

THE LAND DIGEST

Chinese Developer Buys Downtown Condo Site

A major Chinese development company has added Canada to its aggressive international acquisitions binge, buying up the proposed King Blue condo project in the entertainment district.

The deal between Shanghai-based Greenland Holding Group. Co. and Toronto's Easton's Group of Hotels, for an undisclosed amount of money, isn't expected to change plans for the one-acre site, which is being renamed King Blue by Greenland.

Construction of a hotel and two residential condo towers — one 450 units and 44-storeys, the other 425 units and 48 storeys — is likely to begin next spring, says Steve Gupta, founder of Easton's Group, which bought the site at the corner of King St. and Blue Jays Way back in 2011.

Greenland is best known for buildings far more ambitious in scale. It currently has 23 mega high-rise buildings completed or under construction around the world, four of which are among the world's tallest buildings. Shanghai-based Greenland, which was founded in 1992 and is ranked 268th on the Fortune 500 Global 500 list for 2014, has expanded into nine countries over the last two years. Six of those acquisitions, into countries

such as the United States, Australia, the U. K., Germany, Spain and South Korea, have taken place just since the start of this year.

Gupta says Greenland chairman and President Yuliang Zhang was looking for a "centre-ice location" in Toronto's "robust" downtown condo market. "They wanted a trophy project here and it's very difficult to find prime downtown sites now," says Gupta.

"Toronto is Canada's economic and cultural capital as well as one of the strongest real estate markets in North America," said Zhang in a statement announcing the deal. "We believe this city will continue to grow and thrive creating other investment opportunities for Greenland Group (Canada) in the Greater Toronto Area and beyond."

Gupta, who went to China to see some of Greenland's projects before finalizing the deal, says it may open the door for Toronto-based Easton's Group — which owns over 7,000 rental apartments, 3,000 hotel suites and has just moved into condo development — to do some joint projects.

Gupta says he made sure that buyers of the 370 units already sold "are completely, 100 per cent protected."

Gupta acknowledged that "it was a little bit slow" when sales launched in October of 2012, as the condo market was heading into what many feared was a crash after 2011's record year of sales.

But now, 85 per cent of the units in south tower are sold, he said. Easton's Group was about to launch sales of the north tower units when the deal happened, says Gupta.

Things today are much different, stressed Gupta: Last February, Easton's Group launched a second condo project, Dundas Square Gardens at the corner of Dundas and Jarvis Sts. and sold 90 per cent of the units in six months.

"The condo market hasn't peaked. There is no bubble to be burst," says Gupta, in explaining why Greenland was keen to expand into Canada.

"Toronto is a very different market, we don't have a lot of new rental accommodation, there are 100,000 people moving to the GTA every year and young people want to live downtown."

Source: Toronto Star
Susan Pigg

Economic Indicators:

Real GDP Growth	
Q2 2014	+3.1%
Toronto Employment Growth	
Sep 2014	-1.6%
Toronto Unemployment Rate	
Sep 2014	8.2%
Inflation	
Sep 2014	+2.0%
Bank of Canada Overnight Rate	
Oct 2014	1.0%
Prime Rate	
Oct 2014	3.0%
5 Year Mortgage Rate Fixed	
Oct 2014	4.79%

Q2 2014 Condo Stats – More Sales Less Listings

July 18, 2014 -- Toronto Real Estate Board President Paul Etherington announced robust results for the condominium apartment market in the second quarter of 2014. Q2 sales were up by 10.4 per cent compared to the same period in 2013. New listings were up over the same period, but by a lesser 4.4 per cent.

