

# Reusing Older Industrial Areas: An Effective Tool for Providing Affordable Market Housing for Families in the City of Toronto<sup>1</sup>

## Issue and Questions Addressed

Very little of the abundant new housing which has been built in the city of Toronto over the past decade consists of ground-oriented homes for families with children living at home.<sup>2</sup> A legitimate concern for the city is that many of today's young singles and couples who live in the rapidly growing stock of smallish high-rise condominium apartment units will be unable to afford to buy ground-oriented homes in neighbourhoods with family-centred amenities within the city when they decide to have children. Instead, they will migrate to the "905" area code districts which surround the city where housing is more affordable. This means that people who are employed in the city will have longer commutes and that there will be added pressure on the city's finite transit and road capacity.

There has been much discussion about introducing more family-friendly accommodation into the central parts of the city by requiring the developers of high-rise condominium apartments to include a specific number of three-bedroom units in their new buildings. This is unlikely to make much of a dent in the growing requirement for more family-friendly accommodation since the numbers of units to be provided will be small and, most likely, expensive. Nor will it satisfy the underlying preference of many families for ground-oriented accommodation in complete communities that provide amenities like schools, parks, and community centres.

This commentary examines a new community which was recently created in the former City of Scarborough on former industrial/commercial lands – the Warden Woods community.<sup>3</sup> The Warden Woods lands consist of approximately 68 hectares of land

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1. This Policy Commentary is based on a forthcoming CUR research report "Warden Woods: A Case Study of Building Affordable Market Family Housing on Former Industrial Lands." Dr. Frank A. Clayton, Senior Research Fellow, CUR is the author with the assistance of Zach Youngerman, Researcher. The opinions expressed in this Policy Commentary and the research report on which it is based are those of the author only and do not represent opinions and views of either CUR or Ryerson University.

2. Ground-oriented housing consists of single-detached, semi-detached/duplex, townhouses and low-rise apartment dwellings in buildings with less than five storeys.

3. What used to be called "industrial areas" are now labelled "employment areas" by planners in Ontario. Employment areas refer to suburban office parks as well as traditional industrial areas. The term "industrial area" is used here since the older employment areas in the city, at their prime, were full of traditional industrial activities (e.g., manufacturing, wholesaling, and storage).

located on the east side of Warden Avenue, extending from north of St. Clair Avenue to Danforth Road on the south.

The commentary addresses a number of questions pertaining to this new community and the opportunities for building more communities of this type on older, lower quality industrial lands in the city: What sparked the development of the Warden Woods community? What kinds of housing have been built there and at what prices? Who lives in Warden Woods? What are the opportunities and constraints to the creation of more communities like Warden Woods in the city of Toronto?

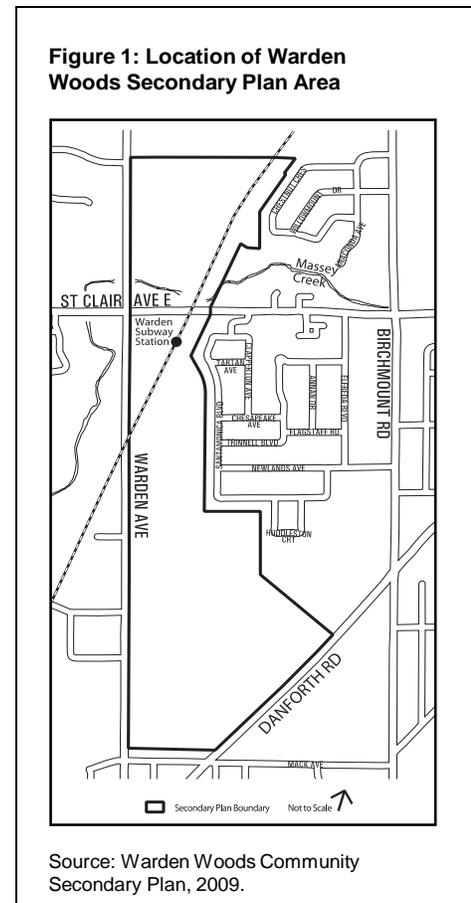
## Planning and Development Story: Warden Woods Community

The Warden Woods lands were part of a much larger industrial area in southwest Scarborough which had been developed after World War II to accommodate largely manufacturing activity. Beginning in the late 1960s, the area began to transition to other employment activities, including the first campus of a school that became known as Centennial College (in a former industrial building), and a large new shopping centre.

