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RESEARCH MODELS HOW NEW HOUSING CAN BE BUILT AT CHAIN STORE LOCATIONS

FINDING NEW USES FOR RETAIL

Rahul Gupta

A new report makes the argument that existing retail shopping space within the City of Toronto can be utilized to create tens of thousands of new housing units and address the city's ongoing affordability challenges.

Entitled Rethinking Retail Land Portfolios: How to Grow Housing Supply, the report is a co-initiative from the **Infrastructure Institute at the School of Cities, University of Toronto** and geographic data mapping company **Esri Canada**. Through the application of Esri's mapping software, the report concludes that it is possible to create 68,576 new housing units in Toronto–potentially 10 per cent of that number designated as affordable housing–on "development ready" land that is currently utilized solely for retail and associated uses such as surface parking.

For the study, researchers examined existing store locations of six well-known, privately-owned retail brands that own or occupy significant real estate in Toronto–Loblaws, Sobeys, Metro, IKEA, Canadian Tire, and The Beer Store–mapping out exactly where the new housing, mostly one bedroom but also family-sized larger units, could potentially be located. While the **City of Toronto** through its Housing Now initiative is seeking to build thousands of new affordable housing units on publicly-held land, the report finds that there is a chance to develop partnerships with private sector companies that could help deliver on that commitment.

"We've always thought the private sector, particularly players with large land portfolios, has yet to be mobilized in a manner that can help deliver housing and critical social services at scale, especially since many have started redeveloping their underutilized sites," Infrastructure Institute urban design associate and report co-author **Sarah Chan** told *NRU*. "These typically describe single-storey retail sites surrounded by

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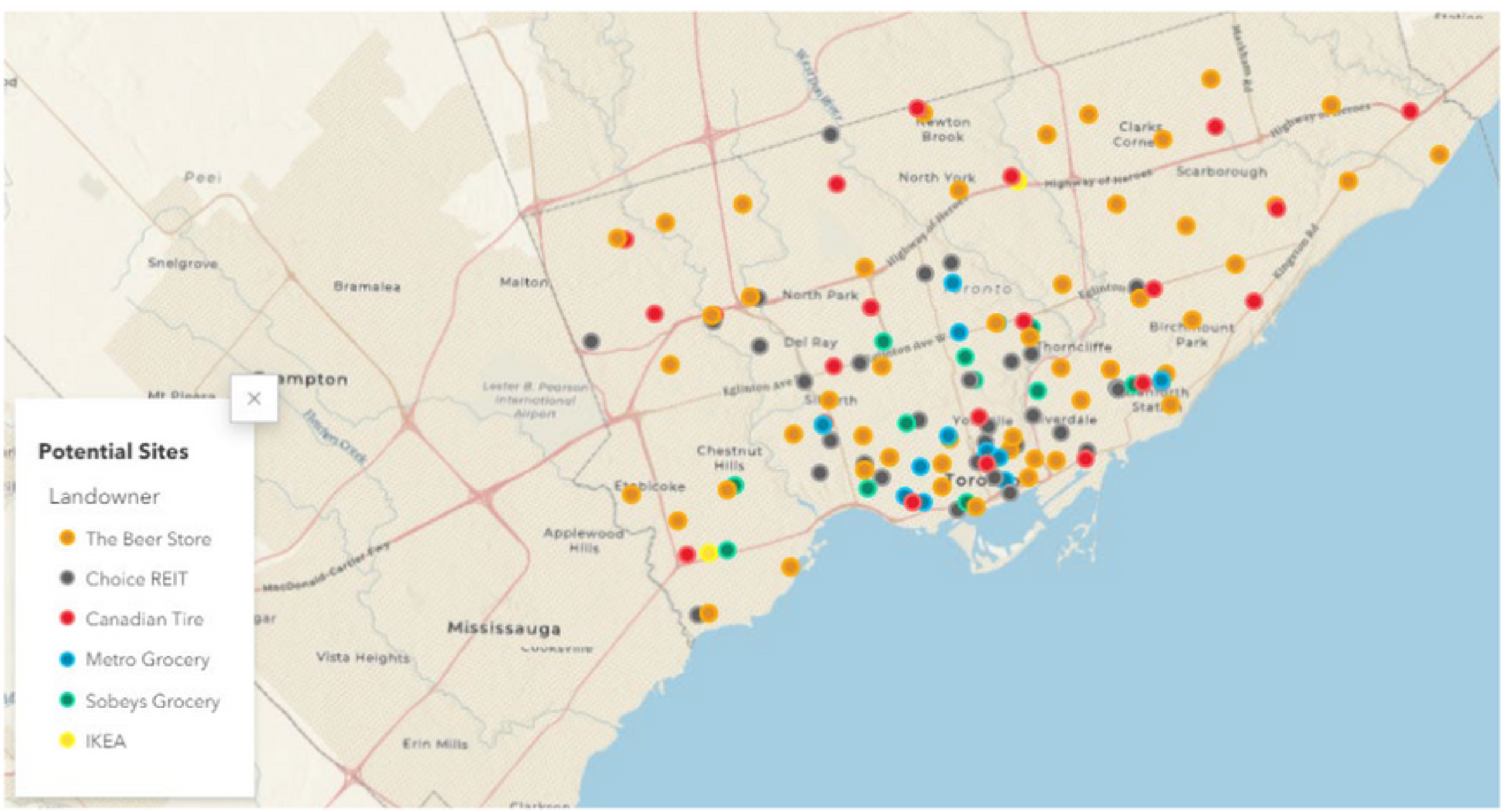

