

OUR LISTINGS FOR SALE



SIGNATURE COMMERCIAL BUILDING

Partially available for lease as well.

441 Jarvis Street, Toronto

This landmark building is located on the east side of Jarvis Street in Toronto, north of Carlton Street and south of Maitland Street. The building is a 6,068 square foot GFA, three storey plus basement, 1800s Victorian style mansion that has been converted into an office building. **Asking Price: \$2,500,000**

[Click here for more information](#)



AUTOMOTIVE BUILDING

35 Auto Mall Drive, Scarborough

This 5.1 acre site is improved with a 34,888 SF car dealership building. The property is strategically located in a car dealership mall off the Morningside Ave. & Highway 401 interchange, south of Sheppard Ave. East.

Asking Price: \$3,999,000 REDUCED PRICE

[Click to read more Information](#)



CASE STUDIES – SOLD BY US

399 MARKHAM ROAD



A 251 suite rental apartment complex comprised of a stand alone house.

[Click here for more information](#)



1524 LAWRENCE AVE. WEST



A 76 suite, six storey, rental apartment building.

[Click here for more information](#)



1375 MIDLAND AVE.



A 145 suite rental apartment building complete with a registered day care.

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RECENT GTA RENTAL APARTMENT SALES IN 2011

Source: Marsbnet.com

15 Dundonald Street – Toronto – A 171 suite building located east of Yonge Street, south of Bloor Street. Closed February 9, 2011 at \$18,180,000 or \$106,316 per suite.

45 Driftwood Avenue – North York – 7.7% Cap Rate – A 136 suite building located east of Jane Street, south of Finch Avenue West. Closed January 26, 2011 at \$9,400,000 or \$69,118 per suite.

161 Church Street – Toronto – A 61 suite building located just north of Queen Street West. Closed January 19, 2011 at \$5,978,000 or \$98,000 per suite.

2100 Bathurst Street – Toronto – A 63 suite building located just north of Eglinton Avenue West. Closed on February 1, 2011 at \$7,378,000 or \$119,000 per suite.

2087-2103 Prospect Street – Toronto – A 65 suite building plus 8 townhouses located west of Parliament Street, north of Carlton Street. Closed January 20th, 2011 at \$7,150,000 or \$97,945 per suite.

3131 Eglinton Avenue East – Scarb. – **6.0% Cap Rate** – A 79 suite building located west of Markham Road. Closed March 8, 2011 at \$5,280,000 or \$66,835 per suite.



INDUSTRY COMMENTARY:

2010 CASH-ON-CASH RETURNS IN GTA MULTI-UNIT APARTMENT PROPERTIES ARE HIGHER FOR A SECOND CONSECUTIVE YEAR.

- What is the message?

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LIFE LESSONS at PETRUS COMMERCIAL REALTY CORP.- Lesson #47

- Wouldn't it be great if people could get to live suddenly as often as they die suddenly? ~Katharine Hepburn
- Let us live that when we come to die even the undertaker will be sorry ~Mark Twain
- Don't part with your illusions. When they are gone you may still exist, but you have ceased to live. ~Mark Twain
- Law is mind without reason. ~Aristotle



