

### NEW LISTING – FORWARD SALE RENTAL STUDENT RESIDENCE TO BE BUILT

**380 Church Street, 50-56 Gerrard Street East, Toronto, Ontario**



The "L shaped" site; excluding the corner is located in the northwest quadrant of Gerrard Street East and Church Street at 380 Church Street and 50 and 56 Gerrard Street in Toronto. The site measures approximately 25,640 square feet and is located immediately adjacent to Ryerson University. The vendor is soliciting Expressions of Interest to purchase the freehold interest of the site together with a 134,204 square foot, 184 suite rental student housing building to be constructed and rented for the purchaser. The site is currently improved with a vacant 27 unit rental apartment building to be demolished.

**Expressions of Interest are due February 23rd, 2006 at 12:00 noon.**


**Find out more....** 



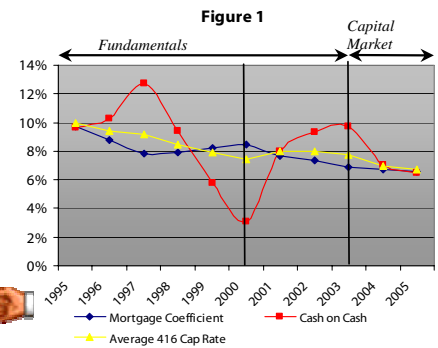
### INDUSTRY COMMENTARY – GTA MULTI UNIT RENTAL APARTMENT MARKET – 2005 Cash on Cash Returns Show Positive Impact of Capital Market in Sector

Cash on Cash returns are down 50 to 60 bps in 2005 over the 2004 results, showing that capital markets are having a positive impact on asset valuation despite a softening in rental fundamentals (see Figure 1 and 2).

The dollar volume of sold assets of over 100 units remains stable and average cap rates are down 26 bps and 28 bps in the 416 and 905 area.

While price per suite and income per suite are down in the 905 area, the trend is upward in the 416 area (see Figures 3 through 6). **Find out more....** 

**We welcome your feedback on the commentary.**



### RECENT MULTI UNIT RESIDENTIAL APARTMENT SALES IN TORONTO

Source: John Marsh Report

**320 Avenue Road and 2515 Bathurst Street** – part of a portfolio sale and exchange closed December 15, 2005 totaling \$67,176,000 (Toronto portion). 320-342 Avenue Road, 109 suites is located south of St. Clair Avenue West closed at \$10,332,000 or **\$94,789** per suite. 2515 Bathurst Street of 115 suites is located north of Eglinton Avenue West, closed at \$13,750,000 or **\$119,565** per suite.

**191 & 201 Sherbourne Street** – a 597 suite building located at Shuter Street. Closed August 4, 2005 at \$46,000,000 or **\$77,052** per suite.

**50 John Street** – a newly constructed 424 suite building located on the north west corner of John Street and Wellington Street West. Closed July 8, 2005 at \$95,649,938 or **\$218,514** per suite or 6.2% cap rate.

**525 Richmond Street West** – a newly constructed 103 suite building located at Maud Street. Closed February 24, 2005 at \$20,700,000 or **\$200,971** per suite.

**3000 Yonge Street** – a 272 suite building located south of Lawrence Avenue. Closed March 31, 2005 at \$24,200,000 or **\$88,971** per suite.



### Life Lessons at P.G. Gagné Commercial Real Estate Corp. – Lesson #17

Laughter is good and clears the mind! Here are a few 'brain cramps' picked up from the internet.

- "Smoking kills. If you're killed, you've lost a very important part of your life" Brooke Shields (during an interview to become spokesperson for federal anti-smoking campaign)
- "Half this game is ninety percent mental." Danny Ozark, Philadelphia Phillies Manager
- "We are ready for any unforeseen event that may or may not occur." Al Gore, U.S. Vice President
- "Outside of the killings, Washington has one of the lowest crime rates in the country." Marion Barry, Washington DC Mayor
- "The word 'genius' isn't applicable in football. A genius is a guy like Norman Einstein." Joe Theisman, NFL Quarterback and Sports Analyst
- "We don't necessarily discriminate. We simply exclude certain types of people." Col. Gerald Wellman, ROTC Instructor

