

The Regional Municipality of York

Committee of the Whole
Planning and Economic Development
April 8, 2021

Report of the Commissioner of Corporate Services and Chief Planner

2020 Regional Centres and Corridors Update

1. Recommendations

1. The Regional Clerk forward this report to the Minister of Municipal Affairs and Housing and York Region Members of Federal and Provincial Parliament as an example of the Region's continued commitment to transit-oriented development within Regional Centres and Corridors.
2. Council continue to seek further Federal and Provincial funding and assistance to provide critical infrastructure for the Yonge North Subway Extension and completion of the Viva Rapid Transit network, required to support levels of growth and intensification within Regional Centres and Corridors to implement Provincial Growth Plan forecasts.
3. The Regional Clerk forward this report to the local municipalities for information.

2. Summary

This report provides an annual update of development activity, transit investments and programs that occurred within Regional Centres and Corridors in 2020. It identifies ongoing trends, impacts of COVID-19 and future initiatives that continue to drive the Region's city building initiatives forward supporting Council's commitment to planning for complete communities.

Key Points:

- Regional Centres and Corridors include 58 out of 78 Council endorsed Major Transit Station Areas (MTSA's)
- Residential construction activity in Centres and Corridors remained robust during the pandemic
- Despite COVID-19 restrictions, 2020 was a strong year for building permit activity within Centres, with 68% of all apartment units in the Vaughan Metropolitan Centre
- Vaughan Metropolitan Centre (VMC) was a leader in condominium sales despite an overall slowing in GTA condominium sales in 2020

- In December 2020, the most recent Viva Bus Rapid Transit rapidway opened for service in Richmond Hill from Highway 7 to 19th Avenue/Gamble Road
- Since 2018, approximately 3,200 purpose built rental units have been proposed in Centres and Corridors accounting for 96% of all rental units in the Region
- No new building permits were issued for office in 2020, but there were also no new large office space vacancies in either the Vaughan Metropolitan Centre or Markham Centre
- Yonge North Subway Extension continues to be the top transit priority for York Region, followed by completion of planned Viva Bus Rapid Transit rapidways crucial to completing the Region’s rapid transit network
- Upper York Sewage Solution is a vital piece of infrastructure required to fully realize planned growth in Newmarket Centre and Regional Corridors in Aurora, East Gwillimbury and Newmarket

3. Background

Regional Centres and Corridors are being redefined by planning for Major Transit Station Areas

Regional Centres and Corridors are the foundation of the Region’s Urban Structure that guides rapid transit investment, residential intensification, and commercial growth. It directs growth to strategic locations in the Region through intensification and supports the efficient use of land by aligning growth with existing and planned infrastructure and services.

Regional Centres and Corridors implement the Provincial Growth Plan’s priority to focus growth in urban areas. The Provincial Growth Plan identifies four Urban Growth Centres in York Region, also known as Regional Centres:

