The GTA Transportation Effect

The Impact of Transportation Improvements on Housing Values in the Greater Toronto Area

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CUTTING EDGE RESEARCH INC.

EXECUTIVE SUMMARY AND REPORT HIGHLIGHTS

The Greater Toronto Area (GTA) is undergoing a 12 year plan to fund 52 transit projects, this Program is called “MoveOntario 2020." This is a major government undertaking that covers much of southern Ontario. However, for the scope of this report we will be discussing the impact on real estate values in the GTA and Barrie region. Future reports will discuss other more outlying regions that will be affected by the Move 2020 Program. Here are the conclusions of the research:

- Transportation changes announced and underway in the GTA will will deliver a 10%–20% enhancement of real estate values in the regions most affected. In the future, these areas will outperform the rest of the region. If the market goes up everywhere, these areas will increase by about 10%–20% more. If the GTA values drop, these will drop by 10%–20% less.

- Distances are now measured in minutes - not kilometers. With the dramatic increase in gasoline, choices will increasingly be influencd by time and accessibility.

- In studies of the effect of transportation improvements on real estate in other jurisdictions around the world, it was found that real estate value increases occur for properties located within 500-800 metres of stations on the new transportation lines. This will include property around:

    - The proposed TTC Subway expansion of the Yonge line from Finch to Steeles and into York Region
    - Six new stations along the Spadina line into the city of Vaughn to be completed in 2014
    - The proposed extenstion of the Scarborough line from McCowan station to Sheppard Ave
    - GO Train service expansion to Barrie and Licolnville (Uxbridge)
    - A third track on the GO Line between Union and Scarborough Stations
    - The Lisgar GO Station located between Lisgar and Mississauga that opened in September 2007
    - The Milliken GO Station located between Scarborough and Milliken that opened September 2005
    - The Kennedy GO station that opened in Scarborough in June 2005
    - The Mount Pleasant GO station that opened in Brampton in February 2005

Improved accessibility drives real estate demand. As with rapid transit, accessibility to major highway and highway improvements proved to be a major determinant for increased property values in all studies. Studies show that, as highway networks are created and existing corridors to the CBDs are improved, the value of real estate in the area increases. Two such improvements include:

    - The expansion of Highway 410 to Brampton
    - The proposed expansion of Highway 427 between Barrie and Pearson International Airport

- Values in older and more established neighbourhoods are impacted more significantly than in newer developments. This value impact is felt most strongly 3 years after a station is opened.

FIRST TIER

Vaughan Line Region

The expansion of the TTC Spadina line to the new Vaughan corporate centre will definitely be the leading catalyst to population growth and property demand for the area. These demand drivers will influence property values until at least 2020 (five years past expected completion date).The area surrounding the Sheppard West GO Train station (Barrie Line) and TTC station (Vaughan Line) will experience a significant increase in property demand due to access by two separate transportation systems.

Scarborough

With three new or recent TTC and GO Train improvements serving Scarborough, this region will enjoy the strong positive impact over the coming decade. The region will also benefit from its proximity to other major economic centres and its relative affordability of property.

Barrie

The return of the expanded GO Train service to Barrie will increase the growing demand for property in Barrie and the surrounding region, as this service now makes it possible to live in a lifestyle driven area yet still having easy access to the CBD in Toronto.

SECOND TIER

Milton Region

The impact of the recent addition of the Lisgar Station in the Milton region has not yet been felt. Milton and the surrounding area will experience strong population growth and therefore increased property demand.

North Brampton

The north Brampton neighbourhoods such as Heart Lake, Valley Woods and Sandringham will benefit from increased accessibility by way of expanded Highway 410. The neighbourhoods surrounding the Mt. Pleasant TTC station will currently be experiencing an increase in demand as that station has now been open for close to 3 years.

Uxbridge & Stouffville Region

The addition of the future Park & Ride Lincolnville GO Train station outside of Stouffville will increase demand for properties in both Stouffville and Uxbridge from commuters. This, combined with accessible property prices, will help fuel the region's future growth.

The decision of which particular investment properties to acquire within a region still requires extensive analysis of the fundamentals of the specific property.

ABOUT THE REAL ESTATE INVESTMENT NETWORK

Founded in 1993, the Real Estate Investment Network™ (REIN) has grown over the years to become Canada's leading real estate research, investment and education organization. It serves more than 3,100 member clients who own more than 18,200 properties (valued at $2.30 billion) across the country. Members use the unbiased research and proven systems to invest in properties in economically strong regions across the country.

REIN does not sell or market real estate to its members or the general public, but instead conducts objective and unbiased research, analysis and investor education.

The foundation of REIN's work is the research and analysis of current real estate trends and patterns. This information is then disseminated to members through regular seminars in Toronto, Vancouver, Ottawa, Calgary and Edmonton, and via research reports that detail current and emerging trends. REIN's primary purpose is to provide expert assistance to its members and other Canadians to assist them in making sound decisions about purchasing principal residences and investment/recreational real estate.. This Report is one such research publication, as are Don R. Campbell's bestselling books *Real Estate Investing in Canada, 97 Tips for Canadian Real Estate Investors and 51 Success Stories for Canadian Real Estate Investors*. 100% of all of Don Campbell's author royalties are donated directly to Habitat for Humanity and to date REIN has raised over $311,000 for this worthy cause.

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OVERVIEW TO THE GREATER TORONTO AREA TRANSPORTATION EFFECT REPORT

As populations grow in areas across Canada, governments and private sectors attempt to meet the infrastructure needs of its residents by providing road improvements and an increase in mass transit options. With these transportation improvements comes much discussion around the environmental, economic and social impacts of these projects; however, the effects of these changes on real estate is overlooked.

The Real Estate Investment Network™ (REIN), with the view of assisting homeowners and property investors in choosing areas that have a strong possiblity of providing value increases, created a series of reports covering major transportation improvements across Canada. Beginning with BC's Lower Mainland, continuing to Calgary & Edmonton and now providing this research for the Greater Toronto Area. Answers to three very important questions will have a direct financial impact on tens of thousands of Toronto residents. These questions are as follows:

1. How will the expansion of the GO Train system affect residential property values in the Greater Toronto Area?

2. How will the recently completed and future improvements to transportation networks affect residential property values in Scarborough?

2. Which areas will witness the most positive effects?

For many residents, a vast majority of their personal net worth is tied to the value of their homes, so the answers to these questions are very important as a planning tool. As with our previous reports and books, the goal of this research is not to assist investors and homeowners in gaining knowledge about how a project may affect their personal net worth, but to cut through the emotions and debate that surround transportation projects and answer these key questions from an objective, research-oriented point of view. This will enable readers to see clearly how the new and proposed transportation projects, especially those covered in the government's announced MoveOntario 2020 program, will affect their personal real estate portfolio today and in the future, allowing them to plan long in advance of the programs' completions.

For the purposes of this report, we will be considering the following component projects (recently completed or proposed and approved) as part of this Program. (MEL – LIST THEM HERE):

1. Toronto Transit Commission Rapid Transit / Subway Line Expansion

Two extensions of the TTC Rapid Transit Line are proposed and a third is already underway.

a. Construction has begun on the Spadina Line of the subway to run from Downsview station into Vaughan. Six new stations are under construction with a completion date of 2014.

b. An extension of the Yonge Street Line is planned to extend beyond Finch to Steeles Avenue and into the York Region, most likely ending at the Richmond Hill Centre VIVA Terminal (Bus Rapid Transit).

c. An extension of the Scarborough Line from McCowan station to Sheppard Avenue.

2. GO Train

Four new stations have recently been built along the various GO Train Lines that will directly affect the GTA. These stations include Lisgar in the Mississauga area, Milliken in the Scarborough/Milliken area, Kennedy also in Scarborough, and Mt. Pleasant in Brampton.

3. Highway Extensions

Two highway expansions will impact both residential and commercial properties in the long term.

a. The final phase of the four-lane extension on Highway 410 between Mayfield Road and Highway 10 in Brampton is scheduled for completion in 2009.
b. The proposed Highway 427 extension is at the environmental assessment stage. The expansion is proposed between Highway 427 from Barrie and Pearson International Airport.

Peer-Reviewed Studies on Transportation and Real Estate Values

Underpinning our analysis is a synopsis of detailed studies conducted on transportation changes implemented in other regions across North America and Europe. These peer-reviewed journal articles provide us with a snapshot of what we can expect in terms of the impact on real estate prices in Toronto as the project continues and is completed.

A synopsis of published works indicate that most studies showed commerical and residential property values generally rise the closer they are to light rail stations and major highway improvemtns. As accessibility increases, so do values. Other factors influence value such as: station design, quality of service, land market, socio-economic status of neighbourhood residents for example. Table 1 outlines is a brief synopsis of some of the findings on the effects of light rail systems across the continent on property values.

Table 1 - Affects of Light Rail Systems on Commercial Property Values

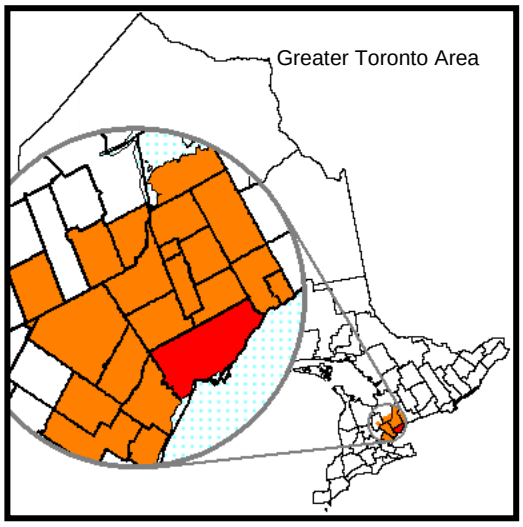
Light Rail System	Affect on Property Values
Dallas	
2002 Weinstein & Clower	Proximity to DART resulted in a 24.7% increase vs. 11.5% for non-DART properties for office buildings
1999 Weinstein & Clower	The value of offices less than 1.4 miles from a station increased by 10% & retail property increased by 30%
San Diego	
2002 Cevero & Duncan	A 72% premium resulted for parcels near stations in the Mission Valley
1997 Ryan	No significant premium in 3 market areas; a penalty in 2; and a small premium for industrial areas.
1995 Landis & Huang	There were no significant premiums for property 1/4-1/2 mile from stations.
Santa Clara/San Jose	
2000/01 Cevero & Duncan	Properties less than 1/4 mile from a station experienced a 23% premium
2001/2000 Weinberger	Rent for units within a 3/4 mile of a station increased 4-12%
Dallas	
2003 Lyons & Hernandez	Value of properties rose 39% more than the control group not served by rail.
2002 Weinstein & Clower	Median values of residential properties increased 32.1% near DART compared to 19.5% in the control group areas.
1999 Weinstein & Clower	There was a 5% penalty over time for units nearer stations, less than 1/4 mile.
Los Angeles	
2002 Cevero & Duncan	Values rose 103.5% for apartments and homes 1/4-1/2 mile from a station, but decreased 6% for condos.
Portland (Eastside)	
1999 Dueker & Bianco	Median house values rose at increasing rates the closer to the station. The largest change, $2, 300, was for homes up to 200 ft. from a station.
1998 Al-Mosaind et al.	A 10.6% premium for homes 500 meters from a station was observed.
1997 Lewis-Workman et al	Property values increased by $75 for every 100 ft. closer to the station (within 2,500 - 5,280 ft. radius).
1996 Knapp et al.	The value of parcels located 1/2 mile of the alignment rose the farther they were from the line; values rose the closer parcels are to stations.
1993 Al-Musaind et al.	The value of homes within 500 metres increased by 10.6% or $4, 324.
Sacramento	

