

# Zeppelin's Real Estate Tech

**4Q 2024: A Real Estate Newsletter by Zeppelin Partners Limited**

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Trump won, Trudeau resigned, and Tariffs touted. Plus, etc., etc., and etc.

In this issue:

- **Cruise terminal malls are challengingly \$ riskier than airport malls**
- **Greater Toronto Area (GTA): Industrial, Retail, and Office comparisons**
- **City of Toronto residential real estate: charts and tables**

**"It takes two to tango. But one is enough to tangle (things up), sometimes."**

We also like to hear from readers wishing to share their real estate experience with us.

**This quarterly (generally published in spring, summer, fall, and winter) newsletter** is circulated freely via email to readers likely comprising real estate developers, investors, fund managers, financiers, owners, users, top executives, senior managers, prominent academics and related professionals. Our content has also been published in newspapers and web portals such as the [South China Morning Post](#), [China Daily](#), [Hong Kong Economic Journal](#), [21<sup>st</sup> Century Business Herald](#), [Apple Daily](#), [Sing Tao](#), [Quamnet Magazine](#), [The Standard](#), [MITCRE Alumni Newsletter](#), [Surveying Newsletter](#), [Reidin.com](#), [Centanet.com](#), [Netvigator.com](#), [Hongkong.com](#), [E-finet.com](#), [Red-dots.com](#), [PacificProperties.net](#), [Soufun.com](#) and [House18.com](#). We had also been quoted in the [Asian Wall Street Journal](#) and interviewed by [USA Today](#), [i-Money](#), [Ming Pao](#), [Radio Hong Kong](#), [Cable TV \(Money Café\)](#), [DBC Radio](#), and [Commercial Radio](#). This newsletter is now into its [28<sup>th</sup>](#) year and [113<sup>rd</sup>](#) issue.

**We also operate a website** [www.real-estate-tech.com](http://www.real-estate-tech.com) through which we intend to share some of our real estate knowledge and ideas with interested parties. There are close to 1,000 content items, in English or Chinese, including analyses, articles, charts, and tables, plus spreadsheets, tutorials, e-books, and the like, the majority of which is free with some requiring a token fee. The website has been visited by tens of thousands from all over the world.

**Zeppelin Partners Limited** is involved in real estate development, investment, and management and offers services related to [real estate asset management](#) [analysis, investment strategy, and portfolio allocation], [project management](#) [architectural design, cost control, and contract administration], and [facility management](#) [facility utility assessment, property management strategy, and building maintenance]. We are based in Hong Kong with access to regional and global professional networks.

**Stephen Chung**, who created and writes this newsletter, is now Honorary Advisor to Zeppelin Partners Limited. He continues to write this newsletter.

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# Who? Me?

## **Stephen Chung**

Honorary Advisor, Zeppelin Partners Limited  
Founder and Writer, Real Estate Tech Quarterly Newsletter  
Real Estate Website Developer, [www.Real-Estate-Tech.com](http://www.Real-Estate-Tech.com)

**Stephen is an independent real estate analyst – number cruncher and chartered surveyor** and has been involved in real estate development, investment, and management in Hong Kong / China / Asia and North America.

**Stephen provides relevant real estate market insights and macro-micro assessments** to real estate developers, investors, owners, financiers, funds, and civic organizations, and possesses many years of experience in building economics, project management, facility strategy, marketing, and research.

