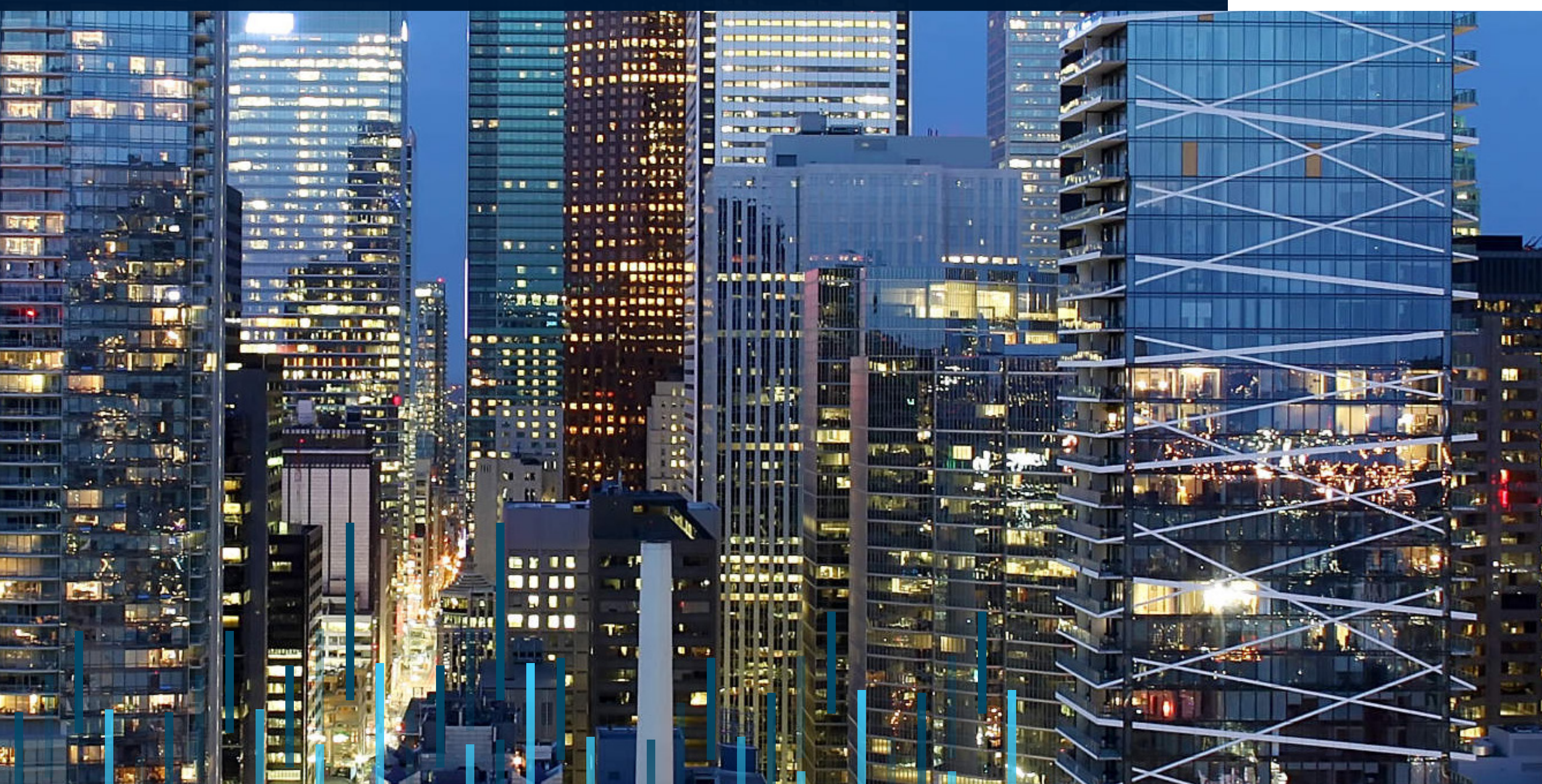
GTA HIGH RISE
LAND INSIGHTS REPORT

Q4 - 2021
Published February 2022



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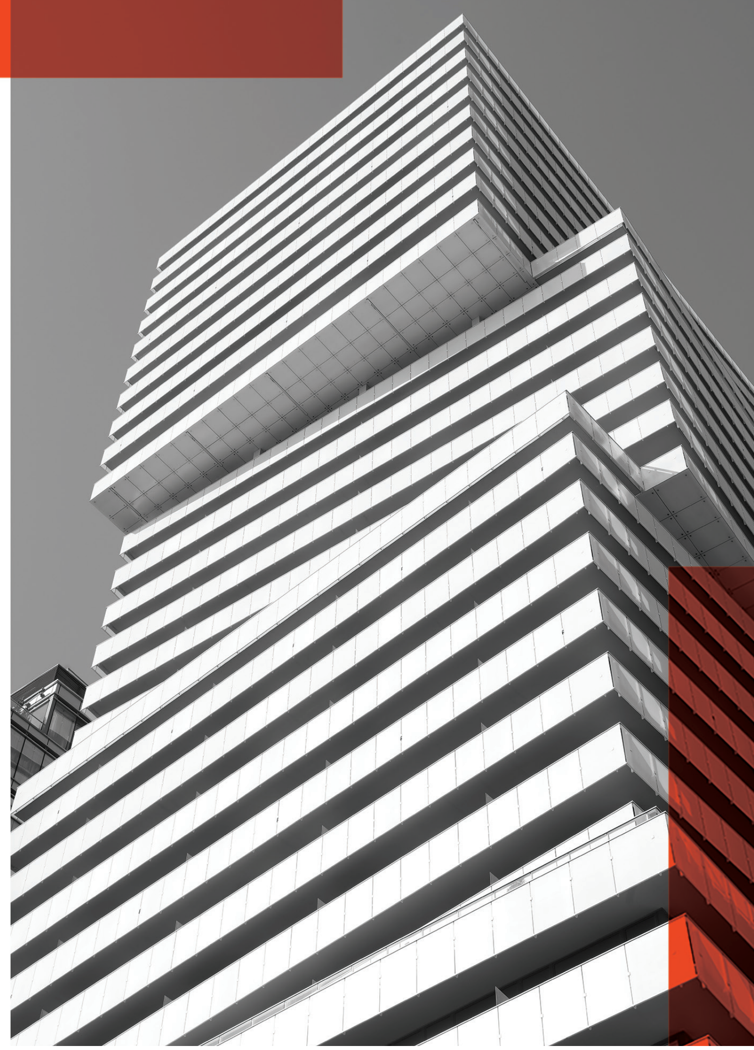

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INTRODUCTION

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 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 (pbsf).

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.

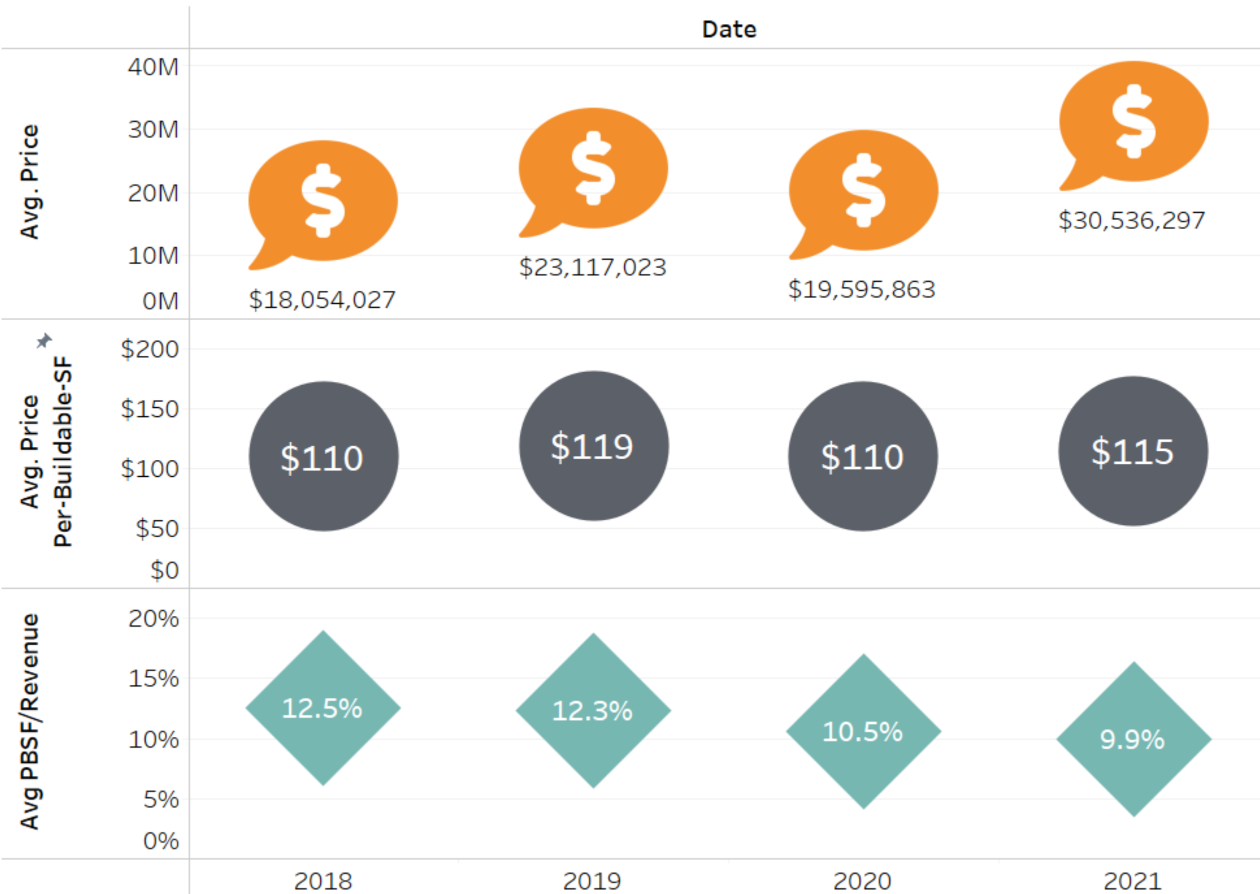
ANNUAL HIGH-DENSITY LAND PRICES IN THE GTA