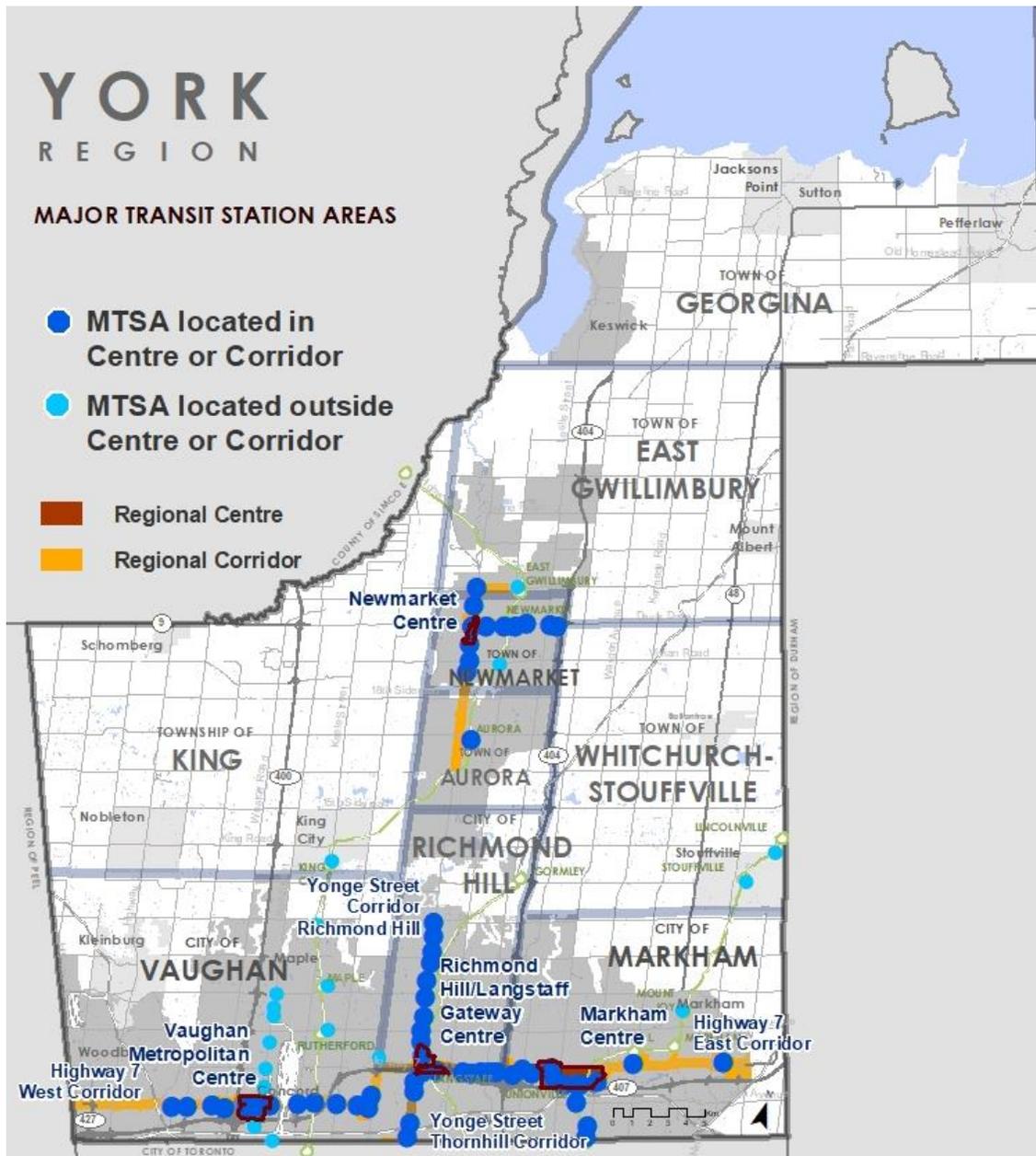
- Markham Centre (Highway 7 and Warden Ave)
- Newmarket Centre (Yonge Street and Davis Drive)
- Richmond Hill / Langstaff Gateway Centre (Highway 7 and Yonge Street)
- Vaughan Metropolitan Centre (Highway 7 and Jane Street)

Urban Growth Centres are the primary focus for intensification, are planned to contain the highest development densities in the Region and are evolving into highly active urban places well served by rapid transit.

Regional Corridors are evolving with recent direction from the Provincial Growth Plan to delineate Major Transit Station Areas (MTSA) along existing and future transit corridors. The majority (58) of the Region’s 78 MTSA are in Regional Centres and Corridors supported by subway and/or Viva Bus Rapid Transit, with others located on GO transit corridors (Figure 1). MTSA represent areas within a 10-minute walk of a transit station. These areas will support revitalization through the introduction of additional density to existing neighbourhoods.

Figure 1

Major Transit Station Areas in Centres and Corridors



Regional Centres and Corridors support complete community principles

The proximity of transit in the Centres and Corridors supports building 15-minute neighbourhoods. The concept of 15-minute neighbourhood walkability as a method of measuring complete communities has recently gained momentum amongst municipal leaders as a strategy to “Build Back Better”, as part of COVID-19 recovery efforts. 15-minute neighbourhoods are complete communities characterized by compact, well-connected neighbourhoods that:

- Provide for a range of housing and employment options
- Support active transportation and transit use
- Provide easy access to retail, services, greenspace, schools and other community facilities
- Allow residents to access their daily needs within a 15- minute walk or bike ride from home

The 15-minute neighbourhood concept is not limited to Centres and Corridors, but rather a goal for complete communities in the Region. Staff are developing a mapping tool with local municipal staff, to be shared in the future with stakeholders and the public for input to assess walkability in York Region communities. This analysis will help municipal staff identify gaps and respond to specific local needs and improve an area’s liveability through policy development, implementation and citizen engagement. A [community wide survey](#) has been launched to understand diverse needs in existing and new communities. Results will inform the planning and design of complete communities in more compact Centres and Corridors and suburban settings.