**Stephen is also a regular real estate writer - columnist** and his articles have been published in both English and Chinese media including the following:

- China Daily
- Hong Kong Economic Journal
- South China Morning Post
- Apple Daily, Sing Tao Daily
- Quamnet Magazine
- Real estate and finance websites such as Soufun.com, Finet.com etc
- Journals of professional institutes such as the Hong Kong Institute of Surveyors

**Stephen had been an honorary adjunct professor** of the University of Hong Kong and the City University of Hong Kong and had spoken to audiences from:

- Universities: such as the University of Hong Kong, City University of Hong Kong, York University
- Professional Institutes: such as the Hong Kong Institute of Surveyors, Canadian Institute of Quantity Surveyors, Royal Institution of Chartered Surveyors
- Business Associations: such as the Rotary Clubs

**Stephen has written 4 real estate books in Chinese to date as follows:**

Online book = Easy Real Estate Lectures  
Hard copy = Real Estate Investment Know-How above 101  
Hard copy = The Real Estate Market Turning Point  
E-Report = USA Residential Real Estate Analysis

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## Cruise terminal malls are challengingly \$ riskier than airport terminal malls

Real Estate Tech, 4Q 2024

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Mega cruise ships: A floating hotel with a huge mall plus other things (Courtesy of Wikipedia.org)

First, a disclaimer: Your humble author isn't an expert on cruise terminal and airport terminal malls. Yet, he has his share of cruise and air travel. The following is purely based on his observations as a cruise and flight passenger.

For starters, a major difference between boarding a cruise ship and an airplane is this: Once the cruise passenger completes all the necessary ship boarding procedures, such as immigration, customs, and security, the passenger will immediately board the ship and seldom go back to the terminal for shopping etc. The passenger will likely eat in the ship's buffet restaurant, inspect the assigned cabin, place any hand-carried bags there, explore the ship, or acquire extra services such as streaming internet or special wine and beverage packages from the guest service desk. The ship itself is part of the fun and deal.

This contrasts with airplane passengers who can be stuck in the airport for hours after clearing immigration, customs, and security and before boarding a plane. A mall with food and drinks, souvenir shops, duty free stores, and so on will help pass the time and even offer some fun while waiting. Unless one is flying business or first class, the plane is simply a means to get to the destination. Not part of the fun. Besides, flying for long hours isn't fun, even if it is business or first class. Or private jets. Fighter jets with Mach 3 or higher are exceptions. 😊

Your humble author has over the years visited dozens if not hundreds of cruise ports. Most are basic ship berths, piers, and terminals. There could be some retail stores in temporary or permanent premises. However, strictly speaking, large scale malls are few and far between. Apart from the one in Hong Kong, your humble author could only recall Canada Place in Vancouver, which can be accessed by the public being in a busy part of town. Not even New York City cruise terminals come with a mega mall. Sometimes, cruise ships simply dock at container ship terminals. Other times, they just drop anchors and tender passengers to and from the ship using tender boats.

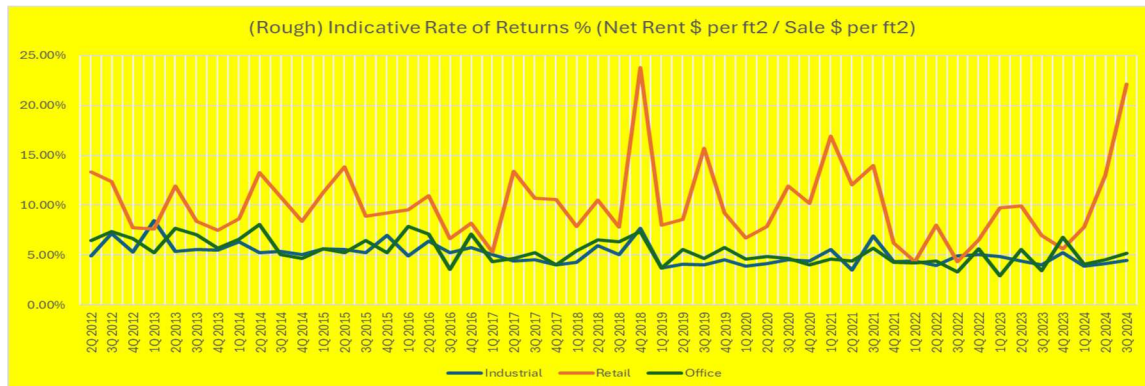
Are cruise terminal retail stores doomed? Not exactly. Sometimes, one might have forgotten to buy a souvenir or two while visiting the place and a store selling such before boarding the cruise ship would have some business. Or if the stores are selling items that aren't readily available, such as artsy T-shirts or local-made ice creams, they will have customers, too. But you don't need large scale malls in cruise terminals for that.