The Warden subway station is situated at Warden Avenue and St. Clair Avenue East. In the 1960s, this was the eastern terminus for the Bloor Street subway line and extensive parking areas were built to accommodate driver-commuters. When the subway was extended to Kennedy Road in 1980, the surface parking areas became excessive for the demand at the Warden station.

The prospect for redevelopment of the parking lots at the Warden station was a spark for the ultimate redesignation of lands along Warden Avenue. The Province of Ontario cut funding to the Toronto Transit Commission (TTC), an arm of the City of Toronto, in 1997. The TTC put together a task force to look at the sale or redevelopment of surplus property, including the parking lots at the Warden station, in an effort to generate revenues.

Around the same time, a number of firms, including Beckers Milk and Centennial College, began leaving the area. The vacant or underused parcels of land which were left were attractive to residential developers because of their proximity to existing residential neighbourhoods, community facilities, and the Warden subway station. The Goldman Group and Mattamy Homes, among others, recognized the potential for profitable redevelopment.



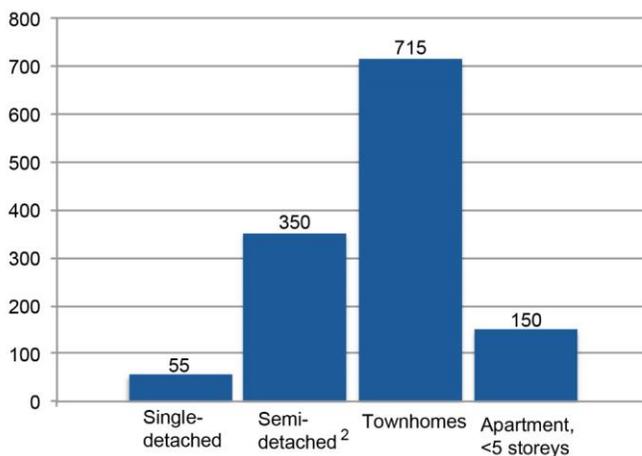
The then new Official Plan adopted by City Council in 2002 prioritized transit-supportive development. The city retained a consulting team led by Planning Alliance to establish a policy framework for comprehensively developing the area around the Warden subway station. The consulting team recommended that a mix of housing, including higher densities adjacent to the subway station be built on the Warden Woods lands with mid-rise, mixed-use development along Warden Avenue.

The Warden Woods Secondary Plan was approved by City Council in 2005. The plan called for the provision of a mix of housing types and resident incomes. Higher density development was permitted only on the TTC/City lands adjacent to the Warden subway station. Amenities within the community were to include local retail outlets, parkland, and a new community centre. Existing schools and a major big box shopping node were close by.

## Characteristics of the Community which was Built<sup>4</sup>

Homebuilding on the Warden Woods lands commenced soon after the plan received Council approval. According to the Census of Canada, approximately 1,300 housing units were built and occupied in the community between mid-2006 and mid-2011. As Figure 2 indicates, the single largest component of the new housing has been owner-occupied townhomes with semi-detached dwellings next in importance.

**Figure 2: Increase in Housing in Warden Woods<sup>1</sup> by Type 2006-2011**



<sup>1</sup> Approximated by Dissemination Areas 203482 and 203503

<sup>2</sup> Includes duplexes

Source: Environics Analytics

None of the high-rise units which were permitted on the TTC/City lands have been built.

Over 85% of the approximately 1,300 units were owner-occupied in mid-2011. Median home prices are about the same as citywide averages, despite the fact that newly constructed housing typically costs more than equivalent existing housing stock. The median value of owner-occupied dwellings in Warden Woods in mid-2011 was \$397,511, compared with the citywide average of \$401,400.

## Characteristics of Households Living in Warden Woods

The households moving to Warden Woods between mid-2006 and mid-2011 were mainly younger, more moderate-income families with children at home; many did not have English or French as a mother tongue. The average household income of \$69,592 in mid-2011 was less than the citywide average of \$87,038. Over 80% of the new households were families, which was more than double the citywide average. Also, the proportion of new households which consisted of families with children at home was much higher than the citywide average (74.5% versus 39.5%). Figure 3 (on next page) shows the change in households and families by type.

