

1-1-2012

# Barriers to Mid-Rise Development in Toronto

Robyn Brown  
*Ryerson University*

Follow this and additional works at: <http://digitalcommons.ryerson.ca/dissertations>



Part of the [Land Use Planning Commons](#), [Public Policy Commons](#), [Urban, Community and Regional Planning Commons](#), and the [Urban Studies and Planning Commons](#)

---

## Recommended Citation

Brown, Robyn, "Barriers to Mid-Rise Development in Toronto" (2012). *Theses and dissertations*. Paper 1033.

This Major Research Paper is brought to you for free and open access by Digital Commons @ Ryerson. It has been accepted for inclusion in Theses and dissertations by an authorized administrator of Digital Commons @ Ryerson. For more information, please contact [bcameron@ryerson.ca](mailto:bcameron@ryerson.ca).

# BARRIERS TO MID-RISE DEVELOPMENT IN TORONTO

By

Robyn Brown, BA (hons), MA, University of Toronto 2001, 2002

A Major Research Paper  
Presented to Ryerson University  
In partial fulfillment for the degree of  
Master of Planning  
In  
Urban Development

Toronto, Ontario, Canada, 2012

© Robyn Brown 2012

## Author's Declaration

---

I hereby declare that I am the sole author of this Major Research Paper. This is a true copy of the Major Research Paper, including any required final revisions, as accepted by my examiners

I authorize Ryerson University to lend this paper to other institutions or individuals for the purpose of scholarly research.

---

Signature

I further authorize Ryerson University to reproduce this Major Research Paper by photocopying or by other means, in total or in part, at the request of other institutions or individuals for the purpose of scholarly research.

I understand that my Major Research Paper may be made electronically available to the public.

---

Signature

# **BARRIERS TO MID-RISE DEVELOPMENT IN TORONTO**

© Robyn Brown, 2012

Master of Planning

in

Urban Development

Ryerson University

## **ABSTRACT**

In 2005 the Ontario Provincial Government introduced the Greenbelt Act, a piece of legislation that essentially capped Greenfield development in the Greater Toronto Area. In response to this policy some developers began to “leap-frog” the Greenbelt and secure development land north of the protected area, while others began to look inward to the built urban and suburban centres for intensification opportunities. Although supported by Provincial and Municipal interventionist policies there has been little intensification in the urban core. The City of Toronto's 2010 Avenues & Mid-Rise Study aims to encourage intensification along designated "Avenues" in order to provide opportunities for housing while maintaining quality of life. To date only ten projects have been completed. This paper, through a literature review including international sources and case studies and current policies, will examine the barriers to intensification. In addition, a qualitative key informant study of Greater Toronto Area developers and other professionals involved in mid-rise development will be pursued in order to establish what are the barriers to intensification.

**KEY WORDS: City of Toronto, Mid-Rise, Avenues, Intensification, Zoning, Places to Grow, Policy, Infill, Urban, Development**

## **DEDICATION**

I would like to express my appreciation to my advisor Dr. Steven Webber, for giving me this opportunity and thank him for his time, patience and understanding. It was a pleasure to work with you. I would also like to thank my second reader, Dr. Pamela Robinson for her wonderful support and excellent suggestions. I would also like to thank the City of Toronto, in particular Paul Bain for giving me the opportunity to pursue the research on mid-rise on the Avenues through the summer of 2011, and providing me significant data which began this process.

Thank you to my wonderful friends at school and beyond for their support and tolerance of my erratic student life-style – Eric, Caitlin, Craig, Natasha and Jo. I would finally like to thank my family for their emotional and financial support – I appreciate how willing you were to let me follow my dreams.

## **Table of Contents**

**Introduction**

**Methods**

**Current Literature**

**Findings**

**Recommendations**

**Tables**

**1: Interviewees**

**List of Figures**

1. Greenbelt Plan, 2005
2. Urban Growth Centres
3. Mid-Rise Applications on the Avenues
4. Urban Structure
5. Avenue Land Use Designations
6. Right of Way Height Diagram
7. Mid-Rise Performance Standards
8. 2006 – 2010 Proposed Residential Units
9. Mid-Rise Applications – Under Construction
10. Mid-Rise Completed
11. Mid-Rise Applications
12. Mid-Block Condo Site
13. Streetcar Developments Queen Street West
14. Streetcar Developments Queen Street East
15. 2 Gladstone Avenue
16. 625 Queen Street East

**Appendix**

- A. Interview Questions
- B . City of Toronto Mid-Rise Performa (2005)
- c. Notice of new Planning Fees

## Introduction

*The City of Toronto is forecast to have approximately 3.08 million residents by 2031 – representing a growth in population of approximately 500,000 over the next 20 years. Strategies for how and where to accommodate this growth are of increasing importance. The City's Official Plan encourages a significant portion of this growth to be directed towards intensification areas, one of which is the Avenues (Brook McIlroy Planning et. al., 2010, executive summary)*

The City of Toronto has indicated in this 2010 study that Mid-Rise buildings, those from five to eleven stories, often with retail on the ground floor, may provide a means of intensifying the City's existing built environment in order to address future growth .(Ibid.) To address migration and immigration to the City, along with Provincial policies which discourage Greenfield development and direct growth to existing urban centres, the City must encourage innovative forms of intensification which complement existing land use patterns, neighbourhoods, utilize current infrastructure, are economically feasible and reflect market demand. The City of Toronto has indicated, though it has not formally accepted mid-rise through as-of-right zoning,

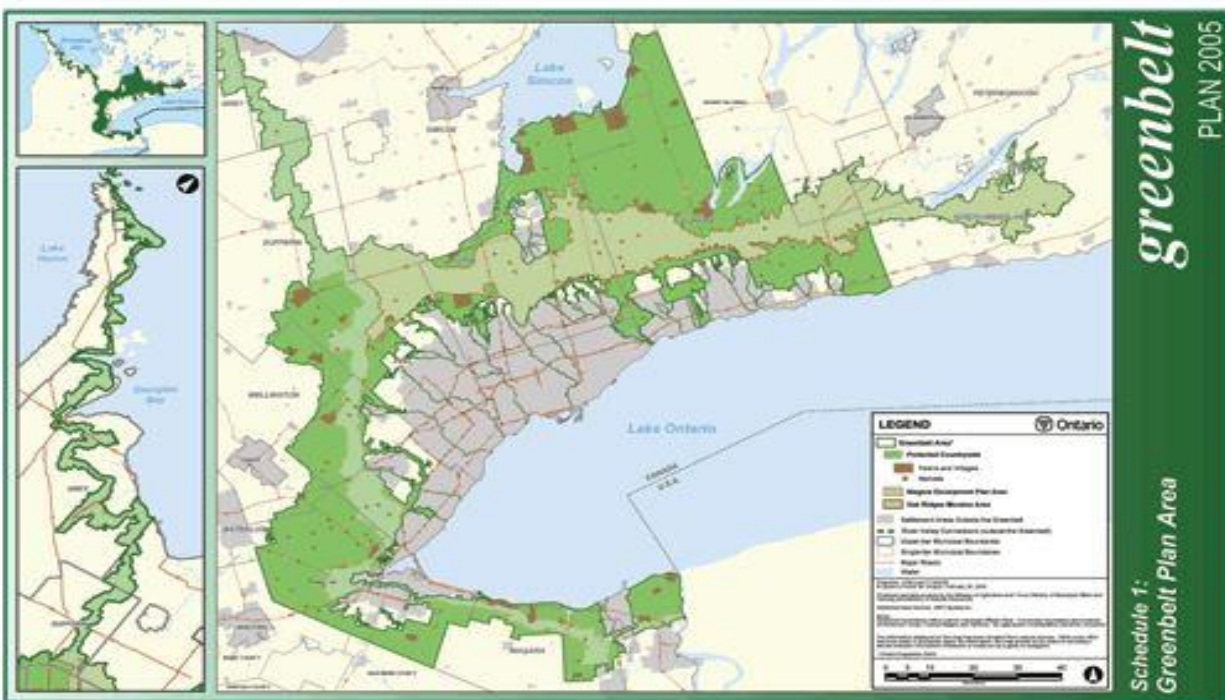


Figure 1 Greenbelt Plan 2005

that this built form satisfies their desires for intensification along the Avenues.

According to Provincial projections, the City of Toronto is expected to accommodate considerable growth in the Greater Golden Horseshoe.<sup>1</sup> In order to maintain the City's quality of life and address the Region's global competitiveness, growth must be filtered to areas which can accommodate the increase of population and employment within the existing built form. Intensification through Mid-Rise infill is a means of addressing this issue, but city planners, residents and developers have limited experience with this type of construction and the planning policies that it requires. This paper will address how Toronto can develop strategies and policies that will aid in encouraging intensification while maintaining quality of life for residents, and taking into account market forces.

Coupled with the pressures of population growth, the Ontario provincial Government introduced the Greenbelt Act (2005), a piece of legislation that essentially capped Greenfield development in the Greater Toronto Area. In response to this policy, some developers began to "leap-frog" the Greenbelt and secure development land north of the protected area. (Toronto Star, 2007) Others considering multi-family residential options to satisfy demand, have begun to look inward to the built urban and suburban centres for intensification opportunities predominantly through high-rise condominiums. The limited development lands designated for single family homes has created interest in medium density or high density development within existing cities capitalizing on current infrastructure, consumer demand and progressive development charges.

The Provincial Growth Plan for the Greater Toronto Golden Horseshoe (The Growth Plan) indicates that there are a twenty five "Growth Centres" designated within the Region. These areas require policies to accommodate growth within their specific official and area specific plans.(Growth Plan, 2005, s. 4) The majority of these areas have an established built form and, in order to facilitate the growing population, intensification of these areas is considered a good use of existing resources, in particular infrastructure along with protecting important agricultural lands. The Provincial designation of these growth areas has left many municipalities

---

<sup>1</sup> See Growth Plan for the Greater Golden Horseshoe Schedule 3



struggling with conforming to growth targets and creating policies which facilitate growth in the areas that are most able to accommodate it.



Figure 2 - Urban Growth Centres

The Places to Grow has indicated that within the City of Toronto there are four Urban Growth Centres, where the Province has established minimum density targets to encourage intensification and downtown revitalization. (Size and Location of Urban Growth Centres in the Greater Golden Horseshoe, 2008, p. 2) Identified in the Growth Plan, these areas will be the place of public and institutional investment, and accommodate major transit. The targets for the City of Toronto's Urban Growth Centres are 400 residents and jobs combined per hectare. (ibid., p. 4)

The limited availability of vacant development land in the City of Toronto requires a more innovative built form that allows for intensification, but also provides for quality of life, good use of existing infrastructure and minimizes impact on established neighbourhoods. The City of Toronto's Official Plan designates many major arterial roads "Avenues" indicating these areas as potential sources of growth. These areas are considered for growth, yet the policy also encourages sensitivity to appropriate built form along these Avenues, with limits on infrastructure capacity, concerns with existing neighbourhoods and public preference complicating facilitating this form of intensification.

The Avenues and Mid-Rise Study's potential approach to intensification through mid-rise buildings can satisfy City and Provincial goals for intensification, yet has not been embraced by the development community or local communities. A previous study, conducted by the author for the City of Toronto, indicated that of 40 applications since 2006, only five mid-rise buildings on the Avenue have been completed.<sup>2</sup> This study will aim to uncover what has halted the development of mid-rise on the Avenues along with what made some developers pursue mid-rise project, and other pursue business as usual. Ultimately this will lead to recommendations to facilitate the mid-rise development along the Avenues and other appropriate sites in order to encourage intensification in Toronto.

