

The Regional Municipality of York

Committee of the Whole
Planning and Economic Development
May 4, 2023

Report of the Commissioner of Corporate Services and Chief Planner

2022 Regional Centres and Corridors Update

1. Recommendations

1. Regional Council request the Federal and Provincial governments to prioritize funding toward the next generation of bus rapid transit projects in York Region, and critical infrastructure to advance the Yonge North Subway Extension to support development of Regional Centres and Corridors.
2. The Regional Clerk forward this report to the local municipalities, Minister of Municipal Affairs and Housing, Minister of Transportation, Metrolinx and York Region Members of Federal and Provincial Parliament as representation of York Region's continued commitment to transit-oriented development in Regional Centres and Corridors and Major Transit Station Areas, and the need to advance rapid transit initiatives in York Region.

2. Summary

The 2022 Regional Centres and Corridors Update report provides a year in review of development activities, highlighting areas of progress, major new investments, and where more action needs to be taken.

Key points:

- York Region's Centres and Corridors represent Regional Centres, Major Transit Station Areas and lands along the Yonge Street, Highway 7, Davis Drive and Green Lane rapid transit corridors
 - In the Centres and Corridors, approximately 2,700 apartment units were issued building permits in 2022, well above the pre-pandemic level of 1,700 units recorded in 2019.
 - Office/retail space issued in new building permits totalled more than 347,000 square feet in Centres and Corridors.
 - Development interest is increasing for purpose-built rental housing in Centres and Corridors, with over 40 apartment building applications (4,600 units) under review.
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- Existing developments and active applications in Markham Centre, Vaughan Metropolitan Centre, and Richmond Hill/Langstaff Gateway exceeded the 2031 local Secondary Plan projected residential target by approximately 170%, 190%, and 300% respectively.
- There is record high volume of development interest along the Yonge North Subway Extension Corridor, with over 71,000 residential units proposed and over 451,000 square metres of retail/office space proposed or under construction.

3. Background

Regional Centres and Corridors support development of complete communities

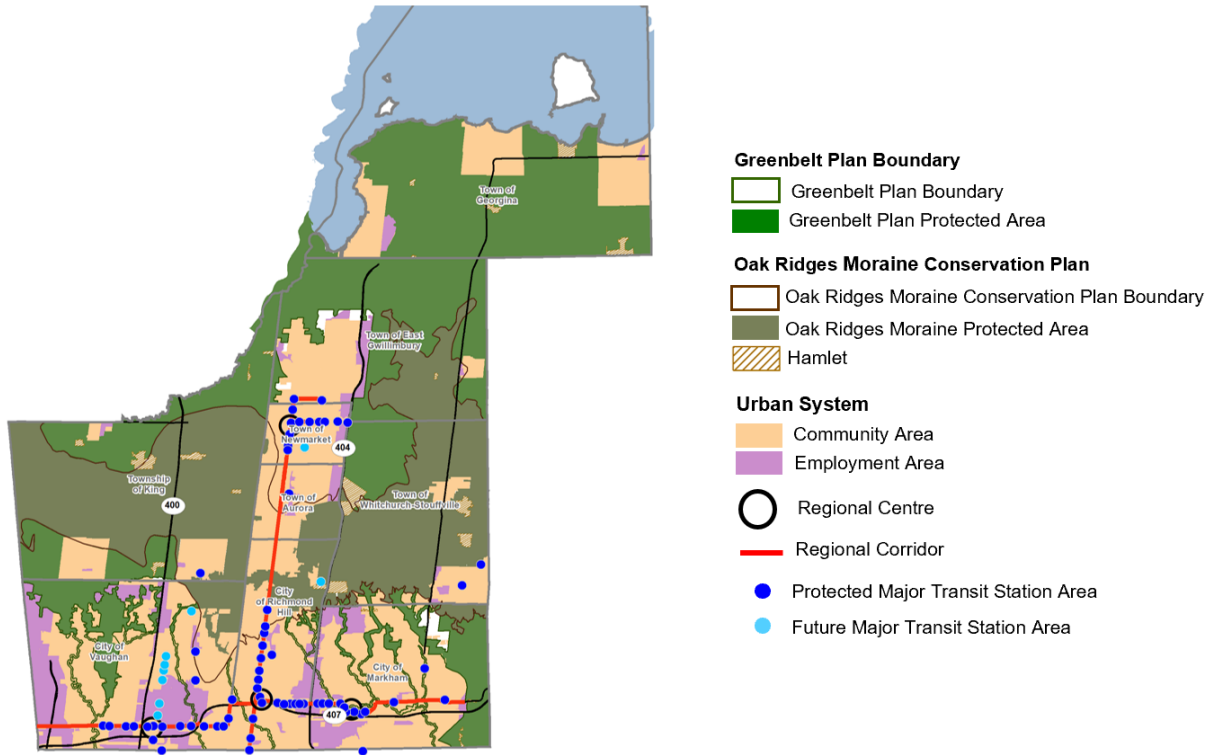
Regional Centres and Corridors are priority intensification areas in York Region served by rapid transit services (subway, Go and bus rapid transit). Large scale transit infrastructure investments are integral to the Centres and Corridors in order to accommodate residential intensification and employment growth within built-up areas and support urban growth to optimize public infrastructure investments, human services, and transit ridership. Accommodating growth through intensification in strategic locations within the Regional Centres and Corridors supports fiscal sustainability by aligning growth and development planning with existing and planned public infrastructure and services.

