



We're in your neighbourhood!

BOSLEY
REAL ESTATE

416.322.8000

STEVEN FUDGE
sales representative

Bosley Real Estate Ltd., Brokerage



Understanding the Development Process - Part 1

Given urbaneer.com's history of launching multiple new and loft conversion condominium projects within the City of Toronto over the past twenty years, we are frequently asked how a project goes from concept to completion. Whether you are converting a small building into a few residences or intensifying the urban core with a mid-to-high-density condo project, the process by which you go from idea to execution tends to follow a similar course of action. Why is that?

There are multiple steps that are required when a development team is undertaking a new project. This week, we examine the front-end of the process, and will continue the discussion in Part 2 - coming soon!

Locate Appropriate Land at a Development Price

A development team specializing in residential condominiums seeks sites where the improvement, intensification or change of land use to residential will be the highest and best used. Under-utilized or obsolete land parcels amidst areas of changing use are key locations to monitor, although development teams are open to other possibilities, given the dynamic nature of the market. There are varying means to ascertain land value, but a simple rule of thumb in the city of Toronto is to allocate about 25 percent of your pro-forma to land costs. Given land is so expensive, this can easily account for 35 percent of your total development budget.

Review Existing Zoning, Building Codes and As-Of-Right Development Approvals

After location of a development site is the review of the zoning designation to ascertain whether the land value reflects the development possibilities. Density, site setbacks and parking requirements are three of many influencing factors. All factors are reviewed in detail to determine how to optimize the site to provide the greatest return in the least amount of time.

Assemble Expertise to Determine Highest and Best Use Conceptual Program

Once a site is reviewed and deemed to complement the developer's market, an initial meeting with the development players explores different conceptual programs. As housing conceptualists experienced in monitoring the supply and demand-side of the marketplace, we direct and liaise with the developer, the architect, the urban planner, the contractor and the legal team to create a fit between market demand and site optimization. It is at this time we dovetail the development within the existing infrastructure to see how we can create a desirable and attractive product that reflects the surrounding area and integrates innovative products and government programs. On review and completion of this exercise, the decision is made whether to secure the development site or not, and then take the next steps to fine-tune and choose one program concept.

Tune Pro-forma Program

If a site is secured conditionally or purchased outright, the development team expands and involves those players who can fine-tune the

development pro-forma. Ideally one allocates around 25 percent of the budget each to the necessary hard and soft costs, resulting in a minimum 25 percent profit margin - ideally 30 percent if possible. Hard costs include material, energy and labour input costs. Soft costs include lending, design, planning, environmental, marketing, and sales fees.

To accurately execute the pro-forma program, the developer expands his team to include his financing lender, construction contractors, environmental, mechanical and structural engineers, interior and graphic designers, sales and marketing agency and any other players that will be involved in the development. All costs may be tendered and incorporated into a final document ready for execution, along with a contingency fund to address surprises as they inevitably come up.

Obtain Social and Political Support

While a development pro-forma is being completed and tendered, an on-going dialogue with the necessary planning authorities is being conducted to ensure the development concept will be supported politically and by area residents. A proactive developer always consults with all stakeholders well in advance, to establish that dialogue.

Obtain Satisfactory Financing and Reasonable Rates

A development team usually has a relationship with one particular lender, but may elect to shop his development pro-forma to obtain the most attractive financing package. Depending on the economic climate, lenders may be involved in the early stages to ensure their criteria is met, but will not provide financing approvals until an accurate pro-forma has been tendered and all costs reviewed in detail. The lender then sets their own criteria for releasing funding, frequently on the basis of achieving a certain percentage of pre-sales in advance of construction. Given concerns that Toronto has a potential over-supply of condominium housing, lenders are stipulating a significantly higher number of pre-sales be achieved before they will finance a project.

The development process can be a complicated journey, which entails multiple individuals, companies, organizations, and municipal authorities to execute, contributing to a potentially unreliable timeline. We will continue our discussion of this journey in the forthcoming Part 2 of this 2-part series! Do you have questions? At urbaneer.com, we're here to guide you through your real estate needs, wishes and wants, including purchasing a new condominium.

We're here to earn your trust, then your business.

Steven Fudge, Sales Representative
& **The Urbaneer Team**

Bosley Real Estate Ltd., Brokerage
(416) 322-8000

urbaneer.com • info@urbaneer.com

We are currently promoting...

