CANADIAN APARTMENT INVESTMENT REPORT

Annual 2022 / Issue 18
realestateforums.com

ALTUS GROUP PRESENTS:

APARTMENT SECTOR INDICATORS

2022 FEATURED MARKET TRANSACTIONS

TRANSACTIONS BY MARKET AREA

WHAT ADVICE WOULD YOU GIVE SOMEONE WHO IS STARTING THEIR CAREER?

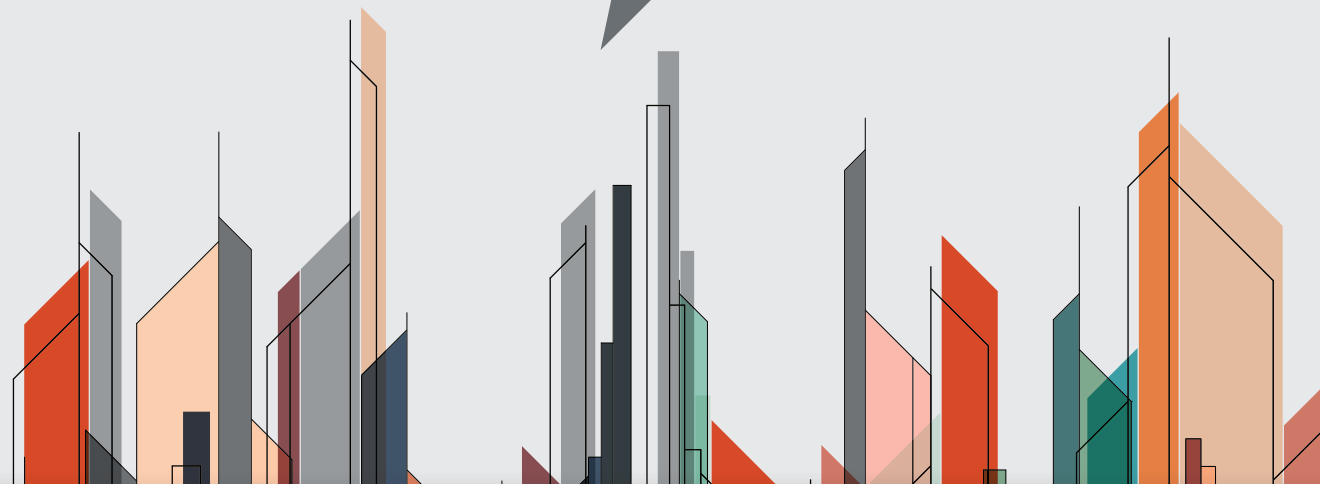
WHAT TECHNOLOGIES AND INNOVATIONS IS THE INDUSTRY SEEING?

HOW DO WE AS AN INDUSTRY CREATE DIVERSE AND INCLUSIVE WORKPLACES?

WHAT STEPS NEED TO BE TAKEN TO TACKLE AFFORDABILITY IN THE MAJOR CITIES?

WHERE ARE CAP RATES HEADING OVER THE NEXT 12 MONTHS?

WHAT HAS BEEN THE BIGGEST SURPRISE OF THE LAST YEAR?



TOP THOUGHTS FROM:

Ruth Buckle • Paula Gasparro • Gloria Salomon • Andrew Tong • Don White • Michael Williams

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Canadian Apartment Investment Report

The Report is published annually, and coincides with the September Canadian Apartment Investment Conference.

You can find this report on-line throughout the year at www.realestateforums.com.

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Message from the Co-Chairs

Peter McFarlane
Senior Vice President,
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Fiera Real Estate

Francine Moore
President
Homestead Land Holdings

The Canadian Apartment Investment Conference will take place in person this year on September 7 with an outstanding program and first-class speakers. In tandem with the event, and to keep you informed and connected, we have curated this Report designed to provide valuable insights from owners, managers, developers, investors, lenders and service providers who are active in multi-family markets across the country.

Exceptional insights are presented here as key questions were asked and answered. It is ideally positioned to provide comprehensive knowledge and information sharing from respected industry members on a multitude of topics relevant to this sector that you can take away and, in many instances, apply to your businesses now.

We wish to thank you personally and on behalf of the speakers, sponsors and organizers for supporting The Canadian Apartment Investment Conference. The responses presented herein show that not only are we managing, owning and operating multi-family assets, but that the industry really cares about each other and all those that occupy the properties.

Thank you to our 2022 conference speakers

Aled ab Iorwerth
CMHC

Remo Agostino
The Daniels Corporation

Aik Aliferis
Institutional Property Advisors Division of Marcus & Millichap

Peter Altobelli
Yardi

David Benchimol
Fitzrovia

Brian Biggs
Grosvenor

Ugo Bizzarri
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Kathy Black
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Smart Density

David Bloomstone
TD Securities

Kris Boyce
Signet Group

Marlon Bray
Altus Group

Ruth Buckle
Killam Apartment REIT

Thomas Burr
ONE Properties

Kasey Chauhan
Equitable Bank

Stephen Co
Canadian Apartment Properties REIT

Courtney Cooper
Alate Partners

Jamie Cooper
Dream Impact Fund

Samuel Dean
JLL Capital Markets

Brandon Donnelly
Slate Asset Management L.P.

Andrew Drexler
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John English
Tricon Residential Inc.

Sarah Esler
AIMCo

Randy Ferguson
Melcor REIT

Michael Ferreira
Zonda Urban

John Fox Robins
Appleby LLP

Paul Fritze
RJC Engineers

Paula Gasparro
CMLS Financial

Steven Gross
KingSett Capital

Dean Holmes
QuadReal Property Group

Alan Ibrahim
Minto Properties

Cynthia Jagger
Goodman Commercial Inc.

Kalliopi Karkas
RioCan REIT

Mark Kay
CFO Capital

Mansoor Kazerouni
IBI Group

Mark Kenney
Canadian Apartment Properties REIT

Reed Kipp
Devon Properties Ltd.

Marlee Kohn
Starlight Investments

Thano Lambrionos
QuadReal Property Group

Chrystal LeBlanc
BentallGreenOak

Derek Lobo
SVN Rock Advisors Inc

Ron Lovett
VIDA

Natalie Marchut
The City of Calgary

Nick Marini
Macdonald Property Management

Ted Maulucci
SmartONE Solutions Inc.

Jon McGinn
Chamberlain Architect Services

Peter Mills
Wyse Meter Solutions

Phil Milroy
Westcorp

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Tony Pringle
Quinn & Partners

Salima Rawji
CreateTO

Kelly Rhodenizer
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Adrian Rocca
Fitzrovia

Thierry Samlal
PMML

Audra Shinnebarger
Rhapsody Property Management Services

Jamie Shipley
CMHC

Regan Smith
Manulife Investment Management

Kellie Speakman
Preston Living

Julia St. Michael
Canadian Apartment Properties REIT

Benjamin Tal
CIBC Capital Markets Inc.

Ken Toews
Strategic Group

Andrew Tong
Concert Properties Ltd. & CREC Commercial Fund LP

Luke Trovese
Yardi Systems Home IQ and Self-Guided Tours

Oren Vered
The Vered Group

Justin Walton
KingSett Capital

Rob Watt
The DMS Group

Don White
Private Pension Partners Inc. & Apartment Plus (A+) REIT

Daniel Winberg
The Rockport Group Ltd.

Richard Witt
BDP Quadrangle

What has been the biggest surprise that emerged from managing and operating multi-residential assets over the past 18 months?

Demand drivers for renters have shifted dramatically. Tenants are looking for larger apartments to accommodate a home office or additional space due to more time spent at home. Suburban rentals have seen a large increase in demand with people no longer needing to live in the downtown core.

Another factor has been cost of construction and lack of labour availability. Costs of in-suite renovations have increased dramatically which has impacted the rental upside on turnover.

Aik Aliferis, Senior Managing Director, Investments,
Institutional Property Advisors – Marcus & Millichap

Our industry is extremely resilient, and we are bouncing back and people/renters are returning to the cities, everyone has missed the social interaction that made the cities vibrant. Company's now must strategize to re-engage their employees and residents once again.

We have found that the Human Capital market conditions in the past 18 months have taken a strong shift to be an employee's market. Employers must sell themselves more than ever to be the Employer of Choice and that our culture to our new recruits is and will be the right fit for them. The standard ways of recruitment no longer bring in the volume of candidates that we once knew. Employers must embrace hybrid work models where the right position fits and be open to other conversations to balance work/home commitments. A new age of workplace models will be an on-going conversation and is critical. Social media has become a strong tool for recruitment, and we must use it wisely.

Kris Boyce, Chief Executive Officer, Signet Group Inc.

Due to the changing interest rate environment, we saw a significant shift towards shorter term financing as our clients anticipate a drop in bonds once inflation begins to dissipate. We also saw a pickup in mortgage assumption activity as more clients look to avail of existing lower mortgage rates.

David Boyle, Vice President, Commercial Mortgages, MCAP

What has been the biggest surprise that emerged from managing and operating multi-residential assets over the past 18 months?

The discrepancy in the approach of the various provincial/municipal governments in the application of assessment & mil rate increases – some provinces chose to assist their multi-residential industry in providing affordable housing during these unusual times by freezing assessments while others levied unprecedented increases. In some cases, this was in addition to introducing rent controls which further burdened the housing providers.

On a positive note, we have been constantly encouraged throughout the pandemic at the flexibility, adaptability and resilience of our employees. They found creative, innovative ways to work around each new obstacle and continue to serve our residents.

During this time, we had many opportunities to be reminded of how we are for the extra patience and kindness that were so often displayed by our residents and our team.

Ruth Buckle, Senior Vice President, Property Management, Killam Apartment REIT

Two aspects that stand out from the past 18 months are the magnitude of rent growth and cost of construction.

Rent growth, from its trough in Q1 2021, was always expected to bounce back, but the magnitude we've seen thus far has been unexpected. Some markets we operate in, for example, have seen double digit market rent growth.

Similarly, the construction industry is facing inflationary pressures. While, at this time last year, inflation was expected to pick up and construction costs were predicted to significantly outpace inflation, the inflation projections were in the mid-single digit. The extent of the increase in construction costs we've seen over the past year has been remarkable. Add in labour strikes and the geopolitical induced supply chain impacts, the real cost of capital projects has risen anywhere from 30-50% in the last year.

