

The Race for Space

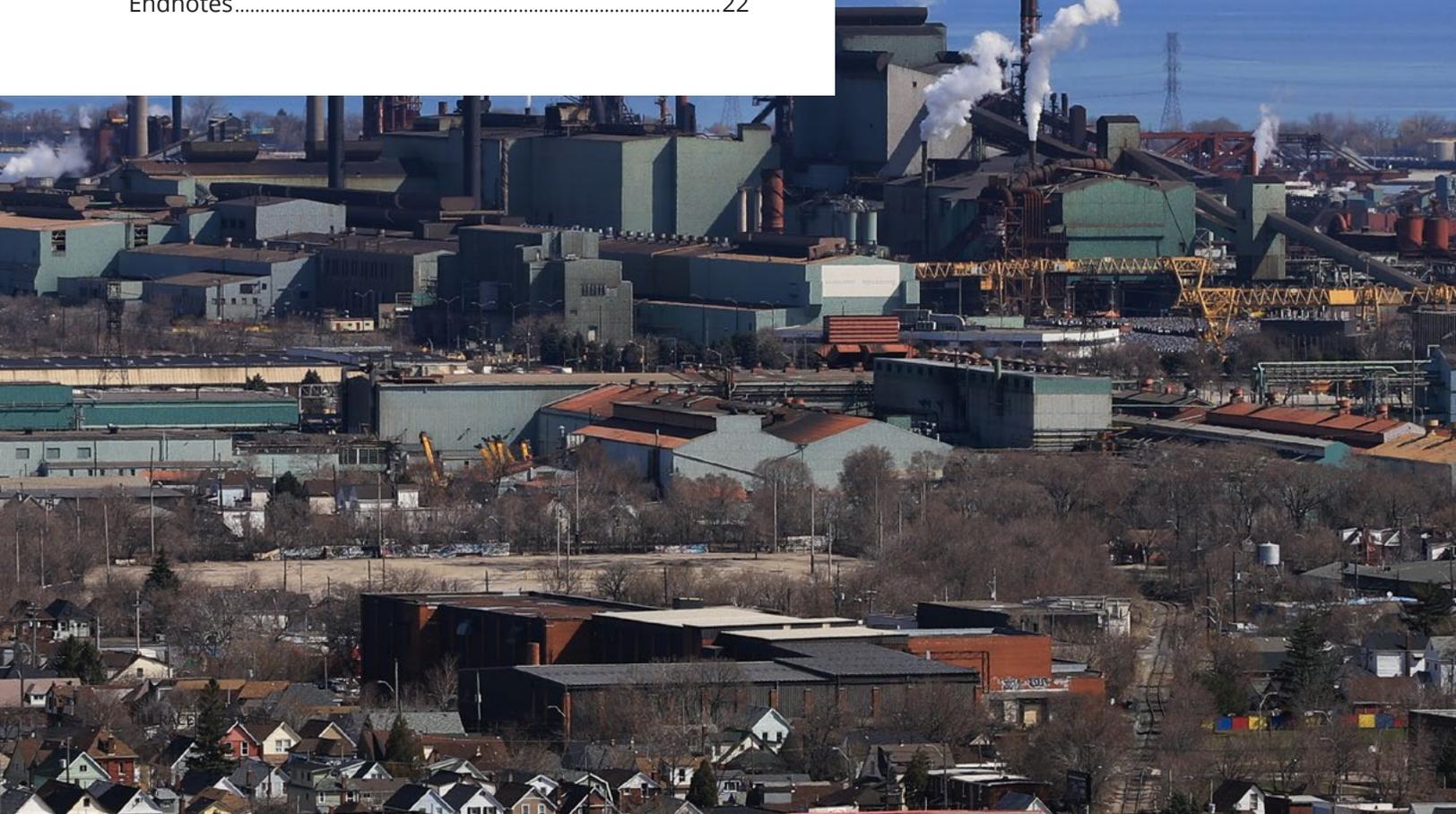
Securing the Future of
Ontario's Employment Lands

NOVEMBER 2023



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Ford Motor Company Office Building at Oakville Assembly Complex. Credit: The Bold Bureau

Introduction

In recent decades, Ontario has lacked a strategic approach to protecting and unlocking the value of employment lands, and the corrosive impact on investment and growth are now becoming evident. These lands have always been crucial for attracting investment and high-value manufacturing, which drive productivity and the growth of export-oriented jobs. This importance only increases as Canada and our region work to rebuild local supply chains in a post-COVID world. Band-aid solutions by successive governments have resulted in a fragmented employment lands planning system where decisions are often made on an ad hoc basis, with little consideration for their broader economic impacts.

Nowhere is this more apparent than in the Toronto region.¹ As one of North America's fastest-growing urban regions, shrinking employment lands and one of the lowest vacancy rates in North America are creating a race for space—between two critical elements of our economy—housing and jobs.

Employment lands in the Toronto region are home to more than 1.5 million jobs, or 40% of all employment in the region.² They provide our businesses with land that is close to talent, markets, transportation, and supply chains—a crucial factor for businesses considering long-term investments in new or expanded facilities.

WHAT ARE EMPLOYMENT LANDS?

Employment lands are areas zoned for industrial, commercial, institutional, and office uses but do not allow housing. This differs from other commercial zones, such as mixed-use areas like downtown Toronto or Mississauga's Square One or suburban malls like Yorkdale and Sheridan, which allow housing.

JOBS IN THE GTA EMPLOYMENT LANDS

1.5M+

40%

of all employment
in the region.²

INDUSTRIAL AND COMMERCIAL AVAILABILITY IN THE GTA

<1%

INDUSTRIAL VACANCY RATE

0.3%

AVERAGE ASKING NET RENT

\$17.09

per sqft.⁴

INTRODUCTION

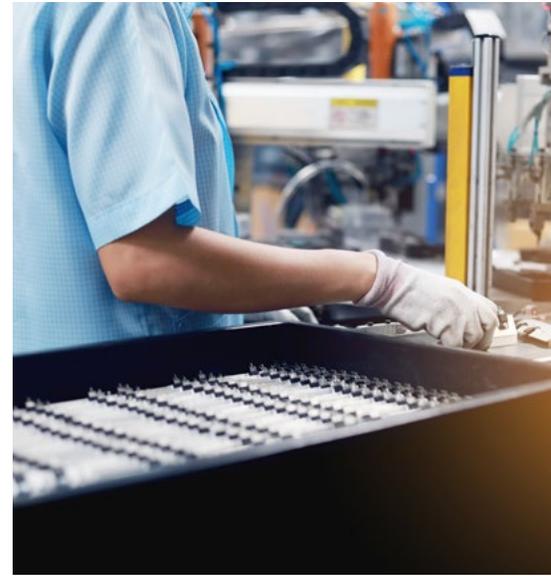
In April 2023, the province introduced a far-reaching set of changes to land use planning policy in Ontario. As one of North America's largest chambers of commerce and a leading voice of business, the Toronto Region Board of Trade (the Board) has concerns these changes will significantly weaken provisions meant to protect critical employment lands and jobs. These changes are likely to increase speculation on employment lands that currently do not allow housing. Resulting conflicts between residents and businesses over noise, traffic, and hours of operation, location of new business, and the expansion of existing businesses – will only exacerbate a worrying trend of high-value Ontario jobs moving elsewhere.

