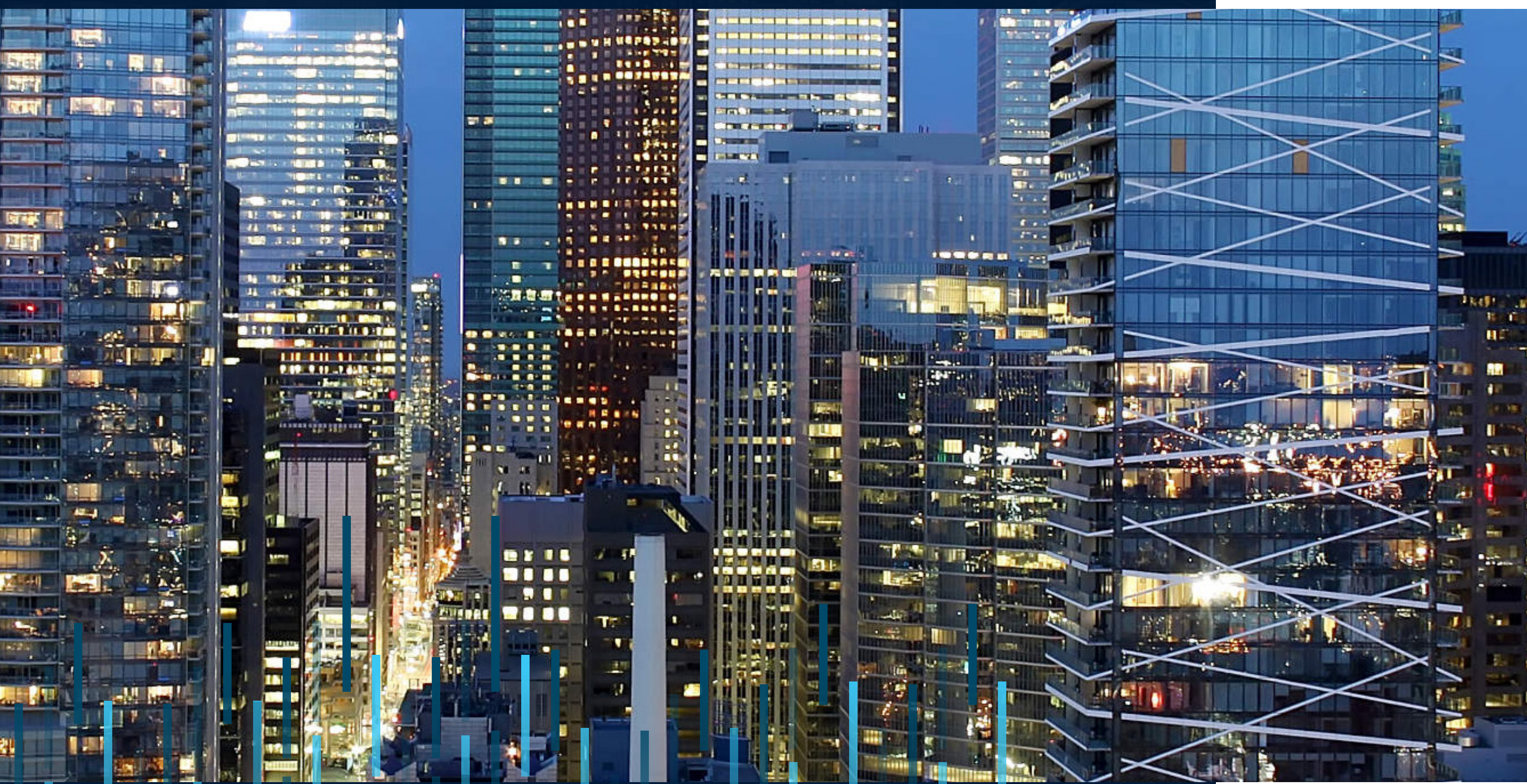
GTA HIGH RISE
LAND INSIGHTS REPORT

Q3 - 2020
Published November 2020



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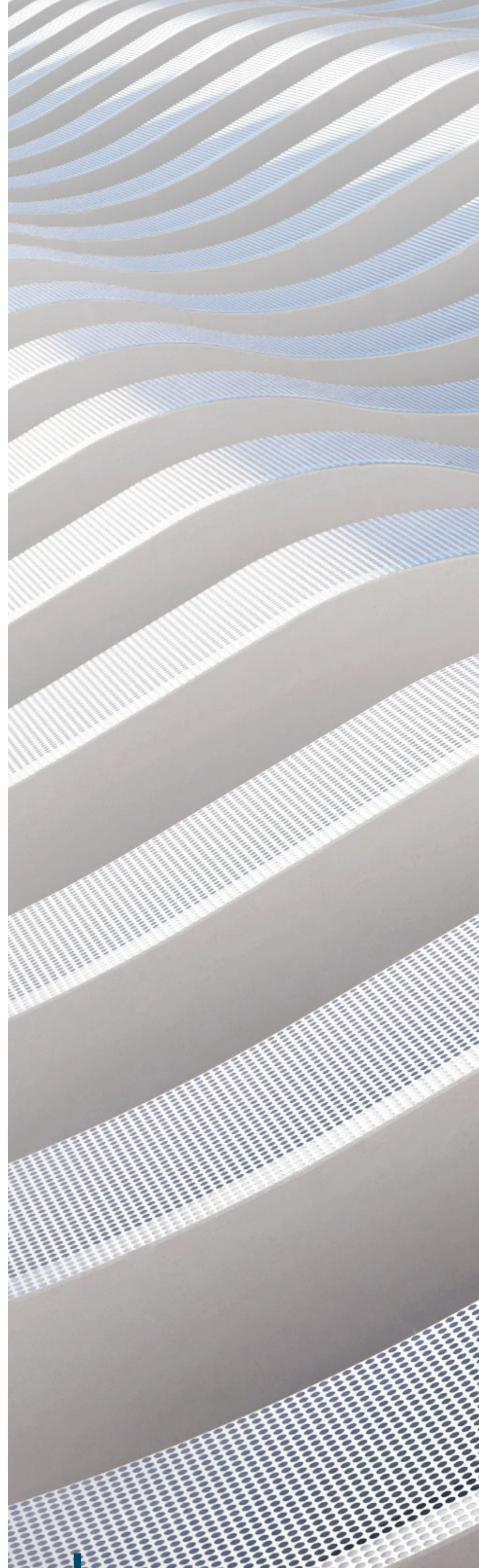
INTRODUCTION

Bullpen Research & Consulting Inc. (Bullpen), a residential market research and advisory firm, and Batory Management (Batory), a land-use planning and project management firm, have teamed up to review and provide projections on Greater Toronto Area (GTA) high-density land sales 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/approved at the site based on neighbourhood precedence and the existing planning framework. If the project has not actively launched for sale, Bullpen will estimate the overall revenue for the project on an average price per-square-foot (psf) basis. This estimate is based on market comparables, the projected height, the 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 gross floor area (GFA) for the overall development will be prorated based on the current quarter's lot size in relation to the overall assembled development site. For example, if a 0.5 acre property sells in the current quarter for $10 million, and an apartment with 250,000 sf of GFA is proposed on the total assembled 1 acre site, Bullpen would apply half of the total GFA (250,000 x 50% = 125,000 sf) to the sales price to get $80 per-buildable-sf.

In the event that the land parcel trading is an additional property to be added to an existing assembly where a residential development application has already been submitted, this will be considered a pre-application project under its planning status.



GTA HIGH-DENSITY LAND SALES IN Q3-2020

In Q3-2020, Bullpen and Batory reviewed 35 GTA land transactions that were identified as having future development potential as a condominium or rental apartment. The average sales price of those lands was $119 per-buildable-sf. Bullpen estimated that residential condominium apartments at those projects could sell their units at an overall average price of approximately $1,100 psf at the time of the land sale, which indicates that developers paid for land at about 11% of expected revenue in the second quarter.

