Metrolinx

Finch West LRT
Real Estate Market Conditions Study

Appendix A

N. BARRY LYON CONSULTANTS LIMITED

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Metrolinx

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Executive Summary

N. Barry Lyon Consultants Limited has been retained by Metrolinx to undertake a study of the existing real estate market conditions along the future Finch West LRT corridor (FWC) and provide an analysis of the market impacts the proposed higher-order transit may have when implemented. The report provides an analysis of current and projected real estate market conditions as well as identify sites that present an opportunity for intensification, including an analysis of market thresholds that will likely be required to allow the redevelopment of these sites to proceed. This report provides the background data and detailed analyses that are summarized in the final report 'Setting the Stage: Encouraging Transit Supportive Places on the Finch West 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 findings of this report suggest that the market demand for residential uses, and to lesser extent office and commercial uses, are expected to improve with the new LRT service along Finch Avenue West. Demand will be strongest in the areas that are within walking distance of a station, typically 500 metres. Strong increases in the value of single family homes, and other ground oriented housing types along the corridor, as well as land transactions and high density development applications and activity, are all early signals that demand may be maturing for higher density residential formats in this area. However, all areas will not respond in a similar or consistent manner as other issues such as the existing land use and ownership pattern as well as the motivating interests of the land owners will also influence the future direction of the development of these lands.

Overall, the Finch Corridor market is maturing at a steady rate. The LRT will have the impact of accelerating the market in terms of pricing and demand but only in the areas where the development and ownership patterns are aligned with planning and market forces. Over the long term it is expected that given the current and projected market context of the area, the new Finch LRT will support increasingly significant reinvestment along the corridor, particularly in the residential market place.

1.0 Introduction

N. Barry Lyon Consultants Limited has been retained by Metrolinx to undertake a study of the existing real estate market conditions along the future Finch West LRT corridor (FWC) and provide an analysis of the market impacts the proposed higher-order transit may have when implemented. The report will provide an analysis of current and projected real estate market conditions as well as identify sites that present an opportunity for intensification, including an analysis of market thresholds that will likely be required to allow the redevelopment of these sites to proceed. This report is a detailed appendix that provides the background data and detailed analyses that are presented in the final report 'Setting the Stage: Encouraging Transit Supportive Places on the Finch West LRT Corridor' coauthored by NBLC and Planning Alliance.

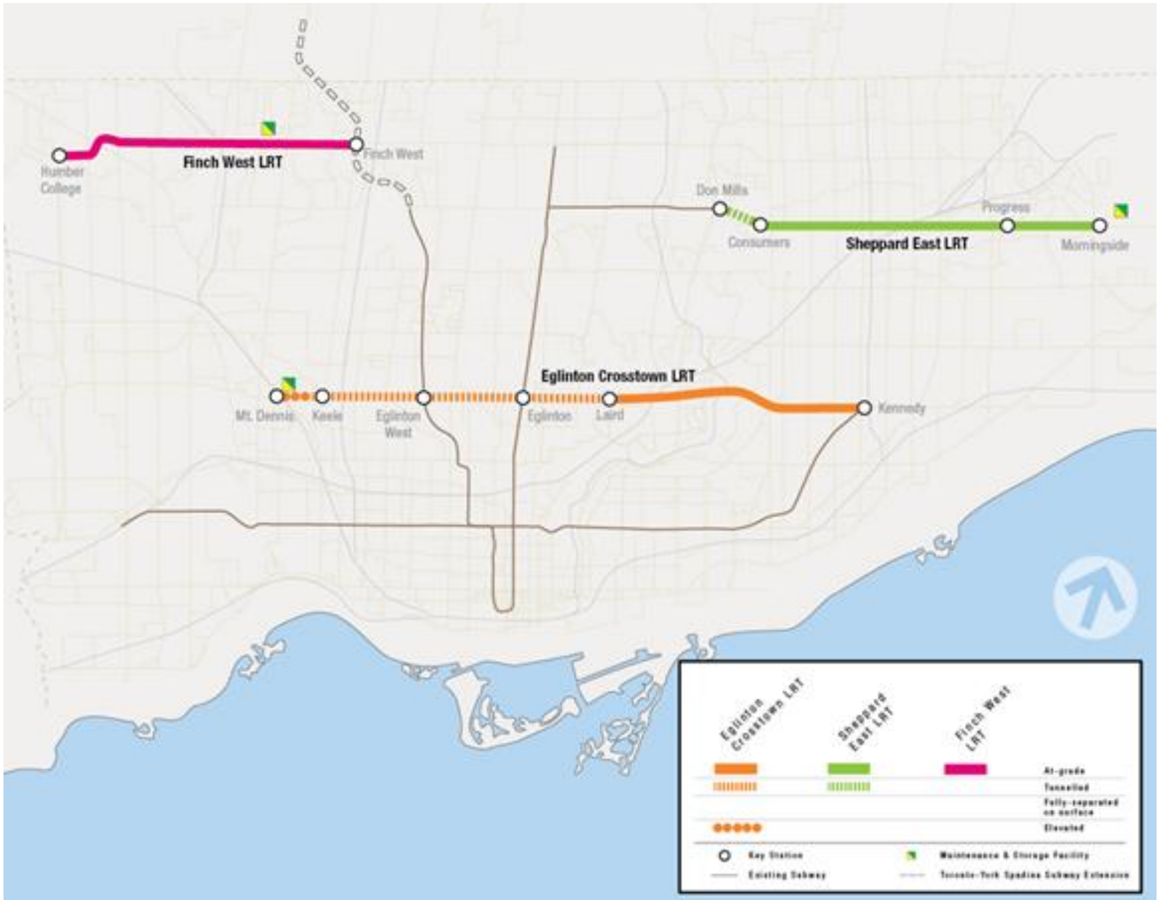
The Finch West LRT will provide approximately 11 kilometers of light rail transit along Finch Avenue from the planned Finch West subway station at Keele Street to Humber College. The LRT will operate in a dedicated lane in the centre of the street and accommodate 18 surface stops along with one below grade interchange station at Keele Street that will be integrated with the future Spadina Subway station. Expected benefits of the project from a market perspective are as follows:

- The LRT will provide increased speed over a local bus - it is estimated that the LRT will provide service that is over 20% faster than buses in mixed traffic today;
- 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 2,800 passengers per hour in the peak direction by 2031, which is above the capacity of local mixed-traffic buses. The full capacity of the LRT is 15,000 passengers per hour per direction. 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 also provide greater connectivity for Finch West by providing higher-order transit with accessible stations that will connect with the City's local transit routes and the future Spadina subway stop at Keele Street.

The Finch West LRT is one of four future rapid transit projects in the City of Toronto (Figure 1). In combination with the Eglinton Crosstown LRT, Sheppard East 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.

Construction on the Finch West LRT is scheduled to being in 2016, with a projected opening of 2021.

Figure 1: Rapid Transit Expansion in Toronto



Source: Metrolinx

2.0 The Finch West LRT Corridor

The Finch West LRT corridor (FWC) extends from Keele Street in the East to Humber College in the west, covering approximately 11 kilometers of the City's northwest quadrant. 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 eight separate submarkets for further study. Figure 2 displays the location of transit stops along the corridor, a 500 metre walking radius surrounding each station and the existing land uses.

Figure 2: Finch West LRT Corridor Study Area

Source: City of Toronto

The FWC contains a mix of low, medium, and high density residential uses. Generally, the west end of the corridor contains nearly a 50% even split of ground-oriented homes (traditional townhomes, single-detached, and semi-detached homes), and apartment buildings. In the eastern end of the corridor however, nearly 65% of housing units are within apartment buildings, most of which are over five storeys. This is not surprising given the large concentration of apartment neighbourhoods on Finch Avenue West between Keele and Jane Streets. The FWC also contains a number of Toronto Community Housing (TCH) projects, primarily within high-rise towers concentrated at Jane Street and Finch Avenue, and Albion Road and Finch Avenue.

The City of Toronto's *Strong Neighbourhood Strategy 2020*, has identified 31 Neighbourhood Improvement Areas (NIA) (see Figure 3) in the city that fall below the strategy's *Neighbourhood Equity Score*. Due to the high concentration of disadvantaged populations that occupy the older apartment buildings, nearly all of the neighbourhoods along the corridor have been identified as a NIA. However, these concentrations, are in relatively compact geographic areas along the corridor, compared to the stable and positive market context associated with the majority of the communities along the corridor. Some of the key findings of the census profile for the FWC are as follows:

- Overall, the corridor has experienced modest population growth and stagnant housing starts. The population had decreased between 2001 and 2006 and then increased by 7% between from 2006 to 2011. This is a result of larger household sizes and a larger proportion of multi-family households, resulting in a higher average person per household.

- The corridor has lower average household incomes compared to the City as whole combined with high unemployment and lower participation rates. Lower levels of education completed, including a higher rate of persons without a high school education are also reported. However, as noted above, these populations are concentrated in areas where supportive housing is offered.

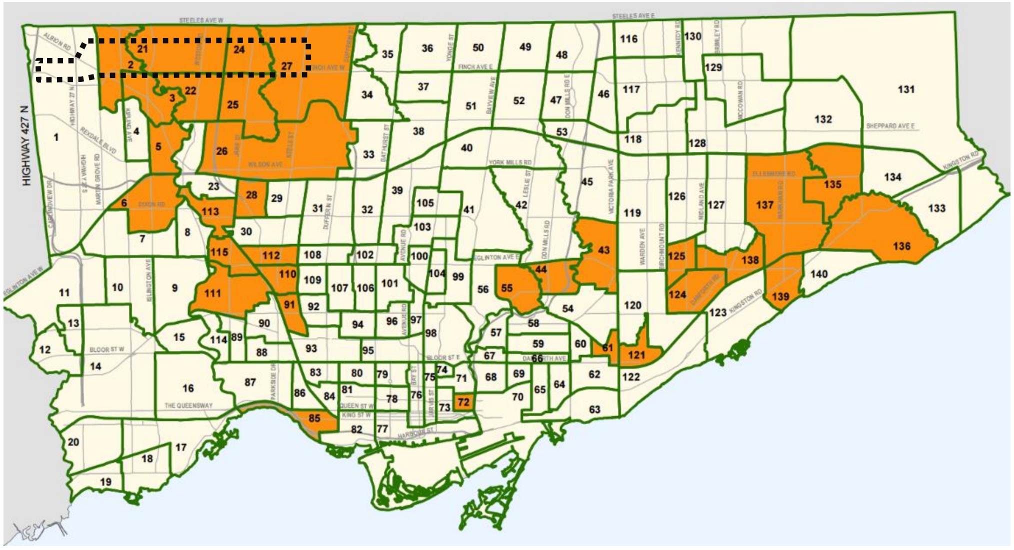
- The proportion of immigrants is high along the FWC, with 61% of the population being immigrants to Canada, compared to 49% for the City as a whole.

- The population is also younger than the rest of the City, with a high proportion of persons under 19 years of age.

- In terms of housing tenure, the corridor was almost equally split between those that own the homes and those who rent, consistent with the City's rate of 51%.

The FWC also contains a significant supply of employment lands that are largely occupied by industrial and industrial office space (Figure 4) and retail uses. The industrial space is largely concentrated in the area surrounding Highway 27, along Finch Avenue West between Milvan Drive and Highway 400, and the area east of Keele Street. While retail is found throughout the corridor in the form of smaller stores and plazas, there are also concentrations of large scale retail at Jane Street and Finch Avenue, and Albion Road and Finch Avenue intersections. Multi-storey office space is largely confined to the Keele Street and Finch Avenue intersection and directly surrounding the two hospitals along the corridor.

Figure 3: City of Toronto Neighbourhood Improvement Areas



Source: City of Toronto

The FWC contains a number of schools that range from elementary to post-secondary as well as numerous community centres and social service facilities. Two major hospitals are also located along the corridor: the Etobicoke General Hospital and Humber River Regional Hospital. It is noted that Humber River Regional Hospital will relocate later this year (Q4 2015) to a 30 acre site near Keele Street and Highway 401. The existing hospital will downsize in operations and become an ambulatory care centre, specializing in outpatient care as opposed to health services requiring admittance to a hospital for overnight care or care requiring extended stay.

Of note, Humber College is preparing a new master plan to serve a growing student and community population. The campus has experienced significant growth over the past 10 years and will continue to experience pressure to expand and intensify. As the western terminus of the future LRT, the growth and expansion of the College will play an important role in intensifying around this station.

Another major component of the FWC is a utility corridor that bisects Finch Avenue to the east of Weston Road, eventually running parallel to the north of the corridor to the east of this intersect. While the hydro corridor sterilizes some land from intensive redevelopment, it does serve a variety of uses including bike trails, park space and programmable open space. This is in addition to the large quantity of open spaces including major parks, school yards, green spaces and natural heritage systems across the FWC.

Overall, the FWC is nodal in nature with concentrations of residential, commercial and institutional uses clustered at:

- Humber College;

- Albion Mall;
- Emery Village;
- Jane and Finch; and
- Keele and Finch.

These are also station locations, have at least some planning permissions, available land or intensification potential as well as other positive market attributes. These are the areas where we expect the dynamics of the real estate market to evolve with the introduction of transit and is discussed in greater detail in the following.

3.0 Finch West Corridor Market Scan

This section will provide an assessment of the broad dynamics of the current real estate market along the corridor.

3.1 Residential Market

This residential market assessment includes a review of the resale market, which is often a leading indicator of the direction of the new sales market, in terms of pricing thresholds and the level of demand. The resale market also provides an understanding of how real estate values for all housing types have increased over time along the FWC in relation to the City of Toronto. The assessment also addresses the rental market and new 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 FWC 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 FWC. The exact boundaries and summary data is provided in the appendix of this report.

In reviewing residential resale activity across the FWC, it is evident that the market's preference has been for grade related single family homes (Table 1).

- Over the past year, the average sale price for a freehold detached home, semi-detached or townhome has been $510,000, compared to $690,000 in the City as a whole selling after about 33 days on market. Specifically, the average price of a detached home was approximately $522,000 and an attached/townhome averaged $438,000.

- The sales to listing ratio (SLR) for freehold residential properties across the corridor was 79%, 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.

- While the pricing of ground oriented homes is relatively affordable, especially when compared to the average detached housing price in Toronto of $934,000[1], the values of detached homes in the FWC area have risen by approximately 80% over the past 10 years (Table 2).

[1] TREB Market Watch, Q1 2015

- These positive indicators reflect a healthy and strong residential market for ground oriented housing along the FWC that will continue to increase with time and will be further improved by the implementation of the LRT.

- Generally, resale prices are higher at both end points of the future LRT, around Humber College and near Keele Street.

