

The Land Economist

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PHOTO courtesy Craig White. See www.UrbanToronto.ca for more photos and details.

Flight of the Skybridge: It took three strand jacks more than 13 hours to hoist this huge two-storey structure into its final position at Parade in Concord CityPlace, Toronto. Here, UrbanToronto.ca editor Craig White captures the process as of 3:07 am June 26. Top floor and roof are split between two unique suites; lower has project's party room/amenity space.

NEWS BRIEFS

OneCity Transit Plan for TO

In a surprise late June announcement, Toronto Transit Commission Chair Karen Stintz and allies proposed a 170-km, \$30 billion expansion – with an average ‘CVA Uplift’ (read property tax hike) reaching \$180 a year (1.9 per cent) by 2016. The plan includes six subway lines, 10 LRTs and five major bus and streetcar routes, to be built over the next 30 years.

It was quickly rejected by Toronto Mayor Rob Ford, and Minister of Transportation and Infrastructure, Bob Chiarelli. In July, Council effectively sidelined it. The plan provided a snapshot of public reactions to a phased-in tax increase dedicated to funding one third of the total cost, though. A poll for The Star by Angus Reid said that 80% of Torontonians favoured the plan, and 67% said they were willing to support a 2% property tax increase to fund it.

Economy Shows Positive Signs

RBC’s June economic update called for Ontario growth to pick up the pace in 2012 with 2.5% growth in real GDP -- just shy of the Canadian average.

Recovery in Ontario’s export sector is one of the main contributing factors. Production in the key auto sector, in particular, has virtually returned to pre-recession levels, the bank said, and brisk residential construction activity is playing a strong supporting role. The economy will continue to face headwinds, though, including reductions in public sector spending.

RBC expects export gains to level off in 2013, as the auto sector reaches capacity limits and housing starts slow, leading to projected provincial growth of 2.4%.

Southwest Mayors Fuming

Mayors in southwestern Ontario are not happy that legislation for a new economic stimulus program for their area did not get passed before the summer recess. “We’ve got zero chance of seeing any money before 2013 at the earliest,” Stratford Mayor Dan Mathieson was quoted in the Stratford Beacon Herald on June 26.

Bill 11, the Attracting Investment and Creating Jobs Act would establish a four-year, \$80 million Southwestern Ontario Economic Development Fund promised by the Liberals in the last election, and continue a similar fund in eastern Ontario. The Legislature resumes September 10.



EU Requires Recycling of Solar PV Modules by 2014

In March, the European Parliament added photovoltaic modules to the list of e-waste that must be collected and recycled. The directive provides that 85% of the solar modules must be collected at end of life and 80% must be recycled. Concern has been growing over potential environmental and health threats during manufacturing and disposal. These include silicon tetrachloride, cadmium, selenium, sulfur hexafluoride and nitrogen trifluoride. With lifespans of 15-25 years, large numbers of the modules are expected

to hit the waste stream about 2020.

‘plug and play’, ‘finger safe’ connections like the MC4 Plug-In Connectors used to connect photovoltaic panels come under the exemption for a ‘convenience receptacle’. The Board stated that: ‘A convenience receptacle is one that is designed to accept a plug cap without any further work in order to effect the connection. The hazards associated with such work are thus avoided by the design of the plug and the receptacle themselves.’ A more narrow interpretation could mean anyone with a laptop could plug the adaptor into a standard receptacle on site, the decision said, “but only an electrician could plug the other end of the adaptor into the computer itself”.

BILD 2012 Awards of Excellence



PHOTO courtesy BILD

Nearly a thousand of the GTA’s biggest builders, designers, and sales and marketing professionals gathered April 27 to recognize the industry’s best at the 32nd Annual Building Industry and Land Development (BILD) Toronto Awards ceremony.

Geranium Homes was crowned Builder of the Year for the first time ever. **Tridel** won Green Builder of the Year (high rise) for the fifth time. **Empire Communities** successfully defended the Green Builder of the Year (low rise) title it won last year.

