

# ACHIEVING PLANNING GOALS IN A MARKET ECONOMY

## A Case Study of Intensification



Presented by:

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# TODAY WE WILL DISCUSS

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- I. Why Has Intensification Become More Prominent?
- II. Key Challenges to Achieving Intensification Goals
- III. Economic Implications
- IV. Practical Lessons Learned

# I WHY HAS INTENSIFICATION BECOME MORE PROMINENT?

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- Intensification Is a New Name for a Process Around for a Long Time
- Policies Have Had Limited Effect
- New Provincial Initiatives Have More Stringent Requirements For Urban Boundary Expansion

# What Will Municipalities Need to Do?

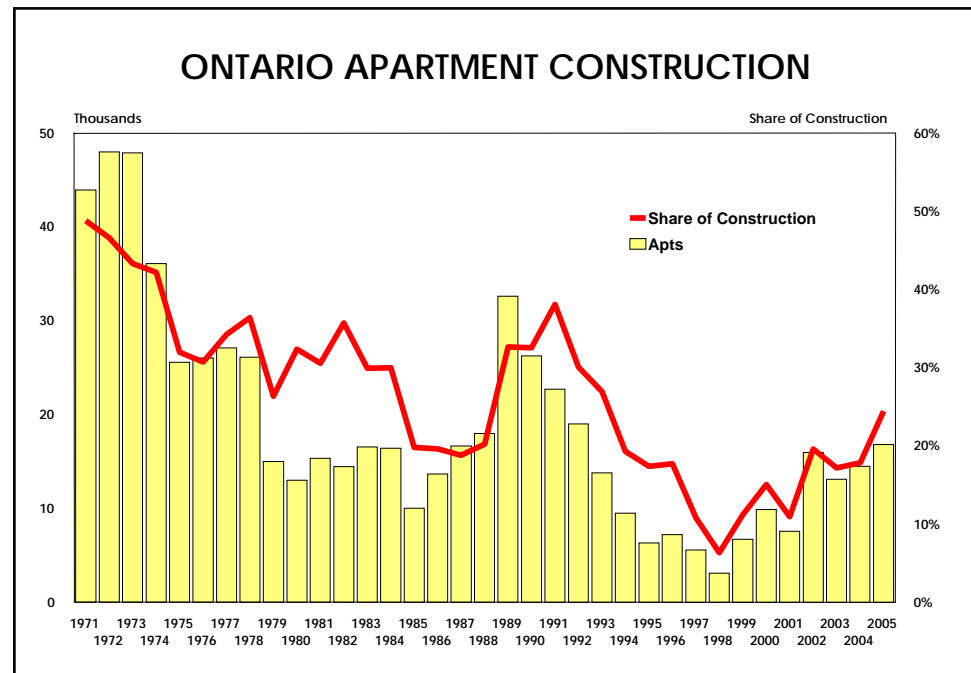
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- Understand that Intensification is Driven by Demand – Not Supply
- Determine Demand Outlook For Various Housing Types
- Address Other Issues:
  - Infrastructure and servicing implications
  - Fiscal implications

# Where Are We Now?

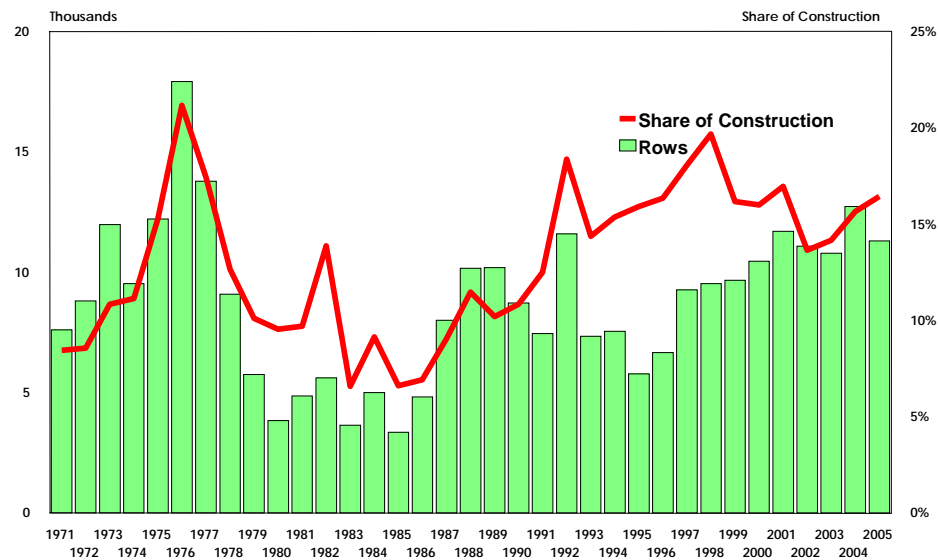
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- Apartment Construction At Its Highest Level In 10 Years
  - However, well below previous peaks



