

# THE LAND DIGEST

## Canadian Building Permit Stats

### Economic Indicators:

<b>Real GDP Growth</b>	
Q4 2014	+2.4%
<b>Toronto Employment Growth</b>	
Nov 2014	-1.0%
<b>Toronto Unemployment Rate</b>	
Feb 2015	7.6%
<b>Inflation</b>	
Feb 2015	+1.0%
<b>Bank of Canada Overnight Rate</b>	
Mar 2015	0.8%
<b>Prime Rate</b>	
Mar 2015	2.9%
<b>5 Year Mortgage Rate Fixed</b>	
Mar 2015	4.74%

Following a double-digit decline in January, building permits issued by Canadian municipalities fell again in February over the previous month.

According to new data released today by Statistics Canada, Canadian municipalities issued building permits worth \$6.1 billion in February, a 0.9 per cent drop from January. The government agency attributed the decline at the national level to lower construction intentions in Quebec, Ontario and Alberta. It was the second consecutive monthly decline in building permits issued.

While permits issued for both residential and non-residential buildings dropped in January, the February data saw the two sectors diverge, with lower construction intentions in the non-residential sector contributing to most of the month's weakness.

The value of residential building permits issued in February climbed 1.5 per cent to \$4.1 billion after a 8.1 per cent decline in the previous month. Quebec, British Columbia and Nova Scotia saw the most notable increases in building permit value while Ontario saw the largest decline on the residential side.

Permits for multi-family dwellings rose in value by 20.7 per cent to \$1.8 billion putting an end to four straight monthly declines. Every province saw an increase in building permits issued in February with the exception of Ontario. Quebec saw the largest rise, followed by British Columbia.

On the single-family dwellings side, permits declined in value by 9.6 per cent to \$2.3 billion, halting two straight months of increases. Every province saw a decline in permits issued except Nova Scotia which Statistics Canada said saw a slight increase.

At the national level, the construction of 15,133 new dwellings were approved by Canadian municipalities in February, 2.7 per cent rise from January. The increase was a result of strength in the multi-family sector.

Turning to the non-residential sector, Canadian municipalities issued \$2 billion worth of permits in February, down 5.4 per cent from January. This was the second decrease in three months. Ontario and British Columbia posted the strongest gains while Quebec and Alberta accounted for most of the decline in non-residential construction building permits.

If you're looking for more Canadian real estate market news, check out the latest Sotheby's report on why wealthy Baby Boomers may not be as interested in downsizing as everyone thinks. When you're done with that, read up on how much first-time buyers across Canada paid for their homes.

Source:  
Sean MacKay | BuzzBuzzHome

## Rising Housing Prices Trickle Down to Rentals

Earlier this week BILD president and CEO Bryan Tuckey had the opportunity to sit down with industry experts to participate in a roundtable discussion hosted by the Canada Mortgage and Housing Corporation.

The conversation centred around the recent resurgence in the construction of purpose-built rental properties. It turns out that there is significant overlap when it comes to industry issues for both housing types.

With the GTA growing by up to 100,000 people each year – a statistic recent reinforced in a report published by the Centre for Urban Research and Land Development – it is imperative that our industry builds 35,000 new homes annually to accommodate new household formation.

Last year the construction of purpose-built rental properties represented just 5 per cent of that total. Now renters rely more and more on new condominium owners to rent out their

units as the vacancy rate sits at only 1.6 per cent.

What's important to understand is that the rental market is a transitional one, with many residents choosing to rent until they can save up for a down payment and purchase a home. This is becoming increasingly difficult as the price of new homes (and subsequently existing homes) has doubled in the last decade. Those most affected are first-time buyers like millennials and new Canadians who are now entering the market at a later stage as a result.

Apart from higher down payments, renters are also faced with higher rates which further delays their ability to buy a home. Much like new-home buyers, renters want to live in the same neighbourhoods – ones with the same amenities, conveniences and accessibility to transit – and the cost of building in these neighbourhoods is on the rise.

A large component of these price increases are a combination of the rising cost of land, delays due to an outdated planning approvals process, and a variety of government fees and charges paid by tenants as part of their rent.

It is important that both the rental and new homes market co-exist in the GTA. We are in the business of building quality, complete communities and purpose-built rentals are just another housing type for GTA residents.

Building homes is building homes, and we will continue to work together with our government partners to ensure that our industry can build homes that people can afford to buy and live in across the GTA.

*Source: Build Blog*

## RECENT SALES

Address/City	City	Price	Notes
348 Richmond St E	Toronto	\$61.00MM	2.4 acres future high rise res
10975 Woodbine Ave	Markham	\$27.00MM	15 acres townhouse site 178 units
12519 Humber Station Rd	Caledon	\$48.7MM	Future develop land 10 yrs 100 acres
45 Connaught St	Toronto	\$2.225MM	Approved 18 unit condo site
12722 Heritage Rd	Caledon	\$9.4MM	105 acres future single family
1333 Queen St E	Toronto	\$2.5MM	Proposed 110 unit condo site

Source: CFAS and RealTrack

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## About The Land Development Group

CFR has quality agents and advisors who have been involved extensively in the purchase and sale of development lands.

Not only can we assist in the purchase and sale function, but CFR has the contacts and expertise to participate the whole development process. We have affiliations with planners, architects and other consultants which can assist our clients.

The key members of the Land Development Group are well tied into the development community.

In many cases they have acted on their behalf in consulting situations. This allows the team great access to leading edge information regarding future growth areas, highest and best use, and new paradigms in development densities.

The Land Development Group started in 2012 and to date has sold over \$80 million worth product.

With an in house planner and accredited appraiser as part of the team, the Group can offer to its clients services like no other Brokerage. These professionals are quick to assess the potential development of property and its hidden values.

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