

## Rising Multi-Residential Construction Costs During the COVID-19 Pandemic

Construction costs for multi-residential properties are on the rise due to the COVID-19 pandemic that has impacted labour and material costs in addition to shifting supply and demand components. According to Altus Group, a data solutions provider for the commercial real estate industry, construction costs for housing developers in the GTA is anticipated to rise by 5% by the end of 2021, while other Canadian markets will see an increase between 1-4%. David Schoonjans, Senior Director at Altus Group, says that “labour productivity has suffered due to physical distancing requirements and workflow interruptions, with the reduced productivity resulting in more labour hours and thus higher labour costs”.

COVID-19 has also disrupted global supply chains, resulting in an increase in material costs. Additionally, an increase in demand for material has also contributed to the

shortages and higher costs. Schoonjans says the pandemic has led to more single-family home construction and home improvement projects, leading to a decrease in lumber supply.

Multi-residential housing developers are now facing the difficult problem of higher costs and less supply at a time when there is high demand for affordable rental housing. While costs seem to be rising across Canada, the GTA has historically felt the brunt of it thanks to a persistent housing shortage and high immigration numbers. According to Schoonjans, “the GTA will still be dealing with robust demand and strained resources for the next several years” even if pandemic-related costs decrease.

By: Caroline Van den Eynde



## FOR SALE - TORONTO

**Toronto**  
**23 Units**  
**Unpriced**

Beautiful property just east of the Don Valley Parkway. Surrounded by three large parks. Short walk to Subway station. This building has 23 residential units (1 x bach, 16 x 1 bdrm, 4 x 2 bdrm, 2 x 3 bdrm). Coin operated laundry in the building.



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## FOR SALE - HAMILTON

**Hamilton**  
**10+5 Units**  
**Asking \$5,700,000**  
**5.2% Cap Rate**

10 massive residential, loft-style units (all 2 bed) and 5 commercial units. Residential units have open-concept kitchen. Tenants pay hydro, water and gas. All units have HVAC and on-site parking. Property is located in downtown Hamilton, close by Gage Park.



## FOR SALE - HAMILTON

**Hamilton**  
**18 Units**  
**Asking \$4,500,000**  
**3.5% Cap Rate**

18 residential units (1 x bach, 3 x 1 bdrm, 12 x 2 bdrm, 2 x 2 bdrm + den). All units have a full or partial balcony. Roof updated in 2017 and completed in 2019. Close to Main St. E., all amenities nearby. Across the street from Bishop's Park.



## FOR SALE - NORTH YORK

**North York**  
**11 Units**

Located in one of Toronto's largest neighbourhoods, Downsview. Only 500 m away from Downsview Park. High traffic area. Property has 11 2-bedroom units. Highway 401 is easily accessible from this area.

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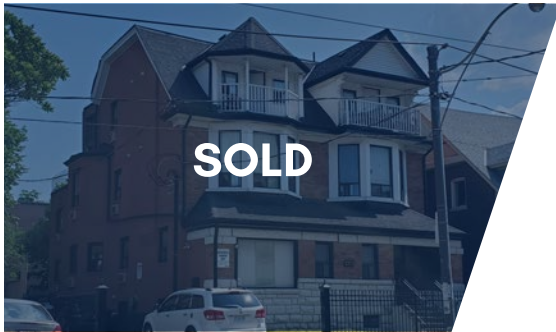
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## SOLD - HAMILTON

**Hamilton**  
**60+1 Units**  
**\$10,000,000**

Ideal property for any investor looking to add value immediately. Located at the intersection of King St. E. and Main St. E. in Crown Point West. Great location allows for complete rebranding. 41 of the units are vacant.



## SOLD - TORONTO

**Toronto**  
**30 Units**  
**\$6,000,000**  
**2.9% Cap Rate**

Excellent 30 units in the heart of Parkdale containing 26 x bachelors & 4 x 1-bedrooms. Amazing investment opportunity. Public transportation right outside the property with multiple routes. Onsite parking.



## FOR SALE - BROCKVILLE

**Brockville**  
**21 Units**  
**\$1,700,000**  
**6.9% Cap Rate**

Large property located in downtown Brockville. Across the street from the St Lawrence River, some units have waterfront views. Close to the beautiful Centeen Park. Consists of one apartment building with 15 units (7 x bach and 8 x 1 bdrm) and 6 townhouses with a 2 bedroom unit each.

## 2021 Q2 MULTI-FAMILY INDUSTRY STATISTICS

LOCATION	NUMBER OF SALES	AVG PRICE/UNIT	MARKET CAP RATE
<b>Greater Toronto Area</b>	<b>68</b> (+119.4% YOY)	<b>\$274,909</b> (-0.4% YOY)	<b>3.7%</b> (-3.3% YOY)
<b>Greater Golden Horseshoe</b>	<b>57</b> (+200% YOY)	<b>\$205,690</b> (-33% YOY)	<b>4.4%</b> (-3.8% YOY)

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## FOR SALE - YORK



**York**  
**11 Units**

Easily accessible from Highway 401. Property has 11 units (1 x bach, 4 x 1 bdrm, 6 x 2 bdrm). Lots of green space nearby, including Pelmo Park.

## SOLD - HAMILTON



**Hamilton**  
**13 + 2 Units**  
**\$2,800,000**  
**4.4% Cap Rate**

Convenient location. 13 suites + 2 stores. Exposed brick walls in some units. Large lot. Excellent upside on residential units.

## FOR SALE - TORONTO



**Toronto**  
**4 Units**

Well maintained fourplex in High Park. Four self contained units (1 x 2 bdrm, 1 x 2 bdrm + den, 2 x bach). Beautiful backyard, two parking spots.

## SOLD - TORONTO



**Toronto**  
**6 Units**  
**\$1,775,000**  
**2.3% Cap Rate**

5 large 2-bedroom apartments and 1 bachelor unit. Located in Etobicoke. Ample parking, rents well below market.

If you did not see these properties for SALE when they were available, please contact our office to update your buying criteria and contact information. Please email us at [Reception@MysakRealty.com](mailto:Reception@MysakRealty.com) or call **416-767-5500**.

## SOLD IN MARCH/APRIL 2021

49 Willow St., Caledon	22 units @ \$238,636	\$5,250,000
22 Maynard Ave., Toronto	36 units @ \$209,722	\$7,550,000
659 Stirling Ave. S., Kitchener-Waterloo	30 units @ \$286,667	\$8,600,000
558 Krug St., Kitchener-Waterloo	6 units @ \$212,500	\$1,275,000
478 Caledonia Rd., Toronto	20 units @ \$220,000	\$4,400,000
181 Dowling Ave., Toronto	10 units @ \$240,000	\$2,400,000
21 Raylawn Cres., Halton Hills	23 units @ \$290,000	\$6,670,000
620 Bathurst St., Toronto	5 units @ \$300,000	\$1,500,000

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