Check Out
Our Blog at:
URBANEER.COM



Living Large at Yonge and Lawrence \$579,000

Suite 207 offers one lucky Buyer a stylish slice of idyllic urban life. Efficiently-configured, the kitchen boasts generous cabinetry and counter space - perfect spot for creating culinary delights. The open concept space continues into an expansive living room and dining room, where broadloom spreads out comfortably beneath your feet. Tucked off to the side is the den - a terrific bonus room - made separate by clever French doors. The Master Bedroom is sizeable (easily accommodating a king-sized bed) and sunlit, and in combination with the ensuite, creates an area with an aura of calm and repose. A good-sized second bedroom is adjacent to the second bath, making this suite well-suited to young couples, families, or a down-scaling boomer.



Swizzle and Style Near St. Lawrence Market \$469,900

'London On The Esplanade', located on Scott Street across from the Hummingbird Centre. Developed by Cityzen Development Group, is home to 400+ suites situated in on tower of glass - mirroring the surrounding modern high rises - and one tower of brick - complimenting the character of the Esplanade. Suite 808 is perched on the 8th floor and offers a northern exposure. Efficiently-designed and well-proportioned, plank wood flooring, nine-foot ceilings, and a floor-to-ceiling bedroom window, all contributing to a bright and airy space. The suite is just steps to St. Lawrence Market and all of the downtown amenities the stylish locale offers! If you're looking for a sensational turn-key suite with class and character, suite 808 is a must-see!



Luxe Living in the South Annex

This executive residence was recently renovated with classic contemporary finishes and fittings. From the ground up, this stylish space has been thoughtfully re-organized to suit today's busy lifestyles. On the first level, the well-proportioned foyer with porcelain tile floors, discreet powder room and front hall closet welcomes your guests. The entertainment space boasts wood floors, a gas fireplace, and recessed lighting. We love the proportions of this space, and the generous windows which bathe the space in natural light. On the second level, a master sleeping sanctuary boasts vaulted sky lit ceilings, wall to wall closets and a fresh ensuite washroom. Two additional bedrooms have wood floors and closets, with a second renovated 4-piece bath (also a semi-ensuite) serving these rooms.



An Authentic Toy Factory Loft in Liberty Village

Gleaming hardwood floors spread throughout the loft, including the kitchen, entertainment space and bedroom, and interplay with the light, supporting the rich exposed brick and beamed ceilings. The modish kitchen makes a contemporary statement with sleek cabinetry, stainless steel appliances, and breakfast bar. The sizeable entertainment zone features soaring built-in shelves, which in addition to serving a pragmatic purpose, enhance the clean lines of this space. Tucked off to the side is the open concept bedroom, separate but connected to the space through a custom curtain, continuing the sense of height, light and air. A terrific east-facing garden terrace of around 312 square feet is the perfect perch for grill parties or gathering friends for drinks on a warm evening.



Steven's real estate expertise includes:

- Featured in the New York Times, Canadian Real Estate Magazine, CBC Radio, Global Television, the Globe & Mail, and National Post
- Multi-disciplinary Master's Degree on Housing
- Over 25 years experience from Renovation & Design to Sales & Marketing
- Comprehensive understanding of Toronto's 42 Central Neighbourhoods
- Consistently a Bosley Top 10 Producer
- Attained 106.55% of the asking price for our 2013 listings
- I offer design, merchandising & staging services to help achieve the maximum sale price of your property

Presenting Innovative Urban Spaces
Call us now!

Steven Fudge Sales Representative

(416) 322-8000
urbaneer.com

info@urbaneer.com

Bosley Real Estate Ltd., Brokerage

James Ormston Sales Representative

(416) 530-1100
urbaneer.com

james@urbaneer.com

Bosley Real Estate Ltd., Brokerage



From the Beach to Bloor West... Downtown to Uptown!

At URBANEER.COM, we offer saavy insight and expertise on real estate in the City of Toronto. We specialize in the marketing, promotion and sale of Unique Character Freehold and Condominium Urban Housing and are renowned for having pioneered the *Innovative Space* marketplace comprised of:

- Architect designed homes
- Character dwellings
- Low-maintenance living
- Loft conversions
- Smart-buy investments

BOSLEY
REAL ESTATE

urbaneer  com