

High Density Residential Development

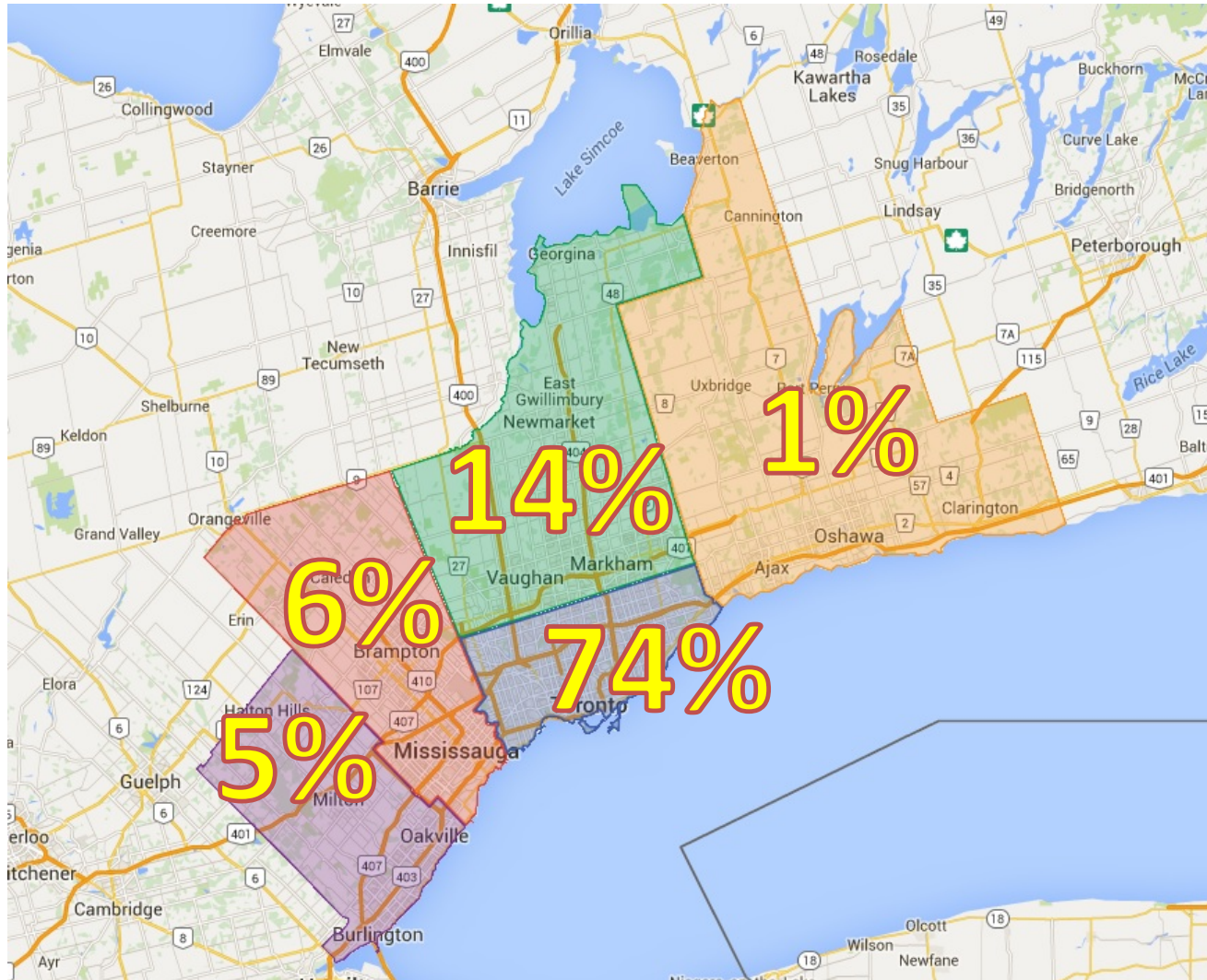
Town of Newmarket

October 2015

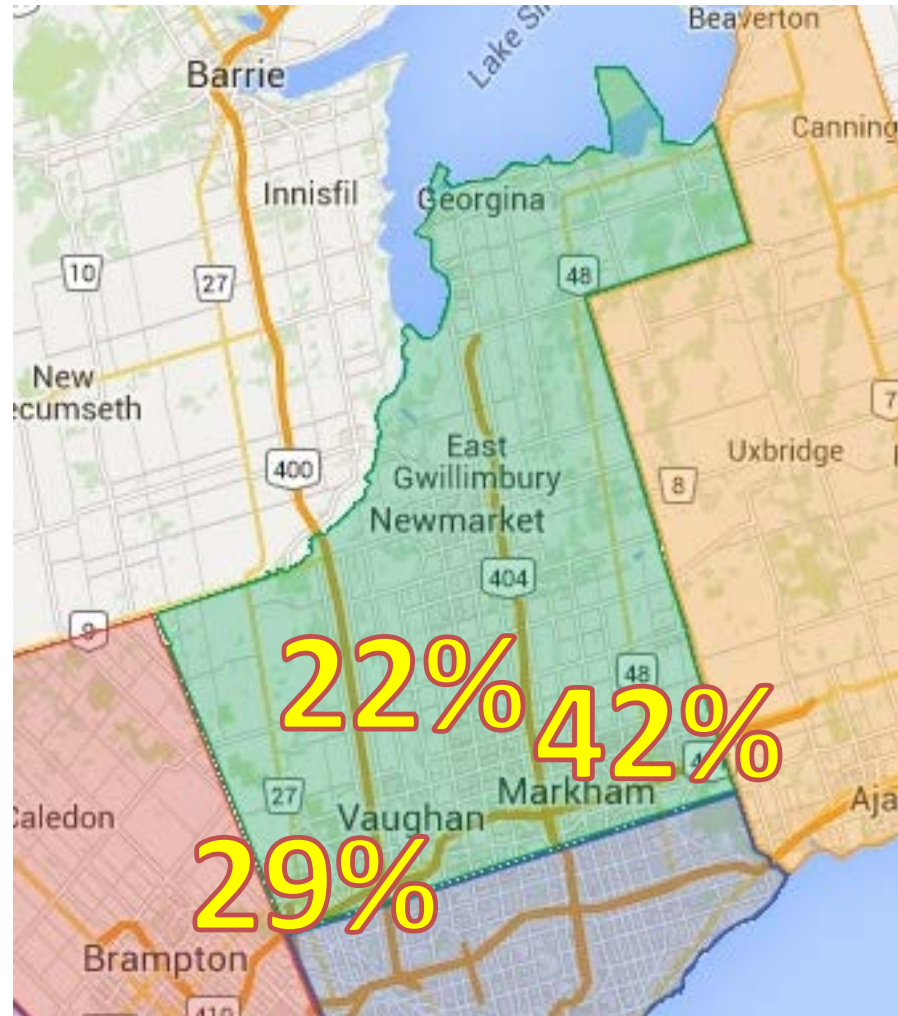
N. Barry Lyon Consultants Limited



GTA Condo Market – 2010-2015



York Region 2010-2015



GTA Market Share – 2010 to 2014