NOW HIRING

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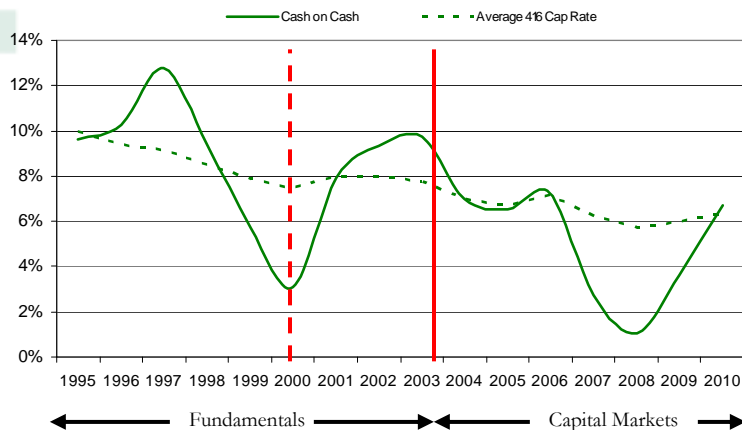
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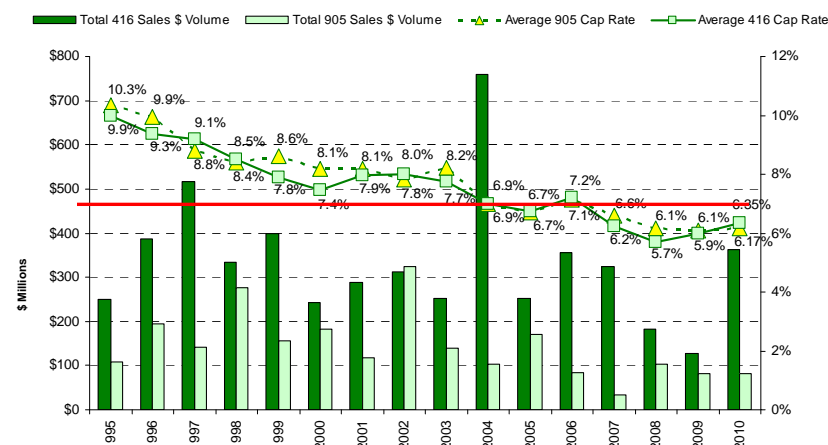
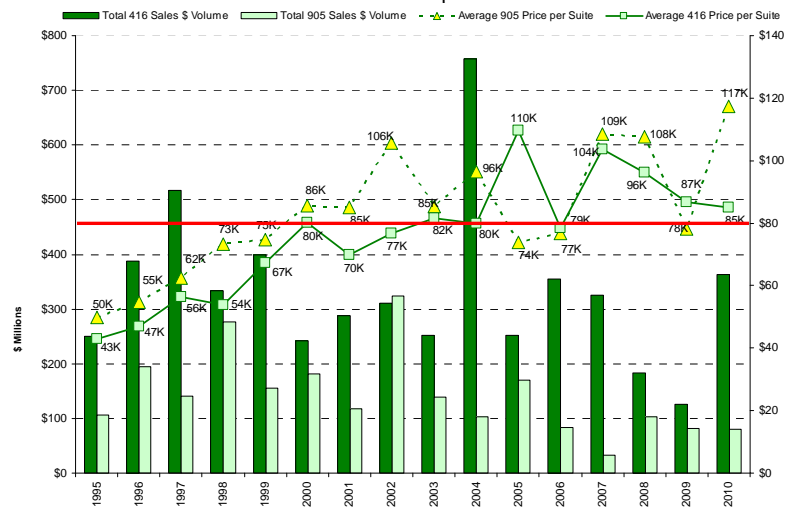
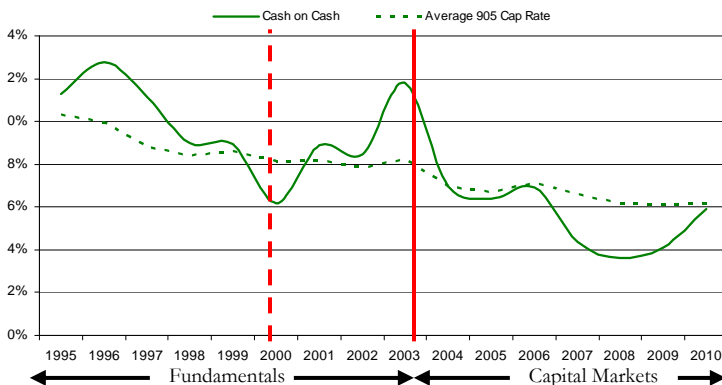
Investment interest for multi-unit apartment properties remains high in the GTA and is only limited by the Vendors' reluctance to dispose of the assets. The total dollar volume in sales of rental apartment buildings greater than 100 units in the GTA is up to \$444 millions in 2010 or 113% higher than 2009 but within close range of the \$477 million sixteen year average. Highlights are as follows:

- Cash on cash returns ("CoCr") have increased for the second consecutive year in the GTA but remain at the lower end of the range for the review period. (These returns are calculated using the average cap rate for the year, assuming that all purchases are NHA financed at an 80% loan-value ratio on a 5-year term and 25-year amortization) Cash-on-cash returns in 2008 had compressed to their lowest levels in 14 years, reaching 1.04% in the 416 area and 3.6% in the 905 area. CoCr increased in 2009 to 3.63% and 4.12% in the 416 and the 905 areas respectively and continued to increase to 6.71% and 5.93% in 2010.
- CoCr increases in 2010 are a function of two factors. Firstly, the overall average spread over the five Canada bond has compressed to 80 basis points in 2010 down from 150 basis points in 2009. Consequently, given the stable five year Canada bond in 2009 and 2010, the yearly model NHA interest rate is 3.25% in 2010 down from 3.91% in 2009.
- Secondly, an additional component increase in CoCr is also a function of the lower quality of assets sold in the 416 area but not in the 905 area. The evidence is found in the closing table attached showing lower price per suite in the 416 area in both 2009 and 2010.
- Cap rates have remained stable in the 905 area but did increase for a second consecutive year in the 416 area; another indication perhaps, in addition to the lower price per suite index in the 416 area, that vendors have taken the opportunity to dispose of second tier 416 assets within this favourable capital debt market.

