

## **Notice**

In accordance with the Town's Procedure By-law, no decisions are to be made but rather this meeting is an opportunity for Council to have informal discussion regarding various matters.

## **Declarations of Pecuniary Interest**

## **Items**

1. Mr. Mark Conway, Senior Planner, N. Barry Lyons Consulting to address those present with a PowerPoint presentation regarding marketing/promotion of corridors for intensification. p. 1

## **Adjournment**

# High Density Residential Development

## Town of Newmarket

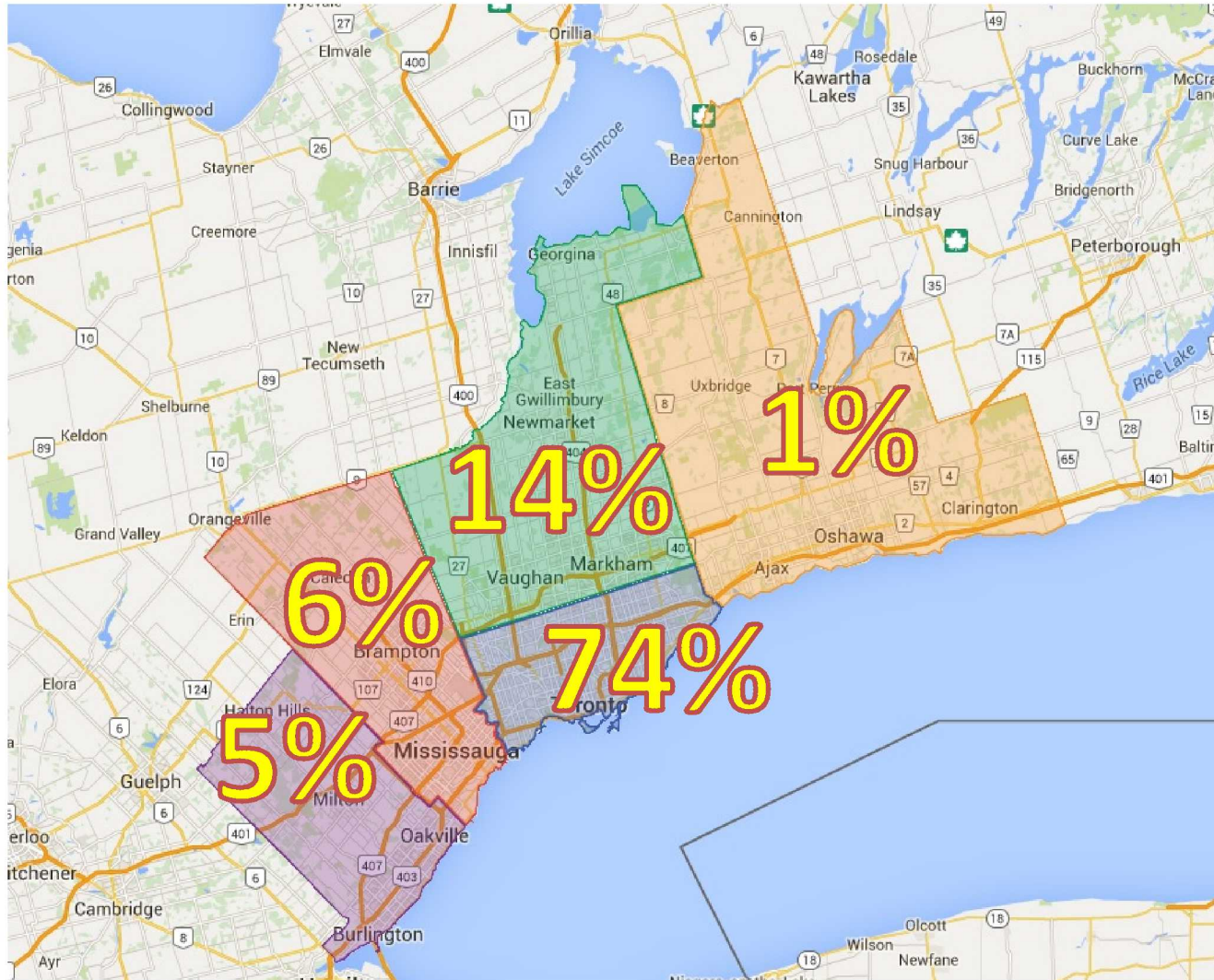
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October 2015

