

Metrolinx

Sheppard East LRT Real Estate Market Conditions Study

Appendix A

N. BARRY LYON CONSULTANTS LIMITED

Metrolinx

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Executive Summary

N. Barry Lyon Consulting Limited (NBLC) has been retained by Metrolinx to undertake a study of the real estate market conditions along the future Sheppard East LRT Corridor (SEC) and provide an analysis of the market impacts the proposed higher-order transit may have when implemented. The report provides a review of current and projected real estate market trends as well as identifies sites that present significant opportunities for intensification. This report provides the background data and analyses that are presented in the final report 'Setting the Stage: Encouraging Transit Supportive Places on the Sheppard East LRT Corridor' coauthored by NBLC and Planning Alliance.

Real estate markets value walkable access to modern, higher-order transit, a trend that is reflected by increases land value, new development, tax assessment and economic activity. Providing the broader market requirements are in place, some, or all of these measures are typically improved with the introduction of affordable, frequent and reliable transit service. A literature review of studies that have measured the impacts of transit on property values throughout North America support increases in value for residential, commercial, and to a lesser extent industrial land uses. In general, the greatest value up-lift will impact higher density developments, where owners/tenants are more likely to make use of and benefit from transit services on a day-to-day basis.

The Sheppard Avenue corridor in the area of the LRT proposal is already a moderately strong real estate market characterized by high resale prices and new investment in high density residential development. Investment and re-investment in commercial and office uses is also evident. While the majority of this activity and development interest is observed in the western end of the corridor, it is expected that new transit will help support reinvestment eastward to the Agincourt GO Station. The Agincourt Mall and surrounding properties represent significant opportunities for redevelopment in both residential and commercial land uses.

East of the Agincourt GO Station, the opportunities for reinvestment becomes more challenging. The existing land use pattern, including the presence of stable low density neighbourhoods that are adjacent to the corridor, will likely limit the amount of development that can occur in the eastern end of the corridor.

1.0 Introduction

N. Barry Lyon Consulting Limited (NBLC) has been retained by Metrolinx to undertake a study of the real estate market conditions along the future Sheppard East LRT corridor (SEC) and provide an analysis of the market impacts the proposed higher-order transit may have when implemented. The report will provide a review of current and projected real estate market trends as well as identify sites that present significant opportunities for intensification. This report provides the background data and analyses that are presented in the final report ‘Setting the Stage: Encouraging Transit Supportive Places on the Sheppard East LRT Corridor’ coauthored by NBLC and Planning Alliance.

The Sheppard East LRT will provide approximately 13 kilometers of light rail transit along Sheppard Avenue East from Don Mills subway station in the west to Morningside Avenue in the east. A tunnel will connect Don Mills subway station to the surface stop at Consumers Road, a distance of 1.1 kilometres. The LRT will operate in a dedicated lane in the centre of the street and accommodate 26 surface stops. Currently, the LRT is also expected to connect with the planned Scarborough subway and also the Stouffville GO Transit line at Agincourt Station. The expected benefits of the Sheppard East LRT from a market perspective are as follows:

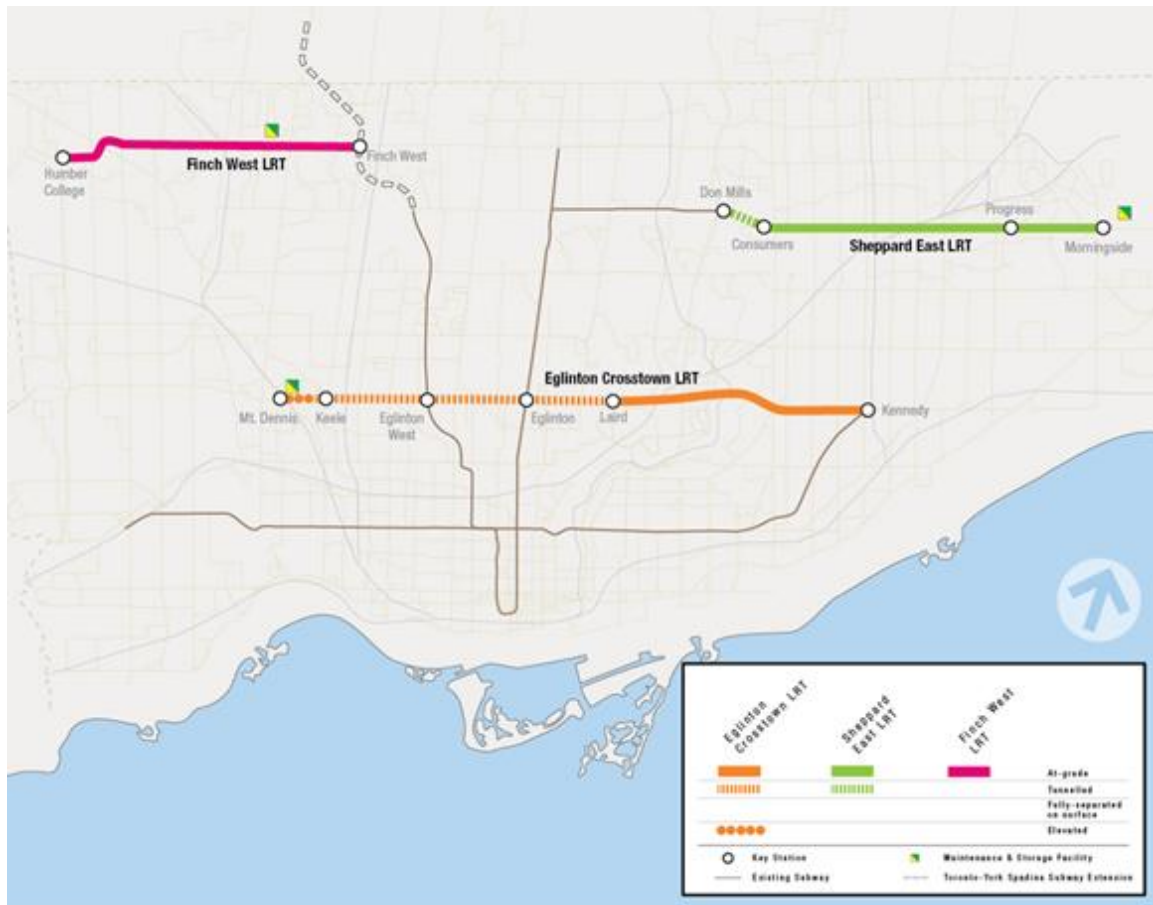
- The LRT will provide increased speed and convenience over a local bus;
- LRT vehicles can accommodate approximately three times more riders than a bus, which will reduce overcrowding and ensure most riders will be able to sit during their trip;
- Projected ridership will reach 3,000 passengers per hour in the peak direction by 2031, which is above the capacity of local mixed-traffic buses. LRT cars can be removed or added easily, thus providing the flexibility to accommodate ridership demands;
- Reliability will be greatly increased as the LRT will carry passengers in dedicated right-of-way transit lanes separate from regular traffic, as well as priority signaling at intersections; and
- The LRT will provide greater connectivity for the communities along Sheppard Avenue East by providing higher-order transit with accessible stations that will connect with the city’s local transit routes, GO Transit stations and the Sheppard subway at Don Mills. The Agincourt GO Station is a planned stop on the SmartTrack Regional Express Rail proposal.

The Sheppard East LRT is one of four future rapid transit projects in the City of Toronto (Figure 1). In combination with the Eglinton Crosstown LRT, Finch West LRT, and replacement of the current Scarborough RT, public transit will be vastly improved in the City as well as improving

connectivity to areas of need and easing traffic congestion. SmartTrack, if approved, is also expected to contribute to improving public transportation options throughout the City.

Construction on the Sheppard East LRT was originally scheduled to begin in 2016. It has since been delayed and will not begin until work on the Finch West LRT has been completed, which is expected by 2021.

Figure 1: Rapid Transit Expansion in Toronto



Source: Metrolinx

2.0 The Sheppard East LRT Corridor

The Sheppard East LRT Corridor (SEC) will cover approximately 13 kilometers extending from Don Mills subway station in the west to Morningside Avenue in the east. The study area for this report has been selected, in consultation with the City of Toronto, to include the area illustrated by Figure 2 below and has been broken into six separate submarkets for further study. Figure 2 displays the location of transit stops along the corridor, a 500 metre radius surrounding each station, and the existing land uses.

Figure 2: Sheppard East LRT Corridor Study Area



Source: City of Toronto

The SEC contains a diverse mix of uses and built form, with the western end characterized by higher-density residential and commercial uses. The eastern end of the corridor is more suburban in character with large stretches of reverse-lotted homes and low density retail, industrial and office uses that contain deep setbacks and large parking lots.

The socioeconomic and demographic data reported by the 2011 Canadian Census and National Household Survey follow a similar pattern as the built environment. Key indicators, such as average household income and level of completed education decline steadily from the west end of the corridor to the east, while other indicators such as the unemployment rate and the proportion of low income households increase in a similar pattern. Some of the key findings of the census profile for the SEC are as follows. Census profiles for each submarket and the entire SEC have been completed by the City of Toronto and are available as a separate appendix to the final report:

- Overall, the corridor has experienced stagnant population growth between 2001 and 2011, growing by approximately 2% or 2,000 people over this time. This is likely the combined effect of declining household sizes in existing residents which is compensated somewhat by new residential intensification.

- This being said, the area has larger household sizes and a larger proportion of multi-family households along the corridor, resulting in a higher average person per household than the city as a whole. This trend is more pronounced in the eastern end of the corridor and could be a function of the more affordable housing stock.
- While the 2011 census has noted very little housing starts along the corridor, the data does not reflect the newly constructed condominium projects that have been constructed after the survey period, which is a significant number of units;
- The individuals living in these units are also not represented by the census data, which may have a significant impact on reported income, the rental population, transit ridership, and many other key data sets.
- There is a high private automobile dependence across the corridor, which is not surprising given the close proximity of the 400 series highways and lack of walkable destinations in the eastern end of the corridor;
- The proportion of immigrants is high along the SEC, with 63% of the population being immigrants to Canada, compared to 49% for the City as a whole.
- There are larger household sizes and a larger proportion of multi-family households along the corridor, resulting in a higher average person per household. This trend is more pronounced in the eastern end of the corridor, as this is a popular destination for families given the abundance of relatively affordable ground-oriented homes.
- Home ownership is also fairly high along the corridor, which is a reflection of the high number of ground-oriented homes and relatively higher incomes compared to other areas of the City outside of the downtown.
- Incomes are below the average noted for the city, they are also increasing at a slower rate than the City at large. Incomes are close to the average noted for the city in the western end of the corridor but decrease steadily in the eastern end.

The SEC also contains a significant supply of employment land and represents a major employment destination in the city of Toronto, accommodating approximately 4% of the city's total jobs. The type of employment varies significantly across the corridor, with major office uses found in the Consumers Road Business Park and smaller office buildings located within the Mixed-Use areas along the SEC. A variety of manufacturing, warehousing, and small scale office buildings are also located within the Employment Areas along the SEC between Brimley Road and Markham Road and also at the eastern terminus of the future LRT east of Morningside Avenue.

Retail employment is found in small commercial stores and larger retail centres. The Agincourt Mall and Malvern Town Centre form major components of the retail commercial structure along the corridor and also represent potential opportunities for redevelopment and/or intensification.

Overall, the SEC generally shifts from a dense and quickly urbanizing built environment in the west to a more stable suburban context in the east. This pattern of development is principally attributed to the accessibility of the area to north-south and east-west highway access and proximity to the Sheppard Subway line via the Don Mills Station.

3.0 Sheppard East Corridor Market Scan

This section provides a market overview of the SEC and includes a review of major development applications to develop a sense of private sector market activity as evidence of the nature and pattern of demand along the corridor.

3.1 Residential Market Assessment

This assessment includes a review of the new and resale residential market in both high and low density formats. In particular, we look closely at the market characteristics of the low density market which is a key indicator of the market demand for the area and demand for higher density developments. The assessment will also provide an overview of the rental market and newly advertising, sold out, and cancelled high and medium-density residential projects across the corridor.

3.1.1 Residential Resale Market

NBLC has surveyed resale transactions for all housing forms in the SEC over the past year. It is noted that the actual boundaries of the search extend beyond the identified study area due to the larger data boundaries provided by Toronto's Multiple Listing Service (MLS). Nevertheless, the data provides insight into the strength and performance of the residential real estate market along the SEC. The exact boundaries and summary data for each Submarket is provided in the appendix of this report.

In reviewing resale activity across the SEC, it is evident the market is robust and performs strongly by all economic measures for all forms of housing (Table 1):

- Over the past year, the average sale price of a freehold detached home, semi-detached, or townhome has been \$607,000, selling after 16 days on market. Specifically, the average price of a detached home was approximately \$664,000 and an attached/row/townhome averaged \$378,000.
- The sales to listing ratio (SLR) for freehold residential properties across the corridor was 90%, indicating conditions of a seller's market. A seller's market is a condition characterized by a market where demand outweighs supply, where homes can sell quickly and for a higher price.
- Similarly, the sold to list price ratio (SLP) was over 100% for freehold properties and condominium townhomes, indicating these properties sell for higher than the asking price on average. This is a common finding in popular areas of Toronto and is a leading indicator, combined with the high SLR and low average days on market, of the desirability of living in this area of the City.

Table 1

Sheppard East Corridor Resale Transactions February 2014 - February 2015							
Product Type	Listings	Sales	SLR*	Average List Price	Average Sold Price	SLP**	Average DOM***
<i>Attached/Row/Townhouse</i>	74	66	89%	\$376,055	\$377,649	100%	16
<i>Detached</i>	636	567	89%	\$661,476	\$664,223	100%	16
<i>Semi-Detached</i>	265	242	91%	\$520,019	\$536,386	103%	17
Freehold Total/Average:	975	875	90%	\$601,366	\$607,251	101%	16
<i>Condominium - Apartment</i>	1247	839	67%	\$264,270	\$245,345	93%	43
<i>Condominium - Townhome</i>	465	416	89%	\$348,755	\$351,234	101%	23
Condominium Total/Average:	1712	1255	73%	\$287,217	\$280,444	95%	36
*SLR = Sold to List Ratio **SLP = sold-to-list price ratio ***DOM = days on market							
Source: Toronto Real Estate Board, Multiple Listing Service							

The condominium market in the SEC is weaker than the freehold market, albeit it is still considered strong especially when compared to other locations outside of downtown Toronto.

- Condominium townhomes sell similarly to the freehold marketplace, experiencing a high SLR and SLP, but generally sell at a more affordable price point averaging approximately \$351,000.
- The resale condominium apartment marketplace averages approximately \$245,000 and typically spends nearly twice as long on the market to sell than the other housing types. It is noted however that the SLP and SLR are still high for these units, indicating a healthy level of demand for apartment units across the SEC.

In reviewing residential resale activity across the SEC with a focus on the submarket areas, it is evident the market is significantly stronger in the western end of the corridor, trending downward in a relatively linear fashion from west to east.

- In the western end of the SEC, roughly Highway 404 to Midland Avenue, the average price of a single detached home ranged from \$723,000 to \$745,000, with some homes selling for well over \$1.0 million.
 - Similarly, the price of freehold townhomes and semi-detached homes are well above the average price noted for the entire SEC, averaging approximately \$515,000 and \$595,000 respectively.
 - The SLR, SLP, and average days on the market is also relatively consistent with the overall findings of the SEC, indicating demand is strong for ground-oriented homes at this higher price point.
 - The condominium market is also stronger in the western end, with units selling quicker, obtaining a higher SLP and SLR, and selling for a higher end price than condominium units near the eastern end of the corridor.

- In the area east of Midland Avenue, pricing for ground-oriented homes begins to decrease dramatically, with the price of single-detached homes ranging from approximately \$440,000 to \$550,000.
 - The price of freehold townhomes and semi-detached homes also begin to drop in the eastern end of the corridor, averaging closer to \$340,000 and \$400,000 respectively.
 - Despite the lower price point, demand remains strong for these homes as noted by the SLR, SLP and average days on market.
 - Similarly, the condominium marketplace also displays less strength in the eastern end of the corridor and is a direct reflection of the lower price of ground-oriented homes in the surrounding area. Condominium townhomes and apartments average approximately \$303,000 and \$198,000 respectively in this area.
 - The market conditions in the eastern end of the SEC have not attracted significant interest for high-density development.

3.1.2 Actively Marketing High-Density Residential Market

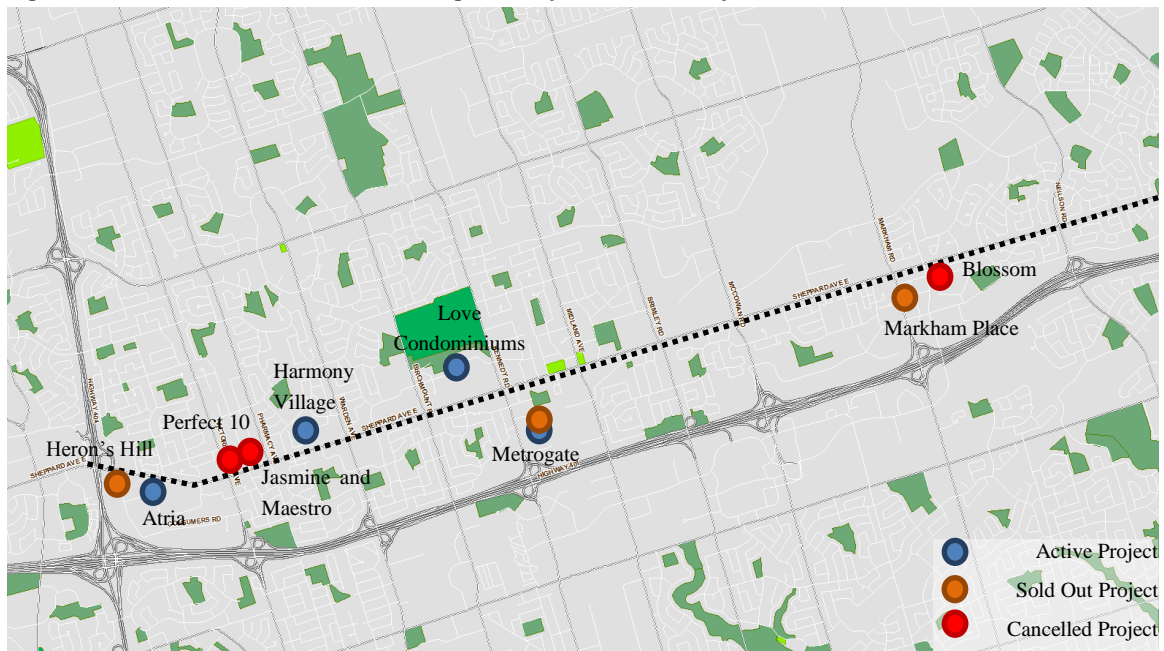
Across the SEC there are currently five high density residential development projects actively marketing, all of which are located in the western end of the corridor. NBLC has also surveyed recently sold-out and cancelled high-density residential projects within the study area. Figure 3 below illustrates the location of these projects, with detailed summary data available in the Appendix of this report.