Table 1

Finch West Corridor Resale Transactions February 2014 - February 2015							
Product Type	**Listings**	**Sales**	**SLR***	**Average List Price**	**Average Sold Price**	**SLP****	**Average DOM*****
Attached/Row/Townhouse	29	27	93%	$451,043	$437,893	97%	26
Detached	459	351	76%	$559,443	$521,827	93%	35
Semi-Detached	244	198	81%	$520,883	$498,561	96%	30
Freehold Total/Average:	**732**	**576**	**79%**	**$542,295**	**$509,895**	**94%**	**33**
Condominium - Apartment	683	437	64%	$214,910	$205,284	96%	85
Condominium - Townhome	162	120	74%	$251,972	$251,829	100%	51
Condominium Total/Average:	**845**	**557**	**66%**	**$222,016**	**$215,312**	**96%**	**77**
**SLR = Sold to List Ratio **SLP = sold-to-list price ratio ***DOM = days on market*							
Source: Toronto Real Estate Board, Multiple Listing Service							

In comparison, the resale condominium market is less mature and has not shown the same indications of growth and market acceptance as ground oriented homes:

- The condominium resale market consists almost entirely of buildings typically 30 years old. Many are burdened by heavy maintenance requirements which, in many cases, have put significant pressure on maintenance fees and have driven down the resale value of these properties.

- The market for reselling condominium townhomes and apartments is therefore noticeably weaker, albeit still relatively positive.

- These properties service an affordable price point, with average properties transacting for $215,000 after 77 days on market, with a sales to listing ratio of 66%, which continues to represent a seller's market.

- The lower prices observed for these condominium projects also contribute to the slower sales experienced at some of the new projects that are currently selling, which are priced much higher. The FWC market has not matured to a point where high density condominium apartments are largely accepted as a desirable housing format.

- Similar to the freehold market, resale prices are higher at both end points of the future LRT, around Humber College and near Keele Street.

Generally, real estate values have increased substantially in this area of the City, especially for ground oriented homes. Utilizing data from the Toronto Real Estate Board, resale data has been compiled for MLS Zone W10 and W05 as well as for the entire City of Toronto from January 2005 and 2015. While the MLS zone boundaries are much larger than the study area, the below information is still useful in understanding how real estate values have increased in these zones relative to the City of Toronto as a whole. The boundaries of the MLS zones are shown below and summary data is displayed in Table 2.

Figure 4: MLS Zones

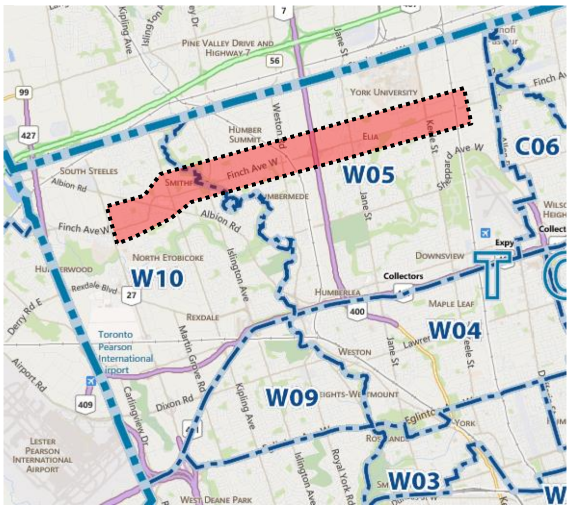


Table 2

City of Toronto Residential Price Increase (%): 2005-2015			
	Toronto	**W10**	**W05**
Detached	102%	81%	86%
Semi-Detached	97%	47%	73%
Town/Att/Row	108%	93%	52%
Condo Townhouse	71%	32%	-17%
Condo Apartment	68%	34%	63%
Source: TREB, N. Barry Lyon Consultants Ltd.			

- While real estate values have been increasing slower than the rest of the City, the value of detached and semi-detached homes have been increasing at a steady rate, especially in the eastern end of the corridor.

- The continued increasing value of ground oriented homes will play a critical role in the market for higher density forms of housing, as an unaffordable ground-oriented housing market is a precursor for the high density marketplace.

- Not surprisingly, the price appreciation for townhomes and apartment units has shown a noticeably weaker increase over the past 10 years, especially in relation to the rest of the City. This is not surprising given the older nature of most of the condominium housing stock in the FWC and limited new development in this area.

- The negative value noted for condominium townhomes in W05 is a reflection of the wide range in quality of this type of housing. While the condominium townhomes that sold in January 2015 were mostly below $200,000, the previous month (December 2014) noted the average resale price for this housing type was $310,000, which represents a price increase of 43% from the January 2005 value.

- The above is also reflective of the older character of this product type in the corridor and the effect high maintenance requirements and fees can have on real estate values.

- Table 2, in addition to the more focused results of Table 1, show indications of a healthy housing market that is experiencing increases in value, although at a slower rate than other areas of the City. As the market matures and real estate values continue to increase, a stronger market for high density residential development will begin to develop.

3.1.2 Actively Marketing (New) Medium and High Density Residential Projects

Across the FWC there are currently four high and medium density residential development projects actively marketing, although most of these projects are actually located just outside of the submarket boundaries identified by this study. These projects are nevertheless important evidence of slowly emerging demand for high density formats of housing. NBLC has also surveyed recently sold-out and cancelled medium and high-density residential projects within the study area. Figure 5 below illustrates the location of these projects, with detailed summary data available in the Appendix of this report.

There are two high-rise condominium apartment developments that are currently actively marketing.

- The Lexington is a 17 storey building by Royale Grand Woodbine which will contain 171 units. It is located just south of Humber College near Woodbine Centre, approximately a 15 minute walk from the future LRT station at Humber College. The project began selling units in April of 2012 and is currently 74% sold.

- Similarly, Cloud9 is a 12 storey and 260 unit development project by Lash Development Corp, located on Kipling Avenue just south of the Humber River. The project is just over 81% sold, selling at a slightly quicker pace than the Lexington.

Active Condominium Apartment Overview	
# of Projects	2
# of Units	431
# of Sales	337
% Sold	78%
Min. Price	$229,000
Max. Price	$1,100,000
Min. Home Size (SF)	515
Max. Home Size (SF)	2508
Average $PSF (Curr)	$439
Absorption	4.9
Source: Realnet Canada and N. Barry Lyon Consultants	

- These two projects have sold at a reasonable sales pace of approximately 4.9 sales per project, per month. Based on the remaining supply of 94 units, approximately 9 months of high-density apartment units remain, assuming no new projects come to market and the current sales pace is maintained.

- Overall, affordability has played a key role in the success of these developments; both of which offered units priced below $250,000, with most units below $350,000. The current average index price for these projects is approximately $439 per square foot (PSF).

- The smaller and more affordable units have sold the strongest at both of these buildings (1 bedroom and 1 bedroom + den units). The larger 2 bedroom units and the five penthouse units at Lexington have sold the slowest.

There are two active stacked townhouse projects currently selling just south of the corridor's study area. Both projects are located at Sheppard Avenue and Weston Road, in Lindvest's Westown master planned community.

- Westown, which contains 110 units across 1 bedroom, 1 bedroom + den and 2 bedroom units, is 99% sold and has only one 1 bedroom unit remaining.

- The Brownstones at Westown, which began selling in November 2013, contains 152 two bedroom units that are all similarly positioned between 942 and 1,016 square feet and priced between $329,900 and $379,900.

- The project is 30% sold, representing an absorption rate of 3.7 sales per month over the 12.5 months it has been actively marketing. Based on the remaining 106 units, the project could take approximately 28 months to sell the remaining supply.

Active Stacked Townhouse Overview	
# of Projects	2
# of Units	262
# of Sales	155
% Sold	59%
Min. Price	$194,900
Max. Price	$379,900
Min. Home Size (SF)	635
Max. Home Size (SF)	1016
Average $PSF (Curr)	$362
Absorption	2.0

Source: Realnet Canada and N. Barry Lyon Consultants

- The units are positioned at a relatively affordable average index price of $362 psf compared to the GTA average of $396 for stacked townhomes.

- Despite the lower price per square foot than the high-rise condominium projects noted above, the Brownstones at Westown has limited its purchaser prospects by only offering larger 2 bedroom units.

- Unlike the high-rise projects, which offer units below $250,000, Lindvest has only offered 2 bedroom units at a higher price point. These units have a much slower market absorption in this area of the City due to resident affordability issues and also the relatively lower resale price of freehold and condominium townhomes in the study area.

- The slow sales currently experienced at the Brownstones at Westown is more reflective of the project's positioning rather than a lack of demand for stacked townhomes along the FWC. Evidence of this are the two stacked townhouse projects within the study area, Harmony Village and The Winds, which sold out in 2011 and 2004 respectively.

- Harmony Village by Willowfield Homes is located on the south side of Finch Avenue at Islington. The 308 stacked townhouse units sold out in roughly six years, although it reached 97% sales in only 3.5 years, with the larger three bedroom units taking longer to sell.

- The Winds by Jaymor Group is located at Finch and Sentinel Road, and contained 112 units that sold out in only nine months.

- Both projects offered a variety of unit types and were priced affordably.

Figure 5: Active, Sold Out and Cancelled High and Medium Density Residential Projects

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

It is also worth noting that two residential projects have been cancelled in the study area since 2004, the latest occurring in 2013. Both projects were located on the same site, the northwest corner of Finch and Weston Road. The FWC has at times struggled to gain market traction, with the market for new residential development focused on affordable product types.

- The first attempt at redeveloping this site was by Rose Valley Homes. The project, called *Centrillium*, proposed nine buildings from 10-18 storeys and 1,500 total units, including the world's tallest flag pole.

- The first tower initially sold fairly well, selling approximately 41% in the first month of sales. However, no additional sales occurred over the next six months and the project was officially cancelled in May 2004.

- Solmar has since purchased a portion of this land for a smaller scale development marketed as *Admiral Towers* that included one 18 storey tower of 129 units. The project launched in July of 2013 and was cancelled three months after, with 30% of the building sold.

- As Solmar still owns the land, it would not be surprising for them to pursue a high density project in the future as construction begins on the LRT.

3.1.3 Purpose Built Rental Apartment Market

The rental market along the FWC is primarily contained within older apartment buildings, often characterized as 'Towers in the Park'. Many of these buildings are also Toronto Community Housing (TCH) projects, which provide 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 FWC, with summary data located in the Appendix of this report:

- Almost all of the existing rental apartment stock located across the FWC is located throughout older apartment buildings.

- Rental vacancies are relatively low, averaging 1.4% (City of Toronto, 1.6%). Vacancies are particularly low (<1%) in the west end of the FWC and near the Jane and Finch intersection.

- Relative to the City of Toronto, few units are configured as studio or one-bedroom layouts, with the bulk of the supply in two and three-bedroom formats.

- 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 $950 and $1,150 per month.

- In terms of new purpose-built rental apartment supply, Medallion Corporation is currently developing the first phase of a 1,400 unit development called Casa. The project received funding from the Investment in Affordable Housing program and is planned to include 154 new affordable rental homes.

3.2 Commercial Market Assessment

We have assessed commercial market activity over the past year by compiling data from Toronto's MLS service, along with interviews with local brokers and developers to gauge the level of activity, vacancies, and pricing for commercial space across the FWC for retail, office and industrial uses. There has been no new major commercial development within the corridor although improvements and upgrades are apparent in the existing facilities. Summary data is available in the appendix of this document.

The Finch West corridor is home to major employers such as Home Depot and LG, as well as major institutional uses in Humber College, Etobicoke General Hospital, and York University, among others. However, the area's commercial building stock is primarily comprised of older industrial buildings with substandard ceiling/racking heights and struggles with higher vacancies. While more modern and flexible developments seem to prosper, the average rental rates vary widely and are typically below replacement value for the older buildings.

From a retail perspective, the study area is almost exclusively serviced with local population-serving retail such as that found at the Albion Centre at Albion and Finch, as well as the Jane-Finch Mall and Yorkgate Mall near the Jane and Finch intersection. Retail demand is a function of population growth and income. With only modest population growth over recent years, retail demand within the study area has remained relatively stable.

The existing office space along the corridor is primarily located throughout low or midrise buildings, where monthly rents range between $2 and $10 per square foot (PSF), averaging closer to $5 PSF. A small number of larger office buildings are earning comparatively higher rents, ranging between $8 and $20 PSF, with some office buildings closer to Finch and Keele collecting between $25 and $35 PSF. Generally, rents for all product types are observed to stay relatively low along the entire corridor and begin to increase near the Finch and Keele intersection where the Spadina Subway and Finch West LRT will intersect below grade.

A review of the City of Toronto's employment survey data has also been utilized to help quantify employment growth along the corridor and the rise/fall of growth in various sectors of employment. Overall, as illustrated in Figure 6, the total number of jobs in the corridor as of 2011 is approximately 38,300.

- Since 2001, the amount of jobs along the FWC has grown by approximately 7% or 2,600 jobs.

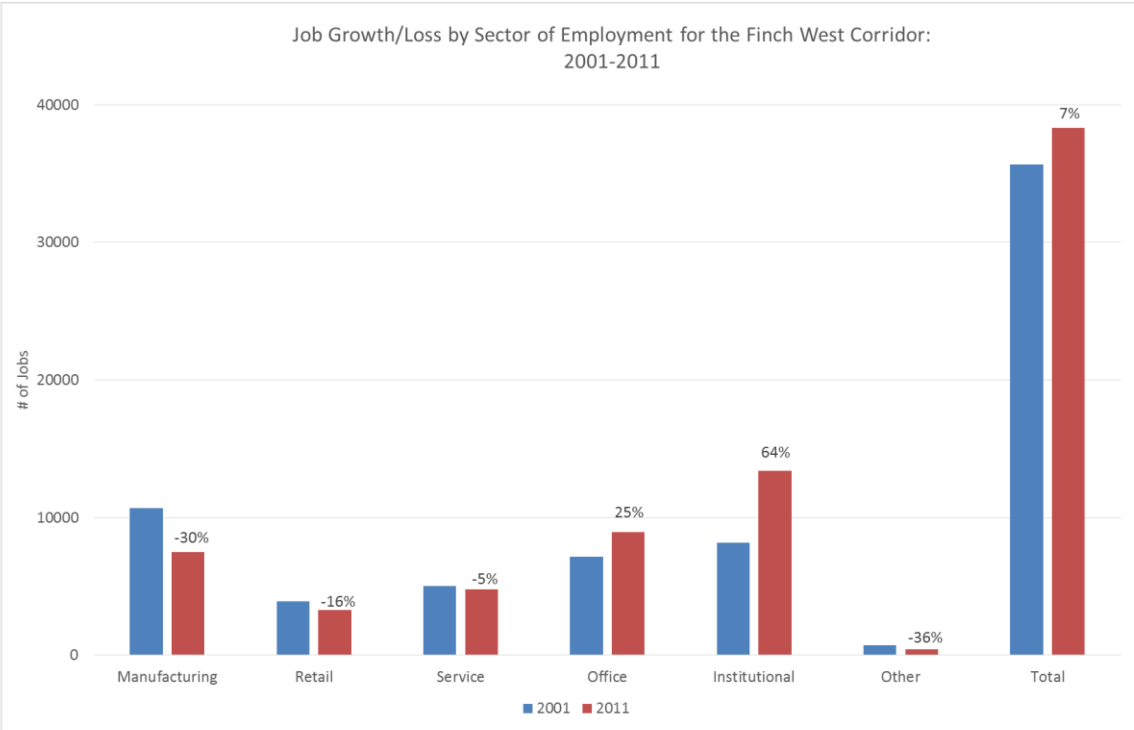
- This is due largely to the high growth experienced in the institutional and office sector over this period. Of note, manufacturing jobs experienced a loss of 30% (3,200 jobs) over this period, which is consistent with employment trends noted across the City and Province, as the economic focus continues to shift away from manufacturing and towards a service based economy.