The low rise ‘Place to Grow’ Community of the Year award went to **Mattamy Homes** for its Mount Pleasant Village in Brampton. High rise went to **The Remington Group** for Downtown Markham.

Remington Chairman and CEO, real estate developer and lawyer **Rudolph P. Bratty** was honoured with the BILD Lifetime Achievement Award.

People’s Choice Award went to **Aspen Ridge Homes** for Studio on Richmond. **Treasure Hill Developments’** block in Toronto’s west end won the Best Project award (low-rise) while **Linvest Properties’** B.streets Condos at Bathurst and Bloor Streets took home the prize in the high-rise category. For more details on categories and winners, see www.bildawards.com.

Tight Site Feasibility Fix: Automated Parking

When you shift high rise condo development focus to small infill sites, one of the big challenges becomes: “What do you do with the parking?” In many parts of the world, the answer is essentially “use automation to put it on shelves”.

Over the past few years, double- or triple-car-‘stackers’ have become popular in boutique condos. Now, we are seeing the first fully automated multi-level lift- and-move systems, reminiscent of computerized warehousing. Residents drive into an entry/exit compartment, shut the car off, swipe their card, and walk away.

Great Gulf’s TUX condo project in Toronto is intended to have a fully-automated garage providing 93 parking spaces. Nathan White, development manager, says the they “are considering one automated system that is based on pallets being moved automatically into a racking system on a gantry, and one robotic system that would see robotic pallets move the cars on a traditional concrete slab into their appropriate parking space.” The company is also “looking at incorporating automated parking in other projects in development.”

Bruno Giancola, vice-president of project management at Deltera, says the Tridel Group is actively investigating these systems as well. “They may be the only way to make projects feasible as sites get tighter”. Harhay Construction Management, which has installed a number of double- and triple-car-vertical-stackers, is also looking into fully-automated options

Reduced volume

One of the systems’ greatest advantages is the reduced cubic volume required per vehicle. “Given the same volume, a fully automated parking system can accommodate up to three times the number of parking spaces,” says Yair Goldberg, director, North American Systems Division, Unitronics. “Or, a given number of parking spaces can be achieved in a third to half of the volume.” This is because “the ramps and turning radiuses are eliminated,

the vehicles are stored practically door-to-door and bumper to bumper,” and the height of each level is designed for the type of vehicles to be stored in it.

Design for vehicle mix and use

Wolfgang Kaufmann, president of Park and Stack Corporation in Toronto, says design and cost involves many factors. Projections of traffic volume entering and exiting at peak periods are used to determine the number of entry compartments and lifts required, he says. In most cases, people should get their cars in 2-3 minutes.

Column spacing is a large factor, and “it’s very important to know the mix of vehicle types. Automated systems are designed to place standard cars and SUVs into appropriate spaces. Larger and heavier vehicles can be accommodated with careful design.” Also,

10% of the spaces are usually designed as conventional stalls for visitors. The building’s standby generators generally take care of any power outages.

Cost to equip

In 2009, Barbara Chance, president of Chance Management Advisors, Philadelphia, told the Canadian Parking Association that equip-

ment and installation can cost from \$10,000 to \$28,000 per space, depending on the manufacturer. This May, Don Monahan, vice president of Walker Parking Consultants in Denver, gave the International Parking Institute conference an average cost of \$16,000, based on estimates and costs in the US. Companies asked by *Land Economist* estimated \$12,000 to \$40,000. Differences reflect:

- type of automated parking system/equipment chosen
- layout – size, shape and other constraints of the garage, expected use patterns, number of entry-exit points and lifts required, mix of vehicles, etc.

- economies of scale -- larger systems can spread fixed costs more efficiently

Great Gulf’s White cautions that the land constraint which is the most frequent motivation for considering a fully automated system usually also limits the possible parking spaces. So, infill often “does not allow for the economies of scale.” Stackers make economic sense in smaller projects, Harhay says.

Cost to build

However, the reduced volume requirements can dramatically affect construction costs for automated parking. In one case study of a residential/office, Monahan said, conventional ramp parking would provide 346 spaces on four levels below grade. Changing to an automated parking system with nine entry/exit compartments accessed by ramp to the first underground level allowed one level to be removed entirely. And the height of two of the remaining levels could be reduced to 7.5 and 6.25 feet from 10 feet.

