



CLIENT SUCCESS STORY

Avalon Urban Towns

Flexible capital that helps keep developments moving.

Avalon Urban Towns, developed by Savic Homes, is a design-forward urban lofts development located in Kitchener, Ontario.

Across four phases, Avalon Urban Towns features smart open concept living spaces, modern features and finishes, stunning rooftop terraces, patios and balconies.

MarshallZehr collaborated with Savic Homes to tailor the bridge and construction financing they needed to refinance their project, gain additional capital flexibility, and keep their 196-unit third phase rental property development on track.



Savic Homes' relationship with MarshallZehr began in August 2019, when we collaborated on a financing solution for their 424 Prospect Avenue development in Kitchener, Ontario. These purpose built rental units are conveniently located near many local amenities, with easy access to highways and the 401.

Building off the success of 424 Prospect Avenue, we began work in late 2020 to create a financing solution for the latest phase of Avalon Urban Towns, another rental development in the region. MarshallZehr understood the opportunity that exists for rental properties in Kitchener and together with the strength of an experienced developer like Savic Homes, we were excited to become involved in the project.

Kitchener-Waterloo continues to experience strong housing demand but with limited supply, similar to many parts of Southwestern Ontario. According to the [Canadian Real Estate Association](#), the average residential property sale price in Kitchener-Waterloo in June 2021 was nearly \$760,000 - a 26.4% increase from the previous year. In addition to the limited supply of housing in the region, this has been driven higher by the migration of buyers coming from larger urban centres like Toronto, seeking more outdoor space.

Most first-time homebuyers in Kitchener are young couples in search of condominiums, many of whom have experienced difficulty getting into this market, according to Housing Outlook 2021 produced by [RE/MAX](#). In response, many first-time home buyers and move-up buyers are turning to the rental market to find suitable housing.





David Hildebrant

Vice President,
Business Development

"Our standing relationship with Savic Homes is testament to the professionalism of their team and the quality of their developments."

"It has been a pleasure working with Savic Homes and I look forward to our next project together."



Anthony Carleton

Analyst,
Business Development

"Working with Savic Homes has been a great opportunity for us to promote local purpose-built rental product together with a strong developer that we are proud to do business with."

"We look forward to continuing to work with Savic Homes in the future."



For Avalon Urban Towns, Savic Homes was looking to replace their existing financing with a capital solution that provided the additional flexibility they wanted to keep project timelines as short as possible.

Together, we crafted a capital solution that met their short and long term needs:

- MZ provided bridge financing to assist Savic Homes as they transitioned between capital sources. This helped to ensure the uninterrupted payment of trades on the development site
- MZ provided a \$58M construction financing solution to build the third phase of the Avalon Urban Towns. Specifically, this financing was structured to allow Savic to develop the two blocks of phase 3 simultaneously, thus cutting project timelines by as much as 6 to 8 months

We are looking forward to seeing this third phase reach its planned completion in July 2023.



About Savic Homes

Savic Homes was founded in 1998 by Bob Savic. For more than twenty years, Savic Homes has built prosperous neighbourhoods that define and accentuate what the region of Waterloo has to offer. Today, Savic Homes continuously challenges industry norms and standards, exceeding expectations and raising the bar for industry performance.

Founded in 2008, **MarshallZehr Group Inc.** ("MZ") is an industry leader, providing select mortgage lending and customized financial opportunities in real estate construction and development.

Specifically, we specialize in transformative projects (ground-up and value-add) across multiple build types, focusing on generating appropriate risk-adjusted returns.

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