- As of January 30, 2015, there were 542 high-rise condominium units remaining for sale across five projects.
- These projects ranged in height from 20 to 43 storeys, and 291 units to 578 units, averaging around 30 storeys and 373 units per project, overall.
- All projects surveyed offered a wide selection of unit types, with units ranging in size from 388 square feet for a studio unit at Harmony Village, to 1,248 square feet for a 3 bedroom unit at Trio at Atria.
- Overall, end-pricing for actively marketing condominium apartment projects along Sheppard Avenue East ranged from \$181,500 to \$625,000.
- As of January 30, 2015, the average index selling price for the projects surveyed was \$499 per square foot (PSF), based on the remaining inventory.

- In terms of total sales, approximately 71% (1,323 units) have sold, leaving an unsold inventory of 542 units spread across the five actively marketing projects.
- These projects sold at an overall rate of 9.1 sales per month per project, representing approximately 45.5 sales per month overall. Based on this absorption rate, approximately one year of supply is remaining, assuming no new projects are brought to market and the current sales pace is maintained.
- Despite the overall absorption rate of 9.1 sales per month per project, it is noted that this sales pace is inflated by the large number of units that some of the larger projects sell in the first few months. Known as the ‘Launch Effect’, which is defined as the amount of sales experienced in the first three months, strong sales within this time period is often an indicator of a strong investor presence.
- The absorption rate after the first year of sales is often a better indicator of the timing of the remaining supply and will be evaluated below.

Active High-Rise Condominium Overview	
# of Projects	5
# of units	1,865
# of sales	1,323
% Sold	71%
Min. Price	\$181,500
Max. Price	\$625,000
Min. Home Size (SF)	388
Max. Home Size (SF)	1,248
Average \$PSF (Cur)	\$499
Absorption Rate	9.1
Source: Realnet Canada and N. Barry Lyon Consultants	

Figure 3: Active, Sold Out and Cancelled High Density Residential Projects



Source: DTMI Spatial, N. Barry Lyon Consultants Ltd.

Of all the high-rise condominium units sold over the past 10 years, the majority of these units have been within three large projects at Heron's Hill by Monarch Group, and Metrogate and Atria by Tridel.

- Since 2006, these three projects have accounted for nearly 4,000 units, of which 92% have sold. The 4,000 units represent approximately 70% of all units that have sold or are currently marketing over this time along the SEC.
- Heron's Hill is located at the northwest corner of the Consumers Road Business Park and contains three towers that began marketing in 2006. All of the 1,153 units have now sold, with the third building officially selling out in 2014.
 - The first two buildings at this project (Legacy and Ultra) sold well overall, taking nearly three years to completely sell out. Both buildings received a relatively weak Launch Effect, likely due to the lack of residential context in the area at the time.
 - While the first two towers received a weaker launch effect followed by a fairly strong sales pace, the third tower (Yorkland) received a very strong initial sale period, selling nearly 70% of the building in the first four months, but slowed considerably after this point.
 - Overall, this project performed well due to the strong locational attributes and close proximity to the 400 series highways and Don Mills subway station.
 - An office building that is intended to contain the new head office of Monarch Group is the final phase of this project. Construction on this building has not yet begun.
- The Metrogate project by Tridel is located on the east side of Kennedy Road south of Sheppard Avenue East and contains five towers and over 1,800 units, with a sixth tower to be released in the near future. The first four towers have completely sold out and have been marketing since 2007, the fifth tower has sold 81% of units.
 - The four sold out buildings at Metrogate (Solaris, Solaris II, Ventus, Ventus II) experienced a very strong launch effect, as all four projects sold over 50% of units in the first three months and averaged 80% sold after the first year.
 - After the first year however, sales slowed to under three sales per month for the first three towers, which resulted in these buildings taking over four years to completely sell out. The last tower, Ventus II, maintained a stronger sales pace and sold out in just over 18 months.
 - The fifth building, Avani, has not seen the same level of investor interest as the previous buildings, selling only 20% of units in the first three months. The slow

sales experienced at this location is likely due to the Sheppard subway no longer planned to extend through the site.

- The sales pace after the first year at Avani is higher (4.5 sales per month) than the absorption rate noted for the other Metrogate buildings, but due to the weaker launch effect, the building has sold only 81% of units in over three years of sales. If this sales pace continues, the building will take over a year to sell the remaining units.
- Atria is located to the east of Heron's Hill and contains three towers and 915 units, 74% of which have sold. The first two towers (Alto and Parkside) have been actively marketing since 2011 and are 83% sold, and the third tower (TRIO) launched in 2013 and is 59% sold.
 - The first two towers, Alto and Parkside, experienced a very strong investor turnout, selling 63% of units in the first three months and was 75% sold after the first year, which is considered very strong.
 - After the first year sales slowed to only two sales per month, which is much lower than the average noted for the SEC. If this sales pace is maintained, it could take four years to sell the remaining 88 units at these buildings.
 - The third tower did not receive a strong launch effect and sold only 17% in the first three months, eventually reaching 30% sales after the first year. After the first year, the sales pace has slowed to only 2.3 sales per month, representing a five year timeline to sell the remaining supply of 138 units.
 - It is expected that sales will increase for all three buildings as construction nears completion of Alto and Parkside, which is scheduled for next year.
 - A fourth tower is approved for the site and will likely be released when TRIO reaches 70% sales and begins construction.

Aside from these large projects, which have dominated the high-rise marketplace along the SEC since 2006, some other smaller projects have also launched and are discussed in the following points:

- Harmony Village is a proposed retirement community and is located on Sheppard Avenue East, west of Warden Avenue.
 - The project launched in 2014 but was cancelled twice in the past. The project was first cancelled in 2010 and then again in 2014, before launching for a third time in November 2014 with adjusted floorplans and pricing.
 - The project has sold 40% in the first two months, however the majority of these units are carry over sales from the previous launch period. The project has

struggled to sell additional units and could cancel again if the sales pace does not increase.

- Love Condominiums by Gemterra is located immediately north of Agincourt Mall and will contain townhomes and two towers.
- The first tower launched in 2011 and has sold only 78% over the past four years. The project sold only 39% of units in the first three months, with the sales pace dropping to only 2.8 sales per month after the first year.
- The lower absorption rate experienced at Love condominiums can be explained by the somewhat awkward location behind the Agincourt Mall combined with strong competition of Tridel's project at both Atria and Metrogate along with the Heron's Hill development, which were all selling when Love launched in 2011.
- Of note, the second phase of this project `Joy Condominiums` will launch in June 2015.
- The only high-rise condominium constructed in the past 10 years that is not clustered in the western end of the corridor were the two towers at Markham Place, located at the southeast corner of Markham Road and Sheppard Avenue East.
 - The first building launched in 2006 and while it did not attract a significant investor turnout, selling only 29% in the first three months, it was able to maintain a strong sales pace and completely sold out in only 15 months.
 - The second building, which launched in 2007, similarly did not received a strong launch effect but still managed to sell close to 60% of units after the first year. Sales slowed considerably after this point, taking nearly 2.5 years to sell the remaining units.
- Four condominiums also cancelled along the SEC, three of them occurring in the western end of the corridor and one in the eastern end.
- Maestro condominiums, located on the northwest corner of Pharmacy Avenue and Sheppard Avenue, was a proposal for a 14 storey and 169 unit building that launched in 2012. After selling 47% in the first three months, sales slowed significantly, forcing the project to cancel in 2014.
- Averton Homes purchased the Maestro site and launched Jasmine Condominiums in May 2014, but this project was subsequently cancelled in December 2014 after struggling to achieve new sales.
- Perfect 10 Condominiums launched in 2007 and was located at Chichester Place on Sheppard Avenue. This project also failed to gain traction and was cancelled in 2009 and constructed

as a rental apartment building. Eight Chichester Place was constructed as part of the City of Toronto's Affordable Housing Program.

- Finally, Blossom was a proposal for a 14 storey and 117 unit building at the southwest corner of Sheppard and Progress Avenue. The project launched in 2007 and did not receive a single sale through five months. It was cancelled shortly after and is now the site of a stacked townhouse and high-rise condominium project branded Ten88 by Empire Communities.

3.1.3 *Stacked Townhouse Market*

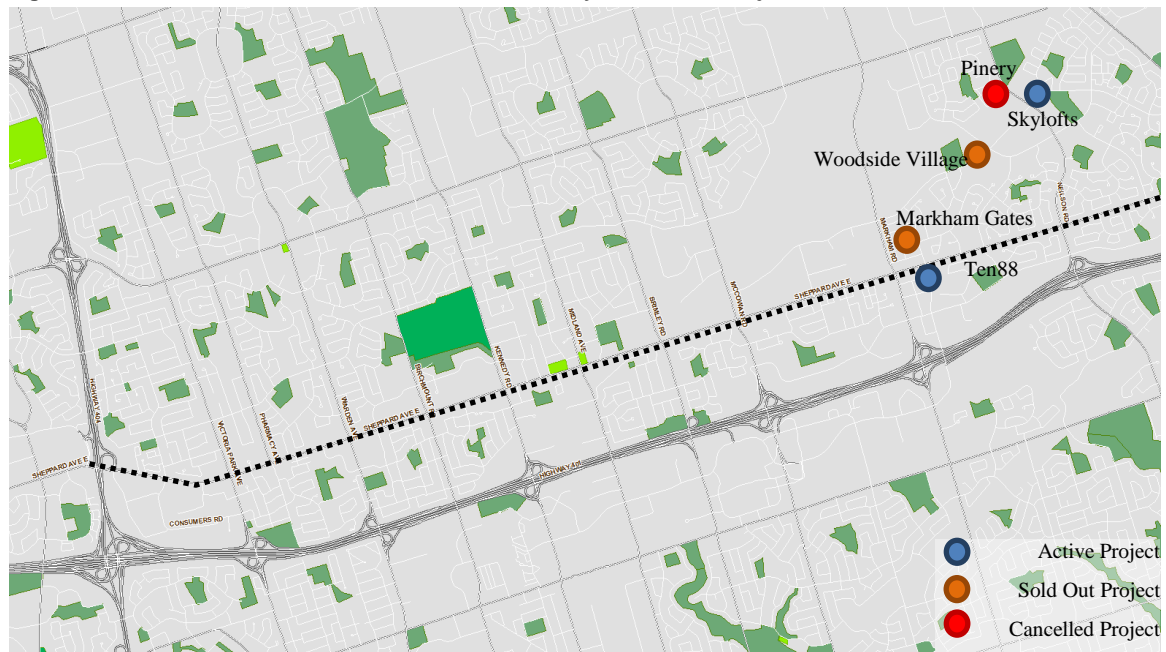
There are two active stacked townhouse projects currently selling in the eastern end of the corridor. All of the active and sold out stacked townhome projects over the past 10 years are located in the eastern end of the SEC, primarily clustered around Malvern Town Centre and Kennedy Road (Figure 4).

- The success of stacked townhomes has varied over the past 10 years and has been limited to the eastern end of the corridor, aside from the condominiums townhomes connected to the Metrogate and Love projects.
- Of the two stacked townhouse projects currently marketing, approximately 73% of units have sold at an average absorption rate of 7 sales per month per project.
- Based on the remaining supply of 55 units, approximately four months of supply remains assuming no new projects are brought to market and the current sales pace is maintained.
- Due to the lower resale values of ground-oriented homes in the eastern end of the corridor, higher density forms of housing have had trouble gaining market traction. This is evident by the sales performance of the Blossom condominium building highlighted above and also by the slow sales performance of stacked townhomes along the SEC relative to the rest of the City.
- Ten88 by Empire Communities, located on the site of the failed Blossom project, launched in 2013 and sold 62% of units in the first three months, but has sold only 8 units since this point. The more expensive two bedroom units have not sold well and represent 95% of the remaining units, which is a reflection of the affordable ground-oriented market in this location.

Active Stacked Townhome Overview	
# of Projects	2
# of units	201
# of sales	146
% Sold	73%
Min. Price	\$189,990
Max. Price	\$394,990
Min. Home Size (SF)	510
Max. Home Size (SF)	1,073
Average \$PSF (Cur)	\$376
Absorption Rate	7.0
Source: Realnet Canada and N. Barry Lyon Consultants	

- For illustration, a semi-detached home with a backyard on a quiet residential street averages \$421,000, in this area of the City compared to a 2 bedroom unit that ranges between \$300,000 and \$400,000 at Ten88.
- Skylofts, a stacked townhouse project by Stafford Homes located adjacent the Malvern Town Centre, launched in 2014 and sold 75% of units in the first three months, and is currently 84% sold after five months of sales.
- Unlike Ten88, this project has been able to maintain a strong absorption rate and is projected to sell out over the next two months if the current sales pace is maintained.
- Other stacked townhome projects near the Malvern Town Centre experienced similar success, such as the Woodside Terrace and Woodside Village that launched in 2002 and 2003 respectively.

Figure 4: Active, Sold Out and Cancelled Medium Density Residential Projects



Source: DTMI Spatial, N. Barry Lyon Consultants Ltd.

3.1.4 Purpose Built Rental Apartment Market

As with the rest of the City the rental housing is dominated by older apartment buildings with controlled rents. Some of these buildings are also Toronto Community Housing (TCH) projects, which provide social housing to low and moderate income households that include seniors, families, recent immigrants and people with special needs. The below points summarize the rental market along the SEC, with summary data located in the Appendix of this report:

- Almost all of the existing rental apartment stock located across the SEC is located in older apartment buildings. It is noted that some of these buildings have undergone renovations and appear to be in good health.
- Rental vacancies are relatively low, averaging less than 1% (City of Toronto, 1.6%).
- Due to the age of this rental stock, rents are controlled by the Rental Tenancy Act and protected for affordability. Average rental rates typically fall between \$1,000 and \$1,300 per month.
- In terms of new purpose-built rental apartment supply, Perfect 10 condominium was converted to a rental building under the Affordable Housing program. The building is known as 8 Chichester Place.
- The rental market is also supported by the newer condominium buildings (specifically Heron's Hill and Metrogate) that have been completed along the corridor. MLS data collected over the past year indicates that a high proportion of units in these buildings are owned by investors and are rented out at a rate much higher than the rents noted above for the purpose-built rental buildings.
- This suggests that market demand likely exists for new, modern rental accommodation.

3.2 Commercial/Industrial Market Assessment

We have assessed the commercial market by examining lease activity over the past year using Toronto's MLS service to gauge the level of activity, vacancies, and pricing for commercial space across the SEC for retail, office and industrial uses. Due to the practice of not advertising major office space on MLS, the majority of leases noted for the Consumers Road Business Park were obtained through phone surveys with brokers and operators, this data is not represented in the commercial transaction summary tables available in the appendix of this document.

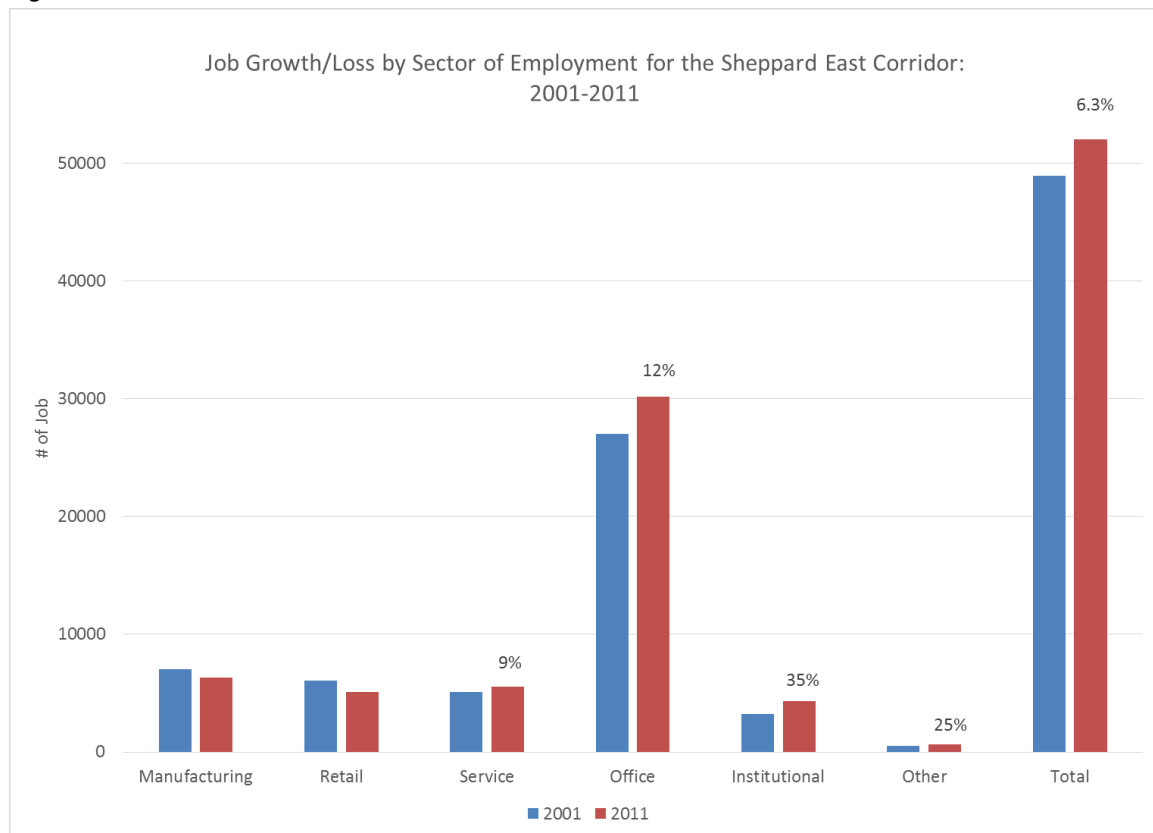
A review of the City of Toronto's employment survey data (2011) has also been utilized to quantify employment growth along the corridor and the rise/fall of growth in various sectors of employment. Overall, as per Figure 5 below, the total number of jobs in the corridor as of 2011 is approximately 52,000.

- Since 2001, the amount of jobs along the SEC has grown by approximately 6% or 3,100 jobs.
- This has largely been driven by growth in the office and institutional sector, which accounted for an increase of approximately 3,200 and 1,100 jobs respectively between 2001 and 2011.
- Of note, manufacturing jobs experienced a loss of 11% (750 jobs) over this period, which is consistent with employment trends noted across the City and Province, as the economic focus

continues to shift away from manufacturing and towards a service based economy. This loss of manufacturing primarily occurred between 2001 and 2006 and has remained relatively stable since this time. Relative to other areas of the City, this stabilization is a positive sign and reflects the importance and stability of the low density industrial uses along the SEC.

