



July 26, 2010

The following information was obtained from newspaper articles appearing in the *Globe and Mail* and the *National Post* for the week ending July 25, 2010

OFFICE

According to **CB Richard Ellis**, the average office rent is \$56 per square foot in Vancouver, compared with \$35 per square foot in San Francisco.

COMMERCIAL REAL ESTATE

Colliers International reported that the price of a monthly parking spot rose by 233% in Calgary and 130% in Toronto over the past 10 years. The median price for a monthly unreserved parking spot in downtown Calgary is \$453, compared with \$336 in Toronto. Toronto has the most expensive daily parking rate at \$23, followed by \$22 in Calgary. Parking prices have more doubled in most Canadian markets in the last decade. London's city centre in the United Kingdom has the most expensive monthly parking prices at US\$933, followed by US\$874 in London's West End, US\$745 in Hong Kong, US\$654 in Tokyo and US\$605 in Zurich.

HOTEL AND ENTERTAINMENT

Toronto-based **Bayview Hospitality Group** opened a new, \$31-million, 254-room dual-brand hotel complex near Toronto's Pearson International Airport in March, 2010, which hosts two **Hilton** chain brands, Homewood Suites and Hampton Inn. Bayview Hospital estimates a dual-brand hotel complex provided construction savings of approximately 10% to 15% over the cost of building separate hotels, and annual operating savings will be approximately 15% to 20% from shared staff and amenities.

The **Woodbine Entertainment Group** is in discussions with **Madison Square Garden Inc.** to potentially open a theatre under the Radio City Music Hall brand in Toronto's Rexdale area, sources say. If the deal were to go ahead, this would be Radio City Music Hall's first satellite venue outside New York City and it would anchor the \$1-billion Woodbine Live entertainment complex scheduled to open in Rexdale in 2013. Woodbine Entertainment has partnered with Baltimore-based **Cordish Companies** to transform 81 hectares of underdeveloped land near the Woodbine racetrack into an entertainment destination that is expected to include cafés, nightclubs, a skating rink, a 400-metre canal, a 600-room four-star hotel, a 16-screen cinema and a 100,000-square-foot conference centre.

REDEVELOPMENT

Primaris, a commercial real-estate firm, has purchased property on both sides of Yonge Street, north of Dundas Street, in Toronto, but has not yet revealed its redevelopment plans. **Ryerson University** is pursuing an ambitious expansion strategy intended to transform Yonge Street, north of Dundas, into a campus "gateway" and in October, 2010, the university will unveil its showcase design for the student learning centre that will be built on the old Sam the Record Man site. Ryerson University also has approached Primaris about the possibility of a joint development in the area. In addition, four substantial high-rise projects are being built along Yonge Street between Bloor Street and Gerrard Street, including a 45-storey condominium a block north of Wellesley Street, called Five, being developed by **Diamondcorp**.

RESIDENTIAL DEVELOPMENT

Empire Communities is building its new Riverland Community in Breslau, Ontario, southeast of Kitchener. As part of its deal with the municipality, Empire Communities is donating its presentation centre for use as a community centre, which involved spending additional money to create a permanent structure with a full basement, kitchen and 24-foot ceiling heights. In Brantford, Ontario, Empire Communities offered to finance and build the first section of a new ring road, the Brantford South Access Road, which would eventually open an area for development where it owns land, in return for future concessions from the city on development charges.

Home builders and condo developers have used data culled from Statistics Canada's recently discarded mandatory long-form census as a marketing tool. **Tridel Corp.**'s use of census information led to the development of its "Rev" 305-unit condo project in the King St. West area of Toronto.

RESIDENTIAL

The national average housing affordability index in Canada is at approximately 5.35. The housing affordability index is at 9.46 in Vancouver, 7.6 in Burnaby, British Columbia, 5.91 in Canmore, Alberta, 4.93 in Toronto, 3.15 in Guelph, Ontario, and 2.02 in Cape Breton, Nova Scotia. The housing affordability index is calculated based on the home purchase price divided by the gross household income.

According to the **Toronto Real Estate Board**, sales of existing homes in the Greater Toronto Area (GTA) decreased by 32% in the first two weeks of July, 2010, from the same time period in June, 2010. Sales declined by 37% in the first two weeks of July, 2010, from the first half of July, 2009. Sales year-to-date in 2010 increased by more than 18%, from the same period in 2009. The number of new listings decreased by 8% to 5,184 in the first half of July, 2010, from the first half of July, 2009. The average house price increased by 8% to \$427,931 in mid-July, 2010, from the same period a year ago.

UNITED STATES AND OTHER MARKETS

Morgan Stanley is weighing plans to scale back its real-estate-investing businesses on Wall Street and considering what to do with its family of funds known as **Msref**, according to people familiar with the matter.

Lennar Corp., a large United States home builder, reported that its new sales orders for the three months ending in May, 2010, decreased by 10% from the same period in 2009.

In July, 2010, the **United States National Association of Home Builders/Wells Fargo** confidence index declined to its lowest level since April, 2009.

According to the **National Association of Realtors**, sales of existing homes in the United States decreased by 5.1% to an annual rate of 5.37 million units in June, 2010, from May, 2010. Existing home purchases rose by 7.2% in June, 2010, from June, 2009 before adjusting for seasonal patterns. The median sale price of an existing home in the United States increased to US\$183,700 in June, 2010, from US\$181,800 in June, 2009. The number of existing homes on the market increased by 2.5% to 3.99-million in June, 2010, from May, 2010, representing an 8.9-month supply at the current sales pace.

The **Commerce Department** reported that housing starts in the United States decreased by 5% to an annualized rate of 549,000 units in June, 2010, from a downwardly revised 578,000 units in May, 2010. Starts declined by 5.8% in June, 2010, from June, 2009. Multiple-unit starts in the United States declined by 21.5% during the same period. Applications for residential building permits in the United States increased by 2.1% in June, 2010, to a 586,000-unit annual pace, from May, 2010.

According to **CoreLogic**, one in four United States homeowners owe more on their mortgages than their homes are worth.

The **Federal Reserve Bank of Cleveland** reported that the number of construction workers in the United States decreased by 28% for the three years ended in June, 2010.

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