

# APARTMENT DIGEST

## Hamilton Market is ON FIRE

Property listings continue to fly off the shelf in what many are calling Ontario's hottest market for brokers – a stone's throw from the GTA.

Hamilton recorded a significant increase in home sales for the third month in a row, registering a 31.2 per cent increase, according to the latest figures from the Realtors Association of Hamilton-Burlington.

"The real estate market exploded in June," said Realtors Association of Hamilton-Burlington (RAHB) CEO Ross Godsoe in a release. "To break the old record – set just last month – by that much and for the second month in a row, shows just how active it was. We saw more areas throughout Hamilton in particular where homes sold at or above list price as an average – not just in isolated cases."

His comments follow the release of numbers which show that 2,062 property sales were processed through the RAHB's MLS system, which dismantled the record of 1,810 sales set just last month.

There were 2,526 properties listed in June, an increase of 12.9 per cent compared to the same month the year prior.

However, the increase in sales left the end-of-month listing inventory 12.2 per cent lower than last June.

The average price for a property in the Hamilton-Burlington area in June was \$451,403, an increase of almost nine per cent from June 2014.

The rapid pace of sales, however, meant the available inventory at month's end fell to 3,698 properties, down 12.2 per cent from last year.

"We are deep into a sellers' market right now," he said. "The two main indicators are the sales-to-listing ratio, which is high at almost 85 per cent in the residential market, and months of inventory. Right now we have less than two months' inventory. That is extremely low when you consider that a balanced market has five to eight months of inventory."

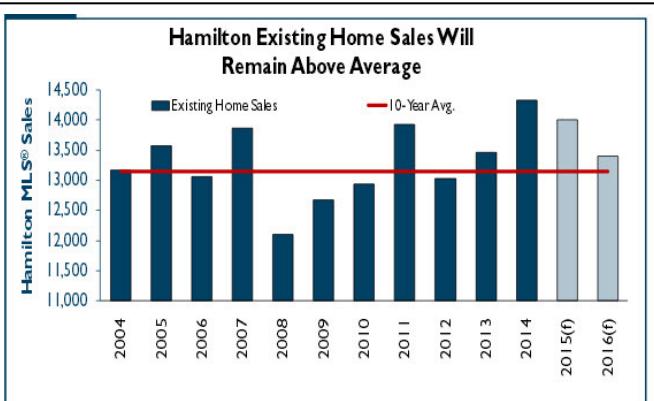
Year-over-year sales in Hamilton increased 27.1 per cent, to 1,089 from 857, while listings rose 18.5 per cent to 1,285 from 1,084. The average price in the city rose 9.1 per cent to more than \$368,000 from \$337,480. The available inventory of properties sank 14 per cent to 1,416 from 1,646.

In Burlington, 438 properties were sold in June this year compared to 347 in the same month of 2014, a spike of 28.8 per cent. Average prices rose 7.2 per cent to \$576,200 from \$537,700.

**Source:** Jordan Maxwell  
Mortgage Brokers News

### Economic Indicators:

<b>Real GDP Growth</b>	
Q1 2015	-0.6%
<b>Toronto Employment Growth</b>	
May 2015	0.9%
<b>Toronto Unemployment Rate</b>	
May 2015	7.1%
<b>Inflation</b>	
May 2015	0.9%
<b>Bank of Canada Overnight Rate</b>	
Jun 2015	0.8%
<b>Prime Rate</b>	
Jun 2015	2.9%
<b>5 Year Mortgage Rate Fixed</b>	
Jun 2015	4.6%



## Average Rents In Canada UP

In many of Canada's hot real estate markets, landlords are finding it difficult to cash flow investment properties, as house prices continue to rise and rentals just can't keep up.

However, a new infographic from Rentseeker.ca showcases the average rental costs for studios/bachelors, one-bedrooms, two-bedrooms and three-bedrooms in cities across Canada, including Toronto, Ottawa, Montreal, Vancouver, Edmonton, Winnipeg, Edmonton, Halifax, Kingston, Hamilton and London.

"Existing tenants are protected from annual increases above the limits set by each province (for example, in Ontario, the 2016 increase allowed is properties."

two per cent," said Rentseeker.ca. "But new tenancies are not covered under rent control, allowing landlords to charge whatever price the market demands for their rental properties."

According to Rentseeker.ca, average monthly rent for studio or bachelor apartments are highest around the GTA – including in Ajax (\$1,253), Richmond Hill (\$1,136), Oakville (\$1,105), Markham (\$1,057) and Vaughan (\$1,040) – rather than Toronto itself, which sees an average of \$902 for the property type.

On the West Coast, however, Vancouver's studio and bachelor apartments bring in an average monthly rent of \$930, while its outlying areas are slightly cheaper, at \$887 in Burnaby, \$886 in Burnaby and \$869 in Surrey.

Monthly rents for these types of properties are at their lowest in Quebec City (\$544), Windsor (\$538), Abbotsford (\$584), Winnipeg (\$584) and Thunder Bay (\$605).

