

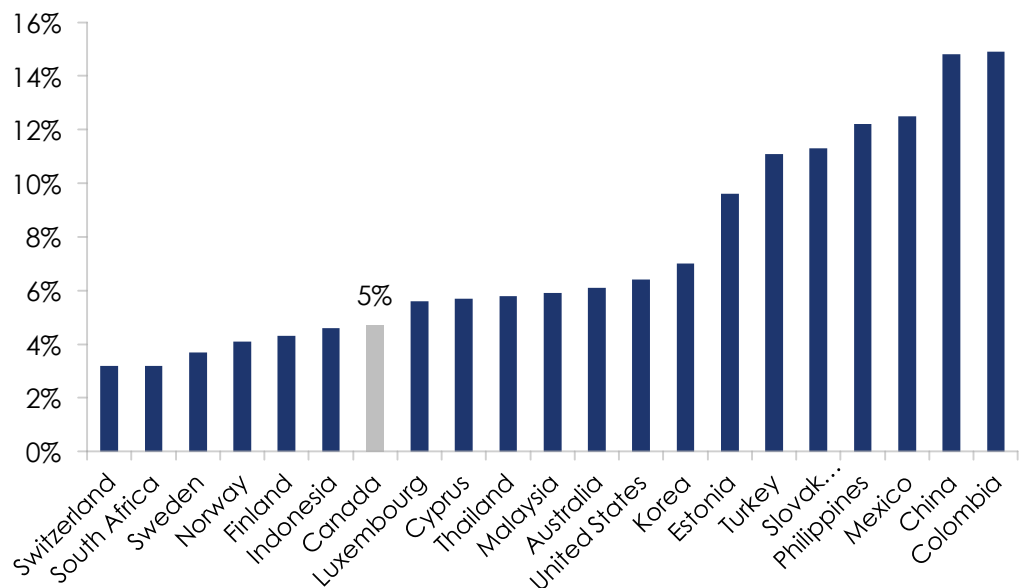
Chart of The Week

Analyzing the current macroeconomic environment is the foundation for all of SkyPoint's research

Global real credit growth in 2015

Global financial uncertainty and rapid credit growth has led to concerns of the growing debt levels around the world. Central banks are facing the dilemma of supporting struggling economies by cutting interest rates and managing the resultant high levels of household debt.

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Source: IMF

On one hand, economic theory provides that low interest rates should help spur the economy as businesses and individuals should spend more money when the cost of borrowing is low. On the other hand, recent research from the IMF confirms that at high levels of debt, high credit growth affects the probability of a financial crisis. The researchers find that a 1% increase in credit growth implies just a 0.02% increase in crisis probability when debt-to-GDP is low (e.g. 30%), but the crisis probability doubles when debt-to-GDP is high (e.g. 100%). This leaves central bankers with a difficult decision around interest rate policies that best balance economic growth and financial stability. The IMF researchers looked at a welfare comparison of Canada in which they examined the current low interest rate policy versus a policy that is 25 basis points higher. They found that although the current low interest rates are leading to high levels of household debt and brisk credit growth, the resultant economic slowdown from an interest rate hike would be too costly. In other words, the economic cost of raising the interest rate outweighed the benefits of reducing household debt levels and slowing credit growth.



REALTY PARTNERS LIMITED

Tel: +852 3180 9284

Email: Info@skypointrp.com

www.skypointrp.com

Unit 1506, 100QRC

100 Queens Road Central

Hong Kong SAR



Inspired living in the heart of Toronto's Entertainment District

40 Widmer is located in the heart of Toronto's Entertainment District. A vibrant neighbourhood, the Entertainment District is home to some of the nation's most iconic landmarks including the CN Tower, Rogers Centre, Air Canada Centre, Princess of Wales Theatre, TIFF Bell Lightbox and many more. It is the city's cultural centre for sports, dining, nightlife, and the arts.

We're not making concessions by making a more traditional, suburban-type condo.

OpArt Lofts is located in the Kerr Village neighbourhood of Oakville, one of North America's fastest growing regions. OpArt Lofts features a stunningly modern design consisting of two, eight-storey towers atop a two-storey podium. Designed by the acclaimed firm of Teeple Architects, two white towers spangled with black-framed windows in jaunty patterns reflect the eye-popping Op Art painting style of the 1960s.



About SkyPoint

SkyPoint Realty Partners (SkyPoint) is the first company to bring institutional grade multifamily real estate investments to Asia. SkyPoint was formed to provide Asian investors access to Class A North American multifamily real estate opportunities. SkyPoint combines macroeconomic fundamentals with local in-depth market intelligence to deliver trusted research on current North American real estate trends and opportunities to the international market.



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