PANAMERICAN

REAL ESTATE CAPITAL & SERVICES

Quarterly Newsletter

The Marketplace for Investors, Lenders and Developers of the Americas.

1st Quarter, 2014

Photo: Render of Metropolis Project in downtown Los Angeles, California.

Macroeconomic Figures

COUNTRY							
POPULATION *(MM)*	199.8	116	17.5	47.1	30.9	316.4	35.1
UNEMPLOYMENT	6.0%	4.8%	6.5%	10.3%	6.8%	7.4%	7.0%
BENCHMARK INT. RATE	11.0%	3.5%	4.0%	3.3%	4.0%	0.3%	1.0%
FDI – 2012 (*USD Billion*)	65.3	12.7	29.3	16.9	11	174.7	45.3
GDP - 2013 (USD Billion)	2,456.6	1,274.9	285.7	388.4	220.8	16,799.7	1,825.1
GDP – 2013 (*Growth*)	3.0%	3.4%	4.9%	4.0%	6.3%	1.9%	2.0%
GDP – 2014 (Est. *Growth*)	4.0%	3.4%	4.6%	4.5%	6.1%	2.8%	2.3%
INFLATION 2013	5.5%	3.6%	3.0%	2.4%	2.2%	1.2%	1.0%

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Increased demand and limited development of major projects during 2013 would push the final price.

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Iguatemi and TIAA-CREF acquire 50% of mall JK Iguatemi

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The first Hyatt Regency in Colombia will have 261 rooms and will be part of a mixed-use office, housing and commercial project in Bocagrande in Cartagena.

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Cap rates in the Region – part II

Column by Gonzalo Castro – Founding Partner at *Panamerican Real Estate Capital & Services*

In the second issue of this newsletter I made a general introduction to the cap rate concept, how it was something relatively new outside of North America and commented about retail real estate cap rates in the region.

Now I will refer to other sectors, office, industrial, hotel and residential.

In general, most of the countries are maintaining the cap rates level, with the exception of Brazil, which has had an upward correction following the increase in local interest rates.

Office

In the office sector, it is not easy to find a common standard among countries. Some refer to class A or Class A+, other refer to Premium offices. According to Colliers, Santiago has more Class A buildings than Sao Paulo, which surprises. Having said that, let's visit the main countries and let's focus in the relevant market that will be modern class A/A+ offices.

With a total stock close to 21.5 million sf, Santiago has seen a high transaction volume in the last years, driven by international investors seeking to divest by taking advantage of a hot local market with low vacancies. Cap rates are in the low 7%.

Sao Paulo and Rio de Janeiro are said to be oversupplied with Class A/A+ buildings, and after reaching rents of US$8/$ft^2$ are starting a healthy downward correction. The iconic Patio Malzoni building in Faria Lima Avenue is said to have one of its towers completely empty waiting for rents to rise again.

Bogota and Lima have a small transaction activity and cap rates are in the 8.5% level.

Industrial

With a total stock of 86 million sf of industrial and logistics space, Brazil is the most dynamic market, which is not a surprise. Historically Brazil has been protective to the industrial sector which has driven the opening of many plants. The market is dominated by international and local players as Prologis, Hines, LOG and Prosperitas. Rents in Greater Sao Paulo tend to be much higher than in the rest of the country.

In a recent landmark deal, BR Properties sold 34 industrial properties to Singapur-based Global Logistics Provider at US$1.36 billion, a 9.4% cap rate.

Mexico continues to see many FIBRA-led transactions of industrial portfolios, note-worthy are the Terrafina US$604MM acquisition to Kimco and the US$371MM Fibra Uno acquisition to Finsa, both at an 8% cap rate. Local capital is replacing foreign capital that helped to develop the industrial sector in the last decade.

Santiago is reaching 32.3 million sf of modern industrial space and rents have been very stable in the last 10 years, at about US$ 0.47 – 0.56 per sf, which means cap rates have been compressing given the higher land prices and construction costs.

Both Colombia and Peru are building modern warehousing space inventory and no significant transaction have occurred yet.

Hotel

The riskier of the real estate sectors, hotels are finally catching up with the modernization in Latin America. Most of the world's leading brands are already present or with short term plans to enter into the region. Capital markets, especially lenders, are not eager to enter to this sector yet, except for stabilized assets. The condo-hotels in Brazil or the fiducia model in Colombia are a consequence of the scarcity of debt and equity capital for hotel development.

