

GTA High Rise Land Insights Report



Report Sponsor



Q1-2018

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Introduction

Bullpen Research & Consulting Inc., a residential real estate advisory firm, and Batory Management, a land-use planning and project management firm, have teamed up to review and provide projections on Greater Toronto Area (GTA) high-density land transactions on a quarterly basis.

For a selection of land transactions, we present the active development application, or Batory makes an assumption as to the potential development project that is likely to be proposed at the site based on neighbourhood precedence and the existing planning framework. If the project has not actively launched for sale, Bullpen will make a revenue assumption for the project on an average price per-square-foot (psf) basis based on market comparables, projected height, unit count, and other identifiable attributes.

If the parcel of land sold is part of (or potentially part of a future) land assembly, the projected GFA for the overall development will be prorated based on the current quarter's lot size in relation to the overall assembled development site.

Select High-Density Land Transactions: Q1-2018

In the first quarter of 2018, approximately 40 transactions were reviewed for this report. On average, the properties sold for \$106 per-buildable-sf using a straight average. When using a weighted average based on GFA, the per buildable foot land price decreases to \$94.

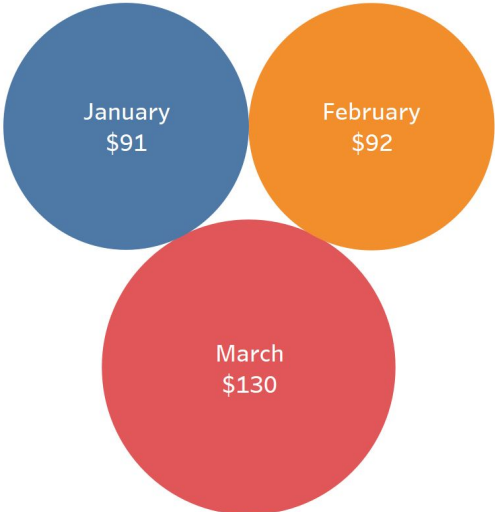
Q1-18: \$106 psf

Figure 1 presents the per buildable sf figures by month in the first quarter.

March values are skewed high by a number of sites with zoning approvals already in place.

Figure 2 presents a breakdown of those transactions, and our assumptions and forecasts on what will be approved and offered for sale at the properties that changed hands. It must always be kept in mind that a deal may have been struck on

Figure 1: Estimated Price Per-Buildable-SF for High Density Land Transactions in the GTA, Q1-2018



the land sale price several months (in rare occurrences, years) before the actual closing date.

Figure 2: Select High Density Land Transactions, Greater Toronto Area, Q1-2018

Month of Q1-2018	Area	Proposed / Estimated Height	Land Sales Price	Actual / Estimated Price per Buildable SF	Avg. Revenue \$PSF	Land % Share of Revenue
January	Aurora	4	\$2,300,000	\$98	\$610	16%
	Central Oshawa	21	\$3,564,000	\$11	\$450	3%
	Downtown East	35	\$42,725,000	\$179	\$880	20%
	Entertainment District	15	\$6,750,000	\$209	\$930	23%
	King West	16	\$1,330,000	\$71	\$975	7%
	North Oakville	10	\$8,000,000	\$25	\$600	4%
	North Scarborough	12	\$8,000,000	\$32	\$590	5%
	North York West	11	\$25,250,000	\$100	\$670	15%
	Richmond Hill	7	\$11,900,000	\$40	\$675	6%
	Scarborough Bluffs	9	\$5,960,000	\$82	\$540	15%
	South Etobicoke	14	\$4,500,000	\$21	\$660	3%
	The Annex	27	\$47,000,000	\$147	\$775	19%
	The Junction	12	\$1,750,000	\$57	\$815	7%
	Vaughan Metro Centre	30	\$9,800,000	\$49	\$740	7%
	Yorkville	62	\$59,500,000	\$246	\$1,400	18%
Total		19	\$15,888,600	\$91	\$754	11%
February	Christie Pits	8	\$15,300,000	\$190	\$820	23%
	Downtown Core	52	\$15,800,000	\$95	\$1,175	8%
	East Markham	20	\$8,900,000	\$26	\$600	4%
	Liberty Village	25	\$26,409,000	\$91	\$925	10%
	Newmarket	15	\$9,500,000	\$14	\$575	2%
	Queen East	9	\$4,000,000	\$114	\$830	14%
	South Midtown	46	\$30,468,616	\$77	\$980	8%
	St Clair West	2	\$6,200,000	\$129	\$915	14%
	Stouffville	6	\$3,625,000	\$42	\$615	7%
	The Kingsway	8	\$6,900,000	\$91	\$680	13%
	The Village	43	\$18,500,000	\$138	\$1,020	13%
Total		21	\$13,236,601	\$92	\$830	11%
March	Bloorcourt Village	12	\$12,100,000	\$147	\$850	17%
	Burlington Waterfront	10	\$17,000,000	\$78	\$900	9%
	Downsview	11	\$9,800,000	\$47	\$595	8%
	High Park	12	\$23,165,000	\$161	\$883	18%
	Kensington	15	\$23,600,000	\$188	\$1,050	18%
	King West	18	\$32,065,000	\$173	\$1,068	16%
	North Midtown	11	\$10,250,000	\$112	\$920	12%
	North York City Centre	29	\$22,200,000	\$111	\$850	13%
	South Scarborough	11	\$9,100,000	\$40	\$535	7%
	St Clair West	11	\$17,620,000	\$182	\$760	24%
	St James Town	50	\$87,400,000	\$204	\$990	21%
	The Beach	8	\$13,250,000	\$141	\$840	17%
	Total		16	\$22,792,000	\$130	\$848
Grand Total		18	\$17,702,722	\$106	\$809	12%

