

The Land Economist

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PROFESSIONAL JOURNAL



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ILLUSTRATION: Aerial view looking east, by Henriquez Partners Architects

Mirvish Village / Honest Ed's old site includes purpose-built rental

At the end of June, Westbank submitted its application for site plan approval for the property at the southwest corner of Bloor and Bathurst Streets in Toronto. Rendering above shows the project looking east. It features active streetscapes and pedestrian connections, conservation of 24 low rise heritage buildings, new mid-rise mixed-use residential and five slender towers ranging from 14 to 26 storeys, and a new 1,213.5 m² public park. Plans include approximately 805 purpose-built rental units with more than the minimum 20% two bedroom and 10% three-bedroom layouts, plus a number of live/work dwelling units. See City of Toronto's Development Application page for the project [here](#).

NEWS BRIEFS

OSFI PROPOSES TIGHTER MORTGAGE RULES FOR BANKS, TRUSTS, CO-OP CREDIT AND INSURERS

The federal Office of the Superintendent of Financial Services Institutions has issued draft new mortgage underwriting principles to avoid risky lending. The changes to Guideline B-20 include:

- requiring a stress test for all uninsured mortgages, with borrowers having to qualify at a minimum of 2% above current rates (previously this was required for insured mortgages only)
- requiring dynamic, locally applicable Loan-to-Value measurements for qualifying borrowers
- “Expressly prohibiting co-lending arrangements that are designed, or appear to be designed, to circumvent regulatory requirements” (e.g., with unregulated lenders / investment pools)

Deadline for comments is August 17, with implementation targeted for the fall. See release [here](#).

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TRUMP LEAVES TORONTO SKYLINE

At the end of June, JCF Capital, which bought the Toronto Trump International Hotel and Tower in March, announced it had reached agreement with a unit of the Trump organization to buy out its management contracts for the property. Among other things, the deal meant that the Trump name would disappear from the building. Just a few days later, InnVest Hotels LP announced it would acquire the property. The deal includes significant renovations. While those are going on, it will operate as the Adelaide Hotel Toronto, but once complete, will be renamed the St. Regis Toronto.

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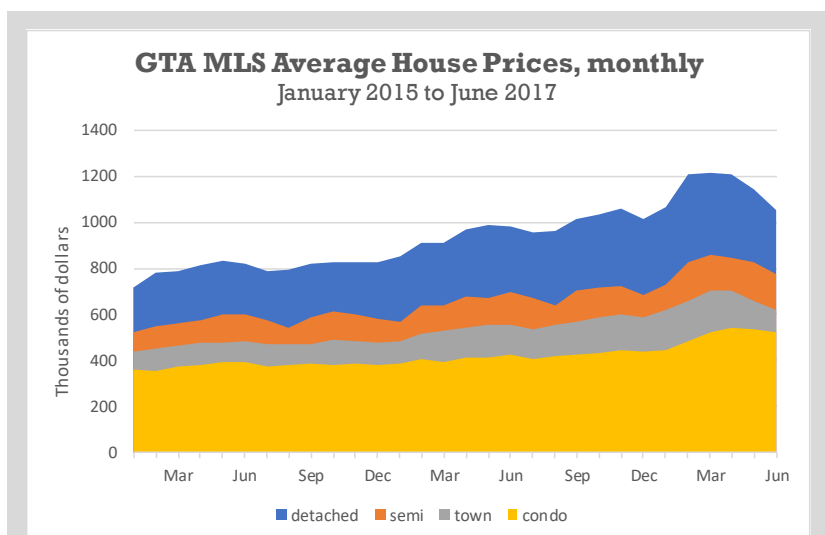
CONSTRUCTION ACT INTRODUCED

A little over a year after an expert panel recommended significant changes to Ontario’s Construction Lien Act, a new Bill 142 was introduced to the Legislature for first reading May 31.

