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Barriers To Mid-Rise Development in Suburban Communities in the Greater Toronto Area

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BARRIERS TO MID-RISE DEVELOPMENT IN SUBURBAN
COMMUNITIES IN THE GREATER TORONTO AREA

by

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A Major Research Paper
presented to Ryerson University

in partial fulfillment of the requirements for the degree of

Master of Planning
in
Urban Development

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Master of Planning
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ABSTRACT

Well designed mid-rise developments are generally recognized for their ability to contribute to intensification goals while at the same time being pedestrian friendly, human scale and compatible with low density neighbourhoods and historic districts. Despite these benefits, mid-rise residential developments between four and twelve storeys are comparatively rare in Greater Toronto Area suburban communities. To assess this disparity, interviews were conducted with municipal planning staff and development industry stakeholders to investigate the financial, regulatory and housing market variables that impact development of mid-rise projects. Building code, parking requirements, land costs and municipal policies and processes were all identified as contributing to high development costs for mid-rise. The market for mid-rise consists largely of affluent households without children that prefer neighbourhoods with good transit connections, vibrant street life and a wide range of amenities. These factors limit the number of locations where mid-rise can be profitably developed in suburban communities.

Keywords: Mid-rise housing, smart growth, suburban communities, municipal policy

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1.0 INTRODUCTION

Over the last several years, the Ontario provincial government has introduced planning legislation to curb urban sprawl in the Greater Toronto Area. Through the Greenbelt Plan (2005), the province effectively preserved 1.8 million acres of prime agricultural and environmentally sensitive lands from development and established a boundary for the physical growth of the Greater Toronto Area. At the same time, the Growth Plan for the Greater Golden Horseshoe (2006) promotes smart growth and mandates that 40% of new development must occur in existing built-up areas. Smart growth is associated with several benefits including preservation of agricultural land, more intense use of existing infrastructure and the development of more dense, mixed use communities that support public transit and walking and reduce reliance on private automobiles. Advocates of smart growth also point to its potential to create socially mixed neighbourhoods and generally improve quality of life.

Multi-family housing in mid-rise buildings of four to twelve storeys should be an important element of smart growth because this type of development can meet many smart growth goals. For example, well designed mid-rise buildings are pedestrian-friendly and human scale and can be compatible with existing low-rise development. Mid-rise relates well to the street and enhances community safety because residents have a connection to the street from their windows and balconies. In historic districts, mid-rise harmonises well with traditional residential and commercial buildings and can increase residential population without overwhelming the urban fabric of these older neighbourhoods. Development of more mid-rise housing can improve the sustainability of many neighbourhoods both in the central city and the suburbs by supporting public

transit and local retail and making greater use of existing infrastructure. High rise buildings over twelve storeys also support intensification and smart growth goals but tall buildings can overwhelm a low density or historic neighbourhood and many do not connect well with street or the surrounding community.

Despite the fact that it has the capacity to integrate well into many neighbourhood contexts, mid-rise multi-family housing is not as common as either low-rise or high rise housing in Toronto and its suburbs. Recently many communities in the GTA have started to recognize the value of mid-rise but have had limited success in promoting its development. The City of Mississauga, for example, is a mature suburban city immediately west of Toronto. Over the past four decades, Mississauga has developed as a low density city of single family homes with a dense node of high rise housing at the City Centre. With population expected to grow by 100,000 over the next 20 years, the City is looking to intensify existing neighbourhoods to better support transit use and neighbourhood retail services in order to improve urban sustainability. In its planning documents Mississauga recognizes that medium density, mixed use and mid-rise housing are key to accommodating growth in many contexts but policies have failed to encourage its widespread development. The intent of this research project is to investigate why mid-rise housing is not being embraced by private developers or homebuyers in suburban locations.

2.0 Research Questions

- What are the factors that encourage or hinder development of mid-rise housing in the Greater Toronto Area generally and in the City of Mississauga and Town of Oakville specifically?
- How can municipal policies influence mid-rise development?
- What is the perceived market for mid-rise housing and how does this affect the decision by developers on the type of locations that are appropriate for this built-form?
- Can mid-rise be developed economically in suburban locations?

3.0 Research Method

In order to answer the research questions, the planning policies of both the City of Mississauga and the Town of Oakville have been examined and compared. In addition, I have conducted semi-structured interviews with municipal planning staff at both the City of Mississauga and the Town of Oakville to explore the role that both municipalities see for mid-rising housing in the community, where they believe mid-rise should be built, what the planners believe is the market for mid-rise and how local policies either encourage or deter development. Additionally, I interviewed planning staff at the Region of Peel to discuss a report that was prepared by a private consultant for the Region. The report explores the potential for using direct and indirect incentives to encourage intensification generally and includes a discussion of incentives for various types of development including mid-rise residential buildings.

I have also conducted semi-structured interviews with four developers or development consultants who are active in the Mississauga and Oakville housing markets to discuss the financial and regulatory challenges to building mid-rise. In particular, I have explored the issues around the perceived market for mid-rise and how that demand influences development decisions in specific market contexts.

Examining a municipality's planning and housing policies can provide information on where and how a city sees itself growing. However, my discussions with planning staff supplied additional details about the nuances of policies and elicited opinions on how effective these policies have been in creating the desired built-form. Additionally, staff offered insights into how policies interact with the political environment. Similarly,

my discussions with developers and development consultants resulted in obtaining a more detailed understanding of the interplay of land and construction costs, development charges, planning policies, the municipal approval process and market factors.

A schedule of interview questions for both municipal staff and development industry stakeholders can be found in Appendix One.

This research project did not include pro forma analysis. No attempt was made to understand how building design, amenities, suite size and mix or interior finishing affects the cost and market for mid-rise condominium units. Neither homebuyers nor realtors were interviewed about their opinions on the mid-rise condominium market. All of these avenues of inquiry could potentially yield useful data about financial and market limitations for mid-rise developments but they were beyond the scope of this project.

Ryerson University requires that all research involving human subjects be reviewed by the University's Ethics Review Committee. The application for Ethics Review for this research project stated that the identity of all those interviewed would be held in strictest confidence. In this report, key informants have only been identified as either municipal employees or development industry stakeholders. Every effort has been made to protect the privacy of those individuals who generously agreed to be part of this project.

4.0 Literature Review

An extensive literature review on topics related to mid-rise housing and smart growth was conducted in preparation for this research project. Each subject area is addressed separately with a final summary that attempts to tie all themes together.

I. Positive Attributes of Mid-rise Housing

The benefits of the mid-rise housing form are well recognized in academic literature and the popular media. Jane Jacobs (1961) prescribed the dense mixed use neighbourhood with multi-family housing in low apartment buildings as an ideal urban form. Jacobs suggested that neighbourhoods of this sort are safe, vibrant and comfortable because residents have “eyes on the street” and a better connection to the community. Jacobs particularly disliked most high rise housing for being too far removed from the neighbourhood and poorly integrated into the urban fabric. Greenberg (2011) admires the ability of midrise to frame the street and provide a sense of comfortable enclosure.

Similarly, in a ten year study of North American and European cities, Lennard and Lennard (1995) concluded that large affordable apartments in buildings of five or six storeys were considered to be a key factor in liveability. The mixed use building consisting of shops at street level and apartments on upper floors was cited as a particularly flexible and durable built form because these shop-houses create sufficient density to ensure neighbourhood vitality and the viability of public spaces, small-scale retail, restaurants and cafes. The authors recommend introducing mid-rise, mixed use buildings, especially buildings that combine retail and housing, into suburban

neighbourhoods that have potential for intensification in order to increase density and walkability and promote transit use.