Scott Gordon, Senior Managing Director, Manulife Investment Management

What has been the biggest surprise that emerged from managing and operating multi-residential assets over the past 18 months?

The biggest surprise over the last 18 months (beginning of 2021 to mid-2022), from our perspective, was the sheer number of multi-family trades. This period marked one of the highest dollar volume levels we have ever seen in BC. While it set records in many ways, our view is that it represented combined volumes from two years within a truncated period due to the slow down we experienced during the early days of the pandemic.

One might ponder what was behind the sudden liquidation. Rent freezes with increased expenses in all categories combined with new stressors made for some owners to sell. For buyers, diversification was a common theme as apartment buildings provide stable, consistent cash flow which can balance against investments with higher risk. Many first-time buyers acquired multi-family properties in 2021, especially in the under-$5 million category, while existing owners also added to their portfolios to increase efficiencies. High levels of immigration, increased demand for workers, and the slow delivery of new rental supply kept Metro Vancouver multi-family investment at the forefront for companies looking to acquire commercial real estate.

Cynthia Jagger, Principal, Goodman Commercial Inc.

The lack of innovation in the space.

How rare it is to encounter private owner-operators who have scale in different markets and are vertically integrated from the investment and asset management function to the property management function.

The continued level of distrust between residents and their landlords (or property managers).

Ron Lovett, Founder & CEO, VIDA

The biggest surprise was the sudden drop in rents, due to the exodus out of the core of the cities, and then the sudden return back. COVID had major impacts, no doubt, but it seems that over time the behavior of human beings fall back to the norms.

Ted Maulucci, President, SmartONE Solutions

No surprise, but mostly concerns over the delays in LTB for filing and evicting non-paying tenants. It's been over 9 months for one L1/L2 application to be assigned a file number. The unnecessary delays with LTB when conducting hearings on Zoom and general back log that is causing losses for landlords.

Addy Saeed, Vice President, Investments, HeyAddy Investments

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What has been the biggest surprise that emerged from managing and operating multi-residential assets over the past 18 months?

The huge increase in vacancies due to the pandemic. We never expected so many of our residents to leave.

The drop in immigration really had a major affect on our portfolio. We took the opportunity to embark on major suite upgrades which were costly, especially with the drop in cash flow but we are seeing a great response.

Gloria Salomon, Chief Executive Officer, Preston Group

The combination between the rapid rise in interest rates combined to the increase in renovations and construction costs imply quick management planning and new action plans to maintain cost effectiveness, positive yields and maximum refinancing scenarios.

Thierry Samal, Chartered Real Estate Broker, PMML Inc.

Residents appreciating and gravitating towards the broader community and social events within their community. COVID-19 seems to have made residents appreciate and embrace social events and a sense of community even more than they did prior to the pandemic.

Audra Shinnebarger, Director, Project Implementation,
Rhapsody Property Management Services

Our team has shown tremendous resiliency while adapting to the new realities of the industry which required us to adjust how we conduct our operations in several aspects. Most apparent was the need for a digital leasing process while our offices were closed to promote physical distancing. We quickly launched virtual tours and online leasing applications, which created many efficiencies for our leasing department. We also introduced an automated smart parcel locker service whereby residents can collect packages by scanning a QR code for a contactless experience and added security. The pandemic accelerated the rate at which we have digitized our business and the same applies to how we interact with our team members. We had to learn how to work together when we are not in the same place and rely on video calls rather than face-to-face interaction. While there are advantages to both, it is now more convenient for us to schedule impromptu touch bases with colleagues instead of carving out time to travel to the same boardroom.

Justin Taylor, Chief Operating Officer, Greenrock Real Estate Advisors

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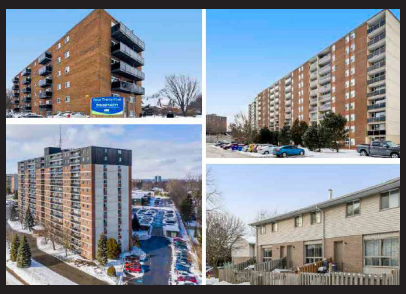

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Augustana

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Quebec City, QC
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* Sales Representative

What has been the biggest surprise that emerged from managing and operating multi-residential assets over the past 18 months?

The high ratio of renters coming from Toronto. Some of their key reasons have been affordability, recreation in the mountains and manageable traffic. The pandemic seems to have made people rethink their priorities.

Ken Toews, Senior Vice President, Development, Strategic Group

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The biggest surprise was the strength and recovery of the multi-residential sector. During COVID-19, we maintained close to full occupancy in our Metro Vancouver portfolio. Our GTA portfolio, which was at near-full occupancy prior to COVID-19, saw occupancy fall approximately 20% during the first 8 months of the pandemic; however, the GTA portfolio has made significant recovery over the last 12 months, with vacancy now at pre-COVID-19 levels. Not a surprise, but noteworthy, is the remarkable work that our property and operational teams did to respond to challenges during this time.

Andrew Tong, Chief Investment Officer, Concert Properties Ltd.

Without a doubt, invigorated political intervention and policy changes affecting the apartment sector from governing and regulatory bodies, including CMHC and provincial residential tenancy boards, due to Canada's acute housing shortage. In Canada, there's a simple reason that rent control is in vogue: Canada's housing market is increasingly unaffordable. The reason for skyrocketing home prices is also straightforward: demand is far outstripping supply nationwide because of rising regulatory costs resulting from local zoning limits on lot size or building height, NIMBYism, delays in entitlement processes, as well as labor shortages, inflation, and supply chain disruptions driving total building and operating costs. Housing cannot become more affordable without becoming more available!

Don White, Chief Executive Officer, Private Pension Partners and Apartment Plus (A+) REIT


Axis at the University of British Columbia, Vancouver

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Housing affordability across Canada is a very hot topic right now. What steps do you think need to be taken in order to tackle affordability in the major cities within the rental housing portion of the market?

Housing affordability is a major challenge for many Canadians due to high prices. These high prices are being driven by strong demand, but Toronto is one of the largest and most attractive cities in the world, so demand is not going to stop. The only solution is to increase supply. You even look at today's environment where prices are dropping, yet people still cannot afford to purchase a home because prices are still too high and higher interest rates make large mortgages unaffordable.

To tackle affordability, we need to incentive developers/owners to build more rental units and increase supply. I find it funny, because to me, it seems like our governments are actually doing the opposite. The Ontario government just recently increased development charges, thus disincentivizing developers to build. Additionally, especially in today's environment of high inflation, rent control in some major markets also disincentivizes builders because it does not allow them to reset rents on a yearly basis to fully match the current macroeconomic environment. With this, rental rates do not increase at the same rate as input costs, thus causing owners to lose money and not want to build rental units.

Aik Aliferis, Senior Managing Director, Investments,
Institutional Property Advisors – Marcus & Millichap

Affordability is a major concern across all major markets. With interest rate increases driving a slowdown in residential sales activity a greater proportion of renters now exists which is driving greater rental demand than ever before. This in turn is fueling a rise in rental rates and further impacting affordability.

Municipalities should look to expedite approval processes, offer higher density rates, and lower development charges in order to incentivize increased supply.

David Boyle, Vice President, Commercial Mortgages, MCAP

We must increase development of multi-residential housing as well as find ways to improve the affordability of the housing we build.

Improve zoning to permit higher density; examination of land holdings by all levels of government to identify available sites and work collaboratively with developers including improving approval timelines.

And I have been known to say – the cost to bring a building out of the ground (and operate it) dictates the rent. If we want rents to be more affordable, government must work with developers to reduce the costs we can control such as land, permitting fees and property taxes.

Ruth Buckle, Senior Vice President, Property Management, Killam Apartment REIT

Housing affordability across Canada is a very hot topic right now. What steps do you think need to be taken in order to tackle affordability in the major cities within the rental housing portion of the market?

Tackling housing affordability requires active engagement across the spectrum of housing. Within the for profit sector, I look for straight up promotion of supply, partnerships with non-profits to provide below market housing supported by capital grants, and the acceptance of residents with housing benefits - in each case where residents to do not require on significant going support in connection with housing. I also look for a continued growth of the private non-profits to create low income housing and supportive housing. For Profits should actively look to assist in this regard, as should government forces. In this regard, I expect to see non-profits being increasingly active in the marketplace with the support of government, as well as increasingly sophisticated financing tools.

John Fox, Partner, Robins Appleby LLP

Removal or strong reduction of development charges and replacement with minimum affordable housing unit allocation in developments. Affordability in rental housing can be improved by adding units to the marketplace.

Paul Fritze, Associate, RJC Engineers

Tackling housing affordability requires genuine collaboration and dialogue between the three levels of government - municipal, provincial, federal, and the real estate industry. It's a topic that can't just be waived off by addressing it as a supply and demand issue and allowing market dynamics to fully control what is an essential aspect of our society. For example, simply adding in isolated regulations and quotas in an uncoordinated manner from one of those levels does little but place hurdles to development and future supply, in addition to squeezing the market even higher. A good first step could be to create a taskforce with representation from all four groups to understand the issues at hand and develop co-ordinated solutions.

Scott Gordon, Senior Managing Director, Manulife Investment Management

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Housing affordability across Canada is a very hot topic right now. What steps do you think need to be taken in order to tackle affordability in the major cities within the rental housing portion of the market?

With continued population growth expected in Canada, partly due to the expected strong immigration over the next few years, the need for rental housing has never been stronger. This is especially true in major metropolitan regions that are subject to some form of rent control. In Vancouver, the provincial government has capped permissible annual rental rate increases at a level that trails the pace of inflation and operating cost increases. This ultimately disincentivizes investment in existing and new multi-family projects.

Although allowing the market to dictate annual rental increases may seem counterintuitive to the issue of affordability, it is important to understand that the principal reason rents significantly jump when apartment units turn over; chronic lack of supply relative to demand. Correcting the imbalance will allow the market the opportunity to balance out rents in the long run.

All levels of government need to incentivize investment in rental housing. While the Canadian Housing and Mortgage Corporation (CMHC) insured construction financing is a start, more needs to be done: GST payable on self-supply must be eliminated, barriers to permitting must be removed, and municipal development and permitting fees need to be waived entirely for rental.