Details may be changed as the Bill makes its way through to law, but it’s widely seen as a sea change for the whole industry. The new *Construction Act* would go far beyond liens. Key elements include:

- a mandatory prompt payment regime (owners have 28 days to pay a contractor after delivery of a proper invoice; after getting paid contractors have seven days to pay subs)
- mandatory adjudication of construction disputes
- changes to lien rights, deadlines and holdbacks
- updated definitions of substantial performance and completion
- changes to the trust provisions
- updated procedures.

There are a lot of good articles about the new system. You can find three [here](#), [here](#) and [here](#).



“*More Moderate Price Growth in June*” proclaimed the headline on the Toronto Real Estate Board’s July Market Watch press release. It reported that the June 2017 average selling price for MLS sales in the Greater Toronto Area was up by 6.3% over June 2016. However, that masks a much sharper than normal 13% drop in average prices over the past three months. Sales have plummeted (down 37.3% from June 2016) and new listings have been high. The Board blames a “period of flux that often follows major government policy announcements pointed at the housing market”, as buyers wait to see the impact of Ontario’s Fair Housing Plan, and sellers rush onto the market trying to beat any loss in value.

SOURCE: R Moyes with TREB Market Watch data

WHAT’S UP AT THE VAUGHAN METROPOLITAN CENTRE ?



PWC Tower/YNCA/Library RENDERING: Diamond Schmitt

An interesting article on UrbanToronto.ca starts with a ‘mea culpa’ or two. “When the Toronto York Spadina Subway Extension was announced in 2006, its new terminal station at Highway 7 in Vaughan meant that the new line was derided as ‘the subway to nowhere’ by many Torontonians, me included,” says Craig White in *Vaughan Metropolitan Centre starting to look like it’s a thing*. “Vaughan’s movers and shakers had other ideas though, and to indicate that a downtown would replace the surface parking lots and big box stores that then defined the site, they named the future station ‘Vaughan Metropolitan Centre’. That too was derided as too grandiose by many of the same Torontonians... again, me included.” But, good and successful things have already happened. And more are on the way. See full illustrated article [here](#).

Next phase for Masdar City

Eleven years ago, plans for a brand new sustainable city beside the Abu Dhabi airport made headlines around the world.

Billed as a zero-carbon, car-free community and hub for clean energy industries and research, Masdar City's master plan was a stunning "green" initiative from the oil-rich United Arab Emirates (UAE) and its energy company Masdar.

The master plan was prepared by UK's Foster and Partners Architects. It emphasized both futuristic and updated ancient technologies to reduce energy and water use. For example, a 45-m tall wind tower sucks in air and funnels it down short (usually no more than 70 m long), narrow streets to help lower temperatures 15 - 20° C below those in the surrounding desert. A small fleet of Jetsons-like automated vehicle pods were to transport people below grade, along with non-oil powered transit.

Construction began in 2008, and impressive core buildings began to sprout up:

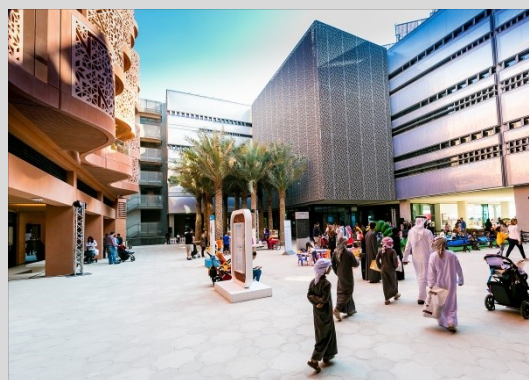
- Masdar Institute of Science and Technology, which focuses on alternative energy, sustainability and clean technologies and conducts research and pilot projects
- Siemens Regional Headquarters, a LEED platinum building with an exterior aluminum shading system
- International Renewable Energy Agency headquarters

- the Incubator Building, with retail and office space for small enterprises and regional headquarters of large ones

But the global recession in 2009 hit Masdar City hard, and the necessary private investment to build out the city failed to appear. Completion, originally anticipated for 2016, was pushed back to 2020, then 2025, now 2030. And many of the initial goals have changed.

