

TREB Commercial Division New Financial Model

TREB Commercial Division is proud to announce that a Residential Income Property Model is currently in development and expected to be released in February 2012. The model is built on a Microsoft Excel interface. It will allow for revenue calculations based on property unit types, property expense calculations, as well as operations cost increase calculations. Furthermore, the model allows for mortgage calculations as well as basic 10-year cash flow proforma. More information will be provided closer to launch date.

Toronto Real Estate Board Residential Income Property Proforma										
Property Basic Information										
Property Name:	TREB Towers			City:	Toronto			Brokerage:	STB Services	
Property Address:	1 Montgomery Lane			Province:	ON			Apartment:	1 Range	
Property Type:	Apartment			Year of Purchase:	February 2, 2011			Report Date (in English/Year Format):	April	
Property Unit Types										
Property Unit Type	Per Month	# of Units	Unit Cost (\$)	Revenue (\$)	Expenses (\$)	Net Income (\$)	Monthly Rent	Monthly Expense	Monthly Net	
Bedroom Units	\$ 1,800	11	275	19,800	\$ 1,500	\$ 2,000	\$ 1,500	\$ 2,000	\$ 1,500	
Bedroom Units	\$ 1,000	34	850	33,800	\$ 600	\$ 2,000	\$ 600	\$ 2,000	\$ 600	
Unit 1 - Suite / Lease	\$ -	0	0	0	\$ 0	\$ -	\$ -	\$ -	\$ -	
Unit 2 - Suite / Lease	\$ -	0	0	0	\$ 0	\$ -	\$ -	\$ -	\$ -	
Unit 3 - Suite / Lease	\$ -	0	0	0	\$ 0	\$ -	\$ -	\$ -	\$ -	
Unit 4 - Suite / Lease	\$ -	0	0	0	\$ 0	\$ -	\$ -	\$ -	\$ -	
Unit 5 - Suite / Lease	\$ -	0	0	0	\$ 0	\$ -	\$ -	\$ -	\$ -	
Unit 6 - Suite / Lease	\$ -	0	0	0	\$ 0	\$ -	\$ -	\$ -	\$ -	
Unit 7 - Suite / Lease	\$ -	0	0	0	\$ 0	\$ -	\$ -	\$ -	\$ -	
Unit 8 - Suite / Lease	\$ -	0	0	0	\$ 0	\$ -	\$ -	\$ -	\$ -	
Unit 9 - Suite / Lease	\$ -	0	0	0	\$ 0	\$ -	\$ -	\$ -	\$ -	
Unit 10 - Suite / Lease	\$ -	0	0	0	\$ 0	\$ -	\$ -	\$ -	\$ -	
Total		45	36,000	\$ 53,600	\$ 12,000	\$ 41,600				
Revenue and Expense Increases										
PII (PI)	\$ 124,000									
Other Income	\$ 20,000									
Vacancy and Bad Debt	\$ 1,000									
Reserves per unit	\$ 6.87 \$ 2,000									
Revenue Change	3.00%									
Expense Change	2.50%									
Capital Appreciation	0.00%									
Total Revenues (PI)	\$ 125,000									
Total Revenues and Expenses	\$ 125,000									
Expenses as percentage of PII	98%									
Effective Gross Income	\$ 716,500									
Operating Expenses	\$ 113,500									
Total Expenses (PI)	\$ 113,500									
Financial Summary										
Present Value of Cash Flows	\$ 2,305,283									
Present Value of Sales Proceeds	2,473,413									
Total Present Value	\$ 4,778,723									
Cash Flow Ratio	48.3%									
Sales Proceeds Ratio	58.7%									
Accounting										
Income tax	\$ 15,000									
Capital gains	20,000									
Required period (years)	7									
Required rate of return	15.00%									
Selling expense	3.00%									
Improvement costs	15.88%									
Site size (acres)	0.10									
Dispersion period (years)	11									
Equity yield	1.1%									
Maximum LTV	80.00%									
Capitalization rate	4.2%									
Number of units	45									
Total Gross Square Feet	39,000									
Average SF/unit	868									
First year rent per month	\$ 42,000									
Building cost per square foot	\$ 25.40									
Density (Units/Acre)	450									
Annual depreciation	\$ 40,000									
Total Equity	\$ 110,000									
Mortgage										
Mortgage	\$ 110,000									
Interest Rate	5.00%									
Amortization	30									
Term	30									
Payments per year	12									
APR	5.88%									
Monthly mortgage	\$ 27.75									
Mortgage payments per year	\$ 333.00									
Original LTV	80.00%									
Rebalanced Value (Cap Rate)	8.5%									
Calculated CTR ratio	8.5%									
CCR ratio	23.81%									

Disclaimer: This model is intended as a rough investment guideline. No warranty or representation is made as to the accuracy thereof and is submitted to errors, omissions and other conditions. If you have any questions regarding this model, contact TREB Commercial Real Estate Analyst at 416-463-8000 ext 8448.