In one of the few transactions in Chile a fund organized by Larrain Vial paid US$228 million to acquire a three hotel portfolio, comprising the Ritz-Carlton, Intercontinental and Crowne Plaza, all of them located in Santiago.

Cap rates tend to around 8.5% in Santiago and 10% elsewhere in the country.

The announcement of Atton Hotels to go public will be a good test to see how the market prices hotel cash-flows in Chile.

Though we haven't seen a relevant hotel transaction in Peru, there was an interesting exercise, the securitization of the Lima JW Marriott, that raised US$40 MM with a 7.3% rate on a 10 year term.

In Mexico, the specialized real estate fund Fibra Hotel has been very active buying urban hotels nationwide at 10% cap rate, reaching a portfolio consisting of 52 hotels and over 7.000 rooms. Cap rates in Mexico City are close to 8.5%.

Residential

This is the most lagging sector in developed markets. There are many reasons. Culturally, owning has a higher reputation than renting. Financially, the banking system has no problem to finance for-sale developments, but there is no appetite to finance for-rent developments. Third, government subsidies are offered only to acquire homes, though there are some countries that have announced subsidies to rent. Mexico and Chile are starting to see some transactions of residential buildings driven by local and US institutional investors but the volume is still negligible.

Brazilian general contractor LSH Barra is raising the building in a project worth US$ 90 million of Trump Organization

Trump to open hotel in Rio as part of the expansion of his chain

Source: EXAME

Trump Organization, headed by real estate investor Donald Trump, will have its first hotel in South America, the luxurious Trump Hotel Rio de Janeiro, with 171 rooms, as part of an expansion of its hotel business.

The Brazilian construction company LSH Barra is building the complex, a project of US$ 90 million, with the help of investment partners, said CEO Paul Figueiredo Filho, in the Americas Lodging Investment Summit in Los Angeles.

Trump Organization, headquartered in New York, is licensing its name and the operation of the property, said Donald Trump Jr., vice president and executive of development and acquisitions of the Trump Hotel Collection, during the conference.

The project is part of the company's goal of expanding its Trump Hotel Collection properties to 30 by 2020, compared to the current eight. Among the hotels in operation are the Trump International Hotel Tower New York and Trump National Doral in Miami, which the company bought when it was bankrupted in a deal worth US$ 150 million in 2012, and in which invested other US$ 250 million in renovation. "Over the past year we tried to expand this business and saw an opportunity in the ultra-luxurious lodging industry," said Donald Trump Jr. "We are very excited about Brazil and this market."

Trump Organization is also adding office space in Rio de Janeiro. The developer and construction company Even SA, headquartered in São Paulo, is developing the Trump Towers Rio, an office project that requires US$ 2.2 billion in downtown Rio, the city that will host the 2016 Olympics.

The Trump Hotel Rio de Janeiro will count with different attractions such as ocean and mountains view, 11 suites with private pools, a disco and a spa, said the Trump Organization.

Trump Towers Rio: hotel will be the first of Trump Organization in South America

Iguatemi and U.S. fund acquired WTorre interest in Shopping JK Iguatemi

Source: Valor

Iguatemi, one of the leading shopping center operators in Brazil, run by Carlos Jereissati Jr., confirmed the acquisition of 14% of JK Iguatemi Mall in Sao Paulo. With the acquisition, Iguatemi now will control a total 64% stake in the business, said in a statement.

On February 14th, the company signed an agreement to acquire 50% of JK Iguatemi from WTorre, Walter Torre. As part of this agreement, Iguatemi agreed to acquire 14% of the company and TIAA-CREF, the U.S. pension fund, agreed to buy the remaining 36%. Therefore WTorre is no longer partner of the shopping center.

The total amount to be paid by Iguatemi and TIAA-CREF for the interest of WTorre is US$ 272 million. WTorre is entitled to receive an additional amount to the selling price based on the net operating income of the shopping center by December 31, 2016 with the estimated total amount of the sale being US$ 342 million.

The transaction is subject to approval by the Administrative Council for Economic Defense (Cade). Iguatemi had the right to acquire the remaining 50% of WTorre in accordance with the shareholders' agreement, and sought a partner, in this case the U.S. fund, to raise the necessary funds to complete the transaction.