New High-Density Residential Sales by Region*

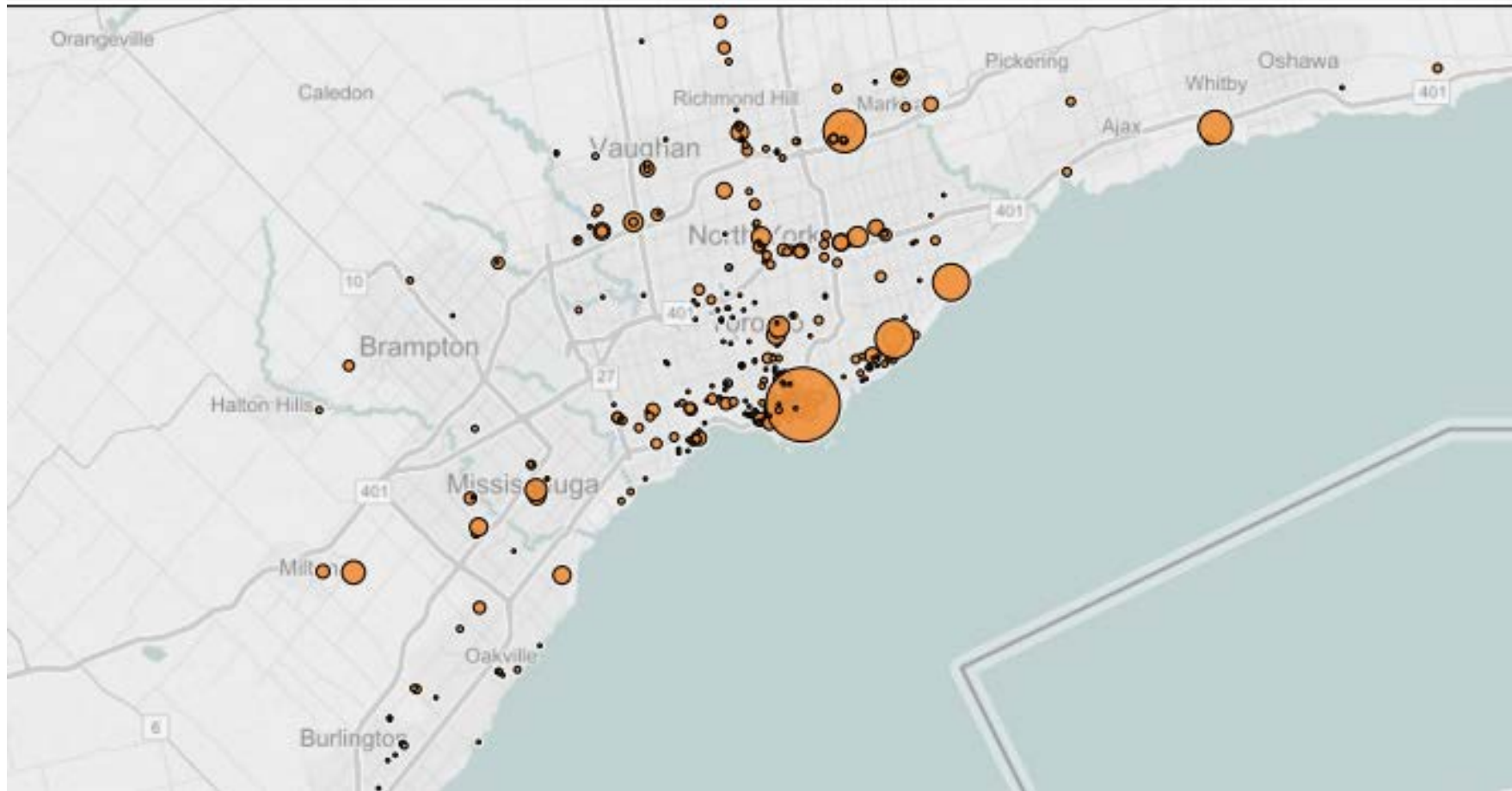
2010 to 2014

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>
Total / Average:	105,762	21,152	100%

**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

Traditional Buyer Groups