Deleting those 1.5 floors saves \$6,025,050 (US) in construction costs (48,020 sf x \$125/sf). “At the high cost of underground work, the savings in construction can offset the automated machinery cost for a garage below grade,” Monahan said.

Neither White nor Giancola say they expect total costs to be less than traditional garages. But, “if we can save 2-2.5 months of financing costs by not having to go down for a 6th level of parking, that will have an impact as well,” says Giancola.

Cost to operate

Monahan estimated total operating costs (including security, maintenance, management fees, supplies, insurance, utilities and miscellaneous) would be \$555 US per space per year (automated), compared to \$310 (ramp). Goldberg added that the system “gives you the ability to estimate the power cost based on the usage”. Because no one enters the parking area except occasional certified personnel, insurance costs are dramatically reduced, he added. There are minimal lighting and mechanical/ventilation costs, and “the smaller parking footprint can result in lower property taxes”.

Other considerations

The 2011 edition of NFPA’s 88A Standard for Parking Structures contains a new chapter on automated parking structures. They can also qualify for points under the LEED (Leadership in Energy and Environmental Design) rating system. RM



Marketing for Great Gulf’s TUX condos (l) has featured an automated garage. Tridel investigated one for Ten York (r). Both Toronto.

GTA Industrial Markets

By Bill Argeropoulos

The 2012 economic forecast for the Greater Toronto Area (GTA) is optimistic. Real gross domestic product (GDP) for the region is predicted to remain robust with growth of 2.3% for the year. Labour conditions are expected to improve, with the unemployment rate declining to 7.8% – down 60 basis points (bps) from 2011.

These are positive signs, which should contribute to an ongoing stable environment throughout the GTA -- which is Canada's largest industrial market, and one of the biggest in North America.

For the first quarter of 2012, the overall availability rate for the GTA remained relatively static compared to the end of 2011, finishing the period at 4.9%. The levels of availability continue to demonstrate a nice recovery since the global economic slowdown, as availability rates are down a solid 200 bps from the recessionary peaks. By comparison, Chicago – one of the biggest industrial markets in the US – has a double-digit vacancy rate.

Across the region, availability rates ranged from a high of 5.8% in GTA West, to a low of 3.9% in GTA North.

In terms of overall occupancy costs, there were no significant changes from

last quarter as the first quarter posted an average asking rental rate of \$5.44 per square foot (psf).

The **GTA Central** industrial market experienced its difficulties during the first quarter of 2012, as it had the largest gains in availability rates, and was the only region to witness a decline in average asking rental rates.

The availability rate for the area increased 30 bps from the previous quarter, to finish at 4.5%. Average asking rental rates declined to \$4.82 psf in the first quarter, from \$4.91 psf at year end 2011. The increase in availability is due to approximately 750,000 sf of space coming back to the market in Scarborough. Consequently, Scarborough's availability rate jumped 120 bps from the end of last year to 5.3%.

GTA East, with a total inventory of approximately 47 million square feet (msf), is the smallest industrial market in the GTA. To start the year, availability rates dropped marginally (down 10 bps) to close the first quarter at 4.1%, spurred by approximately 48,000 sf of supply being made unavailable. Noteworthy news included the start of construction on a 190,000-sf, purpose-built manufacturing/warehousing facility by First Gulf for Siemens Canada. This project represents a consolidation of three facilities



ILLUSTRATION courtesy Avison Young.

into one location – 1865 Clements Rd., in Pickering. The Pickering market has a 7.3% availability rate and average asking rental rate of \$4.97 psf, similar to the GTA East average.

The **GTA North** industrial market continues to demand premium pricing, as occupancy costs – currently at \$6.41 psf – remain the highest of the four industrial districts. Premium pricing is largely due to a persistent low availability rate, finishing the first quarter at 3.9%, the lowest among the four markets. This has given rise to new development including the recently completed 233,000 sf building by the Sorbara Group located at 121 Stone Ridge Rd., in Vaughan.