- Share Of Construction In Row Units Has Remained Constant Over The Past 10 Years
  - However remains below peak levels

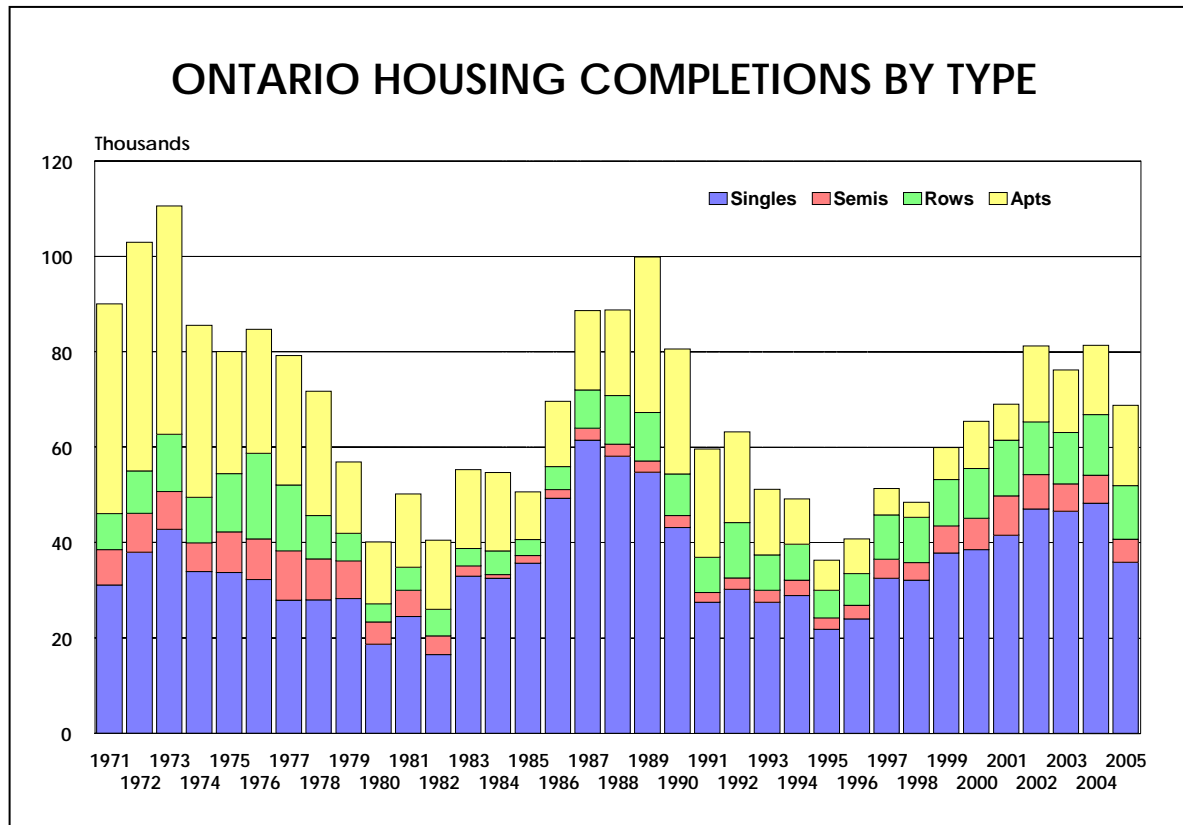
ONTARIO ROW UNIT CONSTRUCTION