    - Of note, while manufacturing employment has decreased substantially over this period, the actual number of manufacturing establishments has only decreased by 5% since 2001. This is a reflection of manufacturers not only becoming more efficient, but also a shift from traditionally labour intensive manufacturing work to an end of the supply chain form of employment. This employment is far less labour intensive and has a stronger focus on final assembly (value added manufacturing) and distribution.

- The drop experienced in retail employment can largely be viewed as a result of the stagnant population growth experienced over the past 10 years and lack of serious investment in any of the major shopping centres during this time.

- Employment growth was relatively stagnant between 2001 and 2006, with almost all of the growth noted above occurring in the office and institutional sector between 2006 and 2011.

Figure 6



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

3.2.1 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, 6 projects have been completed and represents over 2.04 million square feet of employment space and 5,755 jobs. Two of these projects have been completed just outside submarket 8 of the FWC on the east side of Keele Street. From a market perspective, this a good signal as it indicates that the area is desirable and just needs assistance while it matures.

- 4460 Chesswood Drive is a project by Johnvince Foods, located just south of Finch Avenue West and east of Keele Street.

- The building is approximately 156,000 square feet with a construction investment of approximately $8.95 million. The business retained 100 jobs and added 25 new employment positions.

- 555 Petrolia Road is the Apollo Health and Beauty centre, located north of Finch Avenue West and east of Keele Street.

- The building is approximately 385,000 square feet with a construction investment of approximately $23.0 million. The new build employment use created 400 jobs.

As the market continues to mature as high-order transit along the FWC is implemented, we expect interest to improve for developments similar to the two noted above, especially in the employment lands surrounding the Finch and Keele intersection and the employment lands near Emery Village. Businesses will be attracted to the high order transit, close proximity of 400-series highways and incentive programs such as the IMIT grant.

3.3 Proposed Development

A review of active development applications along the FWC reveals that modest amounts of redevelopment and intensification are proposed in the near term. The majority of applications are small scale commercial additions/improvements, with a few instances of more significant redevelopment and intensification. The following points summarize proposed development from application data compiled by the City of Toronto available in the appendix of the final report:

- Across the Finch West corridor, there are approximately 3,270 residential units proposed throughout seven planning applications. While the exact timing and positioning of each of these seven applications is unknown, these applications indicate that there is some ongoing private sector development interest in the corridor.

- The majority of these residential units are contained within a single application on Fountainhead Road, which proposes 2,500 units within eight new condominium buildings at Sentinel Road and Finch Avenue.

- In addition to the residential development applications, we understand that several other commercial development applications have been received by the City, primarily for smaller commercial/retail property reinvestment. However, one notable project is 'University

Heights' which proposes the development of an eight storey condominium office building on Finch Avenue on the east side of Keele Street.

- Some intensification has also been completed at Humber College, with the replacement of an existing single storey building with a three storey intuitional building. Humber College has selected the north campus to be their primary location to accommodate future growth and have plans to expand and intensify on site and in the surrounding area. The campus is currently preparing a master plan to outline how the campus is expected to grow and accommodate growth moving forward.

- Also of note, the York University Southwest Precinct Plan has been in development since 2014 and includes design concepts, design guidelines as well as detailed guidance for both infill and intensification. In 2015, the City presented the Precinct Plan, Urban Design Guidelines, Official Plan and Zoning Amendment applications for two 6-storey residential buildings with commercial uses at grade, and a stand-alone two-storey commercial building.

3.4 Key Findings

Overall, despite the socioeconomic indicators identified in Section 2 of this report, the market characteristics for real estate in commercial and residential classes have been generally positive with modest year over year increases. A number of commercial retail centre transactions, infill residential developments, a tight rental vacancy rate and a positive rate of growth in residential property values over the past 10 years all point to relatively stable conditions along Finch Avenue West. Industrial development and reinvestment has lagged behind other sectors despite significant efforts of the City in terms of both policy and financial incentives.

Strong increases in the value of single family homes, as well as for other ground oriented housing types along the corridor, development applications and land transaction activity are all early signals that demand may be maturing for higher density residential formats.

While the loss of manufacturing jobs is not expected to be reversed as a result of the LRT, the increase in population associated with higher density housing formats may allow the opportunity for increased activity and employment in other sectors of employment such as population serving office uses commercial services and retail. Early signals of strength in the office market is evident in key locations surrounding the hospitals and the Keele and Finch intersection where rents are high relative to other locations in the corridor

Overall, the market is maturing at a steady rate and will continue to do so as the LRT is implemented. Any negative market perceptions of Finch West is largely localized to a few segments along the future LRT corridor, where disadvantaged populations are highly concentrated, often associated with Toronto Community Housing properties and other poorer quality privately owned rental apartment developments.

4.0 The Market Impact of the LRT

Real estate markets value walkable access to modern higher-order transit a trend that is reflected in increases in property values associated properties. Value is expressed in various way 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 3 below.

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

Table 3

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 to the Spadina Subway Extension.

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 at the Keele and Finch intersection, with development interest already apparent as noted by Section 4.6. It is also expected that increased market interest could occur in the employment areas surrounding the Highway 400 interchange and the Humber River Regional Hospital Site. While there are currently limited office buildings across the FWC and limited evidence of market interest aside from Submarket 8, the market will continue to mature along the corridor as the LRT becomes operational. The City's IMIT program could also contribute to attracting strategic uses to these locations.

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 high order transit services.

As residential density and ridership increases along a corridor, retail uses gain 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.

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 a new subway creates additional logistical complexity to nearby industrial operations. In the context of the Finch Corridor we expect that most industry will be of a light or value-added manufacturing nature 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 increase market attractiveness for new investment in this area of the City.

4.5 Residential Market Readiness Indicator

To understand when the residential market could reach the thresholds necessary for market interest in high-density forms of housing to materialize, NBLC has trended housing values along the FWC between 2005 and 2015 (Table 4). In MLS Zones W05 and W10 (see Figure 5 and the MLS map in the Appendix of this report), the following resale data has been compiled. While the MLS zone boundaries are much larger than the study area, the below information is still useful in understanding how real estate values have increased in these zones relative to the City of Toronto as a whole.

As noted by Table 4 below, the resale price of a single detached home in January of 2005 in the W05 MLS Zone was close to $342,000. The same data notes a single detached home in January 2015 was just over $637,000, an increase of 85% as noted in Table 2 of this report. However, NBLC notes the resale value of a single detached home is closer to $522,000 in the FWC, which was observed by compiling resale data between February 2014 and February 2015 (Table 1). This data has also been collected using a more refined search area that more accurately represents the FWC study area and is therefore considered more accurate.

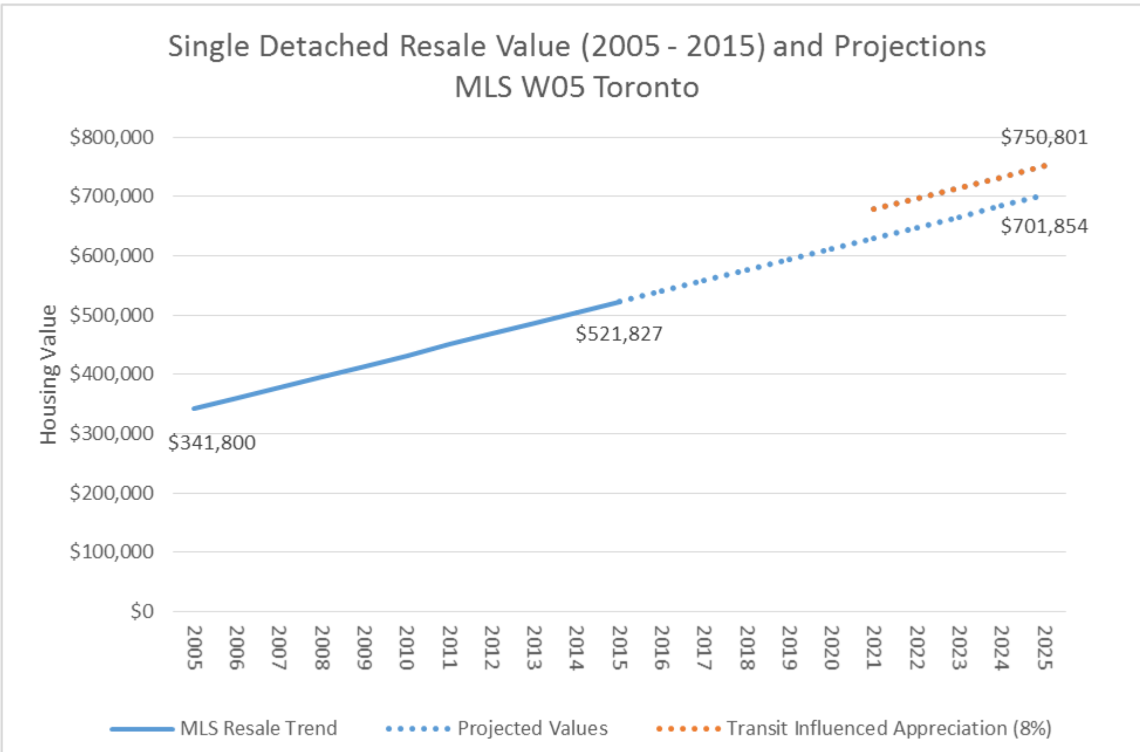
Table 4

MLS Residential Resale Values: January 2015					
	Detached	Semi-Detached	Townhouse/ Row Attached	Condo Town	Condo Apartment
Toronto	$948,713	$667,452	$689,142	$407,922	$382,458
W05	$637,429	$489,400	$466,333	$173,143	$207,980
W10	$546,125	$414,900	$460,000	$236,124	$188,905
MLS Residential Resale Values: January 2005					
	Detached	Semi-Detached	Townhouse/ Row Attached	Condo Town	Condo Apartment
Toronto	$468,877	$338,087	$331,594	$238,301	$227,082
W05	$341,800	$283,050	$306,000	$208,167	$127,775
W10	$301,556	$282,950	$238,000	$178,900	$140,829
Source: TREB Market Watch Report January 2005 and 2015,N. Barry Lyon Consultant Ltd.					

NBLC has trended housing values using this data from 2005 to 2015 and has projected that a single-detached home in this area of the City could reach $701,854 by 2025 (Figure 7). Factoring in the 8% transit influenced appreciation that is expected to occur when the LRT is completed in 2021, single detached homes in close proximity to an LRT Station could reach over $750,000 by 2025. This analysis assumes real estate values will continue to increase at the rate observed between 2005 and 2015 and that the existing economic climate and interest rates also remain constant. Due to this fact, a more conservative estimate would be a range between $680,000 and $760,000.

As housing values continue to increase naturally along the FWC, additional pressure will be placed on the affordability of ground-oriented homes. This will increase the demand and market feasibility for higher density forms of residential development, such as stacked townhomes and high-rise apartment buildings. The implementation of transit along the FWC will only further increase the value of ground oriented housing while also improving connections to this area of the City and creating a more attractive and desirable location for future home buyers. These factors will combine to increase the market attractiveness of the FWC for private sector developers, which could begin to emerge over the next 10 years as the LRT is implemented.

Figure 7



Source: TREB Market Watch January 2005, Toronto Real Estate Board Multiple Listing Service, N. Barry Lyon Consultants Ltd.

4.6 Commercial Market Readiness Indicator

Similar to the above, the commercial market will also experience significant value uplift from the LRT. The existing retail centres along the FWC, such as the Albion Centre and the retail plazas surrounding the Jane and Finch intersection, represent excellent redevelopment opportunities for mixed-use and transit-oriented design. It is important to understand however that these sites will benefit from increased density and connectivity along the FWC, which will strengthen the value of their land from a retail perspective. The economic benefit of new retail pads at the Albion

Centre or a significant reinvestment/renovation at any of the other retail sites would likely be higher in the near to mid-term than a mixed-use development that incorporates either office or residential.

While these large sites are key components of the FWC and provide much needed retail services to the surrounding community, they also represent the major development opportunities across the FWC and will play a vital role in the long term urbanization of Finch Avenue West.

5.0 Market Assessment of Corridor Submarkets

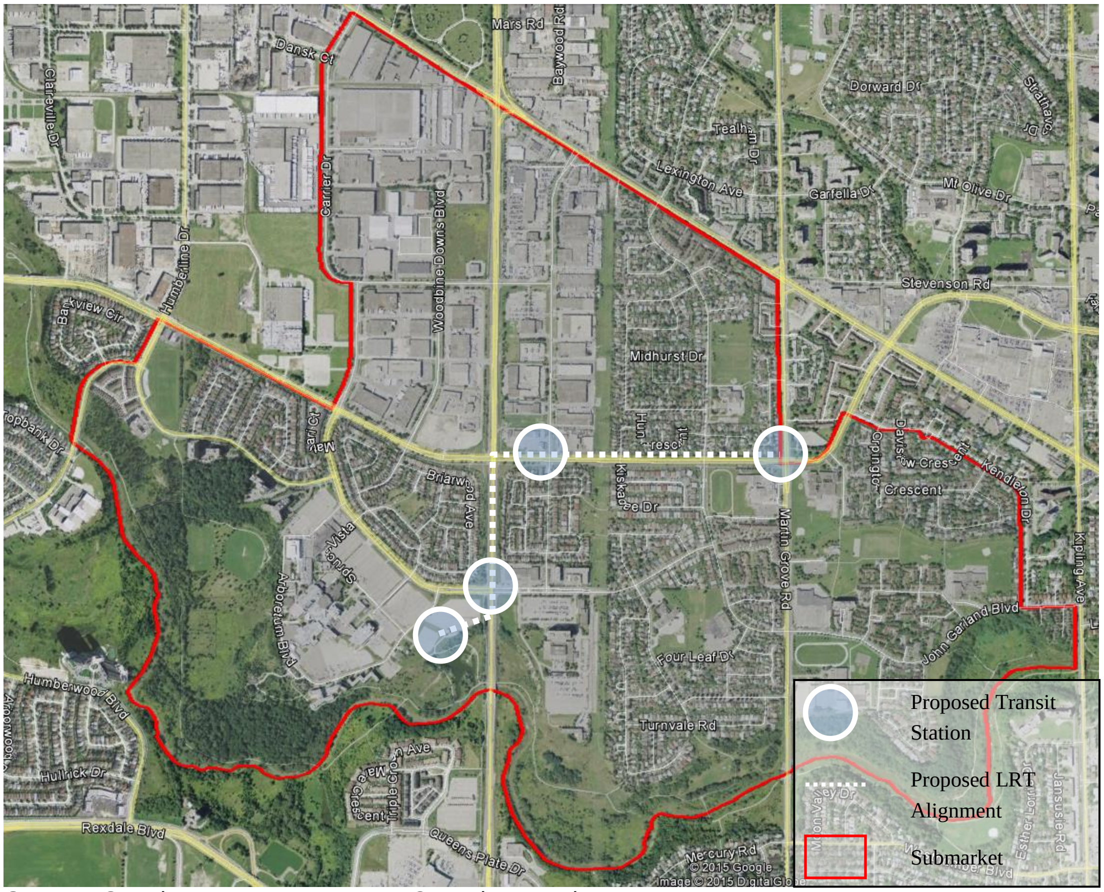
This assessment focuses on major demographic and market variances displayed by each submarket compared to the overall market trends of the corridor. This review will also identify sites that represent high redevelopment potential taking into account the uplift value associated with the LRT.

