



MULTI FAMILY  
INVESTMENTS  
DECEMBER 2021

LANDLORD REPORT  
WATERLOO REGION

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PRINCIPAL INTEREST  
MULTI FAMILY INVESTMENTS

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# RECENT TRANSACTIONS

	Address	Sale Date	Sale Price	# of Units	Cap Rate	Price per Unit
👑	Silverbirch Road, Waterloo	April	\$2,400,000	11	2.7%	\$218,182
	Fourth Avenue, Kitchener	April	\$2,895,000	18	4.2%	\$160,833
👑	Ahrens St West, Kitchener	April	\$2,850,000	16	3.4%	\$178,125
	Bruce St, Kitchener	April	\$1,637,500	6		\$272,917
	Stirling Avenue South, Kitchener	May	\$8,600,000	30	4.3%	\$286,667
👑	Garden St, Cambridge	May	\$4,000,000	10	4.5%	\$400,000
	Indiana St, Kitchener	May	\$1,550,000	6	2.5%	\$258,333
	Starlight Portfolio	May	\$66,300,000	377		\$175,862
👑	Albert & Ballantyne, Cambridge	June	\$6,720,000	42	3.3%	\$160,000
	Madison Avenue S, Kitchener	June	\$1,125,000	10		\$112,500
	High St, Waterloo	June	\$2,155,000	12	3.1%	\$179,583
	Southwood Dr, Cambridge	June	\$2,800,000	16	3.7%	\$175,000
	Elgin Street South, Cambridge	June	\$4,750,000	28		\$169,643
	STAMM - Killam Portfolio	June	\$190,500,000	785		\$242,675
	Strasburg Road, Kitchener	June	\$4,000,000	21		\$190,476
	Traynor Avenue, Kitchener	July	\$3,400,000	17	3.3%	\$200,000
	Ira Needles Boulevard, Kitchener	July	\$156,500,000	344		\$454,942
	Meinzinger Avenue, Kitchener	July	\$2,100,000	16		\$131,250
👑	Silverbirch, Waterloo	July	\$2,266,000	9	3.1%	\$251,778
	Becker Street, Kitchener	August	\$1,925,000	11		\$175,000
	Westwood Drive, Kitchener	August	\$10,850,000	48		\$226,042
	Albert Street, Waterloo	August	\$11,740,000	40		\$293,500
	Sixth Avenue, Kitchener	August	\$1,225,000	6		\$204,167
	Beechwood Dr, Waterloo	August	\$6,890,400	40		\$172,260
	David Street, Kitchener	August	\$4,200,000	19	3.0%	\$221,053
👑	Franklin Street N, Kitchener	August	\$8,610,000	42	3.2%	\$215,250
	Batavia Place, Waterloo	August	\$18,500,000	40		\$462,500
	Hespeler Road, Cambridge	September	\$39,250,000	146		\$268,836
👑	Centreville Street, Kitchener	September	\$9,250,000	29	4.4%	\$318,966
	Doon Valley Drive, Kitchener	October	\$1,200,000	12		\$100,000
	Hazel Street, Waterloo	October	\$2,990,000	16		\$186,875
	Quiet Place, Waterloo	October	\$1,970,000	6		\$328,333
	Austin Drive, Waterloo	October	\$2,600,000	15		\$173,333
	Chandler Drive, Kitchener	October	\$3,400,000	15	3.2%	\$226,667
👑	Parkview, Cambridge	October	\$6,250,000	17	3.6%	\$367,647

## Capitalization Rates

Range **2.5% to 4.5%**  
Average **3.4%**

## Price Per Unit

Range **\$100,000 to \$462,500**  
Average **\$234,277**

Source: Realnet, does not include Students Housing and Seniors Housing  
👑 Denotes transactions completed by Principal Interest

# DRIVERS OF THE MULTI FAMILY MARKET

Across the country, the residential housing market (both single and multi family) have seen substantial gains throughout the pandemic and has put pressure on housing affordability in all major and mid market cities. While governments at all levels struggle with providing solutions to solve the housing shortage, rents and house prices continue to climb as supply simply cannot keep up with demand. Housing affordability is not an issue that will be solved in a short period of time, which has led to increased investment in the multi family asset class.

While owners have been satisfied with the increased values they have seen throughout 2021, investors on the sidelines holding cash are kept up at night by the fear of inflation. The Consumer Price Index increased to 4.4% in September, further proving that inflation is here with no sign of this concern disappearing soon. While the cost of borrowing still remains low, Buyers are even further motivated to find an asset to get their cash invested before inflation devalues their capital and interest rates rise to combat inflation.

It is fair to say that 2021 has also been a great year for institutional landlords who have been able to expand their portfolio across the country. REITs have grown their portfolios significantly by buying smaller portfolios held by smaller groups and families that have decided to exit the market.

