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The Regional Municipality of Durham Report

To: Regional Council
 From: Commissioner of Works
 Report: #2025-COW-48
 Date: December 17, 2025

Subject:

Confidential Report of the Commissioner of Works – Pending Acquisition or Disposition of Land for Regional Corporation Purposes as it relates to the Acquisition of Property in the City of Pickering

Recommendation:

That Regional Council approve:

- A) Subject to Regional Council approval of Recommendation A) in 2025-COW-43, that a purchase agreement with Innvest Hotels for the property with the municipal address of 533 Kingston Road, City of Pickering, identified with PIN 26308-0177 (LT), be approved with an upset limit as follows:

Property Name	533 Kingston Road, Pickering	\$27,000,000
	Part Lot 30 Range 3, Concession Broken Front Township of Pickering in the County of Ontario Parts 1 and 2, 40R7116 Except Part 8, 41R31396; Subject to D133026, Pickering, City of Pickering	

Total	\$27,000,000
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- B) That the total estimated upset limit of \$28,790,000 for this property acquisition and associated costs be financed as follows:

Funding Source	Amount (\$)
Federal Interim Housing Assistance Grant	\$27,350,500
Regional Portion – at the Discretion of the Commissioner of Finance	\$1,439,500
Total	\$28,790,000

- C) That the Commissioner of Works be authorized to execute the Agreement of Purchase and Sale and all associated documents; and,
- D) That at the appropriate time, after completion of the property transfer to the Region as detailed in this report, and as determined by the Commissioner of Works in consultation with the Regional Solicitor, staff be authorized to publicly release this confidential report by publishing it on the Region’s weekly Council Information Package.

Report:

1. Purpose

- 1.1 This report seeks approval for strategic acquisition of 533 Kingston Road, Pickering, to pursue a dedicated, sustainable response to support asylum claimants in the Regional Municipality of Durham (Region).

2. Background

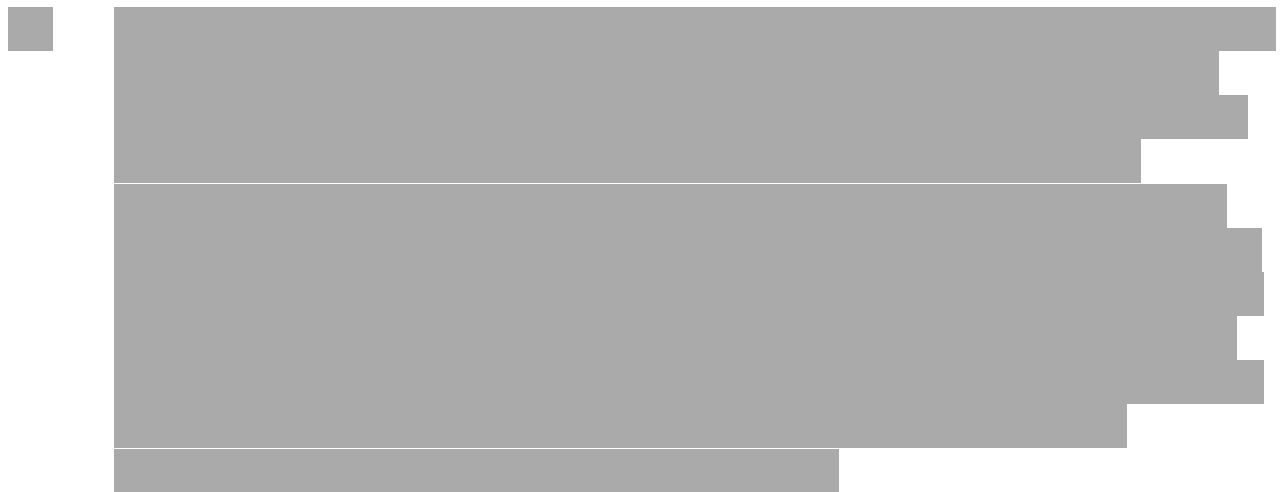
- 2.1 The Region is seeking to acquire a property for the purposes of a dedicated interim housing facility (i.e. Durham Reception Centre) for asylum claimants. If the property is acquired before March 31, 2026, federal funding under the Interim Housing Assistance Program (IHAP) is anticipated to cover 95 per cent of the eligible costs of the acquisition with the balance to be financed by the Region of Durham. Details of the Durham Humanitarian Response Program and grant from IHAP for this acquisition is reported in Report #2025-COW-43.

3. Property Acquisition

- 3.1 Real Estate staff have identified the property at 533 Kingston Road, Pickering, as a suitable site for the proposed Durham Reception Centre. The site is 2.84 acres and improved with a branded Comfort Inn limited-service lodging facility.