Besides, some of the larger cruise ships themselves are floating hotels with a mega mall.

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## Greater Toronto Area (GTA): Industrial, Retail, and Office comparisons Real Estate Tech, 4Q 2024

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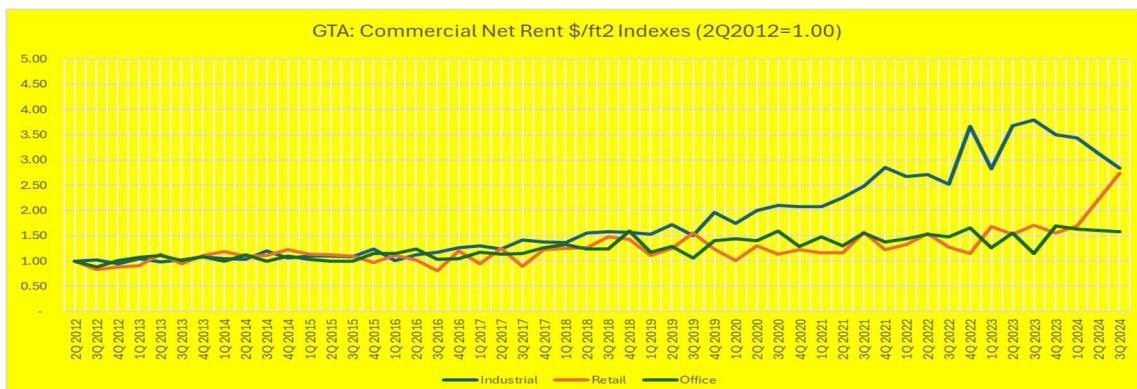
If these were three guys (Industrial, Retail, and Office), wow, the Retail guy was erratic.

We have taken a brief look at the Greater Toronto Area's (GTA) commercial real estate sectors, namely industrial, retail, and office. Data comes from the website of the Toronto Regional Real Estate Board. The data series, published quarterly, covers 2Q 2012 to 3Q 2024. Before we begin, a few notes:

- 1) The data, calculations, and graphics, including indicative rates of returns, are at best rough.
- 2) Within each commercial sector, there are sub-sectors. For instance, industrial ranges from warehouses to logistics distribution centers, retail includes neighborhood strip plazas, supermarkets, and regional malls, and office can mean various grades, sizes, and heights of buildings.
- 3) Rents and sale prices are expressed in \$/ft2 and reflect only those transactions in which the rents or prices have been made known. Note the rents and sale prices are likely to come from different properties.
- 4) The indicative rates of returns are based on dividing the rents \$/ft2 by the sale prices \$/ft2. The rents may not have reflected rent-free periods, if any, or other leasing and sale conditions and terms that may influence the indicative rates of return.
- 5) We saw no 2Q 2024 report on the website and so we just used assumptive dummy values by adding the figures in 1Q 2024 and 3Q 2024 and dividing the sums by 2.

Here we go:

