Top 10 Real

# INSIGHTS

2020 Western Canada Apartment Investment Conference

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ISSUE 41

# TOP 10 | REAL INSIGHTS

2020 Western Canada Apartment Investment Conference

ISSUE 41

INSIGHTS FROM INDUSTRY LEADERS DURING THE CONTENT FORMATION OF WESTERN CANADA APARTMENT INVESTMENT CONFERENCE

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for further details on these top trends please visit the real estate forums portal at realestateforums.com

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## 1. IN 2019, NATIONAL GROWTH BENEFITED THE MULTI-RESIDENTIAL SECTOR

**Economic and demographic tailwinds were helping the Apartment Sector until COVID-19.**

The national vacancy rate for rental apartment units declined in 2019 for a third consecutive year to 2.2%, its lowest level since 2002.

With apartment buildings near full occupancy in markets from coast to coast, rent growth had been accelerating. Over the last year, average rents for purpose-built rental units have grown by 3.9% annually at the national level. Layering on the COVID-19 impacts on the employment and rental markets, we are waiting to see what happens to rental rates now.

2019 multi-residential performance drivers which included a growing population, rising home ownership costs and lack of rental supply were becoming entrenched in many markets across the country, which meant the appeal of multifamily assets was likely to increase, CBRE wrote in their 2019 Multifamily Overview.

Canada's population grew by 1.1% per year from 2009 to 2018 and at an exceptional rate of 1.4% in 2019. It was expected to continue expanding at a rate of 0.9% over the next four years, outpacing all other G7 nations by a considerable margin.

**Over 80.0% of Canada's population increase comes from immigration and the federal government plans to admit one million new immigrants by 2021.**

**Immigration will be closely watched in the new post COVID-19 era – we may see a pull back or a push forward. Only time will provide clarity on this.**

That said, assuming we do keep immigration levels as before, as the population grows, so does the demand for purpose-built rental units. While immigration has been spread across the country, the greatest impact has been felt in major urban centres which have seen the greatest increase in demand for multifamily rental options.

Rental inventories in major Canadian markets are limited compared to other global cities. High-rise developers in recent decades have chosen mainly to develop condos versus purpose-built rental units. In Calgary and Edmonton, over 50% of all high-rise units under construction are condos. In Vancouver, 76% of high-rise units under construction are condos.

In the 10-year period preceding the end of H1 2019, average Canadian incomes have risen by a total of 29.3% according to the Conference Board of Canada. Purpose-built rental rates have grown at a slightly higher rate of 31.1%. Home and condominium prices have grown by 66.7% and 68.4%, respectively, over this same time period, CBRE writes. Incomes have not kept pace with housing prices and there will be a direct hit in 2020 with the forced closures of COVID-19.

A new study carried out for tax and advisory firm KPMG found that only 54% of those surveyed, aged 23 to 38, believe they will ever own a home.

This "would be a big drop from home ownership levels of previous generations," KPMG noted, pointing out that home ownership rates are currently above 70% for the generations aged 35 and above.

As home ownership costs have risen, an increasingly large number of Canadians have been added to the renter's pool and this dynamic, in conjunction with population growth, has driven demand for comparatively affordable multifamily units.

## 2. TALE OF THREE CITIES

**Narrative of decreased vacancy and increasing rents the same across Western Canada's major markets.**

**Average Rents**

**Nationally, tighter rental markets were accompanied by strong rent growth, with average rents increasing by 3.9% for a two-bedroom apartment between October 2018 and October 2019. 2020 will bring a new reality to the markets, which has yet to materialize.**

The average apartment rent in Vancouver rose 4.7% over 2019 to $1,469, which was more than the provincially-allowable increase of 2.5% for the fifth year in a row. The average monthly rent for condominium apartments was significantly higher at $1,893.

Rental rates in Calgary have increased by 1.7% from 2018. The average rent for a purpose-built apartment unit is now $1,181. For a two-bedroom condominium apartment, the average rent was $1,572, which is $267 higher than rents for two-bedroom units in the purpose-built rental market.

