

APARTMENT DIGEST

Residential Property Assessment 2006–2011

Economic Indicators:

Real GDP Growth
Q4 2012 +0.6%

Toronto Employment Growth
Feb. 2013 +4.6%

Toronto Unemployment Rate
Feb. 2013 8.4%

Inflation
Feb. 2013 +1.2%

Bank of Canada Overnight Rate
Mar. 2013 1.0%

Prime Rate
Mar. 2013 3.0%

5 Year Mortgage Rate Fixed
Feb. 2013 5.24%

Residential properties in the provinces had a total market value of \$3,630.9 billion in 2011, growing 56.0% in five years.

Nationally, growth in the total value of residential properties accelerated in 2011 after slowing substantially in 2009 and 2010, during the economic downturn. In 2007 and 2008, annual increases were well above the 11.2% average from 2006 to 2011.

Provincially, the total value of residential properties rose in every province from 2006 to 2011. The fastest growth occurred in Saskatchewan (+132.6%), where values more than doubled, followed by Newfoundland and Labrador (+100.0%) and Alberta (+97.0%).

The slowest rates of growth were in Prince Edward Island (+40.6%) and Ontario (+42.9%). Even so, Ontario accounted for one-third of the overall growth in the total value of residential properties during the five-year period.

On a year-over-year basis, the total market value of residential properties increased 9.2% from 2010 to 2011. The highest growth rates were recorded in Newfoundland and Labrador

(+15.0%), Manitoba (+12.0%) and Ontario (+9.9%). In 2011, the market value of the residential stock in Ontario was \$1,468.6 billion, about 40% of the national total.

Nationally, prior to accelerating in 2011, the growth in the value of residential property was 5.0% in 2009 and 2.7% in 2010. These growth rates were much lower than the increases of 16.1% in 2008 and 14.0% in 2007.

Prior to 2009, Alberta had recorded the highest rates of growth among the provinces, with the value of the residential stock increasing by nearly half in just 2008. In 2009, however, the growth in property values in Alberta slowed to 1.9% and in 2010, values fell 8.0%. This was the only decline in the total value of residential properties among the provinces.

Ontario exhibited a relatively moderate upward trend in values during this five-year period. The total value of residential properties in the province rose 10.5% in 2008 and 3.9% in 2009. Growth remained weak in 2010 before strengthening in 2011.

Residential properties in Canada's 33 census metropolitan areas (CMAs) had a total market value of \$2,729.2 billion in 2011, a 54.4% increase from 2006. They accounted for three-quarters of the national total in 2011.

Data from the 2006 and 2011 censuses show that the number of private dwelling units increased 7.3% to 14.5 million nationally. Using these dwelling counts, residential property values per private dwelling increased 45.3% from \$172,000 to \$250,000. This implies that much of the growth in property values per private dwelling resulted from increases in prices.

The Vancouver CMA had the highest per dwelling value by far, at \$482,800, followed by Victoria, at \$393,400, Calgary, at \$384,500, and Toronto, at \$362,000. Values per dwelling were lowest in Trois-Rivières, Moncton and Saint John.

Source: Statistics Canada

Market Watch – GTA Residential

Greater Toronto Area REALTORS® reported 7,765 transactions through the TorontoMLS system in March 2013 – down 17 per cent compared to 9,385 transactions in March 2012.

While the year-over-year dip in March sales followed the trend that has unfolded since mid-way through 2012, it is also important to note that the Good Friday holiday was in March this year versus April in 2012. Generally speaking, there are fewer sales reported on statutory holidays and weekends.

In the first quarter of 2013, sales amounted to 17,678 – down by 14 per cent compared to Q1 2012.

"Home ownership remains affordable for a household earning the average income in the Greater Toronto Area. There are many willing buyers in the marketplace today.

While some households have put their decision to purchase on hold as a result of stricter lending guidelines or the additional Land Transfer Tax in the City of Toronto, other households simply haven't been able to find the right house due to a shortage of listings in some market segments," said Toronto Real Estate Board President Ann Hannah.

The average selling price in March was \$519,879 – up by 3.8 per cent compared

to March 2012. The average price in Q1 2013 was \$508,066 – up by 3.2 per cent compared to the first quarter of 2012.

"The average selling price and the MLS® Home Price Index Composite Benchmark was up on a year-over-year basis across most home types, especially in the low-rise market segments where supply remains an issue. TREB's average price forecast for 2013 remains at \$515,000, representing a 3.5 per cent annual rate of growth," said Jason Mercer, TREB's Senior Manager of Market Analysis.

Source: TREB

Sales & Average Price By Major Home Type ^{1,7}						
March 2013						
	Sales			Average Price		
	416	905	Total	416	905	Total
Detached	975	2,794	3,769	\$846,828	\$592,265	\$658,118
Yr./Yr. % Change	-21.6%	-16.4%	-17.8%	2.8%	5.4%	4.0%
Semi-Detached	314	573	887	\$607,334	\$403,031	\$475,355
Yr./Yr. % Change	-15.1%	-14.0%	-14.4%	6.9%	3.1%	4.6%
Townhouse	300	884	1,184	\$450,104	\$369,590	\$389,990
Yr./Yr. % Change	-18.5%	-13.5%	-14.8%	7.5%	4.2%	5.0%
Condo Apartment	1,266	505	1,771	\$367,595	\$278,984	\$342,327
Yr./Yr. % Change	-18.7%	-17.8%	-18.4%	2.0%	1.3%	1.7%

