



LANDLORD REPORT

WATERLOO REGION & GUELPH

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PRINCIPAL INTEREST
MULTI FAMILY INVESTMENTS

 **ROYAL LePAGE**
COMMERCIAL

MULTI FAMILY MARKET COMMENTARY

By Kyle Church, Broker

Much has changed since my last Landlord Report in 2023. This year brought the anticipated news of a 125-basis-point reduction in the Bank of Canada's key policy rate to date, along with a personal milestone: the arrival of my first child, Orla, born in late December 2023. As I adapt to fatherhood, I am pleased to report that I've remained active in the market, participating in one in every five multifamily transactions in 2024.

The market itself is also adjusting to the reality of higher interest rates. When clients ask about the current state of the market, my response is that it largely depends on the specifics of each property, client and economic news of that particular day.

Here's a closer look at what I'm seeing:

Demand Side: Investors have returned to the market, albeit with a cautious approach. While some are waiting on the sidelines for exceptional opportunities, well-capitalized buyers are seizing this opportunity to purchase properties in a less competitive market. If interest rates continue to decline, deals that look "good" today could become "great" by the time they close.

Supply Side: Sellers are facing the reality that property values may not align with expectations from a year or two ago. As this report will show, values vary significantly depending on the property type and opportunity. Despite a few power-of-sale transactions this year, many owners are maintaining firm pricing, confident that values will rebound as interest rates decline.

Rental Market: If you've filled a vacancy recently, you may have noticed a softening rental market due to adjustments in Canada's immigration policy. Landlords may need to hold a unit vacant for an additional month or two to secure an ideal tenant at target rental rates. There is no longer an upward pressure on rents, and some landlords are now offering leasing incentives to tenants.

Looking ahead, I remain optimistic that a continued downward trend in interest rates will entice more buyers back into the market. Although the era of 3% cap rates may be behind us, cap rates in the 5% to 6% range are becoming the new normal. Buyers focused on value-add opportunities are especially sensitive to price-per-unit metrics, with strong interest in properties priced under \$200,000 per unit. Meanwhile, renovated and stabilized properties, though priced higher, attract a distinct buyer profile.

Whether you're planning to make moves in 2025 or prefer to observe the market for the time being, I welcome the chance to discuss current trends and share insights. Please feel free to reach out by phone, text, or email anytime.



