

NEW LISTING – FOR SALE



RENTAL APARTMENT BUILDING 399 MARKHAM ROAD, TORONTO

The 4.17 acre site backing onto the attractive Scarborough Golf & Country Club is improved with an upgraded and well maintained, 251 unit rental complex comprised of a fifteen storey, 250 suite rental apartment building and a stand alone house located on the east side of Markham Road between Lawrence Avenue East and Eglinton Avenue East.

Asking Price: \$18,000,000

[Click to read more](#)



OUR LISTING SOLD

1375 MIDLAND AVENUE – Scarborough – 6.28% Cap Rate -

A 145 suite rental apartment building located just south of Lawrence Avenue. Closed September 1st, 2009 for \$9,250,000 or \$63,793 per suite.

OTHER RECENT GTA APARTMENT SALES

Source: Marshnet.com

1155 MIDLAND AVENUE – Scarborough – 7% Cap Rate - A 115 suite apartment building located just south of Lawrence Avenue East. Closed July 30th, 2009 at \$8,400,000 or \$73,043 per suite.

2515 BATHURST STREET – Toronto – A 115 suite apartment building located north of Eglinton Avenue West. Closed September 24th, 2009 at \$15,350,000 or \$133,478 per suite. Part of a portfolio.

45 & 55 FAYWOOD BOULEVARD – Toronto – A 164 suite apartment building located east of Allen Road and north of Wilson Avenue. Closed August 20th, 2009 at \$14,000,000 or \$85,366. Part of a portfolio.

1731 VICTORIA PARK AVENUE – Scarborough – A 126 suite apartment building located south of Lawrence Avenue East. Closed October 1st, 2009 at \$9,915,000 or \$78,690 per suite.



INDUSTRY COMMENTARY: HOUSING MARKET DIGEST - WILL DUNNING REPORT, GREATER TORONTO AREA, SEPTEMBER 2009

Synopsis: The summer market was quite strong in both the resale and new construction arenas. The resale market transitioned very rapidly from a “buyers’ market” last winter to the current “sellers’ market” (with short-selling periods, multiple offers, and price escalation). But, based on the weakened employment situation, activity should moderate before long.

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LIFE LESSONS at P.G. GAGNÉ COMMERCIAL REAL ESTATE CORP-Lesson #41

1. Life isn't fair, but it's still good
2. When in doubt, just take the next small step.
3. Life is too short to waste time hating anyone.
4. Your job won't take care of you when you are sick. Your friends and parents will. Stay in touch
5. Pay off your credit cards every month.
6. You don't have to win every argument. Agree to disagree.
7. Cry with someone. It's more healing than crying alone.
8. It's ok to get angry with God. He can take it.
9. Save for retirement starting with your first paycheck.
10. When it comes to chocolate, resistance is futile.
11. Make peace with your past so it won't screw up the present.
12. It's OK to let your children see you cry.
13. Don't compare your life to others. You have no idea what their journey is all about.
14. If a relationship has to be a secret, you shouldn't be in it.
15. Everything can change in the blink of an eye. But don't worry; God never blinks.
16. Take a deep breath. It calms the mind.
17. Get rid of anything that isn't useful, beautiful or joyful.
18. Whatever doesn't kill you really does make you stronger.
19. It's never too late to have a happy childhood. But the second one is up to you and no one else.

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Housing Market Digest

Greater Toronto Area, September 2009

Synopsis: The summer market was quite strong in both the resale and new construction arenas. The resale market transitioned very rapidly from a "buyers' market" last winter to the current "sellers' market" (with short-selling periods, multiple offers, and price escalation). But, based on the weakened employment situation, activity should moderate before long.

Economic Trends

For Toronto CMA, Statistics Canada has now reported two consecutive monthly rises in employment. In combination, they total 31,000 jobs and have reversed about one-third of the losses that occurred during September to June (88,000 jobs). However, the unemployment rate now exceeds 10%, up from 7.0% just a year ago. As always, I caution that there is some unreliability in the data for small areas – we don't know for sure that employment in the Toronto area is turning up, but the data is encouraging.

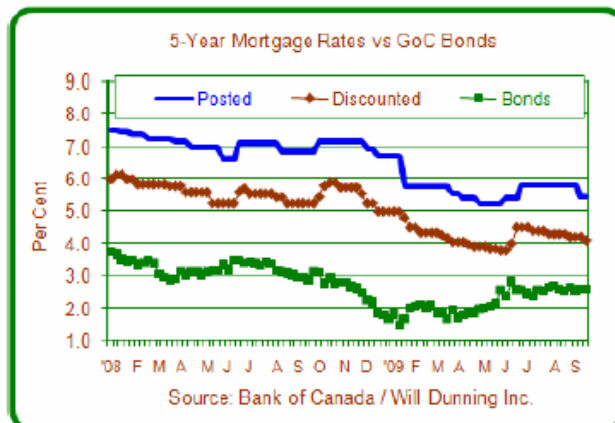


For all of Canada, a small gain was reported for August. Because there were some very large drops in prior months, the employment data for all of Canada is less encouraging.

