

# The Land Economist

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## PROFESSIONAL JOURNAL



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A proposal was submitted on Feb 19 to amend the Toronto Official Plan and Zoning By-law to permit a mixed-use development at Queen and Sherbourne Streets in the City's downtown East. Its three towers (39, 45 and 39 storeys) on top of base buildings (3 to 11 storeys), would create 1,645 residential units (approximately 2/3 rental), almost 32,000 m<sup>2</sup> of retail space, and glass-canopy-covered pedestrian alleys. WAM Development Group with Arquitectonica, 59 Architecture and Sweeney & Co Architects. See also [urbantoronto.ca](http://urbantoronto.ca) and [blogto.com](http://blogto.com).

## NEWS BRIEFS

### LAND TRANSFER TAX CHANGE COULD AFFECT PARTNERSHIPS & TRUSTS

In mid-February, Ontario published retroactive amendments to the Land Transfer Tax regulation 70/91.

Formerly, there was a 'de minimus' exemption, which meant acquisition of an interest in a partnership that owns land in Ontario would not attract the tax as long as the acquirer's interest did not increase by more than 5%. Partnerships and pooled investment trusts like REITs have relied on that exemption, on the basis that the individual partner's or unit holders' interests would fit the definition.

Now (and retroactively back to 1989) the regulations clearly say that the purchasing partnership or trust will be treated as a single entity. Several law firms have issued warnings that the amendments could affect completed transactions as well as new ones.

For examples, see the Feb 22 posts at [blog.bennettjones.com/](http://blog.bennettjones.com/) and at [www.airdberlis.com/](http://www.airdberlis.com/) >Tax News Flash

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### TARION PROGRAM REVIEW

Ontario's Ministry of Government and Consumer Services has appointed Hon. J. Douglas Cunningham, QC to review protections for owners of new homes and identify opportunities to improve consumer protection, accountability, transparency and board governance.

Specific topics address concerns such as the homeowner's onus to prove defects, dispute resolution timelines and processes, whether to extend provincial auditor and ombudsman oversight, disclosure of claims outcomes, Board membership, right to make regulations, and the current business model.

Consultation meetings are expected to start in April, with the final report due by June 30. Comments can be sent to [TarionReview@ontario.ca](mailto:TarionReview@ontario.ca).

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### UK LANDLORDS TO SCREEN ILLEGAL IMMIGRANTS

As of February 1, landlords across England can face fines of up to £3,000 if they rent to illegal immigrants. Landlords will need to check the origi-



### DESIGN CHOSEN FOR CANADIAN CANOE MUSEUM

In January, the Canadian Canoe Museum announced that heneghan peng architects (Dublin, Ireland) and Kearns Mancini Architects (Toronto) won the international competition for their new \$45-million facility. Described as "an elegant serpentine glass pavilion graced with a two-acre roof garden", the chosen museum design seems to grow organically out of the drumlins at its 1904 Peterborough Lift Lock National Historic Site. It will house the world's largest collection of canoes and kayaks, and feature on-canal programming and instruction. Subject to securing funding, construction of the new museum is targeted to start in late 2017, to open 30 months later. For more information, see [www.canoemuseum.ca](http://www.canoemuseum.ca)

nal documents that allow the tenant to live in the UK. (e.g., valid passport with any necessary visa endorsement, or alternate documents accepted by the government), and should keep copies of all documents inspected. If the right to stay is time limited, they must check again annually, or just before the date of expiry. If the right has expired they don't have to evict the tenant, but must inform the Home Office. Apparently, Parliament is considering introducing further sanctions, including prison sentences of up to five years.

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### BC COURT ACCEPTS NEW BASIS FOR CLAIMS AGAINST INFRASTRUCTURE

An interesting decision in BC concerns a class action claim by Cambie Village commercial property owners and tenants against the builders of the Canada Line Rapid Transit Project in Vancouver. The BC Supreme Court made three main determinations on the common issues in *Gautam v Canada Line*:

1. the cut-and-cover construction was a substantial and unreasonable interference with the owners' and tenants' business use and enjoyment of their properties, but
2. the defendants had statutory authority to do the work, so are exempt from liability for nuisance for business losses (no real surprise)
3. however, Class members are entitled in law to claim compensation for

"injurious affection" for any loss they suffered if the rental value of their property or leasehold interest was reduced during the construction.

Plaintiffs' notices of claim must be submitted to Bennet Munteer LLB, by May 31. See [www.hbmlaw.com/pages/canada-line.aspx](http://www.hbmlaw.com/pages/canada-line.aspx) for details. Additional commentary here (search *Gautam*): [www.blakesbusinessclass.com](http://www.blakesbusinessclass.com).

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### LEGAL MARIJUANA OPs

People watching the projected growth of marijuana operations may find this court case interesting. In *Metropolitan Toronto Condominium Corp. No. 659 v. Truman*, the owner of a commercial condominium unit was growing medical marijuana for private consumption under a Health Canada licence.

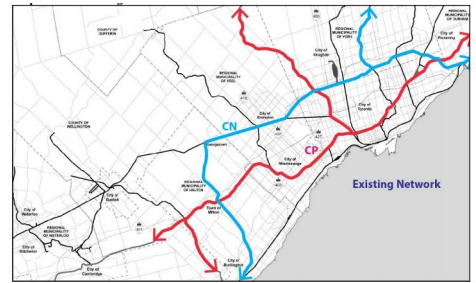
Management noticed a significant increase in water consumption after he took possession. So they installed a water meter, which measured almost 270,000 gallons over the next seven months. The condo corporation demanded payment of \$19,000. The condo agreement stated that water expenses, except those used for commercial and industrial uses, were paid by the corporation. Truman argued his were private, non-commercial.

The court found "fairness and equity" demanded Truman pay his proportionate share, as measured. For more details, see Feb 17 entry in Gowling WLG's [condo-adviser.ca/2016/02](http://condo-adviser.ca/2016/02)

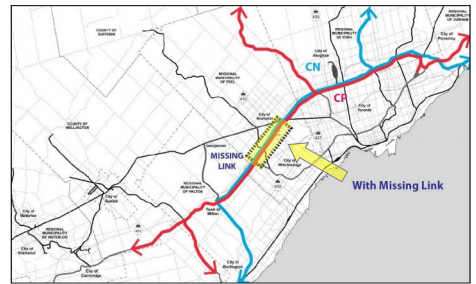




*Left to Right:* AOLE President Andrea Calla, Mississauga Mayor Bonnie Crombie and Robert Trewartha, the Mayor's Chief of Staff, at the AOLE Annual General Meeting dinner.



**Above:** Existing rail lines. **Below:** Adding the 'Missing Link' could open CP's southern lines for passengers.



Base map - IBI Group feasibility study, Aug 2015

# Mississauga's next evolution

The City of Mississauga has come a long way, Mayor Bonnie Crombie told the AOLE Annual General Meeting dinner on Feb 25.

"We started out as farmland and fruit orchards," she said. "Now we are the sixth largest city in Canada, with a Gross Domestic Product of \$40 billion. And we're home to 1,400 international corporations."

Crombie gave a lot of credit for that to 95-year old former Mayor Hazel McCallion, who guided Mississauga's massive growth from 1978 to 2014.

Now, the new mayor is continuing the evolution, with a focus on:

- getting transit built and guiding the redevelopment around it
- protecting and expanding housing affordability
- attracting continued employment growth

"Transit is a key priority for every municipality," Crombie said. "We need regionally integrated transit."

Her immediate priority is the 23 km Light Rail Transit (LRT) line running north-south on Hurontario Street. (See illustration on page 10.) It will extend from the Port Credit GO station into Brampton, with its Gateway hub at Steeles Ave.

"I was disappointed that Brampton de-

cided not to extend it to their GO station," she said. "But the Hurontario LRT will transform Mississauga."

With provincial funding in place, construction is slated to begin in 2018, and service to start in 2022. "That will be a real game-changer."

A big issue is how the city will grow along that line. As the older real estate gets bought up, how can the city help make sure there is good mixed development and affordable housing.

That will apply as other transit projects develop as well. They've completed 13 km of the east-west Bus Rapid Transit (BRT) line, and are doing a feasibility study on the Dundas Street corridor. "Subways don't make sense for us there," Crombie said. "I anticipate that might end up being a BRT route."

