

THE LAND DIGEST

Metrolinx Development Sites

Metrolinx will take a step into the real estate market tomorrow, when it issues an RFP for development above its new Crosstown LRT stations. Metrolinx has already been using a more hands off approach to encourage development around its GO Transit stations, which has seen some success with some condominiums now in the preconstruction stage which are located immediately adjacent to a GO station.

The Crosstown is a \$5.3 billion dollar LRT line running 19km across Eglinton Avenue, and will feature 14 new underground stations which have potential to have transit oriented development constructed on top. Metrolinx is beginning the process with selling the development rights to 4 of their sites, 2 at the future Keele station, and 1 site each at Weston Road and Bathurst Street. The sale of these properties is expected to raise upwards of \$10 million dollars, and if successful it could prove to be a good way to recoup a small amount of transit expansion costs. If the sale of these initial 4 properties proves to be successful, Metrolinx may then move to sell the development rights it has on top of the other stations along the coming LRT line.

Two of the sites, the Weston Road and Bathurst Street sites, are zoned for high-rise residential towers, while the two at Keele have mid-rise zoning rights. Metrolinx is distancing itself from the full development process however, and developers would be free to apply to rezone the properties for higher densities after the purchase from Metrolinx through the regular process with the City of Toronto.

Intensification above and immediately adjacent to transit stations doesn't only have a financial benefit to Metrolinx however, it also drives transit ridership. Metrolinx and GO Transit are looking for ways to reduce the use of the parking at their stations, and having a large amount of residents living right beside the station reduces that need. Adjacent development can also prove to be advantageous for regular transit users, as it can create retail spaces and provide the population to support them, which provides a higher level of amenity to transit users.

Metrolinx has been encouraging transit oriented development adjacent to their GO stations as well, although in a less involved manner. Developments adjacent to their stations have been popping up around the GTA recently, such as at Burlington and

Mimico GO stations. The intensification projects already underway at GO stations are proving to be great examples of what Transit Oriented Development can be. Burlington's development, known as Paradigm Condominiums, includes 5 towers with 20 floors each. Also included are 7 retail units and 3 floors of office space.

The development will provide employment space with access to rapid transit, retail spaces that will see increased viability due to the nearby transit station, and a large population base which will also be located directly adjacent to the GO station.

Another project currently under way, On the GO Mimico, is a 26-storey condominium with a grocery store in the base. The grocery will likely prove to be a great amenity for the GO station users, who will soon be able to grab their groceries on the way home from work.

Source: Urbantoronto.ca

Economic Indicators:

Real GDP Growth	
Q4 2014	+2.4%
Toronto Employment Growth	
Jan 2015	-1.0%
Toronto Unemployment Rate	
Jan 2015	7.8%
Inflation	
Jan 2015	+1.0%
Bank of Canada Overnight Rate	
Feb 2015	0.8%
Prime Rate	
Feb 2015	2.9%
5 Year Mortgage Rate Fixed	
Feb 2015	4.74%

Multi Family Starts Driving the Market

According to the Canada Mortgage and Housing Corporation (CMHC), an increase in Ontario housing starts in the multi-family sector over the last several months can be attributed to low vacancy rates, growing prices in the detached housing market and increasing urban intensification.

In January, urban housing starts were three per cent higher than levels recorded at the same time last year, but the increases were only seen in the multi-unit sector.

“All of the increase in starts occurred in the less expensive multi-unit home sector which includes semi detached, row and apartment dwellings,” says Ted Tsiakopoulos, Ontario Regional Economist for CMHC. “Apartment starts, both ownership and rental, have regained momentum since August of 2014 and are solely responsible for recent increases in construction activity. Lower Ontario rental apartment vacancy rates, rising single detached home prices and increasing densification will continue to support apartment construction.”

Statistics from the CMHC's February 2015 Preliminary Housing Start Data report indicate that total urban housing starts reached 59,316 units in January, up from 56,798 units in December 2014. Construction activity was based mostly in the Greater Toronto Area and southwestern Ontario.

Source: Canadian Apartment Magazine

Mizrahi Developments buys Stollerys at Yonge and Bloor

Just two years after breaking ground on his first condo building, independent luxury developer Sam Mizrahi has vaulted in the big leagues, nabbing the Stollerys store and adjacent lands on the southwest corner of Yonge and Bloor streets.

The purchase sets the stage for a residential-retail development by Mizrahi, who is noted in Toronto for boutique developments such as the nearly completed nine-storey project at 133 Hazelton Ave. and the 12-storey building going up at 181 Davenport Rd.

“It’s really a game changer in a lot of respects and I feel very blessed to be part of it,” said the president of Mizrahi Developments. “This is one of most significant corners in Toronto, if not Canada, and

we want to create a pedestrian experience and a destination that we can be proud of as a landmark building and for the future.”

For 114 years, One Bloor St. W. has been home to Stollerys, with its memorable green awnings and now 30,000 square feet displaying “British and European inspired garments for men and women of taste” over four floors.

The deal, estimated in the hundreds of millions of dollars, includes One and 11 Bloor Sts. W., as well as properties along the southwest side of Yonge St., but the parties won’t confirm price or scale until the series of closings are finalized.

A Yonge-Bloor tower would be in the 75-storey range of its One Bloor East neighbour, Mizrahi said.

Although he’s just “in the visioning stage” with two architects in mind, he says he is already fielding calls from global brands asking for meetings to discuss the retail potential.

It’s quite a coup for 43-year-old Mizrahi, who has named the future project “The One.”

“It came down to what was in the best interest of no longer just themselves, but what would be in the best interest of the city and the community and who would take on that moral responsibility going forward,” he said of his nearly 11-month negotiations with the store’s owners. “It was very important and it was the basis of one the reasons of the sale that those values were preserved.

Source: The Toronto Star
Ashante Infantry

RECENT SALES

Address/City	Site Acres	Price	Notes
159 Wellesley E Toronto	0.30	\$15,900,000	Approved 240k development - \$65 psf
111 Carlton St Toronto	0.35	\$43,525,000	Hotel future development lands
2400 Yonge St Toronto	1.40	\$34,500,000	Future Shop future condo development site
4050 Yonge St North York	3.15	\$24,900,000	To be developed with hotel and residential
170 Spadina Ave Toronto	0.32	\$10,920,000	Future condo development site

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The key members of the Land Development Group are well tied into the development community.

In many cases they have acted on their behalf in consulting situations. This allows the team great access to leading edge information regarding future growth areas, highest and best use, and new paradigms in development densities.

The Land Development Group started in 2012 and to date has sold over \$80 million worth product.

With an in house planner and accredited appraiser as part of the team, the Group can offer to its clients services like no other Brokerage. These professionals are quick to assess the potential development of property and its hidden values.

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