416 - Cash on Cash | Cap Rate



905 - Cash on Cash | Cap Rate



Retrospective

Market leasing fundamentals were the primary drivers from 1995 to 2003. Declining expected cash-on-cash returns from 1995 to 2000 reflected optimism and expectations of capital growth, based on favourable rental fundamentals such as low vacancies, guaranteed rental increases, minimal releasing costs, and low rollover.

Investors required a higher cash-on-cash return to cushion the weaker fundamentals beginning in 2000. A strong move to condominium rentals and to home ownership at the time caused vacancy rates to rise, depressing income gains and increasing releasing costs.

Leasing fundamentals had not improved by 2003-04 and yet cash-on-cash returns reversed back to their earlier downward trend. This trend continued through 2008. Capital markets had become a primary driver of the rental apartment market by that time. The cash-on-cash returns were driven lower by the lack of attractive alternative investment opportunities.

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
905 Apartments																
Total 905 Sales \$ Volume	\$106,970,000	\$195,382,000	\$140,627,986	\$276,357,327	\$155,897,327	\$181,914,000	\$117,861,550	\$323,716,702	\$138,756,824	\$102,675,873	\$170,055,930	\$82,903,600	\$32,455,000	\$103,590,000	\$81,390,000	\$80,700,000
Average 905 Price per Suite	\$49,841	\$54,670	\$62,458	\$73,196	\$74,866	\$85,505	\$84,976	\$105,640	\$85,426	\$96,460	\$73,916	\$76,818	\$108,515	\$107,570	\$78,035	\$117,354
Average 905 Cap Rate	10.35%	9.96%	8.81%	8.41%	8.63%	8.17%	8.19%	7.81%	8.23%	6.98%	6.70%	7.13%	6.60%	6.17%	6.10%	6.17%
Average 905 Income per Suite	\$4,978	\$5,231	\$5,319	\$5,987	\$7,454	\$6,359	\$7,345	\$8,214	\$8,226	\$6,922	\$6,180	\$5,631	\$7,025	\$6,859	\$4,760	\$7,200
Total 905 Units	2,064	3,691	2,268	4,007	1,900	2,091	1,304	3,140	1,552	1,064	2,101	85	301	963	1,043	681
Average 905 Units	318	336	174	250	173	190	163	224	194	152	191	214	151	193	209	170
Mortgage Constant	9.69%	8.77%	7.81%	8.21%	8.44%	7.67%	7.67%	7.32%	6.89%	6.72%	6.55%	7.27%	7.52%	6.68%	6.44%	6.01%
Cash on Cash	11.28%	12.79%	11.15%	9.01%	8.96%	6.15%	8.91%	8.49%	11.82%	6.97%	6.36%	6.92%	4.37%	3.60%	4.12%	5.93%
Income/Cost per Suite	9.99%	9.57%	8.52%	8.18%	9.96%	7.44%	8.64%	7.78%	9.63%	7.18%	8.36%	7.33%	6.47%	6.38%	6.10%	6.14%
416 Apartments																
Total 416 Sales \$ Volume	\$251,004,087	\$387,533,713	\$516,850,840	\$334,088,340	\$399,935,702	\$241,777,000	\$288,457,195	\$311,233,793	\$251,783,000	\$757,984,147	\$251,531,938	\$354,514,234	\$325,507,807	\$182,804,600	\$126,575,000	\$363,140,895
Average 416 Price per Suite	\$42,912	\$47,037	\$56,352	\$53,753	\$67,249	\$80,249	\$69,721	\$76,835	\$81,576	\$79,924	\$109,583	\$78,583	\$103,780	\$96,213	\$86,695	\$84,967
