

# APARTMENT DIGEST

## Torontonians Moving to Niagara

With the Toronto Real Estate Board pinning the average cost of a home in 2017 at \$727,928 in Toronto and almost \$800,000 in the 905, it's no surprise folks are starting to look further afield for affordable living and, perhaps, a less frenzied lifestyle.

According to the Niagara Association of Realtors, the average price of a home across the region is up 24 per cent year-on-year to \$345,294, while condo prices rose 31 per cent to \$288,868. They don't release the average price of a detached house. However, in The Six a detached house costs about \$1,337,000 and a condo is about \$471,400, the TREB said.

While high-end properties in Niagara can swell far above \$500,000, there are still a lot of savings to be made for more space. And with a 10-year, \$13.5 billion program to expand the GO regional express train network – including weekday service to Niagara Falls by 2023, new stations in Grimsby and upgrades to Via Rail stations in St. Catharines and Niagara Falls – there's even more incentive to make the move.

"We're probably the best bang for your dollar in the country right now, anywhere from Port Colborne to Grimsby," says

Patrick Dummitt, president of Niagara Association of Realtors. "Even the further east you go – Fort Erie, Port Colborne – people never used to venture out that far. Now people are leaving Toronto and settling in Fort Erie and doing the commute.... We're becoming quite metropolized to the chagrin of a lot of people. But what the heck, why not? We're like the last frontier for people. We've been dubbed as the suburbs of the GTA."

Dummitt first noticed the region's real estate landscape changing about a year ago when bidding wars started cropping up in Niagara for the very first time. Today, \$340,000 will buy a 30-year-old house needing \$40,000 in upgrades. But with so many people wanting in, supply is scarce and properties are fetching multiple offers 30 to 40 per cent over asking prices. He says those coming from Toronto, Mississauga, Hamilton, or Oakville don't bat an eye because their houses are selling for more than double Niagara's prices so they have extra money to renovate.

All the attention has developers busy, with dozens of condos, townhouses and single-family homes on the go, or in the works across the region. St. Catharines, for instance, issued permits for 383 new dwelling units last

year, up from 224 in 2015, and 36 to date this year in and around town. As such, the city has built a performing arts centre, a 5,300-seat arena and new parking facilities to accommodate the traffic.

In Niagara Falls, Mayor Jim Diodati uses words like "explosive" and "feverish" to describe the unprecedented growth in his city's south and southwest ends. More than half of the new home and condo purchases are from GTA buyers, he says, with "entire subdivisions selling out before we can get services in the ground." Some 761 building permits worth \$238.5 million were issued last year, up 27.3 per cent from 2015.

The Niagara region's population is expected to grow from 447,888 now to 610,000 by 2041, according to the municipality's forecasts. The city and the region are building and upgrading water and sewer treatment plants, pumping stations, fire halls and expanding transit to ensure infrastructure keeps up with demand. There's a commuter airport and talk of a ferry service to the Toronto area, and the Go train expansion will improve capacity and service levels.

Source: National Post

### Economic Indicators:

<b>Real GDP Growth</b>	
Q3 2016	3.5%
<b>Toronto Employment Growth</b>	
Dec 2016	-0.4%
<b>Toronto Unemployment Rate</b>	
Dec 2016	6.8%
<b>Inflation</b>	
Oct 2016	1.5 %
<b>Bank of Canada Overnight Rate</b>	
Jan 2017	0.5%
<b>Prime Rate</b>	
Jan 2017	2.7%
<b>5 Year Mortgage Rate Fixed</b>	
Jan 2017	4.6%

## 2016 Census – Interesting Trends

The count tallies 35,151,728 people who reported living in Canada on Census Day, May 10, 2016, and shows the patterns of population growth across the country.

Over the coming year—as Canadians celebrate 150 years since Confederation—the agency will unveil the full range of census data that will together paint a factual picture of the lives of Canadians and their communities.

The population count in 2016 was 10 times greater than in 1871, when the first census after Confederation recorded 3.5 million people in Canada. By 1967, when Canadians were toasting 100 years since Confederation, that number had grown to 20.0 million (1966 Census).