Some of the submarkets illustrated by Figure 2 have been combined in this report due to a lack of data. For reference, submarket 4 and 5 as well as submarket 7 and 8 have been combined for the purpose of this report.

6.0 Submarket 1 – Humber College

Submarket 1, which surrounds Humber College at the western terminus of the LRT corridor, extends approximately to Martin Grove as illustrated by Figure 8 below.

Figure 8: Submarket 1



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

6.1 Demographics:

- The submarket has experienced negative population growth since 2001, with a 4.8% drop between 2001 and 2006 and a further decrease of 0.8% between 2006 and 2011. The more recent decline is likely related to declining household sizes.

- Other than the Tridel project 'Mansion at Humberwood', there have been virtually no new housing starts since 2001. The majority of housing was constructed prior to 1990.

- The majority of homes are owned in the area, with the rental population likely limited to students in private households (in condominium apartments, homes, and basements of homes) as there are no purpose built rental buildings in the area.

- Average household incomes ($68,021) are the second highest in the corridor, second only to submarket 2. However, it is noted that average household incomes have slightly decreased between 2006 and 2011.

- Incomes are also significantly lower than that of the City ($87,038), with the gap further widening between 2006 and 2011.

6.2 Residential Market:

- The majority of homes in the submarket are larger ground oriented forms of housing. The value of these homes are also slightly below the average noted for the corridor, however the SLR and SLP is higher, which indicates a fairly strong market exists for ground oriented home.

- The value of condominium apartments are much higher than the average for the corridor and resell for over $240,000, which is the highest value noted across the FWC aside from Submarket 7/8 for this product type. It is also the only instance across the corridor where condominium apartments collected a higher resale price than condominium townhomes.

- The above is likely due to the Tridel project 'Mansions at Humberwood' located just south of Humber College. These two high rise buildings contain over 900 units and sold out in 2008, representing the only new high-rise condominium apartments across the entire FWC.

- Also of note, a number of townhomes within the community on John Garland Boulevard, located just south of Father Henry Carr Secondary School, contains townhomes for under $140,000. These townhomes are burdened with very high maintenance fees will continue to limit the resale values of these properties.

6.3 Commercial Market:

- The majority of employment space in the submarket is industrial, located within the northwest portion of the delineated boundary. This space is typical of the entire corridor and is primarily low intensity industrial and industrial office space, characterized by moderate amounts of vacancies and low rents averaging close to $5 PSF.

- The office market is primarily contained within small office/retail buildings along Finch Avenue and immediately across from the hospital on Humber College Boulevard. This office space is primarily contained within older buildings that experience modest vacancies, although they are able to achieve relatively higher rents at $11 PSF, which is considered high for the corridor and is only outperformed by Submarket 7/8 at Finch and Keele.

- Similar to rest of the corridor, there has been a large drop in manufacturing jobs along with a significant increase in institutional work. Other than the institutional and office sector, no other sector of employment is showing signs of growth.

- Overall however, the number of jobs have increased by 22% between 2006 and 2011.

6.4 Major Development Application Activity:

- Some intensification has been completed at Humber College, with the replacement of an existing single storey building with a three storey intuitional building.

- A four storey expansion to the Etobicoke hospital has also been proposed, on the west side of building.

6.5 Development Activity and Opportunities:

Overall, there are limited development opportunities in the submarket as it is heavily characterized by stable neighbourhoods, employment, and environmental areas. Aside from a few locations, the LRT will pass by parcels that are small and reverse-lotted onto Finch Avenue West. Due to the relatively low supply of sites that can accommodate significant intensification, it is believed the expansion and intensification surrounding Humber College and the Etobicoke General Hospital will be the most significant opportunity to capture the value generated by the LRT in this area.

The below represent the major development opportunities within this submarket as illustrated by Figure 9:

A: Humber College

- Humber College has selected the north campus to be their primary location to accommodate future growth and have plans to expand and intensify on site and in the surrounding area. The campus is currently preparing a master plan to outline how the campus is expected to grow and accommodate growth moving forward.

- It is expected the College will continue to expand, which will increase the amount of institutional employment provided in the submarket. Given the lack of developable space on the campus and the limited number of viable development parcels in the surrounding area, it is unknown how the campus will accommodate planned growth.

- The implementation of the LRT along Finch may allow the campus to look elsewhere along the corridor for development opportunities, for both campus related buildings and student residences.

Figure 9: Submarket 1 Development Assessment

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

B: Etobicoke General Hospital

- The Etobicoke General Hospital, which currently has an application for expansion under review with the City of Toronto, could accommodate additional expansion and further add to the number of institutional jobs in the submarket.

- It is our understanding that Humber College and the Hospital are currently discussing the possibility of a joint venture to create a learning facility at the hospital for the nursing and health care program for the College.

C: Purolator Distribution Centre

- This industrial site is an old distribution warehouse and is largely underutilized on the 60 acre site. The property is designated employment land and would be an excellent parcel for any expansion of Humber College or another employment opportunity.

- Purolator purchased the site for nearly $60.0 million in 2008, and to this point, has demonstrated no interest in selling the land. Their intentions for the site are unknown.

D: Retail/Office Space

- While the northwest corner of Highway 27 and Finch Avenue is a new condominium retail centre, the other portions are relatively older retail/office buildings that could be purchased by Humber College; the industrial setting and smaller size of the parcels may make this scenario unlikely.

- Of note, 6620 Finch Avenue West received an application to redesignate the lands from Employment to Mixed Use to permit the development of two 14-storey towers containing 278 units with retail uses on the ground floor. Council refused this application and the redesignation was subsequently refused during the City's Municipal Comprehensive Review.

- Market interest in these parcels from the private sector is considered a longer term opportunity.

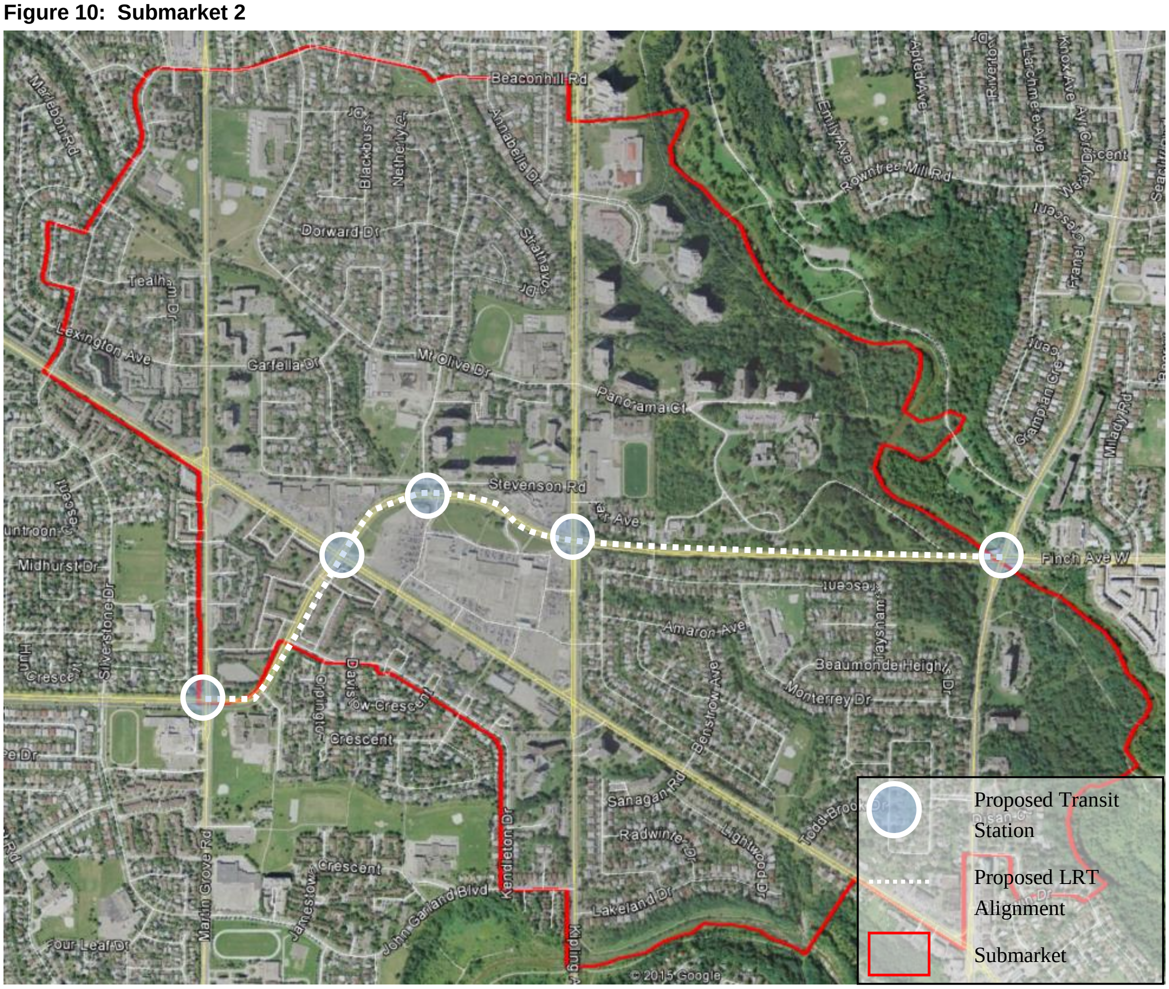
7.0 Submarket 2 – Albion

Submarket 2 is anchored by the Albion Centre shopping mall and is roughly bound by Martin Grove Road in the west and Islington Avenue in the east. The submarket contains five of the 18 LRT station stops and contains a mix of residential, commercial and green space. Submarket 2 is generally considered one of the more affluent segments of the FWC, despite the high concentrations of TCHC building and older apartment buildings.

7.1 Demographics:

- Similar to FWC in general, Submarket 2 experienced a population decrease between 2001 and 2006 of 5.4%. However, the population has increased by nearly 14% since 2006, despite the lack of new housing starts during this time. This discrepancy is likely due to the high proportion of multiple family households as well as the transient nature of the population in the submarket.

Figure 10: Submarket 2



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

- Despite the high immigrant population and higher proportion of renters, the submarket contains the highest average household incomes across the entire FWC ($72,610). Incomes have increased significantly between 2001 and 2011 in this area, although are still less than the average noted for the City of Toronto.

- Private household incomes have been increasing faster than the average noted for the City since 2006, which is a strong market indicator for a maturing market in the area.

- Due to the high number of rental buildings in the submarket, there is a 50% split of those who rent vs those who own their home.

7.2 Residential Market:

- Over half of the homes in the submarket are high-rise apartment units, with the majority of the housing stock built prior to 1990. A concentration of TCHC buildings are located in this submarket, which are popular among low income individuals and recent immigrants.

- Similar to Submarket 1, the value of freehold homes in the Albion Submarket are below the average noted for the corridor, however the SLR and SLP is higher, which indicates a strong market exists and is a popular destination for those seeking a ground oriented home.

- The value of condominium townhomes are much higher in the submarket than the rest of the corridor at nearly $300,000.

- The value of condominium apartments are below the average noted for the corridor, largely due to a few large condominium apartment buildings on Panorama Court and further north on Kipling that are in very poor health. Units within these buildings sell for under $100,000 and have maintenance fees over $800, which severely limits achievable resale prices.

7.3 Commercial Market:

- The majority of employment space in the submarket is located in the Albion Mall shopping plaza as well as within the municipal and office buildings located along Finch and Albion Road. This is supported by the Retail and Institutional sector occupying nearly 70% of all jobs in the submarket. There is virtually no manufacturing employment in the area.

- Retail rents at the Albion Centre range from $25 to $35 PSF depending on size and location and performs very well from an economic perspective. This site experiences a very low vacancy rate and is successful at retaining tenants designed to service the surrounding demographic.

- Similar to rest of the corridor, institutional work is driving employment growth in the submarket.

- Even with the strong growth in the institutional and service sector, the submarket experienced only a 2% overall increase in jobs between 2001 and 2011 due to the significant drop in manufacturing and retail employment during this time.

7.4 Major Development Application Activity:

- A 115 unit infill townhouse project has been proposed on Garfella Drive. The townhomes are proposed to be incorporated into an existing 'tower in the park' rental building near the Martin Grove and Albion intersection.

- The remaining applications are for small scale commercial additions/improvements.

7.5 Development Activity and Opportunities:

Submarket 2 has two large sites at Albion Centre and Thistletown that both could accommodate a significant amount of intensification. The following discussion highlights the major development opportunities within this submarket as illustrated by Figure 11:

Figure 11: Submarket 2 Development Assessment

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

A: Albion Centre

- The Albion Centre shopping mall is a significant opportunity for redevelopment/intensification. The site contains a large amount of vacant land along the

Finch Avenue frontage that could accommodate intensification in the near term without disrupting the existing commercial centre.

- The property is owned by Riocan, Canada's largest REIT. It is likely that if any residential development was to occur on site, it would be rental in tenure.

- The shopping centre is performing well from a market perspective with many 'A' class tenants and low vacancy rates. Due to the parking requirements and general nature of commercial properties, redevelopment or even intensification for residential or mixed-use development will likely require the market to mature beyond its current condition.

B: 1620 Albion Road

- The older commercial plaza is within Mixed-Use Area land use designation and presents an excellent parcel for redevelopment. The irregular shape may limit the redevelopment potential of the site, however the strong locational attribute of the parcel and close proximity of a LRT station will attract development interest.

C: Thistletown

- The former site of the Thistletown Regional Centre is a nearly 50 acre site that is expected to be sold by the Province though an RFP process in the near future.

