

APARTMENT DIGEST

Strong Growth in Condo Rental Q1 – 2014

Economic Indicators:

Real GDP Growth	
Q4 2013	+2.9%
Toronto Employment Growth	
Feb 2014	+1.8%
Toronto Unemployment Rate	
Feb 2014	8.1%
Inflation	
Feb 2014	1.1%
Bank of Canada Overnight Rate	
Mar 2014	1.0%
Prime Rate	
Mar 2014	3.0%
5 Year Mortgage Rate Fixed	
Mar 2014	4.99%

Toronto, April 15, 2014 – Toronto Real Estate Board President Dianne Usher announced that strong growth in rental transactions and rental listings was reported by Greater Toronto REALTORS® during the first quarter of 2014. For condominium apartments in particular, total rental transactions were up by 17.8 per cent compared to the first quarter of 2013. The total number of units listed was up by an even greater 27.7 per cent.

“Renters took advantage of an increased supply of investor - owned units listed for rent in the first quarter. These units, with modern finishes, choice amenities and locations in popular neighbourhoods attracted a growing number of renter households, including young

professionals moving close to work in downtown Toronto and New comers to Canada who initially chose to rent,” said Ms. Usher.

One bedroom units accounted for approximately 60 per cent of total condominium apartment rentals in Q1 2014. The average one bedroom rent was down by 1.6 per cent to \$1,573.

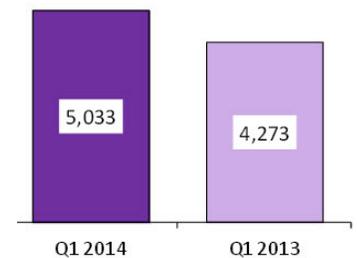
Two bedroom condominium apartments accounted for 36 per cent of transactions. The average two bedroom rent was up by 1.9 per cent to \$2,155.

“The condominium apartment rental market has become better supplied over the past 12 months as a number of new projects reached the completion stage.

While rental demand has remained strong, and many investor owned rental units have been absorbed, the increase in supply has given prospective renters more choice, so the pace of average rent growth has moderated,” said Jason Mercer, TREB’s Senior Manager of Market Analysis.

Source: TREB

Total TorontoMLS Apartment Rentals^{1,3}



Rental Market Summary: First Quarter 2014

Apartments^{1,2,3}

	All Bedroom Types		Bachelor		One-Bedroom		Two-Bedroom		Three-Bedroom	
	Listed	Leased	Leased	Avg. Rent	Leased	Avg. Rent	Leased	Avg. Rent	Leased	Avg. Rent
Q1 2014	11,208	5,033	113	\$1,346	3,002	\$1,573	1,807	\$2,155	111	\$2,746
Q1 2013	8,780	4,273	97	\$1,308	2,379	\$1,597	1,698	\$2,115	99	\$2,748
Yr./Yr. % Chg.	27.7%	17.8%	16.5%	3.0%	26.2%	-1.6%	6.4%	1.9%	12.1%	-0.1%

Townhouses^{1,2,3}

	All Bedroom Types		Bachelor		One-Bedroom		Two-Bedroom		Three-Bedroom	
	Listed	Leased	Leased	Avg. Rent	Leased	Avg. Rent	Leased	Avg. Rent	Leased	Avg. Rent
Q1 2014	760	326	2	\$1,150	33	\$1,490	107	\$1,904	184	\$1,949
Q1 2013	694	284	3	\$1,417	26	\$1,509	94	\$1,889	161	\$2,002
Yr./Yr. % Chg.	9.5%	14.8%	-33.3%	-18.8%	26.9%	-1.3%	13.8%	0.8%	14.3%	-2.7%

Toronto Condo Market Ends 2013 on a HIGH NOTE

Urbanation Inc., the leading source of information and analysis on the Toronto condominium market since 1981, released its Q4-2013 market results today.

A total of 4,299 new condominium apartments were sold in Q4-2013, up 12% from last year — the best quarterly result since Q2-2012. Total sales for 2013 came in at 13,797 units, representing a 22% decline from 2012. Percentage declines in 2013 were magnified due to the record sales volumes recorded in the first half of 2012. The five-year annual average of 19,090 sales remained above the longer-term 10-year average of 17,727 sales per year.

“The market displayed noticeable improvement in the final months of the year. The adjustments made by the industry throughout 2013 to make projects more competitive have begun to pay off.

This momentum is expected to help usher in more new projects during the first half of 2014 and boost up sales” said Shaun Hildebrand, Urbanation’s Senior Vice President.

The average price for sold units in development grew by 1.3% annually in the fourth quarter to an average of \$543 psf, the slowest pace of growth since 2005. Asking prices for unsold units declined by 0.9% year-over-year in Q4 to an average of \$563 psf.

“While we saw a soft landing in the new condo market in 2013, condo resale and rental activity strengthened last year. This should help improve confidence for new condo buyers, which is believed to be the biggest factor impacting the market,” added Hildebrand.

Resale condominium apartment sales totaled 15,698 units in 2013, up 2.7% from 2012. Meanwhile, rental condominium apartment transactions grew by 28% to reach 19,628 units — a higher level than resale transactions for the second consecutive year. Condo resale prices increased by an average of 2% in 2013, ending the year at \$418 psf.

