

OUR NEW OFFERING



88 UNIT RENTAL APARTMENT COMPLEX

8 BUILDINGS WITH 11 RENTAL UNITS IN EACH

12 – 26 Rosseau Road, Toronto, Ontario

A 2.4 acre landscaped site improved with an upgraded and well maintained 88 unit rental apartment complex comprised of 8 three-storey apartment buildings each with 11 rental units. The property is located in the strong rental market area of North York-Central North, more specifically, on the west side of Rosseau Road just east of Bathurst Street and north of Hwy 401. Close to retail, commercial, and transportation amenities. Asking Price \$10,120,000 or \$115,000 per unit.

[Click here for more information](#) 

CURRENT LISTINGS

512 & 514 Jarvis Street, Toronto

This unique property with remarkable historically designated architectural features is complete with 32 rooms, including 3 recording studios, rehearsal space, 23 fully furnished bedrooms, many with en-suite bathrooms, a common lounge area, large dining room and kitchen. **Asking Price \$6,000,000.**

[Click here for more information](#) 

441 Jarvis Street, Toronto

A three storey plus basement, 1800's Victorian style mansion that has been converted into an office building and located on the east side of Jarvis Street, north of Carlton Street, south of Maitland Street. The site has approximately 42.03 feet of frontage on Jarvis Street. The building has 5,259 leasable square feet. **Asking Price \$2,500,000**

[Click here for more information](#) 

RECENT GTA RENTAL APARTMENT BUILDING SALES

Source: Marshnet.com

225 MARKHAM ROAD, Scarborough – A 223 units located just north of Eglinton Ave. E. Closed August 11, 2011 at \$16,867,823 or \$72,394 per unit.

110 SOUTH FORSTER PARK DRIVE, Oakville – A 48 unit rental apartment located south of Hwy 403 and just east of Trafalgar Rd. Closed on August 4, 2011 at \$5,185,000 or \$108,021 per unit.

317 PARK LAWN ROAD, 4 & 9 CROWN HILL PLACE, 34 RIVERWOOD PARKWAY, Etobicoke – 159 units in 4 buildings all located just north of Park Lawn Rd. and The Queensway. Closed on August 2nd, 2011 at \$15,118,000 or \$95,082 per unit.

24 LEITH HILL ROAD, North York – 224 units located across from Fairview Mall. Closed on June 30, 2011 at \$31,085,000 or \$138,772 per unit


2402 QUEEN STREET EAST, Scarborough – 54 units in three walk up buildings located at Queen St. E. and Victoria Park Ave. Closed June 1, 2011 at \$6,300,000 or \$116,666 per unit.

8 OAKWOOD AVENUE NORTH, 206 & 212 LAKESHORE ROAD EAST, Mississauga – 63 units in three buildings all located just east of Hurontario St. off Lakeshore Rd. Closed on June 1, 2011 at \$6,700,000 \$106,349 per unit.



INDUSTRY COMMENTARY:

COMPRESSING CMHC MORTGAGE SPREADS & APARTMENT CAP RATES

CMHC insured mortgage financing rates have never looked better. While the spreads quoted over CMB yields have stayed relatively flat, the underlying CMB bond yield has compressed in line with GOC yield declines resulting in record low mortgage rates for borrowers. [Click here for more information](#) 

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LIFE LESSONS at PETRUS COMMERCIAL REALTY CORP. - Lesson #50

“I take nothing for granted. I now have only good days, or great days.”
~ Lance Armstrong



