Rethinking Retail Land Portfolios: How to Grow Housing Supply

June 2022

Public land is the obvious choice when it comes to finding sites for affordable housing. But what about the potential of private land portfolios? Can we balance the interests of large private landowners with public ones of affordable housing and other infrastructure?

Our study, completed as a partnership between the Infrastructure Institute at the School of Cities, University of Toronto, and Esri Canada and asked these questions*. We took six major retail chains that operate across Toronto, and using Esri ArcGIS software, generated hypothetical development scenarios on their underused sites in Toronto. The results were stunning, revealing enormous potential to build housing and to provide spaces for social infrastructure as well as retail. Sites occupied by these six large retail chains alone could deliver a total of 68,576 housing units. Allocating 10% of this total alone as affordable housing would deliver almost 7,000 units.

The following paper presents our findings and a commentary on the ways in which public bodies, non-profit organizations, and private landowners can work together to mobilize private owners of large real estate portfolios. Private landowners can significantly expand their role in the delivery of housing supply, including affordable housing, without compromising public needs or their interests.

*Note: Sobeys, Canadian Tire and Loblaws are corporate clients of Esri Canada. They had no involvement in this research.

Why now? Why private?

The COVID-19 pandemic has accelerated the urgent need to dramatically increase the supply of housing, including affordable housing, reconfigure elderly care homes, and deliver critical public services. According to polling by Abacus Data, the increasing cost of living was the top election issue, along with a post-pandemic recovery plan that addresses both infrastructure and housing (Abacus Data, 2021).

To date, a significant policy response has been focused on unlocking and accelerating development on publicly held lands. In the City of Toronto for instance, the first phase of the Housing Now program is intended to fast-track the development of 10,000 housing units on 11 City owned sites, including 3,700 affordable rental units. The City of Toronto's development agency CreateTO is also working on redeveloping other city owned properties.

Often overlooked, however, is the potential for the rapid redevelopment of privately-owned land portfolios.

Many property owners across the Greater Toronto Area own multiple, large-scale sites, including aging grocery stores, neighbourhood shopping malls, and big box retail stores. They are often near transit station locations, and many comprise single-story buildings surrounded by large areas of surface parking. In other words, many of these sites are underused land, referring to sites that have more development potential than is currently being utilized.

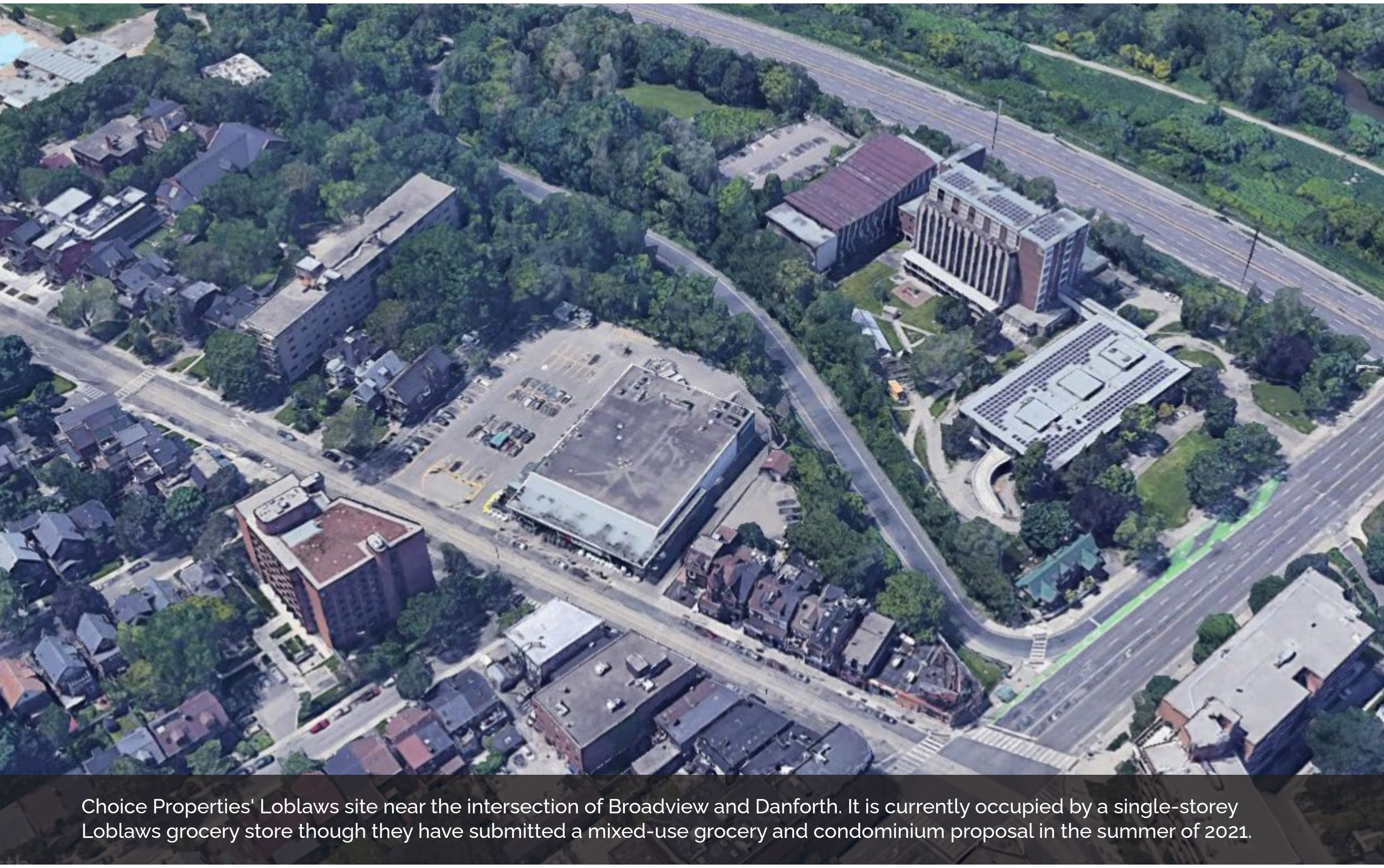
Project Purpose

The Infrastructure Institute at the School of Cities, University of Toronto and Esri Canada worked in partnership to complete the study *Rethinking Retail Land Portfolios: How to Grow Housing Supply*. The purpose of this exercise was to demonstrate that through strategic partnerships, incentives, and policy, there is enormous opportunity to develop private land resources towards complete communities with the necessary social infrastructure and a mix of affordable housing types.

Housing Now Site at 150 Queens Wharf Rd. Image courtesy: CreateTO

There is an opportunity to unlock these sites as transit-oriented or mixed-use development, with the original commercial use profitably rebuilt into mixed buildings that co-locate market housing, affordable housing, and non-profit services. Some large landholders have already started to produce plans to redevelop their most prime sites. One prominent landholder is Choice REIT, who has recently submitted multiple transit-oriented proposals in the Golden Mile commercial district, the Mount Dennis neighbourhood, and the North Riverdale neighbourhood. The transformation of the underused retail typology is an emerging trend.

While public land will remain critical to the delivery of affordable housing, these lands alone will not be able to provide all of the affordable housing needed in the region. Moving forward in the post-pandemic recovery, harnessing the development potential of large private landowners towards the creation of complete communities with significant affordable housing and key public services is a valuable proposition.



Choice Properties' Loblaws site near the intersection of Broadview and Danforth. It is currently occupied by a single-storey Loblaws grocery store though they have submitted a mixed-use grocery and condominium proposal in the summer of 2021.

