

TCS  
Q4 2020  
CLIENT REPORT

Welcome

At The Condo Store we build long-term relationships, which allow us to provide personalized, clear and considerate advice on all areas of real estate in Toronto. We believe taking a personal approach is crucial when interacting with our clients, as it gives us a detailed understanding of how we can connect you with the perfect investment in the residential high-rise or low-rise sectors.

Our brand values exist so that our employees know the standards they need to hold, and equally our clients understand the type of person they will encounter when working with us. As a collective, The Condo Store is committed to being a responsible business and that is why we created our Community & Philanthropy program to deliver a charter for the business to adhere to.

Supporting local charitable organizations, such as SickKids Foundation and the Pinball Clemons Foundation throughout the last decade, through a series of annual events where our staff and clients have personally participated, has been a truly rewarding experience. We have been an integral part of those initiatives raising over \$20 million to date as well as hundreds of thousands of dollars of separate donations and pledges based around the success of our real estate investment offerings.

For us, education is a sector that we feel strongly about and we wish to give back in a personal and direct way to a small number of candidates that we feel can and will be valuable for our city’s growth and general well-being. Over the past six years, we have been committed to sponsoring PhD candidates at St. Michaels Hospital in their Cardiology department. As well, we are excited to announce brand new partnerships and scholarships with three business schools in Ontario. This initiative starts immediately at the Schulich School of Business at York University, the Ted Rogers School of Management at Ryerson University and The Gordon S. Lang School of Business and Economics at the University of Guelph. We are excited to get started working with and supporting their business and real estate programs with some formal announcements coming in the near future.

In a world transformed by an unprecedented pandemic, deciding how and where to invest capital is more complex than ever. Clarity is in short supply. Uncertainty is heightened. Investors across all asset classes are trying to navigate the unknown. But waiting for the storm to calm is no substitute for finely calibrated, logical action. With the latest research, we’ll work with you to navigate this uncertainty, seek out investment resilience, and discover new opportunities. Through a combination of purpose-built modelling processes and our market-leading team of experts who also invest alongside you, we’ll continue to bring you a clear perspective to chart a way forward.

I would love for you to review our new corporate website, condostorecanada.com. The rationale for our new website is to continue to adapt and improve ahead of the industry at large; as many of you know we’ve had many copycats over the years, and we will continue to evolve and push the boundaries as the leaders in this sector. This is another example of that. We are different than the pack and now we will show up different, more refined, than the rest of the industry.

Not coincidentally, these streamlined branding efforts come as we have brought on board a key executive to lead our marketing operations. I am happy to introduce Rich Kuypers, as our Chief Marketing Officer. Rich brings a wealth of diverse marketing and business operations experience to us as we forge our brand into the future, and most importantly as we endeavour to ensure our communication and service to you, our valued clients, remains at a superior level and substantially above industry standard.

As mentioned, we are planning consistent communication and part of that will be a report that goes to you, our investors, each quarter with updates, news, market outlook and other notes and tidbits we feel would be of interest to you. We will not bombard your inbox; this is an effort to increase effective and wanted communication and information from us to you.

As always, please reach out at any time, and I hope that you and your family are doing great and life will go back to normal again for all of us. We want to thank you for your continued support and business this year and through the years, as we continue our 15th anniversary as The Condo Store.

Yours very truly,



Simon S. Mass  
Chief Executive Officer





# Investment Update .

Creating an investment opportunity, that not only sells during pre-construction, but also makes a phenomenal return for our investor purchasers doesn't generally come about by luck. It comes down to meticulous planning from our in-house team members, as well as a number of outside consulting firms, that work on the high-level market feasibility reports that filter 100+ project launches to just a handful for us to actively participate and invest in as partners. It's a meticulous, 7-day a week schedule, with uphill negotiating strategies with Canada's largest and most successful real estate development families and private equity funds, so that we can find the hidden gems that we bring forward to our clients. The end result of these efforts brings us very impressive double digit annual returns, based on leveraged down payment structures that continue to outperform the industry.