Over the past several years, mid-rise housing has been given significant media attention, largely in response to initiatives at the City of Toronto to promote mid-rise along the city's major thoroughfares. Baluja (2011, November 5) quotes two noted Toronto architects, a New York Times journalist and the chief executive officer of the United Way (Toronto) who all question the long term sustainability of high rise housing particularly the loss of vibrant street culture when high rise buildings are poorly incorporated into a neighbourhood and the propensity for high rise to turn into towers of poverty. Mixed-use, mixed income mid-rise buildings were discussed as the antidote to sterile, single use residential towers.

Delaney (2012, January 1), writing in the New York Times, discusses the collapse of real estate values in low density outer suburbs while high density, pedestrian friendly neighbourhoods in the centre city and inner suburbs have become the new real estate hot spots in many American metropolitan areas. Retrofitting underperforming shopping malls into walkable, greener town centres connected to public transit with plenty of apartment-style housing is the suggested treatment for ailing suburbs.

Mulroney (2007, October 27) describes a tense public meeting to discuss a proposal for a mid-rise housing project in Oakville. However, after the meeting, several people stayed back to enquire about purchasing a unit. Mulroney suggests this as one of the contradictions inherent to mid-rise. Because it is a more intense use of land, mid-rise can incite neighbourhood opposition, but at the same time, mid-rise is also

appealing to both city planners and homebuyers as being both neighbourhood-friendly and intimate with strong connections to the community and the street. As a prominent feature in many great cities, mid-rise is associated with both density and liveability.

II. HOUSING PREFERENCE

There are several studies of housing preference and attitudes to smart growth and urban intensification that have been conducted in the United States and the United Kingdom as well as some work carried out in Canada. Most of these studies involve quantitative research, relying on telephone or mail surveys. A few also included a qualitative component in the form of focus groups. In all cases these surveys revealed a preference for single family housing, especially amongst households with children but several authors also found substantial support for compact communities, new urbanism and smart growth.

A study conducted in the Greater Toronto Area by Agrawal and Stilich (2008) found that living in a single detached home was considered acceptable or maybe acceptable for fully 73% of respondents. Those living in suburban communities were more inclined than respondents from the City of Toronto to rate living in a detached home as acceptable or may be acceptable. Larger households were also more inclined to rate a owning a detached or semi-detached home as a “must have” or “very important”. Townhomes of various sizes, with private patios or private backyards were also considered acceptable or may be acceptable to a wide variety of households.

Rental accommodation in high rise buildings was considered the least acceptable housing option by all respondents regardless of whether they lived in the city or its

suburbs. Rental accommodation in low-rise apartments was generally more acceptable than high rise. More than 70% of one person households and almost one-third of two person households rated low-rise apartments as acceptable or maybe acceptable with no difference in level of acceptability between age cohorts.

Condominium apartments were rated more favourably than rentals with at least 50% of respondents in all household sizes indicating that an appropriately-sized condominium apartment would be acceptable or may be an acceptable housing option. Unfortunately, this study did not differentiate between high rise and mid-rise condominiums. Agrawal and Stilich also found that there was significant interest by survey respondents in living in communities that are well-served by public transit and where daily needs are within walking distance. These findings would suggest that compact communities planned around smart growth principles with a mix of housing types including medium density townhomes and mid-rise apartments would be well received by homebuyers.

Other studies carried out in the United Kingdom and the United States have shown relatively low levels of preference for apartment accommodation and dense urban living. A survey of residents living in new high density apartment complexes in central Dublin found that a majority of respondents saw themselves eventually purchasing a detached, semi-detached or a row home. Their existing apartment residences were seen as a short-term strategy, the first step on the property ladder. Subsequent focus group participants cited starting a family as a major reason to relocate to a larger, suburban-style home (Howley et al., 2009a).

In a second report based on the same survey of central Dublin apartment residents, Howley et al. (2009b) compared survey responses on quality of life issues to similar questions that were asked in a national survey of quality of life in Ireland. Those living in dense Dublin neighbourhoods reported lower levels of satisfaction with their living arrangements and communities than did respondents in the national survey. Logistical regression of the central Dublin survey responses found that apartment size and quality as well as neighbourhood amenities outweighed personal characteristics such as income in explaining levels of satisfaction. A final analysis of the same Dublin survey data found that one-half of respondents were intending to move within five years. Friendliness with neighbours was found to have the greatest impact on a respondent's intention to move. Those who had the most contact with neighbours were least likely to be intending to move. In addition, larger households were almost twice as likely to report intending to move as one person households (Howley, 2009).

Senior, Webster and Blank (2006) conducted preference experiments with 321 participants, all homeowners looking to sell their present homes in Cardiff, Wales. The experiment involved giving respondents combinations of property and neighbourhood attributes and asking them to evaluate the trade off between various attributes. The alternatives represented both existing offerings in the Cardiff real estate market as well as potential future development patterns (smart growth options). Photo-collages showed what each of the six housing scenarios would look like and the collages could be rearranged to reflect individual preferences. Notably, apartments were most likely to be rejected as a housing option especially by families with children who generally preferred detached or semi-detached properties with private gardens.

Lewis et al. (2010) analyzed two large scale telephone surveys, one conducted in California in 2002 and a second in four other south-western states in 2007. Both surveys indicated that there is a significant support for compact developments. However, the authors caution that this may not translate into actual residential choice. In addition, the study found that support for smart growth can be contradictory with those who indicated support for the concept also indicating that they oppose introduction of higher density development in their own neighbourhood. Myers and Gearin (2001) also noted consumers' conflicting priorities and the difficulty of predicting actual behaviour from studies of housing preference.

In her mail survey of residents of an affluent suburban community outside Dallas, Talen (2001) found that respondents were strongly attracted to their current neighbourhood and many did not believe that there are environmental or social issues associated with low density development. Although accessibility and excessive time spent in automobiles were noted as problems with suburban land use patterns, respondents were willing to accept these personal inconveniences in exchange for large homes on large lots.

Two housing preference surveys were conducted in Kitchener CMA in the 1990's. The first study consisted of a mail survey carried out in 1994 and included nine subsequent focus groups. The second study involved telephone interviews conducted in 1998. Both studies found that residents of Kitchener CMA have a preference for homogenous, low density neighbourhoods close to the countryside and many residents aspire to live in the rural area surrounding the city. The authors suggest that their findings can be explained by a space-place-proximity model. The model proposes that

there has been a shift from valuing urban accessibility (space) to increased value on features of individual homes and neighbourhoods (place) as well as proximity to amenities with a few minutes of home (Filion *et al.*, 1999).

A study published in 2006 by Canada Mortgage and Housing Corporation (CMHC) which focussed on the housing choices of households as they age found that many older Canadian were strongly attached to their homes and neighbourhoods and were not downsizing to smaller dwellings. While the report acknowledged that there are increasing levels of condominium ownership after age fifty, the trend has been for more seniors to stay in their single family homes longer than previous cohorts of seniors. Older Canadians are much less likely to change residence than younger cohorts and the report concludes that seniors generally resist moving until they are faced with changed family circumstances such as the death of a spouse or failing health that necessitates a change in housing. CMHC goes onto recommend that there is a need for more suitable, affordable housing for seniors and aging baby boomers and that providing more housing for older people could increase supply of single family homes for younger households.