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Our Approach

Mapping

1

We first mapped the real estate holdings and operational facilities of the following six large private land owners in Toronto:

- Choice REIT*
- Sobeys Grocery Store
- Metro Grocery Store
- The Beer Store
- IKEA
- Canadian Tire

We selected these retailers for illustrative purposes because they are large, high profile chains that operate many stores across the Toronto region. Though the companies may not own all of the sites themselves, their places of operation were included intentionally to demonstrate the potential for intensification of underused retail spaces on private lands.

*the real estate holdings of the Loblaws family of companies

2

Narrowing Site Selection

Sites that already had existing midrise or highrise buildings, that had proposed development, or that fell within a floodplain were removed from this component of the study. Sites that also were a part of strip malls were also removed. The intent was to examine development potential on underused private sites.

Generating Massing

3

"Rules" for the building forms were set up through ArcGIS Urban by assigning attributes, referencing zoning by-laws, planning policy, urban design guidelines, and nearby development proposals. We assumed a mixed-use approach and automated the massing. Further refinements were made afterwards in ArcGIS CityEngine.

For the full set of rules that were used to generate the massing, please see Appendix A.

4 Calculating Program & Units

Rough estimates were then calculated on the developable floor area and their programs, the total units, allocated affordable housing units, and any required amenity or green space. The analysis used the City of Toronto's *Affordable Rental Housing Design Guidelines* and the recently adopted *Inclusionary Zoning Policy* to determine the unit mix and percentage of affordable housing respectively.

As the Inclusionary Zoning Policy allocates a range between 5%-22% of residential area for affordable housing based on Market Area geography and execution period, it is difficult to calculate an accurate number of affordable housing units that would be delivered. However, we used 10% as a conservative estimate of the proportion of units that could be affordable housing.

Limitations in Measuring Affordability

Affordable housing is a broad term, referring to housing provided by the public, private and non-profit sectors that costs less than 30% of a household's before-tax income (CMHC, 2018). It is often described along a continuum at various degrees of discount below market rates (see Fig 1.)

The ultimate level of housing affordability on these privately redeveloped sites would depend on a variety of factors, including the strength of the housing market, policy landscape, partnership arrangements and any subsidies available.

Our study considered the lowest and highest possible range of units required by the IZ policy, without identifying the degree of affordability in the development scenario. Since housing on the lower end of the spectrum depends on greater public subsidy and funding, the higher ranges required by IZ policy may result in affordable units that are closer to the market rate.

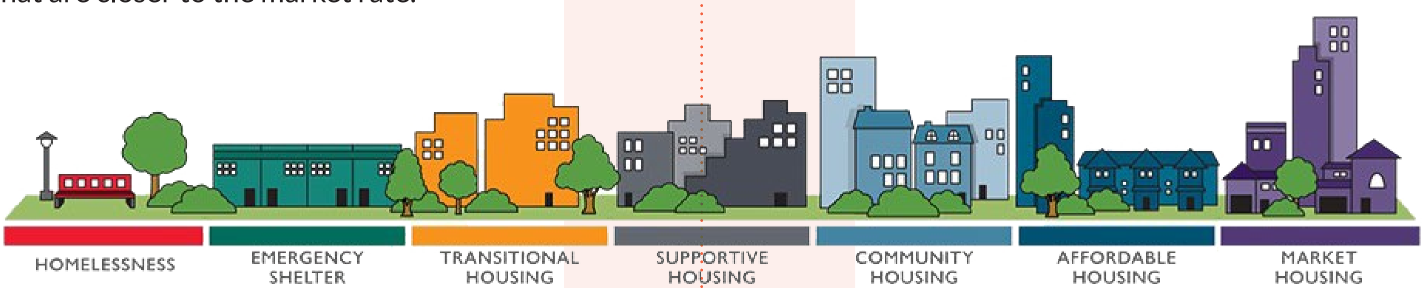


Figure 1. CMHC's Affordable Housing Continuum, ordered from deeply affordable to market rate housing

5 Identifying High-Development Sites

We then identified sites with higher development potential. These sites were identified through applying additional criteria that considered:

- Existing zoning
- Planning policy
- Lot dimensions
- Proximity to transit

Sites that met a minimum of three criteria were considered high potential sites. For the full list of criteria used, please see Appendix C.

Findings

Even with the focus on the sites of a small handful of private retailers, the development potential was a staggering 7.35 million m^2 of new floor area spread across 65 sites (see Fig 2). It translates to 68,576 residential units, of which a significant portion could be allocated towards affordable housing. We present five key findings in this section.

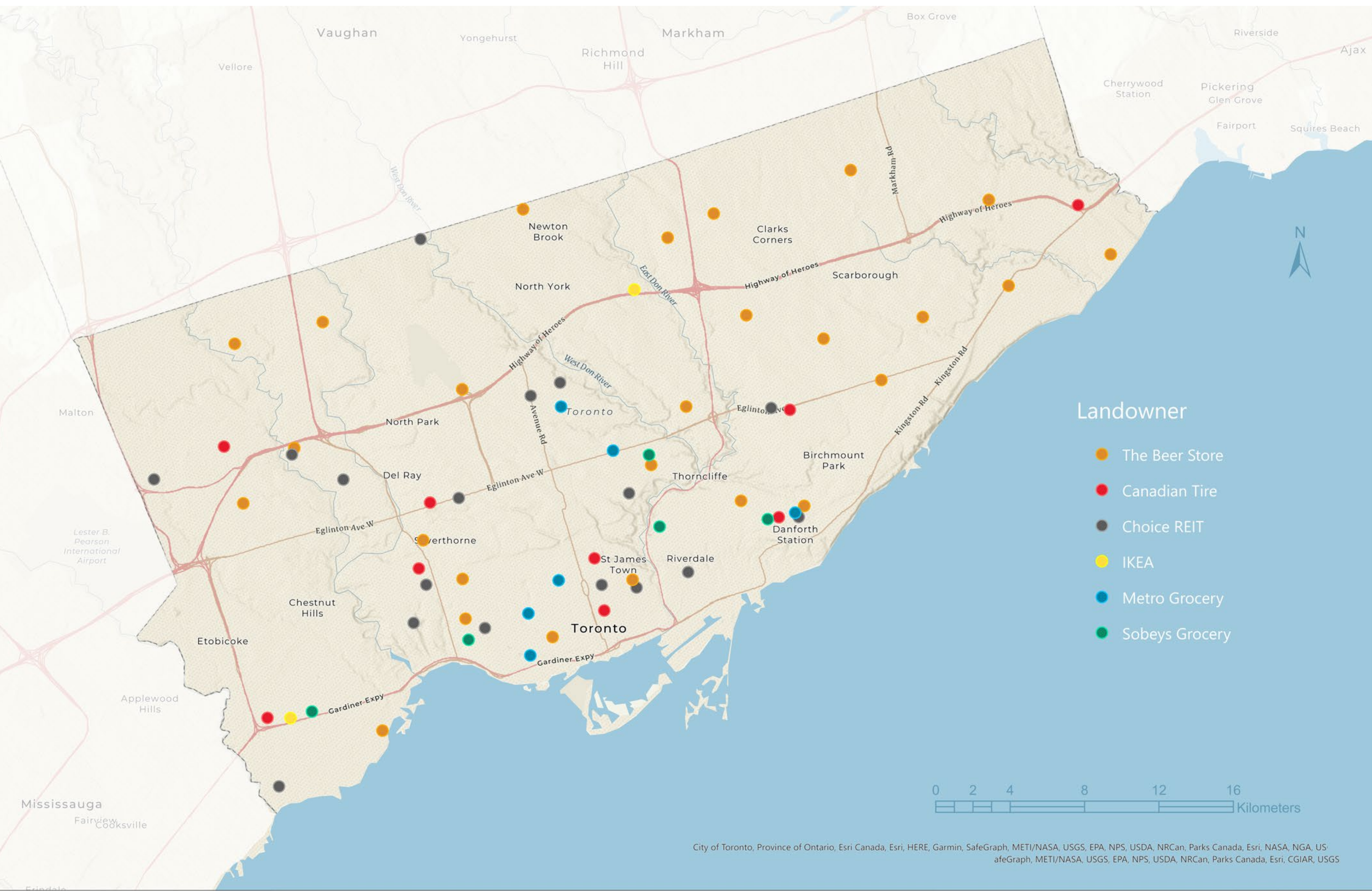


Figure 2. Land holdings of the six land owners that could support development

Key finding 1:

