Dufferin + Steeles

Economic Impact Assessment

November 7, 2025

Parcel

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Cover Image: BDP Quadrangle

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Executive Summary

Context

- Tenblock Management Inc. ("Tenblock"), on behalf of the owner of the property, Microbjo Properties Inc., is proposing the redevelopment of an existing mid-rise rental apartment complex located at **1875 Steeles Avenue West**, in Toronto, Ontario (the "subject site", "Site A").

- The subject site is also located among a number of adjacent properties clustered at the south-east quadrant of the intersection of Steeles Avenue and Dufferin Street, which are anticipated to be redeveloped to form a new urban node. This includes a combination of actively proposed and potential longer-term developments at the following properties:

  - **1881 Steeles Avenue West** ("Site B" owned by First Capital REIT);

  - **4925-5201 Dufferin Street** ("Site C" owned by the University of Toronto); and,

  - **4905 Dufferin Street** ("Site D" owned by the Federal Government).

- The Ministry of Municipal Affairs and Housing has received a request from the Minister of Economic Development, Job Creation and Trade ("MEDJCT") to apply a Minister's Zoning Order ("MZO") on 1875 Steeles Avenue West, which would limit the maximum building height to 33 metres. The Ministry is currently seeking feedback on this request to help inform a decision, including in the context of economic and financial matters.

- Within this context, Parcel Economics Inc. ("Parcel") has been engaged to prepare an independent, third-party *Economic Impact Assessment* to quantify the key economic benefits derived from both the significant **one-time capital investments** associated with the subject development proposals, but also the potential **recurring and legacy benefits** that are likely to be achieved upon their market entry.

- With the ability to support upwards of 960 residential units on the subject site and some 4,342 units across the entirety of this emerging node, new development in this area is expected to generate a **range of important economic and social benefits** for the surrounding community, which have been articulated herein.

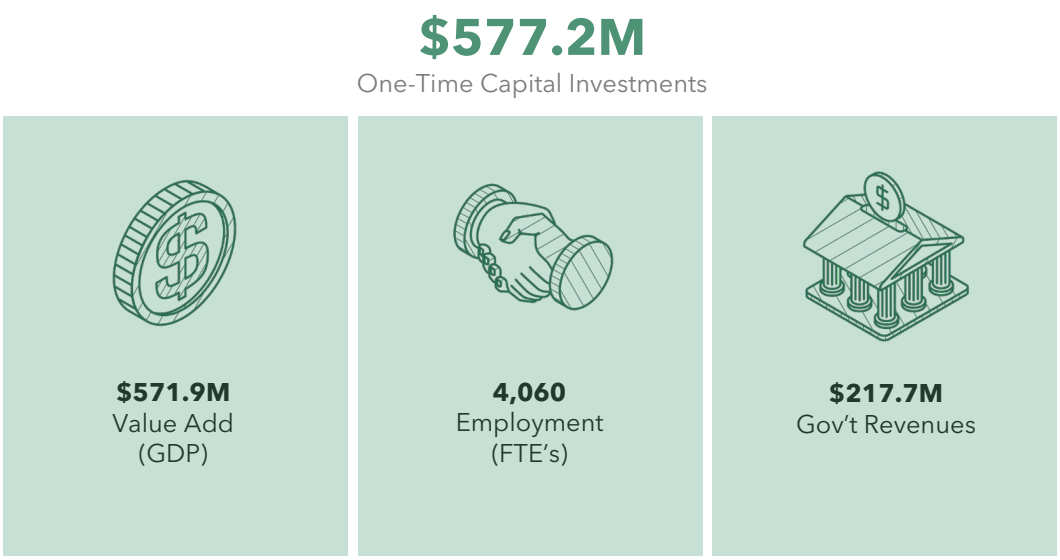
Key Findings

Part 1: Capital Investment Impacts

- Based on detailed development statistics for the project, average hard costs for the Toronto area and a high-level estimate of soft costs based on provincial averages, the development concept being advanced for the subject site is estimated to involve a one-time capital investment of approximately **$577.2 million**.
- These capital investments led by Tenblock will generate significant value accruing directly to the local economies of Toronto, Ontario and Canada, including:
  - **$571.9 Million in value added (GDP)**;
  - **4,060 full-time equivalent employment positions**; and
  - **$217.7 Million in government revenues**.
- When combined with the broader collection of development proposals and speculative projects contemplated across the entire node of neighbouring properties int his part of Toronto, total one-time capital investments in construction could total some $2.5 billion. Similar to above, these investments could result in:
  - **$2.5 billion in value added** to the Canadian economy;
  - **17.860 FTE employment**; and
  - **$922.7 million in government revenues** to the city, the province and the country.

Figure ES.1

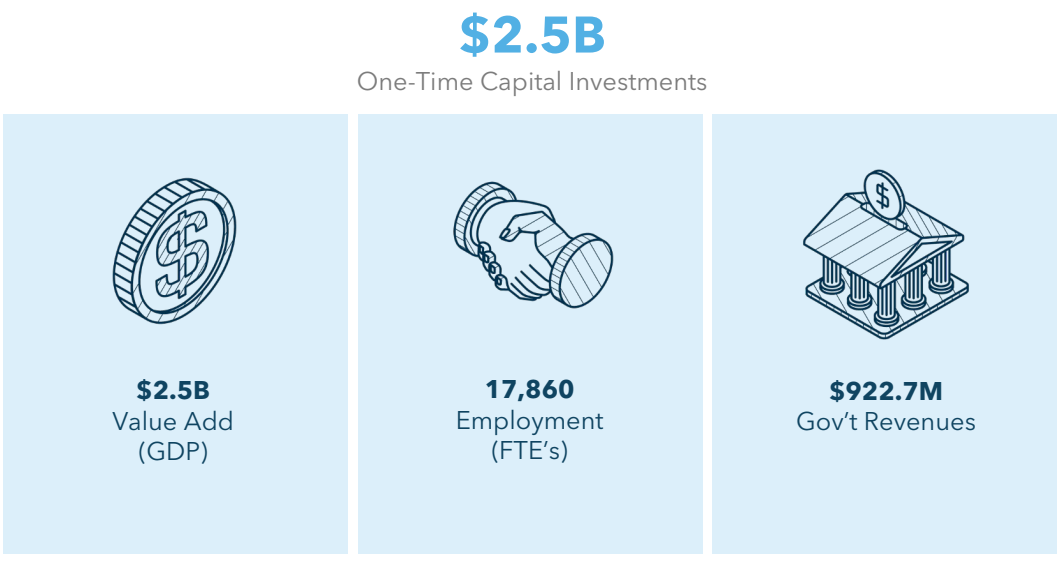
Economic Impacts of One-time Investments (Subject Site Only)



Source: Parcel. Economic impacts associated with one-time capital investments by Tenblock as part of the build out of the subject site only (Site A). Includes both hard and soft cost components.

Figure ES.2

Economic Impacts of One-time Investments (Aggregate Impacts)



Source: Parcel. Economic impacts associated with one-time capital investments by Tenblock and other surrounding landowners / developers as part of the build out of the entire new urban node (Sites A, B, C and D). Includes both hard and soft cost components.