The goal is regionally-integrated transit for Toronto, Waterloo, Kitchener, Milton and Mississauga. And a key part of the answer may be the "Missing Link" connecting rail lines through Mississauga. (See maps above.)

"Rerouting freight traffic off the southern CP line and co-locating it with CN would open a southern rail corridor for all-day, two-way passenger traffic," Crombie said. There is no agreement for that yet.

Ontario's budget included a commitment to spend \$160 billion on infrastructure

over the 12 years to 2026., plus about \$16 billion for transit in the GTHA. The new federal government has committed to spending \$125 billion by that date, with \$20 billion specifically targeted to transit. And there are a lot of transit-committed municipalities, she said.

With progressive governments at all three levels, "it's incredible what can happen."

During question period, the Mayor was asked how Mississauga can deal with the drop in development charge revenues, now that its greenfield lands are built out.

"Development charges are still coming in," she replied. "And there will be greater development - particularly along the transit corridors."

"That (revenue creation) is also why our economic development activities are so important, bringing new businesses in."

Other questions dealt with:

- the proposal to extend the Eglinton LRT into the airport (Crombie expressed support and said the Greater Toronto Airport Authority definitely wants to become a transit hub.)
- will Mississauga's leave two-tier government (Crombie talked about the size of the city and how other cities have single tier governments: "maybe not too soon, but I think we're on that path".)

*Rowena Moyes is a freelance writer/editor in Toronto, and editor of this Journal.*

# Getting it all together

## POINT/ COUNTER POINT

A key goal of this Association is to increase members' understanding of issues by sharing insights from different specialties. So, in select issues of *The Land Economist Journal* we publish a Point / Counter Point feature. It starts with a description or digest of an interesting new report — and then presents commentary from experts in different fields.

**Focus on:**

## The Crombie Panel Report

*Planning for Health, Prosperity and Growth*, released at the end of 2015, is the final report of the six-person Advisory Panel for Ontario's Coordinated Review of four key planning documents:

- Growth Plan for the Greater Golden Horseshoe (created in 2006)
- Greenbelt Plan (2005)
- Oak Ridges Moraine Conservation Plan (2002)
- Niagara Escarpment Plan (1985 and revisions)

The panel, led by Hon. David Crombie, heard from thousands of people and groups across the province. Its 87 recommendations are expected to have a significant impact on planning and development for years to come.

The full report can be found online at [www.mah.gov.on.ca/AssetFactory.aspx?did=11110](http://www.mah.gov.on.ca/AssetFactory.aspx?did=11110)

The Crombie Panel got two strong messages during its consultations:

- 1) In the past decade, the plans' policies have begun to reduce urban sprawl, encourage the development of more complete communities, and provide increased focus on the region's agricultural resources and natural heritage.
- 2) There is an urgent need to improve and update them, to ensure effective integrated actions to curb sprawl, grow the Greenbelt, support agriculture and address traffic congestion. Successful implementation of the four plans is essential to the health of the region's current and future residents, economic prosperity and the sustainability of the environment.

Here are the six strategic directions outlined in the report, and some key recommendations for action:

### **BUILDING COMPLETE COMMUNITIES**

- Directing more new development to existing urban areas through intensification, and less to new greenfields
- Increasing the density of housing and job opportunities in new development to create well-designed, healthy and transit-supportive communities
- Establishing stronger criteria to control settlement area expansion
- Encouraging a greater mix of housing types, including affordable housing
- Protecting employment areas and supporting evolving economic activities, including:
  - updating the Growth Plan to require upper-, single- and lower-tier municipalities to identify strategic employment lands within settlement areas at the regional level based on criteria set out by the Province, and requiring Ministerial approval for conversion of these lands
- Providing policy direction in the Growth Plan for municipalities to use planned and existing transit and transportation networks to connect areas of office, institutional and retail employment, and to create high-quality, mixed use employment nodes that are safe for cycling and walking.



- Providing updated criteria for “major office” designations in the Growth Plan to ensure that significant clusters of mid-sized offices (e.g., office parks) are planned in a way that support transit and active transportation

### **SUPPORTING AGRICULTURE**

- Promoting the identification, mapping and protection of an agricultural system throughout the region
- Stronger criteria to limit the loss and fragmentation of prime agricultural lands, particularly in the outer-ring municipalities beyond the Greenbelt
- Integrating the needs of agriculture throughout (e.g., settlement area expansion, the rural economy, management of natural resources, infrastructure development, climate change and plan implementation)

### **PROTECTING NATURAL AND CULTURAL HERITAGE**

- Requiring integrated watershed and sub-watershed planning as a prerequisite for settlement area expansion, major new developments and infrastructure
- Improving the mapping, identification, protection and enhancement of natural heritage systems throughout the region
- Growing the Greenbelt by adding areas of critical hydrological significance
- Improving the management of excess soil from development sites



**Continued from Page 4**

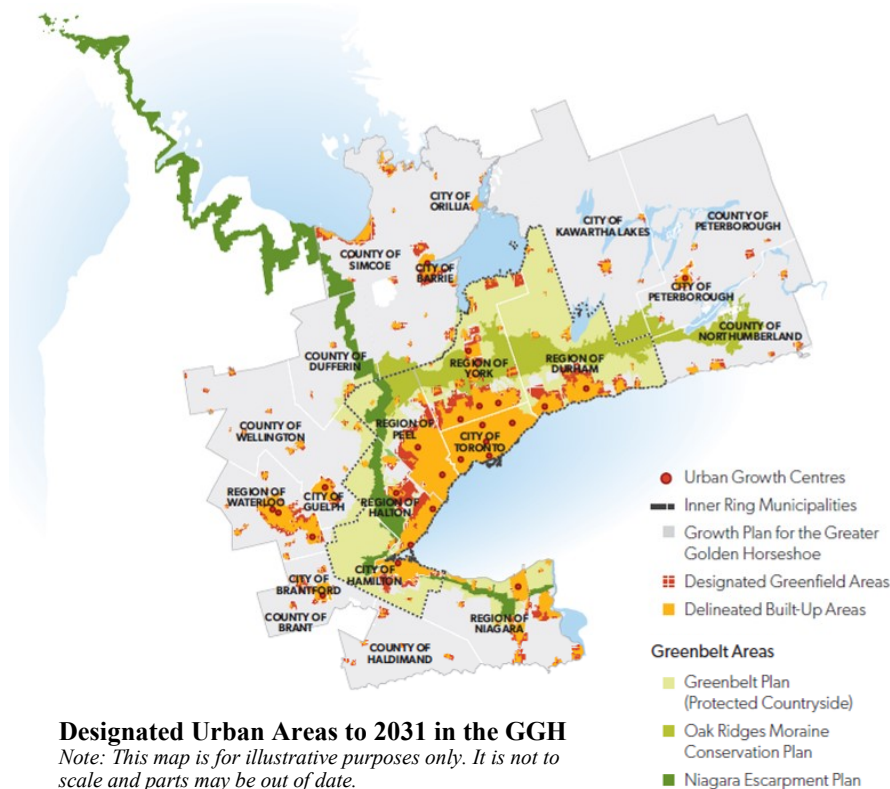
- Developing a long-term strategy ensuring wise use, conservation, availability and management of aggregate resources
- Strengthening protection of cultural heritage

**PROVIDING INFRASTRUCTURE**

- Requiring greater integration of infrastructure planning with land use planning
- Designating and protecting corridors for provincial and municipal infrastructure
- Requiring upper- and single-tier municipalities to undertake climate change vulnerability risk assessments to guide the design of resilient infrastructure
- Providing policy direction to support green infrastructure
- Improving coordination among the Growth Plan, the Province's Multi-modal Transportation Plan for the GGH, and The Big Move, Metrolinx's regional transportation plan
- Identifying strategic areas for focused intensification within the region's planned and existing transit network, and exploring ways to require:
  - transit-supportive densities and excellence in the design of built form and public realm in transit areas
  - establishment of, and reporting on, density targets, built form, active transportation and design outcomes for individual stations
- Increasing focused investment in transit initiatives for complete communities
- Increasing efforts on transportation demand management, active transportation and transit integration