Figure 1 looks at the average price, average price per-buildable-sf, and Land-to-Revenue Ratio for GTA land transactions that were identified as having future development potential as a condominium or rental apartment.

The average property sold for $30.5 million in 2021, up from $19.6 million in 2020.

On a per-buildable-sf basis, the average estimated price per-buildable-sf was $115 in 2021, an increase of 4.5% annually from $110 pbsf in 2020, but $4 per-buildable-sf lower than 2019's result.

Figure 1: Average Price & Price Per-Buildable-SF, High-Density Land Sales in the GTA, 2018 to 2021



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 (even if the development is earmarked as a future rental).

This is done to establish a reasonable "Land-to-Revenue Ratio" estimation that can be tracked over time (alternatively shown in this report as the LRR or PBSF/Revenue). 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 2021, the average LRR dropped to 9.9% compared to 10.5% in 2020 and 12.3% in 2019. Part of the reason for the decline in the LRR in 2021 is due to larger properties selling, the average high-density land transaction in 2021 was 2.16 acres, compared to 1.33 acres last year. Developers discount the GFA in future phases due to the time value of money.

GTA HIGH-DENSITY LAND SALES IN Q4-2021

In Q4-2021, Bullpen and Batory reviewed 42 land sales. The average sales price of those lands was $110 per-buildable-sf, down from $120 pbsf in Q3-2021 and from $112 pbsf in Q4-2020.

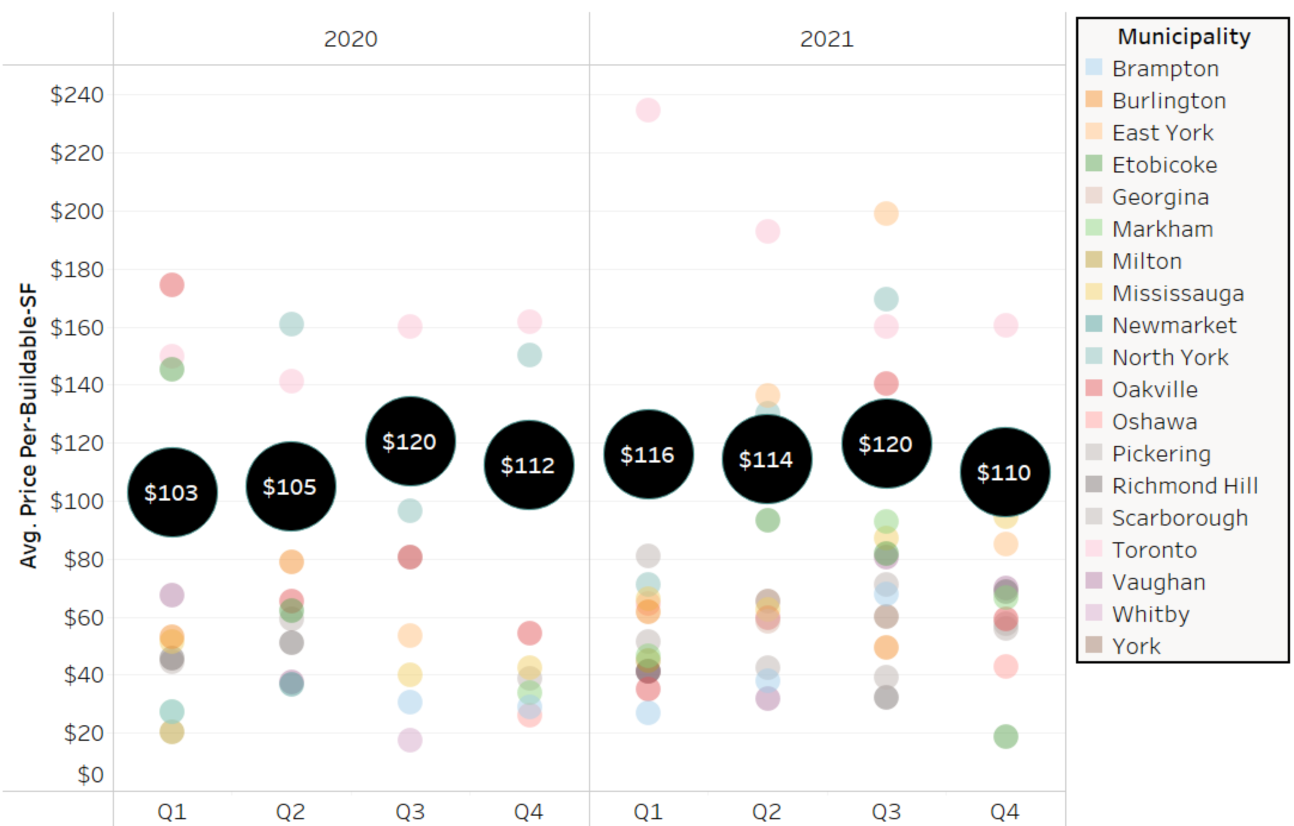
Bullpen estimated that residential condominium apartments at the Q4-2021 land sales (if on the market today) could sell their units at an overall average price of approximately $1,228 psf at the time of the land sale, which indicates that developers paid for land at about 9% of expected revenue in the fourth quarter.

Q4-21: $110 PER-BUILDABLE-SF

Historical High-Density Land Sale Data

Figure 2 looks at historical high-density land sale data in the GTA by quarter since Q1-2020 using estimated and unrevised average price per-buildable-sf (pbsf) figures from previous Land Insights Reports - the coloured markers reflect the average quarterly pricing by municipality and former municipality.

Figure 2: Average Price Per-Buildable-SF by Quarter, GTA & Municipalities, Q1-2020 to Q4-2021



The $110 pbsf (straight average) in Q4-2021 in the GTA is down from the third quarter ($120 pbsf), but very comparable to Q4-2020's price of $112 pbsf. The average property sold was 1.8 acres in Q4-2021 versus 2.1 acres in Q4-2020.

As has been mentioned in previous reports, the rapid rise in construction costs, the increases in development charges, and the uncertainties involved with development approvals is contributing to somewhat flat land prices overall in the GTA, despite the significant price growth currently occurring.