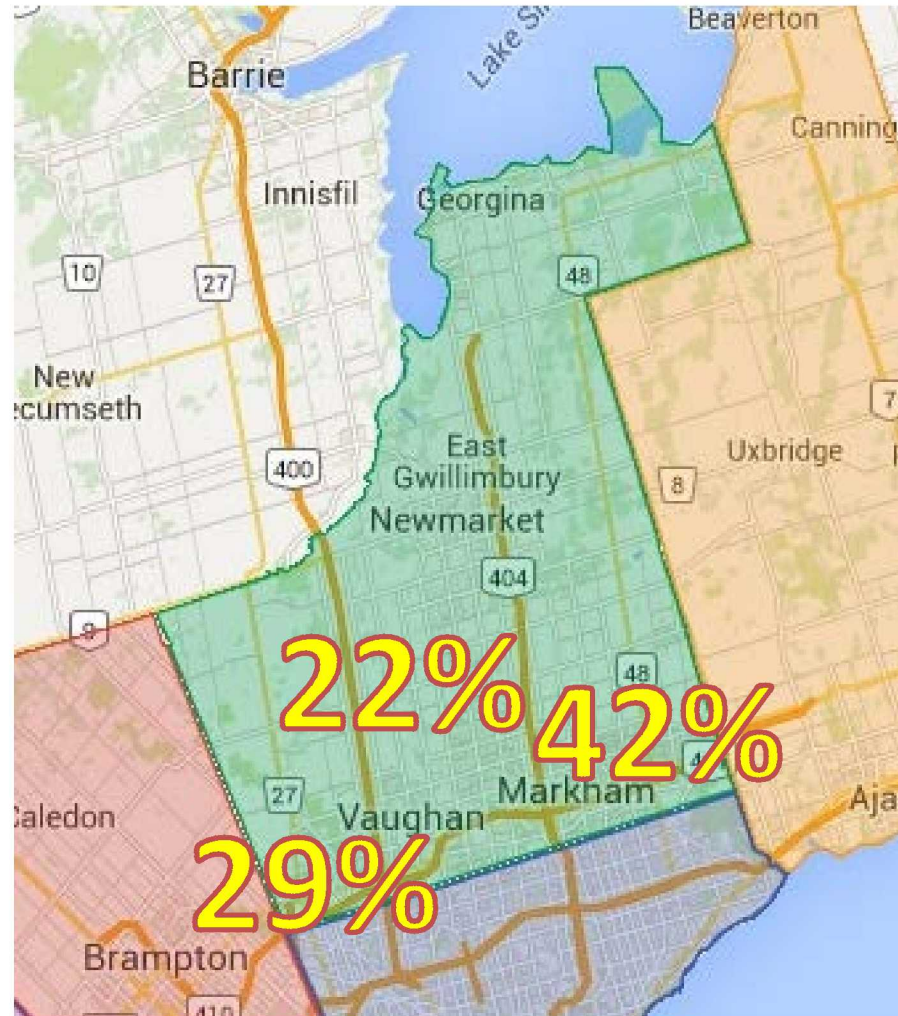
N. Barry Lyon Consultants Limited



# GTA Condo Market – 2010-2015



# York Region 2010-2015



# GTA Market Share – 2010 to 2014

## New High-Density Residential Sales by Region\*

2010 to 2014

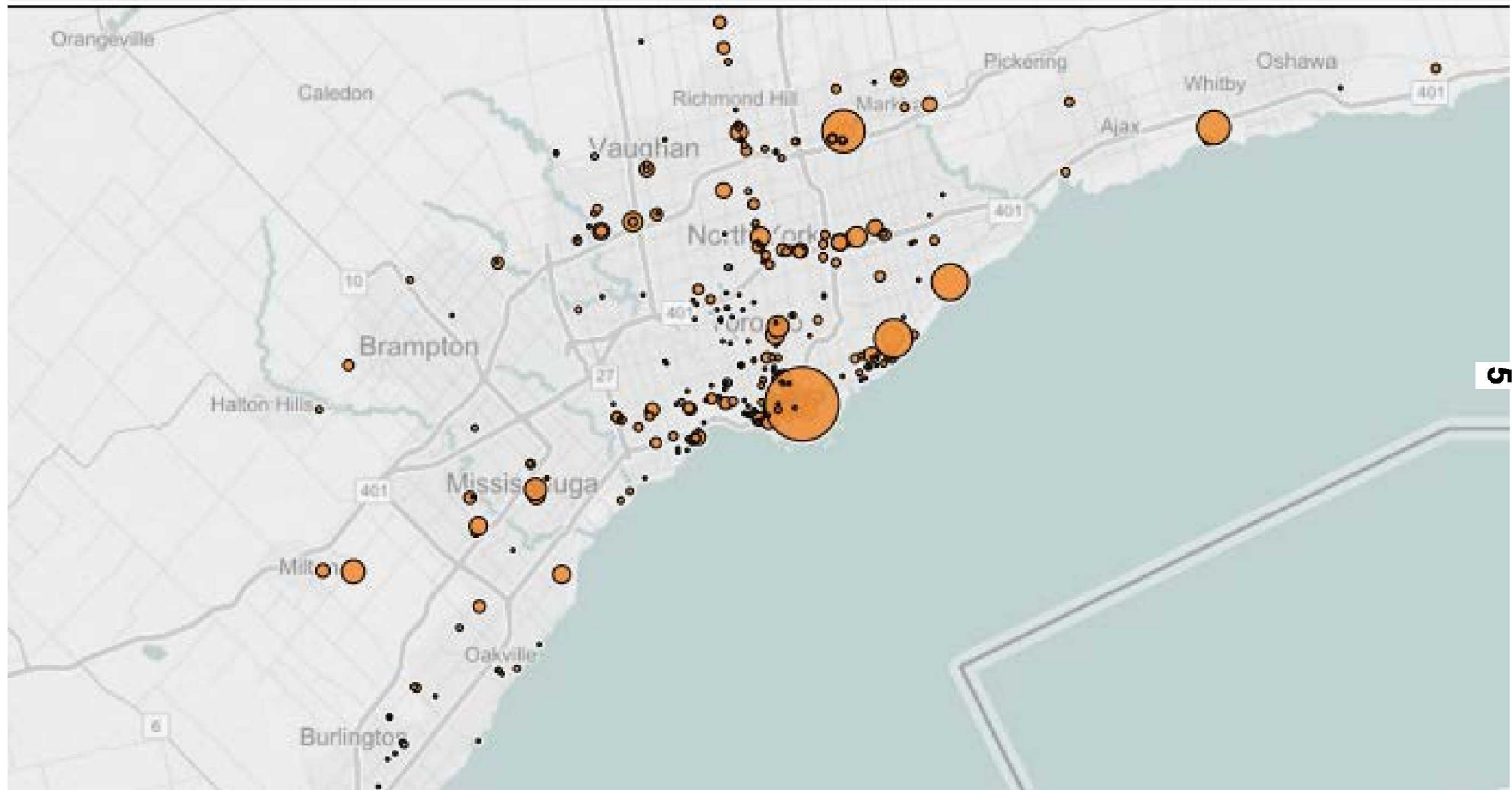
Market	Total Sales	Yearly Average	Market Share (%)
City of Toronto	78,580	15,716	74%
Halton Region	5,392	1,078	5%
Peel Region	6,617	1,323	6%
Durham Region	807	161	1%
York Region	14,366	2,873	14%
<i>Aurora</i>	<i>408</i>	<i>82</i>	<i>3%</i>
<i>Markham</i>	<i>6,101</i>	<i>1,220</i>	<i>42%</i>
<i>Newmarket</i>	<i>0</i>	<i>0</i>	<i>0%</i>
<i>Richmond Hill</i>	<i>3,205</i>	<i>641</i>	<i>22%</i>
<i>Vaughan</i>	<i>4,220</i>	<i>844</i>	<i>29%</i>
<i>Whitchurch-Stouffville</i>	<i>176</i>	<i>35</i>	<i>1%</i>
<b>Total / Average:</b>	<b>105,762</b>	<b>21,152</b>	<b>100%</b>