Provincial Urban Growth Centres (which include York Region's four Regional Centres) are strategically located in the Greater Golden Horseshoe (GGH) and connected by a network of transit service including higher order transit: the Toronto York Spadina Subway Extension, the future Yonge North Subway Extension, and the future Highway 407 Transitway, GO Transit, and VIVA Bus Rapid Transit corridor (BRT).

York Region's four Regional Centres (Markham Centre, Newmarket Centre, Richmond Hill/Langstaff Gateway Centre, and Vaughan Metropolitan Centre) and the Regional Corridors (encompasses Major Transit Areas) of Highway 7, Yonge Street, Davis Drive and Green Lane are at various stages of urban development and growth. Subsequent report sections highlight development activities, trends, investments and initiatives along Regional Centres and Corridors.

The Region's urban structure includes 77 designated Major Transit Station Areas, with 58 located in Centres and Corridors (Figure 1). The Major Transit Station Areas linked by the next generation of rapid transit projects, and the Yonge North Subway Extension will strengthen connections between Regional Centres and Corridors. Together with the Official Plan policies, intensification in Centres and Corridors will support the advancement of city building objectives.

Figure 1
Major Transit Stations Areas in Regional Centres and Corridors



4. Analysis

Regional Centre Secondary Plan updates are underway by local municipalities to align with the Regional Official Plan and manage growth trends

York Region and local municipal partners continue to transform its Regional Centres and Corridors, anchored by 58 Major Transit Station Areas, to create destinations for business, residents, arts and culture, and major attractions for visitors. Regional Centres and Corridors promote a clustering of diverse land uses to build and support 15-minute cities, complete communities with destinations to live, work, learn and play.

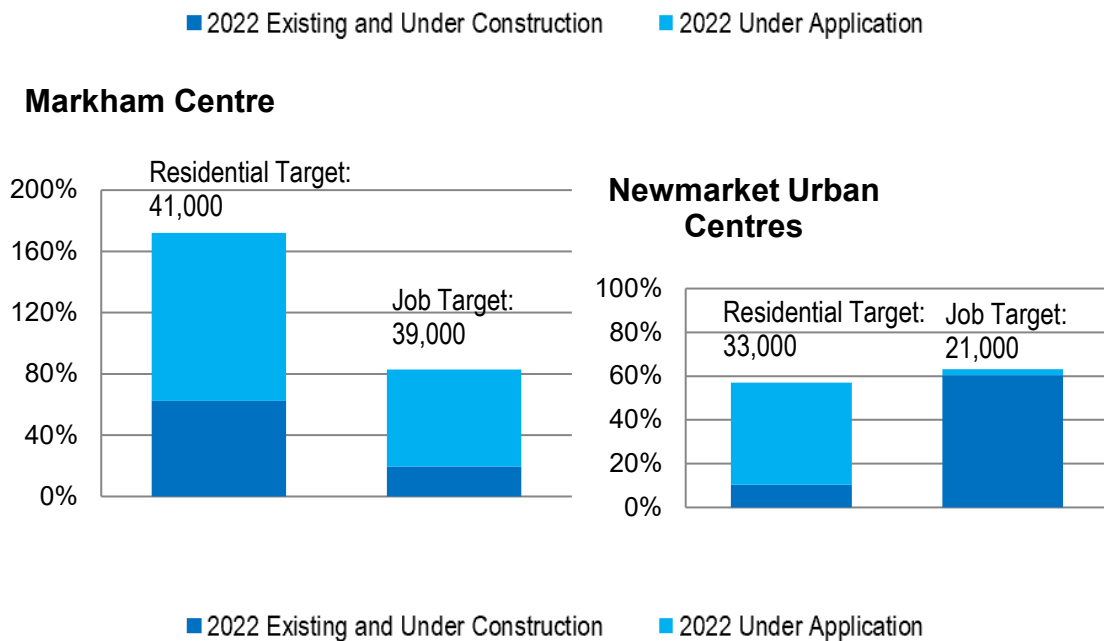
Over the last few years, the Region observed an increasing volume of residential development applications requesting permissions for increased heights and/or density. In 2022, over 50% of proposed development exceeded permitted building height and/or density permissions than the planned vision. The impact of these increases places additional pressure on infrastructure capacity and community services needs.