**MAINSTREAMING CLIMATE CHANGE**

- Applying more aggressive intensification and density targets to achieve compact, low-carbon communities
- Improving alignment of transportation planning and investment with growth forecasting and allocation
- Accelerating progress to improve and

**Designated Urban Areas to 2031 in the GGH**

*Note: This map is for illustrative purposes only. It is not to scale and parts may be out of date.*

*Most of the Growth Plan issues appealed to the Ontario Municipal Board relate to assessment of land needs and resulting settlement area expansions. Neptis Foundation analysis suggests there may be an oversupply of land designated for development.*

- extend transit and active transportation infrastructure
- Promoting stronger protection and enhancement of natural systems and agricultural lands
- Directing upper- and single-tier municipalities to prepare climate change plans or incorporate policies into official plans to advance climate change mitigation and adaptation goals

**IMPLEMENTING THE PLANS**

- Addressing designation and boundary concerns associated with the existing plans by applying policy change recommendations in this report and enhancing plan implementation
- Increasing efficiency and reducing duplication of approval processes for the Niagara Escarpment Plan area
- Streamlining the policy framework, terminology and timelines of the four plans
- Extending the timeframe for municipalities to conform with Growth Plan Amendment #2 to 2021
- Developing a comprehensive monitoring program

- Ensuring there is a secretariat within the provincial government with the capacity and resources to ensure effective co-ordination of actions by provincial ministries, the Niagara Escarpment Commission, municipalities, conservation authorities, and other local bodies and address the report's recommendations
- Creating an oversight forum to monitor and report on implementation and deliver public education about the four plans

**TIMELY AND INTEGRATED APPROACH**

Ontario's goal is to complete the Coordinated Review and have amended plans in place by summer 2016. Some policy amendments can be made relatively quickly, the report says, whereas it may take several years to develop guidance material, prepare new maps or undertake environmental monitoring to support new or amended policies.

More than land use planning, Crombie says, "we have called for sustained focus, investment and coordination across provincial ministries and with other levels of government to ensure that the potential of this great region is realized."

SOURCE: Planning for Health, Prosperity and Growth

# Growth = Challenges and Opportunities



**Michael Collins-Williams, RPP, MCIP**  
*Director of Policy*  
*Ontario Home Builders' Association*

The Greater Golden Horseshoe (GGH) is one of the fastest growing metropolitan areas in North America. The next 25 years brings both tremendous challenges and opportunities as we prepare to accommodate 4.5 million new people and nearly 2 million additional jobs by 2041.

To better prepare for this growth, the provincial government last year launched the Co-ordinated Review and the Crombie Panel to develop a road map (more specifically, a transit map) for government policy to guide the region over the next quarter century.

While the Crombie Report and its 87 recommendations are both comprehensive and ambitious in scope, there are specific recommendations that are particularly important in order to better align transportation and land-use planning to support transit-connected complete communities.

Growth is an important component for vibrant and thriving communities. However, without properly managing growth, communities may experience negative aspects, such as increased traffic congestion, deteriorating air and water quality and the disappearance of viable agricultural opportunities and natural resources.

It doesn't have to be that way. Using land more efficiently through intensification contributes to healthier, more energy-efficient communities, reduces the need to drive and protects the natural environment, as well as rationalizing urban ex-

pansion and creating stronger economic opportunities in a globally competitive economy.

## Crombie Report

### Complementary Recommendation #2

Develop guidance on alternative development standards that identify and promote innovative ways to build more compact, transit-supportive complete communities in greenfield developments and intensifying areas.

One of the key Crombie Report recommendations (above) speaks to the need for the provincial government to develop policy guidance materials for municipalities in order to implement alternative development standards and support policy innovation through intensification.

The City of Toronto's alternative cash-in-lieu of parkland standard is a great example of innovative alternative development standards. It recognizes that maximum standards in the Planning Act don't make sense in already heavily urbanized areas that do not have swaths of lands available to be utilized for parkland.

Unfortunately many municipalities in the 905 continue to charge the legislative maximum which makes the very type of transit-connected communities that the province is trying to promote less affordable and less attractive to the public.

Intensification through alternative and innovative standards could also be achieved through the updating of minimum parking requirements in transit-accessible communities.

Unfortunately current requirements in many municipalities are not aligned with either the characteristics of these neighbourhoods or with provincial policy to support transit-oriented development. Those parking standards create a surplus of spaces, encouraging driving and GHG emissions.

In addition, the province is investing billions of dollars into new and upgraded transit systems, yet there continues to be

a severe lack of up-to-date zoning to reflect transit-supportive densities.

As a result, we're squandering the opportunity to create tens of thousands of new housing units and employment opportunities along transit lines.

The Crombie Report recognizes this misalignment between provincial investments and local municipal planning policies:

## Crombie Report

### Complementary Recommendation #12

Address barriers to intensification and the development of affordable housing by encouraging use of tools such as up-to-date zoning, the development permit system, community improvement plans, and reduced residential parking requirements where transit and active transportation options exist

Currently many Zoning By-Laws in communities across the GGH are decades out-of-date and do not reflect the evolving nature of our cities nor the provincial goal to intensify around transit. In some cases municipalities actually intentionally under-zone to placate neighbourhood residents and exert financial extractions by negotiating every development application on a time-consuming case-by-case basis.

The Crombie Panel makes a solid recommendation to reduce the barriers to intensification by encouraging up-to-date zoning and the use of development permit systems.

The Ontario Home Builders' Association is encouraged by the recognition of the Crombie Panel that the current planning framework must be brought into the 21<sup>st</sup> century to reduce and streamline the barriers for the types of complete communities that the province is encouraging.

The fact is that 100,000 people are coming to this region every year. All stakeholders and both the provincial and municipal governments need to work together to ensure greater public policy alignment and to successfully achieve the objectives of the four plans in the Coordinated Review.



# Getting down to details



**Leslie E. Woo**  
Chief Planning Officer  
Metrolinx

*These views are her own.*

Hard to believe it is already a decade since the original Greater Golden Horseshoe Growth Plan was declared a legislated plan at Queens Park.

It wasn't that long ago. Now former Toronto mayor David Crombie has led a stellar panel to generate a report entitled: *Planning for Health, Prosperity and Growth in the Greater Golden Horseshoe: 2015 – 2041*, looking at how best to coordinate the review of the Growth Plan and its companion pieces, the Greenbelt Plan, the Oak Ridges Moraine Conservation Plan and the Niagara Escarpment Plan.

What a difference a decade makes.

I was there at the inception of the Growth Plan, sitting at different times on the political and bureaucrat sides of the table. At that time intensification was a four letter word. At that time elected municipal leaders across the region were working collaboratively to find common solutions to regional issues. At that time they were also figuring out how to prepare for the millions who are to make this amazing region their place to live, work and play.

Together they crafted a common vision for the future which took courage, open minds, leadership and smarts.

In 2008, on the heels of that plan, Metrolinx created its regional transportation plan, entitled *The Big Move*.

It was developed to support the Growth Plan. It laid out an ambitious and bold

regional network that would enable growth to flourish in a rational way.

The Big Move was led by some of the same politicians that cast the Growth Plan and again they came together to craft a vision for the future of mobility in this region.

This too took courage, open minds, leadership and smarts.

Better integrating the numerous plans for this part of the province is of great value and the Crombie panel's report identifies a number of recommendations that set out key directions that would enable all four pieces of legislation to work in a more complementary fashion.

Today, in my current role at Metrolinx, on the ground, working to deliver the transportation projects that grew out of these plans, I often hear the voice of modernist architect Mies van der Rohe: "God is in the detail".

The need for integration and coordination of the details that shape growth is still a barren frontier that needs to be better cultivated.

We cannot paint the whole region with one brush. Not every Urban Growth Centre is the same, not every Mobility Hub can serve the same purpose. Like an ecosystem, there are hierarchies of place and function.

Our economy is diverse and projects will not happen by policy decree only.

The detailed complexities of tax incentives, trade levers and real estate markets are as critical as defined land uses.

Integrating these many systems in a manner that generates more prosperity requires detailed follow through.

Ensuring that cumulatively these plans and the projects they produce, improve the social well-being of all residents, means as well that details on housing affordability need to be woven into plans and policy.