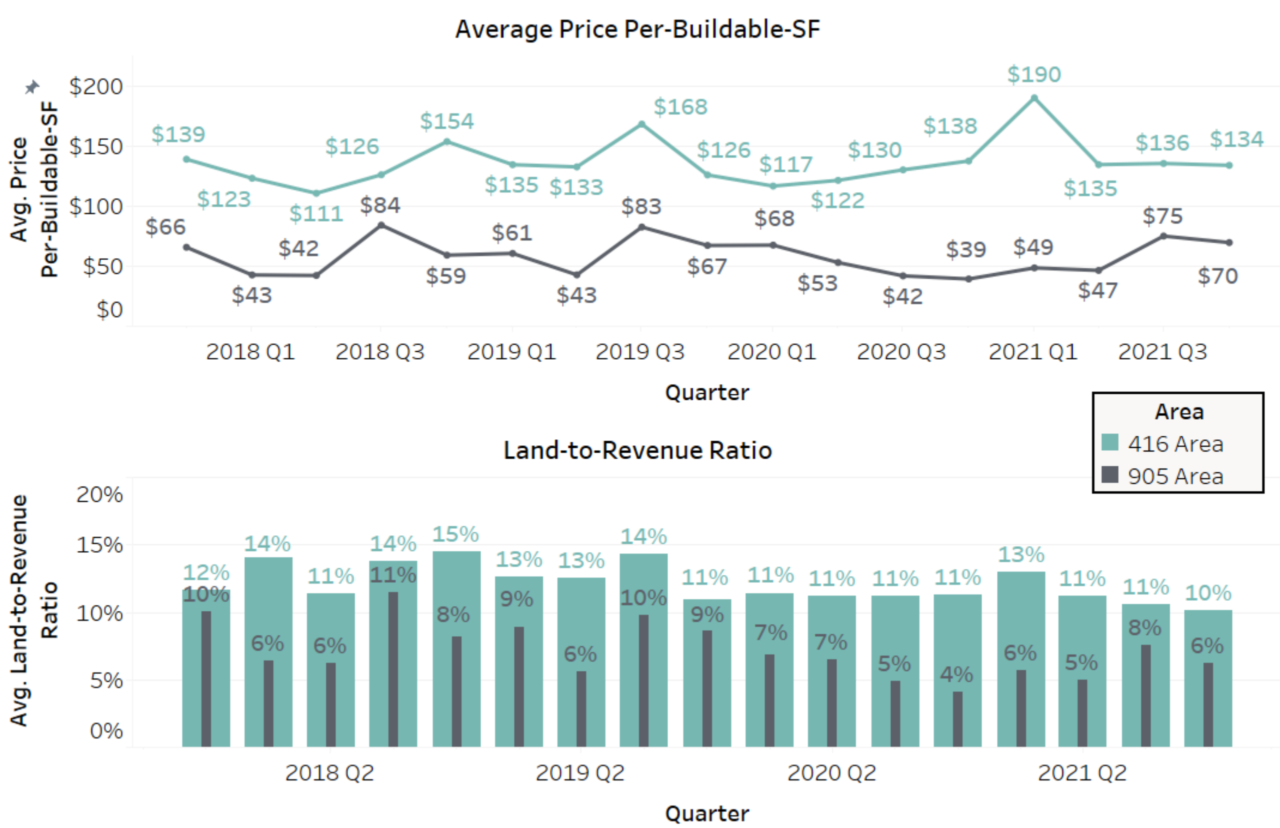
It should be noted at this juncture that these are very small sample sizes, and the transactions are in very diverse locations, in various stages of entitlement, with very different risk profiles. The blending of data at a GTA level doesn't provide a lot of value on a quarterly basis given the limited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

The data will be further delineated in this report by geography, planning status and building type to get a better understanding of the movements in the land market.

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 four years. The top panel looks at the average land price per-buildable-sf, while the bottom panel looks at the land-to-revenue ratio.

Figure 3: Average Land Price Per-Buildable-SF and Average Land-to-Revenue Ratio by Area, GTA (416 vs 905 Area Codes), Q4-2017 to Q4-2021



The average land price per-buildable-sf in the 416 area was $134 pbsf in the fourth quarter of 2021, almost identical to Q3-2021 ($136 pbsf) and Q2-2021 ($135 pbsf), and slightly lower than Q4-2020 ($138 pbsf). The 905 high-density lands sold for $70 per-buildable-sf on average in Q4-2021, slightly declining from the previous quarter's average of $75 per-buildable-sf.

In the 416 area in Q4-2021, the average purchaser paid for land at 10% of estimated revenue, which was just below the 11% achieved in seven of the eight last quarters. In the 905 area, purchasers paid for land at 6% of revenue, up from 4% in Q4-2020, but down from 8% in Q3-2021.

Part of the reason developers have paid a lower LRR is the increased absorption risk, as investors tend to prefer "A" locations if the market falters, however the traditional inner-suburban condo markets have been very strong, and particularly in 2020, stronger than the downtown Toronto market.

The lower LRR recently is likely attributable to developers seeking out high-density land in outer-suburban markets given huge sales successes in places like Milton, Whitby and Clarington recently. Secondly, developers are betting on larger sites as well, confident they can sell three and four-tower developments outside the typical suburban hubs like the Mississauga City Centre and Highway 7 corridor in York Region.

SUMMARY LAND SALES DATA FOR TOP MUNICIPALITIES

Figure 4 presents summary data on the average high-density land price per-buildable-sf by year for select municipalities in the GTA.

Figure 4: Average Price Per-Buildable-SF by Year, Select Municipalities in the GTA, 2018 to 2021

Municipality	2018	2019	2020	2021	Grand Total
Toronto	$146	$187	$154	$185	**$165**
East York		$150	$54	$151	**$137**
York	$159	$124	$109	$59	**$107**
North York	$101	$87	$112	$119	**$104**
Etobicoke	$64	$68	$131	$75	**$86**
Oakville	$90	$70	$95	$71	**$84**
Burlington	$68	$51	$66	$57	**$61**
Markham	$56	$74	$32	$58	**$60**
Vaughan	$31	$76	$47	$59	**$59**
Mississauga	$53	$37	$46	$81	**$55**
Scarborough	$44	$46	$53	$59	**$51**
Pickering				$50	**$50**
Richmond Hill	$43	$44	$48	$53	**$47**
Oshawa	$11		$26	$57	**$42**
Brampton	$33	$33	$29	$39	**$35**
Milton	$33		$20	$45	**$35**

Given the limited number of transactions in many of the municipalities, price comparison year-over-year has limited value due to the wide array of project locations, size, and site status. However, Toronto is the most worthwhile data point due to the larger number of trades. Land pricing in the former City of Toronto was $185 pbsf in 2021, up 20% annually, and similar to the 2019 result of $187 pbsf when the price was pulled up by a number of high-profile trades in Yorkville.

North York pricing rose to $119 pbsf in 2021, up slightly from $112 pbsf in 2020.

INDIVIDUAL TRANSACTIONS IN Q4-2021 BY NEIGHBOURHOOD

Figure 5 breaks down the Q4-2021 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) before the actual closing date.

Figure 5: Summary Data on High-Density Land Transactions by Neighbourhood, GTA, Q4-2021

		Number of Records	Avg. Lot Size (Acres)	Avg. Estimated / Proposed Height	Avg. Price	Avg. Price Per-Buildable-SF	Avg. Land-to-Revenue Ratio
416 Area	Downtown Yonge	1	0.3	68	$150,000,000	$273	17%
	Downtown East	1	1.2	36	$184,600,000	$256	17%
	Forest Hill	2	0.2	11	$10,000,000	$253	18%
	Yonge & Eglinton	2	0.6	25	$35,750,000	$185	13%
	Downsview	1	0.7	6	$9,400,000	$173	15%
	Ryerson	1	0.0	52	$5,500,000	$165	10%
	Leslieville	1	0.5	7	$14,900,000	$162	13%
	Davisville	2	0.5	26	$35,250,000	$160	11%
	Corso Italia	1	0.2	8	$6,675,000	$156	14%
	Roncesvalles	1	0.1	6	$4,520,000	$137	11%
	Newtonbrook	2	0.6	18	$18,198,500	$129	10%
	The Danforth	1	0.7	8	$13,975,000	$112	9%
	Corktown	1	0.1	44	$6,550,000	$85	6%
	Agincourt	1	0.9	12	$14,412,675	$74	7%
	Stockyards	2	4.3	37	$83,750,000	$72	6%
	Leaside	2	1.5	20	$17,120,893	$65	5%
	Cliffside	1	2.2	22	$20,250,000	$58	6%
	Don Mills	1	3.0	25	$33,000,000	$50	4%
	West Hill	1	2.0	10	$13,118,000	$41	4%
	Martin Grove	1	2.2	12	$13,219,000	$19	2%
905 Area	Port Credit	1	1.5	30	$86,000,000	$126	11%
	Elgin Mills	1	5.1	12	$37,100,000	$101	10%
	Cooksville	2	2.8	20	$33,500,000	$79	7%
	Bronte	1	0.9	6	$8,128,100	$73	6%
	Unionville	2	3.0	11	$27,750,000	$71	6%
	Vaughan Metro Centre	3	3.5	47	$84,596,667	$70	6%
	Newtonbrook	1	5.6	45	$120,000,000	$69	5%
	Thornhill	1	1.8	26	$26,500,000	$58	5%
	South Pickering	1	1.3	27	$14,000,000	$56	6%
	Kerr Village	1	2.9	20	$26,000,000	$46	4%
	South Oshawa	1	0.6	4	$1,550,000	$43	5%
	Bayview Glen	1	2.7	14	$10,500,000	$36	3%
		42	**1.8**	**23**	**$38,007,775**	**$110**	**9%**

Newtonbrook appears in both the 905 Area and 416 Area because the neighbourhood generally covers an area both north and south of Steeles, and there were sales in North York and Vaughan last quarter in that area.