In Edmonton, rents have held steady, up 0.9% year over year to $1,144 a month on average. Rents for one-bedroom suites increased by 5.0% - a bigger increase than the national rate - to $1,257 a month.

### Supply Growing Slowly

**Across Canada, almost 25,500 new apartment units were delivered in 2019, about 1,000 fewer than in 2018, according to SVN Rock Advisors.**


In Vancouver, the number of purpose-built rental apartments increased by 743 units in 2019. The number of condos in long-term rental increased by 11,118 units or 18.9%. As a result, the proportion of condos being rented increased to 28.0% in 2019.

There were 1,464 newly completed apartment rental units in Calgary, an increase of roughly 75% compared to the same time period last year.



An additional 2,009 units were added to the Edmonton rental stock, with more than half being condominium rental units.

### Demand Outpacing Supply

**The national vacancy rate for rental apartment units declined in 2019 for a third consecutive year to 2.2%, its lowest level since 2002.**

Vancouver's overall vacancy remained virtually unchanged in 2019 edging up a little higher from 1.0% in 2018 to 1.1%. Rental condominium vacancy also remained the same at 0.3% despite additional condo units hitting the market.

Calgary's overall vacancy remained unchanged from 2018 to remain at 3.9%. However, vacancy for rental condominium units dropped significantly from 2.7% to 0.9%.

Edmonton's overall vacancy rate fell to 4.9% from 5.3% in 2018, despite an increase in supply. Condo rental vacancy decreased to 2.5% in 2019 from 4.2% the year prior.

## 3. RECORD YEAR FOR MULTIFAMILY INVESTMENT

**Buoyed by rock bottom rental vacancy, a record-breaking $9 B was made in acquisitions in 2019.**

Greater Vancouver saw approximately 70 purpose-built apartment complexes change hands in 2019 with an aggregate value of $0.86 B, Altus Group. The average price per suite was $327,082. This is significantly lower than in 2018 when there were 112 transactions totalling $1.57 B.

However, a number of transactions went firm at the very end of 2019 and are expected to close in early 2020, according to Goodman Commercial. These will help boost the volume of transactions in the first quarter of this year.

For instance, Balmoral Park Apartments in Vancouver sold in January to Mayfair Properties for $19.6 M, representing a price per door of $445,455.

Montecito Towers on Halifax Street in Burnaby sold to Starlight Investments. The 252 unit multi-residential complex sold for $90 M in Q3 2019 and was the largest multifamily investment transaction in the GVA in 2019.

Starlight also acquired a 113-unit low rise apartment building in New Westminster for $25 M in Q4.

According to Alts Group, Starlight Investments deployed $2.83 B to acquire multifamily assets this year across the country, which represented almost one-third of all national multifamily investment.

Centurian Apartment REIT acquired the Fusion apartment complex in Surrey for $56 M. The 146-unit low rise apartment building was constructed in 2018.

In a Q4 2019 transaction, Primex Investments bought Surrey Gardens, a 223-unit low rise complex for $43.5 M.

Edmonton multifamily sales reached $407 M for the year, down from the market's 10-year average., according to Altus Group. Investor sentiment remains strong, especially in the suburbs. Cap rates there are compressing and valuations are on the rise, JLL reports.

2020 saw $1.0 B worth of buildings transacted in January and we are paying close attention to the numbers with COVID-19 impacts being accounted for.

Centurian Apartment REIT acted as the purchaser in the two transactions that comprise the bulk of the total investment so far, which included:

- a three-building, high-rise apartment portfolio with a total of 832 rental suites, plus 39,000 sq. ft. of commercial space, which sold for $205 M.
- The Mayfair, a mixed-use multi-family complex on Jasper Avenue with 24,901 sq. ft. of ground-floor retail was acquired for $100 M.

Calgary saw $233 M in multifamily liquidity for the past year, however this is slightly higher than the average for the past decade.