Low availability of suitable employment land makes it increasingly difficult for businesses to invest or expand in the region. Policies that further erode the supply of employment lands will only make this problem worse.

The Board understands the government desire to tackle our housing crisis through changes to employment lands in *Bill 97* and the proposed *Provincial Planning Statement 2023*, as well as last year's *Bill 23* — the *More Homes Built Faster Act of 2022*. The Board has been a consistent advocate for policies that increase housing supply as workers need a place to both live and work. Our efforts include a decade of housing advocacy, and leading an effort in 2022 to enable greater deployment of 'missing middle' housing across the city and ending exclusionary zoning.

However, the proposed changes to employment lands planning policies carry a serious risk of negative consequences. Maintaining a sufficient inventory of employment lands is vital to our economic competitiveness and they are already under intense pressure. Reporting from Colliers, for example, has found that industrial vacancy rates are at a mere 0.3%, of which availability is at 0.8%, even as the price of employment land has tripled to \$17.09 per sq ft since 2010.³ Low availability of suitable employment land is making it increasingly difficult for businesses to invest or expand in the region. Policies that further erode the supply of employment lands will only make this problem worse.

While there is an urgent need to build housing, there is no rush for conversions on employment lands because a shortage of land is not a primary factor holding back the pace for building homes, at least for now.





The Province's Housing Affordability Task Force has already indicated that there is enough land set aside for housing to meet the provincial goal of building 1.5 million homes by 2030 without building homes on most employment lands.⁴

A 2023 City of Toronto analysis has shown that conversion does not always lead to immediate construction of housing. The study found that of the 79 sites in employment areas that have been converted since 2013, only 20 had residential units built on them, and 52% of the remaining sites have already been sold by the owner who requested the conversion.⁵

There is time to develop a more balanced approach to these competing but equally important interests—one that encourages investment, reduces conflicts, and improves coordination across the region. While the recommendations in this report will address immediate issues, it is crucial for the province to develop a comprehensive employment lands strategy, providing a long-term vision and more planning certainty. The pulling together of a coordinated regional inventory of employment lands is a necessary first step.

To meet this goal, the Board recommends the province take **five actions to adjust its current policy approach**:

- 1 Protect and plan the future of strategically important employment lands by continuing and building on existing policy mechanisms;
- 2 Formalize buffers and transition zones for industrial lands with criteria and planning guidelines;
- 3 Include a process to analyze the cumulative economic impact of conversion proposals through a consolidated review process that balances the needs for housing and the economy;
- 4 Identify where housing can potentially be located strategically on employment lands with a view to dampen ad hoc speculation with criteria such as transit, affordability proximity to universities and colleges;
- 5 Create a regional inventory of employment lands and related policies as a first step to underpin a comprehensive employment and industrial lands strategy.



Why Employment Lands Matter

Employment lands provide business with long-term certainty that these lands will be free of speculation - typically associated with residential areas - enabling more long-term business investments and planning.

The province establishes the definition of employment land that municipalities use for zoning. Requests to convert employment lands to allow housing can typically only be made once every five years during a Municipal Comprehensive Review. Nevertheless, in recent years, a number of mid-cycle conversions have been allowed. This led to the introduction of the Provincially Significant Employment Zones which the province initiated in 2019 to limit certain conversion requests. This planning window ensures that municipalities align their official plans with provincial policies. A decision by a municipality can be reviewed, approved, or overruled by the province.

Employment lands provide business with long-term certainty that these lands will be free of speculation - typically associated with residential areas - enabling more long-term business investments and planning.

PROVINCIAL AND MUNICIPALLY PROTECTED EMPLOYMENT LANDS ACROSS THE REGION*

- Provincially Significant Employment Zones
- Other Municipal Employment Lands

Municipal Employment Lands (MELs), which also contain Provincially Significant Employment Zones (PSEZs), are economically significant industrial, commercial, and institutional lands that offer overlapping protections from housing conversions.

