

#### RECENT RENTAL APARTMENT BUILDING SALES

<p><b>2663 Lake Shore Blvd. West, Etobicoke</b> – a 111 suite building located west of Royal York Road. Closed on July 15<sup>th</sup>, 2014 at \$14,000,000 or \$126,126 per suite.</p>	<p><b>35 Walmer Road, Toronto</b> - a 229 suite building located north of Bloor Street West and west of Spadina Road. Closed on January 12, 2015 at \$59,000,000 or \$257,642 per suite. <b>Cap Rate 4.1%</b></p>
<p><b>295 Dufferin Street, Toronto</b> – a 200 suite building located north of King St West. Closed on July 17<sup>th</sup>, 2014 at \$44,000,037 or \$220,000 per suite. <b>Cap 4.3%</b></p>	<p><b>Tridel Portfolio - 145-147 Wellington Street West, Aurora; 7411, 7433 Yonge Street, Thornhill; 20, 30 Clark Avenue, Thornhill</b> – six buildings totalling 584 suites. Closed on May 1<sup>st</sup>, 2014 at \$106,000,000 or \$181,507 per suite. <b>Cap Rate 5%</b></p>
<p><b>3455 Glen Erin Drive, Mississauga</b> – a 163 suite building located east of Winston Churchill Blvd. Closed on September 9<sup>th</sup>, 2014 at \$32,000,000 or \$196,319 per suite. <b>Cap Rate 4.9%</b></p>	<p><b>22 Tinder Crescent, North York</b> – a 59 suite building located north of Eglinton Ave East and west of Victoria Park Ave. Closed on November 5<sup>th</sup>, 2014 at \$9,340,000 or \$158,305 per suite.</p>
<p><b>1491 Wilson Avenue, North York</b> – a 40 suite building located east of Jane Street. Closed on September 30<sup>th</sup>, 2014 at \$5,078,000 or \$126,950 per suite. <b>Cap Rate 4.6%</b></p>	<p><b>25 Ecclestone Drive, North York</b> – a 61 suite building located north of Eglinton Ave East and east of Don Valley Pkwy. Closed on December 8<sup>th</sup>, 2014 at \$9,450,000 or \$154,918 per suite.</p>
<p><b>160-200 Chalkfarm Drive, North York</b> – four buildings totalling 1,214 suites located north of Wilson Ave and west of Jane St. Closed October 1<sup>st</sup>, 2014 at \$93,000,000 (\$33 million for the freehold interest and \$60 million for the leasehold interest) or \$76,606 per suite. <b>Cap Rate 5.6%</b></p>	<p><b>Gold Sky Portfolio - 3 Goldfinch Court; 5900 Yonge Street, North York</b> – two buildings totalling 400 suites located south of Drewry Street. Closed on November 27<sup>th</sup>, 2014 at \$85,482,900 or \$213,707 per suite. <b>Cap Rate 4.1%</b></p>

Source credit to S. Mandel, Altus and Marsh Report



#### INDUSTRY COMMENTARY:

##### New Purpose-built vs. Condo Rents: A per Square Foot Comparison

-By Fabienne Chan, Research Analyst - Urbanation - Toronto Condominium News – Nov. 27 2014

Four out of the five purpose-built projects surveyed had higher per square foot rents than their surrounding condo projects

[Click here to read the article](#) 



#### LIFE LESSONS at PETRUS COMMERCIAL REALTY CORP - Lesson #67

I drive on a 4-set of snow tires mounted on its set of winter rims. I just had a flat tire on Highway #401 and here is what I have learned.

[Click here to read the lessons](#) 

### New Purpose-built vs. Condo Rents: A per Square Foot Comparison

*By Fabienne Chan, Research Analyst*

*Urbanation - Toronto Condominium News - November 27, 2014*

Four out of the five purpose-built projects surveyed had higher per square foot rents than their surrounding condo projects. Within the four projects, premiums ranged from 1.4% or \$0.04 per square foot (Jazz) to 7.2% or \$0.20 per square foot (Minto Roehampton). Differences in unit sizes played some part in the purpose-built premium (smaller units tend to generate higher per square foot rents), with suites at Minto Roehampton roughly 130 square foot smaller than leased condos in the area. Slight variations in location, buildings age, suite layouts and finishes, project amenities, and floor heights of the units surveyed may also explain some of the gap. However, across the four projects these differences appear to mostly balance out and the average premium for purpose-built units was 4.4% or \$0.12 per square foot.