## **Research Questions**

There are a number of important themes and considerations to consider when looking for potential barriers to mid-rise buildings in Toronto. To guide the research, the following questions were considered:

What are the barriers to mid-rise intensification in the City of Toronto? Which are the most "manageable"?

How did the developers of built projects manage these challenges?

---

<sup>2</sup> Unpublished research by Robyn Brown conducted interning for the City of Toronto, summer 2011.

How important is geography, neighbourhood, proximity to transit or existing built form to site selection?

How can barriers be addressed? Through policy, education or the built form? Or both?

Is this particular type intensification appealing to the market? How do public and development industry opinions about intensification impact its feasibility?

What are the parameters/limitations of feasibility for mid-rise intensification projects mandated by policy? What other mechanisms are required?

## Methods

In order to investigate potential barriers to the Province's policy of intensification in existing urban areas and specifically to the mid-rise built form in Toronto I have conducted secondary research complimented by confidential key informant interviews. These interview sought to understand both barriers to mid-rise specifically and intensification generally. The methodology behind this research is qualitative. Data for this project was collected through primary and secondary resources, using existing literature including academic journals, industry publications, strategic plans, city reports, zoning bylaws, consultant reports, and development applications were reviewed for further analysis and context.

Qualitative research has been conducted through nine semi-structured interviews with key informants involved in current infill redevelopment in Toronto, along with individuals involved in the creation of City policies which advocate intensification. The purpose of conducting these semi-structured interviews was to collect information through a series of standard questions, but let additional questions evolve and expand as the interviews unfold. (See Appendix A for original questions) The key informants were drawn from a variety of professions all involved in development and policy regarding mid-rise construction.

Key Informants were initially selected through a review of current mid-rise builders in the City of Toronto. BILD Toronto, a building industry and land development association, was contacted and requests were made for individuals in development companies which were involved in mid-rise developments in Toronto. Policy documents were also reviewed to find individuals who were involved in the creation and implementation of intensification policies. The initial interviewees were asked to suggest other individuals who would be able to provide insights into mid-rise barriers, and thus the snowball recruitment technique was employed.

Ethics approval was sought and received through Ryerson's Ethics Board. Interviews began in early February 2012 and continued through March 2012. Interviews were completed generally in person and lasted from thirty minutes to one hour. The interviews were audio-recorded and transcribed. Coding was not employed by the author, instead key themes from interviews were

highlighted and considered for further research and recommendations. The themes and barriers established through interviews were contrasted to those in the literature, and findings from previous research.

Table 1 represents a breakdown of interview professions and method of interview

**Table 1 Interviewees**

Profession	Number	Interview Type
		P= Phone IP = In Person
Developers	3	3 - IP
Planners	2	2 - IP
Policy Makers/Industry Advocates	2	2 - IP
Lawyers and other professionals	2	1 – IP; 1 - P

A robust analysis of the qualitative data gathered from primary, secondary research and interviews informed the development of recommendations. In addition, an analysis performed by the author based on site visits and analysis of current mid-rise applications was also reviewed. During this study, successful and unsuccessful mid-rise building sites were categorized using a variety of criteria.

Undertaken in the Summer of 2011, the study entailed a review of 44 development sites across the City of Toronto, which were selected via three criteria; they are between five and eleven stories, had begun the application process after May 2006 and were located in areas designated “Avenues” in the City of Toronto Official Plan.<sup>3</sup>

Each site was mapped, and planning reports, documents and associated paperwork were supplied by the City for review. This information was reviewed, and initial geographic clusters were determined, which formed the basis of the site visitation strategy. Due to the age of the

---

<sup>3</sup> These criteria were set out by the City of Toronto Planning and Policy Department

City of Toronto's planning documents, and the inconsistency of information provided by different departments, it was difficult to determine the status of many of the projects without visitations.

Visits were planned for each site after the review of any planning information provided by the City. Upon visiting the site, photographic and written records were taken determining the state of the development (Proposed, Under Construction and Finished), along with the general attributes of the area, lot, developer and proximity to transit. Maps were created, demonstrating the locations of the projects, grouping them by development stage via Google maps along with creating information on the building and lot.

After visitation of the sites, along with analysis through mapping and categorization, a number of inferences can be made from the data gathered. Four sites were removed from the list of mid-rise sites due to their false classification (two added no new units) and duplication. Of those sites which can still be considered Mid-Rise applications on the Avenues, there were a few key considerations.

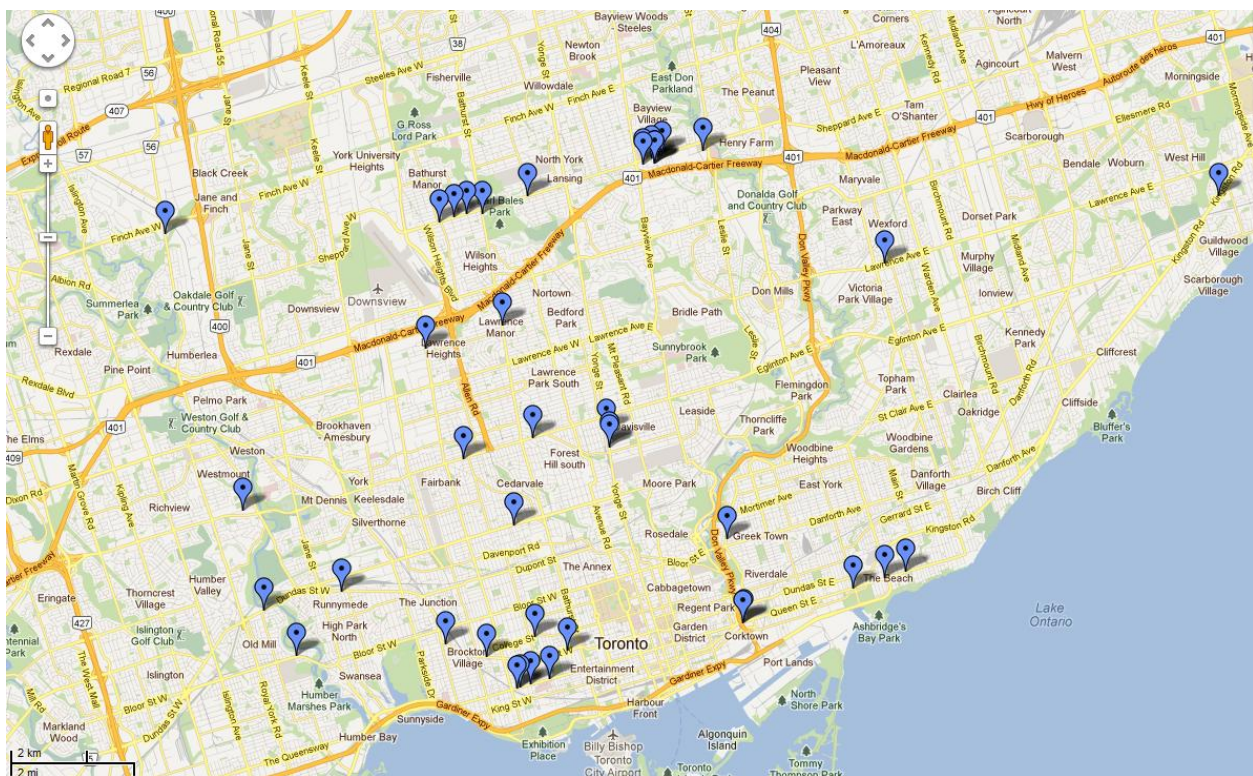


Figure 3 - Mid-Rise Applications on the Avenues

In the final count there were 40 sites. Five of these sites were completed, 15 under construction and 20 proposed. It was difficult to determine at what point in the development process many of the proposed projects were at. The recent global economic slow-down may have impacted the feasibility of such developments, leaving some projects delayed or on hold, but this report does not speculate on this issue and categorizes these projects as “Proposed”<sup>4</sup>.

Using this information along with current theory, this paper will also address the perceived effectiveness of the existing mid-rise development process. The purpose of this study is to analyze the feasibility of mid-rise as a form of intensification on the Avenues along with addressing the potential economic, policy and human barriers to this built form. Feasibility will be dealt with through an investigation of policy, the implementation of the built form and financial considerations.

---

<sup>4</sup> Proposed means that they were somewhere in the development process from public hearings to site plan approval, but had not commenced construction.

## Current Literature

Southern Ontario is not the only area which has decided to plan for intensification; many other areas which are similar in planning culture to Ontario have also implemented growth strategies. England, Australia and New Zealand have also implemented intensification strategies to mixed success. A review of the Canadian and international studies will help demonstrate what research has already been completed, results of these studies and opportunities for further inquiry.

Typically the preliminary document analysis which aids in assessing the research question and shaping the themes for key informant interviews is peer-reviewed academic journals, but this research can fail to incorporate the private industry's considerations specific to the policies. I have included what Cullen (2005) calls non-conventional or grey literature on the relationship between policies of intensification and the development industry's constraints in achieving these goals (Cullen, 2005, p. 41). Previous study by the Author of this paper on Toronto's current mid-rise stock is also analyzed.

This literature, such as the Canadian Urban Institute's *Symposium on Toronto's Mid-Rise Study* provides local review within the context of Ontario growth policies. The Study which brought together 64 development "stakeholders" from private development, municipal planning and consulting, sought to understand the constraints on mid-rise intensification. (Canadian Urban Institute, 2010, p.3) The findings provide a snapshot of development barriers relevant to Toronto Mid-Rise development.

The literature identifies a number of logistical and perception barriers which are considered the reason that the geographically larger policies of intensification have been unsuccessful. I have highlighted what appear to be the most common constraints to intensification as indicated by the literature.

### *Vision and Policy Implementation*



Growth policies and plans are common to the studies reviewed; all governments have realized that there needs to be a larger policy of intensification often implemented at a regional level, in order to contain sprawl (Boon, 2010, p. 299). Policy has become the general reaction to issues of congestion, dwindling Greenfields and sustainability concerns. The literature however demonstrates policy's inability to affect changes in building form and public choice. Filion and McSpurren (2007) in their study of smart growth and land use policies argue that current policy interventions are not enough to bring about serious transformations in land use consumption (Filion & McSpurren, 2007, p. 501).

Policies alone, as echoed by the Canadian Urban Institute's 2009 Symposium, are not enough (Canadian Urban Institute, 2009, executive summary). There is often, as demonstrated in the literature, a wide disparity between the visions of intensification and the actual implementation of dense built form. Katie Williams' (1999) (2004) studies of English policies and realities reflect this disconnect between intensification as a policy and push for sustainability in land use planning, without an understanding of the process of intensification (Williams, 1999, p. 168).

### *Transportation and Public Transit*

With regards to the Provincial Growth Plan, there is an understanding that there needs to be considerable investment in public transportation in order to stimulate intensification, but currently transportation planning is stalled in Toronto. Many of the studies on intensification attribute a close correlation between public and active transportation and the viability of intensification. (Filion & McSpurren, 2007) (Williams, 2004) Intensification policies in general speak to high use transit, yet seem to focus their policies of intensification in land use planning and offer little direction or funding to transportation.

Some scholars indicate that successful intensification is possible when there are existing transit systems which are adaptable or extended for intensification. (Bagaeen, 2004, p. 7) The rationale behind the compact form is often associated with the environmental costs of automobile-oriented suburbs, and transit intensification is argued to be necessary in order to stimulate interest in infill developments and provide vibrant urban centres. Samer Bagaeen's (2004) case study of Clyde (Glasgow) Scotland's potential intensification highlighted the need

for good public transit in order to create an attractive environment. (Bageen, 2004, p. 10) The literature and Provincial policies indicate that urban growth will require transportation and transit infrastructure to be successful.

