

SkyPoint Market Overview

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

5 Reasons to Invest in Toronto Multifamily

1) **Housing affordability concerns fuel rental demand.**

Strong demand for real estate coupled with restricted land supply throughout the Greater Toronto Area (GTA) has resulted in rising concerns around housing affordability. In fact, the average single family home in the GTA reached \$785,500 in July 2016 with no signs of cooling in the near future.¹ Continued affordability concerns will provide strong rental demand as many households simply cannot afford the rapidly rising ownership costs.

2) **Demand is outpacing supply.**

While affordability concerns are fueling rental demand throughout the GTA, the market is struggling to keep pace with the supply of new rental units. CMHC expects housing starts to be in the range of 39,500-43,500 in 2016, slightly above the average household formation of about 37,000 recorded between the 2006 and 2011 Census.²

3) **Vacancy rates are at all-time lows.**

Toronto's vacancy rate is amongst the lowest of all North American cities. For the past five years, the vacancy rate throughout the GTA has hovered around 1.6%, a trend that is expected to continue in the future as more Torontonians look to renting.

4) **Job prospects for the typical renter age cohort (20-35) continue to improve.**

CMHC forecasts that employment in Toronto will rise 1.9% in 2016, with the quality of jobs improving as full-time jobs gain a greater share. This is welcome news from the 20-35 age cohort, who have a higher propensity to rent and have typically struggled to find meaningful work following the global financial crisis of 2008.

5) **A rise in the interest rate could further fuel rental demand.**

While the Bank of Canada's key overnight rate has been at 1.0% or less since 2009, a future interest rate hike is inevitable. A resultant rise in mortgage rates would increase ownership costs, pushing homeownership further out of reach for many households. Such a scenario would put additional downward pressure on Toronto's already low vacancy rate.



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¹ The Canadian Real Estate Association

² "Housing Market Outlook – Greater Toronto Area", CMHC



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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