

A s the summer heat rolls into the city, the pre-construction condominium market in Toronto stavs hot for TCS and its clients.

We are at the half-way point of 2022 and while it seems incredible to say, the time -like the market marches on whether we are ready to move on or not.

Earlier in Qa, TCS brought its first client offering of 2022 to market, received with overwhelming interest and participation. It was great to eatch up with so many clients after a relatively quiet Q4 and Q1 for client offers. The thing I hear most and get questions about, is of course pricing – where is it and where is it going. To which I typically answer that we at TCS will continue to use the fundamentals as a solid core to our investment strategy and not be impacted by short term or other come-and-go factors.

For over 20 years the Toronto real estate market and specifically the condo market has been steadily rising. Yes of course there have been dips, but when you analyze the data, the dips have been the direct result of government policy interference (i.e., Pair Housing plan, Mortages Exress Test). Once the market has had time to react accordingly to the changes, the upward curve continues and the dips become blips in the rear-view mirror. On January 1, 2000, the average price for a 2bedroom condo in Toronto was \$152,570 while a 2bedroom unit in May 2022 is now worth \$876,697. Using only the ten-year increase on average (2012-2022) the condo market in Toronto has increased by 130% and \$426,000 nominally.

Toronto is the rentl market, obviously an important factor for investors. The post-pandemic market is strong, and climbing, with demand for rentals in the GTA showing average rents for all property types up 12% year over year in spring of 2022, to \$2,204 from \$1,974 in 2021, and up 1% in the past month alone.

The heat continues to rise at TCS with Russell Peters making his scorching hot debut as TCS mew Brand Ambassalor. TCS lamends the partnership with Russell in early June. We are truly excited for what we have already done, which you'll see in this report and later in 20.2, and thinking of all we can do with a tremendous partner like Russell. You can read about the outputs of this partnership on our site and in these pages, but ultimately, we, as a firm, are always looking at ways to change the game, and found this was a great opportunity for us. To be able to tell stories and create content with Russell, himself a cilent of TCS, has been a remarkable process and one that will lead to growing the firm and creating more investment opportunities for our valued, clients.

Our featured client this report is Bruno Mignardi, who is a long-time client that has gone all-in with TCS and now consults on creating wealth with a new firm due to his access to TCS deals and offers over the years. Bruno also instructs the next generation of leaders at Durham College.

Other content that you will find in this report is a discussion about what interest rate increases mean to those of us in real estate investing and how it can be a hedge against inflation. This is obviously an important topic for our clients. Further, we'll touch on an area of the G.T.A. that TCS has been watching for future investments. Only till.

We truly hope that you, our dear client, will enjoy reading this report as much as we enjoy writing them. We won't inundate you with random emails on disparate topics. Rather, we curate our investment offers to respect your time and readership. We only hope you will stay in touch and contact our team when you're ready to make an investment.

Have a great summer. Enjoy the weather and your families.

Vind Dagarda

SMan

Simon S. Mass, CEO The Condo Store



Introducing the

# Russell Peters

#### **BRAND AMBASSADOR PROGRAM**

TCS is proud to announce a multi-year brand ambassador partnership with long-time friend, investor client and renowned comedian Russell Peters. You may have seen the work we did in 2020 with Russell and the 181 East project virtual launch during the pandemic; we used that relationship to create a longer-term multi-platform content partnership with the legendary Canadian Comedian.

The partnership is part of our mission to continue supporting the Canadian real estate market and foster relationships with new and existing clients; we have partnered with Russell to share his unique experience in the world of real estate investing as well as his personal experiences over a long and financially rewarding career.

Earlier in June, TCS and Russell set off on a media tour through various news outlets in Toronto. In addition to this news coverage, a big part of the partnership is video content creation, and we are in the midst of filming multiple videos in Toronto, Miami and LA. This content, which we will showcase on our website and social platforms over the



Russell represented TCS and spoke about our relationship and partnership at several studios

Click on logos to read the full coverage

**MoneySense** 

















## Our Featured Glient Bruno Mignardi

Wealth Properties in Toronto. Bruno also teaches classes for the Durham College School of Business in

TCS: What is the relationship and how did you get started with Simon? Could you talk about some of the initial meetings and how you started with offerings that were presented to you?