- The eastern portion of the site will be dedicated to the TRCA, the remaining portion will be able to accommodate a significant amount of density in what will likely be a mixed-use master planned community that may incorporate both high and low density forms of housing.

D: Intensification around Apartment Neighbourhood blocks

- Similar to the proposal on Garfella Drive, most Apartment Neighbourhood blocks throughout the corridor contain sufficient space to accommodate infill townhomes or an additional tower(s).

E: Municipally owned properties on Albion Road

- Four of the five properties on Albion Road between Finch and Kipling are owned by the City of Toronto. Consideration can be given to possibly consolidating some of these services to free up a parcel for development.

- Of note, the Albion Library located at 1515 Albion Road will be demolished and replaced with a new branch beginning in 2015, with construction expected to last two years.

8.0 Submarket 3 – Finchdale

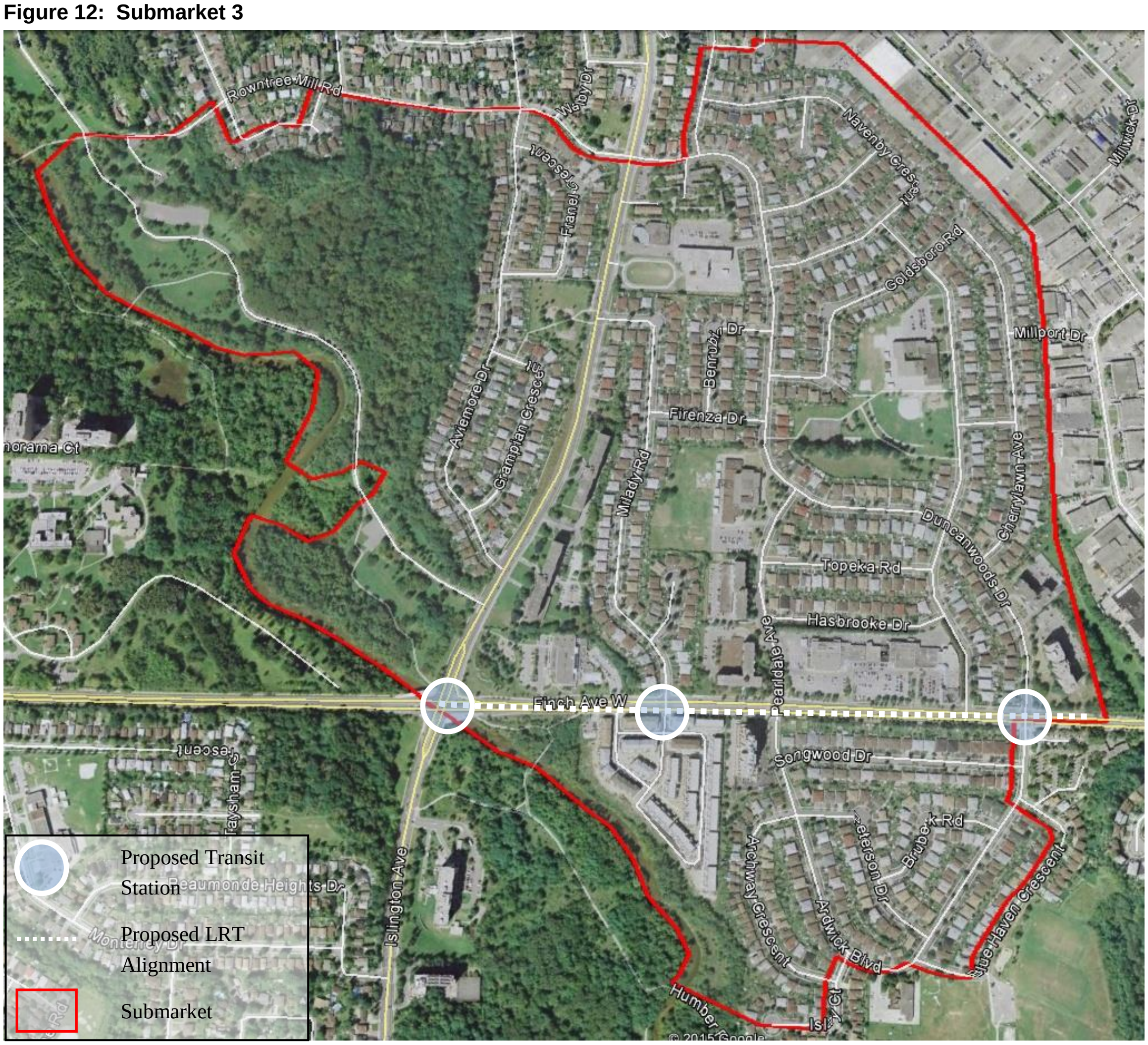
Submarket 3 contains a strong residential context, consisting mostly of semi-detached homes with a single commercial retail plaza, the Finchdale Plaza. Submarket 3 contains relatively high average household incomes and the lowest unemployment rate across the entire FWC. The Finchdale submarket is one of the most stable and mature market segments along the corridor.

8.1 Demographics:

- Unlike the rest of the corridor, the area has been growing rapidly since 2001 and has increased by nearly 29% in population in part due to new infill townhouse developments.

- The unemployment rate is lower in this submarket than any other segment along the corridor. The participation rate is also relatively high.

Figure 12: Submarket 3



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

- Nearly 70% of the housing stock is owned in the submarket, with the majority of homes built prior to 1980.

- Private household income is lower in the submarket ($64,410) but is increasing at a similar rate to the rest of the City. The proportion of low income households has also decreased dramatically since 2006 and is now at a lower rate than the City at large.

8.2 Residential Market:

- The majority of homes in the submarket are ground-oriented, with approximately 30% of housing units within high-rise apartment buildings.

- Unlike the rest of the FWC, there has been development activity and new housing starts over the past 10 years. Of the 345 units built since 2001, 310 are within the Harmony Village stacked townhouse project at the southwest corner of Finch and Pearldale Avenue.

- There are very few rental buildings in the submarket, which explains the low proportion of renters as noted by the Canadian Census.

- The average price of a single detached home in the submarket was $615,000, much higher than the average for the FWC. The SLR for this housing type however is much lower, indicating that while the market is accepting of this higher price point, the demand is proportionately smaller due to the lower price of single detached homes in other areas along Finch Avenue West.

- Similar to the above, the value of condominium townhomes are higher in the submarket, due to the new units at Harmony Village. These units also have a lower SLR, likely due to the reasoning noted above for the single detached housing form.

- The value of condominium apartments are below the average noted for the corridor, largely due to a few large condominium apartment buildings that, similar to the conditions of Submarket 2, are in very poor condition and have high maintenance fees that drive down the resale value.

8.3 Commercial Market:

- Due to the residential character of the submarket, the area contains very few jobs relative to the other segments of the corridor and despite strong increases in population, the area has experienced stagnant employment growth.

- The Finchdale Plaza is a successful retail centre that contains many ‘A’ class tenants and experiences very low vacancies, with retail rents approximately $30 PSF.

8.4 Major Development Application Activity:

- A four storey 106 unit residential building is proposed north of Finch Avenue on Islington, just north of the existing apartment neighbourhoods.

8.5 Development Activity and Opportunities:

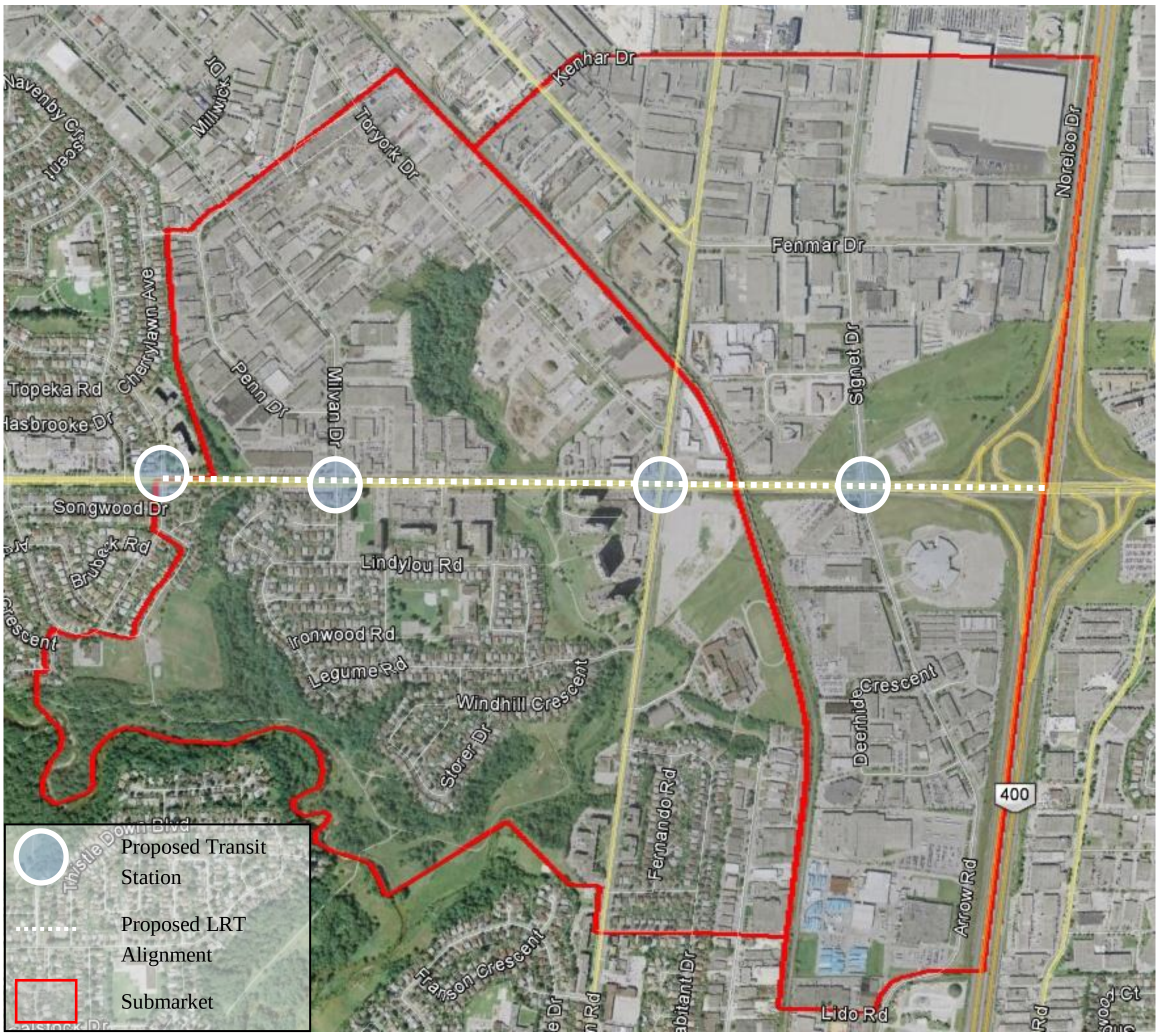
Submarket 3 displays limited potential for development, with the Finchdale Plaza representing the only viable opportunity for significant development. The plaza will likely not redevelop to a more transit-supportive use in the near term given the economic success it is currently experiencing.

While Submarket 3 is a more mature real estate market relative to other segments of the FWC, especially in terms of residential house values and the market acceptance of stacked townhomes, this is largely attributed to the stable neighbourhood context, abundant amount of green space, location of schools and the close proximity of the Humber River.

9.0 Submarket 4 and 5 – Emery Village

Submarket 4 and 5 have been combined due to common features they share and the lack of residential uses in Submarket 5, limiting the amount of census and market data available. Both submarkets make up the core of the neighbourhood known as Emery Village and are subject to the Emery Village Secondary Plan. Both submarkets are primarily industrial in nature, aside from the southern portion of Submarket 4 and the intersection surrounding Finch and Weston.

Figure 13: Submarket 4 and 5



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

9.1 Demographics and Residential Market:

- Due to the employment nature of the submarkets, the below demographic and residential market information largely describes the southern portion of submarket 4.

- The area has seen modest population growth since 2001 of approximately 12%, though there has been virtually no new housing starts over the past 10 years.

- Due to the number of high-rise apartment buildings fronting Finch Avenue, the majority of homes in the submarket are within apartment buildings.

- The residential resale values are identical to the results of Submarket 3, as the data was collected over both submarkets due to the small size of the segments and larger MLS Zone boundaries.

- A closer look at the data reveals the market is slightly less mature in Submarket 4 than in the Finchdale Submarket, largely due to the industrial nature and high number of less aesthetically pleasing 'towers in the park'. While some single detached homes sell for over $600,000 near the Humber River, the majority sell closer to the average noted for the FWC.

- Similar to the other submarkets, high-rise condominium buildings in the area have very high maintenance fees that result in most high-rise apartment units selling for below $125,000.

9.2 Commercial Market:

- The commercial market is considered strong, with a healthy mix of retail, office and industrial uses found throughout the large supply of employment land.

- Relative to the rest of the corridor, Submarket 3 achieves slightly lower rents with retail and service commercial rents close to $12 PSF and office uses achieving rents of $8 PSF.

- Due to the highly industrial nature of the submarkets, the manufacturing sector occupies a third of jobs in the submarket. This is a concerning employment issue due to the fact that manufacturing jobs have fallen by 35% over the past 10 years. However, from a physical and land use perspective, the health of the manufacturing establishments in the area is fairly stable, experiencing a modest 4.5% decrease between 2001 and 2011.

- Overall, employment in the submarket decreased by 15% between 2001 and 2006, but largely recovered by 2011. The 14.4% increase in jobs between 2006 and 2011 was driven by the office sector.

9.3 Major Development Application Activity:

- A 10 storey 270 unit condominium building is proposed at the southwest corner of Weston Road and Finch Avenue West.

