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Blooming brilliant

Balconies have a bigger role to play in our streetscape: **Christopher Hume, H8**

NEW IN HOMIES & CONDOS

SATURDAY, JANUARY 18, 2014 SECTION H

ON ON2 V2

> SAVING OUR TREES

We must rebuild the canopy



RAFFI ANDERIAN/TORONTO STAR FILE PHOTO

Star staffer Raffi Anderian had a 40-foot ash tree on his Richmond Hill front yard. This is how it looked the morning after the ice storm.

Fallout from the ice storm will claim an estimated two million trees in GTA

MARK CULLEN
SPECIAL TO THE STAR

"Toronto trees had a very bad day."

This statement by Meaghan Eastwood, project manager of Toronto and Region Conservation Authority, best describes the ice storm that hit the GTA starting on the evening of Saturday, Dec. 21.

As rain fell and formed into ice, the branches of millions of trees caught the wave and became so burdened they bowed under the pressure. Many of them simply broke.

Some trees were felled to the ground, severed from their roots in twisted, splintered hulks. The cleanup,

"We need to plant the right tree in the right place."

PHILLIP VAN WASSENAER
FOUNDER,
URBAN FOREST
INITIATIVES INC.

we are told, will take another four to six weeks.

While the full extent of the damage is still being assessed city staff has estimated that damage to the Toronto tree canopy may be in the range of 20 per cent.

There are 10 million trees in the public and private spaces of the city; that means we are at risk of losing up to 2 million trees.

The city has budgeted for the planting of 120,000 new trees this year, a commitment that was approved before the ice storm.

With these numbers in mind, it is obvious that we have a "crisis" of another kind on our hands. Our tree canopy has been in decline since the early 1960s and the catastrophic ice storm does not help matters.

TREES continued on H4

Top condo builders see a 'robust' year ahead

Round table discussion finds location, transit draw buyers

TRACY HANES
SPECIAL TO THE STAR

Ask the leading condominium developers in the Greater Toronto Area how they're feeling about the 2014 highrise market, and you'll hear "confident," "optimistic" and "bullish."

Indeed, the mood was positive when **Jim Ritchie**, senior vice-president sales and marketing for Tridel Corp.; **Riz Dhanji**, vice-president of sales and marketing for Canderel Residential Inc.; **Jared Menkes**, development manager for Menkes Developments; CentreCourt Developments president **Andrew Hoffman**; and Lanterra Developments principal **Mark Mandelbaum** — along with **George Carras**, president of RealNet Canada Inc. market research — gathered for a round-table discussion at the Star. Danny Roth, principal of Brandon Communications, moderated.

All five developers have launched, or are planning to launch, major projects in the first half of 2014 — underscoring their confidence in the market.

Their optimism is tempered by caution and discipline, however, and they stress it is industry discipline that ensures the market's continued sustainability.

What happened in 2013

Carras, whose firm RealNet provides background, analysis and insights on the real estate market, said the GTA is one of the most critical property markets in Canada.

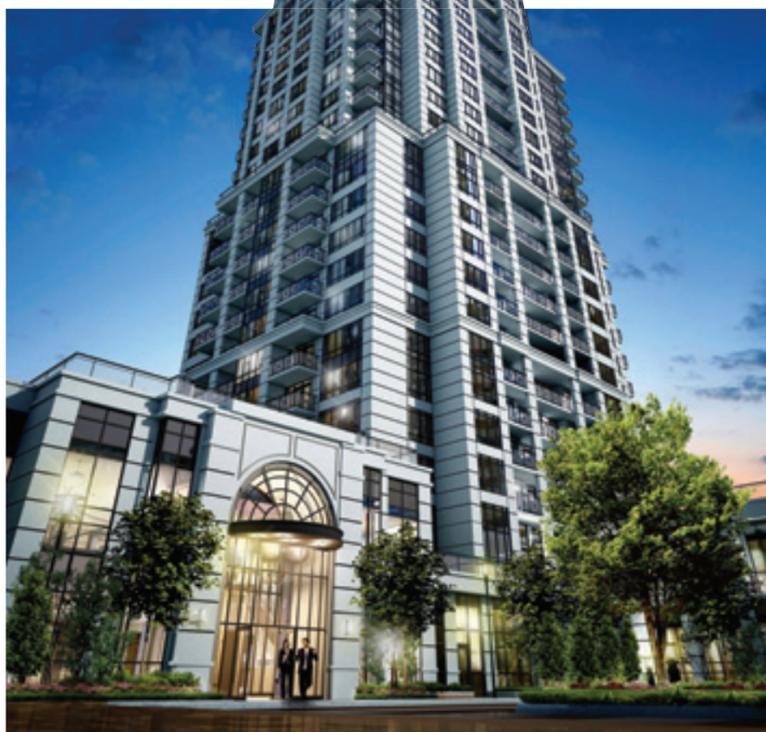
Its condo market, he noted, is increasingly relied upon to provide new housing.