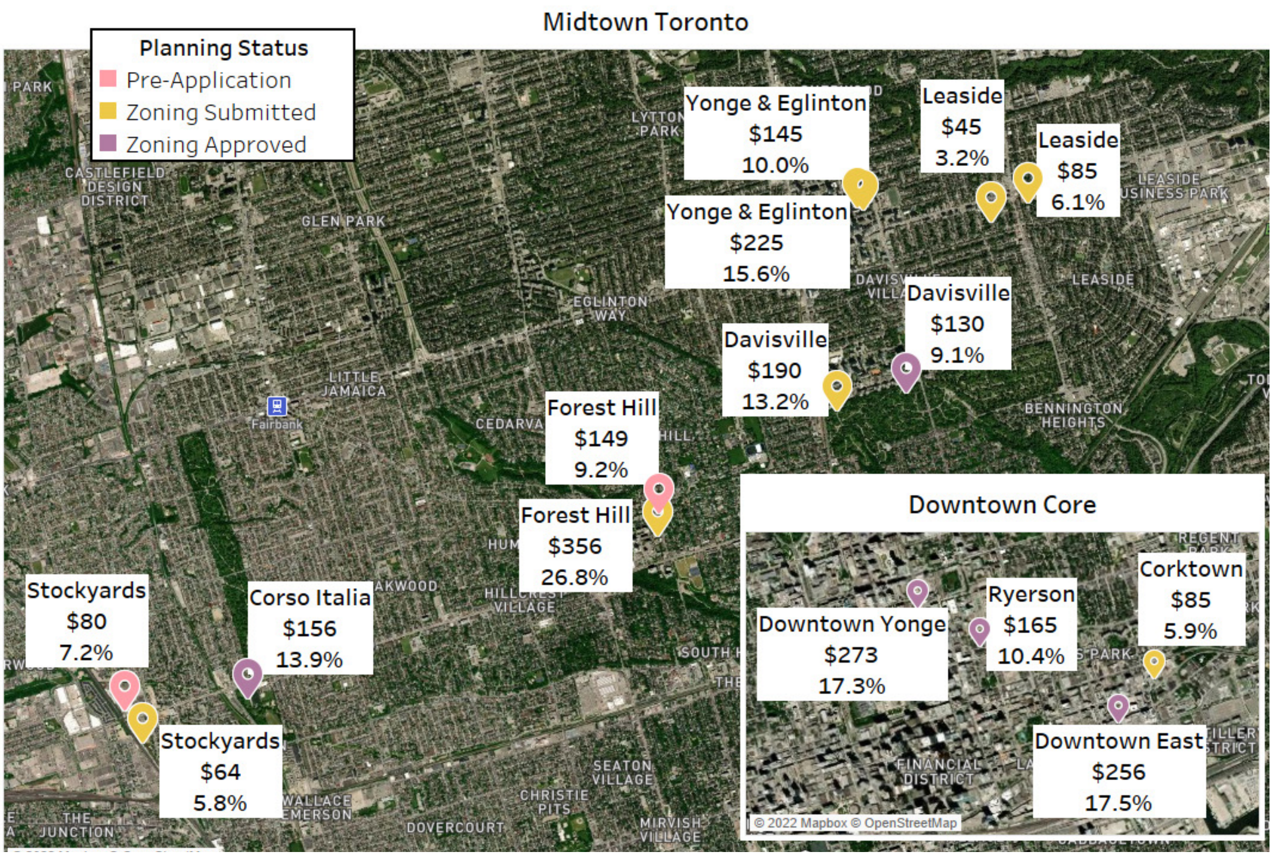
Note: Bullpen Consulting is often involved in the underwriting and market analysis of land sales that appear on this list, and has inside knowledge on what the developer is going to pursue in terms of total GFA, however. That data is confidential and has not been provided to Batory Management for their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

The 42 land sales in Q4-2021 had an average size of 1.8 acres, with the potential apartment projects having an average height of 23-storeys. The average property sold for about $38 million or $110 per-buildable-sf (straight average). The average of the individual land-to-revenue ratios equals 9% (the weighted average was presented earlier in the report, equalling 10%). The individual Land-to-Revenue ratios range from a high of 18% in Forest Hill, to a low of 3% in Bayview Glen. The average per-buildable-sf land price reached a high of $273 in Toronto's Downtown Yonge, contrasted with $19 pbsf in Etobicoke's Martin Grove area.

SPATIAL DISTRIBUTION OF HIGH-DENSITY LAND SALES IN TORONTO

Figure 6 maps the fourth quarter land sales in Toronto only, showing the price on a per-buildable-sf foot basis, as well as the estimated Land-to-Revenue Ratio. The colour of the markers indicates the planning status.

Figure 6: Location of Land Transactions by Area, Toronto, Q4-2021



The most notable transaction in the fourth quarter was likely 260 King Street East. Fitzrovia and an institutional partner acquired the city-block site for approximately $256 pbsf. A two-tower, mixed use project is planned, which will incorporate the heritage structures on site. The towers will be named *The Grainger* and *The Sanderson*, and will include approximately 850 residential rental suites, 50,000 sf of office space, 20,000 sf of ground-floor retail space. A 5,000 sf public park is also in the plans per a recent press release.

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 four years (old Toronto boundaries per-amalgamation), 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). Additional data shown in the chart includes the number of transactions, the average property size, the average price, the average estimated revenue per-foot estimated by Bullpen, and the LRR.

The average land price of pre-application sites in 2021 was $179 per-buildable-sf, which was up 15% from 2020's $156 pbsf.

The price of lands where a development application was submitted, but no approvals were granted was $177 pbsf - a 32% annual increase over the 2020 average of $134 per-buildable-sf.

Approved properties traded for $208 pbsf in 2021 - an annual increase of 10% over the 2020 average of $189 per-buildable-sf.

Figure 7: Summary Data on High-Density Land Transactions by Planning Status and Year, Former City of Toronto, 2018 to 2021

	2018	2019	2020	2021	Grand Total
Pre-Application	32 sales 0.36 acres $16,683,469 $1,011 psf **$139 pbsf** 14% LRR	25 sales 0.57 acres $20,441,978 $1,162 psf **$181 pbsf** 16% LRR	29 sales 0.70 acres $20,836,282 $1,238 psf **$156 pbsf** 13% LRR	20 sales 0.65 acres $21,643,924 $1,376 psf **$179 pbsf** 13% LRR	**106 sales 0.56 acres $19,641,992 $1,178 psf $161 pbsf 14% LRR**
Zoning Submitted	24 sales 0.54 acres $26,143,976 $1,064 psf **$161 pbsf** 15% LRR	24 sales 0.34 acres $32,511,721 $1,261 psf **$198 pbsf** 16% LRR	18 sales 0.35 acres $23,474,694 $1,271 psf **$134 pbsf** 11% LRR	20 sales 0.92 acres $34,688,134 $1,385 psf **$177 pbsf** 13% LRR	**86 sales 0.53 acres $29,349,348 $1,237 psf $169 pbsf 14% LRR**
Zoning Approved	13 sales 0.81 acres $31,781,391 $944 psf **$138 pbsf** 15% LRR	5 sales 0.67 acres $43,320,000 $1,206 psf **$196 pbsf** 16% LRR	9 sales 2.10 acres $46,869,370 $1,226 psf **$189 pbsf** 15% LRR	14 sales 0.60 acres $87,626,414 $1,433 psf **$208 pbsf** 14% LRR	**41 sales 1.01 acres $55,569,566 $1,205 psf $180 pbsf 15% LRR**

Over the past four years, developers have paid a premium of $8 psf or 5% for a property where a development application has been submitted, when going from a pre-application site to an approved site, developers have paid a premium of $19 psf or about 12% more.