**Source:** Canadian Real Estate Wealth  
Jennifer Paterson

## Another Record Month in House Sales – GTA

July 7, 2015 -- Toronto Real Estate Board President Mark McLean announced that Greater Toronto Area REALTORS® reported 11,992 sales through TREB's MLS® System in June 2015. This result represented a new record for the month of June and an 18.4 per cent increase over the June 2014 result of 10,132.

"As I begin my term as TREB President, I think it is important to point out that our region continues to

grow in response to our diverse economic, ethnic and cultural bases. The GTA consistently receives international accolades as one of the best places in the world to live and do business. As the number of households grow, many of them will take advantage of the diversity of affordable home ownership opportunities that exist in Toronto and the surrounding areas," said Mr. McLean.

Selling prices were up markedly on a year-over-year basis in June, for all major home types. The MLS® Home Price Index (HPI) Composite Benchmark was up by 8.9 per cent in comparison to June 2014. The average selling price was up by 12.3 per cent over the same period to \$639,184.

**Source:** TREB

## 2016 Apartment Rent Increase – 2% Ontario

According to the Federation of Rental Providers of Ontario, the province has set the guideline on rent increases for 2016 at 2.0 per cent; meaning that is the maximum a landlord can raise a tenant's rent without the approval of the Landlord and Tenant Board. The guideline is based on the Ontario Consumer Price Index, a measure of inflation calculated monthly by Statistics Canada that reflects economic conditions over the past year.

The rent increase guideline applies to most private and residential rental accommodations covered by the Residential Tenancies Act, 2006. The guideline is not applicable to: vacant residential units, residential units first occupied on or after November 1, 1991, social housing units, nursing homes or commercial property.

***The new rent increase guideline will also mean:***

- \* There will be a change to the threshold for what qualifies for an extraordinary operating cost increase in 2016. According to the regulations, "an increase in the cost of municipal taxes and charges or utilities is extraordinary if it is greater than the guideline plus 50 percent of the guideline". That means that the threshold for extraordinary operating costs will be 3.0% for 2016.

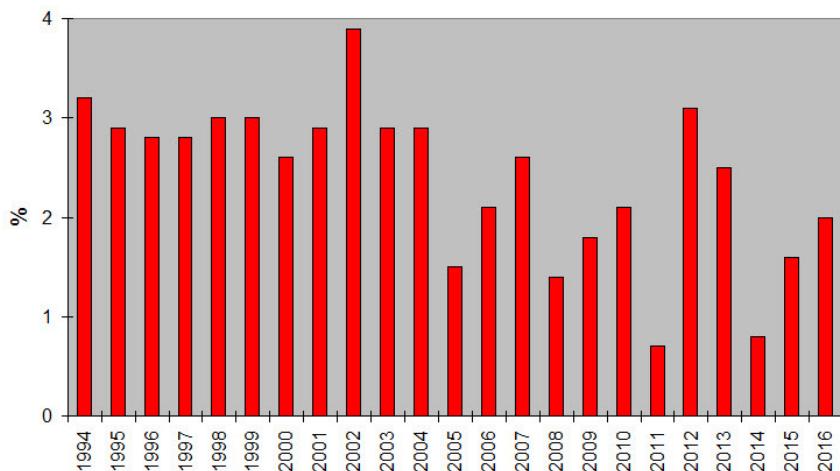
- \* The interest rate on last month's rent deposits also changes in accordance with the Residential Tenancies Act which requires interest to be paid to the tenant annually at a rate equal to the guideline. The interest rate on last month's rent (LMR) deposits for 2016 will be 2.0%. Note that landlords will be able to use the interest earned on a last month's rent deposit to top up the tenant's last month's rent deposit, as required, to keep this deposit up-to-date with the current monthly rent.

The rent for a unit can be increased up to the guideline limit if at least 12 months have passed since a tenant first moved in, or if at least 12 months have passed since the last rent increase.

A tenant must be given proper written notice of a rent increase at least 90 days before the rent increase takes effect. The written notice should be on the N1 Form, "Notice of Rent Increase", available from the Landlord Tenant Board website, [www.ltb.gov.on.ca](http://www.ltb.gov.on.ca), under the section "Notices of Rent Increases". There is no requirement for approval by the Landlord Tenant Board.

*Source: REMI*

### Rent Increases Ontario



## OUR Recent Sales – Year TO Date

Address/City	Suites	Price MM	Price Per Suite	Cap Rate
<b>118-120 Pembroke Street Toronto</b>	8	\$2.8	\$350,000	4.25%
<b>117 &amp; 127 Broadway Avenue / Toronto</b>	131	\$36.8	\$280,915	2.65%
<b>55 &amp; 65 Broadway Avenue Toronto</b>	131	\$44.5	\$339,695	2.55%
<b>18 Cumberland Street Toronto</b>	NA	\$3.77	NA	NA
<b>118 St. Joseph's Drive Hamilton</b>	30	\$2.375	\$79,165	5.0%
<b>Confidential - FIRM Toronto</b>	NA	\$42.0	NA	2.65%

Source: CFR

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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?*

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