Year-Over-Year Summary ^{1,7}			
	2013	2012	% Chg.
Sales	7,765	9,385	-17.3%
New Listings	14,728	16,191	-9.0%
Active Listings	18,384	16,920	8.7%
Average Price	\$519,879	\$500,875	3.8%
Average DOM	24	21	13.8%

Commercial Realty Watch – GTA

Toronto Real Estate Board Commercial Division Members reported 4,547,945 square feet of space leased through the TorontoMLS system in the first quarter of 2013. This represented a decrease of 4.5 per cent in comparison to Q1 2012. Leased industrial space – the key market segment for TorontoMLS leasing – amounted to 3,563,287 square feet, or 78 per cent of total leased space in Q1.

Average lease rates for transactions where pricing was disclosed were up on a year-over-year basis for all major property types. The average industrial lease rate was \$5.15 per square foot net – up by 4.4 per cent compared to Q1 2012. Average lease rates for commercial/retail and office properties were up to \$15.67 and \$13.11 per square foot net respectively.

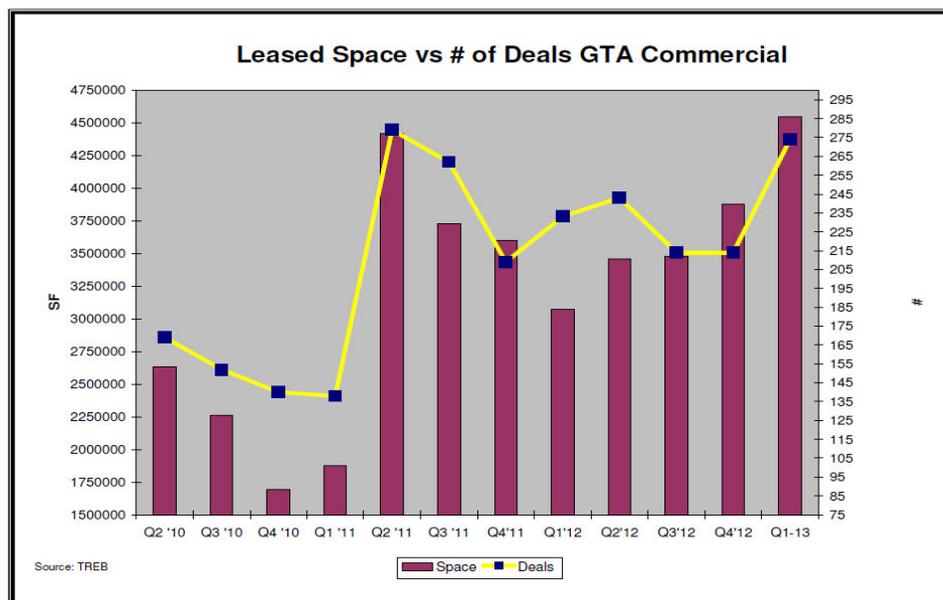
“Following a year-over-year dip in the fourth quarter of 2012, growth resumed for the average industrial lease rate, which was up by more than the rate of inflation in the first quarter of this year. While the outlook for the Canadian economy has been uncertain over the past year, the increase in the average industrial lease rate could be indicative of heightened demand for industrial space as some businesses anticipate an improvement in goods production and exports in 2013 and beyond,” said TREB Commercial Division Chair Cynthia Lai.

There was a total of 274 industrial, commercial/retail and office sales through the TorontoMLS system in Q1 2013. This sales total was down from 334 sales in Q1 2012. The average selling price per square foot for industrial transactions where pricing

was disclosed was slightly lower, at \$61.10 compared to \$66.80 last year. The average selling prices for commercial/retail and office transactions were up on a year-over-year basis.

“Average selling prices do experience some volatility on a quarter-by-quarter basis, often due to a change in the types of properties being sold in different market segments. That being said, investment metrics for industrial properties in particular including surveyed cap rates and average prices from non-TorontoMLS sources suggest that pricing should remain buoyant this year. This is especially the case given that growth in the Canadian economy is expected to accelerate in 2013,” continued Lai.

Source: TREB



Some Recent Sales FOCUS London

Address	Units	Price	Price Per Unit
571 Adelaide Street North	28	\$1,685,000	\$60,180
324 Thompson Road	36	\$2,215,000	\$61,530
1265-75 Bentley Drive	58	\$5,750,000	\$99,140
290 Ashland Avenue	51	\$3,950,000	\$77,450
11 & 23 McClary Avenue	34	\$2,310,000	\$67,940
564 York Street	12	\$535,000	\$44,585
Source: Realtrack and CFR			

**COMMERCIAL
FOCUS REALTY
INC., BROKERAGE**

35 The Links Road
Suite 202
Toronto, Ontario
M2P 1T7

Phone:

(416) 972-9220

Fax:

(416) 972-9588

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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.

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Their success is proven with the fact that over the past decade they have sold over \$3.0 billion worth of apartment buildings across Ontario and throughout Canada.

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Brokerage

Lorenzo DiGianfelice, AACI

Broker of Record & Owner
Direct – 416-907-8281
ldigianfelice@cfrealty.ca

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Mitchell Chang

Salesperson, President & Owner
Direct – 416-907-8280
mchang@cfrealty.ca