



Q3

CLIENT REPORT

2021

Welcome

The normal hustle and bustle of city life has returned to Toronto. We see it every day; from the increase of traffic on roads, the patios and bars jammed with customers, and the abundant delivery bikes dropping off food. High rates of local vaccination are helping people return to normalcy and relative safety.

In our sector of business, we use scales and metrics to analyze the future of Toronto (immigration rates, housing starts, for example). We chart the best course of action for small, medium and large real estate investors alike, bringing the best and most lucrative deals to our clients. By providing a strong and deliverable alternative to investors across Canada, we help ensure that the real estate market is by far, the safest and highest yielding investment class for our clients.

One of the most interesting and profitable sub sectors is the master-planned community, when looking at Toronto's past, present and future real estate market. The scarce opportunities in these coveted projects capture our attention in their early stages, which is when we seek to become part of them. TCS clients who have been with us since the 90s will recall when they invested in three of Toronto's master-planned communities, the initial phases of which produced significant returns on investment from the very beginning.

These legendary master-planned community developments included Concord CityPlace, Liberty Village, Distillery District, and King West. TCS brokered billions of dollars' worth of transactions at the outset, establishing hundreds of millionaires through those deals, let alone the subsequent wealth created by the projects. TCS CityPlace investments in phases 1-5 (there are over 20 phases today) have seen a 5-7x gain! We aren't referring to the cash-on-cash gains, but to the five-to-seven time multiplication of purchase price, since the initial pre-construction investment.

In this report, we talk about the value of these master-planned communities for the city of Toronto, its residents and its landowners. We discuss how the pandemic is increasing the demand for these developments and spurring them forward. And we explain why we are getting back into them, buying into the latest project which is sure to be as successful as its predecessors.

Our featured client of this quarter is Ahmad Mian, a real estate broker in Toronto. Ahmad has been a long-time client of TCS and brings a different perspective (as an agent but investor first) that you'll be interested in reading about. The discussion with Ahmad goes through his views on the market from his position as a broker and about life and the state of the market during the pandemic. We are excited to bring you this interview with Ahmad, a decade-long client.

As always, we hope you enjoy reading our highlights from the past quarter. Other topics of discussion include climate change and its global impact on residential real estate markets, and updates on projects that TCS has handled for investors: Waterside Villas, Junction Point and the Reserve Collection.

I am personally excited to enter Q4 2021 with a phenomenal master-planned community program that I predict will be over-subscribed, as our programs have always been in the past. This season's TCS offering will have some very special client incentives which have taken months to negotiate. We aim to make the most of every investment dollar and take special care with the hard-won wealth of investors who stay active during the pandemic.

Another reason that I believe in this offering and feel it will close out (sell out) in a very short period of time: over 35% of our current clients reaped benefits from the multiple aforementioned master-planned projects. Their gain owes to the masterful architecture of our deal structures. In the history of any multi-phased project, there is no better time to buy in than phase one.

I am keen to catch up with as many of you as I can, in the coming weeks. I'm sure you're all very busy with work, life and family. Let's look forward to the December holiday festivities!

Yours very truly,

Simon S. Mass
Chief Executive Officer

Featured Client Q3 2021

Ahmad Mian

Ahmad Mian is a real estate broker in Toronto that has been, and continues to be a TCS client for over a decade. With over 55,000 agents in Ontario that have access to over 150 new project launches each year shows the massive scale that exists in this sector.



The exclusivity of investment programs through TCS has always been the guiding light for the firm's growth. Having licensed brokers as TCS clients shows the value proposition to clients because brokers are leaving their potential commission income aside to be able to participate in TCS investment offerings, as they cannot get the same opportunities and terms through developers independently. Ahmad is one of many TCS clients that values the opportunity of our deal flow versus making commissions as a broker.

TCS: What is the relationship and how did you get started with Simon Mass? Could you talk about some of the initial meetings with TCS?

Ahmad Mian (AM): It started back in 2011, the first and initial meeting was with John Mehlenbacher at the TCS office. After a few meetings with John, I was introduced to Simon. Simon had an aura about him. For me it turned into a student/mentor scenario. He was Mr. Miyagi and I followed the "Simon Says" mantra. Simon has played a massive role in my progress and development from a sales representative to an award-winning broker. A true source of inspiration for me.