### *Barriers to Brownfield Infill*

Brownfields, though not often explicitly mentioned in discussions about intensification, reflect important opportunities for infill and intensification of the urban built form. These sites are unique and carry their own constraints to redevelopment. Studies have indicated a number of the barriers to redeveloping these former industrial, potentially contaminated sites. Linda McCarthy's (2002) study on private redevelopment of brownfields in the North-Western and the Eastern United States demonstrated that brownfields can promote central city renewal, if the barriers to redevelopment such as risk, liability and regulation are addressed (McCarthy, 2002, p. 289).

A recent study on the barriers to brownfield redevelopment in London, Ontario utilized key informant interviews of private and public sector respondents to determine the obstacles to brownfield redevelopment (Hayek, Arku, & Gilliland, 2010, p. 391). Hayek et. al. identify five main obstacles to brownfield development; competition from Greenfield development, risk associated with the uncertain process, the cost of remediation, potential long-term liability, public perceptions about brownfields and finally the uncertain administrative process to remediation which involves various levels of government and a number of agencies (Hayek, Arku, & Gilliland, 2010, p.395).

The concerns in this Hayek et. al.'s study are directly reflective of the private sector's experience with brownfield developments. The intensification process includes brownfields and many of these objections can be extended to other forms of intensification. Most developers who participate in redevelopment advocate the use of financial tools such as grants, tax assistance and loans in order to reduce the costs and risks associated with brownfield remediation (Hayek, Arku, & Gilliland, 2010, p. 391). Such programs are rarely addressed in intensification policies and are not a part of the mid-rise discussion.

Policies about intensification are written and enforced by municipalities, but it is left to private developers to build intense forms of development. These policies appear to not consider the constraints and risk of private development.

One potential means of creating brownfield infill development in Toronto, perhaps even mid-rise development is through public private partnerships. Build Toronto, who control a number of sites with infill potential could encourage the development of mid-rise through their procurement process. The City of Toronto and Build Toronto, an arms-length City Agency, have attempted in the City's east-end to utilize the 2015 Pan American Games as a means of encouraging the redevelopment of brownfields in the "West Don Lands" through a partnership creating athlete housing which will be converted to market housing after the Games.

### *Public Demand and Preferences*

The development industry and sites of development are not only guided by municipal policies, and financing concerns. Public preference has a significant impact on what type of built form will be developed. Public preference for single family homes has driven development for the last half century, and new Provincial legislation has created barriers to such developments, through the Places to Grow and the Greenbelt which have served to protect the inexpensive greenfield lands to the north of Toronto which would have accommodated the majority of single family homes. To encourage reurbanization and for the mid-rise built form to become feasible, public demand and preferences must be considered, and addressed.

Lewis and Baldassare's 2010 study of public support and opinion of smart growth principles in contrast to their purchasing habits is informative in illustrating the divide between policy and development from the perspective of public preference. In 2007, through two large-scale randomized telephone survey's of residents of Southern American States, the authors were able to determine that although there was significant support for smart growth and compact development, there were inconsistencies on whether individuals wanted to live in compact developments despite recognizing the benefits. (Lewis, 2012, p. 234) In reference to implications for the mid-rise developments in Toronto, they recognized that growth would be slow and incremental, and will not appeal to everyone who supports it ideologically. (ibid)

Additional studies of British preferences demonstrate the considerable public disinterest in a compact built form. Ali Madanipour (2007) argues that although there is support for intensification and compact cities in policy, the English public prefer single family homes with gardens (Madanipour, 2002, p. 178). Developers will ultimately react to the built form demanded by the public; land at the periphery. This could create issues for the desirability and values of land at the urban core (Couch & Korecha, 2006, p. 361). Public preference and demand will have an impact on the effectiveness of policy and the ability to facilitate the development of the compact city.

Other studies and greyworks such as the Canadian Urban Institute, which contributed to the current research questions suggest, that public education and participation is necessary if there is to be any success in intensifying the urban core. (Canadian Urban Institute, 2010, p. 20) Developers will, as Couch and Korecha (2006) argued, seek to develop where there is market demand. Desirability is a factor rarely addressed in intensification policy.

Although much of the literature does not address the market feasibility of urban housing, it must be acknowledged that prices outside the urban core, though they have the same construction cost, have a historically lower land price and development this type of development allows the public to purchase larger houses for less money. The most recent statistics from the Canada Mortgage and Housing Corporation's latest statistics for First Quarter, 2012 state the average price MLS® price in Ontario was \$370,026.00, while Toronto's average housing price was \$427,494.00, the highest in the Province. (CMHC, 2012) The lower prices outside of Toronto will affect public preference for housing, and that affect developers decisions whether or not to pursue mid-rise developments.

### *Lingering Questions about Intensification*

What is hinted at, often in the conclusions of discussions of intensification is whether intensification is the answer to all of society's land-use ills. Is intensification truly sustainable? Sustainability is a complicated and political issue. Couch and Korecha's 2006 study of Liverpool England suggests that, at least, there are the potential social costs with intensification. They argue that intense urban centres will feature higher crime rates, more noise and greater traffic

congestion (Couch & Korecha, 2006, p. 361). Other studies have argued that although compact cities are often idealized with pedestrian friendly, transit oriented developments, there will be an increase in cars which can lead to an opposite feeling (Vallance, Perkins, & Moore, 2005, p. 729).

Vallance, Perkins and Moore's (2005) examination of infill housing in Christchurch, New Zealand also suggests that there is evidence that this housing form can be substandard in design and promote a lack of privacy (Vallance, Perkins, & Moore, 2005, p. 715). An underlying question, regardless of the policies of Ontario promoting intensification, is, is the actual intensification desirable or sustainable? Public reception to intensification is a consideration when it comes to private development, and negative international experiences will impact the development industry and the public's appetite for compact form (Canadian Urban Institute, 2010, p. 20)

Residents of existing neighbourhoods, though they may support ideas of intensification in principle, may object to the intensification of their own neighbourhoods based on their perception of the negative impacts of development. This in turn can lead to difficulties for Toronto developers who in seeking a re-zoning on the Avenues may face neighbourhood disapproval over change and intensification.

Michael Breheny's (1997) study of the British policy of compactness offers a dissenting view on both the public acceptability and economic feasibility of urban compaction (Breheny, 1997). He suggests that initial political and academic enthusiasm has failed to look at the logistics of delivering this building form (Breheny, 1997, p. 210) Citing trends towards urban decentralization, the lack of investment in inner cities and British employment patterns, Breheny demonstrates trends that go against urban concentration (Breheny, 1997, p. 210). What implications does this have for the Canadian model of intensification policies?

Overall the current research on the subject of intensification in Ontario, New Zealand, the United States and the United Kingdom indicates that the authors consider that there is no one barrier to intensification, but a number of constraints. The qualitative study in this research will contribute to understanding of the lack infill development and intensification by using the

identified factors arrived at by the literature review and addressing them in the Greater Toronto Area context.

This study will help narrow down, in the Ontario sense, the perceived obstacles and potentially inform policy and give policymakers the tools to encourage the development of the built form as advocated in their policy documents.

## **Policy Review**

There are a number of Provincial and municipal policies which impact the feasibility of mid-rise buildings in Toronto. Land use planning is led by the Province of Ontario and their policies of intensification and smart growth must inform the planning documents and goal of Toronto's planning policies. The Provincial Policy Statement, 2005 (PPS), establishes the policy vision and regulates land use, promoting sustainable growth which supports the regional economic, social and environmental health. (Ministry of Municipal Affairs and Housing, 2005). The *Planning Act* provides the legislative structure which facilitates the allotment of land use regulations and the relationship between the province, upper-tier governments and the local municipalities. The Provincial Policy Statement and the Planning Act provide the framework for planning in the Province of Ontario.

## **Places to Grow (2005)**

The *Places to Grow Act, 2005* is the legislative foundation of the Places to Grow Initiative, the Provincial strategy to plan for sustainable and prosperous growth throughout Ontario. The Province has statutory authority to designate regions as *growth plan areas*. The lower and upper tier municipalities must then develop strategic growth plans for those communities adjusting policy documents to conform with Provincial growth targets. This provides the framework for the Province and its respective tiers to coordinate planning for long-term growth and infrastructure in Ontario. It is complimented by the *Greenbelt Act, 2005*, legislation which authorized the Province to designate a *Greenbelt Area* and establish the *Greenbelt Plan*.

## **The Greenbelt Plan**

The *Greenbelt Plan* protects approximately 1.8 million acres of environmentally sensitive and agricultural land in the Greater Golden Horseshoe. Within this protected area, approximately

800,000 acres of land is bounded by the areas designated in the *Niagara Escarpment Plan* and the *Oak Ridges Moraine Conservation Plan* (Ministry of Municipal Affairs and Housing, 2008). The constriction of future development lands has affected how municipalities in Ontario must structure growth, and will affect the built form of the region.

This essential capping of development lands surrounding the Greater Toronto Area (GTA) has placed increased pressure to develop within the existing built form. A recent study by Will Dunning Inc. argued that the limited development sites within the GTA has increased residential land prices, and thus housing. (Will Dunning Inc., 2011, p. 9) The Act in effect protected some of Southern Ontario's prime agricultural lands, ensuring food security for the region. At the same time this has forced the development industry to reconsider their typical single family greenfield development proformas, and has required they move to a denser built form to accommodate housing and employment demands.

### **Growth Plan for the Greater Golden Horseshoe (2006)**

The Province of Ontario has attempted to compliment the Greenbelt Act, the Planning Act and the Provincial Policy Statement by creating a framework to implement Ontario's vision for the region, its communities and growth management until 2031. (GPGGH, 2005,,s. 1.1) As one of North America's fastest growing regions, it is important to address not only the benefits of such growth, but also the number of negative components that such rapid growth can create for the region. The Growth Plan recognizes that such growth creates issues and needs for transportation, infrastructure planning, urban form, housing, natural heritage and resource planning. (ibid)

The Growth Plan seeks to keep the region competitive, and the underlying understanding is that sprawl has a deep impact on quality of life and economic regional competitiveness. It works to understand how land and resources are managed, directing growth to already built-up areas while promoting transit supported densities. (Growth Plan, 1.2) The Growth Plan is a response to rapid regional growth which has resulted in a poor use of land and infrastructure. It

contains policies to direct growth toward built-up areas, intensify development in existing cities and towns, redevelop and revitalize downtowns, and supports development around transit stations within the Greater Golden Horseshoe.

As an urban containment strategy, the Growth Plan is designed to curb urban sprawl, build healthy and complete communities that offer residents more options for housing, employment, education, recreation, and shopping, keep the economy strong, make more efficient use of resources, reduce traffic gridlock by improving access, and protect farmland and green spaces. The Provincial policies rely on the lower-tier municipalities to create concrete policies to facilitate this type of growth based on a variety of land use designations. The issue, in particular for the case of mid-rise, is that it is private industry which engages in the development, but the policies do not acknowledge that. There must also be public education, a clear and consistent planning process, and potentially incentives for builders to create the desired densities.