Kimco Realty completes its exit from Brazil

Kimco Realty, the largest owner and operator of neighborhood and community shopping centers in North America, completed its exit from Brazil by selling 70% of its two shopping centers valued at US$ 18.6 million to its partner REP.

The two assets totaling 201 thousand sf are located in the cities of Valinhos and Rio Claro, in the State of São Paulo.

Taxes threaten the real estate business

Source: CNN Expansión

The elimination of the tax regime of Real Estate Investment Funds (SIBRA) will slow investments; experts predict legal protection appeals by changes that narrow tax benefits from 2014.

The elimination of the benefits of the tax regime of Real Estate Investment Funds (SIBRA), which until this year enjoyed real estate developers, will affect the expansion of the housing and hotel industries in 2014, said experts, who also anticipated legal protection requests by employers in the sector.

"Until 2013, property developers have tax benefits as immediate deduction, tax deferral and the disappearance of (the tax regime) SIBRAS will slow investor's interest on new developments and the tourism sector would be the most affected," said the Tax partner of the consulting firm PwC Mexico, Arturo Mendez.

He said that the suppression of these stimuli contravenes the statements of the previous administration, which for years talked about the momentum that would give the tourism sector with new investments.

"We believe this will greatly impact the tourism industry. It will slow down investment in new domestic and foreign projects, generating an additional tax cost for new investments and yes, we foresee legal protection appeals. There are elements to rely especially for projects that were already developing in 2013 and to change the tax scheme in 2014" said the expert from PwC.

Between the fiscal benefits disappearing next year for SIBRAS - a figure created in 2008 - is the fact that until this year the owners could defer the gain on the contribution of property to these companies until the time they sold.

This meant that the original owners of the property had no tax liability until sale , while they stayed within this society, which is no longer possible in 2014 said the member of the Corporate Tax Practice of KPMG Miguel Ángel Temblador.

"With the reform of 2014 the concept of SIBRA is removed and those projects under SIBRA will generate the tax when they sell their assets or shares. For this they have two years -until 2016- to sell the property and pay the differed tax. In 2016 this scheme will disappear."

Arturo Mendez added that when an asset is acquired there is the right to depreciate, in the case of a building is 5% per year until the property was sold until 2013. But from January, the 191th Article of the Income Tax Law allows to anticipate deduction of land for real estate development with a limit of up to three years.

"A real estate developer, including tourism, when acquiring land may deduct it, but in the fourth year will have to reverse this deduction if they have not sold the property. With the previous regime it could have been differed until it was sold," he said.

According to the preamble to the proposed amendments to the Income Tax Law, the Executive considered that there has been an abuse of the tax benefit, so it proposed to remove the tax rules for SIBRAS.

Mexico to Provide US$23 Billion in Home Loan Boost

Source: Investment Properties Mexico

Naming 2014 "the year of reactivation for the housing sector" in Mexico's already booming real estate markets, President Enrique Peña Nieto has announced that the federal government will provide more than US$23 billion in an effort to boost home loans this year. This will boost lending for medium-sized and residential properties. "The investments destined for individual mortgage credits will increase by more than US$19.5 billion, an amount 18 percent higher than 2013".

Fibra Uno Completes Acquisition of Hines portfolio for US$86.5 millions

Source: El Economista

Mexico's first real estate investment trust, Fibra Uno, reported that successfully closed the acquisition from Hines portfolio.

According to information sent to the Mexican Stock Exchange (BMV), this portfolio will involve five industrial properties and one commercial property.

The five industrial properties are located in the states of Jalisco, San Luis Potosi, Aguascalientes and Guanajuato with a gross leasable area of 1.3 million sf occupied 100%, which generate a net operating income of US$ 6.9 million annually.

"The purchase price of these commercial properties was US$ 86.5 million" he added.

It also said the Fibra Uno commercial property, the City Center Merida is located in the state of Yucatan and has a leasable area of 286 thousand sf with occupancy of 98 % generated a net operating income of US$ 3 million; while the purchase price was US$36.2 million in cash.

"With this acquisition, Fibra Uno continued consolidating its leadership position in the field of real estate in Mexico," he said.

They are all over the country and linked to over US$11 billion real estate investments:

Crystal Lagoons doubles its projects in Chile within three years and sums up 54 artificial lagoons

Source: Emol

In 2011, Fernando Fischmann´s company already had 25 initiatives after starting in 2008 with San Alfonso del Mar in Algarrobo. Today it has about 250 developments in 60 countries worldwide.