I suspect that the data for September (due on October 9) might show some large rises - on a seasonally-adjusted basis - for a technical reason (the end of a dreary summer employment season). That data might paint an unrealistic picture of current trends for employment.

Interest Rates

Bond yields have moved in a narrow range (about 2.6% for 5-year Government of Canada bonds) since June. But, the spreads between mortgage rates and bond yields have been reduced. A typical 5-year mortgage rate (after discounts) is now about 4.1%.



The Canadian dollar is strengthening (now over 90 cents US), which is a further threat for export-oriented industries.

Resale Market

Resale activity settled in August, from an all-time record set the prior month. Sales for August were still very strong (98,900 seasonally-adjusted, based on 8,035 actual sales). Based on TREB's mid-month report for September, the sales rate remains close to 100,000. The chart suggests that the recent spike is making up for sales that didn't happen during the winter. In about another month, the missed sales will have been made up, and then I expect to see slower sales late this year and in 2010.

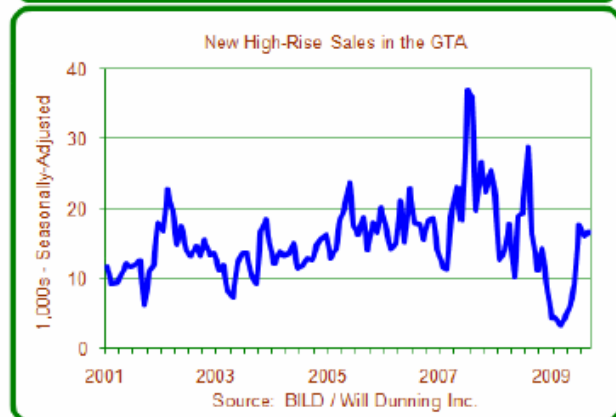
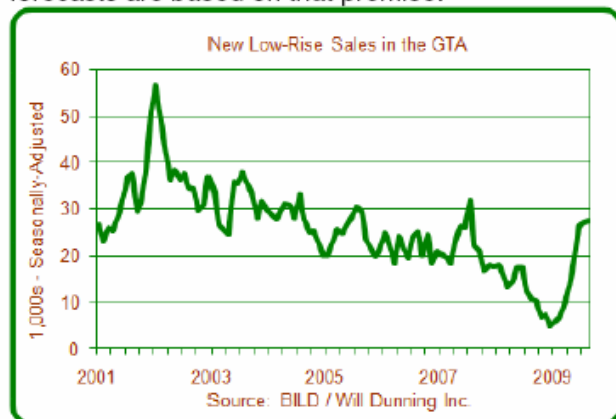


The average price dipped in August (to \$387,921) but this is a normal seasonal event as the high end market goes on vacation. My estimate of the price trend is up by 4.9% versus a year ago, and by 10% compared to the trough reached in February. The supply of listings remains tight relative to sales, and selling periods are quite short (averaging 30 days in August).

New Homes Market

New home sales have also been strong for three consecutive months. The sales rate for August (44,100 annualized, based on 3,074 actual sales) was essentially the same as in June and July and is similar to the healthy volumes seen during 2005 to 2007.

Sales were strong for both low-rises and high-rises. For low-rises, sales were at an annualized rate of 27,400 (based on 1,863 actual sales); high-rise activity was 16,700 annualized (based on 1,211 actual sales). As in the resale market, the recent surge has more-or-less made up for the sales that didn't happen last winter, and there is some risk of a slowdown late this year. My forecasts are based on that premise.



The GTA Outlook

None of my forecasts have been changed since last month. Details are published in [Toronto Employment and Housing Outlook](#). As discussed previously, my forecasts suggest that housing activity in the GTA will soon slow, with little or no improvement for 2010 – the consequence of a weakened employment situation.

| 2009 GTA Forecasts | | |
|---------------------------------------|-----------|-----------|
| | Prior | Revised |
| Employment in 1,000s (Annual Average) | 2,880 | 2,873 |
| Resales (units) | 62,100 | 83,900 |
| Average Resale Price | \$358,100 | \$378,700 |
| GTA New Home Sales | | |
| Low-Rise | 9,600 | 17,200 |
| High-Rise | 4,750 | 10,500 |
| Total | 14,350 | 27,700 |
| Housing Starts – Toronto CMA | | |
| Low-Rise (Ownership) | 9,825 | 13,750 |
| High-Rise + Rental | 15,950 | 14,050 |
| Total | 25,775 | 27,800 |

Source: Will Dunning Inc.

Other News

Two upcoming presentations by yours truly:

- October 15 – part of a panel at an invitation-only event organized by RESCON.
- October 20 – CAAMP's Annual General Meeting (in London, Ontario, for CAMP members only).

A sign-of-the-times is that I have recently been busy with market feasibility studies for condo apartment sites where the developer is now thinking of doing a rental. Feel free to call and discuss your site.

How to Reach Will Dunning Inc.

Telephone: 416-236-5115
Email: wdunning@sympatico.ca
Web site: www.wdunning.com

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