In 2019, Mainstreet Equity Corp. continued its Alberta buying spree acquiring 9 Calgary properties totalling 342 units for just over $52 M in separate transactions including: 505 3rd Avenue SE in Airdrie for $5,125.0000, Bow River Townhomes for $13 M and Cedarbrae Manor on Oakfield Drive SE for $18.2 M.

In a transaction that closed at the beginning of 2020, Remington Development Corporation bought The Dells, a 96-unit townhome development on Dalton Drive NE for $24.5 M, representing a price per unit of $255,208.

## 4. IN 2019 MULTIFAMILY WAS LENDER'S PREFERRED ASSET CLASS

**With continued low interest rates, rock-bottom vacancy rates and strong investor interest, the multifamily sector was expected to outperform in 2020.**

According to the results of CBRE's annual lender survey, multifamily rental housing garnered the highest level of confidence among all asset classes.

Apartment properties saw the largest improvement in sentiment this year. Nearly no respondents reporting concern with the asset class compared to 26.7% of lenders last year.

As a whole, lenders are showing lower levels of concern regarding real estate compared to last year.

**Across all asset classes,**

**56.5%** **are of surveyed lenders expect to maintain their real estate exposure in 2020**

**41.3%** **are poised to increase it**

**When these figures are updated it will be interesting to compare the shift in allocations based on COVID-19 impacts on the built environment and also the stock market.**

For the multifamily rental asset class in particular, 39.1% of the lenders surveyed had planned to increase their budget allocation.

That said, CBRE writes that few respondents actually expressed no interest in lending in Calgary or Edmonton. Instead, lender activity remains dependent on a deal or relationship-specific basis.

The multifamily debt market in the US is estimated to reach US$390 B in 2020 with lending caps of US$100 B for each of Fannie Mae and Freddie Mac. According to a study conducted by the Mortgage Bankers Association, life insurance companies had the bandwidth to fund an additional US$10 B of business in 2020, compared to 2018 volumes.

Before COVID-19, the S&P/TSX Canadian Capped REIT Index was rising by 17%, Canadian REITs were flush with cash and had fortified their balance sheets. This was allowing them borrow on much more favourable terms. Consequently, REIT fundraising reached record levels in 2019, with over $7 B in equity issuances and over $4 B in debentures, JLL states. 2020 will be a different story – depending on how COVID-19 impacts the markets over the medium term.

## 5. EMBRACING NEW TRENDS AND TECHNOLOGIES IS KEY TO REMAINING COMPETITIVE

**Landlords are repositioning their buildings to stay competitive by adding high demand amenities and by adopting new technologies. Will that continue past COVID-19 social distancing measures?**

For older properties, it could be difficult to compete against brand new assets. The biggest advantage older units have over smaller units is more space and flexibility. Most new assets coming to market have smaller units, said Lesley Lisser, senior director of asset management at Invesco.

Value-add redevelopment activity is bringing improved and new amenities to older communities modernizing their offerings and expanding their appeal, CBRE reports.

"Multifamily amenity innovation is critical to the success and competitive advantage of apartment properties. It's not enough to offer rooftop grilling areas or dog runs; owners and developers must think carefully about amenities and services that work together to create a cohesive community." Brian McAuliffe, President, CBRE Capital Markets.

Building owners are upgrading their amenity packages to include smart devices. The next generation of smart devices, such as energy-efficient lighting controls and intelligent thermostats gives tenants the ultimate control over their own environment. These amenities can generate substantial efficiencies in energy use that can help control operating costs while appealing to environmentally conscious and tech-savvy tenants.

Amazon has invested an undisclosed sum into PropTech startup SmartRent, which packages and sells smart home services to multifamily landlords. The investment will allow SmartRent to integrate Amazon products into its platform. The company's most recent fundraising round was a Series B led by Bain Capital Ventures that brought in US$32M. Real estate companies Starwood Capital Group, UDR and Essex Property Trust have also contributed equity into SmartRent.