There is enormous development potential, even amongst a small handful of private landowners

Broken down, the 7.35 million m² of new floor area generated comprise 5.51 million m² of residential area (68,576 units). Please see Figure 3 for a breakdown of the unit mix, based on the City's Affordable Rental Housing Guidelines. Additionally, around 700,000m² of green space can be realized, 300,000m² of amenity space, and 800,000m² of development towards non-residential uses that include retail, institutional, and community uses. Based on the representative condo market price for the City of Toronto in Q1 2022 (National Bank of Canada), the total residential market value generated is an astounding $49 billion.

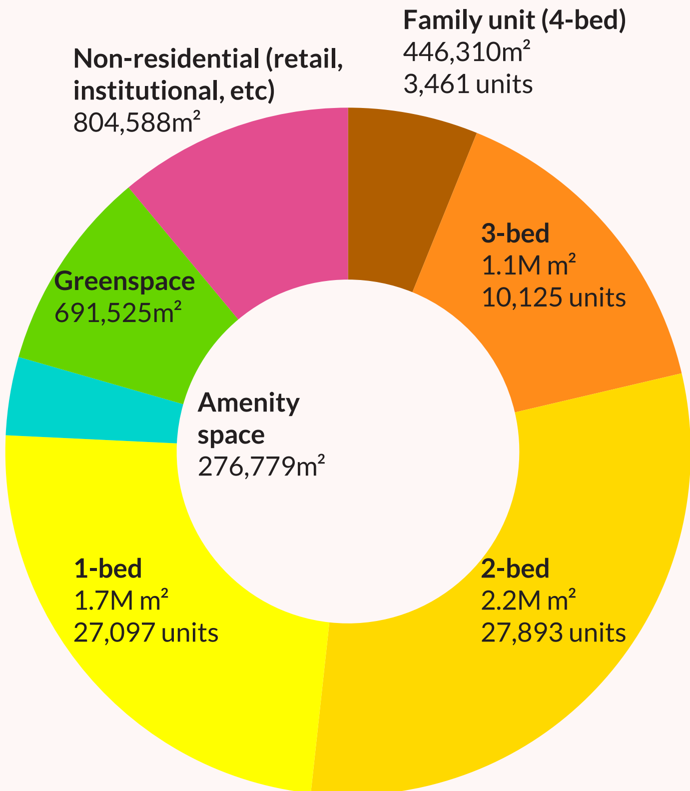
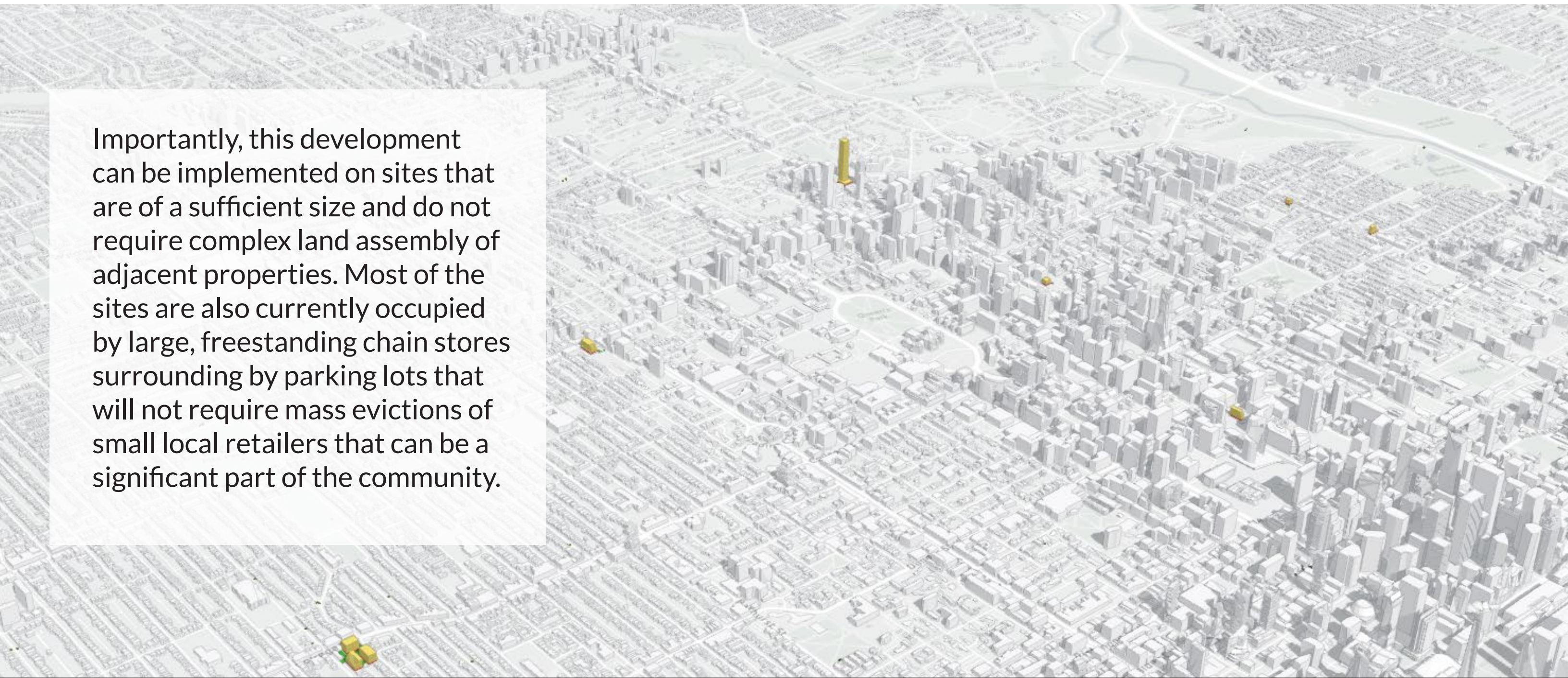


Figure 3. The program breakdown of the total floor area



Importantly, this development can be implemented on sites that are of a sufficient size and do not require complex land assembly of adjacent properties. Most of the sites are also currently occupied by large, freestanding chain stores surrounding by parking lots that will not require mass evictions of small local retailers that can be a significant part of the community.

Aerial perspective of generated massing in ArcGIS Urban

Family-oriented units, like the ones at the Sugar Wharf condo project by Menkes, are in high demand and low supply.