*\*Includes Condominium Apartments and Stacked Townhouses*

*Source: N. Barry Lyon Consultants Ltd, RealNet Canada*



# Current Sales Activity



Source: Realnet

# High-Density Market Drivers

- Affordability
- Demographics and Cultural Shifts
  - Seniors/Millennials
- Demand for Condominium Quality Rentals – Investors
- Quality of Life
  - Walkable Amenities – in Great Neighbourhoods
  - Maintenance Free Living
  - Access to Transit
  - Improved Security
  - Employment Opportunities

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# Traditional Buyer Groups

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- First-Time Buyers
- Empty-Nesters
  - Singles – Widows, Divorcees, etc
- Seniors / Retirees
- Investors



# First Time buyers



- Affordability
- Low monthly payment
- Walkability
- Tech savvy
- Close to jobs and entertainment
- Access vs ownership

# Empty Nesters



- Selling large family homes
- Simplify life - but still working
- Reducing maintenance
- Larger suites
- Prestige and Exclusivity
- Take their time in buying decisions

# Retirees



- Affordability
- Maintenance free
- Security
- Health Care
- Lock and leave
- Social connections
- Source of rental demand



# Investors



- Capitalizing on lack of quality rental housing
- Domestic and foreign
- Student housing
- Small Units

# Why Toronto?

- Affordability – *relative to townhomes @ \$671,000*
- Investors -Demand for Quality Rental Housing
- Wide Range and Deep Pool of Buyer Groups
- Transit Infrastructure
- Employment in Downtown
- Low Development Charges and Property Tax Rates
- Less Parking