TCS: As a real estate agent, you invest with TCS for your personal portfolio and your family's, can you explain this dynamic and how did you place trust with Simon in this massive industry?

AM: As a real estate agent I took inspiration from Simon's model of doing business. Instead of trying to sell every project that launched, I was taught to pick the right project to sell. I soon realized and understood that TCS, and eventually myself, were the custodians for individuals' money. Not only for an individual portfolio but for helping others with the right investments, the mantra of quality over quantity wins out every time in this industry, TCS shows that on a daily basis and the overall results of each client are the proof.

TCS: For everyone, 2020/21 has been a trying period of time, how have you and your family been managing through all the quarantines and distancing?

AM: While this has been unprecedented times that will go down in the history books, this time provided the reflection we all needed from a hectic cycle to appreciate our loved ones and enjoy every moment that we have with them. Most importantly, nothing can be taken for granted.

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

AM: I am a massive sports fanatic. Not only do I love watching football (soccer), basketball, and cricket but I equally enjoy getting outside and playing. It's been a buzz to see my favorite club Liverpool doing so well in the past few seasons.

TCS: As someone in the real estate industry, you need to give a lot of advice, but what advice would you give to someone that is looking to invest in the condo market, what would be the top considerations that they should be focused on?

AM: Number one advice: it's never too late. When someone feels that they have missed an opportunity, it's not the end of the world. Real Estate is the only business in the world with real results. You look at sites or projects that are planned for multiple phases and begin your analysis again to find those angles and best opportunities to create wealth for clients/family/yourself. I often talk to friends or clients and people are always trying to talk themselves into timing the market, when in actuality the best time is yesterday. But I also don't advise that people rush into this, they need to have their finances in order and understand the whole cycle of pre-construction – its simple, but you must know how it works. Then, once most see it and see the results, it becomes easier to select the projects you want to buy into and repeat.

TCS: Again, with you being in the real estate industry, it creates an interesting narrative, but can you explain to us why someone with access to real estate invests with Simon and TCS, are there advantages that you get that are not available to even the real estate community?

AM: The industry has changed over the years. Realtors have seen a struggle with allocations. There are a few that get access and don't really care about the client or project as they are selling an allocation. For me, working with Simon has been a true service to the client as I look at their needs, nothing more. I'm more interested in growing my client's investments and having them as a client for life versus finding clients on the internet and not having any relationship or connection. Having 30-50 great, trusting and long-term clients is the way to go versus constantly searching for clients on the internet through ads. My niche is to have like-minded clients that follow the program to make incredible returns through exclusive opportunities compared to what is advertised and made available to the world through hundreds of google-based promotional campaigns.

TCS: Any regrets about deals that you didn't participate in over the years that stand out for you?

AM: The only regret through the years is that it didn't start sooner. Learning from a mentor like Simon gives you the push and self-belief that you require to be successful.

TCS: Lastly, we'd love to chronicle some of your results, perhaps an example of what you originally put down on an early investment, what kind of return that equated to?

AM: I recall two sites, Garrison Point and Axiom, where I did a number of deals and purchased two units at each site. A total investment of around \$140,000 spread over four units that yielded a \$450,000 result on top of my original deposits.

INVESTMENT NEWS AND NOTES FOR Q3

The Investment Dominance of Master-Planned Communities in Canada

Most Canadians who are searching Toronto for real estate investment opportunities don't know what a master-planned community is exactly. And while they are much more complex than conventional development projects, the concept behind them is simple.

Typical residential condo tower development is a simple matter of dividing land into buildable units, constructing utilities and basic infrastructure, and then selling units to buyers. But a master-planned community is on another level entirely, involving urban planning considerations that essentially turn the project into a small, standalone city. Master-planned communities have been around in Toronto for many years, sustained by people searching for holistic living places that provide them everything they need in one place.

Master-planned communities are a unique type of real estate investment with very appealing advantages for investors. They are designed to establish a cycle of long-term value creation which continues generating wealth for decades.

Typically, projects range in size from 3-30 towers or more. Phase one is sold to savvy investors who understand the value of getting in on the ground floor. The investment cycle proceeds from there, with comparable returns for those who join in subsequent phases, based on the total number of towers. More amenities are created to facilitate the population moving in, and the projected needs of future occupants.