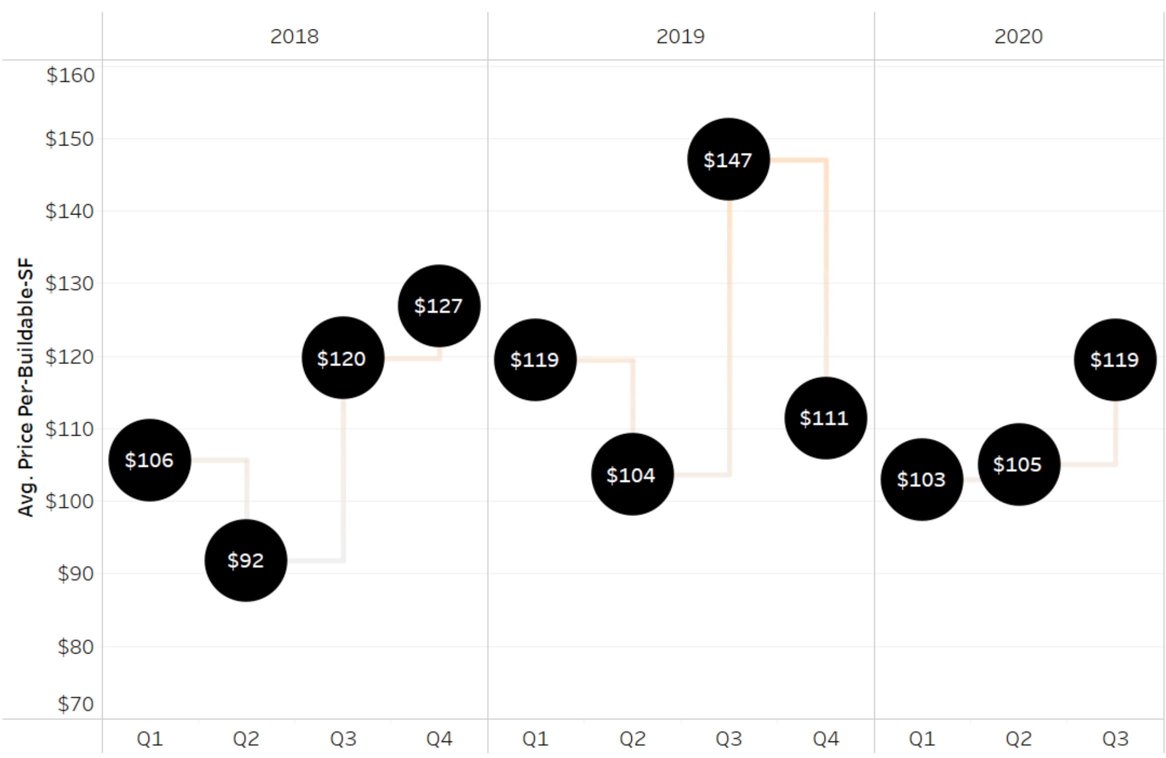
Q3-20: $119 per-buildable-sf

HISTORICAL HIGH-DENSITY LAND SALE DATA

Overall GTA Average Land Price

Figure 1 looks at historical high-density land sale data in the GTA by quarter since Q1-2018 using estimated and unrevised average price per-buildable-sf (pbsf) figures from previous Land Insights Reports. The $119 pbsf (straight average) in Q3-2020 is up from the second quarter ($105 pbsf), but down from Q3-2019 ($147 pbsf), when a number of high-profile Toronto sites changed hands.

Figure 1: Average Price Per-Buildable-SF for Select High-Density Land Transactions, GTA, Q1-2018 to Q3-2020

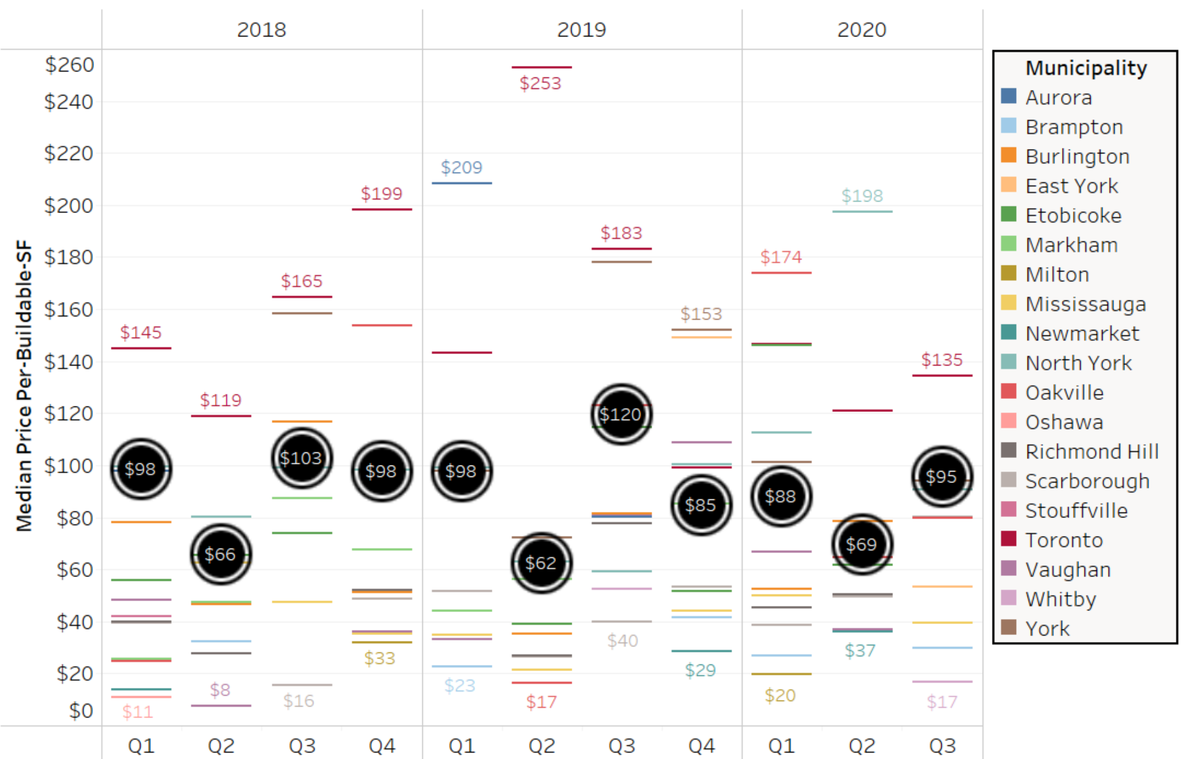


It should be noted at this juncture that these are very small sample sizes and include transactions in very diverse locations, in various stages of entitlement, with very different risk profiles. The blending of data at a GTA level doesn't provide a lot of value on a quarterly basis given the limited number of trades.

Overall GTA Median Land Price

Figure 2 presents data on the median land price per-buildable-sf in the GTA (circles), with the individual municipalities also shown (Gantt lines).
The median land price in the GTA was $95 per-buildable-sf in Q3-2020, with a high of $135 pbsf in the former City of Toronto (pre-amalgamation boundaries) and a low of $17 pbsf in Whitby.
The median third quarter land price last year was $120 psbf, with a high of $183 pbsf in Toronto and a low of $40 pbsf in Scarborough.

Figure 2: Median Price Per-Buildable-SF for High-Density Land Sales by Quarter, GTA Overall & by Municipality, Q1-2018 to Q3-2020

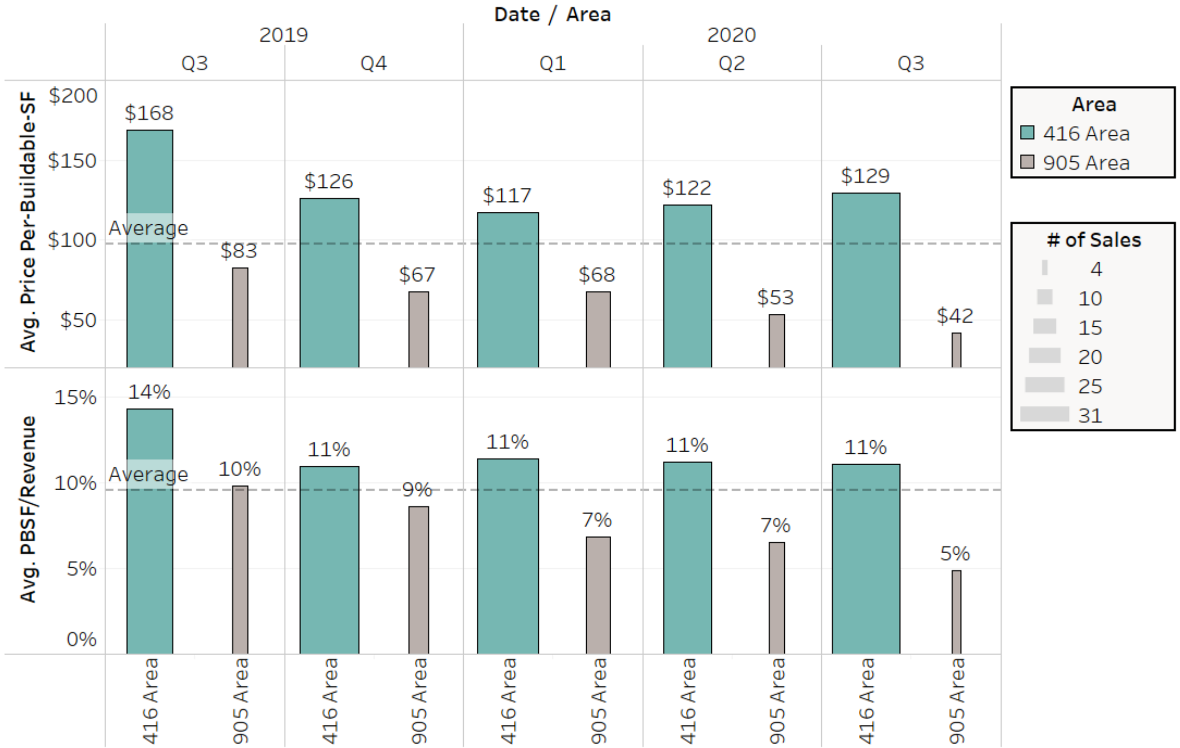


Land Prices & Land-to-Revenue Ratio in the '416 Area' versus the '905 Area'

Figure 3 presents data on the City of Toronto (416 area code) and the suburban GTA (905 area code) high-density redevelopment land market over the last 15 months. The top panel looks at the average land price per-buildable-sf, while the bottom panel looks at the land-to-revenue ratio.
The average land price per-buildable-sf in the 416 area was $129 in the third quarter of 2020, which

was up over the second quarter ($122 pbsf), but down year-over-year (Q3-2020: $168 pbsf). The 905 high-density lands sold for $42 per-buildable-sf on average in Q3-2020, down quarterly and annually. There were only four '905' transactions this past quarter.

Figure 3: Average Price Per-Buildable-SF and Land-to-Revenue Ratio by Quarter, '416' and '905' Areas, Q3-2019 to Q3-2020



In every Land Insights Report, Bullpen Consulting reviews the current market conditions and competitive landscape surrounding each of the land sales and comes up with an overall average price per-square-foot that a condominium apartment might sell for at that location if it was on the market at the time of the sale.