Part 2: Other Fiscal Impacts

One-Time

- The development of the subject site and other properties within the node could generate a range of one-time fiscal benefits, largely accruing directly to the City of Toronto – including approximately **$239.1 million** in development charges and **$12.4 million** in one-time planning / building permit fees across the entire node (all sites), plus some **$2.0+ million** in community benefit charges and contribution of 11,300 square feet of parkland at the subject site alone.

Recurring

- The proposed redevelopments could also lead to an **increase in assessment values of more than 15 times current levels**, thereby generating nearly **$11.9 million in property tax annually** upon completion and occupancy of all four blocks (including an estimated $2.8 million at the subject site).

Part 3: Social & Community Benefits

1

Residential: Contribution to Local Housing Supply

Significant contributions to **local housing supply**, including a boost not only the quantum of units available, but also the diversity of residential typologies and price points, including affordable units.

2

Commercial: Critical Mass to Support Local Amenities

The redevelopment of the subject site in combination with other properties across the broader node would generate a significant increase in the local population, thereby providing additional **expenditure support for a new "right-sized" mix of local businesses and retailers**.

3

Employment: Support for Existing + Future Businesses

Improvements to local housing supply and diversity will serve as a critical **benefit for local employers** and enhance their ability to attract and retain talent.

4

Land Use Efficiency: Improved Utilization of Local Infrastructure

The introduction of higher-density housing at this node could **maximize the efficiency and utilization of existing infrastructure**, as well as reduce pressure on other existing and rapidly growing nodes across Toronto.

Conclusion

- The development of the subject site at 1875 Steeles Avenue West—as well as other nearby properties within this node—have the potential to generate significant **quantitative and qualitative economic benefits** for the City of Toronto and other levels of government. It is also expected to provide a range of related spin-off benefits, including support for local businesses.
- In the absence of the significant upfront capital investments by Tenblock and neighbouring landowners, **these economic benefits could not be realized**. As such, any mandated restrictions to building heights—as currently envisioned under a related MZO now in its consultation period—may risk foregoing the various economic and social benefits highlighted throughout this report.
- More specifically, the approval of the MZO as contemplated would risk cancellation of the proposed development in its current form and likely challenge the financial feasibility of realizing any real estate investment at 1875 Steeles Avenue West. At the very least, the approval of the MZO would significantly reduce the opportunity for all levels of government to secure the substantial one-time and recurring economic and social benefits associated with the proposed development.

1.0
Introduction

1.1 Background

Development Context

- Tenblock Management Inc. ("Tenblock")—on behalf of the owner of the property, Microbjo Properties Inc.—is proposing the redevelopment of an existing mid-rise rental apartment complex located at **1875 Steeles Avenue West**, in Toronto, Ontario (the "subject site", "Site A").

- As shown in Figure 1.1, the subject site is located among a number of adjacent properties clustered at the south-east quadrant of the intersection of Steeles Avenue West and Dufferin Street, which are anticipated to be redeveloped to form a new urban node. Namely, this includes a combination of actively proposed and potential longer-term speculative development at the following properties:

  - **1881 Steeles Avenue West** ("Site B" owned by First Capital REIT);
  - **4925-5201 Dufferin Street** ("Site C" owned by the University of Toronto); and,
  - **4905 Dufferin Street** ("Site D" owned by the Federal Government).

- The subject site is proposed to support 960 residential units. When combined with development that is expected to occur on adjacent sites extending south along the Dufferin Street frontage from Steeles Avenue West, the new node could collectively support a total of some 4,342 new housing units and accompanying retail / service commercial uses.

See detailed **Development Concept Information** in Section 2.0.

Study Context

- The Ministry of Municipal Affairs and Housing has received a request from the Minister of Economic Development, Job Creation and Trade ("MEDJCT") to apply a Minister's Zoning Order ("MZO") on 1875 Steeles Avenue West, which would limit the maximum height to 33 metres (per ERO # 025-1108).

- The Ministry is requesting consultation on this matter to help inform a decision, including related to economic and financial matters. Within this context, the primary purpose of this assessment has been to quantify the key economic benefits derived from both the significant **one-time capital investments** associated with the subject proposals, but also the potential **recurring and legacy benefits** that are likely to be achieved upon their market entry.

- The redevelopment of the subject site and other planned investments on the adjacent properties identified above are expected to generate a range of important **economic and social/cultural benefits** for the surrounding community and to local governments, including both the City of Toronto and Province of Ontario.

- Parcel Economics Inc. ("Parcel") has been retained to complete this **Economic Impact Assessment** as independent, third-party land economists in support of Tenblock's proposed development. This assessment has been prepared in support of a submission to the Ministry of Municipal Affairs and Housing in response to the aforementioned MZO request. As detailed herein, this reporting is intended to provide a detailed articulation of anticipated quantitative and qualitative benefits associated with the development of the subject site and surrounding properties, both during pre-development and construction phases, as well as upon full build-out and occupancy.

Figure 1.1

Map of Subject Site & Adjacent Properties

Source: Parcel, based on Google Earth satellite imagery.

1.2 Purpose

This study has involved quantifying the contributions to the economy across various geographies as a result of the significant one-time capital investments being contemplated, both at the subject site and at nearby properties.

- The intent of this work has been to provide a high-level **overview of the key economic benefits** of Tenblock's proposed redevelopment, including a focus on the significant direct one-time capital investments relating to its development.
- Additionally, this research highlights the economic benefits associated with the **complete development of the broader node** to support mixed-use intensification.
- Additional considerations have also been given to the likely extent of one-time and recurring fiscal impacts accruing directly to the City of Toronto, among other **qualitative "legacy" benefits** associated with the proposed developments.

1.3 Scope

- Relying on a combination of information available directly from Tenblock (i.e., development statistics for the subject proposal and surrounding properties), municipal development applications, and other supplementary research undertaken by our team (e.g., custom input-output multiplier data from Statistics Canada), we have prepared a simplified **overview of key benefits such as full-time equivalent employment, value added GDP, as well as government revenues**.[1]

[1] Based on the nature of the custom data required from Statistics Canada for this type of assignment, this reporting has inherently included a full range of typical economic impact metrics (gross output, value added, full-time equivalent employment, labour incomes, government revenues), including direct, indirect and induced components, as well as across multiple jurisdictions and geographies (municipal, provincial and federal).

- We have also prepared estimates of selected fiscal benefits which could be realized by the City of Toronto as a result of planned redevelopment at this location, including estimates of **one-time development charge, planning fee and building permit revenues**, as well as **ongoing property tax revenues**.

- Similarly, our quantitative analysis has been accompanied by a **brief qualitative narrative** relating to the spin-off benefits that the development of an intensified mixed-use node at the corner of Steeles Avenue and Dufferin Street would have on the surrounding community.

1.4 Approach

The following provides a brief introduction to the basic structure of the economic modelling undertaken for this study, whereas a more comprehensive overview of our approach has been provided in the appendix. This section includes an overview of:

- the one-time investments that have been modelled (i.e., the "**inputs**" or initial "shock" spending, based on the scale of development proposed for the site); and,

- the specific economic variables and metrics that have ultimately been identified (i.e., the "**outputs**").