Key finding 2:

There is significant opportunity to build larger-sized family units

There is a strong opportunity to promote use of private land resources towards larger units. As far back as 2009, the City of Toronto identified a significant shortage in the market providing larger family sized units in new multi-unit developments. At the time the City reported that only around 2% of condo units were greater than 3 bedrooms (City of Toronto, 2009). Various policy proposals have been made in Toronto over the years to mandate that at least 10% of the units in new developments of more than 100 units be 3 bedrooms or more. Using this benchmark as a point of reference, even with only 10% of units allocated towards larger sized units, with the majority still 1-2 bed units, the hypothetical development generated over 6,000 units with 3 or more bedrooms. The demand for family-sized units is high and there is a significant unmet need in Toronto, where families are increasingly priced-out of the City.

Additionally, the vast majority of sites were suited towards hosting midrise buildings (64 out of the 65), a type of built form that has been largely missing in the city's 'tall and sprawl' development patterns over the past few decades. This midrise form of development can be designed to have a scale and lifestyle that is appealing to families. Midrise multifamily housing has been in high demand by both low and middle-income families for several years, even in suburban areas (PwC, Urban Land Institute, 2022).

Interestingly, only 2 out of the 65 sites met criteria that made them eligible to host high-rise buildings. To note, the rules used to generate the massing took on a conservative approach, whereby many of the midrise sites actually have current proposals for tall mixed-use buildings. For example, 586 Eglinton Ave E, adjacent to the midrise Canadian Tire site at 656 Eglinton Ave E, has a 32-storey mixed-use building under review (as of May 2022). Despite our moderate approach, the amount of development still remains impressive.

Key finding 3:

Developing underutilized private sites can significantly contribute to the City's affordable housing targets

When considering the number of affordable units solely based on the requirements set by Toronto's inclusionary zoning by-laws, the units delivered could be significant. Depending on location, when the development is built, and whether the units will be ownership or rental, the policy requires a range between 5%-22% to be affordable affordable units. Even if 10% of the total units (6,858) were to be affordable, that would provide for a significant portion of the City's target goal of 44,000 affordable by 2030.

The level of affordability will also vary widely depending on the policy and any incentives or subsidies built into the program. The Canada Mortgage and Housing Corporation considers housing affordable when a household spends less than 30% of their income on shelter. There are two simultaneous affordability crises in Toronto – one crisis facing middle and low income earners who are being priced out of the rental and ownership market as prices skyrocket; and a second crisis due to a gap in deeply affordable and supportive housing for those most in need.

In the absence of strict policy, financial incentives or subsidies, any affordable housing provided through the private market will deliver some level of discount below market rates targeted at middle income or key worker residents, rather than deeply affordable housing on the lower end of the affordable housing continuum.

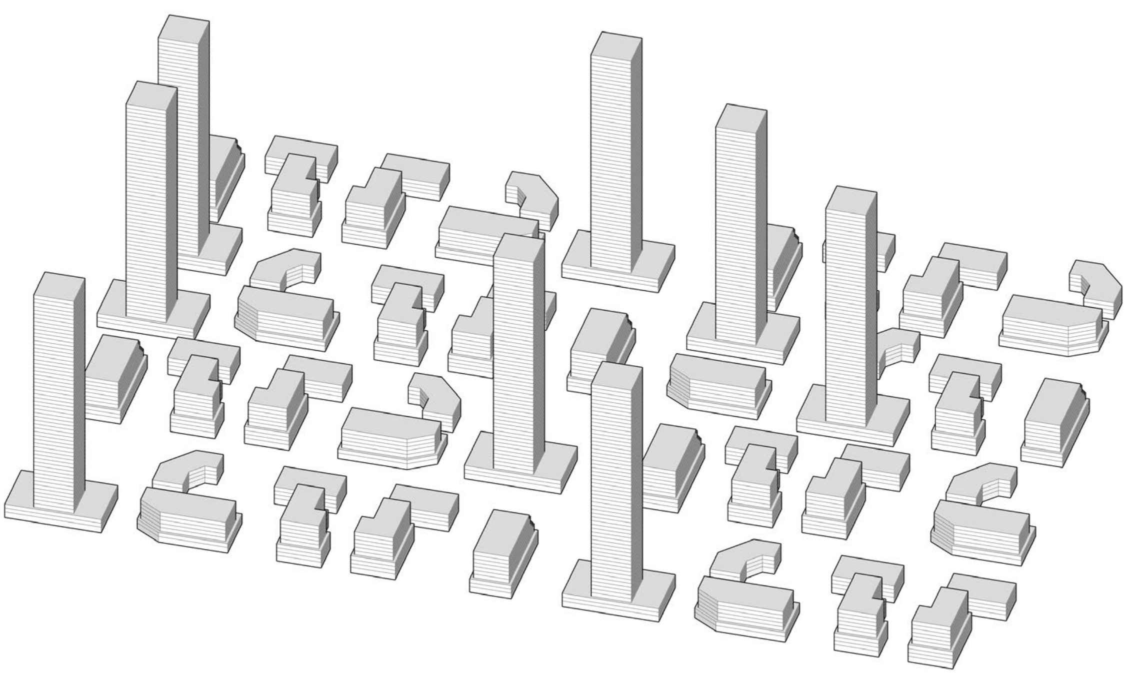


Figure 4. A repesentation of what the 6,858 units of affordable housing could look like in mixed-use and various densities.

Key finding 4:

Many sites could host multiple buildings.

Among the 65 sites, 48 were large enough to hold multiple buildings, with some that would undergo a formal master planning process if developed. Along with creating opportunities towards needed housing, there is ample opportunity to invest in public realm improvements (such as parkland or privately-owned public spaces), public infrastructure, and community amenities that accompany the development of large sites. Providing high quality complete communities with parks, schools, libraries, daycare centres and recreation facilities is critical to attracting families to higher density housing.

656 Eglinton Ave E

Owner:
Metro Grocery

Existing:
1-storey grocery & retail , 4,574 m²

Development Scenario:

- Residential: 18,771m², 275 units
- Commercial: 1,968m²
- Amenity / Community: 1,148m²
- Greenspace: 1,280m²

Residential breakdown:

- 3+ Bed Units: 53
- 2-Bed Units: 112
- 1-Bed Units: 110

Figure 5. 656 Eglinton Ave E is a high development potential site that can provide a mix of units, housing types, and community spaces