This is done to establish a reasonable "Land-to-Revenue Ratio" estimation that can be tracked over time. How much will developers or other high-density land purchasers pay for property in relation to the going market rate for new condominium apartments, and how does that rate change based on location and time?

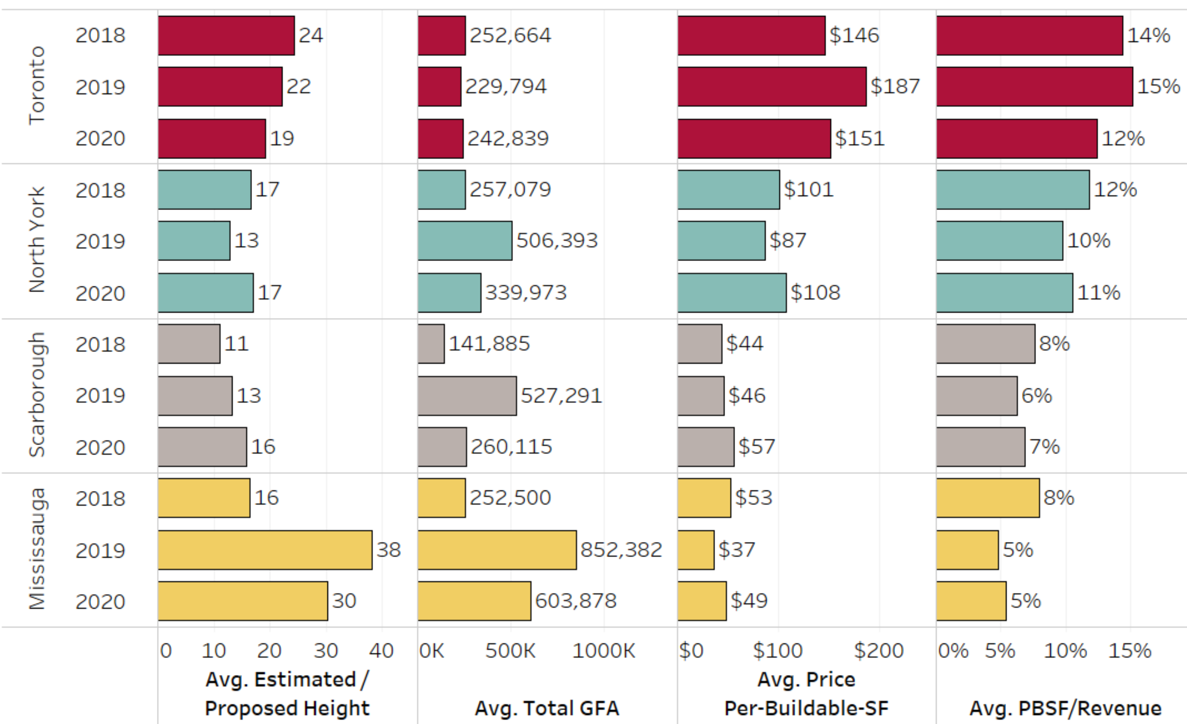
In the 416 area in Q3-2020, the average purchaser paid for land at 11% of estimated revenue, which was exactly the same in each of the last four quarters. In the 905 area, purchasers paid for land at 5% of revenue, down from 7% in Q2-2020 and 10% in the same period in 2019.

The dashed linear trendlines show that land in the GTA has been trending around $100 pbsf since Q3-2019, and the land-to-revenue has been trending around 10%. Land at 10% of revenue has been the back-of-napkin, or rule of thumb developers have used for years, but it isn't easy to achieve in the former City of Toronto.

Summary Land Sales Data & Projections for Top Municipalities

Figure 4 presents summary data on the top four municipalities by total high-density land transactions in the GTA over the past three years. The chart shows the average estimated/proposed building height (takes the highest tower when a land transaction includes multiple towers), the average of estimated or applied for total GFA, the land price per-buildable-sf, and the land-to-revenue ratio.

Figure 4: Estimated Heights, Gross Floor Area, Land Price & Land-to-Revenue Ratio by Year and Select Municipality, Toronto, North York, Scarborough & Mississauga, Q1-2018 to Q3-2020



INDIVIDUAL TRANSACTIONS IN Q3-2020 BY NEIGHBOURHOOD

Figure 5 breaks down the Q3-2020 high-density land transactions by neighbourhood, which includes our assumptions and forecasts on what will be approved and offered for sale at the properties that were sold. Please note that a signed deal/agreement on the land sale price may have been struck several months (in rare occurrences, years: see the East Bayfront sale) before the actual closing date.

Note: Bullpen Consulting is often involved in the underwriting and market analysis of land sales that appear on this list, and has inside knowledge on what the developer is going to pursue in terms of total GFA, however, that data is confidential and has not been provided to Batory Management or Ratio.City for their assessments of these sites.

The 35 land sales in the Q3-2020 had an average size of 1.3 acres, with the potential apartment projects having an average height of 16-storeys. The average project is projected to have 265,000 sf of GFA, however, it must be kept in mind that the transactions might be only part of a larger assembly, and only the prorated amount of square footage is applied to the sales price.

The average property sold for about $16.8 million or $119 per-buildable-sf (straight average), with a weighted average of just $64 per-buildable-sf. The average of the individual land-to-revenue ratios equals 10%.

Figure 5: Summary Data on High-Density Land Transactions by Neighbourhood, GTA, Q3-2020

Neighbourhood	Number of Records	Avg. Lot Size (Acres)	Avg. Estimated / Proposed Height	Avg. Price	Avg. Price Per-Buildable-SF	Avg. Land-to-Revenue Ratio
King West	2	0.2	12	$14,162,500	$308	22%
Summerhill	1	0.0	13	$5,000,000	$303	16%
Bloor West	1	0.2	6	$4,050,000	$239	23%
Leslieville	1	0.1	6	$3,100,000	$195	17%
Downtown East	3	0.2	22	$17,545,151	$171	14%
North York City Centre	1	0.5	32	$27,000,000	$163	14%
Yorkville	1	0.1	34	$18,250,000	$140	9%
Danforth Village	1	0.5	10	$14,000,000	$135	14%
Bayview Village	3	1.2	16	$21,283,333	$128	11%
Leaside	1	0.2	9	$4,545,000	$127	11%
Christie Pits	1	2.8	8	$35,000,000	$111	10%
Eglinton West	2	0.2	11	$5,602,500	$107	12%
Birch Cliff Village	1	0.6	9	$9,000,000	$104	11%
The Junction	1	0.4	8	$8,200,000	$101	10%
Yonge & Eglinton	1	0.4	35	$26,250,000	$101	8%
Yorkdale	1	5.1	37	$86,500,000	$95	10%
Weston	1	0.4	5	$2,800,000	$94	12%
West Queen West	1	0.4	14	$9,500,000	$88	8%
Kerr Killage	1	1.4	10	$16,000,000	$80	9%
North York West	1	0.4	6	$5,850,000	$64	7%
Morningside	1	1.3	26	$15,000,000	$57	7%
Greektown	1	1.2	18	$12,500,000	$54	5%
Willowdale	1	0.6	11	$6,000,000	$47	5%
Cooksville	1	3.5	5	$16,675,000	$40	4%
East Bayfront	1	13.8	50	$83,181,320	$33	2%
Downtown Brampton	1	0.8	28	$9,500,000	$30	4%
Downsview	1	2.5	12	$8,739,748	$18	2%
Whitby	1	1.7	18	$3,650,000	$17	2%
Riverdale	1	0.0	6	$1,600,000	$17	2%
Grand Total	**35**	**1.3**	**16**	**$16,797,329**	**$119**	**10%**

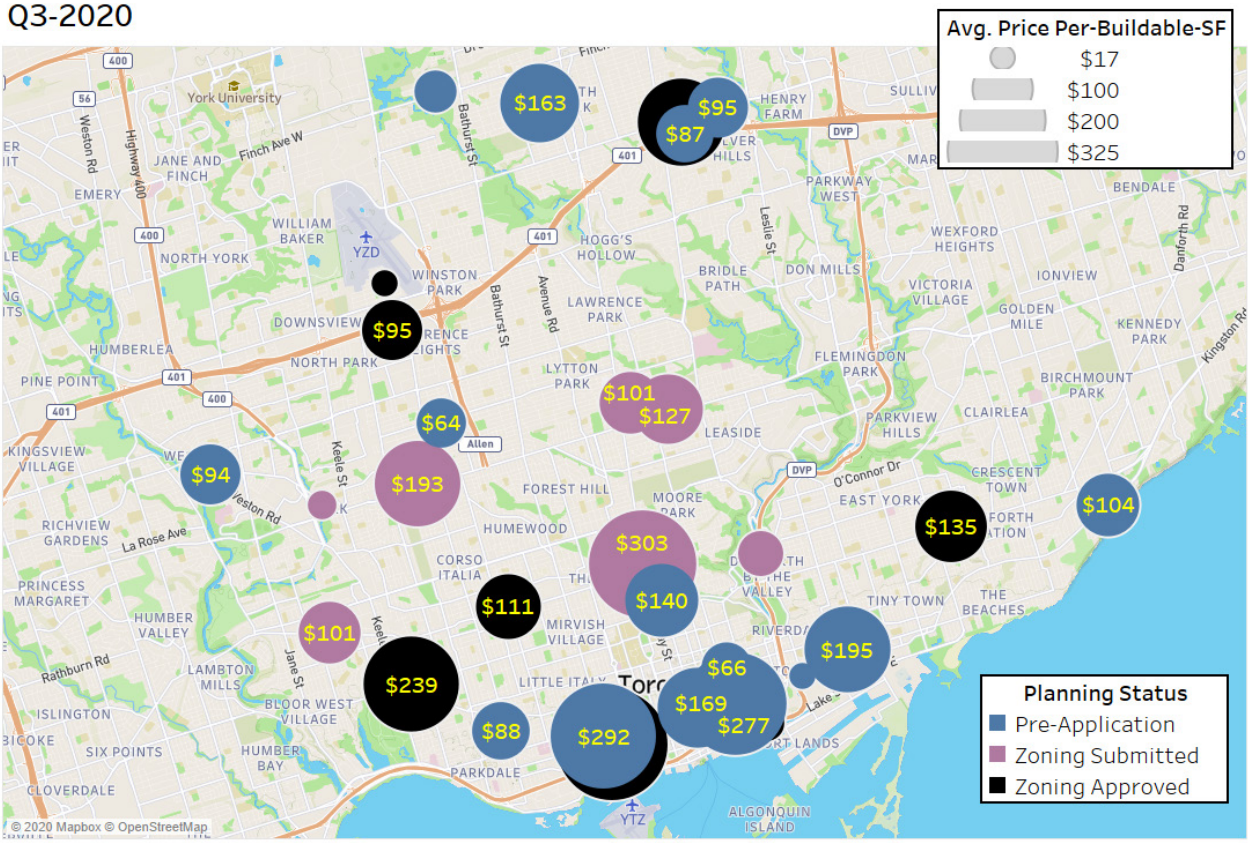
SPATIAL DISTRIBUTION OF HIGH-DENSITY LAND SALES IN TORONTO

