



FOR SALE – PRIME RESIDENTIAL DEVELOPMENT OPPORTUNITY

Located just east of Kennedy Road south of Sheppard Avenue East and north of Highway 401, this 16.75 acre site offers the unique and unprecedented opportunity to acquire a continuous and approved supply of in excess of 2.1 million square feet of developable density including 2,100 condo units and the opportunity to create and sculpt a long term, full service community at a proposed future subway and GO Train station.

Offers are due on Thursday November 10^h, 2005 at 12:00 noon.

Find out more by visiting www.gagnerealestate.ca/prdos.php



FOR SALE – RESIDENTIAL DEVELOPMENT 34 Southport Street, Toronto

An approved 316,427 square foot buildable mixed residential condominium and retail site in South Etobicoke. The Property is being marketed on a standard negotiated bid process and the asking price is \$13,000,000 with builder's terms or \$41 per buildable square foot.

Find out more by visiting www.gagnerealestate.ca/southport.php.



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INDUSTRY COMMENTARY

Scarborough High-Rise Condominium Apartment Market Overview

Over the past 10 years, favourable demographic changes, population growth, new household formation, strong employment, low interest rates and affordable prices have made condominium apartments an increasingly attractive and affordable home ownership alternative for a growing number of buyers in the Toronto area. The result has been diversification of the condominium market into new locations, new products and new buyers, which has been one of the key reasons why new condominium apartment sales now represent over 30% of all new housing activity in the Toronto area, appealing to a wide range of buyers.

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OTHER RECENT SALES IN SCARBOROUGH

4479 Kingston Road – a 64,000 square foot retail plaza located on the southwest corner of Kingston Road and Morningside Avenue. Closed July 19, 2005 at \$8,415,000 or \$131 per square foot.

1399 Kennedy Road – a 440,000 square foot industrial mall with seven store units located on the east side of Kennedy Road south of Ellesmere Road. Closed July 27, 2005 at \$19,800,000 or \$45 per square foot.

2301 Brimley Road – a 85,088 square foot retail mall located on the east side of Brimley Road on the south side of Huntingwood Drive. Closed August 15, 2005 at \$18,560,000 or \$218 per square foot.

1980 Eglinton Avenue East – a 45,500 square foot retail building located on the north side of Eglinton Avenue East, east of Warden Avenue. Closed July 22, 2005 at \$7,000,000 or \$154 per square foot.

2000 and 2040 Eglinton Avenue East – a 12.5 acre commercial site located on the north side of Eglinton Avenue East, east of Warden Avenue. Closed July 29, 2005 at \$10,725,000 or \$858,000 per acre.

111 Grangeway Avenue – a 73,848 square foot office building located on the southeast corner of Grangeway and Progress Avenue. Closed August 19, 2005 at \$8,300,000 or \$112 per square foot.

Life Lessons at P.G. Gagné Commercial Real Estate Corp. – Lesson #16



What is your Olympic equivalent? What is your firewalk on red hot coals? What is your high wire walk/hands-free trapeze sky dive? Why do we put ourselves through such mind expending challenges? Having gone through one such experience last week I think I have my answer. After obtained a black belt in martial arts as long as eleven years ago I put myself through the training program for the second degree black belt (second Dan). After a four hour practice that testing day, my fifteen minute test culminated in the defense against four simultaneous attackers. The high level of adrenaline juicing up your blood curtails your cerebral cortex from processing information in a logical and rational manner. All stimulus, usually someone trying to hurt you, triggers an immediate reflex response. What I have learned is that while stress can be good too much of it will biologically impede your judgment ability. Manage stress, exercise, make better life decisions and if you can, find your own hot coals fire walk and seek your own life lesson.



Click here for a download of the video clip of part of my test.

SCARBOROUGH HIGH-RISE CONDOMINIUM APARTMENT MARKET OVERVIEW

Prepared by Urbanation Inc.

October 6, 2005

Over the past 10 years, favourable demographic changes, population growth, new household formation, strong employment, low interest rates and affordable prices have made condominium apartments an increasingly attractive and affordable home ownership alternative for a growing number of buyers in the Toronto area. The result has been diversification of the condominium market into new locations, new products and new buyers, which has been one of the key reasons why new condominium apartment sales now represent over 30% of all new housing activity in the Toronto area, appealing to a wide range of buyers, including: young first-time buyers; move-up urban professionals; move-down empty nesters; and long-term investors of all ages and ethnic backgrounds.