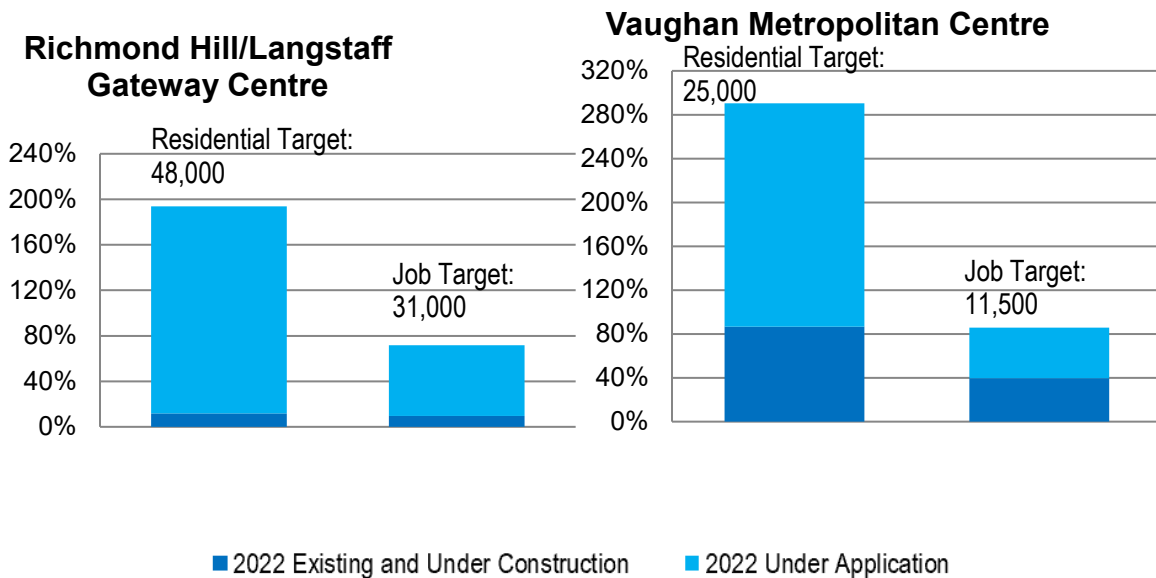
Residential construction projects completed and/or underway including active development applications in Markham Centre, Vaughan Metropolitan Centre, and Richmond Hill/Langstaff Gateway (with two Provincial Transit-Oriented Communities proposals), exceeded local Secondary Plan 2031 projected residential target by approximately 170%, 190%, and 300%

respectively (Figure 2). To date, employment growth has not kept pace with residential growth and the target of 2:1 resident-to-jobs in the Regional Official Plan. This target is intended to ensure Regional Centres are a destination for both working and living. Residential development projects that are completed and under construction in the Vaughan Metropolitan Centre, has resulted in a current resident-to-jobs ratio of 7:1. Policy implementation mechanisms will be needed to balance residential development pressures with long-term goals of employment and destination uses in Regional Centres.

Local Secondary Plan updates are underway to balance growth trends with the delivery of infrastructure, parkland and community services, the provision of housing to meet the needs of these communities, and to support live/work and affordable opportunities. The Secondary Plan updates for the Richmond Hill/Langstaff Gateway Centre and the Vaughan Metropolitan Centre are scheduled for completion in 2023. The City of Markham is undergoing a Secondary Plan update for completion in 2024. Regional staff will continue to provide policy guidance to local municipalities.