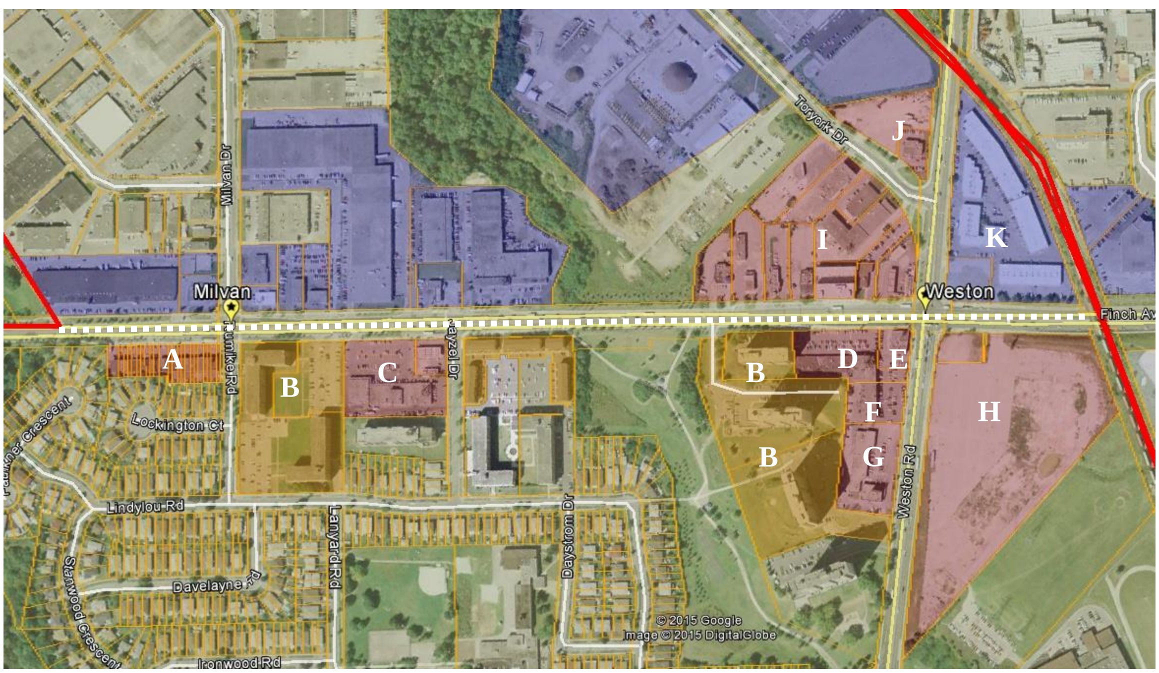
- Several applications for additions, renovations and new build industrial space in both submarkets. This recent development activity offers some optimism regarding the negative trends noted above in terms of employment loss in the submarket.

9.4 Development Activity and Opportunities:

The Emery Village Submarkets are considered well situated for development, especially the Weston and Finch intersection that is already showing signs of development interest. East and west of this intersection, limited redevelopment and intensification is expected due to the employment land use designations and industrial nature of the area. While parcels display redevelopment potential from a physical perspective in these areas, the limited market for office and other more intensive forms of commercial development will likely be attracted to other more strategic locations along the FWC or elsewhere in the City.

The majority of opportunities within Emery Village exist within Submarket 4, due to the hydro corridor and physical constraints within submarket 5.

Figure 14: Submarket 5 Development Assessment



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

A: 2541 – 2451 Finch Avenue West

- This property is an older strip mall that is condominium in ownership and contains 22 separate land parcels. Despite the Mixed-Use designation, the ownership tenure will make land assembly and redevelopment difficult.

B: Opportunities to intensify around Apartment Neighbourhoods

- The three Apartment Neighbourhood blocks noted in Figure 14 all contain sufficient space for intensification. All three sites provide surface parking, which may require any intensification to incorporate an underground garage which can be costly and restrict the intensification potential of these sites.

- Of note, the Apartment Neighbourhood blocks at the southwest corner of Weston and Finch, were recently purchased.

- The block fronting Finch Avenue is 1.2 acres and was purchased for $10.0 million in 2010.

- The two parcels to the south were purchased together for $16.8 million in 2006 and are over 7 acres combined.

C: Finch Mall Plaza (2437 Finch Avenue West)

- An older commercial centre with a mixed-use designation and little signs of reinvestment. The parcel is approximately 2.8 acres in size and is located in between two Apartment Neighbourhood blocks. The property could represent an excellent parcel for redevelopment.

D, E, F, G: Southwest corner of Weston Road and Finch Avenue

- All four parcels are owned by separate entities, despite the appearance of a continuous retail centre.

- G was recently purchased in 2005 for $4.0 million and currently has an application with the City for a 10 storey tower.

- The other parcels contain an older commercial centre with little evidence of reinvestment and low intensification potential. The site does however have strong redevelopment potential, as this intersection currently shows strong market interest and will continue to display positive market trends as the LRT is implemented.

H: Southeast corner of Weston Road and Finch Avenue

- The site of the new purpose-built rental apartment project ‘Casa’ by Medallion Corporation. Significant redevelopment is planned in the order of a 1,400 unit rental development. Phase 1 is currently under construction.

I and J: Northwest corner of Weston Road and Finch Avenue

- Large concentration of retail and restaurants as well as industrial and office space fronting Toryork Drive. The block is split into multiple parcels.

- The southeast corner of this block (currently a gas station) is the site of the cancelled Centrillium project detailed in Section 3 of this report. The cancelled Admiral Towers site is located just north of the gas station.

- As previously noted, Solmar still owns this land and may proceed with another redevelopment proposal in the future.

- The remaining parcels fronting Finch Avenue, which are mostly restaurants, could be consolidated to accommodate development at this intersection. It is noted however that a TCHC building is located at 2350 Finch Avenue West.

- Similarly, the parcel labelled J on Figure 15 was recently purchased for $1.3 million. The parcel is currently vacant and development plans are unknown at this time.

K: Northeast corner of Weston Road and Finch Avenue

- This site contains an older industrial office complex. It is condominium in ownership and has over 60 individual owners. This will make assembly and redevelopment very difficult.

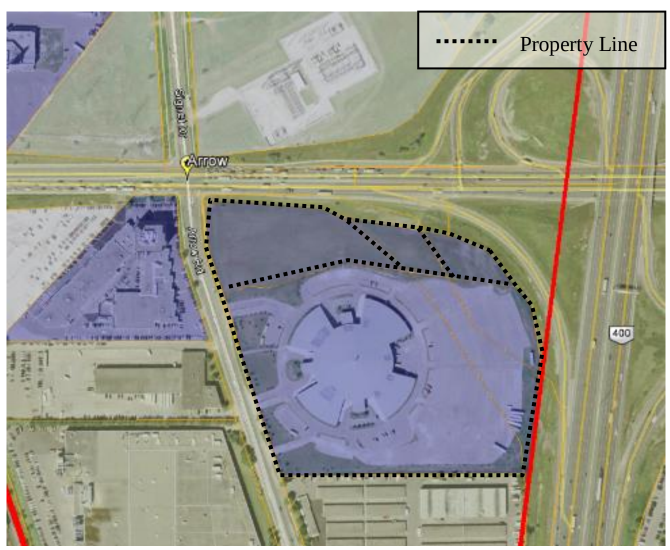
- The southwest corner of this property has been severed and sold in 2013 for $1.4 million.

The Prayer Palace:

- The Prayer Palace is a place of worship located at the southwest corner of Finch Avenue West and Highway 400 within the Highway 400 Employment District.

- The parcel represents an excellent opportunity for office related employment development due to the close proximity and visibility from the Highway. However, major redevelopment at this site has likely been precluded by the place of worship

Figure 15: The Prayer Palace



- It is noted that three parcels have been severed and sold along the Finch Avenue frontage in 2000 for approximately $1.2 million. These parcels are shown as the black dashed lines in Figure 15 above. Some form of intensification could be expected along this frontage as the LRT is implemented and market interest begins to extend to this segment of the FWC.

10.0 Submarket 6 – Jane and Finch

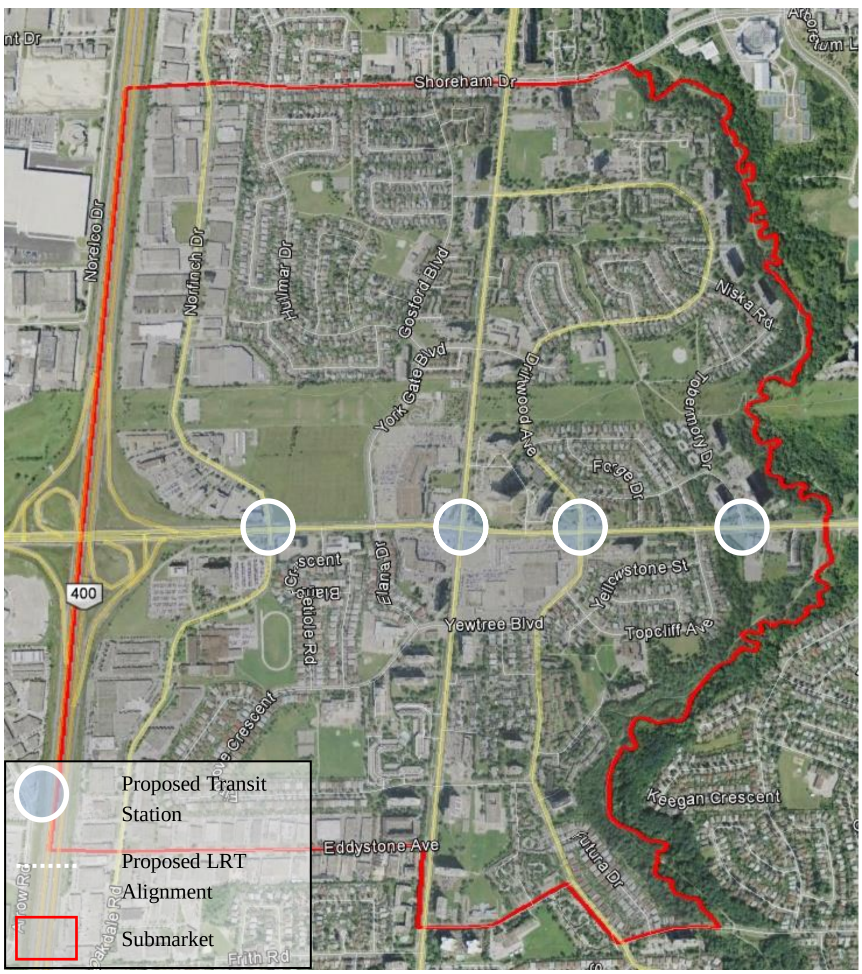
The Jane and Finch submarket, similar to the Albion submarket, contains a significant amount of retail commercial and high-rise residential space, including a concentration of older apartment buildings and TCHC properties. Overall, the segment displays the major themes of the FWC in general. Below are some of the key highlights of the submarket:

10.1 Demographics:

- Submarket 6 displays moderate population growth, with the population of the area increasing by 1% from 2006 to 2011. It is noted that the population saw a dramatic drop between 2001 and 2006, losing approximately 3,300 people.

- Average household income at $59,130 was far below the average for the City of Toronto ($87,038) and is the lowest of all the segments surveyed along the future LRT corridor.

Figure 16: Submarket 6



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

- Despite the above, the proportion of low income households has been steadily declining since 2001, though it is still higher than the rest of the City.

- The movement of new Canadians for jobs and student renters attending York University also makes the population somewhat transitory and impact the proportion of individuals with low income.

10.2 Residential Market:

- Over half of the homes in the submarket are high-rise apartment units, with the majority of the housing stock built prior to 1980.

- Likely a reflection of incomes and a negative perception of the high-rise apartment blocks, resale values are the lowest in this submarket than anywhere else in the FWC for all product types.

- The above is especially true for condominium townhomes and apartments. The old age and poor condition of many of the condominium units within the submarket help explain the slow sales and weak market observed. In many cases, these condominiums are suffering from very high maintenance fees as they struggle to maintain aging structures.

- However, with the average price of a single and semi-detached house close to $460,000 and a very high sales to listing ratio of over 75%, this sector of the market is robust.

- The demand for low density homes and the high values being achieved indicate the market's willingness to invest despite negative perceptions of the high-rise apartment blocks. This market demand is an early signal of future demand for higher density formats that could allow more affordable access into the market. However, as of yet there are no indications of the private development market's willingness to enter this segment or submarket and undertake a significant redevelopment project.

- The submarket contains 4,989 rental units, which accounts for nearly 40% of all rental units in the FWC. While the vacancy rate is higher than most of the other submarkets along the corridor, it is still a very healthy 2.3%.

10.3 Commercial Market:

- The majority of employment space in proximity to the proposed LRT and LRT stations in the submarket is located at the Humber River Regional Hospital, within the retail centres surrounding the Jane and Finch Mall, and also within the office and service/hotel uses at the western segment of the submarket. There is also a large amount of employment space along Highway 400, but these locations are not easily accessed by the proposed LRT.

- Employment in the surrounding area has grown by close to 30% since 2001. Of note, the amount of manufacturing, retail and service jobs decreased between 2001 and 2011. The dramatic increase in institutional work during this time (health, social science and government jobs) accounts for nearly all of the employment growth in the area. Office work also increased modestly during this time.

- Overall, the commercial market is considered strong in the submarket, with retail uses collecting rents over $25 PSF and office collecting close to $10 PSF. Of the major malls in the submarket:

    - Jane and Finch Mall is owned by a private individual, with space generally renting for around $26 PSF. While the tenants cannot be considered ‘A’ class, the mall has been effective at finding tenants to serve the local demographic and experience very low vacancies.
    - Yorkgate Mall, which was recently purchased by Retrocom, collects close to $27 PSF and experiences modest vacancies.

10.4 Major Development Application Activity:

- A small addition is proposed at the Jane and Finch mall;

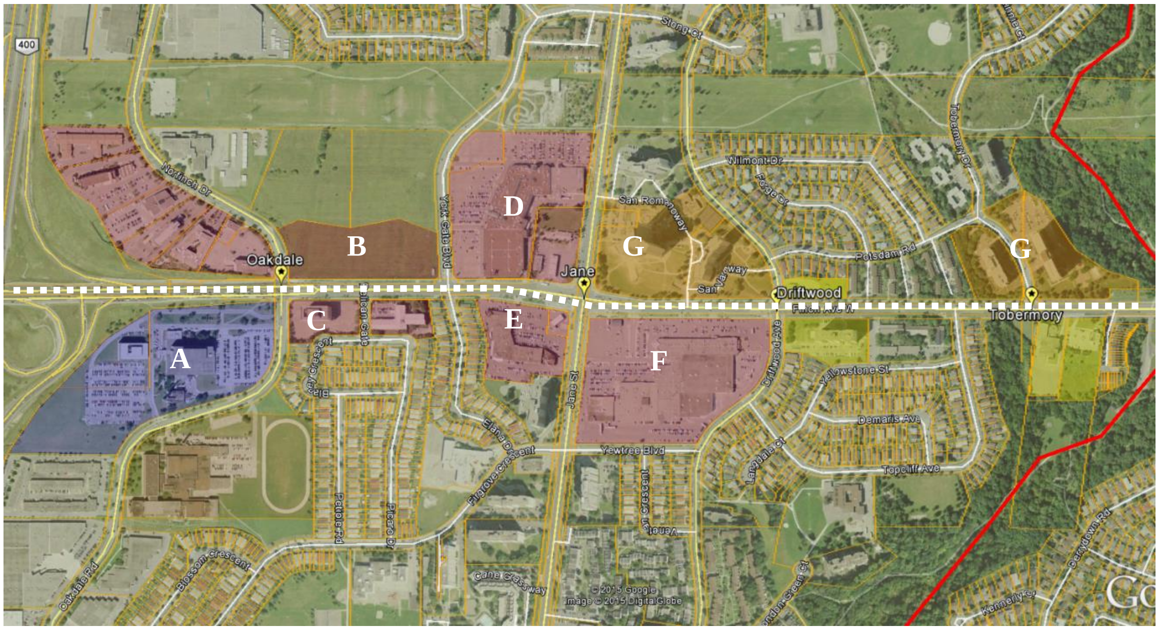
- A 32 unit stacked townhouse project is proposed to the south of Finch Avenue on Jane Street.

