



New 30-storey rental on Preston gets \$86.4M boost from feds

KELLY EGAN August 18, 2020

The federal government is lending a developer \$86.4 million to help finance a 30-storey rental apartment building on Preston Street.

SoHo Italia, a project by Mastercraft Starwood at 500 Preston, consists of 250 units near the corner of Carling Avenue, right by Claridge's towering Icon building.

A condition of the low-cost loan is that the units be affordable, or below typical market rent, and energy efficient. The building — at the corner of Sidney Street — is to contain 50 one-bedroom units, 100 one-bedroom units with a den and 100 two-bedroom apartments.

The financing was unveiled at a press conference at the site — now a 4.5-storey hole — attended by Ahmed Hussen, the minister responsible for Canada Mortgage and Housing, which is making the funds available from its Rental Construction Financing Initiative.

Mastercraft president Bruce Greenberg said the “state-of-the-art” building will have modern features like electric vehicle charging stations, car sharing and electronic locks. He pointed out that the CMHC program is helping replace aging rental stock, about 62 per cent of which was built before 1979 in Ottawa.

He also said the timing of construction is important in that Canada is in economic crisis, with high unemployment, a recession and a closed border with the U.S.

“It is difficult to get financing for multi-unit rental properties but these CMHC loans are repayable and give builders the confidence and means to move ahead with rental housing that will fuel our economy when it is needed most and give more Canadians a place to call home.”

The building is part of a rapid transformation of Ottawa's Little Italy. Greenberg pointed out its proximity to LRT (only 180 metres to the Trillium Line's Carling Station), Dow's Lake and the future site of the Civic campus of the Ottawa Hospital.

He credited Hussen and his government for pouring almost \$14 billion into the rental incentive program, one expected to contribute to the construction of 42,500 units across Canada.

“These are unprecedented times and it is precisely at times like this that we realize and appreciate the privilege and how fortunate we are to live in a great country like Canada,” said Greenberg, son of the company founder.

Hussen said the government has unveiled a number of programs — mortgage relief, wage subsidies — to ensure Canadians did not have to choose between paying for housing or buying groceries.

“We're also stimulating the economy creating jobs,” said Hussen, the Minister of Families, Children and Social Development. “Just imagine the number of people who will be put to work to complete this project. It is a win for renters, but it is also a win for our economy and our larger community.”

The building is expected to be completed near the end of 2022.



Minister Ahmed Hussen makes funding announcement on Preston Street Monday at site of 30-storey SoHo Italia.