



**CUSHMAN &
WAKEFIELD**

**PEER REVIEW OF DEVELOPMENT
ANALYSIS FOR THE SMARTTRACK
PROJECT – 2015**

PREPARED FOR:

CITY OF TORONTO





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Regarding: Peer Review of Development Analysis for the SmartTrack Project – 2015

Cushman & Wakefield is pleased to present this Peer Review of the Commercial and Multi-Residential Forecasts for the Review of SmartTrack (November 25, 2015). Our review focuses on an assessment of the approach and methodology, as well as the conclusions of the analysis. We provide various recommendations to SRRA to augment/supplement their approach to the analysis, and assist in the presentation of the conclusions.

We are pleased to discuss any aspect of this peer review work with you at your convenience.

Respectfully submitted,

Cushman & Wakefield Ltd.

A handwritten signature in black ink, appearing to read "Andrew Browning".

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INTRODUCTION

Project Overview

The City of Toronto engaged Strategic Regional Research Associates (“SRRA”) to undertake an assessment of future development in the SmartTrack/Regional Express Rail (“RER”) corridors. SRRA’s assessment will provide the basis for the City to undertake further analysis to estimate potential ridership and evaluate possible financing strategies for the SmartTrack transit proposal. SRRA’s assessment and deliverables consists of two components:

- Development scenarios and forecasts of office employment growth as a result of public investment in SmartTrack/RER (including those in York and Peel Regions).
- Forecasts of office (and related retail) and multi-residential development and related assessment growth to be used as the basis inputs into tax increment financing analysis to be performed by the City and by other agencies.

As an element of the overall project, the City engaged Cushman & Wakefield’s Valuation & Advisory division to conduct a Peer Review of the SRRA analysis – the *Commercial and Multi-Residential Forecasts for the Review of SmartTrack* Draft Report dated November 25, 2015. This Peer Review is intended to provide additional information to the City Manager and staff in the development of recommendations to Council regarding SmartTrack.

Peer Review Approach

The following provides a summary of the Peer Review elements:

1. Review the methodology used by SRRA, focusing in particular on:
 - a. its validity, design, reliability and robustness in delivering the work included in their Terms of Reference;
 - b. the variables and assumptions used; and,
 - c. identified gaps and shortcomings.
2. Review and evaluate the research analysis conducted by SRRA, focusing in particular on:
 - a. the extent to which it delivers the work included in SRRA’s Terms of Reference;
 - b. data quality and data problems;
 - c. the comprehensiveness of the analysis, and possible gaps in the analysis; and,
 - d. how the analysis identifies and resolves risks and uncertainties – especially those related to forecasting future growth and development.
3. Provide an overall assessment of the reliability and validity of the results of the research as inputs into ridership forecasting and transit financing analysis, and as a basis for transit investment decisions.
4. Provide comments and suggestions to SRRA based on the evaluation and assessment of the methodology and analysis.

METHODOLOGY REVIEW

Methodology Overview

Introduction

SRRA has provided projections of office development (and employment growth) to the City of Toronto, as follows:

- without SmartTrack (under present conditions and zoning, recognizing the impacts of transit projects under construction and development).
- with SmartTrack (assuming that zoning constraints are amended to support greater potential ridership in the corridor, recognizing the impact of transit projects under construction and development).

The projections have been provided by SRRA for each proposed SmartTrack station location node and in each Corridor, as well as other nodes and clusters in the GTA. The forecasts have been based upon the likelihood of development. They cover a 30 year time horizon, from 2011 to 2041, in ten year increments. The projections cover the entire GTA and each of its constituent traffic zones.

SRRA further provided projections of:

- New assessment growth resulting from new commercial and multi-residential development.
- Existing commercial and multi-residential property value (CVA) growth (property value “uplift”).

Base, Low, and High population and employment growth projections have been provided to SRRA by the City, drawn from the recent employment land analysis and analysis of future housing supply that formed part of the Official Plan review process. The SRRA projections are summarized as the following five Scenarios:

1. Base projection with SmartTrack not implemented;
2. Base projection with SmartTrack implemented, including appropriate zoning constraints;
3. Low projection with SmartTrack not implemented;
4. Low projection with SmartTrack implemented, including appropriate zoning constraints
5. High projection with SmartTrack implemented, with relaxed zoning constraints.

REVIEW OF APPROACH AND METHODOLOGY

Introduction and Overview

Methodology Assessment Overview

Overall, it is the opinion of Cushman & Wakefield that SRRA (in conjunction with City staff) has developed a comprehensive approach and methodology to this assessment of commercial and multi-residential demand forecasting. The approach is considered to be robust and well designed, and the methodology is comprehensive; it considers various inputs to determining potential demand for both the commercial and multi-residential market segments. Numerous scenarios are tested to examine various sensitivities in the overall forecast approach.

Insights from the real estate landlord and developer community have been sought to provide guidance as to key assumptions made in the modeling. Cushman & Wakefield does draw the reader’s attention to a key assumptions used in the analysis which deserve added scrutiny, in our opinion.

In the following section, we provide an examination of various elements of the approach and methodology used by SRRA (including a page reference). For each, we have identified the key issue(s) that we perceived, and provided a comment regarding Cushman & Wakefield's thoughts on that issue.

Examination of Approach and Methodology

Utilizing New Office Supply Pipeline Information to Project to 2021 (pp. 9)

ISSUE: SRRA has utilized information regarding office properties currently under construction and firmly proposed to guide its near-term office development projection (to 2021).

COMMENT: This is an appropriate approach to identifying known future supply, as well as properties that are likely to commence in the near term.

Commercial Data for Growth Projections (pp. 9)

ISSUE: SRRA has utilized two approaches to identify the prospective locations for office growth. The first is SRRA's Nodal Study (2015); the second is use of projections of employment by NAICS sector.

COMMENT: The Nodal Study is a valuable research piece which is well suited to be part of the overall though process for siting future office space in the region. Cushman & Wakefield approves of its inclusion in the overall evaluation of growth prospects for the City of Toronto and broader region.

Multi-Residential Data for Growth Projections (pp. 10)

ISSUE: SRRA – with input from experts in residential development – has reallocated 30% of all residential growth to areas that will be well served by higher order transit.

COMMENT: This assumption is justified in the pattern of recent multi-residential development in the City of Toronto, which has clustered in and around the Downtown area, and along Yonge Street – areas which have the best higher order transit infrastructure in place.

Capacity of Zones – Commercial (pp. 10)

ISSUE: SRRA examined the capacity of all traffic zones in the nodes to determine the available land supply to accommodate office growth.

COMMENT: Cushman & Wakefield accepts the approach taken to address (a) zones with significant capacity – which grow on the basis of existing conditions/trends, (b) zones with significant existing levels of development – which attain a realistic level of capacity in time, dictated by land development economics, area character, etc., and (c) zones where capacity might be reached prior to 2041 – in which case development spills over to other zones within the node.

Capacity of Zones – Residential (pp. 11)

ISSUE: City staff provided SRRA with data regarding future multi-residential capacity in each traffic zone.

COMMENT: Cushman & Wakefield agrees that certain zones are already at capacity, and have no opportunity for further growth.

RECOMMENDATION: The report would benefit from a brief explanation of the approach taken to (a) zones with significant potential, and (b) zones with some capacity limitations – to be consistent with the explanations provided in the preceding Section 2.1.4 (capacity of zones - commercial).

Creation of Additional Traffic Zones (pp. 12)

ISSUE: SRRA identified eight areas where the existing traffic zones needed to be reconfigured to better reflect the impact of future growth on ridership modeling projections: Airport District, Eglinton Corridor, Liberty Village, Queen Carlaw, Main, Kennedy Corridor, Markham, and Consumers Road.

COMMENT: Cushman & Wakefield endorses this approach. The thought process for the change made at each location is well supported. While Cushman & Wakefield was not mandated to consider whether additional modifications may be justified beyond the eight changes made in SRRA's approach, Cushman & Wakefield supports the rationale for each of the eight changes made, as well as SRRA's suggestion that these areas be monitored over time as further adjustments may be warranted as growth occurs.

Factors Considered when Forecasting Commercial Growth: Transportation (pp. 17)

ISSUE: In considering the influence of transportation on the forecast for commercial growth, SRRA examined the following: network connections; travel times; assumed SmartTrack service levels and stations; and fares.

COMMENT: While there remains some uncertainty regarding the timing of completion of the various planned transit projects that will intersect with SmartTrack, Cushman & Wakefield acknowledges that this impacts the *timing*, rather than the likely *impact* of these service connections on the prospects for future commercial development at these locations.

RECOMMENDATION: It would benefit the reader to include the assumed completion/operational date for each of the transit projects that are under construction or planned that intersect with the SmartTrack route (list on pp. 18).

Factors Considered when Forecasting Commercial Growth: Land Economics (pp. 17)

ISSUE: In considering the influence of land economics on the forecast for commercial growth, SRRA examined the following: land values; and the competitiveness of realty taxes.

COMMENT: Cushman & Wakefield agrees that anticipated land value increases (and speculation associated with this) can be problematic in achieving the desired built form in the vicinity of planned SmartTrack stations. For the purposes of this analysis, it is appropriate to exclude this effect from consideration, and assume that future development is not impacted by land value uplift resulting from the new transit infrastructure.

COMMENT: It is appropriate to assume that the current dynamics related to municipal realty taxes remain relatively the same during the forecast horizon. This is an externality to the modeling which should not be factored in.

RECOMMENDATION: It might be beneficial to the reader to include some more discussion on this topic, and in particular, identify those municipalities which have relatively higher, the same, or lower realty taxes compared to the City of Toronto (at the very least comment on Mississauga and Markham – which are part of the SmartTrack network).