As lenders, we need to be as flexible as possible on terms and comfortable with greater exposure to rental housing. Many lenders have caps on their loan books, limiting the availability of loans by region and/or by asset class. This can constrain availability of land and construction loans for new rental housing. Lenders must consider cap exemptions for rental apartment construction loans. With continued construction cost inflation, lenders must also consider higher loan-to-cost solutions which include cost overrun facilities and other such creative structures. More liquidity in the market and flexible terms offered by lenders will ultimately decrease financing costs for rental housing projects.

Eric Horie, Senior Managing Director, Head of Origination, Canada, Trez Capital

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Rental prices across all major Canadian cities have grown at staggering rates this past year. For example, Vancouver rents have gone up 14.4%, Toronto rents have gone up 21.6%, and Calgary rents have gone up 27.1% year-over-year. The main contributors to the rise in rents are a lack of supply and increasing demand for rentals due to immigration and increased barriers to home ownership. Encouraging the construction of more rental housing is the glaring solution. We can do this by making it more profitable to build rental housing. This can be done with a three-pronged approach. First, governmental bodies need to reduce costs where possible (i.e. property taxes and development charges). Second, governments need to drastically reduce timelines of the entitlement process for rental housing – prioritize these projects over condo projects. Finally, rental projects should be granted significantly more scale than their condominium counterparts. The economies of scale will help make the economics of these projects more favourable, and you'll start to see rental developers winning bids for land in major cities across Canada, where they currently cannot compete.

Dayma Itamunoala, Vice President | Sales Representative, Colliers

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Housing affordability across Canada is a very hot topic right now. What steps do you think need to be taken in order to tackle affordability in the major cities within the rental housing portion of the market?

Speaking for BC, this is a long-term problem that has been brewing for over 40 years - the shortage of purpose-built rental housing is well documented.

In the last decade, some municipalities have amended their policies to incentivize new rental project construction. This along with low interest rates, relatively stable construction costs, a pause in the condo presales market and new funding programs through CHMC offered a 'sweet spot' for increasing rental completions.

Moving forward there are many headwinds facing the delivery of new rental housing. Our list is noted as follows:

- Increases in hard and soft costs (construction)
- Increase in interest rates (construction and term loans)
- Increases in trades' wages
- Lack of supplies
- Approval timelines

What can we do?

- CMHC and provincial financing packages need to reflect current conditions
- Review of approved projects that have not moved forward and amend policies to assist in unlocking them at the municipal level
- Move away from onerous rezoning requirements for rental – prezoning needed
- Decrease approval times
- Eliminate CACs for rental projects
- Multi-year pause on self-supply GST payment required for new rental projects

Cynthia Jagger, Principal, Goodman Commercial Inc.

More supply. Less municipal red-tape. Lower DC's for rental.
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Kyle Lindsay, National Multi-family Group, Colliers

Housing affordability across Canada is a very hot topic right now. What steps do you think need to be taken in order to tackle affordability in the major cities within the rental housing portion of the market?

The issue of affordability is complex because it is a challenge that each family or individual experiences differently. Solutions need to be tailored to each type of renter—I believe the key is to assess and understand the quality and level of housing stock against the income bracket that demands it. Our leaders in government have a huge opportunity to help with affordability by looking to experts and proven operators in the private sector for partnership opportunities.

Ron Lovett, Founder & CEO, VIDA

My pet peeve on this one is that the governments want to take different steps to encourage affordability, but don't highlight the fact that development fees, of all sorts, continue to increase. The fees on most new residential homes can be in over $100K, before the cost of land and actual construction is actually considered. Everyone thinks that developers are making money in obscene amounts, but few consider the risk in multi-family developments. You sell something today that is not delivered for three years.

Solving this problem will require different thinking and it probably will involve creative land leases, or second mortgage mechanisms. Manufactured housing also has the possibility of creating affordable options.

Ted Maulucci, President, SmartONE Solutions

- Encourage new rental construction at market value so that people can move up and affordable units become available. It is impossible to build new “affordable “without massive subsidies.
- Decrease development charges for new construction.
- Protect vacancy decontrol as it is the only way to motivate investment in older buildings.

Gloria Salomon, Chief Executive Officer, Preston Group

First and foremost, owner associations and multi-family focus groups ,including an important number of building owners, should be consulted for opinion polling before any governmental housing affordability action plan is put into place. Secondly, more new affordable rental units should be integrated into transit oriented development sites to ease the cost of transportation related to vehicles and their collateral expenses leaving more room for other expenses including rents.

Thierry Samal, Chartered Real Estate Broker, PMML Inc.

Free markets have always been the most effective way to increase supply along with a healthy rent control program that protects tenancy and provides affordable housing access for those in need.

Audra Shinnebarger, Director, Project Implementation,
Rhapsody Property Management Services

- Decrease time it takes to get properties from zoning/planning to build. Help local municipalities by giving them guidelines to streamline and approve development projects.
- Have in place zoning for thoroughfares which have densities built into the code. Remove the red tape in getting density and stop the nimbyism.
- Have a fixed interest program for any affordable housing projects (CMHC Programs) so they don't pivot to for sale condos if the interest rates rises. Provide them an option to hedge any interest rate risk so development aren't shelved.
- Reduce red tape in Residential Tenancies Act and at Landlord and Tenant board to help landlord's get access to justice faster. Allow for a program where non-paying tenants can be removed within 30 days of filing.
- Start a registry for professional tenants gaming the system. There are a lot of landlords suffering at the hands of tenants that know how to game the system. Due to high rents in the market, professional tenants can rack up bills in the 10's of thousands and causing landlords to exit the market hence making the affordability of housing worst.
- Offer solutions for landlords that are running into trouble due to professional tenants. The government is downloading their responsibility of affordable housing on private sector but aren't supporting them in curbing their losses due to rent control and RTA. This needs to be addressed.

Addy Saeed, Vice President, Investments, HeyAddy Investments

Housing affordability across Canada is a very hot topic right now. What steps do you think need to be taken in order to tackle affordability in the major cities within the rental housing portion of the market?

Affordability is directly correlated to the economics of supply vs. demand. Significantly more supply is needed, especially in large markets like Toronto and Vancouver. The challenge is how to deliver that supply. While there is no single solution, a key element is need for government and policy alignment across all three levels that encourages rather than deters and slows development. Whether it is increasing development charges, zoning and density restrictions or decision-making red tape, the actions do not consistently align with the talk.

Our major centres will always be expensive to live in relative to mid and smaller size centres. Strong transit links and transportation infrastructure will help to connect centres and expand the geography of more affordable housing options. Our population will also have to continue to adapt and embrace communities they may not have previously considered to establish their roots of career, home and social connection.

Steve Bryant, Vice President & Managing Director, Real Estate Finance, Eastern Canada, CMLS Financial
Paula Gasparro, Vice President, Real Estate Finance, CMLS Financial

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Calgary has not had as big an impact on affordability because of reasonable rents, new product coming on, and higher vacancies. The vacancies are coming down, so rents are increasing but still substantially below Vancouver and Toronto.

Ken Toews, Senior Vice President, Development, Strategic Group

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Currently all major government housing agencies (federal, provincial, regional and municipal levels) are essentially providing their own specific solutions and incentive programs for the private and non-profit sectors to improve housing affordability. Each of these government agencies have great ideas and vision. However, we can accomplish more together than apart! The key is for each of these levels of government to work with each other and industry stakeholders so that there is consistency when aligning all program requirements, approval timelines, legal agreements, and project outcomes – this efficiency and streamlining will encourage industry stakeholders to combine various government programs and create the scale and deeper affordability that is required to have a meaningful impact on housing supply.

Andrew Tong, Chief Investment Officer, Concert Properties Ltd.

1. Political leadership to stop vilifying private real estate investors and developers with suggestions of corporate greed and a general lack of empathy for renters, the private sector did not create the housing shortage.
2. Upzoning for scale, focus on density, aging in place, easy in-fill approvals, and reducing entitlement processes.
3. Easier immigration, especially for skilled labour that can participate in the construction industry.
4. Invest in education, use apprenticeships and individual tax credits for all Canadians to promote learning where the greatest labour demands exist.
5. Government led investment in affordable housing, using capital grants, tax incentives, and / or lease structures to encourage investment by the private sector to bridge the gap between costs and values.
6. Abolish all rent controls in every province, they don't meet the needs of desperate renters, they merely ration access through waitlists rather than market driven prices as they kill supply.

Don White, Chief Executive Officer, Private Pension Partners and Apartment Plus (A+) REIT

Obviously, one of the simplest ways to help tackle affordability is to increase supply. Likely consistent with many other answers here, one of the best ways to do that would be zoning updates to allow for as-of-right development - making land shovel ready, decreasing unit-delivery timeframes, and ultimately helping to lower the risk (and costs) of development.

From a lending perspective, we're working on the cost side of the equation. We're actively educating the market on CMHC's new MLI Select program – by maintaining a level of affordability in some units, apartment owners can access a variety of incentives like higher leverage, lower fees, and longer amortizations. The new MLI Select program has quickly become an attractive new mortgage product and is driving many of our clients to increase affordability in their projects.