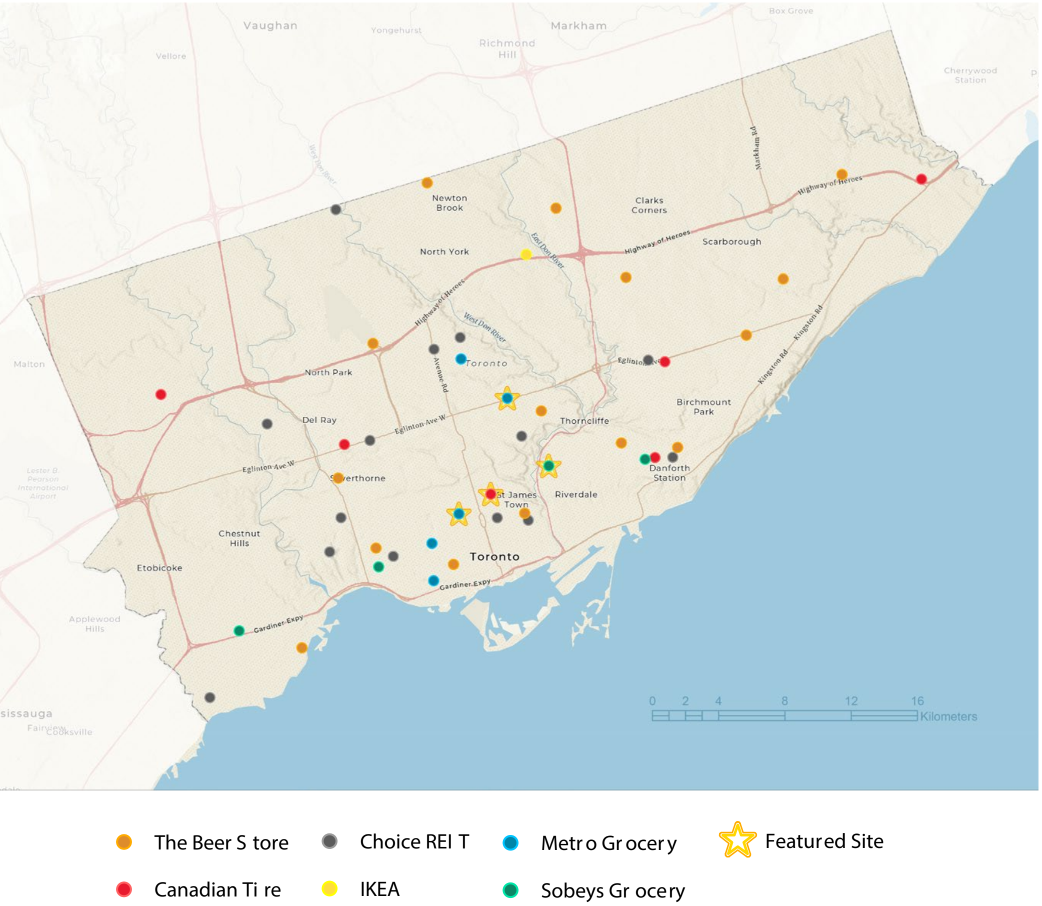


Figure 6. The 45 high development potential sites

Key finding 5:

Most of the sites are already development-ready

Our study identified 45 out of the 65 as having high development potential, where these sites met more criteria favourable towards redevelopment (i.e. proximity to transit, as-of-right zoning permissions, etc – see Appendix C for the full criteria list). We show the development scenario of four featured sites later in this section.

Current practices

The process of redeveloping underused properties is already underway across many of these types of sites. Indeed, the six major retailers identified in this study have recognized the untapped potential of their land, and have to varying degrees begun redeveloping their existing sites. The ambitious proposals currently in the development pipeline point to the promise and the limitations of this market led redevelopment approach, as well as the City's response.

Golden Mile

Choice Properties REIT, which is the property ownership arm of the Loblaws family of companies, has been most ambitious in the redevelopment potential of their real estate holdings. In the Golden Mile neighbourhood of Scarborough, the company has partnered with Daniels Corporation to redevelop a 19-acre site adjacent to the new Eglinton LRT. They have proposed a phased plan to build a mixed-use, complete community that will eventually have 11 new high rise buildings. The development team has engaged closely with a variety of resident and community organizations, the United Way and the University of Toronto, Scarborough to create plans for a mix of high rise residential, retail, institutional and park space that contributes to a community benefit.


Choice Properties REIT's proposal for their single-storey grocery store close to the Eglinton LRT station. Image courtesy: Choice Properties REIT

Mount Dennis LRT Station

At the other end of the Eglinton LRT in Mount Dennis, Choice Properties has applied to intensify another one of their large aging grocery store sites on Black Creek Road south of Eglinton. The proposal calls for a cluster of 7 high rise towers that when completed will eventually have 2,500 residential units as well as a new grocery store, retail space, restaurants, and park space.


Choice Properties REIT's proposal for their single-storey grocery store close to Broadview station. Image courtesy: Choice Properties REIT / Superkul

Broadview Subway Station

And at Broadview and Danforth the Broadview subway station in North Riverdale, Choice Properties REIT has proposed the redevelopment of their outdated one story Loblaw store and two adjacent properties with a 35 story tower comprising over 500 housing units and a rebuilt grocery store, along with a new public plaza space.

Taken together these plans will create significant new housing and income for the company. Each project is generally consistent with City and provincial policy to encourage intensification near major transit station areas. Yet with particular respect to the Mount Dennis and North Riverdale redevelopments, little detail has been publicly provided on whether any affordable housing will be included, and both applications were submitted before the City's Inclusionary By-law was passed. Any affordable housing provision will likely need to be negotiated between the developer and the City through the rezoning and development process.

The 7-storey mixed-use proposal on the single-storey Beer Store site. Image courtesy: Stafford Homes / RAW Design Inc.

Learning from the past

A more cautionary tale is highlighted by the plans to redevelop a Beer Store and adjoining parking lot into a mixed use, midrise residential building on Gerrard Street in the Cabbagetown neighbourhood. The redevelopment proposal was first submitted in 2016 according to City records. The project went back and forth with city planners for years, and involved an appeal made to the Local Planning Appeal Tribunal and even a change in the lead developer. Today the proposal is for a 7-story residential building with a Beer Store relocated on the ground floor of the new building.

The contentiousness of the proposal resulted in a flurry of public meetings, a stack of city staff and consultant reports, and letters between the local councillor, the community and the Beer Store leadership.

The deluge of community opposition was initially over the height of the building, and more recently has centred around concerns about whether the large format of the proposed new Beer Store is in keeping with the retail character in the neighbourhood, whether sufficient space is being provided to sort returns within the store, and if the expanded size of the store will result in increased truck traffic from deliveries. City planners also raised a wide range of concerns related to sufficient amounts of bicycle and visitor car parking, loading, water runoff, and tree preservation.

In 2022, the plan was still in the planning approval process, an epic journey for a modest 7-story redevelopment project of an underused and outdated retail site on an arterial road. Regardless of the reasons behind the drawn-out approval, the project shows the difficulty that mid-rise redevelopment projects in established neighbourhoods can face. It is no wonder that this built form has recently come to be referred to as the 'missing middle' in Toronto.

"In 2022, the plan was still in the planning approval process, an epic journey for a modest 7-story redevelopment project of an underused and outdated retail site on an arterial road."

Beyond proposals in the existing development pipeline, our research envisioned potential developments on a sample of prime underused retail sites in the City. Below are a few of the development scenario (shown on CityEngine) that illustrate what could be possible, recognizing that each would have to go through a more detailed design and community engagement process.

839 Yonge St.

Yonge/Davenport Intersection

Currently comprised of a single storey Canadian Tire and surface parking, the development scenario generated a high-rise mixed-use form. The existing Canadian Tire has been rebuilt into the development, with other retail uses and residential units overtop.

Owner:
Canadian Tire

Existing:
2-storey retail, 8,085 m²

Development Scenario:

- Residential: 36,960m², 541 units
- Commercial: 2,401m²
- Amenity / Community: 2,186m²
- Greenspace: 5,456m²

Residential breakdown:

- 3+ Bed Units: 107
- 2-Bed Units: 219
- 1-Bed Units: 215

In this development scenario, the surface parking for the Canadian Tire and other retail would be relocated underground alongside residential parking. This opens up space for open space amenities.