1994/95 Landis et al.	There was no discernable positive or negative impact to property values (not statistically significant). Single family homes rose 0.4% for every 1, 000 ft. closer to a station, and 6.2% if very near a station.
San Diego	
2002 Cevero & Duncan	17% and 10% premiums resulted respectfully for multi family homes near East Line and South Line stations.
2001 Cevero & Duncan	The value of condos and apartments from 1/4-1/2 mile from a station increased 2-18%; the value of single family homes decreased 0-4%.
1995 Landis et al.	The typical home sold for $272 more for every 330 ft. closer it was to a light rail station.
1994 Landis et al.	For every 1, 000 ft. closer to a station, prices increased $337 or 1%, but decreased 4% for units closer than 900 ft. to a station.
Santa Clara/San Jose	
1994 Landis	The price of single family homes increased by 0.1% for every 1, 000 ft. closer to a station, but decreased 10.8% if closer than 900 ft.
Toronto	
1983 Bajic	There was a $2,237 premium for the average home.
Vancouver	
1998 Ferguson	A $4.90 premium per foot associate with proximity to station was found.

Source: Huang, H. (1996). "Land Use Impacts of Urban Rail Transit Systems" in Journal of Planning Literature, vol. 11, iss. 17.

BACKGROUND: GREATER TORONTO AREA

The Greater Toronto Area is the 6th largest metropolitan area in North America with a population of over 5.5 million people. In addition to the City of Toronto, it includes the Regional Municipalities of York, Halton, Peel and Durham. The area's population is increasing by approximately 100,000 people. It is projected that by 2031, there will be three million more people living in the GTA and the Hamilton Area – and they will be bringing with them an additional 1.5 million vehicles every year. According to the Toronto City Summit Alliance in 2007, the growth of the GTA has resulted in the transportation infrastructure failing to meet the needs of its residents[1].



Community and regional planners can and do use transportation to guide to inform growth. The Province's Places to Grow Act 2006[2] outlines a plan to accommodate this growth through increased efficiency and use of public transit and the creation of compact urban centres, wherein residents live and work within the same community. The Act also addresses the need to move not only people but also goods between communities and across the province. The Ministry of Transportation feels that the Places to Grow Act is not only supported by the increased efficiency of transit but also in the increased efficency of highways.

In 2007, the Ontario government outlined an extensive transportation program titled 'MoveOntario 2020' which is designed to provide long term planning and funding for transportation changes throughout the province.

Commuting in the GTA currently takes 32 per cent longer than it would in free-flowing conditions. The economic cost of congestion in the GTA is around $2.2 billion per year. By 2031, without improvement, this cost will rise to nearly $4.1 billion[3].

1 Toronto City Summit Alliance (February 2007). Transit and Transportation Infrastructure: Backgrounder for Toronto Summit 2007. http://www.torontoalliance.ca/summit_2007/pdf/Transportation_Backgrounder.pdf.
2 Ministry of Public Infrastructure Renewal. (2006). Places to Grow Act 2006. http://www.placestogrow.ca/index.php?lang=eng
3 Government of Ontario. (2007). http://www.premier.gov.on.ca/news/Product.asp?ProductID=1383&Lang=EN

DIRECT EFFECTS OF TRANSPORTATION IMPROVEMENTS ON REAL ESTATE VALUES

Distance is Now Measured in Minutes, Not Kilometres

Over the past fifteen years, our research has revealed that real estate values are driven both up and down by eight clear fundamentals, of which transportation change is one of the most dramatic catalysts[4].

Credit: Go Transit

The basic theory in real estate is that the more attractive the location, the higher the value of the home. As the demand for homes in that area expands, the result is higher housing values. This location theory is often misunderstood, as location is not just a subjective desire (e.g., to be close to the beach), but is actually a combination of all eight fundamentals, each of which contribute to desirability. The key fundamental we are studying in this report is **Transportation Accessibility.**

Accessibility Drives Real Estate Prices

Generally, one of the attributes coveted by home buyers is nearness to the central business district (CBD). As saturation occurs and homes are no longer affordable, people begin to find locations outside the vicinity. Access to good highway systems, mass transit and commuter rail is sought in order to afford easy access to the CBD. Accessibility is a critical determinant of residential land values, and the improved access between urban centres and residential neighbourhoods greatly improves the value of homes[5.] This is even evident when light rail precedes development; positive effects on land values in proposed station areas have been noted in research[6.] This supports the notion that areas will most commonly be zoned high density and discourage the development of low-density housing in station areas.

As fuel prices continue to rise across the globe, commute times, commute costs and accessibility to job centres become key determinants for potential home-buyers and commercial enterprises. Residents now measure their commute distances in minutes, not kilometres, a process that leads to higher demand for properties that are located farther from their jobs in distance, yet closer in terms of commute time. In fact, research conducted in Buffalo, New York, indicated that a preception of being close to light rail transit stations revealed a higher premium on real estate values than acutal walking distance[7].

A report prepared for the Ministry of Transportation outlines in depth the trends and outlooks for the GTA a including commuting patterns in and between communities. This level of detail is a critical

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4 Campbell, Don R. (2005) *Real Estate Investing in Canada* ISBN 0-470-83588-5 John Wiley & Sons Publishers: Toronto.

5 Smersh, G.T. & M.T. Smith. (2000). “Accessibility Changes and Urban House Price Appreciation: A Constrained Optimization Approach to Determining Distance Effects” in *Journal of Housing Economics, Vol. 9, No. 3*, pp. 187–196.

6 Knapp, G. & C. Ding & L. Hopkins. (2001). “Do Plans Matter? The Effects of Light Rail Plans on Land Values in Station Areas” in *Journal of Planning Education and Research*, Vol. 21, No. 1, 32-39.

7 Hess, B.D. & T.M. Almeida. (2007). “Impact of Proximity to Light Rail Rapid Transit on Station-area Property Values in Buffalo, New York“ in *Urban Studies*, Vol. 44, No. 5-6, 1041-1068.

consideration when making an informed investment decision as around by comparing where people live and to where they are commuting. For a detailed report see: IBI Group. Transportation trends and outlooks for the Greater Toronto Area and Hamilton: Strategic transit directions. (January 2007). http://www.metrolinx.com/default.aspx

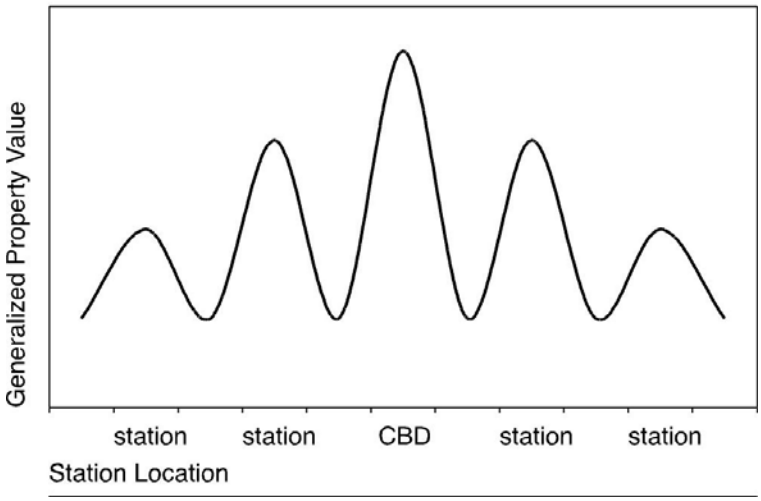
This focus on time and accessibility has been confirmed in studies conducted in major urban regions across North America, whether the access improvements have been new rail transit or new highway expansion. We'll discuss the Go Train and subway expansion projects first and then examine the impact of highway improvments on real estate in the Greater Toronto Area.

IMPACT OF LIGHT RAIL TRANSIT ON RESIDENTIAL PROPERTY PRICES

According to the census, the projections made by the Places to Grow Plan, and evident when driving on its streets, Toronto's population is on the rise and road congestion is getting worse. With more people, longer commutes and a history of disjointed urban planning, the Province knows that the answer lies in an expansion of public transit.

The benefits of light transit, as well as heavy commuter rail expansions, go beyond the expected decreased commute times and a reduction in carbon emissions. In studies conducted across North America, the values of homes in neighbourhoods close to mass transit had premiums ranging between 3% and 40%, depending on the different types of housing and socioeconomic positions of the real estate owners[8].

Figure 1. Peaks and Valleys of Property Values at Rail Stations in relation to the CBD



Studies show that there appears to be a higher positive impact on property values located near commuter railway stations over light and heavy railway[9]. The positive effects of proximity to rail transit, however, were limited to homes located within a one-half mile radius of stations. Even announcements of improvements that will shorten and ease commutes have resulted, historically, in high-valued housing developments — in comparison to new developments located a distance from these opportunities. Additionally, development sites near rail stations have tended to draw a higher density of development, resulting in a higher value or rent for these homes. The impact is felt more dramatically in older more established neighbourhoods, with new developments also able to ask a premium for their residential properties.