“Condominium apartments represent an affordable entry point into the market for first time buyers. On top of this, some condo properties cater to households looking to move out of their traditional low-rise home, and we are increasingly seeing households choose condos as the place where they will raise a family. This diversity of buyers explains why sales more than kept up with

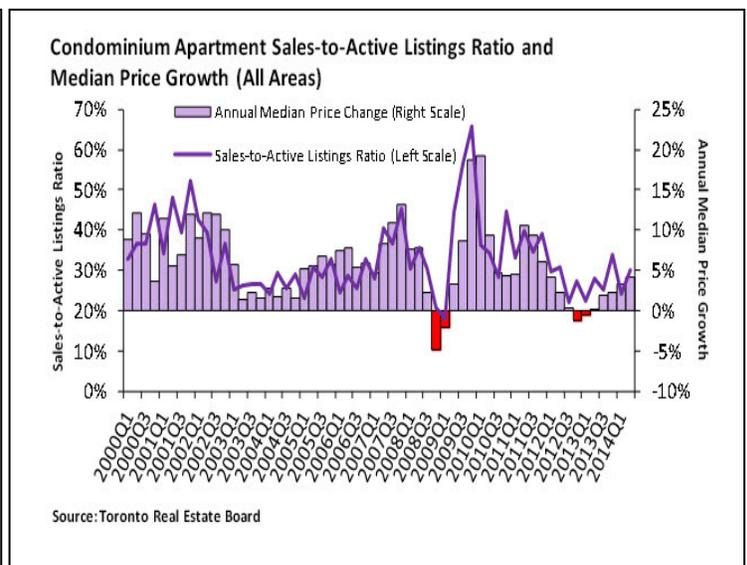
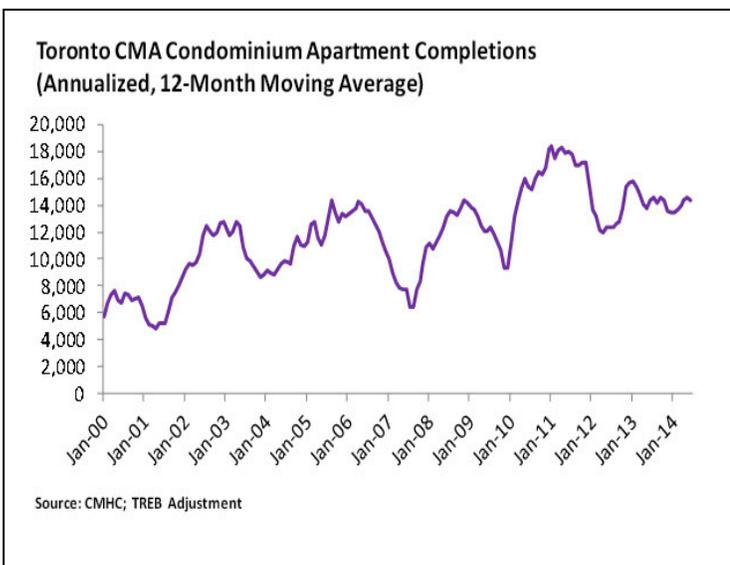
increased listings in the second quarter,” said Toronto Real Estate Board President Paul Etherington.

The average selling price for condominium apartments in the second quarter was up by 5.5 per cent year-over-year to \$367,010. In the City of Toronto, which accounted for 71 per cent of total sales, the average selling price was \$392,739, representing an increase of 5.3 per cent.

“Even though inventory levels for condo apartments have been higher compared to inventory of low-rise home types like singles, semis and towns, there has been enough demand relative to supply to see strong price growth.

Even as inventory levels increase due to record occupancies in 2013, we should see enough demand to sustain price growth above the rate of inflation in the second half of this year,” said Jason Mercer, TREB’s Senior Manager of Market Analysis.

Source: TREB



Recent Sales – Toronto

Address/City	Area (Ac)	Price	\$/sf	Notes
31-37 Helendale Ave.	0.40	\$17.0MM	\$95	High rise residential proposed
1-11 Bloor St. W.	0.18	\$120.0MM	NA	50% interest in the site – Stollery & Mizrahi – high rise condo
826-834 Yonge St.	0.36	\$47.3MM	NA	Assembly High rise condo
455 Dovercourt Rd.	0.42	\$3.7MM	NA	Townhouse and loft development
110 Kinsdale Ave.	0.25	\$2.15MM	NA	Infill townhouse lot 3 units

Source: CFAS, RealTrack and RealNet

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About The Land Development Group

CFR has quality agents and advisors who have been involved extensively in the purchase and sale of development lands.

Not only can we assist in the purchase and sale function, but CFR has the contacts and expertise to participate the whole development process. We have affiliations with planners, architects and other consultants which can assist our clients.

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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