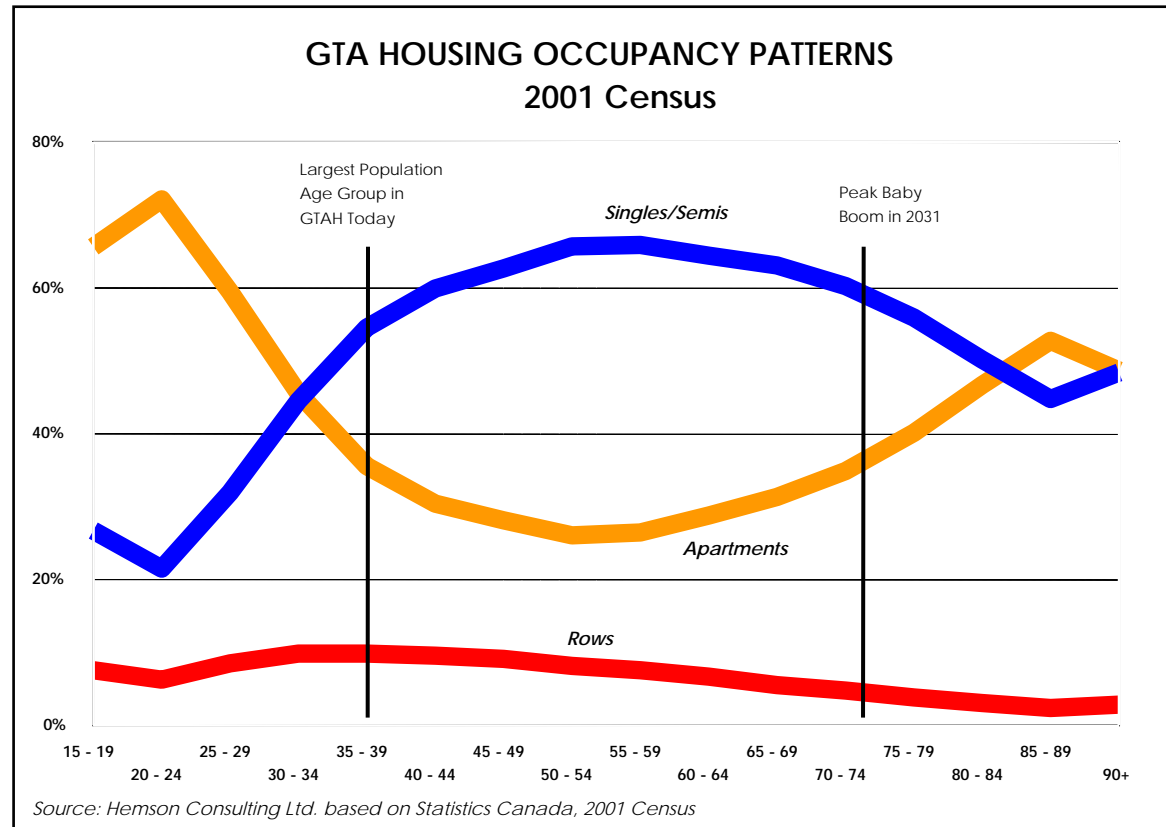
## II KEY CHALLENGES

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### ■ Major Shift In Housing Type Preferences Required