Crystal Lagoons, a Chilean company founded by businessman Fernando Fischmann, has led the technology of its artificial lagoons over 60 countries, experiencing a strong growth in recent years resulting in a portfolio of 250 projects abroad.

In Chile its expansion has also been explosive. It currently has 54 projects in the country, of which 24 are under development and 30 are in preliminary stages. These projects are part of real estate investments worth over US$ 11 billion.

This project volume surpasses the 38 lagoons that accumulated in 2012 and is nearly double the 25 that registered in 2011. A year earlier, in 2010, he boasted 15 initiatives after his first building in 2008 that was San Alfonso del Mar in Algarrobo.

The 54 - navigable artificial lagoons with white sands - Crystal Lagoons are between the regions of Arica and Parinacota and Biobío. One of his latest openings in the country was in Costa Laguna Antofagasta, plan embedded in a residential development of $ 1.8 billion from Aconcagua, one of Chile's largest developers.

"The projection for new projects in Chile continues to grow strongly. To the above figure may add that according to the same study, in a 15-year term there will be 12,000-14,000 projects with crystalline lagoons worldwide, revealing the potential of this company" said commercial director for Latin America Crystal Lagoons, Felipe Pascual.

Sura signs a purchase agreement to acquire four floors of the Millenium building

Source: El Mercurio

The investment is part of a US$ 100 million portfolio, part of which will go to this property located in Las Condes, Santiago.

In an unprecedented transaction in which the contributions are only made by individual investors -without the presence of institutional investors- the first property income fund of Sura Chile signed an agreement for the purchase of four floors, corresponding to 43 thousand sf in the Millenium office building, located in Las Condes, Santiago.

The acquisition will be made with some of the resources of the portfolio totaling about US$ 100 million, of which US$ 46 million are capital contributions from 300 individual investors, for an average of US$ 150 thousand each. The rest will be debt.

The fund made its first capital call for investors to deliver the resources committed in January after which the firm culminated in a series of legal steps customary to finalize the acquisition.

Renzo Vercelli, CEO of broker Sura - who markets and distributes the fund - explains that this acquisition and two to three others of similar offices will be added. These buildings are considered to be class A, which means high-quality features like high standards for location, design and energy efficiency, among others. They should be located near the Metro, in the districts of Providencia, Las Condes or Vitacura, have current leases and have between five and 12 years old.

These deals should be implemented before December 31th this year, so Sura is already reviewing projects which could be attractive for investors.

According to Vercelli, the origin of this portfolio is related to Sura's experience of 11 years in income property management, with more than 592 thousand sf administered and with similar characteristics. "We thought why don't we make these assets available to customers who want stable cash flows and attractive returns" he explains. The properties in which the firm has invested have low delinquency and vacancy compared to other industry.

Photo: Crystal Lagoons

San Alfonso del Mar, Algarrobo

Bricapital makes a Strategic Investment on the first Hyatt Regency hotel in Colombia

Source: Business Wire

The architectural complex located oceanfront that will feature residential tower, a hotel and a shopping center will be built in the coastal city of Cartagena, Colombia.

Bricapital, SAS, investment firm focused on private equity category of hotel assets in Colombia, announced it has acquired stake in the first Hyatt Regency hotel in Colombia, which is being built in the Colombian coastal town of Cartagena. Bricapital, SAS is a subsidiary of Capital Shines, the U.S. private equity firm based in Miami focused on the category of hotel assets in South Florida, the Caribbean and Latin America. This transaction is part of a strategic partnership between the firm and Ospinas & Cia SA.

"This transaction represents a milestone for the growth of hotel industry in the country and a solid anchor for our Private Equity Fund Bricapital" said David Brillembourg, President and CEO of Brilla Capital. "The Fund will continue to invest in hotel assets in Colombia as part of our regional growth plan in Latin America."

The hotel, operated by Hyatt Hotels & Resorts Corporation, will be part of a mixed-use building complex located in the coastal district of Bocagrande in Cartagena, one of the most affluent areas of the city, near the Convention Center. The Hyatt Regency Cartagena will have 261 rooms, including 28 suites and 4 floors of Regency Club Lounge, and 74 branded condominiums Hyatt Regency Residences Cartagena. It will also have two exclusive restaurants, a cocktail lounge, a luxury bar, a meeting room of 6,500 sf, smaller meeting rooms, spa, gym, swimming pool at various levels and a modern business center. Additionally, the project includes Bocagrande Plaza shopping center, which will have five floors and 140 thousand sf of commercial space luxury, 5 meeting anchored by VIP cinema and recognized national and international in its 91 commercial brands. This hotel is expected to open in the second semester of 2015, becoming the first hotel brand Hyatt Regency in Colombia.