- Retail has also been steadily decreasing since 2006, losing approximately 980 jobs over this period. This is primarily attributed to the loss of retail sites along the corridor to residential development.
- Employment growth was relatively stagnant between 2006 and 2011, increasing by only 1.7%, with the majority of the growth noted above occurring in the office sector between 2001 and 2006.

Figure 5



Source: City of Toronto Employment Survey, N. Barry Lyon Consultants Ltd.

3.2.1 Commercial / Office Market

The SEC commercial market is primarily dominated by office employment, with 58% of the jobs within this sector of employment¹. The office buildings along the SEC vary significantly from

¹ City of Toronto Employment Survey 2011

major office towers to smaller multi-storey office structures along with single storey industrial office uses.

- The major office towers, which are contained within the Consumers Road Business Park (CRBP), experience moderate vacancies due to the relatively high supply of older office space in this area and increased competition from newer office projects in the downtown and other areas of the city and GTA.
- Generally, office space in the CRBP ranges between \$10 and \$20 PSF, with very few buildings collecting over \$24 PSF.
- Similarly, some of the smaller multi-storey office buildings near Agincourt Mall collect rents between \$8 and \$25 PSF, but experience higher levels of vacancy and average closer to \$12 PSF.
- The office buildings south of Sheppard Avenue along Highway 401 collect rents of approximately \$10 PSF.

Of the 30,200 office jobs along the SEC, approximately 18,142² or 60% were located in the CRBP as of 2011. The CRBP is one of several office parks established in the 1960s along the Don Valley corridor and is an important employment node in the City, containing a mix of low intensity industrial/commercial uses and also high density office buildings that have attracted high profile companies such as Shoppers Drug Mart, Rogers Communications and Hallmark Canada.

- The CRBP increased employment by over 15% between 2006 and 2011, primarily within the institutional and retail sector³.
- Recently, the most recent commercial development activity within the business park has included two large luxury automobile dealerships.
- Places of Worship have also been locating within the CRBP, with five such operations currently clustered in the southwestern end.
- The employment district has also been under significant pressure from residential development and has resulted in most of the land fronting Sheppard Avenue East to be redesignated from Employment Area to Mixed-Use.

² Malone Given Parsons Ltd., Sustainable Competitive Advantage and Prosperity – Planning for Employment Uses in the City of Toronto – October 2012

³ IBID

- While there has been no recent significant new office developments within the CRBP, the existing office buildings have generally been well maintained over the years⁴⁵.

3.2.2 Retail Market

From a retail perspective, the study area is almost exclusively serviced with local population-serving retail such as that found at the Agincourt Mall, Malvern Town Centre and other small retail plazas and larger big box centres along the corridor.

- Due to the relatively higher population density along the SEC than other arterial roads outside of the downtown, retail uses are able to attract high quality tenants, experience modest to low vacancies, and collect high monthly rents.
- The rents achieved across the corridor range from \$14-\$27 PSF, and remain relatively consistent throughout.
- It is noted that some buildings collect rent in excess of \$30 PSF in the western end of the corridor, near the Heron's Hill and Atria condominium projects.
- The Fairview Mall, located minutes west of the SEC, serves as the regional commercial attraction for this area of the city.
- New residential investment will continue to strengthen this market and will drive the future growth of the retail market especially in ground floor retail of mixed-use buildings and reinvestment in existing single use commercial centres.
- As an example, a four storey, 18,746 m² retail/office building has been proposed by Tribute Communities at 2135 Sheppard Avenue East in combination with three high-rise residential towers. The retail is expected to include both street oriented commercial space as well as indoor shopping within the building.

3.2.3 Industrial Market

Land used for industrial purposes are focused on the north side of Sheppard between Brimley and Markham Road and then east of Morningside. The Brimley road concentration formed in either a direct or indirect response to the massive CPR Toronto Yards which is one of the largest rail yards in Canada. Built in 1964, industries associated with shipping and distribution, including value added manufacturing, located nearby. Many of these industries are still in place but the area has begun transforming. One of the city's largest waste transfer stations is located along Midland Road along with several major places of worship. Both uses are not consistent with establishing a

⁴ City of Toronto – Zoning By-Law Amendment for the Consumers Road Employment Area – August 2011

⁵ NBLC phone surveys with local brokers - 2015

broad market appeal for reinvestment in the area. Buildings, now over 40 years old, lack the modern design features that enterprises seek and result in low vacancies and rents.

East of Morningside, industrial development is significantly newer and features technology, medical and health care related support services including Viasystems, a 93,000 square foot telecom plant. South of Sheppard, in this location, retail power centres dominate the area with some smaller industrial/commercial uses.

3.2.4 *Imagination, Manufacturing, Innovation, Technology, (IMIT) Incentive Program*

As part of Toronto's strategy to attract businesses and foster growth, the City has established the IMIT incentive program to help reduce business costs and attract new building construction and/or building expansion in targeted sectors and areas across the City. The program commenced in 2008 for eligible projects that includes a wide range of employment uses and sectors. Eligible projects receive a grant of 60% of the increase in the municipal taxes attributable to the eligible development over a 10 year period. The grant is increased to 70% when located in an *Employment District* or other designated *Employment Area* and can be further increased to 77% when combined with the Brownfield Remediation Tax Assistance program. Overall, there have been 26 applications under this program that represents a total investment of over \$1.9 billion with potential grants up to \$163 million.

Of the 26 applications made to the IMIT incentive program, six projects have been completed and represent over 2.04 million square feet of employment space and 5,755 jobs. One project at 95 Commander Road, located just north of Sheppard Avenue East in Submarket 4, has an application in progress for the IMIT grant.

- 95 Commander Road is proposed to include an investment of approximately \$2.6 million, with an estimated grant of \$259,000.

As the market continues to mature and as higher-order transit along the SEC is implemented, we expect market interest to continue to increase in the employment areas along the corridor. Transit will have the most significant impact of improving accessibility for employees. The extent to which this will drive reinvestment is unknown. Reinvestment opportunities are also less obvious in the Morningside Avenue given the relatively recent development and lack of available sites.

3.3 Proposed Development

A review of active development applications along the SEC reveals a fairly significant amount of redevelopment and intensification is proposed in the near-term. Overall, there is evidence of development interest across the entire SEC, but the majority of major applications are in the western end of the corridor. The below points summarize future developments with applications at the City.

- Across the SEC, there are over 5,750 residential units proposed throughout several high-density applications. Virtually all of these (4,900) units are within high-density applications in the western end of the corridor (this number does not include subsequent phases of currently active projects that were detailed above).
- The other 850 units are within the eastern end of the corridor within stacked townhomes, condominium townhomes, and two residential towers.
- The eastern end of the corridor also has a number of proposals for commercial property reinvestment and development, including industrial and retail proposals. The western end has a few larger commercial development applications, but is largely dominated by the large mixed-use applications clustered around the CRBP and Victoria Park Avenue.
- There has been little recent evidence of market interest for new office development along the SEC. While the western end of the corridor is likely to be more attractive for new office projects than the eastern end, no market interest has been identified at this time.

3.4 Key Findings

Overall, the market characteristics for residential and commercial real estate has been positive, with the western end of the corridor (Submarket 1-3) already well above the pricing thresholds required for high-density development to be attractive for new purchasers. The commercial market also shows signs of strength, with a healthy supply of office, retail, and industrial space across the corridor that performs well, in terms of vacancies and rents within each class. It is noted that redevelopment/investment in all three classes of commercial space has not occurred on a significant scale over the past decade. While some reinvestment and new development has occurred in the retail centres across the corridor and also in the form of ground-floor retail within the newer condominium buildings, relatively little new office or industrial space has been constructed over this time.

Most of this demand has been focused on the western end of the corridor with significant development over the past 10 years. The area continues to show evidence of strong market interest by way of development applications and land purchases. There is some market softness in the area as the pace of sales has slowed but in the mid to long-term, as transit is implemented and the area becomes more pedestrian friendly and an attractive place to live, we expect demand to improve and to shift from not just investors but also to end users. The end user market typically prefers smaller scale, more intimate buildings and could create greater demand for more mid-rise building forms along the corridor. The accessibility of the area will also ensure demand for office developments, although the pace of investment is more difficult to predict.

The close proximity and/or integration of the Agincourt GO, the future Scarborough Subway, and the LRT has the potential to create a powerful market environment. The alignment of these transit services could make the area one of the best served transit locations in the City.

The eastern end of the corridor has experienced some development over the past 10 years, largely within stacked townhomes but also in the Markham Place condominium apartments. The market characteristics in this end of the corridor have not yet reached the thresholds required for high-density residential development to be feasible at a significant scale. We expect that nodes such as Markham Road will respond over time as transit becomes available but at a slower pace than the western sector.

4.0 Market Impact of Light Rail Transit

Real estate markets value walkable access to modern higher-order transit, a trend that is reflected in increases in property values. Value is expressed in various ways including land value, sale prices and the pace of sales or leasing. Providing the broader market requirements are in place, some, or all of these measures are typically improved with the introduction of affordable, frequent and reliable transit service.

NBLC has conducted a literature review of studies that have measured the impacts of transit on property values throughout North America (see appendix of this report). Together with the case study research found in Section 3 of the final report, a value uplift assessment has been developed for commercial and residential land uses and is presented in Table 2 below.

These values are general and do not account for broader influences such as local supply and demand characteristics. Across the corridor we expect these values to be impacted by these influences. However, they help provide a measure of impact of the Sheppard LRT service.

Table 2

Transit Influenced Appreciation		
Land Use	% Increase over Baseline CVA	
	Low-Scenario	High Scenario
Residential	8.00%	10.00%
Office	12.00%	15.00%
Retail	16.00%	20.00%
Industrial	2.40%	3.00%
Source: N. Barry Lyon Consultants		

4.1 Residential:

NBLC's research and the literature reviewed in the preparation of this study support significant increases in value for development within close proximity to higher order transit. However, the extent of the price gains is difficult to accurately assess, as a broad range of neighbourhood characteristics also come into play. In general, however, we see the greatest value up-lift impacting higher density developments, where owners/tenants are more likely to make use of and benefit from transit services on a day-to-day basis. It is expected that the increasing costs of automobile ownership and congestion will only reinforce the positive impact the LRT will have for residential land values as the transit service will provide easier movement along the corridor and also to the Sheppard Subway and Agincourt GO Station, easing public transportation options north and south of the corridor.

4.2 Office:

Office developments are found to appreciate for a variety of factors, including increased employee catchment area, local area amenities, and as a result of good transit and/or highway connections. Once located along transit, an employer may have difficulty leaving the corridor without losing employees as they have altered their lifestyle, commuting patterns, and housing to match the existing location. Increased densities along the corridor and placemaking through public realm improvements can also have a strong positive impact on the office market when combined with high-order transit.

It is expected that market interest will be strongest within the CRBP and at key intersections along Sheppard Avenue East and Highway 401. The office market is often difficult to predict, however the employment space along the SEC contains the attributes and characteristics necessary to attract higher density commercial development. The protection of this employment land will be vital to maintaining and providing high quality employment and creating destinations along the SEC. The City's IMIT program could also contribute to attracting office uses to key locations along the corridor.

4.3 Retail:

Retail studies of LRT systems in Santa Clara and Dallas have shown premiums exceeding 30% compared to identical properties without access to higher order transit services.

As residential density and ridership increases along a corridor, retail develops a captive consumer base, which creates the setting for an agglomeration of retail, further drawing in new retailers and consumers. In this environment, retail developments can reinvest in their product, attract higher quality tenants, and expand in GFA through small retail pads or major expansions/new build of larger buildings. Retailers will either pay a premium for a location along the transit corridor, or lose transit riding consumers to competitors who do locate along the corridor.

In the western end of the corridor, some retail sites are under pressure to redevelop for residential uses, with the existing retail largely being replaced with ground-floor commercial space that addresses the street. This is viewed as a generally positive trend as the corridor urbanizes and creates a more walkable built form centred around transit, as opposed to the current auto-centric development patterns.

4.4 Industrial:

The Santa Clara and Dallas studies also revealed mixed results with respect to industrial price appreciation. According to one study, it was calculated that values had actually dropped by 8.5% as a result of proximity to mass transit, and in another study values increased by only 2.8%.

The positive impact of LRT on industrial land value is largely mitigated by the low employment density and automotive/shipping intensive nature of industrial land uses. The high-density residential development resulting from new high order transit creates additional logistical complexity to nearby industrial operations. In the context of the Sheppard Corridor we expect that most industry will be of light value-added manufacturing or shipping and logistic type uses. These uses are more likely to benefit from access to transit from the perspective of labour force accessibility. The City's IMIT program could also likely increase market attractiveness for new investment.

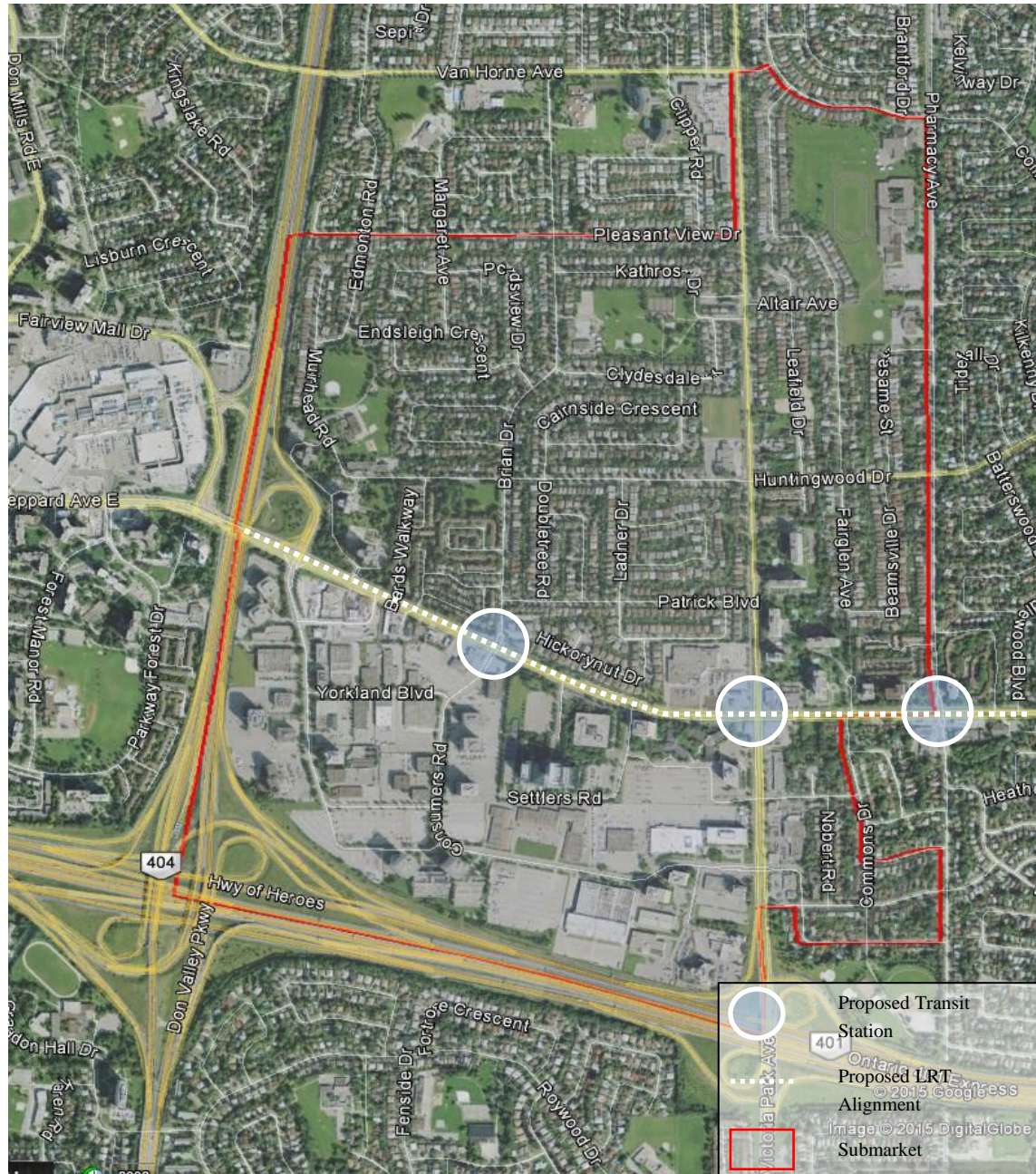
5.0 Market Assessment of Corridor Submarkets

This assessment focuses on major demographic and market variances displayed in each Submarket compared to the overall market trends of the corridor. This review will also identify sites that represent high redevelopment potential taking into account the uplift value associated with the future LRT.

6.0 Submarket 1 – Consumers Road Business Park

Submarket 1, which surrounds the Consumers Road Business Park, extends from Highway 404 to approximately Pharmacy Avenue as illustrated by Figure 6 below. The Submarket has experienced significant development over the past ten years and is a quickly urbanizing avenue that contains significant office employment in the Consumers Road Business Park, a stable and well performing retail base, and a very strong residential market along Sheppard Avenue.

Figure 6: Submarket 1



Source: Google Maps, N. Barry Lyon Consultants Ltd.

6.1 Demographics:

- The Submarket has experienced negative population growth since 2001, with a 2% drop between 2001 and 2006 and a further decrease of 0.3% between 2006 and 2011.
- As noted previously, the 2011 census data was completed after the Heron's Hill development began occupancy, with the first phase of this project (Legacy) occupying in 2011.
- With 1,150 units at Heron's Hill and 578 units within the first phase of Atria, this could represent a new population of over 2,500 based on the typical person per household of 1.5 often found within large apartment buildings. An increase of 2,500 people would represent a 20% increase over the population noted in 2011.
- The high number of persons added to the Submarket within high-rise apartment buildings will have a significant impact on the majority of socioeconomic indicators noted by the 2011 census data.
- Incomes, proportion of renters, transportation modal split, education, labour force statistics, household characteristics and population distribution are all expected to be heavily impacted by the incoming population.
- There is a high immigrant population in the Submarket, with 62% of the population being an immigrant to Canada.
- Incomes are higher in the Submarket than any other segment along the SEC, the unemployment rate is also lower than the average noted for the City of Toronto.
- There is a high automobile dependency in the Submarket, as this area of the City provides easy and convenient access to two 400 series highways.

6.2 Residential Market:

- The majority of existing homes in the Submarket as of 2011 were ground-oriented forms of housing, most of which were constructed prior to 1980.
- In addition to the newer condominium high-rise buildings with the CRBP, a significant proportion of the housing stock (41%) is located within older apartment buildings on the north side of Sheppard Avenue East.
- The proportion of those who rent, which is currently 40%, is also expected to rise with the 2016 Canadian Census, as a significant proportion of the new residential towers in this Submarket appear to be investor owned based on the number of units offered for rent on MLS.

