

KWC – What, Where, and How Much by Bill Keay

Presented August 2010 Exclusively to the Members of REIN™



What, Where and How Much? Investing in KWC's Real Estate Market 2010



Overview

- How much do they cost?
- What areas of KWC are hot?
- Types of property that are hot?
- Areas to consider in the future
- Strategies for the future

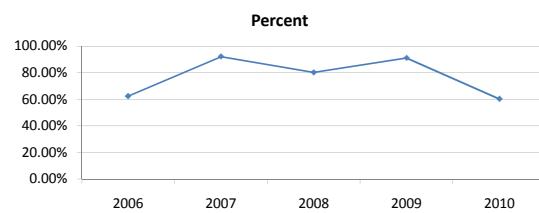


July Average SF Sale Price 2007-2010

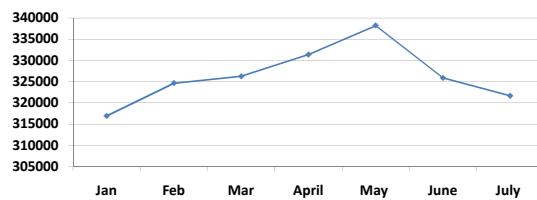
Year	KW Ave Price All Areas	Cambridge Ave Price
2007	\$284,122	\$242,793
2008	\$307,425	\$256,044
2009	\$317,713	\$258,415
2010	\$321,660	\$278,336



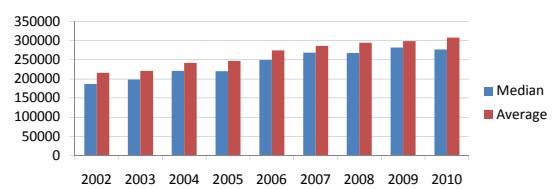
Sales to New Listings in KW



KW Average Sale Price 2010



Av/Median Sales Prices 2002-10



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Cambridge Sales

	2010	2009	2008
Total Sales July	240	290	260
Total Sales YTD	1808	1621	1704
Total Sales \$ July	\$70.4 million	\$76.6 million	\$67.6 million
Total Sales \$ YTD	\$515.5 million	\$426.1 million	\$446.1 million



July Ave Condo Sale Prices in KW

Year	Sale Price	% Change
2007	\$173,860	
2008	\$166,327	-4.3%
2009	\$178,773	+7.5%
2010	\$184,278	+3.1%

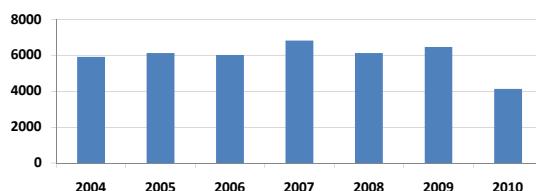


Top Areas in Sales Volume July 2010

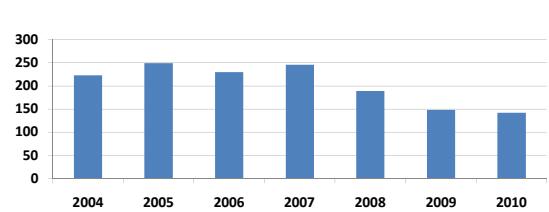
Area	Name	Dollars	Sales in Units
1, sub area 18	Eastbridge	\$418,197	15
2, sub area 32	Grand River South	\$301,819	17
3, sub area 33	Laurentien West	\$256,197	39
4, sub area 39	Westvale	\$304,840	22



KW Unit Sales Residential Only



KW Unit Sales of Multifamily Property



Average Prices of Fourplexes in KW

Year	Waterloo	Kitchener	Days on Market
2010	\$791,000	\$388,000	K - 90, W - 46
2009	\$802,500	\$362,938	
2008	\$555,917	\$372,875	
2007	\$820,300	\$383,500	

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Average Sales Prices for Duplexes in KW

Year	Waterloo	Kitchener	Days on Market
2010	\$504,000	\$266,646	W- 24, K- 78
2009	\$366,650	\$224,986	
2008	\$342,583	\$248,383	
2007	\$319,767	\$224,267	



KW Dollar Sales All Categories

Year	Dollar Sales	% change
2004	\$1.51 Billion	
2005	\$1.63 Billion	+7.5%
2006	\$1.65 Billion	+1.3%
2007	\$1.98 Billion	+19.9%
2008	\$1.88 Billion	-5.3%
2009	\$1.92 Billion	+2.3%
2010	\$1.38 Billion	+18%



KW Dollar Sales of MF property

Year	Dollar Sales	% change
2003	\$169.4 million	
2004	\$131.2 million	-29%
2005	\$90.2 million	-45%
2006	\$80.0 million	-12.7
2007	\$87.6 million	+9.5
2008	\$95.9 million	8.7%
2009	\$94.1 million	1.9%
2010	\$78.9 million	



Where is KW growing?

- Waterloo East: Eastbridge, Bridgeport North
- Waterloo West: University Meadows and along Ira Needles
- Condos in Uptown Waterloo
- Kitchener: Chicopee, Grand River South



Cambridge: Areas of Future Opportunity

- North Galt for easy access to the 401
- Around the Conestoga Expansion
- Around the LRT



Current Active Multifamily Listings

Aug 2010	
Kitchener Waterloo	Cambridge
All Multifamily - 63	All Multifamily - 23
Duplexes only - 25	Duplexes - 13
Fourplexes only - 4	Fourplexes - 4

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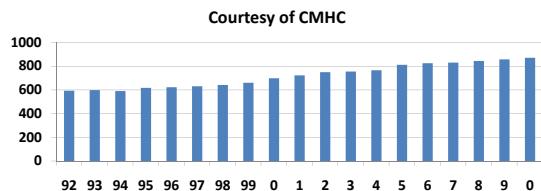
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Student Vacancy Rate in KW

Year	Vacancy Rate	Price Per Bedroom
2007	1.1%	\$48,925
2008	1.7%	\$55,982
2009	1.1%	\$61,196
2010	TBA	TBA

Ave. 2 bedroom Rent in Kitchener CMA



Investment Strategies

- Multifamily properties: get together with 2 or more like minded people and buy a 10,12 plex
- Lower costs per door
- Expect Phase 1 and possible Phase 2 and higher closing costs.



Investing in SF property

- Location, Location, Location: good areas
- Buy good quality property, newer
- Attract the best tenants
- Highest rents
- Get top dollar when you go to sell

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Power of Sale Properties

- Buyer beware: not always the best deal
- Look for diamonds in the rough
- Sold "as is" and "where is" without warranties
- Make on the buy

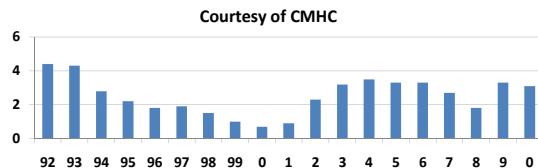


City of Waterloo Building Permits

Type of dwelling	2008	2009	2010	Total
Apartment	6(171)	0	9(399)	15 (570)
Multiple Unit	10 (296)	10(185)	0	20(481)
Duplex	0	1(2)	0	1(2)
Triples	1(3)	0	0	1(3)
Total	17(470)	11(187)	9(399)	37(1056)



Vacancy Rates Kitchener CMA



Bibliography

- CMHC: Rental Housing Report, Provincial Highlights
- City of Waterloo Development Services
- Kitchener Waterloo Real Estate Board
- Cambridge Real Estate Board
- The Record