

# GTA High Rise

# Land Insights Report

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Q4-2017

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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.

## Select High-Density Land Transactions: Q4-2017

In the fourth quarter of 2017, 19 transactions were reviewed for this report. On average, the properties sold for \$125 per buildable sf in Q4-2017 using a straight average. When using a weighted average based on GFA, the per buildable foot rises to \$132.

### Q4-17: \$125 psf

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

There were only three noteworthy high-density land transactions in November, all three were mid-rise developments, and thus commanded lower per-square-foot values.

December per buildable sf land prices jumped back up with a number of high-profile transactions.



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

**Figure 2: Summary of GTA High Density Land Transactions, Q4-2017**

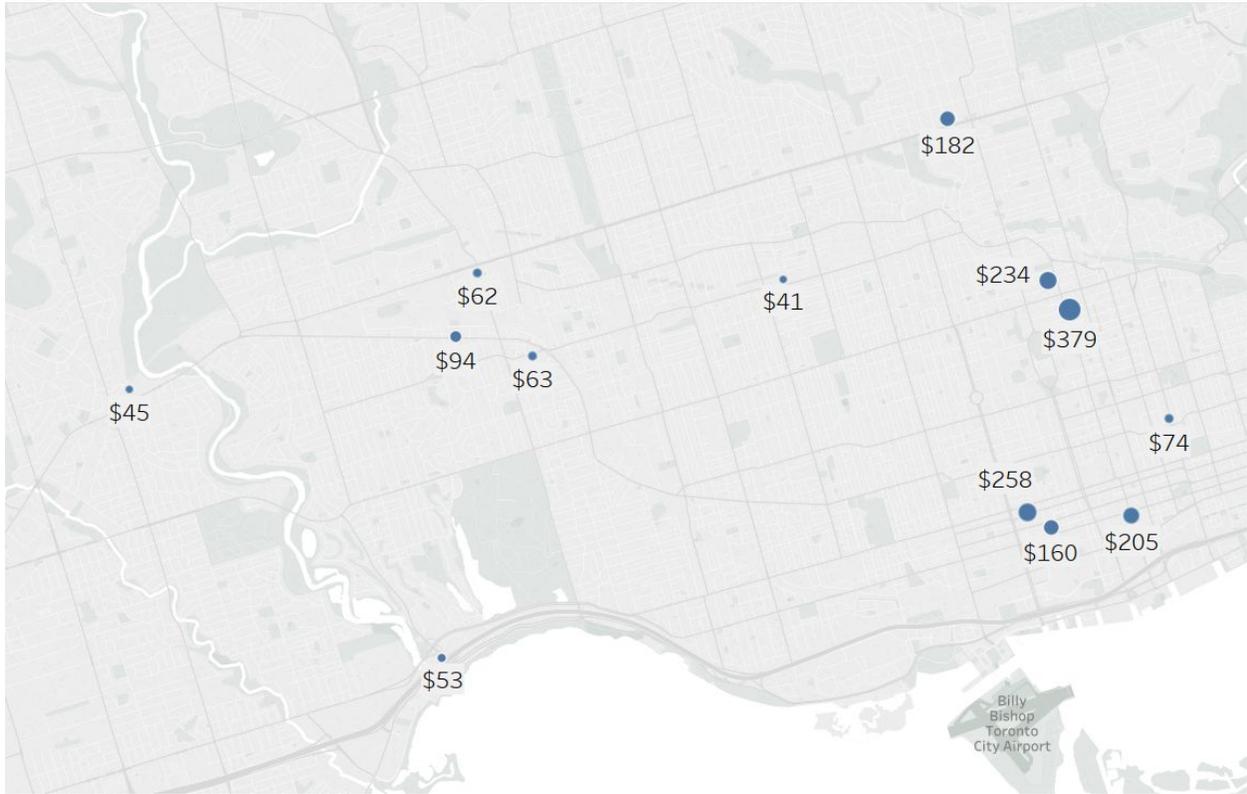
Month of Date	Day of Date	Area	Proposed Height	Lot Area (SF)	GFA (SF)	Price per Buildable SF	Expected Avg Revenue (PSF)	Land % Share of Revenue
October	4	Forest Hill	12	21,108	123,785	\$182	\$1,800	10.1%
	5	Downtown Core	50	4,792	105,415	\$171	\$1,175	14.5%
	12	Downtown East	21	16,553	157,799	\$74	\$850	8.7%
	18	Thornhill	11	49,515	125,000	\$119	\$675	17.6%
	19	The Junction	8	19,907	93,369	\$63	\$800	7.9%
	20	Downtown Core	70	8,930	267,894	\$205	\$1,250	16.4%
	21	Yonge & Eg	35	66,647	590,000	\$118	\$875	13.5%
November	8	The Junction	12	24,343	115,000	\$94	\$775	12.2%
	15	Milton	5	113,909	175,000	\$31	\$550	5.6%
	29	The Junction	14	114,179	240,000	\$62	\$725	8.5%
December	4	Vaughan City Centre	40	103,975	500,000	\$48	\$700	6.9%
	5	West Lakeshore	26	46,633	514,586	\$53	\$825	6.5%
	6	Don Mills	32	214,154	1,100,000	\$45	\$675	6.7%
	15	Annex	9	65,225	216,695	\$41	\$850	4.8%
		Entertainment District	92	103,312	1,869,939	\$160	\$1,750	9.2%
		Kingsway	21	206,086	396,542	\$45	\$690	6.6%
	19	Entertainment District	40	16,286	291,153	\$258	\$1,000	25.8%
20	Yorkville	62	62,847	1,148,628	\$234	\$1,575	14.8%	
21	Yorkville	41	22,324	229,841	\$379	\$2,500	15.1%	