Michael Williams, Regional Vice President, Commercial Financing,
Quebec and Atlantic Canada, First National Financial LP

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Apartment sector indicators

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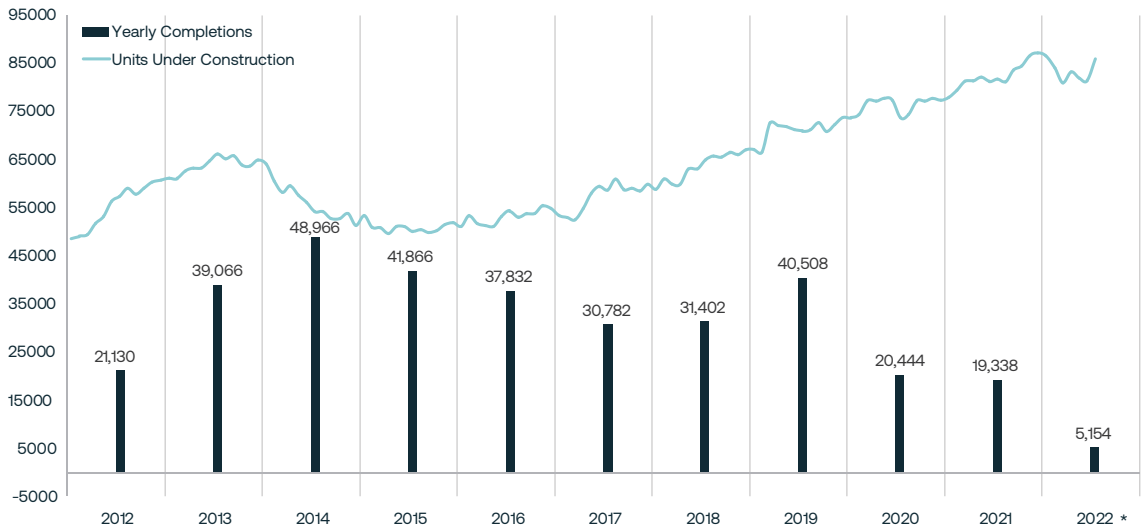
High rise units under construction & completed

Greater Toronto Area

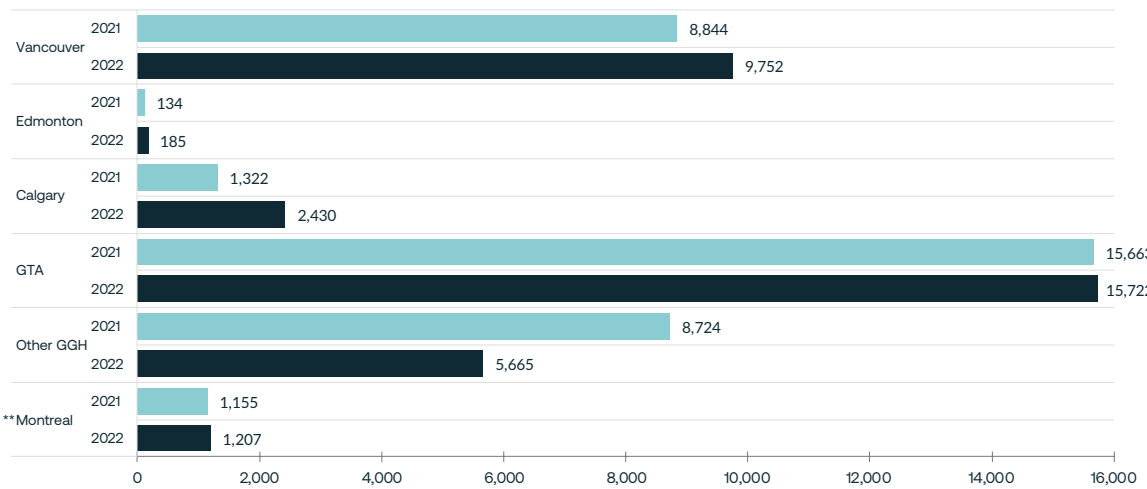


*YTD June

Source: Altus Group

New condominium apartment sales by market area

Year-to-date June

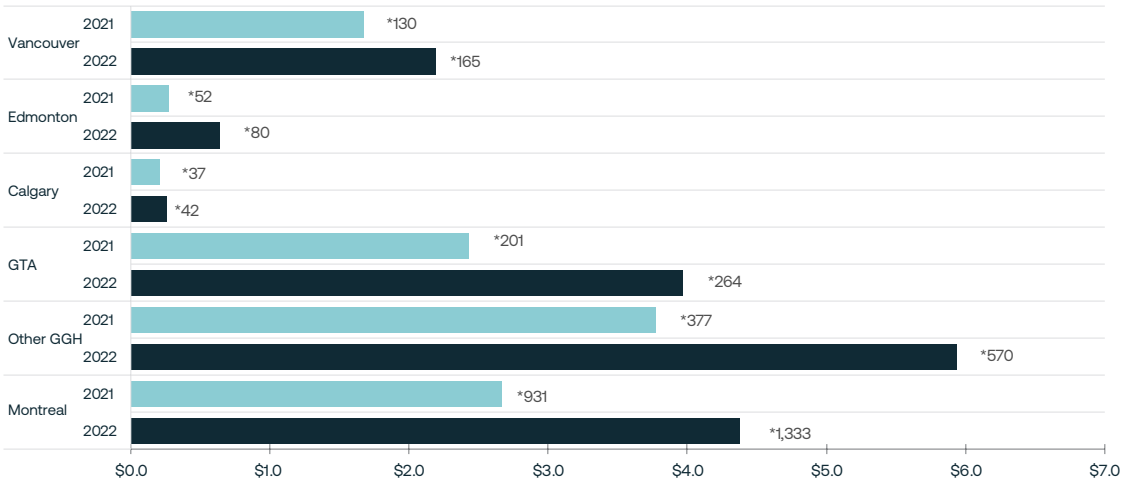


** YTD March

Source: Altus Group

Rental apartment transactions by market area

12 months ending Q1 ($ Billion)

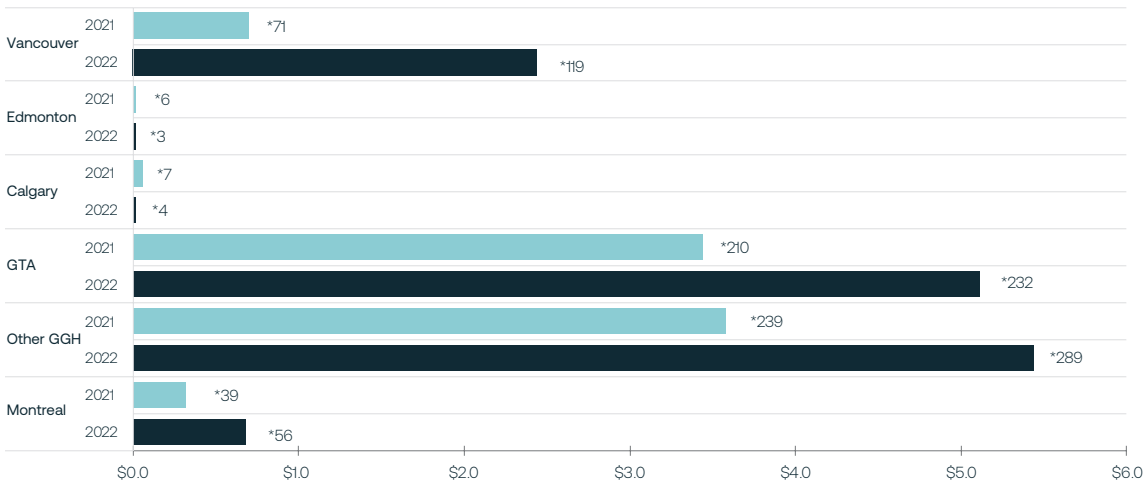


*Number of transactions

Source: Altus Group

High-density residential land transactions by market area

12 months ending Q1 ($ Billion)



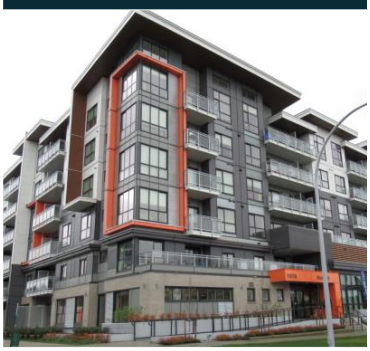
*Number of transactions

Source: Altus Group

Altus Group

Featured apartment transactions, YTD Q2 2022

Vancouver Market Area



Address:	11018 126A Street & 12685 110th Avenue
Price:	$81,669,331
Price/unit:	$350,512
Purchaser:	Centurion Apartment REIT

Edmonton Market Area

Address:	10022 110th Street NW
Price:	$81,000,000
Price/unit:	$364,865
Purchaser:	Hazelview Investments

Calgary Market Area

Address:	3805 Marlborough Drive NE
Price:	$63,500,000
Price/unit:	$165,365
Purchaser:	Avenue Living Asset Management Ltd.

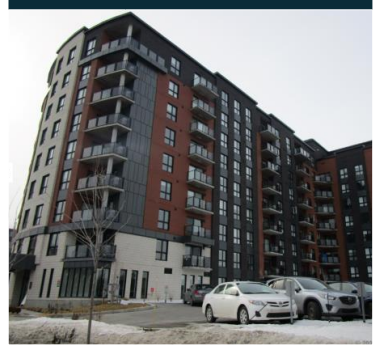
Greater Toronto Area

Address:	263 & 265 Dixon Road
Price:	$141,000,000
Price/unit:	$400,568
Purchaser:	Akelius Canada Ltd.

Ottawa Market Area

Address:	96 Tapadero Avenue & 200 – 210 & 222 - 266 Livery Street
Price:	$43,700,000
Price/unit:	$390,179
Purchaser:	CAPREIT Apartments Inc.

Montreal Market Area



Address:	265 Hymus Boulevard
Price:	$53,773,361
Price/unit:	$398,321
Purchaser:	265 Hymus Residences Corp.

What technologies and innovations are you aware of that could be integrated into your buildings, your overall portfolio or your business today that would benefit your bottom line?

Technology is rapidly changing. I think system that can be used to improve operational costs are starting to be very integral for improving buildings NOI.

Companies like 1 valet are offering technological solutions to buildings operations to improve the bottom line with:

1. Energy use monitoring system which monitor consumption of gas water hydro and have software which can improve the efficiency of these costs to buildings. They can automatically adjust the usage in a building bringing down these costs.
2. Integrating cable systems like Roger's and bell into buildings using software that landlords can charge back to tenants and earn extra revenue through revenue sharing systems.
3. adding visual recognition software systems to buildings will enhance building efficiencies and lower some costs.

Technology will continue to work towards creating more profit for buildings through various advancement in the multi-family space.

Aik Aliferis, Senior Managing Director, Investments, Institutional Property Advisors – Marcus & Millichap

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We actively investigate all energy savings initiatives and implement many in both our new developments and our existing properties including geo-thermal heating and cooling, solar panels, low flow toilets, LED lighting, building automation systems, etc.

