

Inside the busted dreams and court fights surrounding a Markham developer with ties to more cancellations than builds

Developer Shaji Nada says he is spending millions of his own money to repay deposits because he is committed to doing “the right thing.”

By [Sheila Wang](#) Reporter
Wed., July 21, 2021 timer 11 min. read

When Anna Pires looks at the architectural renderings of the million-dollar townhouses that promise to be “the best of all worlds,” she gets frustrated.

The company behind the yet-to-be-built Boss Luxury Towns in Oak Ridges is the same one that cancelled purchase agreements with Pires and dozens of other hopeful homeowners after a development in Richmond Hill failed.

Six years after Ideal Developments and its affiliated companies collected as much as \$200,000 per deposit, the units were never built and the spurned buyers were tossed back into a feverish housing market that has passed some of them by.

“I wish they would have built our homes instead, rather than cancelling one project and moving onto another. It broke my heart,” Pires said.

Over the last 10 years, Ideal has sold more than 600 pre-construction condo units or townhouses across the GTA that have ended up cancelled — more than the company has built.

Now, as dozens of buyers are taking Ideal to court, the developer — who has high-end cars and lives in a Markham mansion — is promoting three new pre-construction developments, including Boss Luxury, where buyers will get “style and substance redefined” starting at \$1.2 million.

“How could this be allowed?” said Pires, who in September 2016 bought a pre-construction stacked townhouse in Ideal’s Modern Manors development in Richmond Hill.

SKIP ADVERTISEMENT

“I just want to warn people how broken the system is,” she said.



Ideal Developments’ CEO Shajiraj Nadarajalingam said his aim has been to build homes to serve the demand of the fast-growing suburbs, but he has run up against unexpected roadblocks.

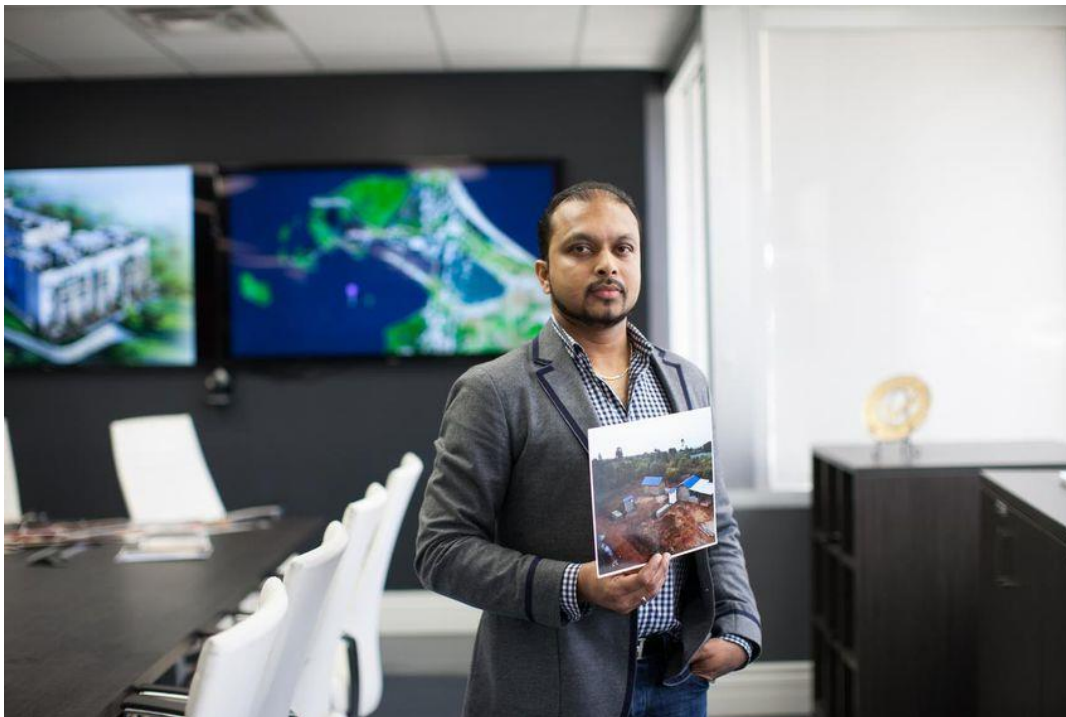
He said he is doing “the right thing” and paying back all deposits for Pires and others whose purchase agreements for a Modern Manors unit was terminated. Meanwhile, he distances himself and his company from an ill-fated development in Markham, which he says was cancelled after Ideal left the project.

“I empathize with every purchaser and share their disappointment. No one wins when a real estate project fails,” said the developer, who goes by Shaji Nada.

Since 2019, Nada has been pursued in court by homebuyers and lenders who allege he has done them wrong.

Two ongoing lawsuits filed by buyers accuse him of fraud, which Nada denies.

In another lawsuit, filed this month, three foreign buyers say Nada diverted their funds for his personal use. Nada denied misappropriation of funds to the Star: “Any suggestions of the same will be treated as libel.” In this case, the plaintiffs say their units have still not been built seven years after collectively paying \$1.5 million. Nada faulted the municipal approvals process for the delay.