Bruno Mignardi: I was introduced to Simon by my son-in-law, Pawel Szkotak. Pawel has been dealing with Simon since 2010. Pawel's first purchase was a preconstruction condominium on Sherbourne Street in Toronto. There have been other transactions with Simon since then. Simon would reach out with developers in the city. ROI has exceeded any expectations that we had in the preconstruction condominium market! We continue to see the value in the Toronto market and look forward to the offerings that become available in company, Generational Wealth Properties Inc. Pawel and I teamed up with Adam Weir. Adam is the former right-hand man to HGTV's Bryan Baeumler Our objective is to give the average investor an opportunity to invest in the Toronto market with as little as \$1,500. Working with Simon, we will invest in preconstruction condominium projects that we feel will maximize return on investment for these investors. We will purchase units that we believe will appreciate over time and generate rental income as well.

TCS: For everyone, 2020/21 (and now 2022) has been a trying period of time, how have you and your family been managing through the pandemic?

BM: It has certainly been an exceedingly challenging time. We have been following the guidelines in terms of social distancing and masking. We did not see our family for an extended period. Many special occasions and milestone events have been missed. We hope that we can return to normalcy, being very creating new memories.

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

BM: My wife and I have a home on the lake up north. We take every especially important to us, so we try and spend as much time as possible with them. This has been one of the greatest challenges with COVID. Keeping our distance to keep everyone as safe as possible. We like to travel and hope to be able to resume this activity shortly as well.

what are the similarities and what can you learn from each endeavour? the corporate world?

BM: Absolutely! Life is all about continuous learning and improvement. We need to leverage our strengths and overcome our weaknesses to reach our potential in life. We learn from our mistakes and endeavour not to repeat them. need to set goals and objectives and have a plan to achieve them. Whether in embrace diversity. It is ok to fail but not ok to not have tried. I use logic and

TCS: As a leader in your field and specifically as an educator, you need to give a lot of advice; what advice would you give to someone that is looking to invest in the condo market, what would be the top considerations that

BM: My advice would be to do your research. Have a plan in place. Make decisions based on statistics and trends. Do not make decisions purely based organization such as TCS. Location is critical. Do you foresee the potential for disappointed in the past.

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

rapidly appreciated in value. I would have liked to purchase not only as an t but also to reside. Boutique condominium in a prime location

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

BM: Pawel and I recently purchased four preconstruction condominium units out in May of 2021 with this incredible opportunity. Minimal deposit structure, approximately \$1,382.00. Current neighbourhood preconstruction values are around the \$2,000.00 per square foot range and trending higher. Simon's assessment of the market was spot on! We also purchased four parking spots at parking spots for \$180,000. I am sure these condominium units will continue

Investment **News & Notes** 

A Review of Intensification and NIMBY's





Affordability Task Force studies (and hopefully supports) the development system. We need pathways and efficiencies to more housing supply in the G.T.A. One of the more interesting topics is that of NIMBY's: "Not in my back yard" people.

When you think of a dense area like downtown Toronto, with a large proportion of single-family homes, one quick solution could be to divide lots and create more housing in certain areas. However, as you would imagine the NIMBY crowd is against this concept for one simple reason: they don't think their neighbourhood should have to change.

Let's look at California for a minute. A law was passed last year (California Governor Gavin Newsom signed Senate Bill 9), allowing homeowners in single-family zoning districts to convert their dwellings into duplexes or subdivide each. The result is four dwellings in the place of one existing single-family unit. Makes sense for adding houses in sought-after areas and to increase the density in already-dense areas, as the alternative is not great.

developments that cause a loss of green space or prime farmland.