Map of 65 retail chain store locations identified in a recent report from the Infrastructure Institute at the School of Cities, University of Toronto and Esri Canada. Utilizing mapping software, the report finds that nearly 69,000 new units of housing could be built at sites which are currently occupied by retail store operations.

SOURCE: UNIVERSITY OF TORONTO

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surface parking in proximity to transit."

"Through having informal discussions with Esri's team, we realized there was an opportunity to work together and explore the potential of this idea, leveraging the powerful automation functions in [Esri Canada's] ArcGIS software."

According to Chan, the study deliberately focused exclusively on private landowners operating multiple locations across the city, with additional criteria, such as the presence of surface parking lots or proximity to public transit, to identify specific sites. Owners of single location retail properties as well as strip mall locations were not included. Out of the 65 sites identified in the report, the researchers determined 64 of them would be best suited for mid-rise development. Just two sites would be considered appropriate for high density buildings, even adjacent to where tower development has already been proposed.

"Ultimately, the six retail chain locations were chosen to be illustrative of a larger pool of eligible candidates," Chan told *NRU*. "Six other retail chain locations would also generate significant development potential, though it would vary in the number of units and amenities delivered."

Housing Now TO researcher and advocate **Mark Richardson** is intrigued by the study's findings on the potential of placing housing at chain store locations and pleased to see attention paid to both the housing mix and unit types. Richardson has long called on the City of Toronto to be bolder in approving development that promises affordable housing. But he doubts that it is possible to build the level of affordable housing as envisioned at the densities examined in the report.

"It's financially impossible to do family-sized affordable units at any kind of quantity if you're saying that we're only going to build mid-rise," Richardson told *NRU*.

"Construction costs are increasing. Interest rates are increasing. We're seeing affordable housing projects that are 10 storeys tall that are being put at risk or maybe even going to be cancelled."

Chan says it was too difficult to calculate the specific amount of affordable housing that would be possible site-by-site. Instead, the report applies a 10 per cent

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Graphic showing a site at Broadview Avenue and Westwood Avenue where it could be possible to build new mid-rise housing units. The site is currently a Sobey's grocery store location. The site was identified in a report mapping retail addresses in the city that could be redeveloped for new housing.

SOURCE: UNIVERSITY OF TORONTO

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"benchmark" that reflects the higher-range requirements of the City's existing inclusionary zoning (IZ) policy for affordable housing requirements.

"That 10 per cent would have likely met the higher-range requirement in the IZ policy's immediate zoning rate period (September 2022-December 2024) and the lower-range requirement by 2030," Chan said.

The amount of housing supply available remains a chief concern across the county. According to a report released by the **Canadian Urban Institute** in June on behalf of the federal government's National Housing Council, 62 per cent of respondents that took part in recent consultation sessions indicated the current national housing strategy has failed to address supply and overall stability in the real estate market. Another 54 per cent believe the housing strategy is failing individuals with the greatest need of affordable housing. Respondents, which were made up of some 200 private and non-profit housing developers and providers and other stakeholders, identified "financialization", speculative investment in housing for the purpose of profit, as having a disproportionate impact on the ability to create affordable housing.

While the development of underutilized retail properties to create mixed-use housing is hardly new, the scale of mapping utilized in the Rethinking Retail report presents exciting opportunities for city-builders in identifying privately-owned sites where redevelopment is most possible, Chan says.

"What stands out to most people is the visually striking [map] we created to accompany the report," Chan said. "The technology can really help people visualize and experience the potential for development."