For example, the five projects illustrated below, all completed in 2019/2020, exemplify why we are the recognized leader and acknowledged industry pioneers. These ROIs are in-line with many of our past project exits and are part of our internal mindset to continue generating exceptional returns for our boutique, yet growing, investor client base.

There is no question that 2020 was a year like no other, but history has proven that the market will surge once again, and that uncertain economic times leads to greater investment opportunities. As long as investors are able and willing to block out the noise and rely on fundamentals and longer-term trends. The current fad with day-trading type expectations will most likely be unsuccessful for inexperienced investors who are looking for daily or weekly 40% returns.



As we look forward, into 2021 and beyond, our long-term goals remain the same. As interest rates continue to drop and other key factors allow for rapid growth opportunities, such as increased immigration programs that continue to create the need for even more housing supply, it results in each of our clients benefitting from even more favourable terms and higher yielding opportunities that are not available on the open market through the typical real estate channels.

Location, location, location is the real estate investors mantra, but even the most sought-after address will not guarantee a rush of sales if the product is wrong. TCS's integrated approach helps investors to purchase the most desirable units, while maximizing returns.



Given the broad demographic of Toronto's condo buyers, we understand that today's high-net-worth individuals and families are more discerning than ever and tend to see weekly, if not daily, emails and outreach campaigns from real estate brokers who are looking to sell them investments in every single project that hits the open market. This is the exact opposite approach that we take, and this is one of the reasons that our ROIs surpass other firms that claim to be doing what we do.

For example, when evaluating the value proposition, so far, from our sold-out and under construction Waterside Villas project in south Whitby (pictured), we noticed several similar new developments launching across Durham region, including Pickering, Ajax and North Oshawa. These competing developments, all in less desirable locations, with higher pricing per sq. ft., deposits structures that are up to double what we negotiated and last but not least – a lower level of fixtures and finishes. These developments are all selling at profusely fast rates even during the current pandemic. We are extremely pleased to announce that the current pricing model for this project, if launched today, would be approximately \$150,000 to \$200,000 higher and as such, we are anticipating an even more aggressive ROI than we had originally mapped out less than one year ago when we presented the project to our clients.

Again, generating wealth for our clients remains paramount, and we are happy that this project is well on its way to providing further validation to our core strength of creating real estate millionaires, one client at a time.

Another impressive project that we would like to update you on is Stockyards District Residences that is now almost two years from date of offering. For our clients that participated, you may recall that we had the pleasure of Canadian entrepreneur and TV personality, Bruce Croxon from the hit CBC series, Dragons Den, appear and discuss the merits of real estate investing and the value that TCS was bringing to retail investors who sought leveraged real estate opportunities in up-and-coming neighbourhoods.

Our forte, for clients who have been investing with us for the past two decades, has always relied on finding niche neighbourhoods that have the potential to explode into blossoming communities. Needless to say, we were first in line at Concord CityPlace that still retains the title of largest master planned community in North America with over 25 towers spanning the downtown core in the Spadina and Lakeshore area. We followed that up with over-subscribed projects in Liberty Village which now, like CityPlace, is a city amongst a city with over 20 towers and burgeoning retail and commercial sector that is still under construction and growing annually at levels that are truly incredible. The story continues with our dominance in making investment forays into the Distillery District, Junction and Stockyards where development growth is still ongoing and will be for a decade or so still.

TCS prides itself on talking about the facts, with the appropriate level of context, all with honest sensibility to the question at hand as it relates to buying pre-construction real estate in today's marketplace. Our belief and ecosystem driven focus is that we have not had such an incredible time to invest in pre-construction as we have today. The last time we had such an opportunity was during the global recession of 2008. All the media reports at that time, about the housing market's outlook were negative and caused the majority of Canadians to take those negative snippets and headlines to heart, burying their heads in the sand and adopting the negativity that the reporting created.

It was a difficult time to try to inform and educate investor confidence as the headlines were daily and well-orchestrated to crash the market. Luckily for our entire country and economy, the real estate market continued to be strong as the demand was real and warranted. For the large number of Canadians that dropped out of the real estate market during the 2008 recession, they most likely walked away from their most profitable investment opportunity from that point to now.

