

APARTMENT DIGEST

Toronto Rents Still Moving UP

TORONTO, ONTARIO, July 24, 2017 – Toronto Real Estate Board President Tim Syrianos announced the continuation of very tight conditions in the condominium apartment rental market in the second quarter of 2017. The number of rental transactions reported through TREB’s MLS® System remained in line with Q2 2016 levels, while the number of units listed at some point during the quarter declined year-over-year. Average annual rates of rent growth for one- and two-bedroom condominium apartments were over eight per cent.

Conversely, the Fair Housing Plan also expanded rent controls, which could preclude investment in rental properties, thereby further constricting supply. With different policy components potentially at odds, it will be interesting to see the eventual impact of the Fair Housing Plan on the rental market in the GTA,” continued Mr. Syrianos.

The average one-bedroom condominium apartment rent was up by 8.8 per cent year-over-year in the second quarter to \$1,861 per month. The average two-bedroom rent was up by 8.7 per cent to \$2,533.

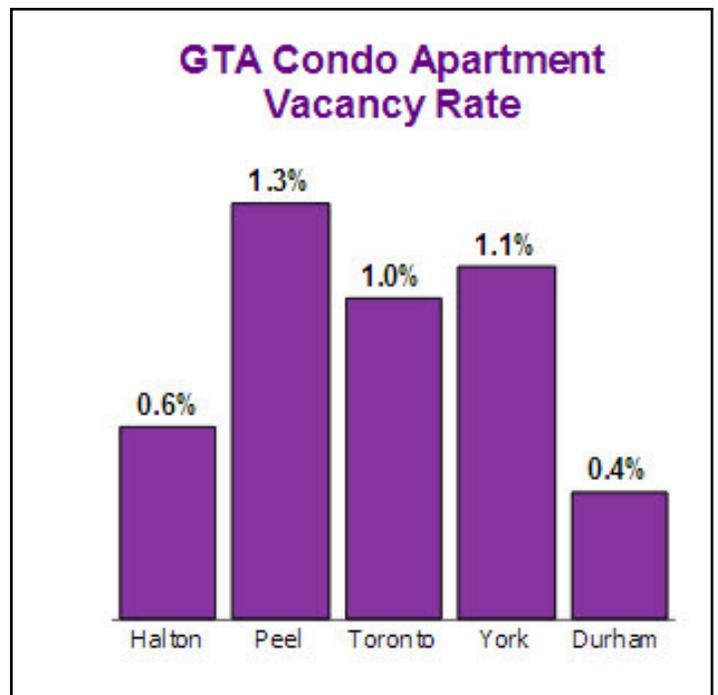
“Competition between would-be renters increased in the second quarter of this year relative to the same time period in 2016. This meant that average rents increased by much more than the rate of inflation. In addition, the annual pace of rent growth also increased compared to Q2 2016, reflecting the fact that, generally speaking, it has become harder to find a place to rent this year compared to last,” said Jason Mercer, TREB’s Director of Market Analysis.

Source: TREB

Economic Indicators:

Real GDP Growth Q1 2017	3.7%
Toronto Employment Growth Jun 2017	1.1%
Toronto Unemployment Rate Jun 2017	6.2%
Inflation Jun 2017	1.0%
Bank of Canada Overnight Rate Jul 2017	0.75%
Prime Rate Jul 2017	2.95%
5 Year Mortgage Rate Fixed Jul 2017	4.8%

“The Greater Toronto Area continues to be a very attractive place to live for many people, some of whom choose to rent. While rental demand remained very strong from a historic perspective in the second quarter, the supply of available rental units remained constrained, and average rents continued to grow well-above current and expected future rates of inflation,” said Mr. Syrianos. “It is clear that we continue to suffer from a lack of available rental units. The Fair Housing Plan announced by the Government of Ontario committed to measures designed to increase housing



2017 Multi Family Realty Tax Rates

Residential and multi-residential property taxes rates decreased in all municipalities across the GTHA in 2017, when compared to 2016. On average, residential property tax rates decreased by 0.04331 per cent, while multi-residential property tax rates decreased 0.04775 per cent.

Hamilton finance, administration and revenue generation director John Hertel told NRU that tax rates have gone down because of a rise in property value across the GTHA. Every four years, Ontario's municipalities reassess the value of their properties, when property values go up, property tax rates decrease. "This was a reassessment year for the province," he says. "So our tax rates have gone down because our property assessments have gone up."

There were no changes to the residential property tax rankings between 2016 and 2017. For the sixth year in a row, Durham Region municipalities, led by Oshawa, have among the highest residential tax rates, while Toronto has the lowest residential rate in the region. Once again, York Region municipalities have the lowest multi-residential rates in the region and Hamilton again has the highest rate.