Figure 2
Elements of a 15-Minute Neighbourhood



Town of Newmarket

4. Analysis

Building Permit activity in Centres and Corridors remained strong in 2020

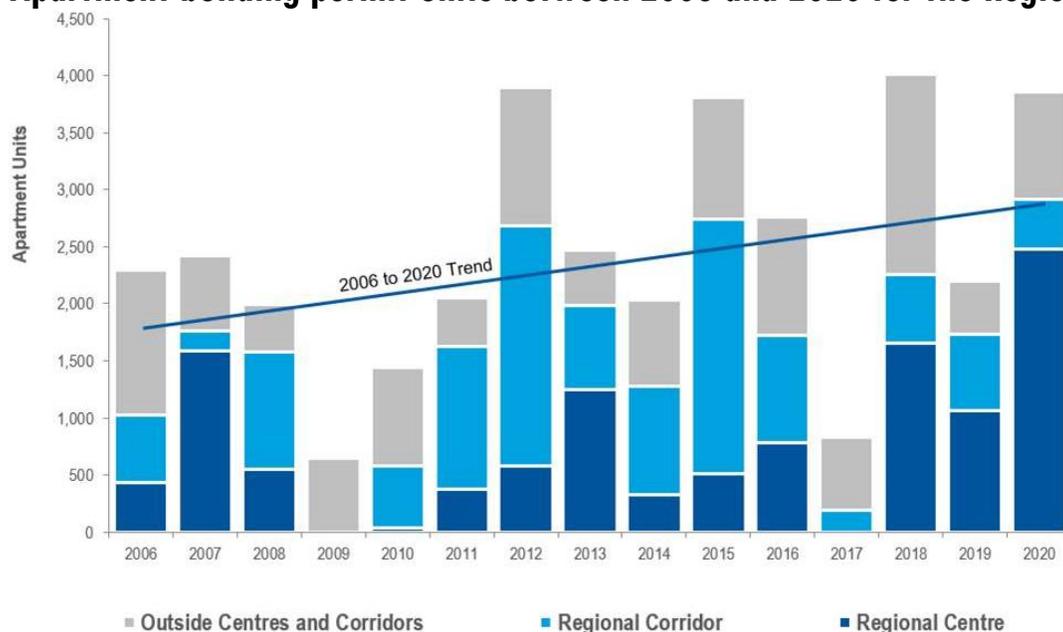
In 2020, building permits were issued for over 3,800 apartment units Region-wide, compared to 2,200 units in 2019. Over 70% of building permits were issued in the first half of the year, followed by a slower period of activity in the second half of the year. Overall, building permit activity was comparable to previous years, despite the COVID-19 pandemic. Yearly

fluctuation is more commonly observed in apartments than in other housing types as they can take a longer time to build and are tied to individual high-rise development projects. Figure 3 shows the number of apartment building permit units in the Regional Centres and Corridors and all other areas of the Region.

Key highlights of apartment building permit activity in Centres and Corridors:

- Majority of all new apartment units (76%) were in the Centres and Corridors
- Purpose built rental apartment units accounted for 12% (360 units) of all new apartment units in Centres and Corridors. There are currently 220 purpose-built rental units under construction and an additional 2,600 rental units proposed.
- 2020 was the highest year on record for apartments units in Centres
- 68% of apartment units in Centres were in the Vaughan Metropolitan Centre
- Vaughan Metropolitan Centre has accounted for 57% of apartment units in Centres and Corridors over the last 3 years