The incredible rental occupancy rate of 99.2% pre-covid and the current 98% rate has been a focus of concern in the press, much more than it has for qualified investors. With our strong conviction to social awareness and justice, and fair and equal opportunities for our countrymen and women, it's fair to state the majority of our investors, who are front line medical professionals, providing a small discount on rents, and being socially aware, was not a heavy burden for them to bear but rather a uniformed mindset to help their tenants cope and to pay it forward.

At TCS, we encouraged this approach and adhered to it for our own tenants and continue to do so as we know how blessed we all are with our lifestyle and investments to date; leaving a few hundred dollars a month on the table to help our tenants is truly not even a rounding error when the capital appreciation on these investments ranges in the hundreds of thousands of dollars per unit.

It was an interesting, roller-coaster of a year, and we are whole-heartedly looking forward to 2021 where we will continue seeking out the best opportunities for our clients.

## THE BARRINGTON

44.3%

Compounded, Annual Return



## EMPIRE MIDTOWN

47.5%

Compounded, Annual Return



## AXIOM

48.9%

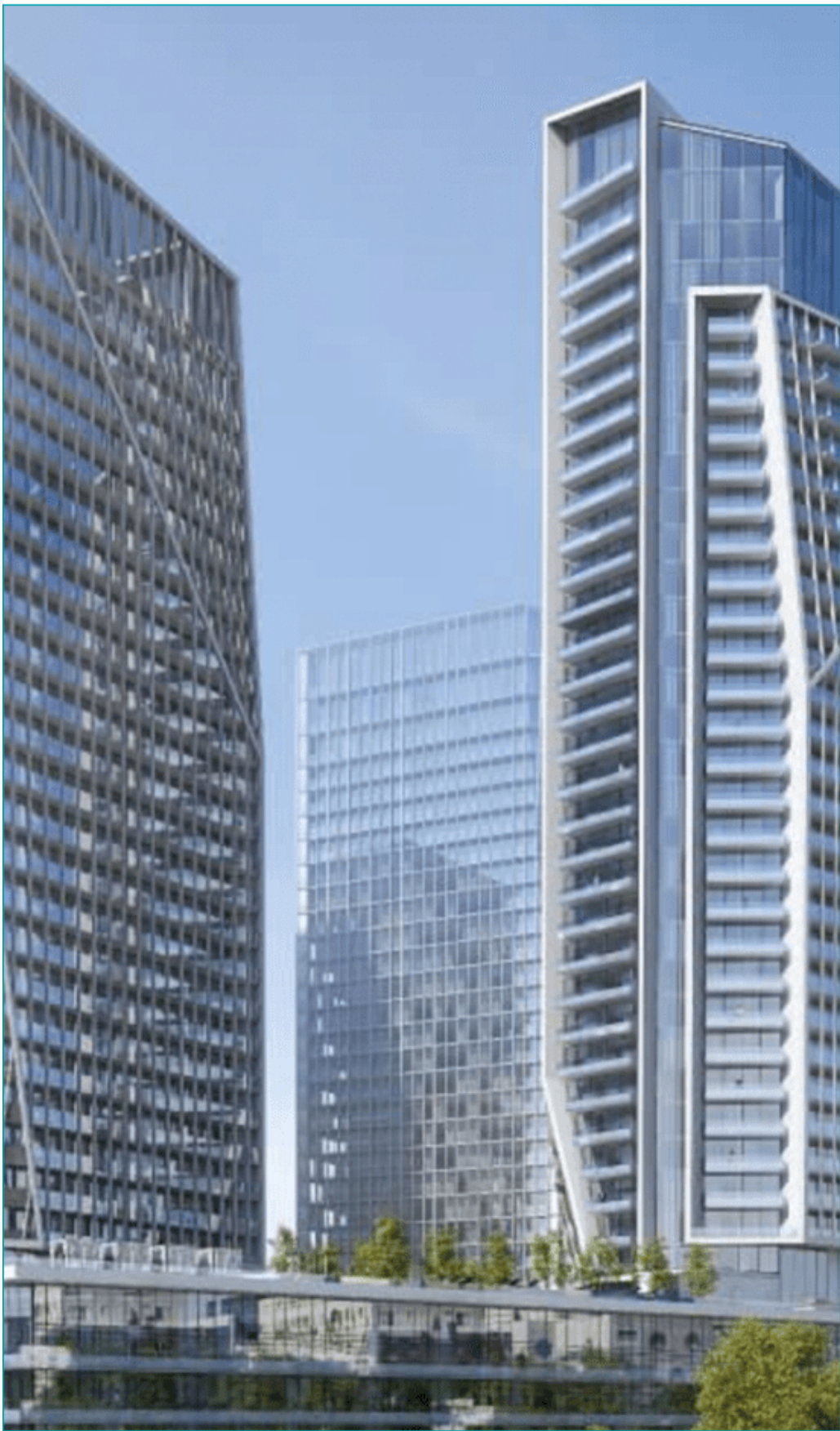
Compounded, Annual Return



## GARRISON POINT

70.4%

Compounded, Annual Return



## EAU DU SOLEIL

128.1%

Compounded, Annual Return





# Featured Client Q4 2020.

## Dr. Milan Gupta

**TCS: You have been a long-time client of The Condo Store, what can you tell us about working with Simon and the team over the years?**

Dr. Gupta: I’ve had the pleasure of knowing Simon for over 15 years. He introduced me to the world of real estate investing, and his guidance and advice have proved invaluable (and highly profitable) over the years. We have become good friends, and his acumen in the real estate world is unparalleled in my opinion. The team at the Condo Store has been remarkably supportive at various levels, and I look forward to ongoing collaborations with Simon and the team.

**TCS: For everyone, 2020 has been a trying year, how have you and your family managed through all the quarantines and distancing?**

Dr. Gupta: It has been a challenging year indeed. But it also has given me the wonderful opportunity to spend more quality time with my family and friends (virtually or socially distanced of course). As well, I was able to use some of my down time to write my first novel, *The Mariner’s Grandson*.