Ruth Buckle, Senior Vice President, Property Management, Killam Apartment REIT

We've been seeing a lot of innovation happen at different levels of the asset lifecycle and we're intrigued by what lies ahead.

At this moment we're exploring opportunities to enhance tenant, staff, and investor experience while addressing bottom line growth. For example, we're constantly evaluating our tech stack to find efficiencies. We're also focused on are energy saving retrofits across the portfolio, are using software to find staffing and maintenance efficiencies, and are working to provide a better tenant experience which can lead to higher market rents.

Scott Gordon, Senior Managing Director, Manulife Investment Management

What technologies and innovations are you aware of that could be integrated into your buildings, your overall portfolio or your business today that would benefit your bottom line?

At Starlight, we use certification services such as WiredScore to measure our connectivity and digital security and ensure we are providing our residents with secure access to emerging technologies that simplify their lives. Across our portfolio, we have started implementing digital concierge systems, smart thermostats and digital front door lock systems. These all contribute to a larger digital ecosystem that allows residents more security, more control over their homes and better quality of living. One offering that we currently provide in several properties is smart parcel lockers. These automated parcel management systems provide increased security and convenience for residents while greatly assisting our property management companies by streamlining their processes. Through our ongoing investment in prop-tech at our properties, we're able to increase resident satisfaction while driving value for our portfolio.

Michael Hanak, Executive Director, Asset Management & Marketing, Starlight Investments

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We recently worked with a builder that was developing a smart building. The building utilizes a smartphone app that was designed to handle contracts, virtual walk-throughs, landlord and tenant correspondence, unit access and maintenance requests. This was an interesting project to support as conversations regarding proptech have started to become more common in the industry. Overall, we have seen that this technology has helped multi-family owners lower their operating costs and obtain market-leading rental rates.

We have also seen technologies in the hotel sector that can be adopted to benefit of multi-family operators. Companies such as Sonder are creating efficient, digital models for hotel services where guests can schedule their stay and request services through a smartphone and where operators can centralize the remote monitoring of many properties. This level of digital integration results in cost and time efficiencies for building operators and managers, and we may begin to see these best practices being integrated into multi-family buildings.

Eric Horie, Senior Managing Director, Head of Origination, Canada, Trez Capital

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What technologies and innovations are you aware of that could be integrated into your buildings, your overall portfolio or your business today that would benefit your bottom line?

There are many creative innovations out there today that help improve the efficiency of a building. For multifamily buildings, three technologies are at the top of my list for producing the most value-add. The first is sub-metering all utilities. Energy costs account for some of the highest expenses for a building, and by sub-metering both hydro and water, you can keep tenants accountable for their usage and push these costs off your bottom line. The General Services Administration of Canada released a report on energy savings after sub-meter installations and found that there were long-term energy savings of 15 to 45%. The second top innovation on my list is Installing LED motion sensor lights. This lighting solution provides the same level of brightness as traditional fluorescent or incandescent lighting, but uses 90% less energy. Bulb replacement also takes place 15 times less than with traditional bulbs. The final innovation on my list is installing low-flow toilets. Believe it or not, toilets are the main source of water usage in a home, accounting for 30% of indoor water consumption. Switching to low-flow toilets can reduce water usage by 20 to 60%. While there are numerous other technologies and innovations out there, I have personally found that these three create the most value for both the current landlord and prospective purchasers.

Dayma Itamunoala, Vice President | Sales Representative, Colliers

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Technologies that we have benefited from the most include innovations that have enabled us or our clients to be more efficient in our day-to-day. Being able to offer our clients the ability to choose electronic payments, manage their building amenities, automate requests/bookings, or layering cost-saving services are just a few of examples of how technologies can help organize and direct common everyday activities in the multi-family residential space.

Robust building management software like our Tribe Home platform, has increased our ability to respond to and direct inquiries in a more timely and efficient manner, while helping organize and consolidate information across our broader portfolio.

We also look for innovations that simplify living in a building and add value to quality of life of those living in our communities. The proliferation of software and applications out there, has encouraged many businesses in the service industry to become more digitally available to consumers both from and for their homes. These include concierge-type services like dry-cleaning pickup and delivery, car share offerings, food and grocery delivery and solutions that not only build community within a building but also have the ability to strengthen the neighborhood interactions around them.

Lawrence Liu, Vice President, Sales & Partnership,
Tribe (Management & Property Technologies)

VIDA uses a text platform called “VIDA Connect” to help us get close to our customers and present them with job opportunities, discounts, introduce them to community partners and other tenant businesses etc. The adoption and feedback has been great so far.

We have been testing Ecopilot which is an AI-based HVAC efficiency product. Lots of potential there.

Ron Lovett, Founder & CEO, VIDA

Smart Community solutions connect smart homes together over the common network of the building in multi-family residential developments. This approach provides the resident with a full smart home experience, but also access to community level capabilities, such as controlling entrances and viewing cameras. Automated license plate reading, integrated package delivery, car shares, and smart EV charging are all great community services that are already available, and will transform community living. The technologies make communities more secure, sustainable and convenient.

These solutions can be combined with residential internet service, through large telcom, to create a compelling business model to support the introduction of these services at no cost to the budget.

Specific to rental communities, the smart technology will attract tenants, but also provide valuable tools to mitigate risk and improve the operations of communities. Integrated leak and smoke detection, as well as, advanced HVAC integration are making a significant impact. In one new rental community in Montreal, the register control values of the HVAC are being communicated through the home wall pad, and exposed through an interface, where machine learning is being applied to optimize the building automation system and lower energy consumption. The operator of the community can control all of the thermostats in the building, centrally and be proactively notified of any service issues. This new piece of technology is generating more than half a million data points every two days. The future of building operations will involve machine learning and artificial intelligence.

The solution also provides opportunities to generate new revenues through community-based services that include virtual markets, and assistive care technologies. There is a program in place called PATH (Program to Accelerate Technologies for Homecare) www.pathplatform.ca to create assistive care solutions for age-in-place.

Ted Maulucci, President, SmartONE Solutions

Smart meters for all utilities.

Gloria Salomon, Chief Executive Officer, Preston Group

What technologies and innovations are you aware of that could be integrated into your buildings, your overall portfolio or your business today that would benefit your bottom line?

We sell multi-family buildings. We are observing a definite need for more AI (artificial intelligence) in older buildings, to increase tenant access and security as well as to reduce energy costs and increase expenditure efficiency. AI will also help to implement a risk management plan related to mechanical components, plumbing and heating components.

Thierry Samal, Chartered Real Estate Broker, PMML Inc.

New technology is often present in the new product within our portfolio, but Rhapsody is constantly evaluating new technology and software to assist in efficiencies.

Audra Shinnebarger, Director, Project Implementation,
Rhapsody Property Management Services

Innovations are a tricky one, because with the fees, they can often increase operating cost. What we focus on is technology that increases leasing, auxiliary, revenues and can reduce operation costs. A good example is automated parking systems that increase revenue. Another one is entry systems that are operated by smart phones. These save money on key replacement and are a strong leasing feature.

Ken Toews, Senior Vice President, Development, Strategic Group

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Using data analytics to regularly track Greenhouse Gas (GHG) Emissions of residential and commercial buildings will be a must moving forward in order for operational teams to manage and monitor how effective their capital expenditure and on-going daily operational programs are to ESG targets. This will also help interested tenants to participate and take ownership of their own GHG emissions – which will help change tenant behavior and ultimately reduce the building's carbon footprint.

Andrew Tong, Chief Investment Officer, Concert Properties Ltd.

We are a real estate investment management company first and foremost so we seek to be users of the latest technology, not invent it. Having said that we can also see the incredible growth potential in the proptech space and activate technology whenever we can. Practically for our apartment operations, our professional team has invested in, and benefited from, major advances in virtual tours, esigning, smart home technology, digital advertising channels, and tenant, property and asset management CRM software. We also remain keenly attentive to the potential opportunities associated with proptech driven fractional real estate investment offerings (think "Fundrise" in the US) as securities laws in Canada adjust over time. As a specific example or partnering our properties with technology entrepreneurs, one of our apartment communities in Winnipeg, Tuxedo Point, is working with a new proptech company called mimobl (www.mimobl.com) as a test site delivering essential in-home services to our tenants (e.g. cleaning, haircuts, massages, dog walking, etc.)

Don White, Chief Executive Officer, Private Pension Partners and Apartment Plus (A+) REIT

As a lender, one of our main objectives is to provide smart-risk mortgage solutions in an efficient way. To do this, transparency and automation of process become critical to our client experience. At First National, we're constantly looking at ways to streamline the business process from first cold-call to final advance. Not to give too much away but terms like RPA (robotic process automation) and blockchain are quickly making their way into our lexicon.

Michael Williams, Regional Vice President, Commercial Financing,
Quebec and Atlantic Canada, First National Financial LP

Where do foresee cap rates heading in each of the major multi-residential markets across Canada over the next 12 months?

Cap rates are a function of net operating income divided by price. Because of this, I believe cap rates will trend down in the future for the major markets with rent control (Toronto, Vancouver, Ottawa, Montreal) because Net Operating Income will decrease at a quicker pace then prices, thus driving cap rates down. As of now, we are seeing prices slowly begin to lower due to rising interest rates, however, I do not think price will lower too much as apartment rentals are becoming more favourable due to single-family home affordability being a major issue, which is redirecting potential buyers to the rental market and increasing demand. With this, prices should not decrease too significantly because underlying demand fundamentals are strong.

With that said, I do believe Net Operating Incomes will begin to decrease in Markets with rent control due to the high inflation environment. Because of rent control owners can only increase their rents by 1.5-2.5% to existing tenants (depending on the market). This 1.5-2.5% increase in rent, is well behind the pace of inflation of 8.1%, which means costs are increasing faster than revenue, therefore, driving NOI down.

For markets without rent control (Calgary, Edmonton), it could be possible we see cap rates rise. This is because NOI could potentially increase as demand is strong, and rent can increase to whatever value the owner deems appropriate. Another reason why cap rates may rise is because prices may slowly begin to stagnate due to rising interest rates, however, with strong underlying demand, these prices should not stagnate/ decrease for very long.

