

THE LAND ECONOMIST



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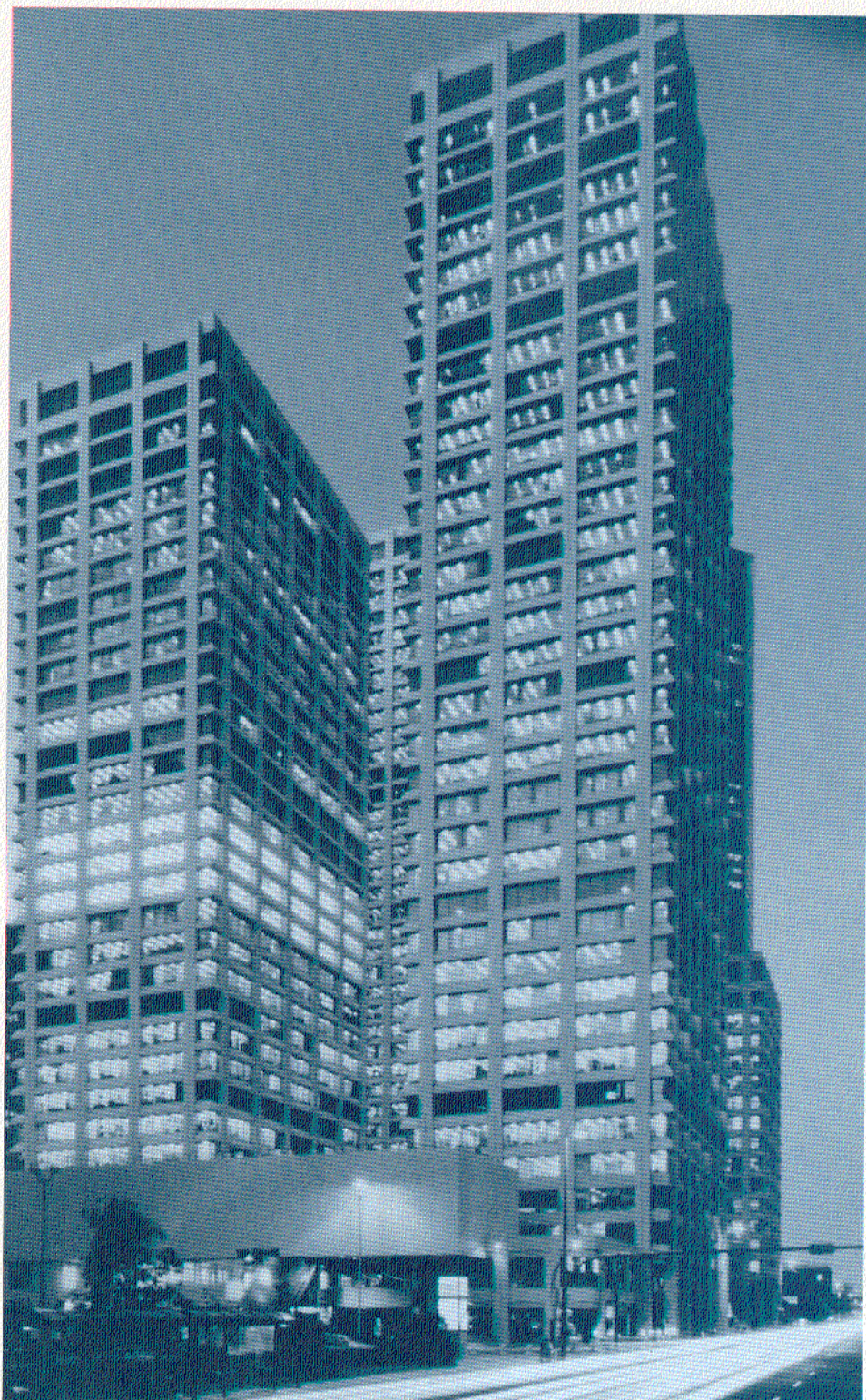
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National Trends In Office Investment

by Andrew Barnicke

Across the country, recovering office space markets offer the best potential for longer term growth in the real estate market.

Absorption has been positive and aggressive in almost every major market in Canada's top ten CMAs. With little new construction coming on stream, office space has begun to enjoy rental rate increases, due to shrinking inventories of quality product. This should trigger new construction starts and speculative design-build enterprises towards the end of this decade.