Figure 3
Apartment building permit units between 2006 and 2020 for the Region



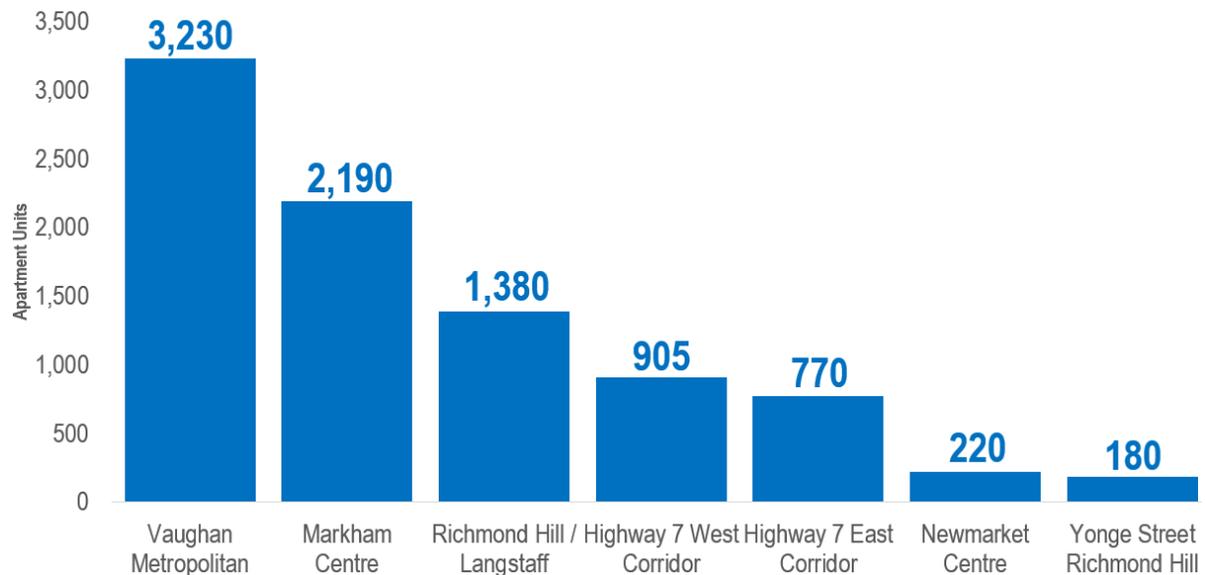
Construction activity in the Centres and Corridors remained robust in 2020

Despite COVID-19 restrictions, there was a 21% increase in construction activity in 2020 in Centres and Corridors. This represents the highest one-year total for construction growth since tracking began in 2001. Currently, there are 29 multi-storey residential buildings (8,900 units) under construction in Centres and Corridors, compared to 24 buildings (7,430 units) in 2019. (Source: Altus Group Data Solutions Inc.)

In 2020, 12 buildings were completed (3,280 units) and 17 new buildings started construction (6,790 units). The strongest construction growth was observed in the Vaughan Metropolitan Centre (VMC) with 3,230 apartment units under construction, followed by Markham Centre with 2,190 units (Figure 4). The Toronto-York Spadina subway extension has been a catalyst for growth in the VMC.

Figure 4

Apartment Units Under Construction in 2020 in Regional Centres and Corridors



(Source: Altus Group Data Solutions Inc.)

Vaughan Metropolitan Centre led condominium sales despite an overall decline in GTA sales

GTA new condominium sales fell 22% in 2020 from 2019, but overall performed better than the City of Toronto which reported a 31% decrease in sales (Altus Group Data Solutions Inc). This shift in condominium sales activity from Toronto to other GTA municipalities is being driven by a mix of investors and people wanting to live in purchased units.

The availability of unsold units in new condominiums in Centres and Corridors stood at 4% (390 units) of total inventory in 2020, showing no decline over the 4% unsold inventory observed in 2019. Condominium sales in Vaughan continued to increase, even with COVID-19 restrictions. In 2020, 3,160 apartment units were sold in Vaughan compared to 2,460 units in 2019. The City of Vaughan took the lead in selling the majority (79%) of apartment units in York Region (Source: Building Industry and Land Development Association) (Figure 5).

Figure 5
Buildings under construction at the Vaughan Metropolitan Centre



Secondary Plans are being updated to ensure Centres continue to develop as vibrant, sustainable complete communities

Over the last 3 years, 55% of local official plan amendment applications in Centres and Corridors proposed increased heights and/or density beyond those permitted in the current Official Plans. Based on active applications, the Vaughan Metropolitan Centre and Markham Centre are projected to exceed 2031 secondary plan population targets by 60% and 24% respectively (Attachment 1).

