

July 10, 2024

City of Toronto Planning and Housing Committee 100 Queen Street West 10th Floor – West Tower Toronto, Ontario M5H 2N2

Delivered via email to: phc@toronto.ca

Attention: Ms. Nancy Martins, Administrator, Planning and Housing Committee

To whom it may concern,

Re: NOTICE OF CONCERN with respect to Item #PH14.9 – Official Plan Review – Office Replacement Policies on the Planning and Housing Committee's May 11, 2024, Agenda.

We act on behalf of a number of property owners (attached as Schedule "A" to this letter) of various sites throughout the City of Toronto (the "City"). These property owners, who operate under the business name of "Northam Realty", are and have, over the past several decades, been prominent office landlords within the City. However, in recent years, having an intimate knowledge of the workings of the City's Office Market, Northam has realized a significant reduction in the viability of developing office space within the City – both on their own sites, which are located outside of the City Centre, and on other sites throughout the City which enjoy excellent locational attributes such as being located in close proximity to both the Yonge and University Subway lines.

In light of this reduced viability, it is clear that previously approved Official Plan policies which mandate the delivery of office space within the City have failed to keep up with the "reality" of the actual demand for office space – especially in consideration of the shift towards a hybrid work model that many companies adopted and have continued to operate "post-pandemic".

In reviewing the Proposals Report being considered by your Committee, while our clients see the proposed amendments to office replacement policies, as contained within the Proposals Report, as a "good start", they are also hopeful that the following revisions, as suggested below, would more accurately reflect the realities of the City's office market conditions:

Firstly, to propose policies that would still mandate a minimum amount of office space when there may in fact be no demand for such office space, simply put, makes no sense. This is so especially if the City is attempting to use the elimination of the office space requirement as a financial incentive to provide affordable housing. If the City imposes a financial impediment to the delivery of affordable housing, by requiring the retention of any amount of office space that is clearly economically unfeasible, the goal of incentivising affordable housing will never be met.

Furthermore, the marketplace for office uses is not a "Field of Dreams" where "if they plan it, they will build". Retaining policies that mandate the development of office space when there is no such market that makes such development of office space economically viable, again, makes no sense. The City must recognize that if the office market turns, developers, especially those who we represent who have historically built and managed office properties, will certainly continue along that path. However, if those same office developers with decades of experience cannot continue to operate their office portfolio in an economically viable manner, alternative uses which have the added benefit of providing affordable housing must be considered.

In light of the foregoing, we hereby file this notice of concern on behalf of our clients listed in Schedule "A". Should you have any questions or require any additional information, please do not hesitate to contact the writer, or Sean Brown, a lawyer in our office.

Yours very truly,

Adam J. Brown

Cc: Mr. Craig Walter, Chief Executive Office, Northam Realty