Factors Considered when Forecasting Commercial Growth: Planning and Land Use (pp. 17)

ISSUE: In considering the influence of planning and land use on the forecast for commercial growth, SRRA examined the following: mixed-use; employment density of office facilities (floor space per office worker); conversion of older industrial buildings; and employer's criteria.

COMMENT: The trend toward a declining amount of office space per worker is well established. However, Cushman & Wakefield disagrees that the continuation of this trend will have only a “marginal impact on the total amount of future office space” (pp. 20). SRRA correctly states that the existing stock of office space (current inventory) has certain limitations with respect to accommodating increased office employment density, such as:

- physical constraints (access/egress, “right to light” principles);
- regulatory limitations (fire code, health and safety regulations);
- HVAC limitations (air handling capacity); and,
- external factors (such as parking capacity).

It is appropriate to acknowledge that the older building stock (such as Class B and C office properties) will be challenged to accommodate meaningful office employment density increases. However, there is an economic imperative for Class A landlords to remain competitive – particularly when faced with tenants considering options in new buildings – to explore opportunities to reconfigure existing office spaces to accommodate additional employees. This will occur over time, since commercial office leases typically span 5 or 10 years or longer (with renewal options), and since it is most practical to reconfigure space when it is vacant at the expiry of a lease or a tenant relocation within a building – and strategic, from a tenant’s perspective, when negotiating an incentive to renew a lease.

Since the employment projections used for the ridership modeling of SmartTrack are based on the number of employees (not the amount of space they occupy), the trend towards declining space per office worker has no impact on that part of the analysis. It does, however, impact the City of Toronto’s revenue projections associated with future office development.

ISSUE: The nodes described in the Nodal Study account for 75% of all office space in the region, and 95% of all new office construction during the past 25 years.

COMMENT: Competition for new office development across the Greater Toronto Area is increasing. New mixed-use areas (including office) are poised to emerge in the region in areas not served by SmartTrack, including: the redevelopment of the Buttonville Airport lands in Markham, the neighbourhoods developing around Downsview Park in Toronto; the Lakeview neighbourhood in Mississauga; and Vaughan Metropolitan Centre. The Port Lands in Toronto and Markham Centre are two examples of planned mixed-use nodes that are on the SmartTrack network that are poised to emerge over time as mixed-use nodes accommodating office employment. Notwithstanding this, Cushman & Wakefield agrees that the well-established major office nodes throughout the region will remain favourable among office users.

Summary of Nodes in the Nodal Study (pp. 22)

ISSUE: SRRA has grouped the region’s office nodes into those places with common characteristics, as follows:

- Established Nodes – areas with a high degree of acceptability over the past 25 years: Financial Core, Airport Corporate Centre, Brick & Beam, Pearson International Airport, Commerce Valley, Meadowvale, Woodbine & Steeles, Markham, and Hurontario.
- Transit(SmartTrack and RER)-Induced Growth – nodes with the potential to be transformed into high density, mixed-use locations, following the introduction/enhancement of higher-order transit: Level Site, Liberty Village, Consumers Road, Scarborough Town Centre, Eglinton Don Mills, Kennedy, and Main.
- Potential Intensification Mixed-Use – mixed-use environments that have lost favour with office users in the past 25 years, or lack momentum, but which could be revitalized: North York, Mississauga City Centre, Burlington, Brampton, and Oakville.

- Long-Term Potential – nodes with longer-term potential for new office development: Sheridan Park, Vaughan Metropolitan Centre, Duncan Mill, and Downsview.
- Not Considered in this Report – not considered due to land development economics or lack of development sites, or too dispersed to justify analysis: Yonge Corridor, 416 Dispersed, and 905 Dispersed.

COMMENT: The Port Lands in Toronto are planned to be a significant mixed-use area that will accommodate office development, and are located in proximity to the Level site. Even if SRRA simply accepts the office employment growth recommendations provided by Waterfront Toronto (and its consultants), why are the Port Lands not identified on this list?

Review of Office Nodes Opportunity Analysis

Analysis of Established Nodes

Financial Core (pp. 25)

ISSUE: The analysis did not consider the replacement of existing buildings with new, larger buildings (such as older Class B and C buildings that do not reflect the highest and best use of a site, and whose rents are far below achievable rates for newly developed product).

COMMENT: An analysis of this nature is a substantial undertaking, and makes assumptions about the intentions of existing property owners. While Cushman & Wakefield believes that a trend toward redevelopment of functionally obsolete/underperforming older office properties is inevitable, the timing is uncertain. As well, there remains adequate vacant/readily developable land supply in the near term to meet new office demand requirements.

RECOMMENDATION: Cushman & Wakefield recommends that the City of Toronto pursue an analysis of prospective office redevelopment sites in the Downtown area (Financial Core and Downtown Fringe office markets). This would provide an understanding of the size of this inventory (number of buildings and size of buildings); age of buildings; date of recent significant capital upgrades to the facility; achievable rental rates; and other factors which would inform an assessment of the probable life cycle of these assets. This would provide a more fulsome understanding of the office development capacity of the Downtown area.

ISSUE: The analysis did not take into account the potential of existing office buildings being demolished or replaced by conversion to a high density residential use.

COMMENT: This is a threat – in particular to older office properties that are underperforming or functionally obsolete. However, these office properties are likely to be on the smaller end of the spectrum of office spaces (smaller Class B and C properties), rather than large Class A assets. Therefore, a modest amount of conversion activity, should it occur, will have a fairly nominal effect on the overall office inventory.

An opportunity may arise to see older office properties demolished, and that office space replaced and integrated into a new mixed-use development – in which case the office inventory may remain neutral (while the quality of the office space is improved). In fact, if the new office space is built in a form that allows a much higher utilization of space than the previous building offered (and associated higher office employment density), then it is not necessary to replace the former office space on a 1:1 basis to achieve the same employment capacity.

ISSUE: The report states that the allocation of growth to various nodes was constrained by the need to respect a regional “ceiling”. This means that growth allocations for areas made more attractive as a result of investment in transit required that a proportional amount of growth be “removed”, or not allocated, to areas unaffected by improved transit.

COMMENT: While Cushman & Wakefield understands the rationale for this approach, we note that this is an artificial construct which is not aligned with real estate market dynamics concerning site selection, employer preferences, and the realities of a mobile workforce across the region. There will be “winners and losers” in the future, as there are today – from an office location/development perspective. The presence of higher order transit infrastructure such as SmartTrack and Regional Express Rail alone is insufficient to generate market demand for a location; other preconditions are required in the overall mix of attributes that influence site selection.

- The vast majority of GO stations have no office development nearby – including the Lakeshore East and West lines, which have the highest service levels, and regular two-way service.
- The TTC’s subway lines only have office development at a handful of locations outside of the area south of Bloor Street along Yonge Street and University Avenue).

Brick & Beam (pp. 27)

ISSUE: The area has only seen limited new construction; its office inventory has largely come from conversion of former industrial buildings.

COMMENT: Cushman & Wakefield agrees that future building conversion capacity is becoming limited. Integrating new construction with older, historic properties is a challenge for developers to address (although there has been some success, such as the innovative Allied Properties REIT development at 134 Peter Street).

Markham/Richmond Hill (pp. 28)

ISSUE: The office space in this area developed around low cost land and easy automotive accessibility to nearby highways (404, 407). The area is characterized by relatively small office buildings on large sites to accommodate surface parking (low site coverage).

COMMENT: The very attributes which made this area (and other suburban office parks) popular in the 1980s-2000s are those which are proving to be a challenge today, due to significantly increased highway congestion, a lack of higher density built form, and an absence of high speed transit options to serve these areas. This has contributed to a reduced pace of new development, higher vacancy rates, and lower achievable rental rates in recent years. Cushman & Wakefield acknowledges that the introduction of SmartTrack/Regional Express Rail – combined with York Region transit infrastructure investments and various “last mile” solutions – will support continued office development in this proven location.

Airport & Airport Corporate Centre (pp. 30)

ISSUE: Airport Corporate Centre has seen considerable development over the past 25 years, aided by its proximity to multiple 400-series highways, and its adjacency to Pearson International Airport, which restricts residential development. When higher order transit such as SmartTrack is introduced, in combination with Mississauga Transit and a variety of technology-driven ride-sharing alternatives and “last mile” solutions, this area is uniquely positioned to reach its employment potential without having to compete with residential land pricing.

COMMENT: As with the Markham/Richmond Hill node, Airport Corporate Centre has faced a decline in new development recently due to significantly increased highway congestion, and an absence of high speed transit options to serve these area. Cushman & Wakefield agrees that the introduction of SmartTrack will be a catalyst for renewed development in this proven location. It is widely regarded by real estate market professionals as being among the most desirable locations for office space across the suburban GTA market.

Analysis of Nodes with Potential to be Transformed into High Density Mixed-Use Locations

Liberty Village (pp. 32)

ISSUE: The employment area within Liberty Village is well established. By and large, office users are located in converted industrial buildings. The Nodal Study identifies this precinct as having significant potential when provided with higher order transit in the form of SmartTrack and Regional Express Rail.

COMMENT: Cushman & Wakefield agrees that there is considerable pent-up demand for office employment growth at this location, which would be well connected to Downtown Toronto by SmartTrack and RER. The area is already a mixed-use environment offering a range of amenities for future office workers. An opportunity exists to integrate office space into mixed-use buildings to alleviate the issue of competing land use priorities (in the form of continued multi-family residential development) in this precinct.

Don Valley East (Lever Site) (pp. 34)

ISSUE: The Nodal Study indicated that the site and environs would serve as a desirable location for office development, provided that high speed transit was available (such as SmartTrack), and that it would emerge as a mixed-use environment with required amenities and a high-caliber public realm.