DEVELOPERS continued on H8

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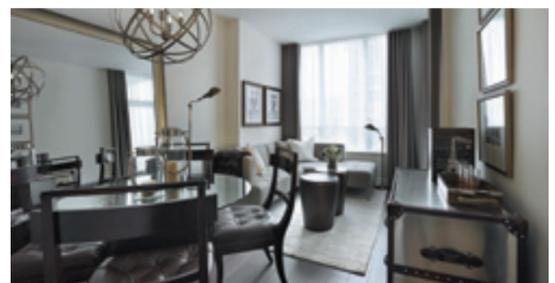
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Occupancy in 2014.

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>> HOMES & CONDOS

> CONDO SPOTTING

May thousands of balconies bloom



Christopher Hume

If you added up all the balconies in Toronto, there would be thousands upon thousands. At this point in the city's evolution, the balcony seems to be everywhere you look.

Yet, for all of that, they remain strangely invisible. Often, one isn't sure they are just a selling feature, or an architectural design element, not actually intended for real use. They are either too small or too close together to be enjoyable. Maybe that's why so many end up as little more than convenient storage, a good place to put bikes and the like.

Balconies came in handy for many highrises recently as a place to leave frozen food when the ice storm interrupted the power supply.

But in the majority of cases, balconies are dead zones, empty spaces — for the most part forgotten and overlooked. That's unfortunate; balconies could contribute enormously to the look and feel of the city. Most obviously, perhaps, if residents planted their balconies, Toronto could be remade as a green city. Balcony gardening has the potential to change things literally from top to bottom.

Other cities and cultures have embraced the possibilities and incorporate their balconies not just as an extra element of individual



Greenery is part of balcony design at newly opened Museum House condominium on Bloor St.

space, but as part of the greater urban landscape. In Italy, for example, one sees balconies that are serious gardens. Clearly, they bring huge pleasure to those who tend them, but they also contribute significantly to the experience of the larger community.

In Bern, Switzerland, there are even rules obliging residents on main streets to plant red geraniums in window boxes. The cumulative effect is marvellous. With the balcony, it could be even more so.

Among the Toronto highrise condos to grasp the idea is Museum

House on Bloor St. Every terrace of the 19-floor tower is decorated with a similar pattern of hanging plants. The result is still a bit uniform, but the building opened only recently and the greenery will grow in. Already, the condo stands out — and for all the right reasons. The already handsome glass-and-steel condo comes to life thanks to the simple addition of plants. It softens the tower's otherwise hard surfaces and creates the sense of a building connected to nature, indeed, of a building that incorporates nature.

As Museum House architect, Sol

Wassermuhl, explains, the plants come with the condos. "The condo corporation takes care of them," he says. "And they are taken care of very well. There's an irrigation system that keeps them properly watered. People love them. We've had a very positive response. I'm surprised other people aren't picking up on the idea."

Wassermuhl also believes his planted balconies make the project more attractive, desirable and ultimately more valuable. That shouldn't come as a surprise; humans respond well to greenery. Numerous studies have



Red geraniums are decreed for streetscapes in Bern, Switzerland.

proved that, and state-of-the-art hospitals even include views of vegetation in their design.

