



Development Lands Offering

Provincial Affordable Housing
Lands Program

CBRE



THE OFFERING

CBRE Limited ("CBRE" or the "CBRE Contacts") on behalf of the Province of Ontario (the "Province"), is pleased to offer this unique opportunity to acquire a core land portfolio (the "Sites" or "Properties") comprising up to three urban development sites including 26 Grenville Street & 27 Grosvenor Street ("Grenville-Grosvenor"), West Don Lands Blocks 3W, 4W & 7W ("WDL 3W/4W/7W") and West Don Lands Blocks 8 & 20 ("WDL 8/20"). The Properties that comprise this offering are uniquely positioned in Toronto's prestigious Yonge Street Corridor and West Don Lands/Distillery District, and are all highly suited for the development of primarily residential and commercial density. The offering will be presented on an individual basis via three separate transactions and is being conveyed by the Province of Ontario to qualified developers for the specific purpose of developing rental residential and

associated commercial buildings onsite, in accordance with the Province of Ontario's Fair Housing Plan (FHP). One initiative of the FHP, the Provincial Affordable Housing Lands Program (PAHLP), seeks to leverage the value of surplus provincial land assets across the province in order to develop a mix of market housing and new, permanent, sustainable and affordable housing supply. The Province's primary objective through this premier urban land site offering is to leverage the prized land value of the Sites in exchange for a conscientiously designed mixed market and affordable rental housing development. To this effect, the collective vision for the Properties is that they are specifically developed in a manner that effectively marries a broad range of residential unit layouts and accommodates a wide diversity of low to high-income residents.

The properties and specifications comprising this residential rental development offering include:

PROPERTY DETAILS	26 GRENVILLE STREET & 27 GROSVENOR STREET	BLOCKS 3W, 4W & 7W	BLOCKS 8 & 20
NEIGHBOURHOOD	Yonge Street Corridor	Downtown East	Downtown East
SITE AREA (ACRES)	0.91 ¹	4.37 ²	4.48 ²
POTENTIAL DENSITY (GFA)	~600,000 sq. ft.	~550,000 sq. ft.	~625,000 sq. ft.
FRONTAGE (FT.)	~290	~1,500	~1,200
INTEREST OFFERED	Freehold	Leasehold	Leasehold
MARKET RENTAL HOUSING REQUIREMENT	Maximum 70% of total residential GFA		
AFFORDABLE RENTAL HOUSING REQUIREMENT	Minimum 30% of total residential GFA ⁴		
TERM OF AFFORDABILITY	Minimum 40 years	Coterminous with a long-term lease	
TENANCY	Sourced from Not-For-Profit (where involved), or through the City of Toronto’s referral program		
AFFORDABLE BEDROOM (BR) MIX (% OF RESPECTIVE BEDROOM TYPE)	1BR (40%), 2BR (40%), 3BR (20%)	1BR (40%), 2BR (40%), 3BR (10%), 4BR (10%)	
DEPTH OF AFFORDABILITY ³ (ACROSS ALL BEDROOM TYPES)	100% AMR (50%), 80% AMR (40%), 40% AMR (10%)		
% ACCESSIBLE	Minimum 10% of total residential GFA (of which no less than 5% affordable units are accessible)		
ENERGY EFFICIENCY	LEED Certification	LEED Gold Certification	
	Toronto Green Standard Tier 2		

1. Subject to variation based on the completion of a severance process currently underway at Grenville-Grosvenor which will seek to separate 25 Grosvenor Street from 26 Grenville Street and 27 Grosvenor Street.
2. Site area to be refined based on severed parcels.
3. Based on Average Market Rent (AMR) as defined by CMHC.
4. A minimum number of affordable units will be required.



OFFERING HIGHLIGHTS

1 Three transformational core Toronto development opportunities

Situated on a 0.91 acre (39,640 sq. ft.) land parcel, Grenville-Grosvenor presents an outstanding opportunity to acquire a transformational mixed-use land parcel with the potential to develop more than 600,000 sq. ft. of primarily residential density.

At 4.37 and 4.48 acres, the West Don Lands blocks each offer the potential for over 550,000 sq. ft. of total residential and mixed use density. As neighbouring parcels have continued to intensify, these sites have ripened into significant development opportunities which will neatly complement the distinguished nature of the neighbouring Distillery and Canary Districts.

2 Coveted locations in Toronto's Downtown Core and West Don Lands / Distillery District

Located steps from College Subway Station and CF Toronto Eaton Centre, Grenville-Grosvenor presents one of the few remaining locations in the vicinity for meaningful residential development. The node is experiencing unrivaled growth given its proximity to Toronto's hospital and university network as well as the Financial Core.

Flanked on each side by the internationally acclaimed Distillery District and seamlessly integrated Canary District, the West Don Lands Properties benefit from an abundance of local amenities, and are a short walk from the Financial Core, Corktown Common and Lake Ontario.