Scarborough has been a consistently strong area of new condominium apartment sales activity within the Toronto marketplace. Since 1996, 19 new high-rise condominium apartment buildings with a total of 5,472 units were successfully brought to market in Scarborough, resulting in a total of 5,078 sales to date. This translates into an average of 521 sales per year over the past 10 consecutive years.

Table 1.0 New Condominium Apartment Project Openings in Scarborough High-Rise Buildings only Ten Year Period : 1996 to 2005								
Project	Developer	Opening Date	Total Units	Sales to Date*	%	Unsold Units*	Overall \$PSF*	Unsold \$PSF*
Chartwell Place II	Monarch Construction	May-96	129	129	100%	0	\$175	-
May Tower	Lee Developments	May-97	261	261	100%	0	\$172	-
The Windsor at Chartwell I	Monarch Construction	Jun-97	226	226	100%	0	\$169	-
Villa Elegance at Bamburgh Gate	Tridel	Sep-97	131	131	100%	0	\$186	-
Forest Mansion I	Tridel	Feb-98	276	276	100%	0	\$157	-
May Tower II	Lee Developments	Jun-99	271	271	100%	0	\$175	-
Forest Mansion II	Tridel	Jul-99	143	143	100%	0	\$177	-
The Windsor at Chartwell II	Monarch Construction	Oct-99	327	327	100%	0	\$181	-
Forest Vista	Tridel	Apr-00	316	316	100%	0	\$200	-
Mondeo Springs I	Tridel	Jun-00	323	323	100%	0	\$206	-
Ellipse I	Lee Developments	May-01	387	387	100%	0	\$216	-
Ellipse II	Lee Developments	Jun-01	383	383	100%	0	\$223	-
Equinox I **	Monarch Construction	May-02	340	340	100%	0	\$240	-
Equinox II **	Monarch Construction	Jun-02	349	349	100%	0	\$245	-
360 at the City Centre **	Tridel	Jul-02	489	453	93%	36	\$246	\$251
Mondeo Springs II **	Tridel	Feb-03	329	300	91%	29	\$238	\$251
Skyscape	The Conservatory Group	Oct-04	209	140	67%	69	\$262	\$262
Legends at Tam O'Shanter	Tridel	Oct-04	247	122	49%	125	\$266	\$268
EQ1 at Equinox	Monarch Construction	May-05	336	201	60%	135	\$267	\$274
Total - All projects:	19 projects		5,472	5,078	93%	394	-	-

Source: Urbanation Inc.

* sales to date, unsold units and pricing as of September 30, 2005 ** projects currently under construction

Currently, there are only five active new condominium apartment projects with a total of 1,610 units on the market in Scarborough – *360 at the City Centre*, *Skyscape* and *EQ1 at Equinox* at the Scarborough City Centre; *Mondeo Springs II* at Ellesmere and Birchmount; and *Legends at Tam O'Shanter* at Kennedy and Sheppard. As of September 30, 2005, a total of 1,216 units (76%) were reported sold, leaving an unsold inventory of only 394 units. Based on current sales absorption rates, this represents approximately 8 months of unsold supply.

In terms of pricing, *Skyscape*, *Legends at Tam O'Shanter* and *EQ1 at Equinox*, are the best indicators of current market pricing in the Scarborough area as these projects were brought to market and achieved their sales over the past 12 months. Overall average index prices (including sold and unsold units) for the three projects currently range from \$262 psf to \$267 psf, which translates into an average weighted index price of \$265 psf, including parking. The unsold units in these three projects are currently priced from an average of \$262 psf to \$274 psf, which translates into an average weighted index price of \$269 psf, including parking.

In summary, the Scarborough new condominium apartment market has been a vital Toronto submarket and a steady performer over the past decade. The four key factors contributing to the success of all of these projects have been a combination of: an excellent location in an established neighbourhood, close to public transit, shopping, schools, parks and community amenities; high-quality suite designs and finishes; affordable end-selling prices that offer good value; and strong developer track-record and reputation. Therefore, with less than three quarters of unsold inventory remaining, there is currently a 'window of opportunity' to introduce new condominium apartment units to the market in Scarborough that offer affordably-priced, quality suites in a prime location.

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