## The Broader Implications of the Warden Woods Experience

The City's promotion of the creation a new community with a large component of affordable market ground-oriented housing for families has been a success in Warden Woods, and its intentions were realized. The keys to this success include:

- Relatively low land prices which were linked to a mature industrial area which was in decline as an employment area;
- The commitment of City planners and politicians for the redevelopment of an older industrial area to create a new residential community of affordable market ground-oriented housing;
- A subway station in or near the redevelopment area and access to nearby employment nodes via car or bus;
- No permissions for higher density apartments on any of the land parcels owned by private interests;
- Developers who foresaw the redevelopment potential of then industrial/commercial lands for the housing units that have been built in Warden Woods;
- Proximity to an existing residential community where both communities can jointly use existing community amenities which resulted in infrastructure efficiencies.

**4.** Statistics on the housing and demographic characteristics of the Warden Woods community are based on information provided by Environics Analytics, which is part of the Environics group of companies, based on the 2006 and 2011 Census of Canada, and the 2011 National Household Survey. Statistics on the city of Toronto are based on the 2006 and 2011 Census of Canada and the 2011 National Household Survey.

It should be noted that Dissemination Areas 203482 and 203503 encompass an area larger than the Warden Woods Community. In mid 2006, prior to housing in Ward Woods being occupied, there were 400 occupied dwellings in these two dissemination areas. Since Warden Woods accounted for virtually all the new housing built in these dissemination areas between mid 2006 and mid 2011, the changes are representative of the new housing and household types in Warden Woods.

**Figure 3: Change in Households and Families in Warden Woods and City of Toronto, Mid 2006 - Mid 2011**

	Warden Woods Community		City of Toronto	
	#	Percent Distribution	#	Percent Distribution
<b>Change in Total Private Households</b>		%		%
One - family	1,008	77.1	23,585	34.5
Two+ families	66	5.0	-1,500	-2.2
Non-family	234	17.9	46,355	67.7
<b>Total<sup>1</sup></b>	<b>1,308</b>	<b>100.0</b>	<b>68,435</b>	<b>100.0</b>
<b>Change in Total Census Families in Private Households</b>				
Families with Children	882	74.5	8,000	39.5
Families without Children	302	25.5	12,245	60.5
<b>Total<sup>1</sup></b>	<b>1,184</b>	<b>100.0</b>	<b>20,230</b>	<b>100.0</b>

<sup>1</sup> Variables may not add to totals due to rounding.  
Source: Environics Analytics and 2006 and 2011 Census of Canada.

### Current Planning Policies of the City of Toronto Preclude the Future Development of a Community of Affordable Market Housing, like Warden Woods, for Families

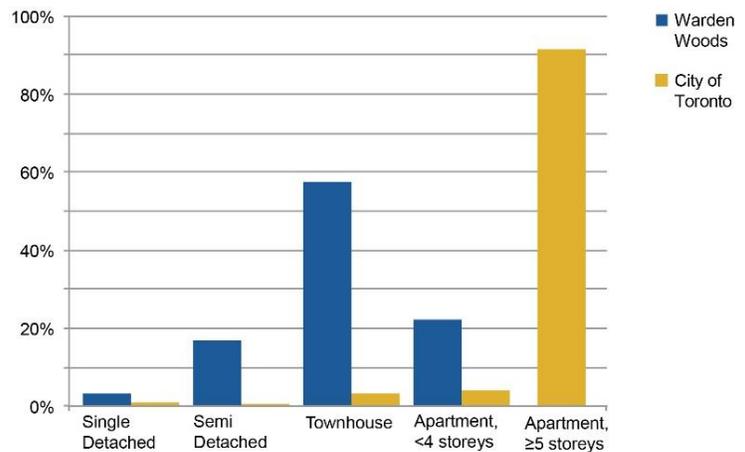
The creation of more communities like Warden Woods on industrial lands is highly unlikely under the City’s current Official Plan policies for lands in employment areas.<sup>5</sup> The policies for the conversion of lands in employment areas (historically referred to as industrial areas) are based on two premises: (1) the city has a finite amount of employment area lands and “the preservation of this limited land area is essential to provide for a diverse local economy and future jobs for future generations”; and (2) “. . . there is no ‘need’ to convert any employment lands for residential purposes to house Toronto’s growing population or to meet the Growth Plan population forecast for Toronto.”<sup>6</sup>