New sources of private capital, sustained fiscal stability, a broadening of land ownership by institutional investors, and less stringent lending policies by the banks, will all contribute to Canada's hastened return to a more equitable supply/demand balance in its commercial office real estate markets.

Sources of Funding

Capital markets for most major urban centres in Canada are continuing to improve in 1996 from their stimulative 1995 performance. Large equity funds, sponsored by dominant pension fund portfolios and by American-based vulture funds, played a huge role in bulk purchases of property loan portfolios, regional shopping centres and industrial business parklands in 1995.

Liquidity is improving for most market sectors. Although the improvement is too slow to forecast an unrestricted rush towards new building starts and massive real estate lending transactions in 1996, the future looks promising.

Traditional bank financing, at competitive prices, returned in the latter part of 1995. Interest rates are expected to remain stable well into 1996, particularly since the U.S. administration usually tries to keep rates low during an election year. (The presidential election is scheduled for November.)

U.S. Trends Up

The American real estate market usually leads our Canadian real estate market by four to six months. The U.S. is enjoying a return to more balanced markets across the nation. Values are beginning to move back up again, albeit cautiously and slowly. Lending practices are loosened again and lower interest rates will continue to stimulate new starts and accelerate transactional activity. Canada cannot be far behind.

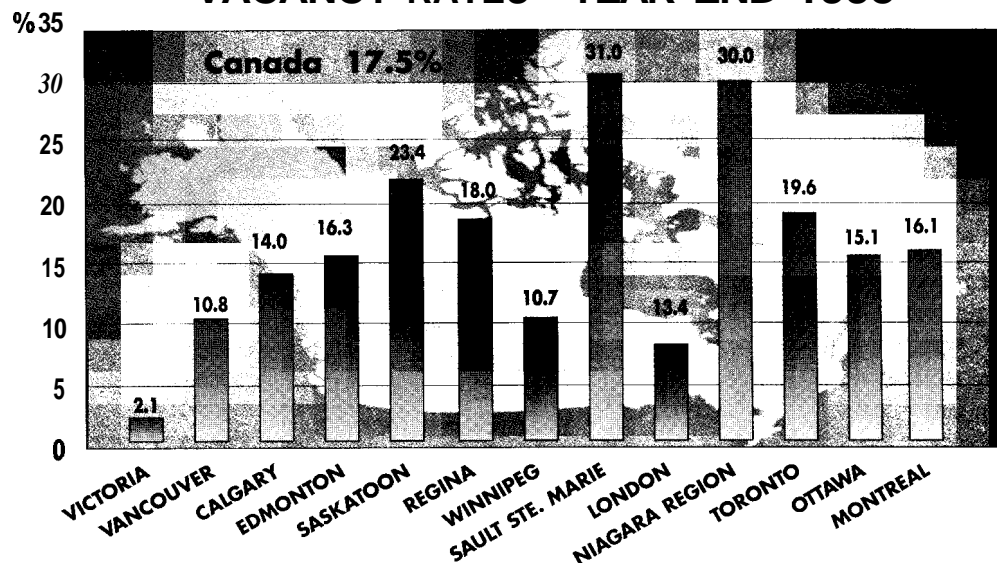
Canada/Ontario Outlook

As usual, there are regional differences here in Canada, with some provinces experiencing changing infrastructures and undergoing regional economic disparity. However, Canada as a whole will enjoy a sustained but contained recovery in all of its commercial real estate sectors in 1996. This will be particularly evident in British Columbia, Alberta and Ontario.

By its size alone, Ontario has always been the main engine that drives the national realty market figures. After five years of downturn, its office sector is finally turning around.

In the Greater Toronto Area, downtown markets have suffered from inequitable property assessment and taxation rates, compared to surrounding areas. However, new policies are under discussion which

CANADIAN OFFICE SPACE VACANCY RATES - YEAR END 1995



Top Five Office Deals - 1995

Sale Price	Property	Vendor	Purchaser
\$136.0 M	Bow Valley Square Calgary	Hammerson	OMERS Realty
91.0 M	B.C. Gas Building Vancouver	Manulife	TA Group
49.0 M	5001 Yonge Street North York	TD Bank	PenYork
39.5 M	901 King Street W Toronto	Canada Trust	Jade Sea
38.0 M	Madison Centre North York	SunLife	Beutel Goodman

will help equalize taxation and services between suburban and urban realty markets and narrow the competitive gap that has traditionally existed between these competing regions.