Figure 2
Progress Towards Growth in Regional Centres by Percentage of 2031 Targets





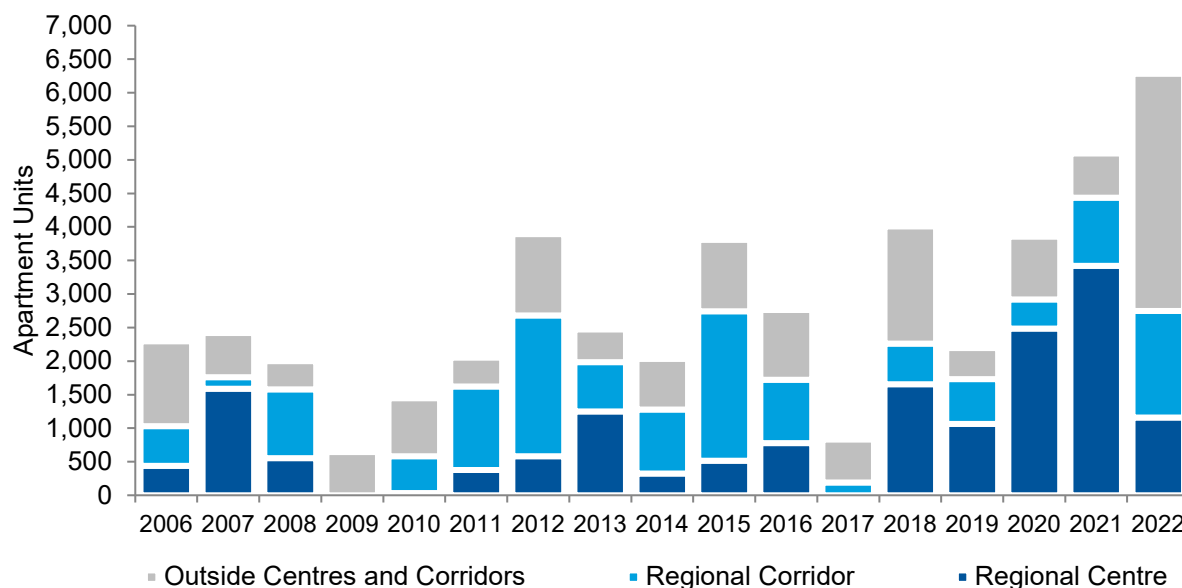
There is strong construction activity in Regional Centres and Corridors

The Region monitors growth in Regional Centres and Corridors through planning and development activity to help measure the success of city building objectives.

Investment in transit continues to have a positive impact in York Region. The Region’s transit infrastructure funding commitments are attracting new construction investments in 2022, including:

- Region-wide, more than 6,200 building permits were issued for apartment units, higher than the 5,000 apartment units issued in 2021 (Figure 3).
- Regional Centres and Corridors accounted for 43% of total building permits issued for new apartment units (approximately 2,700 units) compared to 57% (over 3,500 units) across the Region (Figure 3).
- Over 1,100 building permits for apartment units were issued in Regional Centres, with 760 units in Markham Centre followed by the Vaughan Metropolitan Centre at 397 units.
- Proposed purpose-built rental apartment development in Centres and Corridors totalled more than 5,800 units, with 400 units under construction.
- Commercial building permit data recorded over 347,000 square feet of retail/office space in Centres and Corridors.
- Nearly 71,000 apartment units and approximately 451,000 square metres of retail/office space are proposed or under construction along the Yonge North Subway Extension corridor.

Figure 3
New Apartment Units by Building Permits Issued in York Region, Centres and Corridors, 2006-2022



Source: Statistics Canada, Building Permits by Type of Structure, February 2023

Centres and Corridors continue to attract tenants pursuing quality and innovative, hybrid office space environments

The office sector is facing a period of structural change, and the pandemic intensified tenant demand preferences for newly built office buildings offering premium in-person experiences and sustainability features. According to a report published by Cushman & Wakefield (Obsolescence Equals Opportunity: The Next Evolution of Office and How Repositioning and Repurposing Will Shape the Future), the office evolution is unfolding across the globe. Changing dynamics of hybrid workforces are currently having larger impacts in North America, more than other parts of the world. The scale of these market evolution challenges provides opportunities to reimagine office property strategies including improving asset amenities, green design building features, and improving a sense of place by creating local community events and activities.