Over the years, Canadians have been trekking west. In 1871, most Canadians lived in the four founding provinces of Ontario, Quebec, New Brunswick and Nova Scotia, while Western Canada was sparsely populated. By 2016, close to one-third of the population lived in Manitoba, Saskatchewan, Alberta and British Columbia.

From 2011 to 2016, the population increased by 1.7 million or 5.0%, a slightly lower rate than 5.9% from 2006 to 2011.

About two-thirds of Canada's population growth from 2011 to 2016 was the result of migratory increase (the difference between the number of

immigrants and emigrants). Natural increase (the difference between the number of births and deaths) accounted for the remaining one-third. In the coming years, population growth in Canada is projected to be increasingly linked to migratory increase rather than natural increase, mainly because of low fertility and an aging population.

The Canadian population, however, is highly concentrated geographically. In 2016, two out of three people (66%) lived within 100 kilometres of the southern Canada–United States border, an area that represents about 4% of Canada's territory.

Many census metropolitan areas (CMAs) are located near the border, including Toronto, Montréal and Vancouver. The population density of some municipalities located in these CMAs is well above the national average. The municipality of Vancouver had the highest population density in Canada, with more than 5,400 people per square kilometre. Among municipalities of 5,000 or more inhabitants, the next three with the highest population density were located in the Montréal CMA—Westmount, Côte-Saint-Luc and Montréal.

In 2016, Ontario and Quebec accounted for 61.5% of the Canadian population. Since 1911 (the first census after Alberta and Saskatchewan joined Confederation), this proportion has ranged from 60% to 64%.

Ontario remained, by far, the most populous province in Canada with 13.4 million people calling it home in 2016, representing 38.3% of the Canadian population. This share was down slightly from the 100-year high of 38.5% in 2006.

Alberta (+11.6%) had the fastest growth rate among the provinces, up from 10.8% from 2006 to 2011. This was more than double the national average. Alberta also recorded the highest growth among provinces during the two previous intercensal periods.

The four western provinces were the only provinces to record population growth rates higher than the national average. As a result of this growth, almost one-third (31.6%) of Canadians lived in the West in 2016, the largest share on record. British Columbia accounted for the largest proportion (13.2%), followed by Alberta (11.6%), Manitoba (3.6%) and Saskatchewan (3.1%).

There are now 35 CMAs in Canada, up from 33 the previous census (see note to readers). The three largest CMAs in 2016—Toronto, Montréal and Vancouver—were home to more than one-third of all Canadians (35.5%), with a combined population of 12.5 million. Toronto (5,928,040 inhabitants) had the largest population, followed by Montréal, which surpassed 4 million inhabitants for the first time in census history (4,098,927), and Vancouver (2,463,431).

As a result of strong growth over the last 15 years, Calgary (1,392,609) became the fourth largest CMA in the country in 2016, replacing Ottawa–Gatineau (1,323,783), which fell to fifth place. Edmonton was a close sixth at 1,321,426 inhabitants.

From 2011 to 2016, 7 of the 10 census agglomerations (CAs) with the highest population growth rates were located on the Prairies: four in Alberta, two in Manitoba and one on the Saskatchewan–Alberta border. The population grew the fastest in Sylvan Lake, Alberta, up 19.6% from 2011 to 2016.

In Canada, the number of private dwellings occupied by usual residents increased 5.6% from 2011 to 14,072,079 in 2016, following a 7.1% increase in the previous intercensal period.

In Ontario (+5.8%) and Saskatchewan (+5.6%), the number of dwellings increased at a pace similar to the national rate. The gain in Ontario (+281,666), the largest in absolute numbers in Canada, was more than twice the size of increases in Alberta (+137,403) and Quebec (+136,320).

Source: Statistics Canada

## Canadian Building Permits DOWN Again

Municipalities issued \$7.2 billion worth of building permits in December, down 6.6% from November. Lower construction intentions were recorded for all components, led by commercial buildings and multi-family dwellings. In the residential sector, eight provinces posted declines while Ontario reported a record high.