GTA West continues to demonstrate strong recovery relative to previous years. The availability rate for the first quarter was 5.8%, representing a decline of 80 and 220 bps from one and two years ago, respectively. The notable improvement in the market over the

past couple of years has once again led to speculative development. Orlando Corporation is in the ground with a 521,000 sf building (expandable to 800,000 sf) at Winston Churchill Blvd. in Brampton, part of the Churchill Business Community. Elsewhere, construction is well under way on Target's massive 1.3 msf distribution centre in Milton, which is scheduled to be completed and fully operational by November 2012. Average asking rental rates for GTA West are on par with overall GTA rates, ending the quarter at \$5.44 psf.

Bill Argeropoulos is Vice President and Director of Research for Avison Young's Canadian operations. See www.avisonyoung.com.

Greater Toronto Area Industrial Markets (Q1 2012)

	GTA Central	GTA East	GTA North	GTA West
Availability Rate (%)				
Area as a Whole (compared to last Q)	4.5% (down)	4.1% (down)	3.9% (same as Q4)	5.8% (up)
- Low submarket	Toronto 0.7% (down)	Oshawa 0.9% (down)	Newmarket 0.9% (up)	Burlington and Caledon 3.8% (both down)
- High submarket	Etobicoke 7.6% (up)	Whitby 8.0% (same)	Aurora 6.7% (up)	Brampton 6.7% (up)
Asking Net Rent (\$ psf)				
Area as a Whole (compared to last Q)	\$4.82 (down)	\$4.96 (down)	\$6.41 (up)	\$5.44 (up)
- Low submarket	Scarborough \$4.64 (down)	Whitby \$4.77 (down)	Aurora \$6.88 (up) Markham \$6.87 (down)	Caledon \$4.28 (down)
- High submarket	Toronto \$5.33 (down)	Oshawa \$4.98 (up)	Vaughan \$5.74 (up)	Burlington \$5.69 (up)



First-ever AOLE/RICS Golf Tournament

Members of the Association of Ontario Land Economists and the Royal Institution of Chartered Surveyors held their first official combined golf tournament on Wednesday May 30 at the Royal Woodbine Golf Club.

The event started at 1.30 pm with a boxed lunch, followed by 18 holes of very enjoyable golf (Texas Scramble format). During the excellent dinner in the clubhouse, prizes were given for various achievements and each player received a gift bag.

We plan on having another golf day next year. Many thanks to Lorella Patterson and Naomi Irizawa for their sterling organization.

WELCOME NEW MEMBERS

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Professional Land Economists Online

Contact information for active AOLE members is available on the Association's website. See www.aole.org > Member List..

Next year is AOLE's Golden Jubilee

We're starting to assemble photographs and stories for the 2013 milestone anniversary.

If you have any memorabilia or reminiscences from any of the past five decades, we'd love to see them!

Please contact the Journal editor at Rmoyes@idirect.ca.



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1963 - 2013



The Council on Tall Buildings and Urban Habitat has named Cityzen's Absolute Towers project in Mississauga as Best Tall Building in the Americas region for 2012. Jury members commented on how Absolute achieved the organic form by twisting the whole building. Winners in the other three regions were: 1 Bligh Street, Sydney (Asia and Australasia), Palazzo Lombardia, Milan (Europe), Doha Tower, BurjQatar, (Middle East and Africa).



The Legislative Beat

by Andy Manahan PLE

Summer Recess

After a nail-biting finish with election threats flying around, the Ontario Legislature adjourned on June 20 for its summer recess. Cabinet and standing committees will continue to have regular meetings over the summer. The House will resume September 10.

A Liberal Majority?

Over the summer, all parties will be focusing resources on the riding vacated by PC MPP Elizabeth Witmer in Kitchener-Waterloo. Premier McGuinty announced in late April that Witmer would become the Workplace Safety and Insurance Board's new Chair. If the Liberals win this riding it would put them in a majority position once again. A date has not been set for the by-election but the vote must be held by late October.