Figure 6 maps the second quarter land sales in Toronto only, showing the neighbourhood and the price on a per-buildable-sf foot basis. The size of the markers corresponds to the price, and the colour indicates the planning status.

The land price listed for the projects in blue are estimated, as no development application had been submitted to the municipality at the time of the closing. Batory estimated the appropriate GFA for the site to generate the land price per-buildable-sf.

As a reminder, Bullpen and Batory have not contacted the purchasers in almost all instances, and the transactions may be part of a larger assembly which can dramatically impact the price paid for any individual parcel within that larger development site.

Figure 6: Price Per-Buildable-SF for High-Density Land Transactions, Toronto, Q3-2020



PER-BUILDABLE-SF VALUES BY PLANNING STATUS IN TORONTO

Figure 7 presents data on land transactions in the former City of Toronto over the past 33 months, showing the average price per-buildable-sf by the planning status of the high-density land sale at the time of the closing (by year).

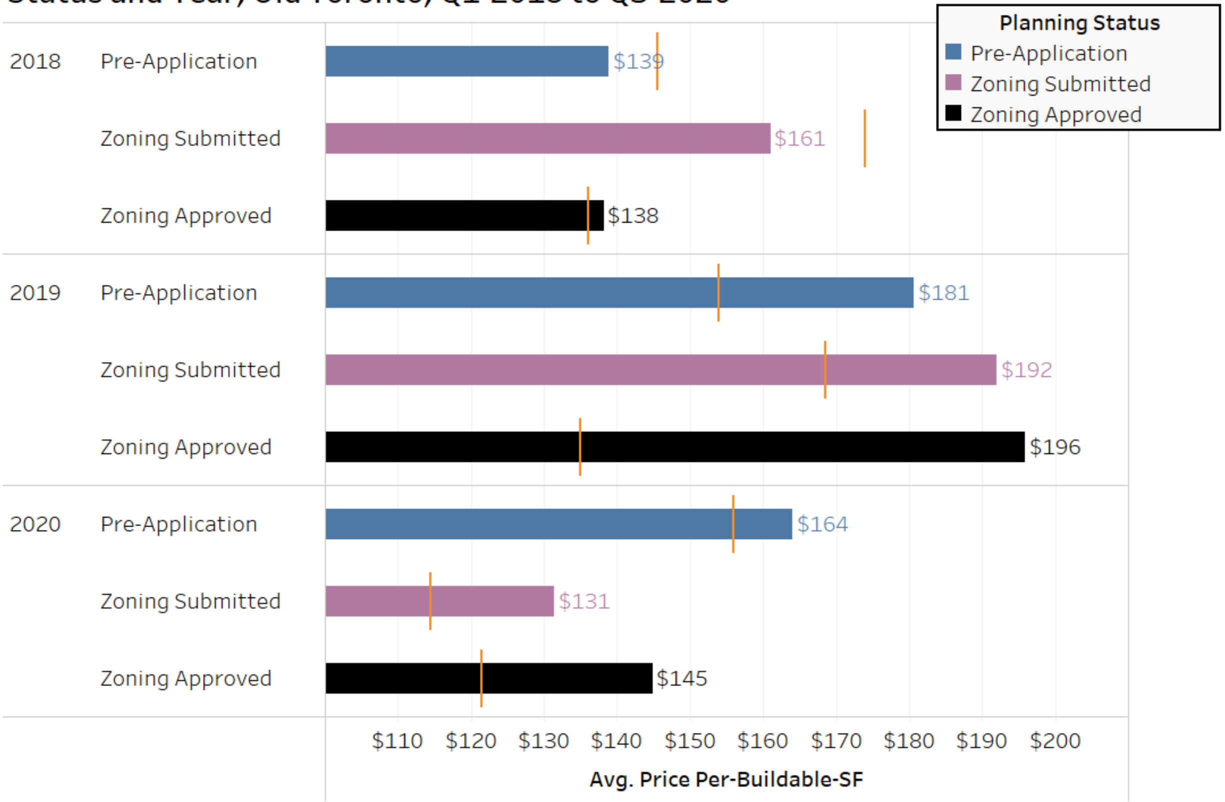
Pre-application sites are trading for $164 per-buildable-sf in 2020 (median: $156 pbsf), which is down from $181 pbsf in 2019 overall.

Sites with a pending development application have traded for $131 pbsf so far this year (median: $114 pbsf), down significantly from $192 pbsf last year.

Approved lands have sold for $145 pbsf through the first nine months of 2020 (median: $121 pbsf), which is also down substantially from the $196 pbsf last year.

Unfortunately, these comparisons are not always apples-to-apples, as the location and size of the property play a significant role in the price that can be charged for a piece of land.

Figure 7: Average and Median (orange) Price Per-Buildable-SF by Planning Status and Year, Old Toronto, Q1-2018 to Q3-2020



NUMBER OF TRANSACTIONS BY PROPOSED GROSS FLOOR AREA

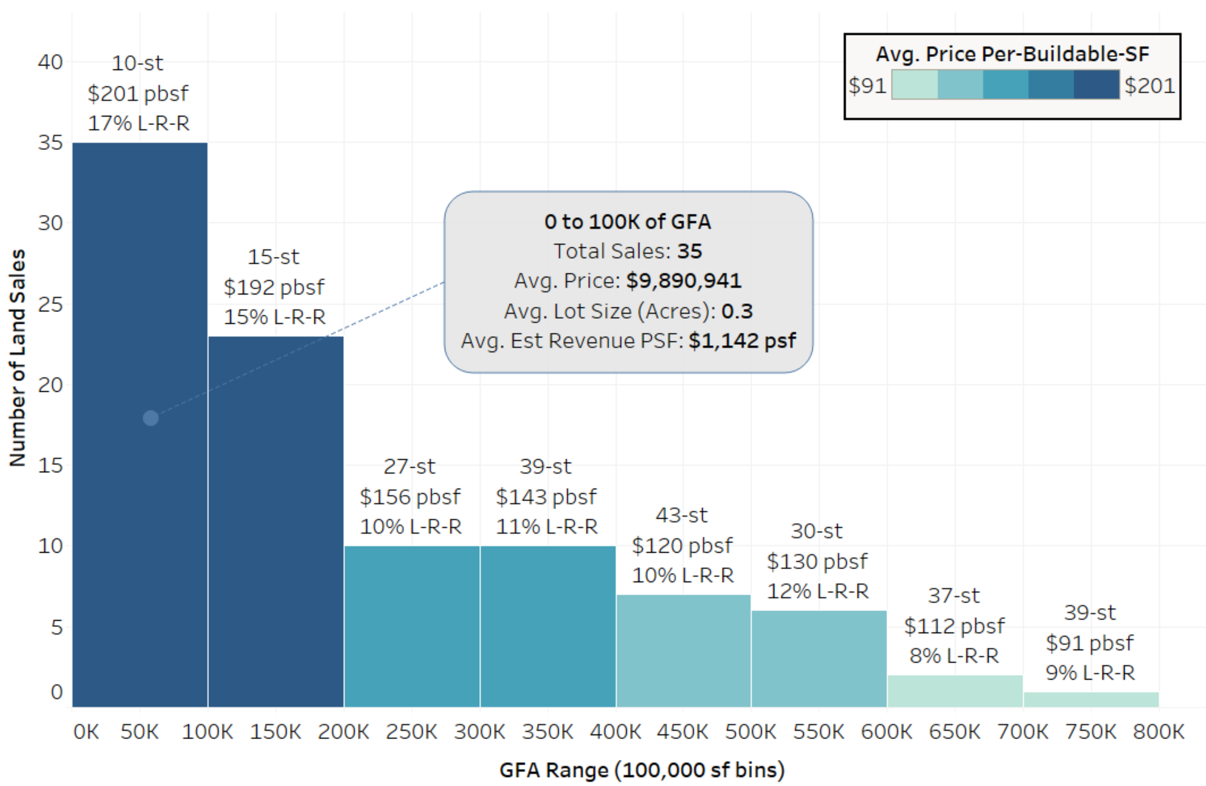
It is no revelation that city councillors and community groups love small projects and encourage developers to build them. The cost to build these units can often be higher due to less efficient buildings, and the cost and “brain damage” required to get them approved can also be very high on a per-unit basis.