The studies cited here all conclude that the majority of homebuyers prefer ground-based units whether they are detached, semi-detached or row homes. Apartments, whether in large or small buildings, would seem to come a distant fourth in housing preference.

III. Suburban Smart Growth and Intensification Policies

Residential intensification and increased use of public transit are two key elements of smart growth and urban sustainability. However, several authors point to the difficulty in achieving these two objectives in suburban settings. Downs (2005) suggests that the redistribution of the benefits and costs of development that occurs under smart growth and NIMBYism are two major impediments to improving sustainability in suburbs. In particular, the inability of smart growth to actually reduce traffic congestion in suburban communities increases local opposition to intensification thereby reducing the will of local politicians to implement smart growth policies.

Jill Grant (2009) studied three suburban communities, East Clayton Village in Surrey, British Columbia, Cornell in Markham, Ontario and McKenzie Town in Calgary, Alberta. All three communities were planned using smart growth or new urbanist principles. However, Grant found that the actual communities, when built, had only token elements of new urbanism and smart growth. Grant concluded that market constraints may affect development practice and planners and local politicians often make compromises and adjustments to policy ideals in order to accommodate market demand and consumer preference. Further, this compromising appears to occur even when a community is committed to smart growth ideals. In addition, evidence suggests that land cost pressure in some communities is as important as municipal policy in promoting intensification.

Filion and McSpurren (2007) critique the nodal intensification strategies that have been embraced by suburban municipalities in the Greater Toronto Area. These strategies are touted as a way to promote metro-wide intensification and increased

transit use while at the same time minimizing the impact of high density on the majority of the suburban population by concentrating that density in a few scattered locations. However, this type of spotty intensification does not increase transit efficiency because transit operators must run services through large areas of low density to reach islands of high density.

Further, in a comparison of intensification in Sydney, Australia and Toronto, Searle and Filion (2010) concluded that Sydney was able to achieve medium density development because that city is serviced by a high frequency commuter rail network that covers most of the metro region. There are 302 stations in the network. This large number of stations allows people who want access to rail service to live at medium densities and still live close to transit stations. In contrast, the Toronto subway system consists of three lines that leave large parts of the city without access to rapid transit. The result is high demand for housing near subway stations leading to very high densities at some transit nodes but little intensification in areas of the city not served by higher order transit.

Filion (2003) situates smart growth within the context of other planning solutions that have been proposed for the Greater Toronto Area over the past forty years. Acknowledging that the public prefers low density, single family development, he advocates for less ambitious interventions that can work within the existing planning environment, including intensifying corridors with low, multi-family buildings and employment uses. Filion maintains that corridor development is superior to nodal development because consistent residential densities along with retail and employment along the corridor mean the street has the capacity to provide an environment that is

conducive to walking and public transit efficiency. Nodes, in comparison, only provide this at one end of the trip. Intensification of corridors (the Avenues) is an important plank in planning policy of the City of Toronto. The Mid-rise and Avenues initiative calls for mixed use buildings of up to six storeys to be developed along 162 kilometres of the city's main thoroughfares (City of Toronto, 2009).

IV. Financial and Regulatory Barriers to Mid-rise Housing

It is difficult to locate academic literature on barriers to mid-rise development. However, since 2005, the Canadian Urban Institute (CUI) in association with the City of Toronto and other Ontario municipalities has hosted several meetings and symposia on mid-rise development. The first symposium, held in Toronto in 2005 was particularly focused on the Urbanizing the Avenues initiative, a plan to intensify major corridors in the city of Toronto through development of mid-rise, mixed use buildings. The major barriers to mid-rise that were identified in this first symposium were:

- Policy issues such as parking requirements and unrealistic expectations for ground floor retail as well as a slow, highly uncertain planning process;
- Building code and site plan challenges such as the cost of poured concrete construction for buildings over four storeys, designing efficient building footprints on tight sites, the expense of elevators and noise abatement measures and loading and garbage requirements;
- Economic factors such as the difficulty in assembling the required land on major streets and poor economies of scale for small buildings;

- Market and demand issues include the perceived stigma of living above a retail shop, conflict between ground floor bars and restaurants and residential uses above, limited market due to the high cost of the mid-rise product and NIMBYism.

A key comment from this first symposium was that in order to increase demand for housing along Toronto's Avenues, the city must lead with improvements to public transit.

The December 2009 symposium held in Mississauga included representatives from several Ontario municipalities and had a much broader geographic focus than the 2005 meeting. However, many of the same barriers were identified by participants. The summary for this symposium was supplemented by a stakeholder survey conducted by CUI in October 2009 which showed the three most important constraints for mid-rise were parking requirements, unpredictability of the municipal approval process and public perception of mid-rise. Sixty percent of Ontario communities that were surveyed by the CUI reported that mid-rise policies were included in their Official Plans but only 8% believed that their zoning actually encourage mid-rise while 65% reported that zoning permitted mid-rise and 26% said zoning actually discouraged mid-rise development (Canadian Urban Institute, 2010).

Another theme identified at the Mississauga symposium is the gap between visions for intensification as described in Official Plans and outdated municipal policies that constrain change. The political dimension was cited as another factor discouraging developers from pursuing mid-rise. Local councils often promote general policies for smart growth and intensification but then fight specific projects that would add density to

neighbourhoods. The priority is often satisfying local constituents at the expense of reaching intensification goals (Canadian Urban Institute, 2010).

In 2010, N. Barry Lyon Consulting prepared a discussion paper for the Region of Peel which describes many of the same barriers identified at the CUI symposia. The second phase of the report, *Intensification Incentives in the Region of Peel (Phase Two)*, explores the possibility that financial or other types of incentives may have to be provided by suburban municipalities to encourage mid-rise residential and mixed-use development. The report specifically recognizes that mid-rise buildings have the potential to be a strategic component of a municipality's plans for urban intensification because mid-rise can blend well into sensitive areas including low-rise communities. Indirect incentives such as parks, cultural amenities, daycare facilities, affordable housing and public transit are recommended as they have more significant and enduring benefits to the community. Direct incentives such as abatement of property taxes or development charges can be implemented very quickly but can be politically controversial as they tend to benefit private development interests. The Peel discussion paper recommends that the Region and its local municipalities consider utilizing Community Improvement Plans to encourage development of mid-rise by assisting with lot consolidation, providing loans and grants for mid-rise in intensification areas and supplying interest-free loans to help fund the non-residential component of mixed-use projects (Regional Municipality of Peel, July 2010).