This is the concept of intensification: taking an already dense area and creating more, by utilizing existing infrastructure such as public transit, water supply and sewage, especially in places where latent capacity exists. Creating more remote developments requires additional infrastructure investments in roads, sewers, and pipes to permit new urban development

Let's get back to NIMBY's. The newly enacted law in California combats NIMBYism by allowing government approval for qualifying lots, thereby barring any discretionary review or hearings by local authorities. Without these "as of right" development frameworks, proposals to intensify are often rejected or delayed by current residents and local government representatives.

So, the path to allowing this cheaper and smarter concept seems clear: pass a law.

That happened in Vancouver, where owners of contiguous lots can sell their properties as potential assembly lots to builders, which can then replace single-family dwellings with

added advantages to investors and landlords creating efficiencies of scale on their current sites that might apply to this plan.

As with everything in our economy, things must be looked at from a human standpoint; even with legislation that defuses those who resist intensification (NIMBY's), the potential for new housing developments could be limited because of consumers' ill-considered compulsion to live in low-rise detached housing.

A change in consumer preferences favouring smaller-sized homes in coveted downtown areas and other neighbourhoods is necessary for these intensification plans to be successful.



#### Oakville Investment Analysis 2022

Oakville might have an excellent location and proximity to Toronto, a stunning waterfront and high quality of living, but it's also a strong local

Oakville has long been revered for its luxury dwellings, perfect location, and plentiful amenities. In the past few years, Oakville has seen increase in economic development and global investment, adding to an already-robust local community which has boosted the job and housing markets.

For families, couples and individuals looking for a more serene way of life, still with access to all of Toronto's economy and big city feel, Oakville provides this opportunity. It has a reputation for its picturesque waterfront, excellent schools, and luxury living, while still being nestled away from the intensity of other cities in the GTA.

Oakville has been experiencing robust growth in both new condo developments and in the condo resale market. Prices continue to increas along with local and global interest. There are many buyers heading to this area, ready to purchase and seize investment opportunities in the growing market. Based on our knowledge of the local economy, condo market trends, and estimated developments in the region, TCS projects a continuous increase in Oakville condo sales. We see it as an excellent investment for long-term investors and we are watching closely for preconstruction opportunities in Oakville, any chance to put this beautiful part of Ontario in our clients hands.

With respect to pricing, Oakville is not a gentrification area as displayed. However, the condo market of the city has shown great growth potential and some of that potential is already being realized.

The large increase in 3-bedroom units underscores an important part of the investment offering in Oakville's condo market: the number of families living in condos is on the rise. For a young family, Oakville offers countless opportunities for professional growth, solid education, and numerous activities to get involved with your family. However, the higher relative costs of owning a home in Oakville (and most places) have made it more challenging for parents, even when both have stable income.

With their better size-to-price ratio than many traditional homes, condos can offer the space families need. With the growth in demand for family condos, developers are taking note.

There are other benefits for families that choose to live in condos, such as the ability to be living where children can make friends and play together in a safe, closed environment. They often also provide swimming pools and playgrounds and tend to be pet-friendly, with walking trails and green spaces located right outside the front door. A condo can be a fantastic allin-one opportunity for a family; an investment worth making again and

+13%

+12%

+73%

**RUSSELL PETERS** 









#### Real Estate as a Hedge Against Inflation

Whatever the composition of your investment portfolio, we are all watching closely as Canada goes through anti-inflationary interest rate hikes through 2022. Their effects are important to understand, both on current portfolios as well as strategies and products for the future

With interest rates inching their way up over the last few months, it has an impact on homebuyers and investors alike within the real estate sector. Overall, most savvy advisors and players in the industry understand that in a long-term context (10, 15, 20 years), interest rates are still very low. Rates are still near historic lows, and housing is still very attractive for people that are able to make the requisite monthly payments

Even for qualified and experienced real estate investors, no one can know completely what the future will bring. But it's important to understand how real estate inflation works, the impact on your assets or debt, and the best way A Quick note as we talk about both inflation and appreciation: They are not the same and you don't realize appreciation necessarily, in times of inflation. Appreciation is tied to demand.