SmartRent uses partnerships with companies like Nest thermostats and Yale smart locks to build a platform that landlords can roll out into already-constructed buildings.

It is estimated that over 90% of people searching for their next place to live look online first, and more than 60% browse on their mobile devices. Digital adoption has become critical for investors and property managers, capitalizing on apps that have made the search process faster and easier.

A growing number of property managers have begun to incorporate WhatsApp and instant messaging across websites and social media. AI-powered chatbots are set to take up 85% of client interactions across all industries by 2020. It has been shown that 90% of companies have resolved complaints in a faster time thanks to the use of chatbots.

An amenity that apartment landlords and property managers are increasingly offering is package delivery management. Landlords are responding by installing automated locker systems and even overflow package rooms to handle deliveries at their existing buildings. Companies such as Package Concierge have popped up to facilitate package delivery at multifamily dwellings.

At Harvard Business Review, Dell and Intel co-sponsored a piece that states “the rapid introduction of new IoT solutions allows building operators to make their properties smarter without having to undergo costly retrofits’.

Wi-Fi is being used to bring intelligent building systems to older apartments. “We are looking more and more into wireless technologies and putting infrastructure into the cloud as much as possible for storage and data management,” said Anil Ahuja, President of CCJM. “Wireless technologies are also the key to making the built environment of ‘dumb buildings’ more smart [because] we don’t have to open up the floors and the walls [to update infrastructure].”

## 6. VANCOUVER HOUSING MARKET REBOUNDING BUT NOW WHAT?

**Sales have spiked but housing starts are predicted to decrease by 22% in 2020 pre-COVID-19 where does that leave the market now?**

During the first two years of its mandate, B.C.’s NDP government have tackled speculation in the housing market with a raft of new taxes.

Those measures have helped cut prices significantly on high-end houses. The prices of more affordable options such as condos and townhomes have decreased only slightly. However, recent sales data pointed towards a rebound in the sector.

According to the Real Estate Board of Greater Vancouver (REBGV), December sales were 9.5% above the 10-year average, and an increase of an incredible 88.1% year-over-year. Strong sales continued through January which had sales up 42% year over year but slightly down from December’s robust sales figure.

**The benchmark price for a detached home across the region was just over $1.43 M down 1.7% from January 2019, but up 1.0% over the last six months and up 0.5% from December**

The benchmark price of a condo across the region was $663,200, down 1.0% from January 2019, but up 1.5% over the last six months and up 1.0% from December.

A new report from Central 1 Credit Union suggests Metro Vancouver’s housing market could be bouncing back faster than anticipated.

In its 2019-2021 B.C. Resale Market Housing Outlook, Central 1 said demand is picking up once again after the 2018 real estate slowdown, amid lower mortgage rates and continued population growth.

However, the B.C. budget which was introduced in February, forecasts only 35,000 new units of housing will be started in 2020, a decline of 22% an all-time high of nearly 45,000 new units in 2019. With everything but essential services on pause, this will also get pushed out in terms of timing. The province expects housing starts to fall over the following two years to hit the historic 30-year average of 30,000 units a year.

The 2020 budget provides a record of $4.2 B over three years for housing initiatives, including $1.35 B in the combined program and capital funding for housing in 2020-21.

The budget also includes $56 M in capital funding for the development of 200 units of temporary modular housing, bringing the total to 2,400 units across the province of this type of housing for people who are homeless or on the verge of homelessness.

However, no renter’s rebate was introduced in this budget, a major promise of their 2017 election campaign and rent is rising at twice the amount allowed by the province.

There are many projects in the pipeline - approximately 20,213 units across 200 development sites at the end of 2019 - only 5,067 are under construction, according to Goodman Commercial.

With the housing market in recovery, an insufficient number of rental units being built, rents will continue to rise, once a recovery from COVID-19 impacts is realized. The result may still be a further erosion of housing affordability in the GVA.