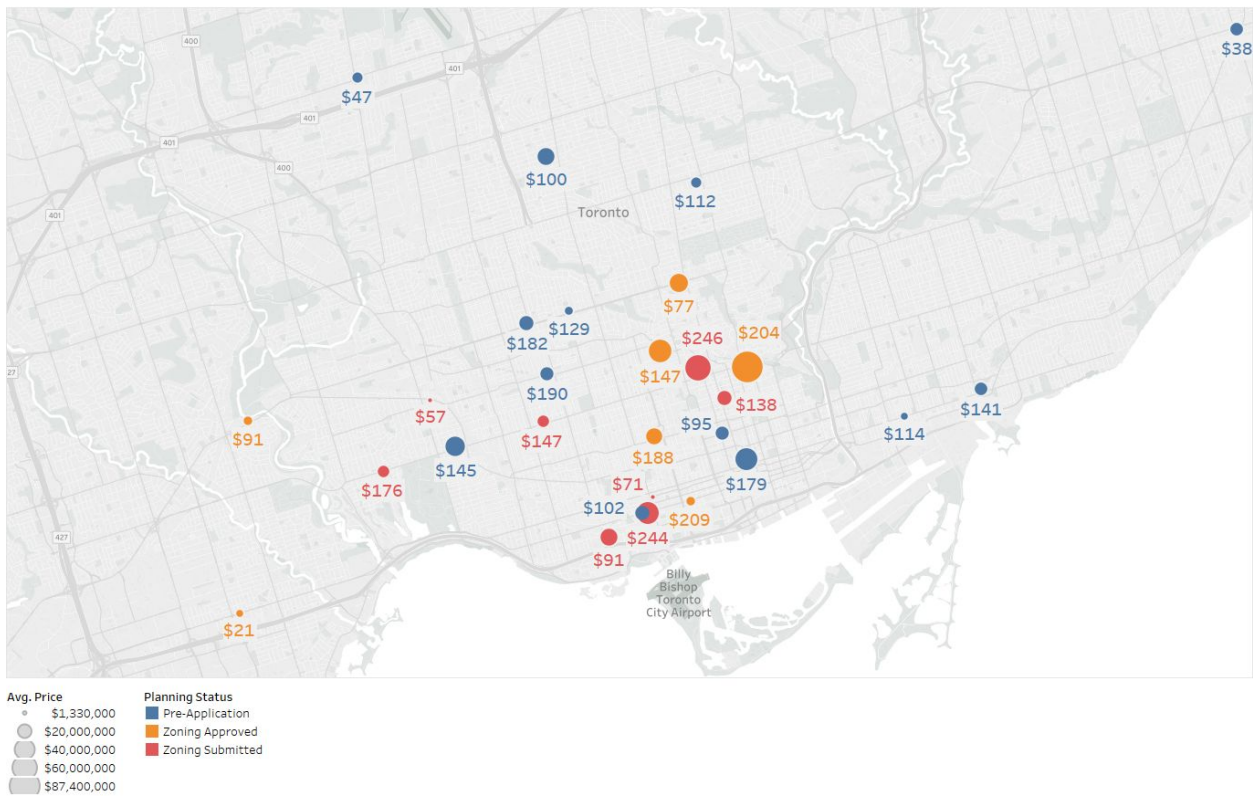
The average project sold for \$17.7 million in the first quarter, with a lot size of approximately 40,000 sf. Based on our projections, the average project will have about 190,000 sf of GFA and a height of 18-storays. High density lands sold on a buildable sf basis in Q1-2018 for approximately 12% of projected overall average revenue, up from 11% in Q4-2017. The average