COMMENT: The Downtown East office submarket has recently seen new office development activity such as the Globe & Mail Centre (under construction), and Coca Cola's new office space at the Toronto Sun site. Activity at the mixed-use Distillery District and recent development of the Canary District is expanding the downtown market, and providing amenities and an animated environment for prospective office tenants. Cushman & Wakefield agrees that the Don Valley East are has considerable potential for future development, and that high speed transit linkages are a key to this opportunity.

Analysis of Mixed-Use Environments that have Lost Favour with Office Users

Don Mills, Scarborough Town Centre, Consumers Road (pp. 35)

ISSUE: These employment nodes have not attracted any significant degree of commercial development over the past 25 years. Each has seen varying degrees of residential development and/or land use changes take place.

COMMENT: Cushman & Wakefield agrees that these older, inner suburban office nodes have fallen out of favour from the office leasing market. This is reflected in below-average rental rates for suburban office space in all three locations. Consumers Road is situated at Highways 401 and 404, but the other two locations do not have direct multi-highway accessibility (which has been a hallmark of the most successful suburban office clusters). Importantly, these locations will not be directly linked to SmartTrack and Regional Express Rail, once implemented.

Kennedy and Main (pp. 36)

ISSUE: SRRA believes that these nodes will be very attractive to new start-up businesses that need affordable office space. This can be achieved by repurposing industrial buildings or by constructing new office buildings.

COMMENT: Existing higher order transit service to these locations has not proven to be a catalyst for attracting significant office employment. Main has access to both TTC subway and GO Train service (Danforth Station on the Lakeshore East Line). Kennedy has access to the TTC network (former Scarborough SRT, and future Eglinton Crosstown LRT), as well as GO Train service (Kennedy Station on the Stouffville Line).

Cushman & Wakefield cautions that increased service levels alone will not be sufficient to alter the office employment market opportunity for these locations. The repurposing of former industrial building into space for new economy businesses is vastly different than an opportunity emerging for new office development being warranted at these locations, since the rental rates required for such construction to be economic will be comparable to other locations that are already proven throughout the region.

Potential Intensification Nodes

North York Centre, Mississauga City Centre, and Brampton (pp. 37)

ISSUE: These three city centre nodes have a mixed-use environment which provides amenities for office workers. However, meaningful office growth has not occurred in these locations over the past 25 years. In the case of both North York and Mississauga, substantial high density residential condominium development has been the predominant nature of the new supply in the area.

COMMENT: In North York, the TTC Yonge Street and Sheppard Avenue subway lines have not proven to be a driver of new office development. Instead, suburban office growth has instead been focused in Mississauga and Markham/Richmond Hill during the past two decades. Cushman & Wakefield is not convinced that relief provided by the implementation of SmartTrack/RER will translate to a renewal of office market interest in this node.

In the case of Mississauga City Centre, the Hurontario LRT which will connect to two GO stations (Port Credit on the Lakeshore West Line, and Cooksville on the Milton Line) has the potential to be a transformative piece of transit infrastructure. The City Centre suffers from relatively lesser automotive accessibility compared to Mississauga's more successful office nodes (Airport Corporate Centre and Meadowvale). Bringing the LRT along Hurontario will elevate the City Centre from an office user's site selection perspective.

The outlook for Downtown Brampton is less clear, based upon City Council's decision to refuse funding of the Hurontario/Main Street LRT north of Steeles Avenue. The Downtown is home to the Brampton GO Station (on the Kitchener Line) which will see improved service once RER is in place. The City has engaged Cushman & Wakefield to complete an Office Strategy, which is nearing completion. This Strategy will identify future opportunities within the municipality for siting forecast office employment growth.

Nodes with Long-Term Potential

Meadowvale and Hurontario (pp. 40)

ISSUE: These two nodes have been among the strongest growth areas in the region, and have capacity for further sustained growth. They are also home to major office employers, including headquarters functions. There is concern among some area employers that future growth expectations may be unrealistic unless higher order transit access is provided.

COMMENT: The Hurontario LRT will greatly improve connectivity for the Hurontario Corridor office node, which has recorded the fourth highest growth in office space (close to 2 million sf) among the GTA suburban office concentrations tracked by Cushman & Wakefield since 2000. Cushman & Wakefield agrees that this location is poised to continue to prosper and attract office employment growth.

Meadowvale Corporate Center has thrived on the strength of its location at the intersection of Highways 401 and 407, as well as considerable employment land available for development. It has recorded the third most new office construction among GTA suburban office concentrations since 2000 (just less than 3 million sf), according to Cushman & Wakefield data. However, limitations to providing enhanced RER service on the Milton Line could impact office employment growth potential, if highway congestion worsens over time.

RECOMMENDATION: The Meadowvale and Hurontario Corridor locations should be treated as distinct nodes in the report, and not grouped together. While both have been prosperous in general during the past two decades or so from an office demand perspective, the transit solutions differ for each location, along with the near-term outlook. Some more commentary about each location, from their date of development (generally newer product in Meadowvale), and recent growth patterns, would add some context to the near-term opportunities for both locations.

QEW Corridor (pp. 40)

ISSUE: SRRA draws upon the Nodal Study to point to the opportunity for continued office employment growth in Oakville and Burlington, which will see enhanced service with the implementation of RER.

COMMENT: Cushman & Wakefield agrees with this assessment, although notably, the office space in these municipalities is generally dispersed in a linear manner along the QEW corridor itself, rather than having a “nodal” orientation. Given land availability and nearby amenities, the Oakville GO Station environs have a particular opportunity to capture future office growth (and notably, First Gulf completed a 150,000 sf building, which is fully leased – half of which is occupied by PricewaterhouseCoopers).

Duncan Mill, and Sheridan Park (pp. 41)

ISSUE: Neither the Duncan Mill (Toronto) nor Sheridan Park (Mississauga) node is well served by higher order transit. As well, neither has attracted any significant office development in recent years.

COMMENT: Both areas grew gradually from the 1960s through the 1980s, and are not among the more successful suburban office nodes today. Despite land availability in these two locations, it is reasonable to project only limited growth potential.

Downsview, Vaughan, and the Barrie Line (RER) (pp. 41)

ISSUE: Although the TTC’s Toronto-York Spadina Subway Extension will bring service to Downsview and Vaughan Metropolitan Centre, the development of these nodes is affected by two unrelated issues: (1) there is currently no significant office presence along the corridor or in adjacent areas; and (2) the amount of developable land in the vicinity of the station areas is limited in some cases (it is already developed, or is planned for other uses).

COMMENT: Cushman & Wakefield agrees with SRRA that the opportunity at Downsview is likely limited. Height constraints imposed by the proximity to the aircraft runways is an issue. There is a mature industrial area to the north of Sheppard Avenue which may provide opportunities for building conversions to office uses. The addition of the GO Train station integrated with TTC Subway at Downsview improves accessibility.

COMMENT: Vaughan Metropolitan Centre has attracted one significant development to date (the 365,000 sf mixed-use office and retail KPMG Tower, currently under construction by SmartREIT). The site has good accessibility, with the TTC Subway, connections to York Region transit, and nearby Highways 400 and 407. Cushman & Wakefield agrees that this will grow to become a significant suburban office node in the north-central part of the region.

ISSUE: Although the Nodal Study did not consider the RER extension of service on the Barrie line in York Region south of Aurora, its introduction will likely provide opportunities for companies willing to venture beyond established nodes, leading to more growth on this corridor.

COMMENT: Cushman & Wakefield considers the opportunity for office employment growth along the Barrie Line to be quite speculative. The existing GO Train stations are described as follows:

- York University – The station is in a mature, built-out industrial employment area. Nearby office development is unlikely, although building use conversions could occur.

- Rutherford – The station is at the northern part of an employment area, and otherwise surrounded by low density residential uses. Although one small office building exists, further office development is considered unlikely at this location.
- Maple – This station is surrounded by mature single family residential neighbourhoods, as well as newer large format retail development. Although Vaughan City Hall is located nearby, on Major Mackenzie Drive, there do not appear to be opportunities for additional office growth nearby.
- King City – This small community is not anticipated to attract major office space (notwithstanding the decision by Magna to relocate its headquarters facility, which will be at King Road and Jane Street – not in proximity to the GO Station).

Nodes Not Considered due to their Low Growth

Yonge Corridor, Bloor to York Mills (pp. 42)

ISSUE: The Yonge Street corridor – from Bloor Street, north to York Mills Avenue – has seen a significant reduction in office accommodation in the past 25 years. In fact, more office buildings have been torn down and replaced by condominiums than new office buildings have been built.

COMMENT: The Midtown market emerged in the 1950s and 1960s, and expanded through the 1970s and 1980s. The last major office building completed was the (now) Rogers headquarters building at 1 Mt. Pleasant Road (512,000 sf), built in 1992. The absence of new office development has coincided with increasing highway/road congestion in Toronto. Accessing a site far removed from the Gardiner Expressway, Don Valley Parkway, Allen Expressway, or Highway 401 by automobile is increasingly challenging. The mature office nodes at Yonge & Bloor, Yonge & St. Clair, and Yonge & Eglinton (Midtown Toronto, as defined by Cushman & Wakefield) have seen no recent new office development; high density residential activity has emerged as the dominant form of new building activity in these areas.

Land development economics are tilted in the favour of residential construction, given the achievable rental rates for office space in these areas. However, Cushman & Wakefield is optimistic that some office development will emerge over time – particularly when integrated (and potentially incentivized) as part of mixed-use projects along the Yonge corridor through Midtown Toronto. In particular, the Eglinton Crosstown LRT will introduce new transit infrastructure which will improve accessibility to the Yonge & Eglinton node.