But beauty is not something architects and planners in Toronto are comfortable talking about. And in this city, where each condo seems a NIMBY fortress, owners set endless rules about what is and is not allowed on balconies. No wonder so many feel it's easier just to say no than risk the addition of anything that might be a problem.

It's time we got over it; time to let a thousand balconies bloom. chume@thestar.ca

Pent-up demand will make for a good year

DEVELOPERS from HI

After record sales in 2011, the market "dialed back" in 2012 and 2013 (about 15,000 to 17,000 sales) and decision-making was tighter and more rigorous. "And I think it (the market) has gotten much stronger as a result," said Carras.

"There's always a cycle and that's clearly the case in the condo market," said Mandelbaum, "but it looks like we're edging up from a modest cyclical adjustment (in 2013). It's not unwelcome, it's a safety valve."

"We think Toronto is one of the most robust high-density markets in the world. You have to appreciate the fact that there are always going to be cycles and, if you prepare for it, it's not bad."

Why condos are important to the GTA

With government policy mandating that development "goes up, not out," a trend toward greater urbanization, a widening gap between lowrise and highrise prices, and the influx of 80,000 new immigrants into the GTA, the condo market is more relevant than ever, the panellists said.

Hoffman pointed out the importance of the condo sector to the rental market since no new rental housing has been built within the GTA in the last 35 years — without continued condo construction, a serious shortage of rental units would be felt.

Condos are also needed to allow the region to maintain an affordable home ownership option for people, said Carras, who noted the price spread is \$220,000 between lowrise and highrise homes.

"And we are the only affordable option," added Ritchie. He said demographics indicate that 59 per cent of households in the City of Toronto

have two people or less, "so it's a perfect marriage for what we build."

"There are not many large cities where you can live downtown and (afford to) own your home," pointed out Menkes.

Factors in successful condo projects

The panellists agreed location, brand, product and price are the keys to creating successful projects. As well, connection to transit has become a high priority for buyers.

"It's a desire of people to avoid gridlock and they are valuing their time more than (having) a yard," said Hoffman. "The trend toward urbanization will continue."

The panellists agreed that connection — connection to subways and transit, connections to amenities — is important with buyers who want to work, live, play and learn all within close vicinity.

Buyers are extremely sophisticated and educated, the panellists agreed, and know how to read and understand market reports — particularly from uninformed sources (such as those from the U.S. who don't understand the Canadian market) — and filter negative reports.

"Consumers today understand that, when they buy from a large developer, they know what they'll be getting," said Dhanji.

A builder's brand is "crucial," said Mandelbaum. "It's recognized in the marketplace by consumers and puts a very serious responsibility on us as developers to maintain that standard. . . when it comes to the sophistication of the consumer, there is a quantum difference from 10 years ago and I think it's something that's been overlooked by the media and overlooked by banks."



KEITH BEATY/TORONTO STAR

Participants in the Star's round table discussion about the 2014 condo market, from left, Toronto land developers Jim Ritchie of Tridel Corp.; George Carras, RealNet Canada Inc.; Jared Menkes, Menkes Developments; Danny Roth, Brandon Communications; Riz Dhanji, Canderel Residential; Andrew Hoffman, CentreCourt Developments; and Mark Mandelbaum, Lanterra Developments.

About 90 per cent of sales are made through third-party agents, said Ritchie, with most buyers choosing to be represented by professional agents who have an in-depth expertise in dealing with the increasingly complex condominium industry.

"Purchasers need that confidence when somebody who is their agent tells them 'this is a great unit, this is a great price, you'll do well.' And these agents don't want their clients to lose money in a deal," said Mandelbaum.

Who the buyers are

Investors will continue to play an important role in the GTA condo market, yet definitive statistics are not available to quantify the sales made to investors. The developers agreed that no one owns more than one or two units per building but may own units in several buildings.