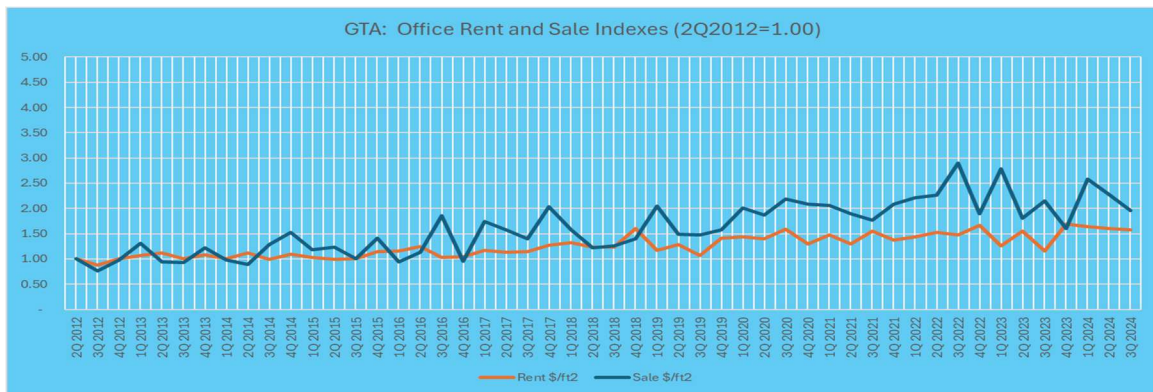
A) Rent and sale price indexes (2Q2012 = 1.00)



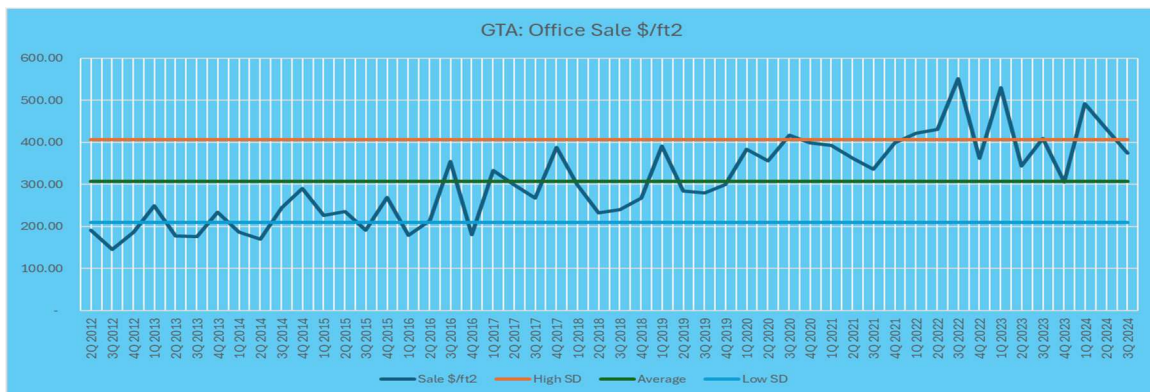
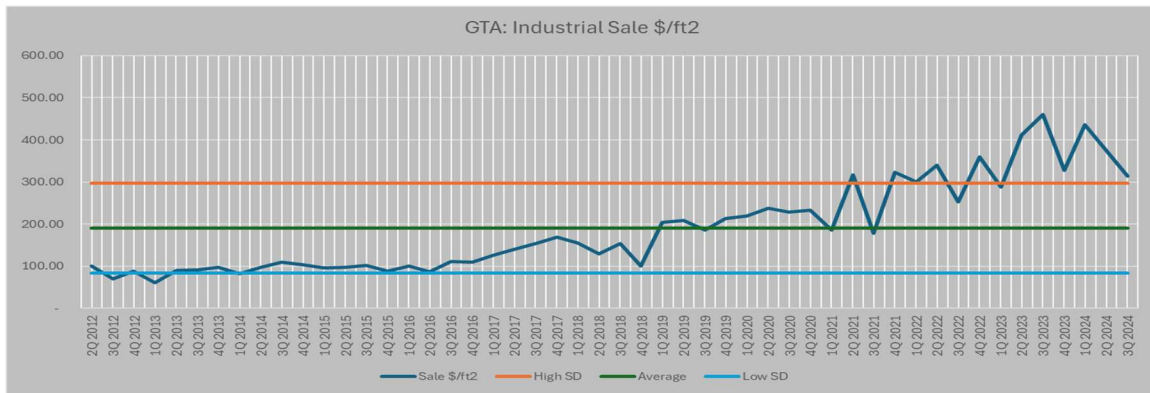




B) Each commercial subsector's rent and price indexes (2Q2012 = 1.00)



C) Each subsector's sale price performance from 2Q2012 to 3Q2024 plus the standard deviation range



The above graphics are self-explanatory, although your humble author may write a slightly more detailed analysis of them in the next quarterly issue.