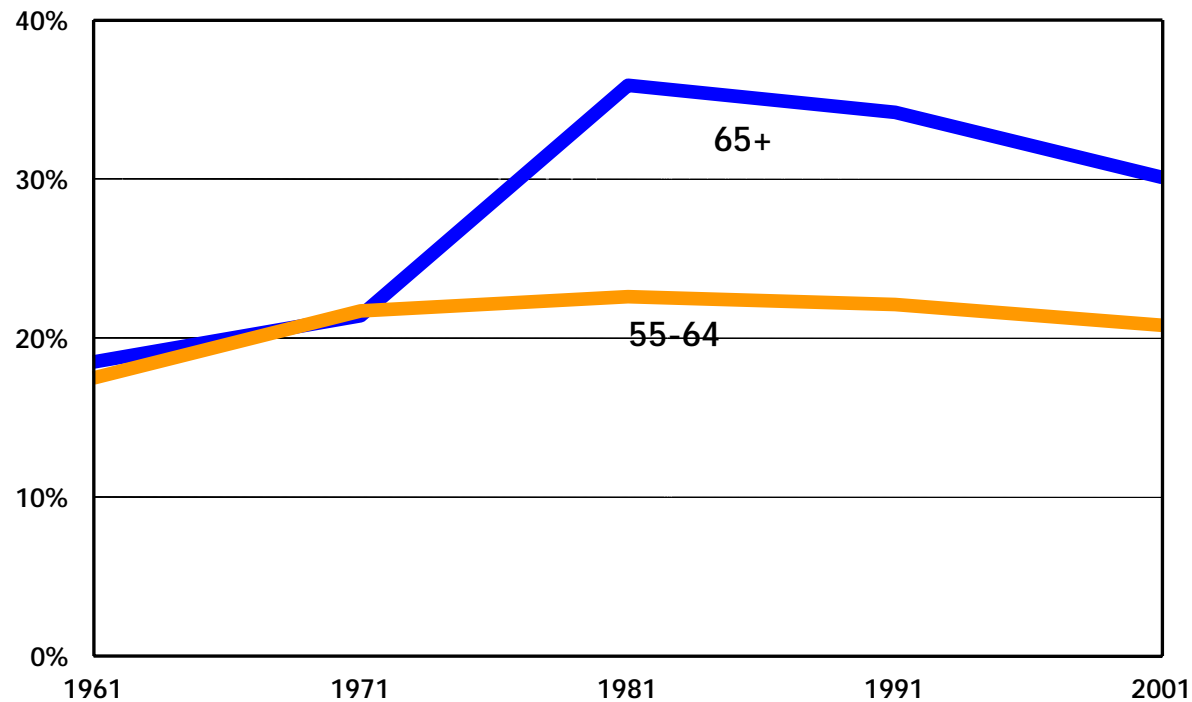
## ■ Cannot Count on Demographic Factors



- Resumption of decline in average household size presents further challenges

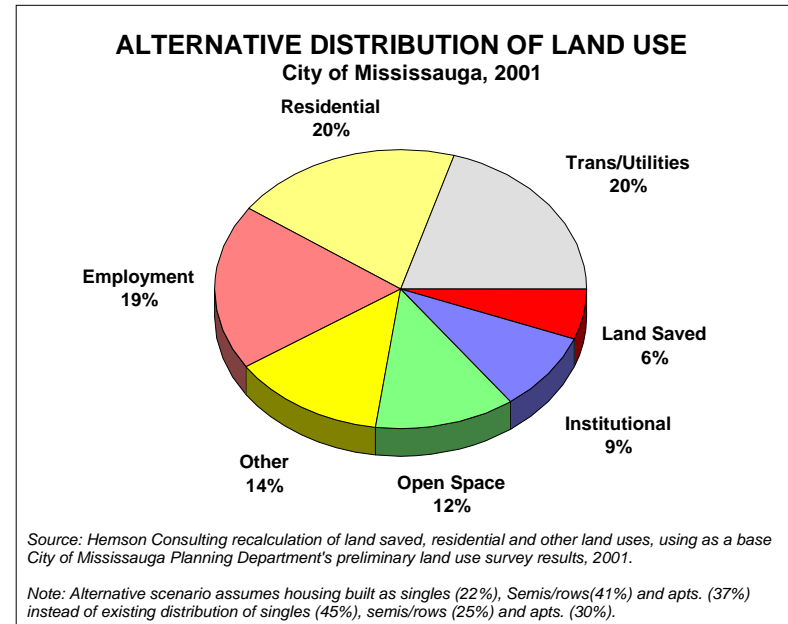
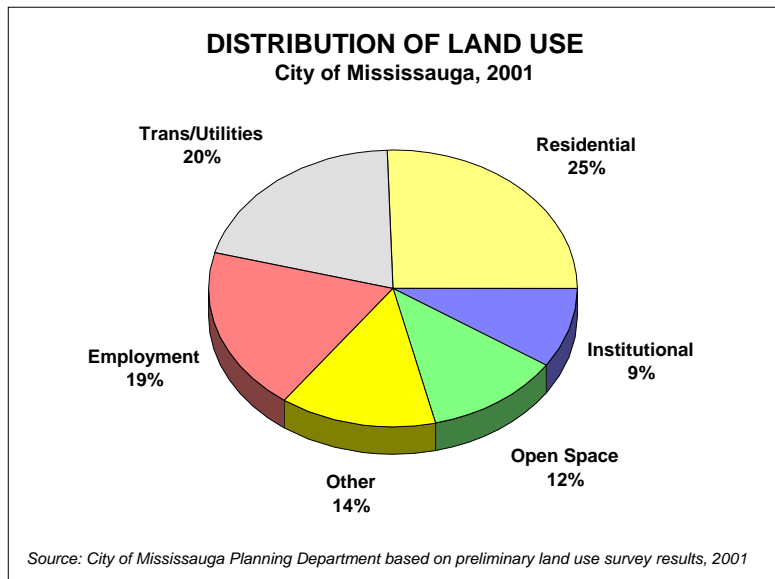
## ■ Housing Preferences of Some Age Groups Not As Hoped

