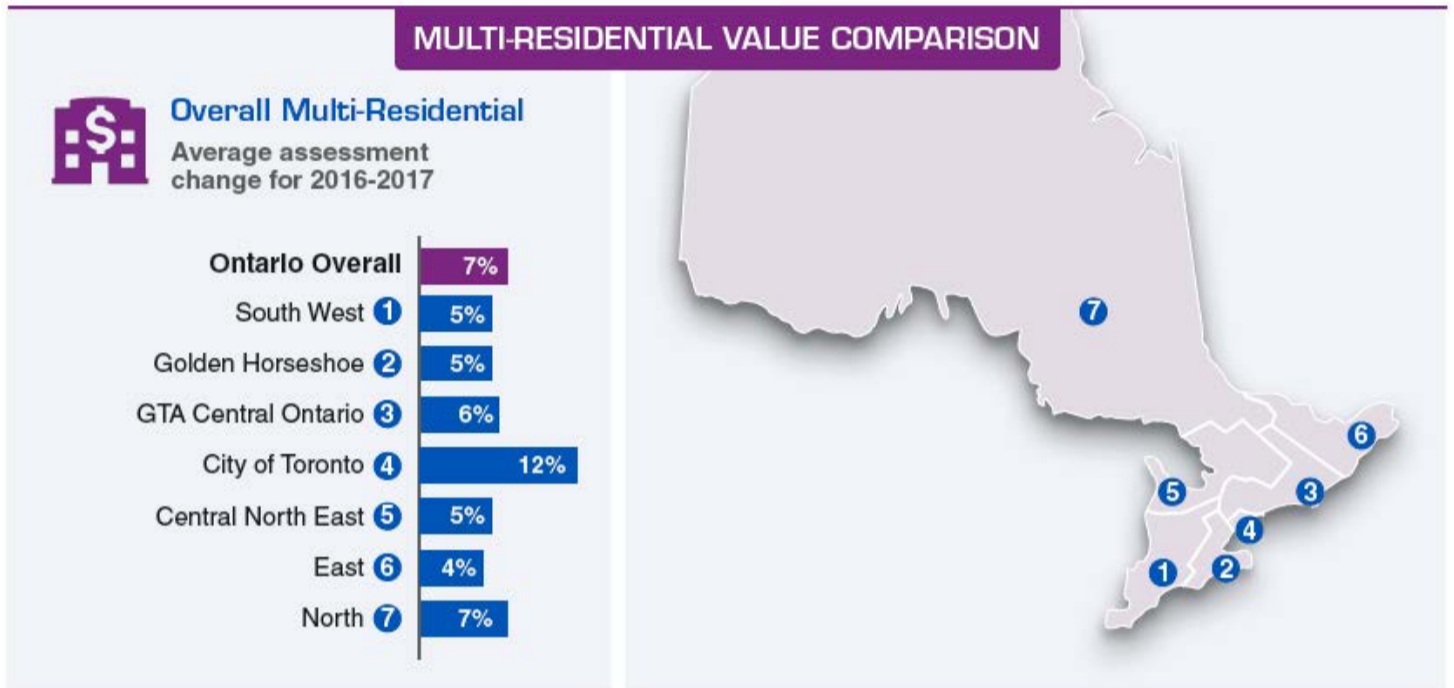


Multi-Residential Market Trends for Ontario

This year, MPAC is updating the assessments for every multi-residential property in Ontario.

| | | | | | | |
|--|---|--|---|--|---|--|
| 7% | : | 15,488 | : | \$110.9 billion | : | January 1, 2016 |
| Per year average increase of overall multi-residential values in Ontario since 2012. | : | Number of multi-residential Property Assessment Notices are being mailed in Ontario on October 18, 2016. | : | Combined total value of multi-residential properties in Ontario. | : | Legislated valuation date in Ontario for 2017-2020 property tax years. |



2016 MULTI-RESIDENTIAL VALUES EXPLAINED

- Upward trends continue**
Multi-residential property sales indicate that values have continued to increase provincially.
- Interest rates are low**
Historic low interest rates have fueled an active sales market for multi-residential properties.
- Demand outweighs supply**
Competition for apartment investment properties in large urban centres has resulted in premium pricing.
- REITs and large portfolio holders invest**
Real estate investment trusts and large institutional investors continue to invest in this stable asset class.
- Rent vs. buy**
Many young professionals are choosing to rent instead of buy due to strong home prices.
- Province-wide effect**
Sale prices have continued to climb across the province. Sault Ste. Marie, Thunder Bay, Barrie, Hamilton, Windsor and the Greater Toronto Area all show strengthening apartment markets.

For the 2016 update, MPAC has...

- Reviewed four years of sales data to determine multi-residential values.
- Researched and consulted third party sources, including Canada Mortgage and Housing Corporation, to validate our valuation components.
- Launched the Property Income and Expense Return (PIER) tool enabling multi-residential property owners to submit their annual rental, income and expense information online.

Assessing Multi-Residential Properties

- MPAC has moved to a Direct Capitalization of Net Operating Income approach to value multi-residential properties for the 2016 Current Value Assessment.
- We have studied rental, financial and market information to determine Fair Market Rents, Vacancy and Bad Debt allowances, Expense Ratios, and Capitalization Rates for Ontario's multi-residential properties.

To learn more about your assessment, the relationship between property assessment and taxation and more visit aboutmyproperty.ca.



Your Property.
Our Assessment.
Know More About It.