# Newmarket

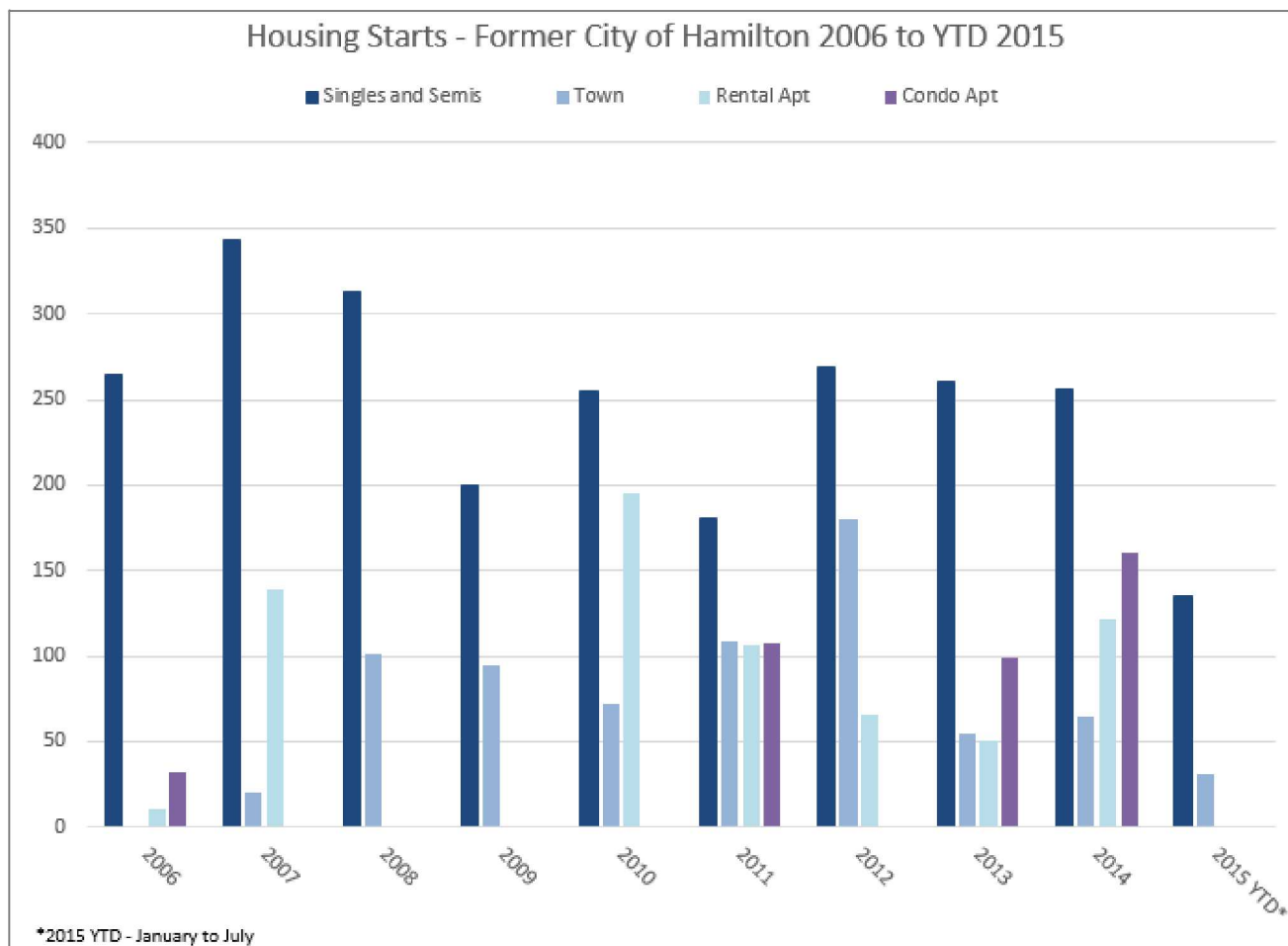
- Affordability issues *not as acute*
  - townhomes @\$514,000
- Smaller Pool and Less Diverse Buyer Groups
  - Competing with other urban centres
- Buyer Groups Typically Older
  - Demand larger suites, more parking, hesitant to purchase
- Viva Investment
  - Transit drives investment or all types
- Hospital
  - Employment drives housing demand

# Newmarket

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- Secondary Plan in Place
  - Policy Context approved
- Character of Newmarket
  - Small town, perceptions of safety and inclusiveness
- Softer demand
  - drives smaller buildings
- Consider implications of pace of demand on assessment growth

# Example – City of Hamilton



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# Development Challenges

Economic Differences in Condominium Development in a 100 Unit Building			
	Toronto	Newmarket	Difference
Construction Costs (PSF Above Grade)	\$200.00	\$200.00	\$0.00
Softs Costs (Consultants, Marketing, Financing)	\$85.00	\$85.00	\$0.00
Land Cost (PSF Buildable)	\$65.00	\$30.00	\$35.00
Parking Costs (Net Of Revenues)	\$0.00	\$30.00	-\$30.00
Development Charges (assume maximum rate)	\$26.00	\$50.50	-\$24.50
Delivery Cost	\$376.00	\$395.50	-\$19.50
Revenue (Average PSF)	\$548.00	\$420.00	
Profit	31%	6%	

*Order of Magnitude Analysis - Parkland dedication fees not included*

# Strategies

- Community Improvement Plans
  - Development charge waivers - or- deferrals
  - Municipal Loans
  - Waiver planning fees
  - Grants
- Relax parking standards – let the market dictate
- Fast Track Approvals
- Down payment assistance
- “Vend in” Land