V. Summary of Findings from the Literature Review

Mid-rise housing, whether mixed use or entirely residential, is widely seen as being a durable and flexible built form that can satisfactorily accommodate many different types of households (Jacobs, 1961; Lennard & Lennard, 1995). However, evidence from studies of housing preference in North America and the United Kingdom suggest that many households still desire to live in single family housing (detached, semi-detached or townhomes) and multi-family housing is often considered an intermediary step on the way to a house (Howley, 2009; Howley et al 2009a; Howley et al 2009b; Senior et al, 2006). A recent (2007) survey of housing acceptability conducted in the Greater Toronto Area suggests that preferences may be changing with greater acceptance of more dense housing types particularly among immigrants (Agrawal & Stilich, 2008)

A review of smart growth and intensification policies in Canada suggests that in suburban areas, the projects completed under the rubric of new urbanism or smart growth incorporate these objectives only modestly and municipal planners and politicians often compromise on smart growth and new urbanist ideals to accommodate market demand (Grant, 2009). Additionally, there is evidence to suggest that many smart growth projects do not actually deliver on increased public transit use and may actually add to congestion (Downs, 2005). There is some question as to whether the nodal intensification strategies that are popular in Toronto's suburbs will actually increase modal shares of walking and transit. Plans to intensify corridors such as Toronto's Avenues initiative would appear to better establish the conditions for broader public transit use (Filion & McSpurren, (2007), Filion (2003).

The 2005 Mid-rise Symposium that was held in the City of Toronto identified parking, building code requirements and municipal policy issues as some of the major impediments to development of mid-rise along the city's avenues. A second symposium held in Mississauga in 2009 further identified the gap between municipal vision for more compact communities and out-dated zoning by-laws as well as lack of will on the part of local politicians to approve higher density projects in the face of public opposition. In 2010, a Region of Peel discussion paper concluded that municipal policy alone may be insufficient to promote development of mid-rise without incentives to help address financial issues and lower levels of demand for mid-rise product.

5.0 Case Studies

I. Mississauga

The City of Mississauga was created in 1974 by the amalgamation of the Town of Mississauga with the villages of Streetsville and Port Credit. At the time of amalgamation, there were large tracts of undeveloped land within city limits.

Mississauga's high rates of growth since the early 1970's can be explained by a confluence of a number of factors including the city's location immediately west of Toronto and excellent access to several major highways. In addition, Pearson International Airport is located within Mississauga's borders making Mississauga a natural location for many businesses that serve the air transit industry as well as those that require easy access to the airport. Finally, City policies have encouraged development of low density, single family neighbourhoods popular with young families while at the same time attracting office and light industrial employment uses.

The 2011 Census estimates that the city's population is now more than 713,000, 6.7 percent higher than 2006. However, growth has slowed considerably in the last few years as Mississauga has reached maturity. With all green field sites now developed, growth must be accommodated through redevelopment, infill or intensification opportunities.

Figure 1: Map of Mississauga and Oakville within the Greater Toronto Area

Source: Google Maps

Like many suburban communities that have developed since the 1970's, Mississauga consists largely of low density single family homes which make up about 41 percent of the city's housing stock. Semi-detached and townhomes represent 25 percent of residences and approximately 33 percent of the city's housing stock is apartment-style accommodation (Statistics Canada, 2006). The city's main arterial roads are generally four or six lanes wide and flanked by single storey strip retail development. Employment is separated from housing and located in office and industrial parks. Square One, one of the biggest shopping malls in Canada, and other large shopping complexes occupy strategic locations close to highway access points.

The long distances between housing, employment, shopping and entertainment uses make public transit provision extremely difficult. As a result, those who can afford to own a private vehicle do so, leaving public transit for teenagers, the elderly and low-income individuals. Mississauga Transit currently relies solely on bus service but plans

are underway to improve the system with a dedicated bus way in the Highway 403 corridor and eventual construction of a Light Rail Transit (LRT) line along the Hurontario Street (Highway 10) corridor from Lake Ontario in the south to the City of Brampton in the north. An east-west LRT line is planned for the Dundas Street corridor.

Based on 2011 Census data, Statistics Canada estimates the density of Mississauga at 2,439 people per square kilometre although there are areas of the city that have significantly higher density. One such area is the City Centre, also known as the Downtown Core, which has its genesis as the location of Square One. According to the mall's website, the shopping centre originally opened in 1973 in the middle of farm fields. In the 1980's, the City built a new City Hall and Central Library immediately adjacent to the mall which was followed by a world class entertainment venue, the Living Arts Centre, in the 1990's. However, well into the 1990's, the City Centre was still surrounded by large vacant sites and the decision was made to strategically encourage high density development by removing height restrictions from the zoning by-law in this area. The result has been successful development of a very dense node of high rise condominium buildings.

Figure 2: High density node at Mississauga City Centre

Source: Google Images

With low tax rates on employment lands and a pro-development political climate, Mississauga has been extremely successful in attracting business development. The city is now home to more than 60 Fortune 500 companies (City of Mississauga, n.d.). Mississauga has the second highest share of employment in the Greater Toronto Area, second only to the City of Toronto (City of Mississauga, 2003). The City's development philosophy has been that growth must pay for itself and as a result, Mississauga is entirely debt-free. How long this situation can be maintained is an open question now that the city has reached maturity and revenues from development charges will be considerably reduced in the future.

According to 2006 Census data, Mississauga is an ethnically diverse community that is solidly middle class and family-oriented. In 2006 approximately 50 percent of the

city's residents were born outside the country. Seventy-five percent of households owned their own home. The the median family income for all census families in 2005 was \$71,717. Forty-one percent of all households included children and the average value of home ownership units was more than \$377,000 in 2006. Data on housing starts for 2010 show that developers were still catering to the market for ground-based housing that is popular with young families. Fully 80 percent of housing starts in 2010 were single detached, semi detached or townhouse units (freehold and condominium), with townhouses making up almost half of these homes. Only 20 percent of housing starts were apartment style condominiums. However, by 2011, apartments were 70% of housing starts while single detached homes represented only 5.9% of construction activity (Region of Peel, 2012).

Housing and Land Use Policy in Mississauga

In June 2007, the City of Mississauga initiated a strategic plan process that involved consultation with more than 100,000 city residents. Through this process the City defined five strategic pillars for change, as follows:

- Become a transit-oriented city
- Ensure youth, older adults and immigrants thrive
- Complete the city's neighbourhoods
- Cultivate creative and innovative businesses
- Live green

From these five pillars for change, 18 strategic goals were identified. Many of these goals are related to creating a denser, more pedestrian-friendly city with land use patterns that support transit use. Increased housing options for seniors, young people

and new immigrants and improved local place-making and neighbourhood identity were also identified as priorities for the City. The goals of the Strategic Plan have been incorporated into Mississauga's other planning instruments including the city budget and the Official Plan.

In September 2010, Mississauga City Council adopted a new Official Plan. This Official Plan was partially approved by the Region of Peel in September 2011 but the Plan has subsequently been appealed in its entirety. Nevertheless, this paper refers exclusively to the September 2010 Official Plan in anticipation that it will eventually be approved and utilized by the City. In addition, the previous Official Plan, dated 2003 and technically still in effect, does not include provisions to address Provincial initiatives such as the Provincial Policy Statement (2005) or the Growth Plan for the Greater Golden Horseshoe (2006).

Mississauga's new Official Plan contemplates that most future additions to the housing stock will be higher density housing especially apartments (Official Plan, Section 7.2, p.7-4). The Official Plan encourages new housing in the Downtown, major nodes and community nodes. A land use map showing the location of these nodes is provided in figure 1. Each of these land use designations is discussed below.

Figure 3- Urban System, City Structure from Mississauga Official Plan

1. Downtown

Downtown consists of 4 areas centred along the Hurontario Street corridor between Highway 403 and the Queen Elizabeth Way. These areas are planned to contain the highest densities as well as the tallest buildings and the greatest mix of uses.