TCS clients are in a better position due to holdings in Toronto and surrounding areas, which have the history and projection to continue appreciating. However, the real positive during inflation is the rise in rental property pricing. Much has been written about rental rates as the world lived through the pandemic of the past couple years, but with rates already back on the rise, this inflation will continue that climb, which helps the cash flow equation for investors. As mentioned, for those investors that are still able to take out mortgages that will have higher rates, the benefit - due to higher mortgage rates is that more people will turn to the rental market, which drives prices up

Real estate can be a solid hedge against inflation for two main reasons.

Housing prices tend to rise with inflation, so owners will see appreciation.

Upward pressure on prices means that long-time owners have already seen upward climb over the last few years, and inflationary pressures have

Real estate investing and ownership is considered one of the most reliable approaches to hedge against inflation. This is natural, given the asset class usually has no correlation with the stock and bond market. Intuitively, what we are seeing is investor interest that is soaring — even against the backdrop of a super hot real estate market, a low supply of homes in the G.T.A. and mortgage rates that are edging up,



#### **Toronto**

#### A Luxury Player Globally

Knight Frank, a global leader in international property for sale and rent, recently published data that showed Toronto has the 4th largest growth on its prime residential index, which measures amounts and prices for luxury homes and dwellings. Toronto's luxury market grew 20,3% YOY and trailed only San Diego, Miami, and The Hamptons in North American growth. Globally, Toronto ranked 7th on the index trailing the three North American cities plus Dubai, Moscow and Soeul.

TCS has, for a long time now, discussed Toronto as a growing city in all respects and a city that is on a fast path to truly being a world class city. The luxury segment plays a role in this distinction and as it grows along with the other segments of the population, To becomes an even more attractive option for the rest of the world to not only come and live here but also to invest in.



### TCS Brokerage Division

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

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 so nstaff 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 you

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 ate process and TCS has that at all its sites.

ust 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





#### TCS 15th Anniversary Jaguar Program Update

It was a truly fulfilling time for the TCS team earlier this year with the arrival of the vehicles and clients heading to the dealership to pick up their free Jaguar F-Paces! When TCS set out this 15th Anniversary program during the peak of the pandemic, we hoped that it would elicit some joy and happiness to our valued clients in a time of so much worry and anxiety. Of course, due to the pandemic the vehicles were delayed overseas but we are happy that the participating clients are now rolling in their Jags!

It's also important for us that these gifts are being actualized in real-time as opposed to at the time of closing on the units in the future, TCS wanted to make sure that clients who selected the Jaguar received it in as soon as possible to truly reap the benefit of a free Jaguar!

We are thankful for all our clients and want to show you that we are serious about how we treat our clients and that guiding you to and through these real estate investment opportunities is our pleasure and we could not have been doing this for almost 20 years now, without you!

It's also important for us that these gifts are being actualized in real-time as opposed to at the time of closing on the units in the future, TCS wanted to make sure that clients who selected the Jaguar received it in as soon as possible to truly reap the benefit of a free Jaguar!

We are thankful for all our clients and want to show you that we are serious about how we treat our clients and that guiding you to and through these real estate investment opportunities is our pleasure and we could not have been doing this for almost 20 years now, without you!

totaling over \$600M in value since 2008. In 2022, after 15 years of investing and supporting his clients in Silicon Valley, he expanded his practice to the Toronto market, with a honed sense of what it truly takes to exceed client expectations.

Dino will assume the role of VP, Strategic Growth where he will lead outreach activity primarily for our bulk programs. Dino will work closely with CEO Simon Mass and CMO Rich Kuppers on business development avenues to ensure that TCS can continue its targeted growth model to maximize the business that we can create and increase the number of clients we can service. With a client-centric mindset, Dino will obsess over generating the greatest ROI for our trusted clients.



