

# ADVISOR INSIGHTS

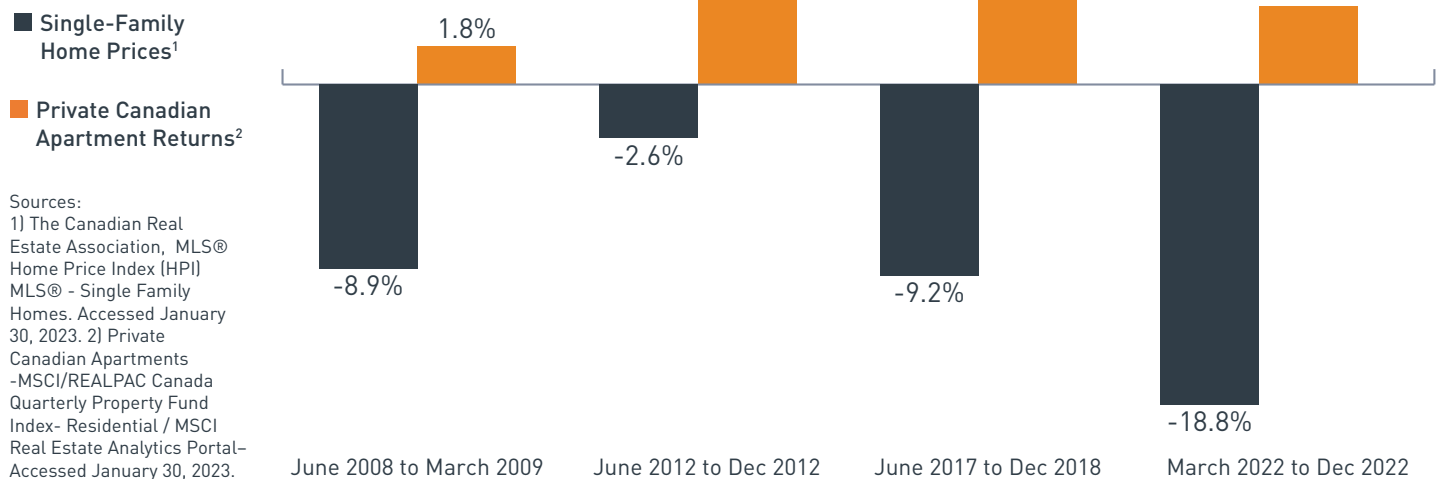
Now is the **Perfect Time** to Invest in the Right type of Real Estate

Over the nine months ending December 2022, single-family home prices have dropped by 18.8%. This has caused concerns amongst real estate investors wondering if there is any correlation between the drop in the value of single-family homes and the value of Multi-residential / Apartments.

The chart below shows that not all residential-related real estate is created equal. **It looks at periods when single-family home prices decreased and compares that to the returns of Private Canadian Apartment properties.**



## Decrease in Single-Family Home Prices vs. Returns on Private Canadian Apartments



**History shows that a downturn or correction in single-family homes has no bearing on or correlation to the performance of multi-residential apartments.**

# MULTI-FAMILY REAL ESTATE REMAINS STRONG

Multi-family apartments represent an essential sector and fulfill the most basic human need of finding a place to live. Multi-family apartments are attractive to investors because of the built-in, perpetual demand for housing. Further, annual rent increases provide an excellent hedge against inflation. This type of investment is attractive in markets that are supply constrained and are seeing immigrational and migrational population growth due to strength in the underlying regional economy.

Here are some other trends that should impact multi-family apartments positively:



**Would-be homebuyers are being sidelined partly by tighter lending policies and rising interest rates. Such changes have made it harder for first-time buyers to purchase a new home. Several purchasers have either been entirely sidelined or looked at more affordable options, like renting.**



**Vacancy rates are extremely low. Anticipated future demand for housing is expected to continue to outweigh the supply, given land scarcity and increases in population and immigration, keeping vacancy rates low for the foreseeable future.**



**Rental prices are increasing. Numerous municipalities are experiencing increasing rent due to the low vacancy rate and heightened rental competition in the market.**

## Diversify Your Clients' Portfolios with Equiton's Apartment Fund

Equiton's Apartment Fund specializes in acquiring underperforming and undervalued multi-residential apartments and select new developments in Canada and increasing value through active management. Investors in the Fund receive the yield from rental income and participate in the growth of the underlying properties.



**The Fund Targets an Annual Net Return of 8-12%.**

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