- The value of ground-oriented homes are very high in the Submarket, with the price of a single-detached home averaging \$745,000, with some of these homes selling for over \$1.0 million. The value of semi-detached freehold townhomes are also considered very strong, averaging \$607,000 and \$515,000 respectively.
- The SLR, SLP and average days on market are strong for all product types, but are particularly strong for all freehold properties as well as condominium townhomes. These housing types sell for above asking, spend under a month on the market before selling, and approximately 90% of the units inevitably sell.
- The value of condominium apartments are also much higher than the average for the corridor and resell for over \$273,000 which is the highest value noted across the SEC for this product type.
- The high price of ground-oriented real estate and the strong performance of condominium apartments has attracted significant development interest for high-rise residential development in the Submarket.

6.3 Commercial Market:

- After a significant decrease in employment between 2001 and 2006, the Submarket was able to recover and grew significantly (11%) from 2006 to 2011. Overall, employment has increased by 4% since 2001.
- The majority of employment space in the Submarket is office space, primarily contained within the CRBP. The office sector has been the predominant driver of employment growth in the Submarket, with the institutional sector also contributing modest levels of growth since 2001.
- Manufacturing space has all but disappeared in the Submarket, decreasing by over 90% since 2001. Similarly, retail and service related employment has remained low in the Submarket.
- The major office towers, which are contained within the CRBP, experience moderate vacancies due to the relatively high supply of older office space in this area and increased competition from newer office projects in the downtown and other areas of the City and GTA.
- Generally, office space in the CRBP ranges between \$10 and \$20 PSF, with very few buildings collecting over \$24 PSF.
- The average retail space in the Submarket leased for approximately \$30 PSF, with some of the newer space leasing for even higher. The retail market is considered strong in the

Submarket and will continue to be supported by ground-oriented retail of condominium buildings and by larger mixed-use developments.

6.4 Major Development Application Activity:

There are a number of development applications in the Submarket, the majority of which are for high density residential and commercial developments.

- One residential tower at the Atria development by Tridel is remaining and is expected to launch in 2015.
- 2135 Sheppard Avenue East – A major mixed use proposal by Tribute Communities. The project, advertised as Imperial Square, is located on the north end of the CRBP in between the Heron's Hill and Atria development. It will include 1,100 high-density residential units along with a four storey standalone retail building directly fronting Sheppard Avenue East with approximately 19,000 square metres of retail and office space.
- Figure 7 below is a massing drawing that illustrates this proposal along with the Heron's Hill and Atria project at full build out. It depicts how this area will urbanize and continue to develop moving forward.
- 2450 Victoria Park Avenue – A mixed-use proposal for 895 high-density residential units within three towers along with three townhouse blocks.
- 2933 Sheppard Avenue East – A proposal by Opearl Developments for an 18 storey and 179 unit high-rise building. Advertising as Sail Condominium, the project has not begun selling units.
- A number of smaller scale residential and commercial applications are also found throughout the Submarket.
- Within the CRBP, a number of applications have been made for industrial and low intensity commercial space such as automobile dealerships, parking structures, storage warehouses, and places of worship. No major office proposals have been submitted.
- The final phase of the Heron's Hill project is to include a new commercial building originally intended to be 3,995 m² and include Monarch's new head office. The building has since been reduced to 1,970 m², but has not yet begun construction.

Figure 7: Sheppard East Massing Plan

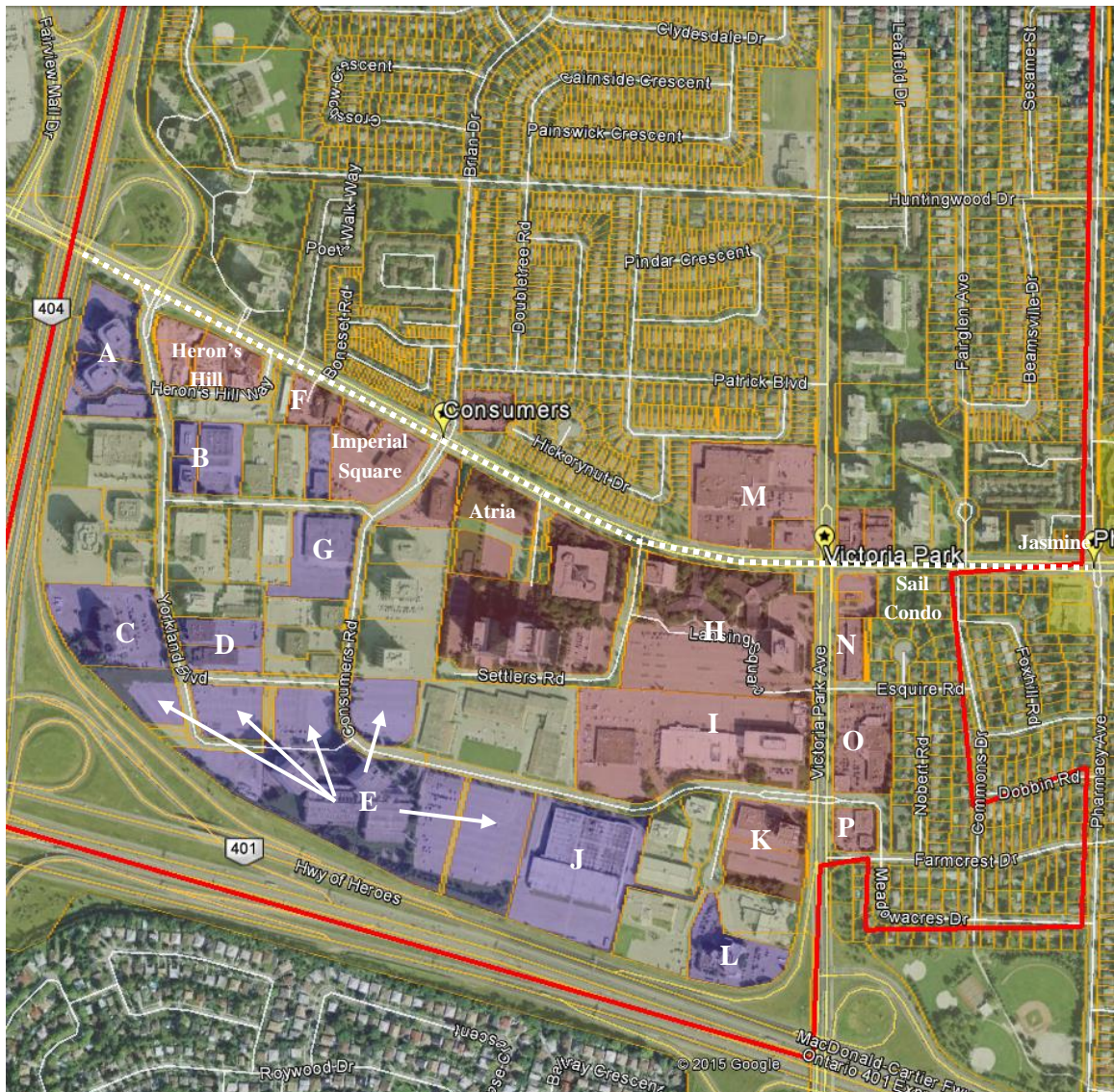


Source: The Behar Group, Urban Toronto

6.5 Development Activity and Opportunities:

A significant level of development has been occurring in the Submarket since 2006 and continues to show high levels of market interest with a number of applications for both high-density residential and commercial space likely to come to market within the near to mid-term. While office development has lagged behind other land uses, the future Monarch corporate office and recent land purchases within the CRBP all indicate positive market signals for the area.

Figure 8: Submarket 1 Development Assessment



Source: Google Maps, N. Barry Lyon Consultants Ltd.

A: 2001-2005 Sheppard Avenue East

- The site contains two eight storey office buildings and a multi-level parking structure and was purchased in 2014 for \$65.3 million by Redbourne Heron's Hill Properties.
- While development plans are unknown, the site could experience renovations or the full redevelopment for high-density commercial uses. The potential also exists for the new land owner to pursue a residential development on the lands, which would require an Official Plan amendment from Employment Area to Mixed-Use. This conversion would also require a Municipal Comprehensive Review, which is required to occur every 5 years.

B: 265-271 Yorkland Boulevard

- Two parcels containing a multi-storey office building and large single storey office/industrial structure were purchased in 2014 for over \$12.6 million combined.

C: 185 Yorkland Boulevard

- Currently occupied by a hotel, the land was purchased in 2006 for \$17.0 million and has been subject to multiple development proposals over the years, including a self-storage warehouse and converting the hotel to a long term assisted care centre, the latter of which was refused by the City.

D: 180 Yorkland Boulevard

- Sold in 2014 for \$7.4 million, the old conference centre building and warehouse may see a development proposal in the near future.

E: Parkway Place Lands

- The large office complex and parking lots were purchased in 2007 for \$125.3 million and has been subject to two applications for automobile dealerships on the parking lots to the west of the office buildings. A parking structure is also planned for this office complex on the land north of the office building.
- While a master plan has not been completed for this large site, it forms a major component of the CRBP and is expected to continue to evolve moving forward.

F: 2075 Sheppard Avenue East

- The 1.5 acre site that contains a Tim Hortons and restaurant was purchased in 2014 for \$11.7 million. No development applications have been submitted to date.

G: 300 Yorkland Boulevard

- The older single storey office building was purchased in 2008 for \$6.1 million, no applications have been made at this time.

H: 2550 Victoria Park Avenue

- A large office complex that has been under the same ownership since 1969. While it already contains significant office buildings, it can also accommodate additional intensification and represents an excellent development parcel.

I: 500 Consumers Road

- An Enbridge Gas distribution centre, the 15 acre parcel represents a long term development opportunity for a mixed-use development.

J: 2 Hallcrown Place

- The large single storey office building sold for over \$20.0 million in 2015. No development applications have been submitted to date.

K: 2450 Victoria Park Avenue

- The site sold in 2012 for \$13.0 million and has a proposal for 895 high-density residential units within three towers along with three townhouse blocks.

L: 55 Halcrown Place

- The site was not permitted a redesignation from Employment Area to Mixed-Use by the City's Municipal Comprehensive Review. It has since been sold for \$14.2 million in 2015.

M: 2450 Sheppard Avenue East

- The large retail centre has been owned by the same entity since 2001. The plaza has seen some reinvestment over the years and performs well from a market perspective.
- The strong location combined with intensification directly surrounding the property could lead this site to redevelop to a more transit-supportive built form as the LRT is implemented.

N: 2561 Victoria Park Avenue

- The older retail plaza was purchased for \$11.2 million in 2013. No development applications have been submitted to date.

O: 2555 Victoria Park Avenue

- Owned since 1994, the 3.9 acre site could redevelop over time as the area continues to urbanize. The site has seen some reinvestment over the years and performs well from a real estate perspective.

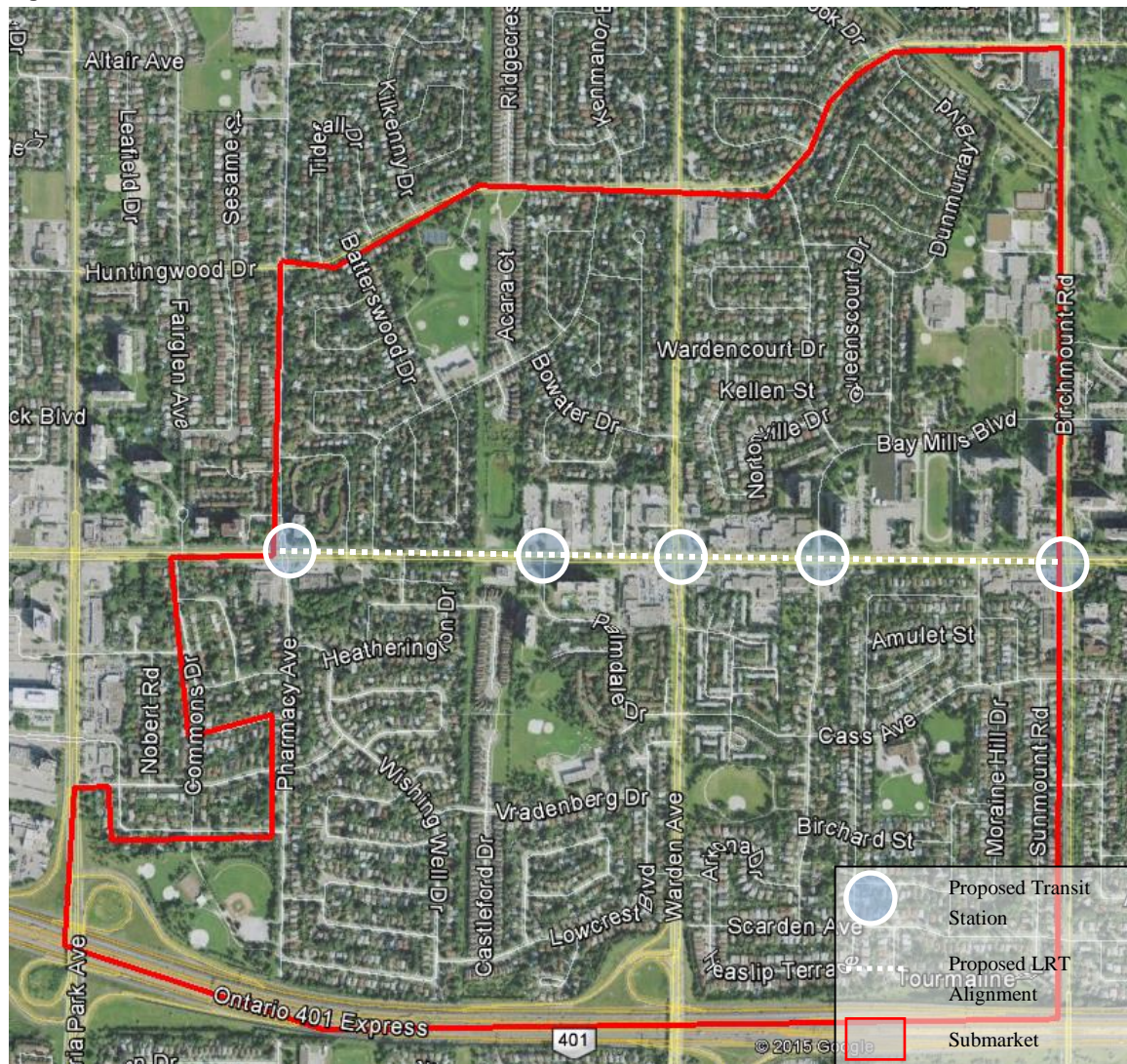
P: 2501 Victoria Park Avenue

- The old retail plaza has been owned since 1993. Development interest could occur on this site, but due to the small size of the parcel and abutting low density residential, new commercial space/reinvestment is the most likely scenario.

7.0 Submarket 2 – Warden

As illustrated by Figure 9 below, Submarket 2 roughly extends from Pharmacy Avenue to Birchmount Road and will accommodate five of the planned LRT stations. While development over the past 25 years has been limited, there have been a number of applications for significant new investments in this area over the past 5 years.

Figure 9: Submarket 2



Source: Google Maps, N. Barry Lyon Consultants Ltd.

7.1 Demographics:

- There has been modest population growth (5%) since 2001 in the Submarket, with very few new housing starts since 2001.

- Household characteristics indicate the area is a popular destination for families, which likely locate in the abundant supply of ground-oriented homes.
- There is a high immigrant population in the Submarket, with 61% of the population being an immigrant to Canada.
- Incomes are high in the Submarket and are only slightly lower than the incomes reported in Submarket 1.
- While reported incomes have increased steadily since 2001, they are increasing at a rate slower than the average noted for the city as a whole. Despite this, the proportion of low income households has remained below the average for the City since 2001.
- The unemployment rate is similar to the average noted for the city of Toronto.
- There is a high automobile dependency in the Submarket, as this area of the city provides easy and convenient access to two major 400 series highways.
- The majority of homes in the Submarket are owned (67%) as opposed to rented.

7.2 Residential Market:

- The majority of homes in the Submarket are ground-oriented with 31% of the housing stock located within apartment buildings over five storeys. Nearly 90% of the housing stock was constructed prior to 1980.
- The real estate market performs in a similar manner to Submarket 1 with the price of a single-detached home averaging \$723,000, with some of these homes selling for over \$1.0 million. The value of semi-detached freehold townhomes are also considered very strong, averaging \$562,000 and \$515,000 respectively.
- The SLR, SLP and average days on market are strong for all product types, but are particularly strong for all freehold properties as well as condominium townhomes. These housing types sell for above asking, spend under a month on the market before selling, and approximately 86% of the units end up selling.
- The value of condominium apartments are also higher than the average for the corridor and resell for nearly \$270,000.
- While no new high-rise development has been constructed in the Submarket, the high price of ground-oriented real estate and the strong performance of condominium apartments has attracted significant development interest in the form of land purchases and development applications.

- It is expected that some of these sites will begin to move forward when the larger projects within Submarket 1 are sold.

7.3 Commercial Market:

- The employment space in the Submarket is located within the mixed-use and retail parcels along Sheppard Avenue East. Employment increased by approximately 12% since 2001, and was primarily driven by growth in the office sector.
- Relative to the other Submarkets, there are very few employment positions in this segment with only 2,000 jobs. Employment is split fairly evenly between office, service, and the institutional sector.
- There is virtually no manufacturing work in the Submarket, which is due to the lack of Employment Land in this segment.
- Retail work has also significantly decreased since 2001, which can partly be explained by some of the commercial sites being purchased for residential or mixed-use development. These sites have not seen reinvestment and others appear to have been vacant for some time.
- There have been only two listings for commercial space in the Submarket over the past year.

7.4 Major Development Application Activity:

- 3220 Sheppard Avenue East – A proposal for a 20 storey and 230 unit residential tower. The zoning for this site has been approved, with the site plan currently under review.
- 3445 Sheppard Avenue East – A proposal for two residential towers of 10 and 14 storeys that will contain 301 units along with 57 stacked townhomes. Ground floor retail is also proposed in the towers.
- 3105 Sheppard Avenue East – A proposal for a 30 storey tower with 365 residential units and ground floor retail.
- The second phase of Love Condominiums will launch in June 2015.
- A number of small commercial applications for new clinics and an addition to the existing funeral home at 3280 Sheppard Avenue East.

7.5 Development Activity and Opportunities:

With the prospect of a future LRT, Submarket 2 is considered highly viable for significant development activity with multiple sites already under application for major residential and

mixed-use development. The below represent the major development opportunities within this Submarket as illustrated by Figure 10:

Figure 10: Submarket 2 Development Assessment



Source: Google Maps, N. Barry Lyon Consultants Ltd.

A: 3005 and 3120 Sheppard Avenue East

- Two separate retail parcels owned by separate entities, both are older commercial sites with no evidence of reinvestment.
- These sites represent a good development opportunity if consolidated (1.6 acres) and could accommodate a development similar to the proposal across the street at 3105 Sheppard Avenue East (B).