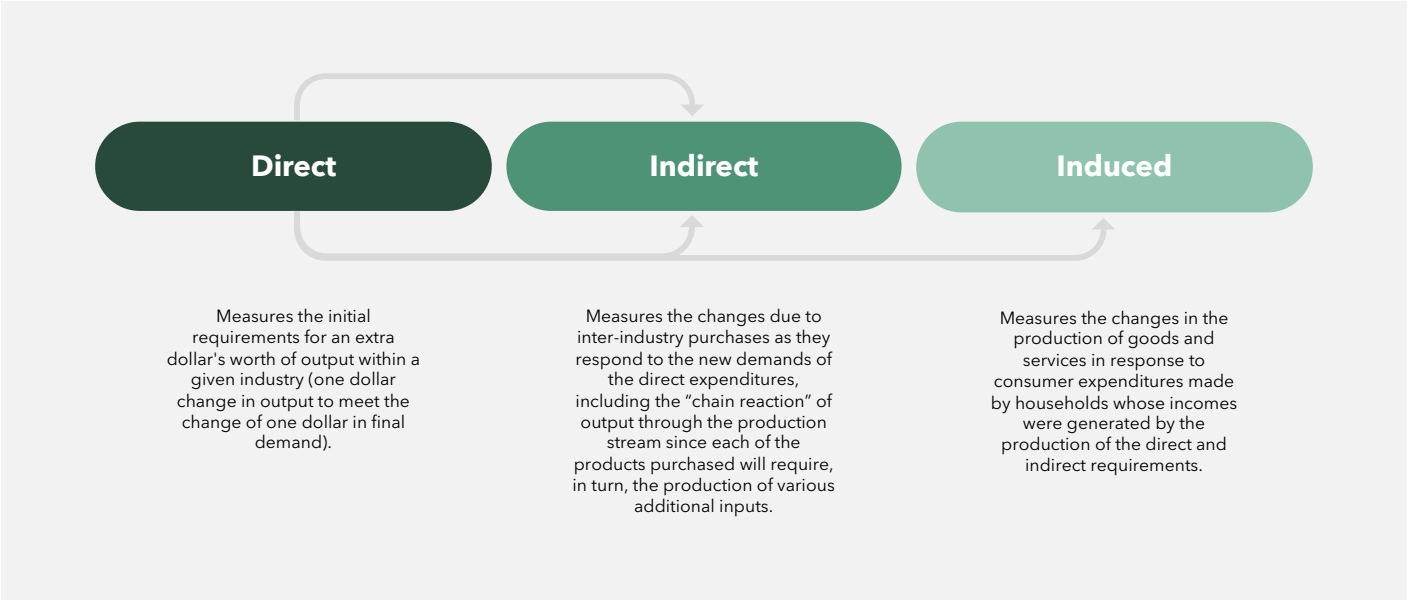
The key economic impacts identified throughout this report have been estimated based on the use of an econometric model that simulates the flow of expenditures through the economy. The underlying principle of this type of "input-output" modelling is that each dollar of expenditure on goods and/or services purchased from a given industry sector will circulate and re-circulate within the economy, thereby "multiplying" the impact of the initial expenditure. This concept is often referred to as the "multiplier" effect.

Impact Components

As detailed in Figure 1.2, the result of the foregoing "multiplier" effect is that impacts have three distinct components: **direct**, **indirect** and **induced**. Unless explicitly noted otherwise, all impacts reported throughout the body of this report represent the aggregate of all three of these impact components.

Figure 1.2

Direct, Indirect & Induced Impact Components



Source: Parcel, based on definitions available from Statistics Canada.

Key Reporting Metrics

The custom models relied upon for this assessment are based on supply-use tables produced annually by Statistics Canada. They are designed to provide a reliable measure of the impact of a given initial or "shock" investment on a full range of different economic metrics. As highlighted in Figure 1.3, we believe that the three most important and relevant metrics for the development concept on the subject site are: **value added to the economy (GDP)**, **employment generation (full-time equivalents or "FTE's")** and **government revenues**.[2]

[2] Also included in our standard modelling are **gross output** and **labour incomes** associated with the initial capital investments. These details have been included in the detailed tables in the appendix.

Figure 1.3

Key Impact Metrics

Value Add (GDP)

The total unduplicated value of goods and services produced.

This amount is determined by subtracting the value of the goods and services used in the process of generating the gross output (i.e., the measure of total sales throughout the economy as a result of the initial "shock" expenditure).

Employment (FTE's)

Total full-time, full-year jobs generated by direct, indirect and induced expenditures.

Based on total hours worked, intended to represent the equivalent to years of full-time employment. For example, one job identified represents the equivalent of one person working full-time for the duration of one year.

Gov't Revenues

Represents an extensive subset of revenues accruing to federal, provincial and local jurisdictions as a result of direct, indirect and induced expenditures.

Includes personal and corporate income tax, sales tax and other miscellaneous fees and charges levied by governments.

Source: Parcel, based on definitions available from Statistics Canada.

Geography & Jurisdiction

Although the majority of the economic impacts of initial spending will accrue more immediately within the City of Toronto, components of the broader spin-off benefits will also touch various other levels of government and span multiple jurisdictions **municipally**, **provincially** and **federally**.

For the purposes of this analysis we have focused on the economic benefits available within the City of Toronto, the Province of Ontario and across all of Canada.

Figure 1.4
Geographic Scale of Impacts

Source: Parcel

1.5 Assumptions & Limitations

The scope of work and approach utilized for this assignment have been informed not only by our previous experience and expertise as longstanding economic advisors to public and private sector clients across Canada, but also based on our commitment to continuously improving upon and updating our methodologies to reflect best practices for this type of research. Consequently, we are confident that this assessment offers the best possible approach to completing this assignment, however when dealing with this type of high-level economic analysis, it is nonetheless important to identify the key assumptions and limitations inherent to our approach.

Furthermore, we note that the modelling process presented should not be taken as conclusive nor definitive representation of the actual economic impacts and/or return on investment to government that will ultimately occur upon build-out of the subject site and adjacent properties around the intersection of Dufferin and Steeles. Instead, this type of assessment is intended to provide a more general and preliminary understanding of the relative

magnitude of these impacts based on the assumptions provided, as well as to articulate the key drivers of this new economic activity with respect to the different types of investments underway.

Detailed Approach

The following provides a brief summary of the basic assumptions that must be understood as limitations to the analysis undertaken as part of this assignment. Additional details of our economic impact approach and specific assumptions relied upon have been provided in the appendix.

Development Concepts

- All initial "shock" expenditures associated with the one-time investments (i.e., construction of the development concepts) are based on high-level development statistics obtained directly from Tenblock and municipal development applications posted by the City of Toronto and average development costs for the construction industry. These are assumed to be sufficiently accurate in evaluating the overall magnitude of spending that will occur to construct the development concept, as well as providing a reasonable level of detail with respect to additional assumptions made by Parcel as to the likely industry categorization for these investments.
- Where detailed information was not available on adjacent properties, Parcel developed high-level, prototypical development concepts based on industry standard assumptions. At this preliminary, conceptual stage, these inputs are assumed to be sufficiently accurate to reflect the potential economic benefits associated with development of these lands.
- The development concept established for testing as part of this assessment is intended to be a mere demonstration as to the type and scale of development that is ultimately expected to occur at the subject site. We recognize that this concept is likely to evolve as refinements continue to be made post-approval.

Other Assumptions

- It is assumed that a reasonable degree of economic stability will prevail in the Province of Ontario, and specifically in the context of the City of Toronto market, over the course of the development planning horizon identified in this study.