416 and 905 Dispersed (pp. 42)

ISSUE: These dispersed buildings (not located in the identified nodes) collectively account for a 25% share of the region's office space. Many of these properties were built for specific user needs in industrial employment areas, and are not situated in office clusters. Many of these buildings were constructed pre-1980.

COMMENT: In recent years, office development (outside of Toronto's Central Area office submarket) has been more focused in office parks/corporate centres in suburban locations, rather than standalone office sites. Office developers have acquitted sites planned for office uses in employment areas in suburban municipalities, and can provide build-to-suit product, or multi-tenanted projects.

ISSUE: SmartTrack will attract development that might otherwise have been built in this dispersed area, and may also attract employment from existing "dispersed" buildings.

COMMENT: Cushman & Wakefield agrees that office buildings that are well located with high speed transit access will be those that are best positioned to succeed in the future. However, owner-occupied "dispersed" buildings will continue to play a role in office accommodation in the region. Long-standing head office locations have developed a network of supplier and client connections that may be entrenched.

The rental rate differential at “dispersed” buildings versus those in well-connected office nodes may incent certain businesses to accept a more automobile-oriented office environment. As well, these “dispersed” buildings will appeal to businesses with a very mobile workforce, such as sales professionals serving the region, who do not reside at a desk for eight hours a day.

Review of Tax Increment Financing Analysis

Two types of Zones (pp. 44)

ISSUE: Two types of zones were identified: Primary zones, and Secondary zones.

- Primary zones are located directly adjacent to the planned SmartTrack stations (within about 800 m) or with very good transit (bus) access to the stations. They focus wherever possible on lands zoned for commercial uses rather than low density residential.
- Secondary zones are located on existing or planned higher order transit, which will benefit from system-wide improvements related to SmartTrack – and in other areas well-served by transit that links directly to SmartTrack that may see increased development because of SmartTrack.

The boundaries of these zones have been refined to align with the traffic zones, in order to utilize the population and employment forecasts.

COMMENT: Cushman & Wakefield agrees with the rationale for the establishment of Primary and Secondary TIF zones, as the impact of the SmartTrack stations will be focused on the station area itself (primarily), but also have impacts further into the nearby environment.

RECOMMENDATION: The description of the Primary zones states that low density residential lands have generally been avoided (which is appropriate, since their likely potential for intensification is quite limited). The description also indicates that lands with commercial uses/permissions were the prime determinant of the Primary zone area (due to their capacity to accommodate future growth). Cushman & Wakefield assumes that other lands (such as mixed-use areas, and lands with medium and high density residential permissions) are also included in these zones. This point should be clarified in the report.

Seven Forecast Scenarios for the TIF Analysis (pp. 44-45)

ISSUE: The seven Scenarios (“Case 1” to “Case 7”) have varying inputs with regard to the **GTA Forecast Base**, the magnitude of **Commercial Development**, and the magnitude of **Multi-Residential Development**.

- The **GTA Forecast Base** has two different inputs, varying by Scenario: the Growth Plan’s forecast, as well as an “All Boats Rise” scenario, which increases the Growth Plan by 10% per decade after 2021.
- The scale of **Commercial Development** is assessed with and without the implementation of SmartTrack. The Scenarios also vary from low growth, to medium growth, to high growth.
- The scale of **Multi-Residential Development** is assessed in the same general manner as the Commercial Development, but with some variation in the application of low growth, medium growth, and high growth.

COMMENT: This broad range of scenarios, and the many variables embedded within each of them, allows for a robust analysis. From this set of Scenarios, a few “preferred” Scenarios can be selected to represent the range of growth considered most supportable in drawing conclusions from this analysis.

Commercial Forecast Methodology (pp.45)

ISSUE: The commercial forecasts build on the commercial forecasts for the employment projections described earlier. City staff provided SRRA with the projections of office buildings employment in each traffic zone for each of the seven cases. SRRA then:

1. aggregated the projections into the TIF zones;
2. converted the employment counts into floor space using a density factor of 209 sf per employee;
3. estimated the value of the increased floor space in each TIF zone for each scenario; and,
4. provided this increase in value to Corporate Finance staff to calculate the tax increment.

COMMENT: The figure of 209 sf per office worker is a critical input to the model, and one which requires close scrutiny. This figure was sourced through SRRA's license of Real Estate Search Corporation's density calculations of office space, (including related retail within office buildings). According to SRRA, this factor reflects the current average density capacity of all types of office buildings in the Region.

In recent years, there has been a trend towards higher office employment densities. There are various factors contributing to this, such as:

- More efficient office building design allowing greater utilization of floor plates;
- Higher occupancy costs (net rental rates, operating costs, and taxes) contributing to reduced space allocation on a per employee basis by firms;
- Greater use of technology, reducing paper filing and storage requirements; and,
- Increased telecommuting and desk sharing among co-workers.

In considering an appropriate benchmark for modeling the future office space that will be demanded by office-type employment growth, it is important to examine more recent office building construction, rather than relying on the older (existing) stock of office buildings.

In 2015, Cushman & Wakefield completed an analysis of office buildings built in the City of Mississauga from 2000-2014, as per of the City's Employment Lands Review. This is the most empirical analysis of this sort completed by Cushman & Wakefield. Linking a city's annual employment survey with a database of office buildings provides a good analysis of employment density, based upon current occupancy.

This analysis examined 69 office buildings greater than 20,000 sf in size that have been added across Mississauga since 2000. These buildings comprise an inventory of almost 8.8 million sf. The 2012 Mississauga Employment Survey was used to understand the number of office employees within these properties. For various survey reasons, it is not possible to associate employment with all of the properties. In some cases, there was no response to the survey – particularly among large, single tenant office occupiers. In other cases, significant vacant space within a multi-tenant property made it impossible to assess the true employment density at a property. In addition, the number of employees stated exceeds the capacity of the premises in some cases, so therefore must represent the employee count at multiple addresses within the city. We have made necessary adjustments to the data, and have worked with a sample of the data with a broad employment density range of roughly 100 to 400 sf per employee. This amounts to 38 of the 69 properties, representing 54% of the newly constructed inventory, by size. These buildings comprise an inventory of almost 4.7 million sf of office space, and are home to almost 22,500 workers. This represents an average of 209 sf of leasable office space per employee (which coincidentally is identical to the figure utilized by SRRA). Of note, the Cushman & Wakefield analysis did not consider the ground floor retail space within these buildings (which would be limited, or nil, in most cases, given the suburban nature of most of this space). Including the retail employment density would have the effect of lowering the overall density, since retail space generally has a lower density than office configurations.

The figure of 209 sf per office worker is reflective of a suburban office format. It would be anticipated that office employment densities in a more urban environment (such as Downtown Toronto) would be lower, due to the higher cost of occupancy compared to Mississauga (higher achievable rents in Downtown Toronto). A Region-wide figure, as employed by SRRA in its model, should blend a Downtown and Suburban rate of office employment density.

While SRRA states that “this factor (209 sf per office worker) reflects the current average density capacity of all types of office buildings in the Region”, Cushman & Wakefield cautions that the trend towards declining space per worker should be reflected. Anecdotal information from Cushman & Wakefield’s Strategic Occupancy Planning division indicates that for recent projects they have been involved with, the allocation of office space has been below 125 sf per person (excluding law firms, which have a higher utilization rate).

CoreNet Global describes itself as the world’s leading association for corporate real estate and workplace professionals, service providers, and economic developers. In a February 2012 research report, the association examined the trend towards declining office space per worker. The CoreNet Global benchmark survey was conducted in February, 2012; more than 465 global managers of corporate real estate responded.¹ Highlights of this article include:

- The main reason for the declines (in office space per worker) is the huge increase in collaborative and team-oriented space inside a growing number of companies that are stressing “smaller but smarter” workplaces“.
- Cost containment is another key element.
- Open floor plans and “hoteling” – (non-assigned work stations) are other key trends.
- The average allocation of office space per person in North America will fall to 100 sf or below within the next five years (by 2017).
- By 2017, at least 40% of the companies responding (to CoreNet’s survey) indicated they will reach this all-time low benchmark of individual space utilization, which has been the case in Europe for the past several years, but is now heading for the Americas.
- The average per worker in 2017 will be 151 sf, compared to 176 sf in 2012, and 225 sf in 2010.
- A majority of the respondents, 55%, reported that square feet per worker has already decreased between 5 and 25% over the last five years.

The Government of Canada (via Public Works & Government Services Canada) has adopted “Workplace 2.0” standards for office accommodation. The following is an extract from the PWGSC Fit-Up Standards document:

This workplace is characterized by open, flexible, and dynamic workspaces, which allows for innovative designs and better use of space. This approach is based on extensive research on how other public and private sector organizations are modernizing their workspaces. The standards continue to provide effective and productive work environments for employees, accommodating individual work styles, alternative work strategies, and sustainable design principles, while also reducing the amount of space allocated for offices by 2 metres squared per person (from 16 m² [172 sf] to 14 m² 151 sf)].²

¹ <http://www.prnewswire.com/news-releases/office-space-per-worker-will-drop-to-100-square-feet-or-below-for-many-companies-within-five-years-according-to-new-research-from-corenet-global-140702483.html>

² Government of Canada Workplace 2.0 Fit-Up Standards. April, 2012.

SRRA acknowledges (in the footnote on page 20 of the report) that new buildings designed and built in Downtown Toronto by companies such as Oxford Properties, GWL, and Cadillac Fairview are excellent examples of buildings where densities can in some cases reach 7 employees per 1,000 sf of rentable space (143 sf per worker).

RECOMMENDATION: Cushman & Wakefield recommends that SRRA consider an additional Scenario that utilizes a lower office space per worker figure, to test this sensitivity in the model. A region-wide figure in the range of 150-175 sf of leasable space per office worker may be considered appropriate. This reduction could be phased in over time in the model.