Aik Aliferis, Senior Managing Director, Investments,
Institutional Property Advisors – Marcus & Millichap

Multi-family cap rates across all major markets have lagged and do not reflect the current interest rate environment. Therefore, I expect cap rates to broaden marginally over the next twelve months.

David Boyle, Vice President, Commercial Mortgages, MCAP

Depending on where interest rates go, we see cap rates remaining relatively stable (there is pent up demand, but they can't compress much further) or rising slightly if market conditions to not improve.

Ruth Buckle, Senior Vice President, Property Management, Killam Apartment REIT

Flat to less than 25 bps higher.

Kyle Lindsay, National Multi-family Group, Colliers

I expect them to decompress in light of rising interest rates. We may start to see cap rates in the 5+% range for secondary markets within the next six months as we go through another expected rate hike in September.

Addy Saeed, Vice President, Investments, HeyAddy Investments

Where do foresee cap rates heading in each of the major multi-residential markets across Canada over the next 12 months?

Cap rates are not entirely dictated by rising bond rates. In markets where rental rate growth keeps pace with or outperforms both increases operating costs and potential further increases in the five and 10 year bond rates, cap rates should stay stable. However, for markets with higher vacancy where operating and financing cost outpaces rental growth, we expect to see cap rates to move upwards.

Starting cap rates also have an influence: Vancouver, Toronto and Montreal, should see some upward pressure on cap rates given the current near all-time low cap rates in the multi-residential sector for these cities. Meanwhile, Edmonton and Calgary – where existing cap rates are 50 to 100 bps higher – can expect to see the least amount of upward pressure in the coming year, particularly with the strong GDP and employment growth projected for the province of Alberta. The relative discount for the Edmonton and Calgary markets should also attract out-of-province demand for multi-family assets, keeping cap rates flat in the face of higher operating and financing costs.

Eric Horie, Senior Managing Director, Head of Origination, Canada, Trez Capital

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The cost of capital has increased drastically over the past 12 months. Using the 5-year CMB as an example (which forms the basis for the majority of CMHC loans), the rate has escalated from 1.1% in September 2021 to 3.3% as of writing. Cap rates during the same time period have stayed relatively stable. With that in mind, we do expect cap rates to rise slightly in the near- to medium-term. This trend will likely be seen across all asset classes due to the rising interest rates, with some markets affected more heavily than others. With residential rental growth at an all-time high of over 20% year-over-year in many of Canada's major cities, the multifamily market is expected to be one of the safest hedges against cap rate decompression. In fact, the multifamily market has had some of the lowest cap rates in Canada this year. While we do foresee cap rates decompressing slightly in the latter half of this year, we do expect this to be short-lived and expect to see cap rates come back down in 2023. This will happen even sooner if the Bank of Canada begins to reduce interest rates once inflation gets under control.

Dayma Itamunoala, Vice President | Sales Representative, Colliers

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My two mantras on cap rate are "it depends" and "it's not all about cap rate"!

It's important to keep in mind other valuation considerations - price per suite, suite mix, price per SF, price per SF of land, price per buildable SF, condition, location, etc. as well.

Overall, for Metro Vancouver and barring any significant global issues, we anticipate the next 12 months to be mostly flat in terms of cap rates for new product and a slight increase in cap rates for existing older product as compared to 2021.

Cynthia Jagger, Principal, Goodman Commercial Inc.

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Where do foresee cap rates heading in each of the major multi-residential markets across Canada over the next 12 months?

Continuing to drop as rental buildings are still a safe investment.

Gloria Salomon, Chief Executive Officer, Preston Group

We are mainly working in the province of Quebec. I think all of our 3 departments (sales, mortgage and appraisal) would agree to say that the market cap rates must remain superior to interest rates. For that reason we think that cap rates will be increasing at the same speed interest rates will be rising.

Thierry Samal, Chartered Real Estate Broker, PMML Inc.

Rhapsody expects cap rates to rise a bit due to the lack of high-rise product limiting transactions.

Audra Shinnebarger, Director, Project Implementation,
Rhapsody Property Management Services

For inferior locations and lower quality multi-residential buildings, we anticipate cap rates to deteriorate given higher interest rates and inflationary costs on capital expenditures. For A class buildings and A locations in Vancouver and Toronto, we expect cap rates will hold steady. However, NOI will be challenged to maintain with high inflationary prone operating costs and gross rents which are not moving as quickly given lower turnover among existing residents.

Andrew Tong, Chief Investment Officer, Concert Properties Ltd.

Typically, cap rates have a lagging positive relationship with interest rates. However, the multi-family sector has been very stable with proven performance through an extremely unstable period. There is still ample investment capital and we believe it will continue to flow to the asset class and keep cap rates low, particularly in primary markets across the country. Secondary and tertiary markets may see increasing cap rates, but not as substantial as we have seen in previous rising interest rate environments. In our discussions, we are hearing increasing sentiment that interest rate increases will subside sooner than initially expected and perhaps subside. This sentiment and the ability to attain rental rate increases given strong demand will also keep downward pressure on cap rates.

Steve Bryant, Vice President & Managing Director, Real Estate Finance, Eastern Canada, CMLS Financial
Paula Gasparro, Vice President, Real Estate Finance, CMLS Financial

TOP 10 | REAL INSIGHTS | Canadian Apartment Investment Conference 2022

INSIGHTS FROM INDUSTRY LEADERS DURING THE CONTENT FORMATION OF THE CANADIAN APARTMENT INVESTMENT CONFERENCE

1

WHAT IS THE OUTLOOK FOR CANADA'S ECONOMY?

How Will Higher Inflation And Interest Rates Impact The Multi-Residential Market?

2

HOUSING AFFORDABILITY AND RENTAL MARKETS: A CANADA WIDE CHALLENGE

Buyers across the country are feeling the pinch as costs rise in every market.

3

CREATING RENTAL THROUGH INTENSIFICATION, MIXED USE AND TRANSIT ORIENTED DEVELOPMENT

Canada's largest CMAs are prioritizing the development of properties that will add to supply and meet tenant's needs.

4

LAND, CONSTRUCTION & DEBT FINANCING

Is Borrowing Becoming More Challenging in Today's Market Due to Inflation and Higher Interest Rates Impacting Lenders' Underwriting Decisions?

5

MANAGING CONSTRUCTION AND DEVELOPMENT COSTS

Labour Shortages, Construction Costs and Municipal Approval Processes Have Proved Challenging for Development

6

HOW HAVE LANDLORDS BEEN ATTRACTING AND RETAINING TENANTS?

Strategies differ across market areas, but across the board tenants are looking for safe, walkable and socially responsible places to live.

7

THE GROWING IMPORTANCE OF ESG: HOW LANDLORDS CAN BENEFIT FROM THESE PRACTICES AND CRITERIA?

Women and millennials, who are holding an ever-increasing percentage of the world's wealth, are generally more likely to focus on social impact issues when making investment decisions.

8

WHY IS HIGHER QUALITY RENTAL BECOMING A PREFERRED LIFESTYLE? HOW STRONG IS THIS DEMAND?

More and more people are unable to break into the housing market, while still others are downsizing and choosing to rent.

9

LOW-COST STRATEGIES TO ENHANCE THE VALUE OF OLDER ASSETS

Small changes like repurposing a basement for storage lockers or investing in landscaping can make a huge difference.

10

TECHNOLOGY AND INNOVATION TO THE RESCUE

Innovations and technology are being applied to rental housing and providing value to landlords, developers and tenants.

For further details on these top trends please visit the Real Estate Forums Portal at realestateforums.com

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We welcome feedback. Please email: sarah.segal@informa.com

Where do foresee cap rates heading in each of the major multi-residential markets across Canada over the next 12 months?

As a result of the sharp and dramatic rise in interest rates that we've seen since the beginning of the year, cap rates have trended upward. However, we're not seeing a one-for-one relationship between higher rates and rising cap rates. Strong market fundamentals and a positive economic and demographic background have mitigated the impact by continuing to fuel growth across the housing market.

Rising rates may impact the multi-family market from multiple angles. On the one hand, they raise the cost of capital for investors thus potentially impacting values and returns. On the other hand, higher interest rates decrease the accessibility of homeownership for renters looking to buy residential real estate. In our view, many years of rapid home price appreciation, under-supply of affordable residential homes and units, strong outlook on immigration, low unemployment, and continued job growth all serve to underpin Canada's growing pool of renters.

We expect average cap rates to continue to move marginally upward from current levels, however the impact across markets will likely vary. Cap rates in lower yielding markets that are in negative leverage territory, such as Vancouver and Toronto, will be under more pressure and will likely experience larger cap rate expansion. On the other hand, higher yielding markets with healthy demand fundamentals, such as Calgary and Edmonton, may experience a negligible impact to their cap rates.

Kamran Soleiman, Director, Real Estate, Research, Manulife Investment Management

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For those forced to sell, speculating only, I would say cap rates are generally going to move SLIGHTLY UP in the short term as long as interest rates push higher. Please note that at the time of making these comments (late July 2022), the yield on the 10 Yr GOC bond has fallen from 3.62% in mid-June to 2.86% being a +/- 75 bp drop in the last +/- 30 days so the interaction between bond yields, spreads, and interest rates remains as volatile as ever. We also would advocate that interest rates don't affect low or unlevered buyers, apartment assets offer the greatest risk diversification income given the number of tenants, apartments NOIs are moving up, inflation is high, and occupancy and tenant retention is strong all of which might actual serve to drive cap rates lower into 2023 holding or even increasing values in the medium term.

Don White, Chief Executive Officer, Private Pension Partners and Apartment Plus (A+) REIT

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Diversity and inclusion are growing as essential components of successful businesses as part of their ESG practices. What is your organization doing with respect to having a diverse and inclusive workplace today and into the future?

Our organization has conducted company-wide Diversity & Inclusion educational sessions across all levels to ensure that awareness exists. We have also completed training addressing Unconscious Bias with an external diversity expert. These training tools help ensure that MCAP remains a diverse and inclusive workplace going forward.