ARE ON AND AROUND EMPLOYMENT LANDS ACROSS THE TORONTO REGION

1.5M
JOBS



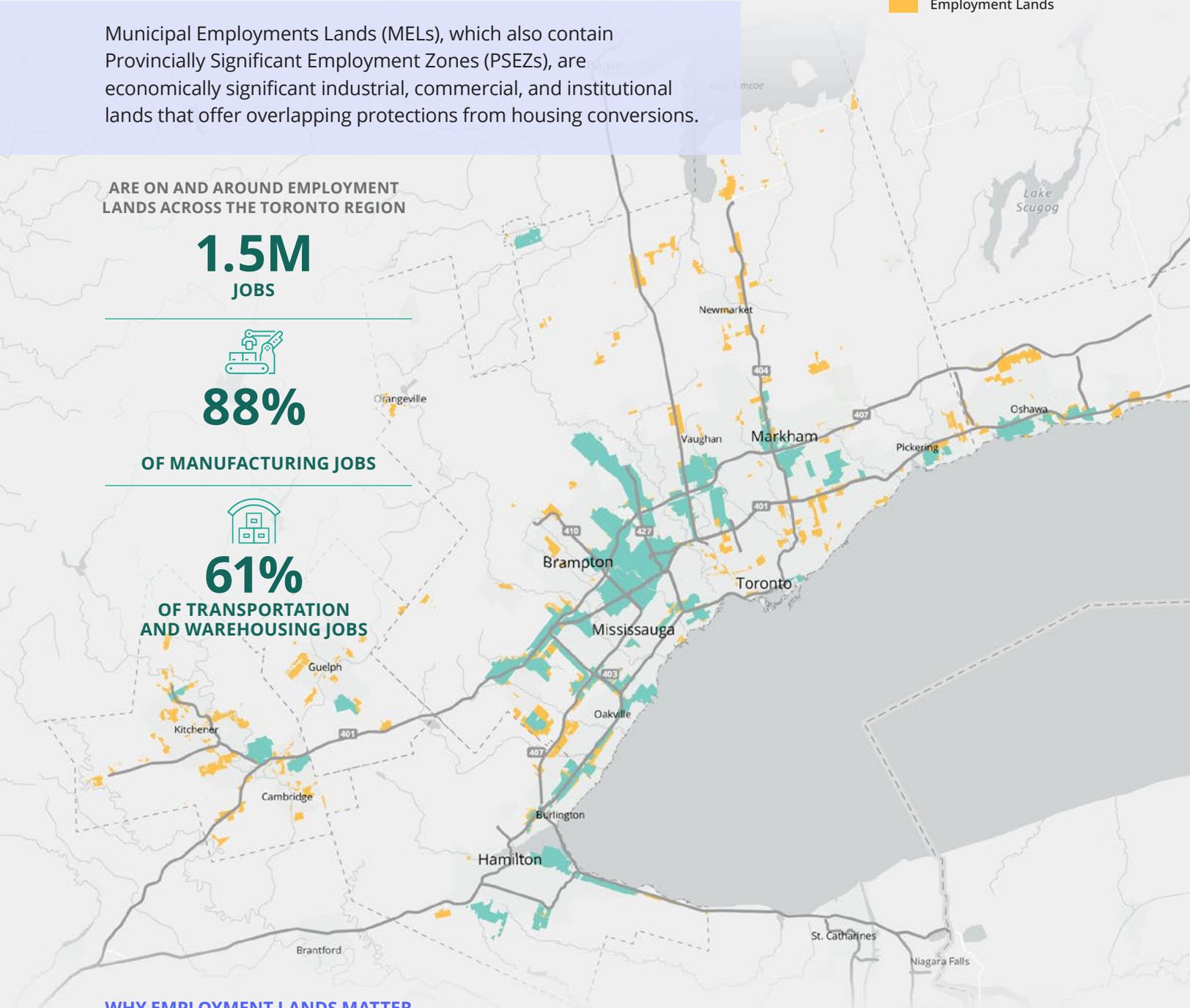
88%

OF MANUFACTURING JOBS



61%

OF TRANSPORTATION AND WAREHOUSING JOBS



WHY EMPLOYMENT LANDS MATTER



Provide a diversified base for a resilient and balanced regional economy



Reduce speculation by providing clarity on what lands are protected



Industrial lands that are close to talent, transportation & market are a finite commodity



Shortage of industrial lands hurts efforts to attract new investments or grow business



As global economy restructures, they provide a base to shorten supply chains through reshoring and nearshoring



An employment lands policy is a building block for an industrial and regional economic development policy



GDP GENERATED ON
EMPLOYMENT LANDS



\$52B

CITY OF TORONTO



\$53B

GTA WEST ECONOMIC
GATEWAY



57%

of jobs on employment lands
in the City of Toronto are in
essential industries



53%

of jobs in the Peel Region
are also in essential industries

Lands that are close to talent, transportation and market are a finite commodity and often the most sought after. A shortage of these lands seriously undercuts efforts to attract new investments or grow business. This is especially true for many industries highlighted for growth in provincial and federal industrial policy, such as auto manufacturing, logistics, biopharma, food and beverage manufacturing, aerospace, and the generation of clean energy.

The Toronto region faces a large and rising productivity gap with competing US Metropolitan areas. Our region's GDP per worker, at \$113,000, is \$72,000 per worker below the average of US peers. Unaddressed, including the availability of employment lands for businesses to locate and expand, this gap is forecast to grow to \$80,000 by 2027.

In short, employment lands are a fundamental building block for a place-based industrial and regional economic development strategy. Their protection is key to our region's economic success.

Proposed Changes: Bill 97 & the Provincial Planning Statement 2023

The backdrop for the provincial decision to overhaul land use planning in the province through Bill 97 and a proposed new *Provincial Planning Statement 2023 (PPS 2023)* is the elimination of *A Place to Grow Act: Growth Plan for the Greater Golden Horseshoe*. These regulations and guidelines have for two decades provided a regional framework and provincial oversight to plan for housing, employment, and infrastructure in the Toronto region.



The proposed changes in PPS 2023, which replaces the *Growth Plan* are wide-ranging but the following will have the greatest impact on jobs and our economic trajectory:

1 REMOVAL OF PROVINCIAL PROTECTIONS

The government has proposed ending the *Provincially Significant Employment Zone (PSEZ)* policy⁶, which aims to protect strategically important employment lands with industry and job concentrations.

2 NEW DEFINITION OF EMPLOYMENT

The province is in the process of implementing a new, narrower definition of employment lands that excludes commercial, office and institutional uses. Because such uses are interspersed through industrial, commercial, and logistics uses on employment lands and are treated as buffers or transition zones between industry and housing, there is the potential for upheaval and loss of employment land supply through increased speculation and land use conflicts.

3 DEVOLUTION OF POWERS

The province is proposing to remove the provincially mandated Municipal Comprehensive

Review (MCR) process. This would mean conversion requests can be made at any time, rather than in specified windows when requests can be evaluated holistically. The end of this limited coordination mechanism increases the likelihood of ad hoc conversions.

4 USE OF MINISTER’S ZONING ORDERS TO IDENTIFY EMPLOYMENT LANDS

In transition documents related to the implementation of Bill 97 and PPS 2023, the province has indicated it intends to use policy instruments such as Minister’s Zoning Orders (MZOs) under Section 47 of the Planning Act to substitute for PSEZs. MZOs allow the province to overrule municipal planning decisions on what it considers employment lands. While they can be effective in individual instances to further specific provincial interests, they are ad hoc and do not provide the certainty around employment lands needed by business.

What’s at Stake

If these measures all come into force as proposed, without clear policy guardrails, the province unintentionally risks imposing a significant constraint on the ability of businesses to invest, grow, and create jobs in Ontario. Worse, it also makes it harder for new businesses to locate and expand, incentivizing continued loss of jobs in the Toronto region. At risk are more than 1.5 million jobs and the base of a diversified regional economy that contributes 25 per cent of Canada’s GDP⁷.



1

RECOMMENDATIONS

Protect and plan for the future of strategically important employment lands

When Ontario created the Provincially Significant Employment Zone (PSEZ) designation in 2019, it was meant as a stop gap measure to stem a growing number of conversion requests to housing – especially those in areas that were deemed strategically important. The designation provided a provincial policy overlay on municipal employment lands. Large lots of land with high economic and strategic importance were delineated. They contain a mixture of office, industrial, commercial, and institutional uses; located near transportation infrastructure and/or with high concentrations of employment.

