

Intellectual Property

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REAL ESTATE & INFLATION

Most investors own a house or other form of real property. They are well aware that even in periods of relatively low inflation, real estate keeps moving steadily upward in price. In periods of higher inflation, like the 1970s and early 1980s, real estate was known to double or triple in value over a few short years. In my own case, a house and land that cost \$60,000 to build in the 1960s was recently listed for sale at over \$400,000.

We have been fortunate, as consumers, that we recently have had several decades of relatively low inflation. This has been due to a number of factors, including the practice

of targeting inflation by the western central banks since the extremes of inflation and interest rates in the late 1970s and early 1980s, the bursting of the dot com bubble in 2000 – 2001, the financial debacle of 2009, the crash of oil prices in 2014 – 2015 and, overall, the increasing volume of cheaper consumer goods flooding North America as developing countries like China have learned to make these goods with labour costs at only a fraction of those in the United States, Canada and other developed countries in the western world.

Inflation has been classically defined as too much money chasing too few goods. There are a number of factors developing today in world markets that may contribute to this situation recurring in Canada, whose economy is closely linked to that of the United States:

- a. Tax cuts and ever-increasing budget deficits in the United States have led to a big increase in the money supply there.
- b. Recent protectionist moves by the United States government mean that consumer goods will be scarcer and more expensive,

OUR LATEST OFFERING

Hopewell Mall
Saskatoon, SK



Hopewell Mall is located along the busy thoroughfare of 33rd Street East in the Kelsey-Woodlawn neighbourhood of Saskatoon, SK, a well-established area with a mix of residential and light industrial land uses.

For more information, please contact your Exempt Market Dealer or the Millennium III Group of Companies.

whether made offshore or in the United States, especially under the influence of the new USMCA trade agreement.

- c. Government debt in both the United States and Canada is at record levels. Both governments can be expected to inflate the burden of this debt away through currency devaluation over the next few years, as they have done in past high-debt situations.

continued...

NOW IS THE TIME.

Limited Partnership units in the following partnerships are at optimum valuation for inter-generational or spousal transfer:

Green Point Properties L.P.
Green Point Properties II L.P.
Saunders Properties L.P.

In future editions of this newsletter, we will apprise you of limited partnerships that are at this point in the investment cycle.

After-Tax Return on Investment 254%!



TRAFALGAR SQUARE

In June, the limited partners in Poole Properties Limited Partnership voted in favour of the sale of Trafalgar Square. Since their initial investment, the property value had appreciated considerably and resulted in a total return on investment of 254%!

Real Estate... - cont'd

Keeping these inflationary prospects in mind, leveraged real estate acquired with today's relatively low mortgage rates makes an excellent investment for secure and appreciating future capital gains and a regular and increasing income stream. This, along with some tax strategies to offset rising income taxes, allows holders of Millennium III Limited Partnership real estate units to both benefit from, and hedge against, future inflation.

DEBT FREE!



Amherst Properties Limited Partnership retired its debt obligations in September.



Bannerman Properties Limited Partnership retired its debt obligations in October.



Campbell Properties Limited Partnership retired its debt obligations in September.

Warren Properties Limited Partnership retired its debt obligations in February.



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