

NEW LISTING FOR SALE

TRANSMETRO GATEWAY PREMIER RESIDENTIAL DEVELOPMENT OPPORTUNITY IN THE SCARBOROUGH CITY CENTRE DISTRICT



This premier residential development opportunity is located in the Scarborough City Centre district on the southwest quadrant of Highway 401 and Brimley Road. The 20.75 acre site with 1,700 feet of visual exposure from Highway 401, is OMB approved for 1,797 residential units with no limitation on gross square footage and 435,185 square feet of commercial uses. The absence of a gross square footage limitation gives the developer complete authority to create a truly spectacular and unique community.

The Property is being marketed on an un-priced proposal call basis and the offer submission deadline is 12:00 o'clock noon **Wednesday February 20th, 2008** at the offices of P.G. Gagné Commercial Real Estate Corp, 401 Bay Street, Suite 2704, PO Box 117, Toronto, ON M5H 2Y4

[Click to view our Investment Summary Online](#) 

RECENT HIGHRISE RESIDENTIAL LAND SALES

Source: Marshnet.com

5 Lower Sherbourne Street – Toronto – A 1.17 acre site, located on the south east corner of Lower Sherbourne Street and Lakeshore Boulevard East. Closed October 2, 2007 for \$10,000,000 or \$8,547,000 per acre or \$197 psf of land area.

70 Roehampton Avenue – Toronto – Located one block north of Eglinton Avenue and one block east of Yonge Street. Closed October 1st, 2007 for \$22,338,608 or \$47,323 per suite.

775 King Street West – Toronto – A 1.05 acre site, located just east of Bathurst Street on the corner of King Street and Tecumseth Street. Closed September 10th, 2007 for \$16,250,000 or \$54 per buildable SF or \$45,650 per suite.

5, 7, & 9 Sultan Street – Toronto – A 0.13 acre site, located on the south west quadrant of Bloor Street and Bay Street behind the 1 St. Thomas Condominium. Closed September 1, 2007 for \$5,150,000 or \$121 per buildable SF.


Hanna Avenue – Toronto – A 1.72 acre site, located on Hanna Avenue in east Liberty Village beside the police station at 9 Hanna Avenue. Closed on August 30th, 2007 for \$7,250,000 or \$97 psf of land area.

352 Front Street West – Toronto – A 0.86 acre site, located on the north side of Front Street between Spadina Avenue and Blue Jays Way. Closed on August 17th, 2007 for \$20,900,000 or \$558 psf of land area.




INDUSTRY COMMENTARY

Luxury Condo Market Segment Drives Overall High Rise Land Values

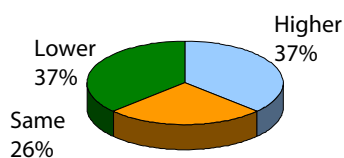
The value of high rise residential land in the GTA has increased suddenly and significantly over the last year. Average land costs per suite rose to \$39,447 in 2007 from \$34,341 in 2006/05, or a weighted average increase of 18.75%. That increase is not only significant by the rapid growth rate but by the fact that values had remained stable for nearly a decade. [Click here to read more](#) 

FORUM

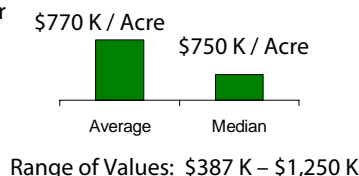
Infrastructure and Industrial Land Values

The following are the results of our industry survey conducted for the purpose of our Senior Level Roundtable Breakfast held December 11, 2007. The Roundtable followed the subject of our previous Real Estate Report #14.06: Infrastructure & Industrial Land Values. [Click here to view report](#) 

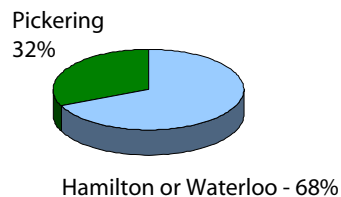
Q1) What will GTA industrial land values be 3 years from now?



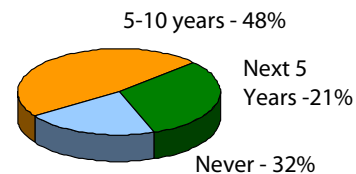
Q2) What will be serviced industrial land values in Mississauga be in 3 Years?



Q3) Where will the next major airport investment take place?



Q4) When will the Milton Intermodal Yard be built?



Seasons Greetings from P.G. GAGNÉ COMMERCIAL REAL ESTATE CORP., Brokerage

Have a safe and happy holiday season! Good times!



INDUSTRY COMMENTARY

Luxury Condo Market Segment Drives Overall High Rise Land Values

The value of high rise residential land in the GTA has increased suddenly and significantly over the last year. Average land costs per suite rose to \$39,447 in 2007 from \$34,341 in 2006/05, or a weighted average increase of 18.75%. That increase is not only significant by the rapid growth rate but by the fact that values had remained stable for nearly a decade (http://gagnerealestate.ca/pdf/rer_vol_12_05.pdf). The rise in value is attributable to the combination of two factors; firstly, the increasing demand for condominiums, and secondly, the positive market response to several luxury residential condo projects with consumer prices per square foot ranging from \$773 up to \$1,580.