For the TIF analysis, it is important to integrate two additional elements to the office space per worker assumption in converting this to a future amount of new supply required.

1. The office space per worker should be thought of as a leasable area measurement (the amount of space a landlord can charge rent on). However, property taxes are paid of the gross building area, which includes areas such as lobbies, hallways, and other parts of the building that aren't occupied by tenants. Therefore, a gross up factor needs to be incorporated.
2. A vacancy factor must be considered when assessing the amount of new supply required in the market, based upon office-type employment growth. From 2000-2015 Q3, the overall vacancy rate for the GTA office market averaged 7.7% - as tracked by Cushman & Wakefield. This rate ranged from a low of 5.0% in 2000, to a high of 11.2% in 2003. Since this recent market peak in 2003, the vacancy rate has averaged 7.4%. Cushman & Wakefield would advocate that a vacancy factor of 7.0% be added to any projection of future new office supply.

COMMENT: The trend towards declining office space per worker not only impacts the amount of space occupied in new buildings – it impacts densities within the existing office inventory. Tenants will seek to reduce their cost of occupancy, and lower the ratio of office space per worker. The optimal time for such changes is at the expiration of a lease. If a new premises is identified, this space can be designed to decrease the amount of space per worker (and thus, the firm occupies less space in the new premises as its former vacated premises). If a firm has flexibility in its space, it may remodel its premises while it stays in operation during the course of its lease. During a lease negotiation/renegotiation, a tenant may have leverage to achieve a tenant inducement from a landlord in order to secure the lease arrangement.

It is Cushman & Wakefield's opinion that only a portion of the existing office inventory is positioned to accommodate increased office employment densities. This was described in an earlier section of this report.

RECOMMENDATION: Cushman & Wakefield recommends that SRRA consider an additional Scenario that recognizes the ability of the existing office inventory (particularly Class A space) to accommodate increased office employment densities in the future, which will reduce the amount of new office construction required to accommodate office-type employment growth. This reduction could be phased in over time in the model.

Multi-Residential Forecast Methodology (pp.46)

ISSUE: City staff provided SRRA with projections of multi-residential units and estimates of the future housing capacity in each traffic zone for each projection year (2021, 2031, and 2041). This projection corresponds to the Growth Plan's population forecast, and is generally accepted as the likely trajectory of population growth in the GTA. It does not recognize SmartTrack (i.e. it is a "no SmartTrack" projection).

SRRA then developed multi-residential forecasts "with SmartTrack", in consultation with City Planning staff, as follows:

1. SRRRA aggregated the multi-residential projections and housing capacity estimates into TIF zones.
2. SRRRA consulted with multi-residential builders and experts who reviewed the projected growth in the TIF zones. It was determined that approximately 30% of the projected multi-residential growth outside the TIF zones should be reassigned to the TIF zones as an outcome of SmartTrack implementation.
3. SRRRA then reallocated approximately 30% of the non-TIF zone growth to TIF zones as follows:
 - a. SRRRA identified three classes of Primary zones, based on the experts' assessment of their likelihood of accommodating more growth with SmartTrack. The three classes and the rate of increased multi-residential growth in each were:
 - i. Very High – 125% more growth;
 - ii. High – 50% more growth; and,
 - iii. Low – 20% more growth.
4. SRRRA assigned more growth to each Primary TIF zone based on the likelihood of greater growth (market assessment) and the housing capacity identified by City Planning (planning assessment).
5. Note that by 2041, the impact of SmartTrack had consumed all the future housing capacity in the Primary zones, so that a small amount of the redistributed growth was accommodated in the Secondary zones.
6. SRRRA estimated the value of the multi-residential growth in each TIF zone with and without SmartTrack, and provided this increase in value to Corporate Finance staff to calculate the tax increment.

COMMENT: The involvement of residential builders and market experts lends credibility to this analysis. While these inputs are subjective, they are nonetheless grounded in direct market experience.

Clusters of Primary TIF Zones (pp 51)

ISSUE: The Primary TIF Zones have been grouped into five clusters: North West, Downtown West, Downtown Financial Core, Downtown East, and Scarborough. These clusters are based upon geography, having similarities in terms of transportation, planning, and land development economics.

COMMENT: Cushman & Wakefield agrees with this delineation of zones.

Review of Multi-Residential Opportunity Analysis

Scarborough

Steeles, Finch, Sheppard, Ellesmere, Lawrence, Kennedy/Eglinton, and St. Clair (pp. 52)

ISSUE: The seven zones in the Kennedy Corridor in Scarborough for the most part have very low densities, and are surrounded by employment lands. Although this limits their multi-residential potential, the zones will benefit from development intensification to the extent that SmartTrack is able to provide residents in the zones with a transformative reduction in worktime travel to major employment clusters. SmartTrack intersects with the Eglinton Crosstown LRT and the TTC's Danforth subway at Kennedy/Eglinton. These network connections – along with busy bus routes – will also stimulate multi-residential development.

COMMENT: A potential obstacle to residential development in this corridor is unit pricing. The existing housing stock in some of these neighbourhoods is relatively affordable, compared to other parts of the city. As well, new multi-residential development have to be competitively priced compared to alternative product in the Downtown market, which offers many more amenities and services nearby.

East Downtown

Main, Gerrard, and Queen/Carlaw (pp. 56)

ISSUE: There is minor potential for increased residential development in the East Downtown, mainly at Main Station. The existing fabric on Gerrard and Queen afford little opportunity for major intensification.

COMMENT: Cushman & Wakefield agrees with this assessment.

Toronto Financial Core

Union (pp. 57)

ISSUE: SmartTrack will have a significant impact on multi-residential development in this zone, because of its potential to facilitate two-way travel from the Downtown Core to suburban employment hubs.

COMMENT: Cushman & Wakefield agrees with this assessment, although competition for land among office and residential developers will remain a concern. Creating vertically mixed-use development can be a solution to this issue (Maple Leaf Square at 15 York Street is an example of such development).

West Downtown

Spadina and Liberty (pp. 58)

ISSUE: SmartTrack will attract significant multi-residential development to these zones, partly because it will facilitate two-way travel, and partly because these zones have large capacity for future development.

COMMENT: Cushman & Wakefield notes that these nodes are already highly successful nodes of multi-residential development, and that further critical mass will bring additional demand for retail space and amenities to these areas, making them more “complete” neighbourhoods.

North West

Dundas West, St. Clair West, Mount Dennis, Royal York, and Kipling (pp. 60)

ISSUE: The implementation of SmartTrack will provide for the development of mixed-use communities surrounding the stations, albeit with residential as the dominant component, as opposed to major office employment uses. There is very little office space in this area today, and the forecasts do not include anything more than the development of local industry-based office facilities.

The good access to employment that SmartTrack will offer new commuters offers great potential to intensify the retail areas near these stations. Mount Dennis will be a terminus of the Eglinton Crosstown TRL, and may have potential to become a new office employment hub, but more research with potential employers is required to fully understand this potential.

COMMENT: Various TTC lines serve/will serve these neighbourhoods, and the introduction of SmartTrack will bring added connectivity:

- The proposed Dundas West SmartTrack station is in proximity to the Dundas West TTC station at Bloor Street West.
- The proposed St. Clair West SmartTrack station is bisected by the St. Clair streetcar line, the western terminus of which is at Gunns Road (a short distance to the west).
- The Eglinton Crosstown LRT will have its western terminus at Mount Dennis (intersection of Eglinton Avenue West and Weston Road).

Secondary Zones (pp. 65)

ISSUE: Based on the input of residential developers and professionals, SRRA does not expect SmartTrack to stimulate additional residential development in the Secondary TIF zones. On the other hand, the connections to SmartTrack will be strong enough to retain all the projected development in the Secondary zones, rather than see some of it attracted to the Primary zones. Therefore, the net effect is neutral.

The Secondary TIF zones were further grouped based on geography. The similarities of the zones within these sub-regions of transportation, planning, and land development economics, allowed for similar approaches in describing the methodology used to determine the growth impact of transit, including SmartTrack.

COMMENT: Cushman & Wakefield accepts this approach.

General Recommendations on the Report Structure/Format

GENERAL RECOMMENDATION 1: The mapping throughout the report would benefit from additional labeling of map elements, such as station names, as well as major arterial roads, to give the reader a more clear understanding of the graphics being presented.

GENERAL RECOMMENDATION 2: Where possible, the mapping at the regional level should be turned in a landscape format and sized to fit a whole page, to improve readability (such as the map on page 47).

GENERAL RECOMMENDATION 3: For the exhibit on page 23, the reader would benefit from the addition of a table beside the chart indicating the absolute data, and the percentage change for each location for the “with” and “without SmartTrack” condition, in each forecast increment (2011-2021, 2021-2031, and 2031-2041).

GENERAL RECOMMENDATION 4: The exhibits on pages 48 and 49 (employment and population projections by TIF zone with and without SmartTrack) are difficult to interpret. The reader would benefit from the addition of a table below the charts indicating the absolute data, and the percentage change for each zone for the “with” and “without SmartTrack” condition, in each forecast increment (2011-2021, 2021-2031, and 2031-2041).

GENERAL RECOMMENDATION 5: The Appendix with mapping of Secondary TIF Zones can be included in the body of the report – it does not need to be an appendix.

RESEARCH AND ANALYSIS REVIEW

Alignment with Terms of Reference

Cushman & Wakefield has reviewed the Terms of Reference for the Provision of Professional Services to the City of Toronto by Strategic Regional Research Alliance (“SRRA” – the Consultant), related to the assessment of future development on the SmartTrack/RER corridors. SRRA’s assessment is to provide the basis for the City to undertake further analysis to estimate potential ridership and evaluate possible financing strategies related to SmartTrack.