ONTARIO APARTMENT OCCUPANCY PATTERNS  
Age of Household Maintainers 55+

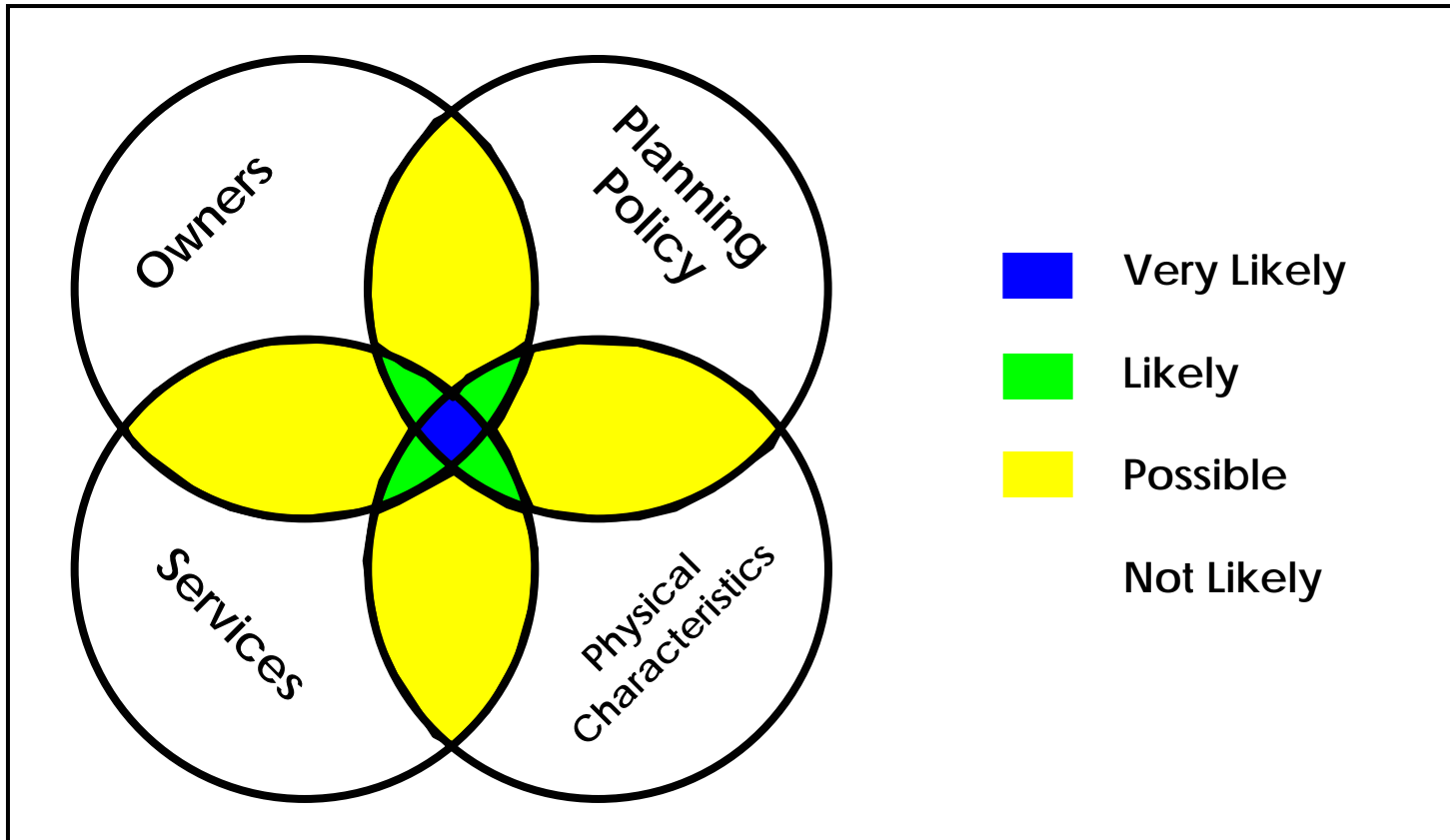


Source: Hemson Consulting Ltd. based on Statistics Canada, Census data