Average 416 Cap Rate	9.97%	9.38%	9.18%	8.50%	7.89%	7.47%	7.97%	8.01%	7.75%	6.99%	6.73%	7.20%	6.23%	5.70%	5.99%	6.35%
Average 416 Income per Suite	\$4,343	\$4,037	\$4,722	\$4,533	\$5,266	\$5,639	\$5,409	\$5,650	\$5,820	\$5,788	\$7,597	\$5,405	\$5,431	\$5,423	\$5,191	\$5,738
Total 416 Units	7,905	9,530	10,935	6,924	5,886	2,990	4,199	4,603	2,839	9,611	2,328	4,321	3,259	1,900	1,460	3,971
Average 416 Units	439	307	296	192	294	214	200	354	258	331	259	216	326	211	146	199
Mortgage Constant	9.69%	8.77%	7.81%	7.92%	8.21%	8.44%	7.67%	7.32%	6.89%	6.72%	6.55%	7.27%	7.52%	6.68%	6.44%	6.01%
Cash on Cash	9.63%	10.27%	12.76%	9.40%	5.74%	3.11%	7.96%	9.36%	9.73%	7.01%	6.51%	7.22%	2.76%	1.04%	3.63%	6.71%
Income/Cost per Suite	10.12%	8.58%	8.38%	8.43%	7.83%	7.03%	7.76%	7.35%	7.13%	7.24%	6.93%	6.88%	5.23%	5.64%	5.99%	6.75%
Difference in Cap Rates	0.38%	0.58%	-0.37%	-0.09%	0.74%	0.70%	0.22%	-0.20%	0.48%	-0.01%	-0.03%	-0.07%	0.37%	0.47%	0.11%	-0.18%
BLENDED																
Total Sales \$ Volume	\$357,974,087	\$582,915,713	\$657,478,826	\$610,445,667	\$555,833,029	\$423,691,000	\$406,318,746	\$634,950,495	\$390,539,824	\$860,660,020	\$421,587,868	\$437,417,834	\$357,962,807	\$286,394,600	\$207,965,000	\$443,840,895
Average \$ per Suite	\$46,377	\$50,853	\$59,405	\$63,475	\$71,058	\$82,877	\$77,349	\$91,238	\$83,501	\$88,192	\$91,749	\$77,701	\$106,147	\$100,033	\$83,086	\$90,365
Average Cap Rate	10.2%	9.7%	9.0%	8.5%	8.3%	7.8%	8.1%	7.9%	8.0%	7.0%	6.7%	7.2%	6.4%	5.9%	6.0%	6.31%
Average Income per Suite	\$ 4,661	\$ 4,634	\$ 5,020	\$ 5,260	\$ 6,360	\$ 5,999	\$ 6,377	\$ 6,932	\$ 7,023	\$ 6,355	\$ 6,888	\$ 5,518	\$ 6,228	\$ 5,962	\$ 4,729	\$ 6,381
Total Units	9,969	13,221	13,203	10,931	7,786	5,081	5,503	7,743	4,391	10,675	4,429	4,406	3,560	2,863	2,503	4,652
Average Units	379	322	235	221	234	202	182	289	226	242	225	215	238	205	100,033	194
Mortgage Constant	9.69%	8.77%	7.81%	7.92%	8.21%	8.44%	7.67%	7.32%	6.89%	6.72%	6.55%	7.27%	7.52%	6.68%	6.44%	6.01%
Apartment Cash on Cash Return	10.31%	11.01%	12.40%	9.27%	6.92%	4.54%	8.25%	8.82%	10.27%	6.66%	6.80%	8.79%	3.07%	1.47%	3.68%	6.53%
Income/Cost per Suite	10.05%	9.11%	8.45%	8.29%	8.95%	7.24%	8.24%	7.60%	8.41%	7.21%	7.51%	7.10%	5.87%	5.96%	5.69%	7.06%
5 year Bond Rate				5.13%	5.47%	5.96%	4.99%	4.58%	4.00%	3.82%	3.59%	4.12%	4.22%	3.01%	2.41%	2.45%
10 year Bond Rate				5.30%	5.55%	5.89%	5.47%	5.29%	4.79%	4.59%	4.05%	4.22%	4.28%	3.58%	3.20%	3.20%
Spread between cash on cash and 10 yr bond rates				3.97%	1.36%	-1.35%	2.78%	3.53%	5.48%	2.07%	2.75%	4.56%	-1.21%	-2.11%	0.10%	3.33%
905 CoC less 416 Coc	1.65%	2.52%	-1.61%	-0.39%	3.22%	3.04%	0.95%	-0.87%	2.09%	-0.03%	-0.14%	-0.30%	1.61%	2.57%	0.49%	-0.78%