B: 3105 Sheppard Avenue East

- The site has a proposal for a 30 storey tower with 365 residential units and ground floor retail. This application was recently refused by the City due to concerns over height and density.

C: 3220 Sheppard Avenue East

- The site has a proposal for a 20 storey and 230 unit residential tower.

D: 3252 Sheppard Avenue East

- The property currently contains a single storey Red Lobster restaurant and was purchased in 2014 for \$6.1 million. The site is a narrow but deep lot, at nearly 1.7 acres it represents an excellent development parcel.
- No development applications have been submitted to date.

E: Warden Sheppard Plaza

- The older retail plaza was purchased in 2013 for \$8.5 million. The plaza appears to have experienced little signs of reinvestment and no development applications have been submitted to date.
- The site is designated Mixed-Use and is nearly 3.5 acres in size.

F: 3445 Sheppard Avenue East

- A proposal for two residential buildings in a mid-rise like form of 10 and 14 storeys that will contain 301 units along with 57 stacked townhomes. Ground floor retail is also proposed in the towers.

G: 3551 Sheppard Avenue East

- The gas station site sold in 2013 for over \$3.0 million. It is unclear at this time if the land owner intends to maintain the gas station or redevelop the site to a more intensive use.

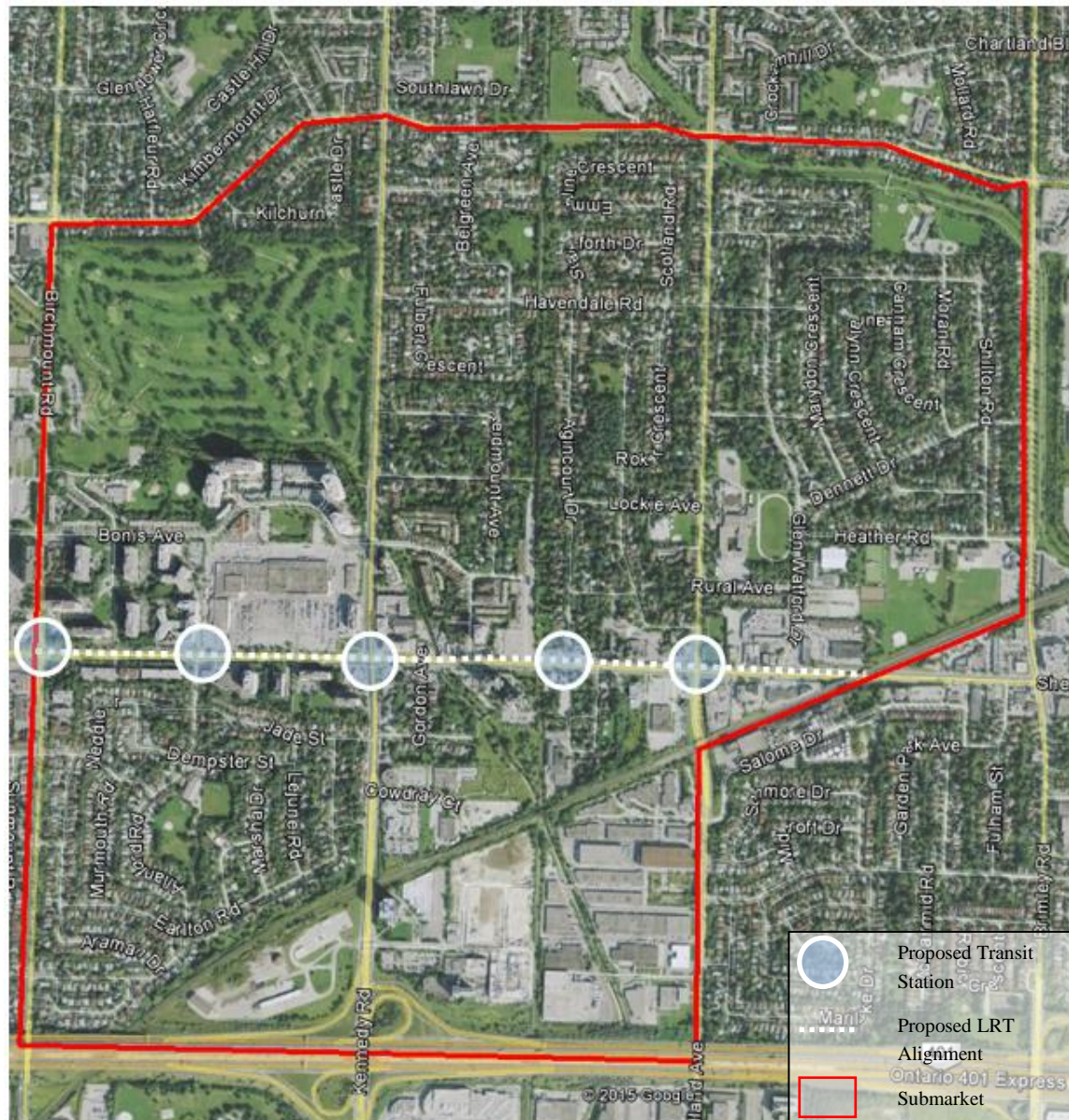
Mixed-Use parcels along Sheppard Avenue East

- The majority of mixed-use parcels surrounding Warden and Sheppard Avenue contain the physical attributes necessary for more intensive development. While the above highlights some of the land transactions and development applications in the area, many of the Mixed-Use sites fronting Sheppard Avenue East in this Submarket represent good development opportunities.
- Some of the uses along this segment, such as the funeral home, retail uses and car dealership, have experienced some reinvestment and are not expected to evolve over the near to mid-term.

8.0 Submarket 3 – Agincourt

Submarket 3 is anchored by the Agincourt Mall and Agincourt GO Station and extends from Birchmount Road to Brimley Road as illustrated by Figure 11 below. The segment contains a healthy mix of high and low density housing as well as employment uses along Sheppard Avenue East and also in the employment area south of Sheppard.

Figure 11: Submarket 3



Source: Google Maps, N. Barry Lyon Consultants Ltd.

8.1 Demographics:

- Similar to Submarket 1, the socioeconomic data described below does not account for the estimated 1,500 occupied units within the Metrogate project since 2011.
- Submarket 3 has experienced modest population growth since 2001, growing by 0.4% between 2001 and 2006 and an additional 2% between 2006 and 2011.
- While the area does appear to be attractive for families with children, it is also very popular with seniors who account for 22% of the population within the Submarket. Of note, 70% of seniors live alone as opposed to with relatives.
- The proportion of immigrants to Canada is higher in this Submarket than any segment along the SEC at nearly 68%.
- Recent immigrants and seniors are often attracted to rental buildings. The high number of purpose-built rental buildings in this Submarket explains the higher proportion of these populations observed by the census data.
- Incomes are lower in the Submarket than any other segment along the corridor aside from Submarket 5. While incomes have been increasing since 2001, they are increasing at a much slower rate than the City. The high proportion of seniors and recent immigrants help explain this trend.
- The unemployment rate is slightly less than the City of Toronto at 9%.
- Similar to the other Submarkets, private automobile dependence remains high.

8.2 Residential Market:

- There is a nearly 50/50% split of ground-oriented homes and high-rise apartment units in the Submarket, though this does not include the high number of units completed at the Metrogate development since 2011.
- While the majority of the housing stock was completed prior to 1980, there has been a steady, albeit modest, number of housing starts since 1991.
- The real estate market performs in a similar manner to Submarket 1 and 2 with the price of a single-detached home averaging \$728,000. The value of semi-detached freehold townhomes are also considered strong, averaging \$558,000 and \$515,000 respectively.
- The SLR, SLP, and average days on market are strong for all product types, but are particularly strong for all freehold properties as well as condominium townhomes. These

housing types sell for above asking, spend under a month on the market before selling, and approximately 86% of the units end up selling.

- Condominiums townhomes resell for approximately \$375,000, which is higher than any other segment along the SEC.
- The value of condominium apartments are also higher than the average for the corridor and resell for \$262,000.
- The area has seen significant development activity and interest over the years and should continue to attract private sector development moving forward.

8.3 Commercial Market:

- Employment space in the Submarket is largely contained within the office buildings surrounding the Sheppard and Kennedy intersection, the Agincourt Mall, and the small shopping centres and office buildings along Sheppard Avenue East.
- Leases for employment space in the Submarket were comparable with the rest of the corridor, with rent for retail averaging \$16 PSF and office space averaging \$11 PSF.
- Employment in the surrounding area has grown by over 20% since 2001, with office work increasing by 66% over this time. The majority of this growth occurred between 2001 and 2006.
- While most employment sectors experienced modest growth, retail jobs have decreased by 42% over this time, representing a loss of over 500 jobs.
- Manufacturing jobs experienced rapid growth of 300 jobs between 2001 and 2006 but subsequently lost 319 employment positions between 2006 and 2011. The recent approval of the conversion of lands from employment to mixed uses suggest a sustained weakness in this sector.
- According to the City of Toronto 2011 Employment Survey, there are a total of 7,648 jobs and 592 businesses within the Submarket. Of the 7,648 jobs, 67% are full time positions. The majority of jobs are full time, aside from the retail and institutional sector, which are closer to a 50% split of full and part time work.
- The commercial retail market is considered strong and should continue to display positive trends moving forward.
- Of note, the Agincourt Mall was recently purchased by a commercial/retail developer. The site is expected to redevelop with a significant density of residential and commercial uses.

8.4 Major Development Application Activity:

In addition to the second phase of Love Condominiums, the following points summarize the applications that have been submitted to the City within the Submarket:

- 23 Glen Watford Drive – A proposal for two point towers on a two storey podium with 640 units and 713 parking spaces.
- 4181 Sheppard Avenue East – A proposal consisting of eight development blocks that will include 88 townhomes and a larger mixed-use block. A total of 767 units have been proposed.
- 2035 Kennedy Road – A recent proposal for a multi-phased high density development that will include three mixed-use towers that will contain 1,034 dwelling units. A new urban plaza and the retention of the existing 14 storey hotel is also proposed.
- A number of small commercial applications for expansions and parking lot extensions.

8.5 Development Activity and Opportunities:

Submarket 3 displays significant development potential in a few select locations largely concentrated around Metrogate, Agincourt Mall, and the intersection of Sheppard and Midland Avenue. The major opportunities are illustrated by Figure 12.

A: Agincourt Mall

- The 24 acre aging commercial centre was purchased by North American Development Group in 2015 for \$97.0 million. As detailed above, a significant redevelopment of the site is expected.

B: 4181 Sheppard Avenue East

- A proposal consisting of eight development blocks that will include 88 townhomes and a larger mixed-use block. A total of 767 units have been proposed.

C: 23 Glen Watford Drive

- A proposal for two point towers on a two storey podium with 640 units and 713 parking spaces.

D: 4271 Sheppard Avenue East

- The older office/retail building sold in 2015 for nearly \$6.0 million to V.L.K. International Canada. The triangular shape lot is nearly two acres.

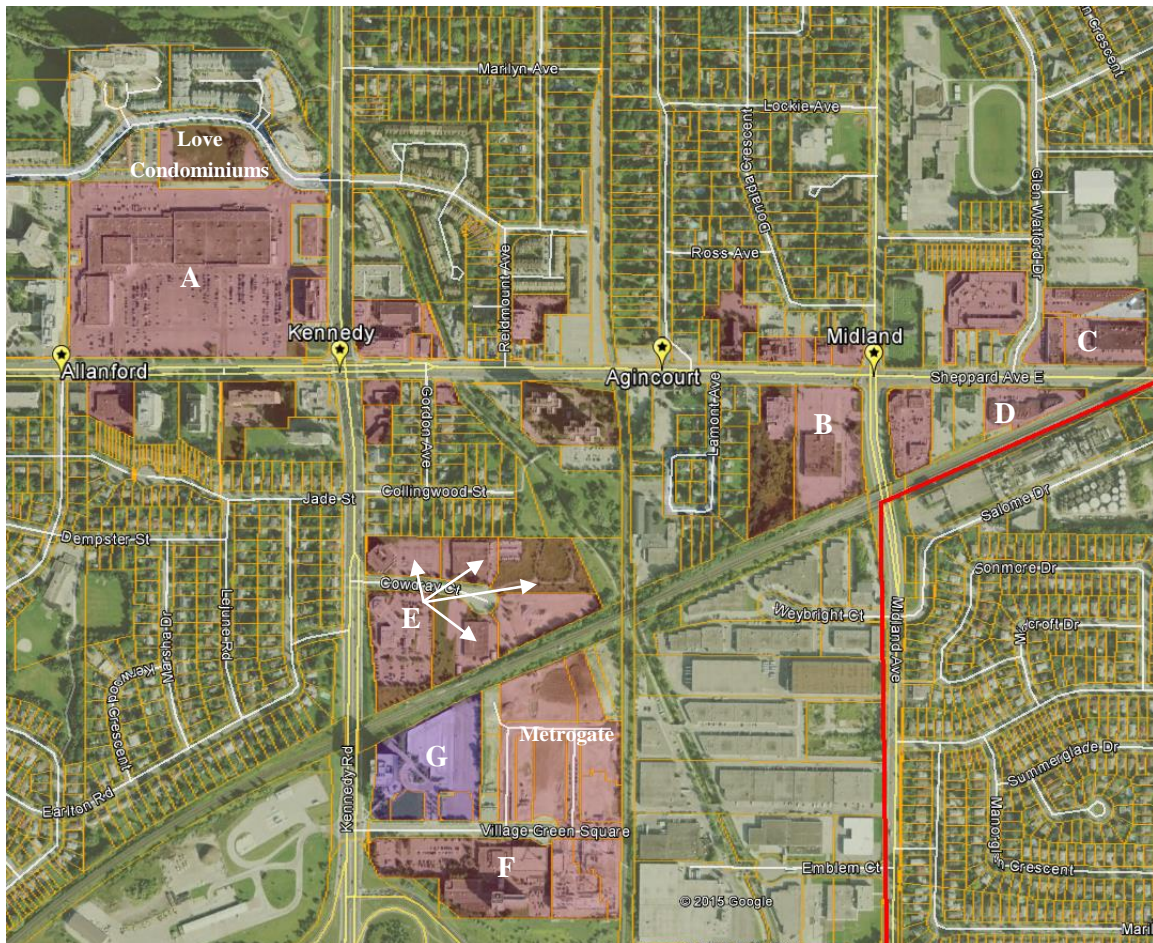
E: 20-100 Cowdray Court

- The lands, which are owned by Transmetro Properties Ltd., have been redesignated from Employment Area to Mixed-Use through the City's Municipal Comprehensive Review.
- No development applications have been submitted at this time, but the site represents a significant opportunity for a mixed-use development and is a walkable distance from the proposed transit stops on Sheppard Avenue East.

F: 2035 Kennedy Road

- The lands include a large Delta Hotel and were purchased in 2014 for nearly \$33.0 million by Tarn Financial. An application for a mixed-use development has recently been submitted to the City as detailed above.

Figure 12: Submarket 3 Development Assessment



Source: Google Maps, N. Barry Lyon Consultants Ltd.

G: 2075 Kennedy Road

- The site contains an existing office building and was purchased in 2010 for \$31.0 million by Dundee Properties. There have been no development applications to date.

While some of the applications and recent land purchases are believed to be more marketable/feasible than others, development in the Submarket is expected to be driven by some of the larger development parcels at Agincourt Mall and in the parcels near Midland Avenue.

- Metrogate was developed on the premise that the Sheppard subway was to be extended through the site and continue to the Scarborough City Centre. Given the slow sales experienced at this project since the cancellation of the Sheppard subway, it is not apparent that the market currently exists for more high-density residential in this location due to the abundance of better located sites directly along Sheppard Avenue East. The recent activity at 2035 and 2075 Kennedy Road does not change the market realities of this area.
- Notwithstanding the above, sales have also been slow at Love Condominiums immediately north of the Agincourt Mall. While the market does appear to be supportive for high-density development in this area, heavy competition from other high profile and better located projects to the west will impact the feasibility of development in the Submarket, at least in the near term.
- The introduction of LRT and the full implementation of SmartTrack at the Agincourt GO Station will be instrumental in increasing demand in the Submarket and allowing the sites identified above to begin to redevelop for high-density and transit supportive development.
- Pockets of low density developments, south of the GO Station, are likely to be consolidated for high density uses due to high market demand.

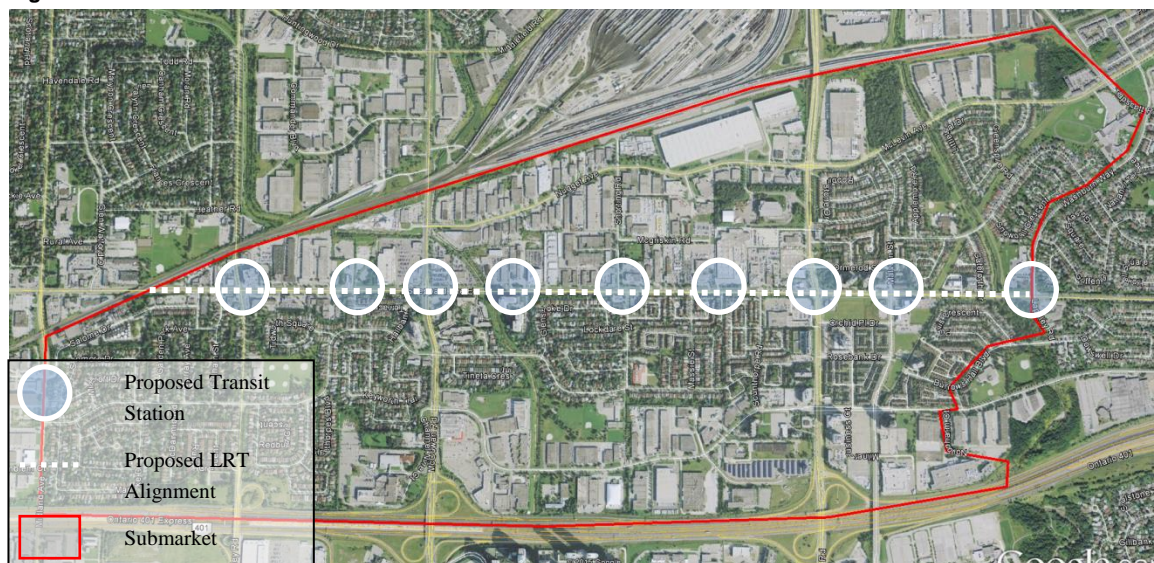
9.0 Submarket 4 – McCowan/Markham

Submarket 4 is largely defined as containing a significant supply of industrial and manufacturing uses on the north side of Sheppard Avenue East, which comprises a portion of the extensive Tapscott/Marshalling Yard Employment District. The Submarket, which extends from approximately Brimley Road to Washburn Way, also contains some retail and office uses, low-rise residential, and apartment blocks as illustrated by Figure 13. As noted in Section 3, the residential market and socioeconomic data begins to weaken substantially east of Submarket 3.