project is projected to launch at approximately \$810 psf overall, down from last quarter given there were fewer land sales in 'luxury' areas and fewer suburban land sales.

Spatial Distribution of Q1-2018 High-Density Land Sales

Figure 3 is a map of the Toronto-based land sales and our estimated transaction values on a buildable square foot basis from the first quarter of 2018.

Figure 3: Location, Planning Status & Estimated Price Per-Buildable-SF for High Density Land Transactions, City of Toronto, Q1-2018



With the perceived risk associated with the removal of the OMB, a greater discrepancy of pricing between approved vs. non-approved sites will likely emerge in the short term.

Land Transaction Values by Municipality

Figure 4 presents data on the average land transaction price per-buildable-sf by municipality in the GTA in Q1-2018, and our average estimated revenue for those projects based on today's values. First quarter average land values were \$147 per buildable sf in Toronto, with a projected overall price of \$946 psf on average. **Figure 5** shows land value as a share of estimated revenue.

Figure 4: Average Price Per-Buildable-SF for High-Density Land Sales in the GTA by Municipality, Q1-2018

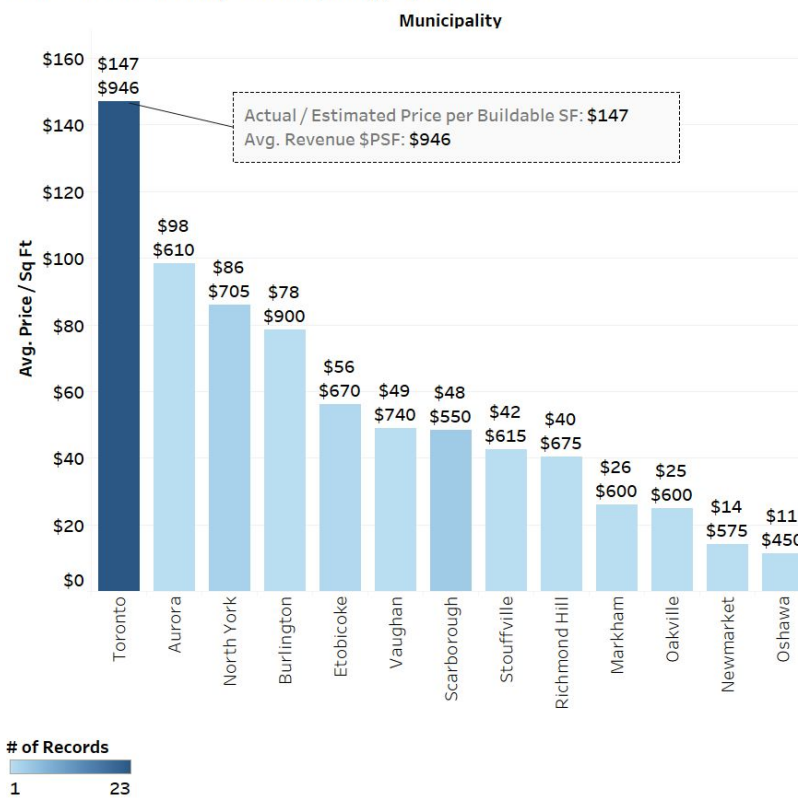


Figure 5: Land Price Per-Buildable-SF as a Percentage of Estimated Revenue PSF by Month, GTA High Density Land Transactions, Q1-2018



Additional Charts and Data

Figure 6 presents data on the average price per-buildable-sf for high density land sales in the City of Toronto in the first quarter by planning status (Pre-application, Zoning submitted, Zoning approved). Approved projects traded for about 28% more than sites where rezoning had been submitted, and 35% more than lands without an active development application.

Figure 7 looks at land values by lot size in the City of Toronto. **Figure 8** looks at the median land values by built form in the GTA in Q4-2017 and Q1-2018.