More than anticipated population can put increased pressure on the ability to deliver sufficient parkland, community amenities, schools and local and regional infrastructure. To address this, local municipalities (Markham, Richmond Hill, and Vaughan) are updating their Regional Centre Secondary Plans to ensure the community vision for sustainable urban living can be achieved for these areas. Staff continue to work with local municipalities to support the review and approval of Secondary Plans.

York Region is leveraging 3D modelling technology as a city building tool to visualize emerging communities in Centres and Corridors

As the Region plans for growth and as areas redevelop, visualizing development can be helpful to understand and plan for intensification areas. 3D modelling can enable various stakeholders to visualize and understand the impact of proposed development and make informed decisions.

3D modelling creates a digital illustration of current and future development areas. Figure 6 shows a 3D model to help visualize the density proposed by numerous development applications at Steeles Avenue and Yonge Street (Figure 6). This tool offers many benefits including:

- Visualizing how emerging communities will look (e.g. MTSA's, compare different planning scenarios)
- Understanding how these areas are meeting population and job Growth Plan targets
- Providing a tool for citizen education and engagement
- Allowing stakeholders to understand the impact of development proposals on a site or area
- Accessing metrics in real-time (e.g. parkland, servicing availability)

3D modelling technology is being used to build a virtual city model of the Region starting with Centres and Corridors. This model connects directly to the Region's development tracking system (YorkTrax) to provide real-time data on development applications. Local municipalities are interested in using this technology to help visualize new development in key growth areas and future new communities across the Region. Local staff will continue to be engaged to advance the application of 3D modeling as a tool to help inform future growth and development decisions.

Figure 6
3D illustration of existing built form and active development applications at Yonge Street and Steeles Avenue



COVID-19 has impacted office market demand creating short-term uncertainty

When the COVID-19 pandemic began in March 2020, millions of Canadians moved from working in office locations to working from home. The pandemic also accelerated other trends that impact commercial real estate demand such as adoption of flexible office models, supply chain risk mitigation and retail sector transformation. Conversely, COVID-19 slowed or halted trends and activities such as workplace densification, urban migration, in-person meetings, business travel and use of mass transit. Highlights of 2020 office activity in Centres and Corridors include:

- Unprecedented COVID-19 related move to work from home resulting in significant office market uncertainty that may influence post-pandemic corporate space decisions
- While local office vacancy rates held relatively steady in 2020, availability rates for office space are rising as tenants are subletting their unused spaces
- Office leasing activity in 2020 has fallen to its lowest level in recent years
- Office space absorption decreased, and availability and vacancy increased in 2020 because of the COVID-19 impact, however rental rates generally held firm for well-leased assets
- With the pandemic taking its toll on new local office market applications, data shows that York Region fared better in 2020 than other GTA regions. Further information on broader York Region development is provided in the 2020 Development Activity Report

There were no new building permits issued for office development in Centres and Corridors in 2020, however there are also no new large office space vacancies in either the Vaughan Metropolitan Centre or Markham Centre, pointing to the relative resilience of these sub-markets in 2020 during COVID-19 pandemic restrictions.

Yonge North Subway Extension remains the Region's top rapid transit priority

The Yonge North Subway Extension (YNSE) remains the number one rapid transit priority for York Region. The YNSE project is expected to take 10 years to complete and will create new jobs, build a stronger economy, shape communities, and support a sustainable future by:

- Creating 52,000 new jobs delivered through YNSE construction, providing new opportunities for apprentices and businesses, and 5,000 new jobs delivered 10 years after construction through new development and other infrastructure
- Saving over 13 tonnes of greenhouse gas (GHG) per workday by reducing 3,300 bus trips per day required to service this segment of Yonge Street by 2031
- Providing housing for 88,000 new residents and unlocking planned development in Richmond Hill/Langstaff Gateway and along the Yonge Street corridor