The creation of new residences and amenities makes land more valuable. Developers sell phase two and beyond at a higher valuation. This cycle repeats and as the population grows, so does the demand for more expensive amenities, which further increase the price for investors to buy in.

TCS participated in a wide variety of development projects throughout its history in Toronto. But there is a case to be made that the success of the company and its clients is rooted in master-planned communities. Concord Cityplace, Liberty Village, and the Distillery District are the most famous examples. Clients who participated in these past offerings have been ecstatic about the returns earned on their investments, and keen to participate in TCS' new master-planned community project.

In 2021, of course the question must be asked: has Covid-19 changed master-planned community development? And of course, it has, but in ways that are surprisingly favorable for investment prospects.

The pandemic is changing and increasing the value of master-planned community development. Families and individuals have gained new appreciation for home property as a space which blends personal life and business. This has always been the mantra and goal of master-planned communities. A home in the centre of the city should be more than a place to spend after-work hours in the living room streaming content. It needs to be replete with amenities and activities; an outside world for residents to engage with, complete with parks, schools, retail outlets, other commercial units, community space, and more.

Investor Benefits

Residency in a master-planned community means more than living in a nice condo, it's an upgrade for a person's entire lifestyle. That's why they are so easy to fill with tenants; people see the value that surrounds these offerings, and flock to these units to be immersed in the grandeur of intelligently designed living spaces.

In Toronto and around the globe, master-planned communities have shown resilience to economic slowdowns. After the financial crisis in 2008 for example, master-planned communities were the first real estate sector to turn around in the US. So far during the pandemic of 2020-2021, master-planned communities are again faring better than other sectors. In Toronto, residential master-planned communities have shown to appreciate in value far more than their stand-alone counterparts.

Built in phases, master-planned communities give investors time to understand the development process. The surrounding area of each project progresses and creates an inherent, natural growth element that investors can witness over time. With these strong fundamentals and the popularity of the market, master-planned communities represent one of the strongest investments in real estate.



TCS Brokerage Division

Secure Your Investments with TCS' full-time licensed and dedicated brokers

Lately we have been receiving a large number of inquiries about leasing, assigning and selling units through our brokerage division. Please note that we have a team of licensed, award winning, and dedicated full time real estate brokers on staff that are specifically retained by TCS to manage our ownership group's own properties as well as all those of our clients. This value-add service is part of our promise to provide full turn-key services so that all your investment needs are met under a one-stop-shop platform.

By working with TCS' broker team members, you will be able to better secure your investments as we always aim to price-protect our investments so that we all win as opposed to outside brokers, who may have one or two listings and most likely won't have the required relationships with the developer, the on-site property management team and the security service providers. A certain high-level expertise and building/project knowledge is needed to manage this intricate process and TCS has that at all its sites.

Don't trust your valuable real estate investment portfolio to outside firms/brokers who aren't in it for the long run and won't protect and serve your needs.

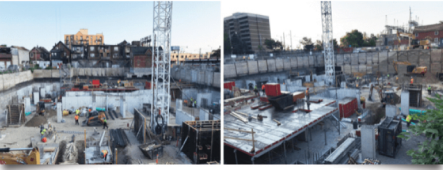
AN UPDATE ON PAST PROJECTS

Waterside Villas



For many clients who bought into TCS' 'Waterside Villas' offer, the development is close to its Interim Occupancy date. Soon, Pre-Delivery Inspections (PDIs) will be taking place at this great site in Whitby. We recently featured this project for its exceptional returns on investment, in an earlier report. Durham Region has seen one the highest levels of appreciation in its history, over the past 12 months. And it would not be a surprise if these properties continue to appreciate at this phenomenal rate. They are now valued at over \$1 million, projected to rise to the \$1.25 - \$1.5 million range over the next five plus years.

Reserve Collection



Let us give an update to those clients who participated in the Reserve Collection opportunity. The developer, Tribute Communities, is continuing construction at the Main and Danforth site. The excavation has been completed and the tower crane was installed to begin the project's forming stage. Construction crews have since worked at forming two underground parking levels. See the above images of the site.