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Mortgage Coefficient*	9.69%	8.77%	7.81%	8.21%	8.44%	7.67%	7.67%	7.32%	6.89%	6.72%	6.55%
NHA Rate	8.33%	7.15%	5.86%	6.02%	6.41%	6.72%	5.68%	5.19%	4.57%	4.33%	4.07%
<b>416 Apartments</b>											
<b>Total 416 Sales \$ Volume (millions)</b>	\$251	\$388	\$519	\$334	\$400	\$242	\$288	\$311	\$252	\$758	\$252
<b>Avg 416 \$ per Suite</b>	\$42,912	\$47,037	\$56,352	\$53,753	\$67,249	\$80,249	\$69,721	\$76,835	\$81,576	\$79,924	\$109,583
<b>Avg 416 Cap Rate</b>	9.97%	9.38%	9.18%	8.50%	7.89%	7.47%	7.97%	8.01%	7.75%	6.99%	6.73%
<b>Avg 416 Income per Suite</b>	\$4,343	\$4,037	\$4,722	\$4,533	\$5,266	\$5,639	\$5,409	\$5,650	\$5,820	\$5,788	\$7,597
<b>Total 416 Units</b>	7,905	9,530	10,935	6,924	5,886	2,990	4,199	4,603	2,839	9,611	2,328
<b>Avg 416 Units</b>	439	307	296	192	294	214	200	354	258	331	259
<b>Cash on Cash</b>	9.63%	10.27%	12.76%	9.40%	5.74%	3.11%	7.96%	9.36%	9.73%	7.01%	6.51%
<b>905 Apartments</b>											
<b>Total 905 Sales \$ Volume (millions)</b>	\$107	\$195	\$141	\$276	\$156	\$182	\$118	\$324	\$139	\$103	\$170
<b>Avg 905 \$ per Suite</b>	\$49,841	\$54,670	\$62,458	\$73,196	\$74,866	\$85,505	\$84,976	\$105,640	\$85,426	\$96,460	\$73,916
<b>Avg 905 Cap Rate</b>	10.35%	9.96%	8.81%	8.41%	8.63%	8.17%	8.19%	7.81%	8.23%	6.98%	6.70%
<b>Avg 905 Income per Suite</b>	\$4,978	\$5,231	\$5,319	\$5,987	\$7,454	\$6,359	\$7,345	\$8,214	\$8,226	\$6,922	\$6,180
<b>Total 905 Units</b>	2,064	3,691	2,268	4,007	1,900	2,091	1,304	3,140	1,552	1,064	2,101
<b>Avg 905 Units</b>	318	336	174	250	173	190	163	224	194	152	191
<b>Cash on Cash</b>	11.28%	12.79%	11.15%	9.01%	8.96%	6.15%	8.91%	8.49%	11.82%	6.97%	6.36%
<b>Difference in Cap Rates</b>	-0.38%	-0.58%	0.37%	0.09%	-0.74%	-0.70%	-0.22%	0.20%	-0.48%	0.01%	0.03%

\* Mortgage Coefficient is calculated using average NHA rate for the year for a 5 year term, 85% Loan to Value with a 3% fee mark up, amortized over 25 years.

### GTA MULTI UNIT RENTAL APARTMENT MARKET – 2005

#### Cash on Cash Returns Show Positive Impact of Capital Market in Sector

Cash on Cash returns are down 50 to 60 bps in 2005 over the 2004 results, showing that capital markets are having a positive impact on asset valuation despite a softening in rental fundamentals (see Figure 1 and 2).

Rental fundamentals have dictated this market from 1995 to 2003. The declining required cash on cash returns at purchase from 1995 to 2000 reflects optimism during the period while rising required returns from 2000 to 2003 reflect less favourable leasing fundamentals.

Leasing fundamentals have not improved since 2003 and yet required cash on cash returns are declining. The reasons are likely to be found in the strength of the capital market with its lower interest rates and availability of funds.

The dollar volume of sold assets of over 100 units remains stable and average cap rates are down 26 bps and 28 bps in the 905 and 416 area.

While price per suite and income per suite are down in the 905 area, the trend is upward in the 416 area (see Figures 3 through 6).

Original Data Source:  
John Marsh Report

Figure 1

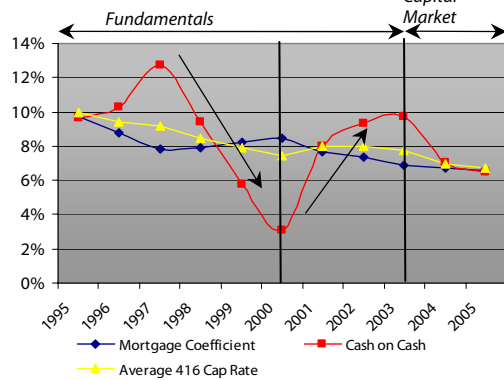


Figure 2

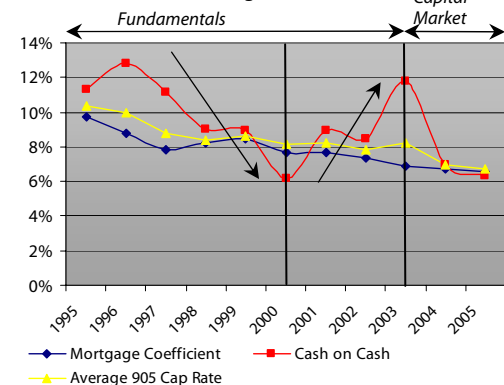


Figure 3

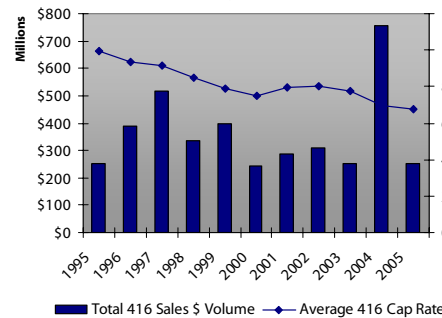


Figure 5

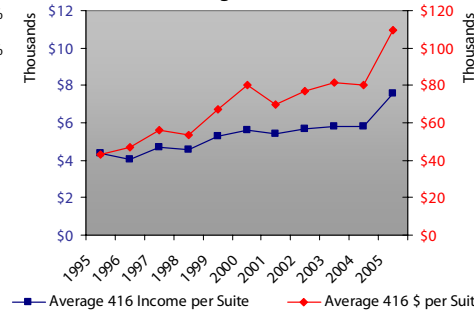


Figure 4

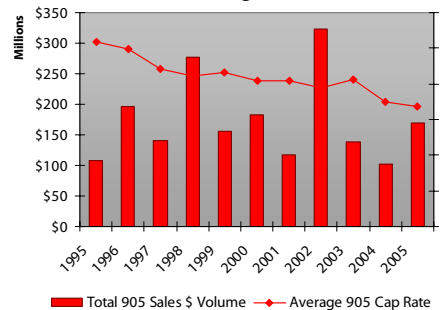


Figure 6