- The statistical inputs relied upon in our analysis are considered sufficiently accurate for the purposes of this analysis. These statistical sources—mainly from Statistics Canada—have ultimately informed a number of the key underlying assumptions and inputs utilized in our analysis.
- References to the Canadian dollar in this report generally reflect its 2025 value, including the range of supporting statistical inputs and research that have informed our baseline expenditure assumptions.

In the event that material changes occur that could influence the foregoing assumptions, the analysis, research findings and recommendations contained in this report should be reviewed or updated, accordingly.

See complete **Economic Impact Approach** in Appendix A.

2.0

Investments (Inputs)

2.1 Development Concepts

- Figure 2.1 provides a summary of the **key development blocks** identified for evaluation under this study–including both the subject site (Site A) and other adjacent properties (Sites B, C and D)–which could collectively **establish a new mixed-use cluster** at the intersection of Steeles Avenue and Dufferin Street.[3][4]

Figure 2.1

Development Statistics – Subject Site & Adjacent Properties

Property	Address	Owner	Development Statistics
Site A (Subject Site)	1875 Steeles Ave W	Microbjo Properties Inc.	Proposal for a total of 960 residential units, comprising some 84,400 square metres of Gross Floor Area ("GFA").
Site B	1881 Steeles Ave W	Dufferin & Steeles Corporation (First Capital REIT)	Proposal for a total of 1,138 residential units as well as additional retail and service commercial space. The total development is estimated to comprise some 93,600 square metres of GFA.
Site C	4925-5201 Dufferin St	Governing Council of the University of Toronto	Proposal for a total of approximately 1,249 apartment units, as well as additional retail and non-residential space. The total development is estimated to comprise some 100,010 square metres of GFA.

[3] It is important to note that redevelopment of each individual site is subject to the priorities, strategic positioning and direction of each landowner, including public and institutional owners. The development concepts presented are based on a mix of publicly available information and speculation related to potential development yields. Parcel has not assessed the development feasibility nor financial viability of redevelopment of these properties, but have rather focused exclusively on the economic benefits which could be accrued if development were undertaken as currently envisioned.

[4] High-level statistics are based on material provided by Tenblock and prepared by Bousfields. Based on professional discretion, market benchmarks and preliminary site plans for selected properties, Parcel prepared detailed assumptions for the purposes of this analysis. Some of these outputs include assumptions around residential tenure, unit mix, gross construction and gross leasable areas, construction costs, parking provided and non-residential typologies. In this light, the analysis presented should be understood as high-level and preliminary to demonstrate 'order of magnitude' impacts.

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Site D	4905 Dufferin St	His Majesty the King (Government of Canada)	Total of 995 residential apartment units, comprising some 79,668 square metres of GFA.

Figure 2.2

Block Context Plan – Subject Site & Adjacent Properties

No.	Site	Developer	New Homes (approx.)	Gross Floor Area	
1	1875 Steeles Avenue West	Tenblock	960	84,400 sq.m.	908,474 sq.ft.
2	1881 Steeles Avenue West	First Capital REIT	1,138	93,600 sq.m.	1,007,502 sq.ft.
3	4925-5201 Dufferin Street	University of Toronto	1,249	100,010 sq.m.	1,076,439 sq.ft.
4	4905 Dufferin Street	Federal Government	995	79,668 sq.m.	857,539 sq.ft.
		TOTAL	**4,342**	**357,678 sq.m.**	**3,849,954 sq.ft.**

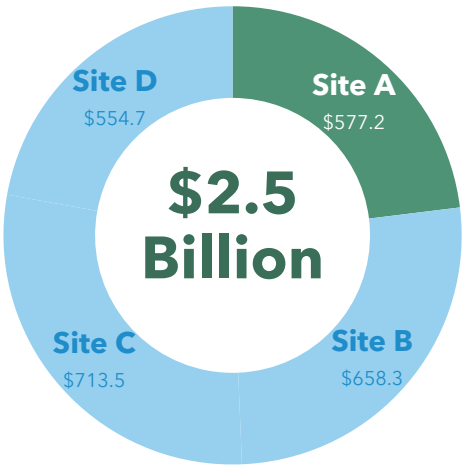
Source: Bousfields Inc.

2.2 Capital Investments

- Based on the amount and type of development envisioned for these blocks, we have estimated the **one-time capital investments** required to develop each property.
- Rather than detailed costing estimates necessitating the involvement of a quantity surveyor, these preliminary estimates rely on a combination of: (i) the Altus Construction Cost Guide (2025) to estimate potential **hard costs** (i.e., costs directly related to the construction of new buildings, including material and labour costs); and, (ii) a high-level estimate of anticipated **soft costs** (e.g., cost indirectly related to construction and the preliminary planning / design / approvals stages of development, including architectural & engineering fees, consultants fees and government charges).

We estimate that development at the subject site will require a one-time investment of approximately $577.2 million, with spending across the entire node amounting to some $2.5 billion in aggregate.

Figure 2.3
Block Context Plan – Subject Site & Adjacent Properties



Source: Parcel.

3.0

Impacts (Outputs)

3.1 Quantitative Benefits

Capital Investment Impacts (One-Time)

- Based on the foregoing assessment of one-time investments involved in constructing the development concepts, the total direct spending by Tenblock is estimated at some $577.2 million, or approximately one quarter (23%) of the total investment that could be generated across the broader node.
- As summarized in Figure 3.1, this amount of initial capital investment will generate significant benefit to local economies, including at each of the municipal, provincial and federal levels.

Figure 3.1

Economic Impacts of One-time Investments in Construction

	Site A	Site B	Site C	Site D	TOTAL
Initial Expenditure	**$577.2 Million**	**$658.3 Million**	**$713.5 Million**	**$554.7 Million**	**$2,503.7 Million**
Value Added to the Canadian Economy (GDP)	**$571.9 Million**	**$653.6 Million**	**$712.5 Million**	**$549.7 Million**	**$2,487.7 Million**
Full-time Equivalent Employees (FTE)	**4,060 FTE**	**4,690 FTE**	**5,200 FTE**	**3,910 FTE**	**17,860 FTE**
Government Revenues	**$217.7 Million**	**$242.4 Million**	**$255.8 Million**	**$206.7 Million**	**$922.7 Million**
Toronto	$61.2 Million	$66.4 Million	$63.9 Million	$58.0 Million	$249.4 Million
Ontario	$67.8 Million	$76.0 Million	$81.4 Million	$64.5 Million	$289.7 Million
Canada	$88.8 Million	$100.1 Million	$110.5 Million	$84.2 Million	$383.5 Million

Source: Parcel. See Figures A.1 through A.3 in the Appendix. Whereas this summary focuses on the main economic impact metrics of value added GDP, full-time equivalent employment (FTEs) and government revenues, more detailed summaries have been provided in the appendix which articulate other variables (e.g., gross output, labour incomes, etc.), as well as direct, indirect and induced components.

See complete **Economic Impact Tables** in Appendix B.