9.1 Demographics:

- There has been modest population growth (5%) since 2001, with the majority of growth occurring between 2006 and 2011. The housing starts that occurred during this time were primarily within the two towers at Markham Place, the stacked townhouse project at Markham Gates, and other small residential infill developments.

Figure 13: Submarket 4



Source: Google Maps, N. Barry Lyon Consultants Ltd.

- Household characteristics indicate the area is a popular destination for families, which likely locate in the supply of relatively affordable ground-oriented homes in the area.
- There is a high immigrant population in the Submarket, with 64% of the population being an immigrant to Canada.
- Incomes are lower in the Submarket than in the western end of the SEC, with the average private household income reported to be \$76,715. Incomes in the Submarket were once higher than the average noted for the City, but have not increased at the same rate and are now well below the average of \$87,000 noted for the City at large.

- The unemployment rate is higher in the Submarket than in other areas of the SEC (10.4%).
- The majority of homes in the Submarket are rented (60%) as opposed to owned, which is surprising given the higher proportion of ground-oriented forms of housing and lack of purpose-built rental buildings in the area.
- The proportion of the population with a post-secondary education also begins to decrease east of Submarket 3.

9.2 Residential Market:

- The majority of homes in the Submarket are ground-oriented with only 27% of the housing stock located within apartment buildings over five storeys and another 8% in apartment buildings less than five storeys.
- While the majority of housing was constructed prior to 1990, the Submarket has experienced a fairly strong level of development interest since this time.
- Where the residential real estate market in Submarket 1-3 performs in a relatively similar fashion, the value of homes begins to drop significantly east of Submarket 3 with the price of a single-detached home averaging \$557,000. The data reveals that single-detached homes west of Brimley on the south side of Sheppard Avenue East sell for above \$600,000, with the price of these homes steadily decreasing east of McCowan Road.
- Similarly, the value of semi-detached and freehold townhomes are also considerably lower than in the western end of the corridor, averaging \$421,000 and \$340,000 respectively.
- The condominium market decreases in value in a similar pattern to the freehold market, with prices lower in this area than the western segments along the SEC.
- Despite the decrease in value, the SLR, SLP, and average days on market remain strong for all product types, indicating that demand is strong for these properties at the lower price point observed.
- High-density development has largely been limited to stacked townhomes, aside from the Markham Place project.
- These projects have had varied success and are a direct reflection of the value of real estate in the surrounding area. The Ten88 project by Empire Communities for example is struggling to sell stacked townhomes and has a high-density component to be released as a second phase. The high-density project Blossom previously failed at this location.

- As real estate values in the western end of the SEC continue to rise, demand for single-detached homes will increase in the area. As this occurs, real estate values will begin to rise and create the market conditions necessary for higher density development to occur on a larger scale.

9.3 Commercial Market:

- The employment space in the Submarket is largely located within the employment land on the north side of Sheppard Avenue and within the Employment Area south of Sheppard along Highway 401. Employment is also located in the mixed-use parcels directly fronting Sheppard Avenue near Brimley Road and Markham Road.
- Employment within the Submarket peaked in 2006 after experiencing significant growth in the office sector. However, between 2006 and 2011, employment in the area decreased by 8% due to the heavy loss of office and retail employment. Overall, employment in the Submarket has increased by 5% since 2001.
- The Submarket is an important employment node in the city, with the Tapscott/Marshalling Employment District being the fourth largest Employment District in the City by number of employees. The Submarket contains nearly 31% of all employment along the SEC, second only to Submarket 1.
- The majority of employment in the Submarket is office work, with manufacturing holding the second highest proportion. Relative to other areas of the city, the manufacturing base has decreased modestly (approximately 1% since 2001) and reflects the health and importance of this sector in the area.
- Office space in the Submarket generally leases for \$10 PSF and retail space leased for \$14 PSF, which is expectedly lower than the areas in the western end of the corridor but is still considered relatively strong.
- Industrial space does not fluctuate across the corridor and is relatively constant across the majority of the City as a whole, averaging \$5 PSF.

9.4 Major Development Application Activity:

- 1088 Progress Avenue – In addition to the stacked townhomes that are currently selling, the second phase will include two residential towers of 13 and 18 storeys and 309 units.
- A small number of industrial and commercial applications reflective of the suburban character of this end of the corridor including new retail, industrial, and office space.

9.5 Market Activity and Development Opportunities:

Submarket 4 contains a limited number of parcels that possess, from a physical planning perspective, good development potential for high-density residential and commercial development. However, the existing real estate market has not attracted high-density residential or commercial development and is not expected in the near term. The strong base of industrial employment uses from approximately Brimley to Markham Road also limits the ability for the parcels on the south side to redevelop for more intensive forms of development.

A: IGI Realty Lands

- The two parcels were consolidated by IGI Realty Holdings Inc. in 2014 for a total of \$4.2 million. The site currently contains a Royal Canadian Legion and large parking lot.
- While the site is shallow, it is over two acres in size and could be redeveloped in the future. Development applications have not been submitted to date.

Figure 14: Submarket 4 Development Assessment - Midland Avenue to McCowan

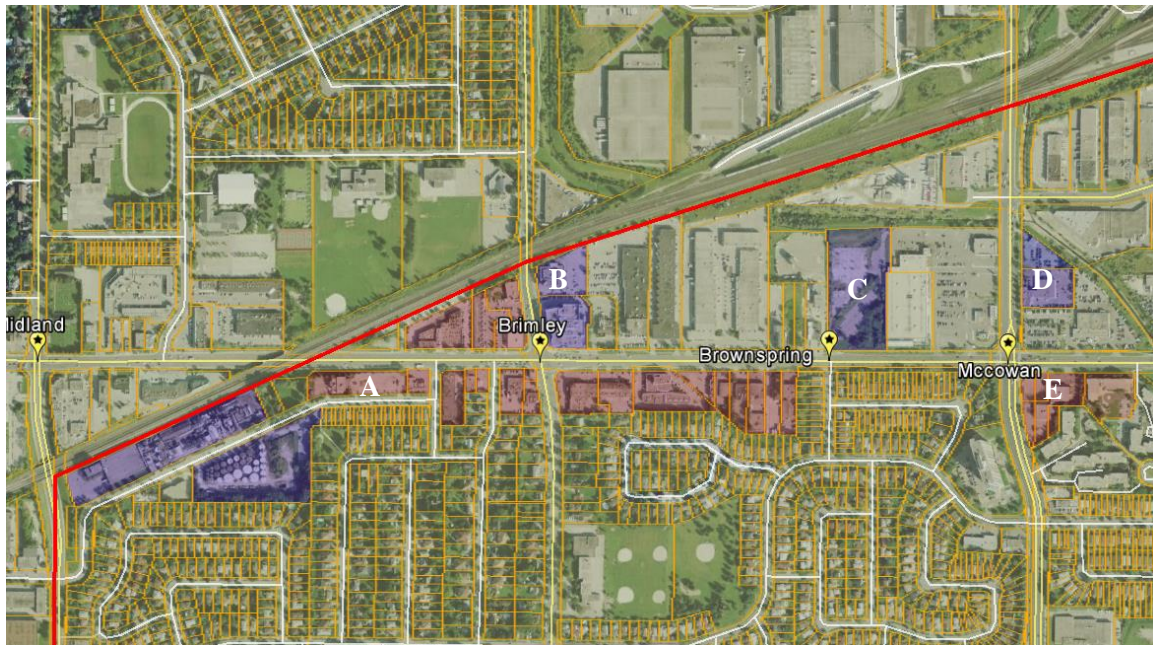
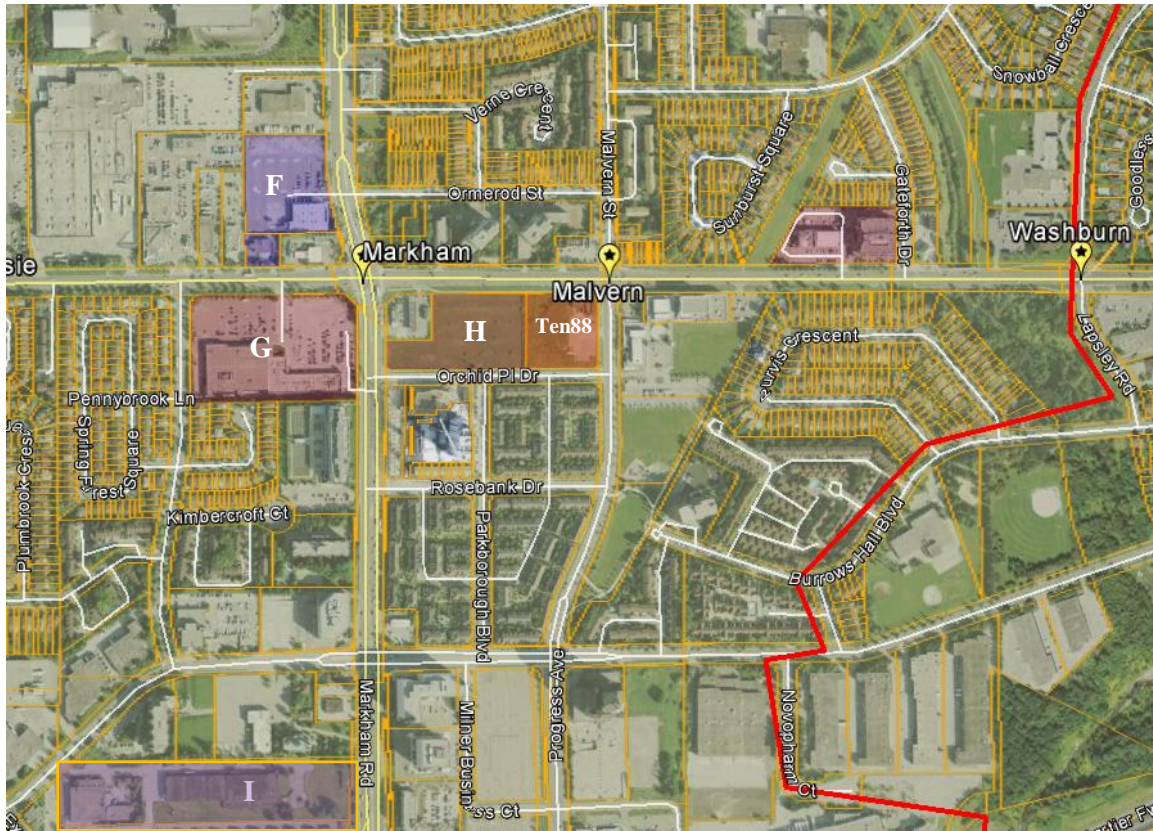


Figure 15: Submarket 4 Development Assessment - Markham Road to Washburn Way



Source: Google Maps, N. Barry Lyon Consultants Ltd.

B: 2101 Brimley Road

- Immediately north of the larger office building fronting Sheppard Avenue, the two storey commercial building was purchased in 2013 for \$3.8 million.

C: 4570 Sheppard Avenue East

- A large vacant site adjacent the Canadian Tire to the west, it was purchased in 2015 for nearly \$5.0 million. Development plans are unknown for the site at this time.

D: 1871 McCowan Road

- The Nissan car dealership was purchased in 2010 for \$4.95 million. Redevelopment is not expected in the near future.

E: 1715 McCowan Road

- The site was purchased for \$4.7 million in 2007 and has an application for new office and commercial space.

F: 1780 Markham Road

- The 3.5 acres site was purchased in 2012 for \$17.2 million and has an application for new office and commercial space within the existing plaza.

G: Markham Corners Shopping Plaza

- The 7.5 acre aging commercial centre was purchased by RioCan in 2001 for \$12.5 million. While reinvestment in the form of new retail can be expected at this site, it is not believed the retail centre will redevelop to a more intensive built form in the near to mid-term.

H: 5131 Sheppard Avenue East

- The large vacant parcel is owned by the City of Toronto and currently being advertised for sale through a Request for Proposal process. The 3.5 acre site is directly adjacent the Ten88 proposal and immediately north of the Markham Place towers.

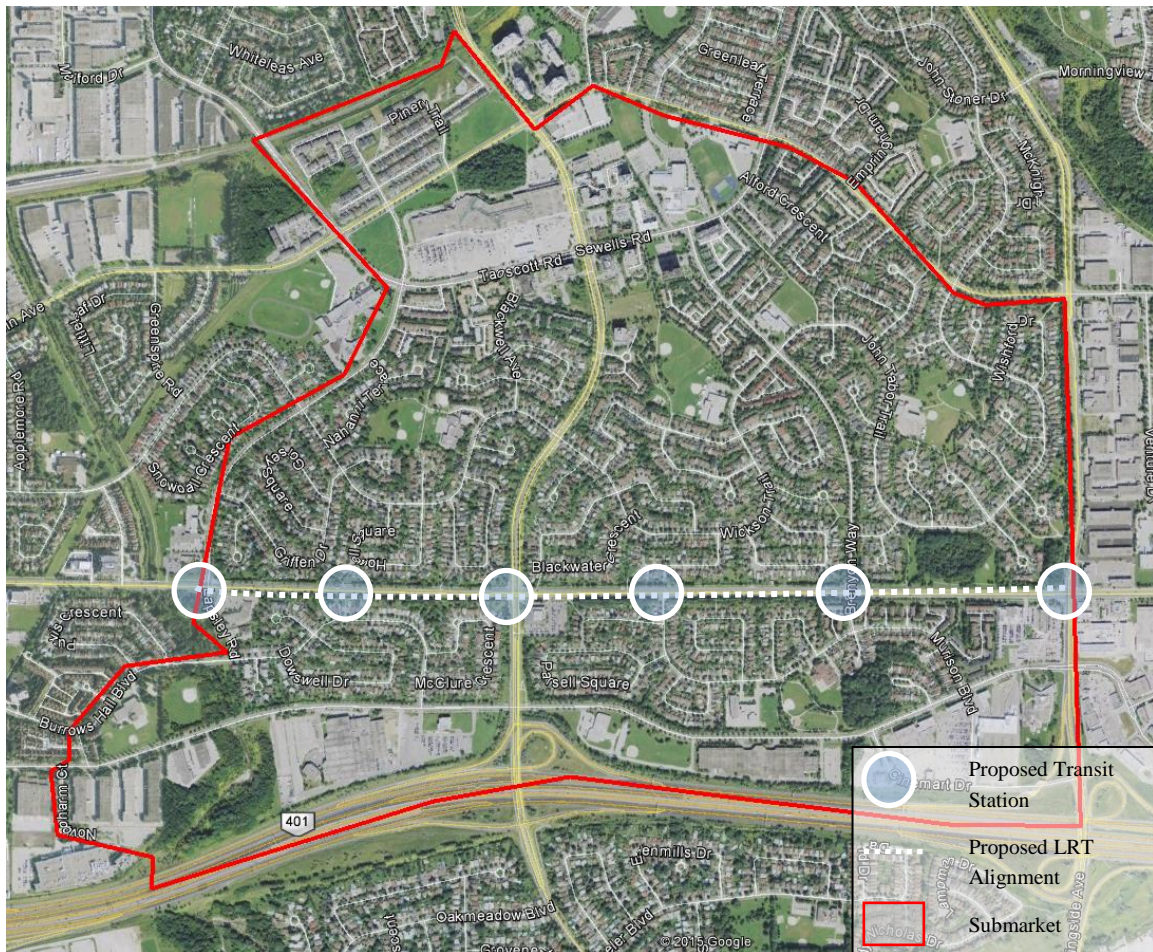
I: 189 Milner Avenue

- A request to convert these Employment areas to Mixed-Use Areas was made, but the City has decided to retain the lands for employment uses. The development concept for the site is a large mixed-use development including a mediation centre, hotel, retirement homes, ayurvedic centre, and innovation centre.

10.0 Submarket 5 – Neilson

Submarket 5 contains very few development opportunities due to the majority of Sheppard Avenue East along this segment containing reverse-lotted low density homes. The majority of the area is designated Neighbourhoods aside from the Employment Area south of Sheppard along Highway 401 and the Mixed-Use and Apartment Neighbourhood Areas surrounding Malvern Town Centre. Due to the development constraints and policy permissions along Sheppard Avenue, nearly all of the development in the area has moved north of the future LRT alignment to the Malvern Town Centre.

Figure 16: Submarket 5



Source: Google Maps, N. Barry Lyon Consultants Ltd.

10.1 Demographics:

- There has been stagnant population growth in the Submarket since 2001, with the only growth during this time occurring near the Malvern Town Centre within the stacked townhome projects.

- Household characteristics indicate the area is a popular destination for families, who locate in the supply of relatively affordable ground-oriented homes.
- There is a high immigrant population in the Submarket, with 62% of the population being an immigrant to Canada.
- Incomes are lower in the Submarket than in any other segment along the SEC, with the average private household income reported to be \$68,814. Incomes in the Submarket are significantly lower than the city at large, with the gap increasing between 2001 and 2011.
- The unemployment rate is higher in the Submarket than in other areas of the SEC (14%).
- There is a high automobile dependency in the Submarket, as this area of the city provides easy and convenient access to Highway 401. The area also contains no walkable destinations, provides few connections to the street from the residential neighbourhoods, and provides a weak walkable environment.
- The majority of homes in the Submarket are owned (68%) as opposed to rented.

10.2 Residential Market:

- The majority of homes in the Submarket are ground-oriented with only 21% of the housing stock located within apartment buildings over five storeys, with all of these buildings located north of the proposed LRT line near Malvern Town Centre.
- Over 85% of the housing stock was constructed prior to 1990, with some development occurring since this time in the form of stacked townhomes and lower density forms of housing.
- Similar to Submarket 4, the real estate market continues to decrease in value east of Submarket 3. The value of a single detached home in the Submarket was \$441,000, which is significantly lower than the average noted for the corridor. Similarly, the price of a semi-detached and freehold townhome was \$389,559 and \$340,554 respectively.
- The condominium market decreases in value in a similar pattern to the freehold market, with prices lower in this area than the western segments along the SEC. The price of a condominium apartment is lower here than in the western segments of the corridor, with the average price of a condominium apartment below \$200,000 and the price of a condominium townhome below \$300,000.
- Despite the lower value, the SLR, SLP, and average days on market remain strong for all product types, indicating that demand is strong for these properties at the lower price point observed.

- The real estate market in this end of the corridor has not matured to a point where higher density forms of housing are feasible, though stacked townhome projects near Malvern Town Centre have sold well.

10.3 Commercial Market:

- The employment space in the Submarket is largely located within the employment land south of Sheppard Avenue along Highway 401 and the commercial space near Malvern Town Centre. As such, retail and office employment accounted for the majority of jobs in the Submarket.
- Employment within the Submarket has been decreasing modestly since 2001, but has shown negative trends for almost all sectors of employment aside from manufacturing between 2006 and 2011.
- Office space in the Submarket generally leases for \$10 PSF, which is expectedly lower than the areas in the western end of the corridor.
- The retail space leased for \$22 PSF, which is much higher than other segments of the corridor and compares with Submarket 1 and 2. This is explained by the relatively lower level of supply of commercial space along this segment of Sheppard Avenue East and the highly visited Malvern Town Centre.
- Industrial space is typical of the rest of the SEC and been relatively stable as noted by the City's employment survey.