Nada and his family live in a palatial \$11-million mansion with a basketball court, swimming pool and golf simulator — all indoors. One lawsuit alleges Nada has a Maserati Quattroporte and a Lamborghini Aventador, a “very expensive collector’s car.” Meanwhile, licence plate records show he drives a

Lincoln Navigator SUV, while a Maserati with the plate “IDEALDEV” is registered to the firm.

Nada said he aimed to build Modern Manors on time and on budget, but he was unable to meet the financing conditions for the loans he took out for the project. He denies accusations of fraud and unjust enrichment alleged by buyers now suing the developer, including some Nada alleges are trying to use the media “to extort more money from me.”

Modern Manors — what was supposed to be a Richmond Hill condo and townhouse development nestled into a lush forest off Yonge Street — was a victim of a “perfect storm” of permit delays, skyrocketing building costs, provincial tax legislation on foreign buyers and many other factors, Nada said in an email. This led to the cancellation of 72 purchase agreements, one of which was with Pires.

The Modern Manors development — cancelled this April — was just one of nine multi-dwelling projects Ideal has started since 2015. Ideal transferred or sold two to other developers, and three others remain unbuilt. Nada said he expects construction of two of the developments to begin this year.

Nada said Ideal lost more than \$10 million on Modern Manors and he has used millions of his own money to repay deposits.

“That is the type of person I am, and the type of company I operate,” he said.

While he did not comment about his or his firm’s luxury cars, Nada said he sold the mansion in 2020 to free up cash to help pay his debts and he now rents from the new owner. Ideal’s website said the 22,000-square-foot, six-bedroom house is the “ultimate of perfection.”

The buyer of the \$11-million house was Nada’s business associate, and the sale may have been a scheme for Nada to shield assets from creditors, alleged a 2020 lawsuit.

Ideal and Nada did not respond to the lawsuit, and a judge ordered he pay the plaintiff \$150,000. In an email to the Star, Nada said he did not file a defence because he was already “working collaboratively to negotiate a resolution,” adding that he and the plaintiff settled the case.

Nada said the allegations that he was shielding assets from creditors were “pure speculation” and “clearly fabricated to enhance a lawsuit.”

Nada also denied the plaintiff’s allegation that “it’s a pattern” of Nada’s to avoid paying debts by “always asking for more time” to pay back while he “has money and lives in luxury.”

For Bob Aaron, a Toronto real estate lawyer and a freelance contributing columnist to the Star, “One cancelled project is one too many.”

While there are many legitimate reasons for project failures, Aaron said the government should prevent developers from cancelling if they failed to get the construction financing in order.

Instead, developers should have a limited time in which they can cancel for financing reasons — a year, 18 months or two years. After that the developer should have to buy the units at fair market value, Aaron added.

After arriving in Canada from Sri Lanka as a 19-year-old refugee, Nada said he worked hard to build companies that operate with integrity and provide leadership opportunities for women and people of colour.

The sleek website for Nada’s Markham-based Ideal Group presents a multimillion-dollar conglomerate involved not just in development but venture capital and global entertainment.

According to Ontario’s Home Construction Regulatory Authority (HCRA), Ideal has completed two condominium projects: a 95-unit development in Toronto in 2017 and a 44-unit community in Scarborough in 2013. Most recently, Ideal constructed and sold nine houses in 2019 and one house in 2020, according to HCRA.

Perhaps Ideal’s most ambitious project was Markham Square, expected to have a total of 673 units in Unionville. Photos show Nada posing with Markham Mayor Frank Scarpitti at a planned construction site in 2017.



Ideal had partnered with OnePiece Development on the project, but they went separate ways in 2018 after selling hundreds of pre-construction units. A year later, as Ideal faced unpaid debts to two mortgage lenders for a different development, Nada said in a court filing that his company’s cash flow shortage was a result of a “business dispute” between Ideal and OnePiece.

In November, OnePiece cancelled the project. Nada distances his company from the decision.

“Ideal Development does not deal with every project from land purchase to construction. For those projects that we sell to others, we have no input into how they ultimately decide to complete the project, and therefore cannot be held accountable for a decision they might make to cancel a project,” Nada said.

OnePiece was unable to secure sufficient financing after years of delays, the developer’s lawyer told buyers in a letter. OnePiece did not respond to repeated requests for comment.

Two of Ideal’s projects have suffered similar financial distress.

The Boss Luxury project in Oak Ridges was put under receivership in July 2019 after defaulting on a \$13-million loan. Nada said “the defaults were amicably resolved,” adding that “it is not an issue.”

He said it was “not uncommon for a company to miss a payment when a project gets delayed, and then renegotiate the terms of the loan.”

While Ideal has removed the renderings of Boss from its website, other real estate sites continue to show attractive images of the future homes: exposed brick walls, French doors, high ceilings and open-concept kitchens.