In 2021, the premium for an approved project was 16% higher than a pre-application site.

LAND PRICES BY BUILDING TYPE IN TORONTO

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 (higher construction cost) and other marketing/planning costs amortized over fewer units. Furthermore, the logistics required to get them approved can also be very high on a per-unit basis.

The data for the former cities of Toronto, North York and Scarborough (presented in **Figure 8**) shows that land costs are also much higher for mid-rise projects as well. We define mid-rise as 5-15 storeys. In 2021, the average mid-rise land sold for $194 pbsf in Toronto, $133 pbsf in North York, and $64 pbsf in Scarborough, in comparison to $177, $108, and $68, respectively from 2020.

High-rise buildings in Toronto, North York, and Scarborough had average per-buildable-sf prices in 2021 of $178, $98, and $42, respectively.

Taking into consideration that many of the high-rise towers are in pricey downtown locations on subway lines, mid-rise lands in Toronto were 9% more than lands suitable for high-rise projects.

Figure 8: Average Price Per-Buildable-SF & Land-to-Revenue Ratio by Building Type, Toronto, North York & Scarborough, 2019 to 2021

	Mid-Rise			High-Rise		
Year	Toronto	North York	Scarborough	Toronto	North York	Scarborough
2019	$210 18%	$90 10%	$51 7%	$171 14%	$67 7%	$24 3%
2020	$177 15%	$108 11%	$68 8%	$131 10%	$103 10%	$35 4%
2021	$194 15%	$133 12%	$64 6%	$178 12%	$98 8%	$42 4%
Grand Total	**$181 16%**	**$105 11%**	**$57 7%**	**$155 12%**	**$96 9%**	**$33 4%**

Avg. Price Per-Buildable-SF: $24 $50 $100 $150 $210

Median Price Per-Buildable-SF: $20 – $199

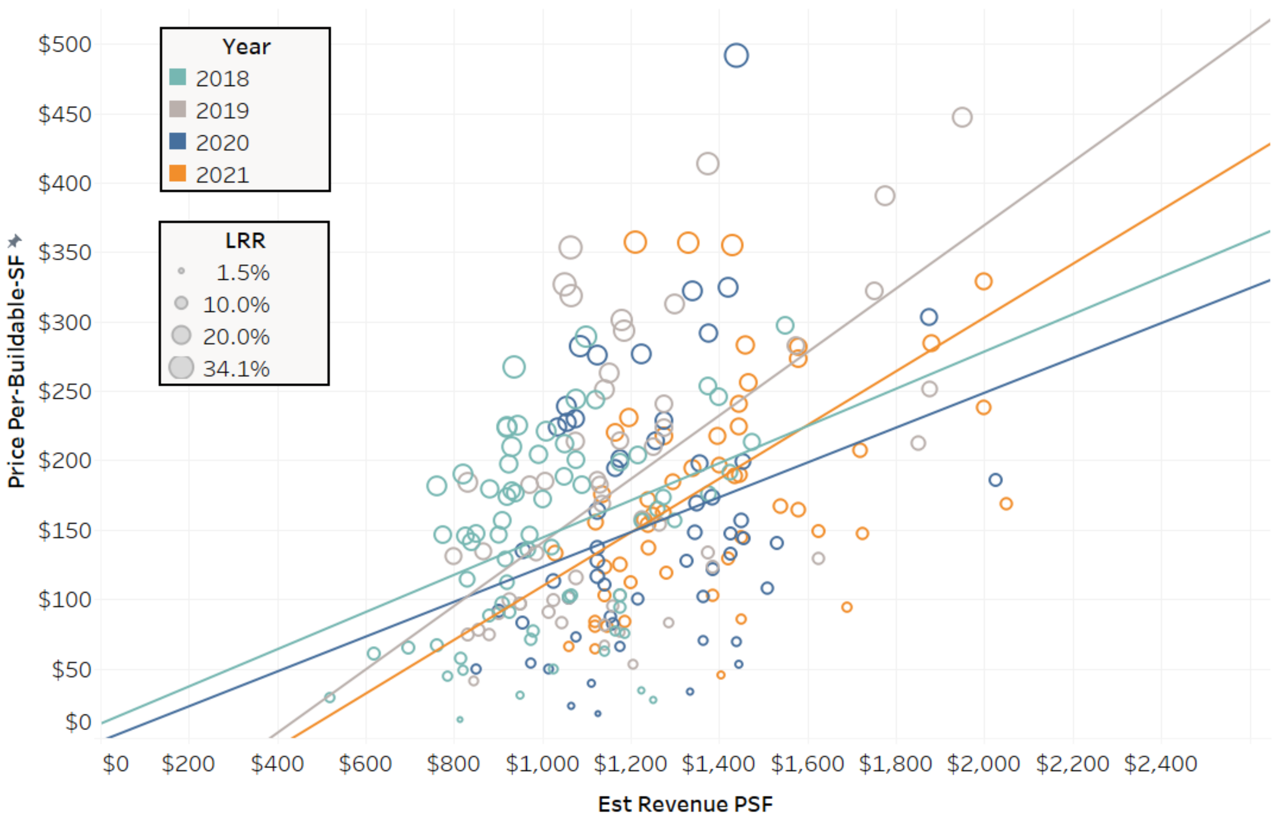
RELATIONSHIP BETWEEN LAND VALUES AND REVENUE IN TORONTO

Figure 9 presents data on the annual relationship between land values and estimated revenue at the time of closing. The years are represented by the colours of the markers, and the lines on the map are the linear trendlines.

For argument's sake, let's look at a new development that could potentially launch at $1,200 psf and see where the trendline intersects with that revenue figure. Based on this price, land was more expensive in 2018 and 2019 (teal and grey lines) than it was in 2021 (orange line). Both 2020 and 2021 intersect at about $150 per-buildable-sf.

Rapidly rising construction costs, including new bathtubbing for long-term discharge of rain water, uncertainty around inclusionary zoning, rising development charges, and longer approval timelines have likely contributed to this slowing of the pace of growth. However, as the data in several of the previous charts shows, when breaking out the data and controlling for factors such as building type or planning approval status land prices are clearly still increasing.

Figure 9: Historical Relationship Between Land Prices and Estimated Revenue at Closing, Old Toronto, 2018 to 2021



PROJECT UPDATES

789-795 Brant Street

Camarro Developments purchased this 0.554 acre property located at 789 - 795 Brant Street in Burlington in January 2021 for $4.375 million. At the time of the transaction, the project was in the pre-application phase.

Batory estimated that an 8-storey development with a total GFA of 65,821 sf would be appropriate for the subject property. Based on the Batory analysis, the per-buildable-square-foot land price was estimated at $66. The overall average revenue projected was $820 psf, this results in a land-to-revenue ratio of 8%.

In October 2021, a pre-application consultation took place where Camarro presented a development concept. The mixed-use residential tower would contain 307 units, and ground-level townhouses. The proposed development includes a podium with a height of 7-storeys facing Brant Street.

No GFA figures were released, but a better estimate of 215,000 is not unreasonable given the unit count, which would lower the land price to just $20 per-buildable-sf.

151 Main Street North

Luxor Homes purchased this 0.475 acre property located at 151 Main Street North in Brampton in January 2020 for $2.55 million. At the time of the transaction, the project was still in the pre-application phase.

Batory had estimated that a 12-storey mid-rise development with a total GFA of 93,110 sf would be appropriate for the subject property. This translates to a price per-buildable-square-foot of $27. With an estimated revenue per-square-foot of $805 at the time of closing, this results in a land-to-revenue ratio of 3%.

In June 2021, an amendment application had been submitted, calling for a 30-storey mixed building with a total of 363 residential units consisting of 277 one bedroom units, 77 two bedroom units, and 9 three bedroom units. The proposal also calls for 2,745 sf of commercial space, as well as 225 parking spaces.

According to Architecture Unfolded, the proposed building will include over 281,000 sf of GFA, which reduces the price of land to just $9 pbsf, and the land-to-revenue ratio to 1%.

77, 87, 93 Bronte Road

The Rosseau Group purchased this 1.496 acre property located at 77, 87, and 93 Bronte Road in Oakville near the intersection of Lakeshore Road West and Bronte Road in May 2021 for $14.52 million.

At the time of the transaction, no application for development had been submitted, and Batory estimated that a 12-storey mid-rise building with a total GFA of 244,000 sf would be appropriate for the property. This translates to a price per-buildable-square-foot of $60. With an estimated revenue per-square-foot of $1,120, this results in a land-to-revenue ratio of 5%.