In 2020, the province announced that work would begin on examining how PSEZs could support post-COVID economic recovery and support the retention and expansion of existing industrial and manufacturing operations as well as finding ways for zones to attract investment.”⁸ The intention had always been to follow up the PSEZ policy with a more strategic approach to employment lands, but this work was never completed. This might have included providing long-term “permanent” protections on strategically important lands; and a comprehensive review of additional municipal employment lands that were not included in the initial 31 designated PSEZs with a view to expanding the number to protect current and future supply. Instead, the PSEZ policy is to be completely withdrawn from planning regulations.

“Industrial and manufacturing facilities (...) that exist within those zones need protection and the government should proceed cautiously to ensure new policy direction doesn’t conflict with the objectives of maintaining these lands in a condition that supports existing industrial uses and helps attract new critical investment opportunities.”

- General Motors of Canada submission to Environmental Registry of Ontario (ERO) on proposed policy changes for employment lands



In submissions to the Environmental Registry of Ontario on the proposed changes to land use planning, municipalities and businesses have expressed concerns about the need to protect strategically important lands and the unintended consequences of the proposed provincial policy changes. For example:

- Sanofi Canada wrote, “It is recommended that the integrated provincial policies provide for clear protection within PSEZs, not only against conversion to non-employment uses, but also for protection of existing facilities against the introduction of uses that could limit the ability to not only operate but also to expand in the future.
- General Motors of Canada wrote, “PSEZ support industrial development, investment, jobs and economic growth in the province. Industrial and manufacturing facilities such as GM Canada’s automotive facilities that exist within those zones need protection and the government should proceed cautiously to ensure new policy direction doesn’t conflict with the objectives of maintaining these lands in a condition that supports existing industrial uses and helps attract new critical investment opportunities.”

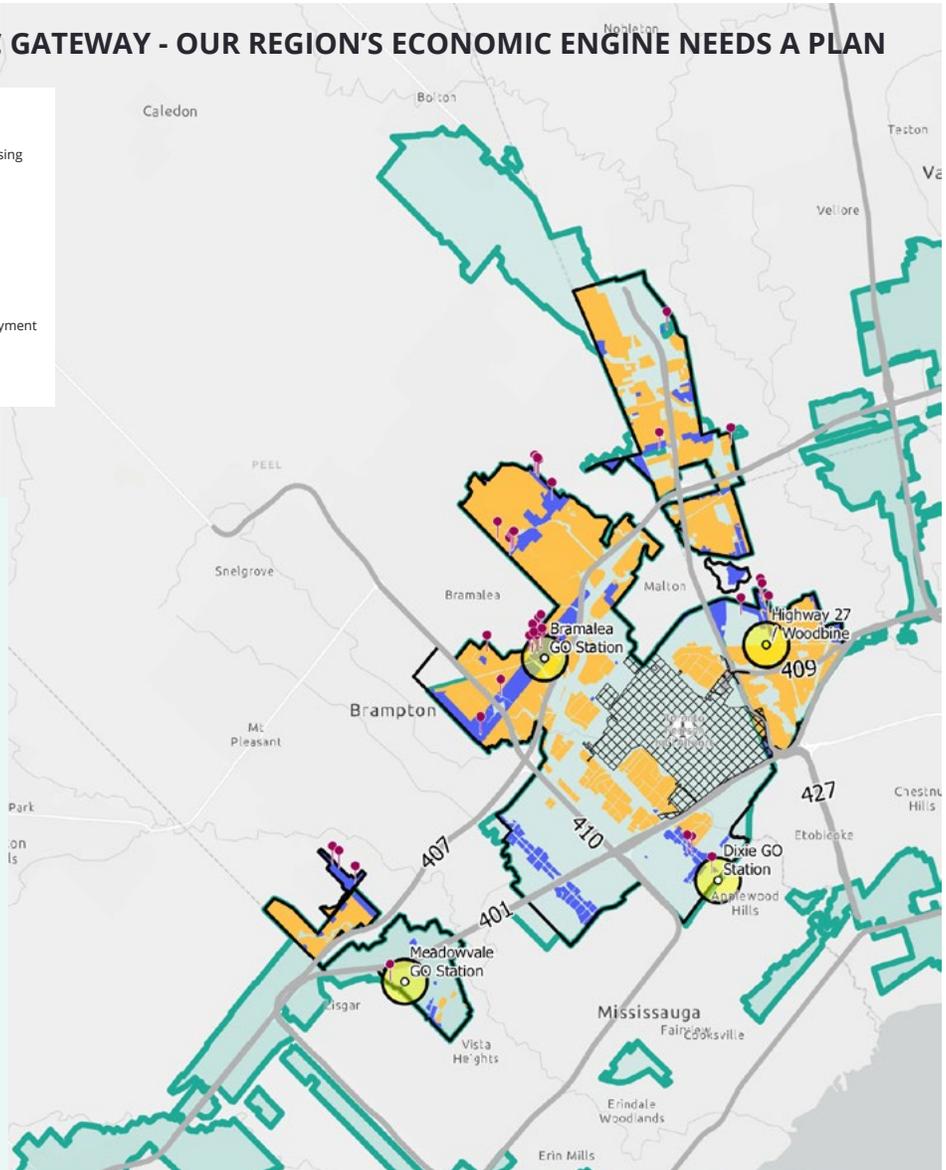
GTA West Economic Gateway

Canada’s second largest employment zone in the area around Pearson International Airport is an example of a complex, multi-jurisdictional PSEZ. Anchored by Canada’s most globally connected airport, multiple 400 series highways and several intermodal hubs, the GTA West Economic Gateway is a strategically important driver of growth for the Toronto region. Like other employment zones in the region, it is facing conversion pressures. But because of its strategic importance, 400,000+ jobs and its role as a logistics and manufacturing hub, the urgent need for a coordinated vision by the four different municipalities within it – Brampton, Mississauga, Toronto, and Vaughan – cannot be overstated. This includes considering the location of a future potential regional transportation and transit hub that serves both the airport and the GTA West Economic Gateway, and if and where housing should or can be located.

THE GTA WEST ECONOMIC GATEWAY - OUR REGION'S ECONOMIC ENGINE NEEDS A PLAN

Legend

-  Requests to convert employment lands for housing
-  GTA Economic Gateway Boundary
-  Airport Grounds
-  Major Transit Station Area
-  Commercial/Institutional/Office Land & Mixed-General Employment
-  PSEZs (Protected Mixed-Use & Industrial Employment Buffer Zones for Non-Employment Land-Use)
-  Industrial and Core Employment



Recommendation

The Board supports the PSEZs and recommends the province retain the existing PSEZ overlay in the new PPS 2023. This policy should remain in place until a more comprehensive legislation is developed that provides a framework to permanently protect and plan for the long-term future of strategically important lands such as the GTA West Economic Gateway.