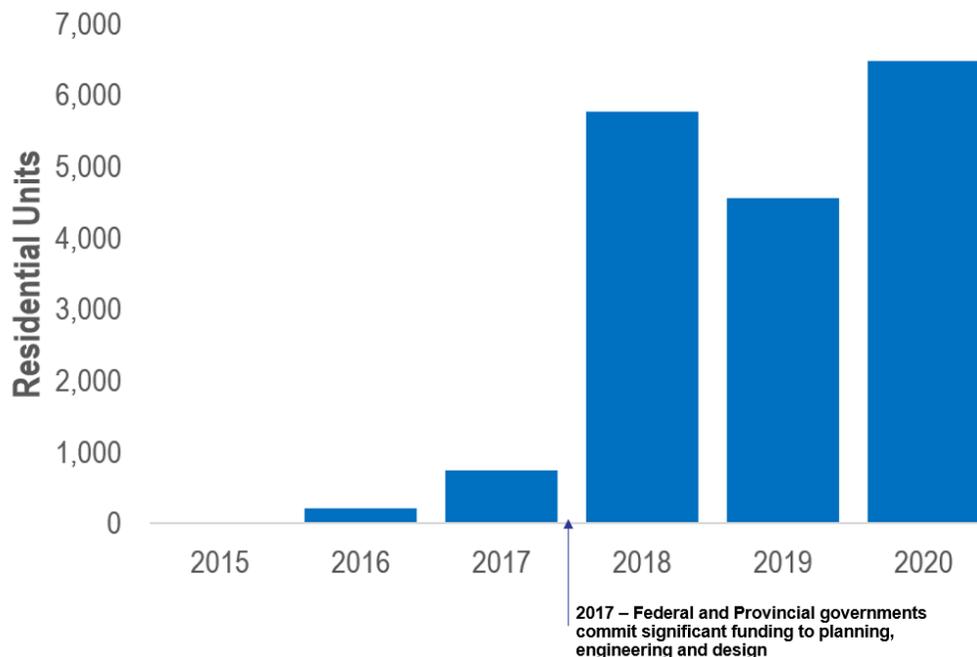
In April 2019, the Province of Ontario announced \$5.6 billion for funding the Yonge North Subway Extension. The Federal government's 40% share of funding has not been secured at this time. On March 18, 2021 Metrolinx recommended a new proposed alignment for the Yonge North Subway Extension that would include building a portion of the line above ground parallel to the existing Richmond Hill GO corridor. The target completion date for the YNSE is 2029-30.

Development interest along the Yonge North Subway Extension Corridor increased following Federal and Provincial support for the subway

Investment in rapid transit is having a positive impact on growth and development along the Yonge North Subway Extension (YNSE) corridor. Development interest in the Yonge Street corridor increased substantially following Federal and Provincial announcements to provide support for the planning and design of the YNSE in 2017. Since 2018, there has been an increase in high-density development applications that collectively proposes to add close to 17,000 apartment units and 550,000 square feet of commercial/retail space (Figure 7). More than half of these units are proposed on Yonge Street close to Steeles Avenue. Richmond Hill staff are preparing the Richmond Hill Centre Secondary Plan which is expected to be adopted later this year. This secondary plan will set new growth targets and guide development to be served by the future Yonge Subway Extension.

The Region and local municipalities are working with Metrolinx and TTC to ensure a coordinated development approval process for applications along the Yonge North Subway Extension corridor and implement the provinces' Transit Oriented Communities program.

Figure 7
Proposed high-rise residential units on the Yonge North Subway Extension Corridor



Further investment to implement planned Viva rapidways is necessary to complete the Regional rapid transit network

By the end of 2020, York Region has opened nearly 34 kilometres of bus rapid transit (BRT) connecting our busiest city centres to the entire GTA. The most recent rapidway in Richmond Hill was completed in December 2020 along Yonge Street from Highway 7 to 19th Avenue/Gamble Road. Investment in BRT and subways supports economic vibrancy and quality of life. An additional 75+ km of Viva Rapid Transit rapidways have been planned for various areas in York Region, including:

- Highway 7 west to Highway 50 and east to Cornell Bus Terminal
- Yonge Street between Savage-Sawmill and Wellington St., and between Golf Links and 19th/Gamble
- Jane Street, Major Mackenzie Drive, and Leslie Street

These areas remain unfunded and need prioritization by Metrolinx and the Province to connect the Regional Centres and complete the Regional rapid transit network to provide necessary links and address interregional connections with provincial transit improvements, including GO expansion at Markham (Unionville) and in Vaughan.