An application for development was submitted in September 2021 that calls for a 6-storey mixed-use building with a total of 188 residential units and a GFA of 185,990 sf. The proposal also calls for 283 parking spaces (38 spaces above grade and 245 spaces within 2-levels of underground parking). The updated land price is $78 pbsf, with an LRR at the time of closing of 7%.

143 Church Street & 125 Navy Street

The Rosseau Group purchased this 0.176 acre property located at 143 Church Street between Navy Street and Thomas Street in downtown Oakville for $4.53 million in January 2020.

At the time of the transaction, no application for development had been submitted. Batory estimated that a 4-storey low-rise apartment with a total GFA of 15,333 sf would be appropriate for the property. This translates to a price per-buildable-square-foot of $296. With an estimated average per-square-foot revenue of $1,350, this resulted in a land-to-revenue ratio of 22%.

In December 2020, the developer purchased 125 Navy Street for $5.5 million and based on a development application submitted at that time, the land was pegged at $83 pbsf, with an LRR of 6%.

In August 2021, additional supporting documents were submitted to the Town of Oakville showing a proposed 12-storey mixed use development with a total of 144 residential units. The current plan calls for GFA of 298,869 sf (234,556 sf of residential GFA and 64,312 sf of commercial GFA). The plans also include 281 parking spaces on three levels of underground parking, as well as 141 bicycle parking spaces.

The total assembly includes the two properties mentioned above (0.35 acres) and 150 Randall Street. The two properties account for 43% of the land in the assembly, or about 129,000 sf of the GFA. The combined sales prices of $10 million for 143 Church and 125 Navy over the 129,000 sf equals an updated land price of about $78 or approximately a 6% LRR.

189 Dundas Street West

Augend 189 Dundas West Village Properties Ltd. purchased this 3.486 acre property located at 189 Dundas Street West in Mississauga near the intersection of Dundas Street West and Confederation Parkway for $16.68 million in July 2020. At the time of the transaction, no application for redevelopment had been submitted, but the previous owner was planning to develop the site with 4-storey stacked townhouses before the property was placed in receivership.

Batory estimated that multiple 5-storey buildings with a total GFA of 417,588 sf would be appropriate for the site. This translates to a price per-buildable-square-foot of $40. With an estimated per-square-foot revenue of $890, this resulted in a land-to-revenue ratio at the time of closing of 4%.

An application for redevelopment was submitted in August 2021 proposing three apartment buildings with heights of 18, 20, and 32 storeys. Plans call for a total of 966 units and 5,713 sf of ground floor commercial space.

The total GFA is likely to be closer to 680,000 sf, and therefore the updated land price is $25 pbsf, with an LRR at the time of closing of 3%.

403 Keele Street

Core Development Group purchased this 0.593 acre property at 403 Keele Street near the intersection of Keele Street and Dundas Street West for $9.0 million in July 2021. At the time of the transaction no application for development had been submitted.

Batory estimated that a 10-storey mid-rise building with a total GFA of 112,000 sf would be appropriate for the site. This translates to a price per-buildable-square-foot of $80. With an estimated per-square-foot revenue of $1,145, this resulted in a land-to-revenue ratio of 7%.

As of November 2021, a Zoning By-law amendment application was submitted proposing an 11-storey mixed-use development with a total GFA of 139,358 sf (1,120 sf of non-residential space). The proposal calls for 216 rental apartment units - 121 studio units, 22 one bedroom units, and 73 units with three or more bedrooms. It is our understanding that Core is planning a co-living project, which explains the non-traditional suite mix.

The updated land price is $65 pbsf, with an LRR at the time of closing of 6%.

2406, 2408, 2418 Dufferin Street

Lindvest purchased this 1.17 acre property located at 2406, 2408, and 2418 Dufferin Street just north of the intersection of Dufferin Street and Eglinton Avenue West for $15.5 million in June 2019. At the time of the transaction, no application for development had been submitted.

Batory estimated that a 14-storey mid-rise building with a total GFA of 267,567 sf would be appropriate for the site. This translates to a price per-buildable-square-foot of $58. With an estimated per-square-foot revenue of $885 on average, this resulted in a land-to-revenue ratio of 7%.

An application for development was submitted in November 2021 proposing a 24-storey mixed-use building with a total GFA of 322,228 sf (9,504 sf retail space) in a larger assembly at 1.32 acres. The proposal calls for a total of 405 residential units - one studio unit, 181 one bedroom units, 165 two bedroom units, and 58 units with three or more bedrooms. The proposal also calls for 258 below grade parking spaces - 184 for residential use and 74 for residential visitors.

The lands above accounted for 89% of the assembly or about 287,000 sf of prorated GFA. The updated land price per-buildable-sf is $54, with the land-to-revenue ratio updated to 6% based on revenue estimates at the time of closing.

289-299 Balliol Street

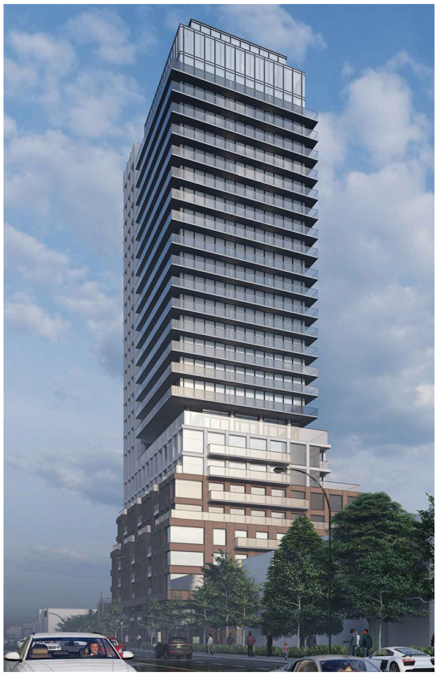
Menkes Developments purchased this 0.3 acre property located at 289-299 Balliol Street near the intersection of Balliol Street and Mount Pleasant Road for $13 million in June 2021. At the time of the transaction, no application for development had been submitted.

Batory estimated that a 9-storey mid-rise development with a total GFA of 59,828 sf would be appropriate for the site. This translates to a price per-buildable-square-foot of $217. With an estimated per-square-foot revenue of $1,275, this results in a land-to-revenue ratio of 17%.

An application for rezoning was submitted in November 2021 proposing a 28-storey high-rise apartment building with a total GFA of 186,797 sf and a total of 260 units (22 studio units, 161 one bedroom units, 50 two bedroom units, and 27 units with three or more bedrooms). The proposal also calls for a total of 44 parking spaces (39 for residential use and 5 for residential visitors).

Developers continue to push density in these locations near transit, and the updated land price is much lower at $70 pbsf, with an LRR of 5% at the time of closing.

1837 Bayview Avenue



Gupta Group purchased this 0.517 acre property located at 1837 Bayview Avenue near the intersection of Bayview Avenue and Broadway Avenue for $26.2 million in September 2021.

At the time of the transaction, no application for development had been submitted. Batory estimated that a 12-storey mid-rise building with a total GFA of 83,876 sf would be appropriate for the site. This translates to a price per-buildable-square-foot of $312. With an estimated per-square-foot revenue of $1,435, this results in a land-to-revenue ratio of 22%.

An application for development had been submitted in December 2021 proposing a 25-storey mixed-use building with a residential GFA of 192,760 sf and a commercial GFA of 2,756 sf.

LIke the previous update, developers are pushing greater densities near the new Eglinton LRT, and the land price based on this project is $136 pbsf, with an LRR at the time of closing of 9%.

225 Queen Street

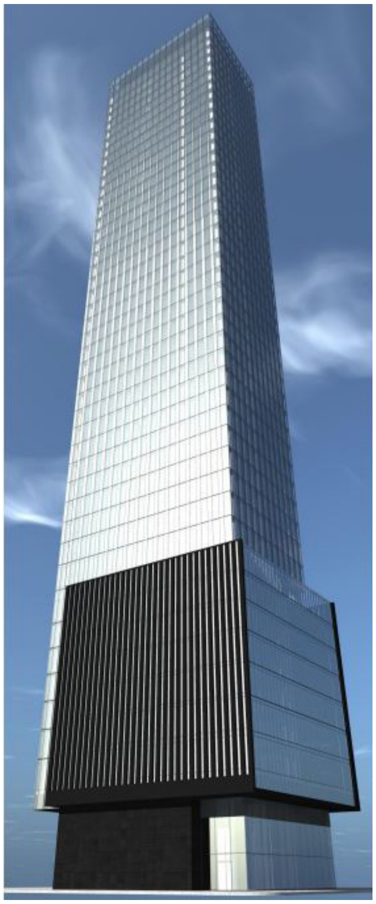
Dash Developments purchased this 0.392 acre property located at 225 Queen Street and 120-124 Sherbourne near the intersection of Queen Street East and Sherbourne Street for $23.96 million in July 2021.