Minimum height in downtown areas is two storeys with no maximum height. The minimum gross density for downtown by 2031 will be 200 people and jobs combined per hectare.

2. Major Nodes

There are two major nodes that are planned to contain both residential and employment uses. These nodes will be prominent centres of mixed use with a variety of employment opportunities as well as the location of regional shopping centres. Densities and heights in major nodes will be less than downtown areas but greater than other parts of the city. Minimum height in major nodes is 2 storeys with a maximum height of 25 storeys.

3. Community Nodes

Mississauga has designated 10 community nodes including Streetsville, Port Credit and Clarkson. These three communities already have compact, mixed-use development, walkable streets and strong neighbourhood identity. The balance of the community nodes consists of areas around older shopping malls and, as such, the built form in these locations is predominantly surface parking and single storey retail. The Official Plan recognizes that these grey field sites will be difficult to redevelop into pedestrian-friendly neighbourhoods. Community nodes are expected to reach densities of 100-200 people and jobs per hectare.

In addition, two major corridors, Hurontario Street and Dundas Street have been identified in the Official Plan as appropriate locations for intensification. Higher order transit in form of an LRT line is planned for both corridors.

Overall, the community nodes would seem to offer the greatest potential for mid-rise development. Both Port Credit and Streetsville are historic communities, each with a GO Train Station as well as a shopping street with small-scale retail and older mid-rise, mixed-use buildings. Port Credit is blessed with a picturesque location on Lake

Ontario and has been the focus of extensive redevelopment activity over the last two decades, much of it in the form of medium density townhomes and mid-rise condominium buildings. The Local Area Plan for Port Credit recognizes the historic significance of this community and limits heights on Lakeshore Boulevard to three storeys. Clarkson is less dense than either of the other two communities. However, it also has a “village” character and proximity to a GO Station which has attracted some intensification in the form of high rise development.

Figure 4: Established mid-rise, Tannery Street, Streetsville

Source : Author

Figure 5: New mid-rise Port Credit

Source: Author

In discussion with stakeholders in the development industry, the four storey height restriction in the community nodes (three storeys in Port Credit) were seen as one issue impeding development of mid-rise housing in Mississauga. The high cost of land in Mississauga generally, and in nodes such as Port Credit and Streetsville specifically, make construction of three or four storey buildings impossible economically. Since developers need eight or nine storeys in order to cover their costs and generate a profit, many are discouraged by existing Official Plan policies and zoning regulations, not wanting to embark on Official Plan Amendments that may end up being challenged at the Ontario Municipal Board.

Conceivably, the City of Mississauga could encourage more mid-rise in these community nodes by amending the height restrictions to better recognize the economics of mid-rise development. For example, by amending the height restriction to the width of the right of way (ROW), generally 6 storeys, developers may be more willing to request Official Plan Amendments because the increase in height of two or three storeys is likely to attract less opposition from the neighbourhood residents. Another stakeholder in the development industry indicated that most developers expect that rezoning will be required for multi-unit projects and consider the time and expense of a rezoning as a part of “doing business”. However, this informant believed that developers are generally reluctant to undertake Official Plan amendments because of the greater likelihood that community opposition will result in an appeal to the Ontario Municipal Board.

II. Oakville

The Town of Oakville was originally founded in 1827 by Colonel William Chisholm who purchased 960 acres of land on the shores of Lake Ontario at 16 Mile Creek from the Crown. Located on a natural harbour, the community became a shipping and ship building centre. Oakville was also a termination point on the Underground Railway and many escaped slaves from the United States entered Canada through Oakville (Town of Oakville, 2012). Remnants of this original community have been proudly retained and are located in the district known as Old Oakville. This area contains historic commercial buildings, churches and homes with a very fine shopping and restaurant district along Lakeshore Road. The Oakville Historical Society is very active and many of the homes in the area have historical plaques noting the year of construction and the name and trade of the original owner. The Town's planning documents recognize that this historic neighbourhood is particularly important to the community's identity and is destination points for tourists and residents.

Oakville is significantly smaller than Mississauga. The 2011 population was estimated at more than 182,000, an increase of 10.2% from 2006 (Statistics Canada, 2011). Oakville is also a very low density community. The 2011 Census lists Oakville's density at 1314.2 people per square kilometre. Almost 65% of homes are single detached and only about 16% of housing stock is located in multi-family buildings. There are very few high rise buildings in Oakville. However, unlike Mississauga, Oakville is not yet a mature community. The Town's urban boundary has been expanded to include a large undeveloped area north of Dundas Street. The secondary

plan for this area contemplates that there will be many high and medium density neighbourhoods and overall densities will be much higher in this new district than in the rest of the municipality.

According to 2006 Census data, Oakville is a less diverse and more affluent community than Mississauga. In 2006, 84% of households owned their own homes and the average value of owned dwellings was more than \$470,000. Approximately 42% of households contained children and the median income for all census families in Oakville in 2005 was \$82,988. Immigrants made up less than one-third of town's population in 2006. 2009 housing data compiled by the Region of Halton suggests that Oakville is moving away from detached homes. Almost 50% of housing completions in that year were townhomes or apartment units (Region of Halton, 2010). Key informants from the development industry confirmed that there is a significant population of empty-nesters and seniors in Oakville creating demand for smaller housing units.

Source: Author

Figure 6: The Coventry Building, High End Condominium Units in Downtown Oakville

Figure 7: Established mid-rise with retail at grade, George Street and Robinson Road, Oakville

Source: Author

Housing and Land Use Policy in Oakville

Similar to Mississauga's plan to accommodate growth, Oakville's Official Plan, *Liveable Oakville*, contemplates that most growth will take place in the new neighbourhoods north of Dundas Street or in growth nodes within the existing built-up community. Figure 2 shows the Town's urban structure, location of growth nodes and new urban area north of Dundas Street.

Three primary areas, Midtown Oakville, Uptown Core and Palermo Village are identified in the Official Plan as areas for concentration of mixed uses. Three secondary locations, Downtown, Bronte Village and Kerr Village are also expected to accommodate some mixed use growth.

Figure 8 - Town of Oakville Urban Structure from Oakville Official Plan

There are four land use designations within mixed use areas, as follows:

- i. Main Street 1 designation allows small scale, mixed use development along main streets that is pedestrian friendly and maintains a traditional main street character. Heights in this designation are minimum 2 storeys and maximum 4 storeys.
- ii. Main Street 2 designation is intended for Kerr Village, Uptown Core and parts of Bronte Village. This designation allows a wide range of service commercial uses, restaurants, offices and residences. The heights in Main Street 2 will be a minimum of 4 storeys and a maximum of six storeys.
- iii. Urban Centre designation allows a wide range of service, commercial and residential uses including hotels and entertainment uses. Heights in this designation range between six and eight storeys.

- iv. Urban core is Oakville's the most intense mixed use designation. There are two areas that have been given this designation, Midtown Oakville and Uptown Core. Midtown Oakville has also been designated as an Urban Growth Centre by the Province in the Growth Plan for the Greater Golden Horseshoe (2006). Urban core areas will have a strong urban focus reflected in height ranges of eight to twelve storeys.

A key stakeholder from the development industry identified Oakville's mixed use designations as potentially useful for encouraging mid-rise because they set specific height ranges which give developers the opportunity to negotiate a higher height range through provision of community benefits.