Areas in which the average income of the residents was at or below the median incomes of the whole region received the largest percentage increase in property values. As the average income of an area increased above the median, rail links did not have as much effect. This is due generally to increased reliance on transit as a means of primary transportation for people with incomes below the median.

As detailed in Figure 1[10], the property values nearest to the stations had a dramatic increase in their average value. This effect was maximized in a zone of 500 metres surrounding each station.

8 Diaz, R. (n.d.) *Impacts of Rail Transit on Property Values*. Downloaded from www.apta.com/research/info/briefings/documents/diaz.pdf.

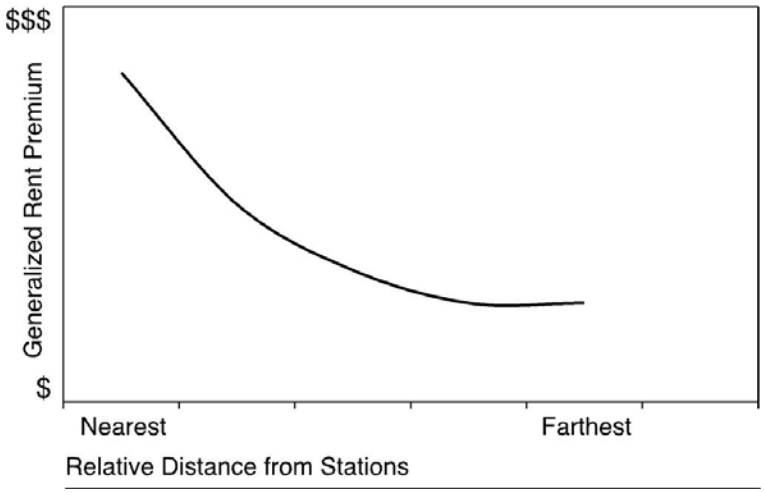
9 Debrezion, G., E. Pels, & P. Rietveld. (2003). *The Impact of Railway Stations on Residential and Commercial Property Value.* Tinbergen Institute Discussion Paper.

10 Debrezion, G., E. Pels, & P. Rietveld. (2003). *The Impact of Railway Stations on Residential and Commercial Property Value.* Tinbergen Institute Discussion Paper.

Additionally, the preceived distance to the station is even important. Research conducted in Buffalo, New York indicated that apparent proximity to rail stations has an even great locational advantage[11]. What this means is that perceived closeness to stations is even more important than actual walking distance to the station.

One study on the impact of the Los Angeles Metro Rail system revealed that properties located within one-quarter mile (400m) of a rail station enjoyed a value premium of $31 per square foot[12].

Figure 2. Residential Rental Premium versus Distance from Commuter Rail Station



Proximity to Rail Transit and Housing Values and Rents

In areas in which the average incomes were at or below the median, the closer a dwelling was located to transit, the higher its resale value and rent. In San Francisco, for example, one-bedroom apartment units located within one-quarter mile of a suburban Bay Area Rapid Transit System (BART) rented for 10% more per square foot than other one-bedroom units in similar neighbourhoods[13]. The demand for two-bedroom units was even stronger, and they were renting for a 16% premium over similar two-bedrooms not directly associated with the BART station.

Overall, studies have found that rent decreased by approximately 2.5% for every one-tenth of a mile distance from the station[14].

A study examining the long-term effects of the BART system on housing prices over a twenty-year period indicated that homes closer to the system were valued 38% higher than similar homes not located near any BART services[15]. In Alameda County, house prices rose by $2.29 for every metre a house was located closer to a rapid transit station. In Buffalo, NY, homes located within one quarter mile of a light rail station increased 2.5% ($1,300-3,000) above the median house value[16.] This translates into an increase of $2.31 (using geographical straight-line distance) and $0.99 (using network distance) for every foot closer the house was to a light rail station. New Jersey experienced similar positive effects. The median prices for homes located in census tracts immediately served by

11 Hess, B.D. & T.M. Almeida. (2007). “Impact of Proximity to Light Rail Rapid Transit on Station-area Property Values in Buffalo, New York“ in Urban Studies, Vol. 44, No. 5-6, 1041-1068.

12 Fejarang, R. A. (1994). *Impact on Property Values: A Study of the Los Angeles Metro Rail,* Transportation Research Board, 13th Annual Meeting, Washington, D.C.

13 Cervero, R. (1996). “Transit-Based Housing in the San Francisco Bay Area: market Profiles and Rent Premiums”, in *Transportation Quarterly*, *Vol. 50, No. 3, pp. 33-47.*

14 Benjamin J.D., Sirmans G. S. (1996). “Mass Transportation, Apartment Rent and Property Values” in *The Journal of Real Estate Research,* Vol. 12, Issue 1.

15 Landis, J. & R. Cervero. (1995). “BART at 20: Property Value and Rent Impacts.” Transportation Research Board, 74th Annual Meeting, Washington, D.C.

16 Hess, B.D. & T.M. Almeida. (2007). “Impact of Proximity to Light Rail Rapid Transit on Station-area Property Values in Buffalo, New York“ in Urban Studies, Vol. 44, No. 5-6, 1041-1068.

the rail line were 10% higher than those in other census tracts[17]. Similar effects were seen in Portland, where homes within 500 metres of light rail sold for 10.6% more than houses located 500 metres or more away. In Atlanta, researchers examined sale prices of all property transactions and found that property values increased as far away as three miles from MARTA stations (yet very close properties decreased by 19%)[18]. In Dallas, Texas, property value increased 12% more near DART stations compared properties outside of a one quarter mile from stations[19].

In anticipation of the implementation of Chicago's Midway Line, one study found that the collective increase in the value of homes located near new transit stations was US$216 million more than properties located farther away[20]. A study conducted in the 1980s in Ontario found that, in Metropolitan Toronto, the savings realized from living in an area that afforded a shorter and easier commute using transit translated into a willingness to pay more for homes that delivered these time savings[21]. This is true even today, with a premium being placed on both rents and market values for properties located with walking distance (500-800 metres) of the subway and commuter train stations.

In the majority of the studies reviewed, commuter railway stations have had a significantly higher impact on property values than light or heavy railway stations. This allows us to analyze the impact of the GO Train's new lines and the new subway stations with a significant degree of accuracy.

Negative Effects of Rail Transit on Property Values

There were some impacts from transit that negatively affected housing values as well. Noise, nuisance, associated crime and increased traffic combined to decrease property values in the *immediate* vicinity of stations. In two communities in Atlanta, there were two very different effects of rail on housing prices, based solely on the existing median incomes of the areas.

In a neighbourhood south of the tracks, whose population had a lower median income, residents put more value on access to rail transit. Therefore, home values increased by $1,045 for every 100 feet closer to a rail station. Conversely, in a neighbourhood north of the tracks with a higher median income, housing prices dropped by nearly the same amount the closer they were to the stations[22]. This is likely explained by this group's reliance on personal vehicles versus mass transit, in addition to increased noise and associated crime. In the southern (lower median income) neighbourhood, these issues were mitigated by the ease of travel using mass transit.

In studies that found transit accessibility had little impact on home values — such as that conducted on the Dallas Area Rapid Transit system — it was determined that these cities had well-maintained, efficient highway networks already available to the residents[23].

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17 Voith, R. (1991). "Transportation, Sorting and House Values" in *AREUEA Journal, Vol. 117, No. 19*.

18 Bowes, D.R. & K.R. Ihlanfeldt. (2001). "Identifying the Impacts of Rail Transit Stations on Residential Property Values" in *Journal of Urban Economics*, Vol. 50, Issue 1, July 2001, pp. 1-25

19 Weinstein,

20 McMillen, D. & McDonald, J. (2004). "Reaction of House Prices to a New Rapid Transit Line: Chicago's Midway Line, 1983-1999" in *Real Estate Economics, Vol. 32*, pp. 463.

21 Bajic, V. (1983). "The Effects of a New Subway line on Housing Prices in Metropolitan Toronto" in *Urban Studies, Vol. 20, No. 2 May*, pp. 147-158.

22 Nelson, A.C. (1992). "Effects of elevated heavy-rail transit stations on house prices with respect to neighborhood income" in *Transportation Research Record* 1359: pp. 127-132.

23 Weinstein, B. & T. Clower. (1999). *The Initial Economic Impacts of the DART LRT System*. Prepared for Dallas Area Rapid Transit.

Impact of Commuter Rail on Commercial Property

Studies indicate that the proximity to mass transit has even more impact on the values of commercial properties[24]. The movement of a large number of people is conducive to increased retail activities, expanding the attractiveness of the area to commercial investors and retailers. Whereas the value of homes located immediately adjacent transit stops is often less than areas beyond eyesight, the value of retail property is only higher when directly adjacent rail stations[25].

The impact on the values of the commercial properties is only felt on those located within easy walking distance to the stations. Outside of the immediate area, the impact of rail improvements on commercial property is nominal.

Coming to Select Neighbourhoods: Transit and Increased Real Estate Values

On June 15, 2007, the Premier and Minister of Transportation announced "MoveOntario 2020", a 12 year plan to fund 52 transit projects to improve transit services provided in southern Ontario by GO Transit, the Toronto Transit Commission, and other regional transportation agencies.

The project is anticipated to create 175,000 jobs during the construction phase with 60% of projects completed by 2014 and 95% by 2020. The Ontario government's highlights of the announcement are:

- The extension of the Yonge St. subway line to Highway 7
- Increasing speed and reducing emissions by electrifying the GO Lakeshore line and expanding capacity on all GO lines
- Two rapid transit lines across Hamilton
- Light rail across the city.

First, the TTC is commencing an expansion of the Spadina Line of the subway to run from Downsview station to Vaughn. Two other line expansions are planned in the future along the Yonge and Scarborough lines.

Toronto Transit Commission – Subway Line

The Rapid Transit system in Toronto has shaped residential and commercial development since its inception. In the decade between 1952 and 1962, more than 90 percent of all office construction occurred very close to the first section of subway on Yonge Street and half of all apartments built between 1954 and 1984 were within walking distance of the subway[26]. This development occurred from a combination of the presence of convenient transit and a proactive, pro-development approach by the City of Toronto.

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24 Debrezion, G., E. Pels, & P. Rietveld. (2003). *The Impact of Railway Stations on Residential and Commercial Property Value.* Tinbergen Institute Discussion Paper.

