

EXECUTIVE SUMMARY

This report has been produced in conformity with the requirements for the degree of Master's of Urban and Regional Planning at Queen's University. The purpose of the report is to examine the recent office conversion phenomena in the city of Toronto and to explain the planning processes and application/approval procedures, as they differ from standard development applications. Based on the projects studied, and the information obtained from the City planning department, conclusions and recommendations were formulated for consideration by key players.

The main body of the report concerns four conversion projects in the City, their application and approval process, and a description of each project. Questions that are addressed include; why the conversions are taking place, how they are being done, and why developers are becoming interested in conversions. The approval process for conversions has been streamlined compared to regular developments, and the question of why the City planners streamlined the process is pursued.

The City of Toronto wants to encourage the conversion of office space to residential use for a variety of reasons. Conversions are an excellent option for vacant office buildings in the downtown core, as they reuse the buildings and create more residential areas. The previous options for vacant commercial buildings only included renovation and upgrades to attract new office clients, or demolition of the building and creation of a surface parking lot. Both of these options were once viable, but conversion meets the goals of the Official Plan, including maintaining activity in the core.

Renovation and upgrades are no longer a viable option because there are many newer 'A' class buildings available for similar costs, as a result of overbuilding prior to the recession of the early 1990's. Parking lots are still an option, but the increased numbers of vacant buildings, if torn down, would leave the core desolate and unattractive.

A literature review was undertaken to obtain most of the background information pertaining to conversions, including where they have been done before and the planning rationale behind conversions. In addition to the literature review, six personal interviews were conducted with key players in the conversions field. These people included one lawyer, four developers and a planner at the City of Toronto. The information presented in Chapter Four is based on these interviews.

Upon examination of the four projects, it is apparent that developers must do more in-depth studies prior to undertaking a conversion. There are four areas identified as requiring more study prior to conversion. They are; feasibility, marketing, building selection, and approval requirements of the City. Each of these topics is covered in Chapter Five.

It was also concluded that some refinement of the approval process is required on the City's end. Although the City has been praised by the developers for their expediency, there are still a few issues of concern. First, the City is approving conversions within approximately 10 weeks, and 14 projects are already through or in the system. Since conversions have not been done on this scale in the City before, planners should be paying close attention to the completed conversions, and determining whether any of the issues brought up by the public come to bear, for

example traffic congestion. Another area of concern is the provision of social services. Depending on the purchasers of the converted units, a variety of services will have to be installed or upgraded for increased use. The third issue pertains to affordability. The City has set a clear range within which the units should be priced, and many units far exceed this range. The final concerns is with the actual number of conversions being permitted and whether there is a maximum capacity for conversions. How long will the City permit conversions? Market forces and the number of suitable buildings will restrict the final amount.

Based on the four projects examined, and the above conclusions, it is recommended that both developers and city planners re-examine their current thinking about conversions, and modify the processes accordingly. The new-found level of co-operation between the developers and the City can only continue to improve the process of converting office space to residential use.