10.4 Major Development Application Activity:

- 140 Pinery Trail – A proposal for 67 stacked townhouses within three development blocks. This project was called The Pinery, which cancelled after failing to achieve any sales as detailed in Section 3 of this report.
- 1355 Neilson Road – A proposal for 96 stacked townhomes. The project is marketed as Sky Lofts and began selling in 2014 as detailed in Section 3 of this report.
- 165 Tapscott Road – The western block of the Malvern Town Centre, an application has been submitted for 198 dwelling units within 100 stacked townhomes and 98 back-to-back townhomes.
- Some industrial applications to the south of Sheppard Avenue East in the Employment Area for vehicle storage yards.

- A few commercial applications north of Sheppard Avenue East near the Malvern Town Centre.

10.5 Development Activity and Opportunities:

Development opportunities within Submarket 5 are limited and are largely contained in the areas north and south of the future LRT alignment. The place of worship and small retail strips fronting Sheppard Avenue East have not attracted any market interest and are unlikely to redevelop in the near or mid-term. The employment land to the south has also remained relatively stable, with no new development expected.

The Malvern Town Centre has experienced significant residential and commercial development over the years and this is expected to continue moving forward. While the area is not within easy walking distance of the future LRT, demand has been strong in this location for stacked townhomes and within the older rental buildings surrounding the area.

11.0 Submarket 6 – Water Tower

Submarket 6 is the eastern terminus of the future LRT and will contain the maintenance and storage facility for the LRT vehicles. The area consists entirely of employment uses, such as manufacturing and warehouse uses as well as big box retail south of Sheppard Avenue East. As such, census data is not applicable, and there are no residential units.

11.1 Commercial Market:

- Employment within the Submarket has fluctuated, with the number of jobs decreasing by 8% between 2001 and 2006 and then increasing by 7% between 2006 and 2011.
- Nearly half of employment is within the manufacturing sector, which has experienced significant growth since 2001.
- As opposed to the other Submarkets, the manufacturing and service sectors have been driving economic growth in this area. Retail and office work has been responsible for a significant proportion of jobs lost since 2001.
- The employment uses appear to perform well, with retail space collecting rents of \$14 PSF and industrial space averaging \$5 PSF. There were a high number of lease transactions for industrial space over the past year, indicating relatively high turnover and vacancies.

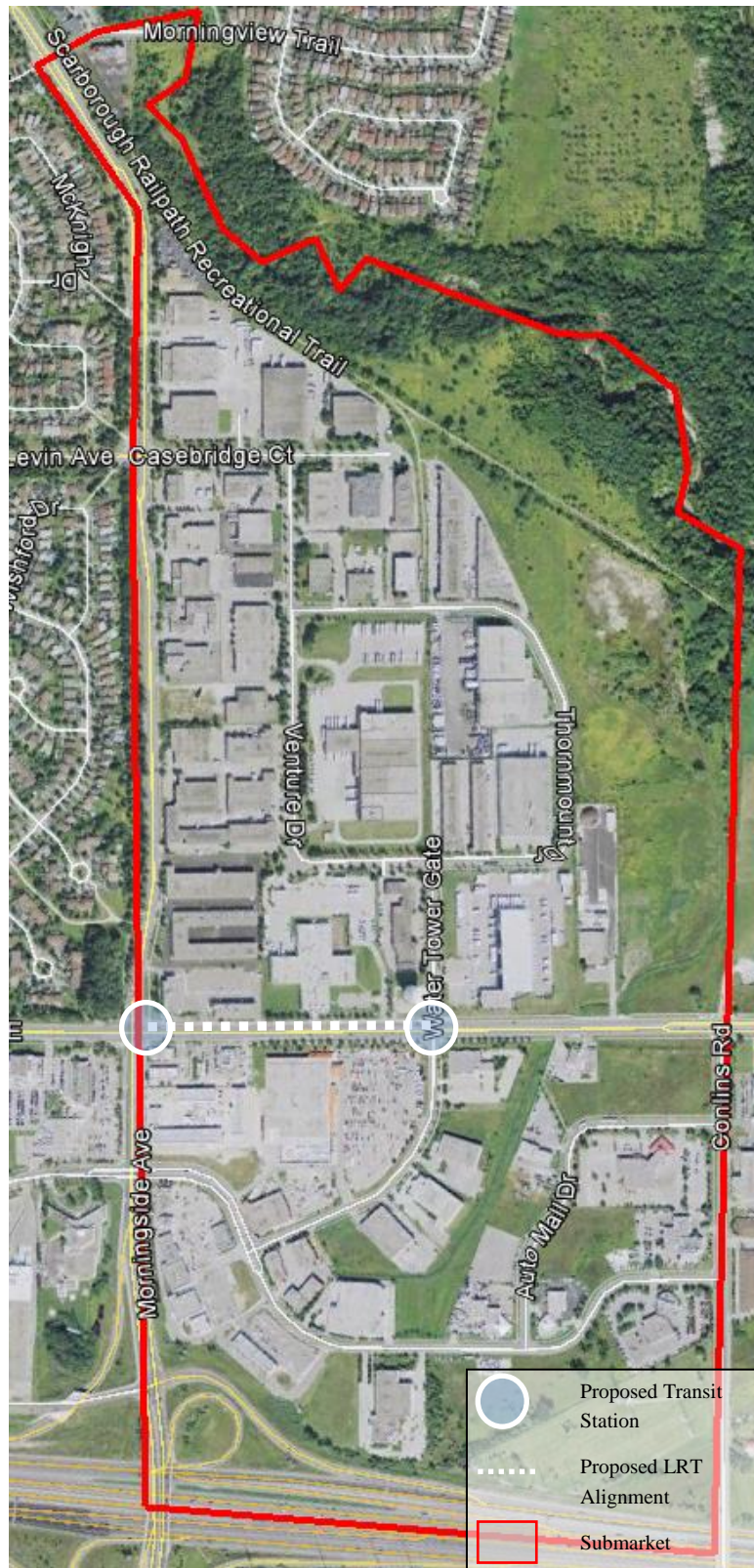
11.2 Major Development Application Activity:

- The majority of application are small scale retail and industrial applications.
- A large ‘power centre’ retail development is proposed for 35 Auto Mall drive, on the south side of Sheppard Avenue East.

11.3 Development Activity and Opportunities:

Submarket 6 does not currently contain any major development opportunities of a significant scale. Higher density commercial developments such as major office will not be attracted to this location of the City, with the majority of development activity likely to be for large format retail and industrial uses.

Figure 17: Submarket 6



Source: Google Maps, N. Barry Lyon Consultants Ltd.

12.0 Summary

The Sheppard East Avenue corridor in the area of the LRT proposal is already a moderately strong real estate market characterized by high resale home prices and new high density investment in residential development. Investment and re-investment in commercial and office uses is also evident. While real estate markets tend to ebb and flow, all indicator points to long term or accelerating demand in most areas of the city. The impact of the LRT will likely help support new higher-density developments where market conditions are currently marginal.

In general, the western segment of the LRT corridor is beginning to emerge as a more complete community with a healthy mix of high-density employment and residential uses. This emerging close live-work relationship is a positive factor that can support both office and residential developments as consumers seek to shorten commuting times. However, there is an apparent lack of park space and a car dominant street environment that likely needs improvement for the area to meet its full market potential.

The accessibility and exposure to 400 series highways and the DVP initially underpinned the success of the Consumer Road Business Park (CRBP). The introduction of the Sheppard Subway at Don Mills Station has helped support high-density residential development in the CRBP. The introduction of the new, connecting LRT service is likely to enhance the market demand for new high-density developments in this area. The CRBP also has new commercial investment and demand for the existing office buildings appears stable. The enhanced transit service will also improve the accessibility of the area supporting demand for office and related uses.

The new transit line will also help support reinvestment, primarily in residential uses, but also some office demand eastward to the Agincourt GO Station. Here there is an opportunity for a significant amount of new investment given the possible nexus of several higher order transit lines (GO, LRT and subway). The area has already proven a successful high-density market with several developments over the past 15 years. Agincourt Mall, which occupies the NW quadrant of Sheppard and Kennedy, represents a significant redevelopment opportunity. To the south of Agincourt Mall on Kennedy Road, Metrogate is nearing full build-out with additional market interest beginning to emerge on two sites surrounding the Kennedy and Highway 401 area. Due to the land surrounding Metrogate being located outside of a walkable distance from Sheppard Avenue East and the future LRT, it is not apparent that the future higher-order transit will positively impact the marketability of these sites. The land located on Cowdray Court however, located to the north of Metrogate and a walkable distance from the planned LRT stop at Kennedy Road and Sheppard Avenue East, appears to have significant development potential. As the transit improvements become closer to reality, we expect that the pressure for redevelopment will be significant in the Agincourt area.

Between Brimley and Markham Roads, on the north side of Sheppard is a significant employment area. This area of development was largely a result of spinoffs from the massive CPR Toronto yard to the north. The area lacks the market position it once had which is reflective in the low rents, high vacancies and the low density/intensity nature of the uses. In addition, several places of worship and a City transfer facility hinder the market appeal of the area. New transit will certainly improve the appeal of the areas, however there are other market issues that may need to be addressed to maximize the future potential of these lands. The City's IMIT program may be helpful in stimulating investment moving forward.

East of Markham Road, the opportunities for reinvestment given the nature of the development becomes much more challenging. The remainder of the corridor is dominated with stable, single family residential neighbourhoods on the flanks of Sheppard Avenue, which restricts any new investment. The only exception to this are the lands on the south side of Sheppard at Markham Road which are designated for Mixed-use. This area has already received a significant amount of high density development. Transit investment will help improve the marketability of the remaining parcels.

Appendix A: Market Research

Actively Marketing (New) Condominium Apartment Projects in the Study Area As of January 30th, 2015												
Project Name / Developer	Open Date	Status *	Storeys	Total Units	Total Sales	% Sold	Size Range (sq. ft.)	Price Range	Avg. \$PSF**		Abs. Rate***	
									Org.	Curr.	70%	Overall
High-Rise Condominium												
Alto and Parkside at Atria Tridel and Dorsay Development Corporation	Nov-11	UC	43	578	480	83%	499 - 1,207	\$295,750 - \$603,000	\$537	\$516	84.9 4.9	12.3 38.9
TRIO at Atria Tridel and Dorsay Development Corporation	Feb-13	PC	23	337	199	59%	467 - 1,248	\$246,000 - \$625,000	\$538	\$537	-	8.5 23.5
Harmony Village Sheppard City Core Developments Inc.	Nov-14	PC	31	291	119	41%	388 - 1,071	\$181,500 - \$536,000	\$481	\$482	-	54.0 2.2
Love Condominiums - Phase 1 Gemterra Development Corporation	Sep-11	UC	20	296	230	78%	487 - 858	\$238,800 - \$383,300	\$424	\$460	6.7 32.1	5.7 40.1
Avani at Metrogate Tridel	Sep-11	UC	34	363	295	81%	445 - 790	\$211,000 - \$410,500	\$496	\$480	8.1 31.7	7.2 40.8
Sub-Total/Averages			30	1,865	1,323	71%	388 - 1,248	\$181,500 - \$625,000	\$502.53	\$499	12.9	9.1
Stacked Townhomes												
TEN88 Empire and Pace Developments Inc.	Jul-13	PC	3	105	74	70%	510 - 1,073	\$189,990 - \$394,990	\$365	\$355	4.3 17.3	4.0 18.3
Sky Lofts Stafford Homes	Nov-14	PC	3	96	72	75%	687 - 1,026	\$289,900 - \$374,900	\$349	\$404	72.0 1.0	29.6 2.4
Sub-Total/Averages			3	201	146	73%	510 - 1,073	\$189,990 - \$394,990	\$357	\$376	8.0	7.0
Sold Out Condominium Apartment Projects in the Study Area As of January 30th, 2015												
Project Name / Developer	Open Date	Status *	Storeys	Total Units	Total Sales	% Sold	Size Range (sq. ft.)	Price Range	Avg. \$PSF**		Abs. Rate***	
									Org.	Curr.	70%	Overall
High-Rise Condominium												
Heron's Hill - Legacy Phase 1 Monarch	Nov-06	SO	25	330	330	100%	468 - 992	\$139,990 - \$350,490	\$342	-	18.9 12.4	9.3 35.5
Heron's Hill - Ultra Phase 2 Monarch	Jun-08	SO	38	421	421	100%	419 - 930	\$136,990 - \$413,990	\$375	-	21.8 14.6	12.2 34.6
Heron's Hill - Yorkland Phase 3 Monarch	Apr-10	TC	33	402	401	100%	397 - 743	\$202,990 - \$370,990	\$461	-	63.9 4.5	7.9 50.5
Solaris at Metrogate Tridel	Jul-07	SO	40	435	435	100%	570 - 955	\$214,000 - \$367,500	\$326	-	333.0 1.0	7.4 58.4
Solaris II at Metrogate Tridel	Sep-07	SO	38	455	455	100%	696 - 955	\$287,500 - \$358,500	\$342	-	34.4 9.4	8.4 54.4
Ventus 1 at Metrogate Tridel	Nov-09	SO	30	286	286	100%	557 - 840	\$209,900 - \$344,500	\$399	-	15.7 12.8	4.8 59.8
Ventus 2 at Metrogate Tridel	Jul-10	SO	30	314	314	100%	483 - 840	\$199,900 - \$366,000	\$429	-	61.4 3.6	16.0 19.6
Markham Gates Ideal Developments	Jul-10	SO	4	44	44	100%	- - -	- - -	-	-	3.7 9.7	2.2 19.7
Markham Place VHL Developments Inc.	Apr-06	SO	16	220	220	100%	546 - 2,500	\$152,900 - \$330,000	\$257	-	28.9 5.3	14.4 15.3
Markham Place Phase 2 VHL Developments Inc.	Apr-07	SO	16	196	196	100%	553 - 1,115	\$145,990 - \$270,990	\$249	-	10.4 13.6	4.7 41.6
Woodside Terrace Eden Oak Homes	Mar-02	SO	4	136	136	100%	720 - 1,007	\$119,990 - \$165,990	\$170	-	29.5 3.3	7.8 17.3
Woodside Village Eden Oak Homes	May-03	SO	4	130	130	100%	718 - 1,089	\$157,990 - \$194,990	\$166	-	26.4 4.0	4.2 31.0
Sub-Total/Averages			24	5,112	5,111	100%	397 - 3,257	\$99,800 - \$1,060,000	\$341	-	14.3	7.1
Cancelled Condominium Apartment Projects in the Study Area As of January 30th, 2015												
Project Name / Developer	Open Date	Status *	Storeys	Total Units	Total Sales	% Sold	Size Range (sq. ft.)	Price Range	Avg. \$PSF**		Abs. Rate***	
									Org.	Curr.	70%	Overall
High-Rise Condominium												
Jasmine Condominiums Averton Homes	May-14	CL	14	149	102	68%	493 - 1,077	\$248,900 - \$484,900	\$474	483	-	16.1 6.3
Maestro Condominiums Mutual-Huqode Development Inc.	Apr-12	CL	14	169	97	57%	493 - 1,077	\$221,200 - \$439,000	\$409	458	-	4.2 22.9
Perfect 10 Remington Group and Brown Group	Nov-07	CL	22	208	72	35%	547 - 972	\$176,500 - \$316,000	\$334	326	-	5.3 13.5
Harmony Village Sheppard - East and West Tower Developments Inc.	Sep-08	CL	20	378	84	22%	566 - 1,505	\$169,800 - \$558,355	\$313	314	-	3.4 24.6
Harmony Village Sheppard - West Tower City Core Developments Inc.	Dec-13	CL	31	313	168	54%	404 - 1,581	\$195,000 - \$871,500	\$465	523	-	15.4 10.9
Blossom Ballantry Homes	Dec-07	CL	14	117	0	0%	584 - 951	\$179,990 - \$284,990	\$303	303	-	0.0 3.7
Pinery Fernbrook Homes	Sep-12	CL	4	88	30	34%	872 - 1,010	\$299,990 - \$329,990	\$335	335	-	2.3 13.1
Sub-Total/Averages			17	1,422	553	39%	404 - 1,581	\$169,800 - \$871,500	\$378	\$372	-	5.8
Source: Realnet Canada Inc., N. Barry Lyon Consultants Ltd.												
*Status: "Pre" = pre-construction, "UC" = under construction, "SI" = standing inventory, "SO" = Sold Out; **Average per square foot values: current values are calculated based on remaining inventory, original values are based on total inventory; ***Absorption Rates: the overall rate is calculated from a project's opening to January 30, 2015.												