Integrating land use and transportation means that we need to link decisions on everything from how we design a sidewalk to which major project we should advance.

A system of connected mobility hubs means we have to do more than just design a transit station. We have to connect it to local transit services, bicycle trails and road improvements. We have to think about the details that create memorable and positive places and experiences.

The next step from this review should be to link, in a more robust way, the work of planners and policy makers with practitioners.

That means stepping away from jurisdictional silos into a more integrated collaborative environment where details do not get lost.

We witnessed that kind of collaboration at the inception of the Growth Plan, the Greenbelt Plan and the Big Move.

The Crombie panel's report is a great basis for seeking that collaboration again.

Now we need to dig deeper, examine the details of the plans we make and ensure that they deliver the real outcomes that real people benefit from.



*Artists rendering of possible entrance (one of four) for the Eglinton Cross-town LRT's eastern terminal. The Kennedy Station will connect directly with the TTC's Bloor-Danforth subway line, Scarborough RT and bus terminal, plus a new GO Transit ticketing building and its Stouffville line.*

*Illustration courtesy Metrolinx*

# Can transit alone attract growth?



**Mark Conway, MCIP, RPP, PLE**  
**President**  
**N. Barry Lyon Consulting Ltd.**

The recently released report *Planning for Health Prosperity and Growth in the Greater Golden Horseshoe* underscores the need to better align infrastructure investment with land use planning.

In particular, the study points to the critical role transit will play in accommodating the future growth of the Region.

In the City of Toronto, we've experienced plenty of successful high density development within walking distance of subway stations, helping to create healthy, vibrant neighbourhoods.

But does transit investment alone attract growth? Probably not. The lack of investment around TTC subway stations such as Greenwood, Glencairn and Coxwell illustrates that other issues are at play.

Maximizing the benefits of transit in terms of encouraging higher density housing depends on more than just transit itself. Good planning, built around informed market and land economics, is fundamental to a supportive and strategic policy framework.

Planners need to remind themselves what drives high density residential markets. Typically it's a mix of factors including affordability, lifestyle, quality urban

spaces, investment potential, and demographics. Transit can play a big role in this mix, but only when it's frequent and affordable.

NBLC has been working across Ontario help to identify the transit oriented development (TOD) impacts that are likely to occur as a result of transit investment. Our recent work for Metrolinx on the future of the Finch LRT corridor points to significant, new and transformative opportunities for investment.

In particular:

- Finch and Keele, just south of York University, will become the nexus of two major high order transit lines underpinning the potential for a transformative change featuring major new high density residential and office investment;
- The former Thistletown Regional Health Centre is a large 49-acre parcel of land in the Finch corridor. With the introduction of transit, higher-density forms of development, perhaps in mid-rise and stacked townhouse formats, will be feasible.
- Emery Village, which has struggled to attract investment will receive a significant boost towards achieving the objectives of its secondary plan.

The effect of the LRT will be not only to allow for a significant increase in density (supply) with more affordable housing types but also to set the stage for re-investment in street retail, employment opportunities and other community benefits. However, there are subtle issues at play that can profoundly impact the feasibility of transit oriented developments.

Here's some of what we found:

- Even with transit investment, the economics to support high density development in many GGH communities are still marginal and will need support in terms of encouraging planning policies and, potentially, financial incentives. In many proposed transit corridors, housing prices in the existing resale market are *relatively* affordable undermining the potential for competitive condominium development.
- The market has limitations. Developments in downtown areas will compete heavily for most buyers. This may make it hard for neighbourhoods without a similar range of retail, employment and cultural opportunities to compete. Understanding the limitations of the market, TOD opportunities and supportive strategies should prioritize those station areas that offer the best market demand.
- Planning too frequently *follows* transit investment. To have the best opportunity to capture corridor wide benefits planning policies need to be updated as part of early the planning policy/TOD work.
- Sites such as shopping centres, that may appear ripe for intensification, are often already supporting the highest land value. The benefit of TOD does not always overcome the risks to the proven retail function.
- Finally, understand the practical issues of redevelopment surrounding transit stations including the lot fabric and configuration to assess whether economic built forms can be deployed. On the Eglinton Crosstown corridor,

we found many areas where limited lot depths or a fragmented lot pattern made TOD either uneconomic or unfeasible (or both).

Some of these issues, such as planning, are more easily managed while other macro-economic and pricing issues are less predictable. In any case, good transit planning, that values a strong TOD response, must be built on an understanding of the underlying land economics to have the best opportunity for success.

## Suggested Minimum Densities within a 5-10 minute walk of transit

Transit Service Type	Suggested Min Density
<b>Basic Transit Service (one bus every 20-30 minutes)</b>	22 units per ha / 50 residents & jobs combined per ha
<b>Frequent Transit Service (one bus every 10-15 minutes)</b>	37 units per ha / 80 residents & jobs combined per ha
<b>Very Frequent Bus Service (one bus every five minutes with potential for LRT or BRT)</b>	45 units per ha / 100 residents & jobs combined per ha
<b>Dedicated Rapid Transit (Light Rail Transit / Bus Rapid Transit)</b>	72 units per ha / 160 residents & jobs combined per ha
<b>Subway</b> (Note: Mobility hubs/major stations may require higher minimum densities)	90 units per ha / 200 residents & jobs combined per ha

SOURCE: Ontario Ministry of Transportation, Transit Supportive Guidelines



# 'Tiny, perfect Mayor' still almost perfect

**Burkhard Mausberg**  
*Chief Executive Officer*  
*Friends of the Greenbelt Foundation*  
*and the Greenbelt Fund*

Ontario's Greenbelt enjoys approval ratings even beyond those of Prime Minister Trudeau. It is the most recognized environmental initiative in Ontario, and more than 90 per cent of the province's citizens support it.

David Crombie and his Expert Advisory Panel were charged with reviewing the popular Greenbelt Plan, as well as Ontario's Growth Plan, after these the land-use Plans had been in force for a decade.

The Panel produced a thoughtful and comprehensive report, and excelled in seeking input from thousands of Ontarians and a wide range of stakeholders. The 87 recommendations closely reflect this input and set a useful direction. The government's response and resulting new rules will define our region for the next decade and beyond.

Four areas of the Panel's report are worthy of highlighting:

- the importance of agriculture,
- the necessity for complete communities,
- the need to grow the Greenbelt, and
- the urgency to remove certain "over-riding" land uses.

The Panel did well on the first three issues, while not coming full circle on the last one.

To begin, the Panel recognized the need to strengthen the agricultural sector at a time when farmland is under increasing pressure from development. Recent data shows that three quarters of the GTA's most productive remaining farmland is under threat by unsustainable and inefficient growth.

Crombie acknowledged that threatening this economic powerhouse is simply dumb (my word not his). After all, that sector provides a secure supply of local food (which is not subject to currency fluctuations), supports over 780,000 jobs, and contributes more than \$35 billion towards our GDP.

The Panel further addressed the vital role of smart growth by recommending an

ambitious path away from wasteful urban sprawl and towards more complete communities.

From Mr. Crombie's perspective, intensification is not a dirty word. With an influx of 100,000 people to our region every year, higher building density is needed, and then aligning that growth with required infrastructure like transit.

Perhaps most importantly, the Panel endorsed growing the nearly two million acres of protected farmland, forests, and water systems.

Following on that recommendation, environmental experts have called for the creation of a 'Bluebelt' to protect a further 1.5 million acres of our sensitive water systems: headwaters, moraines, wetlands, and urban river valleys. See details and map [here](#). By growing the Greenbelt, we can safeguard southern Ontario's sources of drinking water and build resiliency to mitigate some of the effects of climate change.

