






Cobourg: South

At a glance

-  Population: 19,444
-  Population change: 5.0%
-  Vacancy rate: 1.1%

Cobourg, just east of the investor-friendly Durham Region, might lie outside the Golden Horseshoe, but that's part of its appeal. A quaint, quiet town of 20,000, Cobourg is becoming increasingly attractive to retirees looking for big-city amenities, healthcare options and a slower pace of life, as well as families who want to raise their children in more manageable surroundings.

Because of the excellent transit options, Cobourg is also growing in popularity with commuters working in Peterborough (50 minutes away

on Highway 28), Oshawa (40 minutes on the 401) and even downtown Toronto (less than an hour thanks to VIA rail service). It's a trip hundreds of people are currently making every day.

The city's economy is bustling enough in its own right. Cobourg is home to a surprisingly robust manufacturing sector – Weetabix, Horizon Plastics, Belden and Lakeland Multitrade all have operations there – and two full-scale industrial parks. FV Pharma is currently converting the old Kraft plant into a marijuana production

facility that is projected to create 200 new jobs by spring 2019.

According to Re/Max Jazz's Michael Dominguez, who owns multiple doors in the region, investors are having a field day in the city. "Currently, there's virtually no vacancy in the Cobourg area, and rent numbers are surprisingly high," he says.




"We're finding the rent numbers to be equivalent to many GTA-area rents, and yet the purchase prices are lower." It's a combination that's hard to beat.

To target both retirees and families looking to make the most of their time in Cobourg, Dominguez says investors should purchase as close to Lake Ontario as possible. He encourages buying bungalows that can be converted into legal duplexes. Such a property can be found for around \$400,000; once renovated, it will rent for a total of up to \$2,900.

What looks good?




Option 1

Single-family home

 Benchmark price	\$415,000
 Target rent	\$2,100
 Cap rate	5.6%

Option 2

Suited single-family home

 Benchmark price	\$400,000
	(pre-conversion)
 Target rent	\$2,900
	(post-conversion)
 Cap rate	7.8%

Because of Cobourg's rapidly shrinking vacancy rate, investors are also having luck purchasing single-family homes and renting them as-is. One of Dominguez's clients is currently renting out an entire \$415,000 home for \$2,100. "I think there's a lot of money to be made as a quality secondary market," he says.