## 7. DEVELOPERS GETTING CREATIVE WITH EXTRA SPACE IN CALGARY

**With downtown office vacancy in the 25% range in Q1 2020, developers have repurposed office space for other purposes.**

Despite being Canada's fourth-largest city, Calgary is 11th among all Canadian cities in built rental units according to CMHC, and behind much smaller cities like London, Hamilton, Halifax, and Quebec City. Its population-to-rental-unit ratio of 38.3 is by far the highest in Canada.

Capitalizing on high office vacancy and a relatively low level of multifamily units in the city, Calgary's Strategic Group has been involved in six conversions from office space to other uses.

On the west end of Calgary's city centre, Strategic has completed a conversion of the former Stephenson Building which the company owned for over 10 years. The newly named Cube cost $25 M to convert into 65 one and two-bedroom units.

The conversion was helped along with a three-year city initiative called the Centre City Enterprise Area. Launched in 2017, its goal is to boost retail and office occupancy in the city core by reducing paperwork and the time it takes for approvals of new businesses and developments.

Leslie Shier, the director of client excellence of Calgary Economic Development, said Cube is a tangible example of economic strategy in a new economy. "We need more purpose-built rental in our core", Shier said. "We're heavily weighted in our office sector. So, bringing a better balance between commercial and residential is required to create the vibrancy that we need."

Cube is the company's third repurposing project. The first was the nearby Store & Go building where an old office was converted into a storage facility. The second was the Avenida Food Hall in south Calgary, where a new food centre with more than three dozen businesses is now housed.

It is currently redeveloping the historic downtown Calgary Barron Building, vacant for over 10 years. The 107 residential units will come to be ready for occupancy this summer. It will be the first residential building connected to the Plus 15 indoor walking system in the downtown.

However, even with the success of its conversions, the company has put 56 of its Alberta properties under creditor protection. The challenging real estate market and continued uncertainty in the economy now combined with a further declining oil price point and COVID-19 unemployment are cited as the reasons for the move.

## 8. ROBUST RESIDENTIAL DEVELOPMENT IN EDMONTON PRE COVID-19

**Population growth and a soft labour market will help support the absorption of new units.**

A substantial number of residential projects were under development or near completion in 2019. Three new rental projects containing a total of 369 units were launched during the second quarter and seven new rental projects totalling 782 units were launched in Q3 2019, according to JLL.

Despite the increase in supply, the overall vacancy rate in the city has decreased in the past year.

**The average vacancy rate of purpose-built apartment units in the Edmonton Census Metropolitan Area (CMA)** **decreased to 4.9% in 2019 from 5.3% in 2018.**

**The vacancy rate for condos** **dropped from 4.2% in 2018 to 2.5% in 2019.**

According to CMHC, almost 40% of condominium apartments were identified as rental units.

The new rental supply from the secondary rental market is higher than that from the purpose-built rental market, with 1,196 compared to 813.

Employment growth in Edmonton stalled in 2019 and at 8.0% Edmonton has the highest unemployment rate of all of Canada's major cities. Current conditions will further exacerbate this trend.

However, the population continued to grow, largely driven by strong migration flows into the Edmonton CMA. Net interprovincial migration into Alberta shifted to net positive between 2018 and 2019, from net negative seen a year prior. This ends the 2-year exodus of individuals from Alberta during the oil price downturn. Questions about if it will renew are on everyone's mind. International migration continued to be the main driver of rental demand, as migrants tend to rent before purchasing a home, CMHC states. With borders shut for now, there is a pause to see what happens when they open up again.

New supply of purpose-built rentals have been absorbed quickly as demand for newer apartment units remains strong, JLL writes. This may result in a tightening of the rental market over the coming years.

## 9. AFFORDABLE HOUSING WAS DEVELOPING AT A SLOW PACE

**New government initiatives have been aimed at improving affordability and creating more units.**

The Canadian Housing and Mortgage Corporation's Rental Construction Financing Initiative (RCFI) program – which offers lower interest loans and longer amortization periods on purpose-built rental projects – has been effective in generating more supply. The government is planning on increasing allocations for this program by up to 15%.