**TCS: Can you tell us more about SANSAR and what lead you to get involved there? What are the specific statistics regarding the South Asian community here in Canada?**

Dr. Gupta: South Asians are the largest visible minority in Canada. Over the past two decades, it has become apparent that South Asians have the highest risk of heart disease of almost any community in Canada, and around the world. We therefore developed a broad research program in this area, which eventually led to the creation of SANSAR, a charity whose mission is to reduce the burden of heart disease in South Asians in Canada through research, education, and awareness.

**TCS: The CCRN seems like a busy non-profit, what lead to its inception and how does it help the medical community?**

Dr. Gupta: I have a passion for educating medical professionals and for clinical research, and CCRN ([www.ccrnmd.com](http://www.ccrnmd.com)) allowed these two passions to be brought together under one organization. Through CCRN, we develop and disseminate novel educational programs for physicians across Canada and beyond, and also design and conduct our own research studies, all aimed at partnering with physicians to improve health outcomes.

**TCS: What about away from the office, what do you like to do when not working?**

Dr. Gupta: Apart from spending time with family and friends, I love travel (though currently on hiatus), reading fiction, playing squash (also on hiatus), and writing.

**TCS: Finally, if you are open to answering this question, have you invested in any TCS pre-construction offerings during the pandemic?**

Dr. Gupta: Yes, I recently invested in a TCS pre-construction condo project in downtown Toronto. I believe in the resilience and future growth of cities, especially, in this case, Toronto.



## Dr. Milan Gupta

**MD, FRCPC, FACC CARDIOLOGIST**

Dr. Milan Gupta is a cardiologist who has been in practice for over 20 years. He runs a clinical practice in Brampton, Ontario and is an Associate Clinical Professor of Medicine at McMaster University in Hamilton, and an Assistant Professor of Medicine at the University of Toronto.