### Livabl Announces Three-part Series about Toronto's Growth with John and Simon

With so much information flying around on some very key topics in the real estate industry and regarding the city of Toronto; for Simon and John it was nice to collect their thoughts and bring some history into the equation regarding the great city of Toronto. Simon and John will join Livabl for a three-part series on Toronto's growth and real estate sector in general. The first part dives into the projects that have shaped Toronto and the projects that truly started the pre-construction sector in Toronto, not just for TCS but for the entire industry. The next two parts cover very important topics as well for real estate investors and followers of the sector. Watch for parts two and three coming later in 2022.



### Simon S. Mass Named to Advisory Council

Earlier this year, TCS CEO Simon S. Mass was welcomed as the newest member of the Real Estate Management Advisory Council at the Ted Rogers School of Management at the newly named Toronto Metropolitan University (formerly Byerson University). TCS has a strong presence in many philanthropic organizations, and we have our own scholarship program, including The Condo Store Community Builder Award at Toronto Metropolitan University.

The School of Real Estate Management Program Advisory Council demonstrates Ted Rogers School of Management's on-going commitment to being actively connected to business industry leaders. The Program Advisory Council consist of leaders from across several key industries in Canada, who volunteer their time to provide expert advice on curriculum, technology, career opportunities and trends in their industry and profession.



### Hotel Inspired Décor Program is Back in 2022

The sentiment and gratitude from clients across the board, regarding our incentive package last year was incredible. Our partnership with renowned designer and architect Alexis Cogul Liconart was a bight in and we decided to keep the ball rolling and bring it back. TCS offered the first 15 clients that participated in our first 2022 offering. The Georgian, the chance to receive their units fully-furnished in a begole hotel-inspired way. The benefits of the incentive (higher rents possible) were clearly seen by the clients from both offers who will receive their units fully-furnished and looking professional upon closine.

For TCS, the truly exciting part is having Doo Architecture and Alexis personally engaged. Having such a global name with an impressive portfolio of really incredible residential work is such a coup for TCS clients



#### The Condo Store Leadership Award

Earlier this year, the Schulich School of Business awarded the TCS scholarship to Uzoma Erondu (MBA '22) for the academic

The Condo Store Leadership Award was created to benefit incoming Master of Real Estate and Infrastructure (MREI) students or MBA students specializing in real estate and infrastructure.

This TCS award will recognize students who demonstrate exceptional leadership through the submission of a one-page essay that showcases and speaks to their leadership principles in the real estate and infrastructure sector, as well as demonstrate for a section of the section

We connected with Izoma and he told us, "To The Condo Store, this is a heartfelf Thank You from me upon receiving this ward. Getting this award has further cemented my zeal to go out there and be a better person and make a difference in my industry. This Award means so much to me and I am eternally grateful. Thank You."

TCS CMO Rich Kuypers reiterated why the scholarship was created, "Personally, and together with the other leaders at TCS, we believe in encouraging the softer skills of business. Charisma, professionalism, smarts and thinking on your feet are all traits of industry leaders and eam echaners."

What we liked



Russell Peters Edition Linked in



"My strategy is based on my talks with Simon, and that I may have had a strategy that was misguided, and that's where I'll take the expertise of a guy who really knows the industry."

"That's one of the reasons we are able to play the volume game. Based on our reputation, and the fact that our clients are all qualified investors, they are able to buy more condos with less money down."

"Simon started breaking it down for me, how you can invest in condos, and The Condo Store lets you do it for less than you can somewhere else... you're investing in yourself and I think that is the best way to go about it".

"Simon was telling me about his company, TCS, and I said to him 'I could use some help learning how to invest better'. Simon helped me understand how to invest in real estate, not just buy real estate."

"I was never good with investments, I really didn't have any investments...then Simon started helping me understand how to make money, make money."

"The Condo Store helps make it easy for me, and if they can make it easy for me, there's no way they can't make it easy for you."

If you have any questions about the partnership, please reach out to our CMO, Rich Kuypers at rich@condostorecanada.com
This is a great time for TCS and be sure to watch for social media mentions and news clips online and be sure to share them with your networks.

Thank you for reading ...

TCS

For more information, please visit our website

Follow us on LinkedIn and Instagram

Linked in Instagram