The data for Toronto (presented in **Figure 8**) shows that land costs are also high for smaller projects. The bars in the chart below show the number of land transactions by the expected GFA at those properties (or property assemblies) - excludes sites with over 800,000 sf of GFA proposed/expected.

The largest category is buildings under 100,000 sf of GFA with 35 transactions, or 37% of the trades shown in the chart. These lands sold for $9.9 million on average for 0.3 acres. The estimated average building height is 10-storeys, with land in at $201 per-buildable-sf. Bullpen estimated that these properties could have sold their units at about $1,142 psf at the time of closing, for a weighted average land-to-revenue ratio of 18% and a straight average of 17% (as shown).

Small boutique projects are inherently riskier, and it is clear that several developers are pricing their mid-rise projects accordingly.

Figure 8: Number of Transactions, Height, Land Price & Land-to-Revenue Ratio by Total GFA, Toronto High-Density Land Transactions, Q1-2019 to Q3-2020



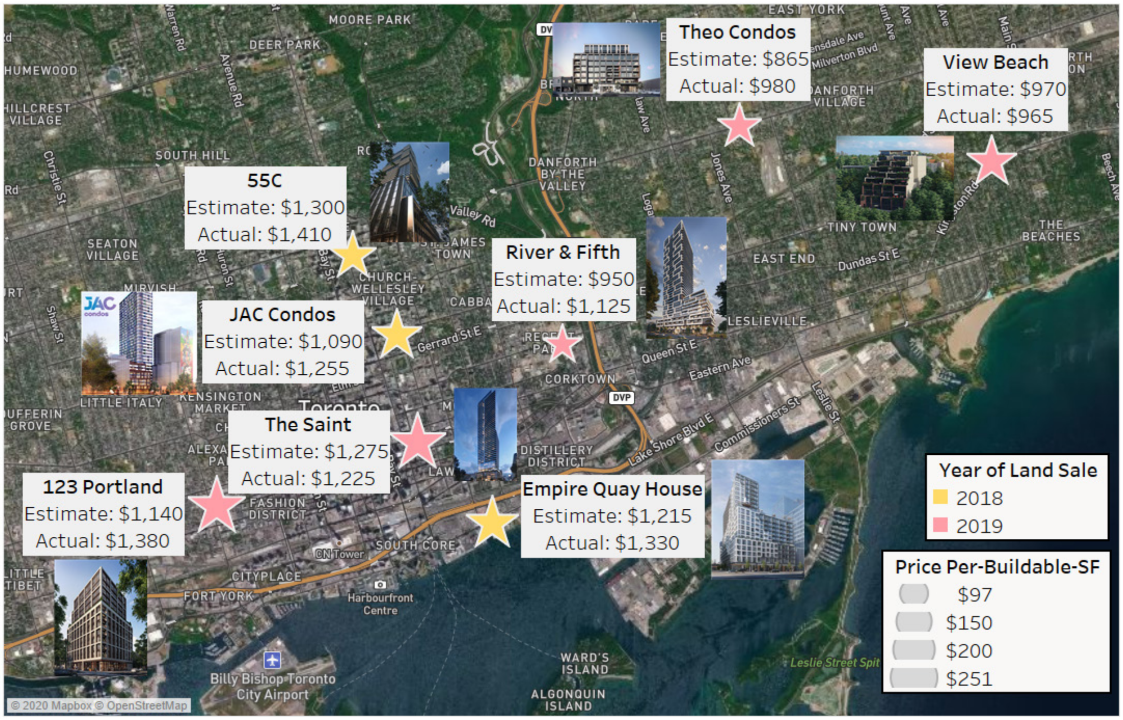
REVENUE UPDATES

Figure 9 presents data on several actively selling new condominium apartment projects in Toronto. The marketing name is displayed along with Bullpen's overall average revenue estimate at the time of the land closing, and the approximate launch price per-square-foot in 2019 and 2020. Given the huge price growth in 2018 and 2019, developers clearly took advantage of revenue appreciation between the date of the land closing and their sales openings.

When Minto closed on the 123 Portland site in Q1-2019, the project was close to securing full zoning approval for a 14-storey building with just over 100,000 sf of GFA. The $25.6 million dollar price they paid works out to about $250 per-buildable-sf. Bullpen estimated that the market rate for new condos at that location at that time was about $1,140 psf (22% land-to-revenue ratio). In October of last year, Minto launched at about $1,380 psf (18% land-to-revenue ratio). Construction started on the project in July of this year.

In Q2-2018, MOD Developments closed on 55-61 Charles Street West for $74.2 million. At that time, a development application had been submitted for a 55-storey building with around 475,000 sf of GFA, with a requirement to replace 100 rental units. The price per-buildable-sf was $157, with a land-to-revenue ratio of 12% based on Bullpen's estimate of $1,300 psf for the condominium apartment suites. About one year later, MOD launched the 55C Residences at about $1,410 psf, at that time the project was approved for 48-storeys and just under 485,000 sf of GFA ($153 pbsf) for a revised land-to-revenue ratio of 11%. MOD started construction on this project in August of this year.

Figure 9: Estimated and Actual Revenue at New Condominium Apartment Development Sites with Recent Land Sales, Toronto, 2018 to 2020



In the fourth quarter of 2018, Phantom Developments purchased 225 Mutual Street for $82.1 million. At that time, a development application was pending for a 43-storey building with just under 450,000 sf of GFA, which translates to a land price of $183 pbsf. Bullpen estimated that units were worth about $1,090 psf at that location at the end of 2018 (17% land-to-revenue ratio). Phantom later added Graywood Developments as a partner. The development team launched JAC Condos this summer in the midst of the pandemic, now a 34-storey building, at about $1,255 psf. The site will incorporate a heritage home at 314 Jarvis Street.

Minto made another purchase of a property on the cusp of full approvals at 89 and 97 Church Street in Q3-2019 paying $73.5 million ($241 pbsf). The previous owner had proposed a 45-storey tower with 305,000 sf of GFA. Bullpen estimated that units could sell for $1,275 psf at the time of closing, for a land-to-revenue ratio of 19%. In November of last year, Minto came to market at about $1,225 psf at this site, now marketed as The Saint, lower than our estimate (increasing the land-to-revenue ratio slightly to 20%). Demolition of on-site structures is complete, and construction starts in Q4-2020.

In Q4-2018, Empire Communities purchased 162 Queens Quay East, near Lakeshore Boulevard East and Jarvis Street, for $58 million. No development application had been submitted, and Batory estimated that a 22-storey building with 285,000 sf was appropriate for the site, which resulted in a per-buildable-sf price of $204. Bullpen estimated the value of the units in late 2018 at $1,215 psf (17% land-to-revenue ratio). This summer, Empire Quay House was launched at this site, a 21-storey development with about 305,000 sf of GFA, with units priced at about $1,330 psf on average.The new land price ($190 pbsf), divided by the launch price, results in a revised land-to-revenue ratio of 14%.

When Broccolini purchased 1, 5 and 25 Defries Street in Q1-2019 on the border of the Regent Park area for $44 million ($97 pbsf), Bullpen estimated that units were worth about $950 psf at the time (10% land-to-revenue ratio). The developer launched a couple months after closing at about $1,125 psf, much higher than expected for the area, but sales were boosted by an extended deposit structure (5% in 2019, 5% in 2020, 5% in 2021 and 5% at occupancy). The latest City of Toronto project data sheet for this property shows approximately 435,000 sf of GFA, which results in a revised land price of $101 pbsf, and a revised land-to-revenue ratio of 9%. Construction started in the third quarter of this year.

Condoman Developments purchased 1030 Danforth Avenue in Greektown last September for $7.3 million or $135 per-buildable-sf, based on the approved development of an 8-storey, 53-unit building with a total gross floor area of just under 55,000 sf. Based on the revenue estimate by Bullpen ($865 psf), the developer paid for land at 16% of revenue. The developer conducted a soft launch of Theo Condos with very little marketing in late 2019 at $975 psf, and absorption has been slow on this site, which has been reduced slightly to 50,000 sf of GFA. The revised land-to-revenue ratio is 15%.

Earlier in 2019, Condoman Developments purchased 507 to 511 Kingston Road for $8.15 million or $182 per-buildable-sf based on the development application of the previous owner. At the time, the developer had posted “pre-launch” pricing for Lookout Condos at about $970 psf - a 19% land-to-revenue ratio. The developer has since rebranded the project View Beach Residences, with pricing at about $965 psf on average for the now approved 8-storey building with 44,884 sf. The land-to-revenue ratio rose slightly to 19%.

SAMPLE TRANSACTIONS & PROJECT UPDATES

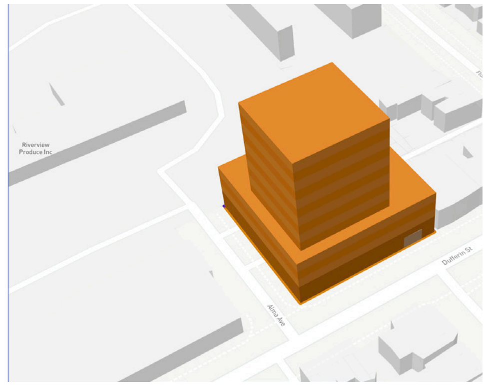
474 Dufferin Street

In July of 2020, Hullmark (HM RK (450 Dufferin) Ltd.) purchased the 0.374-acre 474 Dufferin Street for $9.5 million. The site is located north of Queen Street West, south of Florence Street.