### **The Toronto Official Plan**

Current Provincial policies have considerable impacts on the regional and municipal planning process, along with how these areas will address growth. The City of Toronto, through its Official Plan, attempts to address growth pressures brought on, not only by Provincial targets, but a number of demographic changes such as immigration to the Region which will result in considerable growth. The Places to Grow, and the specific four growth targets within the City, place the part of the majority of the onus of Regional intensification on municipalities. The underlying assumption of the Toronto Official Plan is that Toronto will grow; the question they address is “How”. The City has a significant existing built form, and the majority of it is within areas which are designated Neighbourhoods, Employment Areas, Natural Heritage and Parks. These areas are considered stable and currently unsuitable for growth. This leaves the remaining approximately 25 percent of the City’s geographic area which can accommodate the anticipated growth. (Toronto Official Plan, 2)



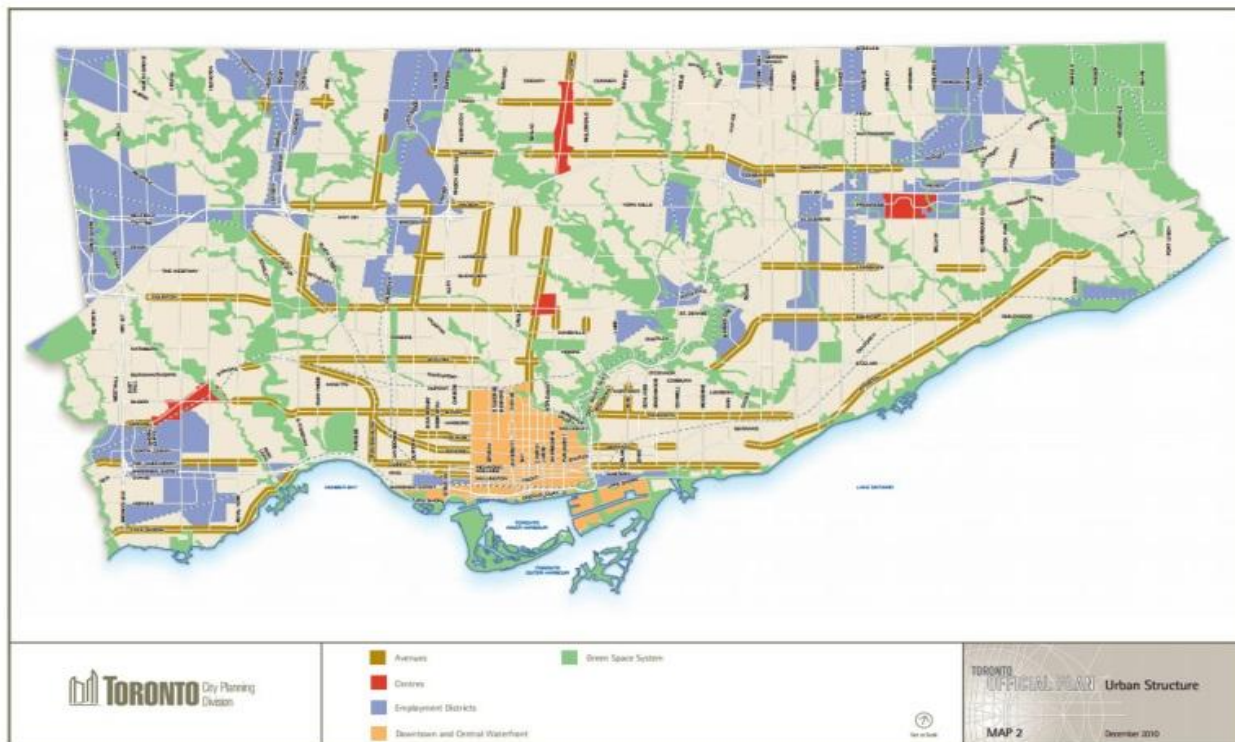


Figure 4 Urban Structure

The City encourages a policy of “reurbanization” which is “a coordinated approach to redevelopment of land within existing urban fabric to accommodate growth”. (Toronto Official Plan, 2-2) The City anticipates that this growth will predominantly occur where there is access to transit, ie Central Waterfront, Centre and Avenues. These areas, and those identified as Urban Growth Centres, will require extensive investment and planning thought.

Avenues are identified in the Official Plan as important corridors along major streets. Although this is where the OP encourages the creation of new housing and employment, these areas are also subject to neighbourhood protection policies, which creates conflicting meanings. (Toronto Official Plan, 2-15) Avenues in the Official Plan are identified on a broad scale, and not all areas identified as “Avenues” can accommodate growth.

Typically the Official Plan suggests that any intensification to the Avenues must be preceded by an Avenue Study. (ibid.) These studies are to create visions and implementations for intensification, along with involving the community members to create a cohesive vision. Avenue Studies help transform a section of the Avenue, generally ranging for several blocks, incrementally while creating new as-of-right zoning bylaws and design guidelines. (ibid.)

There are currently 20 Avenue Studies currently in process and completed. These studies are time intensive and expensive for stakeholders, community members, landowners and for the City of Toronto. With limited resources, and in order to plan areas which may have smaller application for intensification, the City uses Avenue Segments, they too can be used to assess the impacts of incremental development on the Avenues. (Toronto Official Plan, 2-17) These Avenue segments are utilized to ensure that development on the Avenue will not have “adverse impacts within the context and parameters” of the Avenue. (ibid).

### **The Avenues & Mid-Rise Study**

The Toronto Mid-Rise and Avenue Study completed in May 2010 by Brooks McIlroy seeks to incorporate the numerous Avenues and the results of the previously completed Avenue Studies into a comprehensive policy which aims to intensify areas on major roads in the City to accommodate growth. Reurbanization, as defined by the Mid- Rise Study, is a “co-ordinated approach to the redevelopment of land within the existing urban fabric to accommodate regional growth.” (McIlroy et al., 2010, Executive Summary) Mid-rise construction is considered a sustainable means of urban development, providing for increased density while maintaining a reasonable scale and a respect for existing neighbourhoods.

The Avenues and Mid-Rise Study states:

*The Avenues amount to approximately 324 kilometres of property frontage. About 200 kilometres of this frontage can theoretically be redeveloped through mid-rise built form. If half of these properties were developed over the next twenty years through mid-rise built form, the*

*Avenues could accommodate a new population of approximately 250,000 residents. Mid-rise redevelopment of the Avenues therefore has the ability to address a significant portion of the City's anticipated growth needs over the next twenty years. (McIlroy, 2010, Executive Summary)*

As the City of Toronto's population is expected to grow by over 500,000 in the next twenty years, and in order to house this number of new residents and provide places of employment, the City must look to intensification. (McIlroy, 2010, Exec. Summary) The Study argues that mid-rise buildings can provide the necessary increase in density and provide additional housing. Intensification is a common theme in planning literature as it supports many of the important tenets of smart growth. For Toronto, achievement of true intensification, that which can sustain half a million new residents, is difficult and requires policies that are reasonable, sustainable and implementable. The City is hoping to achieve many of these goals through Mid-Rise developments along the Avenues.

Currently a mid-rise designation is not in Toronto's Official Plan, but the OP review which began in summer 2010 provides the opportunity to include a mid-rise status in the new Official Plan. The Brooks McIlroy Study identifies "ideal" designations within the Official Plan in which they consider reurbanization to be most desirable. The authors view areas designated "Mixed Use Areas", "Employment Areas", "Institutional Areas" and "Regeneration Areas" as those most suitable land use designations for the implementation of mid-rise developments. "Apartment Neighbourhoods" can provide additional opportunities, and the Mid-Rise Study indicates that there are development criteria for these areas in the Official Plan. (McIlroy et. al. 2010, p. 9)

These identified Growth Areas are estimated on a street frontage basis. The total length of Avenues is 324 kilometres, seventy-five percent of which is designated for growth. Growth areas are in the "Mixed Use Areas" (70%), "Employment Areas" (4%) and "Regeneration Areas" and "Institutional Areas" (less than 1 % each). The Study suggest that there is a potential for

additional infill in the “Apartment Neighbourhoods” of 9 percent, which the City currently considers part of the 75% of stable land use designations.<sup>5</sup>

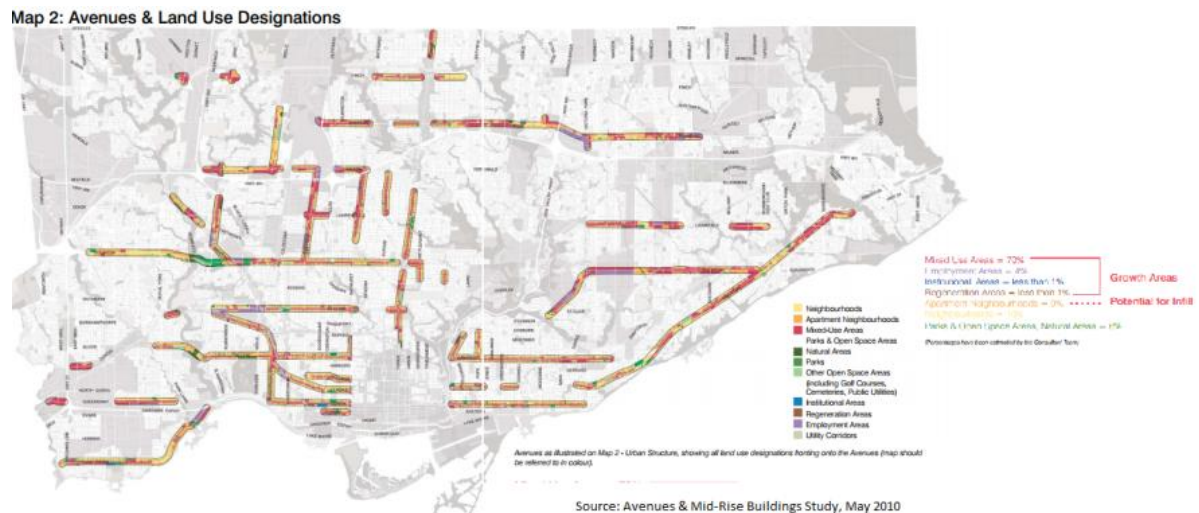


Figure 5 Avenue Land Use Designations

In the previous study by the author of this paper into the current status of mid-rise applications, it becomes apparent that sites within the inner suburbs have to date been less successful than those in the downtown core. (See Figure 1) The inner-suburban areas contain a great deal of potential for mid-rise development due to existing infrastructure, ownership and land use patterns, but public transit and market forces are still an issue.

In order to use the findings of the completed Avenue Studies into a larger study of reurbanization through mid-rise development, the Study has established a height to right-of-way ratio. They argued that mid-rise building heights are “to be no taller than the width of the street right-of-way.” (McIlroy et al., 2010, p. 14) The Study, seeks through performance standards based on right of ways, to create developments that are of reasonable height, give

<sup>5</sup> The reurbanization of apartment neighbourhoods is a sensitive topic as much of the City’s affordable rental stock is contained within these designations.

existing building reasonable sunlight and create a separation and transition to adjacent stable neighbourhoods. (McIlroy et. al, 2010, p 30)

Section 3 of the Avenues & Mid-Rise Study offers 19 Performance Standards for Mid-Rise buildings depending on surrounding uses, right-of-way the pedestrian realm, streetscape and contextual urban design. (Study, 2010, p. 30) This section of the study recommends the City create as-of-right zoning based on a performance standards for mid-rise on the Avenue in order to reduce the need for Avenues Studies. It is hoped by the study’s authors that this will help create a framework and greater certainty for mid-rise development. (bidi., p. 10) To date the City has not added as-of-right zoning for mid-rise.