Render of Hyatt Regency Cartegena complex

Record in the construction of shopping centers

Source: Portfolio

By 2013, the country completed 183 centers with built surface above 53.8 thousand sf.

Last year, 4.1 million sf of sales area in malls were built, which means over 10,700 sf per day and 2,840 new commercial premises in the country. The figure is the highest recorded in the sector. The former largest figure was recorded in 2006, 3.4 million sf.

And this year it appears that the industry will continue to grow at full steam. It is estimated that the number of malls will grow 22% over the next three years. By 2013, the country completed 183 centers with built surface above 53.8 thousand sf.

Acecolombia, the industry's association, estimates that for the current year 47 projects are structured. Similarly, 27 expansion or remodelation plans of existing projects are posted. The planned investments are about US$2,200 million.

Carlos Hernan Betancourt, executive director of Acecolombia notes that developers and retailers are interested in setting up projects in the country, because "we are seen as an attractive country to which you have to know how to enter due to the regional diversity". This, amid low penetration.

He says that while there are 86.1 sf per 100 inhabitants in Colombia, in the United States this indicator is 2088.2 sf.

Housing price in Lima would see a double-digit increase in 2014

Source: Gestión

Valora Real State anticipates a lower housing supply and increased demand. There are only 375 building projects with available supply and 13,000 new homes were sold at the end of 2013.

The sales price of new homes in Lima would tend to rise this year to the final buyer by double digits, said the Valora CEO, Rossana Arnaiz. She explained that this will be due to the low supply of homes by medium and large real estate companies as many major projects were not developed in 2013, and there is growing demand for housing in the country.

She added that at the end of 2013 it was estimated that there were about 375 real estate projects with available supply, while in 2012 there were over 500. She indicated that this contraction of the property supply is because the financial sector is being more cautious in qualifying mortgage loans, especially for independent workers, which makes the process of selling a new home longer. Also, developers' land purchase doesn't finance so fast.

"Keep in mind that 70% of buyers of real estate projects aimed at the B-C segment, have partly or fully independent income generation. This makes the cash flow of a project to lengthen and the receipts and disbursements for the same are not as fast, which is a financial burden for them".

She said that this situation also redefines the housing type and size of projects they develop.

Gas stations with high real estate value: Sell or get the most out of it?

Source: Semana Económica

Gas stations have two choices: give in to the pressure from the real estate market or take advantage of their spaces with businesses that pay rent.

Buoyant commercial, residential and office construction has driven up the value of land and calls into question its use in the taps. How much longer can withstand the service station chains the pressure? The question is accentuated in the case of working on flat floor and surrounded by tall buildings that maximize profitability per square feet.

The edition of Economic Week (SE 1407) identified some service stations under pressure that could potentially sell their property. However, a previous alternative is to optimize the space and enhance the growing non-oil business: convenience stores (markets) and tenants who pay rent. In this line, complementary services, like those of tire deposit, oil change and wash would be replaced.

While the location on high traffic corners is key to the service stations, chains learned to take advantage of the obligatory stop that the car does with a diverse retail offer (SE 1184). But not all of them worked repowering this business. If the service stations are in the 'way back home' that justifies its further development, as this is where customers have more time to shop, eat or make a transaction.

UNITED STATES

Greenland Group unveils US$1bn project in LA

Source: Want China Times

Shanghai-based Greenland Group unveiled new details of its US$1 billion Metropolis Los Angeles project at a groundbreaking ceremony on Friday.

The 6.33 acre project, located on Francisco Street between 8th and 9th Streets, is the largest undeveloped site in downtown Los Angeles's central business district.

The project, one of the largest mixed-use developments on the West Coast, is expected to reshape the downtown Los Angeles urban landscape. Phase I of Metropolis will include a four-star luxury hotel and a residential tower with units ranging from studio to two bedrooms, which are expected to be complete by 2016.