Junction Point



Demolition for Junction Point began in early spring 2021. Crews demolished the tire and auto centre that previously occupied the site at 2625 Dundas Street West. By the end of May, the old building was gone, and the site was cleared to make way for the next stage of construction. Drilling rigs have arrived recently, and shoring work is underway to prepare for excavation.

Recently, the developer for this site, Gairloch Developments, received the award for "Project of the Year" from the Building Industry and Land development Association (BILD). Congratulations to Gairloch for their big win!



Quick Facts

Do investors need to think about climate change?

The United Nations commissioned a study to help real estate agents and investors in understand and manage the risks of climate change. The study takes a specific focus on how these risks affect real estate asset values and prices.

One of the more pertinent and interesting data points was that property prices decline after climate events. But historically, these drops are modest and short-lived, even in locations that are prone to extreme weather-related events like flooding. Two possible explanations for this phenomenon are that climate risk has already been capitalised into property values, or that other factors of pricing are not being taken into account.



TCS Highlights

Forbes

TCS CEO Simon S. Mass wrote twice in Forbes this quarter. If you haven't had a chance to read the articles, Simon talks about how to deal with and be flattered by copycats and one of the most important business concepts there is - building and maintaining a positive reputation.

At the end of the day, if someone takes the time to copy your work, it means that they have spent time looking at what you are doing and it has inspired them. You must have been successful for them to notice you and want to do the same thing or claim that they are in the same realm as you. The world is full of copying in terms of content. Every idea is borrowed, all or in part, by someone else, with or without them realizing it. There are very few totally unique ideas.

Reputation is everything. If you want a better business, you need to spend some time thinking about how to ensure your business looks different and get above the noise, especially if you're in a crowded sector like real estate. I believe it's your reputation that will set you apart.

Three Tips For Building A Positive Reputation For Your Business →

The importance of staying ahead of copycats and unethical competitors →



Follow-up Story on the TCS Scholarship Program



At TCS, we continue to be extremely excited about the commitment we made to three Ontario institutions in the form of scholarships in their business schools. As we approach the time of year where the student recipients are named and we are able to celebrate those achievements, it was amazing to see out partner institutions featured and allow for the schools to talk about the programs and all the good coming out of those three business schools. Representatives from the University of Guelph and Ryerson University discussed their mandates and a little bit about the TCS scholarships.

Read the full article here →

Simon S. Mass Interviewed on Ivy Podcasts



Earlier this year, Simon was interviewed by noted media outlet Ivy Podcasts for a discussion on sales and all things business development. Simon talked to the host, Fred Obiero, about trending strategies & innovations in leadership including approaches for winning competitive deals, critical partnerships that promote successful business ventures, and supporting communities through corporate philanthropy initiatives.

Listen to the full interview here →

TCS on the state of the market in 2021



There is never a bad time to discuss what is happening in the market, it is by far the most popular interview or comment request that TCS gets from the media. Recently, our CEO Simon S. Mass discussed some of the effects of the pandemic as well as how things may have changed (or not) for the long-term outlook, specifically in the Toronto market.

Click here to read the full article →

Q4 2021 Investment Offering



As you know, TCS takes each offer that we deliver to our clients extremely serious and the current Q4 2021 opportunity in downtown Toronto is no different. When there is a project that we feel strongly enough to participate in and recommend it to our clients, that is always the highlight of the quarter for our team. A detailed email with the investment offering details and information was sent directly to you recently; [click here to view the offering](#) and as always, please reach out about this opportunity - Phase 1 of a great master-planned community in a sought-after area in Toronto.

What we liked this quarter



“When we talked to clients over the past 18 months, we were steadfast in our confidence in the market and it’s rebound ability.”



“With respect to gentrification, you will be investing on the ground floor and the opportunity to be part of a turn-around story for a neighbourhood is exciting.”



“I hope the takeaway from this story is that people should pick up after themselves and use common sense to not leave garbage behind.”



“What a tremendous initiative and concept - we learn so much from human interaction.”



“We are happy to be continuing our donation program and we encourage everyone who can, to give generously.”



“While it’s important to understand your threshold, however, it’s also worth assessing if you’re able to make room for more investment units if you can.”