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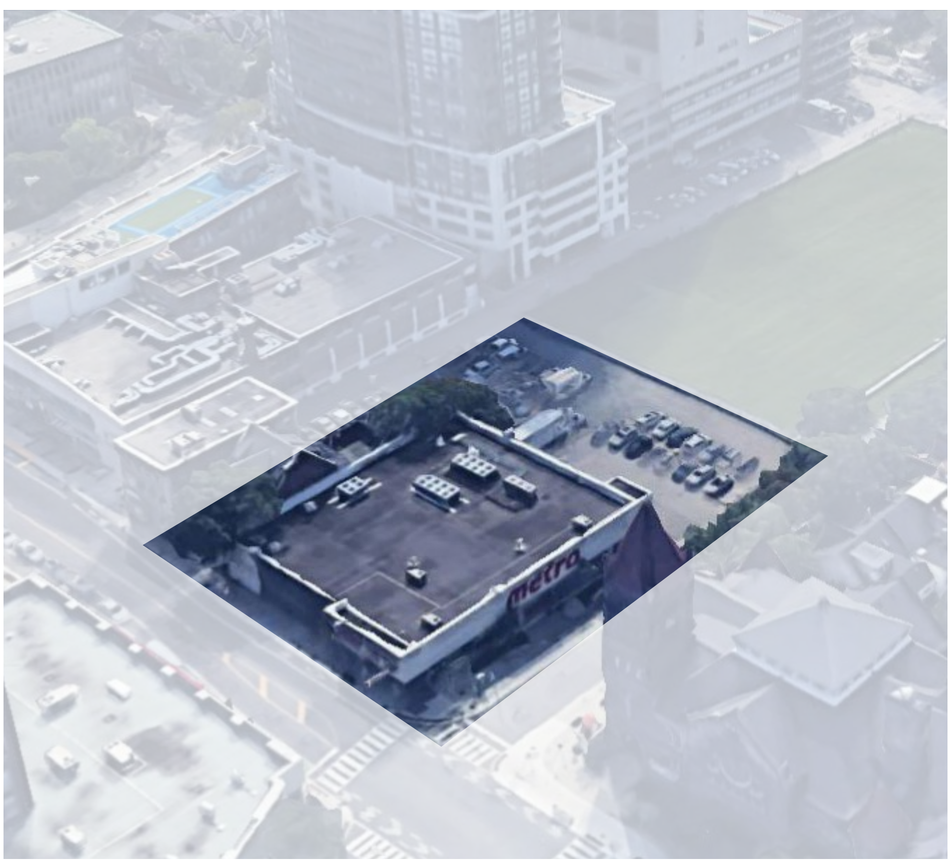

425 Bloor St. W

Spadina/Bloor Intersection

In this development scenario, the generated massing transforms the single-storey Metro grocery into a mixed-use development. It is a high-development potential site near the Spadina subway station.

Owner:
Metro Grocery Store

Existing:
1-storey grocery store, 1,350 m²

Development Scenario:

- Residential: 8,986m², 130 units
- Commercial: 1,361m²
- Amenity / Community: 565m²
- Greenspace: 663m²

Residential breakdown:

- 3+ Bed Units: 27
- 2-Bed Units: 54
- 1-Bed Units: 49

1015 Broadview Ave.

Broadview/Mortimer Intersection

In this development scenario, the generated massing transforms the single-storey Sobeys grocery into two mid-rise mixed-use developments. It is across the road from a 24-storey condominium and adjacent to a existing single-family neighbourhood. Additionally, it is within walking distance to Broadview subway station.

Owner:
Sobeys Grocery Store

Existing:
1-storey grocery store, 2,605 m²

Development Scenario:

- Residential: 8,848m², 130 units
- Commercial: 2,086m²
- Amenity / Community: 543m²
- Greenspace: 1,906m²

Residential breakdown:

- 3+ Bed Units: 26
- 2-Bed Units: 52
- 1-Bed Units: 52

Rethinking Private Land

This study has highlighted how much housing could be developed by intensifying the sites of just 6 major private landholders. This is only an indication of the massive amount of housing that could be built if the many major landowners across the city accelerated redevelopment of their underused properties.

The Red Door Family Shelter is an example of critical social infrastructure built into a creative mixed-use building that otherwise would have remained only for private-use. It is co-located with condominium and retail uses.

Beyond a narrow focus on providing new housing, there is also an opportunity to be more intentional about integrating social purpose land uses into these redevelopment projects, ensuring that communities benefit from the growth and change in their areas alongside investors and incoming residents.

Toronto has a long history and is a global leader in collaborations between private and public or non-profit development partners that result in *creative mixed-use buildings.* These projects create collaborative advantages, with a better outcome than what each partner could have achieved alone. Toronto is replete with innovative examples. In North Toronto, a redeveloped high school is in the podium of a building with two high rise condo towers up above. A new proposed condo on the waterfront will also include a new school on the third floor. In the east end, a midrise condo complex integrates the Streetcar Crowsnest theatre into the main floor of the building, a premier arts and gathering space in the area. Also in the east end, a new luxury midrise condo on Queen Street is co-located in the same building with the Red Door Shelter for women and families. In downtown, the Waterworks project combines a YMCA, residential condos, and a shelter for homeless youth. In the Canary District, the Indigenous Hub is under construction which combines spaces for education, healing, training, and living.

Our studies have shown that forming private, public, and non-profit partnerships can be lengthy and unpredictable, but it can also reap significant benefits. Some include access to previously unavailable land or spaces, an increased project scale that helps subsidize more affordable units, the ability to attract new financing beyond each individual partner, and local support for projects whose density or program could have been controversial. Intentionally exploring creative mixed-use opportunities when redeveloping private properties can be a vehicle to accelerate, co-finance, and generate broad support for projects.

Incentives Towards Affordability

It is clear from this study that the development potential on the lands of these 6 major retailers and other similar sites is significant. The outstanding question is whether the redevelopment of these prime properties will be anything more than a profitable real estate play for their owners?

In the current market and planning regime, the pace of redevelopment will be slow, and the inclusion of larger family sized units and significant community benefits uneven. While the process of intensifying underused retail and commercial sites in Greater Toronto has already begun, there are chain retailers, neighbourhood plaza and mall owners that hold significant real estate portfolios with underused sites in ideal transit-oriented locations. More could be done to redevelop these sites faster and with greater community benefit. At present it is likely that developers will build significant housing on their intensification sites, but the units will be predominantly small in size and targeted at the highest possible market rates for rentals and ownership. Achieving deep affordability and fostering complete communities will require policy alignment and complementary engagement with public, private, and non-profit sectors.

In the future, public policy and a pro-active approach are needed to incentivize private landowners to accelerate the redevelopment of their underused properties with a mix of housing and the integration of facilities like libraries, daycares and recreation centres that provide community benefit.

Potential Incentives:

- Accelerated development approvals
- Density bonuses
- Financial incentives
- Local support
- Create partnership ecosystems
- Investing under an ESG framework

Providing proper incentives

Incentive 1:

Accelerated development approvals

Long municipal approvals processes are a major pain point for developers, adding cost and uncertainty to development projects. An expedited review process can be an effective incentive for projects that deliver affordable housing and other community benefits. The architecture for this type of program is already in place through the City of Toronto's Concept 2 Keys program, which was launched in 2020 to improve the development review process with affordable housing applications given priority. To date the program has approved 1,211 new affordable homes approved by the end of 2021, earning the program a permanent program office within the City Manager's Office. However, with the City's target goal of 40,000 affordable rental and 4,000 affordable ownership units by 2030, the pace is not nearly fast enough.

But as the program's pace grows, there are opportunities to re-evaluate the criteria for applications eligible towards the priority affordable housing development review stream. They may include criteria that encourage partnerships with non-profits that provide critical social services and are more attainable by multi-site owners (such as the bundling of multiple sites towards affordable housing).