**“Buyers are even further motivated to find an asset to get their cash invested before inflation devalues their capital and interest rates rise to combat inflation.”**

Canada’s major markets of Toronto, Vancouver and Montreal are seeing exceptional competition for Class A assets which has led to many private funds adjusting their acquisition targets onto smaller mid market buildings in hopes of finding better opportunities. This has led to the smaller regional markets outside of the major cities seeing significant gains and competitive bids.

Looking forward to 2022, it is anticipated that the market will remain imbalanced between supply and demand for multi family opportunities. If inflation continues to rise, this could limit the number of Sellers divesting of their properties unless they have plans to reinvest their proceeds from a sale. The past year has also seen a lot of new rental construction projects started, which will be completed in the year ahead. While we know the demand is there for these new rental units, it will be interesting to see if this creates some mobility in the market of longer term tenants in older apartment buildings. -- Kyle

## AVERAGE PRICE PER UNIT

2020 **\$185K**  
 2021 **\$215K** 13% ↑

Same period comparison January to October 2020 vs 2021

## TRANSACTIONS

2020 **43** vs. 2021 **59**

Same period comparison January to October 2020 vs 2021

## TOTAL SALES

2020 **\$188M+**  
 2021 **\$729M+** 74% ↑

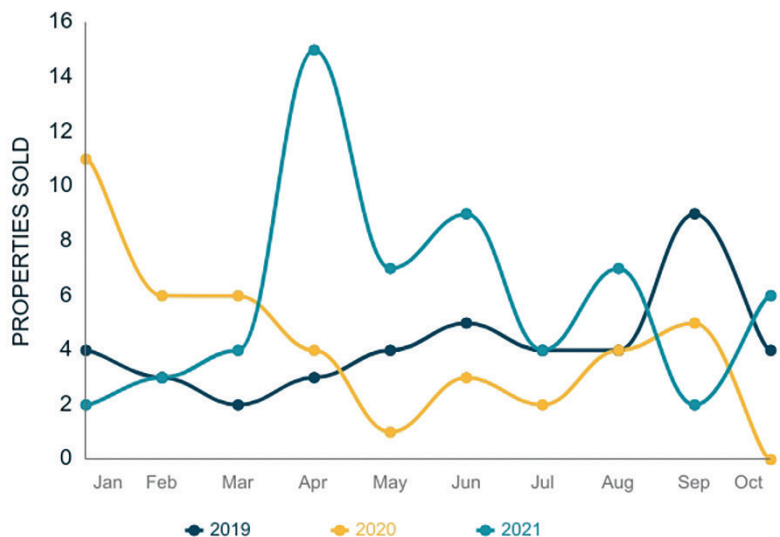
Same period comparison January to October 2020 vs 2021

## AVERAGE PRICE PER UNIT

Cambridge	<b>\$224K</b>	18% ↑
Kitchener	<b>\$205K</b>	18% ↑
Waterloo	<b>\$232K</b>	12% ↓






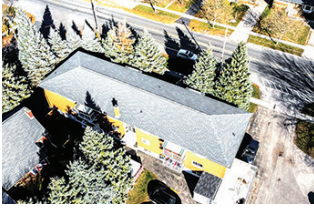










Same period comparison January to October 2020 vs 2021

## # PROPERTIES SOLD



Source: Realnet, does not include Students Housing and Seniors Housing

# TRANSACTIONS BY PRINCIPAL INTEREST

 <p>Cambridge 42 Unit Apartment Building Sale Price \$6,720,000</p>	 <p>Cambridge 10 Unit Townhomes Sale Price \$4,000,000</p>	 <p>Kitchener 16 Unit Apartment Building Sale Price \$2,850,000</p>	 <p>Kitchener 22 Unit Apartment Building Sale Price \$3,520,000</p>
 <p>Kitchener 15 Unit Apartment Building Sale Price \$2,100,000</p>	 <p>Kitchener 12 Unit Apartment Building Sale Price \$1,935,000</p>	 <p>Waterloo 8 Unit Apartment Building Sale Price \$1,600,000</p>	 <p>Waterloo 8 Unit Apartment Building Sale Price \$1,600,000</p>
 <p>Waterloo 9 Unit Apartment Building Sale Price \$2,266,000</p>	 <p>Kitchener 29 Unit Townhouse Complex Sale Price \$9,250,000</p>	 <p>Kitchener 42 Unit Apartment Building Sale Price \$8,610,000</p>	 <p>Waterloo 11 Unit Apartment Building Sale Price \$2,400,000</p>
 <p>Paris 11 Unit Apartment Building Sale Price \$1,760,000</p>	 <p>Cambridge 17 Condominium Units Sale Price \$6,250,000</p>	 <p>Kitchener 9 Unit + Commercial Restaurant Sale Price \$2,000,000</p>	 <p>Kitchener Fiveplex Sale Price \$1,186,000</p>



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