Figure 6: Estimated Price Per-Buildable-SF by Planning Status, GTA High Density Land Transaction, City of Toronto, Q1-2018

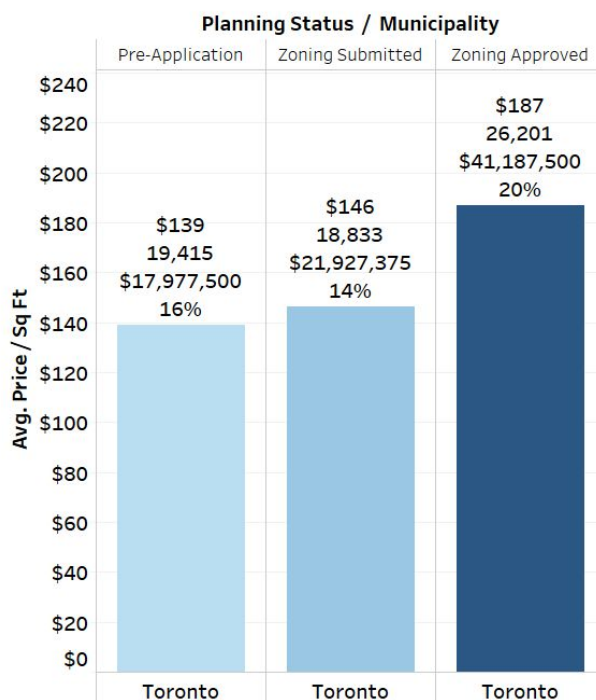


Figure 7: Average Estimated Price Per-Buildable-SF for High Density Land Transactions, City of Toronto, Q1-2018

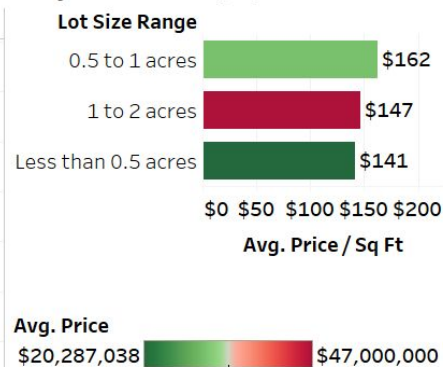
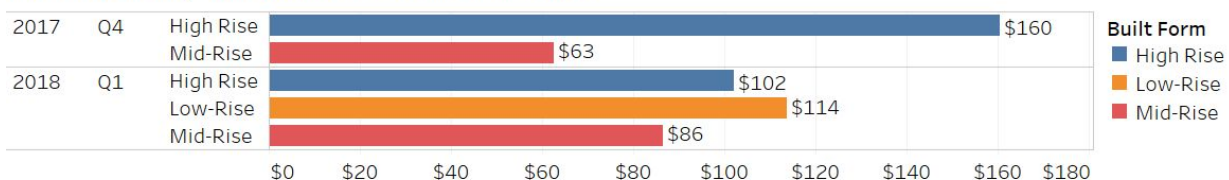


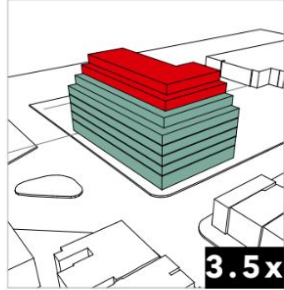
Figure 8: Median Price per Buildable SF by Built Form, GTA High Density Land Transactions, October 2017 to March 2018



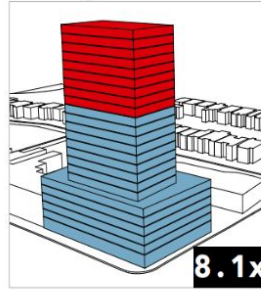
Renderings & Massings



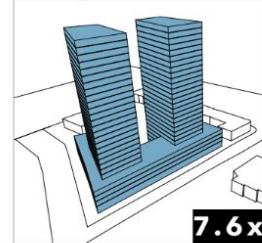
Christie Pits



High Park



North York City Centre



Massings for pre-application sites courtesy of Ratio.City (www.ratio.city)

Available renderings for zoning submitted or zoning approved sites

Annex



Aurora



Bloor West



Bloorcourt Village



Kensington



King West



Entertainment District



South Scarborough



King West



Liberty Village



The Junction



Oakville



South Etobicoke



Richmond Hill



Scarborough Bluffs



South Midtown



The Kingsway



Yorkville



The Village



Queen East





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Disclaimer

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