In 2022, according to an office market report by Avison Young, the GTA office space availability rate rose year-over-year to over 16% and the vacancy rate increased to over 10%. York Region’s office market recorded a lower rate than GTA-wide at 5.5% vacancy and availability rate at an annual average of 9.4%. In contrast, according to CoStar real estate market analytics, the annual average vacancy rate is relatively steady at 6.3% for built office space within Regional Centres.

New development is leveraging rapid transit investments to support live/work opportunities

In 2022, there were two office development projects approved in the Vaughan Metropolitan Centre totalling 36,292 square metres. Development proposals for office space in Centres and Corridors is approximately 700,000 square metres overall. The Region continues to invest in transit infrastructure along the Centres and Corridors to support live/work opportunities within walking distance of high order transit, and to foster economic prosperity.

York Region businesses are recovering from the impact of COVID19 to almost pre-pandemic levels. When comparing the 2019 York Region Employment survey results to the 2022 Survey, employment declined to only three per cent below the total number of businesses in 2019 (from 8,423 to 8,189 businesses). As the Region continues to invest in major transit infrastructure projects around Centres and Corridors, both population and employment is anticipated to continue to grow for the near future.

Centres and Corridors are attracting more private purpose-built rental housing development proposals

Complete communities support an appropriate mix and range of housing options that meet the needs of residents and workers of all income levels, ages, abilities and stages of their lives. Centres and Corridors are great locations for purpose-built rental and affordable housing projects because of strategic public investments in high order transit infrastructure to promote live/work opportunities within walking distance to community amenities and services.

In 2022, development interests for purpose-built rental housing increased in Centres and Corridors to approximately 4,600 units of applications under review from 2,800 units in 2021. Nearly 400 units are under construction in Centres and Corridors with one rental building in the Vaughan Metropolitan Centre (Figure 4) and one rental building in Davis Drive Corridor.

The Region continues to promote private purpose-built rental housing through the development charge deferral program for land developers. In 2022, four proposals with 400 units secured affordable rental development charge deferral, of which 100 units were in Centres and Corridors. Meeting housing needs can only be addressed through coordination and partnership with all levels of government, the building industry, community partners, major institutions, and stakeholders.

Figure 4

Private Purpose-Built Rental Housing in the Vaughan Metropolitan Centre



There is unprecedented development interest along the Yonge North Subway Extension corridor

The anticipated opening of extended subway services continues to attract and strengthen development interest in and around the Yonge North Subway Extension Corridor in York Region. There are approximately 71,000 proposed residential units and over 451,000 square metres of non-residential space at various stages of development.

Through the Ontario Transit-Oriented Communities (TOC) Program, the Province partnered with landowners to submit development proposals to offset capital cost of the transit program. Approximately 42,000 residential units and 343,000 square metres of retail/office space are proposed in the Bridge Subway Station and High Tech Subway Station TOC areas. In collaboration with local municipalities, Regional staff continue to work with the Province to advance TOC proposals in the Yonge North Subway Extension corridor to promote responsible planning principles and complete community visions established in local municipal Secondary Plans.

Table 1
Development Activity in the Yonge North Subway Extension Corridor, 2022

Status	Residential Units	Non-Residential Gross Floor Area (GFA) (sq. m.)
Pre-consultation	5,800	35,800
Under Application	22,000	72,000
Provincial Transit-Oriented Communities proposals*	42,000	343,000
Approved and Under Construction	1,200	400
Total	71,000	451,200

* Residential unit totals include two Transit-Oriented Communities proposals at Bridge Station and High Tech Station.

Federal and Provincial funding is needed to support expansion of rapid transit service

York Region’s 2022 Transportation Master Plan (TMP) was approved by Council in September 2022. The TMP recommended a 2051 rapid transit network, which identifies rapid transit corridors to support the Region’s growth needs. This network includes bus rapid transit, the Yonge North Subway Extension, and GO Transit expansion.

In 2020, the Region completed 34-km of rapid transit corridors connecting Regional Centres in Markham, Richmond Hill, Vaughan, and Newmarket. Building on the bus rapid transit completed to date, remaining unfunded segments, totalling over 100 kilometres are needed to complete the Region’s rapid transit network of dedicated bus lanes along Highway 7, Yonge Street, Jane Street, Leslie Street, McCowan Road, Steeles Avenue, Green Lane and Major Mackenzie Drive. Subways extensions beyond Highway 7 and GO Rail expansion are also included in the 2022 TMP (Figure 5).