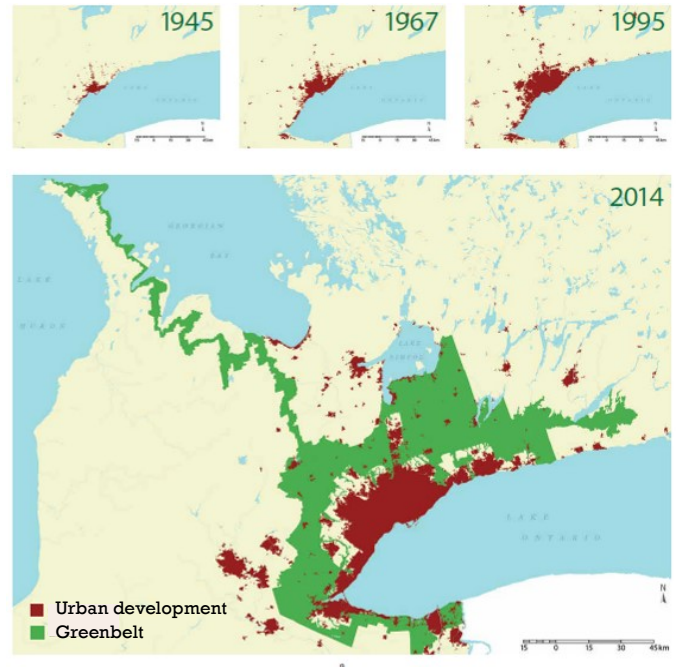
The "Bluebelt" areas were identified by community organizations, professional ecologists/hydrologists, and even some elected officials. Support for expansion is also growing with local farmers.

The proposed expansion areas:

- are highly valued by the public as sources of clean drinking water and are critical to a healthy agricultural industry and biodiversity in the region,
- respond to continued concerns over growth pressures on important sensitive environmental lands and the continuation of sprawl in select regions, and
- are located mostly outside of current urban boundaries needed to accommodate growth to 2041 and beyond.

More than 75 per cent of residents in the region feel it is important to grow the

## 70 YEARS OF URBAN EXPANSION



Greenbelt and nearly all agree that protecting our water resources is important to them. We look to the Province to take the Panel's recommendation and begin a process that will grow the Greenbelt.

Finally, we were pleased that the Advisory Panel acknowledged the negative impacts of aggregate extraction and new infrastructure corridors such as highways. For the most part, the Greenbelt plans permit such 'over-riding' land-uses and hence allow for destroying important natural heritage and agricultural systems. However, the recommendations fall short of suggesting further restrictions to reduce or even eliminate these impacts.

Due to the high value and sensitivity of both systems within the Greenbelt, we believe the Province could tighten the prohibitions and limitations on aggregate operations and new infrastructure, with the explicit goal of preventing fragmentation of natural heritage and agricultural systems in the Greenbelt.

The Panel's report contains many thoughtful recommendations and provides a strong framework for improving the Plans. The details of the actual government Plan amendments, expected in April, will be critical to ensure the intent of the Panel's vision is followed.

ILLUSTRATIONS courtesy Friends of the Greenbelt Foundation

# Important adjustments: Mississauga



**Sharleen Bayovo, MCIP, RPP**  
*Interagency Planner  
Policy Planning Division  
City of Mississauga*

The Crombie report highlights several key issues of importance to the City of Mississauga related to the Growth Plan, including population and employment density targets, a focus on climate change mitigation and adaptation, and infrastructure planning.

The Growth Plan, introduced in 2006, provides sound direction for creating complete communities and planning for major infrastructure investments, such as higher order transit. It also aligns with the vision for the City and Mississauga's Official Plan (OP), adopted in 2010, that directs growth to compact, mixed use nodes and corridors.

Mississauga is in a transformational stage. It has developed into a world-class medium sized city with a population of approximately 740,000 people and employment of 420,000. Since the inception of the Growth Plan, Mississauga has seen an incredible surge of compact, urban built form and a transformation of transportation corridors.

## The Challenges

Mississauga is already poised to accommodate the more intensive intensification and density targets the Crombie report recommends, through infill development in its Intensification Areas, including the Downtown, Major Nodes, Community Nodes, Corporate Centres, Intensification Corridors and Major Transit Station Areas:

- In the Downtown, Mississauga's urban growth centre (UGC), the OP has set higher targets to achieve a gross density of between 300 to 400 residents and jobs combined per hectare by 2031, far

above the Growth Plan's minimum UGC requirement of 200 residents and jobs combined per hectare.

- Although not required, the OP also sets gross density targets for its Major Nodes (200 to 300 residents and jobs) and Community Nodes (100 to 200 residents and jobs).
- the OP further defines the population to employment ratios for the Downtown (1:1) and the Major and Community Nodes (2:1 to 1:2).

As noted in the Crombie report, the purpose of combining people and jobs in the density targets is to encourage the creation of complete communities with a diverse mix of residential uses and employment activity. The challenge for Mississauga is not with meeting the density targets, but rather with achieving the population to employment ratios.

In practice, it is difficult to achieve 'complete communities' when a strong residential market and competition for employment from business parks and downtown Toronto, particularly office employment, results in more residential than employment uses.

It has been particularly challenging for Mississauga's Downtown to attract office employment where underground parking is cost prohibitive for office development when compared to surface parking in business parks.

The future Hurontario Light Rail Transit (LRT) with several stops in Mississauga's Downtown will certainly catalyze office development; however, more needs to be done to level the playing field for Downtown office development.

The Crombie report recommends a review and update of the approach of using combined density targets for residents and jobs in designated greenfield areas. Mississauga has gone further, recommending to the Province that combined density targets for UGCs be separated. In these centres, lands for

employment uses, specifically office, are not competitive with other uses such as high density residential and need to be protected.

In support of climate change mitigation, the Crombie report notes the importance of a high density of mixed land uses around transit hubs to support higher order transit, thereby encouraging a shift from car dependence to transit use and active transportation. Mississauga supports the Crombie report's recommendation for transit-supportive densities in strategic areas, and made similar comments to the Province for density targets in Major Transit Station Areas.

The City is planning for transit-supportive densities at strategic stations along the Hurontario LRT and Transitway (403 Bus Rapid Transit) corridors, and will consider the same during the Master Plan review for higher order transit and intensified land use on the Dundas Street corridor. These major transportation corridors would benefit from density targets in the Growth Plan.

Finally, the Crombie report notes the importance of integrated planning and decision-making for land use and infrastructure in order to identify the most cost-effective and sustainable options to support growth and build complete communities. Mississauga believes that more also needs to be done to address the financing of infrastructure to support growth and that the Province should undertake a comprehensive review of planning tools and funding mechanisms to address this issue.

Managing growth is critical for Ontario's future. Consequently, adjustments strengthening the Growth Plan and its implementation are an important part of its evolution.



*Vision for Mississauga's Hurontario Intensification Corridor, with compact, mixed uses and light rapid transit.*

*Illustrations courtesy City of Mississauga*



# Trends and Predictions for Rentals

by Derek Lobo

I have been a consultant to Canada's rental apartment industry for over 25 years, and more recently a broker focusing on apartments and commercial transactions, and I have never been as excited about Ontario's rental market as I am now.

Why? Because I am seeing, for the first time since 1998, a widespread interest in rental housing, not just from renters and municipal housing providers, but from mainstream developers and construction firms.

I believe the signs of a renaissance in the rental market are present and we are going to see some exciting changes in the short and medium term in this province.

## What trends have characterized the GGH rental market?

**Vacancies:** Average vacancies for purpose-built rental apartments have been historically low in most areas of the Greater Toronto Area (GTA) over the past few years, with most rates below 2%.

In some other cities and areas vacancies were relatively high, but have recently dropped, such as Niagara where rates have dropped from 4% to 2.8% over the past four years. Windsor had the highest average vacancies in Ontario for several years, well over 10% in 2010, but this city's rate has dropped down to 3.9%, slightly higher than the Ottawa region, Sudbury, and Hamilton.

**Rents:** Average rents have been steadily increasing across Ontario, in all markets, and for all rental product. The highest average rents in 2015 are found in the GTA, particularly in the core areas of the city of Toronto (\$1,339) and Oakville (\$1,303). Average rents in Barrie (\$1,116) are also very high and are not far behind the combined GTA (\$1,202).

**Markets:** Differences in average vacancies and rents from city to city are related to the presence of fully functioning rental housing markets, which require not only a relatively large amount of rental units, but also a variety of choice in terms of quality and price points: properly functioning rental housing markets require a combination of old-stock buildings, renovated and repositioned old-stock buildings, and newly constructed buildings.