25 Ibid.

26 Huang, H. (1996). "The Land-Use Impacts of Urban Rail Transit Systems" in *Journal of Planning Literature Vol. 11, No. 17*, pp. 17-30.

Zoning classifications were changed to permit high densities, coordination between station designers and commercial developers occurred, and density bonuses for developers in areas surrounding transit were offered. Even in the 70's, when the Bloor-Danforth line became operational, rent was higher in

properties located within 600 metres (one-third of a mile) of the line[27].

Premiums in rent and resale value still continue in properties around the stations and the good news for property owners and investors is that three new expansions are planned. Currently, within the TTC network, there are 69 rapid transit stations with just under 460,000 riders a day. A proposal for a $424 million upgrade of Yonge-University subway line will increase the capacity of this underground commuter artery by 30 percent in 10 years.

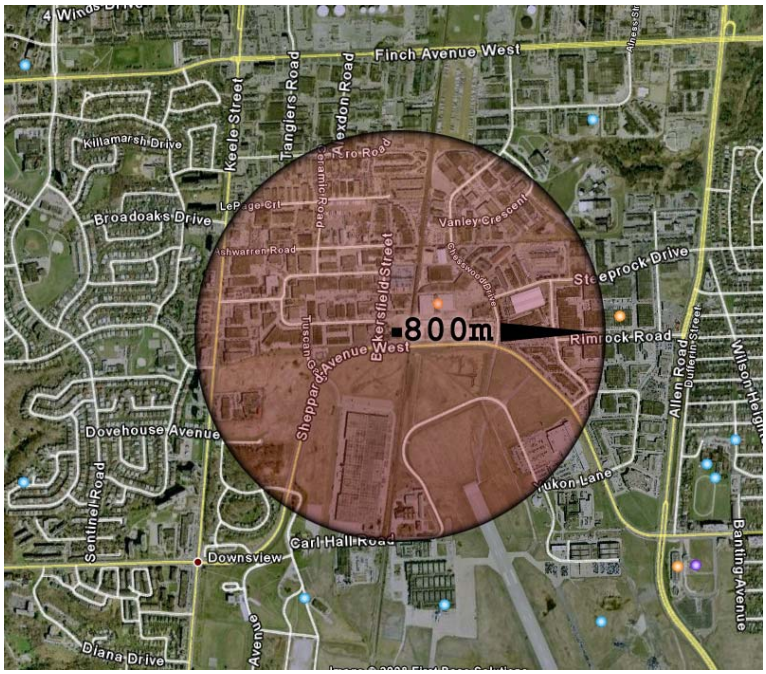
Serving the Downtown, the Yonge-University-Spadina Line is the oldest and most crowded subway line in Toronto with 197,700 riders per day, (Yonge (Bloor-Danforth) has 179,900 riders per day, St. George (Bloor-Danforth) has 116,800 riders and St. George (Yonge-University-Spadina) has 112,700 riders per day).

27 Dewees, D. (1976). "The Effect of a Subway on Residential Property Values in Toronto" in *Journal of Urban Economics Vol. 3, No. 4*, pp. 357-69.

Spadina Expansion Plans to Vaughan

Currently, there are 32 stations along this line. Construction is starting on an extension to York University northwest of Downsview station, and into the city of Vaughan to the proposed Vaughan Corporate Centre.

Six new stations are planned along the 8.7 km extension (6.2 km in the City of Toronto and 2.5 km in York Region). Service is planned to begin in 2014 or early 2015[28]. The six projected stations are:



Sheppard West

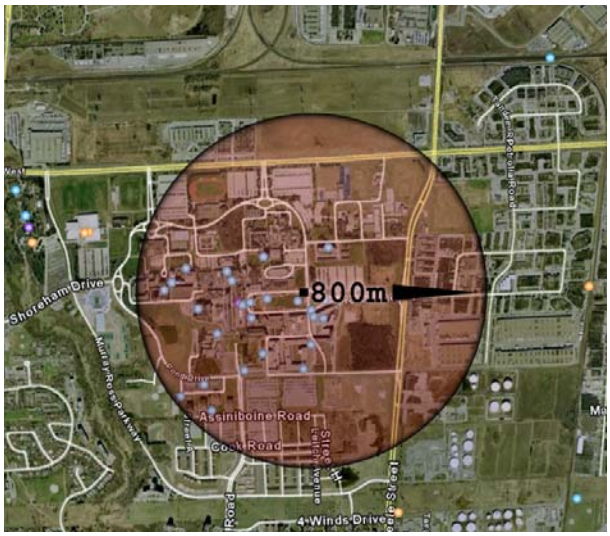
The Sheppard West region will enjoy one of the strongest increases in demand for property over the coming decade, as it will be serviced by two major transit systems, the GO Train and TTC system. Within two years of this new transit station's completion, commuters will begin to discover the convenience of the area and therefore increase demand on properties in the region. The largest impact will be felt within 800 meters of the new station, however because of the combination of two transit systems; the area outside of this 800 meter radius will also feel the positive impact. The station is located in Parc Downsview Park lands, adjacent to the Barrie GO Transit Line's Sheppard West station.

See below for maps showing the 800 metre impact zones around the other proposed stations along this line.

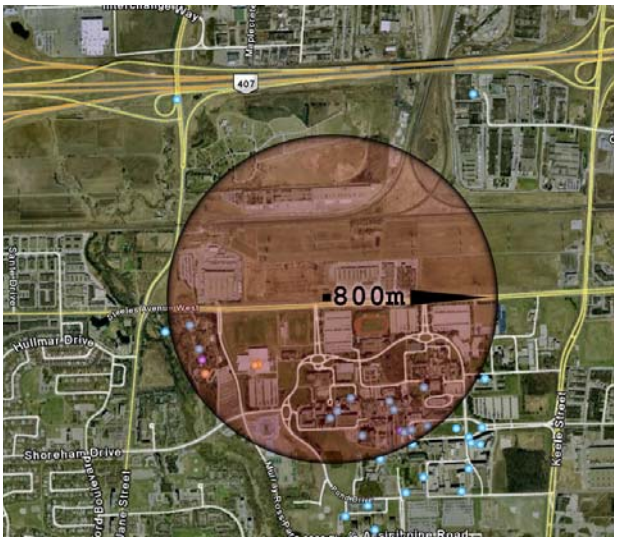
28 Toronto Transit Commission. http://www.toronto.ca/ttc/spadina_extension/faq.htm

Finch West – located at Keele Street and Finch Avenue intersection

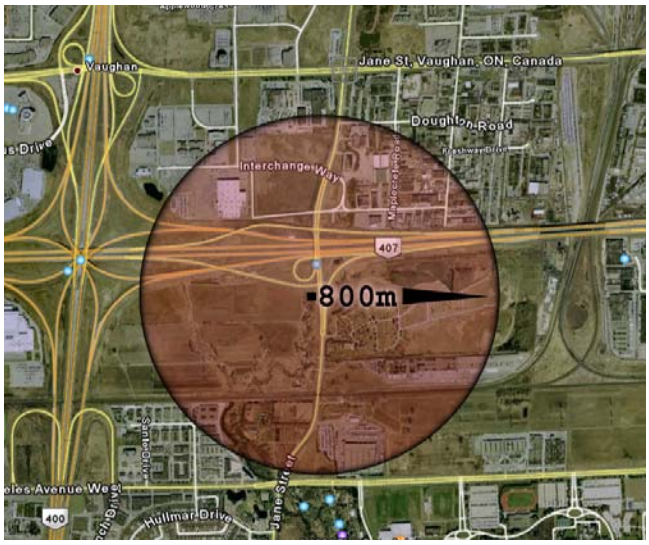
York University – located in the Common of the university



Steeles West - located at North West Gate and Steeles Ave., east of Jane Street.



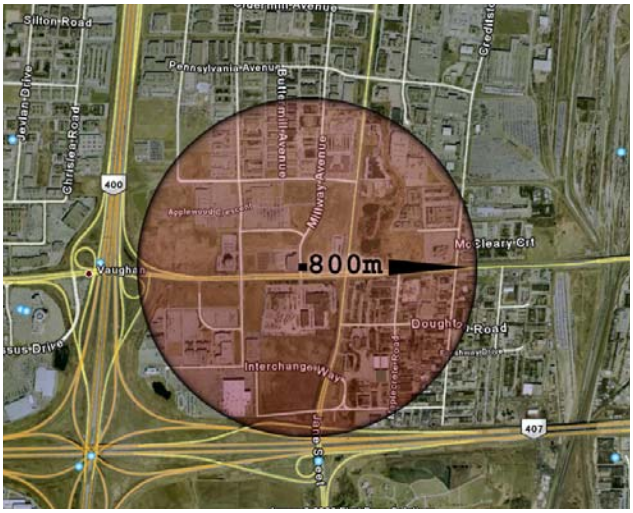
Highway 407 Transitway – located at Highway 407 and Jane Street



Vaughan Corporate Centre

The Vaughan Corporate Centre is the terminus of the Spadina Line expansion. The City has big plans for the end of the line. A corporate centre has been proposed that will include movie theatres, hotels, offices, residences, and pedestrian shopping areas on 1,500 acres. The development will be situated along the Avenue 7 corridor, just east of Highway 400[29].

29 City of Vaughan. http://www.city.vaughan.on.ca/newscentre/projects/corporate_centre.cfm.



The growth of the Vaughan Corporate Centre, with its proposed residences and commercial space will change the face of the whole region. The addition of this station will be a catalyst for the growth and property demand, and although it is not slated to open until 2014, the announcement has already spurred enthusiasm for the completion of the project.

Scarborough TTC Expansion

The Scarborough Rapid Transit opened in March 1985 and operates between Kennedy Station on the Bloor-Danforth subway and McCowan Station with four intermediate stations at Lawrence East, Ellesmere, Midland, and Scarborough Centre. The line currently serves 42,000 passengers daily.

According to the TTC, the main focus of the service has always been to support land development and intensification in the general vicinity of the Scarborough City Centre, and to facilitate travel to and from the Bloor-Danforth subway to further increase access to the CBD[31]. They have fufilled their mandate of opening up the region to commuters and increasing property demand. As values in the surrounding areas of the GTA increase, increasingly more commuters are discovering Scarborough as a more affordable, yet still accessible region.