Incentive 2:

Density bonuses

Permitting additional density (through extra height, floor space index aka FSI, or lot coverage) greater than the as-of-right zoning is often granted in exchange for public benefits, such as new amenities, open spaces, improved public realm and more affordable units. It is an effective incentive for many city-building efforts in Toronto, where public benefits are negotiated though Section 37 of the Planning Act.

The new Community Benefits Charges (CBC) tool, first introduced in Bill 108 and revised in Bill 197, will redraw the density bonusing system in Ontario. Soon to replace Section 37, the CBC strategy can speed up the development process by outlining the community benefits required for development projects based on the type, size, and location of the proposal. For large private landowners, having a clear expectation of the community benefits at the outset of the project helps tremendously with predicting project costs.

The CBC legislation also caps developer contributions at 4% of the value of the land on the date of the first building permit. It is unclear whether the new system will raise the same amount of revenue as the previous approach. The city's preparation of the CBC strategy should consider ways to incentivize partnerships with public or non-profit partners to optimize the level of affordability and social benefits that can be attained with multi-site development projects.

Incentive 3: Financial incentives

Many creative mixed-use projects benefit from other financial incentives. Municipalities frequently waive development fees for proposals that deliver significant social purpose uses or deeply affordable housing. Additionally, a partnership with a reputable non-profit or public body can give a project access to government funding programs that are unavailable to the private sector working alone. The mix of financial incentives make collaborative partnerships more attractive, increasing not just housing affordability and social purpose space, but the overall viability of a project.

Incentive 4: Local support

Local support, from neighbourhood residents or local politicians, can make or break a development project. In extreme cases, public dissatisfaction prevents a project from ever happening, or causes substantial delays that add costs. In recent years, community opposition to development and intensification has increasingly been branded as reactionary NIMBYism (Not in My Backyard). In response, Yes In My Backyard (YIMBY) movements are emerging to support intensification that creates housing. And the provincial government is targeting policies that require municipalities to encourage intensification and override perceived local complaints against development.

Of course not all opposition to development is inherently NIMBYism. There can be reasonable and warranted critiques about developments that are overbuilt for the site, have low quality architecture and design, spur gentrification and displacement, or do not provide sufficient community amenities as part of the project.

Early and meaningful developer engagement with local communities is key to building trust and resolving differences. And large multi-site private landowners who enter a partnership or co-locate with public and non-profit services have the benefit of providing uses that are highly desired by the local communities and can build support for intensification projects by aligning private interests and community benefit.

Incentive 5:

Create partnership ecosystems

Meaningful partnerships between public, private and non-profits take time and effort to develop. Often times they are complex and risky. In practice, our research shows that to date most intersectoral partnerships to develop a creative mixed-use building were entered into as a last resort because none of the parties were able to achieve their goals for a development on their own.

One way to make collaborations more attractive is to speed up the process and reduce the upfront effort by creating an ecosystem of organizations from multiple sectors that are interested in pursuing inter-sectoral collaborations. At present there is a cohort of public, private and non-profit organizations that have carried out complex creative mixed use building projects and have an openness to collaborations built into their organizations. Within the retail sector, Loblaws in particular stands out as a leading organization in this area, having carried out successful projects like the joint redevelopment of Maple Leaf Gardens with Toronto Metropolitan University (formerly Ryerson University).

Identifying the key players within each sector and creating venues to bring them together provides an opportunity for capacity building, networking, matchmaking, and risk sharing. Repeat partnerships between organizations that have had a successful experience working together is another way to accelerate collaborations and reduce risk.

Incentive 6:

Investing under an environmental, social, and governance (ESG) framework

What is good for business and what is good for the community are not mutually exclusive concepts anymore. Investors are increasingly evaluating REITs and publicly traded real estate industries based on specific ESG-related criteria (2021, Nareit). As a result, REITs and other major corporate landholders are increasingly pursuing real estate investments under an ESG framework. Prominent Canadian REITs that have robust ESG performance standards include RioCan, Allied Properties, Dream REIT and Choice Properties. There is an opportunity to reframe collaborative development projects as a strategy to provide community needs as an ESG goal that already exists in many corporate responsibility statements.

Taking advantage of scale

Large landowners have the advantage of combining multiple sites to help scale-up housing initiatives or provide social infrastructure. In fact, this idea is currently being piloted in Toronto's Golden Mile Shopping Centre (owned by Choice Properties REIT). Alongside the transformation of 19-acres of big box retail into a vibrant transit-oriented community is an initiative by the Centre for Inclusive Economic Opportunity (CIEO) to provide critical social services. CIEO, an umbrella organization of community groups, is able to undertake building projects providing residents with economic opportunity services through a joint venture. With proper incentives, there is potential to speed up these partnership opportunities on smaller private sites that collectively comprise an abundance of land.

Additionally, there is a prime opportunity to optimize scale, whether it be development size or quantity of sites, towards strategies that can offset costs for building the affordable housing that is now required under the IZ policy. The policy has already been criticized for expecting more affordable housing units without providing any meaningful forms of offsets or incentives. In current development practices, it will effectively force market buyers to subsidize affordable units and may even prevent the viability of new projects (BILD, 2021).

International research shows that mandatory inclusionary zoning policies to include affordable housing in developments are more effective than voluntary programs, while the most successful programs have flexibility and include incentives to offset additional costs (Li, 2021). As the IZ policy is rolled out in Toronto, there is an opportunity to pair it with other incentive programs like accelerated permitting, waived development charges and density bonuses where plans for more deeply affordable housing units, larger family sized units, and other community services exceed the requirements.

In moving forward, recognizing the different types of partnership arrangements concerning new development space will be important. Our studies have shown that creative mixed-use projects adopt a diversity of partnership agreements, tailored to suit the needs of each partner. They range from simple arrangements to complex ones including:

- Leasing space to one or multiple non-profit or public organizations under a long-term agreement to ensure affordability (most straightforward agreement)
- Land swaps between two partners where the private partner could benefit from being able to consolidate a larger site for development
- A land severance where ownership for one parcel is transferred to a non-profit or public organization in exchange for increased density permissions
    - This is often effective to support perpetual affordability, where a non-profit housing provider, community land trust, or other organization could own and operate a share of the housing units
- Using strata titles to transfer ownership of housing or service facility to a housing provider or non-profit organization (private sector partner retains land ownership)
    - Mixed-income housing often use strata ownership to help subsidize for affordability

A collaborative future

The future of city-building is collaborative. Partnerships between private, public, and non-profit are becoming ever more necessary to build communities complete with adequate housing and services. There is no question that our cities need more solutions to build complete communities with affordable and quality housing faster, and these vast land portfolios of private owners present a golden opportunity.

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Appendices

Appendix A: Rules Used to Generate Massing

A set of rules referencing existing planning policy, urban design guidelines, zoning by-laws, and characteristics of nearby development activity were used to generate the hypothetical building massing. It should be recognized that the massing generated is unrefined, as it was created solely by the careful crafting of parameters in Esri software. As a result, the building forms do not have the level of design or planning sensibility as a real development application. However, the level of detail achieved through the generated building forms was adequate to carry out the analysis in line with the intentions of this paper.

