



Bisha Hotel and Residences

Affordable Luxury: The sky's the limit

Suzanne Wintrob, National Post · February 18, 2011

When George Portillo heard that Lifetime Developments and hospitality czar Charles Khabouth were getting set to build a 41-storey hotel with luxury condominium residences in the heart of Toronto's entertainment district, he knew he wanted a piece of the action.

Over the years, the 50-year-old father of three sons, 16 to 22, has been enjoying the family's large Forest Hill home and swimming pool while snapping up new properties across the city and renting them out. As savvy investors, Mr. Portillo and his wife are always on the hunt for luxurious projects that ooze value, so after securing a spot on Bisha Hotel and Residences' VIP list and checking it out, they quickly added four units

to their stash: The 800-square-foot, two-bedroom model suite that the couple will “probably” move into when it is ready in early 2015, plus three 675-sq.-ft., one-bedroom-plus-den units for the kids.

“We thought Bisha was a great investment,” says Mr. Portillo, who works downtown and frequents the area’s restaurants and theatres. “We liked the downtown location and the young, hip appeal. Of all the other up-and-coming condo-hotels, the price per square foot was less than half of all the other boys on the block. We certainly felt that, in a few years, price per square foot would increase at least 35% to 40%. It’s also just a hop, skip and a jump from a lot of the downtown attractions, and the finishes and amenities were comparable to all the other high-end buildings in the area. You get a big bang for your money.”

With so many buildings springing up in the GTA, buyers of affordable luxury certainly have choice. Though location has long been a major attraction, many are drawn by the value they get in a \$600,000 to \$900,000 unit — be it larger living areas, more luxurious bathrooms or top-notch finishes and amenities.

“In a home that’s going to cost that kind of money, I would want two bedrooms, two bathrooms, a powder room and a large kitchen that could be open design or closed,” says Jim Ritchie, Tridel’s senior vice-president of sales and marketing. “The walk-in closet and the master ensuite for sure have to be large. I would not want living areas less than 12 feet wide or a master bedroom to be less than 11 feet wide. And the ensuite in the master has to be luxurious — double sinks preferred — a tub and a shower separately.”

That is precisely what Tridel is offering in Blythwood at Huntington. As Mr. Ritchie explains, most buyers are ready to downsize from their large Lawrence Park homes but are not about to squeeze themselves into a tiny condo. In response, the nine-storey, 117-unit project, situated on Bayview Avenue south of Lawrence Avenue East and overlooking Sherwood Park Ravine, is big on space. All suites have at least two bedrooms with large principle rooms and luxurious features and finishes, yet price remains reasonable. A two-bedroom, 1,218-sq.-ft. penthouse costs \$840,000 while a two-bedroom, 1,443-sq.-ft. unit with full-length terrace costs \$910,000. That puts price per square foot at \$632, a step down from downtown’s whopping \$700 to \$1,000 price tag.

Morris Kansun, president of Sierra Building Group, believes value has individual appeal. As he puts it, “You have a downtown market [buyer] who doesn’t mind paying \$600 or \$700 a square foot but who can only afford a 500- or 600-sq.-ft. condo. Is that value? I don’t know. I guess if you want a one-bedroom place for \$300,000, you get it.” Those coming from 3,000-sq.-ft. homes can afford million-dollar condos, he says, but would rather buy “a decent-sized condo that’s minimum 1,200 sq. ft. and still put

some money in their jeans so maybe they can buy that home in Florida on the golf course or that condo in Florida.”

That said, Sierra is building a six-storey, 143-unit building called 68 Main Street in Markham’s historic village. The Signature Series’ 12 large luxurious penthouses are priced from \$500,000 to \$1-million and tout Viking and Thermador appliances, gas fireplaces and “the sky’s the limit in the level of trim,” Mr. Kansun says.

For those who see value in amenities, hotel residences are the big draw. Bisha, for example, boasts 30,000 sq. ft. of amenities including two restaurants, two bars, a 24-hour café, a 7,000-sq.-ft. rooftop patio and infinity pool, a fitness centre, and more, with à la carte services to include personal fitness training, pet walking, housekeeping, room service and grocery delivery. All that for \$750 per sq. ft., plus 57 cents per sq. ft. in maintenance fees.

“If a condo didn’t have a hotel to subsidize the cost of these things, your monthly costs would be very high,” says Mel Pearl, president of Lifetime Developments. “The hotel will be picking up the costs of the bar and the rooftop and all the other amenity spaces, so the condo owner has access to all these facilities. That’s typical of the hotel-condo projects that are being built, not only in Toronto but around the world. That’s one of the big advantages available to the purchaser. It caters to their lifestyle without having to be costly.”

And then there is the concept of treating everyone equally. Chaz on Charles near Bloor and Yonge, for example, offers all buyers the same luxurious finishes regardless of the price of their suite, while Ocean Club Condos on Humber Bay Shores lets buyers choose from only high-end materials.

“There are some builders who want to make upselling and upgrades a profit centre, which is fine because some people do want the ability to customize,” says David McComb, president of Edenshaw Homes, which is co-developing Chaz with 45 Charles Ltd. “But the challenge is, when you’re dealing with a production of 1,000 units, you can’t stop production for Mrs. Smith to have her brother-in-law’s tile company come in to set the tiles that they’ve ordered through him.”

Stephen Price, chief operating officer at Graywood Developments, attributes equality to a thriving condo market that has sophisticated buyers dictating what “standard” should mean.

“The whole base building standard from quality developers has elevated, so it truly is a market where luxury is affordable.”