Staff continue to monitor development charge deferral programs that encourage purpose built rental housing and office development

In October 2019, York Region Council approved new long-term development charges deferrals to support affordable, purpose-built rental housing and large office buildings. Since Council approval, staff have actively engaged with residential and non-residential stakeholders, providing information on the programs. In 2020, two developments accessed the affordable rental development charge deferral program for a total of 262 units (216 units in Newmarket, 46 units in Vaughan). There were no large office building development charge deferrals in 2020. There are currently 3,080 purpose built rental units proposed in the Region by 8 development applications.

York Region has requested the Province introduce legislative changes to advance Environmental Assessment Approvals for critical Water and Wastewater Infrastructure

Bill 171, the *Building Transit Faster Act*, introduced by the Province in February 2020, includes several measures to help accelerate the timing of delivering the Provincial subway program. York Region has asked the Province to introduce similar legislation to Bill 171 to help expedite Environmental Assessment Approvals associated with approval of key infrastructure projects. Continued delay in approval of a sewage solution for York Region's northern municipalities is impacting the ability for these municipalities dependent on this project to meet Provincial Growth Plan targets and realize economic development opportunities.

5. Financial

Development in Centres and Corridors optimizes investment in capital infrastructure. To date:

- The Region has invested \$3.6 billion in Bus Rapid Transit rapidways (BRT), the Yonge North Subway Extension (YNSE), and facilities and terminals to support Centres and Corridors.
- This investment has provided over \$2.1 billion in assets, including rapidway Viva stations and lanes, boulevard work, underground infrastructure, streetscape features, facilities and terminals, and subway infrastructure.
- Additional funding is required to build 75+ km of planned BRT rapidways critical to connect Regional Centres and complete the rapid transit network.

On May 28, 2020, York Region and the Province signed the “Ontario-York Region Transit Partnership Preliminary Agreement”. According to this agreement, the Region is expected to contribute over \$1 billion of the total capital construction costs of the YNSE (estimated to be \$5.6 billion). The Federal government’s 40% share of funding for the YNSE has not been secured at this time. Staff will continue working with all levels of government to help move this critical project forward.

6. Local Impact

Local municipalities are key partners in city building initiatives and programs to support implementation and development of Centres and Corridors. Staff are working with local municipalities on:

- Review and approval of Secondary Plans and planning for Major Transit Station Areas
- Coordination of comments for development applications along the Yonge North Subway extension corridor and advancing Transit Oriented Communities with the province
- 3D city building technology to provide a visualization tool for local municipal collaboration to inform and promote city building
- Developing a mapping tool to assess walkability in York Region communities to support 15-minute city complete community principles

7. Conclusion

Regional Centres and Corridors are evolving with the recent direction from the Provincial Growth Plan to delineate Major Transit Station Areas along rapid transit corridors and GO

Stations. To inform future growth and development in these areas, staff will be leveraging 3D modelling technology as a city building tool to visualize these emerging communities.

Despite COVID-19, residential building permit and construction activity remained robust in 2020. It was one of the strongest years on record for residential building permit activity within Centres, with 68% of all new apartment units within Centres locating in the Vaughan Metropolitan Centre (VMC). It was also a strong year for construction activity with 29 multi-storey residential buildings under construction in the Centres and Corridors. In 2020, there was a strong shift of condo sales activity from Toronto to the GTA, with the VMC leading in apartment sales. The Toronto-York Spadina Subway extension has been a catalyst for growth in the VMC.

The Province has committed a significant investment for the Yonge North Subway Extension, however further funding commitment in Viva Bus Rapid Transit rapidways is critical to complete the Regional rapid transit network. Moving forward with the Upper York Servicing Solution infrastructure is also required to fully realize planned potential in the northern Centres and Corridors. These projects will support the Region's vision of vibrant, successful, healthy, transit-oriented, complete and compact communities.

For more information on this report, please contact Jeff Hignett, Senior Planner at 1-877-464-9675 ext. 71515. Accessible formats or communication supports are available upon request.

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March 26, 2021
Attachment (1)
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