"Net zero carbon" is gone. It's acknowledged the City will always need off-site power. So is the idea of having solar panels on all the buildings - with blowing sand necessitating daily maintenance, it made sense to use centralized arrays. There won't be any more below-grade Jetsons pods; electric vehicle technology has moved so quickly it is more efficient. Rather than being car-free, buildings can offer parking. Foreign ownership is now allowed, and land is available in smaller plots. New planning approvals have been given.

As a result, the City is getting built, Masdar reports. The residential population is expected to exceed 3,500 people within the next two to three years. And Masdar forecasts that "35% of the planned built-up area will be completed over the next five years".



Central plaza in Masdar City (above) and rendering of 60-store retail mall opening next year (below).



At least two new private developments - the 170-unit Leonardo Residences (2016), and the 8.3 ha land parcel bought this spring by Lead Development and TNI for middle-income housing - only have the goal of "3 pearls" (of 5) under local Estidama sustainability standards for the hot, dry climate. This is down from the initial 4 pearl goal, but still significantly above the 1 pearl required in the rest of Abu Dhabi.

In addition, a prototype Eco-Villa just opened which will be monitored for a year. Its 4 pearl design could be carbon neutral with rooftop solar. RM

ILLUSTRATIONS: Masdar City

"BAN MARIJUANA GROWING IN RENTALS" - CFAA

Under the federal government's plan to decriminalize marijuana it would no longer be illegal for adults to possess up to 30 grams or to grow up to four plants in a dwelling unit. That poses concerns, the Canadian Federation of Apartment Associations [says](#). They include: electrical overloading hazards, interference with other tenants, building damage through humidity and mould, new liability for landlords and risks to tenants and mortgage holders, and potential cancellation of building insurance, which would often result in the mortgage being called as well.

"Either the federal government or the provincial governments need to ban all marijuana growing in multi-unit dwellings, and in rented dwellings of any size," says CFAA President John Dickie,

"so that other tenants and building owners do not face interference with their lawful rights and interests."

In a [recent article](#) in LexisNexis' *The Lawyer's Daily*, Cohen Highly LLP partner Joe Hoffer said "An assumption that cannabis regulations will 'trump' residential lease provisions should be tempered by practical considerations and the law of contract, subject always to issues of compliance with human rights legislation." There is nothing that says a person living in a multi residential building must grow their grass there,

Welcome New Member

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"particularly when the lease prohibits it," he said. Reasonable alternatives include: to "purchase the product, grow plants off site, have someone else grow plants on their behalf, or grow them in a designated area."

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EMISSION ALLOWANCE SALES RAISE \$1B FOR CLIMATE CHANGE

Ontario's second auction of greenhouse gas emission allowances, held June 6, generated \$504 million in proceeds, most at \$18.72. Its first auction in March generated \$472 million. Two more are expected this year.

Proceeds must be invested through Ontario's Climate Change Action Program, which includes: \$392 million for home, school and social housing energy retrofits, \$100 million for businesses, \$20 million for electric vehicle charging stations, \$50 million for cycling infrastructure, and \$13 million to First Nations communities.



World's tallest wood building - for now

The University of British Columbia's new student residence in Vancouver has taken the title of "world's tallest contemporary wood building".

At 53 m (almost 174 ft), the 18-storey *Brock Commons*, designed by architects Acton Ostry, is the latest in an ongoing series of higher- and higher-rise engineered mass timber buildings.

When it topped out in September it took the bragging rights away from a 52.8 m apartment block in Bergen, Norway. In late 2015, that building - known as *The Tree* - beat out the 32.17 m, 12-storey, *Forté* apartments in Melbourne, Australia, which itself received the title in 2012.

The next record-holder in Canada could be another Vancouver project: *Terrace House* on Coal Harbour. This eye-catching hybrid will feature a triangular seven-storey wood structure atop 12 storeys of concrete and steel, to reach 71 m. Designed by Japanese architect Shigeru Ban, the residential project already has its development permit and has started demolition.

