

Metrolinx

Finch West LRT Real Estate Market Conditions Study

Executive Summary

N. BARRY LYON CONSULTANTS LIMITED

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N. Barry Lyon Consultants Limited has been retained by Metrolinx to undertake a study of the existing real estate market conditions along the future Finch West LRT corridor (FWC) and provide an analysis of the market impacts the proposed higher-order transit may have when implemented. The report provides an analysis of current and projected real estate market conditions as well as identify sites that present an opportunity for intensification, including an analysis of market thresholds that will likely be required to allow the redevelopment of these sites to proceed. This report provides the background data and detailed analyses that are summarized in the final report 'Setting the Stage: Encouraging Transit Supportive Places on the Finch West LRT Corridor' coauthored by NBLC and Planning Alliance.

Real estate markets value walkable access to modern, higher-order transit, a trend that is reflected by increases land value, new development, tax assessment and economic activity. Providing the broader market requirements are in place, some, or all of these measures are typically improved with the introduction of affordable, frequent and reliable transit service. A literature review of studies that have measured the impacts of transit on property values throughout North America support increases in value for residential, commercial, and to a lesser extent industrial land uses. In general, the greatest value up-lift will impact higher density developments, where owners/tenants are more likely to make use of and benefit from transit services on a day-to-day basis.

The findings of this report suggest that the market demand for residential uses, and to lesser extent office and commercial uses, are expected to improve with the new LRT service along Finch Avenue West. Demand will be strongest in the areas that are within walking distance of a station, typically 500 metres. Strong increases in the value of single family homes, and other ground oriented housing types along the corridor, as well as land transactions and high density development applications and activity, are all early signals that demand may be maturing for higher density residential formats in this area. However, all areas will not respond in a similar or consistent manner as other issues such as the existing land use and ownership pattern as well as the motivating interests of the land owners will also influence the future direction of the development of these lands.

Overall, the Finch Corridor market is maturing at a steady rate. The LRT will have the impact of accelerating the market in terms of pricing and demand but only in the areas where the development and ownership patterns are aligned with planning and market forces. Over the long term it is expected that given the current and projected market context of the area, the new Finch LRT will support increasingly significant reinvestment along the corridor, particularly in the residential market place.