The principle assessment and deliverables are focused on two components:

- a) Provide forecasts of office building and related retail employment growth as a result of public investment in RER/SmartTrack (including those in York and Peel Regions). These forecasts will include all office nodes and clusters in the Greater Toronto Area, and will be used as inputs to the ridership forecasts and transportation impact assessment to be carried out by the University of Toronto's Transportation Research Institute.
- b) Provide development forecasts (commercial and multi-residential) to be used as the basis inputs into tax increment financing analysis to be performed by the City and by other agencies.

As part of the analysis of SmartTrack, Toronto's Planning Division is produced "small area" employment projections and population projections for traffic zones in the GTA. The Corporate Finance Division is conducting the tax increment financial (TIF) analysis.

Elements of the Terms of Reference

The following briefly describes the scope of work and deliverables to be provided by SRRA:

a) Development Scenarios and Employment Forecasts

- a. The Consultant will provide forecasts for five scenarios ("Projection Scenarios"), based on GTA and City employment projections (Base, Low, and High) provided by Strategic Projections Inc. for the City Employment Uses Policy Study in 2012.
 - i. Scenario 1: Base projection with SmartTrack not implemented;
 - ii. Scenario 2: Base projection with SmartTrack implemented, including appropriate zoning constraints;
 - iii. Scenario 3: Low projection with SmartTrack not implemented;
 - iv. Scenario 4: Low projection with SmartTrack implemented, including appropriate zoning constraints; and,
 - v. Scenario 5: High projection with SmartTrack implemented, with relaxed zoning constraints.

Cushman & Wakefield note: Sine the original Terms of Reference were produced, additional Scenarios have been incorporated into the analysis. In the November 25, 2015 report, there are 7 "Cases".

SRRA is responsible for the following inputs to the small area employment projection scenarios being produced by the City Planning division:

- i. Forecasts of likely office and related retail development, and employment growth in office buildings and retail uses, that might occur under present conditions and zoning constraints if SmartTrack is not implemented, and recognizing the impact of transit projects under construction and development.
- ii. Forecasts of likely office and related retail development, and employment growth in office buildings and retail uses, that might occur if SmartTrack is built and zoning constraints are amended, if necessary, in order to support greater potential ridership in the corridor; and recognizing the impact of transit projects under construction and development. The amended zoning constraints will be developed by SRRA in collaboration with City Planning staff.
- iii. Forecasts of office and related retail development, and employment growth in office buildings and retail uses will be based on an assessment, to be developed and applied by the Consultant, of the likelihood of development occurring.
- iv. The assessment of office and related retail development potential, and employment growth in office buildings and retail uses, all to be prepared by the Consultant, will focus on the SmartTrack corridors, but will also include other office nodes and clusters in the GTA. The office and related retail development potential will include projections within specific, defined areas ("defined nodes") to be provided by SRRA for each of the proposed SmartTrack stations.

- v. The forecasts of likely office and related retail development, and employment growth in office buildings and retail uses, all to be prepared by the Consultant, will be for the years 2021, 2031 and 2041, based on conditions in 2011.

The Consultant will provide Excel tables showing the proportion of office and related retail growth in the GTA that will occur in each Traffic Zone for each 10-year period (2011-21, 2021-31, and 2031-41). This data set will be based on the office and related retail development forecast in each office node, but will not constitute an independent development assessment nor analysis for each Traffic Zone. It will include an office and related retail development forecast within a defined node for each of the proposed SmartTrack stations.

b) Development Forecasts as Inputs for Tax Increment Financing (TIF) Analysis:

Tax increment financing ("TIFs") is a technique to finance infrastructure initiatives in designated geographic areas. TIFs are predicated on future incremental tax revenues being generated between the assessed value of designated areas ("TIF zones") prior to the development, and its assessed value after the development is completed. These future tax gains are leveraged to finance the present costs of the project in the designated areas.

The incremental tax revenue is made up of two components:

- the tax increment uplift in existing property values in the TIF zone; and,
- the tax increment from new development in the TIF zone.

In order to model potential incremental taxes, more comprehensive and site-specific forecasts will be necessary to support the calculation of incremental tax revenues in the defined nodes around the proposed SmartTrack/RER stations within the City of Toronto.

The Consultant is responsible for delivering the following development forecasts as inputs for Tax Increment Financing (TIF) analysis:

1. For each of the Projection Scenarios that do not include SmartTrack (the status quo represented by the Base and Low growth absent the new infrastructure initiative, i.e. Projection Scenarios 1 and 3):
 - a. a forecast of assessment growth from new commercial development, new multi-residential development and related retail development (i) in each of the SmartTrack station nodes, and (ii) in the rest of the City, in each year between 2015 and 2041; and,
 - b. a forecast of annual commercial, multi-residential and related retail property value (CVA) increases (i) in each of the SmartTrack station nodes, and (ii) in the rest of the City, in each year from 2015-2041.
2. For each of the Projection Scenarios including SmartTrack (the Base, Low and High growth with the new infrastructure initiative, i.e. Projection Scenarios 2, 4 and 5):
 - a. a forecast of incremental commercial development, new multi-residential development and related retail development in each of the SmartTrack station nodes, in each year of the planning horizon; and,
 - b. a forecast of the value uplift in each of the SmartTrack station nodes arising from proximity to SmartTrack.

Conclusions

Cushman & Wakefield notes the following elements of the TIF analysis that are not presented in the SRRA Draft Report:

- The forecast of assessment growth from new commercial development, new multi-residential development, and related retail development is not discussed.

- The forecast of annual commercial, multi-residential, and related retail property value (CVA) increases in each of the SmartTrack station nodes and in the rest of the City in each year from 2015-2041 are not presented.
- A forecast of the value uplift in each of the SmartTrack station nodes arising from proximity to SmartTrack.

Apart from these elements, the full scope of the Terms of Reference has been completed and addressed in the November 25, 2015 Draft Report.

RELIABILITY AND VALIDITY OF RESULTS

Review of Office Employment Distribution by Office Node

Analysis of Distribution of Office Employment by Node

Cushman & Wakefield has reviewed the distribution of office employment by office node – with and without SmartTrack (refer to the exhibit in Appendix A – Data Tables). Data for 2011 and 2041 were reviewed. First, we ranked each of the 28 office nodes in descending order by 2011 office employment. Then we ranked each of the 28 nodes in descending order by the forecast change in office employment from 2011-2041, with and without SmartTrack. The following are some observations drawn from this review:

- The top 10 ranked office nodes **with SmartTrack** account for 75% of the total office employment growth in the region from 2011-2041. The top 10 ranked office nodes **without SmartTrack** account for 84% of the total office employment growth.
 - COMMENT: The relative importance of debating the order of the projected office growth within the remaining 18 office nodes is modest, given that the top 10 nodes account for such a significant share of the growth.
- The Financial Core had the greatest office employment in 2011 of all 28 office nodes. This remains true in the 2041 projection with SmartTrack. The Financial Core falls to the 3rd highest ranking without SmartTrack, as growth in the 416 Other and 905 Other nodes surpasses the Financial Core.
 - COMMENT: Cushman & Wakefield agrees that the Financial Core will remain the premier location for office employment growth in the region over this forecast horizon.
- The Lever Site in Downtown Toronto is ranked 2nd highest in terms of growth from 2011-2041 with SmartTrack, but 28th (last) without SmartTrack.
 - COMMENT: While Cushman & Wakefield agrees that this is a high-opportunity site with a SmartTrack station, in our view, it does not merit a last place ranking (i.e. no opportunity) without SmartTrack. Its proximity to the Downtown Core and TTC service are key attributes that will make the site viable even without SmartTrack. Notably, the adjacent Port Lands site is ranked 6th without SmartTrack.
- Airport Corporate Centre is the 4th ranked growth opportunity with SmartTrack.
 - COMMENT: Cushman & Wakefield agrees that this office node would be among the most profoundly positively impacted by the introduction of SmartTrack.
- Liberty Village, Markham, and Consumers Road are all strongly positively impacted in the projection of future office employment growth as a result of the implementation of SmartTrack. These nodes rank 5th, 6th, and 7th, respectively, in the “with SmartTrack” scenario, compared to 12th, 14th, and 15th place, respectively, in the “without SmartTrack” scenario.

- COMMENT: Cushman & Wakefield agrees that Liberty Village and Markham are poised to greatly benefit from the introduction of SmartTrack. Each are established office locations. However, Cushman & Wakefield would not anticipate Consumers Road to have such a profound positive impact from SmartTrack, since there is not a SmartTrack station nearby the Consumers Road office node. Consumers Road has seen virtually no new office construction since the late 1980s (in fact, recent activity in the area has been multi-residential in nature, absorbing future potential office development sites).
- Meadowvale is the office node that is most negatively impacted by the introduction of SmartTrack. Its rank falls from 8th without SmartTrack to 25th with SmartTrack, as 17 other nodes “leap over” it in terms of attractiveness for office employers.
 - COMMENT: In the view of Cushman & Wakefield – in relative terms – this is likely too dramatic a decline for this well-established office node, which has seen significant growth since 2000.
- 905 Dispersed and 416 Other (neither is actually a “node”) are negatively impacted by the implementation of SmartTrack, since office sites not well linked to higher order transit are seen to suffer, relative to office nodes that see improved connectivity in the future.
 - COMMENT: Cushman & Wakefield agrees with this assessment, although planning for the location of and demand for “pioneering” design-build office developments is impossible, by nature.
- Kennedy – which is home to just 235 office jobs, as per the 2011 base data – is allocated growth of some 10,500 office jobs by 2041, with the implementation of SmartTrack. This is comparable to the growth seen in many of the proven office locations today (Brick & Beam, North York, Woodbine & Steeles).
 - COMMENT: Cushman & Wakefield believes that there is considerable risk in the opportunity for Kennedy to reach this amount of office employment growth. Other locations like the Port Lands and Lever Site that are also “starting from zero” are close to downtown, and have much more in terms of amenities and accessibility (as planned in the future) – and therefore greater likelihood of achieving their allocated share of growth.