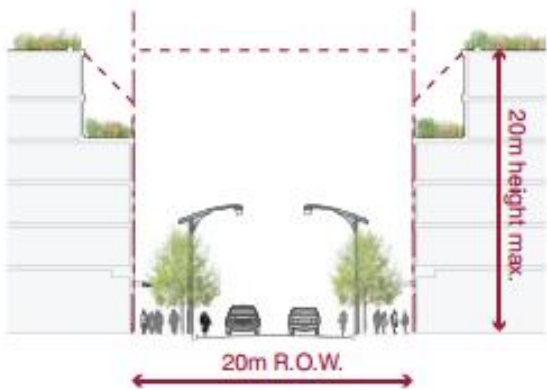


Figure 6 - Right of Way Height Diagram

### The Planning Process

Despite the City of Toronto in their current Official Plan Review suggesting that their growth strategy is working, many of the voices within the development community disagree. (City of

Performance Standards*	
1	Maximum Available Height
2	Minimum Building Height
3	Minimum Ground Floor Height
4A	Front Façade: Angular Plan
4B	Front Façade: Pedestrian Perception Step-Back
4C	Front Façade: Alignment
5A	Rear Transition to Neighbourhoods: Deep
5B	Rear Transition to Neighbourhoods: Shallow
5C	Rear Transition to Employment Areas
5D	Rear Transition to Apartment Neighbourhoods
6	Corner Sites: Heights & Angular Planes
7A	Minimum Sidewalk Zones
7B	Streetscapes
8A	Side Property Line: Continuous Street Walls
8B	Side Property Line: Limiting Blank Side Walls
8C	Side Property Line: Step-backs Upper Storeys
8D	Side Property Line: Existing Side Windows
8E	Side Property Line: Side Street Setbacks
9	Building Width: Maximum Width
10	At-Grade Uses: Residential
11	Setbacks for Civic Spaces
12	Balconies & Projections
13	Roofs & Roofspaces
14	Exterior Building Materials
15	Façade Design & Articulation
16A	Vehicular Access
16B	Mid-Block Vehicular Access
17	Loading & Servicing
18	Design Quality
19A	Heritage & character Areas
19B	Development in a HCD
19C	Development adjacent to a Heritage Property
19D	Character Area: Fine Grain Fabric
19E	Character area: Consistent Cornice Line
19F	Character Area: Vertical Additions
19G	Character Area: Other Considerations
*Source: Avenues & Mid-Rise Guide, 2010 s. 3.2	

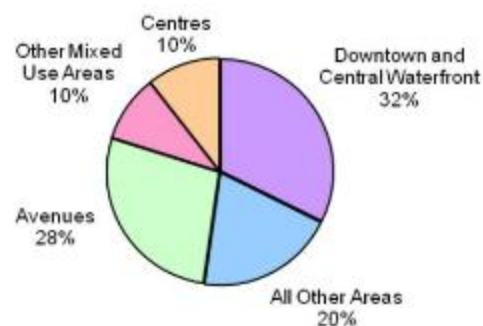
Figure 7 - Mid-Rise Performance Standards

Toronto, 2011, p. 2 )The Canadian Urban Institute organized a Mid-Rise Symposium in 2010 to identify barriers to development. The invited guests represented a number of developers, policy makers and planning consultants, and aimed to create a clear industry position on mid-rise. The process of intensifying land itself was the second ranked obstacle to mid-rise development in the City of Toronto (Canadian Urban Institute, 2010, p. 10). Currently there is no as-of-right zoning, and Avenue Studies, Secondary Plans or Avenue Segments must be studied in order to intensify the Avenues. This creates extra costs and hurdles to mid-rise development (Canadian Urban Institute, 2010, p. 16.) There is a gap between visions of sustainable, compact communities and the Official Plan policies and zoning by-laws.

Attendees at the Symposium also suggested that despite the City and smart growth advocating a pedestrian-friendly, transit centric built form, parking ratios in the City of Toronto for mid-rise developments do not reflect reduced parking ratios (Canadian Urban Institute, 2010 p. 14). Developers have indicated building underground parking is cost prohibitive to developing intense urban forms on limited sites infill Avenue sites (CUI, 2010 p. 14).

A May 2011 Staff Report addressing the current Official Plan Review and the City's growth strategies suggests that City staff consider the policies, in particular those involving Avenue infill development, to be successful in attracting development applications. From 2006 to 2010 there were 246 residential or mixed use applications on the Avenues, or 28% of proposed residential units, see fig. 7. (City of Toronto, May 10 2011, p. 3) It must be noted that these are proposed applications, does not distinguish the applications which have completed, nor does it indicate if these applications were mid-rise in nature.

**Location of Proposed Residential Units**



**Figure 8 - 2006 to 2010 Residential Applications**



## Findings

In addition to the site specific considerations, the interviews and research conducted indicated there are a number of concerns with the development process for mid-rise buildings. Development uncertainty, a lack of status within policy and general inexperience with the form has implications for the success of proposed mid-rise buildings.

### *Geographic Considerations*

When mapped, proximity to downtown and high-order transit also appeared to influence the application and completion rate. Those projects that were in high transit areas of the North and South Toronto were more likely to be completed. This also demonstrated a desire to build mid-rise developments in more “urban” areas of the City, which would be more desirable to purchasers looking for urban housing options along with areas which could command the greatest price per unit. Interviewees suggested that proximity to transit was a major consideration when selecting sites they viewed would be successful mid-rise projects.

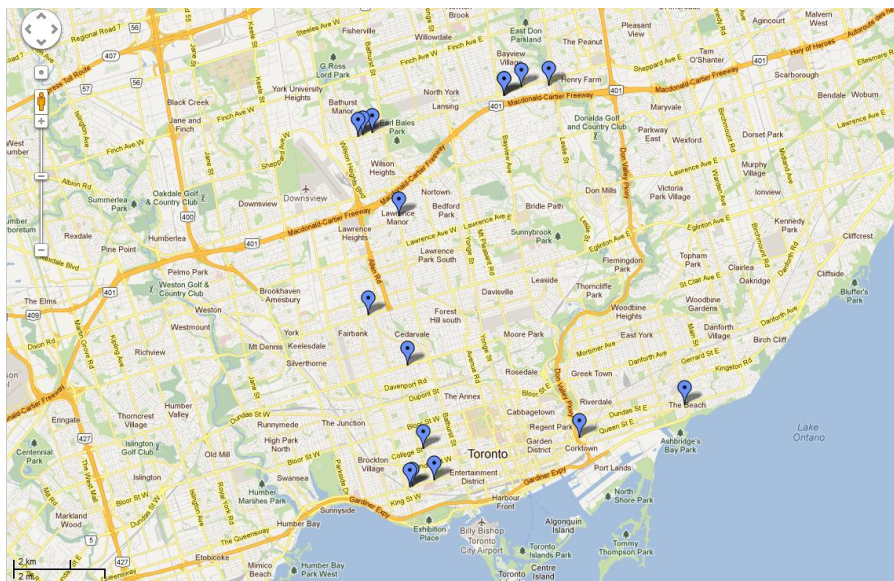


Figure 9 - Mid-Rise Applications - Under Construction



**Figure 10 Mid-Rise Completed**

The desire to build in areas which have high price points for units also demonstrates the steady and or rising costs of construction and the Toronto market. The base building cost would not be economically feasible to a developer in areas where the units could only achieve low purchase price. This topic of construction financing and developer preference will be discussed in a further section.

Using the City's four areas the majority of the final 40 applications were either in the North, previously North York (15) or South, the former City of Toronto (18), with only 2 in the East (former city of Scarborough) and five in the West (Etobicoke).



## Mid-Rise Applications on the Avenues

■ North ■ East ■ South ■ West

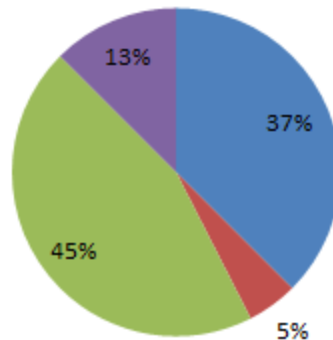
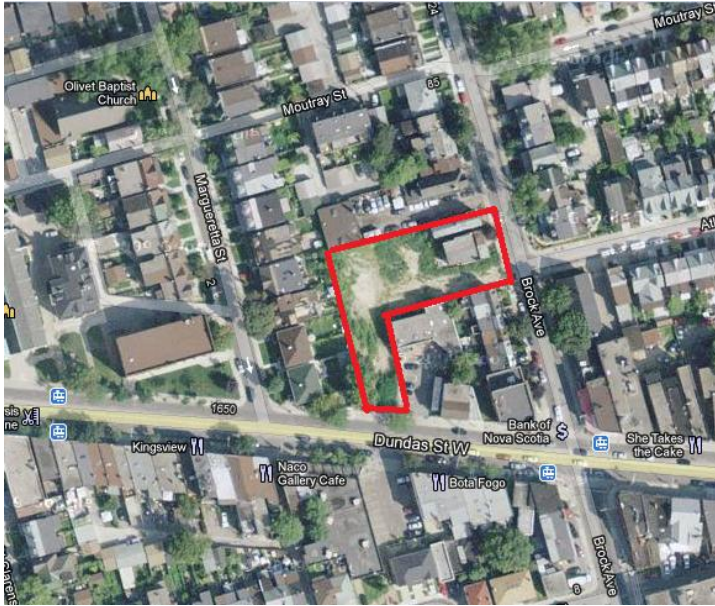


Figure 11 - Mid-Rise Applications

Site characteristics were often dependent on the geographic location of the sites. Those which were in the “inner suburbs” were often larger sites which do not back onto Neighbourhoods or impact current residents. These sites could accommodate larger developments and generally had a larger Right-of-Ways, which according to the Performance Standards in the Mid-Rise guidelines, translated into potentially taller buildings.

Although most developers prefer corner sites, for obvious reasons such as shadowing, and egress, these sites are limited on the Avenues. Due to the marketing appeal downtown sites and the scarcity of land led to a willingness of developers to consider mid-block developments. These sites often consisted of a number of individual properties requiring the use of residential street or alley access to facilitate development. These unique sites, and the need for such diversity of performance standards are considered in the appendix of the Mid-Rise Guide.

One example of this, is a mid-block development (Fig. 12), just west of downtown, which has street frontage on Dundas West, an Avenue designation. In this case the topography of the mid-rise site required the parking and vehicle access to be located on a side street. The developer was required to purchase two single family homes in order to facilitate the development and meet the performance standards.



**Figure 12 - Mid-Block Condo Site**

The majority of the projects reviewed were not finished by the end of the author's study in September of 2011, and thus this paper does not include a review of the final built form in comparison to the guidelines provided by the Mid-Rise study or the additional guidelines (Secondary or Avenue studies). The majority of the projects were eight or nine stories (of the possible five to twelve considered mid-rise). It is unable to determine from this study if this was a factor of development criteria, planner preference or lot size.

### *Financing and Industry Considerations*

Mid-rise developments are not the norm for development in the City, and thus there is still uncertainty about the success of this type of development. Established developers, who are used to the single-family or high-rise development model, have yet to embrace the mid-rise urban development, nor develop financial models to predict pricing and timing. The lack of established developers has allowed for a number of smaller developers to establish themselves within this genre of development. In particular Streetcar Developments has had a number of successes with their projects in Queen Street West (2 Gladstone, 8 Gladstone) and Queen Street East (625 Queen E, 630 Queen E).

