



# From the desk of BRAD J. LAMB

## TORONTO IS THE BEST PLACE TO BUY REAL ESTATE IN THE WORLD

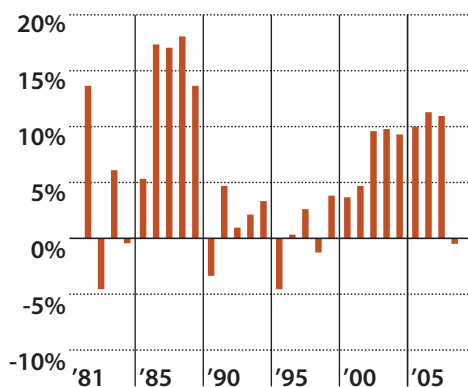
BRAD J. LAMB REALTY NEWSLETTER JANUARY 2009

### CANADA IS FINALLY GETTING ITS DUE; TORONTO IS FINALLY GETTING ITS DUE.

Who could argue that Toronto is the best place in the world to invest in real estate? What do I mean by that? Simply this – for safety of capital, and future appreciation where else in the world could be better. Looking at Canada, Toronto has the country's largest and most diverse economy and population. The GTA employs 3.1 million people (1.35 million in Toronto) in a massive array of sectors (automotive, banking and finance, information, manufacturing, biotech, construction, service, transportation and more). From 2000 through the 3rd quarter of 2008 Toronto's economic growth rate has varied from 1.7% - 3.7% (rarely negative and usually not euphorically positive). This all bodes well for a stable, reasonable economy. Over the past 8 years, our residential real estate pricing has increased an average of 5% per year (from a low of 3% to a high of 8%). It's difficult to fill a bubble with 5% annual price growth (or a 61% increase over 8 years). Compare this to Vancouver (100% increase over 6 years), Calgary (44% increase over 2005), and Edmonton (57% increase over 2006) and you can see which cities have a bubble. Toronto is not one of them.

### National MLS residential average price

Annual percentage change



Toronto's GTA enjoys a healthy population growth rate of approximately 2% per year – we are one of the fastest growing large cities in North America. Our downtown core is the most vibrant next to New York City and perhaps Chicago. We have experienced a phenomenal increase in spending and development in the arts with a new AGO, ROM, Opera House, National Ballet School, and soon to be completed Sony Centre, TIFF Bell LightBox among many other new and exciting world-class projects. Toronto has never seen a 5-star hotel until now, with the likes of the Shangri-La, The Four Seasons, Ritz-Carlton, Trump, and The Hazelton. Hip hotels like the Thomson, the Maple Leaf Square, "Le Germain," and W's Aloft are all under construction with NYC's



The Private Residences at Four Seasons Toronto in Yorkville

Gansevoort Hotel having just been announced. This has created a hotel explosion that will excite tourists from around the world.

Several new commercial high-rises are being built – The Telus Tower, RBC Centre, and the Bay-Adelaide Centre along with a few more just completed and others on the drawing board.

New neighbourhoods and old have been dramatically altered; Yorkville will never be the same with thousands of new high-end condos completed and being built (The Regency, 18 Yorkville, One St. Thomas, The Four Seasons, One Hazelton, The Windsor Arms, The Museum House, One Bedford, 100 Yorkville, and more). This small village will literally burst with eager new customers for all the shops and restaurants.

King West has seen the creation and reinforcement of three neighbourhoods. King/Spadina has boomed with development (M5V, glas, The Hudson, Charlie, Victory, Quad Lofts, District Lofts, Charlotte Lofts, and the Festival Tower). King/Niagara has exploded with growth, becoming one of the hippest, most sought-after neighbourhoods to reside. The area has filled with restaurants, cafes, bars, and design stores not to mention thousands of new condominium homes (66 Portland, 20 Stewart, 32 Stewart, Zed, 60 Bathurst, 550 Wellington Condominium and Hotel, 75 Portland, 650 King West, The Fashion House, 455 Adelaide, 20 Niagara, 400 Wellington and more). King/Strachan and Liberty Village have been created from scratch. A master plan was devised to include an emphasis on both business and commercial development with residential growth. Virtually every residential building was completed or launched in the last 10 years (Parc, 1000 King, 984 King, The Toy Factory, DNA, Bridge, The King West, the Liberty Village, and 1001 King West etc.). Thousands of new residents have filled this neighbourhood in dozens of new townhomes and condo projects which have helped create a great new livable area for all of us to enjoy.

Cityplace was carved out of a rail yard wasteland, the 9500 new homes (some 19 buildings) have changed the face of Toronto for the better (not necessarily for the best) and filled the downtown core with 20,000 new people to feed our economy and enliven the streets.

Everywhere you look, Jarvis Street, Bay Street, King East, Queen West, Corktown, Leslieville, Riverdale, Lawrence Park, Yonge Street, St. Clair, Yonge/ Eglinton, Forest Hill, Harbourfront, and St. Lawrence Market all have been completely redefined by new developments – largely residential condominiums. We have so much to be excited about as a city; we have a phenomenal future ahead of us.

We are so lucky to have experienced all of this in a little over a decade. The last thirteen years have seen more changes to Toronto than in the previous thirty years. Toronto the Good is now also Toronto the Big, Rich, Fun, and Safe. There is no better place to live or do business when you look at all the aspects of what is important to people. We are a rich city but on a global scale, we are not expensive. I believe that Toronto should

rank as the #1 city in the world to live. Canadian banks are the safest, most profitable, and least risky on the planet, and most of the head offices are in our downtown. We are the only G20 country (largest 20 economies) that maintained a national government surplus for the past 13 years and partly because of this we are the least affected by the economic



Gansevoort Hotel Toronto (left) has just been announced and Ritz Carlton Toronto (right) is under construction; both in the Entertainment District

crisis. We have literally reduced our national debt by \$105 billion, or 19% over those 13 years. We are the financial envy of most of the world. We have the second largest oil reserves on the planet. We have huge resources of water, gold, uranium, nickel, diamonds, potash, wood, grain, beef and virtually every other natural resource possible. We offer free medical aid to all that need it. We have a respected rule of law and a very low murder rate that keeps our citizens safe. Our universities are rated as some of the best in the world, educating and training our students to be a part of an extremely competent workforce. Toronto is one of the most sought-after settlement locations for immigrants of the world to live, and because of this our population grows steadily and offers a true multicultural feel to our city. Torontonians and Canadians are truly



Opera House – the Four Seasons Centre for the Performing Arts

blessed with a fantastic standard of living. It's so easy to take all of this for granted. Some 170,000 condos have been created in the last 27 years, more than any other city in Europe or North America. This is an astonishing accomplishment and a result of low prices, strong economic conditions, steady population growth, favourable demographic conditions. Many people seem intent on betting against Toronto. There is a perverse pleasure in another's failure. Negatively puts bums in seats, but as Torontonians we will not go backwards. This is a forward-moving, prosperous and growing city. The explosion of mostly good growth will continue, at a slower pace, but it will continue. Our beautiful, rich, clean, safe, fun, tolerant, racially diverse city will flourish. It will be a better, richer city still, and yes, that means that real estate prices will rise over the medium and long-term. If you bet against Toronto, you will lose. Where is the best place in the world to invest in real estate? I tell you without any doubt, it is Toronto. ■