No development application was submitted at the time of closing, and Ratio.City prepared a massing for the site which envisions a 14-storey building with just under 110,000 sf of GFA and about 150 units. This translates into a land price of $88 per-buildable-sf.

Development Potential

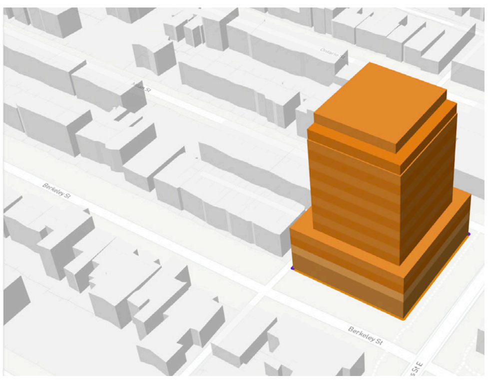
HEIGHTS		
AOR Height	0 m	
Proposed Height	45 m	*14 stories*
AREAS		
Total Site Area	17,992 ft²	
Estimated Site Coverage	14,581 ft²	*81 %*
Total GCA	127,610 ft²	
Estimated GFA	108,469 ft²	*85 %*
Estimated NSA	95,708 ft²	*75 %*
Estimated Unit Count	148	*646 ft²*
Average Floorplate GCA	14,581 ft²	*podium*
	6,929 ft²	*tower*
PARKING		
Spaces Required	148	*1 :1*
Underground Levels	4	
Spaces Per Level	40	
FAR		**7.1 x**



401 Dundas Street East

Development Potential

HEIGHTS		
AOR Height	12 m	
Proposed Height	51 m	*16 stories*
AREAS		
Total Site Area	13,733 ft²	
Estimated Site Coverage	12,411 ft²	*90 %*
Total GCA	143,332 ft²	
Estimated GFA	121,832 ft²	*85 %*
Estimated NSA	107,499 ft²	*75 %*
Estimated Unit Count	166	*646 ft²*
Average Floorplate GCA	12,411 ft²	*podium*
	7,207 ft²	*tower*
PARKING		
Spaces Required	83	*0.5 :1*
Underground Levels	3	
Spaces Per Level	31	
FAR		**10.4 x**



In August, 401 Dundas Street East Limited closed on that namesake property for $8 million. The 0.32 acre site is located west of Parliament Street at Berkley Street. According to a recent press release, Cranson Capital Securities Inc. closed a new fund called the Plaza Partners Pleasant Dundas Fund which includes a portfolio of future development sites. One of those sites is 401 Dundas Street East.

No development application was submitted at the time of closing, and Ratio.City prepared an apartment massing for the site which envisions a 16-storey building with 120,000 sf of GFA and about 170 residential units. This results in a land price of $67 per-buildable-sf.

805-813 Glencairn Avenue

In September, 2720433 Ontario Limited purchased four properties at 805 to 813 Glencairn Avenue at Marlee Avenue for $5.85 million. The 0.41 acre site sold without an active development application.

Ratio.City prepared a visualization of a potential massing for an apartment at the site. They envision a 6-storey building with about 90,000 sf of GFA and 124 units. Based on this estimation, the land traded for $65 per-buildable-sf.

Development Potential

HEIGHTS		
AOR Height	10 m	
Proposed Height	21 m	*6 stories*
AREAS		
Total Site Area	32,861 ft²	
Estimated Site Coverage	21,635 ft²	*66 %*
Total GCA	107,018 ft²	
Estimated GFA	90,965 ft²	*85 %*
Estimated NSA	80,263 ft²	*75 %*
Estimated Unit Count	124	*646 ft²*
Average Floorplate GCA	20,535 ft²	*podium*
	12,439 ft²	*tower*
PARKING		
Spaces Required	124	*1 :1*
Underground Levels	2	
Spaces Per Level	74	
FAR		**3.3 x**

105 Sheppard Avenue East & 24-26 Leona Drive

In spring of 2020, Leona Sheppard Inc. (Trulife Developments Inc) purchased 105 Sheppard Avenue East, as well as 24 and 26 Leona Drive in the North York City Centre area. The 0.36 acre assembly was purchased for $7.25 million in total.

No development application was submitted at the time of publication of this report, and Ratio.City prepared a massing of an apartment appropriate for the lands. Their concept envisioned an 8-storey building with just under 60,000 sf of GFA and 81 residential units, which translated to a land price per-buildable-sf of $121 pbsf. Batory   also looked at the site and concluded that a 10-storey building with 55,000 sf of GFA was appropriate, which works out to a land price of $132 pbsf.

In August of 2020, Official Plan, Rezoning and Site Plan applications were submitted for this property that proposes an 8-storey residential building with 64 residential units and 56 underground parking spaces. The total gross floor area proposed is just over 47,000, for a total floor space index of 3.0. The revised land price is $154 pbsf and a land-to-revenue ratio of 15%.

2699 Keele Street

In June of 2019, Worsley Keele Ltd purchased 2699 Keele Street, which is located between Wilson Avenue and Highway 401 in North York. The developer paid $18.25 million for the 0.78 acre site.

The lands were purchased without an active development application, and Batory estimated that a multi-tower project with heights of up to 12-storeys and 380,000 sf of GFA was appropriate for the site. This translates to a land price of $48 per-buildable-sf and a land-to-revenue ratio of 6%.

This June, a Zoning Bylaw Amendment application was submitted to permit a 331,500 sf mixed-use condominium apartment complex comprising 8- and 11-storey mid-rise buildings and a 24-storey tower. A total of 398 suites are proposed, with 369 parking spaces in a 5-level underground parking structure. The revised land value is $55 pbsf, with an updated land-to-revenue ratio of 7% based on the revenue estimate at the time of closing.

126-134 Laird Drive

Leaside Residences I Inc. (Core Development Group) purchased 126, 132 and 134 Laird Drive in East York in December of 2019 for $26.2 million. The combined properties are 1.16 acres, and are located on the west side of Laird, on either side of Stickney Avenue.

No development applications had been submitted at the time of closing, but Batory Management estimated that two 8-storey buildings with a combined 175,000 sf of GFA was appropriate for the site. This translates into a land price of $150 per-buildable-sf and a 15% land-to-revenue ratio.

In August of 2020, the developer submitted two separate rezoning applications. On 134 Laird Drive (currently a Gyro Mazda dealership), an 8-storey building is proposed that consists of 106 residential dwelling units and 85,850 sf of residential GFA. The overall density of 4.13 times the area of the lot. Vehicular and bicycle parking is proposed within two levels of underground parking: 54 spaces for cars and 112 bicycle spaces.

At 126 and 132 Laird Drive, a Zoning By-Law amendment and Site Plan application were submitted to permit another 8-storey building. This southern parcel proposes 143 units and a total GFA of about 111,400 sf (overall density of 4.21 times the area of the lot). 76 vehicular spaces and 146 bicycle spaces are proposed.

A total of approximately 197,250 is proposed, which results in a revised land value of $133 per-buildable-sf, and a land-to-revenue ratio of 13% at the time of closing.

155 Wychwood

In the first quarter of 2018, the Wychwood-Davenport Presbyterian Church on St. Clair Avenue West was purchased for $6.2 million by 155 Wychwood Avenue Residence Inc. The previous owner of the property has proposed the partial retention of the church, a 9-storey apartment addition, and about 50 residential units. The previous owner was seeking 48,000 sf of GFA, which equates to a land price of $129 pbsf, and a land-to-revenue ratio of 14%.

In June of 2020, a new application was submitted that seeks approval for a 8-storey mixed-use building containing approximately 39,500 sf of GFA. A total of 29 residential dwelling units are proposed. The existing church will be demolished.

The revised land price is $157 pbsf, with a land-to-revenue ratio at the time of closing of 17%.

372 to 378 Yonge Street

In the first quarter of 2018, Yonge & Gerrard Inc. purchased 374 and 376 Yonge Street for $15.8 million. No development application had been submitted at the time of closing, and Batory Management estimated that a slim 52-storey tower with about 170,000 square feet of GFA was appropriate for the 0.1 acre site. This assumption resulted in a land price of $95 pbsf and a land-to-revenue ratio of 8%.

In July of 2020 a development application was submitted for 372 to 378 Yonge Street, a 2.4 acre assembly that includes properties north and south of the properties purchased in 2018.

The proposal is for a 74-storey mixed-use building comprising just over 386,000 of gross floor area. A total of 406 residential dwelling units are proposed.

The original land purchase accounted for 43% of the lands in this assembly, so if we apply that share to the total GFA of 386,000, we get approximately 164,500 sf. Therefore the revised land price for 374-376 Yonge Street is $96, and the land-to-revenue ratio stays the same at 8%.

506 to 516 Church Street

In December 2019, Graywood CM GP Inc. purchased 506, 508 510, 512, and 516 Church Street in The Village for $26 Million. The developer had not submitted a development application at the time of land closing, and Batory estimated that a 27-storey tower with 310,000 sf of GFA was appropriate for the 0.42 acre site. This equates to a land price of $83 pbsf, and a land-to-revenue ratio of 6%.