6.0 Findings

Personal interviews with municipal planning staff and development industry informants have been very helpful in uncovering barriers that discourage mid-rise multi-family housing developments. Generally, stakeholders all mentioned that, for several reasons, mid-rise housing is more expensive to construct than high rise product. These additional costs mean that the market for mid-rise is somewhat smaller than the market for high rise condominiums. The issues that increase mid-rise costs include parking requirements, the Ontario Building Code (OBC), land costs and land use policy. Each will be considered separately below along with a discussion of the demographics and market considerations around mid-rise buildings and the municipal approval process.

I. Parking

All stakeholders agreed that parking is a major problem for developers interested in pursuing mid-rise. Underground parking is extremely expensive. On average, one underground parking space costs \$27,000 to \$30,000. Because of engineering issues and the costs of excavating through bedrock, the costs of providing parking increases with the number of levels below grade. Two stakeholders mentioned that it takes about 300 residential units to make parking costs acceptable. That is, costs for multiple levels of underground parking can be spread over a large number of suites bringing the cost of parking per residential unit down. One informant mentioned that parking requirements make building five or six storey mid-rise almost impossible economically and in general, buildings that contain from 80 to 150 units are not usually viable for developers. City staff in Mississauga mentioned that mid-

rise is extremely popular for seniors' housing because the city has reduced parking standards for this type of development. In many cases, a retirement residence will have only surface parking or just one level of underground parking making the economics of building mid-rise much more favourable.

Staff at both Oakville and Mississauga said that their municipalities were open to reducing parking standards in specific situations if the developers could justify the reduction. For example, in Oakville, parking requirements were reduced to one parking spot per dwelling unit at a site close to a transit station. In addition, parking ratios for developments in North Oakville (lands north of Dundas) will set maximum parking ratios instead of the usual minimum parking ratios. However, experimenting with reduced parking standards can backfire. Mississauga set a one spot per unit standard for residential condominiums in the City Centre but found it was not successful because purchasers demanded more parking. City staff felt that parking standards can only be successfully reduced in conjunction with improved transit services and the introduction of higher order transit such as light rail.

City staff in Mississauga did suggest some initiatives that could help curb the need for parking in new residential projects. Firstly, developers could “unbundle” parking from the price of the residential unit. That is, instead of including a parking space in the price of each unit, developers could sell parking separately from the dwelling unit. This could have the effect of reducing demand from purchasers, especially for second parking spaces. Mississauga is also studying the idea of forming a municipal development corporation to purchase sites in strategic locations for development of parking structures. The idea is that if the City of Mississauga

were to provide municipal parking in growth nodes and other locations that are identified for mixed use development, the city could reduce the need for developers to include a large amount of expensive underground parking in small residential and mixed use buildings.

II. Ontario Building Code

The Ontario Building Code (OBC) was also cited as a major impediment for mid-rise development by all those interviewed. Currently the OBC requires that all buildings greater than four storeys in height must be poured concrete construction which significantly increases the cost and complexity of construction. British Columbia recently revised its building code to allow wood-frame construction for buildings up to six storeys. In 2011, the Province of Ontario conducted a review of the OBC including exploring changes to the requirements for mid-rise that would allow wood-frame to six storeys. To date, no decision has been made on this issue. One informant advised that there has recently been a fire in British Columbia in a mid-rise constructed from wood and the Ontario provincial government has deferred its decision on wood frame construction until results of the investigation of the B.C. fire are available. A second key informant mentioned that even if wood-frame construction is eventually approved for buildings up to six storeys, there may be problems marketing these buildings as purchasers could consider them to be less safe and inferior quality to poured concrete construction. However, other technologies such as steel frame and concrete slab construction are options for mid-rise buildings that are less costly than poured concrete.

III. Land Costs

High costs for land in suburban locations that are appropriate for intensification impact the viability of many mid-rise projects. A development-industry informant advised that costs for land in Port Credit and parts of Oakville are comparable to costs in downtown Toronto. Mid-rise generally provides fewer units over which to spread the cost of land making the cost of a mid-rise unit higher than a comparable (same size) high-rise unit even without taking costs for parking and building code requirements into consideration.

A second informant provided contradictory information, stating that land costs are generally a function of the revenue that the land can generate. For example condominium units in prime locations in Toronto currently sell for almost \$600 per square foot. The rule of thumb is that land should not represent more than 10% of that value or approximately \$60 per square foot. In Mississauga, condominiums sell between \$350 and \$400 per square foot but land values are currently \$10 to \$15 per square foot. This difference in land price between Toronto and suburban areas is based on development charges which in Mississauga (and Oakville) are significantly higher than development charges in Toronto. For example, current apartment development charges in Toronto are approximately \$9,000 per unit versus about \$39,000 in Mississauga. High development charges, therefore, have the effect of reducing the amount that a developer is able pay for land in order to have a project that is economically viable.

The same informant also observed that there is only a ten to fifteen year supply of land in greenfield locations remaining in the Greater Toronto Area and much of

that land is located in Durham Region. The effect of this constricted supply of land will be rising prices for single family housing making multi-family units comparatively more affordable. In the opinion of this informant, apartment living will become much more common as many households will not be able to afford lower density living.

IV. Demographics and Market

Land costs, parking standards and building code requirements all combine to drive the cost per square foot for mid-rise construction higher than costs for high-rise. All those interviewed cited demand for mid-rise as another issue that may discourage developers from building mid-rise. As a higher end product, the market for mid-rise is considered to be smaller than for other types of housing. As mentioned previously, mid-rise is very popular for seniors housing, partly because of reduced parking requirements and partly because of relative affluence of many seniors who are downsizing from single family homes. Similarly, mid-rise is also targeted to affluent empty-nesters looking for a low-maintenance home in a location with many amenities. A key informant also mentioned that mid-rise could be appropriate for households with children, especially suites on the lower two floors as these units have easy access to ground level. However, the high cost of mid-rise means that units that would be appropriate for larger households would be priced on par with single family product that is readily available in suburban locations. For this reason, developers are reluctant to build larger units for families with children.

There appears to be a significant difference in the market for mid-rise housing between Mississauga and Oakville. One key informant quoted prices for condominiums in Mississauga as currently being in the range of \$350 to \$400 per square foot while prices in some locations in Oakville run to \$1,000 per square foot with prices in less desirable locations in Oakville averaging \$400 per square foot. Condominium prices in Port Credit, currently Mississauga's most desirable area, are in the range of \$600 per square foot.

This difference in prices between the two municipalities is likely related to demographics. Oakville has a higher income profile than Mississauga as well as higher average home values. In addition, several informants mentioned the presence of an extremely affluent sub-market in Oakville that consists of older households living in very expensive homes. This group is looking to downsize to well-appointed condominiums or townhomes in prime locations close to urban amenities. Finally, one stakeholder offered the opinion that much of the condominium market in Mississauga is being driven by young immigrants and this market is more price sensitive than the older-adult market.

V. Neighbourhood Opposition (NIMBYism)

Potential opposition from the community is another important consideration for developers. Municipal staff in both Mississauga and Oakville expressed the opinion that mid-rise is generally more acceptable to neighbourhood residents than high rise towers but context is extremely important. In addition, height is not the only issue that attracts opposition. Communities are also concerned about traffic and parking

problems that may be generated from introduction of higher density housing. Staff in Oakville mentioned that in general, proposals for buildings over four storeys attract criticism from the surrounding neighbourhood.