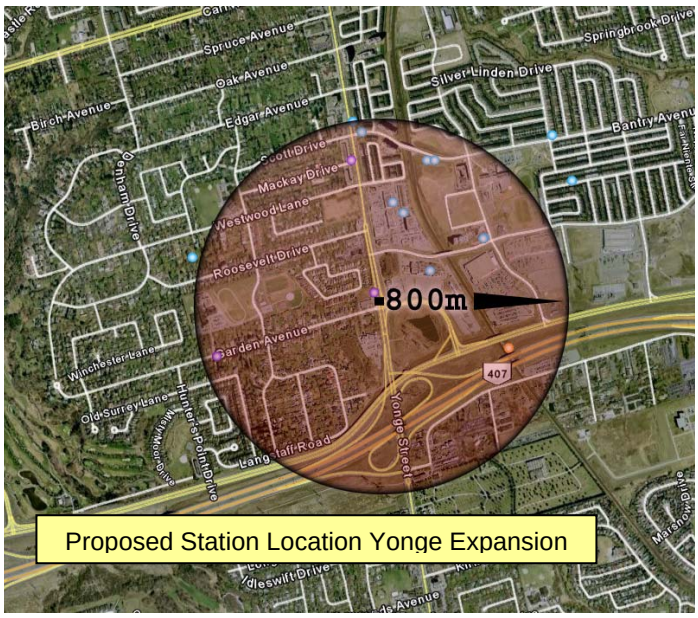
Future Expansion

Rapid Transit has proposed an extension from McCowan station to Sheppard Avenue along the Scarborough line. Although still in the planning stage, the property demand, and revitalization, that the addition of this station will bring is a key consideration when buying a property in the Scarborough area. With three new or recent TTC and GO Train improvements serving Scarborough, this region will enjoy the strong positive impact over the coming decade. The region also will benefit from its proximity to other major economic centres and relative affordability of property.

31 Toronto Transit Commission. (2006). Scarborough Rapid Transit Final Report 2006. http://www.toronto.ca/srtstudy/index.htm.

Yonge Expansion

Proposals have also been put forward to extend the Yonge Street portion of the line beyond Finch to Steeles Avenue and into York Region, most likely ending at the Richmond Hill Centre Terminal of VIVA (Bus Rapid Transit) at 8700 Yonge Street.

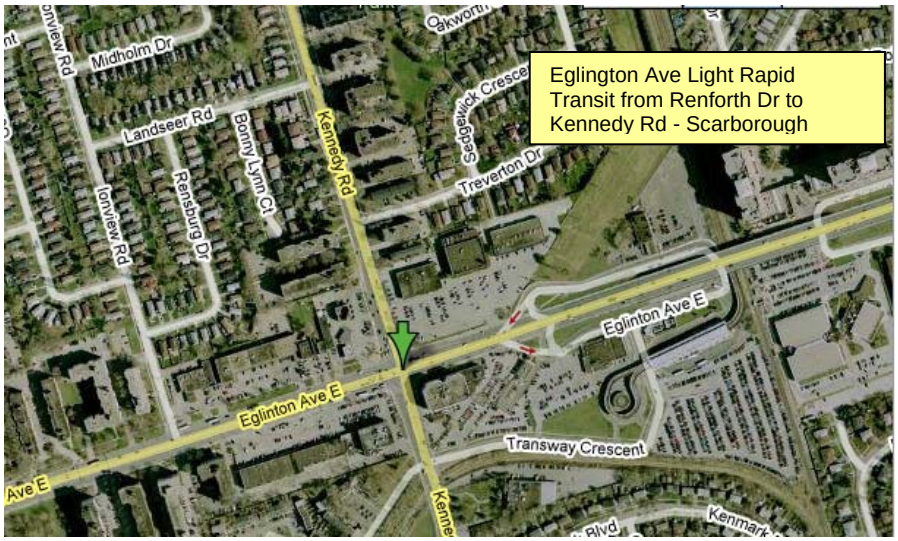


Other Rapid Transit Announcements

MoveOntario 2020 has made announcements of additional improvements and extensions to Rapid Transit. The following will have a direct impact on the GTA. However, although, these projects have been announced, it is prudent to wait until the shovel hits the dirt before making any investment decisions, as governments and spending priorities change.

The Real Estate Investment Network's™ research team will monitor the progress of these announced improvements and will update this report as the projects progress.

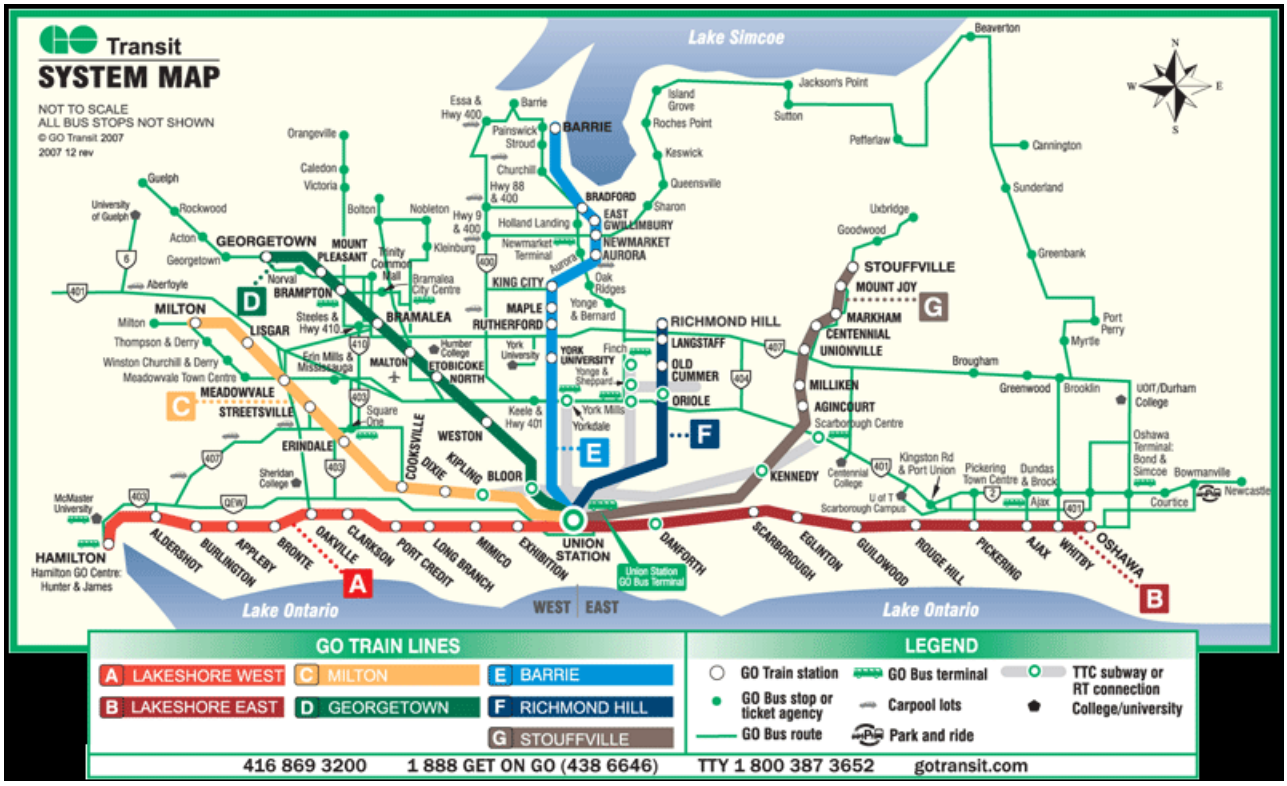
- ❖ Pearson Air-Rail link to Union Station
- ❖ Hurontario Light Rail Transit from Queen Street in Brampton to Lakeshore Road in Mississauga
- ❖ Eglinton Avenue Light Rail Transit from Renforth Drive to Kennedy Road in Scarborough (see map below)
- ❖ Dundas Street West Light Rail Transit from Kipling station to Hurontario Street
- ❖ Sheppard Avenue Light Rail Transit from Don Mills Road to Morningside Avenue
- ❖ Don Mills Road Light Rail Transit from Steeles Avenue to the Bloor-Danforth subway
- ❖ Jane Street Light Rail Transit from Steeles Avenue to Jane station on the Bloor-Danforth subway



- ❖ Waterfront West Light Rail Transit from Union Station to Long Branch

GO TRAIN

GO Transit operates seven train lines and a bus system that covers more than 2,200 kilometres. GO carries over 48 million passengers a year on a system of trains and buses that connect with regional transit across the Greater Toronto Area and Hamilton. The train system is a heavy rail commuter rail network that mainly operates only in peak rush-hour periods and then only in the primary direction of travel. GO Transit services the City of Toronto, the City of Hamilton, and the surrounding Regions of Halton, Peel, York, and Durham, Simcoe, Dufferin, and Wellington Counties. In addition to the bus service, Barrie and Bradford are also serviced through rail service. The GO system map indicates the seven train routes (all departing from Toronto's Union Station).



New Stations

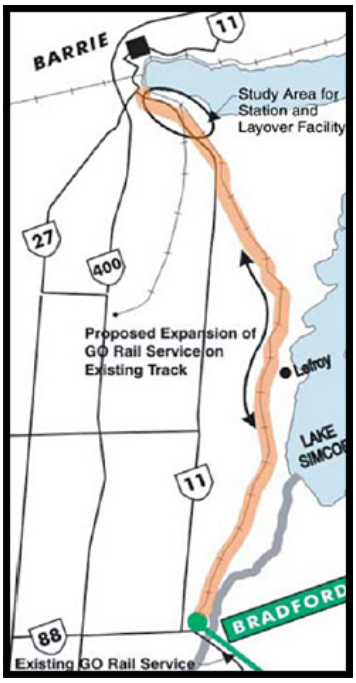
Since 2004, six new GO Stations have been opened. The maps associated with each of the these stations indicate areas within 800 metres of the stations – areas that research indicates will have a 10-20% premium in real estate values over areas outside of this space. In this report, we will only be discussing the proposed and recent upgrades and new stations affecting the GTA and north. Other GO Train improvements outside of this area will be discussed in detail in a future report. The stations include:

Barrie Line

This line operated from 1982 to 1990 and again from 1993 to 2007 as the Bradford line, as Bradford was the end of the line. With the opening of the Barrie South station on December 17, 2007, the line is once again referred to as the Barrie Line. It extends from Union Station in Toronto to Barrie and includes the following stations: Barrie South, Bradford, East Gwillimbury, Newmarket, Aurora, King City, Maple, Rutherford, York University, and Union Station.

