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April URA Meeting

We hope to see you all at our April meeting.

- Date:** April 8th 2019 (Monday)
- Time :** 7:00 PM – 9:00 PM
- Venue:** Pan Am Centre. Community Room 1
- Address:** 16 Main Street Unionville
- Event:** **Meet Markham Mayor Frank Scarpitti**

Meet Markham Mayor Scarpitti

Please come and join us for our annual Question and Answer session with Mayor Frank Scarpitti. These are always informative and entertaining. As in the past, the URA board has sent the Mayor about 10 challenging questions, but we also will have plenty of time for questions from the floor.



Frank Scarpitti

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Updated Secondary Plan needed!

Two large new residential developments have been proposed for the west side of Markham Centre in the past three months illustrating the need for an updated Secondary Plan:

- Lifetime Inc. (Panda) is proposing 2200 units on Cedarland Drive, west of Warden Avenue.
- New World Centre is proposing 2200 units on Clegg Rd west of Town Centre Blvd.

Both are immediately adjacent to URA's boundaries. In both cases, the preliminary staff reports raised numerous issues, including "significant density and height well removed from GO station", "incorporate larger area of non-residential uses (i.e. office employment)", traffic impact, parkland and building heights. The reports stated that these issues are best dealt with in the context of an updated Secondary Plan, and concluded it was inappropriate to schedule a public meeting at this time.

As with the Times development just east of Warden Ave, URA concurs with staff, and continues to press for a development freeze in Markham Centre until the Secondary Plan is updated. We expect the City to plan and control development and to not allow unconstrained development projects, and have advised Council that liveability must be a priority! It is not clear where Council will land on this issue.

To be continued.....

Municipal Government Review

The review is now underway. According to this article in YorkRegion.com the review team has been interviewing municipal officials, but some are saying minds are already made up (remember Toronto Council last year?). The URA asked to meet with the team to discuss our issues with respect to taxes, services, financial fairness and impact on local democracy if amalgamations are under consideration. We are still pursuing that request. The public has the opportunity to express their views online until April 23rd at Review Consultation. In the past on big issues such as the Arena, floodwater management, train whistles, and development proposals such as York Downs redevelopment, we have been able to distribute flyers, pack the council chambers in any weather, and influence outcomes. How will that work if a long drive is needed on a snowy winter's night to get to a meeting? In the above article Mayor Scarpitti expressed his concerns about the impact of possible amalgamations on local democracy. Please express your views at the consultation website.

<https://www.ontario.ca/form/survey-regional-government-review>

Also to be continued.....



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Condo Cancellations

5,880 condo units cancelled in the last 2 years, most due to “financing issues”

The overall housing market may have calmed down but the condo segment is still growing with new condo prices up 12% year over year in the last 3 years. Prices grew from \$595 per sq. ft. in 2016 to \$1,000 per sq. ft. in 2019. However, the rising condo market comes with unwanted problems. Two major Vaughan Metropolitan Centre condo projects were cancelled, including Liberty’s Cosmos and the Gupta Group’s Icona with 1,453 and 1,633 units respectively. Both developers claimed to be unable to secure construction financing but the same developers then resubmitted similar applications in the same neighborhood a couple of months later. According to Urbanation research, there were 4,202 condo units cancelled in 2018, adding to the 1,678 units cancelled in 2017, totaling 5,880 units cancelled in last 2 years.

A small number of cancellations may be due to a lengthy permit process, withdrawal of a government partnership, or simply an inexperienced developer, but the bulk of the cancellations are claimed to be due to lack of construction financing. It is not unreasonable to expect builders to have issues with increasing interest rates, development costs, and development charges and in rare cases, not returning deposits. Most developers sell prior to actual development with buyers typically depositing between 15 to 20%. When a developer reaches 80% sold for a particular development, there should not be a problem funding construction.

Tarion provides buyers with up to \$20,000 in deposit insurance but the down payment for a condo these days is much more than \$20,000. The problem gets worse in a rising market where a first-time buyer could have to pay a lot more to buy the same condo

if the original project is cancelled. This is particularly true for Liberty Cosmos and Gupta Icona where prices increased by 30% and resulted in a class action lawsuit. A condo sales purchase agreement usually allows the developer to back out of the deal for reasons of development feasibility or financing. Buyers should be aware when a deal is considered firm, understand any conditions allowing a developer to back out, and most importantly, what happens to their deposit while it’s held in the lawyer’s trust account.

The sudden rise of condo cancellations in 2018 poses a concern for Toronto buyer but does it affect buyer confidence? Urbanation reported that there were 437 condo developments in the last 5 years and only 35 got cancelled. The number does not appear to be too significant. CMHC (Canada Mortgage & Housing Corp) states that for the Toronto CMA (Census Metropolitan Area), from January to November 2018, there were approximately 18,000 units completed with 59,000 under construction. If cancellations continue at this level it will likely affect prices. Hopefully the Icona class action lawsuit will cause developers to rethink, act more reasonably and not be so greedy.



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Provincial legislation could also be tightened up as follows:

- Prohibit developers from cancelling using finance as the excuse in the sale and purchase agreement.
- Require development to start within an acceptable period such as 1 year after sales reach certain thresholds such as 60% or 70% of a development.
- Require developers to provide evidence of having tried to secure financing before cancellation.
- Require developers to pay buyers an acceptable market interest rate on deposits (not the current practice of 2% below bank rate as per the Ontario Condominium Act) and leave the courts to decide if developers should be accountable for any buyer loss because of the cancellation.

Unionville Developments Update

Construction has started at two Unionville projects that the URA has been monitoring closely. Tree removal has started at 4031-16th Avenue Briarwood Farms (7 detached homes) , and tree removal and excavation has started at 206 Main Street (14 unit condo + retail)

The Normandale neighbourhood reported that there were tree cutting activities on the Briarwood site on March 23rd and 24th. Councillor Reid McAlpine was engaged and bylaw officers were sent on both days to stop the cutting pending a permit review on March 25th. However, residents reported there was more trees being cut on March 25th, with 20 large logs stacked in 2 piles. There was no designation of trees with orange fencing for preservation. It was unclear if any preserved trees were cut and a service order has been raised. Stay Tuned !



Your Voice Markham

Markham has a new community engagement website where residents can get information about important projects as well as giving feedback on the projects.

Please visit the site and provide your feedback on the plans for the Main Street Unionville Streetscape, Markham Centre, and other important projects.

<https://yourvoicemarkham.ca/>