Also, the government is considering major changes to education financing which could lower the tax burden on commercial properties. Thus, we will see a more even playing field of costs and amenities that will stimulate growth across a wider spectrum of our industry.

Where We Stand Today

During 1995, positive absorption of office space occurred in Toronto, Winnipeg, Vancouver and Victoria. Negative absorption was most prevalent in Montreal, Ottawa and Edmonton.

Vacancy rates at December 31 were lowest in Ottawa, Winnipeg, Vancouver and Victoria, and highest in Montreal, Toronto, Edmonton and Calgary.

Net Effective Lease Rates for office space across Canada range from minus \$1.00 in Edmonton to a high of \$15.00 in Victoria for downtown Class "A" office space.


Operating costs and taxes per square foot for downtown Class "A" office space vary from a low of \$2.90 in Edmonton to a high of \$9.90 in Montreal.

High-profile office, retail and industrial properties traded hands at rates that were at record highs for this decade. The strength of industrial real estate markets was at its highest since 1989. Most of this activity was empowered by the financial muscle of large pension funds, private development equity and recently recapitalized land development companies armed with new sources of foreign monies.

More than \$3 Billion Traded

Over \$3 billion (Cdn) of commercial real estate was traded amongst investors in 1995. Dominant vendors were Bramalea, North American Trust, Goldman Sachs, Cadillac Fairview, Markborough and Barclay's Bank of Canada. Almost 40 per cent of investment purchases heralded from pension funds. Dominant purchasers were OMERS Realty Corp., Ontario Pension Board, Ontrea Inc., BC Government Pension Fund, Caisse de Depot and the Ontario Hospital Pension Fund.

Approximately 50 per cent of all invest-



Thursday, June 13, 1996

Annual General Meeting And Dinner

Guest Speaker:

Cash Bar 5:30
Dinner 6:30
AGM 7:30
Speaker 8:00

DAVID CRANE
Economics Editor
The Toronto Star

University of Toronto
Faculty Club
41 Willcocks Street
Toronto
 (one block south of Harbord,
 East of Spadina)

RESERVE TODAY!

Copy and return this registration form by fax to (416) 979-9159 or call the office at (416) 340-7818 no later than June 10, 1996

I shall be attending the AGM and dinner

Registrant's Name _____

Guests' Names _____

Company: _____

Telephone: () _____ () _____

Members at \$45 each (including GST) \$ _____

Non-members at \$50 each (including GST) _____

Total Payment _____

☐ I have already reserved by phone

☐ Please reserve vegetarian meals

ment trades occurred in the Toronto market, with roughly 20 per cent of all trades occurring in the office segment.

As we move forward from 1996, buyers will be focusing more on office product as it offers higher initial rates of return and a greater potential for capital appreciation.

Conclusion

The predominant dynamic in Canadian investment markets in 1995, which we think will be continued in 1996, is the fact that most investors and pension fund managers have been returning office and retail space assets into their portfolios as viable, moderate- to high-yield return investment vehicles.

Supported by rising property values, increased activity and lower interest rates, office investment property transactions are expected to return to a healthy level of fair exchange. Pension fund managers have declared that office properties across Canada that possess stable cash flows, offer fair value and readily demonstrate a short-term upside, will continue to be transactional targets.

Andrew Bamicke is vice president, investment division, with J.J. Bamicke Limited, a full service national commercial real estate firm.

Parking Standards for Sinners, Sellers and Saviours

by Julius Gorys and Al Ruggero

The rising affluence of our urban population and its propensity to use automobiles has translated into a considerable undersupply of free and for-hire parking spaces, for a variety of land uses, in both downtown and suburban locations. Parking is an expensive entity to provide -- over \$2,000 for a surface lot -- yet its presence in sufficient quantities considerably adds to the value and attraction of a property.

However, the amount of parking required by a municipality for new buildings can get out of line with real parking needs.

The ongoing analytical efforts of the City of Mississauga's Planning Department to ascertain real demand for parking for a multiplicity of uses has been impressive. In particular, Mississauga's studies on three types of uses: adult entertainment parlours (sinners), restaurants in industrial zones (sellers) and places of religious assembly (saviours) is information worth sharing.

Adult Entertainment Parlours (AEPs)

There were no specific parking requirements for these uses in Mississauga; restaurant parking standards were applied. However, adult entertainment parlours and restaurants have dissimilar functions, clientele, vehicle occupancy, level of attendance, hours of operation and turnover rates.