Architects have proposed a thin, 304 m skyscraper for London, England, which is already nicknamed the "toothpick". But an 84 m, 24-storey hotel/apartment/office/retail tower in Vienna, Austria may become the next "world's tallest". The *Holzochhaus Wien (HoHo Tower)*, which boasts 75% wood construction, is slated for completion in 2018.

In Canada, sustained government and forest industry research and interest in mid- and high-rise mass timber has seen code-allowed heights increase from four storeys to six, and now higher through special approvals.

In 2014, the 29.5 m high *Wood Innovation and Design Centre* in Prince George, B.C. became the continent's tallest wood structure.

When it capped off in May in Quebec City, the 41 m *Origine* became North America's "tallest wood condominium project". Its 12-storey wood core and structure on concrete podium, utilizes the lightness of CLT for a riverside site.

The first mass timber high-rise in the US (12 storey *Framework* in Portland, OR) only just received planning approval.

See more tall wood buildings [here](#).

UBC residence weds tall wood, concrete and steel

The University of British Columbia's record-breaking 18-storey Brock Commons residence is a hybrid of tall wood and traditional construction.

"Concrete, steel and engineered timber each have their own strengths," says UBC's Managing Director of Infrastructure Development, John Metras. "Our design aims to make the best use of all of them."

Tall wood has a lot to offer. Advances in the glues and technologies of bonding together many layers of wood, along with prefabrication, are making high-precision lighter and faster high rise construction possible. The technology offers the possibility of preserving or even expanding markets for local sustainably-managed wood resources. In addition, wood's low carbon footprint responds to concerns about climate change. For example, the new Brock Commons residence is expected to save 2,432 tonnes of CO₂ emissions, compared to traditional construction.

GETTING CODE APPROVAL

Tall wood is not currently accepted under British Columbia's Building Code (or those in other provinces).

Like Ontario, the BCBC demands "non-combustible" construction for all buildings over six storeys.

So far, the code has not been amended to include the new engineered timber products for these buildings. But BC does allow a "site specific regulation" (SSR) to be developed for innovative projects.

It's a rigorous process designed to ensure any changes will provide at least the same levels of safety as buildings that meet the current codes.

That's what UBC applied for. To keep things as simple as possible, only two code changes were requested: use of engineered timber for structural elements and entrance canopy.

The foundations, podium and two elevator cores are traditional concrete construction, using its weight and ability to withstand both vertical and lateral forces. "In a seismic area like ours, that makes a lot of sense," Metras says.

The building envelope is also known technology: prefabricated steel stud frame panels with Trespa cladding (featuring digital woodgrain images), and a traditional roof assembly on metal decking.

The innovation comes in the floors, which are 169 mm thick, 5-ply Cross-Laminated Timber (CLT) panels with a

Continued on page 5

concrete topping, and GluLam columns with steel connectors, which transfer vertical loads straight down through the building to the concrete base. On floors 2-9, columns are 265 x 265 mm; they are 265 x 215 mm on floors 10-18.

The Brock Commons team drew on a growing body of research into engineered timber's performance under loads, wet conditions and fire, and transmitting noise.

The SSR process involved:

- 3rd party engineering peer reviews of the design concepts and proposed technical strategies,
- design review by two expert panels on the topics of structural performance and fire safety, and
- collaborative problem solving that involved the Building and Safety Standards Branch, the University's Chief Building Official, and the design team.

Not surprisingly, this produced a low-risk-tolerant, "belt and suspenders" level of requirements. For example, CLT ceilings and Glulam columns had to be encapsulated in three layers of drywall. Dropping one layer could have saved \$3 psf, - almost 1% of the construction budget, Metras says.

INNOVATION PREMIUM

There were other significant "pilot project" costs. As well as the peer reviews and expert panels, pre-approval and on-going research, a two-storey mock-up was built to test design assumptions, and fabricators and structural trades were involved very early in the design process.