In July of this year, Graywood applied for a much smaller building than Batory had envisioned at just over 148,000 sf of GFA. Official Plan and Zoning By-law amendment applications for these lands show a 15-storey mixed-use building with 173 dwelling units. The development would replace a surface parking lot and retain the street-facing sections of two townhouses currently occupied by the Crews & Tangos bar.

This application suggests the land sold at a much higher price than was estimated in our Q4-2019 report at $175 per-buildable-sf, with a land-to-revenue ratio of 14%.

355-359 Adelaide Street West & 46 Charlotte Street

In April of 2019, GO-TO Spadina Adelaide Square Inc, purchased the 0.312-acre 355 to 359 Adelaide Street West and 46 Charlotte Street for $74.25 million. When Batory and Bullpen included these lands in our Q2-2019 report, we used the figures from the previous application on the site of 41-storeys and approximately 180,000 sf of GFA at 46 Charlotte despite the fact that GO-TO had also purchased the adjacent property, which allowed for a much more generous development (this resulted in an inflated land price of $414 pbsf and a land-to-revenue ratio of 30%).

There remained heritage issues which made estimating the new development difficult, but we noted in the body of the report that GO-TO would likely submit a new development application for the larger assembly that could exceed 50-storeys and 240,000 sf of GFA, which would reduce the per-buildable-sf price to around $310 per-buildable-sf.

In June of 2020, a Zoning amendment was submitted to permit a 50-storey mixed-use building with 351,000 sf of gross floor area. A total of 293 residential dwelling units are proposed. This results in a revised land price of $212 pbsf, and a land-to-revenue ratio of 15%.

1325-1361 The Queensway

Greybrook Realty Partners and Tribute Communities partnered to purchase a 2.17-acre Etobicoke property at 1325 to 1361 The Queensway, west of Kipling Avenue for $40 million. No development application was submitted at the time of closing in March of 2020, but it was reported in the media that the development team was planning a twin-tower, 37-storey condo apartment project connected by a 6- to 11-storey podium.

The project is expected to be built in two identical phases, each comprising approximately 550 suites with 5,000 sf commercial components. The total GFA for the project was estimated to be 890,000 sf, which resulted in a land price of $45 pbsf, and a land-to-revenue ratio of 5%.

This August, Tribute and Greybrook’s official application was submitted for the two 37-storey towers on an 11-storey base building with retail and daycare uses at grade, with below grade parking. A total of 1,210 units and 1,064 parking spaces are proposed.

The total GFA proposed is approximately 803,000 sf, which results in a revised land price of $50 pbsf, and a land-to-revenue ratio of 6% based on the estimated revenue at the time of closing.

1005 Dundas Street East & 3033 Eight Line

In 2018, T & M International Investment Inc & 1005 Dundas Street Inc purchased 1005 Dundas Street East & 3033 Eight Line in north Oakville for $10.55 million. The 2.7 acre assembly was sold prior to the submission of a development application, and Batory estimated that the site could accommodate approximately 290,000 sf of GFA.

The January 2020 Planning and Development Council Agenda in Oakville item included a Zoning By-Law Amendment at this site for a multi-phase development with heights between 5- and 12-storeys. The proposal will seek approval for 562 condominium dwelling units, 759 parking spaces (648 resident and 141 visitor) as well 200 bicycle parking spaces.

The development application proposes approximately 464,000 sf of GFA, which translates into a land price of $23 per-buildable-sf, and a land-to-revenue ratio of 3%.

216-220 Doughton Road

In January 2018, Jane Doughton Developments Inc Purchased the 0.92 acre 220 Doughton Road property for $9.8 million. Bullpen estimated that condominium apartment units could sell for approximately $740 psf at this location at that time.

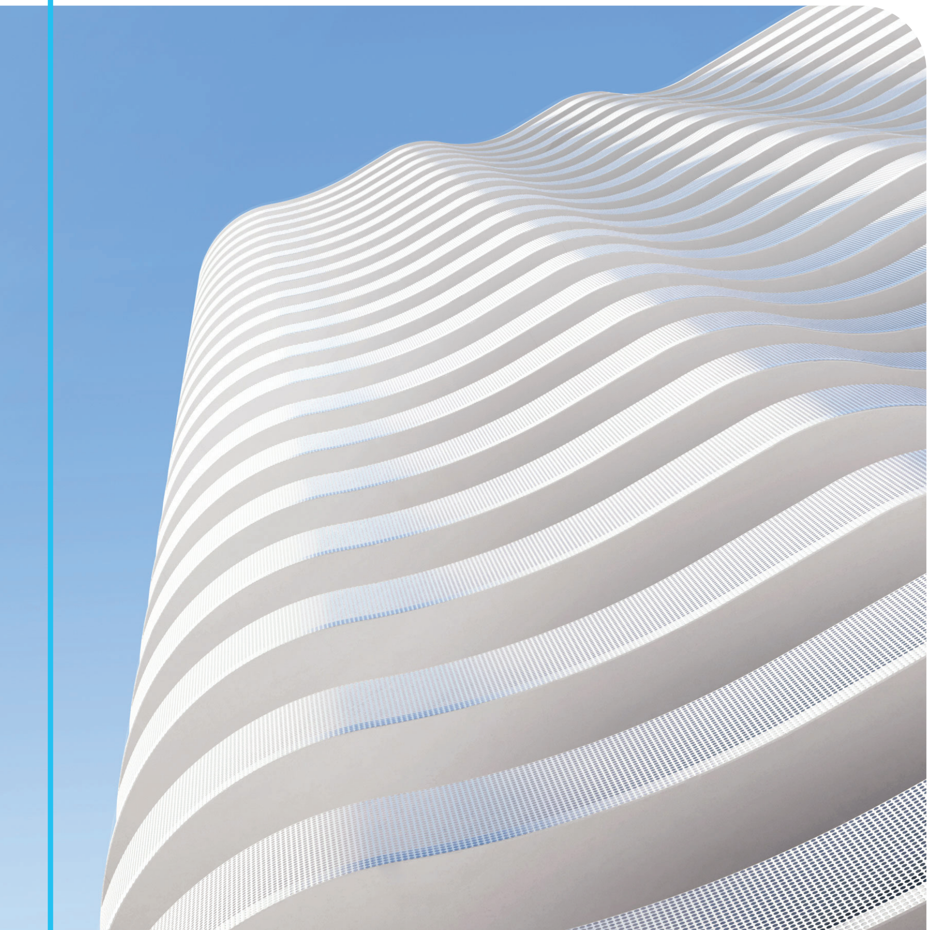
In July of 2019, the site was expanded with a purchase of the 0.94 acre 216 Doughton Road for $10 million. Bullpen estimated that condominium apartment units could sell for approximately $830 psf at this location at that time.

No development application had been submitted as of July 2019, and Batory Management estimated that the site could accommodate towers of 25- to 30-storeys with about 200,000 sf of GFA. The blended land price based on these two transactions was $99 per-buildable-sf.

Earlier this year, the applicant, Doughton Residences Corp., submitted a Zoning application for 47-and 49-storey towers over a 4-storey podium. The total development will consist of approximately 820,000 sf of residential GFA, providing 1,151 new residential units ranging in size from bachelor units to 2-bedroom units (868,000 sf of total GFA). The proposed development will provide a total of 686 parking spaces, 115 parking spaces will be dedicated as visitor parking.

The revised land price for this assembly is $23 per-buildable-sf, with an estimated land-to-revenue ratio of 3% ($23 pbsf, over the average of $740 and $830).

In April of 2020, Cranson Capital Securities Inc. announced that it had successfully completed a $19 million capital raise for their Plazacorp ("Plaza") Vaughan Metropolitan Centre Fund. This fund will be deployed for a two-tower high-rise condominium development in the City of Vaughan that will feature two high-rise towers measuring 49- and 47-storeys located on Doughton Road in the Vaughan Metropolitan Centre between Jane Street and Highway 7.



FINAL THOUGHTS

The property data for the third quarter shows that COVID-19 has yet to have any impact on the high-density land market in the Greater Toronto Area. None of the new condo projects that have launched during the pandemic have failed miserably, but absorption has been slower than the boom years 2016 to 2019 for any site priced at pre-COVID levels. Sites with very competitive pricing have done extremely well, including a couple sell outs.

New condo investors are still thinking long-term, despite the fact that resale condo inventory has spiked, downtown condo rental rates have plunged by 15% to 20% annually per data from Rentals.ca, and record apartment completions are expected in 2021. It has been reported in the media that assignment activity has increased due to tougher mortgage financing requirements by lenders, and the soft rental market conditions.

However, based on the busy consulting schedules for both Bullpen and Batory, developers are still underwriting deals and looking for acquisitions. Developers have yet to find blood in the water, or significantly discounted high-density properties. Many sites have been held by the current owners for 20 to 30 years, and they are in no rush to sell at a discount to peak pricing.

Developers continue to keep their eye out for sites bought by new or inexperienced players that might come available. There were a number of those properties transacted in Q3-2020:

189 Dundas Street West was purchased in 2017 for $12.1 million and a stacked townhouse development was planned. A financial dispute between the partners resulted in the property being sold for $16.7 million via Rosen Goldberg, a licensed insolvency trustee.

Diam Development purchased 2359 Danforth Avenue in 2015 for $6.25 million ($61 pbsf), and launched On the Danforth Condos that year for about $550 psf (11% land-to-revenue ratio). The project sold out in 2017 and the developer ran into financial difficulties during the construction of the underground parking structure. Rosen Goldberg acted as the Court appointed receiver and construction lien trustee in this case, with the partially-built property selling for $14 million or $135 per-buildable-sf this past quarter (14% land-to-revenue ratio).

