

APARTMENT DIGEST

Are You Ready To Invest in Real Estate?

Economic Indicators:

Real GDP Growth Q2 2014	+3.1%
Toronto Employment Growth Jul 2014	-0.6%
Toronto Unemployment Rate Jul 2014	8.2%
Inflation Jul 2014	2.1%
Bank of Canada Overnight Rate Aug 2014	1.0%
Prime Rate Aug 2014	3.0%
5 Year Mortgage Rate Fixed Aug 2014	4.79%

When it comes to property investment, timing is everything. Ultimately, choosing the right time to enter the market will have a significant impact on the long-term success of your investment.

But how can you as an investor know whether the timing is right? Global property portal Lamudi has compiled a list of 10 tell-tale signs that now is the time to start building your investment portfolio.

1. You are financially ready. You have saved enough for the downpayment and you have also established your emergency fund. You have taken into account home maintenance expenses. Your credit history is good and you are able to meet all the financial obligations.

2. You have set your long-term goals. You have a clear picture in your mind of the purpose of your investment and you are flexible enough to adjust to changing circumstances. You are not hesitant and when the timing is right, you are able to adapt to the market needs and the development of technologies.

3. You have done your research. You know the neighborhood of your future property well enough to

foresee the coming trends and the possible changes in the community. You have researched all the schools in the area as well as the best commuting means and you are able to predict the next homebuyers needs.

4. You have chosen a stable economy. The area is financially stable, economic trends are promising and equities are surging. No demographic fluctuation or no irregular variation of population have been recorded in the area.

5. You understand the country's policies regarding real estate. The policies of the region promote and encourage a positive, innovative environment as well as drive further economic growth. The tax policy in the country is positive for homeowners. Global innovation index is rising in the area.

6. Infrastructure projects are underway and likely to lead to an increase in property values. The infrastructure of the area is being developed with a focus on: transport, energy, solid waste and water management developments.

7. The region is moving toward sustainable development. The region's awareness of global and local environmental issues

is increasing, the demand for eco-friendly homes as well as for sustainable rural and urban development is rising. As more and more people head toward sustainable living, investing in sustainable property will increase its value in the future.

8. The location draws a lot of interest. Whether it is the best travel destination or the hot jobs spot, the location is always on the top of the search engine. It has become a successful startup hub already or is planning to do so in the coming years, driving a lot of job seekers into the area. The number of enrolled students is increasing every year, the area draws interest of international students.

9. You have found a reliable real estate agent. Your real estate agent is trustworthy and knows the local market well enough to be able to help you make the choice.

10. You have researched local differences in the market. You are fully aware of all cultural differences that might occur when you deal with a property seller.

Source: Canadian Real Estate Wealth

Kitchener/Cambridge BEST PLACES to Invest

The Real Estate Investment Network (REIN), one of Canada's leading real estate research organizations recently released its latest report on the top Ontario cities to invest in real estate. Out of the 100's of cities and towns in Ontario, Kitchener and Cambridge were tied for number one investment communities in the Province.

The report entitled "Top Ontario Investment Towns 2014" analyzes the current and future prospects for real estate investment opportunities in Ontario. It identifies top regions that will out perform others in the Province over the next five years.

REIN's findings are based on in-depth analysis of the latest statistics, economic and social trends, an on

the ground reports for REIN members investors and staff. Along with reports and stats from organization such as CMHC, Stats Can, real estate boards, etc.

Don Campbell, the president of REIN states in the report "Kitchener and Cambridge have once again topped our Top Ontario Investment Towns report. The presence or world leading companies such as Microsoft and Google attest to the R&D capabilities and significant competitive advantage the region has to offer. Major transportation improvements in the coming years will entice even more business to locate in the region. In migration is strong and average incomes are strong and there is overall job growth."

RANKINGS:

1. Kitchener & Cambridge
2. Hamilton
3. Barrie
4. Waterloo
5. Brampton
6. Ottawa
7. Vaughan
8. Durham
9. Toronto
10. Milton

You can see from the above that the technology triangle fairs well. That is Kitchener, Cambridge and Waterloo. Barrie is third and Orillia just come in at 11th.

Source: Commercial Investor

Market Watch – Residential GTA July 2014

Toronto Real Estate Board President Paul Etherington reported strong year-over-year growth for July 2014 sales and the average selling price. Sales reported by TREB Members through the TorontoMLS system were up by 10% to 9,198. This was the second best July sales result on record.

