

# **They spent their savings on condos and townhomes in the heart of Richmond Hill. Then, as developers fought in court, they saw their homes being sold again**

The original developers accuse the project's current owners of renegeing on its promise to honour the agreements of purchase. The new developers say they never agreed to take on the agreements.

By [Sheila Wang](#) YorkRegion.com  
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For two years, Samir Sultan-Ali and his family dreamed of moving into their million-dollar townhouse, nestled in a new Richmond Hill development surrounded by a lush forest.

After selling his home in 2018, he paid a deposit for a three-bedroom townhouse in Modern Manors, a community that developers said offered a small-town charm just steps from the convenience of Yonge Street.

Then Sultan-Ali learned the company who now owns the development re-listed his townhouse for sale — and he's at risk of losing the house and half of his \$200,000 deposit.

He is among three dozen buyers of long-promised but still unbuilt townhouses who feel like they're dangling in the wind as the current and former developers behind the complex spar in court over which of them is on the hook for previously signed purchasing agreements.

The original developers — Ideal Developments, who transferred ownership after allegedly defaulting on multi-million dollar loans — are accusing the project's current owners of renegeing on its promise to honour the agreements of purchase signed by Sultan-Ali and others for the complex's 36 townhouses.



The new developers, Grand Grace Development, say in court records that they never agreed to take on the purchase agreements, alleging that the \$7.4-million Ideal Developments collected in deposits is missing and was not spent on construction.

“I was shocked. I was making plans for the move-in,” said Sultan-Ali, adding that he was told as recently as the fall that his family could move in by September 2021.

He says he believes the townhouse he paid a deposit on two years ago was still being marketed on several real estate websites as of March 12.

Ideal Developments and its president, Shajiraj Nadarajalingam (known as Shaji Nada), filed an application in January to the Superior Court of Justice, asking the court declare its transfer of Modern Manors was conditional on Grand Grace assuming responsibility for “all existing agreements of purchase and sale for units at the property.”



Ideal Developments says the new landowner’s “breach,” “dishonest dealings” and “improper refusal” to take over the existing purchases are putting all the purchase agreements “in jeopardy.”

A month later, Grand Grace filed its own application, asking the court to rule that it has no obligation to assume the agreements, arguing that Ideal Developments is solely responsible for any liability to those purchasers.

In February, a Superior Court case management master ordered that both developers and their representatives are prohibited from selling, mortgaging or leasing any of the units on the 2.8-acre development until the court applications have been resolved.

“I’ve been dealing with a lot of other purchasers through their legal counsel and all of them are satisfied that we’re progressing in the right direction,” William Friedman, a lawyer representing Nada and Ideal Developments, said in an interview.

A lawyer representing Grand Grace declined to comment.

In 2015, Ideal Developments bought the plot of land, at Yonge St. and Jefferson Side Road, on which it planned to build 60 condominium units and 36 freehold townhouses.

As of May 2020, Ideal had sold 36 of the townhouses and 36 of the condo units. Sultan-Ali had hoped to move in by then, but the development continued to experience delays.

In February, Sultan-Ali and other buyers received a letter from Ideal Developments’ lawyer saying Modern Manors’ new developers were not honouring the purchasing agreements and were re-marketing the units.

It was the first time Sultan-Ali said he was told the development had changed hands.

Unlike the deposits for the condo units, which are required by law to be placed in a trust and returned in full if the purchase agreement is terminated, there is no legal requirement to hold the deposits for freehold townhouses in trust.

Consumer protection organization Tarion Warranty Corporation said it could not comment in detail on this matter but said buyers who had purchasing agreements for townhouses in the initial project can submit a deposit claim.

However, for purchasers like Sultan-Ali who paid an average deposit of about \$200,000, Tarion's deposit protection could only cover up to half of that amount.

For those who signed purchase agreements for freehold townhouses after January 2018, Tarion offers a deposit coverage up to 10 per cent of the purchase price to a maximum of \$100,000, if the sale price is over \$600,000, according to Tarion's website.

