

*Providing investors with current news, information and facts on passive real estate investing*

## In the News

### Bank of Canada Rate Cut: A New Wave of Opportunity

The Ontario real estate market has reached a critical juncture, with recent developments creating a unique window for buyers. The market, already shifting in their favor due to a surplus of inventory and motivated sellers, has received a powerful catalyst.

The Bank of Canada has just announced a key interest rate cut, the first since March, lowering the rate by 25 basis points to 2.5%. This decision directly reduces borrowing costs, making it easier for potential homebuyers to finance a purchase. For those who have been waiting on the sidelines, this is a clear signal of increased financial predictability.

This rate cut, combined with a record-high number of unsold new condo units in the GTHA and a slower pace of sales, gives buyers a distinct advantage. With more options and the ability to negotiate on more favorable terms, the rate cut is poised to unlock pent-up demand. As buyers who were previously priced out or hesitant re-enter the market, we can expect a more active and balanced housing landscape ahead.

Crucially, an increase in home sales activity provides a strong tailwind for the commercial real estate sector.

The flow of capital from sales gives developers the necessary liquidity to initiate new projects and complete existing ones. This, in turn, boosts the commercial mortgage industry, as it finances a new wave of construction and development, further stimulating the broader real estate market.



# RealAlt Insights

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September 2025

## On YouTube

*New Videos every week.*  
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Private Lending Explained: Returns, Risks & Liquidity with Brian Dorr



Multiplex Toronto: Why 6-Unit As-of-Right Could Change Everything (DC Waivers,...)

Click the images to watch Brian's presentation and panel from the MoneyShow and Unpacking Multiplexes.

## A Busy Month for RealAlt Investments

Brian Dorr, CEO of Dorr Capital Corporation and RealAlt® Investments, has recently been active in the real estate community. He was featured on **The Canadian Real Estate Investor Podcast** and joined a panel at their **Unpacking Multiplexes** event. Brian also made an appearance at the **Missing Middle** conference and spoke at the **MoneyShow Toronto**. His discussions focused on multiplex developments, financing, and providing retail investors turnkey access to commercial mortgages. It was great to see such strong engagement from the community at these events.

Brian speaking about financing multiplexes



Brian at the Missing Middle Summit



Brian Dorr and Justin Aubry on stage at the Moneyshow Toronto



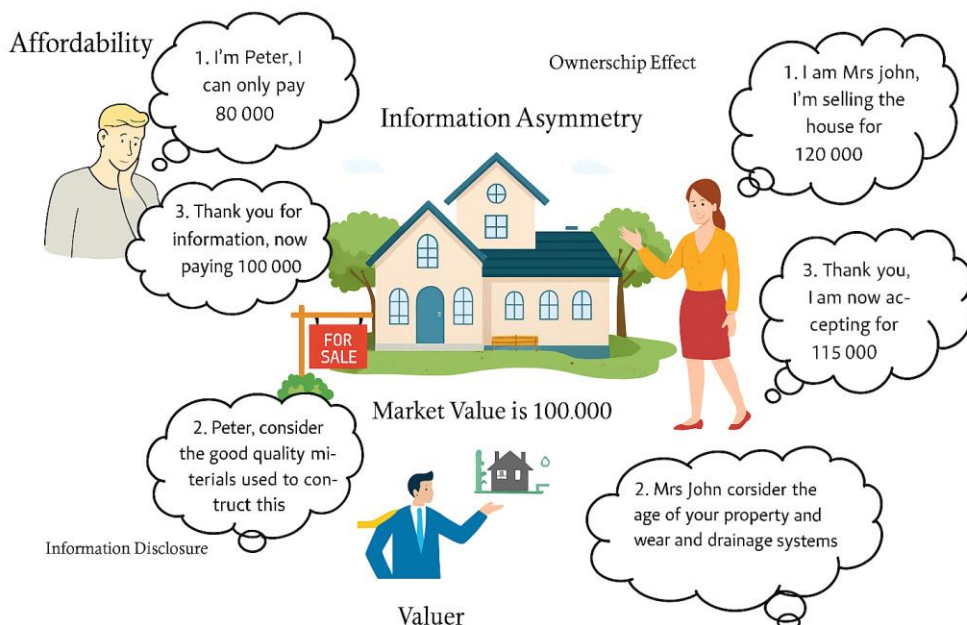
## Psychology of Investing

### The Endowment Effect in Real Estate: A Price Beyond Logic

The endowment effect, a powerful psychological bias, causes people to irrationally overvalue things they own. In real estate, this often leads homeowners to believe their property is worth more than its objective market value. This emotional attachment stems from the personal history and memories tied to the home, which sellers mistakenly believe adds to its financial worth.

This bias creates a significant pricing disconnect. The seller, influenced by personal sentiment, sets an inflated asking price, while potential buyers—who lack this emotional connection—evaluate the home purely on objective data. The resulting gap between price and value can prolong the sale, deter buyers, and ultimately force the seller to lower the price after missing better opportunities.

To overcome this bias, sellers must separate their emotions from the financial transaction. This can be achieved by getting an objective third-party appraisal, studying comparable sales data, and working with a real estate agent who can provide an unbiased, data-driven perspective. By focusing on market realities rather than personal sentiment, sellers can set a realistic price, attract serious buyers, and ensure a more successful and timely sale.



#### Image Source:

Mwanyepedza, R., & Mishi, S. (2024). Endowment effect, information asymmetry, and real estate market decisions: Willingness to pay and willingness to accept disparities. *Real Estate Management and Valuation*, 32(1), 37–48. Retrieved from <https://www.remv-journal.com/Endowment-effect-information-asymmetry-and-real-estate-market-decisions-Willingness,171560,0,2.html>



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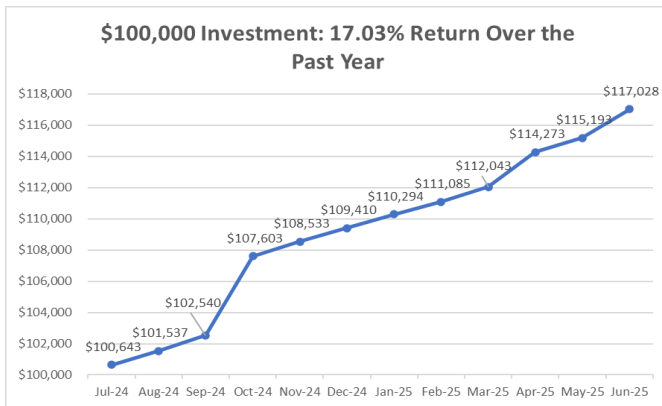
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## RealAlt® Facts

*Each month we provide a key fact on the Fund. Be sure to go back in previous issues to learn more. Or reach out to get our Fact Sheet with all the details*

As of June 30, 2025, our fund has delivered a trailing 12-month return on investment (ROI) of 17%. This figure includes both our distributions and the positive impact of gains from unit price writeups. This performance highlights the fund's resilience and the value of our strategic efforts. We remain committed to our investment strategy and look forward to updating you on our progress.



**17%\* TTM Return on Investment**  
As of June 30<sup>th</sup>, 2025

*A hypothetical investment of \$100K would have grown to over \$117K in 12 months, delivering a significant 17.03%\* return based on distributions and capital appreciation.*

\*Past performance does not necessarily predict future performance. Read the Offering memorandum for all RealAlt investment details.



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Invest with RealAlt® Investments today.