

2026 Budget Notes

CreateTO

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Description

As the City of Toronto's real estate agency, CreateTO applies a strategic city-wide lens to Toronto's real estate holdings, develops City buildings and lands for municipal purposes and delivers real estate solutions to advance City Council's key public policy goals and meet the program needs of City divisions, agencies, and corporations.

CreateTO is a self-sustaining agency and submits a net zero budget to the City of Toronto.

Toronto has more than 8,400 properties within its real estate portfolio. CreateTO offers creative and strategic approaches to solving some of our city's most pressing challenges, from building affordable homes and inclusive communities, to creating cultural and employment opportunities, driving economic prosperity, achieving our climate goals, and increasing our collective quality of life.

Why We Do It

The City's real estate portfolio holds tremendous value, both financially and in its potential to be operated and activated for the public good. CreateTO puts that value to use for our city, by applying a strategic, city-wide lens to Toronto's real estate holdings.

Through strategic real estate planning, CreateTO identifies ways to make better use of City-owned assets, creating opportunities to support City priorities such as affordable housing, community and civic space and improved services for the people of Toronto.

The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

For further information about CreateTO, please visit: <https://createto.ca>

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What Service We Provide

Real Estate Advisory Services and Solutions for City Divisions, Agencies and Corporations

Who We Serve: City Council, City Divisions, Agencies and Corporations, and Toronto residents.

What We Deliver: The agency works with all City of Toronto Divisions, Agencies, and Corporations to develop real estate solutions that meet program needs with the goal of optimizing the use of each site, while also delivering on urgent Council-directed policy priorities.

Resources (gross 2026 operating budget): \$4.3 million

Affordable Housing Delivery

Who We Serve: City Council, City Divisions, Agencies and Corporations, Toronto residents, real estate developers, and housing operators.

What We Deliver: Working with our City partners, the agency works collaboratively to advance City Council's vision to urgently build more affordable housing on City-owned lands and identifies real estate opportunities designed to meet the vital housing needs of Torontonians.

Resources (gross 2026 operating budget): \$6.1 million

Port Lands' Asset Management and Property Management

Who We Serve: City Council, City Divisions, Agencies and Corporations, Toronto residents, real estate developers, corporations and businesses.

What We Deliver: On behalf of the City, the agency actively manages a commercial and industrial lease portfolio comprising over 325 acres and 70 tenancies in the Port Lands. The agency also advances precinct-level master planning, capital projects and development plans, with a particular focus on major employment uses such as the film and media sector that support the ongoing revitalization of the Port Lands to ensure this downtown district delivers maximum value to the City and the people of Toronto.

Resources (gross 2026 operating budget): \$5.9 million

Budget at a Glance

2026 OPERATING BUDGET				2026-2035 10-YEAR CAPITAL PLAN			
In \$ Millions	2026	2027	2028	In \$ Millions	2026	2027-2035	Total
Revenues	\$16.3	\$16.6	\$16.9	CreateTO does not have a 10-Year Capital Budget and Plan.			
Gross Expenditures	\$16.3	\$16.6	\$16.9				
Net Expenditures	\$ 0.0	\$ 0.0	\$ 0.0				
Approved Positions	96.0	96.0	96.0				

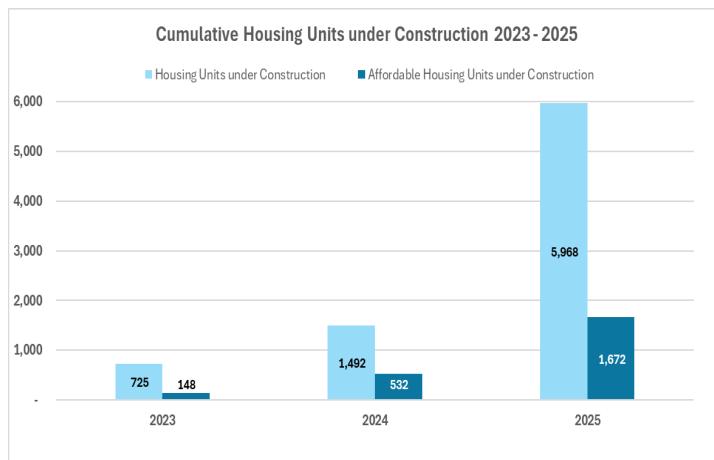
How Well We Are Doing – Behind the Numbers