# ■ Limits To How Much Land Can Be Saved Through Residential Intensification



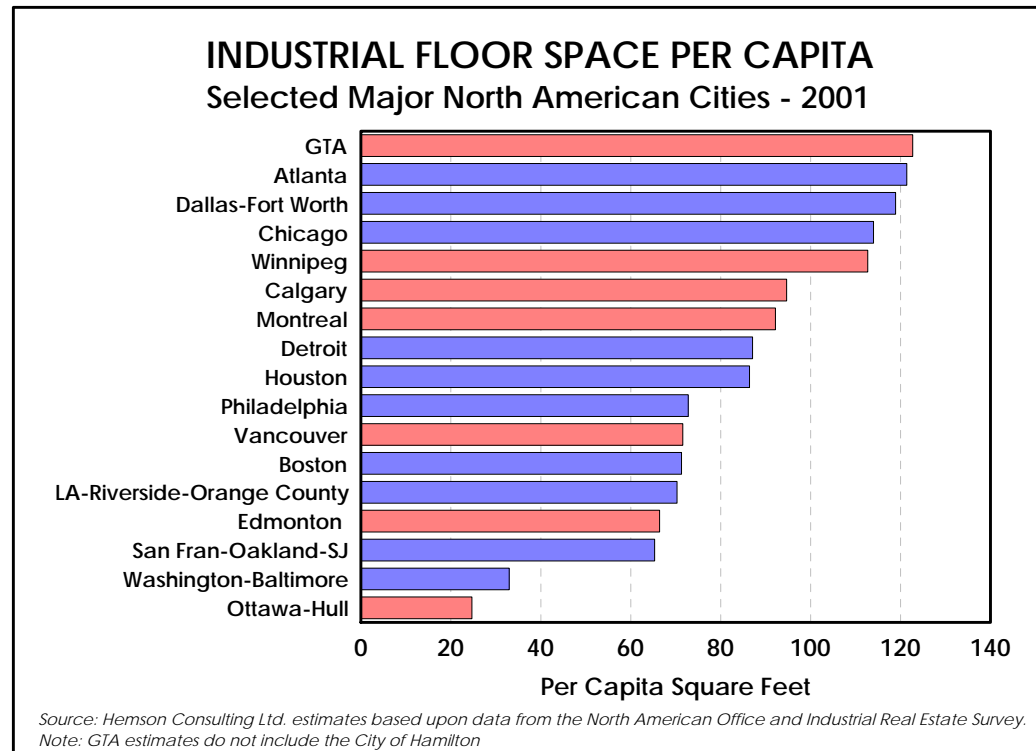
## ■ Achieving Intensification Requires the Convergence of 4 Factors