To help with innovation costs, the \$51 million project (\$39 million construction) received funding from Natural Resources Canada (\$2.34 million), the Province of B.C. (\$1.65 million) and the Binational Softwood Lumber Council (\$467,000).

Metras has predicted the construction cost per square foot will work out at about \$230, as compared to \$210-215 for a comparable concrete high rise. The budget anticipated an 8-10 per cent "innovation premium" as compared to traditional high rise technology. When all the figures are in, Metras said in June, the premium may end up a bit higher.

"Much of that wasn't caused by using tall wood technology, though," he explained. "It was dealing with record rainfall, plus anti-dumping duties on the drywall and a couple of design additions." In future, projects may be able to reduce design review costs and overengineering.



Two minute time lapse video shows Brock Commons' 17-storey tall wood installation, completed in 9½ weeks. See https://www.youtube.com/watch?v=GHTdnY_gnmE

Tall wood - lived experience

The Brock Commons residence project took the old saw "Measure twice, cut once" to a whole new level.

Karla Fraser, senior project manager with Urban One Builders, recently gave some highlights to an Ontario Wood-Works! Symposium in Toronto.

A two-storey mock-up was built to test the design and how well the installation worked. They also did virtual modelling breaking down each step of the process. "We invited the foremen and the superintendents. It was a very collaborative process, discussing with the guys on site exactly what steps we needed to do, and how we could move the panels in and out and safely bring people out if necessary." And when they had it ironed out, they gave a virtual construction sequence cell phone app to all the trades.

"On the virtual modelling, it looked like it would take four days per level, and maybe if we really went at it, we could

do it in three," Fraser said. On site, they installed two floors a week, taking 9 ½ weeks to install 16 levels including exterior wall and window panels. As soon as one floor was finished, trades could start on the floor below. In concrete, it would have taken two months longer. The precision was startling. "There was 3 whole mm of tolerance, all the way around."

The tiny mechanical rooms were also impressive. "All the connections were welded in place before the panels were delivered. With the 3-D virtual modelling, the trades had it all hooked up exactly the way we wanted it, in minutes."

One huge problem was the rain. Even mass timber is susceptible to moisture. July/August is usually dry in Vancouver, but it rained every day, Fraser says. So they used interior tarping to direct rainfall to shower drains, and collected it in kiddie pools. "As long as we cleared it up and put fans on, we were back down to kiln-dried within 10 - 12 hours."

Not only was it faster than concrete, the process used about one third the site workers and a lot less heavy equipment. Neighbours really noticed how quiet it was. Additionally, there was very little general waste - "and most of that was wrapping for the CLT panels, which was recycled for plant pots."

Fire safety during construction is a big concern, but the absence of waste and the full, securable building envelope gave the fire inspectors room to relax a little.

Urban One are also builders for the upcoming Terrace House project.

ONTARIO PROJECTS SOON?

Ontario's Ministry of Natural Resources and Forestry is seeking Treasury Board approval for a Tall Wood Research and Demonstration Program. It proposes financial and technical support to encourage the design and construction of mass timber buildings and offset incremental costs. The Ministry has also led production of a Tall Wood Reference Guide, which is expected to be published shortly. It aims to help officials and industry evaluate tall wood "alternative solutions" under the Building Code.

Why aren't (all) buildings beautiful?

by Rowena Moyes

Over the past few decades, scientists and other academics have conducted considerable research into the human response to built form. Dr. Ian Ellingham told AOLE's March dinner meeting.

One thing that has been confirmed, said the chair of the Canadian architectural journal OAA Perspectives and principal of Cambridge Architectural Research Limited, is that people with architectural training have demonstrably different preferences in buildings from those of

most building users. So "care must be used in evaluating the advice they give. And that probably goes for your own preferences as well."

In fact, "the personal preferences of your bankers, planners and real estate agents are likely to correspond better to those of the 'non connoisseur' public – who, after all, tend to be most of our market group."

