



December 5, 2024

Attn: Michael Noble

Re: Neighbourhood Retail and Service Study

My name is Danielle Goldfinger, and I am the Executive Director of The Laneway Project. For over a decade, our organization has collaborated with communities to revitalize and animate Toronto's laneway system, transforming these overlooked spaces into vibrant, multi-functional areas that support community life and economic activity.

We are encouraged by the Neighbourhood Retail and Service Study and the city's recognition of laneways as integral to Toronto's evolving urban fabric. While we support the proposed changes, we believe they could go further to unlock laneways' full potential as key contributors to Toronto's economy and livability.

The Case for a More Ambitious Laneway Strategy

International examples, such as Melbourne's Laneway Revitalization Strategy, provide a compelling precedent. Melbourne transformed its laneways into thriving hubs of small-scale retail, dining, and creative industries, contributing significantly to its economic resilience and global reputation. By lowering barriers for small businesses and entrepreneurs, Melbourne successfully activated underutilized spaces, attracting locals and tourists to these unique destinations.

Toronto's laneways have similar potential. They could serve as incubators for micro-retail and small-scale businesses, offering affordable opportunities for entrepreneurs while simultaneously animating these spaces and enhancing the city's character.



Addressing Rising Retail Costs

Small businesses in Toronto face significant challenges in securing affordable retail spaces on main streets. A 2020 study highlighted that retail rental rates vary widely across the city. Net rents range from approximately \$12 per square foot in areas like Albion/Islington to about \$65 per square foot on Yonge Street north of Carlton. Notably, 23% of surveyed businesses reported that obtaining affordable space was a major obstacle to their success. [City of Toronto](#)

The high demand for prime retail locations and limited availability have led to increased rents, further straining small businesses. In the first half of 2024, retail rents across Canada, including Toronto, rose due to high demand and limited supply. Factors contributing to this trend include elevated construction costs, which have curtailed new retail developments, leading to a scarcity of available spaces. [CBRE](#)

In response to these challenges, Toronto's laneways have emerged as viable alternatives for small businesses seeking more affordable and unique locations.

Reimagining laneways offers several benefits:

- **Cost-Effectiveness:** Laneway spaces often have lower rent than main street properties, making them accessible for startups and small enterprises.
- **Community Engagement:** Activating laneways fosters community interaction and can drive foot traffic to adjacent businesses.
- **Urban Revitalization:** Developing these underutilized areas enhances the urban environment and contributes to the city's cultural and economic vitality.

Laneways offer a practical solution. Their smaller, more affordable spaces could serve as entry points for businesses unable to compete for prime street-front locations, thus supporting a broader range of entrepreneurs and fostering economic inclusivity.

Proposed Policy Adjustments

To fully realize the potential of laneways, we recommend the following policy enhancements:

1. **Expand Permissible Uses:**
Allow micro-retail, small-scale food services, and light manufacturing within laneway properties to diversify offerings and attract a wider range of businesses.



2. **Reconsider Ownership Restrictions:**

Enable property owners to lease ancillary buildings for non-residential uses, creating more opportunities for entrepreneurs without requiring ownership.

3. **Increase Design Flexibility:**

Permit multi-storey ancillary buildings to accommodate mixed-use configurations, supporting residential and non-residential tenants.

We commend the city for its forward-thinking approach to neighbourhood retail and services and urge you to take bolder steps to unlock the full potential of laneways. By expanding permissions, reducing barriers, and fostering innovation, Toronto can become a leader in laneway revitalization, creating vibrant, accessible spaces that benefit residents and businesses alike.

Sincerely,

Danielle Goldfinger
Executive Director, The Laneway Project
danielle@thelanewayproject.ca
416-219-5546