Figure 3.2

Economic Impacts of One-time Investments in Construction (Subject Site Only)

$577.2M

One-Time Capital Investments

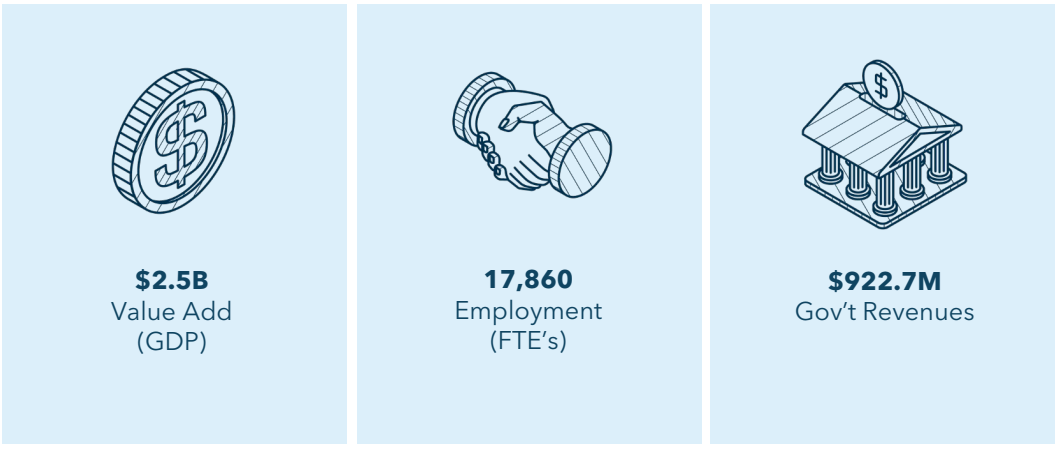
Source: Parcel. Economic impacts associated with one-time capital investments by Tenblock as part of the build out of the subject site only (Site A). Includes both hard and soft cost components.

Figure 3.3

Economic Impacts of One-time Investments in Construction (Aggregate Impacts)

$2.5B

One-Time Capital Investments



Source: Parcel. Economic impacts associated with one-time capital investments by Tenblock and other surrounding landowners / developers as part of the build out of the entire new urban node (Sites A, B, C and D). Includes both hard and soft cost components.

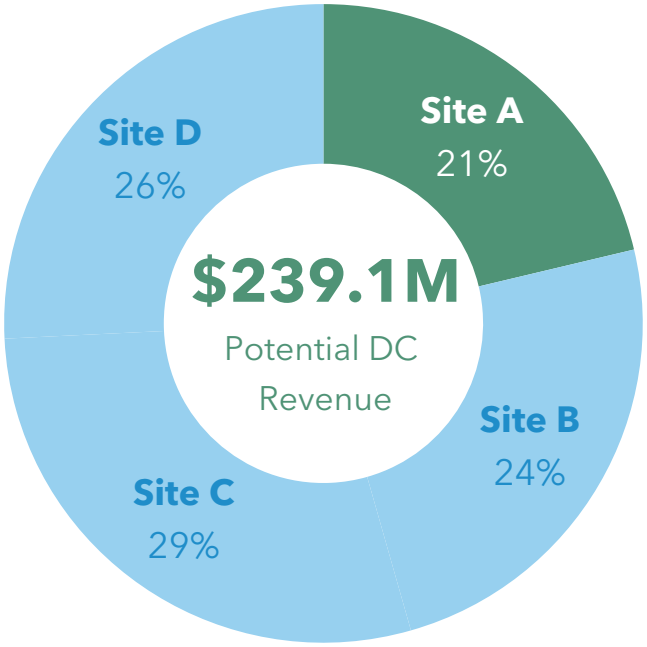
Fiscal Benefits (One-Time)

In addition to the above economic impacts, the development of the subject site and other properties within the node would generate a range of one-time fiscal benefits, largely accruing directly to the City of Toronto. The following provides a brief summary of several of these charges, whereas recurring benefits (e.g., property tax value uplift) have been addressed in the following subsection of this report.

Development Charges

Figure 3.4

Development Charge Estimates, by Block



Source: Parcel, based on data provided by Tenblock, using 2025 City of Toronto Development Charge Rates, including credits for existing development on the subject lands, where applicable.

Note: Estimates presented are based on the development of prototypical development concepts prepared by Parcel. Variables are likely to change as the orientation, intentions and motives of each proponent evolve. Parcel has estimated tenure (condominium or rental) as well as unit mix based on proportions in subject site development concept as well as submarket averages in this part of Toronto. Sites currently owned by public agencies (e.g. the University of Toronto and Government of Canada), are assumed to be sold to private organizations for the purposes of real estate development. As such, it is assumed that these sites would fully contribute development charges at standard rates.

Community Benefits Charges + Parkland Dedication

The subject site, and other developments which are anticipated to occur in the Steeles-Dufferin node, will provide further public value in the form of both Community Benefits Charges ("CBCs"), as well as through the Parkland Dedication program.

The form and quantum of contributions made through these two programs are variable, dependent on decisions made by each proponent as well as the ultimate development concepts advanced by each landowner. As such, it is early to comment on the exact contributions that will be undertaken on the other properties which comprise the broader node.

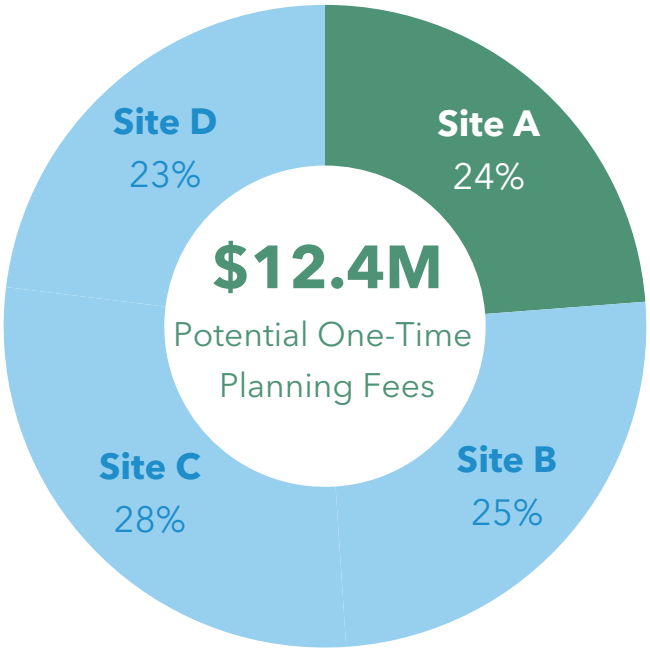
Based on the development concept prepared for the subject site, a parkland contribution of some 11,300 square feet is proposed, amounting to 10% of the net site area. Additionally, it is our estimate that the development could involve payment of between **$2.0 and $2.4 million in CBCs**[5].

[5] Based on assumed 4% of land value at building permit issuance. For the purposes of simplicity and confidentiality, the potential future value of the subject site has been estimated on the basis of broad market area average price per buildable square foot metrics for Toronto.

Other Planning Application and Building Permit Fees

Figure 3.5

Estimated Planning and Building Permit Fees, by Block



Source: Parcel, based on data provided by Tenblock, using 2025 City of Toronto municipal planning application rates and fee structures.
Note: Estimates presented are based on the development of prototypical development concepts prepared by Parcel. Variables are likely to change as the orientation, intentions and motives of each proponent evolve.