The Mississauga Planning Department's review indicated that the average demand for parking spaces at AEPs at their peak time of use, expressed as a percentage of capacity, was 113 per cent; it was as high as 170 per cent at one location. The parking overflow was accommodated both legally and illegally.

The degree of certainty applied to these values is expressed in terms of their statistical predictability. Typically, the standard chosen is "accurate 95 times out of 100", otherwise known as the 95 per cent confidence interval of the mean, or average of all values at the peak time of use. For AEPs in Mississauga, this translated into a parking demand ratio of 16.3 spaces per 100 square metres, compared to 16.5 spaces in

the bylaw.

Given these results, the application of restaurant parking standards was not inappropriate for adult entertainment parlours.

Restaurants in Mixed Use Industrial Areas

A recent trend is the conversion of previously designated and rigidly defined land use categories such as "commercial" or "industrial" into more generic "employment" lands. Many new uses have identified a market for their services that can best be served from within such an industrial location -- enhancing the value of such properties, as long as the provision of parking does not become too costly.

Some uses, such as restaurants, generate parking demand well in excess of what is normally found in a mixed use industrial building. As a result, Mississauga applied its restaurant parking standard for projects incorporating restaurants, and the proponents frequently sought minor variances.

As mentioned above, the Mississauga restaurant parking standard was 16.5 spaces per 100 square metres gross floor area (GFA). By contrast, the standard parking ratio for a mixed use building alone was 1.6 spaces per 100 square metres.

The survey discovered that the standard did not generally have to be as onerous as the overall restaurant standard, particularly where restaurants comprised less than 10 per cent of the GFA of a mixed-use building.

The average demand for parking at the peak hour of use, expressed as a percentage of capacity for industrial areas, was 83 per cent, although it ranged from 45 per cent to 132 per cent. Typically, 21 per cent of on-site parking spaces in the industrial development were occupied by restaurant customers during peak hours.

A standard of 2.8 spaces per 100 square metres GFA (or 9.9 spaces per 100 square metres for restaurants alone) would meet the demand for most mixed use buildings with restaurants.



Places of Religious Assembly

The development of a standard for churches was more complex. The demand for parking is partially a function of church and congregation size, and the devoutness of its followers. Application of a solitary standard would result in an oversupply of parking for some denominations while not meeting the observed demand of others.

In an attempt to meet the existing parking standards at reasonable cost, many denominations were being forced to locate along major arterial roads, in rural areas and in industrial units -- which appears unfair to those with lower parking needs. Conversely, developing alternative standards for different denominations can be perceived as being discriminatory.

In fact, the parking survey ascertained that there was merit in having several different standards for clusters of denominations. The use of potential alternate standards by group was reviewed by the city solicitor's office.

Cluster analysis was used to classify denominations into groups possessing similar characteristics. There was considerable variation in size of facility, size of chapel, spaces provided on site (19 to 158), and observed peak demand. The mean peak demand was 9.8 spaces per 100 square metres GFA, although it ranged from a low of 0.9 to a high of 31.4 spaces.

The average parking demand ratios were highest for Roman Catholic and Christian Reformed churches. They were lowest for Unitarian, Salvation Army, Pentecostal and Seventh Day Adventist congregations. The proposed parking standards, based on the 95 per cent confidence upper bound for the mean of each cluster group, ranged from 7.5 to 16.6 spaces per 100 square metres GFA.

RealEstate@TheInternet.Ca

THE NEW REALITIES

by George Carras

There has been no shortage of discussion on the threats imposed by Information Technology on real estate. Rightly so. Emerging technologies such as the Internet have the potential to bypass established business processes and perhaps fundamentally change the purpose of commercial real estate.

In 1995, for example, surveys estimated that approximately nine million people in the U.S. were telecommuting to work on a regular basis. By the year 2000, on-line commerce is estimated to be in the order of \$200 billion (US). Those trends have major implications for office and retail real estate.

But technologies are rarely one sided. Are there any useful on-line applications for the real estate industry itself?

The answer is definitely Yes.

Applications Go Commercial

The Internet has been heralded as the most powerful scientific tool of the late twentieth century because of its ability to connect people from around the world and enable the exchange of information.