Provincial Budget Cliffhanger

Finance Minister Dwight Duncan's Budget, introduced on March 27, projected the 2012-13 deficit at \$15.2 billion and proposed to balance the budget by 2017-18. To do this, it plans to dramatically reduce program spending growth to 1% a year over 2012-2015. A lot of the savings are projected to come from negotiated or imposed pay freezes for staff, MPPs, executives at hospitals, colleges, school boards, etc., controlling public sector pensions and reducing staff by 1,000 full-time equivalent positions. Other measures include putting off legislated decreases in corporate tax rates until 2017-18, new user fees, and postponing some infrastructure programs.

PCs under Leader Tim Hudak vowed from day one to vote against the budget. The NDP and leader Andrea Horwath initially abstained in return for several concessions, including a small increase in welfare budgets and a wealth tax on people earning \$500,000 or more. Then in mid June, the NDP and PC started voting down segments of the Budget in standing committee.

Tempers flared, accusations flew and a July election was threatened. The Budget was finally passed on June 20, with the NDP abstaining. Bill 114 (the 'wealth tax'), was introduced and passed on the same day, with support from the Liberals and the NDP.

Infrastructure is a Top Priority

The Standing Committee on General Government has been holding hearings on traffic congestion in the Greater Toronto Area, National Capital Region and connected regions.

In early June, the Residential and Civil Construction Alliance of Ontario commended the province's continued commitment to infrastructure. Its three-year, \$35 billion expenditures in Budget 2012 show solid support for the priority of infrastructure funding, even in times of spending restraint, RCCAO said.

While current provincial spending has grown to about 3% of Gross Domestic Product, RCCAO pointed out that its December report from RiskAnalytica shows the optimal spending level would be 5%. With optimal financial circumstances, the funding should be increased to that level.

The group also called for public dialogue on new financing alternatives, mostly based on the user pay principle. For example, electronic road tolls with GPS can change road toll rates based on time of day, direction of travel and route used, and help to manage demand in peak periods and areas.

A recent Pembina Institute poll shows that 69-70% of GTA drivers are at least moderately supportive of tolls, sales taxes and parking fees if they are fair, transparent and dedicated to building rapid transit in the region. In a survey of Canadians by Leger Marketing, half said they would pay \$3 a day for road tolls.

Dedicated funds can present challenges under public accounting rules, but these

are not insurmountable, RCCAO said. For example, "money can be flowed to an external, multilateral operating agency, or directly to municipalities for specific projects."

Bundling maintenance contracts and streamlining of regulations can also offer efficiencies.

Code Changes for Balcony Glass

The Ministry of Municipal Affairs and Housing has accepted the recommendations from its Expert Panel for addressing falling balcony glass. Effective July 1, the Ontario Building Code includes new required materials and installation procedures, depending on whether the glass is set in from the edge of the balcony or protrudes over it. The three types of glass specified (6 mm tempered glass, heat-strengthened laminated glass and heat-soaked tempered glass) are already being manufactured. Ontario will work with the Canadian Standards Association to develop a new standard.

'One Call' System Passes

The bi-partisan public members' Bill 8, the *Ontario Underground Infrastructure Notification System Act*, introduced by MPPs from the PC and NDP, passed with support from all parties June 14. It establishes the non-profit, industry-funded, 'One Call' centre as the mandatory single point of contact for all underground utility location services in Ontario. It has been widely welcomed by construction industry and municipal representatives, as a significant improvement which could cut injuries and save lives. In New York, which has a similar mandatory system, the incident rate is half that in Ontario.

Millions for soil removal

New figures from RCCAO say taxpayers will be paying up to 15% more for infrastructure because of the rising costs associated with disposal of excavated soils. The study estimates transporting and disposing of soils from the Eglinton Cross-town LRT, for example, could cost \$100 million or more. Lack of guidelines on handling relatively clean soils has produced shortages of disposal sites, more truck travel, congestion and emissions.

Andy Manahan, Executive Director of the Residential and Civil Construction Alliance of Ontario (RCCAO), is a member of AOLE's Board of Directors and its Legislative Chair.