Ellingham gave the group a first-hand look at the methodology behind those results: He gave everyone a survey form, then projected pairs of photographs of

various buildings for about 15 seconds, and asked us to mark on a seven point scale whether we had a positive or negative reaction. Then, for five of the buildings, he asked us to circle six out of 35 adjectives that we thought applied. (See below for some comments on the results.)

That was the same method his team had used in their research. People from various groups were asked to rate their preferences between paired suburban office buildings with different design attributes. Building users consistently chose familiar styles (pitched roofs and traditional building materials like brick or stone), regardless of whether the design was weak or strong. Architects on the other hand, chose stronger design with more complexity, with much less concern over roof type and materials.

"Experienced viewers subscribe to the philosophy that art should provide a challenge", Ellingham said, while naïf viewers want beauty that makes them feel good.

He recommended AOLE members check out neuroscience journals. Neuroscientists have been looking more deeply into some of the key things that make people feel good about space and design. Symmetry,

AOLE members survey results

Some attendees are probably wondering about the buildings in Dr. Ellingham's survey, and the results.

"Of course, this was a very specific sample of the population (members of AOLE), and a very limited number, so caution must be made in any interpretation, or attempt to relate the findings to the wider population, or any specific target market," he says.

However, the buildings can be ranked in order of preference, and some general observations might be made, he says.

"The two top ranked buildings were both

pre-20th century, and the third closely followed historical precedents. For these buildings, there was also the greatest level of agreement between the respondents, indicated by their low standard deviations.

The two at the bottom were both highly idiosyncratic buildings that most people would find difficulty in classifying. The fascinating Disney Headquarters in California ranked in the middle: it was one building included in a study by Robert Gifford of the University of Victoria,

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RESULTS OF THE AOLE SURVEY RESPONSES, WITH SAMPLE BUILDING IMAGES

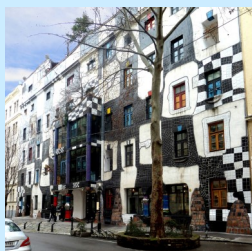
SLIDE 655,
Consistently gets the highest ranking for 'new' buildings



SLIDE 615,
This building was ranked near the middle among the projects shown



SLIDE 637,
Although AOLE members gave this a low rank, others have placed it near the centre



What do you think?
Rmoyes@idirect.ca

Overall Rank	Slide Number	Mean Score	Standard Deviation	Building Identification
1	624	5.80	1.08	Baroque Palace, Stockholm, late 18th century
2	633	5.20	1.42	Retail and housing, Lund, Sweden, 19th century
3	655	4.93	1.16	Library addition at Trinity Hall, Cambridge, UK, 1999
4	672	4.43	1.50	Bank of China Tower, Hong Kong, 1990
5	653	3.79	1.63	Chicago Bar Association, Chicago, 1990
6	627	3.60	1.24	Disney Headquarters, in Burbank, California, 1990
7	615	3.47	1.46	Landstrasser/Hauptstrasse, Vienna, Post WW2
8	682	3.46	1.27	Library, Lomma, Sweden, 2008
9	635	3.33	1.54	New Library of Birmingham, UK, Opened 2013
10	642	3.13	1.51	Old Birmingham Central Library, UK, 1974 - 2016
11	637	2.87	1.41	Kunsthau Wien (Vienna Art House), 1991
12	621	2.47	1.92	Art Museum, Graz, Austria, 2003

Chart information and illustrations courtesy Dr. Ellingham

LEGISLATIVE BEAT *Continued from page 8*

By 2022, cities will have to ensure that 50 per cent of residential development happens on land that's already been built on, rising to 60 per cent for the 2031-2041 period. The plan also ups density targets – development on new lands will have to house 60 residents and jobs combined per hectare by 2022, with the eventual goal of 80 residents and jobs combined per hectare by 2031.

Despite the propensity of Metrolinx to enlarge parking areas around certain GO stations, the province will require minimum density targets around major transit stations.

