



January, 2022

Welcome to our Liahona Capital Q4, 2021 newsletter!

MIC News/Real Estate Market View

Many current news reports question how housing prices can remain so high and continue to rise. The story continues into the new year with the answer that there is just not enough supply for the given demand for housing. Listed properties remain low and this metric is used as a leading indicator for the coming 6-months.

The number one story in Canadian housing remains the relentless decline in inventory in virtually every metro across the country. “We’re now below 100,000 listings (seasonally adjusted),” wrote analyst Ben Rabidoux in his monthly Edge Realty Analytics report. He estimates that this is the lowest level of for-sale inventory in the past 30 years.

“We set a new record low for months of inventory at a mere 1.75 in November,” he added, noting this remains the best predictor of house price trends six months ahead. “It looks very likely at this point that we’ll see prices squeeze right through the spring.” [Months of inventory refers to the number of months it would take for the current inventory of homes on the market to sell given the current sales pace. Historically, six months of supply is associated with moderate price appreciation, and a lower level of months’ supply tends to push prices up more rapidly.]

Similar comments coming from the Toronto Regional Real Estate Board noting “Tight market conditions prevailed throughout the GTA and broader Greater Golden Horseshoe in 2021, with a lack of inventory noted across all home types.

Source: Toronto Regional Real Estate Board ([TRREB](#))

This near-term stability in valuations is positive news for lenders like Liahona. Stable or increasing equity keeps loan-to-value ratios in order and reduces the risk of shortfalls in loan repayments when a borrower exits. It also makes 2nd mortgages more attractive since they are typically extended beyond the 75% LTV threshold. We hope to capitalize on this opportunity in the coming months.

As always, if you know a Mortgage Broker that you think we should talk to about our offerings, please reach out to our Business Development Manager, Ken Macken at 905-588-2749. Ken would be happy to discuss with you how to make the connection.

3 Ways Life Insurance Can Protect Your Small Business

As a small-business owner or partner, you may wonder what would happen to your business should anything happen to you. How would your family cope with the loss of income? What about your employees and their families? What happens when a business has debts that are backed by assets like the family home?

Three important ways that life insurance can protect your small business include:

1. **Key person insurance.** This is a life insurance policy purchased by the business on the life of a key employee and payable to the business. When a key person dies, insurance can help make up for lost sales or earnings and cover the cost of finding and training a replacement.
2. **A buy-sell agreement funded with life insurance.** This allows remaining business owners to buy the company interests of a deceased owner at a previously agreed-upon price, which helps guarantee that surviving family members will be fairly and promptly compensated for their share of the business.
3. **An Individual Life Insurance Policy.** A policy that you own individually can provide your family with additional money to pay off personal debts, cover ongoing living expenses and fund future needs such as college or retirement.

Working with an insurance professional can help you find the right policy for your situation. Get started today with [Liahona Insurance & Wealth Creation Inc.](#)

What's New?

We are excited to introduce Claire Creasor-Hass as our new Mortgage Underwriter who will work alongside Rob Brockwell!

Claire comes to us with over 25 years of experience with both large Financial Institutions and smaller Credit Unions. There she not only developed her underwriting skill set but had the opportunity to take the lead on some special projects and district events. She has a passion for volunteerism, spending time with the Canadian Cancer Society and local sports clubs. When not in the office you can find Claire enjoying the outdoors at her cottage in Northern Ontario.



Did You Know?

The 2022 **RRSP** contribution deadline is March 1st, 2022.

The TFSA contribution limit for 2022 is \$6,000. This brings the total contribution room available for someone who has been eligible for the TFSA since its introduction in 2009 to \$81,500. Please contact your Dealing Representative if you wish to make a contribution.



Fund Updates

To keep you informed about the various investments Liahona Capital offers, we are happy to share some recent Fund updates with you. This quarter we will highlight Liahona MIC and Equiton Real Estate Investment Trust (REIT).

Liahona MIC is excited to announce that we are now on multiple social media platforms being LinkedIn, Facebook, Twitter and Instagram. Please feel free to like, share and add us to the social sites that you are on!

This past quarter Liahona MIC has grown \$2 Million in assets bringing our total mortgages to approx. \$36 Million as at Dec. 31st, 2021! Our current mortgages stand at 95 with our average LTV for our portfolio at 70%. The Fund has also seen positive annual returns since its inception being December, 2006!

Equiton REIT noted they had a strong year in 2021 and are ramping up for an even better 2022! Their current Assets Under Management (AUM) are \$526 Million which consists of a portfolio of 25 apartment buildings in 12 communities. That's growth of approx. \$275 million this past year! The Fund has also had 68 consecutive months of positive returns with 100% return of capital.

If you would like to learn more about these products, please contact your Liahona Dealing Representative.





Newlook Capital
Dental Fund

ACCILENT
CAPITAL MANAGEMENT

g™ Greybrook
Capital



Pavilion
RESOURCE FUND

ICM
Asset Management



Summary

We appreciate your continued interest and investment with us. For additional information visit our website at www.liahona.ca

As always, we welcome your feedback.

Sincerely,

LIAHONA CAPITAL INC.

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