"This US$1 billion investment by Metropolis is one of the largest investments that we have seen in recent years downtown," vice mayor Kelli Bernard said at the ceremony. "It will bring not just business but jobs for our local residents, so we can boost wages here. It's going to be wonderful for the city, for downtown and for our residents," she added.

Metropolis is the first real estate investment in the United States for Greenland Group, which is a diversified large state-owned enterprise in China with real estate as its core business.

"International expansion, in particular the US market, is a strategic priority for us. We are making significant investments in the United States and as one of the iconic cities in the world, Los Angeles is important for us to be in," said Zhang Yuliang, chairman and president of Greenland Group.

Real estate's red-hot category: Apartments

Source: CNBC

After struggling throughout much of 2013, apartment REITs returned a striking 12.75 percent, making this sector of commercial real estate the most profitable for the first quarter of 2014. Overall, equity REITs were up just over 7% for the quarter.

New apartment construction has certainly been robust, with nearly 42,000 units completed nationwide in the fourth quarter of 2013, according to forecasting firm REIS Inc. That was the highest since 2003 and a harbinger of things to come in 2014.

About 1 in 3 new housing units being built are rental apartments, the highest level in 40 years, according to the U.S. Census. At the same time, vacancies continue to drop and rents continue to rise.

More demand could be unleashed as the job market improves and younger Americans are able to afford living on their own. As for competition from single-family housing, which slowed in the first quarter of this year, analysts are not concerned.

CANADA

Source: CBC News

Real estate boom continues in Canada's largest cities

Average Toronto prices up 5.2%, Vancouver up 2.1% and Calgary up 8.6%

Despite reports that the market is headed for a crash, condo prices remained strong in 2013.

Repeated warnings of an overheated market failed to deter home buyers in Canada's largest cities in 2013, with the number of Toronto home sales up two per cent over the previous year, Vancouver sales were up 14% and Calgary sales rose 11%. Homes in the Greater Toronto Area continued their robust rise in price, up 5.2% to an average price of US$523,036 in December, compared to US$497,130 in 2012, the Toronto Real Estate Board reports.

After a slow start to 2013, GTA housing sales picked up in the second half of the year. Total sales for 2013 were 87,111, compared to 85,496 transactions in 2012.Even the condo market showed gains, with the average price in Toronto rising 7.6% to US$367,376 compared to December 2012, while detached homes prices rose by nearly 19% to US$864,351.Although December sales tend to be slow, new listings were down almost four per cent in December, which helped fuel frantic bidding wars in some Toronto neighborhoods close to the downtown and transit lines.

For Metro Vancouver, total sales of detached, attached and apartment properties in 2013 reached 28,524, a 14% increase from the 25,032 sales recorded in 2012.But the number of residential properties listed for sale on the MLS declined 6.2% in 2013 to 54,742, part of a trend in major cities as baby boomers hold onto their properties. The average house price in the Greater Vancouver area was US$603,400.The price of a detached single family home rose 2.5% to US$927,000, while condo prices were up 1.8% for the year to US$367,800.

"It was a year of stability for the Greater Vancouver housing market," said Sandra Wyant, Real Estate Board of Greater Vancouver president. "Balanced conditions allowed home prices in the region to remain steady, with just a modest increase over the last 12 months."

In Calgary, 16,302 single family homes changed hands, an 8% increase, and 4,007 condos were sold, a 14% rise. The benchmark price for a single-family home was US$472,200 in December, an 8.6% increase from the previous year.

"Two consecutive years of elevated levels of net migration, combined with an improving job outlook and confidence surrounding long-term economic prospects, supported the demand growth," said Ann-Marie Lurie, chief economist for the Calgary Real Estate Board.

Finance Minister Jim Flaherty warned in an interview Sunday that Canada will face global pressure to raise rates in 2014 as the U.S. Federal Reserve pulls back on its stimulus efforts and the U.S. economy rebounds. The Toronto Real Estate Board predicts price growth will continue to exceed inflation in 2014, largely because demand for low-rise houses continues to far outstrip supply.

"The seller's market conditions that drove price growth in the second half of 2013 will remain in place in many parts of the GTA," said TREB senior manager of market analysis Jason Mercer. "Some neighborhoods, especially those characterized by low-rise house types like singles, semis and townhomes, will continue to have less than two months of inventory." In Calgary, both prices and numbers of sales are expected to rise in 2014, the Calgary real estate board said, but the increases are not likely to be as steep as in 2013.

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