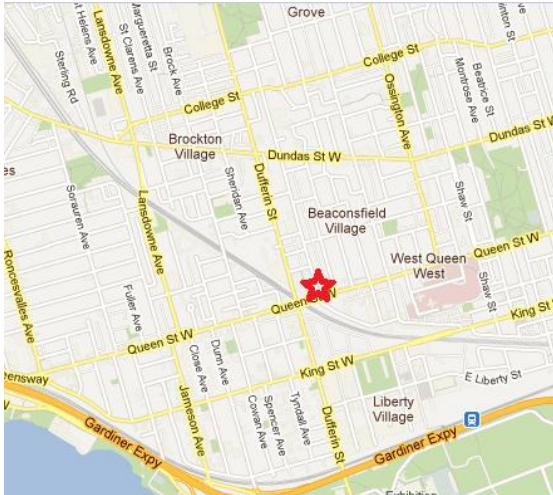
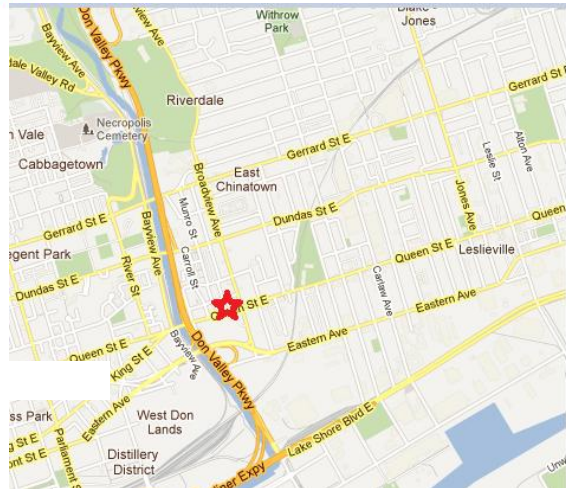


Figure 13 - StreetCar Developments Queen West

★ 2 & 8 Gladstone Ave



★ 625 & 630 Queen Street East

Figure 14 - StreetCar Developments Queen West



Figure 15 - 2 Gladstone Ave.



Figure 16 - 625 Queen Street East

In the North, Daniels, in developing the larger Sheppard Avenue East corridor, also established a number of mid-rise developments amongst their established high-rise communities. It is believed by many in the development community that the growing success of their mid-rise projects, in terms of market desirability, and the City's willingness to consider this form on the Avenues, will lead to its increased success..

That said, it is not just profit considerations that will encourage this form of development, but it is an important aspect. In addition to financial feasibility, a predictable policy and development application process, such as establishing the mid-rise built form within the Official Plan, will aid in the City's goal of intensification through the mid-rise form. Policies which allow developers greater certainty will allow for predictability in the process and hence make the proforma more secure.

The City of Toronto, as a part of their 2005 Mid-Rise Symposium, a proforma which compared the economics of an 8 storey and 25 storey residential condominium project on one of the City's Avenues (See Appendix B) . (City of Toronto, 2005) Utilizing a "land residual" approach, this helps developers determine the total hard and soft costs associated with development which in turn gives them the maximum amount that they should pay for the land. The Symposium's proforma suggests that both projects will produce positive land values, but that the amount generated by the mid-rise development may not be sufficient to purchase the land required for the development. (ibid.) The City's consultants suggest that sites along Avenues which are redevelopment sites with existing buildings would be generating enough income that the residual land value would not entice the owners to sell. (ibid)

The sentiment, that a number of potential mid-rise sites were difficult to purchase due to the vendor's expectations, was confirmed by two interviews of mid-rise developers. Both argued that sites along Danforth Avenue, which were well serviced by transit and would be appealing to the market, already had significant incomes from thriving businesses, and the pricing expectations of vendors, based upon their current income, exceeded the amount which the proforma would justify.

An additional financial consideration which was revealed through the interview process was that of the cost of rezoning of mid-rise building sites. The cost to rezone is the same for mid-rise as it is for taller buildings, but due to the limited square footage, the cost cannot be spread across more units, and thus makes the project less feasible. Additionally, the City of Toronto raised its development application fees in January 2012, and again in April 2012, adding a number of additional costs to development. The new fees include a Section 37 preparation fee. (City of Toronto, 2012) (SEE APPENDIX C for chart)

These new fees are a part of the City-wide policy of increased user fees. The increase in fees will directly impact the financial feasibility of mid-rise buildings as they establish heightened fees for rezoning applications, which the majority of Avenue mid-rise buildings would require. In interviews with developers, some suggested that the increased cost had the potential for developers to apply for heights exceeding the performance standards, as the fees would be spread amongst the additional floor space. This has the potential to derail the ideals of mid-rise on the Avenues, intensification with a respect to the pedestrian realm and surrounding Neighbourhoods.

### *Policy Impacts*

Mid-rise developments have potential to address both the Province's and the City's goals of intensification, while utilizing existing infrastructure and providing for a well-built City.

The ideal of Mid-Rise growth has a number of policy stumbling blocks that have the potential to stifle this type of development in certain areas. The Official Plan guidelines require that a Secondary Plan, Avenue Study or Avenue segment study must be completed prior to a mid-rise application. This will lead to the clustering of mid-rise developments to certain areas which already have these in place. It will also result in time and financial constraints on other developments outside those with such planning studies completed. Although these studies do ensure public consultation and good form, it may also lead to clustering of mid-rise developments and intensification in certain areas, not necessarily those most appropriate for growth.

Two other provincial policies have implications to the feasibility of Mid-Rise developments, Section 37 of the Planning Act which allows increased height or density in return for community benefits, along with the City's Rental Replacement Policy. Development within existing urban centres on the Avenues is often redevelopment and will require the demolition of current buildings which may have rental units as part of their current use. (City of Toronto, May 4, 2010, p. 20) This is a serious concern for many community members and creates more delays for development and may add to neighbourhood concerns about reurbanization.

Further discussion between Planning and City of Toronto Housing department will be required to understand the success of protecting rental properties. Section 37 has been applied to many of the developments, in particular those in the original city of Toronto. Two developers and one of the industry representatives complained that they felt there was a lack of transparency for the use of the funds and how the final contribution is calculated has the potential to discourage development in the inner suburbs by adding significant financial burdens to developments where there is a limited market price that can be achieved.

To encourage mid-rise intensification the City may need to address the burdens of Section 37 benefits on mid-rise buildings. One issue for local residents on the Avenues with as-of-right zoning is the loss of councillors' ability to negotiate Section 37 benefits for local communities. The City's planning staff along with the Ward Councillor utilize "density bonusing", giving higher heights than the zoning currently allows in return for community benefits.

The success of a number of mid-rise projects despite the economic situation of the past few years indicates an appetite for such mixed use developments. Ultimately, though it is the market that dictates the success of these projects, and with the steady cost of construction pricing, and the marginal cost of infill land in the overall development cost, it is desirable areas that will continue to see the bulk of mid-rise growth. Developers will continue to pursue projects in neighbourhoods where they will receive the best return on their investments.

It is the development industry which drives construction in the City and, in turn, translates policy into the built form seeks certainty and predictability in their development endeavours. One of the largest criticisms of Municipal and Provincial policy which seeks intensification is its

lack of certainty for the industry. Developers find difficulties as the different tiers of government are at different stages in their policy approaches to intensification. The necessity to re-zone a property and pursue a built form, not explicitly described within official policy documents, can delay the process, and thus create difficulties for timing of projects and financing.

Developers have historically avoided mid-rise developments due to their perceived limited profitability, lack of market awareness and lack of status in the City's Official Plan. If the City hopes to encourage this type of intensification they need to provide the development industry with some standards and policy. The performance standards, mentioned earlier, are an attempt to provide urban design standards which respect the neighbouring uses and give developers guidelines in the development process to help them determine the economic feasibility of mid-rise developments early. The performance standards, having no official status and being prescriptive across a variety of sites, create issues for application.

There was significant criticism from the development industry and other professionals involved about the angular planes required in the performance guides. A number of complicated measurements must be made which affect the floor plates and, ultimately the size of the units available. Although the performance guidelines are not officially recognized, interviews suggested that City staff had used them to review applications and meeting such standards created a number of delays and additional cost.

Discussions with those involved with mid-rise developments suggest that the City planning staff and local residents are using the performance standards and applying them as a best practice to current applications regardless of the site specifics.

Both the Avenue & Mid-Rise Study and the CUI Symposium have indicated a preference for pre-zoning or Official Plan status for mid-rise developments. By giving this type of intensification a status in the planning process they provide an expatiated approval process for development. (Symposium, 2010, p. 17) There is currently considerable uncertainty in the process, and if the City wishes to facilitate this format of development they need to eradicate the need for time-consuming and expensive rezoning and Official Plan amendments.



Discussions indicated that the need for these acts are cost prohibitive and are the same required for a larger development which could be spread out over the larger project.

## Parking

Both the City's study on Mid-Rise and the CUI's Symposium indicated that they saw municipal parking ratios, and how many spaces this translate to, as a major concern for the feasibility of mid-rise development. In infill developments, land is often narrow and limited in size, challenging developers to provide the parking required by the current legislation. Underground parking, along with being expensive to build, is also on certain infill sites is a physical impossibility. (Symposium, p. 14) The development industry and many policy makers rightly argue that the goal of reurbanization and mid-rise developments is to create transit oriented and pedestrian friendly developments, thus parking ratios should be decreased for infill projects.

This financial and physical challenge can be mitigated by lessened requirements and improvement in transit. On the other hand, the lack of transit infrastructure opportunities can become a barrier to development, in particular with Toronto's uncertainty vis-à-vis their transit plans. This discrepancy between stated policy expectations and the current transportation planning makes the achievement of Provincial ideals difficult.

In interviews with developers currently involved with mid-rise developments there was less of a focus on parking as a potential barrier. One developer had successfully used car share programs in order to have their parking ratio lowered. They acknowledged the discrepancy between sustainability and current parking requirements, but argued that City staff were understanding in their plight and were accommodating to lower parking ratios for mid-rise.

Neighbours in existing neighbourhoods are concerned about the reduced parking requirements in new developments as it could be argued that this would lead to more on street parking. A more frequent complaint by developers was difficulties with loading docks and access to garbage pick-up due to design and site restraints along with conflicts with City waste departments.



## Retail Considerations

The City of Toronto's Mid-Rise & Avenue Study considers at-grade retail uses a "fundamental component in the community role and design character of the Avenues". (McIlroy et. al., 2010, p 24) It is logical to assume, that when providing for a pedestrian friendly, transit oriented development, incorporating retail will provide for a more sustainable development. Local retail amenities are considered community amenities, and create vibrancy in neighbourhoods, encourage walkability and diversity of amenities.

This requirement for retail at-grade has received some resistance on the part of developers, and some questioning of its necessity in all situations by policy makers. Developers of mixed-use development consider retail space and the subsequent leasing issues as a potential liability; they have little experience with leasing retail space and its vacancy can make a project seem undesirable to potential purchasers. (Symposium, 2010, p. 8) The requirement of retail at grade constricts the building form, and has significant issues for the delivery of goods and services along with the parking necessary to encourage retail visitation.

In interviews conducted for this paper, developers have indicated that the building requirements for retail are very different than those for residential (including ceiling height and loading requirements) which add to construction costs. The Study has allowed a certain amount of flexibility in what it has designated the "Suburban Avenues" and "Undefined Avenues", further designating them "Required", "Encouraged" and "Permitted".

Key informants indicated that the requirement for retail, although appealing for potential residents, was a difficult component for mid-rise. As discussed at the CUI Symposium, a number of the developers interviewed suggested that leasing such retail spaces was time-consuming and complicated. There are a number of issues with finding suitable tenants for such spaces, in particular concerns over covenant and the high rents required. Ownership and management of the retail component once the condominiums were completed is complicated and was something the builders and developers did not want to be involved in.