With the completion of the 2022 Regional Transportation Master Plan the opened bus rapid transit corridors will support urban growth of approximately 766,000 residents and 512,000 jobs by 2051. New development activity in Centres and Corridors optimizes investments in capital infrastructure. The Region is investing in \$3.9 billion over the next 10 years in roads and new transit infrastructure to support the efficient movement of people and goods.

Federal and Provincial funding is needed for the next generation of rapid transit expansions, as well as infrastructure to advance the Yonge North Subway Extension that will support and implement Provincial forecasts and municipal housing pledge numbers within the Regional Centres and Corridors.

Figure 5
Higher Order Transit Investments Connect Regional Destinations, Improve Quality of Life and Promote Economic Opportunities



York Region remains committed to advancement of the Yonge North Subway Extension

Together with Federal and Provincial funding, the Region’s \$1.12 billion capital contribution to the Yonge North Subway Extension project has advanced planning and design work, alignment options, and community engagement to deliver the subway and services required to support growth and intensification in Centres and Corridors.

Planning for station areas along Yonge Street, must result in livable, complete communities with context appropriate residential densities, a mix and range of residential, employment, community and cultural amenities as destinations around future stations.

5. Financial

Development in Centres and Corridors optimizes investment in capital infrastructure. The Region has invested in Bus Rapid Transit, preliminary planning and design for the Yonge North Subway Extension, and facilities and terminals to support the Centres and Corridors.

Regional Council approved the 2023 Budget which provides resources to deliver on priorities outlined in the 2023 to 2027 Strategic Plan. Fostering economic prosperity is a strategic priority for Council and the budget provides funding for infrastructure to meet the Region's growth needs for the following major initiatives:

- Continuing the plan for the Region's \$1.12 billion capital contribution to the Yonge North Subway Extension and coordinating with the Province and local municipalities as the project progresses
- Investing \$3.9 billion over the next 10 years in roads and new transit infrastructure to support the efficient movement of people and goods

Residential development interest in Regional Centres and Corridors has exceeded expectations. Local municipal Secondary Plan updates are underway to balance residential interests with other uses to ensure the plan for complete communities is achieved for these areas.

6. Local Impact

Regional staff continue to collaborate with local municipal partners to plan and implementing city building initiatives within Centres and Corridors. Ongoing local municipal engagement and partnership activities include:

- Policy review of Secondary Plans and Official Plan updates
- Coordinated review and commenting of development applications along Regional Centres and Corridors, including Provincial Transit-Oriented Communities proposals and prioritizing Yonge North Subway Extension projects
- Implement 3D visualization standards for Regional Centres and Corridors to inform development review, community engagement and promote the vision of complete communities
- Leveraging the Region's 15-minute city mapping tool to assess walkability in neighborhoods and measure achievement of complete community objectives
- Awareness of building initiatives to showcase the transformation of Centres and Corridors to support economic growth, connecting communities and improving quality of life

7. Conclusion

The Regional Centres and Corridors program is a long-term strategy to drive city building efforts in York Region. Accommodating growth through intensification in strategic locations like Centres and Corridors and Major Transit Stations Areas helps maintain fiscal sustainability by aligning growth with existing and planned infrastructure and services.

Ongoing funding commitments for subway and bus rapid transit infrastructure projects and the municipal policy framework have attracted residential and job growth in Centres and Corridors. With the increase of development proposals seeking greater building heights and/or density and population beyond the Regional and local municipal planning policies, development demand may create funding pressure for infrastructure expansion and servicing. The high growth potential along Centres and Corridors will require supporting infrastructure, servicing and community services to achieve city building objectives.

Federal and Provincial funding commitments for the Yonge North Subway Extension, and the opening of the Toronto-York Spadina Subway Extension are catalysts to support the vision for complete communities. The next generation of rapid transit projects requires additional funding to complete connections in Centres and Corridors, to support growth of approximately 766,000 residents and 512,000 jobs by 2051.

For more information on this report, please contact Sally Chau, Senior Planner at 1-877-464-9675 ext. 71507. Accessible formats or communication supports are available upon request.



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