3 Rare opportunity to access up to three formidable Downtown Toronto development sites via the Province of Ontario's Fair Housing Plan

The opportunity to acquire such substantial development land parcels with locations so close to Toronto's core is exceptionally rare. Rarer still is the opportunity to unlock sites that carry mixed-use zoning designations, in this case made possible through the FHP's PAHLP, which has targeted the sites in this offering for conscientiously designed mixed market and affordable rental housing developments.

4 A 15-year low vacancy rate for the GTA overall, indicating one of the most robust multifamily rental markets in recent memory

Purpose-built rental developments continue to be an exceptionally hot asset type in Toronto with rapid acceleration in asking rents for vacant or newly available units (Downtown Core market average rent: ~\$3.75 per sq. ft. per month for bachelor units)¹. Vacancy rates for purpose-built rentals in the GTA region are historically tight at 1.5%², compared with 3.7%² nationally.

5 Eligible for prized incentive programs including favourable construction financing and City-backed financial waivers

The Canada Mortgage and Housing Corporation (CMHC) has launched two programs; a seed fund consisting of up to \$500,000 per project, and the Rental Construction Financing (RCF) program comprising \$2.5 billion in total funding. The development projects associated with this offering may be eligible for funding under these programs; interested parties may apply directly to CMHC.³

Subject to City Council approval (October 2017), the City of Toronto's Open Door Program may apply to this offering. Benefits include a variety of waived fees and development charges for the period which affordable rental housing is in operation.⁴

6 Significant up front cost reduction for the West Don Lands properties through leasehold interest offering

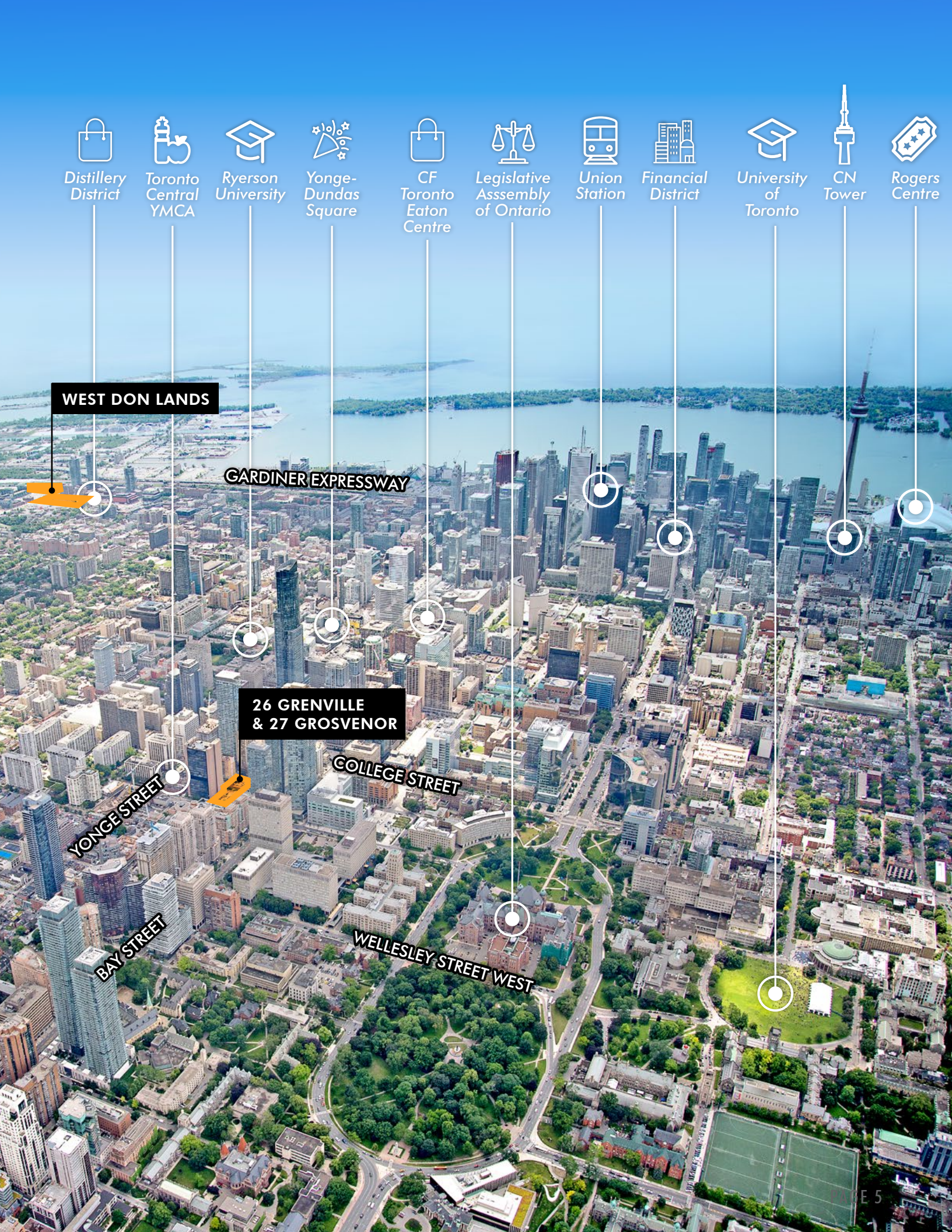
The conveyance of WDL 3W/4W/7W and WDL 8/20 as land lease development opportunities provides developers with dramatically limited up-front land costs. Further, a long term land lease with an option to extend ensures an investment opportunity with the potential to last for generations.