Lépine Corporation's private sector, purpose-built, luxury rental apartment complex, William's Court Kanata Lakes, received the 2015 'Best Community' SAM award from the Greater Ottawa Home Builders' Association in November.

Illustration courtesy Lépine Corporation

his variety of rental choices means renters can find rental housing appropriate for their budget, plus move upmarket (or downmarket) within the rental supply as their budget or family situation or lifestyle changes. This is the definition of a fully functioning rental housing market and it is usually only the larger cities and towns such as Toronto, Brampton, Ottawa, Kingston, the Kitchener-Waterloo region, and London which match this definition.

In markets which do not have any newly constructed rental buildings or any renovated and repositioned old-stock buildings, renters have limited choice and are usually forced to rent condominiums if they want quality rentals. Toronto's core provides a good example: although new rentals have been constructed in Toronto's core, not enough have been built, and condominiums have instead met demand for high quality rental housing. However, condominiums are not a permanent or consistent source of quality rental housing and do not have tenure.

**Investors:** Finally, we are definitely seeing a steady, sustained interest among condominium developers across Ontario in rental apartments as a potential business model in addition to their ongoing condominium projects.

## Where has the 'action' taken place in the GGH?

**Renovation:** Renovations of old-stock apartment buildings have been taking place in a few key areas of Toronto and the GTA, with little or no renovation occurring in other areas of the province.

In Toronto, these are areas where high rents are achievable by almost any buildings under almost any circumstances, but also where extra-high rents are achievable in buildings which offer good quality, such as heavily renovated old-stock buildings. The best example of this phenomenon is the Yonge and Eglinton area, which contains a large selection of old-stock, renovated old-stock, and new rental buildings which have a clear stratification of pricing based on quality. Starlight and Timbercreek have been the leaders in renovating and repositioning old-stock rental building, focusing most on the GTA.

**New building:** The construction of new rental apartment buildings in the GGH has been by-and-large concentrated in the cities of Toronto, Brampton and Burlington. Outside the GGH, new construction has taken place in Ottawa, Kingston, the Kitchener-Waterloo region, Woodstock, and in London. A few low-rise, usually wood frame rental buildings

Continued from Page ...

have been constructed in smaller towns across the province.

Two new rental apartment projects are scheduled to be delivered in Mississauga this year, one a low-rise and the other a tower next to the Erin Mills Town Centre shopping mall. Mississauga is long overdue for new rental construction and I think both of these projects will be successes. Elsewhere in the GGH, one large rental project is under construction in Pickering, one in Hamilton's downtown core, and one in Newmarket.

By contrast, some areas of the GGH have been moribund for years and have seen no new apartment construction for decades. I am thinking in particular of Niagara and the suburbs of the east GTA such as Oshawa, Whitby, and Ajax.

### What do the next few years hold?

It is safe to assume that rents will continue to increase across Ontario for all rental product, although the better quality

rental product will be able to achieve greater rent increases, especially at great locations and along public transit routes.

Vacancies will likely remain low.

New apartment construction will steadily add new rental units to many housing markets in Ontario, however I think most of this will take place outside Toronto since it has become very expensive to build in the city.

I think the most likely target areas for new construction will probably be the underserved markets in the north GTA such as Newmarket, Aurora, and Orangeville; in the east GTA such as Ajax and Whitby; and in Oakville, Mississauga, Hamilton, and maybe Niagara (St Catharines only).

I believe the recent interest in constructing rentals among condominium developers will continue and some will make the switch.

Finally, I suspect that if the condo market in Toronto's core slows mark-

edly or shifts significantly—such as towards much higher owner-occupancy rates, or the cancellation of major projects—then the upmarket rental housing submarket may suddenly be undersupplied with product.

If this happens, it will be due to years of relying on the condominium market as a trickle-down source of rental housing in Toronto.



*Derek Lobo is the founder and CEO of SVN Rock Advisors Inc., Brokerage and Derek A. Lobo & Associates (DALA). For over a quarter century, Derek has brought consulting and brokerage services to developers, owners, and investors in the rental apartment sector.*

## Purpose-built rental active in 2015: Altus Group Housing Report

Strong investor interest pushed Canadian purpose-built rental apartment starts up 50% in 2015, to their highest level in more than 20 years, says Patricia Arseneault, vice president of Altus Data Solutions and editor of the Altus Group Housing Report. Her recent AGHR feature on purpose-built rental, based on CMHC's October Rental Market Survey and proprietary data from Altus Group's RealNet and InSite Investment Trends Survey, contained these highlights:

- 2015 was a record year for rental apartment building transactions in the Toronto area, with about \$1.7 billion worth of existing apartment units trading hands. Foreign buyers played a stronger role.
- Average cap rates on apartment building sales in the Toronto area in 2015 reached a new low at 4.6 %.
- The average vacancy rate for private rental apartments across Canada's major markets reached 3.3% - its highest level since 1998. Vacancies are also up in rented condos.
- Newer rental buildings (2005 or later) are generally achieving more than a 15% rent premium over average market rents.
- For newer buildings in Ottawa, vacancy rates, average rents and ratio of rents to overall market were 4.4%, \$1,485 and 1.26; in Toronto, they were 2.0%, \$1,939 and 1.51.
- Larger investors' interest is down somewhat.

Ontario Metropolitan Area	Vacancy rate		Starts	
	2014	2015	2014	2015
<b>Tight markets in 2015</b>				
Guelph	1.2	1.2	209	192
Barrie	1.6	1.3	154	76
<b>Balanced markets in 2015</b>				
Toronto	1.6	1.6	1,799	2,799
Oshawa	1.8	1.7	110	605
Kitchener	2.3	2.4	1,079	945
Brantford	2.4	2.5	60	153
<b>Soft markets in 2015</b>				
Kingston	1.9	2.8	206	272
St. Catharines	3.6	2.8	31	53
London	2.9	2.9	214	386
Ottawa	2.6	3.4	569	663
Hamilton	2.2	3.4	126	0
Sudbury	4.2	3.5	23	21
Peterborough	2.9	3.7	0	12
Windsor	4.3	3.9	9	6
Thunder Bay	2.3	4.6	48	47

SOURCE: Altus Group Economic Consulting, based on CMHC data



# Lessons from private student housing

by Michael Cane FRICS, AACI, PLE

Gone are the days where students' only choices for off-campus accommodation were:

- a dark and dingy basement apartment – the experience of many of us during our student years!
- renting a shared single family home
- a regular apartment building not particularly geared to students, or
- at home with parents or relatives (this still accounts for approximately 1/3 of students, with a greater proportion of first year students).

Today, students have another choice:

- off-campus student accommodation purpose built by the private sector – a fast-growing sector of student accommodation.

The USA has led the way with this form of housing with some very luxurious student residences which would in many cases rival a 4 star hotel.

Ontario is witnessing significant development of purpose-built student residences in places such as Toronto, Waterloo, London, Kingston, Ottawa, Hamilton and Oshawa.

## 663 PRINCESS STREET: KINGSTON

A recent development in Kingston – 663 Princess Street, close to Queens University campus – also provides high quality accommodation and amenities.

The purpose-built, 500-bed, wood construction residence was designed for Patry Inc. Developments by award-winning Humphreys & Partners Architects.

It features two- to five- bedroom apartments. The units are unfurnished but include fridge/freezer, stove, dishwasher, and washer/drier.

Rental rates are per bedroom, per month, and start at \$635 to \$730.

Rent includes accommodation and all utilities, but in-suite internet, TV and phone are not included.

Parking is an additional \$60 per month. Leases are for 12 months.

Amenities include gym, pool, clubhouse, free coffee, study rooms, BBQ rooftop patio and courtyard. There is an additional charge of \$5.00 per month per tenant. (In other developments, units are often furnished. Some residences have a mandatory meal plan for about \$500 per month.)

## UNIVERSITY STUDIOS: OSHAWA

Compared to regular rental apartments, those designed for students usually have compact units with up to five bedrooms and small kitchen and washrooms.