The prospect of an Ontario Municipal Board hearing is particularly discouraging for a developer considering a mid-rise project because mid-rise is inherently a product with difficult economics and a smaller market. Costs of a potential OMB process must be weighed against the potential profits from the building.

VI. Municipal Policies

Municipal staff in Mississauga suggested that providing developers with greater certainty and a faster planning approval process could help to encourage more mid-rise development. To that end, pre-zoning land is one approach to providing more certainty to both developers and the local community. With pre-zoning, municipal staff identify strategic parcels and pre-zone them for specific uses, heights and densities ahead of any development activity. Although this requires a significant effort on the part of local planning departments, the result is that the community and potential developers know precisely what can be built.

Staff in Oakville cited high development charges and parkland dedication fees as a policy barrier to mid-rise housing. Oakville requires a parkland dedication of 1 hectare of land for each 300 units. The cash in lieu equivalent is \$2.5 million per hectare or more than \$8,000 per unit. Development charges for apartment units are currently about \$20,000 for a bachelor or one bedroom suite and almost \$30,000 for a suite with two or more bedrooms.

One key informant from the development industry suggested that more realistic height limits in Official Plan designations would be helpful in promoting mid-rise. If municipalities were to prepare pro forma for areas where intensification is encouraged, the municipality would better understand the economics that the builder is facing and can then set height limits to recognize these costs. For example, in Mississauga height limits in community nodes are three or four storeys as-of-right. However, developers may need eight storeys to make the development financially viable thus requiring an Official Plan Amendment (OPA) to allow four or five extra storeys. An OPA for a jump in height from four to eight storeys could attract local opposition and may be difficult to justify from a planning perspective. However, if the height limit were to be set so as to recognize economic constraints, developers would be more likely to proceed with projects because Official Plan amendments would be unnecessary. This informant suggested that maximum heights in growth nodes should be at least six storeys.

When asked if municipalities would consider offering financial incentives such as a reduction in development charges for mid-rise housing, staff in both Oakville and Mississauga indicated that this would not be politically acceptable. Mississauga staff noted that the city does not need to encourage multi-family housing and would only consider financial incentives for affordable housing. Both municipalities maintain the philosophy that growth must pay for itself. However, it was noted by one key informant that until financial incentives are available it would be difficult to encourage mid-rise with just policy.

Region of Peel staff and a key informant from the development industry both discussed the value of Community Improvement Plans as a way to encourage mid-rise development. Under Section 28 of the Planning Act (R.S.O. 1990), municipalities may define a Community Improvement Plan Area. The legislation allows local municipalities to acquire and hold land and construct, repair or rehabilitate buildings within the Community Improvement Plan Area or to make grants and loans to landowners so that they may do so. Upper tier municipalities may employ Community Improvement Plans to improve land and buildings adjacent to transit corridors that have the capacity for higher density mixed use development. Regions may also institute Community Improvement Plans for affordable housing. One example discussed was that local municipalities could, under Section 28, use their powers to help with lot consolidation to secure land for redevelopment to medium density, mixed uses. Other alternatives include low-interest loans for developers who will offer family-sized units or to help finance the retail portion of a mixed use building.

Development charge policy was another issue mentioned as a barrier to development of mid-rise housing. One key informant suggested that suburban municipalities should rethink the development charge policy and move away from the current practice of charging blanket development charges. Instead, this informant recommended scalable development charges as a way to encourage intensification. Scalable development charges recognize that infill development in locations with existing services is much less expensive for the municipality than greenfield development that requires new roads, water and sewer infrastructure.

With a policy of charging scaleable development charges, mid-rise housing in an infill location would become a less expensive product and single family housing in greenfield location would become more expensive thereby encouraging more households to choose denser forms of housing.

VII. Summary of Findings

	Mississauga	Oakville
Parking Standards	<ul style="list-style-type: none"> • Has experimented with parking standards in the City Centre with poor results • Considering creating a municipal parking authority to provide parking in strategic locations so that parking requirements in mixed use buildings can be reduced • Encourage developers to “unbundle parking cost from unit cost 	<ul style="list-style-type: none"> • Setting maximum parking standards for new developments on lands north of Dundas Street • Open to lower parking standards for any development as long as it can be justified – for example allowed lower parking on site close to GO Station
Land Costs	\$10-15/ square foot on unit price of \$350-400/ square foot	
Development Charges	<ul style="list-style-type: none"> • Apartments under 750 sq. feet - \$15,119 plus storm water management charge of \$79,340 per net hectare • Apartments over 750 sq. feet - \$29,470 per unit plus storm water management charges as above 	<ul style="list-style-type: none"> • Bachelor & 1 bedroom -\$20,000 • 2 bedrooms – \$29,697 • Additional parkland dedication fee o \$2.5 million for every 300 units or more than \$8,000/unit
Demographics & Market	<ul style="list-style-type: none"> • Current condominium prices are \$350-400/square foot at City Centre and up to \$600/square foot in Port Credit • 70% of new home starts in 2011 were apartments • New immigrants driving the high rise market in the City Centre • There is a market for mid-rise in Port Credit – particularly affluent empty nesters and young couples • Mid-rise seniors’ buildings can be found all over the city and are popular with developers because of reduced parking standards for seniors’ housing 	<ul style="list-style-type: none"> • \$400/square foot in most locations but as high as \$1000/square foot in Downtown Oakville • About 50% of new home completions in 2009 were townhomes and apartments • There is a very affluent empty-nester and seniors market looking to downsize

	Mississauga	Oakville
Neighbourhood Opposition	<ul style="list-style-type: none"> • Mid-rise is considered more acceptable to local neighbourhoods than high rise but there is opposition around parking and increased traffic that any new higher density creates 	<ul style="list-style-type: none"> • Any development over 4 storeys tends to attract community opposition
Municipal Policies	<ul style="list-style-type: none"> • Flexibility on parking standards if justified • Height limits may not recognize economics of development • Direct financial incentives would be considered only for affordable housing 	<ul style="list-style-type: none"> • Flexibility on parking standards if justified • Maximum parking standards in new development north of Dundas (usually minimum parking standards are prescribed) • Height ranges may offer developers some flexibility • Financial incentives for mid-rise not politically acceptable
Political Environment	<ul style="list-style-type: none"> • Increasing recognition that intensification is necessary to accommodate growth. • “Growth must pay for itself” • Mississauga would only consider financial incentives for affordable housing 	<ul style="list-style-type: none"> • Very difficult political environment • “It is a privilege to develop in Oakville” • Financial incentives for mid-rise are unacceptable

7.0 Conclusions

The mid-rise built form advances many of the goals of smart growth including intensification to better support public transit. Mid-rise housing is flexible. Well-designed mid-rise is pedestrian friendly and connects well to the street. On main streets, the ground level units can be devoted to retail with office space on the second floor and residences above. On quieter streets, the entire building can be residential. Ground floor units can have direct access to the street or to green space and could be ideal accommodation for families with young children. Mid-rise can fit well into existing low-rise neighbourhoods and does not overwhelm the urban fabric in older communities.

The goal of this project has been to better understand why, despite these advantages, there are relatively few mid-rise housing projects in suburban locations in the Greater Toronto Area. The research has addressed several major issues. These include examining the financial and regulatory barriers that impede development, investigating policy initiatives that can be employed by municipalities to encourage more mid-rise, understanding how the market for mid-rise limits the range of sites where it can be successfully developed and ultimately evaluating whether mid-rise is a realistic option for intensification in suburban locations.