The ownership of the retail component is another consideration that was raised by developers and consultants in discussions regarding barriers. Although most agreed that retail at grade had the potential to attract residents, the ownership structure of such arrangements was seen as an uncertainty. Some developers expressed an interest in retaining the retail for a continued source of income while creating separate ownership from the condominium corporation, while others would prefer to sell these units and not participate in the continued concern of property management. Real estate brokers interviewed also suggested that in highly desirable sites attracting premium tenants was possible at the pre-construction or pre-leasing stage, but with some developments it was not until the building was constructed and occupied that the leasing began. This vacant space creates not only a financial concern for the builder/owner, but it also contributes little to the pedestrian realm.

A number of interviewees suggested that the building requirements for retail which, as stated, differ from residential and have extra costs, add to the rental rates, making the retail at grade less appealing and achievable for many tenants. If no suitable tenants are found costs are then passed onto the purchasers, ultimately affecting affordability of the housing. Currently there is not significant discussion about the alternative uses at grade and, due to the financial constraints, uses beyond residential may be economically prohibitive currently.

### *Transit*

Many of the corridors that were considered in the summer mid-rise study were selected due to the expectations that they were to receive transit intensification through the Transit City Plan, in particular Eglinton Avenue East and West and Sheppard Avenue East. The current uncertainty of Toronto's transit plan will discourage developers from considering a number of these areas. Sheppard Avenue East has already begun to develop with high-rise and mid-rise development, some under construction, and many with applications. The lack of light rail will impact the desirability of these projects, along with negatively affecting the sought after pedestrian oriented neighbourhoods. There are also implications to the success for these projects, not simply from a development standpoint, but the reputation of mid-rise policies in the eyes of the public.

### *Public Perception*

The individual Avenue Studies conducted by the City's Planning Department have gone a long way in helping City residents in understanding the rationale behind the drive towards mid-rise housing and development. It is important to have public engagement in this process. Not only will this help alleviate resistance to intensification, it will also help demonstrate how mid-rise buildings can contribute to vibrant communities. (Symposium, 2010, p. 22) The additional high cost and time constraints to areas which have not been studied makes these Mid-Rise developments on the Avenues less desirable.

Any development, in particular those like mid-rise developments which significantly alter the built form, needs the support of local councillors. (Symposium, 2010, p.16) Public involvement and meetings allow for input and public buy-in, creating a collaborate process which takes into account local considerations and creates a consensus on design and use. NIMBYism can be a deterrent to intensification, in particular when residents feel disassociated from the planning process. Mid-Rise, often through Avenue Studies have gained resident support, but many existing neighbourhoods will resist change no matter the level of public consultation. The local councillor can play a role not only in attaining community benefits through Section 37, but can also help facilitate development.

The location of the majority of the Avenues, abutting stable neighbourhoods, creates a difficulty for developers in getting approvals. One key informant suggested that the choice to encourage Mid-Rise on the Avenues, although appropriate for achieving intensification and using existing infrastructure is difficult for existing residents. This will in turn ensure, as long as there is no status in City planning documents, a delayed and potentially adversarial process.

### *The Building Code*

The current Ontario Building Code places constraints on the construction and planning of mid-rise buildings. The City of Toronto Building Department has indicated that they are open to compliance alternatives that would reduce the cost burden on these types of developments. (McIlroy et. al., 2010, p. 113) Other Provinces such as British Columbia have amended their

building codes to allow wood frame construction up to six storeys, thus providing financial incentives to develop six-storey buildings. (ibid) The permitting of wood frame construction to six storeys would impact the financial viability of mid-rise for many developers, potentially making these more affordable for residents.

The Mid-Rise Symposium indicated that mid-rise development is supported by the Provincial growth policies, but not through the Building Code. (Symposium, 2010, p. 18) The Study indicates that the life and safety requirements can be considered a “belt and suspenders” approach, providing no more improvement of safety with considerable more construction cost.

<sup>6</sup> If the City and the Province are serious about intensification, they must look at a number of policy initiatives that support sustainable intensification, including changes to the Building Code.

---

<sup>6</sup> “Belt and Suspenders” refers to a redundant system which provides dual protection, but in the case of the Building code is considered by some duplication, or excessive construction requirements.

## Recommendations

The City and Province have recognized the substantial growth, which the Greater Golden Horseshoe will face in the next twenty years, makes it imperative that policies are established that direct growth and keep the City liveable and attractive to investment. Mid-rise building along the Avenues present a wonderful opportunity for the City of Toronto, its residents and builders, to meet Provincial growth targets while capitalizing on existing infrastructure and complimenting current land uses. The mid-rise form establishes for the City a different way of intensifying within an already built environment.

Although the City of Toronto, through its Official Plan, considers the Avenues as a land use designation which will accommodate the most growth or reurbanization, this land designation is not enough to facilitate mid-rise growth with current policy and market considerations. Across the City the diversity of site size, along with current and neighbouring uses, pose unique constraints, in particular to mid-rise developments, which are unaddressed in current policy. The lack of status in both the Official Plan and the current un-harmonized zoning by-law makes this type of built form unfeasible in most designated locations.

The low take-up of mid-rise, despite development on the Avenues, is not a criticism of its form, for it does provide residents within the City an opportunity to intensify with respect to the overall goals of the Provincial and Municipal growth ideals. What it demonstrates is a lack of financial and market considerations. Current market forces, the lack of status within current planning policies and various constraints on retail at grade, create uncertainty for the development industry. The public concern over the preservation of existing neighbourhoods requires public participation in the acceptance of intensification.

With that in mind, here are five broad recommendations which will offer ways for the City to help facilitate mid-rise on the Avenues as a means of achieving their growth goals:

1. Re-evaluate the Avenue designation as a part of the Official Plan review with City stakeholders to create priority Avenues to facilitate mid-rise development and create greater acceptance of the mid-rise form.

With limited funding for planning initiatives, along with the development industry's appetite for high-rise housing due to its proven economic feasibility, it is necessary for the City to consider focusing its promotion of the mid-rise form to areas suitable for these developments. The City should consider the Avenues and their surrounding land uses independently. Areas, such as those which require intensification according to Provincial growth targets, i.e. urban growth centres, and areas planned for infrastructure initiatives such as public transit, should become priority Avenues. Involvement of planning consultants, builders and developers will help establish criteria for priority mid-rise intensification areas.

The City must recognize that Mid-Rise development will be incremental, and will most likely occur in areas which are transit-supportive, and be financially viable for the City and developers. Focus planning in these areas, and educate neighbouring landowners and stakeholders to the benefits of the mid-rise form.

2. Consider a modified Avenue Study process, focusing on the priority Avenues and create as-of-right zoning and area specific performance standards.

The City needs to officially recognize the mid-rise built form beyond using the 19 performance standards in the Avenues & Mid-Rise Study. City Policy and planning departments should review the Avenues and prioritize where mid-rise growth would be most appropriate and economically feasible. Specifically, mid-rise zones should be designated with consultation with local stakeholders. Areas where there is existing infrastructure, including transit and potential for dense urban form, might be considered criteria for Avenues appropriate for mid-rise development.

By giving these areas status within the Official Plan, perhaps creating a designation for such areas along with as-of right zoning in a harmonized by-law will help facilitate growth to directed

and appropriate areas. This modified process would still allow local stakeholders input into the final form, but also create more certainty for developers.

3. Economics is the largest barrier to mid-rise development. The City must consider using economic incentives to mid-rise buildings on the Avenues.

There are opportunities for the City to facilitate mid-rise on the Avenue through the reduction of its own development application fees, or making mid-rise specific fees. The majority of the costs facing mid-rise buildings, such as construction costs, are fixed. The City can use incentives such as development credits for the particular built form (mid-rise), reduced parking ratios, and as-of-right zoning to remove concerns over the unknown costs of Section 37 contributions. In sites which have been identified for intensification, either through Provincial policies or Official Plan designations, and are also faced with infrastructure investments or brownfield opportunities, the City may also consider TIF (Tax Increment Financing) or TEGs (Tax Increment Equivalent Grant) to facilitate this type of development.

4. Reduce automobile reliance for mid-rise buildings and facilitate conversations with other City departments to address alternative loading and garbage pick-up.

The Avenues are well positioned for public transit, and thus this should be recognized in the reduced parking ratio requirements. The City should encourage bike-share and car-share programs to offer alternative transportation to current and future residents of the mid-rise Avenues. Retail loading, along with residential and commercial garbage pick-up, need to be addressed if this form is going to be embraced by residents and the development community. Reasonable steps must be taken in accordance with municipal by-laws to make concessions or find alternatives for these buildings.

5. Consider offering developers alternatives to retail on the ground, and encourage the use of office on floors above the first.

Although retail amenities are a great addition to the community and contribute to the pedestrian realm, there must be consideration of their feasibility the area and the building. The City should consider office uses which will also create a mixed-use environment and create street front vitality. Other community uses, such as libraries or government offices might be considered to provide stable tenancy and attract further retail components.



## Appendix A

### Questions for Subjects

1. Can you please give me a brief overview of your experience developing within the GTA, what type of buildings have you characteristically developed (size, use) and areas you have developed in?
2. Since 2006, the City of Toronto has been encouraging Mid-Rise Building along the Avenues, how familiar are you with this type of form? Have you built any or do you plan to?
3. If no, why do you not intend to pursue this type of built form? ( eg. difficulty locating sites, unclear policies, financing constraints, costs, neighbourhood opposition, specifics to mid-rise building design, parking, public interest)
4. If yes, what encouraged you to consider this built form? What was your experience? Would you pursue this form again?
5. What do you look for in an ideal development site? (size, location, municipality, neighbourhood, depth of lot)
6. What do you think the City of Toronto, and other municipalities can do to encourage intensification?

## Appendix B

### Mid-Rise Economics, Proforma Analysis

	Mid Rise	High Rise
<b>Residential Unit &amp; Area Statistics</b>		
Number of Floors	8	25
Number of Units	75	300
Average Net Unit Size (SF)	850	725
Gross to Net Efficiency (GNE, %)	85%	88%
Average Gross Unit Size (SF)	1,000	824
Total Residential Saleable Area (SF)	63,750	217,500
Gross Residential Area (GRA, SF)	75,000	247,159
Estimated Floor Plate	9,375	9,886
GRA (square meters)	6,968	22,962
Retail Area (SF)	4,688	4,943
Gross Livable Area = GRA + retail (GLA, SF)	79,688	252,102
Required Parking Stalls (per residential unit)	0.81	0.81
Resident Parking Stalls Constructed	60.75	243
Number of Visitor Parking Stalls	4.5	18
Required Retail Parking	5	5
Number of Parking Stalls Sold	56.25	225
Estimated Area per Stall (SF)	400	400
REQUIRED Total Parking Area - Below Grade (SF)	26,175	99,177
<b>Revenues</b>		
Residential Index Price (PSF)	\$300	\$300
End Price (per residential unit)	\$255,000	\$217,500
Parking Revenue (per stall)	\$20,000	\$20,000
Retail Index Price (\$20 PSF @ 8% Cap rate)	\$250	\$250
<b>Costs</b>		
<i>Hard (Construction) Costs</i>		
Above Grade GRA Construction Cost (PSF)	\$140.00	\$130.00
Above Grade Retail Area Construction Cost (PSF)	\$150.00	\$150.00
Below Grade Parking Cost (PSF)	\$45.00	\$60.00
Blended Construction Cost (PSF) of GLA	\$155	\$154
<i>Soft (Development) Costs</i>		
Rule of Thumb Approach, % of total development costs	30%	29%
<b>Developer/Builder Profit</b>		
Profit Margin (% of total revenues)	10.00%	10.00%
<b>PROJECTED REVENUES</b>		
Revenues from Sale of Units	\$19,125,000	\$65,250,000
Revenues from Sale of Parking	\$1,125,000	\$4,500,000
Revenues from Sale of Retail Area	\$1,171,875	\$1,235,795
<b>Total Revenues</b>	<b>\$21,421,875</b>	<b>\$70,985,795</b>
<b>PROJECTED COSTS</b>		
Land Cost - RLV to be determined		
Above & Below Grade Hard Construction	\$12,381,000	\$38,822,795
Soft (Development) Costs	\$5,306,143	\$15,857,198
<b>Total Costs</b>	<b>\$17,687,143</b>	<b>\$54,679,994</b>
Total Costs PSF GLA	\$222	\$217
<b>Total Residual Land Value and Profit</b>		
<b>Total Profit</b>	\$3,734,732	\$16,305,802
	\$2,142,188	\$7,098,580
<b>Total Residual Land Value (future\$)</b>	\$1,592,545	\$9,207,222
RLV Per Residential Unit	\$21,234	\$30,691
RLV PSF of GLA	\$20	\$37
<b>Total Residual Land Value (present\$)</b>	\$1,316,153	\$5,995,999
RLV Per Residential Unit	\$17,549	\$19,987
RLV PSF of GLA	\$17	\$24