When including Motion, which posted lower psf rents than its condo comparables (mostly due to having a larger range of suite sizes), the average premium across the five projects falls to 1.7% or \$0.05 per square foot.

In the end, the results indicate that there does appear to be at least some premium achieved by purpose-built rentals over competing condo supply. All else being equal, renters tend to favour a professionally managed and secure source of housing. Of course values in new purpose-built projects can also receive a boost due to their scarcity.

The findings are encouraging for rental operators who will continue to face competition from a high volume of investor-owned condos coming to completion in the next few years. However, beyond 2017, condo supply growth will slow considerably due to fewer project launches over the past two years. This further supports the case for considering purpose-built development today.

Project	Year Completed	Number of Suites	Project Rents psf	Condo Area Average psf
One32	2013	177	\$3.08	\$2.89
Motion	2012	463	\$2.68	\$2.93
WestQ	2012	291	\$2.69	\$2.63
Minto Roehampton	2007	395	\$2.96	\$2.76
Jazz	2006	388	\$2.85	\$2.81



#### LESSONS at PETRUS COMMERCIAL REALTY CORP - Lesson #67

I drive on a 4-set of snow tires mounted on its set of winter rims. I just had a flat tire on Highway #401 and here is what I have learned.

1. Add air to the slightly deflated tire before you hit the road. The tire is not deflated because the air is cold; it is deflated because it has a slow leak (...duh!). A mildly deflated tire does not adhere well to its rim and highway speed friction will create heat causing the tire to explode.
2. Edge your bets. Call CAA first then start changing the tire in safe conditions while you wait for the tow truck. We were back on the road within one hour of the phone call...including the 15 minute wait just to get through the operator.
3. Read and abide by the car owner's manual for your own safety.
4. The nut-bolts are too tight and I am not strong enough to undo the force of the garage power drill. One should place the bolt bar unto the nut parallel to the ground and step on it with both feet to loosen the set of nut-bolts.
5. Say "NO" to the OPP officer who wants you towed off the highway when the tow truck finally arrives even if the officer has a gun, pepper spray, and a Taser. You will survive the civil disobedience.
6. The spare tire will get you back to the city and to the tire shop.
7. One usually needs two new matching snow tires but I was looking for a cheap and short term solution because I am getting a new car this summer. Unfortunately, I did not find a single matching tire replacement as manufacturers constantly "improve" tire specs.
8. Tire specs have to be exacts to match the pair or close to the 4-set specs in the winter. A staggered set, that is wider at the back, is only acceptable in summer performance sets. I did not to find the exact match in the used category which is only sold through individuals and private shops. My tire spec is "winter" 235/50/17 100 H. The information is embossed on the tire and one should consult the interior panel of the driver's door for recommended tire specs. They are not always the same.
  - a. 235 is the width of the tire. My door specs showed 225.
  - b. 50 is the height. My door specs showed 45 which allows 45 or 50 but not 55.
  - c. 17 is the radius.
  - d. 100 is the scale for load capacity. My door specs showed 97. You need the same or slighter higher.
  - e. H is the speed rating. I could use H or V which is better.
9. The same brand and model is obviously better but not as relevant. Used tires treads is measured in 32's and you don't really want to be less than 5-32's to get value out of your winter tire.
10. New tire set goes at the rear for safety even if the flat tire was at the front.
11. Used price is 50% to 75% off new. I paid \$700 for two snow tires because I could not find the single exact tire and I could not find two similar used tires to match the 4-set. I will get very little back when I sell the 4-set. Give me \$1,250 for the winter 4-set on rims.
12. Keep the good tire for the future. I kept the tire this time because I once disposed of another single tire due to a past similar incident. Who would ever have two flat tires within ones' ownership of the car? Well...I did!