For now, on a personification tone, suffice to say: Industrial is a steadily growing guy, Office is just steadily boring, and Retail, that's the erratic uncle in the family.

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## City of Toronto residential real estate: charts and tables

Real Estate Tech, 4Q 2024

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(Courtesy of [www.publicdomainpictures.net](http://www.publicdomainpictures.net))

We have collected data from the website of the Toronto Regional Real Estate Board (<https://trreb.ca/>) focusing on the **City of Toronto's** residential real estate market (largely the secondary market). These data start from April 2017 and end in **December 2024**. Rough charts and tables were compiled and some of these are listed below:

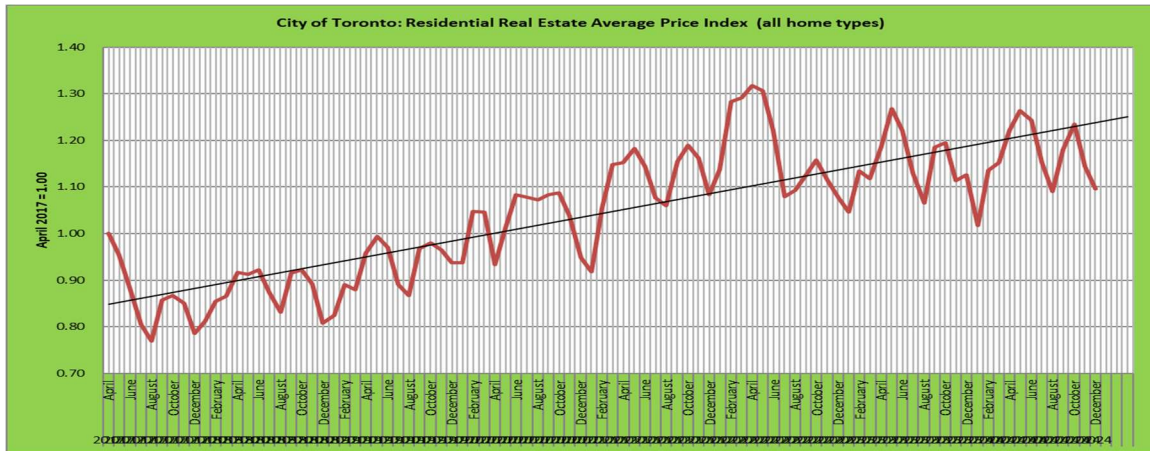
1) From April 2017 (the last price peak) to **December 2024** price changes in percentages, major home types

City of Toronto:	Apr17 to Dec24
All Home Types	9.51%
Detached	2.91%
Semi-detached	17.93%
Townhouse	13.86%
Apartment	24.47%

2) **November 2024 and December 2024** average and median home prices, major home types