As the Internet started up in government and academic applications, free information

sharing concepts were very successful. However, as more and more commercial applications begin to dominate the Internet and the World Wide Web, we should expect to "pay" for useful information in one of two ways:

1. Direct payment and subscription, or
2. Accepting exposure to advertising

Six Great Sites

Finding useful information sites on the Internet can be challenging. The most common approach is to use one or more "search engines" that will do the looking for you. For example, using some of the more powerful engines such as Open Text or Alta Vista and typing in "real estate" will return between 13,000 and 1,000,000 "hits" (connections to places where those words appear in documents on the Internet).

The process of sifting through these sites (or "surfing") can be a long and frustrating experience. Assessing what is useful information and what is "noise" is a subjective process.

The following are examples of some information resources currently available on the Internet that we *think* are particularly useful.

Economic Development Departments

<http://www.city.north-bay.on.ca/northbay.htm>

Many municipalities are using the Internet to facilitate the dissemination of free information for economic development purposes. The City of North Bay, for example, provides community profile information, economic development statistics, council and committee meeting agendas and the ability to file on-line applications for such things as zoning by-law amendments, minor variances, sign permits, etc.

Discussion and Conclusions

Parking surveys identify parking demand and supply characteristics, and serve as a means of assessing applications that wish to deviate from the accepted standard.

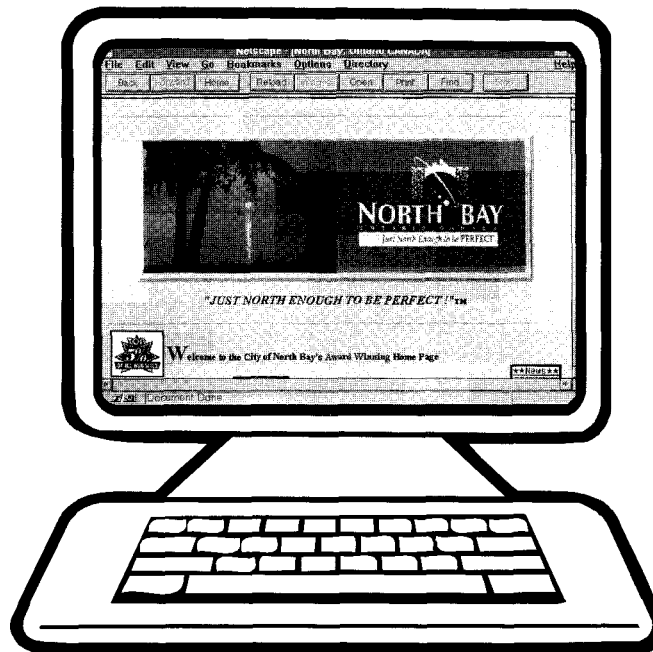
The information derived from surveys is important. A survey which shows actual parking ratios well below an established standard may suggest that the standard is onerous. For future applications, a less inclusive definition might be appropriate, or an arrangement where parking can be shared amongst different adjacent land uses.

Alternatively, a parking ratio found to be in excess of the standard can present problems. Excess demand will be accommodated legally or illegally. Illegal parking may be found on-site, in "no parking" areas, fire routes, driveways, and loading zones. Or it may be found off site, either on-street on neighbouring roads or off-street on other sites.

In Mississauga, parking surveys helped show that existing standards for restaurants in mixed use areas were too onerous, that developing standards for places of religious assembly based on denomination would better reflect real demand, and that treating restaurants and adult entertainment parlours similarly was justified.

For more detailed information on the above, please contact the City of Mississauga's Planning Department.

Julius Gorys is senior planner in the Ontario Ministry of Transportation. Al Ruggero is senior planner with the Concord planning firm Weston Larkin Inc.



Property Listing Services
<http://www.onramp.ca:80/mls/barreb>

Almost every real estate board either has launched or is planning to launch an Internet site. The most powerful application here is the access to the Boards Multiple Listing Service (MLS). Although most of the content today is in residential properties, the Barrie and District Real Estate Board and others are beginning to populate the Internet ICI listings databases. For other municipalities, check the city name through an on-line index such as **Yahoo**, or through the Canadian Real Estate Association's home page (<http://www.crea.ca>). Board-sponsored property listing services generally offer free access to the information supplied by their broker and agent members.

Canada Newswire
<http://www.newswire.ca>

The Canada Newswire service provides free access to paid company news releases in a searchable manner. Although there is no journalist content here (purely company authored releases), the service provides timely information on the activity of Canadian companies. It also accepts third party advertising.