In the non-residential sector, the value of building permits fell for the second time in six months, down 11.5% to \$2.3 billion in December, led by lower construction intentions for commercial buildings. Decreases were reported in seven provinces, with Ontario, Alberta and Quebec posting the largest declines.

The value of residential building permits was down 4.1% to \$4.9 billion in December. The decrease mainly stemmed from lower construction intentions for multi-family dwellings. Declines were reported in eight provinces. A record high in Ontario was insufficient to offset the declines in British Columbia and Alberta.

The value of commercial building permits fell 14.2% in December to \$1.3 billion, accounting for almost three-quarters of the non-residential decrease. This was the second consecutive decline and was mainly attributable to lower construction intentions for retail and wholesale outlets, and warehouses. Construction intentions fell in nine provinces, most notably in Ontario and Alberta.

The value of industrial permits fell 9.3% to \$366 million in December, following two consecutive monthly increases. The decline stemmed from lower construction intentions for manufacturing structures and primary industry buildings. Decreases were posted in seven provinces, led by Quebec.

Municipalities issued \$2.2 billion worth of permits in the multi-family dwelling component in December, down 7.9% from November. The decrease was driven by lower construction intentions for rental-apartments and row houses. A notable gain in apartment-condominiums in Ontario moderated the declines in eight provinces, led by British Columbia and Alberta.

The value of permits for single-family dwellings was down 0.9% to \$2.7 billion in December. The largest decreases were reported in Alberta and British Columbia. Ontario, the lone province to report an increase, was up 13.0% to \$1.5 billion, a fifth consecutive monthly advance.

Municipalities approved the construction of 19,589 new dwellings in December, up 1.1% from the previous month. The increase was attributable to higher intentions for single-family homes, which rose 9.9% to 7,057 new units. Conversely, multi-family dwellings were down 3.3% to 12,532 new units.

In December, the total value of building permits was down in 19 of the 34 census metropolitan areas. Vancouver reported the largest decrease, followed by Edmonton.

The value of building permits in Vancouver fell 35.2% to \$568 million in December, following two consecutive monthly advances. The drop was mainly attributable to lower construction intentions for multi-family dwellings.

Following six consecutive monthly increases, the value of permits in Edmonton was down 42.9% to \$332 million in December. Lower construction intentions for single-family homes and multi-family dwellings led the decrease.

In contrast, Oshawa and Kitchener–Cambridge–Waterloo recorded the largest increases, both up 123.3% over the previous month. In Oshawa, the gain was attributable to higher construction intentions for single-family homes, while in Kitchener–Cambridge–Waterloo, multi-family dwellings and single-family homes were responsible for the advance.

Source: Statistics Canada

## RECENT SALES – GTA

Address/City	Suites	Price MM	Price Per Suite	Cap Rate
110 Maitland Street	36	\$13.00	\$362,300	NA
1A Vermont Avenue	22	\$5.05	\$229,545	4.00%
1001 O'Connor Drive	83	\$13.75	\$125,000	4.25%
1675-1685 Eglinton West	72	\$9.12	\$126,700	4.25%
1255 Birchmount Road	68	\$9.66	\$142,060	NA
189 Vaughan Road	16	\$3.00	\$187,500	NA

Source: Realtrack,

### COMMERCIAL FOCUS REALTY INC., BROKERAGE

35 The Links Road  
Suite 201  
Toronto, Ontario  
M2P 1T7

Phone:

(416) 972-9220

Fax:

(416) 972-9588

See us at:

[www.cfrealty.ca](http://www.cfrealty.ca)

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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.

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Brokerage

### Lorenzo DiGianfelice, AACI

Broker of Record & Owner  
Direct – 416-907-8281  
[ldgianfelice@cfrealty.ca](mailto:ldgianfelice@cfrealty.ca)

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### Mitchell Chang

Salesperson, President & Owner  
Direct – 416-907-8280  
[mchang@cfrealty.ca](mailto:mchang@cfrealty.ca)