Metro Region	Sub-district		Nov-24 Average C\$	Dec-24 Average C\$	Difference C\$ Nov-Dec24	Percentage +or- (Dec-Nov)/Nov 2024	Nov-24 Median C\$	Dec-24 Median C\$	Difference C\$ Nov-Dec24	Percentage +or- (Dec-Nov)/Nov 2024
Metro Toronto	All Home Types		1,080,167	1,033,742	-46,425	-4.30%	840,000	830,000	-10,000	-1.19%
	Detached		1,695,939	1,624,500	-71,439	-4.21%	1,330,000	1,215,000	-115,000	-8.65%
	Semi-detached		1,248,930	1,302,024	53,094	4.25%	1,165,000	1,186,000	21,000	1.80%
	Townhouse	Condo	773,160	803,088	29,928	3.87%	728,400	780,000	51,600	7.08%
	Apartment	Condo	713,364	719,774	6,410	0.90%	625,000	610,000	-15,000	-2.40%
Metro West	All Home Types		1,052,738	1,020,958	-31,780	-3.02%	898,125	891,000	-7,125	-0.79%
	Detached		1,512,124	1,405,450	-106,674	-7.05%	1,252,000	1,165,000	-87,000	-6.95%
	Semi-detached		1,132,493	1,206,022	73,529	6.49%	1,000,000	1,097,500	97,500	9.75%
	Townhouse	Condo	736,010	765,881	29,871	4.06%	711,500	750,000	38,500	5.41%
	Apartment	Condo	652,088	651,447	-641	-0.10%	595,000	596,500	1,500	0.25%
Metro Central	All Home Types		1,136,670	1,088,650	-48,020	-4.22%	735,000	745,000	10,000	1.36%
	Detached		2,509,026	2,557,979	48,953	1.95%	2,000,000	1,882,500	-117,500	-5.88%
	Semi-detached		1,465,422	1,496,584	31,162	2.13%	1,281,000	1,367,000	86,000	6.71%
	Townhouse	Condo	879,505	954,517	75,012	8.53%	777,500	850,000	72,500	9.32%
	Apartment	Condo	748,155	767,529	19,374	2.59%	640,000	648,000	8,000	1.25%
Metro East	All Home Types		999,535	942,069	-57,466	-5.75%	952,000	906,750	-45,250	-4.75%
	Detached		1,218,833	1,207,742	-11,091	-0.91%	1,150,000	1,100,000	-50,000	-4.35%
	Semi-detached		1,162,066	1,199,362	37,296	3.21%	1,082,500	1,120,000	37,500	3.46%
	Townhouse	Condo	719,912	708,446	-11,466	-1.59%	710,888	705,000	-5,888	-0.83%
	Apartment	Condo	638,453	585,841	-52,612	-8.24%	555,000	535,000	-20,000	-3.60%

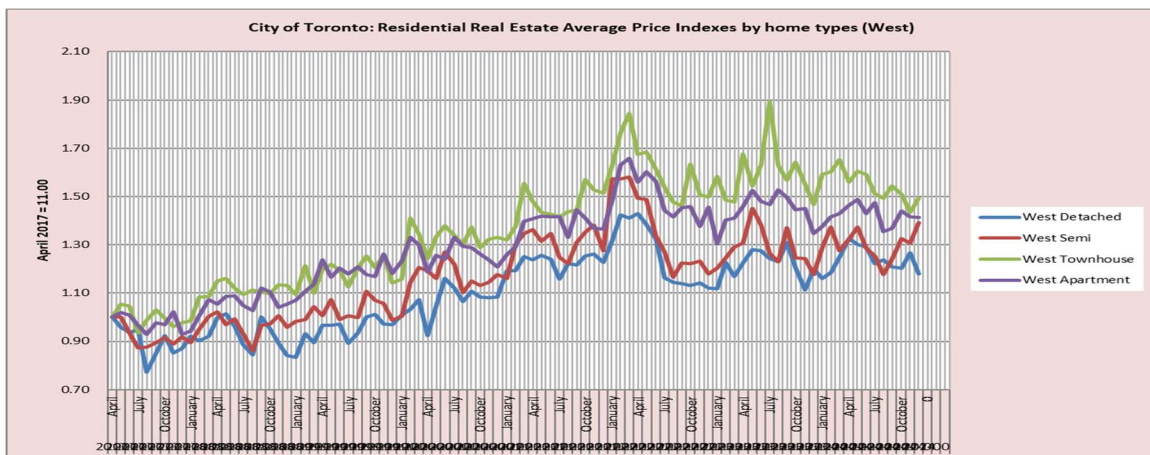
3) From April 2017 to December 2024 home price trend



