

Toronto Star

Developer behind cancelled Icona condos applies to build similar project on the same site



By [Tess Kalinowski](#) Real Estate Reporter
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This time it's political, say angry condo buyers, who are warning Vaughan politicians against approving another development application from the company that cancelled the Icona condos in September.

Gupta Group, which cited financial reasons for Icona's cancellation, has applied to build a nearly identical development at the same site at Highway 7 and Edgeley Blvd. near Vaughan Metropolitan Centre. But Icona buyers say a "restrictive covenant" prevents the developer from building residential units on the site — a restriction they say still exists.

"How can the city even entertain a variance or application of any kind to resurrect this project when it hasn't been resolved with us and the covenant is still there," said Patricia DeBartolo, a spokesperson for a group of hundreds of Icona buyers, who have hired a lawyer to seek a legal avenue to sue the developer.

The new project is in addition to another development application Gupta filed in August just ahead of the Icona cancellation for three towers at Yonge St. and Steeles Ave.

The Icona buyers signed purchase agreements in early 2017. When the development was cancelled more than a year later it was a major setback on the region's high-priced property ladder, say the purchasers.

On Thursday evening, they told the Vaughan committee of adjustment that a legal issue they believe led to the Icona cancellation still exists.

The city says that was the first time its committee became aware of the restrictive covenant on the property that prohibits the owner from developing homes on the site. The committee put the matter over until Jan. 24 pending legal advice.

The [restrictive covenant](#) dates back to Gupta's purchase of the land in 2005. The legal condition prohibits Gupta, which bought the property under its Icona Hospitality Group, from building anything other than a hotel and banquet facilities there. It also gives the numbered company that sold the land the right to approve any development on the site.

Last March, more than a year after the Icona towers went on the market, a judge upheld the covenant even though that area of Vaughan has been approved for intensification.

The city is continuing its review of the application, which "remains active," an official told the Star on Friday. A [Vaughan staff report](#) calls the latest application for three condo towers, townhouses and a hotel

“good planning,” saying it represents “the type of development that is intended by the Official Plan and zoning bylaw.”

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“Council has approved the development subject to receiving approval of the variances which are supported by city council and staff,” says the report.

Gupta Group CEO Reetu Gupta, who also heads the company’s Easton’s Group of Hotels, did not respond to the Star’s request for an interview on Friday. A media relations representative, who previously acted for the company, said she no longer works for Gupta and a lawyer representing the company at Thursday’s Vaughan committee hearing also failed to respond to the Star’s requests for comment Friday.

“It’s not just about us. We don’t want another 1,600 people to fall into the same situation we were in a year from now or two years from now,” said DeBartolo of the buyers group.

Carla Gravina, a purchaser in Liberty Developments’ cancelled Cosmos condos last year, said she and others in her group will be out to support the Iona buyers.

“We need someone from the city to wake up and remember they do work for us,” she said.

In an emailed statement, Vaughan Mayor Maurizio Bevilacqua said he will “continue to demand urgent action that protects people and their dreams of home ownership.”

He said the province is responsible for consumer protection and the city issued a formal request in May asking that the legislation around pre-construction condos be reviewed.

Tess Kalinowski is a Toronto-based reporter covering real estate. Follow her on Twitter: [@tesskalinowski](https://twitter.com/tesskalinowski)