In our opinion, the City’s concerns about maintaining the existing employment land supply is a legacy of previous eras when manufacturing and warehousing operations were a prime driver of economic activity. The main economic driver for the city is now office building employment and office buildings are not being developed on former industrial lands outside the central area. There are opportunities to re-designate older, marginal employment lands without a negative effect on the City’s overall economic base.

While it may be true that the city has sufficient residential lands to accommodate expected population growth, almost all of these lands are intended for higher-rise apartment development. At the end of 2012, for instance, apartments accounted for 92% of all residential units in the City’s development pipeline – only 5% of the units were for townhouses.<sup>7</sup>

As seen in Figure 4, the profile of housing built in the Warden Woods Community is markedly different than that for the city of Toronto as a new whole.

**Figure 4: Percent Distribution of New Home Sales by Type of Unit, Warden Woods and City of Toronto 2006-2014 (Jan. – Sept.)**



Source: Special tabulations provided by RealNet Canada Inc.

5. City of Toronto, *Amendment No. 231 to the Official Plan for the City of Toronto*, accepted by City Council on December 18, 2013 and approved by the Province of Ontario on July 9, 2014.

6. Toronto Staff Report to Planning and Growth Committee dated November 5, 2013, pp. 12 and 23.

7. City of Toronto, *How does the City Grow?* October 2012, [http://www1.toronto.ca/City%20of%20Toronto/City%20Planning/SIPA/Files/pdf/G/grow\\_oct2012.pdf](http://www1.toronto.ca/City%20of%20Toronto/City%20Planning/SIPA/Files/pdf/G/grow_oct2012.pdf).

According to RealNet Canada, more than 9 out of 10 new homes sold in the city of Toronto between 2006 and the first 9 months of 2014 were high-rise apartments. In contrast all 1,449 units sold in Warden Woods over the same period were in buildings of 4 storeys or less with the bulk being town houses and semi-detached dwellings.

The need for ground-oriented homes for families with children living at home has not even been acknowledged as a priority in the employment land analyses undertaken by the City in its review of the existing Official Plan or in Official Plan Amendment No. 231 which Council approved on December 18, 2013.

## Recommendation: That the City of Toronto Give Priority to Creating New Communities Providing Ground-oriented Homes for Families with Children on Marginal Industrial Lands

The re-designation of existing older, low-quality industrial lands to permit the development of new residential communities is a key way for the city to provide a significant quantity of market ground-oriented new housing for families with children. For this to happen, the City through its Council needs to make a number of decisions including:

- Making the provision of ground-oriented housing for families a higher priority than the current policy of maintaining all industrial land in industrial use indefinitely even if it is lower, older, low-quality land with limited prospects for redevelopment for industrial uses;

- Accepting the reality that the city really does not need its stock of lower quality industrial land with its limited redevelopment potential in order to have a bright economic future. Office buildings are the most vital ingredient now, and will be in the future, for Toronto's economic well-being;
- Instructing staff to review the City's industrial land inventory with the purpose of identifying large land areas of 50+ hectares that warrant further investigation as potential locations for new ground-oriented family communities;
- Defining criteria for identifying potential locations for redevelopment as ground-oriented family communities. The criteria could include past history, current state, and expected trends in industrial activity and employment in the area, sizes of land parcels, public or private ownership, potential for minimizing conflict with viable industrial operations, adjacency of existing residential neighbourhoods and available capacity in community facilities such as schools, community centres, recreation facilities, and parks; and
- Using the planning process for the Warden Woods community as a guide for the development of comparable new communities, including measures such as buffering to minimize conflicts with industrial uses that desire to remain. It is very important, in order to keep the underlying land values consistent with affordable forms of lower-density homes, that higher-density apartments not be allowed.

In this way, the City can build on the experience of the Warden Woods community and provide a significant amount of accommodation in market townhouses, semi-detached homes and low-rise apartments which is affordable to a range of families with children at home or families planning to have children.



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