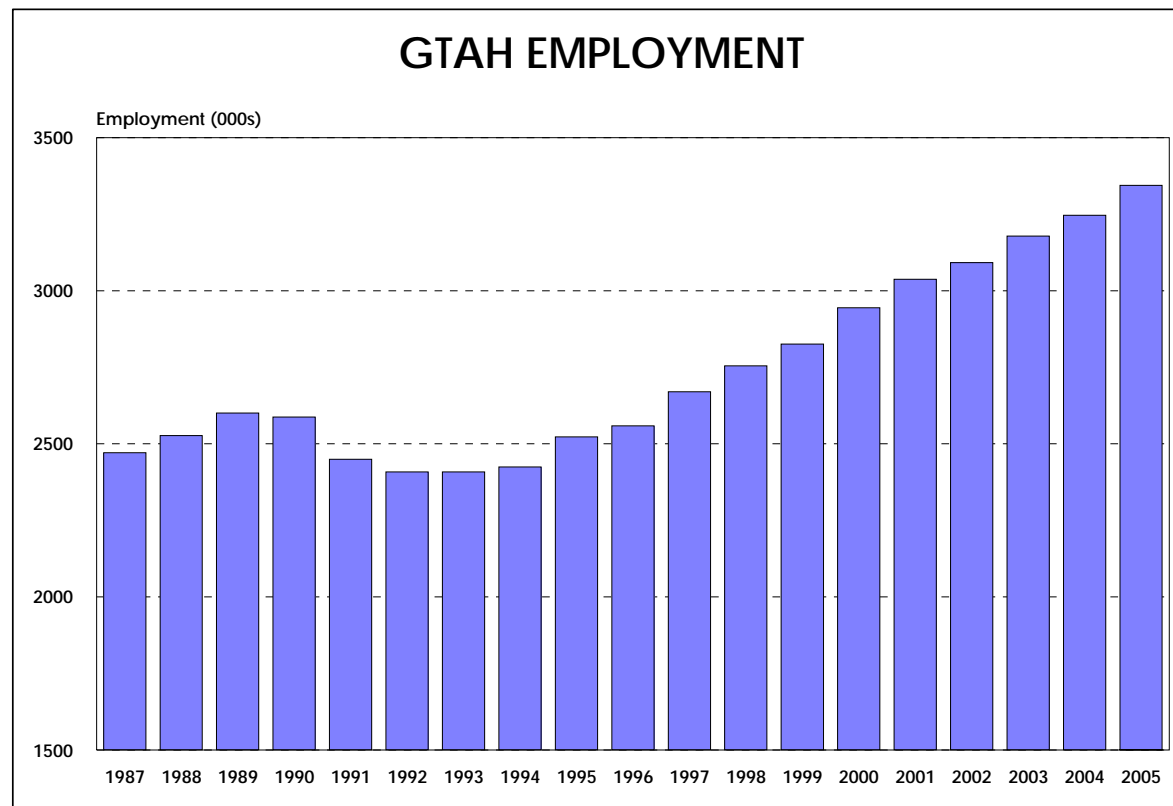
Source: Hemson Consulting Ltd.

# ■ Intensification Potential on Employment Land Limited

- Greater Toronto Area is an industrial economy



- Most employment land uses require low rise building forms with extensive properties
- Planning cannot change real estate economics



## ■ What About Other Employment Uses?

- Only so much market demand for office and retail development
- Current form favours land extensive sites (business parks, power centres)

# What Needs to be Done?

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- **Market Appeal Of Higher Density Living Must Be Enhanced**
- **Investment In Infrastructure – Transit, Parks And Streetscapes To Enhance The Overall Urban Environment**
- **Need To Alter People's Market Expectations For Medium To High Density Living Environments**

### **III IMPLICATIONS ON ECONOMIC OUTLOOK**

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- **How Will Intensification Affect The Amount And Location Of Outflow From GTA?**
- **Where Is Intensification Likely To Occur In The Region?**

## **IV PRACTICAL LESSONS LEARNED**

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- **Its All About The Money**
- **Planning Can't Change The World**
- **The Ontario Municipal Board Is The Fundamental Test Of The Theory**