Conclusions

Overall, Cushman & Wakefield is satisfied that the distribution of office employment with and without SmartTrack is reasonable. Some relatively minor readjustments to the allocation of growth by node appear warranted for consideration, as discussed above.

Cushman & Wakefield understands that capacity limitations in some nodes will preclude a greater share of office employment growth being accommodated in some areas. Overall, those office nodes which are well established today, and which will see benefits from the introduction of SmartTrack, are those which are allocated the highest proportion of growth (Financial Core, Airport Corporate Centre, Liberty Village, and Markham). Cushman & Wakefield agrees that the Lever Site has the potential to be a key location for future office growth, but that this would occur without SmartTrack (although not at the same rate of growth). Of all of the nodes, it is the opinion of Cushman & Wakefield that Kennedy is at the greatest risk of not achieving its projected office employment growth allocation with SmartTrack in place.

Review of Office Employment Distribution by TIF Zone

Analysis of Distribution of Office Employment by TIF Zone

Cushman & Wakefield has reviewed the distribution of office employment by TIF Zone – with and without SmartTrack (refer to the exhibit in Appendix A – Data Tables). Data for 2011 and 2041 were reviewed. First, we ranked each of the 41 TIF Zones in descending order by 2011 office employment. Then we ranked each of the 41 TIF Zones in descending order by the forecast change in office employment from 2011-2041, with and without SmartTrack.

The following are some observations drawn from this review:

- Assessing the relative office employment in the Primary versus Secondary TIF Zones is challenging, given the much larger land area represented in Secondary TIF Zones. For example, while the Yonge Corridor office node is forecast to achieve in the range of 4,000-5,000 office jobs (without and with SmartTrack), the Eglinton East/Yonge Secondary TIF Zone in Central Toronto is the 4th highest ranked TIF Zone in terms of office employment growth.
 - COMMENT: Cushman & Wakefield understands that the TIF Zones do not perfectly align with the office nodes presented earlier. However, the Union, Queen/Carlaw, and Liberty Primary TIF Zones do rank 1st to 3rd, respectively, which does align well with the office nodes discussed earlier.
- The top 10 ranked TIF Zones **with SmartTrack** account for 90% of the total office employment growth in the City of Toronto from 2011-2041. The top 10 ranked TIF Zones **without SmartTrack** account for 83% of the total office employment growth.
 - COMMENT: The relative importance of debating the order of the projected office growth within the remaining 31 TIF zones is modest, given that the top 10 zones account for such a significant share of the growth.
- In the **without SmartTrack** scenario, the Primary TIF Zones account for 45% of the office employment growth from 2011-2041, while the Secondary TIF Zones account for a 40% share, and the Non-TIF Area accounts for a 15% share. In the **with SmartTrack** scenario, the Primary TIF Zones account for 62% of the office employment growth from 2011-2041, while the Secondary TIF Zones account for a 36% share, and the Non-TIF Area accounts for just a 2% share.
 - COMMENT: Cushman & Wakefield agrees with the rationale that the introduction of SmartTrack would mean that the Primary TIF Zones would account for a much more sizable share of the office employment growth, and that this would principally come at the expense of growth that would otherwise locate in the Non-TIF Area.
- The Lawrence Primary TIF Zone is allocated office employment growth of approximately 10,500 jobs with SmartTrack. This TIF Zone aligns with the Kennedy office node. This contrasts with 2011 office employment of about 800 jobs in the combined Kennedy/Eglinton Primary TIF Zone and the Lawrence Primary TIF Zone.
 - COMMENT: Cushman & Wakefield believes there is considerable risk in achieving the projected office employment growth at this unproven location. While older industrial properties in the vicinity may have some potential to convert to an office use that is functional for a New Economy-type business, the addition of +/- 2 million sf of office space (new or conversion) over time is considered speculative. It is not possible to know whether SmartTrack can be this transformative to an area which is not currently home to any meaningful amount of office-type employment.
- The Consumers Road Secondary TIF Zone is allocated office employment growth of 13,850 jobs with SmartTrack.
 - COMMENT: This represents a near doubling of the amount of office employment at this node compared to 2011 – in a location that has not seen new office growth since the late 1980s.
- As an example, the Mount Dennis Primary TIF Zone is allocated office employment growth of 1,305 jobs without SmartTrack, but only 60 jobs with SmartTrack. There are several other Primary Zones with this same condition (albeit minor in terms of absolute number of jobs), such as Dundas West, Sheppard, Gerrard, Finch, and Steeles Ave.
 - COMMENT: This does not seem to reconcile – the addition of a SmartTrack station should have a positive effect on the opportunity at Primary TIF locations.
- The Rest of the City is allocated only a nominal share of the office employment growth with SmartTrack in place.

- COMMENT: Cushman & Wakefield agrees that the Primary and Secondary TIF Zones will absorb the vast majority of future office employment growth.

Conclusions

The reader should note that the conclusions drawn above in the review of the distribution of office employment by office node are intended to be carried over to SRRA's distribution across the TIF Zones. In general, Cushman & Wakefield understands the rationale for the distribution of office space among the Primary and Secondary TIF Zones. Again, we make various observations about the relative distribution among certain zones where we have some concern about the magnitude of the projected growth, which are noted in the comments above.

Review of Multi-Residential Unit Distribution by TIF Zone

City staff provided SRRA with projections of multi-residential units and estimates of the future housing capacity in each traffic zone. SRRA then developed multi-residential forecasts "with SmartTrack", in consultation with City Planning staff, as discussed in the Multi-Residential Forecast Methodology discussed earlier in this report (refer to the exhibit in Appendix A – Data Tables).

- The top 10 ranked TIF Zones **with SmartTrack** account for 73% of the total multi-residential development growth in the City of Toronto from 2011-2041 (represented by number of units). The top 10 ranked TIF Zones **without SmartTrack** account for 80% of the total multi-residential development growth.
 - COMMENT: The relative importance of debating the order of the projected multi-residential unit growth within the remaining 31 TIF zones is modest, given that the top 10 zones account for such a significant share of the growth.
- In the **without SmartTrack** scenario, the Primary TIF Zones account for 24% of the multi-residential development (by unit count) from 2011-2041, while the Secondary TIF Zones account for a 50% share, and the Non-TIF Area accounts for a 26% share. In the **with SmartTrack** scenario, the Primary TIF Zones account for 32% of the multi-residential development (by unit count) from 2011-2041, while the Secondary TIF Zones account for the same 50% share, and the Non-TIF Area accounts for an 18% share.
 - COMMENT: Cushman & Wakefield agrees with the rationale that the introduction of SmartTrack would mean that the Primary TIF Zones would account for a much more sizable share (31% more units, compared to the without SmartTrack scenario) of the multi-residential development activity, and that this growth would principally come at the expense of activity that would otherwise occur in the Non-TIF Area.

Conclusions

Cushman & Wakefield accepts this analysis, and the methodology utilized to reach the conclusions that are made. The consultation with development industry participants lends good credibility to this analysis of the potential impact of SmartTrack on the future location of multi-residential development in the City of Toronto. Cushman & Wakefield understands that City staff are responsible for determining the impact of this future development on the City's finances, and the overall TIF analysis for the SmartTrack project.

APPENDIX A – DATA TABLES

Table 1: Office Employment Distribution – With and Without SmartTrack

Table 2: Office Employment Distribution by TIF Zones – With and Without SmartTrack

Table 3: Multi-Residential Units Distribution by TIF Zones – With and Without Smart Track

TABLE 1: OFFICE EMPLOYMENT DISTRIBUTION – WITH AND WITHOUT SMART TRACK

Office Node	2011 Office Employment	2011 Office Employment RANK*	2041 – Without SmartTrack	2011-2041 Without SmartTrack	2011-2041 Without SmartTrack RANK*	2041 – With SmartTrack	2011-2041 With SmartTrack	2011-2041 With SmartTrack RANK*
Financial Core	182,350	1	246,265	63,915	3	239,520	57,170	1
Lever Site	385	26	375	-10	28	48,005	47,620	2
Pearson Airport (all Employment)	65,015	5	108,440	43,425	4	108,440	43,425	3
Airport Corporate Centre	32,880	8	40,265	7,385	10	74,580	41,700	4
Liberty Village	11,280	19	15,630	4,350	17	39,030	27,750	5
Markham	12,045	16	15,560	3,515	20	29,435	17,390	6
Consumers Road	15,330	14	17,920	2,590	22	29,180	13,850	7
Eglinton Don Mills	19,080	12	25,670	6,590	11	32,885	13,805	8
Woodbine & Steeles	24,155	11	29,645	5,490	15	37,890	13,735	9
North York	35,500	7	46,950	11,450	7	49,120	13,620	10
Port Lands	490	25	13,385	12,895	6	13,385	12,895	11
Brick & Beam	60,330	6	74,605	14,275	5	71,980	11,650	12
Kennedy	235	27	255	20	26	10,750	10,515	13
Scarborough Town Centre	12,835	15	15,215	2,380	23	20,865	8,030	14
Hurontario	6,905	22	15,430	8,525	9	14,035	7,130	15
416 Other	115,930	3	195,060	79,130	1	122,865	6,935	16
Commerce Valley	31,460	10	37,775	6,315	13	38,105	6,645	17
Yonge Corridor	123,815	2	127,940	4,125	18	128,720	4,905	18
Brampton	1,410	23	4,495	3,085	21	4,905	3,495	19
Mississauga City Centre	10,425	20	15,295	4,870	16	13,820	3,395	20
Oakville	9,830	21	16,295	6,465	12	13,220	3,390	21
Duncan Mill	11,740	17	13,010	1,270	25	15,110	3,370	22