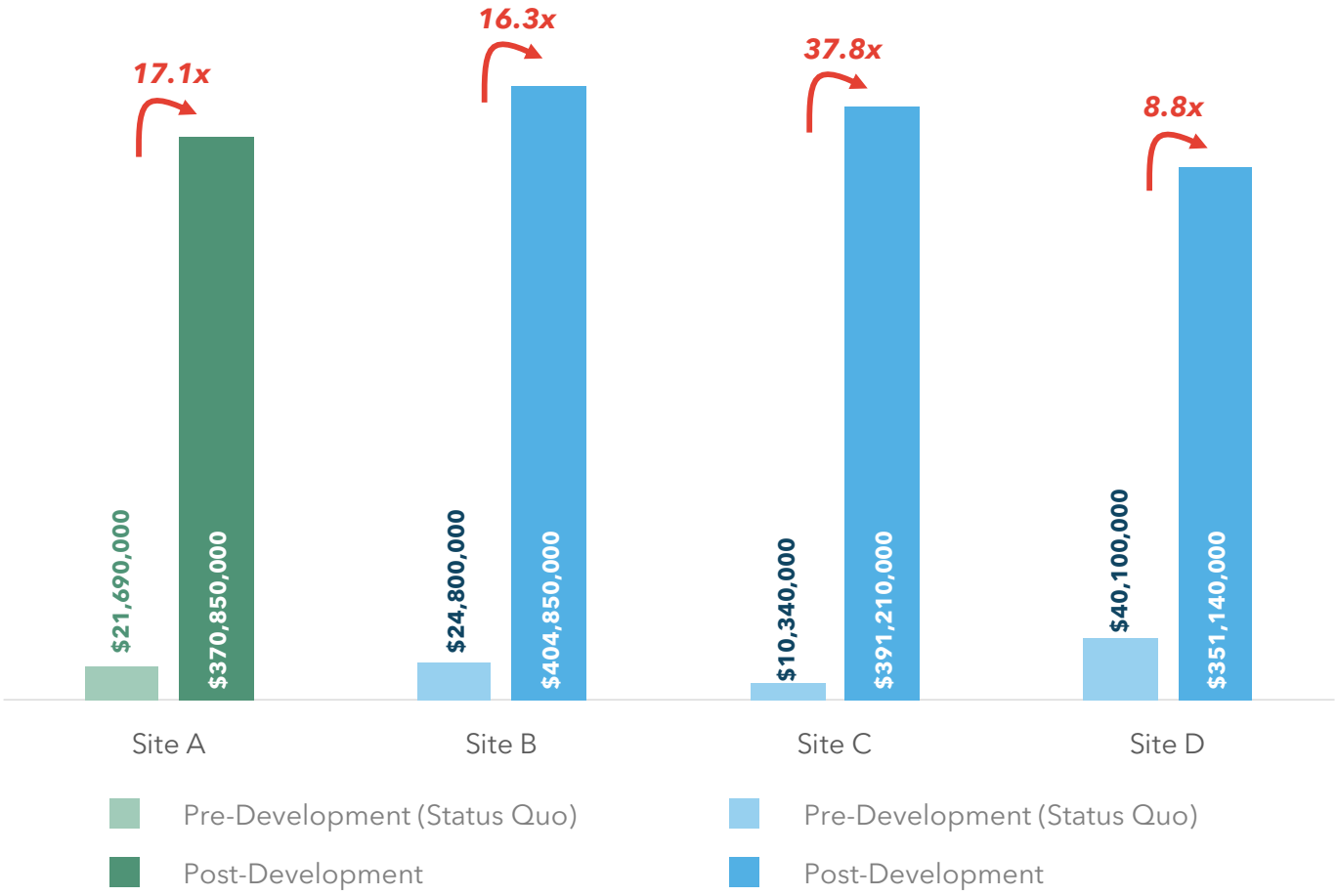
Fiscal Benefits (Recurring)

Annual Property Tax Revenues

- The redevelopment of the subject site and adjacent properties will **materially increase the assessed value of these properties**, resulting in a higher share of City-wide property tax revenue being generated from the node. As shown in Figure 3.6, this could involve an increase in assessment value of more than 15 times current levels.
- Assuming all sites are developed as privately owned and operated new real estate developments, the total future property tax generated by these developments could be nearly **$11.9 million annually** ($2.8 million at the subject site alone).

Figure 3.6

Estimated Growth in Assessment Values (Pre-Development vs. Post-Development)



Source: Parcel.

See complete **Economic Impact Tables** in Appendix B.

3.2 Qualitative Benefits

1 **Residential:** Contribution to Local Housing Supply

- The development of significant amounts of new housing stock will **support the City of Toronto in addressing current supply constraints** and contribute towards achieving a more balanced, diverse housing market.
- Ultimately, **new supply will also help improve ownership and rental affordability** for current and future residents of Toronto.
- Because the area surrounding the subject site has not seen significant intensification in recent years, the introduction of new apartments in this area **will provide a wider range of housing options to current and prospective residents**. It will further provide **optionality for existing homeowners in the community** who may be better served by different housing typologies (e.g. aging households or households seeking a lower maintenance lifestyle, etc.).

2 **Commercial:** Critical Mass to Support Local Amenities

- The redevelopment of the subject site in combination with other properties across the broader node would introduce a significant increase in the local population in this part of the City, thereby **providing additional expenditure support to local businesses and retailers**.
- The redevelopment of the broader node would replace the existing auto-oriented retail plaza at 1881 Steeles Avenue West with a **"right-sized" mixed-use retail facility featuring modern construction standards, layouts and floorplates**.
- Redevelopment represents an opportunity to revisit the quantum of retail space at this important intersection to ensure that it supports the **day-to-day needs of residents on-site and in surrounding communities, as well as other visitors and employees of the area**.

3 **Employment:** Support for Existing + Future Businesses

- The addition of new housing units at various tenures, sizes and price points will add to the diversity of the local housing stock. This diversity will serve as a critical **benefit for local employers and enhance their ability to attract and retain talent to support their day-to-day operations**.

- The surrounding areas have historically been comprised primarily of very limited housing diversity (typically low-density single-detached dwellings), which are unaffordable and inaccessible to a large and growing segment of the population. Alternatively, the older apartment stock in the surrounding areas does not feature modern amenities and finishes, which can be important considerations for prospective tenants and households.

4 **Land Use Efficiency:** Improved Utilization of Local Infrastructure

- The introduction of higher-density housing at this node could **maximize the efficiency and utilization of existing infrastructure** (e.g. water and wastewater pipes, roadways etc.). Additionally, as part of redevelopment, the projects would involve the provision of new roads, pipes, parkland, open spaces, site accesses, public realm, and other associated infrastructure.

- The development of the subject site and surrounding node will help to facilitate the **establishment of a new development node** in this part of the City, reducing pressure on other existing and rapidly growing nodes, which continue to support a significant portion of Toronto's new development activity (e.g., Downtown Toronto).

Model Overview

The quantitative economic impacts of new real estate development-related investments associated with the development proposals at Sites A, B, C and D have been estimated using Statistics Canada In*put-Output* multipliers, which simulate the flow of expenditures through the economy.

The main steps in running this type of economic impact model are:

- Compiling the **input spending data**.
- Assembling the data to ensure all expenses are accounted for and **divided into categories** to ensure that the individual economic sectors are appropriately represented.
- Calibrating the model to the local economy using **employment data**.
- Running the **finalized version of the model(s)**.