MULTI FAMILY MARKET INSIGHTS

Waterloo Region & Wellington County

\$174.5M

SALES VOLUME TO DATE 2024

2023 - \$473M, 2022 - \$331M

20.5%

DEALS COMPLETED BY KYLE

\$209,226

AVERAGE PRICE PER UNIT 2024

2023 - \$242,390, 2022 - \$241,477

755

UNITS SOLD IN 2024 to date

2023 - 1,579, 2022 - 1,200

53%

OF TRANSACTIONS
COMPLETED ON MLS

Kitchener - 13

Cambridge - 7

Waterloo - 7

Guelph - 5

Elmira - 2

34

NUMBER OF
TRANSACTIONS

2023 - 40, 2022 - 47

4.0% - 6.0%

CAPITALIZATION RATE
RANGE

2024 TRANSACTIONS BY CITY

Source: Altus, Realtrack, Principal Interest Database

2024 TRANSACTIONS TO DATE

Address	Sale Month	Sale Price	# of Units	Building Details	Price per Unit
Brant Avenue, Guelph	January	\$9,450,000	45	Concrete, 30 x 2BR, 15 x 3BR	\$210,000
Borden Ave, Kitchener	January	\$5,600,000	33	Older Wood	\$169,697
Beck St, Cambridge	January	\$4,150,000	24	Concrete, 20 x 2BR, 4 x 1BR	\$172,916
👑 Hoffman St, Kitchener	January	\$1,800,000	8	Wood, 7 x 2BR, 1 x 1 BR	\$225,000
Elmsdale Drive, Kitchener	January	\$4,000,000	14	Newer, stacked towns	\$285,714
Lorne Avenue, Kitchener	January	\$4,965,000	23	Concrete, 1x1BR, 19x2BR, 3 x 3BR	\$215,869
Victoria Rd N, Guelph	January	\$3,400,000	16	Concrete, 1 x 2 BR, 15 x 3BR	\$212,500
👑 Dolph St, Cambridge	January	\$1,400,000	6	Wood, 5 x 2BR, 1 x Bach	\$233,333
Rosedale Avenue, Kitchener	February	\$2,890,000	17	Wood, 1 x Bach, 11 x 1BR, 5 x 2BR	\$170,000
Hugo Cres, Kitchener	February	\$1,800,000	11	Concrete, 11 x 1 BR	\$163,636
Woodfern Cres, Kitchener	March	\$3,550,000	17	Power of Sale, 14 x 2BR, 3 x 1 BR	\$208,823
Centre St, Elmira	March	\$2,100,000	12	2 Sixplexes, 10 x 2BR, 2 x 1BR	\$175,000
Heiman St, Kitchener	April	\$5,180,000	24	Concrete, 20 x 2 BR, 4 x 1 BR	\$215,833
Woolwich St, Guelph	May	\$19,050,000	84	9 Storey, 32 x 1BR, 49 x 2BR, 3 x 1BR	\$226,785
Lincoln Rd, Waterloo	June	\$24,150,000	115	12 Storey + Land, 69 x 1 BR, 46 x 2BR	\$210,000
Marilyn Drive, Guelph	June	\$2,450,000	11	10 x 2BR, 1 x 1 BR	\$222,727
Duke Street, Cambridge	June	\$3,310,000	18	Concrete, 11 x 2Br, 6 x 3BR, 1 x Bach	\$183,889
👑 Bond Street, Kitchener	June	\$1,362,000	6	Wood, 5 x 2BR, 1 x 1 BR	\$227,000
Moore St, Cambridge	June	\$2,050,000	9	Wood, 6 x 3BR, 2 x 2BR, 1 x 1BR	\$227,778
👑 Glenelm Cres, Waterloo	June	\$5,600,000	23	Concrete, 9 x 2BR, 9 x 3BR, 5 x 1BR	\$243,478
Clyde Road, Cambridge	June	\$3,000,000	18	Concrete, 11 x 2BR, 6 x 1BR, 1 x Bach	\$166,667
Central Street, Waterloo	July	\$1,950,000	6	Concrete, 4 x 3BR, 2 x 1B	\$325,00
Silverbirch Road, Waterloo	August	\$1,970,000	9	Concrete, 8 x 2BR, 1 x Bach	\$218,889
Queenston Road, Cambridge	August	\$1,250,000	6	Concrete, 4 x 3BR, 2 x 2BR	\$208,333
Frederick Street, Kitchener	August	\$1,450,000	11	Concrete, 11 x 2BR	\$131,818
👑 Hamilton St, Cambridge	August	\$2,900,000	15	Concrete, 15 x 2BR	\$193,333
Morgan Avenue, Kitchener	September	\$2,500,000	18	Concrete, 5 x 1BR, 9 x 2 BR, 3 x 3BR	\$138,889
Killdeer Road, Elmira	September	\$1,850,000	12	Concrete, 12 x 1BR	\$154,167
Sixth Avenue, Kitchener	September	\$2,567,000	11	Concrete, 11 x 2BR	\$233,409
Plymouth Court, Guelph	September	\$1,100,00	6	Wood, 5 x 2BR, 1 x 1BR	\$183,333
👑 Macgregor Cres, Waterloo	October	\$2,780,000	15	Concrete, 15 x 2 BR	\$185,333
Westhill Drive, Waterloo	October	\$38,000,000	85	New Construction	\$447,058
👑 Glenforrest Blvd, Waterloo	October	\$1,725,000	8	Concrete, 8 x 2BR	\$215,625
David Street, Kitchener	October	\$4,325,000	19	Power of Sale, 12 x 2BR, 7 x Bach	\$227,632

👑 Denotes Transactions Completed by Kyle Church

Source: Realnet, Principal Interest Database. Does not include Students Housing and Seniors Housing

LOOKING FOR CAP RATES?

Our database contains financial details on over 75% of the transactions listed above.
Please reach out to Kyle Church directly to discuss a specific transaction.

RECENTLY SOLD BY KYLE CHURCH



Hoffman Ave, Kitchener
8 Unit Apartment Building
Sale Price \$1,825,000



Dolph St N, Cambridge
6 Unit Apartment Building
Sale Price \$1,400,000



Bond St, Kitchener
6 Unit Apartment Building
Sale Price \$1,420,000



Glenelm Crescent, Waterloo
23 Unit Apartment Building
Sale Price \$5,600,000



Hamilton St, Cambridge
15 Unit Apartment Building
Sale Price \$2,900,000



Macgregor Crescent, Waterloo
15 Unit Apartment Building
Sale Price \$2,780,000



Glenforrest Blvd, Waterloo
8 Unit Apartment Building
Sale Price \$1,725,000



Lisgar Avenue, Tillsonburg
18 Unit Apartment Building
Sale Price \$2,400,000



Seventh St, Collingwood
12 Unit Apartment Building
Sale Price \$2,270,000



Coachwood Road, Brantford
9 Unit Apartment Building
Sale Price \$1,875,000



Sherwood Ave, Kitchener
4 Unit Apartment Building
Sale Price \$1,130,000



Barbara Crescent, Kitchener
4 Unit Apartment Building
Sale Price \$1,250,000

CURRENT OPPORTUNITIES



28-30 Ontario St S, Kitchener
Commercial + 9 Renovated Apartments
Asking Price \$3,850,000



100-104 Margaret Ave, Kitchener
21 Apartment Units - 2 Buildings
Asking Price \$5,000,000



295 Nelson St S, Meaford
8 Unit Apartment Building
Asking Price \$1,600,000



415-435 Garden Ave, Cambridge
10 Renovated Townhomes
Asking Price \$4,590,000



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Agent in 2021



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