






Peterborough: Downtown

At a glance

-  Population: 81,032
-  Population change: 4.8%
-  Vacancy rate: 2.9%

Peterborough has its share of growing subdivisions, but most have yet to mature enough to generate cash flow. Until they do, the most profitable area of the city will continue to be its downtown core.

Downtown Peterborough is known as a hub for the city's large student population. Trent University, Sir Sanford Fleming College and Seneca College's School of Aviation provide thousands of renters every year and are a large contributor to the city's low

vacancy rate. But downtown is also popular with families and active retirees looking to enjoy the city's natural beauty or hit the Otonabee River or Little Lake for some paddleboarding or kayaking. With developers planning lakefront condos, discussions continuing around a new hockey arena and the ongoing extension of Highway 407, property values in the core should be pushed in the right direction.

That's where they've been headed for the past three years. According to Andrew Galvin of

Re/Max Eastern Realty, prices increased 10% in 2016, 22% in 2017 and are on pace to increase another 9% this year. "It's had some big increases in price due to the Toronto push and the 407 push," Galvin says.




Downtown presents a number of choices for investors. Galvin says duplexes and single-family homes will be highly rentable. Duplexes aren't exactly cheap – many sell for \$170,000 per side – but two-bedroom units should fetch at least \$1,200. Single-family homes toward the west end of downtown, where lots are bigger, should be available for \$450,000. With a suite in the basement, these properties should bring in at least \$2,200 a month.

Those rent figures will only improve. Galvin says one of his units, which was previously renting for \$850 a month, is now renting for \$1,200.

What looks good?




Option 1

Duplex

 Benchmark price	\$340,000
 Target rent	\$2,400
 Cap rate	7.8%

Option 2

Single-family home with a basement suite

 Benchmark price	\$450,000
 Target rent	\$2,200
 Cap rate	5.4%