The GTA West Economic Gateway, Canada's second-largest concentration of jobs after downtown Toronto, is a microcosm of competing housing and commercial interests.

The Woodbine Racetrack lands—spread over 265 hectares, which abut industrial and manufacturing lands—is the most significant example of pressure to convert employment lands to housing, that may put at risk heavy industries nearby.

The province has approved a privately funded GO Rail station off Woodbine. A plan has also been put forward by a landowner for at least 25,000 housing units and 1.2 to 1.3 million square metres of employment uses. A significant portion of the racetrack lands are within the restricted Airport Operating Area (AOA) for Toronto Pearson International Airport that restricts housing. A proposal

to build mixed-use housing near the proposed transit station has been met with opposition from nearby industrial businesses. Some of the businesses impacted by the proposal also fall within a radius protected by D-series guidelines, which are provincial regulations to protect heavy industry⁹. Furthermore, the City of Toronto wants to protect the entirety of these lands long-term for employment.

The competing plans for these lands exemplifies the complex considerations that arise when considering conversion of existing land use. Strategic planning is needed to ensure the full range of risks and opportunities are taken into account.



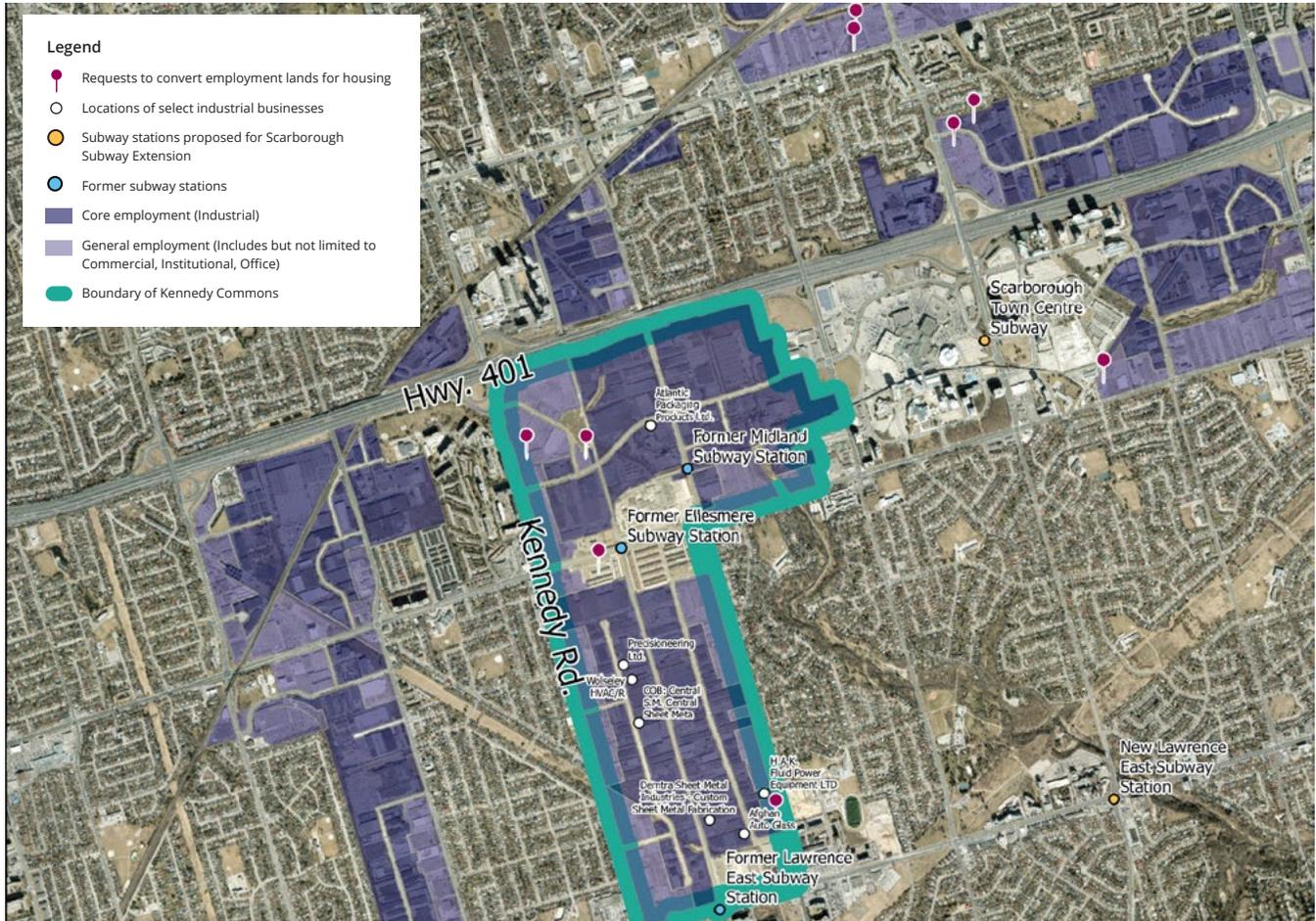
Formalize buffers and transition zones for industrial lands

While the primary focus for employment lands is the protection of lands for industrial, manufacturing and logistics uses, often overlooked is the role they play in supporting less intensive commercial activities. Municipalities use such lands as buffers and transition zones to reduce land use conflicts between residential areas and heavier industrial and logistics zones. Without buffers, the encroachment of residential development can lead to conflicts between homeowners and companies over elements like noise, traffic, and hours of operation.

These lands are also opportunity lands that are cheaper and more accessible for new Canadians, entrepreneurs, and disadvantaged communities to find jobs and start businesses. Many significant employment lands are also located adjacent to lower income neighbourhoods in northwest Toronto and Scarborough where employment opportunities are needed. In 2019, the City of Toronto found that at least 57% of jobs found in the (City's) employment lands were in essential industries and included but not limited to wholesale and retail trade, transportation and warehousing, utilities, construction, and manufacturing.¹⁰ The province's change to the definition of employment lands risks eroding protection for these vital buffer lands, undermining the important role they play in reducing conflicts and as lands of opportunity.

In 2019, the City of Toronto found that at least 57% of jobs found in the (City's) employment lands were in essential industries and included but not limited to wholesale and retail trade, transportation and warehousing, utilities, construction, and manufacturing.

KENNEDY COMMONS: BUFFERS ZONES REDUCED LAND USE CONFLICTS



Conflicts between residents and businesses over noise, traffic, and hours of operation can impact business decisions to expand or move high-value Ontario jobs elsewhere.