In 2008, a 10-storey condo project was launched at this site with 57 units, the project was cancelled the next year. Batory estimated that a 22-storey high-rise development would be appropriate for the site. This translates to a price per-buildable-square-foot of $218. With an estimated per-square-foot revenue of $1,395, this results in a land-to-revenue ratio of 16%.

An application for development was submitted in November 2021 proposing a 31-story mixed-use building with a total GFA of 250,875 sf (243,555 sf of residential GFA, and 5,511 sf of retail space). The proposal calls for a total of 340 condominium apartment units - 23 studio units, 150 one bedroom units, 132 two bedroom units, and 35 units with three or more bedrooms.

The updated land price is $96 pbsf, with an LRR at the time of closing of 7%.

134 Parliament Street



Lamb Development purchased this 0.163 acre property at 134 Parliament Street near the intersection of Richmond Street East and Parliament Street for $17 million in February 2021. At the time of the transaction no application for development had been submitted.

Batory estimated that a 24-storey high-rise building with a total GFA of approximately 99,000 sf would be appropriate for the site. This translates to a price per-buildable-square-foot of $172. With an estimated revenue of $1,240, this results in a land-to-revenue ratio of 14%.

In November 2021, an application for development was submitted proposing a 44-storey mixed-use development with a total GFA of 211,479 sf (2,024 sf of retail space). The proposal calls for a total of 327 condo units - 80 studio units, 164 one bedroom units, 49 two bedroom units, and 34 units with three or more bedrooms. The proposal also calls for 49 parking spaces in a below grade garage, as well as 333 bicycle parking spaces.

In December 2021, Lamb closed on 529 Richmond Street East for $4 million and expanded the assembly by nearly 0.4 acres.

The updated purchase price is $21 million for 211,479 sf of GFA, translating into a blended pre-buildable-sf price of $99.

1053 Don Mills Road

The Donway East Limited purchased this 4.69 acre property at 1053 Don Mills Road near the intersection of Don Mills Road and The Donway East for $50 million in December 2017.

At the time of the transaction no application for development had been submitted, and Batory estimated that a 32-storey high-rise building would be the centrepiece of a multi-tower project with a total GFA of 1.1 million sf. This translates to a price per-buildable-square-foot of $45. With an estimated revenue per-square-foot of $675 in late 2017, this results in a land-to-revenue ratio of 7%.

An application for development was submitted in October 2021 proposing four residential buildings ranging in height from 16- to 32-storeys with a total GFA of 868,981 sf. The proposal calls for 34 rental apartment units as well as 991 condo units for a total of 1,185 units. The unit mix consists of 172 studio units, 479 one bedroom units, 416 two bedroom units, and 118 units with three or more bedrooms. The proposal also calls for a total of 800 below grade parking spaces - 681 for residential use and 119 for residential visitors.

The updated land price is $57 pbsf, with an LRR at the time of closing of 8%.

FINAL THOUGHTS

The average price per-buildable-sf for land transactions continues to stay relatively steady in the ‘416’ area, while prices in the ‘905’ area have increased significantly in the last two quarters. This may reflect increasing demand for projects in the ‘905’ area, as pre-construction sales for product outside of Toronto has been very strong over the past two years.

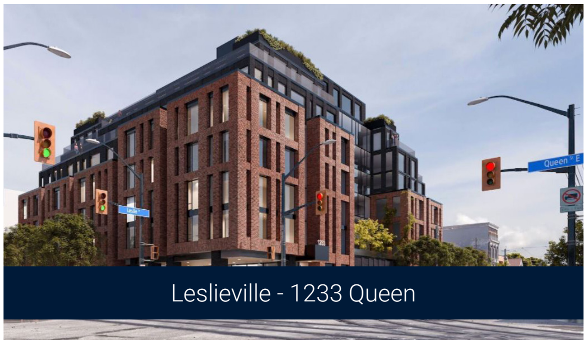
However, as this report has highlighted many times, this data is very noisy, especially the suburban data which may include lands suitable for a 75-storey project in the Mississauga City Centre, to a ultra-luxury mid-rise in downtown Oakville, to a 4-storey entry-level condo project in Clarington with no underground parking. Overall, land prices were up in the GTA overall by about 5% annually when looking at the cumulative data for 2021, but down when looking at Q4-2021 compared to Q4-2020.

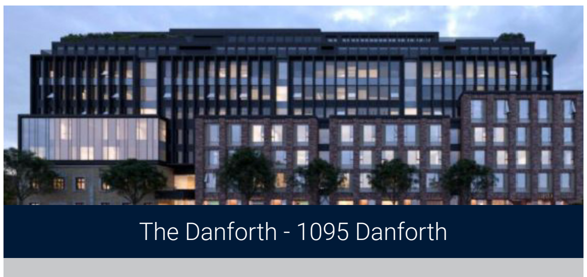
The best comparable time-series data is likely found in Figure 7, which controls for location, by including the former City of Toronto transactions only, but also filters the projects by planning status. This data clearly shows that land values in 2021 are up compared to 2020, but pre-application and zoning-submitted sites are still lower than 2019 when material inflation, and inclusionary zoning were not as big of concerns as they are today. The exception is that zoning approved sites have increased both in comparison to 2020 and 2019, as there appears to be more players in the market today looking for sites where planning risk has been eliminated.

In terms of the zoning approved sites, the LRR was lower in 2021 at 14% compared to previous years at 15% or higher, which signals one of two things, that costs are higher than previous years, or developers are not as bullish on revenue growth moving forward. Note that our revenue expectations for those approved sites averaged $1,433 psf in 2021, an increase of 17% above the 2020 average. Runaway new condo prices remain a concern, and pre-construction investors will eventually want to sell to resale end-users, and how many can afford, or want to live in a 450 sf condominium that costs them $725,000 or more?

We will continue to monitor sales activity in the high-density land market, and would love to get your comments or corrections on the data presented in this report, so please reach out to Bullpen or Batory.

AVAILABLE RENDERINGS FOR ZONING SUBMITTED OR ZONING APPROVED SITES


Leslieville - 1233 Queen

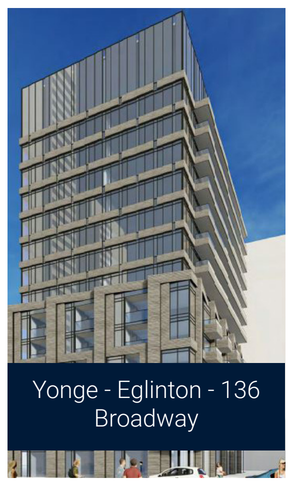

The Danforth - 1095 Danforth

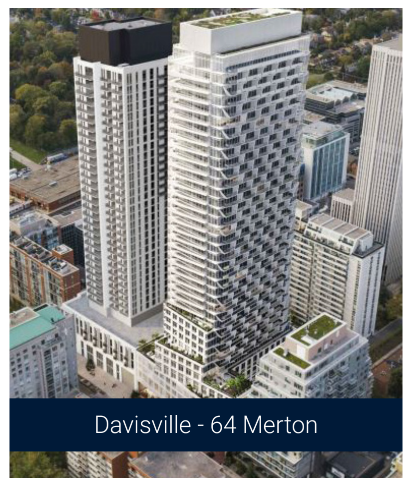

Leaside - 543 Eglinton


Downtown Yonge - 8 Elm


Vaughan Metropolitan Centre - 3201 Hwy 7


Yonge - Eglinton - 124 Broadway

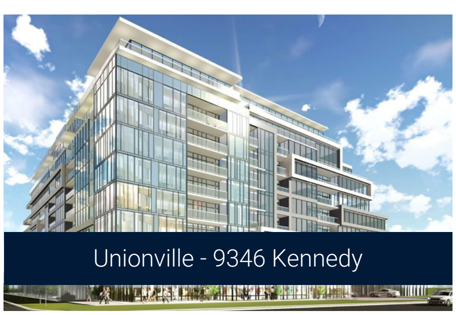

Yonge - Eglinton - 136 Broadway

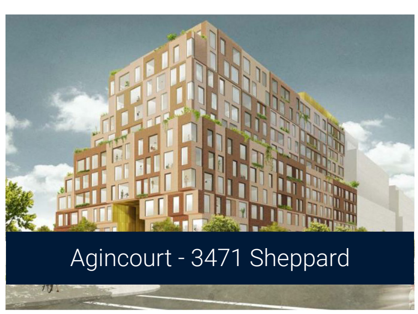

Davisville - 64 Merton


Elgin Mills - 11300 Yonge

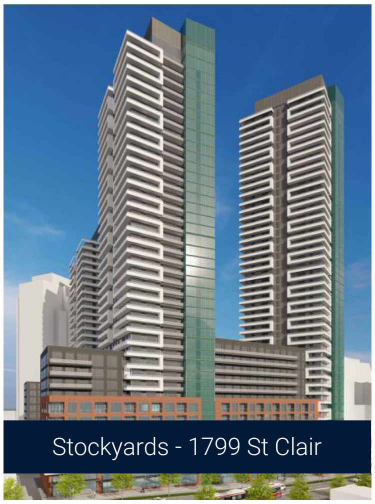
Vaughan Metropolitan Centre - 108 Maplecrete