Dr. Gupta also works with the CCRN (Canadian Collaborative Research Network) which is a Canadian not-for-profit physician organization developing both accredited and non-accredited learning programs across all therapeutic areas; and he also chairs the Board of Directors of SANSAR ([www.sansar.org](http://www.sansar.org)), a charitable organization dedicated to raising awareness of health issues amongst the South Asian community.



# TCS Highlights.

## TCS & Russell Peters

Earlier this year TCS collaborated with superstar comedian and actor, Russell Peters, to bring about a virtual launch of a very exciting boutique project, 181 East, to life. A true professional, Russell went the extra mile with our CEO, Simon S. Mass, to film the unique live to air launch event as we continued to be isolated in our homes. Simon’s relationship with Russell became a lot more personal and closer after they filmed the final episode of a TSN mini-series about the Raptors and Canada after their championship win in 2018. Simon, who had experienced a great deal of international press at that time due to the \$5M condo offer to Kawhi Leonard had been asked by Raptors star, Danny Green to be the Executive Producer for his mini-series.

Worth noting, when we pull back the curtain a bit, productions like this take a monumental amount of time and resources by many professionals. We were excited to have it produced in the world of Covid-19 where bringing people together in person is a new challenge especially in the world of condominium investing. We hope that our clients enjoyed the show, and we know that many clients followed in the footsteps of our company principals, Simon and John and invested in this center ice, boutique North York condo project. We will update you once the project officially breaks ground in the coming year.



## 15 years IN BUSINESS

2020 also was a banner year for TCS as we celebrated our 15th anniversary and planned a never-seen-before client loyalty rewards program where we had our own OPRAH moment where we got to shout out “you get a car, and you...and you”. With two highly lucrative, investor friendly condo projects coming to the market in late Q3, we wanted to do something unique and different to celebrate our 15th year milestone; we made the decision to do the largest client giveaway in the history of the condo sector.



We are excited to have our valued clients visit Grand Touring Automobiles in Q1-2021 to work with their Jaguar specialists to build-out their own custom F-Pace Prestige and be one of the first group of Canadians to be driving this new generation vehicle across Ontario. The program will now see up to 100 clients receive a 24-month, all expenses paid lease. No fees, no taxes, no freight, no PDI, just a luxury vehicle as a thank you from TCS.

It goes without saying, a good number of our existing clients are medical practitioners, and we couldn’t think of a better way to say thank you for what they are doing for our community in 2020.

We are so blessed to be working in this booming sector and having so many exclusive investment opportunities that allow for generations of capital wealth accumulation for our clients. Going the extra mile for our clients is what TCS has become renown for and we look forward to the opportunity of being there for all our client’s investments needs over the next 15 years and beyond.

## Everyday Heroes.

First responders and front line professionals have been and continue to be the lifeline of every single community across Canada and around the world during these unusual times. We have been working to put a spotlight on their massive contributions since early March when we launched our ‘Everyday Heroes Campaign’ with our good friend and supporter, Michael “Pinball” Clemons. The campaign was covered by CP24 and Breakfast Television and we highlighted four amazing individuals, Masako Katsuki, Meredith Brookings, David Shellnutt and Jeremy Zuker, all nominated by their peers.





# What we liked this quarter.

“

I’ve done \$200-Million a year in deals with TCS. His investors made a ton of money on that. He brought them in at the right time.

“

The generous support of The Condo Store furthers a strong connection to the industry for our students and the program at University of Guelph.

“

It is incredibly important to treat every client as your top client and deliver the respect that they deserve.

“

We cannot lose focus on what is available now to invest in so that we can maximize the future wealth of our clients.

“

With our strong reputation in the city, there comes responsibility to do more than just the minimum.

“

I don’t have a crystal ball, but I do know, ROI’s in four to seven years from today will be impressive.

“

Savvy, committed and qualified investors still see the comeback of all urban communities once we are though with the worst of the pandemic.

“

Canadians are sitting on the largest cash hoard ever recorded and many have not seen their income go down during the pandemic.

“

Supporting scientists and researchers at St. Michaels Hospital is something we encourage others to consider as part of their charitable endeavours.