New Barrie Station

After a 15 year hiatus, the GO train is running once again in one of the province's fastest growing cities. The new Barrie South station is located northeast of the intersection of Mapleview Dr. and Yonge St. and has 480 park and ride spaces. As of December 2007, eight trains (four in each direction) will run to and from Union Station and Barrie as an extension of the Bradford route.



The impact of this station is already being felt in the region as the current parking lot size (built to serve the expected demand in the project next two years) is already at capacity many days of the week.

Although it is still in its early days, the return of the GO Train service to Barrie will increase the growing demand for property in the whole region, including Orillia. The effect will even be felt as far out as the southern shores of Georgian Bay, as this train service now makes it possible to live in a lifestyle driven area and still have easy access to the Central Business District in Toronto.

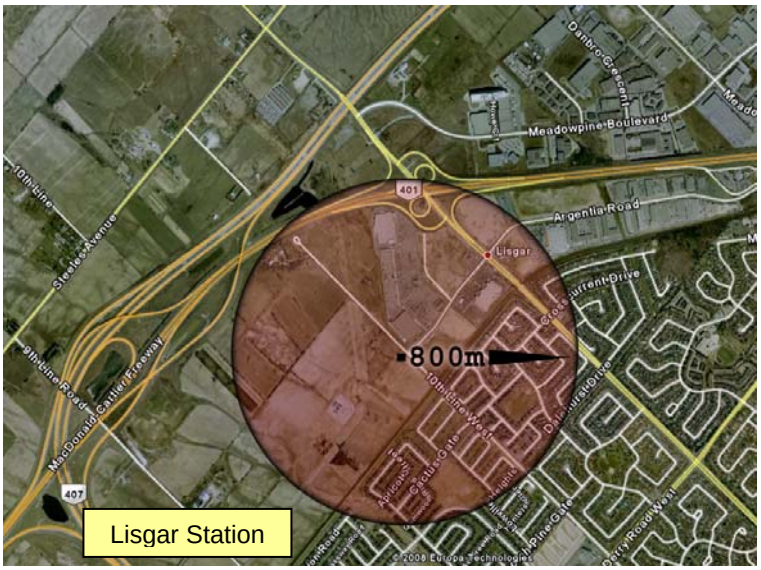
Milton Line

This line extends from Union Station in Toronto to Milton. Part of that line also carries vital freight services through the Greater Toronto Area to and from Montreal and the Canada-U.S. border at Windsor. Current stations include: Milton, Lisgar, Meadowvale, Streetsville, Erindale, Cooksville, Dixie, Kipling, and Union Station.

New Lisgar Station

This station located at Tenth Line and Argentia Rd. (between Milton and Mississauga), in the Highway 401 and Winston Churchill Boulevard area, opened in September 2007 and accommodates 790 parking spots.

Due to the relatively young age of this station, the impact of it on property demand has not yet hit its peak. Milton and area will experience strong population growth and therefore increased property demand. The positive influence of this station will also be felt in surrounding regions due to its proximity to both Highway 407 and Highway 401.



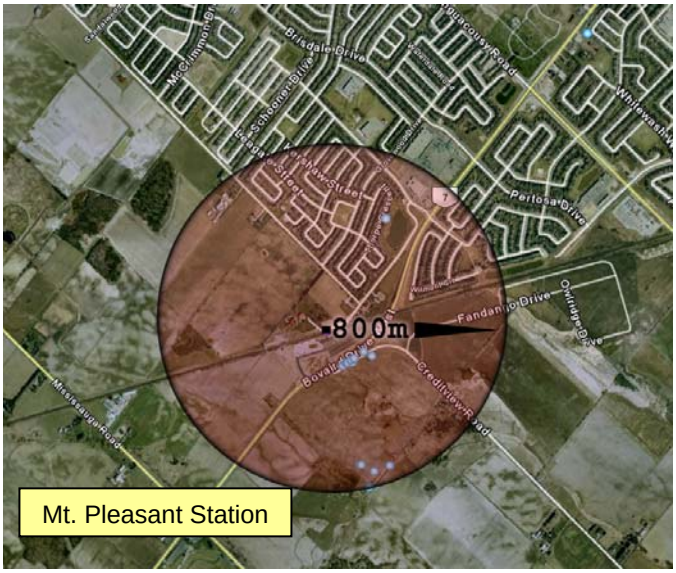
Georgetown Line

This line extends from Union Station in Toronto to Georgetown. Go Bus Service to Guelph to and from Georgetown is provided Monday to Friday with weekend service directly to Union Station via Brampton. Stations include: Georgetown, Mount Pleasant, Brampton, Bramalea, Malton, Etobicoke North, Weston, Bloor, and Union Station. An environmental assessment is underway as a preliminary step for the expansion of this line in efforts to improve access to Lester B. Pearson International Airport.

Currently, the study area for expansion extends from Lake Ontario north to Finch Ave., and from Highway 427 and the Airport in the west over to Yonge St. in the east. The only thing confirmed at this point is funding for the project; however, the amount of funding has not yet been determined. A debate ensues about whether a dedicated high-speed line, a re-routed airport people mover to a new GO train beside Woodbine Racetrack, or an increase in GO Train service between Union and Brampton is the preferred method of transport.

Mount Pleasant Station

Mount Pleasant GO Train station opened in February 2005 and is located on the Georgetown line between Brampton and Georgetown stations on Bovaird Dr. (formerly Hwy. 7) at Creditview Rd. in west Brampton.

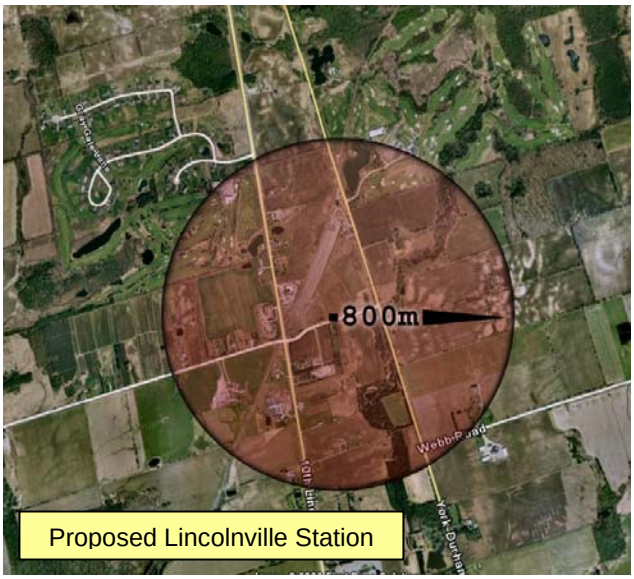


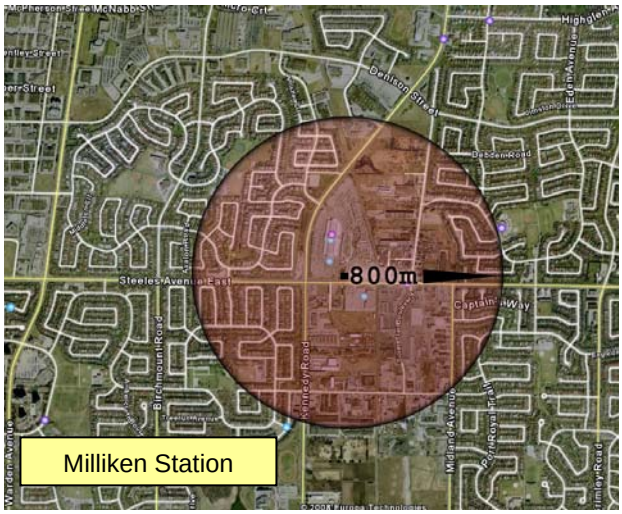
Stouffville Line

The line's southern terminus is Union Station in Toronto, and its northern terminus is in Stouffville. Stations along this line include: Stouffville, Mount Joy, Markham, Centennial, Unionville, Milliken, Agincourt, Kennedy, and Union Station.

New Lincolnville Station

In 2008, an extension to Lincolnville station is anticipated to open on the outskirts of Stouffville at 6840 Bethesda Road. This area is currently in the region of the GO bus station. The expansion to a full GO Train station will initially have 150 parking stalls with the potential of up to 1,000. This will have a direct impact on commuters, not just in the Stouffville region, but will also serve to increase property demand in Uxbridge as it becomes a much simpler commute to Toronto's CBD.



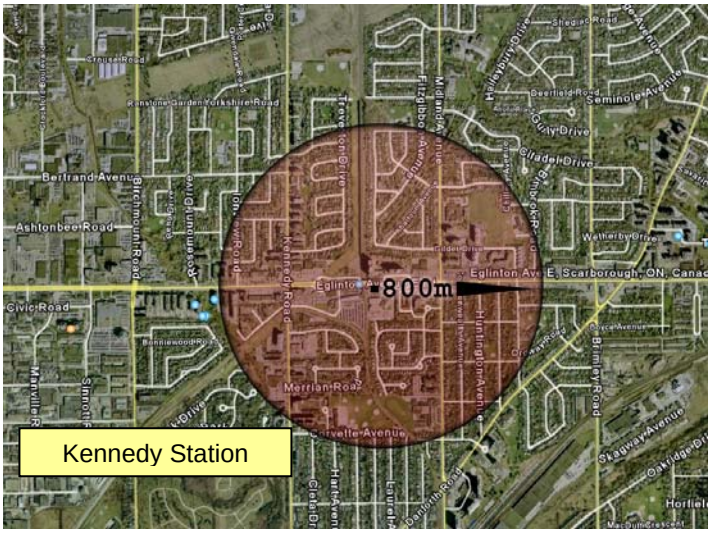


Milliken Station

Located on the Stouffville line between Unionville and Agincourt GO Stations, this station opened in September 2005 and moved to the south side of Steeles Avenue, between Kennedy Road and Midland Avenue. As this station has now been opened for over two years, the demand on property will start to increase as more potential commuters discover the access to the region.

Kennedy Station

Kennedy station opened in June 2005 and is located on the Stouffville line between Agincourt station and Union Station on the south side of Eglinton Avenue E., between Kennedy Road and Midland Avenue in Scarborough. As this station is now into its third year, its impact on property demand in the region is already being felt.



