

Planning & Housing Committee
c/o Nancy Martins
Sent via email to: phc@toronto.ca

October 26, 2023

Re: PH7.9: Exploring the Potential for Office Conversions - and Affordable Housing - in Downtown Toronto

Dear Planning & Housing Committee Members:

Planning for, and including office is critical to the economic prosperity of our cities. Slate has a long-term commitment to office. Given today's economic environment and the amount of office currently in the approvals pipeline, the City of Toronto must assess the current and future supply against demand. **I strongly support the recommendations contained in Councillor Bradford's motion and ask the Committee to go further to unlock the much-needed housing opportunities in Toronto while ensuring the continued viability of the commercial office market.**

The pandemic continues to have a residual impact on business operations and office utility. Many employees are still working in hybrid scenarios and organizations are utilizing a lower amount of office space per individual. As identified in the *Office Needs and Policy Directions in the GTA* report authored by Altus released this year, if it assumed that employees work 2 or 3 days in the office on average, there will be millions of square feet of surplus office space in the GTA until 2041. This considers the amount of office space currently available and in the pipeline.

It is encouraging that the City has decided to take on its own Office Space Needs Study. It is vital that all municipalities review the amount of office place that is planned and determine whether or not an oversupply of planned space will have a negative economic effect on the region and potentially harm the opportunity to build residential housing.

The City's report is said to be delivered in Fall 2024. In advance of the Report being delivered in Fall 2024, there is an opportunity to take meaningful steps to encourage economic activity in our cities and contribute to the much-needed housing supply. I strongly suggest the City to consider the following:

- In an area with known and planned public transit, the rigid requirement to replace retain, or include office space at a minimum should be removed. Office inclusion, retention, and/or replacement policies are a financial constraint to developing new housing.
- Remove or reduce the Municipal Land Transfer Tax / Provincial Land Transfer Tax for Office Conversions.
- Prioritize conversions of Class B and Class C office with a smaller floor plate to deliver much needed housing.

Allowing office to residential conversions is not only one small step to support Toronto's housing supply problem – this can also support the City's path to Net Zero by encouraging adaptive reuse of existing assets.

Veronica Green
Vice President
Slate Asset Management