"The second half of 2014 started where the first half left off, with very strong demand for the diversity of affordable home ownership options in the Greater Toronto Area. Sales were up strongly for most major home types and market conditions

actually tightened, with sales growth outpacing listings growth. The result was average price growth well above the rate of inflation," said Mr. Etherinton.

The average selling price for July 2014 sales was \$550,700 up by 7.5% compared to July 2013. The strongest rate of price growth was reported for the detached market segment in the City of Toronto, with a year-over-year change of 11%. The better supplied condominium apartment segment experienced average price growth of 5.3 per cent for the GTA as a whole.

"Strong demand for ownership housing will underpin robust average price increases for the remainder of 2014. In fact, the pace of price growth that we have experienced over the past year will continue until growth in listings outpaces growth in sales for a sustained period of time," said Jason Mercer, TREB's Senior Manager of Market Analysis.

Source: TREB

Toronto Growth – 2009 to 2013 and Beyond

Toronto is growing with strong development prospects helping to bring more people and jobs into the City.

Between January 1, 2009 and December 31, 2013:

- Over 163,800 residential units and 4.41 million m² of non-residential GFA were proposed in the City of Toronto.
- 70,400 new residential units were constructed.
- 86% of this new residential development is proposed in areas targeted for growth by the City's Official Plan.
- The Downtown & Central Waterfront area is the main location for residential and office development, with 40% of the residential units and 38% of the non-residential GFA proposed in the City.
- 132,100 units and 3.05 million m² of non-residential floor space proposed are under review or have been approved, but have not yet been built. Toronto will continue to grow as proposed developments receive approval and building permits.
- Almost 41,500 of the proposed residential units were along the Avenues identified in the Official Plan.

- Among the Centres, Yonge/Eglinton Centre has the most residential activity with 41% of the proposed residential units. Etobicoke Centre has the most non-residential space proposed, with 39% of all non-residential GFA proposed in the Centres.

- 27% of the City's proposed non-residential floor space is in the Employment Districts of the Official Plan.

- Downtown Toronto accounts for almost 80% of all the office space currently under construction in the GTA.

The City's population is on track with the population forecast in the Growth Plan. The Growth Plan anticipated a 2011 population including Census under coverage of 2,760,000.

The City's 2011 Census population is reported as 2,615,060. Given that the Census undercounts the City's population, the City's estimated actual population in 2011 is 2,753,100 ± 15,400.4,5 This is very close to the level anticipated by the Growth Plan. In 2006, the City's population, including under coverage, was 2,610,100 ± 14,600.

With an increase of 143,000 people between 2006 and 2011 or an average of 28,600 people per year, Toronto is well on its way to reaching the forecasted population.

In June 2013, the Growth Plan for the Greater Golden Horseshoe was amended with revised forecasts. On the basis of the forecast background study, Toronto will need to add approximately 7,200 new jobs each year between 2011 and 2031 to reach the Growth Plan forecast.

The City continues to be an exceptionally attractive location for residential development in the GTA, especially for high-density condominium apartments. CMHC recorded 70,400 residential units completed in Toronto between 2009 and 2013 and 79% of these units were condominium apartments, an all-time high in Toronto's development history.

The Downtown and Central Waterfront area is the most prominent location for development activity in the City and contains the largest percentage of proposed residential development in all the City's growth management areas.

Between January 2009 and December 2013, 64,900 units and 1.7 million m² of non-residential GFA were received for review in the area. This comprises 40% of the residential units and 38% of the non-residential GFA proposed in the entire city.

Source: City of Toronto

Recent Sales – GTA

Address	Units	Price	Price Per Unit	Cap Rate
133 Dunn Ave.	9	\$2,250,000	\$250,000	4.9%
4 Antrim Cres.	65	\$9,700,000	\$149,230	5.1%
2100 Camilla Rd	103	\$14,360,000	\$139,415	NA
327 Chisholm Ave.	20	\$3,250,000	\$162,500	NA
145 Wellington St. W.	204	\$34,750,000	\$170,340	5.6%
580 The East Mall	122	\$18,300,000	\$150,000	NA
128 6 th St.	6	\$1,145,000	\$190,830	4.5%

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