The average cost per suite in the downtown submarket rose 21% in 2007 when compared to 2006/05, an increase of \$7,000. Noteworthy downtown transactions this year include the Shangri-La purchase of 180 University from Sun Life for \$32,016,000 or \$55,972 per suite and the purchase of several sites in the King West neighborhood by prominent developers such as Minto, Daniels, and Aspen Ridge Homes.

The average cost per suite in the midtown submarket rose 17% in 2007 when compared to 2006/05, an increase of \$8,059. Midtown values remain higher due to continued demand for central locations offering convenient neighborhood amenities. The most notable midtown transaction so far in 2007 is Tridels' purchase of 70 Roehampton Avenue for \$22,338,608 or \$47,323 per suite.

North York City Centre prices appear to have remained stable due to a steady supply of high rise residential sites.

		2007	2006-2005	Change	
North York City Centre prices appear to have remained stable due to a steady supply of high rise residential sites.	Downtown	Average	\$39,784	\$32,781	21%
	Midtown	Average	\$54,912	\$46,862	17%
	North York City Centre	Average	\$23,646	\$23,380	1%
	Suburban	Average	NA	\$17,436	NA

As a matter of interest only, Chart 1 shows that land cost per suite is a function of expected retail price per square foot for luxury condos in the GTA. The line of best fit suggests that fixed costs are approximately \$225 increasing by about 13% from thereafter.

Sales-to-Supply Ratio in Red Hot Zone – Cautious Excitement

The sales-to-supply ratio is calculated as per Urbanation by dividing the total amount of sales for the quarter divided by the total available inventory for the period. The sales-to-supply ratio for Q2 and 2007 was 62% was 52% respectively. The ratios while very encouraging are so far outside the favourable 30%-40% range that they may explain the sudden rise in retail consumer prices. As a matter of fact prior to Q2-2007 the last spike of this nature was in the late 1980's when the ratio was 55%.

Positive Market Response and Increasing Demand for Luxury Condominiums

The Globe and Mail reports that the average retail price per square foot for selected projects in Toronto's new luxury condos is \$1,034 compared to the \$500 per square foot price the market commanded only a few years ago. See Chart 1 on the next page for the average price per square foot for luxury condos in Toronto. The surge in demand for Toronto's luxury market is affecting the entire GTA condo market. Urbanation reports the Toronto CMA average price per square foot from Q2-2006 to Q2-2007 increased from \$330 to \$371 or a 12.5% increase, while the Toronto submarket average price increased from \$369 to \$422 per square foot or a 14.4%

Chart 1 – Average Luxury Condo Retail Price per Square Foot

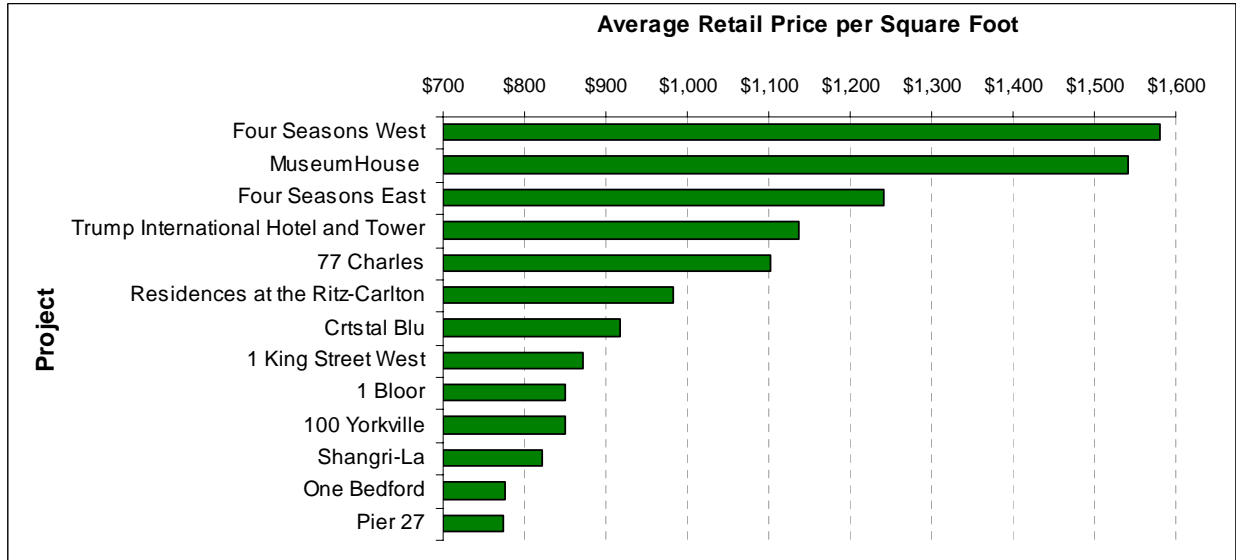


Chart 2 - Average Luxury Condo Retail Price per Square Foot vs. Land Cost per Suite