The average project sold for \$57.2 million in the fourth quarter, with a lot size of approximately 67,000 sf. Based on our projections, the average project will have about 435,000 sf of GFA and an FSI of 6.5. High density lands sold on a buildable sf basis in Q4-2017 for approximately 11% of projected overall average revenue. The average project is projected to launch at \$1,050 psf, which provides some insight on where the average per-square-foot values are trending in the GTA overall in one to two years.

# Spatial Distribution of Select Q4-2017 High-Density Land Transactions

**Figure 3** is a map of the Toronto-based land sales and our estimated transaction values on a buildable square foot basis from the fourth quarter of 2017.

Figure 3: Toronto High-Density Land Transactions by Estimated Buildable SF Sales Prices



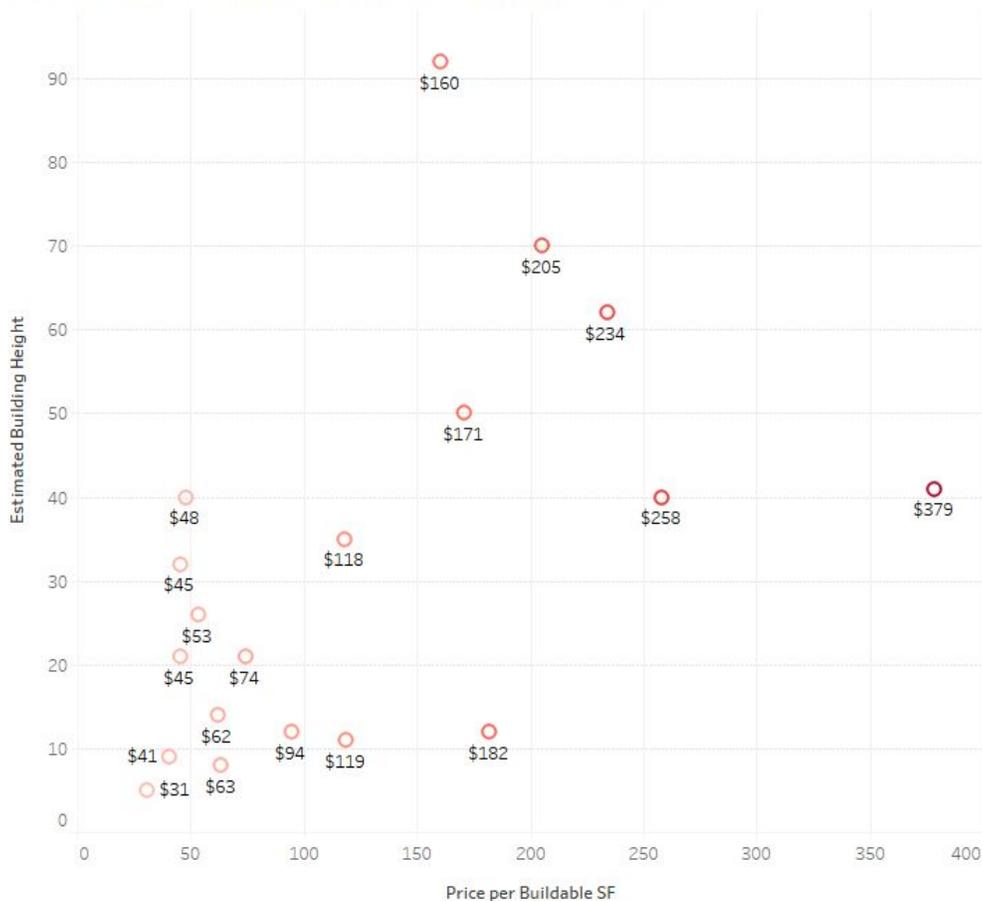
It should be noted that the \$45 per buildable sf transactions in the Kingsway on the west side of the map is not an arms-length transaction.