- 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

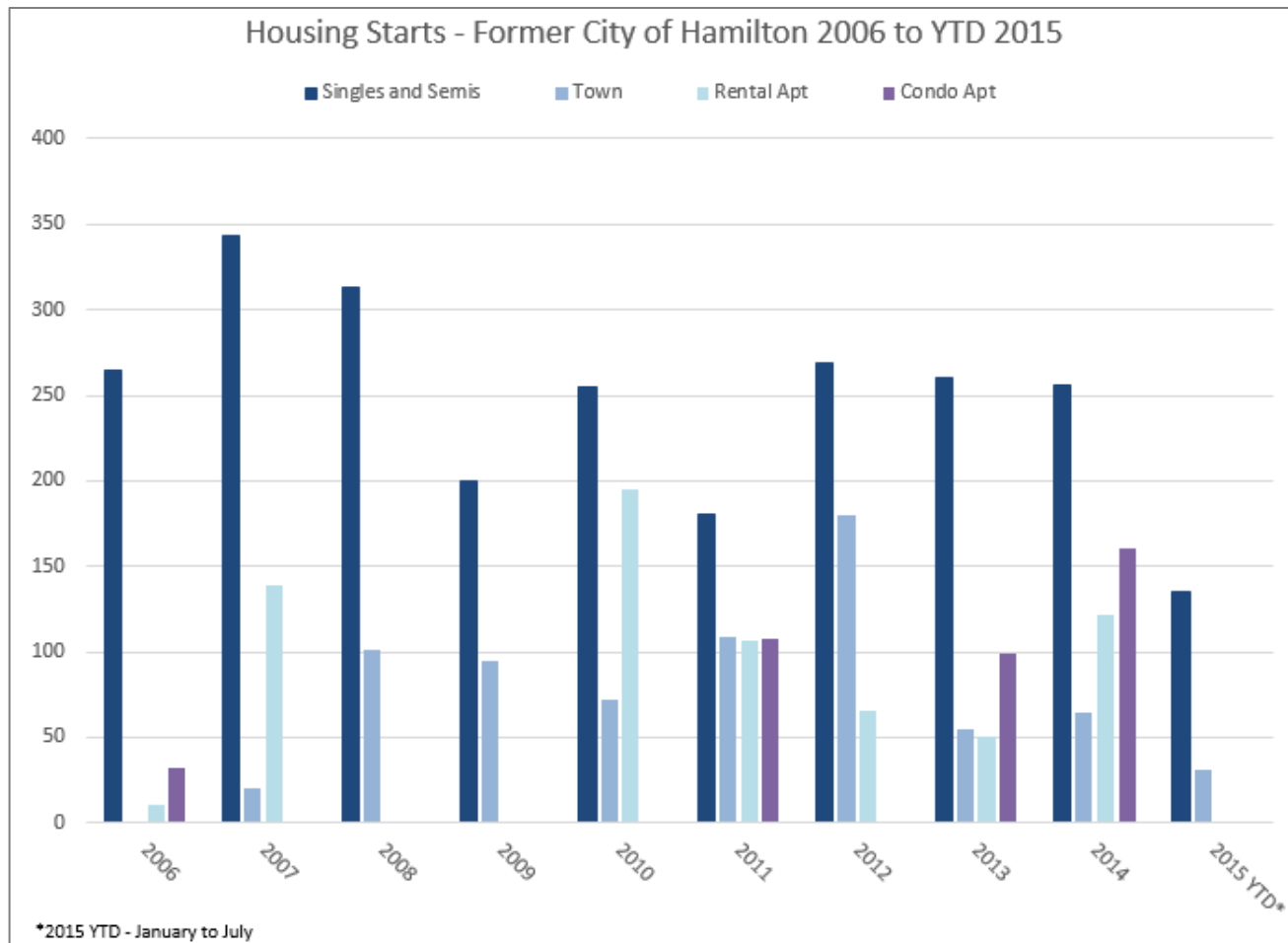
Newmarket

- 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

- 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



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