



HEARTHSTONE BY THE BAY DEVELOPMENT IN TORONTO

PROVIDES BOOST FOR ECONOMIC WOES

No one is immune to the turmoil of financial markets, yet baby boomers and retirees may be the hardest hit, with the least opportunity to recover. While many people wonder how they will recuperate, Hearthstone By The Bay, an innovative development in Etobicoke, is creating a new approach to retirement that will positively impact investment portfolios.

"The global economic downturn makes it critical to understand the financial impact of buying versus renting a retirement residence, and how each option affects total cash flow, estate benefits and asset availability," says Derek Thompson, HBA, FSA, FCIA from Raymond James.

The Hearthstone philosophy demonstrates that there is power

in numbers. A monthly luxury rental retirement apartment based on double occupancy can cost upwards of \$6,000. Factor in food, entertainment, housekeeping and utilities, and you are spending more than \$80,000 a year of taxable income. Alternatively, by taking a capital investment (such as the sale of a family house for \$600,000) and applying it to the purchase price of \$365,000 for a 935-sq.-ft. residence, living costs as well as condo and club fees become reduced to \$2,500 per month. Even if you purchased the condo with zero down, your monthly living costs and mortgage would be approximately \$5,000. Do the math – the result after 15 years is astronomical. The value of your original investment in the condo has now reached more than \$830,000. The option of renting would result in zero

remaining capital after nine years.

Thompson further simplifies the complex, age-old debate about owning versus renting. "The answer can be found if you understand the Tax Act. If you have capital to invest and then use the capital to rent, the investment income you generate is taxable. As you draw against it, assets are depleted due to the tax and income needed. Alternatively, when owned, a principle residence cannot be taxed as income and the asset continues to appreciate in value. I've matched renting versus owning costs in the analysis, and the advantage sits with ownership due to the structure and costs of the Hearthstone option."

Hearthstone By The Bay is not only creating an investment for the future but enhancing quality of life. Dog walking, airport pick-up and

gourmet room service are only a handful of the services planned for the luxury retirement condo.

"The retirement industry is transforming and we are pleased to provide a very unique package that includes condo ownership, a resort lifestyle, and health and wellness services as people need them", says Renee Bourgon, Director of Marketing and Communications at Davies Smith Developments.

Located on one of the best remaining sites on the Toronto waterfront, Hearthstone By The Bay offers residents a modern retirement resort lifestyle with one of the most robust amenities packages on the market.

Residents will have the opportunity

to connect in a vibrant community featuring a gourmet restaurant and dining terrace, a pub, library, greenhouse and a cinema. People can pamper themselves with spa services, indulge at the private dining room, take an exercise class, work out in the resistance pool or participate in community activities such as organized trips, theatre and shopping, while taking advantage of supportive services located at the health and wellness centre staffed by health care professionals.

Designed by award-winning Quadrangle Architects and Raw Design (ongoing), condominium units range from the mid-\$200's to the \$500's and feature wide entrances, faucets for arthritic hands, and outlets

that don't require bending to access. Munge Leung Design Associates has created sophisticated accents and designer options in the lobby and common areas.

"Today's lively communities are definitely not your parents' retirement home," says Leanne Wallace, Hearthstone Managing Director. Many of today's retirees are more active than ever and are looking for a community to fit their lifestyle. They want choices.

"At Hearthstone, residents not only have a full menu of service options to choose from but as owners, they also have a direct hand in developing them."

Hearthstone By The Bay is located at 2077 Lakeshore Blvd. W. in Etobicoke. For more information on this and other great Davies Smith Developments projects, visit www.davies-smith.com.

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