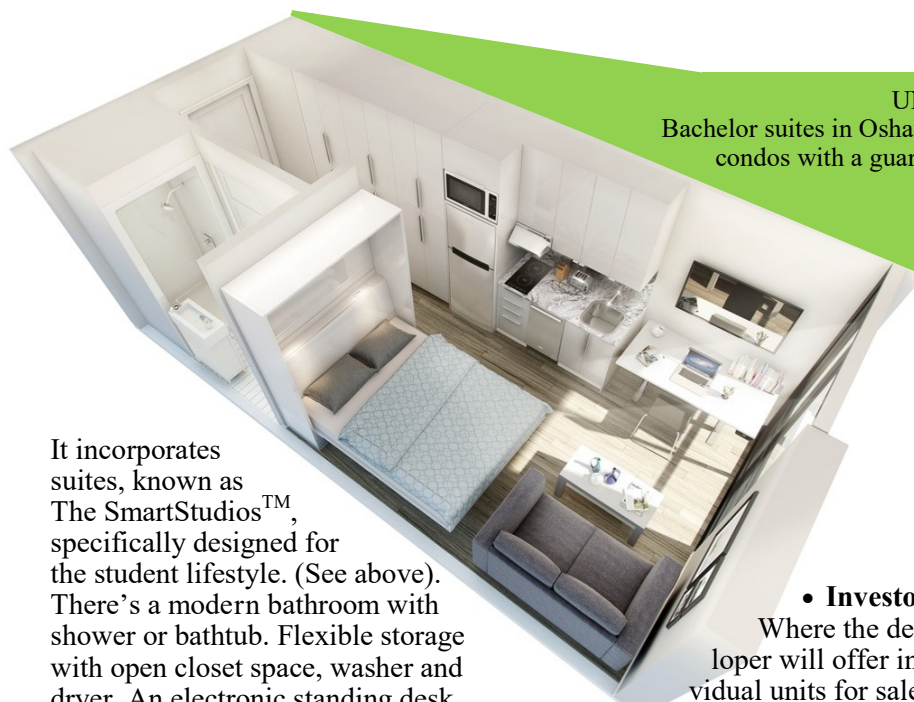
The University Studios student residence in Oshawa, adjacent to the University of Ontario Institute of Technology & Durham College campus, incorporates a neat design for one- to two-person units.

This project is being developed by Podium Development Corp. and Building Capital, and will be managed by Varsity Properties.



**663 PRINCESS ST. KINGSTON.**  
Purpose-built student residence with 500 beds in 2- to 5-bedroom units, completed in 2015.





## UNIVERSITY STUDIOS

Bachelor suites in Oshawa being offered to investors as income condos with a guaranteed vendor leaseback for three years.



Illustrations courtesy Podium Developments

It incorporates suites, known as The SmartStudios™, specifically designed for the student lifestyle. (See above). There's a modern bathroom with shower or bathtub. Flexible storage with open closet space, washer and dryer. An electronic standing desk that raises and lowers and doubles as extra counter space. The kitchenette includes a sink, stove top, refrigerator, microwave and under counter dishwasher. A fold-down Murphy-type bed transforms into a wall and dining table when raised. The open concept design means the dining area becomes workspace becomes entertaining space.

## CONVERSIONS

There are also many examples of conversion of buildings to student residences, particularly existing rental apartments and hotels. In Ottawa, "The One Eleven" (at 111 Cooper Street, close to the University of Ottawa campus) was a 220 room Holiday Inn before being converted to a student residence in 2014. Similarly, the Quality Inn on Rideau Street opened last fall as a 414-bed student residence. A Toronto example is the \$26-million transformation of the 35-storey former Best Western Primrose Hotel, at the corner of Carlton and Jarvis streets, into a 620-bed student housing development

## OWNERSHIP

There are two basic forms of tenure:

- **Rental:** Where the developer or owner will build the facility and put in a property management team to rent out units to students.

### • Investors:

Where the developer will offer individual units for sale to investors, who will receive an income from the sale of the units. This has become increasingly popular and there are many examples of buildings being snapped up over a short period by individual investors.

## TAKE-AWAY LESSONS

- The construction, management and operation of purpose-built student housing is a specialist business. As stated by Greg Rumundt of Centurion Asset Management Inc. in the 2014 RHB Housing Report, "Student Housing provides college and university students with a better campus living experience because it is as much about the social experience as it is about the accommodation."
- The quality of finishes can be less than a condominium but there are requirements for materials that last, due to relatively high wear and tear.
- Efficient suite layout is a priority. The units, though small, must not seem cramped.
- Amenities are an important aspect.
- Location in relation to the college campus is very important.
- Experienced property management is vital: Leasing to 18-25 year-olds on their first time away from home can be a challenge. There is a re-

quirement to deal with large number of 'tenants' - up to 5 per unit plus input from their parents!

- Security is important: students and their parents want to be assured of living in a safe environment.
- Parking requirements are less than in a regular apartment but bike racks are essential.
- Insurance can be a challenge as students know that their rental accommodations are temporary and will sometimes treat them as such. This can increase the property owner's liability exposure. Therefore it is important that owners deal with brokers who understand this sector and the types of insurance needed for these types of rental properties.
- Completion/move-in dates are crucial. The project must be ready for occupancy before the start of the university year. Both the 663 Princess Street development and the former Best Western Hotel had delays and the developers had to scramble to find temporary accommodation for students.

*Michael Cane is principal of Michael Cane Consultants, and a member of the AOLE Board of Directors.*

### References:

- 2014 RHB Student Housing Report.
- Altus Group Housing Report, Vol 24, No 12: Student Housing 101.
- Humphries & Partners Architects
- Podium Development Corp.



# 2016 AOLE EXECUTIVE BOARD

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## 2015 Annual General Meeting of Members

The AGM was held Feb. 25, 2016 at the Royal Canadian Yacht Club in downtown Toronto, starting with adoption of the Minutes of the Nov. 6, 2014 AGM.

Treasurer Stefan Krzeczunowicz reported a cash balance of \$16,708. The budget was balanced as projected, and he will be bringing another balanced budget to the Board for approval for the 2016-17 year.

Registrar John Morrison reported that 15 new members have been approved, so **MEMBERSHIP** is marginally higher at 222. Fees remain unchanged.

**PROGRAM** chair Bonnie Bowerman reported on the year's events:

- Iain Dobson's presentation at the last AGM on *The New Transit*,
- Ian Graham's May 7 speech on *Navigating Toronto's New Zoning Bylaw*
- the joint RICS-AOLE-CIQS *Golf Tournament* on May 21
- June 30's *Private Guided Tour of the Aga Khan Museum* with Po Ma and Nick Onody

She thanked all the participants, and welcomed suggestions for new events.

On Jonathan Hack's behalf, President Andrea Calla reported that legal review of

the proposed **BYLAW REVISIONS** is complete. They will be sent out to all members in March, with comments due within one month. Then the Board will vote on whether to adopt them. Final vote of members will be at the next AGM.

The review uncovered a discrepancy with the Letters Patent. Members present (and proxies) voted to change them to increase the number of Board members to 15.

Calla also read Journal Chair Keith Hobcraft's report. The three issues of **THE LAND ECONOMIST** this year were well received. Thanks to all contributors.

**LEGISLATIVE BEAT** writer and Board member Andy Manahan was also traveling. Copies of his article 'Infrastructure Investment: New Year, New Growth' were distributed (also available [here](http://aole.org)).

Internet Chair Mike Real reported the [aole.org](http://aole.org) **WEBSITE** is one of the primary ways people learn about the Association and get contact information for members. The focus now is to expand AOLE's presence on social media.

The **ELECTIONS** affirmed the existing Executive Board, with the addition of new member Rawle Agard. See the list above.

## New Board Member



### Rawle G. Agard MA, PhD candidate, PLE

Rawle Agard is a Community Relations and Issues Specialist with Metrolinx. He serves as the face of major construction projects for Regional Transit expansion, including leading outreach initiatives and community consultations. Holding an MA in Communication and Social Justice, he has also earned his PhD candidacy in Sociology and Education.

