

2010-2014 - Ontario's Top Investment Areas

THE TOP ONTARIO INVESTMENT TOWNS

(in order)

Kitchener-Waterloo
 Hamilton
 Barrie-Orillia
 Brampton
 Whitby-Pickering & Ajax
 Ottawa
 Brantford
 Toronto
 Vaughan
 Whitchurch-Stouffville

The *Real Estate Investment Network's* (REIN™) release of *Top Ontario Investment Towns* analyzes the current and future prospects for real estate investment opportunities in Ontario. The report states that recent market correction provides buying opportunities for real estate investors; however, only in select regions of the province.

It identifies which areas will outperform in the coming decade and finds that the Kitchener Waterloo Cambridge area (see list immediately to the left) is the top region in Ontario in which to invest in real estate. The in-depth research is based on the latest statistics, economic and social trends, and on-the-ground reports from REIN™'s research staff, members and industry professionals.

"Despite today's continuing market turmoil, our research indicates that there are more buying opportunities now than in the last few years, meaning more investment options and better yields" said report lead author Don R. Campbell.

With today's mixed market signals it is critical that investors and home-buyers complete that extra level of due diligence. We are no longer in the boom years of real estate investing, where you won no matter what you bought. Now we get back to market reality where economic fundamentals, not speculation, will once again play the key role in whether a property increases or drops in value.

The years of skyrocketing prices are finally over; however, over the long term the economic fundamentals of these key regions will help their property values dramatically

The communities of Kitchener, Waterloo, and Cambridge, known collectively as *Canada's Technology Triangle*, are becoming known as a competitive area in which to build high-tech businesses. The area is so strong economically that the REIN™ in its past research has dubbed it the "*Economic Alberta of Ontario*".

This continues to prove true as the region was once again selected as the number-one investment town in Ontario. Within a 24 hours drive, the *Technology Triangle* has access to more than 60% of Canada's population and 40% of the U.S. population.

The reinvention of the region's economy in the last few years has led to investment in the information technology sector, a venture which has protected the Triangle from the steep increase in job losses experienced in many other Ontario communities. A commitment to infrastructure improvements and transportation projects will also help drive the economy and the real estate market in this area.

Hamilton is poised to outperform most the province as it grabs a hold of the future. The continuing diversification of the City's economy coupled with the increase in accessibility provided by the transportation improvements provides a strong economic base from which to work.

Hamilton's economy, in just a few short years will be unrecognizable when compared to the past decades. This renewal will help drive demand for real estate (rentals as well as ownership) in the City, especially in older neighbourhoods going through transition.

With the largest job growth in all of Canada between 2001 and 2006, the economy of *Vaughan* is becoming increasingly more diverse. Its extensive transportation network, available land, and the lowest commercial and industrial property taxes in the GTA continue to attract new businesses to the area.

The City of Vaughan has become a preferred location for investment, leading the country's cities in the per capita of building permits issued.

Toronto continues to be a major economic engine for Canada, as it continues to be the financial and head office capital of the country. This, combined with a strong growth of immigration to the city will help to provide an ongoing source of both rental and ownership demand in the housing market. Some regions of the city will prove to be provincial leaders, while other regions will lag sadly behind.

Investors in the Toronto market must focus on areas with future potential, while at the same time ignoring past neighbourhood reputations. One breakout region in coming years will be Scarborough. With home prices consistently below other regions of Toronto and a planned Rapid Transit expansion, the region will experience rapid growth.

The following was taken from the REIN™ web site.

The full 102-page report is available members of the public for \$59.97 from the REIN™ office by phone at 888-824-7346, email info@reincanada.com and at www.reincanada.com.

APARTMENT DIGEST

Are there "Green Shoots" in December?

Noteables:

- Real GDP grew by 0.4% in Sep. '09 – first quarterly increase in over a year
- Domestic demand grew by 1.2% in Q3-09 – largest advance since 2007
- Business investment most improved rising 1.3% in Q3-09 after 3 straight declines totaling 17%
- Employment rose by 0.6% in Nov. '09 pushing the unemployment rate down to 8.5% nationally
- Bank rate held firm at 0.25% in Dec. '09 – down from 4.5% in Jan. '08
- Rates expected to stay low as inflation is in check and low – CPI is at 0% in Dec. '09 which is down from 3.5% in Jul. '08

Since the start of the recession many economists dropped to their knees looking for "green shoots" - signs of economic growth. In the early days, the only thing green was money coming off the printing presses.

As the collapse worsened all were crossing fingers, looking through magnifying glasses and grasping at any little positive news. With the recent strength of the residential market many were suggesting the worst was behind us from a real estate perspective. However, those of us in commercial real estate were wondering if we should take the year off.

The commercial real estate

market reacted quickly to the changing economic reality. They had to. Manufacturing production ground to a halt; triple "A" retail tenants were going bankrupt; banks were not lending money; etc. All of this a result of the fallout from the recession.

Excluding the Apartment market, real estate prices were adjusted downwards but deal flow still was very low.

It appears over the past few months that some "green shoots" have taken hold as can be seen in the Notables. While we are far from out of the woods it does appear from the data that we have stemmed the bleeding.

GDP is holding its own; demand is firming up; inflation is low and business investment is returning. As well in Canada building permits are starting to move ahead and consumer optimism is returning.

All this being said, there are currently not enough data points to draw a straight line, yet any real conclusions. There have been some real structural changes to the economy and these will need to be addressed moving forward. As well, governments have created record debts which WILL mean inflation (currency devaluation) and higher interest rates at some point.

Retail sales in December will be a tell tale sign of how things will move forward in 2010.

Recent Apartment Sales

Address	City	Units	Price	Per Unit
2515 Bathurst	Toronto	115	\$15.35MM	\$133,475
1155 Midland	Scarborough	115	\$8.4MM	\$73,000
1731 Victoria Park	Scarborough	129	\$9.8MM	\$76,600
300 Invergordon	Scarborough	184	\$21.48MM	\$116,750
2770 Jane	North York	144	\$9.35MM	\$64,900
310-312 Lonsdale	Toronto	34	\$3.3MM	\$97,000
425 Avenue	Toronto	47	\$5.72MM	\$121,500
19-59 Spadina	Kitchener	67	\$3.9MM	\$58,200
1 Oxford	Cambridge	17	\$920k	\$54,175
791 Walter	Cambridge	49	\$3.75MM	\$66,325
514 Main	Hamilton	31	\$1.795MM	\$41,700

Source: Realtrack

CFR Featured Listings – Condo Townhouses!

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:

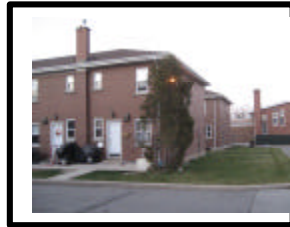
www.cfrealty.ca



75 Berkindale Drive, Stoney Creek

Price: \$5,750,000 **Cap Rate:** 7.0%
Units: 46

Notes: Registered condo rental project in strong area. 25 of the units recently renovated.



425 East 42nd Street, Hamilton Mountain

Price: \$3,900,000 **Cap Rate:** 7.0%
Units: 36

Notes: Registered condo rental project on the Mountain near Limeridge Mall. **Low rents.**

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

ups 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 \$1.5 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

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.**

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