The following rules were used to generate massing on underused sites owned by Choice REIT, Sobeys Grocery Store, Metro Grocery Store, The Beer Store, IKEA, and Canadian Tire:

1.0 Building Typology

Rule	Reference
1.1 Tall building forms are only envisioned in areas that fall under lands designated "Centres" or "Downtown and Central Waterfront" lands.	City of Toronto Official Plan: Map 2 Urban Structure
1.2 Tall building forms in the lands mentioned in the above rule can only be generated if minimum width and depth dimensions of the lot are at least 42.5m	City of Toronto Tall Building Design Guidelines
1.3 Any site that does not fall within the lands designated "Centres" or "Downtown and Central Waterfront" assumes a midrise form	City of Toronto Official Plan: Map 2 Urban Structure
Note: We did not demonstrate low-rise forms as these would likely not be able to deliver significant affordable housing or have substantial development potential that could attract partners.	

2.0 Setbacks

Rule	Reference
2.1 The setbacks followed the CR zoning setbacks, as it is assumed this will be the rezoning required to permit the mixed-use desired with affordable housing and existing use of the site. Different zoning setbacks were applied depending on the CR standard set that would most likely be adopted based on the CR standard set map for Toronto.	City of Toronto By-law 569-2013 Chapter 40: Commercial Residential Zone, 40.10.40.70 Setbacks City of Toronto By-law 569-2013 Citywide Zoning By-law CR Standard Sets. Retrieved from: https://www.toronto.ca/wp-content/uploads/2017/10/96c3-City-Planning-Zoning-city-wide-CR-Standard-Sets-map.pdf

2.2 If zoning information is not available, use the minimum setbacks needed to support the ideal midrise or tall building form. Tall buildings minimum setbacks • Front podium setback: 3.0m from property line • Side setback for tower footprint: 12.5m from property line, or 3m from a right-of-way for corner lots • Rear setback for tower footprint: 12.5m from property line Midrise buildings assumed CR zoning setbacks • 1.5m stepback from the front above the third storey	City of Toronto Tall Building Design Guidelines, City of Toronto Mid-Rise Buildings Performance Standards

3.0 Building Form

Rule	Reference
3.1 Height For tall building forms, assume the maximum height will match what is within a 800m radius of the site For midrise building forms, the ideal height has a positive correlation with the lot depth, with a maximum height of 34.5m. The way the maximum height allowed was based on the lot depth: • 30m lot depth = 6 storey building • 40m lot depth = 8 storey building • 50m lot depth = 10 storey building	City of Toronto Application Centre – surrounding proposals of site of interest within a 800m radius
3.2 Floor height Assume that the ground floor height is 4.5m and all other floors are 3m	City of Toronto Tall Building Design Guidelines, City of Toronto Mid-Rise Buildings Performance Standards
3.3 Sites hosting multiple buildings • If the building form spans more than 60m in width, a new building on the site can be introduced if the remaining site has the minimum dimensions able to host an additional building form. • Buildings will be separated at a minimum of 10m	City of Toronto Mid-Rise Buildings Performance Standards

3.4 Massing Form and Stepbacks Tall building forms comprise a podium and a tower with the following parameters: • The maximum tower floor plate is 750 sq.m., which will be used if the site allows. The smallest tower floorplate used will be 550sq.m. or 24m x 24m (to ensure circulation can fit properly) • The podium size is more flexible and will take a rectilinear form that follows the setback rules (see 2.0 setbacks) • Tower footprints will stepback 3m from the podium edge Midrise building forms will follow the City of Toronto's Mid-Rise Buildings Performance Standards • For midrise buildings, residential uses (including amenities) are allocated on upper floors (floor 2 and up) with a minimum depth of 11.6m and maximum depth of 25 meters on floors above the third storey • A 45 degree angular will be applied from the rear of the building at a vertical offset of 3 storeys or 10.5m	City of Toronto Tall Building Design Guidelines, City of Toronto Mid-Rise Buildings Performance Standards
3.5 Open Space 18% of the total lot area will be allocated towards outdoor amenity space for sites that have four or more property lines larger than 12m in length For smaller sites where 18% of the total area would make a building size not feasible, 40m² of green space was provided instead For very large sites over 35,000 sq.m., 40% of the lot area will be dedicated towards amenity space (including the 18% listed above), green space, and circulation, including new right-of-ways.	City of Toronto By-law 569-2013 Chapter 40: Commercial Residential Zone, 40.10.40.50 Decks, Platforms, Amenities
Note: There were a handful of sites holding large malls that would likely undergo a masterplanning strategy with new roads, public spaces, and a diversity of building forms in a real development case. The attributes took into consideration whether a site could host more than one building, the separation between these buildings, the amount of open space allocated towards large sites, and the approximate gross area that could be generated but did not consider a comprehensive masterplanning approach.	

Appendix B: Rules and Assumptions used in Calculating Program and Units

1.0 Program breakdown, unit mix and sizes

Rule	Reference
1.1 The residential area of a building was calculated by subtracting from the overall massing the following areas: • 15% of the total massing to be allocated as circulation • Ground floor area that will be allocated towards non-residential uses (i.e. retail, community space, public uses, etc) • 4 sq.m. minimum per unit was allocated towards amenity space on floors above the ground floor	City of Toronto By-law 569-2013 Chapter 15: Residential Apartment, 15.10.40 Principle Building Requirements City of Toronto By-law 569-2013 Chapter 40: Commercial Residential Zone, 40.10.40 Principle Building Requirements
1.2 For residential areas generated, the unit mix and unit sizes were based on the City of Toronto's Affordable Rental Housing Design Guidelines: • 40% of all housing units should contain one bedroom and should be no less than 525 sq ft (48.7 sq m) in area. The average of all one bedroom affordable units will be no less than 590 square feet (55 sq m) (+/- 5%). Bachelor units are not acceptable. • 40% of all units should contain two bedrooms and should be no less than 650 sq ft (60 sq m) in area. The average size of all two bedroom units should be 725 square feet (+/- 5%). • 15% of all units should contain three bedrooms and should be no less than 900 sq ft (84 sq m) in area. The average size of three bedroom units should be 1000 square feet (+/- 5%). • 5% of all units should contain four bedrooms and should be no less than 1100 sq ft (102 sq m) in area. The average size of all four bedroom units shall be 1175 sq ft (+/- 5%)	City of Toronto Affordable Rental Housing Design Guidelines

1.3 In determining the proportion of units that will be affordable, the requirements in the City of Toronto's Inclusionary Zoning Policy were considered. The requirements varied based on geography (Inclusionary Zoning Market Areas). The requirements will also increase upwards to 22% of residential gross floor area as being affordable units by 2030. To note, the IZ policy does not apply for purpose-built rental. Due to the difficulty of calculating an accurate representation of affordable units that could be delivered, we allocated 10% of the residential gross floor area as a conservative estimate of the space allocated towards affordable units.	City of Toronto Inclusionary Zoning Policy

Appendix C: Suitability Analysis Criteria

The following are criteria that if met, make a site more favourable towards development. For our study, we considered sites that met 3 or more criteria as high development sites.

Zoning

- Existing zoning that supports densities or heights for midrise and up, including height allowances for around 6 stories or 19.5m
- Existing zoning designations that already support mixed-use residential and commercial:
    - Commercial Residential
    - Commercial Residential Employment
- Zoning with a minimum FSI allowance of 1.5

Surrounding Development

- Surrounding development proposals within 800m that had been approved for midrise or high density buildings

Lot Dimension Minimums

- Minimum depth of 30m x 30m (based on midrise guidelines)

Proximity to Transit

- Proximity to transit and proposed transit within 800m, including proposed transit stations;

Neighbourhood Improvement Areas

- Neighbourhood Improvement Areas was also used as a criteria where there may be a higher need for the social infrastructure unlocked by development