Sheridan Park	11,640	18	15,595	3,955	19	15,005	3,365	23
Burlington	19,070	13	25,100	6,030	14	22,360	3,290	24
Meadowvale	32,130	9	40,780	8,650	8	35,265	3,135	25
Vaughan MC	1,160	24	2,705	1,545	24	2,890	1,730	26
905 Dispersed	86,220	4	157,645	71,425	2	87,445	1,225	27
Main	55	28	55	0	27	55	0	28
TOTAL	933,700		1,317,360	383,660		1,318,865	385,165	

**Note: The RANK is shown in descending order, with the 1st ranked node representing the node with the largest office employment share in 2011, or the largest office employment growth during the 2011-2041 period. The table itself is sorted in descending order by office employment growth with SmartTrack from 2011-2041.*

TABLE 2: OFFICE EMPLOYMENT DISTRIBUTION – WITH AND WITHOUT SMART TRACK

TIF Zone (Primary/Secondary)	2011 Office Employment	2011 Office Employment RANK*	2041 – Without SmartTrack	2011-2041 Without SmartTrack	2011-2041 Without SmartTrack RANK*	2041 – With SmartTrack	2011-2041 With SmartTrack	2011-2041 With SmartTrack RANK*
Union (P)	229,765	1	307,770	78,005	1	290,520	60,755	1
Queen/Carlaw (P)	1,665	21	2,185	520	26	49,420	47,755	2
Liberty (P)	11,440	12	15,910	4,470	10	39,200	27,760	3
Eglinton East/Yonge (S)	24,335	5	33,485	9,150	6	38,340	14,005	4
Consumers Road (S)	15,330	9	17,920	2,590	16	29,180	13,850	5
Yonge/Sheppard (S)	36,185	4	48,185	12,000	4	49,795	13,610	6
Port Lands (S)	490	27	13,285	12,795	3	13,285	12,795	7
Lawrence (P)	490	27	700	210	32	11,015	10,525	8
Scarborough Town Centre (S)	17,460	7	21,045	3,585	15	27,780	10,320	9
Steeles/DVP (S)	10,720	14	14,570	3,850	13	17,610	6,890	10
Rest of the City	55,230	3	87,145	31,915	2	60,580	5,350	11
Brick and Beam East (S)	11,160	13	18,560	7,400	7	16,475	5,315	12
Bloor/Middle Corridor (S)	93,810	2	103,440	9,630	5	97,600	3,790	13
Sheppard/Don Mills (S)	14,935	10	18,545	3,610	14	18,435	3,500	14
Spadina (P)	16,850	8	20,735	3,885	12	20,310	3,460	15
Eglinton W/Yonge (S)	21,210	6	22,210	1,000	23	21,995	785	16
St. Clair Corridor (S)	13,940	11	14,530	590	25	14,475	535	17
427 Corridor (S)	5,565	16	10,410	4,845	8	5,815	250	18
Bloor West Corridor (S)	5,860	15	10,460	4,600	9	6,110	250	18
Eglinton/Birchmount (S)	5,510	17	9,535	4,025	11	5,725	215	20

Dundas West (P)	2,575	19	4,820	2,245	17	2,710	135	21
Dupont (S)	3,380	18	4,590	1,210	21	3,505	125	22
Sheppard (P)	1,830	20	3,165	1,335	18	1,905	75	23
Gerrard (P)	1,665	21	2,895	1,230	20	1,730	65	24
Mount Dennis (P)	1,285	24	2,590	1,305	19	1,345	60	25
Rexdale (S)	1,410	23	2,440	1,030	22	1,465	55	26
Ellesmere (P)	105	36	145	40	36	150	45	27
North Tapscott (S)	1,010	25	1,755	745	24	1,045	35	28
Finch (P)	560	26	975	415	27	580	20	29
Steeles Ave (P)	460	29	795	335	28	480	20	29
Warden/Finch (S)	300	32	520	220	30	320	20	29
Stockyards/St. Clair W (P)	330	30	570	240	29	345	15	32
Kennedy/Eglinton (P)	305	31	525	220	30	315	10	33
Eglinton E to Kingston (S)	195	33	340	145	33	205	10	33
Dixon/Islington (S)	190	34	330	140	34	200	10	33
Sheppard Avenue (S)	160	35	285	125	35	170	10	33
Main (P)	55	37	55	0	37	55	0	37
Kipling (P)	0	38	0	0	37	0	0	37
Royal York (P)	0	38	0	0	37	0	0	37
St. Clair East (P)	0	38	0	0	37	0	0	37
Weston Rd (S)	0	38	0	0	37	0	0	37
TOTAL	607,765		817,420	209,655		850,190	242,425	

**Note: The RANK is shown in descending order, with the 1st ranked node representing the TIF Zone with the largest office employment share in 2011, or the largest office employment growth during the 2011-2041 period. The table itself is sorted in descending order by office employment growth with SmartTrack from 2011-2041.*

TABLE 3: MULTI-RESIDENTIAL UNITS DISTRIBUTION BY TIF ZONES – WITH AND WITHOUT SMART TRACK

TIF Zone (Primary/Secondary)	2011 Multi-Residential Units	2011 Multi-Residential Units RANK*	2041 – Without SmartTrack	2011-2041 Without SmartTrack	2011-2041 Without SmartTrack RANK*	2041 – With SmartTrack	2011-2041 With SmartTrack	2011-2041 With SmartTrack RANK*
Rest of the City	135,305	1	233,990	98,685	1	204,385	69,080	1
Bloor/Middle Corridor (S)	45,500	2	103,484	57,984	2	103,484	57,984	2
Union (P)	16,650	6	55,541	38,891	3	57,043	40,393	3
Brick and Beam East (S)	10,135	11	34,484	24,349	4	34,484	24,349	4
Spadina (P)	15,905	7	35,276	19,371	5	38,709	22,804	5
Eglinton W/Yonge (S)	25,080	3	41,328	16,248	6	41,328	16,248	6
Bloor West Corridor (S)	7,400	15	21,936	14,536	7	21,936	14,536	7
Yonge/Sheppard (S)	23,230	4	36,324	13,094	8	36,324	13,094	8
Sheppard/Don Mills (S)	10,425	10	21,600	11,175	9	21,600	11,175	9
Port Lands (S)	0	39	8,930	8,930	10	8,930	8,930	10
Liberty (P)	13,630	8	18,839	5,209	15	22,322	8,692	11
Queen/Carlaw (P)	365	38	7,062	6,697	11	7,886	7,521	12
Scarborough Town Centre (S)	8,895	12	14,838	5,943	13	15,193	6,298	13
Dundas West (P)	7,880	14	12,004	4,124	17	14,140	6,260	14
Consumers Road (S)	0	39	6,250	6,250	12	6,250	6,250	15
Sheppard (P)	3,735	23	7,532	3,797	19	9,566	5,831	16
Lawrence (P)	2,820	27	5,653	2,833	24	8,512	5,692	17
Stockyards/St. Clair W (P)	1,390	35	3,963	2,573	26	6,981	5,591	18
St. Clair Corridor (S)	11,880	9	17,326	5,446	14	17,326	5,446	19
Kennedy/Eglinton (P)	7,280	16	9,146	1,866	28	12,250	4,970	20

Eglinton East/Yonge (S)	18,565	5	23,474	4,909	16	23,474	4,909	21
Main (P)	4,550	21	7,263	2,713	25	9,263	4,713	22
Dupont (S)	4,795	18	8,869	4,074	18	8,869	4,074	23
Sheppard Avenue (S)	3,130	25	6,890	3,760	20	6,890	3,760	24
Eglinton/Birchmount (S)	2,510	28	5,931	3,421	21	6,198	3,688	25
427 Corridor (S)	4,015	22	6,899	2,884	22	6,899	2,884	26
Weston Rd (S)	8,335	13	11,180	2,845	23	11,180	2,845	27
Mount Dennis (P)	2,250	31	3,670	1,420	29	5,093	2,843	28
Eglinton E to Kingston (S)	7,250	17	9,604	2,354	27	9,604	2,354	29
St. Clair East (P)	1,585	33	2,456	871	30	3,506	1,921	30
Kipling (P)	2,470	29	3,333	863	31	4,072	1,602	31
Ellesmere (P)	2,285	30	2,553	268	35	3,213	928	32
Gerrard (P)	710	36	1,105	395	33	1,628	918	33
Royal York (P)	3,250	24	3,935	685	32	4,122	872	34
Dixon/Islington (S)	4,730	20	5,035	305	34	5,035	305	35
Warden/Finch (S)	4,785	19	4,985	200	36	4,994	209	36
Steeles Ave (P)	2,195	32	2,195	0	37	2,195	0	37
Finch (P)	575	37	575	0	37	575	0	37
North Tapscott (S)	2,945	26	2,945	0	37	2,945	0	37
Steeles/DVP (S)	1,540	34	1,540	0	37	1,540	0	37
Rexdale (S)	0	39	0	0	37	0	0	37
TOTAL	429,975		809,943	379,968		809,944	379,969	

**Note: The RANK is shown in descending order, with the 1st ranked node representing the TIF Zone with the largest multi-residential share in 2011 (by count of units), or the largest multi-residential unit growth during the 2011-2041 period. The table itself is sorted in descending order by multi-residential unit growth with SmartTrack from 2011-2041.*