In August 2019, shortly after the Boss project went into receivership, the Ontario Superior Court of Justice put Modern Manors under receivership after Ideal defaulted on a \$15-million loan. Like with the Boss development, Nada said the defaulted loan was resolved.

In February, prospective townhouse buyers learned that Ideal Developments had quietly transferred the Modern Manors project to a new developer, which was not honouring the purchasing agreements and remarketing the previously sold units.

“Some developers in our situation might have declared bankruptcy and not paid back the deposits,” Nada said. “To date, almost 60 per cent of freehold townhouse buyers have accepted our offer to return their deposit and the funds will be released to them soon. Some buyers have not accepted this offer and are suing for more money.”



Anna Pires, who isn't among those currently suing Ideal, remembers how crushed she felt when she learned her purchase agreement for a Modern Manors townhouse had been terminated.

Unlike others who bought directly from the developer, Pires had bought the townhouse from another buyer — who previously worked as a sales manager at Ideal Developments.

Nada said the manager was not employed by Ideal at the time of selling the unit.

According to Pires' purchase agreement, the employee had bought into Modern Manors in November 2015 with a \$23,500 deposit on the \$470,000 unit, then sold the unbuilt unit to Pires 10 months later for \$550,000. Pires says she was told the increase in price reflected the unit's increase in value and she had to pay the employee the deposit plus an additional \$80,000 to buy the home.

While Ideal Developments had “no legal obligation” to return the \$80,000 which was paid to a private individual, Nada said the company has agreed to refund her that amount plus her deposit.

Pires confirmed she received the deposit and \$40,000 in her bank account, noting the settlement is still “in progress.”

While the Modern Manors development languished, the real estate market in the GTA soared to unprecedented levels during the pandemic, with a 17 per cent year-over-year price growth this June.

“If I invested in any other project, it'd have grown,” said Marjan Asmani, who is in one of the two groups who has sued Nada, Ideal and others involved in Modern Manors. She waited six years for a condo project that's never been built. At the time of her 2015 purchase, she said she spent her life savings on the \$47,000 deposit.

Tarion, an Ontario agency that provides warranties for new homeowners, said it reviews all vendors who cancel a condominium project. Its findings, however, are not disclosed to the public.

“No new applications under the Ideal Developments umbrella group have been approved by Tarion since their recent issues materialized,” a

spokesperson said. Tarion did not say whether Ideal has sought any applications during this time.

Nada said two of Ideal's yet-to-built developments — Richmond Towns and Mississauga's Jewels of the Meadows — were approved in 2015 and 2016, respectively. Ideal Development's website describes its Boss Luxury townhouse development as coming soon.

However, the 72-townhouse Boss project is prohibited by Tarion from building or selling at the moment because its vendor Ideal (BC) Developments, an affiliated company of Ideal Developments, does not have an HCRA licence.

Nada said Tarion initially permitted Ideal BC to sell and/or construct up to 10 units after the company provided a \$500,000 letter of credit security to the consumer protection agency, a condition of registration that Tarion said it had later rescinded.

Nada said Ideal BC has set up a relationship with a construction management company that is in the process of getting a licence from HCRA. He said sales are expected to resume later this year.

Pires said she complained about Ideal Group to Tarion as well as Ontario's recently established HCRA before the cancellation of Modern Manors. They offered little help, she said.

Meanwhile, in a lawsuit against Ideal that was recently settled out of court, two homebuyers alleged that an addendum to their Modern Manors contract that is supposed to provide advice and cautions to the purchaser did not disclose any details of the developer's financial difficulties or missed occupancy dates.

First introduced by Tarion in 2008, the addendum has been mandatory for every purchase agreement to inform buyers of any risks, but it only provides general information and not specific details about a developer.

After Ontario's highest court commented that the Tarion addendum was not "consumer protective," new forms came into effect earlier this year which disclose information about the status of development approvals and construction. The new forms still only provide general information.

A 2019 special audit of Tarion called for more accountability and transparency.

It found Tarion lacked effective processes and standards to consistently fulfil its dual mission of enforcing home warranties and regulating builders. Builders were not rigorously monitored by Tarion to ensure they operated knowledgeably and with integrity. Some were relicensed to build despite demonstrating problematic behaviour.

On HCRA's website, Ideal Group shows a clean record except for one entry that says one of its companies, Ideal Developments Inc., was flagged on May 4 for failing to resolve an issue reported by a homeowner. No further information is available.

Pires said she filed a complaint with the newly established HRCA around February but she hasn't heard from them since April 16 when Pires was notified inspectors have been assigned to the case.

Pires, currently unemployed, said she was left "fending for herself" because she couldn't afford to join other Modern Manors buyers in the lawsuits against the developers.

"They are supposed to help the consumers. What's the point for them to be there if they don't do anything?" she said of the oversight agencies. "There has not been enough information out there to help purchasers buy pre-construction homes so they can avoid being in a situation I'm in now six years after buying a home."

Neither Tarion nor the HCRA would confirm if Ideal Group has faced any sanctions following the cancellation of Modern Manors.