Market Stats December 2011

Inflation Rate ¹	Oct 2011
Total CPI (Yr./Yr. % Change)	2.9%
Bank of Canada ⁴	Nov 2011
Prime Rate	3.00%
Bank of Canada ⁴	Nov 2011
Target for Overnight Rate	1.00%
Canadian GDP Growth ¹	Sep 2011
Month/Month % Change	0.2%
Unemployment Rate ¹	Oct 2011
Canada	7.3%

GTA Property Transactions December 2011: Highlights*

Brampton 10 Sun Pac Boulevard
Property Type: Industrial
Date of Sale: 2011-11-04
Purchaser(s): Menkes Developments
Total Price: \$20,000,000
Building Size (S.F.): 350,000
Price Per Sq. Foot: \$57

Whitchurch-Stouffville 4721 Stouffville Road
Property Type: Residential Land
Date of Sale: 2011-11-01
Purchaser(s): MI Developments
Total Price: \$15,535,560
Land Area: 266.55
Price Per Acre: \$58,284

Toronto: 1670 Bayview Avenue
Property Type: Office
Date of Sale: 2011-11-03
Purchaser(s): Promed Properties Group
Total Price: \$11,900,000
Building Size (S.F.): 41,133
Price Per Sq. Foot: \$289

Mississauga: 1867 Bloor Street East
Property Type: Apartment
Date of Sale: 2011-11-01
Purchaser(s): Timbercreek Asset Mgt.
Total Price: \$7,842,831
Building Size (Units): 133
Unit Price: \$137,594

* RealNet Canada Inc.

We have heard your Voice!

TREB Commercial Division is pleased to announce that a hands on 3-Hour GTA Commercial Spatial Research and Financial Modeling course is in the early stages of development. It will allow for more hands-on training for REALTORS® seeking more in-depth real estate finance course as well as other research tools used for analysis of commercial real estate market.

RECO Commercial Update Course



For dates and locations
call OREA at 416-391-6732
or online via www.oreacollege.com

Just the COMMERCIAL FACTS

Apartment Update Seminar

February 22, 2012
from 2:00 pm to 4:15 pm
in the TREB Auditorium.
Cost: \$33.90 (HST included)

2 CE Credits

Derek Lobo,
CEO of Rock Advisors Inc.

To register, call the Education Department
at 416-443-8108/8128/8149/8153.

TREB Commercial Green Property Information Statement

The Executive Council is pleased to advise that a newly developed Commercial Green Property Information Statement is now available on WEBForms™.

The Commercial MLS®/Green Committee would like to hear from you. If you have any issues or suggestions to submit for their consideration, please forward them to Susan Bell via email: sbell@trebnet.com

Commercial Division Outreach Program Request

To arrange the Commercial Outreach program for your Brokerage, please contact:
Naseef Khan
Commercial Real Estate Analyst
416-443-8100 ext 8446
or email: naseefkhan@trebnet.com

Grow-Op Strategy by RCMP

The Royal Canadian Mounted Police will now be listing addresses of Canadian properties containing dismantled marijuana grow-ops.

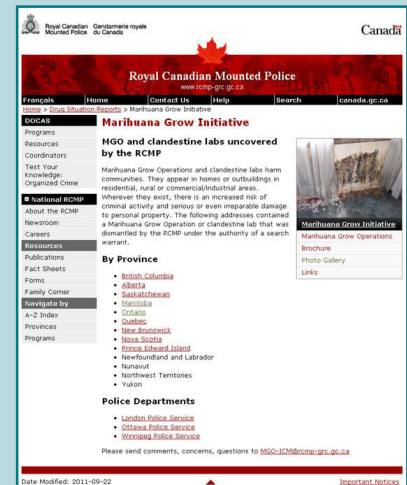
This is an initiative by the RCMP as part of their National Grow Initiative.

The information is categorized by province and includes lists of residential and commercial addresses where search warrants were executed, dated when the grow-op was busted as well as the quantity of plants discovered.

Moreover, information on clandestine drug labs are also posted.

The information can be accessed through

<http://www.rcmp-grc.gc.ca/drugs-drogues/mgi-ircm/index-eng.htm>



Sources:

1. Statistics Canada (www.statscan.ca)
2. Canada Mortgage Housing Corporation (www.cmhc.ca)
3. City of Toronto Economic Indicators (Labor Force Survey by Place of Residence Stats Canada, Seasonal Adjustments by Economic Development, City of Toronto)
4. Bank of Canada (www.bank-banque-canada.ca)