There are Inherent economic issues that make mid-rise difficult to develop in many locations. Parking and building code requirements along with high land costs, municipal policies and community opposition to higher density land uses combine to discourage developers from pursuing mid-rise projects. In addition, because mid-rise is

a relatively expensive product, the market for it tends to be somewhat smaller than the market for either high rise or single family homes. Most developers believe that the demographic for mid-rise consists of affluent households including empty nesters and seniors or younger couples with no children. Although mid-rise has the potential to work well for families with children, the high construction costs mean that family-sized suites are as expensive as the single family housing (detached, semi detached or townhomes) that is readily available in suburban communities. Developers have been successful in building and marketing mid-rise projects in prime locations such as Port Credit and Downtown Oakville because these communities have amenities that appeal to affluent purchasers including scenic lakefront locations, traditional shopping streets with small scale retail, restaurants and cafes and strong community identity.

Both Oakville and Mississauga have policies in place to direct growth and intensification to specific nodes. In the case of Mississauga, some of these community nodes are grey field sites without any particular advantages in terms of amenities. Undoubtedly, it will be difficult to encourage developers to invest in these areas and particularly difficult to encourage more expensive mid-rise units.

The secondary plan for North Oakville (vacant lands north of Dundas Street) specifies that these lands will be developed into medium and high density neighbourhoods that are walkable and transit supportive. It is expected that mid-rise will have a strong presence in this new community. In addition, Oakville's Official Plan contains policies that provide for several height ranges for mid-rise. These height ranges may help to encourage mid-rise mixed use buildings along major roads. In

contrast, Mississauga's four storey height restrictions in community nodes may be too low to successfully encourage this built-form.

Municipal policy alone may not be enough to overcome the financial and market obstacles. Reduced parking requirements and changes to the building code could reduce costs. However, changes to parking standards may not be successful unless accompanied by improvements in public transit. At present, higher order transit is being planned for Mississauga but no funds have yet been committed and it is currently uncertain when the project will commence. If suburban municipalities are serious about encouraging mid-rise in designated growth areas, they may have to provide direct financial incentives along with other policy instruments such as pre-zoning or revised height restrictions that reflect market realities. These incentives will be required to establish a critical mass of density in growth nodes to support transit, as well as local retail and services.

Indirect incentives in the form of investment in parks and open space, streetscape improvements, cultural amenities and public transit are, perhaps, the most important tool that municipalities have to encourage neighbourhood intensification and mid-rise housing in strategic locations. Homebuyers, especially empty nesters and seniors who make up a substantial portion of the mid-rise market, want to live in attractive, walkable, well-serviced urban locations close to shopping, restaurants and cultural amenities. Community Improvement Plans are a planning tool that municipalities can use to create the appropriate conditions for mid-rise housing. The success of Port Credit Village provides an example of what can be achieved when public funds are directed into establishing a more attractive urban environment and

municipal policy encourages pedestrian-friendly, medium density development. Private developers become willing to take a risk on mid-rise because they believe there is a market for well-designed multi-unit housing in good locations.

Mid-rise residential housing should be specifically encouraged in some suburban neighbourhoods especially in growth nodes and along intensification corridors where new development will abut single family neighbourhoods. Municipalities can show leadership by creating policies that encourage medium density development and by providing community improvements, especially improvements to transit services. That said, the range of sites where mid-rise can be successfully developed is generally limited to neighbourhoods that have the potential to become places where people are willing to accept smaller living spaces in return for a pedestrian-friendly community with a range of amenities that make urban life a pleasure. Given that the number of these neighbourhoods is quite limited in both Mississauga and Oakville, it seems unlikely that there will be a significant increase in mid-rise residential development in either community in the foreseeable future.

APPENDIX ONE

SCHEDULE OF QUESTIONS FOR DEVELOPERS AND DEVELOPMENT CONSULTANTS

SCHEDULE OF QUESTIONS FOR MUNICIPAL PLANNING STAFF

Interview Questions for Developers and Development Consultants

There has recently been a lot of discussion in the press and at the municipal level, particularly at the City of Toronto, about encouraging more mid-rise development. Mid-rise housing is believed to have several virtues including compatibility with existing low-density neighbourhoods and many people believe that mid-rise offers a better lifestyle than typical high rise towers. That said, in most suburban cities there seems to be very little medium density housing. I am trying to dig into some of the issues that may be impeding development of mid-rise.

1. What was your experience developing mid-rise in (name of place)?
2. How did you find the municipal approval process for mid-rise?
3. Were there policies in place that were specific to mid-rise?
4. Were there specific design guidelines for mid-rise?
5. There have been some discussions about changes to the Ontario Building Code that would allow wood-frame construction for buildings up to 8 storeys. Do you think that would encourage more mid-rise development?
6. What do you see as the demographic for mid-rise?
7. Do you see mid-rise as a more upscale product?
8. I understand that there are some financial challenges around developing mid-rise housing compared to high rise? How does with affect pricing and unit sizes?
9. Have you considered offering family-sized units (3 bedroom or more) in mid-rise projects?
10. Do you think that there is a market for mid-rise buildings specifically designed for families with children?
11. What do you see as the top end of the price range for condos in Mississauga? What about in Oakville?
12. Do you think that policies that reduced parking standards for buildings that are located close to good transit (GO stations, municipal transit hubs) would encourage more mid-rise?
13. Generally, what do you think municipalities can do to encourage more mid-rise or is it simply a question of market forces and potential profits?

Interview Questions for Municipal Planners

There has recently been a lot of discussion in the press and at the municipal level, particularly at the City of Toronto, about encouraging more mid-rise development. Mid-rise housing is believed to have several virtues including compatibility with existing low-density neighbourhoods and many people believe that mid-rise offers a better lifestyle than typical high rise towers. That said, in most suburban cities there seems to be very little medium density housing. I am trying to dig into some of the issues that may be impeding development of mid-rise.

1. How is Oakville responding to The Growth Plan for the Greater Golden Horseshoe?
2. What role does the City see for mid-rise housing in Oakville?
3. Where does the City want to see mid-rise developed?
4. What does the City see as the demographic for this type of housing?
5. Do you have specific design guidelines for mid-rise?
6. Do you think there is demand for mid-rise housing in Oakville?
7. What do you hear from developers about difficulties in building mid-rise product?
8. What specific policies, if any, are in place that would encourage a developer to choose to build mid-rise?
9. There have been discussions about changes to the Ontario Building Code that would allow wood-frame construction for buildings up to 8 storeys. Do you think this would encourage more mid-rise in (name of place)?
10. Has the City considered alternative parking standards for mid-rise buildings in locations with good access to transit (GO stations or municipal transit hubs)?
11. Do you think that mid-rise housing projects are more acceptable to surrounding low-density neighbourhoods than high rise towers?
12. What do you think are the biggest barriers to mid-rise development?
13. Do you think that municipal policies can help mitigate financial barriers that developers face when building mid-rise?
14. How much of a priority is it to encourage more mid-rise housing in Oakville?
15. In 2010 Peel Region released a study that concluded that financial incentives (abatement of D/C's or property taxes) may be necessary in order to encourage mid-rise development. Would the Town of Oakville consider financial incentives to encourage development of mid-rise in strategic locations?

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