Kennedy Commons

Located south of Highway 401 and east of Kennedy Rd., Kennedy Commons (also known as Progress Avenue lands) has been a hot spot of conversion pressures for more than a decade. It was not classified as a PSEZ and it also fell within the original route of a proposed subway extension to Scarborough; and while the route has changed, this launched speculative pressure to convert the employment lands. However, the area is home to several industrial businesses such as Atlantic Packaging, a major paper facility. These businesses are incompatible with housing and depend on surrounding commercial areas to act as a buffer with residential neighbourhoods.

As far back as 2013, Atlantic Packaging, which operates 24 hours a day and has invested hundreds of millions of dollars in its facility for its workers, has been at the forefront of efforts to prevent the introduction of housing in the area.¹¹

Recommendation

The Board recommends the province reconsider the change in the definition of employment in Bill 97. It is a blunt tool likely to lead to ad hoc conversions that degrade the quality of employment lands, and remove the certainty that businesses need to invest. The province should also formally recognize buffer and transition zones in PPS 2023, equipping municipalities with the tools needed to protect these important lands and the purpose they serve.



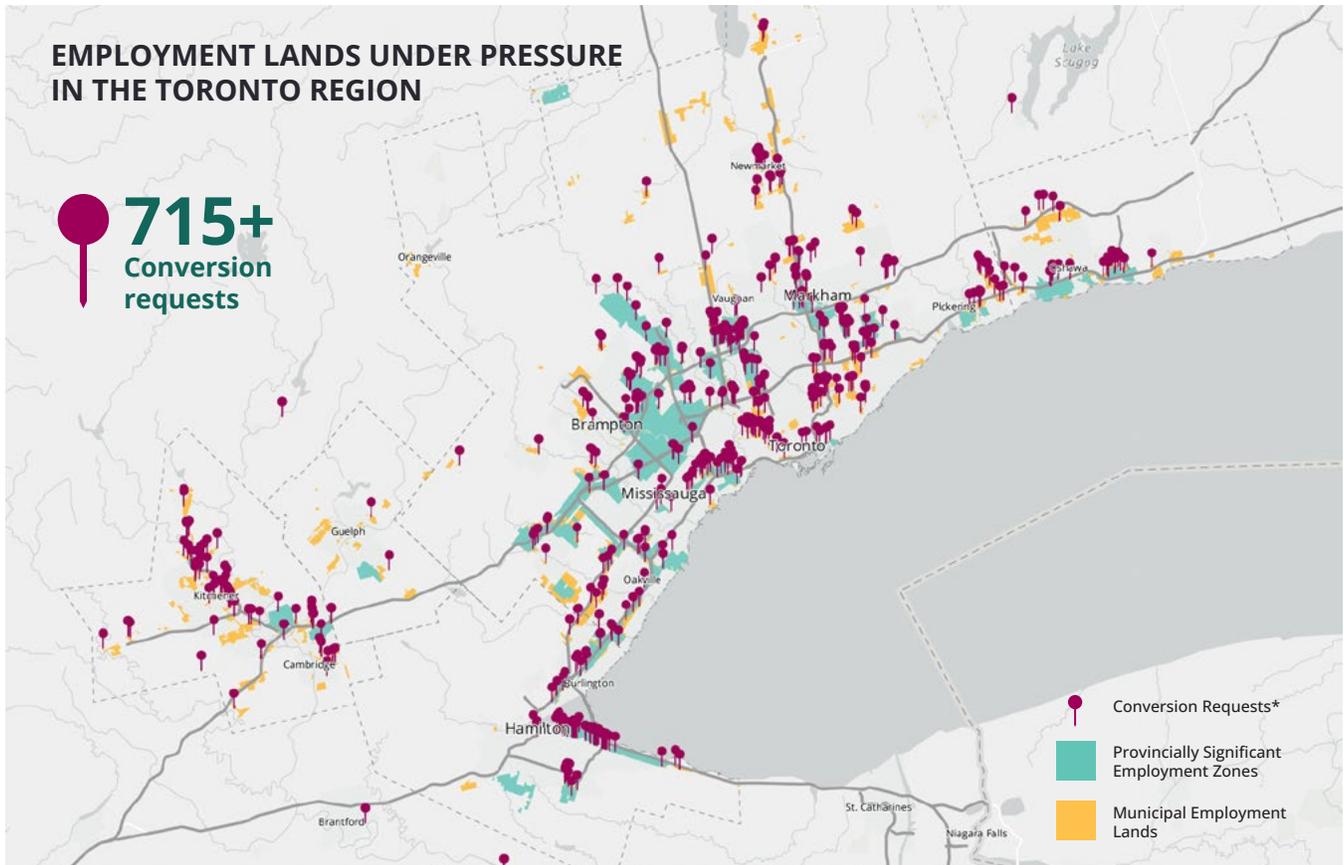
Consider the cumulative economic impact of conversion proposals

At the Board, we emphasize the importance of taking a regional perspective on employment lands given their vital importance to our economic future. We analyzed municipal official plans submitted to the province during the current Municipal Comprehensive Review (MCR). Our review identified at least 715 conversion proposals on both PSEZs and remaining municipal employment lands across the Greater Toronto Hamilton Area + Guelph and Waterloo region. Only a small number of these requests have been approved to date, but they signal the growing pressures on already scarce employment lands. The pressure will only increase with the adoption of new policies that diminish land protections.

The MCR, the process whereby municipalities align their official plans with provincial policies, offers an opportunity to consider conversion requests strategically and with a regional lens, even if only twice a decade. The province's proposed approach eliminates the MCR process, ending even this limited coordination function and increasing the likelihood of ad hoc conversions and negative unintended consequences.

Fragmented approaches will not provide the consistency, certainty and confidence necessary for businesses to invest in new locations or expand facilities on employment lands. Minister's Zoning Orders or similar tools to protect certain lands are unpredictable and not a substitute for a regional employment lands strategy which can involve many complex policy considerations and interests between departments and orders of government.

The province's proposed approach eliminates the MCR process, ending even this limited coordination function and increasing the likelihood of ad hoc conversions and negative unintended consequences.



*Conversion requests were identified from municipal official plans that were submitted to the provincial Ministry of Municipal Affairs and Housing as part of the Municipal Comprehensive Review process, when municipal official plans must conform with provincial policies.

City of Mississauga MZO

In May 2023, the province issued an MZO for an address on Hurontario Street in the City of Mississauga on employment lands also designated as a Provincially Significant Employment Zone (PSEZ). The order was meant to enable a new 50-storey, high-density development located conveniently near a stop on the new Light Rail Transit line planned to connect Mississauga and Brampton.