With end-user buyers (those who live in their units), Ritchie said the average age is 42. The largest segment of the market is still first-time buyers, who tend to buy units in the lower-end, \$300,000 range. A growing segment is the single female, who represents about a third of Tridel

buyers. And the baby boomer is the dominant force in the luxury market.

But, Ritchie cautioned against pigeonholing buyers with a generic description.

Headwinds in the condo market

A negative for the condo market in 2014 is the Monday, Oct. 27, municipal election. Within months, the election is expected to bring a slowdown in approvals at city hall as politicians begin campaigning and decisions are deferred until the new council is in power. With development fees set to rise, developers are also pushing to get approvals through.

"We are going to see a very significant slowdown in product approvals starting in spring 2014," said Mandelbaum.

The developers said government-imposed regulations have gone far enough to moderate the market and more could hurt the industry. In July 2012, the Ottawa tightened mortgage rules, which included reducing the maximum amortization period for a government-insured mortgage from 30 to 25 years, and dropping the upper limit that Canadians could bor-

row against their home equity from 85 per cent to 80 per cent.

"One of the biggest challenges in the marketplace has been the endless chatter on what will happen," said Ritchie. "Our industry does have discipline and I believe this has been demonstrated for decades." With slower sales in 2011 and 2012, developers slowed the number of new projects and the market was able to absorb the inventory.

Outlook for 2014 and beyond

"Toronto is a great city with great trend lines. The urbanization trend will only increase and make vibrancy that much greater," said Hoffman. "Transportation is huge issue that's driving people to live and work downtown."

"We are going to continue to be prudent, but we believe there is a bit of pent-up demand," said Ritchie, whose company has condominium projects in six different GTA locations catering to all segments of the market.

"I think it's going to be an exciting year," said Dhanji. "People have been waiting two years for a market correction and they realize it's not going to happen. There is pent-up demand and I think everyone will be pleasantly surprised by the numbers at the end of the year."

Menkes said his company is confident about the year ahead, with "location and brand" the two main themes that draw buyers to his company's buildings.

"We believe there's been an improvement in consumer confidence, and the banks will retain discipline, which is a good thing, and the industry will retain caution which is a good thing," said Mandelbaum. "There have been fewer launches in recent years and, ultimately, it's consumer confidence that drives the boat. It doesn't matter what it costs today. The only thing they care about is whether it's going to be worth more tomorrow. That's such an important concept in what we do and I believe there is a pent-up demand."

> MARKET STATUS OF MAJOR PROJECTS BY THE ROUND-TABLE DEVELOPERS



CORE CONDOS

Developer: CentreCourt Developments
Location: Church St. & Shuter St. (1 block east of intersection)
Selling status: Pre-registration
Development size: 220 units, 24-storeys
Suite sizes: 390 sq. ft. to 775 sq. ft.; studios to two-bedroom-plus den;
Price: From the low \$200,000s



BAYSIDE TORONTO, PHASE 2

Developer: Tridel
Location: Queens Quay E., adjacent to Sherbourne Commons
Selling status: Pending
Development size: Approximately 265 suites



11 WELLESLEY

Developer: Lanterra Developments
Location: 11 Wellesley St. W.
Selling status: Pending
Development size: Mixed use with 2 residential towers, 45 and 54 storeys. Includes proposed public park.
Suites: Approximately 1,300
Price: Pending



HARBOUR PLAZA RESIDENCES

Developer: Menkes Developments Ltd.
Location: York St. & Harbour St. (90 Harbour St.)
Phases: Phase One - East Tower; Phase Two - West Tower
Selling status: Registration phase
Development size: 1,315 suites between two towers. East Tower: 62 storeys; West Tower: 65 storeys.
Suite sizes: 373 sq. ft. up to 1,126 sq. ft., including studio, one-bedroom, one-bedroom-plus-den, two-bedroom, two-bedroom-plus den, three-bedroom.



YC CONDOS, YONGE AT COLLEGE

Developer: Canderel Residential
Location: Yonge and Grenville Sts.
Selling status: Late spring 2014
Development size: 66 storeys
Price: Starting at mid-\$200,000s