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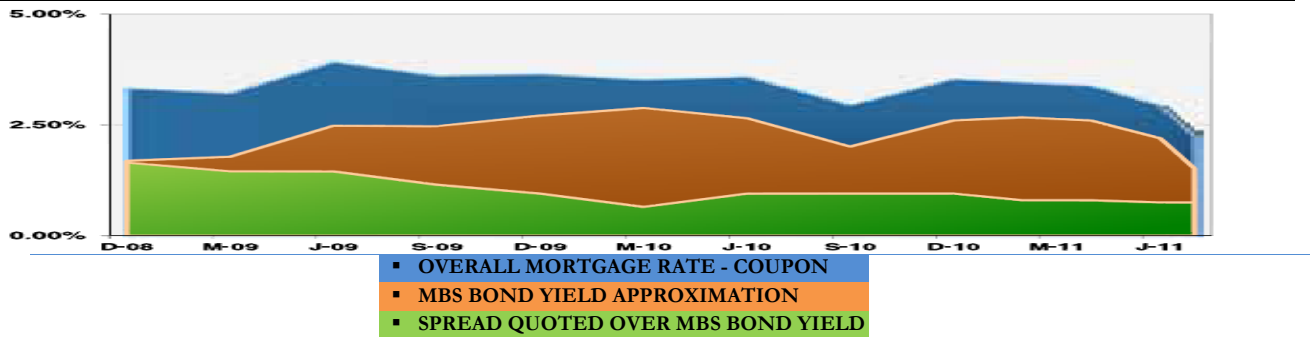


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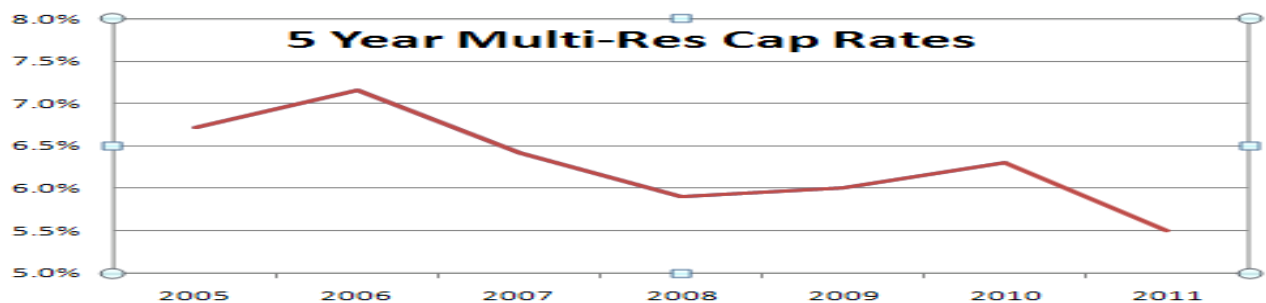
CMHC insured mortgage financing rates have never looked better. While the spreads quoted over CMB yields have stayed relatively flat, the underlying CMB bond yield has compressed in line with GOC yield declines resulting in record low mortgage financing rates for the Borrowers. For e.g., in 2010 the CMB yields were averaging around 2.50% and the average spread for a large/A quality apartment building was being quoted at around 55/65 bps for an overall coupon of slightly over 3.0%; the same coupon today is averaging at slightly above 2.50% with CMB yields for a 5 year deal fluctuating around 2.0% at present and spreads being quoted at around 50/65 bps.

RELATIVE MOVEMENT OF MORTGAGE SPREADS OVER LAST 5 YEARS FOR CMHC INSURED TRANSACTIONS



The CMB program launched by CMHC in 2001 has been a boon for the apartment sector. CMB issuance has totaled \$22-billion YTD and over the past decade and \$250-billion has been issued. CMBs have evolved from fixed rate five-year bond issuances to, over time, becoming floating-rate issues and in 2008 CMHC introduced 10-year bonds to spice up the terms offered.

IMPACT OF MORTGAGE RATE COMPRESSION ON CAP RATES AND RELATIVE RETURNS



It will be safe to predict that, relative compression of mortgage rates will translate into further price appreciation and CAP rate compression especially as it relates to well located investment quality apartment transactions. For e.g., positive leverage (delta between the CAP rate and mortgage rate) back in 2009 was around 250 bps and hence by way of extrapolation the CAP rates now should be trending towards mid 5% range (barring unforeseen geo-political events) as the mortgage coupons now are in the 2.50% to 3.0% range.

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