Mulberry at West District by Truman is one of the first projects in Calgary to receive construction and project financing support through the RCFi program.

The First-Time Home Buyer Incentive (FTHBI) which launched last September, is designed to lower new homeowners' monthly mortgage payments without boosting their down payment costs. Run by CMHC, the FTHBI is a shared-equity mortgage program, which means that the government shares in the gains and losses of a home's value as it fluctuates over time. Through the incentive, CMHC will offer 10% toward the down payment for a new home, and 5% for resale homes, interest-free. CMHC not yet released any numbers in terms of how many buyers have been accepted into the program.

Changes to the mortgage stress test will start on April 6. The current benchmark upon which people must prove they can afford is based on the five-year posted rate. The Bank of Canada calculates this rate from typical big-bank rates, and at the time of writing was 5.19%. It will be replaced by a new benchmark which will be based on the median five-year fixed insured-mortgage rate, plus two percentage points. As of February 2020 this rate would be 30 basis points less than the current minimum stress-test rate. We will have to see if Canadian banks proceed as planned under the current climate.

OSFI is expected to use the same benchmark rate for the uninsured stress test, which applies to borrowers with 20% equity or more.

The real estate industry has long criticized the stress test because the measure "continues to sideline potential home buyers where supply is ample," the president of the Canadian Real Estate Association said in a January press release.

The average resale home price nationally escalated by 11.2% in January from the same month in 2019. An extra frothy spring predicted as new stress tests rules come into effect.

In B.C., the province is lagging behind the pace of creating an average of 11,400 affordable units a year needed to eclipse the 10-year goal of 114,000 new units.

As of February, 4,300 of those homes are now complete, with a further 7,700 under construction across the province at the very end of last year. Across the province, 11,000 of these new homes are currently in their planning stages and awaiting further approvals.

The New Democrats budgeted $6.2 B to finance 38,900 of these units during this period and are counting on the remainder to be built by private and non-profit housing developers, federal and municipal governments, as well as churches and other religious institutions.

In the provincial budget released in February, the province did not increase its housing funding by the estimated $190 M now needed to meet the government's target.

Last August, the federal government has committed $28.4 M for the construction of 12 affordable housing projects in Calgary with the City allocating about $28.3 M in land and in-kind contributions to the projects.

The projects will add an estimated 665 new units of which 140 will be fully accessible and 372 will rent for less than 30% of Calgary's median household income.

This past January Calgary announced plans to sell several city-owned properties to affordable housing organizations. The sites which are located close to transit and amenities are in:

- Saddle Ridge (200 block of Saddleback Rd. N.E.)
- Highland Park (352 34th Ave N.E.)
- Banff Trail (1711 20th St. N.W.)
- Capitol Hill (1730 16th Ave. N.W.)
- Seton (3790 Seton Dr. S.E.)

The sale of the properties, which will be priced below market value, is expected to result in the creation of up to 200 new affordable units.

The properties will be offered to more than 60 non-profit, affordable housing providers and the deadline for applications is March 27, 2020. The agencies that purchase the sites will qualify for funding from the Government of Canada's National Housing Strategy through the National Housing Co-Investment Fund.

The City of Edmonton is proposing a new framework calling for 16% affordable housing in every Edmonton community. This is an increase from the previous goal of 10%.

Most communities in Edmonton have less than 10% affordable housing. Victoria Park and Woodcroft have more than 30%, while dozens of neighbourhoods have between zero and 5%.

Last June, Edmonton city council has lifted a moratorium on affordable housing in five neighbourhoods, convinced that a new policy and approach will ensure non-market projects are distributed more evenly throughout the city.

Council agreed Tuesday to allow affordable housing projects in Alberta Avenue, Central McDougall, Eastwood, McCauley and Queen Mary Park where the moratorium has been in place since 2012.

“The current shortfall of affordable housing is estimated to be at 20,000 units — it’s a very critical situation right now,” Jim Fowler, executive director of HomeEd, believes they will. says, “and the shortfall continues to grow.”

