominium apartment rents for one-bedroom and two-bedroom apartments rented during the September through December 2011 period increased by four and five per cent respectively in comparison to the same period in 2010.

The average annual rate of increase for one-bedroom and two-bedroom rents was above the rate of inflation in the second half of 2011.

“The number of renters looking for apartments with modern finishes and amenities has steadily increased. The main source for these types of units has been investor-held condominium apartments. As renters have flocked to this segment of the rental market, upward pressure on rents has increased,” said Jason Mercer, TREB’s Senior Manager of Market Analysis.

Source: TREB

### Rental Market Summary: September - December 2011

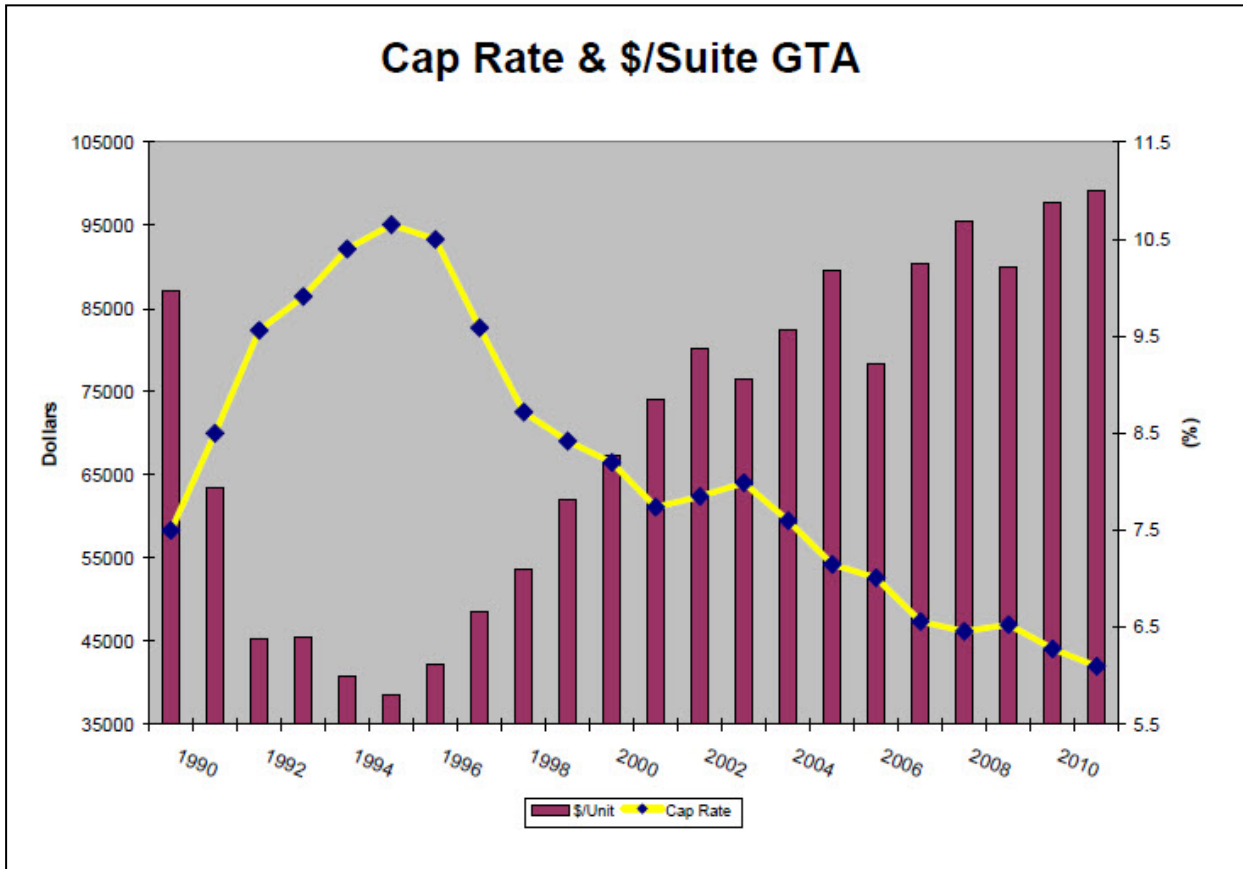
#### Apartments<sup>1,2,3</sup>

	All Bedroom Types		Bachelor		One-Bedroom		Two-Bedroom		Three-Bedroom	
	Listed	Leased	Leased	Avg. Rent	Leased	Avg. Rent	Leased	Avg. Rent	Leased	Avg. Rent
2011	7,930	4,664	109	\$1,289	2,465	\$1,564	1,954	\$2,062	136	\$2,236
2010	8,483	4,563	129	\$1,211	2,457	\$1,498	1,874	\$1,958	103	\$2,225
Yr./Yr. % Chg.	-7%	2%	-16%	6%	0%	4%	4%	5%	32%	0%

#### Townhouses<sup>1,2,3</sup>

	All Bedroom Types		Bachelor		One-Bedroom		Two-Bedroom		Three-Bedroom	
	Listed	Leased	Leased	Avg. Rent	Leased	Avg. Rent	Leased	Avg. Rent	Leased	Avg. Rent
2011	712	348	2	\$1,313	31	\$1,341	112	\$1,759	203	\$1,945
2010	744	343	4	\$1,131	28	\$1,308	97	\$1,671	214	\$1,771
Yr./Yr. % Chg.	-4%	1%	-50%	16%	11%	2%	15%	5%	-5%	10%

## Apartment Trends GTA – WOW!!



## Commercial Market Watch – Toronto

Toronto Real Estate Board (TREB) Commercial Division Members leased over 3.6 million square feet of commercial space through the TorontoMLS® system in the 4<sup>th</sup> quarter of 2011, representing a small 3.5% decline compared to 2010.

The amount of industrial space leased was up by 8% compared to 2010. Industrial transactions accounted for 79% of total leased space in the fourth quarter.

The average lease rate for industrial transactions completed on a psf net basis and for which pricing was disclosed was \$4.92 – down 3.4% compared to 2010.

