

DEVELOPMENT

Build Toronto eyeing its first sale

Final negotiations under way to sell Front Street property that was Greyhound parcel depot

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The city has a buyer for the first property to sell after it set up an arms-length body 19 months ago to deal with lucrative sites it can no longer use.

Build Toronto is in final negotiations with Cityzen Development over 154 Front St. E., the former Greyhound parcel office that went up for sale this spring.

The Toronto Transit Commission has also signed an offer to lease a site near Yonge and York Mills and bidding has closed for two other residential developments in the city's downtown and west end. The offers come as Build Toronto prepares to get its marching orders from a new council and a mayor who has announced his intention to capitalize on unused municipal land and leverage private-sector cash as much as possible.

Build Toronto CEO Lorne Braithwaite said the organization is preparing to move forward on the other 35 properties it has on its plate, and adding several more.

"I think there may be some thought put into the idea of speeding up the amount of properties that we attempt to monetize. ... There's a certain probability that we'll be asked that question," he said, adding that he doesn't think the group has been slow to move forward. "It's gone by like a flash. ... It's way beyond my initial expectations in terms of what I thought we could accomplish in the short term."

It's still early days, said Cityzen's Joe Cordiano, and neither party would say how much the Front Street property is selling for as financing and density are still being negotiated.

"I can tell you this," Mr. Cordiano said, "it'll be exciting."

The plan is for a multistorey condominium tower, likely with retail on ground level. Others who bid on the project said their impression was that Cityzen's winning bid was more aggressive in the density it proposed.

But "it's just all premature right now," Mr. Cordiano noted. "It all depends on approvals. ... Right now everything's stalled. Lots of people are complaining that approval's not happening fast enough."

Cityzen has been working with Castlepoint Realty and Continental Ventures on developing some of the city's waterfront property, as well as the curvaceous "Marilyn Monroe" condominium towers in Mississauga.

Build Toronto has also reached an agreement to lease with the TTC, which came under fire earlier this year for its plans to build a fancy new headquarters and transit museum at 4050 Yonge St., which is now a parking lot at York Mills station. Build Toronto and the TTC said details of the lease can't yet be released because financing is still being finalized.

Build Toronto has closed bids for two other properties - one at 120 Harbour St., a couple of blocks up from the water; the other in the city's west end near the Islington subway station. Both are destined for largely residential developments.

In selling off some of the last open sites in a city whose developers are turning increasingly to infill for residential development, Mr. Braithwaite admits the group hit somewhat of a sweet spot in the market - both by luck and by design.

Both their downtown properties were actually supposed to go to market next year, he said.

"We moved both of them into 2010 because market conditions changed so quickly."

CURRENT DEALS AND WHAT THE FUTURE HOLDS

Thirty-five sites have been transferred to Build Toronto since its original creation in May of 2009, for a total of 4.5 million square feet of retail and commercial space, 8.5 million square feet of residential space and one million square feet of industrial space. Here's where they're at right now:

AGREEMENTS SIGNED

A. 154 Front St. E.

The former Greyhound station is seen as a prime location for the kind of pricey condos that are sweeping the eastern downtown. Cityzen Developments is in final talks with Build Toronto over a price for a condominium tower and ground-floor retail.

B. 4050 Yonge St.

Build Toronto has called the two-acre site, now a commuter parking lot at York Mills station, "one of the most undeveloped and underutilized sites in Toronto." It's now slated to become the Toronto Transit Commission's swanky new headquarters, home to a transit museum that was much derided during the mayoral race. The site is projected for a 450,000-square-foot development. Financing is expected to be completed by the end of year, with community consultation next week and in January.

MARKETED SITES:

C. 120-130 Harbour St.

This is where you used to go when your car got towed. Now, the city is hoping to sell it for high-rise residential develop-



ments, possibly with a retail component. A request for proposals closed this month; Build Toronto is assessing them now.

D. 64-70 Cordova Ave.

Now a parking lot near the Islington subway station, this 3.33-acre site is being sold for residential uses. Bidding closed in August but no successful bidder has been named.

E. 1035 Sheppard Ave. West

Fifty-four-acre site near the

Downsview subway station is expected to host a mixed-use community with more than two million square feet of office and retail space and more than 3,000 units of high-rise and low-rise residential units.

F. 260 Eighth St.

Now a mostly empty lot near Islington Avenue and Lakeshore Boulevard; the 24-acre lot is zoned for employment uses.

G. 301 Rockcliffe Blvd.

Now a flat, vacant, 15.54-acre

lot near St. Clair Avenue - likely destined either as a sale or joint-venture opportunity for commercial use.

H. 75 Billy Bishop Way

The 4.62-acre site is slated for retail, likely a lease opportunity but with a potential for purchase, as well.

I. 30 Tippet Rd.

The site, 5.5-acres near Wilson Avenue and Allen Road, is designated for industrial use.

Anna Mehler Paperny

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Lorne Braithwaite
Build Toronto CEO

Build Toronto faces somewhat more of a challenge when it comes to selling properties farther from the city's core that are zoned either commercial or industrial: Four of the seven sites now on the market are either for industrial, retail or other commercial purposes.

While it's part of the city's prerogative to preserve so-called "employment areas" from the encroachment of omnipresent condo towers, it can be harder to make the real-estate case.

"Certainly, there's less demand for commercial and industrial than there is for downtown residential," said Cushman & Wakefield's Jamie Ziegel.

"That doesn't mean it's not an appropriate time to sell some of those assets. ... But, yes, it's a less active market right now."