Statistics Canada
<http://www.statcan.ca>

Statistics Canada makes use of two Internet technologies in the delivery of statistical information including the Statistics Canada Daily: the World Wide Web (which users can contact whenever they wish) and a Listserv (which delivers statistics directly to a user's e-mail address). The Daily contains Statistical releases on such topics as building permits, construction union wages, monthly survey of manufacturing, etc. At this point, subscriptions to the StatsCan information are still free.

Economic Reporting
<http://www.tdbank.ca:80/tdbank/numbers/index.html>

Many financial institutions provide economic and financial information on the Internet. The Toronto-Dominion Bank for example provides a range of information including a daily market update addressing key economic indicators, bond market statistics, money market statistics and a general economic commentary. The bank treats this information as part of its marketing program, and makes it available at no cost.

Commercial Real Estate Transaction Information
<http://www.realnet.ca>

More than a Web Site, RealNet On-line, a division of RealNet Canada, is an Internet service provider catering exclusively to the real estate industry. The service costs \$40 per month and includes high quality Internet access, telephone support seven days per week and weekly training. Its most useful additional features include:

- a constantly updated "gateway" listing with connections to new and relevant information resources for professionals in the real estate industry
- Reuters and Associated Press news feed
- participation in electronic forums
- listing in an industry contact directory
- access to information on recent real estate transactions

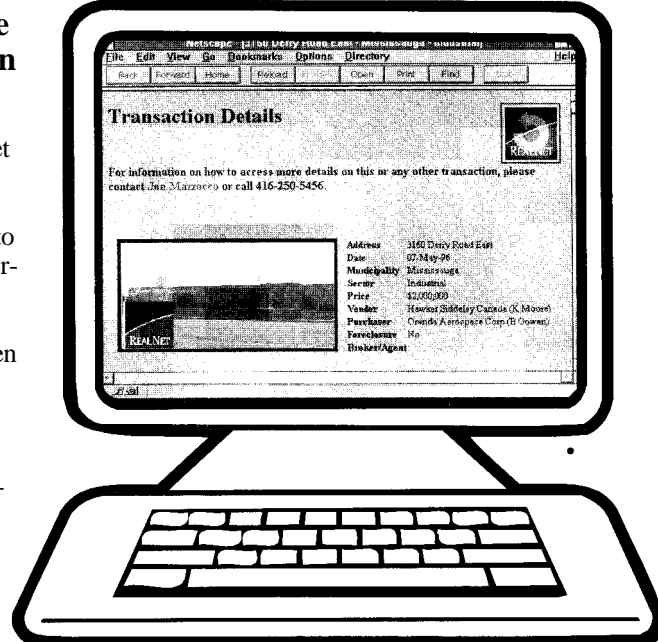
RealNet Canada's Transaction Notification Service (TNS) supplies a timely feed of real estate transaction information for the Greater Toronto Area on a subscription basis. Pertinent information on transactions greater than \$1 million (including a colour photograph) is accessible through the Internet within approximately 10 days of closing. A more detailed Lotus Notes application has also been developed in alliance with Globe Information Services (a division of The Globe and Mail) and the Morassutti Group.

Re-evaluating e-mail

Electronic mail (e-mail) is the largest and perhaps most powerful application on the Internet today.

E-mail is generally not fully appreciated: it is more than just the electronic delivery of a typed message. The delivery could be a spreadsheet, a report, a CAD file, a picture, a video or a combination of any of these. If you are on the Internet, common communication protocols allow you to send the information around the corner or around the world faster or more cheaply than the available alternatives.

Consider the advantages of e-mail over fax in a very common example of sending "the numbers" to someone for review.



Using a fax communication, the recipient receives a piece of paper filled with rows and columns of printed numbers (which ideally are all legible and easily understood).

- Using e-mail, the recipient (located virtually anywhere in the world) receives the actual spreadsheet file containing the data, the equations and perhaps embedded voice annotations in various cells to explain assumptions. Spreadsheet analysis of real estate (which itself was a new application of technology only a decade ago) can now be shared quickly and easily by people working together.

Not only is e-mail generally faster, but the utility of the information transfer is far greater. The e-mail recipient can easily run the file, understand the inherent logic behind the calculations, test scenarios and enjoy a much higher level of utility from the information transfer.

Time To Log On

The Internet is not a fad, nor is it a passing trend. It is a tool that offers the real estate industry several new advantages, if it is used properly. In the future, it will become more and more important.

George M. Carras is President of RealNet Canada. For more information, call (416)250-5456, or e-mail to gmcarras@realnet.ca.