Within urban areas, a range of housing types must be planned for and include apartments, condos, and townhouses for households of different sizes and incomes.

Re-mapping is being done for the 800,000-hectare Greenbelt to address accuracy and landowner requests. Major urban river valleys and coastal wetlands are being added to the Greenbelt, but a public consultation process will be undertaken first.

Municipal official plans will also have to incorporate climate change policies, develop storm water management plans, and

conduct climate change vulnerability risk assessments for infrastructure projects.

OMB REFORM

In a move which is designed to return planning responsibility to municipalities, Attorney General Yasir Naqvi has introduced legislation creating a new Local Planning Appeals Tribunal (LPAT) to hear appeals of most matters currently under the jurisdiction of the OMB.

Bill 139 outlines significant proposed changes, including:

- fewer appeal rights: No appeals on Official Plans or OP amendments approved by the Minister (upper-tier or single tier municipalities); Other appeals limited to decisions that fail to conform to a Provincial policy statement, Plan, or applicable municipal OP
- second chance for municipality - if LPAT decides the decision did fail, it gets sent back to the municipality to correct; The Tribunal can only replace a council decision on a second appeal.
- no new oral evidence or witnesses on the first appeal

- no appeal on OP policies for “protected major transit station areas”

The Bill is scheduled to come back to the House in the fall for second reading and public hearings at committee.

UNDERSTANDING THE FORCES DRIVING SHELTER AFFORDABILITY

Paul Smetanin of the Canadian Centre for Economic Analysis, who has used enhanced systems-based modelling to better understand infrastructure, has been researching housing.

One key finding is that the GTA is dramatically undersupplied with purpose-built rental. Addressing shelter affordability requires thousands of these units, plus getting people out of wrong-sized homes and building more medium density low rise. Click here for the full report: <http://bit.ly/2tSQhPe>.

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

Why aren't (all) buildings beautiful? *(continued from page 6)*

naturalness and ornamentation seem to be inherent,” he said. “You have to have a good reason not to include them into your products.”

Humans also like simplicity, a limited palette of materials, easy-to-understand forms (and not too many of them), and defined lines, edges and textures, Ellingham continued. Novelty is intriguing “as long as it doesn't conflict too much with our internal prototypes”.

Given those prototypes, “reproductions and historical allusions are not to be feared.

Information can have an influence on how a building is perceived as well. Most people liked the dramatic Sydney

Opera House roof once they knew it referenced sails.

Naming something will also enhance the preference for that object, even if it only states the obvious.

Many things can affect these basics: the emotional state of the viewer, current fashion, economic and cultural settings, the physical context, social class, sex, and the economic conditions in which they were brought up.

People brought up in the depression, for example, tend to value functionality very strongly. Younger people seem to have inconsistent preferences – their brains are still developing to about the age of 22-3.

Ellingham's study concluded that developers should use a system of ordered preferences, to define the design brief.

Architects should be given control over the complex attributes that promote high architectural quality, while respecting users' preferences for basic attributes that promote user satisfaction.

In the question and answer period after the presentation, OCEY president Andrea Calla added a caution.

The generation growing up in the digital world likes buildings that have gyrations, and modern houses with a Mondrian look, Calla said. “I think we may be moving away from symmetry.”

AOLE members' survey response results *(continued from page 6)*

published in March 2000 in *Environment and Behavior*, who found that it was very highly ranked by his lay respondents, but near the bottom by architect respondents.

The responses to the two libraries in Birmingham, UK is interesting, as the 1974 brutalist building was replaced by the

high-tech 2013 building, but our respondents offered them effectively the same level of esteem, he says - near the bottom.

The highest used adjectives for the most preferred buildings were (in descending order): old-fashioned, warm, charming, distinguished, elegant and familiar. The

adjectives used for the least preferred were: cold, modern, flashy, nondescript, austere, bland, and boring.

There are always surprises in such studies, Ellingham concluded. “Again, it points to the hazards of projecting one's personal preferences onto other people.”