- 3.2 The Purchase Agreement is conditional on the Region completing any necessary due diligence investigations (i.e. property survey, investigating title, environmental, geotechnical, and hydrological studies) to the Region’s satisfaction, the Region entering into a Service Agreement with Innvest for the provision of services covered by the existing collective agreement such as property maintenance and cleaning services. The Purchase Agreement is also conditional on Council approval. The cost associated with the Service Agreement will be covered through the operating budget of the program and is discussed in Section 7.3 of report 2025-COW-43.

- 3.3 A draft third-party appraisal completed by HVS Toronto was commissioned by the property owner and estimates the fair market value of the property to be \$26,200,000, inclusive of land, improvements, room furnishings, appliances, and all fixtures and chattels not leased or owned by third parties. This report was reviewed internally by a designated AACI (Accredited Appraiser Canadian Institute) Real Estate staff appraiser and found to be reasonable. The Purchase Agreement is further conditional upon HVS providing a signed copy of the finalized appraisal report granting permission for the Region to rely on the report.



4. Financial Implications

- 4.1 Section 14 of the Region’s Budget Management Policy requires Regional Council approval for the acquisition of capital expenditures in excess of \$50,000 that have not been included in the approved Business Plans and Budgets.

- 4.2 The following table provides a summary of the budget for the property acquisition and associated costs as well as the proposed financing for this acquisition. Legal

fees and other professional services are estimates only and will cover the costs associated with completing due diligence investigations, closing the transaction, and facility improvements (e.g., IT upgrades, security services, signage, FF&E, etc.). Due diligence investigations will include a Building Condition Assessment, Phase 1 Environmental Site Assessment, a Designated Substance Survey, and an Accessibility Audit of the premises.

	Proposed Budget
Expenditures:	
Acquisition Cost	\$27,000,000
Legal Fees, Closing Costs and Other Professional Services	\$790,000
Improvements, Furniture, Fixtures and Equipment	\$1,000,000
Total Expenditures	\$28,790,000
Financing:	
Federal Interim Housing Assistance Program	\$27,350,500
Discretion of the Commissioner of Finance	\$1,439,500
Total Financing	\$28,790,000

4.3 As the capital purchase qualifies as a sustainable housing solution under IHAP guidelines, 95 per cent of the capital costs can be covered by federal funding as long as the purchase occurs by March 31, 2026. Further details on the operating costs are provided in Report #2025-COW-43.

5. Relationship to Strategic Plan

5.1 This report aligns with/addresses the following Strategic Direction(s) and Pathway(s) in Durham Region’s 2025-2035 Strategic Plan:

- a. Connected and Vibrant Communities
 - C1. Align Regional infrastructure and asset management with projected growth, climate impacts, and community needs.

- C2. Enable a full range of housing options, including housing that is affordable and close to transit.
- b. Healthy People, Caring Communities
- H3. Integrate and co-ordinate service delivery for positive life outcomes, including investments in poverty prevention, housing solutions, and homelessness supports.
 - H6. Collaborate with partners to co-ordinate settlement supports for newcomers.

6. Conclusion

- 6.1 As described in Report #2025-COW-43, the acquisition of 533 Kingston Road, funded 95 per cent by federal funding, presents a significant opportunity to create a dedicated, interim housing facility and a hub for wraparound settlement supports. At funding end, this site can be further utilized to enhance community services and support other Regional activities and priorities.
- 6.2 This report has been reviewed by the Legal Department and the Diversity, Equity, and Inclusion Ddivision of the Office of the Chief Administrative Officer.
- 6.3 For additional information, please contact David Dunn, Director of Transportation and Field Services, at 905-668-7711 extension 3422.

