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HOMES 7

# SUBURBAN CONDOS NOW GAINING SWAY

## '905' region now much more favourable to building condos than '416,' say developers

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The Toronto skyline has exploded over the past 20 years, but expect things to slow down.

Bureaucracy and exorbitant land prices are proving a cumbersome combination for developers, who now see more value in most of the Greater Toronto Area's 905 regions.

National Homes is one of those developers. According to co-owner Jason Pantalone, building in Toronto "is a painful exercise" for reasons ranging from red tape to the growing suite of taxes imposed upon developers.

"Right now, our focus is outside the 416," Pantalone said, adding that National Homes has been building in Brampton for over 20 years. "Mayor Patrick Brown is all about getting shovels in the ground, creating jobs and creating homes."

National Homes and Brixen Developments are co-developing DUO Condos at Steeles Ave. W. in Brampton. On the heels of the official topping out of DUO Condos Tower 1, plans have been unveiled for a second 29-storey tower called DUO2, which will be joined by a third tower some time in the future.

The project is "a direct response to Brampton's explosive population growth and need for housing," says the developer, citing nearby Sheridan College and the Brampton Gateway LRT (set to be completed in late 2024) as key to this growth.

And although high interest rates and rising home prices is a problem everywhere, lower land prices in locations such as Brampton can make a big difference when it comes to affordability.

"The price is more affordable because of the square footage, and that makes it attractive," Pantalone said. "There aren't many condominium developments outside the 416, but this is something a younger fam-

ily or even a student may be able to afford."

The other issue is the time it takes to launch a building projects, condos tend to be approved much faster in the 905 area than in 416.

Dunpar Homes, for example, has had issues with Toronto's planning department, which it took to the Ontario Land Tribunal twice recently — winning both claims — over 26 Earlington, a 10-storey, 134-unit residential condominium in Etobicoke.

Those two appeals alone took around three years, during which time Dunpar carried the site at cost, and yet, the city still hasn't issued a building permit.

Dunpar Homes is consequently considering legal remedies both for 26 Earlington, and another project at 2650 St. Clair, which has been stuck at the permitting stage for more than a year.

"They require far too many studies before the review process can begin, and that makes the process much too complicated," says Luke Johnston, EVP of development and general council at Dunpar Homes.

A Building Industry and Land Development Association report showed that, out of 16 municipalities in 2022, Milton, Whitby, Barrie, Brampton, Oakville and Oshawa had the fastest approval times, while Mississauga was ranked ninth at 23 months, and Toronto 15th at 32 months.

The cost of carrying an individual unit increases by \$2,600 to \$3,300 every month — after six months, that's about \$16,000 to \$20,000 per unit.

Excessive taxes are another reason Toronto is falling out of favour with developers. Last year, the Canadian Centre for Economic Analysis revealed 31 per cent of the cost of a new Ontario home is passed on to home buyers.

Although the federal government

takes in the largest share of those taxes at 39 per cent, Richard Lyall, president of the Residential Construction Council of Ontario, slammed Toronto City Council for inflaming the housing crisis by taxing developers to the hilt.

"In defiance of any rational thought, Toronto increased development charges 21 per cent this spring," he said. "People say, 'Why aren't the builders building?' Because people can't afford to buy homes."

"We're in a housing crisis, and it was an insidious process to get here. We made a mess of it with super low interest rates for a long time, which enabled prices to go up, and then governments got in on taxing housing."

Ultimately, lower land prices is what spurring development in the 905 region. In Pickering, Sevoy Developments is building a 571-unit, 40-storey tower.

With an average price of \$580,000 per unit, Jane Renwick, EVP of Sevoy Developments credits reasonably priced land and faster approval times.

"There's a lot of political will behind getting projects approved and built," Renwick said. "We got zoned in under a year, which is huge for us in the GTA, and we're moving swiftly along with site plan, so the entire process is faster."

That political will is gaining momentum in the 905 area code, Vaughan, Oakville, Oshawa, Brampton are excellent places to build condos, say developers.

Alexander D'Orazio, principal at Brixen Developments Inc. says that's helping homebuyers at a particularly dire time.

"The 905 municipalities have done a great job enticing developers, especially by rapidly processing applications," he said. "Consumers have had to tighten their belts, and our ability to purchase land at reasonable prices helps us deliver developments with affordable prices."



In Etobicoke, 26 Earlington is a new 10-storey residential condominium by Dunpar Homes featuring 134 residential units ranging in size from 514 to 1304 sq. ft.



In Pickering, Sevoy Developments is building a 571-unit, 40-storey tower. The average price of a unit is \$580,000.



In Brampton, National Homes and Brixen Developments are co-developing DUO Condos. Following the successful launch of its Tower 1, a second tower called DUO2 is being offered for sale.