Assessment and Taxation in the GTA

The property tax recommendations in the January report of the Greater Toronto Area Task Force (Golden report) have implications that reach far beyond the five Toronto-centred regions.

In a statement released with the April report on public reaction to the Golden report, Municipal Affairs Minister Al Leach said people **are** very concerned about their taxes: "Obviously, the property-tax system is broken and needs to be fixed."

Then, in the recent Ontario Budget, Finance Minister Ernie Eves said that proposals for major change in local government and education financing would be released within weeks. (They may already have been released by the time this newsletter is issued.)

In the ongoing consultations, the Golden report recommendations should be given serious consideration.

The GTA is the economic engine of the province and Canada as a whole. It must work as a unit to be competitive in world markets. Any change in the present structure must represent the same forward thinking of the original 1953 decision to create Metro.

Toronto represents the cultural soul of the area and is a mature city with all the assets and liabilities that entails. Finally, the vested interests of municipal and regional governments must not undermine the future growth and development of the GTA.

The GTA **task** force report recognized that there **are** two main problems with the current property tax system: the erosion of the property **tax** base through successful assessment appeal activities and the inequitable tax levels paid by businesses within Metro compared to those in the rest of the GTA.

ASSESSMENT BASE

Task Force Recommendation:

The province should adopt the Actual Value Assessment system for all classes of property.

Comments:

Metro's onerous property taxes are a major reason why business is leaving Metro -- the "hole in the doughnut" effect. If this per-

sists, it will create a serious economic crisis for the whole GTA region.

The proposed Actual Value Assessment must be accompanied by guarantees that the system will be revenue neutral and prevent tax shifts from one property class to another: i.e., residential to commercial or vice versa. OLE recommends that the system should be instituted Ontario-wide. This would create a commonality for transfer payments, apportionment by upper tier governments, and funding of school boards. Then, the intricacies of and the need for provincial equalization factors would disappear.

Task Force Recommendation:

Metro municipalities should be reassessed prior to the rest of the GTA; non-residential should be reassessed before residential.

Comments:

There has been no general reassessment of properties in the GTA since 1953. Efforts to reassess Metro properties on the Market Value Assessment system in 1992 failed. OLE agrees that the best place to start a reassessment would be Metro Toronto, whose tax base is the most unstable and antiquated in the region.

Task Force Recommendation

Transitional tax relief should be offered, including: phasing in tax increases and decreases; financial support for low income households so that no-one loses a home as a result of reassessment, and a property tax deferral program for seniors.

Comments:

Any phase-in program should include all tax payers and not selective groups.

MILL RATES

Task Force Recommendations:

Local municipalities should be given control over the relative mill rates that apply to different classes of property for municipal purposes.

For a transitional period only, the province should establish mill rate bands to limit the variability in residential-to-commercial tax ratios.

Comments:

In principle, these changes would provide positive benefits. Local municipalities would no longer be able to overtax certain properties through massive distortions in assessed property values: they would have to spell out their intention through the mill rates. However, OLE is reluctant to support any system that might discriminate against any specific class of property, unless the Ontario government can ensure that safeguards will be in place.

NON-RESIDENTIAL EDUCATION PROPERTY TAXES

Task Force Recommendations:

Commercial and industrial education taxes should be pooled across the GTA, with uniform rates across the entire region.

A new allocation formula should be established for the GTA, that accurately reflects student needs, demographic characteristics and per-student costs, and delineates recognized expenditure categories.

The 15% bias against non-residential properties should be eliminated from the education property tax.

Comments:

The report notes that non-residential property taxes are up to three times higher in Metro municipalities than in other GTA municipalities. A major reason for this disparity is the distribution of education taxes. Education taxes compose 50 to 70 per cent of the property tax bill. Municipalities have no power to withhold funds if they disagree with school boards' policies and spending. School boards, thus, enjoy the taxing powers of government, with little of the accountability. OLE supports these proposals to put education taxes on a more rational and fair basis.

Conclusion

The OLE appreciates the Task Force's efforts to bring some sense to the chaotic assessment and taxation systems within the GTA. One can no longer assume that business has an unlimited ability to pay a disproportionate share of property taxes. Business in Metro cannot afford to pay substantially more than those in the surrounding regions. Any proposals to minimize taxes on this property class will help ensure that local business can be competitive in today's marketplace.