Lakeshore West Line

Currently, trains only run during rush hour and off hours are serviced by a bus service for areas beyond Aldershot. Current stations include: Hamilton, Aldershot, Burlington, Appleby, Bronte, Oakville, Clarkson, Port Credit, Long Branch, Mimico, Exhibition and Union Station.

However, construction is underway to add an extra track between Burlington and Bayview Junction and from Port Credit to Oakville, which will allow for an expanded service. There is off-peak train service on parts of the Lakeshore and Georgetown lines. Hourly trains operate on weekdays off-peak hours and weekends between Aldershot and Oshawa. MoveOntario 2020's commitment to electrifying the GO Lakeshore line will mean that commuters will get from Toronto to Hamilton 15 minutes faster.

Lakeshore East Line

This line extends from Union Station in Toronto to Oshawa. MoveOntario 2020's plans include adding a third track from Union Station to Scarborough and a line extension from Oshawa to Bowmanville. The following are existing stations on the Lakeshore east line: Oshawa, Whitby, Ajax, Pickering, Rouge Hill, Guildwood, Eglinton, Scarborough, Danforth and Union Station.

Richmond Hill Line

Richmond Hill extends from Union Station to Richmond Hill. Current stations include: Richmond Hill, Langstaff, Old Cummer, Oriole, and Union Station. This line is being extended to Aurora Rd.

EXPANSION PLANS

In addition to the new service to Lincolnville (near Uxbridge), other plans include a Peterborough commuter rail line. Although a study is underway, the proposed Peterborough-Toronto commuter rail link has been put on hold, awaiting funding from the provincial and federal governments. For details on the ongoing discussions on these expansion plans visit www.gotransit.com

BUS RAPID TRANSIT

The most recent provincial budget announced nearly $500 million for key transit projects. Part of the improvements to transit includes bus rapid transit (BRT) in key areas. These include BRT along Dundas St. in Burlington and Oakville, as well as Hurontario St. in Mississauga and Finch station to Steeles Avenue. Although accessibility is always one fundamental that should investors should study, it is important to discern various types of accessibility. Research indicates that properties located near

bus routes do not have the same premiums as homes located near a fixed transit structure such as a rapid transit station[33].

IMPACT OF HIGHWAY CONSTRUCTION, EXPANSION AND IMPROVEMENT ON PROPERTY PRICES

As with rapid transit, accessibility to major highways, and highway improvements proved to be major determinants for increased property values in all studies. Our research showed that, as highway networks are created and existing corridors to the central business district (CBD) are improved, the value of real estate in the area increased[34].

Underpriced Property

Classical economic theory posits that when a highway is initially built, large parcels of land that previously had poor accessibility — or none at all — are suddenly considered underpriced[35]. This results in a rapid correction in the market, driving up the value of the land. Development is usually quick and the impact significant. Additionally, improvements to existing highways showed a positive increase to land prices, although to a lesser degree.

However, during the construction phase of the improvements, prices of homes fell[36]. Noise, emissions, dust, and traffic delays negatively impact the sale price of land in areas immediately adjacent the construction; this price decrease ranges from $0.05 to $0.50 per square foot of land[37.] In fact, one study showed that values did not reach pre-construction levels until five years after construction was completed[38.]

When studying four key residential areas being affected by new major highway expansion (using over 18,800 property sales as research data), a direct correlation was determined between the accessibility increases provided by the highway and the value of residential property[39]. The results showed that when a highway increased accessibility to the region by providing new access or shorter commute times, residential property values rose by 12%–15% over similar properties not affected by the new highway. This is a significant and permanent lift in values. In fact, according to one Texas study, of all

33 Hess, B.D. & T.M. Almeida. (2007). “Impact of Proximity to Light Rail Rapid Transit on Station-area Property Values in Buffalo, New York“ in *Urban Studies, Vol. 44,* No. 5-6, 1041-1068.

34 ten Siethoff, B. & K. Kockelman. (2002). Property Values and Highway Expansions: An Investigation of Timing, Size, Locations, and Use Effects. Transportation Research Board, 81st Annual Meeting, Washington, D.C.

35 Giuliano, G. (1989). “New Directions for Understanding Transportation and Land Use” in *Environment and Planning* A21, pp. 145-159.

36 Mikelbank, B. (2001). “Spatial Analysis of the Relationship between Housing Values and Investments in Transportation Infrastructure.” Western Regional Science Association, 40th Annual Meeting, Palm Springs, CA.

36 ten Siethoff, ibid.

37 ibid.

38 Downs. A. (1992). *Stuck in Traffic*. The Brookings Institution: Washington, D.C.

39 Palmquist, R. (1980). *Impact of Highway Improvements on Property Values in Washington*, US Department of Transportation, Federal Highway Administration.

types of land use, single-family residences showed one of the largest per-square-foot increases (approximately $35.00 per square foot)[40].

Difference Between Rail Improvements and Highway Improvements

Surprisingly, the main difference between the rapid transit findings and the highway findings is the impact of the noise factor from operating highways. The increase in value of residential properties located closest to the highways were partially offset by up to a 1.2% reduction for every two-decibel increase in highway noise level[41]. However, counter-intuitively, houses close to highways (where it is anticipated there would be associated noise) were not found to take any longer to sell than those farther removed.

This same study revealed that properties located in commercial–industrial areas serviced by these highway improvements experienced a 16.7% increase in value after the highway was opened. Research into the impacts of specific projects indicates that the design of the freeway is important:

- Depressed freeways contributed the most to residential property values, yet had limited impact on commercial property values, except for those located adjacent to exit and entrance ramps.
- At-grade designs had the most positive impact on commercial property values, while still providing a strong positive impact on residential values.
- Elevated highways had the least impact on all land values[42].

Commercial Property Values

Values of commercial properties located 800 metres or more from a freeway exit were valued at $50,000 per acre of land and $3 per square foot of structure less than properties located closer, proving once again that accessibility is key.

Overall, the completion or expansion of major arterial highways has a significant positive impact on accessibility and, therefore, property values.

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40 Lewis, C.A., J. Buffington, & S. Vadali. (1997). “Land Value and Land Use Effects of Elevated, Depressed, and At-Grade Level Freeways in Texas.” Texas Transportation Institute Research Report Number 1327-2. Texas A&M University: College Station, TX.

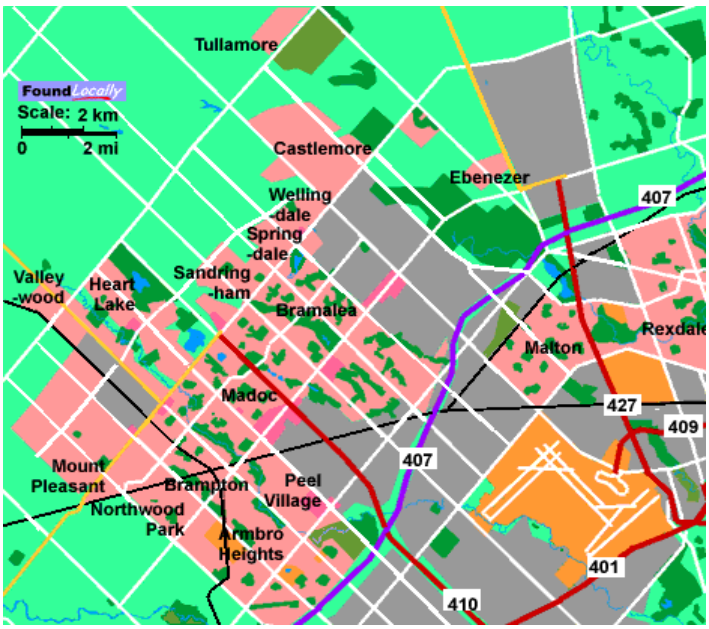
41 Palmquist, R. (1980). Ibid.

42 Lewis, C.A., J. Buffington, & S. Vadali. (1997), ibid.

HIGHWAY IMPROVEMENTS IN THE GTA

EXTENSION OF HIGHWAY 410

The final phase of the four-lane extension on Highway 410 between Mayfield Road and Highway 10 in Brampton is scheduled for completion in 2009. The northerly extension of Highway 410 (to Highway 10 just north of the Caledon/Brampton border) and the north- and southbound lanes between Bovaird Drive and Mayfield Road are open. This extension will ease traffic congestion and improve travel times for commuters.



The north Brampton neighbourhoods such as Heart Lake, Valley Woods and Sandringham will benefit from increase accessibility via the extended Highway 410.

The extension of Highway 410 towards Collingwood is in its conceptual stages. There are speculations that long term plans for the highway include continuing it on to Orangeville, Shelburne and Owen Sound.

EXTENSION OF HIGHWAY 427

Highway 427 runs from immediately south of the Queen Elizabeth Way/Gardiner Expressway interchange in Toronto to Highway 7 in Vaughan and is currently just over 21 kilometres. It is Ontario's second busiest freeway by volume, and has no fewer than 12 lanes between the QEW/Gardiner and Highway 401. It is a primary feeder route to the Pearson International Airport. It also serves the western portion of Etobicoke (Rexdale) and the northeastern portion of Mississauga (Malton).

The initial phase of the proposed Highway 427 extension is at the environmental assessment stage and although there is nothing concrete, current plans will likely extend the highway to Rutherford Road or possibly Major Mackenzie Drive.

The Highway is then proposed to run from the current north end of Highway 427 to north of Barrie and would serve as a parallel bypass of the existing Highway 400, whose traffic levels are expected to outstrip expansion capacity in the next 20 years. This expansion will also increase demand to the Barrie region and provide the whole route with easier access to Pearson Airport.

EFFECT ON PROPERTY VALUES: PRIMARY IMPACTS

Which Regions Will Experience a Positive Impact?

Economists posit that "the basic value of an investment—be it in highway or anything else—is the value of the resources it releases for other uses"[43], which suggests that the importance of reducing time spent commuting as a result of transportation improvements and more efficient public transit, ought to be and is, realized in the value of property surrounding a station or highway extension. Regions affected by these improvements can be divided into two tiers. The first tier will witness the largest property demand increase; the second tier, although still strongly affected, will feel the impact on a smaller scale.