¹ Source: CBRE National Investment Team

² Source: CMHC, June 2017

³ <https://www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce/>

⁴ <https://www1.toronto.ca/wps/portal/contentonly?vgnextoid=a936d8b0b9489510VgnVCM10000071d60f89RCRD>



Distillery District



Toronto Central YMCA



Ryerson University



Yonge-Dundas Square



CF Toronto Eaton Centre



Legislative Assembly of Ontario



Union Station



Financial District



University of Toronto



CN Tower



Rogers Centre

WEST DON LANDS

GARDINER EXPRESSWAY

26 GRENVILLE & 27 GROSVENOR

COLLEGE STREET

YONGE STREET

BAY STREET

WELLESLEY STREET WEST

PROCESS OVERVIEW

This offering for the PAHLP is being marketed to interested parties through a two-phase offering process. Upon release of this Flyer and Required Purchaser Information Form, interested parties (the “Purchaser”) are asked to provide their response submission as set out in the Required Purchaser Information Form (summarized on the next page) to the CBRE Contacts. Purchasers who have successfully provided information as requested in the Required Purchaser Information Form will be invited to participate in the formal marketing of the properties which will commence on October 17th, 2017 with a 1st Round bid deadline of November 23rd, 2017.

1

PURCHASER NOTIFICATION

September 14, 2017 to November 23, 2017
Required Purchaser Information Form

2

LIVE MARKETING

October 17, 2017 to November 23, 2017
Confidentiality Agreement (“CA”)

3


BIDDING PHASE - ROUND 1

November 23, 2017
Bid submission via Letter of Intent (“LOI”)

4

BIDDING PHASE - ROUND 2

December 7, 2017
Second round bid submission



Summarized below are the four queries required to be addressed in the prospective purchaser's initial response submission. Response submissions are requested to be delivered on the purchaser's letterhead and addressed to the CBRE Contacts at the contact details on the final page of this Flyer.

1. Please include a detailed description of the acquiring entity or entities (the "Purchaser"). If the Purchaser is or will be a newly formed acquisition entity, provide details of those entities that will guarantee the Purchaser's obligations including a description and evidence of the creditworthiness of such entities as well as the ownership or proposed ownership of the Purchaser.

Details of the acquiring entities should include at a minimum: Year of incorporation or formation of each entity, current number of employees, current office locations and asset focus.

2. Has the Purchaser performed development, construction, management and/or operated residential development projects in excess of 400,000 square feet? If so, please disclose a list of projects and the Purchaser's role in such projects.
 3. A component of this offering is the requirement to incorporate and sustain substantive affordable rental housing into the development of these properties, with the balance of the units being market rental and commercial rental units. The affordable units must be sustained for a period of time as defined by the Province. Affordable unit tenancy is to be sourced from a Not-For-Profit where involved or through the City of Toronto's referral program. Please describe the Purchaser's experience in the development of affordable housing and/or residential rental units.
 4. Please describe the Purchaser's experience partnering with the Federal, Provincial or Municipal government.
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Landmark Development Opportunities

TORONTO | ONTARIO



CBRE Limited, Real Estate Brokerage

145 King Street West, Suite 1100 | Toronto, Ontario | M5H 1J8 | T 416 362 2244 | F 416 362 8085

Peter D. Senst*

President Canadian Capital Markets
416 815 2355
peter.senst@cbre.com

Casey T. Gallagher*

Senior Vice President
416 815 2398
casey.gallagher@cbre.com

*Sales Representative

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The Development Lands Offering is not a procurement, tender, or an offer to enter into a bidding contract. It is a commercial process for the disposition by the Province of Ontario of the Properties. No contract or other binding obligation on The Province of Ontario and Infrastructure Ontario whatsoever will be created or implied unless and until the Prospective Purchaser has executed an Agreement of Purchaser and Sale or a Ground Lease on terms and conditions acceptable to The Province of Ontario and Infrastructure Ontario in their sole discretion. For clarity, no Prospective Purchaser will have any right or claim against The Province of Ontario and Infrastructure Ontario in respect of the Development Lands Offering process.

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