## 10. SIGNIFICANT NUMBER OF NEW RENTAL PROJECTS IN THE WORKS IN WESTERN MARKETS

**Calgary has become the target of new rental development with over 7,000 units under construction at the end of 2019.**

At the end of Q3 2019, CMHC reported nearly 72,000 rental units under construction in Canada. This is the highest rate in more than 30 years.

Across Metro Vancouver, approximately 20,213 units (200 development sites) are in the pipeline as of November 2019. Of these, only 5,067 units (50 sites) are under construction and scheduled for occupancy over the next 3 years (an average of 1,689 per year). The remaining 15,146 units across 150 sites are proposed or approved, according to Goodman Commercial.

The Squamish Nation development is an 11.7 acre Squamish Nation-owned site at the foot of Burrard Bridge near Vanier Park. The project will feature about 6,000 units of mostly rentals in 11 towers. Squamish Nation has partnered with developer Westbank and construction for phase one could start in 2021.

Henson Development is proposing a 60-storey residential tower in the city’s west end. Nelson Street Tower, which is being built to passive house standards, will feature a total of 485 units, including 113 social housing units, 49 market rentals and 323 market condo units.

In Calgary, as of Q3 2019, 52 projects comprising 7,288 units across the city were under construction, according to data compiled by research firm Urban Analytics.

**“As we keep seeing rental demand take off, we have seen a number of projects which have gone from planned condominium to rental. Currently, there are 13,553 rental units in the contemplative stages in Calgary and out of those 13,000, 8,465 of them are planned in the downtown core. That’s a lot of rental units coming to downtown Calgary,”**

**Kimberly Poffenroth**
**Vice President of Business Development**
**at Urban Analytics**

Recently the federal government has announced an investment of $24.5 M toward the construction of a 96-unit rental housing complex in Calgary which is being developed by Truman Homes. The five-storey Mulberry building will offer one- and two-bedroom homes in the residential district of West Springs. Financing for the project is coming through the Rental Construction Financing initiative, a National Housing Strategy program delivered by Canada Mortgage and Housing Corporation.

Cidex Developments has submitted a development permit application to develop a three-building development on a 3.3-acre site located at 1818 1st Street East. The residential towers will be 44 and 56 storeys and will be built on top of nine-level podium that will contain restaurant and retail spaces on the ground level and 1,180 vehicle parking stalls.

The development is located near the Victoria Park/Stampede LRT Station and once complete will contain 1,252 units consisting of 780 one-bedroom units of about 600 sq. ft. in size and 472 two-bedroom units of about 800 sq. ft.. This includes a developer contribution of 22 affordable homes, making this project the first in Calgary to implement a bonus density earning item for the provision of affordable housing units.

If approved, the development will be one of the largest in Calgary in terms of the number of homes within a multi-residential project.

The Augustana located at 9901–107 Street NW in downtown is scheduled for completion in 2020, which may now realize a delay due to COVID-19 impacts. The Pangman Development Corporation’s mixed-use development consists of a 30-story apartment building, with 240 apartment units for rent ranging from studios to 3 bedrooms. The building also incorporates 6,400 sq. ft. of commercial space on the ground floor.

Castlebrook Greens located at 17430–110 Street NW Chambery will also be complete in 2020. The four-storey Seymour Pacific Developments will contain 235 units consisting of one two and three bedroom units.

Also under construction is Southpark on Whyte, an apartment development by ONE Properties and Wheaton Properties located at 82 Avenue NW. The project features retail space on the ground floor, and a total of 660 residential units. Phase 1 will be completed in Fall 2020 (pre COVID-19 timeline) with 98 residential units.

The Cidex Group has commenced construction on a 24 storey rental apartment building on the northeast corner of 95 Street and Jasper Avenue. To be called The Hat at Five Corners, the Cidex tower will have 199 units ranging in size from studios to three-bedroom suites.