CreateTO continues to focus on delivering key City initiatives. Since the agency's inception, CreateTO, working with City's Divisions, Agencies and Corporations, continues to identify, evaluate, and provide strategic real estate solutions to meet the needs of the City of Toronto as demonstrated in the chart below:

Housing Delivery

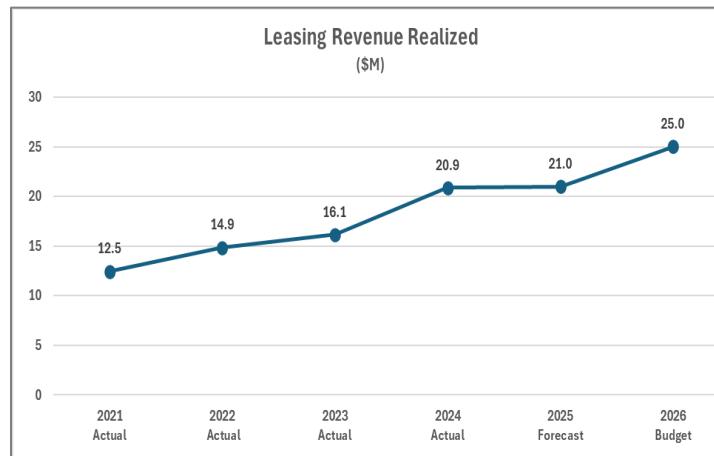


- This chart shows the cumulative number of housing units zoned on CreateTO-led projects from 2023 through 2025.
- CreateTO is committed to advancing City Council's vision to urgently build more affordable housing on City-owned lands.



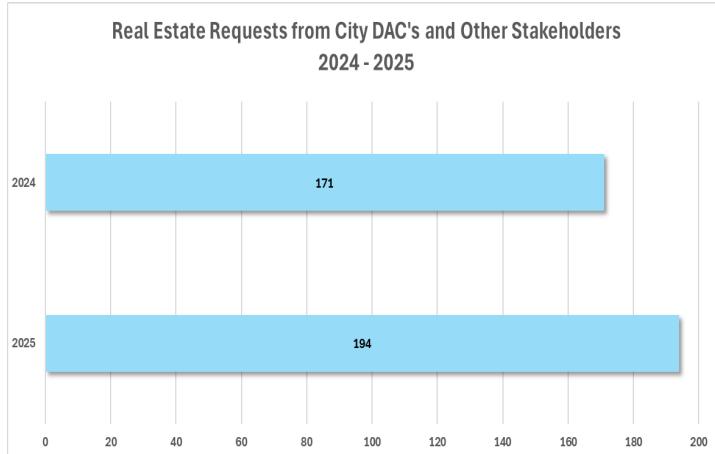
- This chart shows the cumulative number of housing units under construction on CreateTO-led projects from 2023 through 2025.
- A number of CreateTO-led projects are now under construction. Recent groundbreakings have included the sites at 2444 Eglinton Avenue East, 777 Victoria Park Avenue and 275 Merton Street, among others.

Port Lands Asset Management



- CreateTO, through its managed company Toronto Port Lands Company, actively manages leases with more than 70 tenants that provide important supplies and services to the downtown core.
- Efforts over the past few years have resulted in significant rental increases while ensuring we continue to balance revenue generation targets with City's economic development objectives and other public policy priorities across the Port Lands portfolio.

Real Estate Advisory Services



- This chart shows the real estate requests from City's Divisions, Agencies and Corporations and other stakeholders in 2024 and 2025.
- CreateTO works with City divisions to develop real estate solutions that meet program needs.