OLE GTA committee

Judith Amoils, Ron Mason, Allan Windrem

The Legislative Beat

Ontario Budget

As promised, the May 7 Budget cut the province's personal income *tax* rate to **54%** of the federal rate as of July 1 and 49% as of January 1 (down from the current 58%). It also imposed a health *tax* surtax on people earning more than \$52,000 a year. A program to refund Land Transfer Tax up to \$1,725 for first time buyers who purchase new homes before March 31, 1997, may help boost sales. Phasing out of the employer health tax on the first \$400,000 of payroll removes red tape and costs that have been identified as a disincentive for companies to invest in Ontario. Education and local government financing are up for some major changes -- these could have interesting impacts on property values. Watch for more details!

GTA — Where to?

Well, if this issue of the Journal were coming out next month, we might have the answer ...or would we? The issues for the GTA **are** not easy to resolve, and are complicated by shifts in public opinion: regional government, for example, was the target of regular attacks for years. Now, a significant body of public opinion has shifted in favour of the old regional governments, as compared to a "Super GTA" administration.

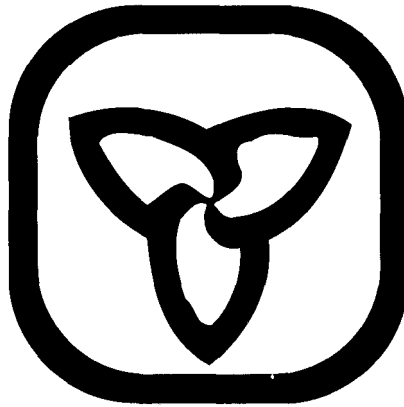
The public response panel chaired by Toronto lawyer Libby Burnham held 18 public meetings and then prepared a report for the Minister. The government's response is expected at the end of May or early June.

The whole GTA review has raised questions with implications for other areas. The answers are not easy. The decisions could be a milestone in the approach the province takes to provincial/municipal relationships.

Restructuring

The GTA shouldn't be seen in isolation: it is only one of the municipal regions studying restructuring. In fact, Bill 26, which gives local government the power to initiate restructuring, has raised interest in many of Ontario's 26 counties.

In essence, Bill 26 gives to counties and municipalities reeling from cuts in provincial transfer grants the means to find



cheaper ways to run their business. This may mean anything from a county-wide transit system or road maintenance program to amalgamations, annexations or whole-sale restructuring. Under the old system, counties needed special Acts to do this; with Bill 26, they can do it themselves, by agreement.

Any restructuring must be supported by the county council plus a majority of the municipal councils affected, representing a majority of the population. If there is no majority or consensus, or other difficulties arise, the Minister of Municipal Affairs may be asked to appoint a Commissioner. Commissioners' recommendations will be implemented, without appeal.

Five regional reviews are now complete: Halton, Hamilton-Wentworth, Kitchener-Waterloo and Muskoka. Durham's report is expected June 19. What action will be taken on these remains to be seen. Hamilton-Wentworth and Sudbury are looking at a one-tier level of government.

Civil Service

There is another "restructuring" process going on right in the provincial government. Each ministry is reviewing its operations and its core mandate. This will lead to a smaller, more focused civil service. Relocated ministries, like *MNR* in Peterborough and *MTO* in St. Catharines, may have major problems with the cut backs and the new head offices.

Among other things, the province is trying to extricate itself from land-related matters. As a result, the emphasis is placed on how much power could be transferred to municipalities in:

- a) planning and regulations
- b) permit, certification and approval
- c) assessment process (again!)

Planning

Bill 20 was proclaimed at the end of May. Some of the changes made to the Bill as it went through committee are:

- the right to appeal Committee of Adjustment decisions **on** minor variance is reinstated
- the Minister can require public meetings on Plans of Subdivision
- municipal bylaws disallowing basement apartments are prohibited, effective on the date of proclamation

In general, the province will only be interested in official plans and major reviews. A protocol agreement among interested ministries creates a "one window" planning service: the ministry of municipal affairs will represent all provincial interests in negotiations with municipalities, including any appeals to the OMB. This should speed up the process.

A provincial policy statement was released at the same time the Bill was proclaimed. It addresses municipal growth, streamlining of procedures, agricultural and environmental protection and health and safety issues. Environmental groups have generally lambasted the new policy statement.

Review of Municipal Act

Many major changes are expected here, following the direction to give municipalities more power. Could this lead to a quasi-independent status for municipalities?

*by Andy Morpurgo MCIP, PLE
with files from Rowena Moyes*