FIRST TIER

Vaughan Line Region

The expansion of the TTC Spadina line to the new Vaughan corporate centre will definitely be the leading catalyst to population growth and property demand for the area. These demand drivers will influence property values until at least 2020 (five years past expected completion date). The area surrounding the Sheppard West GO Train station (Barrie Line) and TTC station (Vaughan Line) will experience a significant increase in property demand due to access by two separate transportation systems.

Scarborough

With three new or recent TTC and GO Train improvements serving Scarborough, this region will enjoy a strong positive impact over the coming decade. The region also will benefit from its proximity to other major economic centres and its relative affordability of property.

Barrie

The return of the expanded GO Train service to Barrie will increase the growing demand for property in Barrie and the surrounding region, as this service now makes it possible to live in a lifestyle driven area yet still have easy access to the Central Business District in Toronto.

SECOND TIER

Milton Region

The impact of the recent addition of the Lisgar Station in the Milton region has not yet been felt. Milton and the surrounding area will experience strong population growth and therefore increased property demand.

North Brampton

The north Brampton neighbourhoods such as Heart Lake, Valley Woods and Sandringham will benefit from increased accessibility by way of expanded Highway 410. The neighbourhoods surrounding the Mt. Pleasant TTC station will currently be experiencing an increase in demand as that station has now been open for close to three years.

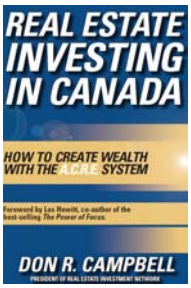
Uxbridge & Stouffville Region

The addition of the future Park & Ride Lincolnville GO Train station outside of Stouffville will increase demand for properties in both Stouffville and Uxbridge from commuters. This, combined with accessible property prices, will help fuel the region's future growth.

The decision of which particular investment properties to acquire within a region still requires extensive analysis of the fundamentals of the specific property.

43 Mohring, H. (1961). "Land values and the measurement of highway benefits" in the *Journal of Political Economy,* 69, pp. 236–249.

ABOUT THE AUTHORS



Don R. Campbell

President, Real Estate Investment Network

Don R. Campbell is a Vancouver-based national real estate educator, researcher, author and investor. He is president of the Real Estate Investment Network™, Canada's leading real estate education program, and is an authority on all aspects of Canadian real estate. Back in 1985, Don made his first investment into residential real estate and hasn't looked back since, amassing a significant portfolio of investment properties. Don is also author of the best-selling Canadian real estate book *Real Estate Investing in Canada***.** Published in May 2005, *Real Estate Investing in Canada* is currently in its fifth reprinting, with 30,000 copies sold, and is the all-time best-selling real estate book in Canadian history. He is also the author of *97 Tips for Canadian Real Estate Investors*, released in April 2006. He is highly sought by national, regional and local media to provide expert opinions on current topics and trends in real estate. Don shares his analyses and strategies through the Real Estate Investment Network™ (REIN™) and entertaining and informative presentations have been attended by thousands of real estate investors across North America and in Australia. Based on his continuing factual research and personal contact with investors in most Canadian markets, Don can speak in detail on any market across Canada and is not afraid to talk frankly about where the market is headed. His company's research and systems have been developed and continuously refined over the last fifteen years and are based solely on proven Canadian strategies that work in today's market environment.

Melanie Tennant

Research Analyst, Real Estate Investment Network

Melanie has been with REIN since 2006 and assists Don with a variety of research including Top Ten Investment Towns in Ontario and Alberta, The Gateway Effect - The Impact of Transportation Improvements on Housing Values in the Lower Mainland and numerous reports on grow-ops, methamphetamine labs in rental housing and crime prevention through environmental design. Melanie holds a Master's Degree in Criminal Justice from California State University San Bernardino and a Bachelor's Degree in Criminology from Simon Fraser University. She has worked with the Riverside, California Sheriff's Department on many projects including a methamphetamine task force and Community Oriented Policing projects. In Canada, Melanie consulted with local transit agencies to develop plans for crime reduction at rapid transit stations and crime prevention and safety projects with various law enforcement agencies.

Ray Reuter

Research Analyst, Real Estate Investment Network

Ray came to REIN from the US last year after working on a Master's degree in Entomology from the University of California, Riverside. Ray previously completed a Bachelors of Science from the University of Kentucky with a focus on entomology and horticulture. Some of his recent work has been published in the Journal of Chemical Ecology. Ray has most recently completed a report for REIN on the Effects of the Pine Beetle on Real Estate in BC, as well as Transportation studies in Calgary and Edmonton. Ray continues to invest in Alberta.

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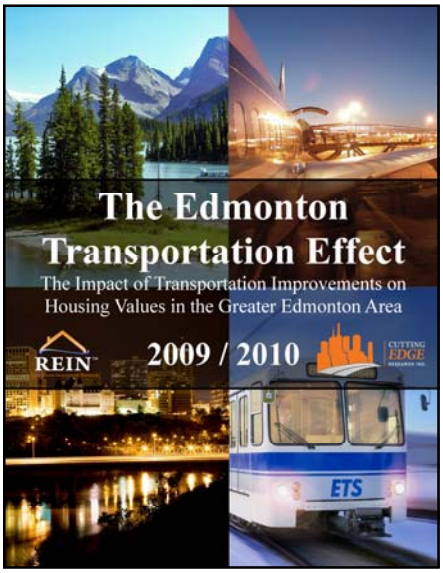
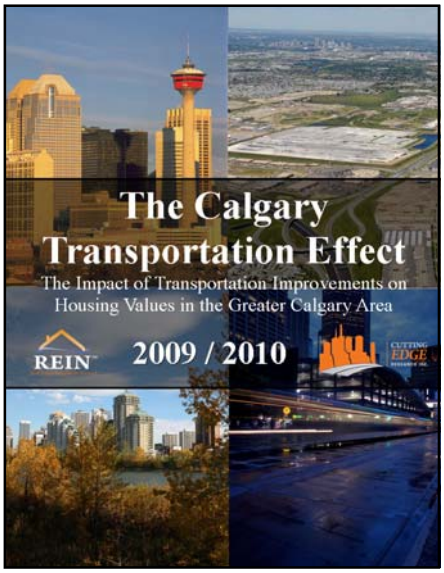
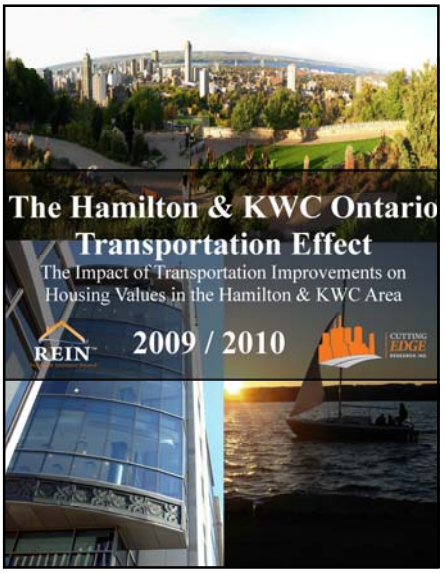
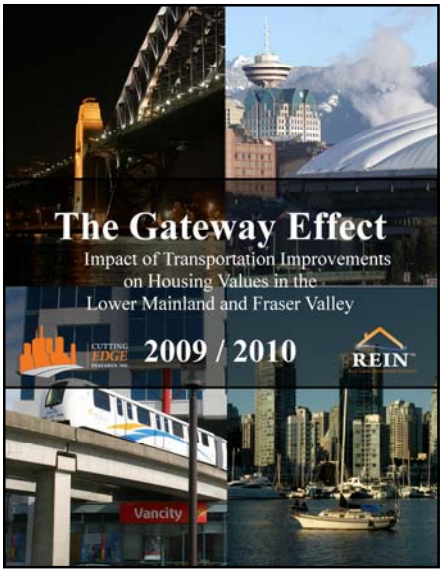
Investment Notes

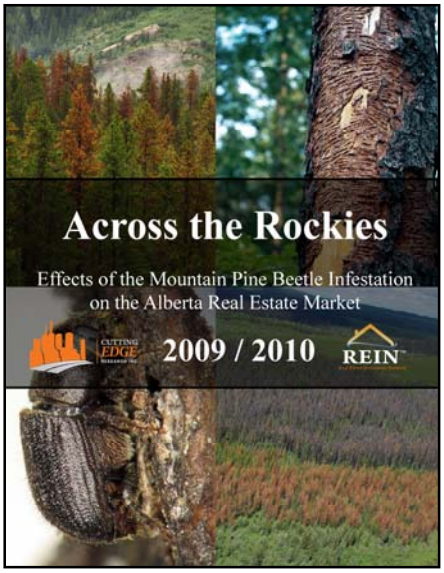
OTHER RESEARCH REPORTS AVAILABLE:

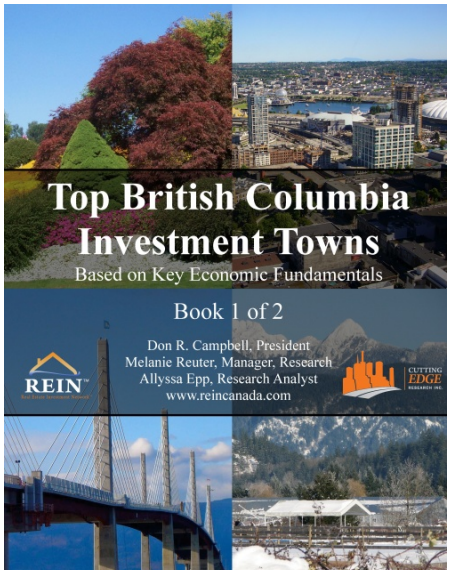


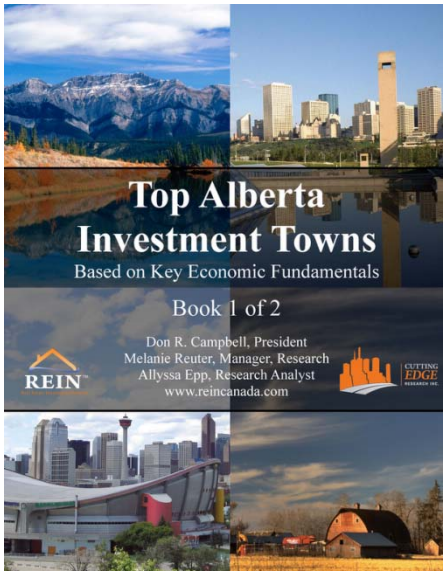












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