In 2014, LeMine Investment Group purchased 3070 Ellesmere Road for $1.9 million ($500,000 less than the previous buyer in 2011), or just $8 per-buildable-sf. The developer launched Academy Condos that year for $490 psf (the land-to-revenue ratio was 2%). Despite strong sales, the project never started construction and according to a 2019 Appointment Order, RSM Canada Limited was appointed as receiver. The zoning approved property sold in Q3-2020 for $15 million or $57 per-buildable-sf (7% land-to-revenue ratio).

Insolvency Trustee Spergel was the Court-appointed Receiver of the assets, undertakings, and property at the 58 to 62 Shepherd Road lands in Oakville. Neilas Inc purchased the site in 2008 for $2.63 million or $13 pbsf, launched OpArt Lofts in 2011 at about $460 psf (3% land-to-revenue ratio). The project was cancelled a couple years later, and the developer had plans to build a rental apartment instead. The property closed in Q3-2020, selling for $16 million or $80 pbsf at an estimated land-to-revenue ratio of 9%.

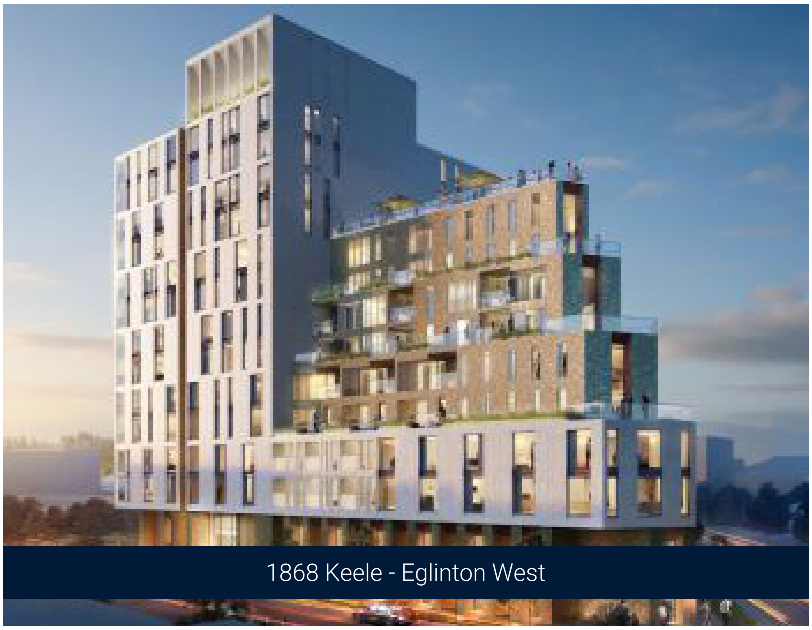
It took anywhere from three to 12 years for these sites to move through the courts and finally trade, and the prices were significantly higher than the previous sales. While other sites, like 625 Sheppard , that sold to Canderel from Haven Developments in the Bayview Village area (former SIX25BV Condos), will trade to top developers before an insolvency trustee ever gets involved due to the huge land value growth created via time and approvals. New condo price appreciation has been very strong over the last three years, so many developers have more wiggle room to refinance or sell for a profit.

The federal government has already made a commitment to increasing immigration in 2021 should the new coronavirus case count decline and/or a vaccine is approved. Benjamin Tal of CIBC recently pointed out that 90,000 Canadians living abroad have returned to Canada in 2020, and the 100,000 Canadian that would have normally moved abroad for new employment opportunities have stayed in the country this year, which offsets some of the loss of immigration and temporary residents/students that have not arrived this year as planned.

The economy is holding up pretty well given the health crisis with a couple economists concluding that close to 75% of the people that lost their jobs or were furloughed during COVID have been rehired in Canada. Low interest rates will continue to encourage home buying, and prevent a more problematic resale condo price drop.

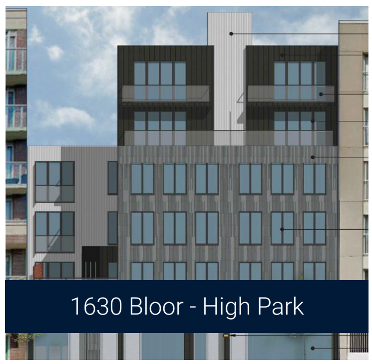
There remains a lot of uncertainty, but the consensus view among developers is that the situation is temporary, work from home is temporary, and people will want to be back downtown and in walkable communities in cities, not in isolated rural areas with crappy wifi!

AVAILABLE RENDERINGS FOR ZONING SUBMITTED OR ZONING APPROVED SITES


1868 Keele - Eglinton West

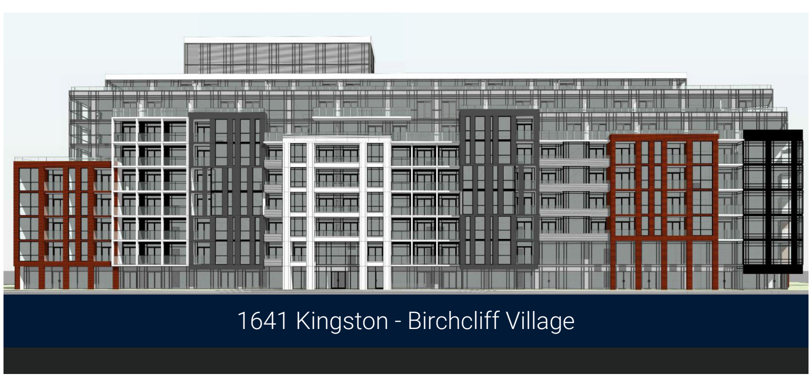

3070 Ellesmere - Morningside


625 Sheppard - Bayview Village


1630 Bloor - High Park


530 Wilson - Downsview


1918 Eglinton - Eglinton West


1641 Kingston - Birchcliff Village


958 Broadview - Greektown

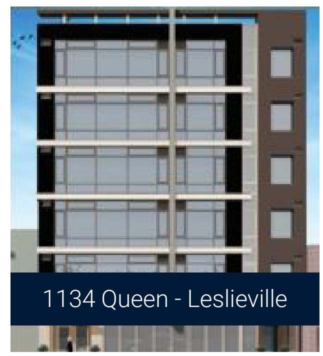
AVAILABLE RENDERINGS FOR ZONING SUBMITTED OR ZONING APPROVED SITES

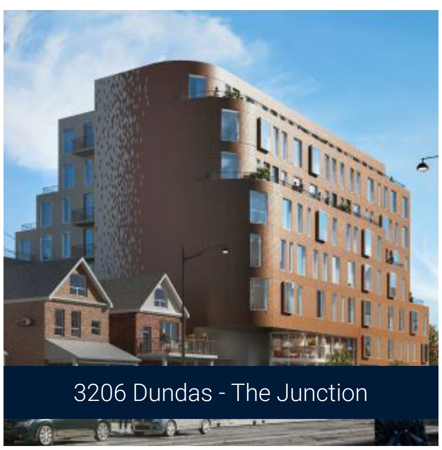

2359 Danforth - Danforth Village

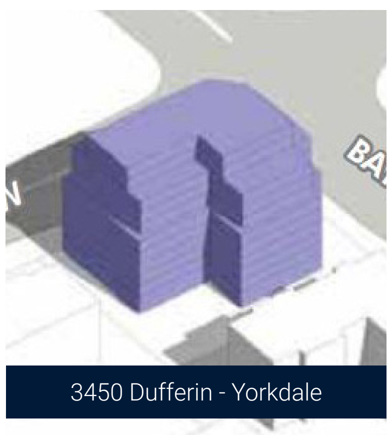

60 Shepherd - Kerr Village

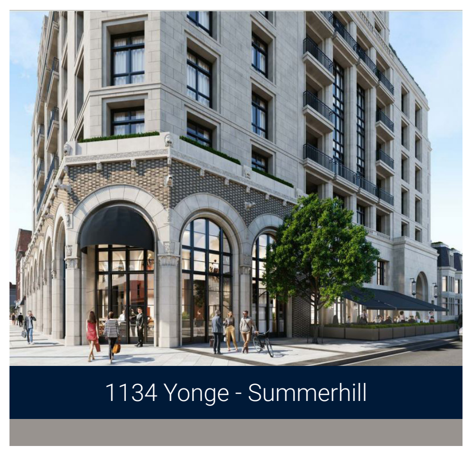

840 Dupont - Christie Pits


504 Wellington - King West

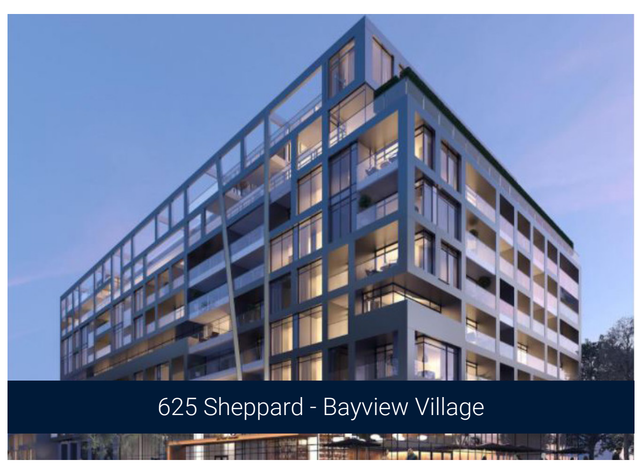

1134 Queen - Leslieville


3206 Dundas - The Junction


3450 Dufferin - Yorkdale


1134 Yonge - Summerhill


3450 Dufferin - Yorkdale


625 Sheppard - Bayview Village

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