In the 4th quarter, 209 commercial properties were sold through the TorontoMLS® system. This result was 13.6% lower compared to 2010. Industrial property types accounted for 47% of total sales.

The average selling price for industrial transactions completed on a psf net basis and for which pricing was disclosed was \$70.25 – almost a 5% increase compared to fourth quarter of 2010.

Other commercial property types sold for an average \$149.68 – up 50% in comparison to the last three months of 2010.

**Source: TREB**

## Recent Sales in the GTA

Address	City	Units	Price	Price/Unit	Cap Rate
551 Eglinton Ave W	Toronto	54	\$8,150,000	\$150,300	4.50%
890 Jane St	North York	140	\$9,400,000	\$67,150	NA
200 Jameson Ave	Toronto	100	\$8,700,000	\$87,000	NA
823 Wilson Ave	North York	44	\$4,100,000	\$93,200	6.00%
3 East 37 <sup>th</sup> St	Hamilton	74	\$5,000,000	\$67,570	NA
65 Timmins St	Chatham	50	\$2,020,000	\$40,400	7.50%
62 Mill St	Woodstock	39	\$3,750,000	\$96,150	6.90%

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## About The Apartment Group

The Apartment Group is a dedicated team of professionals specializing in the sale of multi-residential investment properties. With over 40 years of combined experience, the team brings together their strengths including strong negotiation and sales skills along with highly technical market analysis and appraisal methods.

The Group has been involved in the sale and acquisition of all types of multi residential real estate from small 10 suite walk

up to portfolios over 800 suites in scale.

The Group has experience with those first time buyers and sellers who need that extra level of attention and experience with larger institutional buyers and REITs.

Their success is proven with the fact that over the past decade they have sold over \$1.5 billion worth of apartment buildings across Ontario and throughout Canada.

The market today is very tight. Having the right Broker working for you is more important than ever.

***Can your Broker bring you off market deals? Can they realistically analyze the deals they bring you? Can they be creative and show you the upside? Can they assist you in working through the mortgage mind field today?***

Please call us to see how we can help you.

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