David Boyle, Vice President, Commercial Mortgages, MCAP

- Diversity and inclusion have always been a key component of Killam's DNA, reflected daily in the management of our business and interaction with our employees and residents
- Killam joined Canadian Centre for Diversity and Inclusion (CCDI) in 2020
- Annual strategic planning includes D&I targets (2021 goal to complete 500 unique employee courses/workshops, completed)
- Bi-annual demographic surveys completed in 2019 and 2021, showing notable increases in representation of racialized individuals, persons with a disability and persons of the LGTBQ2+ community.
- Employee D&I Committee compliments HR programming, adding a diverse and representative employee perspective
- Monthly senior management meetings include D&I programming updates

Ruth Buckle, Senior Vice President, Property Management, Killam Apartment REIT

Our firm has valued a diverse workforce over our 70+ years in industry. Variety of lived experience strengthens our ability to solve problems creatively. We continue to support and invest in grassroots programs and examine our hiring practices regularly to ensure our people reflect the marketplace values of today and the future.

Paul Fritze, Associate, RJC Engineers

Colliers has made diversity and inclusion a strategic area of focus. Our company prides itself on attracting and retaining top talent from around the world. Some initiatives Colliers has introduced to create a more diverse and inclusive workplace include implementing qualitative strategies (questionnaires) to capture employee experiences and quantitatively measuring our journey towards becoming a more diverse workplace. Employee resource groups such as The Women's Network, Black Professionals' Network, PRIDE, and LIDER (Latin Inclusion and Development Employee Resource) have all been established here at Colliers to ensure that employees feel represented and supported within the workplace.

Dayma Itamunoala, Vice President | Sales Representative, Colliers

Diversity and inclusion are growing as essential components of successful businesses as part of their ESG practices. What is your organization doing with respect to having a diverse and inclusive workplace today and into the future?

Inclusion, Diversity, Equity, and Allyship (IDEA) are fundamental to Starlight's core values and the way we do business.

At Starlight, our goal is to cultivate open dialogue, remove any barriers that exist, and build trust amongst our people. We conducted our first IDEA survey in 2021 to understand how our employees feel about our organization's performance. Employees were also given the opportunity to share their experiences and provide demographic information to help Starlight advance its People & Culture strategies and activities across the company.

Our survey showed an overwhelmingly positive response to our approach. 97% of our employees felt that people of all cultures and backgrounds are respected in the workplace and within the company's culture, and 95% of employees felt that the organization is responsive to equity and discrimination concerns and issues. Through this discovery process, we also learned that the areas that matter most to our employees include access to education and training and the opportunity to get involved and lead IDEA initiatives across our business lines. We have made conscious efforts to evolve our recruitment strategy to ensure there is a focus on underrepresented groups.

These learnings help drive our formal commitment forward. We continue to advance our IDEA strategy by prioritizing the conversation, growing our culture and investing in our people. Employees have embraced the new strategies and are excited about the positive change these core values bring.

Marlee Kohn, Director, ESG, Starlight Investments

Diversity: Our diverse employee base starts with our go-to-market strategy. We aim to advertise available positions to a wide audience, ensuring that all team members post job openings on their social channels and push the ad out into our diverse network of contacts and tenants. Diversity of thought is also critical—it is important in our business that all key team members are invited to debate big decisions. We encourage healthy conflict.

Inclusion: Inclusivity at VIDA means that everyone feels safe to be heard. It's that simple. We are intentional about building relationships within our team and among our various stakeholders, and we emphasize the importance of transparency when issues arise and are dealt with. Leaders needs to set the standard for trust, vulnerability and transparency for the whole team to feel comfortable doing the same.

Ron Lovett, Founder & CEO, VIDA

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PRINCE EDWARD MANOR

3075 Prince Edward Street, Vancouver
20 suites directly opposite from Mt. Saint Joseph Hospital. 12,115 SF corner lot.
List $8,500,000

LONSDALE COURT

8669 Heather Street, Vancouver
23 suites in Marpole. 10-minute walk to the Marine Drive Skytrain station.
List $7,500,000

975 WEST 10TH AVENUE

Vancouver
17-unit apartment building just steps to the future Oak – VGH Subway Station.
List $6,980,000

THE EXCELSIOR

1970 West 41st Avenue, Vancouver
30-suite apartment building in the heart of Kerrisdale. Large 19,147 SF lot.
List $15,900,000

WOODLAND MANOR

1925 Woodland Drive, Vancouver
32 suites in Grandview-Woodland.
16,145 SF corner lot. 3.2% cap.
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2055 York Avenue, Vancouver
74-suite apartment building just half-block to Kitsilano Beach. 38,312 SF corner lot.
Call for price

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Cynthia Jagger*
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Vancouver, BC V6H 3V3

*Personal Real Estate Corporation.

Diversity and inclusion are growing as essential components of successful businesses as part of their ESG practices. What is your organization doing with respect to having a diverse and inclusive workplace today and into the future?

Diversity and inclusion are important, but the important concept is to hire without prejudice and simply always look for the best people. By doing that, you will achieve diversity and a successful business.

In my opinion, forcing diversity is as wrong as the circumstances that caused the problem in the first place.

There can be no argument that there has been inequity and improper circumstances in the past, but I don't believe that mandating diversity targets will address the root of the problem.

Pick the best people for positions, and take whatever steps are needed to avoid any biases.

Ted Maulucci, President, SmartONE Solutions

We have always enjoyed a diverse and inclusive workplace. Our staff are comfortable knowing we appreciate dedication and knowledge in performance.

Gloria Salomon, Chief Executive Officer, Preston Group

We are observing on the market place an increase in vacant job positions usually occupied by the younger generations. We think that considering the candidacy of new Canadian residents and immigrants should be part of best human resource management practices. At PMML, we are proud to have implemented a policy that supports this ideology.

Thierry Samal, Chartered Real Estate Broker, PMML Inc.

Rhapsody has always had a broad and inclusive hiring approach that allows all candidates to be considered for roles within our organization. We target our searches to ensure that everyone has the opportunity to apply, and we encourage a diverse workforce.

Audra Shinnebarger, Director, Project Implementation,
Rhapsody Property Management Services

Strategic Group have been big believers in diversity and inclusion over the long term and has been responsible for many of our successes. For example, there have been more women than women in our C-Suite for years. It has enabled us to have a lens on beliefs and values that better inform our company policy and our market. In the future, we don't need to focus on it, because it is ingrained in our culture. My advice to other companies, is do it to increase profitability, because it will. In that way ESG practices are more a benefit from the optics perspective.

Ken Toews, Senior Vice President, Development, Strategic Group

Greenrock actively promotes diversity, equity, and inclusion by providing interactive training workshops to all team members, including the executives and Board members, on an annual basis as part of our staff education curriculum. These workshops are aligned with Greenrock's long-term goals to reinforce an inclusive company culture and to create an open dialogue about how to understand and respond to bias and discrimination. Through our charitable arm, Greenrock IMPACT, we work closely with many non-profits in the GTA that are focused on providing services for Black, Indigenous, and People of Colour (BIPOC) and LGTBQ2S+ communities to plan a variety of annual donations and initiatives. Greenrock IMPACT partnered with ONE City Scholarship Fund last year to provide 10 scholarships to BIPOC youth in the GTA who have excelled in their studies despite significant barriers related to marginalization and lack of financial resources. This year, we created a new "Greenrock Scholars" program in partnership with the Children's Aid Foundation of Canada which will provide two scholarships to students who identify as part of a racial or ethnic identity group.

Justin Taylor, Chief Operating Officer, Greenrock Real Estate Advisors

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Cultivating a diverse, equitable, and inclusive environment helps all of our employees to thrive. In 2020, our parent company, Manulife Financial Corporation, committed to investing more than $3.5 million (CAD) over the next two years to promote diversity, equity, and inclusion. The goals of these investments include increasing the representation of diverse talent at all levels within the organization; creating greater inclusion across the company through enhanced training; and supporting organizations that help Black, Indigenous and People of Color (BIPOC) communities.

Along with these initiatives and in addition to already existing gender targets, Manulife has set two additional leadership and recruitment goals:

- Achieve 32% female representation at the VP + level, Q1 2022 achieved 32%
- Annually hire at least 25% BIPOC talent in our graduate program, Q1 2022 achieved 63%
- Increase BIPOC representation in leadership roles by 30% by 2025

Within Manulife Investment Management's real estate capabilities, we've been working hard to understand our role in providing a diverse and equitable workplace. Together, we're committed to being transparent about our DEI challenges and taking steps to address them. While we have made progress in some areas, we know we have more work to do and are committed to addressing the needs of our employees, ultimately fostering a culture of inclusivity within all communities where we operate.

Regan Smith, Managing Director, Sustainability, Real Estate Equity & Infrastructure, Manulife Investment Management

Diversity and inclusion are growing as essential components of successful businesses as part of their ESG practices. What is your organization doing with respect to having a diverse and inclusive workplace today and into the future?

Organizations that are inclusive of diversity are more creative and innovative, are better able to pivot, have higher employee engagement and a stronger financial bottom line. Concert has made DEI a priority, and by pro-actively identifying barriers and removing them, we are able to embed DEI into our culture to ensure that our workforce continues to reflect and represent communities in which we live and work. Concert formally began this work in 2020, and in 2021 delivered unconscious bias training, advanced an employee engagement survey with an expanded DEI section (which had exceptionally high staff participation) and conducted a DEI review. With the insights gained, we are better informed in how and where we can integrate DEI into our daily operations and long-term plans.

Andrew Tong, Chief Investment Officer, Concert Properties Ltd.

ESG practices are first and foremost an independent commitment to address the environmental, social and governance risks and opportunities facing our employees, the communities we invest in, the tenants we serve, the shareholders we deliver to, and the environment we must protect. Such practices and commitments can also have value as an information resource for these same five constituents to evaluate our company's strengths and weaknesses, so yes, we are adopting such practices as quickly and efficiently as possible. One benefit given the very young age of our apartment portfolio with an average building age of less than 4 years, is that current building codes in Canada generally offer an excellent template to drive ESG practices without much thought. As real estate entrepreneurs we have long believed that new technology and considered building code will help us deliver better real estate communities, so we remain convinced Canada from an apartment perspective is under demolished, not over-built in this regard with ESG only to reinforce these trends in the coming years.

Don White, Chief Executive Officer, Private Pension Partners and Apartment Plus (A+) REIT

As an organization, First National has always felt that diversity and inclusion are an important element of the corporate culture. We have made a commitment to ensure that our team reflects the communities where we work and live.