Source: Novae Res Urbis
Sarah Niedoba

Municipality	Residential rates		Multi-residential rates	
	Rank	%	Rank	%
Oshawa	1	1.48468	2	2.61605
Brock	2	1.34011	3	2.34621
Barrie	3	1.31316	16	1.31316
Hamilton	4	1.31217	1	3.22870
Clarington	5	1.27580	4	2.22618
Whitby	6	1.20595	7	2.09579
Ajax	7	1.20595	7	2.09579
Pickering	8	1.20904	5	2.10157
Scugog	9	1.16496	8	2.01930
Georgina	10	1.12812	19	1.12812
Uxbridge	11	1.12509	9	1.94487
Brampton	12	1.06785	10	1.69449
King	13	0.92682	20	0.92682
Newmarket	14	0.90422	21	0.90422
East Gwillimbury	15	0.87883	22	0.87882
Aurora	16	0.86765	23	0.86765
Caledon	17	0.86188	15	1.35516
Halton Hills	18	0.85685	11	1.53470
Mississauga	19	0.84937	18	1.24411
Burlington	20	0.84454	12	0.84937
Whitchurch-Stouffville	21	0.83161	24	0.83161
Oakville	22	0.79847	14	1.41793
Vaughan	23	0.76900	25	0.76900
Richmond Hill	24	0.76240	26	0.76240
Markham	25	0.73575	27	0.73575
Milton	26	0.72204	17	1.26508
Toronto	27	0.66165	13	1.46341

SOURCE: MUNICIPAL WEBSITES

GTA Residential Sales Down Prices Still UP

August 3, 2017 -- Toronto Real Estate Board President Tim Syrianos announced that Greater Toronto Area REALTORS® reported 5,921 residential transactions through TREB's MLS® System in July 2017. This result was down by 40.4 per cent on a year-over-year basis, led by the detached market segment – both in the City of Toronto and surrounding regions. While sales were down, the number of new listings reported were only slightly (+5.1 per cent) above last year's level.

"A recent release from the Ontario government confirmed TREB's own research which found that foreign buyers represented a small proportion of overall home buying activity in the GTA. Clearly, the year-over-year decline we experienced in July had more to do with psychology, with would-be home buyers on the sidelines waiting to see how market conditions evolve," said Mr. Syrianos.

"Summer market statistics are often not the best indicators of housing market conditions. We generally see an uptick in sales following Labour Day, as a greater cross-section of would-be buyers and sellers start to consider listing and/or purchasing a home. As we move through the fall, we should start to get a better sense of the impacts of the Fair Housing Plan and higher borrowing costs," said TREB CEO John DiMichele.

The MLS® Home Price Index (HPI) Composite Benchmark price was up by 18 per cent on a year-over-year basis. However, the Composite Benchmark was down by 4.6 per cent relative to June. Monthly MLS® HPI declines were driven more so by single-family home types. The average selling price for all home types combined was up by five per cent year-over-year to \$746,218.

Toronto Home buyers benefitted from more choice in the market this July compared to the same time last year. This was reflected in home prices and home price growth. Looking forward, if we do see some would-be home buyers move off the sidelines and back into the market without a similar increase in new listings, we could see some of this newfound choice erode. The recent changes in the sales and price trends have masked the fact that housing supply remains an issue in the GTA," said Jason Mercer, TREB's Director of Market Analysis.

Source: TREB

Sales & Average Price By Major Home Type ^{1,7}						
July 2017						
	Sales			Average Price		
	416	905	Total	416	905	Total
2017						
Detached	556	1,878	2,434	\$1,304,288	\$910,348	\$1,000,336
Semi - Detached	169	414	583	\$869,227	\$636,844	\$704,207
Townhouse	212	762	974	\$707,269	\$581,541	\$608,907
Condo Apartment	1,345	495	1,840	\$532,502	\$418,191	\$501,750
Year-Over-Year Per Cent Change						
Detached	-41.7%	-48.9%	-47.4%	8.5%	2.4%	4.9%
Semi - Detached	-39.9%	-38.1%	-38.6%	1.3%	8.0%	5.2%
Townhouse	-38.2%	-36.1%	-36.5%	20.7%	11.3%	13.5%
Condo Apartment	-28.3%	-36.5%	-30.7%	24.6%	16.6%	23.2%

RECENT GTA SALES

Address	Suites	Price MM	Price Per Suite	Cap Rate
11 Yorkville Avenue *	77	\$45.00	\$633,800	2.5%
49McMurchy Avenue	79	\$11.50	\$145,570	4.2%
375 Westmount Avenue	29	\$5.65	\$194,830	NA
Yolles Portfolio	198	\$71.18	\$359,700	3.5%
25 Dallner Road	71	\$18.00	\$253,520	4.0%
2904 St. Clair Ave E	8	\$1.50	\$187,500	NA

*** **SOLD BY THE APARTMENT GROUP**

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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.

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 **\$4.0 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?

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COMMERCIAL FOCUS REALTY inc.

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