

Design Narrative

Team 183835

Point Passage is a dynamic residential community at the doorstep of the largest planned commercial development in Canada. Situated on the eastern bank of the Don River, it links Toronto's downtown to a powerful new economic, cultural and transportation hub. Thoughtful planning that unlocks the site's natural beauty and harnesses its strategic location will help create Toronto's next great neighborhood and form a new eastern core.

Point Passage utilizes current and proposed transportation infrastructure to become a transit-oriented district enlivened by arts and culture. Adaptive reuse converts the existing BMW dealership into the landmark Edge Theatre hosting year-round events in collaboration with the Toronto International Film Festival. Art students and the community find studio and gallery space, a digital library, and a writer's center waiting for them. Community ties are strengthened through interactions on the town green, plaza, and pedestrian bridges spanning the Don River connecting to Corktown Commons.

Toronto's motto is "Diversity our strength," and Point Passage mirrors these ideals in the housing options and amenities it offers on site. Point Passage establishes a mixed-use zone of varying densities designed to integrate into the changing urban fabric. Upon project completion, Point Passage will feature condominiums, townhomes, and apartments. Four new residential towers will bring residents closer to jobs in East Harbour or downtown Toronto while providing access to high-quality transportation. Residents will enjoy ample retail opportunities within walking distance. Seniors will appreciate the nearby pharmacy and world-class hospital. Positive public health outcomes are supported with the Point Passage Market that brings fresh fruits and vegetables to residents, as well as robust and safe pedestrian and bicycle infrastructure that promotes active transportation.

Sustainability and environmental stewardship are at the heart of Point Passage. WATERFRONT Toronto will complete any necessary soil remediation and Point Passage will use large, terraced steps to bring visitors right to the water's edge. Boat rentals and fishing will be possible upon completion of the Don revitalization efforts. A large protective wall combined with phytoremediation, river naturalization, green roofs, and permeable pavers will address water management concerns. By diverting residents to mass transit and/or ample non-motorized modes of transportation, Point Passage will decrease congestion, greenhouse gas emissions, and road maintenance costs.

Point Passage will be a sustainable, artistic, easy-to-reach community connects people with nature for decades to come. It will figure heavily into any proposals to lure world-class businesses to Toronto. Within steps of the next commercial corridor in one of the world's great financial hubs, Point Passage will be a place to call home.

Financial Narrative

Establishing Edge

Development begins with the acquisition of five nearby parcels. The expanded footprint allows Point Passage to start construction of a cultural corridor at the northern entrance to the site. Toronto embodies the national spirit of unity and togetherness Canadians feel about themselves and to the world embodied by the Canadian Infrastructure Bank. The new initiative seeks to spur growth and community through massive public works projects. Officials agreed with Toronto Don Properties that capping a substantial portion of the Gardiner Expressway to create green space and access to the water created exponential value. Ontario officials recognized the strong commitment to social housing found in the proposed buildout of the development. Point Passage secured the forgiveness of residential property taxes for 25 years in addition to Development Fee concessions essential to making the unit mix economically viable. 164 new units of affordable housing diversifies the area allowing it to capitalize on people with different talents.

Connecting Context

The first phase of the project includes a mix of retail and for-sale housing. Developers has secured a condo loan with a Chinese lender that has agreed to fund 50% LTC on the for-sale housing construction with a caveat that at minimum 40% of the equity is provided by the sponsor, and 10% of the equity is provided by pre-sold deposits of the condo. The strength of the market and surrounding area gives us confidence that this project will be able to attract enough buyers pre-construction to swiftly move the construction loan along. Given the appetite of foreign lenders into large, luxury assets, we have preferential pricing at 275 bps over 1 Month Libor.

With the second phase, Point Passage begins to meet the long-term promise ToDon saw in the site. Signature soaring residential towers create transit adjacent density city planners aspire to A conventional bank loan at 65% LTC (assuming a spread of 325 bps over 1 Month LIBOR) avoids using an interest rate as a hedge when two and three year caps are available (pricing is based on strike rate). To see the proposal through the most critical stage developers have secured a high-leverage preferred equity slug up to 80% LTC. That additional 15% of leverage will be approximately 14% fixed. That pricing is a function of the last dollar — if we decide with our partner to decrease the leverage to 75%, the preferred equity would be reduced to 12%. Refinancing through a bank, conduit, or life insurance lender may prove necessary depending on the state of the market ToDon delivers into.

Celebrating Arts and Culture

The closing development phase sees the mixed-use concept come together to create a home next to the skyscraping office towers on the other side of the East Harbour train station. A debt fund, backed by a large Japanese conglomerate, that has provided us a loan at 70% LTC at 7% which is non-recourse. A luxury hotel and additional office and space complete a place to call home on the East Harbour.