




## Clarington: Bowmanville

### At a glance

-  Population: 39,371
-  Population change: 12.0%
-  Vacancy rate: 0.4%

Clarington, a tiny municipality in Ontario's Durham Region, is home to a trio of small markets – Bowmanville, Courtice and Newcastle – each of which is currently experiencing a run on rental units because of a massive engineering project that has only just begun.

The Darlington Nuclear Generation Station, Durham's largest employer and the supplier of more than 20% of Ontario's energy output, is currently undergoing a years-long refurbishment that will require

thousands of highly skilled, exorbitantly paid workers to pass through Clarington for weeks or months at a time. These workers won't be purchasing homes, but many of them won't want to spend 180 days in a hotel room. "There is a lot of income because of this project," says Michael Dominguez of Re/Max Jazz. "It's a huge thing."

For investors looking for a market that will continue paying off once the Darlington project concludes, Bowmanville may be the pick of the litter. The town has a lovely downtown core,

making it stand out from many Durham communities. GO Train service is expected to reach Bowmanville by 2024, Highway 401 is minutes to the south, and the much-improved Highway 407 creeps closer every week.







Dominguez says investors are turning to a lucrative short-term strategy for capitalizing on the Darlington makeover: converting larger single-family homes into dorm-style living for the plant's short-term labourers. Unlike other cities, Clarington allows six residents with different last names to occupy a single house, making such a play completely legal.

A \$550,000 investment should be more than enough for a six-bedroom property that will rent out for up to \$700 per room. (Dominguez encourages investors to keep parking space in mind when considering such

a strategy.)

More typical plays, such as legal duplexes, are also lucrative in Bowmanville. For between \$500,000 and \$550,000, an investor should be able to find a two-unit single-family home that will rent for a total of \$2,700 a month plus utilities.

### What looks good?

<input checked="" type="checkbox"/>	<b>Option 1</b>	
	<b>Single-family home rented out by the room</b>	
	Benchmark price	\$550,000
	Target rent	\$3,600
	Cap rate	7.2%
<input checked="" type="checkbox"/>	<b>Option 2</b>	
	<b>Suited single-family home</b>	
	Benchmark price	\$525,000
	Target rent	\$2,700
	Cap rate	5.7%