7. Attachments

- 7.1 Attachment #1: Location Map – 533 Kingston Road, Pickering

Respectfully submitted,

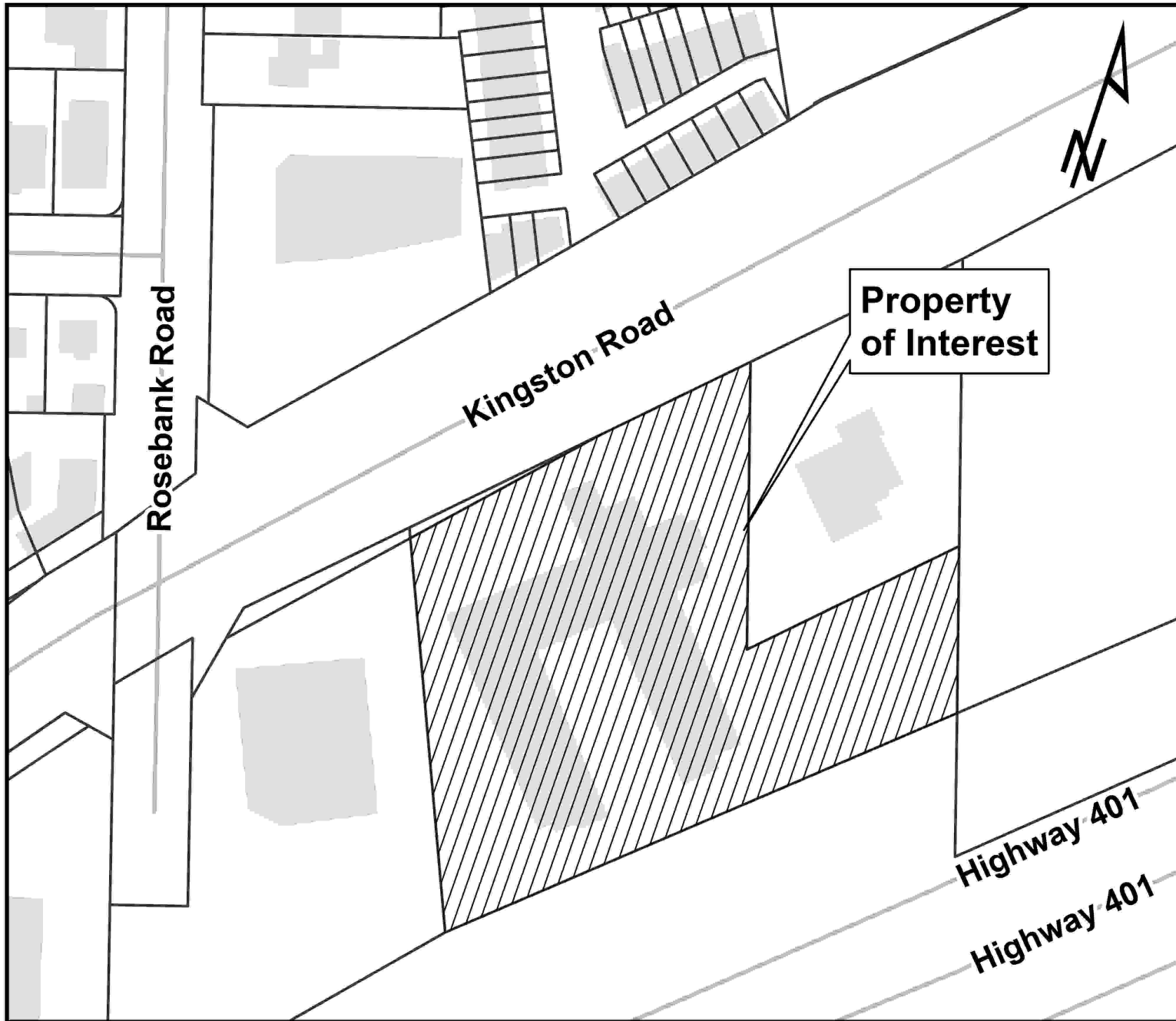
Original signed by:

Ramesh Jagannathan, MBA, M.Eng., P.Eng., PTOE
Commissioner of Works




Recommended for Presentation to Council

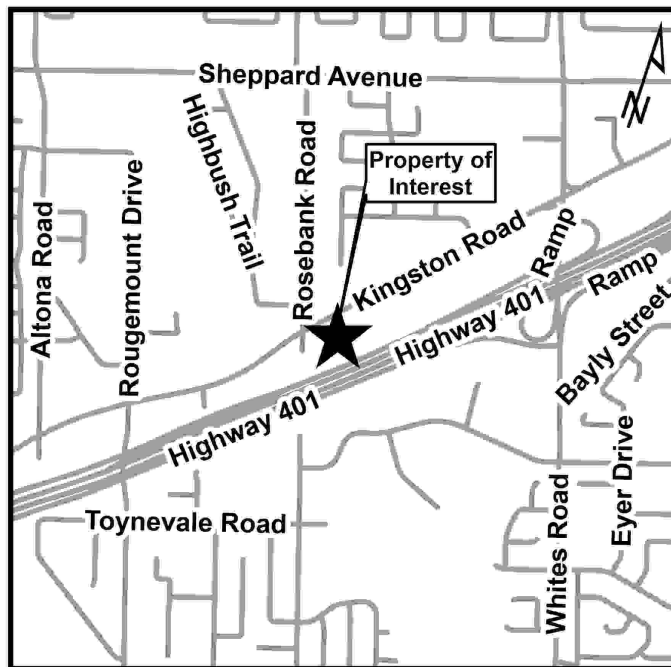
Original signed by:

Elaine C. Baxter-Trahair
Chief Administrative Officer



Attachment #1: Location Map 533 Kingston Road City of Pickering

-  Ownership Parcel
-  Lands to be purchased by the Region of Durham.
-  Buildings



GIS Data: Produced by Durham Region, 2025.
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