

The Gazette

Condos head west along canal

Developer is betting condo buyers will want to move into the once-industrial sector along the western end of the Lachine Canal - so much so, he's ready to put his money where his mouth is

MARY LAMEY, The Gazette

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By purchasing a 100,000-square-foot-lot on the ungentrified end of St. Patrick St., Joe Levine placed a bet that residential development along the Lachine Canal would eventually move west.

Now, the president of Harcon Developments Ltd. is sweetening the pot.

In June, Harcon launched the first phase of Le Portail du Canal, a 120-unit steel and concrete condominium project to be built just west of de l'Eglise St. and just east of the Monk Blvd. bridge.



Joe Levine believes people will want to live along the western end of the canal. "An area like this needs a magnet to get things going," he says.

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The project is selling well, drawing buyers from among the thousands of cyclists, in-line skaters and joggers who ply the canal bike path every day, or the dragon boat rowers who regularly convene on the dock directly across from the Portail's sales office. The project has great visibility.

It also has great prices, especially compared with those in the trendy strip of the canal near Atwater Market. A 465-square-foot studio apartment starts in the \$96,000 range, while a three-bedroom condo can be had for about \$250,000.

The pricing has proven popular - the three-bedrooms sold out quickly, causing Harcon to scramble to combine some one- and two-bedroom units to satisfy demand. The studios are selling well to young buyers just getting into the market and people approaching retirement age who want to stay in the southwest.

But Levine has gone one step further. Soon after committing to Le Portail du Canal, the developer discovered that the Société d'habitation et de développement de Montréal was planning to build a residential project as part of its Accès Condo project on a canal-side site not far from his.

"A lot of developers complain about Accès Condo, because it is unfair competition," Levine said this week as we took a stroll along the canal under a cloudless blue sky. "I decided to tackle it head on."

Under the Accès Condo program, the SHDM lends homeowners up to 10 per cent of the purchase price of their condo, thus substantially reducing the mortgage cost. In return, the homeowner must pay the loan back when the property is sold whether in one, three or 20 years. The vendor also has to pay the SHDM 10 per cent of the profit realized on the sale.

Levine is offering the same terms to his buyers, under what he's calling his Affordable Purchase Credit Program. Anyone who buys a home at Le Portail du Canal will be eligible for the program, providing they can get a mortgage. Buyers are not obliged to take part in the program. Here's how it works. If someone buys a \$180,000 unit, Harcon will lend them \$18,000 toward their down payment. Homeowners have two options. They can immediately begin paying the money back interest-free over four years, an option that means they won't have to share the profits when they sell. Alternatively, they can wait until they sell, repay the loan and chip in 10 per cent of their profits.

This program is modelled after Options for Homes, a financing plan pioneered in Toronto as a means to make homeownership accessible to a broader cross-section of the public. It was granted an award for excellence by the Canada Mortgage and Housing Corp. in 2002. Levine is thought to be the first private Montreal developer to undertake such a financing plan.

"To be honest, if I wasn't up against the city, I wouldn't have the motivation to do this," Levine said.

He's deferring profits but also shouldering an extra 10-per-cent cost burden.

"That's OK. If it means the project sells out in a timely fashion, it will be worth it," he said.

Levine is so confident in the attractiveness of his financing program that he's offering the same terms to buyers at a Harcon project in Laval, Manoir du Vieux St-Martin.

Levine is counting on attractive pricing and creative financing to attract buyers. In the end, the building has to speak for itself. His project is built on a parcel of land next to the Complexe du Canal Lachine. The high-end commercial loft building is in a retrooled Simmons mattress factory, one of 14 century-old buildings that make up the Dompark Complex.

Harcon is proposing two phases of development running along St. Patrick and Briand Sts., with the main entrance on Briand. The ground floor of the six-storey building is zoned for commercial use. Among the commercial tenants being considered are a dépanneur, café and even possibly a day-care centre. The two phases will be built in a U-shape, with a landscaped courtyard.

Harcon is a pioneer in this part of the city. The canal has been transformed since being reopened to pleasure boats in 1993. The bike path is busy seven days a week. The McAuslan brewery has a welcoming terrace bar and condos have sprouted on the water. Most of that action happens east of Highway 15. To the west, weedy lots and under-used factories and warehouses still abound.

"An area like this needs a magnet to get things going. We believe in the future and that's what we're selling - the future of the canal," Levine said.

He's putting his money where his mouth is.

For more on the Harcon projects on the Internet, please go to www.leportailducanal.com and www.manoirstmartin.com

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