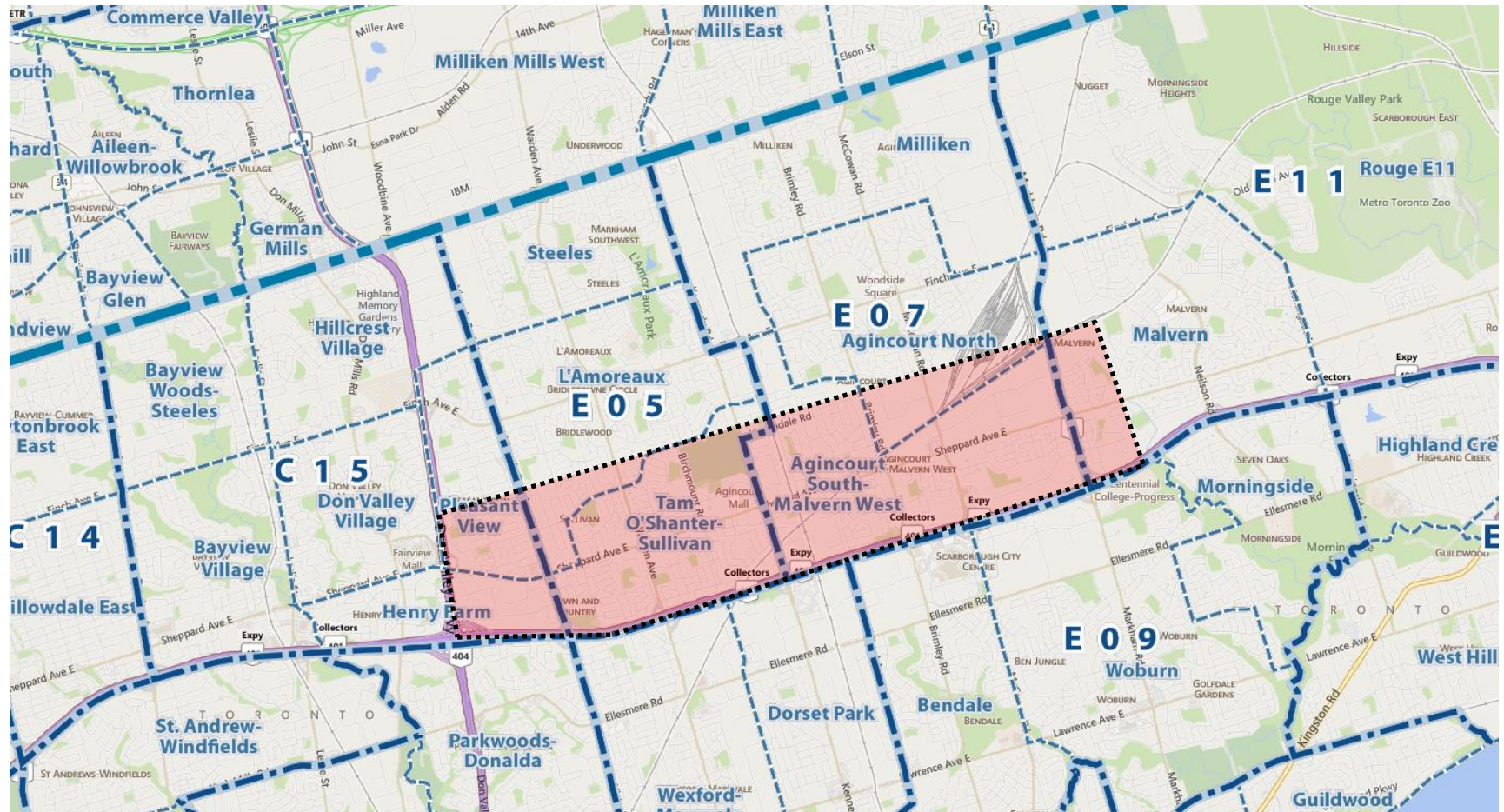
Purpose-Built Rental Apartment Market Summary Statistics Sheppard Corridor, October 2014								
Sub-Market	Rental Universe	Studio	1B	2B	3B+	Vacancy Rate	Median Rent	Avg. Rent
Submarket 1	1,538	7%	29%	48%	16%	0.3%	\$1,284	\$1,303
Submarket 2	1,063	1%	27%	64%	8%	0.4%	\$1,113	\$1,094
Submarket 3	1,565	1%	33%	58%	8%	-	-	-
Submarket 4	460	0%	35%	57%	8%	-	-	-
Submarket 5	211	1%	29%	64%	6%	-	-	-
Submarket 6	-	-	-	-	-	-	-	-
City of Toronto:	256,825	9%	43%	40%	9%	1.6%	\$1,100	\$1,170
Source: CMHC, N. Barry Lyon Consultants Ltd								

Purpose-Built Rental Apartment Market Summary Statistics Sheppard Corridor, October 2014								
Sub-Market	Rental Universe	Studio	1B	2B	3B+	Vacancy Rate	Median Rent	Avg. Rent
Don Valley Village/Pleasant View	4,330	1%	28%	52%	19%	0.6%	\$1,190	\$1,173
Henry Farm	2,295	0%	37%	41%	22%	1.4%	\$1,240	\$1,294
Tam O'Shanter-Sullivan	2,621	1%	31%	61%	8%	1.0%	\$1,100	\$1,082
Agincourt/Malvern	1,353	0%	35%	58%	8%	1.6%	\$1,100	\$1,064
City of Toronto:	256,825	9%	43%	40%	9%	1.6%	\$1,100	\$1,170
Source: CMHC, N. Barry Lyon Consultants Ltd								

Submarket 1 Resale Transactions February 2014 - February 2015							
Neighbourhood / Product Type	Listings	Sales	SLR	Average List Price*	Average Sold Price	SLP**	Average DOM***
Submarket 1 Total (Henry Farm, L'Amoreaux, Pleasant View, Tam O'Shanter)							
Attached/Row/Townhouse	18	14	78%	\$479,005	\$515,429	108%	10
Detached	368	323	88%	\$729,187	\$745,303	102%	17
Semi-Detached	165	150	91%	\$584,210	\$607,157	104%	14
Freehold Total/Average:	551	487	88%	\$677,600	\$696,144	103%	16
Condominium - Apartment	637	446	70%	\$290,967	\$273,519	94%	37
Condominium - Townhome	277	260	94%	\$369,990	\$373,343	101%	17
Condominium Total/Average:	914	706	77%	\$314,916	\$310,281	97%	31
*Includes listings that did not sell **SLP = sold-to-list price ratio ***DOM = days on market							
Source: Toronto Real Estate Board, Multiple Listing Service							

Submarket 2 Resale Transactions February 2014 - February 2015							
Neighbourhood / Product Type	Listings	Sales	SLR	Average List Price*	Average Sold Price	SLP**	Average DOM***
Submarket 2 Total (Tam O'Shanter, L'Amoreaux)							
Attached/Row/Townhouse	18	14	78%	\$479,005	\$515,429	108%	10
Detached	312	270	87%	\$708,416	\$723,097	102%	18
Semi-Detached	69	58	84%	\$537,624	\$562,846	105%	16
Freehold Total/Average:	399	342	86%	\$668,531	\$687,419	103%	17
Condominium - Apartment	302	254	84%	\$273,962	\$269,692	98%	27
Condominium - Townhome	219	210	96%	\$362,575	\$368,846	102%	16
Condominium Total/Average:	521	464	89%	\$311,210	\$314,567	100%	23
*Includes listings that did not sell **SLP = sold-to-list price ratio ***DOM = days on market							
Source: Toronto Real Estate Board, Multiple Listing Service							

MLS Residential Resale and Commercial Lease Zone Boundaries



Source: Toronto Real Estate Board Multiple Listing Service

Submarket 3 Resale Transactions February 2014 - February 2015							
Neighbourhood / Product Type	Listings	Sales	SLR	Average List Price*	Average Sold Price	SLP**	Average DOM***
Submarket 3 Total (Tam O'Shanter, L'Amoreaux, Agincourt South-Malvern West)							
Attached/Row/Townhouse	18	14	78%	\$479,005	\$515,429	108%	10
Detached	420	365	87%	\$857,983	\$728,175	85%	18
Semi-Detached	90	77	86%	\$532,617	\$557,652	105%	15
Freehold Total/Average:	528	456	86%	\$789,603	\$692,849	89%	17
Condominium - Apartment	674	461	68%	\$275,528	\$262,649	95%	42
Condominium - Townhome	253	240	95%	\$370,589	\$375,073	101%	17
Condominium Total/Average:	927	701	76%	\$301,473	\$301,139	97%	35
*Includes listings that did not sell **SLP = sold-to-list price ratio ***DOM = days on market Source: Toronto Real Estate Board, Multiple Listing Service							
Submarket 4 Resale Transactions February 2014 - February 2015							
Neighbourhood / Product Type	Listings	Sales	SLR	Average List Price*	Average Sold Price	SLP**	Average DOM***
Submarket 4 Total (Agincourt South-Malvern West, Malvern)							
Attached/Row/Townhouse	56	52	93%	\$342,964	\$340,554	99%	13
Detached	268	244	91%	\$568,499	\$556,893	98%	19
Semi-Detached	100	92	92%	\$414,103	\$420,999	102%	16
Freehold Total/Average:	424	388	92%	\$502,298	\$495,677	99%	18
Condominium - Apartment	610	393	64%	\$236,391	\$213,371	90%	49
Condominium - Townhome	188	156	83%	\$317,468	\$314,386	99%	33
Condominium Total/Average:	798	549	69%	\$255,491	\$242,075	93%	45
*Includes listings that did not sell **SLP = sold-to-list price ratio ***DOM = days on market Source: Toronto Real Estate Board, Multiple Listing Service							
Submarket 5 Resale Transactions February 2014 - February 2015							
Neighbourhood / Product Type	Listings	Sales	SLR	Average List Price*	Average Sold Price	SLP**	Average DOM***
Malvern							
Attached/Row/Townhouse	56	52	93%	\$342,964	\$340,554	99%	13
Detached	161	150	93%	\$445,429	\$441,147	99%	19
Semi-Detached	79	73	92%	\$386,973	\$389,559	101%	17
Freehold Total/Average:	296	275	93%	\$410,442	\$408,431	100%	17
Condominium - Apartment	237	186	78%	\$173,955	\$168,148	97%	43
Condominium - Townhome	154	126	82%	\$294,343	\$289,558	98%	34
Condominium Total/Average:	391	312	80%	\$221,371	\$217,179	97%	39
*Includes listings that did not sell **SLP = sold-to-list price ratio ***DOM = days on market Source: Toronto Real Estate Board, Multiple Listing Service							

Sheppard East Corridor Resale Transactions February 2014 - February 2015							
Product Type	Listings	Sales	SLR*	Average List Price	Average Sold Price	SLP**	Average DOM***
<i>Attached/Row/Townhouse</i>	74	66	89%	\$376,055	\$377,649	100%	16
<i>Detached</i>	636	567	89%	\$661,476	\$664,223	100%	16
<i>Semi-Detached</i>	265	242	91%	\$520,019	\$536,386	103%	17
Freehold Total/Average:	975	875	90%	\$601,366	\$607,251	101%	16
<i>Condominium - Apartment</i>	1247	839	67%	\$264,270	\$245,345	93%	43
<i>Condominium - Townhome</i>	465	416	89%	\$348,755	\$351,234	101%	23
Condominium Total/Average:	1712	1255	73%	\$287,217	\$280,444	95%	36
*SLR = Sold to List Ratio **SLP = sold-to-list price ratio ***DOM = days on market							
Source: Toronto Real Estate Board, Multiple Listing Service							

Submarket 1 Commercial Lease Transactions February 2014 - February 2015				
Employment Sector	Average List Price (\$PSF)	Average Leased Price (\$PSF)	Average DOM	Area (SF)
Retail and Service Commercial	\$22	\$27	91	1,410
Office	\$11	\$10	223	698
Industrial	\$6	\$6	222	-
Submarket 2 Commercial Lease Transactions February 2014 - February 2015				
Employment Sector	Average List Price (\$PSF)	Average Leased Price (\$PSF)	Average DOM	Area (SF)
Retail and Service Commercial	\$14	\$23	1410	-
Office	\$16	\$14	114	100
Industrial	-	-	-	-
Submarket 3 Commercial Lease Transactions February 2014 - February 2015				
Employment Sector	Average List Price (\$PSF)	Average Leased Price (\$PSF)	Average DOM	Area (SF)
Retail and Service Commercial	\$16	\$14	128	-
Office	\$13	\$12	102	100
Industrial	\$5	\$5	107	-
Submarket 4 Commercial Lease Transactions February 2014 - February 2015				
Employment Sector	Average List Price (\$PSF)	Average Leased Price (\$PSF)	Average DOM	Area (SF)
Retail and Service Commercial	\$17	\$14	124	-
Office	\$11	\$10	182	1320
Industrial	\$5	\$5	95	330
Submarket 5 Commercial Lease Transactions February 2014 - February 2015				
Employment Sector	Average List Price (\$PSF)	Average Leased Price (\$PSF)	Average DOM	Area (SF)
Retail and Service Commercial	\$25	\$22	84	-
Office	\$10	\$10	240	2133
Industrial	\$5	\$5	79	296
Submarket 6 Commercial Lease Transactions February 2014 - February 2015				
Employment Sector	Average List Price (\$PSF)	Average Leased Price (\$PSF)	Average DOM	Area (SF)
Retail and Service Commercial	\$16	\$14	218	-
Office	\$12	\$4	101	-
Industrial	\$6	\$5	108	25
Source: Toronto Real Estate Board, Multiple Listing Service				

Property Value Appreciation Matrix					
Author	Title	City	Transit Type	Use	Price Premium
Hess, Daniel Baldwin and Tangerina Maria Almedia (2007)	Impact of Proximity to Light Rail Rapid Transit on Station-Area Property Values in Buffalo	Buffalo	LRT	Residential	4.0% - 11.0%
Cervero., (2004)	Effects of Light and Commuter Rail Transit on Land prices: Experiences in San Diego County	San Diego	LRT	Residential	17.0%
Cervero., (2004)	Effects of Light and Commuter Rail Transit on Land prices: Experiences in San Diego County	Philadelphia	LRT	Residential	6.4%
Cervero., (2004)	Effects of Light and Commuter Rail Transit on Land prices: Experiences in San Diego County	Atlanta	LRT	Commercial	0.0%
Cervero., (2004)	Effects of Light and Commuter Rail Transit on Land prices: Experiences in San Diego County	Dallas	LRT	Retail	37.0%
Cervero., (2004)	Effects of Light and Commuter Rail Transit on Land prices: Experiences in San Diego County	Dallas	LRT	Office	14.0%
Garrett, T (2004)	Light Rail Transit in America: Policy Issues and Prospects for Economic Development	St. Louis	LRT	Residential - Single Family	32.0%
Weinstein., Clower., (2003)	Assessment of DART LRT on Taxable Property Valuations and Transit Oriented Development	Dallas	LRT	Residential	12.6%
Weinstein., Clower., (2003)	As Assessment of DART LRT on Taxable Property Valuations and Transit Oriented Development	Dallas	LRT	Office	13.2%
Weinstein., Clower., (2003)	As Assessment of DART LRT on Taxable Property Valuations and Transit Oriented Development	Dallas	LRT	Retail	-2.1%
Weinstein., Clower., (2003)	An Assessment of DART LRT on Taxable Property Valuations and Transit Oriented Development	Dallas	LRT	Industrial	-8.5%
Cervero, R. et al. (2002)	Benefits of Proximity to Rail on Housing Markets: Experiences in Santa Clara County	Santa Clara	LRT	Residential - Rental Apartment	45.0%
Parsons., Brinkerhoff., (2001)	The Effect of Rail Transit on Property Values: A Summary of Studies	Philadelphia & Boston	Rapid Rail	Residential	6.7% - 8.0%
Cervero., Duncan., (2001)	Rail Transits Value-Added: Effects of Proximity to Light and Commuter Rail Transit on Commercial Land Values in Santa Clara, California	Santa Clara	LRT	Commercial	23.0%
Cervero., Duncan., (2001)	Rail Transits Value-Added: Effects of Proximity to Light and Commuter Rail Transit on Commercial Land Values in Santa Clara, California	Santa Clara	LRT	Retail: not in shopping centre	40.1%
Cervero., Duncan., (2001)	Rail Transits Value-Added: Effects of Proximity to Light and Commuter Rail Transit on Commercial Land Values in Santa Clara, California	Santa Clara	LRT	Offices, Banks, Clinics	41.5%
Cervero., Duncan., (2001)	Rail Transits Value-Added: Effects of Proximity to Light and Commuter Rail Transit on Commercial Land Values in Santa Clara, California	Santa Clara	LRT	Community Shopping Centre	1.1%
Cervero., Duncan., (2001)	Rail Transits Value-Added: Effects of Proximity to Light and Commuter Rail Transit on Commercial Land Values in Santa Clara, California	Santa Clara	LRT	Neighbourhood Shopping Centre	5.6%
Cervero., Duncan., (2001)	Rail Transits Value-Added: Effects of Proximity to Light and Commuter Rail Transit on Commercial Land Values in Santa Clara, California	Santa Clara	LRT	Industrial	2.8%
Cervero, R. et al. (2001)	Land Value Impacts of Rail Transit Services in San Diego County	San Diego	LRT	Residential - Rental Apartment	0.0% - 4.0%
Weinberger, R. (2001)	Commercial Rents and Transportation Improvements	Santa Clara	LRT	Office	15.0%
Weinberger, R. (2001)	Commercial Rents and Transportation Improvements: Case of Santa Clara County's Light Rail	Santa Clara	LRT	Commercial	15.0%
Weinstein., Clower., (1999)	The Initial Economic Impacts of the DART LRT system	Dallas	LRT	Retail	36.8%
Weinstein., Clower., (1999)	The Initial Economic Impacts of the DART LRT system	Dallas	LRT	Office	13.9%
Weinstein, B. et al. (1999)	The Initial Economic Impacts of the DART LRT System	Dallas	LRT	Office	10.0%
Weinstein, B. et al. (1999)	The Initial Economic Impacts of the DART LRT System	Dallas	LRT	Retail	30.0%
Sedway Group (1999)	Regional Impact Study, Report commissioned by Bay Area Rapid Transit District	San Francisco	Rapid Rail	Residential - Rental Apartment	15.0% - 26.0%
Chen, Hong, Anthony Rufolo, and Kenneth Dueker (1998)	Measuring the Impact of Light Rail Systems on Single Family Home Values: An Hedonic Approach With GIS Application	Washington, D.C.	Rapid Rail	Residential - Single Family	10.50%
Diaz., et al., (1997)	Impacts of Rail Transit on Property Values	San Francisco	LRT	Residential	13.0%
Gruen, A. (1997)	The Effect of CTA and METRA Stations on Residential Property Values	Chicago	Rapid Rail	Residential - Single Family	20.0%
Cervero., (1996)	California's Transit Village Movement	San Francisco	LRT	Residential	15.0%
Benjamin, John D., and G. Stacy Sirmin (1996)	Mass Transportation, apartment Rent and Property Values	Washington, D.C.	Rapid Rail	Residential - Rental Apartment	7.50%
Landis, J. et al. (1995)	Rail Transit Investments, Real Estate Values, and Land Use Change: A Comparative Analysis of Five California Rail Systems	Sacramento	LRT	Residential - Single Family	6.2%
Landis, J. et al. (1995)	Rail Transit Investments, Real Estate Values, and Land Use Change: A Comparative Analysis of Five California Rail Systems	Santa Clara	LRT	Residential - Single Family	-10.8%
Landis, J. et al. (1995)	Rail Transit Investments, Real Estate Values, and Land Use Change: A Comparative Analysis of Five California Rail Systems	San Francisco	Rapid Rail	Retail	0.0%
Armstrong, Robert J. (1994)	Impacts of Commuter Rail Service as Reflected in Single-Family Residential Property Values	Boston	Rapid Rail	Residential - Single Family	6.70%
Al-Mosaind, M. et al. (1993)	Light Rail Transit Stations and Property Values: A Hedonic Price Approach	Portland	LRT	Residential - Single Family	10.6%
Cervero, R. et al. (1993)	Assessing the Impacts of Urban Rail Transit on Local Real Estate Markets Using Wuasi-Experimental Comparisons	Washington, D.C.	Rapid Rail	Office	12.3% - 19.6%
Cervero, R. et al. (1993)	Assessing the Impacts of Urban Rail Transit on Local Real Estate Markets Using Wuasi-Experimental Comparisons	Atlanta	Rapid Rail	Office	11.0% - 15.1%
Bernick, Met al. (1991)	A Study of Housing Built Near Rail Transit Stations: Northern California	San Francisco	Rapid Rail	Residential - Rental Apartment	5.0%

Source: Aggregated Research performed by NBLC