The deposits from buyers who signed purchase agreements for Modern Manors' condominium units have all been kept in a trust account, Ideal Development's lawyer said.

While condo buyers' money is in a trust, they still stand to lose money if their purchase agreements are not recognized, Marjan Asmani said.

Asmani, a real estate agent, said she paid a \$47,000 deposit for a pre-construction condo from Ideal Developments in 2015.

"This was my life saving," the resident of Vaughan said.

She has now waited more than five years for a condo that still hasn't been built. Even if she gets her full deposit back, she feels her opportunity to buy may have passed her by.

"What I can buy five years ago, I cannot buy today. With the deposit I had from five years ago, I cannot buy any unit that size today," Asmani said. "I could've used the money."

Ideal Developments are "extremely empathetic" to the purchasers, and stand with them, Tara McCarthy with Neat Agency, a public relations firm, said in an email.

The developer is "committed to a resolution so that arrangements may be made at least for the return of the deposit as soon as possible," McCarthy said.

Unbeknownst to Sultan-Ali and other buyers, Modern Manors has been in turmoil behind the scenes for years.

Construction had still not yet begun in 2019 when Ideal Developments defaulted on its mortgage obligations, Grand Grace alleges in its court submissions. To remedy the problem, one of the lenders — Amercan — formed a limited partnership with Ideal, and together they would continue with the development.

The mind behind Amercan is Fansey Wang, a real estate investor who is also the principal of Grand Grace Development and Dragon Holdings, which would help finance the project, according to court records.

Ideal Developments took on two new mortgages totalling more than \$50 million but once again breached its obligations, Grand Grace alleges.



In an affidavit, Wang says Ideal's Nada approached him about transferring the property to the limited partnership, which would then assume responsibility for the loans.

Ideal's court submissions say Grand Grace assured that it would take on the purchasing agreements as part of the transfer. However, Wang said that was never the deal.

He alleges that Ideal collected \$7.4 million in deposits for the 36 townhouses, but never put the money into the project's account as required by the limited partnership agreement.

Wang alleges the deposits were not spent on developing the property.

"Ideal JS chose to misapply the freehold purchase deposits and not put them into the development ... and is now liable to those purchasers for these deposits," Wang alleges in his affidavit.

"There is no evidence that Ideal JS retains these monies."

In its court application, Ideal Developments said the deposits for the townhouses "have been disbursed."

Upon learning of the dispute between the developers, Sultan-Ali and Asmani said they both filed complaints to York Regional Police's fraud unit. Police would not comment on whether there is an active investigation. No charges have been laid as of March 10, police confirmed.

Still, the unbuilt, 2,400-square-foot townhouse has not lost its allure for Sultan-Ali.

He said he still hoped to close the deal, in particular because of a cash-back incentive that Ideal Developments offered him two years ago.

Sultan-Ali would receive a \$200,000 credit toward the \$1.079 million sale price when the purchase is complete, according to a contract he signed with Ideal.

The Modern Manors project was a hot item when it first hit the market in 2015. The first phase of the pre-construction units reportedly sold out in a matter of hours.

To further add to its appeal, the project was promoted in tandem with a charitable cause Ideal Hope Foundation, launched by Nada, the president of Ideal Developments.

The sellout of the development's first phase led to construction of 36 houses in the village of Naguleswaram in Sri Lanka, where Nada was born and raised amid a civil war. He immigrated to Canada as a 19-year-old refugee.

McCarthy confirmed March 12 that the Sri Lanka charity project "was completed as per plan" and provided a photo.

The Ideal Hope Foundation had its charity status revoked in 2019 for failing to file a charity return, according to the Canada Revenue Agency.

Financial documents show the organization had spent more than \$203,000 on charitable endeavours and roughly \$5,000 on consulting fees.

Ideal Developments' lawyer did not respond to a question if the money used to build the houses came from the deposits for the Modern Manors townhomes in Richmond Hill.