The MZO amended municipal and provincial planning policies. At the city level, the provincial order was at variance with municipal zoning that allowed for a maximum height of only 25 stories. It also overruled provincial regulations that restricts housing within Pearson Airport’s “Airport Operating Area”. As well, federal regulations require all building heights to be reviewed by the airport authority to “ensure that any proposed building does not affect airplane flight paths.”¹² At the time of publication of this report, the MZO for Hurontario had been withdrawn from provincial regulations. Such issues may have been avoided by a strategic review of conversion requests.

Recommendation

The Board recommends that a common window for all municipalities to review conversion requests be maintained to give the province and municipalities the ability to understand the cumulative impact of individual requests on neighbouring municipalities and the regional economy, and the impact of regulations from different ministries and orders of government.

Identify where housing can potentially be located strategically on employment lands

Just as there is the need to protect employment lands, the province can, in concert with municipalities, identify if and where housing can be considered on strategically located employment lands. Such conversions must meet strict criteria such as transit-oriented communities, affordable or student housing and considers any potentially destabilizing impacts on existing and future employment.

In 2020, the province made moves to make it easier to facilitate mixed-use developments and housing within Major Transit Station Areas (MTSAs), particularly those that are located on PSEZs.¹³ These are generally areas within 500 to 800 metres of a transit station, representing a 10-minute walk. The policy was meant to facilitate conversions on PSEZs that were also identified as MTSAs to “encourage more transit-oriented development and intensification around MTSAs.”¹⁴ At the same time, the province signaled respect for municipal zoning by-laws and other

existing provincial protections for employment lands that might prevent such conversions.¹⁵

Such a measured approach differs from what is proposed today. The 2020 approach implicitly acknowledges that not all MTSAs or even suburban office parks,¹⁶ which are also subject to conversion pressures, are automatically suited for mixed-uses and housing based on local considerations.

Clear criteria such as workforce and affordable housing alongside proximity to universities and colleges, where the shortage of housing for international students is becoming a growing concern, should be included in the decision-making process to choose where housing can be allowed. Such an approach can co-exist with a City of Toronto process that identifies “regeneration areas” where mixed uses may be appropriate. This kind of designation allows for a more deliberate approach in areas that are transitioning from older uses to newer uses.



Credit: Northcrest Developments

City of Toronto Downsview Lands

Bombardier’s decision to relocate to Mississauga from the Downsview lands north of Yorkdale Mall opened the potential for redevelopment including housing. The lands were purchased by the Canada Lands Company – a federal real estate crown corporation. The location of Downsview at the intersection of a GO Rail and subway line is a good example of an employment area transitioning from employment lands to mixed uses.

As part of the transition, a long-term plan is being negotiated between the landowner/developer and the City of Toronto to protect certain kinds of business and employment uses, including film studios, while developing “livable, complete, resilient and transit-oriented neighbourhoods by prioritizing equity and reconciliation, climate action, health and wellbeing.”¹⁷ The Emerging Directions have guided and informed the preparation of an updated Downsview study that includes provisions for affordable housing. The city plans over 30 years that the area can accommodate up to 110,000 new residents (60,000 units) and 47,000 workers.¹⁸

Recommendation

The Board recommends the province and municipalities identify where housing can be located so that a regional conversation begins about where conversion should occur based on criteria such as size, transit, affordable and student housing, and impact on neighbouring businesses. Such a signal will bring a measure of stability, dampen speculative ad hoc conversions, and can be integrated with municipal measures such as the City of Toronto’s “regeneration areas” policy to identify strategic locations for mixed use – including housing.



Create a regional inventory of employment lands

As a necessary first step to a comprehensive employment and industrial lands strategy

A critical challenge for land use planning in Ontario is the lack of a coordinated database. Municipalities are required to publish information on land use within their jurisdiction but lack standardized formats to make this information accessible, especially to prospective job-creating investors. As a result, decisions about individual parcels of land are too often made in silos, without understanding or even awareness of how decisions in one area may have spillover effects over a broader economic region.

In recent years the province has experimented with several approaches to strategic planning for employment lands, with limited success.

Decisions about individual parcels of land are too often made in silos, without understanding or even awareness of how decisions in one area may have spillover effects over a broader economic region.



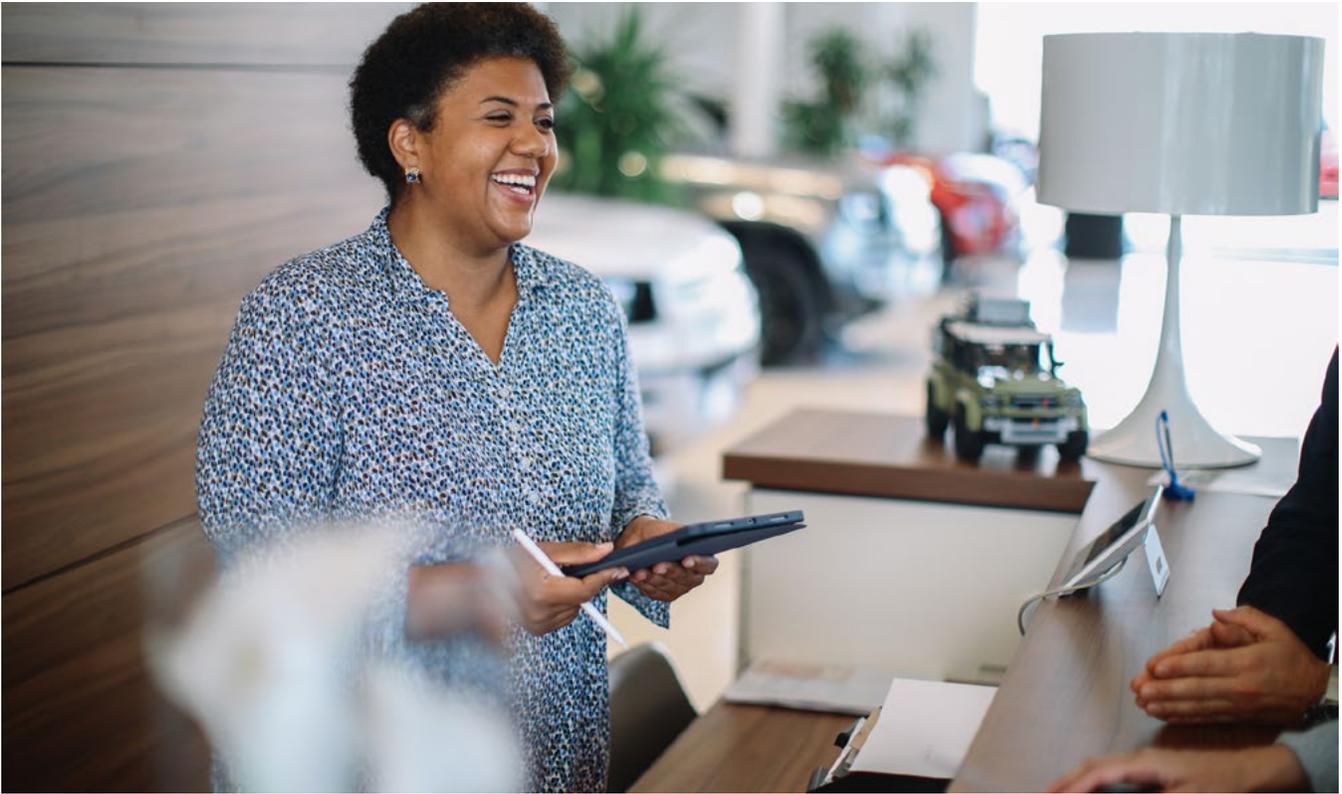
- A provincial initiative called the Lands for Employment Action Plan (LEAP) was introduced several years ago. It was an attempt to build an inventory of industrial and manufacturing lands in the province, including servicing constraints and regulatory limitations from different ministries including infrastructure, agriculture, natural resources and transportation and municipal zoning. LEAP was intended to make it easier for site selectors looking for clients to invest in Ontario and for companies looking to expand on existing locations.
- The hunt for large tracts of land or mega sites to attract large scale domestic and international manufacturing investments in the Toronto region led to Ontario's *Job Site Challenge* to find suitable 500+ acres sites, serviced and shovel ready.