The Legislative Beat

By Andy Manahan, PLE

AFFORDABLE HOUSING MEASURES

The Ontario government introduced 16 measures on April 20th, dubbed a “Fair Housing Plan”.

Those that are designed to cool off the hot housing market include a 15 per cent non-resident speculation tax on those who are not citizens or permanent residents of Canada or are foreign corporations buying residential properties of one to six units in the Greater Golden Horseshoe. In addition, municipalities will be given the ability to increase supply within existing housing stock by introducing a tax on vacant units.

Here are the other 14 measures:

- Expand rent control to all private rental units, including those built after 1991
- Develop a standard lease for all tenants, with a key provision being to tighten provisions for own-use evictions
- Identify provincially-owned surplus land that could be used for affordable and rental housing
- Encourage more rental construction by having property taxes for multi-residential apartment buildings at a similar rate as other residential classes
- Provide \$125 million over five years to rebate a portion of development charges for new rental
- Allow municipalities to levy a vacant land tax, among other taxing tools, to discourage land hoarding by developers and land owners
- Create a new “housing supply team” to identify barriers to housing projects and work with developers and municipalities to find solutions

- Address practices that could be contributing to tax avoidance and excessive speculation (e.g., “paper flipping” properties before a deal even closes)
- Facilitate greater transparency for consumers in areas of phantom bids and double ending by real estate agents
- Establish a housing advisory group which would provide ongoing advice on ways to address the housing market
- Educate consumers on their rights
- Partner with the CRA to determine whether capital gains taxes should be paid on real estate that has been “flipped” or whether a home has been used as a principal residence and therefore tax exempt
- Ensure that elevators in buildings are more reliable by establishing timelines for elevator repair
- Encourage a greater range of unit sizes in high-rise residential buildings through new provisions in the Growth Plan.

NEW RENT CONTROL ACT WILL RESTRICT SUPPLY OF PURPOSE-BUILT UNITS

Reaction to this “plan” has been mixed, but the worst initiative in my opinion is the expansion of rent control to post 1991 buildings.

Ground zero for this change was two west end Toronto condominium apartments where tenants were going to have rents double on July 1.

Private rental construction had been in the doldrums for decades because the economics of private condominium building were superior from return and pre-construction risk perspectives. Low interest rates and the longer time horizons of certain investors was beginning to change that. In a late May housing

conference, Jim Murphy, President and CEO of the Federation of Rental-housing Providers of Ontario stated that prior to the announcement of new rent control measures, REITs and other property companies had 28,000 purpose-built units in the pipeline. About 20,000 of these units are now being re-examined. He calls the roll back of the 1991 exemption “a rash and politically motivated decision.”

REITs and other property companies were planning to build 28,000 new rental units, but at least 20,000 of those units are now in jeopardy.

Prior to the announcement, FRPO had proposed that a “rolling” 20-year exemption on newer rentals be put in place to allow developers to get through one full financing cycle of their buildings before provincial rent guidelines take effect.

As well, a 10 per cent cap on the amount landlords can raise the rent in post-1991 buildings was suggested as an alternative to the rent increase guideline.

The 2018 cap for rent increases is 1.8%, although above-guideline increases can be applied for. Tenants evicted due to renovations or for an owners’ personal use would be offered a new unit or one month’s rent as compensation. The new legislation prevents landlords from going after tenants for rent for the period after they leave the unit, or for other illegal charges, such as key money.

The *Rental Fairness Act* was passed on May 18th, with a retroactive date of April 20th, without any formal consultation.

GROWTH PLAN

Following a consultation process that began in early 2015 with a Co-ordinated Review discussion paper (see Vol. 45, No. 1), Municipal Affairs Minister Bill Mauro released four updated land-use plans on May 18th. New rules for the Growth Plan for the Greater Golden Horseshoe, the Greenbelt, and the Oak Ridges Moraine are effective on July 1st, while those for the Niagara Escarpment Plan came into force June 1st.

Intensification targets for municipalities will be increased from 2017’s 40 per cent.

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