4) From April 2017 to December 2024 average prices of major home types

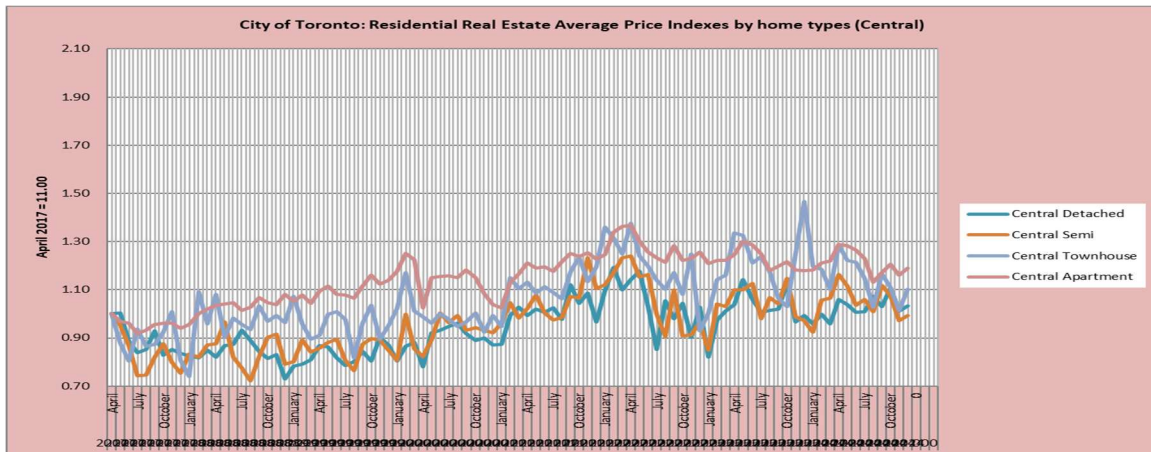


5) From April 2017 to December 2024 average price trends, major home types, West Toronto

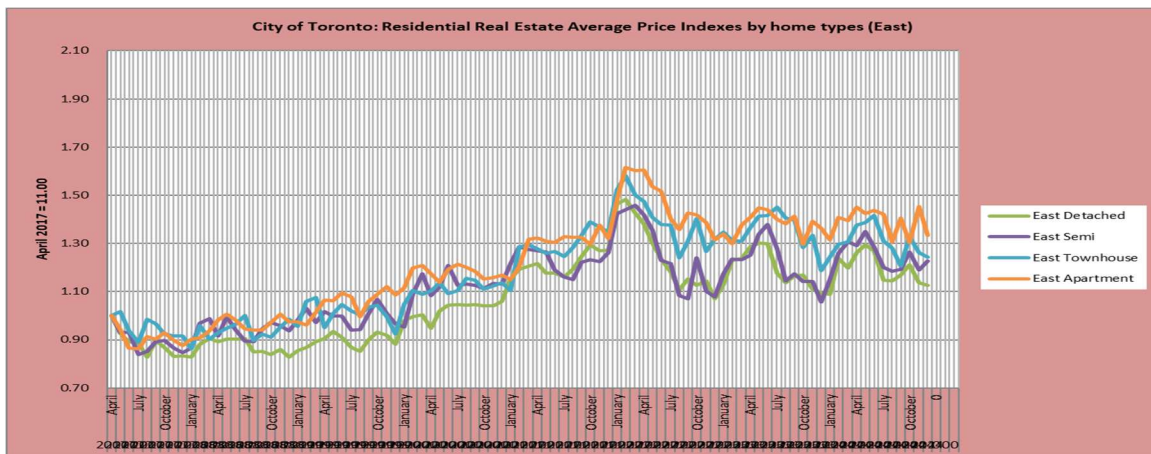




6) From April 2017 to December 2024 average price trends, major home types, Central Toronto



7) From April 2017 to December 2024 average price trends, major home types, East Toronto



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