10.5 Development Activity and Opportunities:

The introduction of the LRT into Submarket 6 could have a significant impact on development in the future. However, for now the retail centres surrounding Jane and Finch are reportedly healthy and have not expressed an interest in intensification. As noted previously, due to the relative success of these retail centres, the market will need to mature beyond its current condition to allow these sites to intensify or redevelop. There are also few vacant parcels in the area.

The below represent the major development opportunities within this submarket as illustrated by Figure 17:

Figure 17: Submarket 6 Development Assessment



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

A: Humber River Regional Hospital

- As the Hospital downsizes in operations and becomes an ambulatory care centre, the site may become underutilized. If this occurs, land could potentially be freed up for development.
- Due to the close proximity to Highway 400, this could be an excellent parcel for an office building or other commercial project.

B: Municipal Maintenance and Storage Facility (MSF)

- As per current site plan drawings, it does not appear the future MSF will be able to accommodate any additional development or intensification on the site.
- Due to the industrial nature of the use, the MSF could potentially have a negative impact on the market due to noise, poor aesthetics and low quality street animation.

C: Oakdale Professional Centre (2065 Finch Avenue West)

- The four storey office building accommodates primarily medical space (doctors, dentists, optometry, pharmacists, etc.) but also some professional services such as law and engineering firms achieves rents close to $10 PSF.
- It is believed the downsizing of the hospital, immediately west of the site, will have a negative impact on the professional medical tenants in the building.

- The property was recently purchased by Bay International for over $10.0 million. Their intentions for the site are currently unknown.

D: Yorkgate Mall

- The aging commercial centre was purchased in 2010 for $38.0 million by Retrocom, a Canadian REIT. It is noted that Smartcentres owns a large stake in the company and consults on leasing and development of these properties.

- Due to the development tendencies of Smartcentres, it is not known if the property will be redeveloped with single use retail or as a mixed-use project, if at all. It is believed the market will need to mature beyond the current state to make a mixed-use project feasible.

- The property currently experiences a moderate vacancy rate and achieves rent around $27 PSF.

E: 2013 Finch Avenue West

- Is an older commercial site with little evidence of reinvestment. The physical conditions and Mixed-Use Official Plan designation make it an ideal site for redevelopment. It has been owned by the same entity since 1971.

- Any redevelopment would be influenced by the evolution of the surrounding commercial sites.

F: Jane and Finch Mall

- Owned by the same individual since 1969, the 17 acre site contains a large enclosed mall with some retail pads and significant surface parking.

- While the mall does experience relatively high vacancies, it earns a comparatively high rent at close to $26 PSF and performs very well from a cash flow perspective.

- The real estate market will not support intensification or redevelopment of this site in the near term.

G: Intensification around Apartment Neighbourhoods

- Similar to the other submarkets, most Apartment Neighbourhood blocks throughout the corridor contain sufficient space to accommodate infill townhomes or an additional tower(s).

11.0 Submarket 7 and 8 – Keele and Finch

Due to the future subway extension and the integrated LRT station at Keele and Finch, this intersection will have the greatest market interest for both office and residential intensification. This site will have access to both subway and LRT service, both high in demand from both office and residential developers. This, combined with its location near York University, are likely to drive significant and near-term (within 5 years) market demand to all four quadrants of this intersection.

Figure 18: Submarket 7 and 8

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

11.1 Demographics:

- Submarket 8 currently has no residential development within the identified boundaries and therefore no census data is available for this area. The following points summarize Submarket 7 only.

- Population growth has been relatively stagnant, with the submarket experiencing no growth between 2001 and 2006 and 5.5% growth between 2006 and 2011.

- Following the trend of falling incomes east of Submarket 4, the average household income in this area is $60,738. It is noted that incomes in the submarket is rising faster than the average noted for the rest of the City, but is still well below the City average.

- Due to the high number of rental buildings in the submarket, there is a nearly 50% split of home ownership tenure in the study area between renting and owning.

- The proportion of immigrants and the unemployment rate remain high in this submarket.

11.2 Residential Market:

- Over half of the homes in the submarket are apartment units, with the majority of the housing stock built prior to 1980. Unlike the rest of the corridor, development interest has been evident in the area as nearly 1,000 units have been constructed since 2001.

- The value of existing freehold and condominium homes is higher in the submarket than any other segment along the Finch West corridor.

- The high sales-to-listing ratio for both freehold and condominium units indicates a more active market and is considered a 'seller's market'. The high sale-to-list price and comparatively low average days on market also point to a healthy residential real estate market.

- The submarket contains 2,742 rental units, and is the only submarket along the FWC that contains a majority of 1 bedroom units instead of larger 2 and 3 bedroom units.

11.3 Commercial Market:

- While Submarket 7 is primarily residential in character, submarket 8 contains significant retail, office and industrial space and accommodates over 5,000 jobs.

- The submarket has seen a drop in almost every sector of employment, including heavy losses in the manufacturing and service sector. This has resulted in the amount of jobs decreasing by over 17% since 2001.

- Overall, the submarket contains older office and industrial space, including some multi storey office buildings east of Keele Street. Rents in the building in the south east quadrant of Keele and Finch reportedly achieve rents over $25 psf. This bodes well for future demand for new office space in this location.

- Of note, a medical condominium office development at Finch Avenue and Tangiers has been approved and is currently under construction. The eight storey 165,000 square foot office buildings is expected to collect rents near $25 PSF, with units selling between $390 and $415 PSF.

- As construction on the subway station finishes and the LRT is implemented, it is expected that demand for employment uses such as the University Heights office will continue to improve.

11.4 Major Development Application Activity:

- Over 2,500 units are proposed surrounding the existing rental apartment buildings on Fountainhead Road. Approximately eight new residential condominium buildings are proposed with heights of six to 12 storeys.

- To the south of Finch Avenue on Hucknall Road, a proposal has been approved for 47 townhomes along with over 10,000 square feet of retail space. Adjacent to this property is another proposal to construct a four storey 29 unit residential building with retail at grade.

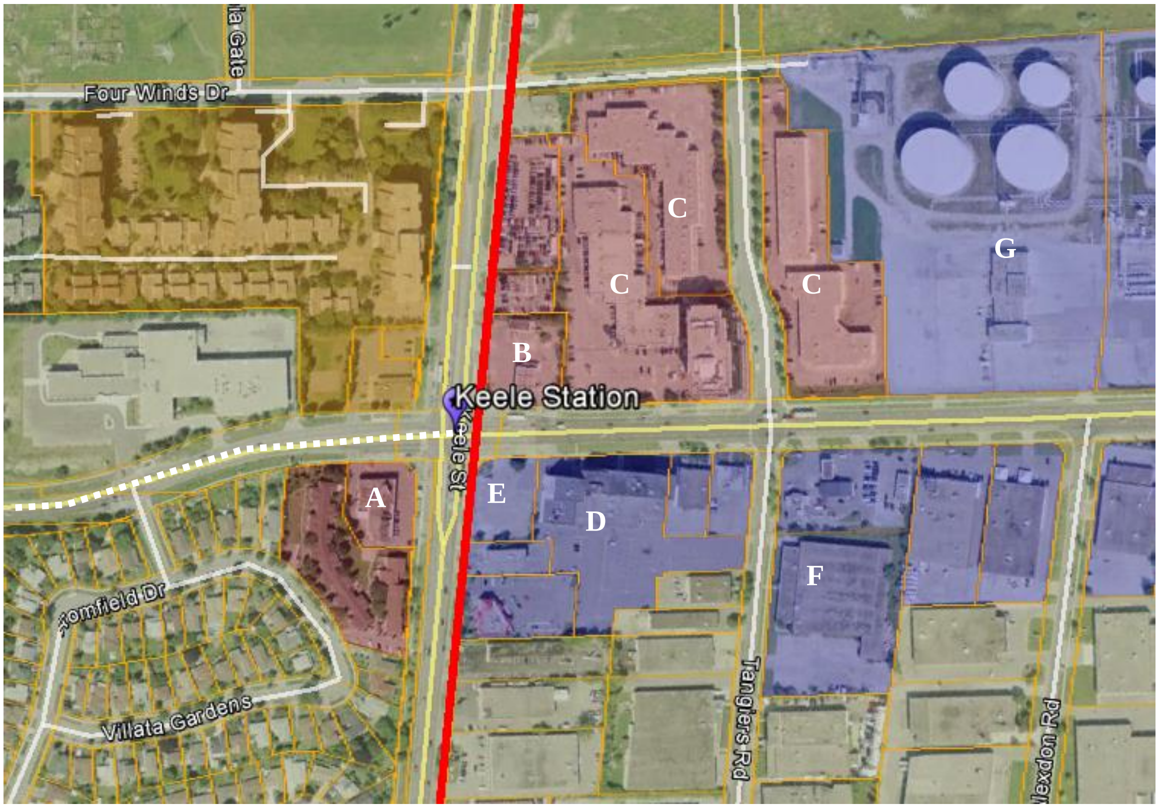
- An eight storey medical office building east of Keele Street at Tangiers Road. This is the approved 'University Heights' project detailed above.

11.5 Development Activity and Opportunities:

The intersection of Keele and Finch and its future transit access will make this a very powerful market area in the future. The development opportunities are largely confined to the intersection of Keele and Finch, with some potential to redevelop some of the employment land east of Keele Street for office and other more compact forms of commercial development. Development interest is emerging in this area, which is likely could undergo major transformation in the near to mid-term.

Following are the major development opportunities within this submarket as illustrated by Figure 19:

Figure 19: Submarket 7 and 8 Development Assessment



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

A: Centennial Plaza and adjoining townhomes

- A small older commercial plaza that is likely too small to accommodate significant development. The parcel has no signs of reinvestment and has been owned by the same entity since 1997.

- The adjoining townhouse block is a rental complex with both underground and surface parking. The consolidation of these parcels would represent an excellent development opportunity and could attract significant market interest as the high-order transit at this intersection becomes operational.

B: Imperial Oil Site

- This gas station has been demolished as the City is leasing the land from Imperial Oil to facilitate construction on the Spadina subway expansion. The parcel is approximately 0.85 acres in size and is designated Mixed-Use.

- NBLC understands Imperial Oil intends to construct a new gas station when construction is finalized on the subway. Prime intersections in urban areas are often targeted and rarely sold by large oil companies as they are ideal locations for gas bars and associated retail.

- The reconstruction of a gas station at this location will represent a missed opportunity to take advantage of the transportation infrastructure. This development option will represent poor built form and will be unattractive for those using the transit infrastructure, including the new bus terminal immediately to the north.

C: Finch Keele Commercial Centre

- This is a large office complex that is entirely condominium in ownership, and contains single and multi-storey office and retail space. The parcels have over 300 owners.

- Redevelopment of intensification of the site would involve a very expensive and complicated land assembly but could be possible in the long-term.

D: 1315 Finch Avenue West

- The nearly three acre site is owned by Pro-X Group, and is an excellent parcel that could accommodate significant redevelopment in the future. While no applications have been filed, the site represents a development opportunity and has already attracted significant market interest as a result.

E: City Owned Parcel:

- Excellent opportunity for redevelopment. Could be incorporated with a larger development with adjoining restaurant parcels to the south and the mixed-use proposal to the east (F).

F: 25 Tangiers Road

- Immediately south of the University Heights project, this site was purchased in 2013 for $4.1 million. Redevelopment plans are unknown at this time.

G: Imperial Oil Lands

- As the LRT and subway is implemented, the market may mature to the point where this land is able to be redeveloped for a more transit supportive use. This is considered a long term opportunity and in the interim represents a key employment use.

12.0 Summary

Overall, we expect the market demand for residential uses, and to lesser extent office and commercial uses to improve with the new LRT service. Demand will be strongest in the areas that are within walking distance of a station, typically 500 metres. However, all areas will not respond in a similar or consistent manner as other issues such as the existing land use and ownership pattern as well as the motivating interests of the land owners will also influence the future direction of the development of these lands. In general 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.

Based on the trend of increasing residential property values since 2005 and the expected transit influenced appreciation of housing, it is not unreasonable for a single detached house to range between $700,000 and $750,000 by 2025. This will put pressure on affordability and increase demand for higher-density forms of housing especially within close proximity to rapid transit.

While the loss of manufacturing jobs is not expected to be reversed as a result of the LRT, the increase in population associated with higher density housing formats may allow the opportunity for increased activity and jobs in other sectors of employment such as institutional and population serving office uses, commercial services, and retail. Early signals of strength in the office market is evident in key locations surrounding the hospitals and the Keele and Finch intersection where rents are high relative to other locations in the corridor. The City's IMIT program could also increase market attractiveness for new investment in this area of the City.

In the near term, we expect significant development pressure at the Keele and Finch intersection that could have transformative impacts in the character of the area if properly planned. Development interest and applications are already in play in this area. Emery Village may also experience significant near term investment as a result of the transit due to its highway accessibility as well as the development and market activity currently taking place. The Thistletown site, Albion Mall, and Humber College also offer strong opportunities to react to market influences generated by new transit but are less advanced in their planning and more complex sites from an ownership and development perspective.

In general, over the long term we expect that given the current and projected market context of the area, the new Finch LRT will support increasingly significant reinvestment along the corridor particularly in the residential market place.