Impact Components

The basic principle of the models is the concept that each dollar of expenditure on goods and/or services purchased from a given industry sector circulates and re-circulates within the economy, thereby multiplying the effects of the original expenditure. This process is commonly referred to as the multiplier effect. An estimated multiplier for the one-time capital and ongoing expenditures for the proposed facilities on the subject site has three distinct components: **direct**, **indirect** and **induced** impacts.

Direct Impacts

Represent the initial capital investments made to construct the development concept. These expenditures include the purchase of labour, equipment, other infrastructure and related services.

Indirect Impacts

Represent the subsequent purchases by suppliers required to produce the goods/services related to the original and ongoing investments in the development concept.

Induced Impacts

Result when workers employed in the sectors, stimulated by direct and indirect expenditures, spend portions of their incomes on consumer goods and services.

Impact Metrics

Direct, indirect and induced impacts are estimated in terms of the following measures:

Gross Output

A measure of total sales throughout the economy in question, as a result of an initial and ongoing expenditures on goods and/or services produced by an industry[6].

Value Added (GDP)

The total unduplicated value of goods and services produced in the economic territory, determined by subtracting the value of the goods and services used in generating the gross output.

Full-Time Equivalent Employment (FTE's)

Total full-time, full-year jobs generated by direct, indirect and induced expenditures. For one-time capital and ongoing expenditures, such as those being analyzed, the employment figures produced by the model represent years of full-time employment. For example, one job identified by the model represents the equivalent of one person working full-time for the duration of one year[7].

[6] For example, with respect to a single construction project, an initial expenditure would be made to pay for the design firm and contractor. The design team would then hire staff, purchase equipment and materials, such as computers, software, paper, etc. The construction company, would also hire labourers, pay for construction equipment and materials. The staff in turn would purchase goods and services from their wages to support their everyday living. The sum of all of these expenditures would be the gross output. We do note that this involves double counting (e.g., the initial expenditure, in reality covered wages and salaries, equipment, etc. of the contractors it hired).

[7] These employment figures represent the total full-time, full-year jobs generated by direct expenditures, as well as the indirect and induced impacts that are spread more broadly throughout the regional, provincial and national economies. For one-time capital expenditures, such as those analyzed in this study, these employment figures represent total years of full-time employment (e.g., one job identified represents the equivalent of one person working full-time for the duration of one year).

Labour Income

Total value of wages, salaries and benefits received by employees associated with direct, indirect and induced expenditure.

Government Revenues

Revenues accruing to federal, provincial and local jurisdictions as a result of direct, indirect and induced expenditures. Revenue categories include personal and corporate income tax, sales taxes (e.g., HST), property taxes and other miscellaneous taxes, tariffs and fees.

Primary Reporting Metrics

Although our comprehensive modelling includes articulation of all five key reporting metrics identified above, we typically focus on what we believe to be the most important and illustrative of the true incremental expansion to the economy: value added GDP, full-time equivalent employment, and government revenues.

Localized Impacts

In Canada, Statistics Canada calculates input-output accounts at the national, provincial levels only. The economic impacts for Toronto were calculated by applying "location quotients" to the economic impact results generated for the Province of Ontario. Location quotients represent the share of employment in each industry sector relative to the Province as a whole. This is the most common and widely accepted methodology for determining localized impacts when industry and commodity data is not available.

The logic to using location quotients to estimate localized impacts is that the relative share of employment within a given industry should be similar to the share of a purchase within that industry that could be sourced locally. There is the potential for significant cross purchasing between municipalities, regardless of the employment composition, however, this is less likely for the City of Toronto due to the overall size of the municipality, its relative location, and the nature of its existing industries.

Other Considerations

Discount Rate

A discount rate is most typically applied to an income stream to represent the time-value of money, whereby both expenditures and revenues made in the future are discounted to reflect their diminishing value as time progresses.

In the case of an economic impact analysis, the economic impacts are a direct result of the initial expenditures. For example, a multiplier will not change simply because the scale of an investment is reduced or increased (assuming the proportion spent within each industry category remains the same). For this reason, the discount rate would have to be applied to the capital expenditures, which would result in lower overall expenditures in the future. By showing undiscounted expenditures, it is our opinion that we are more accurately reflecting the true costs associated with the development concept, and therefore, better reflecting the true economic impacts.

Labour Supply Impacts

It is our opinion that the significant investments and corresponding construction activities at the subject site will not, in and of themselves, cause any meaningful labour imbalances in the local economy of Toronto, nor beyond. Due to the depth and capacity of Toronto's skilled labour force, we believe the City will be able to provide and attract the skillsets needed to build the development concept, while maintaining sufficient labour to enable other construction projects elsewhere in the City are able to move forward. As such, we have not adjusted our analysis to account for these risks and have generally assumed that a reasonable amount of economic stability will prevail in these areas.

Figure A.1

Detailed Economic Impact Tables (Toronto)

	Site A	Site B	Site C	Site D	Total
Initial Expenditure	**$ 577,177,398**	**$ 658,326,246**	**$ 713,547,435**	**$ 554,696,440**	**$ 2,503,747,519**
Impact: Gross Output					
Direct	$ 577,177,398	$ 658,326,246	$ 713,547,435	$ 554,696,440	$ 2,503,747,519
Indirect	$ 227,764,313	$ 262,756,846	$ 292,860,513	$ 219,419,187	$ 1,002,800,859
Induced	$ 161,551,968	$ 186,180,351	$ 208,015,446	$ 155,427,988	$ 711,175,753
Total	**$ 966,493,678**	**$ 1,107,263,443**	**$ 1,214,423,394**	**$ 929,543,616**	**$ 4,217,724,131**
Impact: Value Added					
Direct	$ 229,733,083	$ 260,241,534	$ 277,730,557	$ 220,379,984	$ 988,085,158
Indirect	$ 121,056,054	$ 140,056,917	$ 157,461,633	$ 116,645,298	$ 535,219,902
Induced	$ 99,746,036	$ 114,956,285	$ 128,450,426	$ 95,965,476	$ 439,118,223
Total	**$ 450,535,173**	**$ 515,254,736**	**$ 563,642,616**	**$ 432,990,758**	**$ 1,962,423,283**
Impact: Employment (Full-Time, Full-Year Employment)					
Direct	1,546	1,795	2,033	1,491	6,865
Indirect	943	1,089	1,220	908	4,161
Induced	619	713	797	595	2,724
Total	**3,108**	**3,597**	**4,049**	**2,995**	**13,749**
Impact: Labour Income					
Direct	$ 151,043,866	$ 174,601,017	$ 196,487,617	$ 145,414,562	$ 667,547,061
Indirect	$ 76,956,300	$ 89,143,562	$ 100,619,930	$ 74,153,251	$ 340,873,043
Induced	$ 44,463,930	$ 51,239,642	$ 57,255,782	$ 42,775,562	$ 195,734,915
Total	**$ 272,464,095**	**$ 314,984,221**	**$ 354,363,329**	**$ 262,343,375**	**$ 1,204,155,019**
Impact: Total Taxes					
Federal	$ 69,719,942	$ 78,842,873	$ 87,879,140	$ 66,168,435	$ 302,610,390
Provincial	$ 59,495,027	$ 66,748,820	$ 71,755,470	$ 56,574,391	$ 254,573,708
Local	$ 61,175,630	$ 66,354,984	$ 63,876,779	$ 57,977,566	$ 249,384,959
Total	**$ 190,390,599**	**$ 211,946,678**	**$ 223,511,389**	**$ 180,720,392**	**$ 806,569,057**

Source: Parcel, based on custom Statistics Canada Interprovincial Input-Output models.