## Land Transaction Values by Height, Built Form & Share of Projected Revenue

Given the small sample size of transactions reviewed over the past three months and the wide geographical dispersion of those sales, it would not be wise to provide analysis or broad-based commentary on the state of the market. The Land Insights Report will create a time series of transactions to review annual growth in land prices, plus distinguish between zoned and unzoned land to determine the premium that exists for purchasing fully entitled lands.

**Figure 4** looks at the relationship between per buildable square foot sales prices and the proposed building heights.

Figure 4: Estimated Building Height Sales vs. Price Per Buildable Foot, Q4-2017 High-Density Land Transactions in the GTA

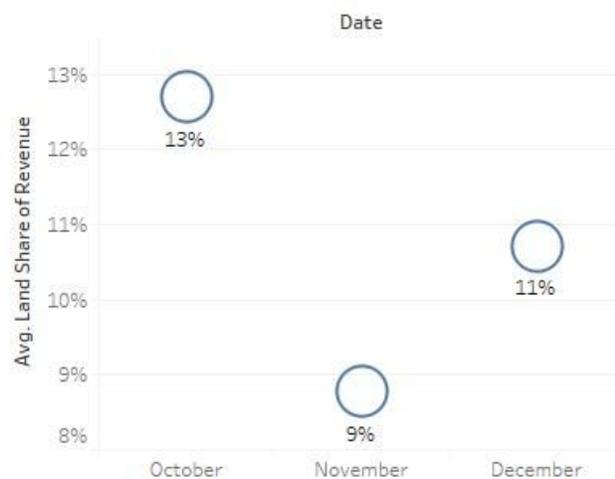


**Figure 5** presents data on per buildable square foot land prices by expected built form. **Figure 6** shows the relationship between per buildable square foot prices and the average per-square-foot revenue at today's values, expressed as a percentage.

**Figure 5: Q4-2017 High-Density Land Sales per Buildable SF by Expected Built Form and Month Sold**



**Figure 6: Avg Price Per Buildable SF over Estimated Avg Sales Price PSF, Q4-2017 GTA High-Density Land Transactions**



## Contacts

Bullpen Consulting | 416 716 2096 | [ben@bullpenconsulting.ca](mailto:ben@bullpenconsulting.ca)  
[www.bullpenconsulting.ca](http://www.bullpenconsulting.ca) | Twitter @BullpenConsult

Batory Management | 647 530 3634 | [pdemczak@batory.ca](mailto:pdemczak@batory.ca)  
[www.batory.ca](http://www.batory.ca) | Twitter @BatoryGroup

## Disclaimer

The material within this document provides an opinion on land use planning and market-related matters. The individual land use assumptions provided represent an estimate of the highest and best use that could reasonably expect to achieve in the current planning regulatory framework.

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