Appendix A: Market Research

Project Name / Developer	Open Date	Status*	Storeys	Total Units	Total Sales	% Sold	Size Range (sq. ft.)	Price Range	Avg. $PSF** Org.	Avg. $PSF** Curr.	Abs. Rate*** 70%	Abs. Rate*** Overall
Actively Marketing (New) Condominium Apartment Projects in the Study Area As of November 30th, 2014												
High-Rise Condominium												
The Lexington *Royale Grand Woodbine*	Apr-12	UC	17	171	126	74%	568 - 2,508	$246,900 - $1,100,000	$446	$455	7.1 *17.2*	4.0 *31.2*
Cloud9 *Lash Development Corp*	Nov-11	UC	12	260	211	81%	515 919	$229,990 $372,990	$375	$425	6.1 *30.9*	5.7 *36.9*
Sub-Total/Averages			15	431	337	78%	515 - 2,508	$229,900 - $1,100,000	$403	$439	6.4	4.9
Stacked Townhomes												
Westown *Lindvest*	May-09	SI	3	110	109	99%	635 - 902	$194,900 - $233,900	$238	$307	4.9 *15.8*	1.6 *66.8*
Brownstones at Westown *Lindvest*	Nov-13	Pre	3	152	46	30%	942 - 1,016	$329,900 - $379,900	$379	$363	- -	3.7 *12.5*
Sub-Total/Averages			3	262	155	59%	635 - 1,016	$194,900 - $379,900	$320	$362	4.9	2.0
Cancelled Condominium Apartment Projects in the Study Area As of November 30th, 2014												
Project Name / Developer	**Open Date**	**Status***	**Storeys**	**Total Units**	**Total Sales**	**% Sold**	**Size Range (sq. ft.)**	**Price Range**	**Avg. $PSF** Org.**	**Curr.**	**Abs. Rate*** 70%**	**Overall**
Oxford - Admiral Towers *Solmar*	Jul-13	TC	18	129	39	30%	530 - 1,170	$224,900 - $483,900	$424	-	- -	10.8 *3.6*
Centrillium *Rose Valley Homes*	Nov-03	Can	18	140	58	41%	432 - 812	$119,900 - $213,900	$263	-	- -	9.2 *6.3*
Neighbourhoods of Downsview Park *Urbancorp*	Nov-11	Can	3	170	51	30%	675 - 1,080	$259,900 - $379,900	$369	-	- -	1.8 *28.9*
Sub-Total/Averages				439	148	34%	530 - 1,170	$119,900 - $483,900	$351.36	-	-	3.8
Sold Out Condominium Apartment Projects in the Study Area As of November 30th, 2014												
Project Name / Developer	**Open Date**	**Status***	**Storeys**	**Total Units**	**Total Sales**	**% Sold**	**Size Range (sq. ft.)**	**Price Range**	**Avg. $PSF** Org.**	**Curr.**	**Abs. Rate*** 70%**	**Overall**
Mansions of Humberwood I *Tridel*	Oct-02	SO	29	449	449	100%	635 - 1,480	$172,500 - $373,000	$250	-	11.8 *26.8*	5.7 *78.8*
Mansions of Humberwood II *Tridel*	Oct-04	SO	29	471	471	100%	615 - 1,480	$169,000 - $397,700	$260	-	17.3 *19.0*	8.4 *56.1*
Harmony Village *Willowfield Homes*	Nov-04	SO	4	308	308	100%	580 - 1,244	$159,900 - $279,900	$240	-	12.0 *18.6*	4.2 *73.6*
The Winds *Jaymor Group*	Oct-03	SO	4	112	112	100%	675 - 1,250	$158,900 - $269,900	$218	-	61.5 *1.4*	11.8 *9.5*
Sub-Total/Averages				1,340	1,340	100%	580 - 1,480	$158,900 - $397,700	$249	-	14.5	6.2

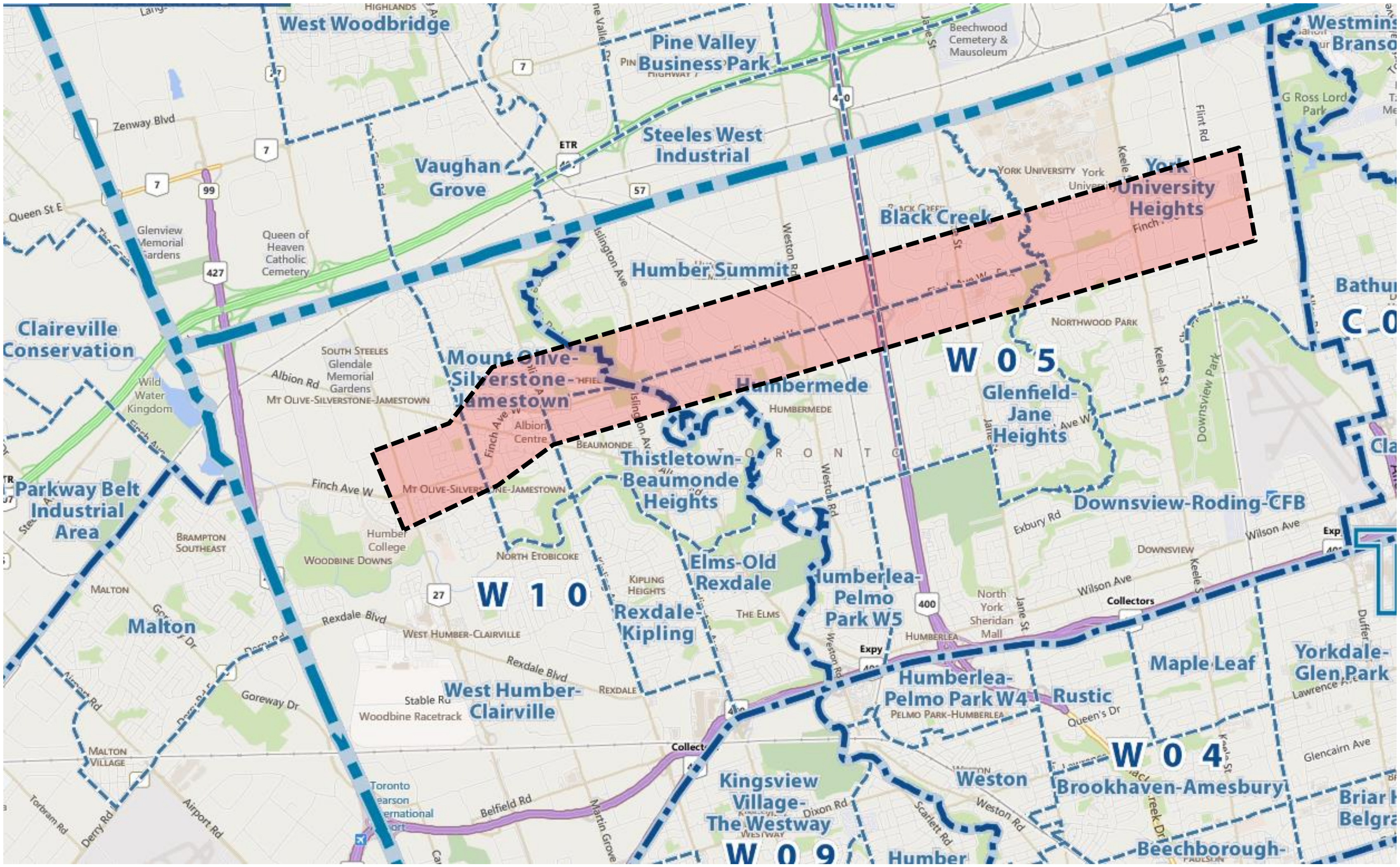
Source: Realnet Canada Inc., N. Barry Lyon Consultants Ltd.

*Status: "Pre" = pre-construction, "UC" = under construction, "SI" = standing inventory; **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 November 20, 2014.

Purpose-Built Rental Apartment Market Summary Statistics Finch Corridor, October 2014								
Sub-Market	**Rental Universe**	**Studio**	**1B**	**2B**	**3B+**	**Vacancy Rate**	**Median Rent**	**Avg. Rent**
Submarket 1	-	-	-	-	-	-	-	-
Submarket 2	2,774	0%	13%	59%	28%	0.9%	$1,157	$1,164
Submarket 3	400	0%	15%	64%	22%	-	-	-
Submarket 4	1,480	0%	21%	63%	16%	0.2%	$1,024	$1,056
Submarket 5	503	3%	24%	58%	15%	2.8%	$975	$959
Submarket 6	4,989	1%	31%	53%	15%	2.3%	$1,035	$1,039
Submarket 7	2,352	4%	55%	32%	9%	0.4%	$937	$984
Submarket 8	390	0%	19%	67%	14%	-	-	-
City of Toronto:	256,825	9%	43%	40%	9%	1.6%	$1,100	$1,170

Source: CMHC, N. Barry Lyon Consultants Ltd

MLS Residential Resale and Commercial Lease Zone Boundaries



Source: Toronto Real Estate Board Multiple Listing Service

Submarket 1 Resale Transactions February 2014 - February 2015							
Neighbourhood / Product Type	**Listings**	**Sales**	**SLR**	**Average List Price***	**Average Sold Price**	**SLP****	**Average DOM*****
West-Humber Clairville							
Attached/Row/Townhouse	*16*	*15*	*94%*	*$455,937*	*$441,840*	*97%*	*12*
Detached	*205*	*168*	*82%*	*$511,766*	*$500,629*	*99%*	*31*
Semi-Detached	*22*	*18*	*82%*	*$496,834*	*$470,451*	*97%*	*33*
Freehold Total/Average:	**243**	**201**	**83%**	**$506,738**	**$493,539**	**98%**	**30**
Condominium - Apartment	*192*	*119*	*62%*	*$256,474*	*$243,624*	*97%*	*46*
Condominium - Townhome	*65*	*45*	*69%*	*$210,121*	*$228,044*	*98%*	*52*
Condominium Total/Average:	**257**	**164**	**64%**	**$244,751**	**$239,349**	**97%**	**48**

**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 (Mount Olive-Silverstone-Jamestown and Thistletown-Beaumonde Heights)							
Attached/Row/Townhouse	*4*	*4*	*100%*	*$374,225*	*$362,500*	*97%*	*19*
Detached	*191*	*144*	*75%*	*$540,291*	*$499,579*	*98%*	*32*
Semi-Detached	*34*	*31*	*91%*	*$418,667*	*$415,365*	*99%*	*15*
Freehold Total/Average:	**229**	**179**	**78%**	**$519,332**	**$481,931.19**	**98%**	**30**
Condominium - Apartment	*267*	*164*	*61%*	*$172,384*	*$171,388*	*97%*	*55*
Condominium - Townhome	*37*	*30*	*81%*	*$308,955*	*$290,787*	*97%*	*37*
Condominium Total/Average:	**304**	**194**	**64%**	**$189,006**	**$189,852**	**97%**	**53**

**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 3,4 and 5 Resale Transactions February 2014 - February 2015							
Neighbourhood / Product Type	**Listings**	**Sales**	**SLR**	**Average List Price***	**Average Sold Price**	**SLP****	**Average DOM*****
Submarket 3,4 and 5 Total (Humber-Summit and Humbermede)							
Attached/Row/Townhouse	*1*	*0*	*0%*	*$459,000*	-	-	-
Detached	*57*	*35*	*61%*	*$726,835*	*$615,034*	*97%*	*49*
Semi-Detached	*160*	*140*	*88%*	*$449,167*	*$441,255*	*99%*	*21*
Freehold Total/Average:	**218**	**175**	**80%**	**$521,813**	**$476,011**	**99%**	**28**
Condominium - Apartment	*67*	*47*	*70%*	*$149,180*	*$146,376*	*96%*	*44*
Condominium - Townhome	*50*	*30*	*60%*	*$279,168*	*$283,440*	*98%*	*39*
Condominium Total/Average:	**117**	**77**	**66%**	**$204,731**	**$199,778**	**97%**	**42**

**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 6 Resale Transactions February 2014 - February 2015							
Neighbourhood / Product Type	**Listings**	**Sales**	**SLR**	**Average List Price***	**Average Sold Price**	**SLP****	**Average DOM*****
Submarket 6 Total (Black Creek and Glenfield-Jane Heights)							
Attached/Row/Townhouse	-	-	-	-	-	-	-
Detached	52	37	71%	$520,160	$485,927	97%	51
Semi-Detached	166	143	86%	$459,230	$451,151	99%	29
Freehold Total/Average:	**218**	**180**	**83%**	**$473,764**	**$458,299**	**98%**	**34**
Condominium - Apartment	108	62	57%	$121,257	$112,056	96%	75
Condominium - Townhome	98	73	74%	$204,267	$201,407	97%	40
Condominium Total/Average:	**206**	**135**	**66%**	**$160,748**	**$160,372**	**96%**	**58**

**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 7 and 8 Resale Transactions February 2014 - February 2015							
Neighbourhood / Product Type	**Listings**	**Sales**	**SLR**	**Average List Price***	**Average Sold Price**	**SLP****	**Average DOM*****
York University Heights							
Attached/Row/Townhouse	9	8	89%	$476,483	$468,188	98%	54
Detached	82	57	70%	$674,923	$637,632	97%	37
Semi-Detached	98	73	74%	$613,609	$584,460	99%	41
Freehold Total/Average:	**189**	**138**	**73%**	**$633,681**	**$599,682**	**98%**	**40**
Condominium - Apartment	147	102	69%	$288,409	$258,754	98%	47
Condominium - Townhome	35	29	83%	$293,480	$286,184	98%	32
Condominium Total/Average:	**182**	**131**	**72%**	**$289,385**	**$264,827**	**98%**	**44**

**Includes listings that did not sell   **SLP = sold-to-list price ratio   ***DOM = days on market*

Source: Toronto Real Estate Board, Multiple Listing Service

Finch West Corridor Resale Transactions February 2014 - February 2015							
Neighbourhood / Product Type	**Listings**	**Sales**	**SLR***	**Average List Price**	**Average Sold Price**	**SLP****	**Average DOM*****
Attached/Row/Townhouse	29	27	93%	$451,043	$437,893	97%	26
Detached	459	351	76%	$559,443	$521,827	93%	35
Semi-Detached	244	198	81%	$520,883	$498,561	96%	30
Freehold Total/Average:	**732**	**576**	**79%**	**$542,295**	**$509,895**	**94%**	**33**
Condominium - Apartment	683	437	64%	$214,910	$205,284	96%	85
Condominium - Townhome	162	120	74%	$251,972	$251,829	100%	51
Condominium Total/Average:	**845**	**557**	**66%**	**$222,016**	**$215,312**	**96%**	**77**

**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	$15	$13	109	4,786
Office	$11	$11	217	8,891
Industrial	$6	$5	195	8,861
Submarket 2 Commercial Lease Transactions February 2014 - February 2015				
Employment Sector	**Average List Price ($PSF)**	**Average Leased Price ($PSF)**	**Average DOM**	**Area (SF)**
Retail and Service Commercial	$15	$12	94	2,177
Office	-	-	-	-
Industrial	-	-	-	-
Submarket 3,4,5 Commercial Lease Transactions February 2014 - February 2015				
Employment Sector	**Average List Price ($PSF)**	**Average Leased Price ($PSF)**	**Average DOM**	**Area (SF)**
Retail and Service Commercial	$12	$12	56	3,544
Office	$10	$8	74	2,655
Industrial	$5	$5	77	6,079
Submarket 6 Commercial Lease Transactions February 2014 - February 2015				
Employment Sector	**Average List Price ($PSF)**	**Average Leased Price ($PSF)**	**Average DOM**	**Area (SF)**
Retail and Service Commercial	$25	$24	69	1,306
Office	-	-	-	-
Industrial	$5	$5	77	7,569
Submarket 7,8 Commercial Lease Transactions February 2014 - February 2015				
Employment Sector	**Average List Price ($PSF)**	**Average Leased Price ($PSF)**	**Average DOM**	**Area (SF)**
Retail and Service Commercial	$15	$13	175	3,486
Office	$14	$14	277	2,819
Industrial	$5	$5	132	11,586
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%
Cevero, 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%
Cevero, 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 Wuth 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%
Cevero, 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%
Cevero, 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, M et 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