In 2020, First National launched a Diversity Steering Committee with the role of ensuring we deliberately and formally supports and celebrates the diverse workforce in all its forms.

Michael Williams, Regional Vice President, Commercial Financing, Quebec and Atlantic Canada, First National Financial LP

What advice would you give someone who is just starting their career in the multi-residential sector?

The multi-family space is one of the best real estate sectors long term growth and stability are the elements that continue to be the attributes of this sector.

I would say keep well informed work diligently on the markets you are working and position yourself in markets that have the strongest growth curves and stay focused on this market. I would still say the best opportunities will be secondary markets to larger metropolitan cities.

Aik Aliferis, Senior Managing Director, Investments,
Institutional Property Advisors – Marcus & Millichap

To be in the multi-residential sector I would say our industry now more than ever, emphasizes the importance of building vibrant communities, where culture, teamwork, and a dedication to serving others is paramount. Achieving success in this industry requires integrity, a proactive mindset, customer service excellence, financial savvy, a basic understanding of building systems and environmental strategies for a greener earth. On top of your strong educational background and consistent volunteer work to ground your values, to participate in industry conferences, listening to podcasts, audio books for leadership, joining local real estate associations, signing up for a mentorship program that fits for your goals are all great tools to increase your network for support for success. I had many mentors on my journey who I gained great insight from, which I will always be grateful for their time. Look, Listen, Learn.

Kris Boyce, Chief Executive Officer, Signet Group Inc.

My advice for anyone starting their career in this sector is:

1. Ask lots of questions
2. Leverage the experience of the team around you
3. Define success with your manager, set goals and measure outcomes
4. Network, attend events, reach out to people for coffee/lunch to broaden your understanding of the sector
5. Seek out a mentor

David Boyle, Vice President, Commercial Mortgages, MCAP

What advice would you give someone who is just starting their career in the multi-residential sector?

The multi-residential sector is such a varied business with opportunities for a diverse group of people and a variety of skill sets and interests. Whether your background is operations/engineering, accounting, leasing/marketing or human resources (as examples), there is a role for you to play.

One of the highlights for me is the variety of issues come in contact with each day in managing a property. To prepare yourself, the opportunity to spend time/intern in each department or area of a multi-res company and the understanding of how these teams integrate with each other, is very effective.

There are lots of moving parts and an increasing amount of data/information available so organizational skills are key. Develop these early in your career by investing in time and task management systems. These tools will serve you well in whatever area of the industry you choose.

Ruth Buckle, Senior Vice President, Property Management, Killam Apartment REIT

Relationships are key. Build your network of trusted advisors - peers, colleagues, consultants, contractors - early. Your success is also their success.

Paul Fritze, Associate, RJC Engineers

Get creative when doing your research. Traditional resources for data and market insights are not the only resources out there. Especially for information on market rental rates, online marketplaces can provide interesting insights and complement your more traditional sources for information such as data reports from the Canadian Mortgage and Housing Corporation (CMHC).

Also, relationships are everything in this industry. Networking will open doors for learning more about the industry, help you find resources, broaden your education baseline and ultimately, increase the likelihood of opportunities coming your way. Always be open to a conversation and be proactive.

Eric Horie, Senior Managing Director, Head of Origination, Canada, Trez Capital

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If you are just starting out your career in the multi-family sector, I would suggest that you join an established team that you can learn from, or at the very minimum, get a mentor who can help you stay motivated and set goals. It is not an easy industry to break into and it takes years of relationship-building to grow your business. It can, however, be an extremely rewarding career if you stick with it and commit yourself to the industry.

Dayma Itamunoala, Vice President | Sales Representative, Colliers

Do your research thoroughly and buy smart and often (as you can) Also, be a good landlord.

Kyle Lindsay, National Multi-family Group, Colliers

The multi-residential sector is fascinating. My biggest advice for someone starting their career here is to not be a mere observer and expect things to happen. I encourage them to be an active participant by engaging in an association, participate in a committee, attend trade shows and industry events. You will not only learn about the sector faster, but will get back much more than the time and effort put in."

Lawrence Liu, Vice President, Sales & Partnership,
Tribe (Management & Property Technologies)

Find a company that fits with your values and beliefs which will also provide a path for you to learn and grow.

Ron Lovett, Founder & CEO, VIDA

There is a need for innovation in this sector, but it will take patience and persistence to make change happen. It takes three years from concept to occupancy, on average. The concepts that are invented today, may not make it to the market for three years, at which point, changes are recognized for the next cycle. Every innovation requires product cycles, and the long development cycle for multi-family residential real estate must be acknowledged.

Ted Maulucci, President, SmartONE Solutions

Learn the basics and build on a strong foundation of knowledge about buildings and local laws that govern the industry. Learn how to hunt for properties and connect with as many industry professionals as you can. It takes time but success comes to those who are consistent in their efforts.

Addy Saeed, Vice President, Investments, HeyAddy Investments

Be open to change. Buildings always need improvements both operational and in servicing residents.

People want to be proud of their surroundings and we have to continue to work hard to maintain a good standard of care in our properties.

Gloria Salomon, Chief Executive Officer, Preston Group

What advice would you give someone who is just starting their career in the multi-residential sector?

The market is changing fast, embrace change and accept it as part of your business. Stay informed of new trends even if they seem far fetched at first. Words like cryptocurrency, ESG and globalization must all be taken seriously.

Thierry Samal, Chartered Real Estate Broker, PMML Inc.

Follow your passion and try to engage in as many different aspects of the industry available to you within your organization to help guide your career path and career growth. Be willing to ask for help, take direction, and take on new challenges when presented!

Audra Shinnebarger, Director, Project Implementation,
Rhapsody Property Management Services

Firstly, it's imperative to find a good mentor(s). The value a mentor can bring cannot be overstated and the experiences they can share will not be found in any book or spreadsheet.

You also have to have an insatiable appetite for learning – real estate has nuances that take time and energy to learn and be confident with. Give yourself the opportunity to acknowledge that there will be bumps in the road on the way to your goals.

Lastly, but not least, is passion. This passion will reflect in the care you put into every single interaction, knowing that you put your best foot forward to help your clients and partners. There is a lot of excitement in the real estate industry, and it can be extremely rewarding, but if your internal fire is not present to continue to grow, adapt and be fluid, it will be tough to fully realize your potential.

Steve Bryant, Vice President & Managing Director, Real Estate Finance, Eastern Canada, CMLS Financial
Paula Gasparro, Vice President, Real Estate Finance, CMLS Financial

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It is important to understand that we as property managers are dealing with people's homes and a high degree of sensitivity, understanding, and patience is required. You will be interacting with people from all different backgrounds and walks of life and you may not always share the same opinions. Find a strong support system of mentors and ask an abundance of questions. It is a fast-paced business that requires a great deal of teamwork. Keep a positive mindset and be willing to adapt.

Justin Taylor, Chief Operating Officer, Greenrock Real Estate Advisors

One of the keys to success is visiting as many properties as possible. This gets a better understanding of what their successes and failures are. Meet with as many senior people to gain insight on the industry and this will naturally lead to future job opportunities.

Ken Toews, Senior Vice President, Development, Strategic Group

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Be a knowledge sponge. Listen and learn from a mentor with exceptional reputation who will teach you about all aspects related to the multi-residential asset class. Take up any opportunity to gain experience in operations, leasing, property management, asset & portfolio management, financing, development, construction, and marketing. This will provide great insight into a holistic approach to the multi-residential asset class and the real estate industry.

Andrew Tong, Chief Investment Officer, Concert Properties Ltd.

Start with a sense of your own core competency, i.e, sales, marketing, finance, human resources, etc. and then consider career ambitions as an overlay to those competencies; what city do you want to work in, how important is money, how important is work-life balance? My view has always been that those who best define the interaction between "competency" and "ambitions" end up in companies and career paths driving the best success. Specifically for multi-family real estate, the career paths are seemingly endless. From investment sales, investment banking, lending, asset management, property management, mortgages and debt, to leasing and everything in between, the apartment business will always be full of rewards and challenges with the need for housing likely to never really diminish. Best advice is to talk to someone who you think has the job you will one day want as real estate executives in general are some of the smartest, most patient, and creative people you can meet with LinkedIn being just the place to start your search!

Don White, Chief Executive Officer, Private Pension Partners and Apartment Plus (A+) REIT

Pre-COVID, my biggest advice would have been to simply listen in on as many calls, or conversations, or deal discussions as possible. A ton of learning and career progression was achieved by simply listening and then asking questions. Of course, this happened naturally when everyone was in the office together. Post-covid, this has certainly been more challenging, however I believe it is still possible. I encourage new entrants into the industry to connect with peers and managers as much as possible, be in office when others are there, and be curious and ask questions. At First National, while we're very supportive of a hybrid working model, we believe that being in the office surrounded by your team is the best way to create learning opportunities and drive career progression.

Michael Williams, Regional Vice President, Commercial Financing,
Quebec and Atlantic Canada, First National Financial LP

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Notes

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2022

RealREIT
September 8
Metro Toronto Convention Centre
North Building

Montréal Real Estate Strategy & Leasing
September 20
Palais des congrès de Montréal

OTTAWA REAL ESTATE FORUM
October 13
Ottawa Conference & Events Centre

CALGARY REAL ESTATE FORUM
October 20
TELUS Convention Centre

Vancouver Real Estate Strategy & Leasing
November 3
Vancouver Convention Centre (East)

Global Property Market
November 29
Metro Toronto Convention Centre

TORONTO REAL ESTATE FORUM
November 30 - December 1
Metro Toronto Convention Centre

2023

Québec Apartment Investment
February 22
Palais des congrès de Montréal

Real Capital
February 28
Metro Toronto Convention Centre

Western Canada Apartment Investment
April 4
Vancouver Convention Centre

VANCOUVER REAL ESTATE FORUM
April 5
Vancouver Convention Centre

SASKATCHEWAN REAL ESTATE FORUM
April 25
TBA

EDMONTON REAL ESTATE FORUM
May 4
Edmonton Convention Centre

Land & Development
May 30
Metro Toronto Convention Centre

MONTRÉAL REAL ESTATE FORUM
June 13
Palais des congrès de Montréal

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