Prepared by Adrian Kozak, Barry Lyon Consultants, for Mid-rise Symposium, November 2005

## Appendix C

### City Planning

#### 2012 Application Fees – Effective April 2, 2012

Planning Application	Application Fee	Planning Application	Application Fee
* Official Plan amendment	* \$15,736.18	Site Plan Control	<ul style="list-style-type: none"> <li>• Base fee: \$4,500.00</li> <li>• Additional fee if building GFA is over 500 m<sup>2</sup></li> <li>• Residential use: <ul style="list-style-type: none"> <li>for first 200 m<sup>2</sup> over 500 m<sup>2</sup>: \$10.55 m<sup>2</sup></li> <li>for next 700 m<sup>2</sup>: \$8.15 m<sup>2</sup></li> <li>for next 3000 m<sup>2</sup>: \$5.30 m<sup>2</sup></li> <li>over 6800 m<sup>2</sup>: \$3.63 m<sup>2</sup></li> </ul> </li> <li>• Non-Residential Use: <ul style="list-style-type: none"> <li>\$2.65 per m<sup>2</sup></li> </ul> </li> <li>• Mixed use: <ul style="list-style-type: none"> <li>\$3.65 per m<sup>2</sup></li> </ul> </li> <li>• Agreement Review: \$4,500.00</li> </ul>
* Zoning Bylaw amendment	<ul style="list-style-type: none"> <li>• Base fee: \$15,671.30</li> <li>• Additional fee if building GFA is over 500 m<sup>2</sup></li> <li>• Residential Use: \$5.20 m<sup>2</sup></li> <li>• Non-Residential Use: \$3.69 m<sup>2</sup></li> <li>• Mixed Use: \$3.95 m<sup>2</sup></li> <li>• Large Service Use for 3, 17 Agreement: \$9,400.00</li> </ul>	Minor Variance	<ul style="list-style-type: none"> <li>• Clear Title: \$1049.50</li> <li>• Additions and alterations to existing dwellings with 3 units or less: \$1,400.50</li> <li>• Residential dwellings with 3 units or less: \$3,148.55</li> <li>• All other residential, commercial, industrial or institutional uses: \$4,075.00</li> <li>• "After the fact variances" double the regular fee</li> </ul>
* Combined Official Plan and Zoning Bylaw amendment	* \$15,736.18	Consent	<ul style="list-style-type: none"> <li>• Base fee for severing one lot into two, or establishing a new easement: \$2,870.00</li> <li>• Fee for each additional lot created: \$7,840.00</li> <li>• Validation of Title, Technical Severance, Leases, Mortgage Discharge, Lot Additions, Re-Establishing Easements: \$1,430.00</li> </ul>
* Holding Bylaw amendment	* \$8,633.00	Committee of Adjustment Research Request Fee	• \$150.00 (Subject to HST)
* Plan of Subdivision approval	• Base fee: \$27,567.00 + \$870.00 for each proposed lot	Policy and Research Fee	• \$120.00 (Subject to HST)
* Plan of Condominium Approval	• Base fee: \$7,249.10		
Standard Elements	• Base fee: \$7,249.10 + \$19.28 per unit		
Standard, Phased, Leasehold, Vacant Land	• Base fee: \$15,825.50 + \$72.08 per unit		
Rental Conversion	• Base fee: \$3,800.00 + \$380.00 for each proposed lot		
Part Lot Control			
Telecommunication Tower Application	• \$4,500.00		
Rental Housing Demolition and Conversion Bylaw	• Please see page 4 of the Rental Housing Demolition and Conversion Application Form		

As set out in Chapter 465.11 of the City of Toronto Municipal Code, fees are adjusted every January 1.

\* The following surcharges also apply, but will not be collected until later in the planning process:

-A surcharge to cover the City Clerk's direct costs of providing public notice required to process planning applications (added at the time of the notice).

-A surcharge to cover quality control and translation and sign language services to process planning applications (added at the time of the meeting).

The Site Plan fees are now calculated on a sliding scale based on the size of the development.



104-1

## SOURCES

Boon, J. (2010). The interplay of market forces and government action in the achievement of urban intensification: the case of Auckland, New Zealand. *Journal of Urbanism: International Research on Placemaking and Urban Sustainability*, 3: 3, 295 - 310.

Breheny, M. (1997). Urban compaction: feasible and acceptable? *Cities*, Vol. 14, No. 4, 209 - 217.

Brook McLLroy Planning + Urban Design/Pace Architects. (2010) Avenues and Mid-Rise Building Study. May: <http://www.toronto.ca/planning/pdf/midrise-FinalReport.pdf>

Canada Mortgage and Housing Corporation. (2012) Housing Market Outlook – Ontario Regional Highlights, First Quarter 2012. Retrieved from: [http://www.cmhc-schl.gc.ca/odpub/esub/65434/65434\\_2012\\_Q01.pdf?fr=1333916775500](http://www.cmhc-schl.gc.ca/odpub/esub/65434/65434_2012_Q01.pdf?fr=1333916775500)

Canadian Urban Institute. (2010, February 8). Mid-Rise Symposium 2009. Retrieved from Canadian Urban Institute: [http://www.canurb.com/media/emarketing/2009CUI\\_ULS/PDF/CUI\\_MidriseDiscussionPaper.pdf](http://www.canurb.com/media/emarketing/2009CUI_ULS/PDF/CUI_MidriseDiscussionPaper.pdf)

City of Toronto. (2012) 2012 Application Fees – Effective April 2, 2012. Retrieved from: [http://www.toronto.ca/planning/pdf/april1planning\\_fees\\_sign.pdf](http://www.toronto.ca/planning/pdf/april1planning_fees_sign.pdf)

City of Toronto. (2005) Mid-Rise Symposium – Urbanizing the Avenues. Retrieved from: [http://www.toronto.ca/planning/midrise\\_proforma.htm](http://www.toronto.ca/planning/midrise_proforma.htm)

City of Toronto. (2010) Official Plan. [http://www.toronto.ca/planning/official\\_plan/pdf\\_chapter1-5/chapters1\\_5\\_dec2010.pdf](http://www.toronto.ca/planning/official_plan/pdf_chapter1-5/chapters1_5_dec2010.pdf)

City of Toronto. (2010) Staff Report – May 4, 2010 – Avenues and Mid-Rise Buildings Study and Action Plan – Pg 10030. Retrieved from: <http://www.toronto.ca/legdocs/mmis/2010/pg/bgrd/backgroundfile-29910.pdf>

City of Toronto. (2011) Staff Report – May 10, 2011 – Five Year Review of the Official Plan and Comprehensive Review Pg 11031. Retrieved from: [http://issuu.com/toronto\\_city\\_planning/docs/backgroundfile-38172?mode=embed&layout=http%3A%2F%2Fskin.issuu.com%2Fv%2Fcolor%2Flayout.xml&background%2FColor=2A5083](http://issuu.com/toronto_city_planning/docs/backgroundfile-38172?mode=embed&layout=http%3A%2F%2Fskin.issuu.com%2Fv%2Fcolor%2Flayout.xml&background%2FColor=2A5083)

Couch, C., & Korecha, J. (2006). Controlling Urban Sprawl: Some Experiences from Liverpool. *Cities*, Vol. 23, No. 5, 253-363.

Cullen, A. J. (2005). Urban Intensification and Affordable Housing in Auckland. Thesis submitted for Master of Regional Resource Planning, University of Otaga.

Davidson, Mark. (2009). Displacement, Space and Dwelling: Placing Gentrification Debate. *Ethics, Place and Environment*, 12(2), 219-234.

Filion, P., & McSpurren, K. (2007). Smart Growth and Development Reality: The Difficult Co-Ordination of Land Use and Transport Objectives. *Urban Studies*, Bol. 44, No. 3 March, 501 – 523.

Hayek, M., Arku, G., & Gilliland, J. (2010). Assessing London, Ontario's brownfield redevelopment effort to promote urban intensification. *Local Environment*, 15: 4, 389 - 402.

Paul G. Lewis & Mark Baldassare (2010): The Complexity of Public Attitudes Toward Compact Development, *Journal of the American Planning Association*, 76:2, 219-237

Madanipour, A. (2002). How Relevant Is "Planning by Neighbourhoods: Today?" *The Town Planning Review*, Vol. 72, No. 2 April, 171 - 191.

Marshall, M. (1996). The Key Informant Technique. *Family Practice*, Vol. 13, No. 1, 92 - 97.

McCarthy, L. (2002). The brownfield dual land-use policy challenge: reducing barriers to private redevelopment while connecting reuse to broader community goals. *Land Use Policy* Vol. 22, 287 - 296.

Ministry of Infrastructure. (2005). Places to Grow Act. Retrieved from [http://www.e-laws.gov.on.ca/html/statutes/english/elaws\\_statutes\\_05p13\\_e.htm](http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_05p13_e.htm)

Ministry of Public Infrastructure Renewal. (2006). Growth Plan for the Greater Golden Horseshoe. Retrieved from <https://www.placestogrow.ca/images/pdfs/FPLAN-ENG-WEB-ALL.pdf>

The Neptis Foundation. (2010) Implementing Residential Intensification Targets: Lessons From Research on Intensification Rates in Ontario.

Patton, M. (2002). *Qualitative Research & Evaluation Methods*. Sage.

Steinar, K. (2007). *Doing Interviews*. Sage.

Tremblay, M.-A. (1957). The Key Informant Technique: A Nonethnographic Approach. *American Anthropologist*, Vol. 59, Issue 4, August, 688 - 701.

The Toronto Star. (2007) Sprawl Hits Above the Belt. Published March 10, 2007. Retrieved from: <http://www.thestar.com/article/190337>

Vallance, S., Perkins, H. C., & Moore, K. (2005, Vol. 23). The results of making a city more compact: neighbourhoods interpretation of urban infill. *Environment and Planning B: Planning and Design*, 715 - 733.

Will Dunning Inc. (2011) Restricted Land Supply and Rising Housing Costs in the GTA. Retrieved from: <http://www.wdunning.com/docs/RESCON-11-10-17.pdf>

Williams, K. (1999). Urban intensification policies in England: problems and contradictions. *Land Use Policy*, 16, 167 - 178.