

# Chart of The Week

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

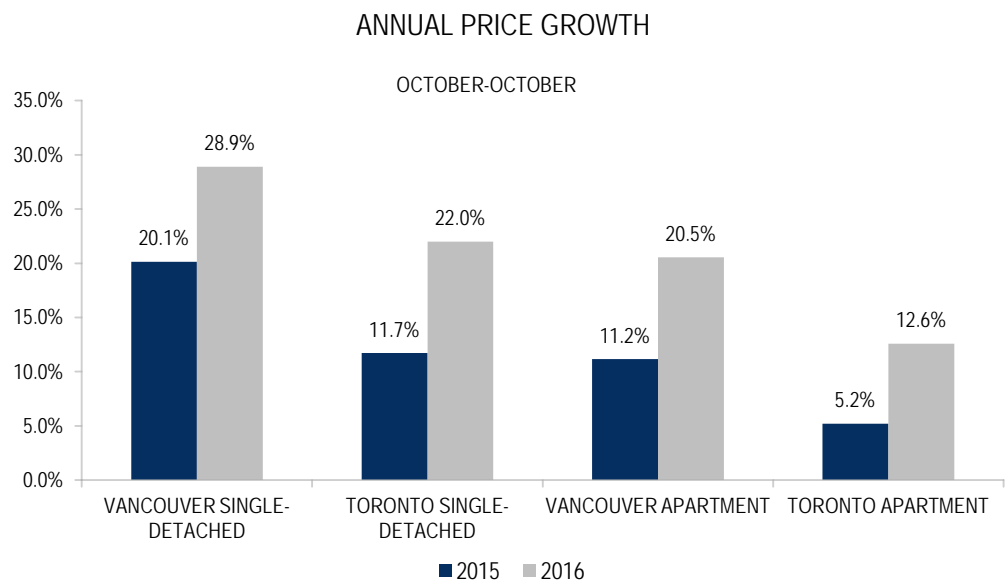
## Signs of a Substitution Effect in Canada's Top Housing Markets

2016 was another year of significant home price appreciation in Canada, furthering worries regarding housing affordability – particularly in Toronto and Vancouver. In the second quarter of 2016, ownership costs as a percentage of median income in Toronto and Vancouver reached an astonishing 60.2% and 90.3% respectively.<sup>1</sup>

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*Substitution effect: the economic understanding that as prices rise — or income decreases — consumers will replace more expensive items with less costly alternatives<sup>2</sup>*

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Source: Statistics Canada

Squeezed affordability in Vancouver and Toronto's single-family home market is placing significant pressure on the local condominium and rental markets. In 2016, condominium prices grew at approximately twice the rate of 2015 as more buyers were forced out of the single-detached home market, creating strong demand in the condominium market. Other potential homebuyers were forced to delay ownership altogether, putting additional strain on vacancies in already tight rental markets in both cities.



REALTY PARTNERS LIMITED

Tel: +852 3180 9284

Email: [Info@skypointrp.com](mailto:Info@skypointrp.com)

[www.skypointrp.com](http://www.skypointrp.com)

Unit 1506, 100QRC

100 Queens Road Central

Hong Kong SAR

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<sup>1</sup> RBC Housing Trends and Affordability August 2016

<sup>2</sup> Investopedia



## 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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[www.skypointrp.com](http://www.skypointrp.com)

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Hong Kong SAR

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