Condo rents grew by an average of 4.2% in 2013, reaching \$2.37 psf in Q4-2013.

Source: Urbanation

Toronto Condo Sales Still Going Strong.....

Toronto condominium sales had their best March on record, more than doubling from a year ago as new projects stoked demand, according to RealNet Canada Inc.

Sales of new condos jumped to 2,496 units in Canada’s biggest city, driving first quarter sales 68% higher to 4,962 from a year ago, the Toronto-based real-estate research firm said Thursday in a report.

Prices dipped to \$548 per square foot in March from a record high of \$559 in February while the average unit was 797 square feet, up from a record low of 784 in February.

There are more condos under construction in Toronto than any other North American city according to industry website skyscraperpage.com, fuelling a debate over whether the booming city can absorb supply.

More supply is coming according to the report. There were 4,614 high-rise units launched in the first quarter, up 66% from the same quarter in 2013.

Units are set to get pricier as developers pass on costs, according to George Carras, president of RealNet.

Source: Toronto Star

RECORD Year for Condo Rentals in the GTA

Urbanation Inc., the leading source of information and analysis on the Toronto condominium market since 1981, released its Q4-2013 rental market results today.

Condo apartment rental transactions in the Toronto CMA continued their torrid pace in the fourth quarter, rising 22% from a year ago to 4,004 units and capping off a record-breaking year in 2013 that saw a total of 19,689 units rented through the MLS system, compared to 15,698 condo apartments resold.

The market continued along its path towards more balanced conditions as growth in total listings (23% year-over-year) slightly outpaced growth in transactions for the third consecutive quarter.

While still considered a 'landlord's market', rental appreciation slowed to 3.5% annually in the fourth quarter, ending the year at an average rate of \$2.37 per square foot.

"Rental demand in 2013 was strong enough to absorb the greatest ever inflow of condo rentals into the market.

The response to the new supply and movement of people into the core has been incredible and bodes well for the market outlook as condo completions remain high over the next few years" said Shaun Hildebrand, Urbanation's Senior Vice President."

Of the 16,755 condominium units completed and registered in 2013, over 4,000 (24%) were rented through the MLS system at an average of \$2.58 psf.

New units have helped to contain growth in monthly rents, which declined by 0.4% from a year ago to an average of \$1,829. The offsetting factor was reduced unit sizes — the average size of a unit rented during the quarter was 773 sf, 30 sf less than a year earlier. Units registered in 2013 that rented during Q4-2013 were an average of 682 sf.

Source: Urbanation

Market Watch – GTA Residential Market

April 3, 2014 -- Toronto Real Estate Board President Dianne Usher announced that Greater Toronto Area REALTORS® reported strong year-over-year increases in TorontoMLS home sales and the average selling price in March 2014. Home ownership affordability, backstopped by low borrowing costs, continued to be a key factor underlying this growth.

A total of 8,081 sales were reported in March 2014 – up by 7.2 per cent in comparison to March 2013. Sales growth was much stronger in March compared to the first two months of the first quarter.

Sales for Q1 as a whole were up by three per cent compared to the first three months of 2013.

"Sales activity in the GTA accelerated last month. Compared to last year, a greater number of buyers found affordable home ownership options, as evidenced by sales growth for all major home types. Against this backdrop, however, overall inventory at the end of March remained lower than last year.

This means competition between buyers increased, which is why the average selling price continued to climb," said Ms. Usher.

The average selling price for March 2014 sales was \$557,684 – an increase of almost eight per cent compared to the average reported for March 2013. The average price for the first quarter of 2014 was up by 8.5 per cent year-over-year.

With borrowing costs remaining low, and in fact declining, strong home ownership demand will continue to butt up against a constrained supply of listings.

Source: TREB

Recent Sales

Address	Units	Price	Price Per Unit	Cap Rate
118 Tyndall Avenue Toronto	93	\$11,625,000	\$125,000	NA
32 Maynard Avenue Toronto	43	\$6,000,000	\$139,500	NA
680 Roselawn Avenue Toronto	64	\$17,250,000	\$269,500	NA
2808 Keele Street North York	53	\$6,450,000	\$121,700	5.1%
42 Glen Elm Avenue Toronto	34	\$7,700,000	\$226,470	NA
1505 Ottawa Street North Kitchener – NEW BLDG	148	\$40,000,000	\$270,270	NA
1971 St. Laurant Boulevard Ottawa	500	\$64,950,000	\$129,900	NA

Source: CFAS and RealTrack

COMMERCIAL FOCUS REALTY INC., BROKERAGE

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

Phone:

(416) 972-9220

Fax:

(416) 972-9588

We're on the Web!

See us at:

www.cfrealty.ca

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 \$3.0 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?

Please call us to see how we can help you.

COMMERCIAL FOCUS REALTY inc.

Brokerage

Lorenzo DiGianfelice, AACI

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

We have a collection of seasoned Agents that can serve your needs. Whether you are buying or selling, let us show you how we can help. On staff we have appraisers, accountants, mortgage brokers and planners. **This is a total one stop real estate company that can assist you through the entire process.**

Mitchell Chang

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