

# THE LAND DIGEST

## Yonge Street – CONDO Central.....

### Economic Indicators:

<b>Real GDP Growth</b>	
Q2 2015	-0.5%
<b>Toronto Employment Growth</b>	
Sep 2015	5.1%
<b>Toronto Unemployment Rate</b>	
Sep 2015	6.9%
<b>Inflation</b>	
Sep 2015	1.0%
<b>Bank of Canada Overnight Rate</b>	
Oct 2015	0.5%
<b>Prime Rate</b>	
Oct 2015	2.7%
<b>5 Year Mortgage Rate Fixed</b>	
Oct 2015	4.6%

Toronto is a city undergoing massive transformation, a fact which is underscored with particular weight when one walks up its main artery. Long the heart of hodgepodge retail in Toronto, Yonge St. is in the midst of being reborn as the city's primary condo corridor.

The process got underway a while ago with developments like Aura and One Bloor East, but the condo machine is working overdrive now with so many developments in the works that the previous character of the street will be forever changed.

Perhaps it's already happened. Walking north of College, one encounters two sprawling blocks of demolished and boarded up buildings. Further north at Bloor, a soon-to-be-finished sky scraper casts a shadow on a collection of heritage buildings boarded up and awaiting restoration before a new tower rises above them.

One is tempted to say that Toronto looks like Detroit in these instances, but the comparison is unfair given that the hoarding is temporary. Soon, polished brick and lots of metal and glass will takeover. What you do have, however, is a last image of old Yonge St. The two storey block to be demolished at Yonge and

Alexander, for instance, dates back to the late 1970s, when the street was at its grittiest glory.

Let's channel Don Draper and say "change is neither good or bad -- it simply is." Getting too misty eyed about massive development on Yonge St. would be to ignore that fact that this is exactly where condos should be built in the city, right above our best served subway line.

Nevertheless, one should note and perhaps mourn a certain version of Toronto that's in steep decline. The mom and pop shops on Yonge St. all have an expiry date now. With two massive developments planned at Gerrard, Remington's isn't long for this world. Zanzibar will hold out longer, but it too will be consumed.

Some developments are kind to street level retail and the heritage of this centuries old thoroughfare, but the head shops and indie restaurants (so long Papaya Hut) can't afford the increased rent, and so corporate blandness sets in even as the buildings are beautifully restored. Am I the only one who will miss the Kleen Air Shoes sign?

Each major intersection from Bloor St. south to the Massey Tower project near Queen St. is in various stages of redevelopment along Yonge St..

But right now, it's the area just north of College that tells the story of the street. With one foot in the future and the other in the past, the state of things here is like an allegory for the whole city.

We're growing up, but lots is being left behind.

*Posted by Derek Flack / November 3, 2015 on BlogTO*

## State of the GTA Housing Market

Representatives from the Building Industry and Land Development Association (BILD) and the Toronto Real Estate Board (TREB) held their first ever joint briefing today on the state of the GTA housing market. Using data from RealNet Canada Inc., the findings show that low-rise home ownership remains in high demand while prices increase and land restrictions continue to impact housing supply.

The update was provided by several real estate players: Stephen Deveaux, BILD Chair and Vice President of Land Development at Tribute Communities; Mark McLean, TREB President and Broker/Manager with Bosley Real Estate Ltd.; George M. Carras, Founder, RealNet Canada Inc. (an Altus Group Company) and President, RealStrategies Inc.; Jason Mercer, TREB Director of Market Analysis and Service Channels; Bryan Tuckey, President and CEO of BILD; and TREB CEO John DiMichele.

The organizations acknowledged that there has been a structural shift in the kinds of housing the market is providing. The first 10 months of 2015 saw a record number of sales—124,123 new and resale homes in the GTA—tracked within TREB's MLS system. Of the 26,388 new homes coming online, 81% of them are highrise condominiums. Only 4,980 new low-rise homes, which includes single-detached, semi-detached and townhomes, were recorded during the same period.

Prices for low-rise homes climbed from \$387,369 in 2005 to \$802,376 as of October 2015. Similarly—though not to the same magnitude—high-rise condominium units jumped in price over 10 years from \$288,587 to \$440,382. Though high-rise prices have increased, the size of units have generally decreased as land becomes limited. The average size of a high-rise condominium unit in 2015 was 767 square feet, compared to 908 square feet in 2005.

The BILD and TREB members in attendance stated that while the industry is adapting and finding innovative ways to meet the province's intensification targets, housing affordability is a major concern for many potential homebuyers, especially first-time homebuyers. Detached homes are not being built at the same rate they once were, partly because of provincial initiatives like the Growth Plan for the Greater Golden Horseshoe and the Greenbelt. In an effort to curb urban sprawl, these policies have restricted the land available for development, instead encouraging higher density development in targeted areas.

BILD and TREB argue that other factors, such as development charges, Toronto's Land Transfer Tax (LTT), outdated zoning laws and NIMBYism, has contributed to the average price of detached homes in the GTA jumping to \$962,312. Their findings suggest that with a down

payment of 20%, the annual family income would have to be \$174,854 in order to afford an average detached home.

With the GTA growing by 100,000 people each year, the demand for low-rise housing has remained strong. TREB president Mark McLean argued that government policy continues to put an unfair burden on new homeowners. The province's plan to allow municipalities the ability to charge their own land transfer tax, he says, would contribute to affordability issues. A BILD-commissioned study in 2013 showed that government fees and taxes amount to one-fifth the cost of a new GTA home, costs which are passed on to the homebuyer. Stephen Deveaux pondered an increase in other taxes as a possible alternative to the LTT and growing development charge rates. Such a move would ensure the tax burden is shared among all GTA residents, rather than the current system, which BILD believes, is unfairly targeting new homebuyers.

*Source: Marcus Mitanis  
Urban Toronto*

## RECENT SALES – Metro Toronto

Address/City	Acres	Price	Notes
11 Ordnance St. Toronto	1.47	\$35.0MM	Old commercial property future mixed use high rise
260 High Park Ave. Toronto	1.03	\$5.7MM	Existing church – reconfigure for res condo
6187 King Rd. W. King City	34.4	\$41.5MM	Holding site future development – single family
219-227 Major Mac. Richmond Hill	0.38	\$2.3MM	11 unit townhouse development
2 Bloor St. W. Toronto	0.75	\$362MM	Existing office retail – future high rise mixed use

Source: CFAS and RealTrack

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

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

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