Ryerson - 250 Church

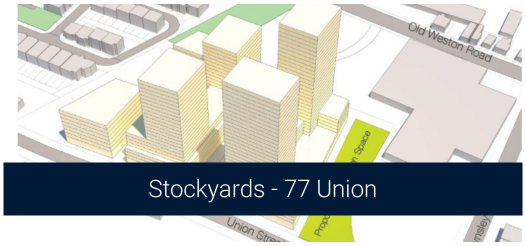

Unionville - 9346 Kennedy


Agincourt - 3471 Sheppard

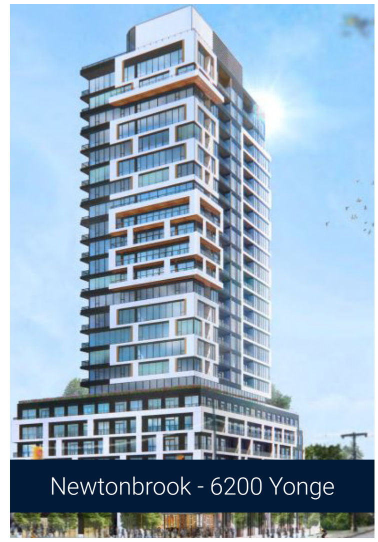
AVAILABLE RENDERINGS FOR ZONING SUBMITTED OR ZONING APPROVED SITES

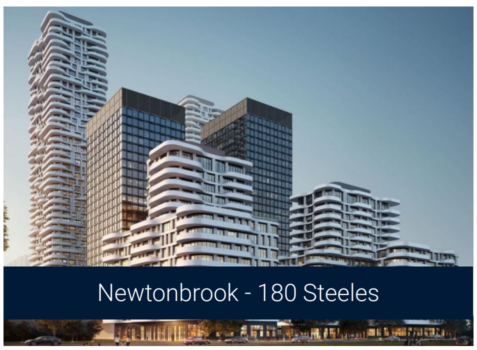

Stockyards - 1799 St Clair


Downsview Park - 671 Sheppard

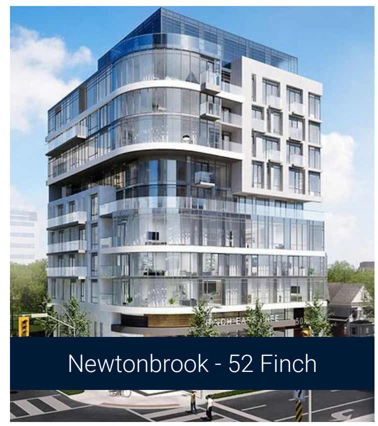


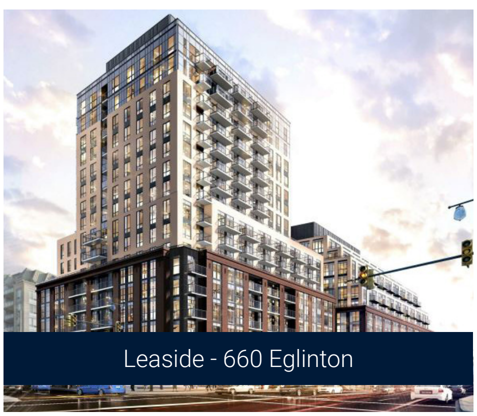
Stockyards - 77 Union


Newtonbrook - 6200 Yonge


Newtonbrook - 180 Steeles

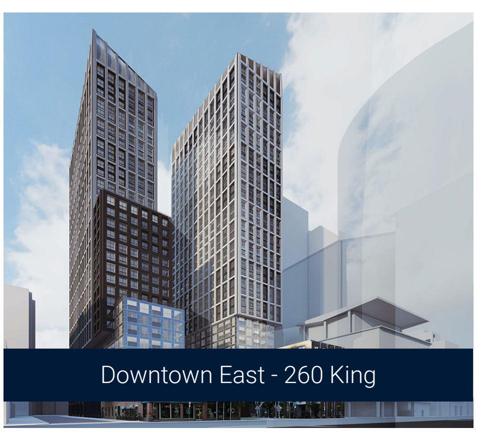

Cliffside - 2800 Kingston

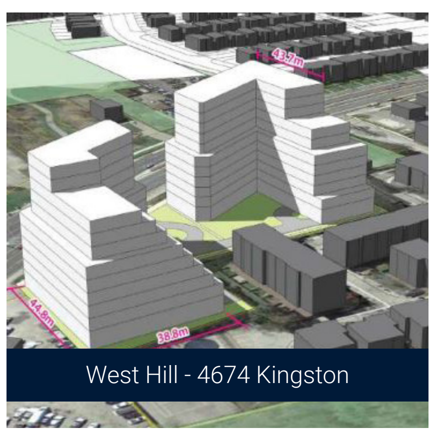

Newtonbrook - 52 Finch


Leaside - 660 Eglinton


Davisville - 290 Merton


Earlscourt - 1474 St. Clair


Downtown East - 260 King



West Hill - 4674 Kingston


Kensington Market - 390 Spadina

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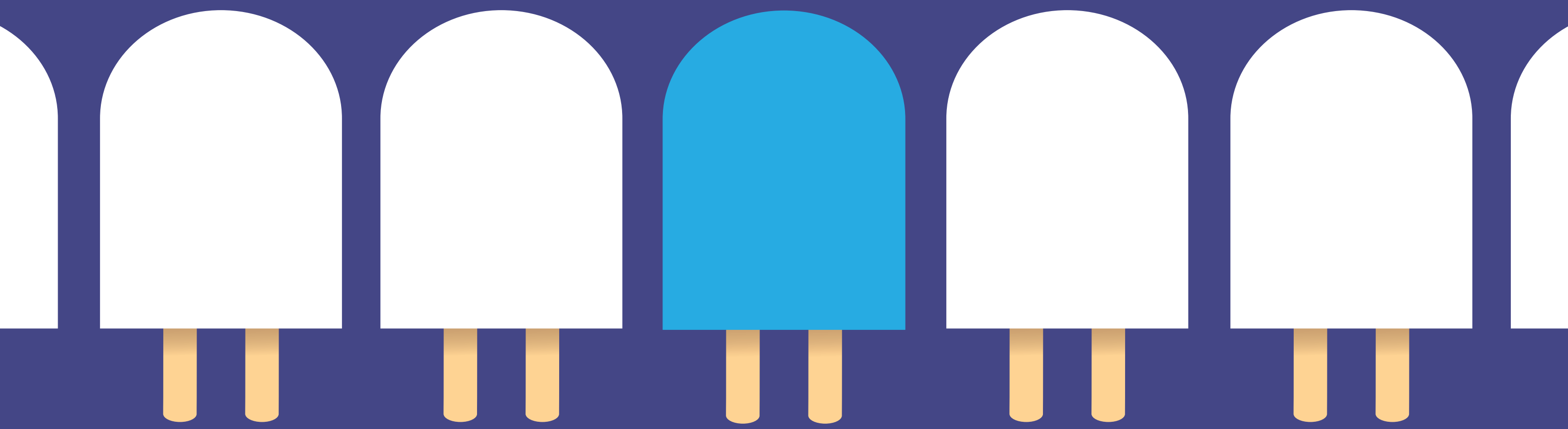

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