Figure A.2

Detailed Economic Impact Tables (Ontario)

	Site A	Site B	Site C	Site D	Total
Initial Expenditure	**$ 577,177,398**	**$ 658,326,246**	**$ 713,547,435**	**$ 554,696,440**	**$ 2,503,747,519**
Impact: Gross Output					
Direct	$ 577,177,398	$ 658,326,246	$ 713,547,435	$ 554,696,440	$ 2,503,747,519
Indirect	$ 335,450,928	$ 385,645,565	$ 423,844,851	$ 323,321,465	$ 1,468,262,808
Induced	$ 187,321,809	$ 215,889,172	$ 241,204,224	$ 180,228,205	$ 824,643,409
Total	**$ 1,099,950,134**	**$ 1,259,860,983**	**$ 1,378,596,509**	**$ 1,058,246,110**	**$ 4,796,653,736**
Impact: Value Added					
Direct	$ 229,733,083	$ 260,241,534	$ 277,730,557	$ 220,379,984	$ 988,085,158
Indirect	$ 166,608,323	$ 191,999,203	$ 212,915,819	$ 160,555,869	$ 732,079,214
Induced	$ 111,422,431	$ 128,418,985	$ 143,491,920	$ 107,203,190	$ 490,536,525
Total	**$ 507,763,837**	**$ 580,659,722**	**$ 634,138,296**	**$ 488,139,042**	**$ 2,210,700,897**
Impact: Employment (Full-Time, Full-Year Employment)					
Direct	1,546	1,795	2,033	1,491	6,865
Indirect	1,324	1,521	1,678	1,274	5,798
Induced	722	833	930	695	3,180
Total	**3,593**	**4,148**	**4,641**	**3,461**	**15,843**
Impact: Labour Income					
Direct	$ 151,043,866	$ 174,601,017	$ 196,487,617	$ 145,414,562	$ 667,547,061
Indirect	$ 108,474,245	$ 124,950,666	$ 138,820,697	$ 104,455,940	$ 476,701,548
Induced	$ 51,960,636	$ 59,881,821	$ 66,901,325	$ 49,991,432	$ 228,735,215
Total	**$ 311,478,747**	**$ 359,433,503**	**$ 402,209,639**	**$ 299,861,935**	**$ 1,372,983,824**
Impact: Total Taxes					
Federal	$ 80,296,161	$ 90,632,830	$ 100,399,362	$ 76,203,279	$ 347,531,632
Provincial	$ 67,817,390	$ 76,013,005	$ 81,425,218	$ 64,490,525	$ 289,746,138
Local	$ 68,789,812	$ 74,616,207	$ 71,808,715	$ 65,198,747	$ 280,413,481
Total	**$ 216,903,363**	**$ 241,262,042**	**$ 253,633,296**	**$ 205,892,551**	**$ 917,691,251**

Source: Parcel, based on custom Statistics Canada Interprovincial Input-Output models.

Figure A.3

Detailed Economic Impact Tables (Canada)

	Site A	Site B	Site C	Site D	Total
Initial Expenditure	**$ 577,177,398**	**$ 658,326,246**	**$ 713,547,435**	**$ 554,696,440**	**$ 2,503,747,519**
Impact: Gross Output					
Direct	$ 577,177,398	$ 658,326,246	$ 713,547,435	$ 554,696,440	$ 2,503,747,519
Indirect	$ 425,013,964	$ 486,821,182	$ 530,261,482	$ 409,320,683	$ 1,851,417,312
Induced	$ 234,714,179	$ 270,186,725	$ 300,900,969	$ 225,786,083	$ 1,031,587,957
Total	**$ 1,236,905,542**	**$ 1,415,334,154**	**$ 1,544,709,886**	**$ 1,189,803,206**	**$ 5,386,752,788**
Impact: Value Added					
Direct	$ 229,733,083	$ 260,241,534	$ 277,730,557	$ 220,379,984	$ 988,085,158
Indirect	$ 206,067,600	$ 236,718,499	$ 260,313,051	$ 198,476,134	$ 901,575,284
Induced	$ 136,070,606	$ 156,631,680	$ 174,431,631	$ 130,893,543	$ 598,027,460
Total	**$ 571,871,289**	**$ 653,591,713**	**$ 712,475,238**	**$ 549,749,661**	**$ 2,487,687,902**
Impact: Employment (Full-Time, Full-Year Employment)					
Direct	1,546	1,795	2,033	1,491	6,865
Indirect	1,624	1,858	2,033	1,561	7,076
Induced	894	1,029	1,146	860	3,930
Total	**4,064**	**4,682**	**5,212**	**3,912**	**17,871**
Impact: Labour Income					
Direct	$ 151,043,866	$ 174,601,017	$ 196,487,617	$ 145,414,562	$ 667,547,061
Indirect	$ 131,924,833	$ 151,435,833	$ 166,820,877	$ 126,945,601	$ 577,127,143
Induced	$ 64,224,347	$ 73,928,128	$ 82,333,287	$ 61,779,608	$ 282,265,371
Total	**$ 347,193,045**	**$ 399,964,978**	**$ 445,641,781**	**$ 334,139,771**	**$ 1,526,939,575**
Impact: Total Taxes					
Federal	$ 88,751,305	$ 100,080,489	$ 110,454,024	$ 84,236,082	$ 383,521,900
Provincial	$ 76,239,706	$ 85,452,854	$ 91,463,355	$ 72,511,871	$ 325,667,787
Local	$ 70,493,560	$ 76,553,324	$ 73,889,533	$ 66,835,381	$ 287,771,798
Total	**$ 235,484,571**	**$ 262,086,667**	**$ 275,806,913**	**$ 223,583,334**	**$ 996,961,485**

Source: Parcel, based on custom Statistics Canada Interprovincial Input-Output models.

Figure A.4

Detailed Fiscal Impact Summary (One-Time + Recurring)

	Site A	Site B	Site C	Site D	Total
Total One-Time Revenues	**$ 53,840,000**	**$ 61,210,000**	**$ 71,990,000**	**$ 64,460,000**	**$ 251,500,000**
Planning + Building Permit Fees	$2,940,000	$3,110,000	$3,460,000	$2,850,000	$12,360,000
Development Charges	$ 50,900,000	$ 58,100,000	$ 68,530,000	$ 61,610,000	$ 239,140,000
Forecasted Annual Property Tax Revenue	**$2,800,000**	**$3,120,000**	**$3,290,000**	**$2,650,000**	**$ 11,860,000**
Current Assessment Value (Pre-Development)	$21,686,000	$24,798,000	$10,340,000	$40,101,000	$ 96,925,000
Forecasted Assessment Value (Post-Development)	$370,850,000	$404,850,000	$391,210,000	$351,140,000	$ 1,518,050,000
Assessment Value Increase	*17.1x*	*16.3x*	*37.8x*	*8.8x*	*15.7x*

Source: Parcel

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