## IN MEMORIAM

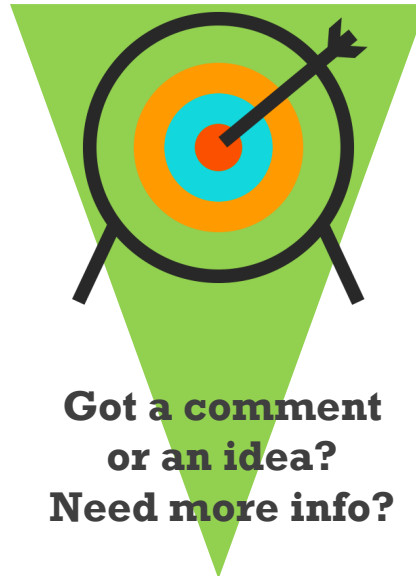


### Fred Roth AACI, PLE

It is with great sadness that we mark the passing of Fred Roth, on Tuesday December 15, 2015.

Fred was a partner at Bosley Farr Associates Ltd., with a successful career in real estate appraisal. He was also a long-term member of this Association and a proud PLE.

He leaves behind his wife Enni (nee Zanchetta), and sons Jonathan and Eric.



**Got a comment  
or an idea?  
Need more info?**

**Please let us know:  
rmoyes@idirect.ca**

## LEGISLATIVE UPDATE

...continued from page 17

In early February a number of signatories submitted a letter to both Ministers McMeekin (MMAH) and Del Duca (MTO) urging that transit investments be maximized by aligning these investments with land use policies. The two main points are as follows:

- (1) ensure that the province uses measures such as the *Metrolinx Act* to require that municipalities achieve specific densities or land use priorities where the province is to make transit investments, otherwise those investments would not be made; and
- (2) this year, Metrolinx's Big Move plan will undergo its 10-year review but it should not be done on a standalone basis. A coordinated review would be preferable so that the Crombie Panel's review is linked to the Big Move review.

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## TRANSPORTATION

Transportation Minister Steven Del Duca has made two announcements related to future mobility:

### Autonomous Vehicles (AV)

The first announcement represents an

ambitious plan by the Province to be a leader in the emerging field of AV and permits the testing of self-driving vehicles.

Recognizing that rapid advancements are being made by automotive manufacturers, a report by the Mowat Centre urges both Ottawa and Queen's Park to quickly develop new policies and regulations. While AVs could improve road safety, increase the capacity on our roads, and allow people with disabilities to "drive", the potential disruptions to the following sectors must be addressed: truck, taxi, public transit, insurance and legal.

Of course, the difficulty governments have had in addressing the sharing economy (e.g., Uber, Airbnb) has already demonstrated how challenging this task will be. If this future unfolds as some are forecasting, the requirements for parking facilities will diminish as shared, driverless cars will simply drop passengers off and then seek the next ride. What implications might this have for suburban office projects? Will municipal zoning parking requirements be adjusted accordingly?

### High Occupancy Toll (HOT) Lanes

The second announcement made in December 2015 is a relatively cautious foray into HOT lanes. By this summer, a

16.5 km segment of the QEW will allow single occupant drivers to pay to use the High Occupancy Vehicle (HOV) lanes, in order to take up the excess road capacity. Carpoolers and emergency vehicles will continue to be permitted to use the lanes for free.

While Premier Wynne stated last summer that HOT lanes will be an "important source of revenue", this would be possible only if a larger network of HOT lanes were introduced throughout the 400-series highways around the GTHA, along with a dynamic pricing strategy. For example, many jurisdictions in the U.S. set a base price per mile but raise the price during peak periods. This approach not only increases revenue but also is more effective at maintaining acceptable highway speeds in these lanes.

During the Pan Am Games last summer, the network of HOV lanes was increased to 235 km from 85 km previously. The HOV3+ format was reduced to HOV2+ for the Para pan segment.

*Andy Manahan is Executive Director of the Residential and Civil Construction Alliance of Ontario. He is also a member of AOLE's Board of Directors, and its Legislative Chair.*

## Welcome New Members!

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# The Legislative Update

By Andy Manahan, PLE

## PROVINCIAL BUDGET

Following the Family Day holiday, Finance Minister Charles Sousa announced that Ontario's budget would be tabled earlier than usual: on February 25<sup>th</sup>. NDP finance critic Catherine Fife, called the move disrespectful to those who made presentations to the standing committee on finance as the committee had not even submitted its report for consideration by finance officials.

Minister Sousa signaled that the budget would be balanced, as previously targeted, by 2017-18.

[Of note, the budget committed to invest \$137 billion in public infrastructure over 10 years. Another \$31.5 billion has been allocated for public transit, transportation and other priority infrastructure over the next decade through the Moving Ontario Forward plan. In addition, if Ontario receives a population-based share of the \$125 billion federal infrastructure commitment, this would amount to an additional \$48 billion over 10 years.

## ONTARIO RETIREMENT PENSION PLAN

A decision was also made to postpone the introduction of the Ontario Retirement Pension Plan to January 1, 2018 with full phase in by 2020. Queen's Park was able to reach an agreement, however, that Ottawa would assist in ORPP collections through the CPP.

## FRIENDS IN OTTAWA

Partially as a result of Premier Wynne's high profile endorsement of Justin Trudeau during the 2015 election campaign, there has been enhanced cooperation between Ottawa and Queen's Park, with the new Prime Minister even dropping in to a rally in February to provide support

for the local Liberal candidate in the lead up to the Whitby-Oshawa by-election.

## WHITBY-OSHAWA BY-ELECTION

Former Whitby Councillor Lorne Coe (PC) won on Feb. 11<sup>th</sup> with 53% of the vote. Ontario PC Leader Patrick Brown says that the solid win in this Tory stronghold – formerly held by Christine Elliott and, before that, the late Jim Flaherty – was a signal that voters are dissatisfied with Liberal energy policies such as the partial sale of Hydro One. Some candidates obviously weren't satisfied with any party.<sup>1</sup>

## CABINET SHUFFLE

Bob Hepburn of the Toronto Star has written that Premier Wynne is "expected to unveil a major cabinet shuffle this summer in a bid to create an impression of 'a fresh start' to her government."

This June 12<sup>th</sup> will mark the second anniversary of the Liberal majority victory, so this timing seems reasonable, with an election in 2018. Hepburn concludes his Valentine's Day piece by stating "to win, though, Wynne needs to remain scandal-free, have the Ontario economy rebound and get shovels in the ground on transit projects so voters can see work actually being done."

## INFRASTRUCTURE DELIVERY

Over the next 10 years, close to \$180 billion is projected to be invested in Ontario infrastructure by both the Province (\$130 B) and Ottawa (\$48 B). The new

spirit of cooperation outlined above should result in a more evidence-based approach to infrastructure delivery.

During the federal campaign the Liberals promised to establish a Canadian Infrastructure Bank. A paper commissioned by RCCAO and written by University of Toronto professor Matti Siemiatycki provides advice on how to implement an infrastructure bank. For larger projects with capital values of at least \$10 million, a CIB would be worthwhile. In fact, if a CIB can shave 100 basis points off the cost of borrowing \$500 million, it would save the borrower \$100 million in interest payments over a 35-year loan term. See the report [here](#).

## EXCESS SOILS

The Province released its "Proposed Excess Soil Management Policy Framework" on the EBR on Jan. 26<sup>th</sup> for a 60-day comment period. In an effort to support best management practices for handling of excess soils from development and infrastructure projects, this document envisions a "multi-ministry approach" with key roles for Environment, Municipal Affairs, Natural Resources, Transportation, Infrastructure and Agriculture.

At the municipal sector, upfront planning will be encouraged such that a soil management plan would have to be in place prior to commencement of a project or the provision of permits. Such approaches will result in the beneficial reuse of excess soils, rather than the more common practice of dig and dump. For most projects, engaging a qualified professional will be required for the oversight of these plans.

## CO-ORDINATED LAND USE PLANNING ADVISORY PANEL REVIEW

As noted elsewhere in this issue, the Crombie Panel released its report on "Planning for Health, Prosperity and Growth in the Greater Golden Horseshoe: 2015-2041" in December.

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<sup>1</sup> In a sign of the times, one creative individual legally changed his name to "Above Znoneofthe" so that it might express his displeasure with the slate of other candidates (i.e., create an option to vote for "none of the above", as the last of 10 candidates). Unfortunately for this 46-year-old male, ballots in Ontario elections are printed with the first name and then the last one, so it did not appear the way he had hoped. Ironically, Greg Vezina, leader of the None of The Above Party also ran in the by-election.