Ontario needs a strategic approach to employment lands that enables a regional lens on business competitiveness and avoids ad hoc conversions. This includes the ability to differentiate industrial and commercial land uses beyond the ones we

use today. Other jurisdictions such as London, UK, and Sydney, Australia have learned that the most effective way to protect and unlock the value of employment lands is by identifying different types of land uses in a more detailed way to understand better where flexibility might be more appropriate:

- The Greater Sydney Commission differentiates between four types of industrial zones (General Industrial, Light Industrial, Heavy Industrial and Working Waterfront).
- London (United Kingdom) has identified 55 Strategic Industrial Land locations which it further breaks down into 10 permitted uses (light industrial, heavy industrial, Logistics and distribution, Utilities, Waste management, Aggregate supply, Transport facilities, Retail wholesale facilities, Emerging industrial sectors and R&D facilities).

Some of these strategies have already been implemented by some municipalities in the Toronto region, but there are still avenues that



could be taken to streamline the land use to better understand what is located where and what needs protection or complementary functions. This includes the model used in London, England, that ensures that there is no overall net loss of industrial floorspace. Therefore, if industrial land is taken in one area, it can be replaced by new industrial uses anywhere in Greater London. An added benefit of a land swap lies in the consolidation of industrial facilities where industrial land has been released elsewhere. This may involve intensification, but also allows for the development of urban logistics and distribution facilities. The land swap program also allows for 'substitution' of London's industrial floorspace requirements to areas outside the city, where there is mutual benefit in doing so for outlying communities and downtown cores.

The regional inventory of lands we propose can be used to differentiate, delineate, track offset policies and identify underutilized lands which have not been unlocked or developed to their full potential despite having the necessary zoning, regulatory and servicing requirements in place.

Recommendation

The Board recommends that the province should advance, finance, and coordinate a comprehensive regional inventory of municipal employment lands as a first step to a comprehensive employment lands strategy, made more urgent by the potential removal of planning authority from upper tier municipalities. This inventory can be the building block for a regional employment lands strategy. Such an inventory will require datasets from municipalities and the terminology used to classify lands to be standardized. Advances in geospatial mapping make such an endeavor easier today. Built into this inventory should be a process to update land use classifications by municipalities, and the identification of supply of both utilized and underutilized lands.



Looking Ahead

A regional employment lands strategy based on the actions we have outlined will position Ontario and the Toronto region to become more productive and prosperous region:



SUPPLY CHAIN RESILIENCE

Employment lands close to transportation, talent and market can buttress an industrial strategy for the region that builds on Ontario and the Toronto region's role as the country's manufacturing heartland.



FOUNDATION OF INDUSTRIAL POLICY

A regional employment lands strategy can be used to support an industrial and manufacturing strategy as is being advocated for by the governments of Ontario and Canada.



HIGH GROWTH SECTORS

Sectors such as aerospace, auto, e-commerce, food and beverage and logistics are the focus of federal and provincial economic development policies. They are also land consumptive.



TRANSITION TO CLEAN ECONOMY

The Independent Electricity System Operator (IESO) has already estimated that generating clean energy to meet demand in Ontario will not only require a diverse supply mix but also significant amounts of land. It estimates the land requirements are about 14 times the size of Toronto.¹⁹

With accelerating growth, Ontario does not have the luxury of trying to address these issues in silos. Conflicting demands for finite land mean the province needs to make difficult decisions to balance these interconnected priorities. Solving this necessitates developing a robust, integrated, and nuanced employment lands framework that can secure our region's economic future and prosperity.



Endnotes

- 1 The Board considers the Toronto region to comprise of the Greater Toronto Hamilton Area (GTHA), Guelph and Waterloo region.
- 2 Statistics Canada. (2016). Census 2016: Place of Work, Usual Place of Work Status
- 3 Colliers Canada (2023). Toronto Industrial Market Report. Q1 2023. <https://www.collierscanada.com/en-ca/research/torontoindustrial-market-report-2023-q1>
- 4 Ontario 2023. Housing Affordability Task Force Report. Retrieved from <https://www.ontario.ca/page/housing-affordability-task-force-report>
- 5 City of Toronto. Retrieved from <https://www.toronto.ca/legdocs/mmis/2023/ph/bgrd/backgroundfile-237562.pdf>
- 6 PSEZs is a provincial policy for large lots of land with high economic and strategic importance. These lands that contain, office, industrial, commercial, and institutional uses are often located near transportation infrastructure and/or with high concentrations of employment that are also vulnerable to conversion to residential uses <https://www.ontario.ca/page/provincially-significant-employment-zones>
- 7 Statistics Canada. Table 36-10-0468-01 Gross domestic product (GDP) at basic prices, by census metropolitan area (CMA) (x 1,000,000)
- 8 Environmental Registry of Ontario. Retrieved from <https://ero.ontario.ca/notice/019-1680>
- 9 Government of Ontario. Environmental Land Use Planning Guides. Retrieved from <https://www.ontario.ca/page/environmental-land-use-planning-guides>
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* Municipal employment lands used on the page 7 map were derived from provincial spatial files and municipal office plans.



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