Community Outcomes identified to date

Measure	2024 Actual	2025 Projected
Industrial lands revitalized into parks and naturalized area ^[1]	3.44 acres	45 acres
Co-locations identified to deliver two (2) daycare centres, a new public school, a library and a paramedics post within five (5) housing developments	4 co-locations	1 co-location
11 sites identified to support the delivery of new shelters	320 beds	680 beds
2 sites identified to deliver long-term care beds	120 beds	378 beds

[1] Sites within the Port Lands

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- **Housing:** Continued to deliver more housing. In 2025, more transformational housing projects broke ground including 777 Victoria Park Avenue, 275 Merton Street, 253 Markham Road and 2444 Eglinton Avenue East. Combined with other in-ground projects across our portfolio, CreateTO has more than 5,000 new homes under construction, including projects with a minimum of 30 per cent affordable rentals and rent-controlled co-operative homes. CreateTO went out to market with several key housing projects including Block 5 of Bloor-Kipling, 931 Yonge Street and the 'missing middle' pilot project at 72 Amroth. Zoning amendments and master plans were approved by Council on sites like Block 3 of Bloor-Kipling and 705 Progress Avenue. CreateTO also provided support to Toronto Shelter and Support Services (TSSS) in the site selection and zoning of 6 new shelters as part of TSSS' Homelessness Services Capital Infrastructure Strategy and worked with Seniors Services and Long-Term Care to enable 499 new long-term care beds through the George Street revitalization and a development at 4610 Finch Avenue East.
- **Environmental Sustainability:** Continued to advance the City's sustainability objectives, including through the Mass Timber pilot project at 1113-1117 Dundas Street West. To prepare the site for construction, a vacant home at 1113 Dundas Street West was deconstructed in 2025 – a process that led to the reuse and/or recycling of 90% of the materials salvaged. CreateTO is also leading the construction of shoreside infrastructure at the Jack Layton Ferry Terminal which will support new, all-electric ferries to the Toronto Islands, providing Torontonians and tourists alike a cleaner and greener ride to the City's largest public park.
- **Economic Development:** In 2025, with our development partners broke ground on the redevelopment of 610 Bay Street and 130 Elizabeth Street, the former Toronto Coach Terminal site. The development is an exciting opportunity to preserve a heritage asset while enabling the delivery of affordable housing targeted towards health care workers and the Indigenous community and other city-building benefits, including the delivery of a Paramedic Services Multi-Hub, the inclusion of an organ repair centre, a public plaza, retail shops and cafes.
- **Equity and Inclusion:** Remain committed to Equity and Inclusion in the workplace and in our project delivery. We continue to implement our Diversity, Equity and Inclusion (DEI) strategy across the organization and are supporting DEI-related projects across the City, including shelters and the delivery of affordable housing. For example, in 2025, the preferred proponents for the first phase of the development of the Parkdale Hub were announced, which includes homes prioritized for Indigenous, Black and racialized households.
- **Truth and Reconciliation:** Remain committed to taking meaningful actions to advance the City's Reconciliation Action Plan (RAP) and to develop strong relationships with First Nations, Inuit and Métis communities. We are participating in the City's RAP Steering Committee, meet frequently with the City's Indigenous Affairs Office and Corporate Real Estate Management to understand space needs for Indigenous groups in Toronto and continue to provide Indigenous cultural competency training for all staff. In 2025, CreateTO led an Indigenous sharing circle focused on McCleary District on topics such as housing, economic development and arts and culture. Internally, CreateTO hosted four Indigenous engagement workshops with staff to understand areas of opportunities for Indigenous engagement and partnerships.
- **Cultural Vitality:** In 2025, with the City and our development partners, moved forward on multiple projects which will bring new community benefits to neighbourhoods across Toronto. This includes new community spaces and amenities like childcare centres through projects like 777 Victoria Park Avenue, Parkdale Hub, Bloor-Kipling Block 1 and 2444 Eglinton Avenue East.

Key Challenges and Risks

- **Market conditions:** External factors such as residential rental rates, interest rates, inflation, availability of skilled trades, availability of financing and capital, overall market demand/household spending, and increasing cost of construction.

Priority Actions

CreateTO will continue to identify and provide strategic real estate solutions to meet the needs of the City of Toronto. The resources supported by the 2026 CreateTO Operating Budget will be deployed to execute the following:

1. **Advancing the delivery of housing:** CreateTO will continue to champion the City's vision of providing affordable housing on City-owned land through the Toronto Builds Framework and will identify opportunities to meet the vital housing needs of Torontonians by working with our City partners to bring forward a wide range of housing solutions on City-owned sites, creating a vision for underutilized properties and moving them through the planning process. Priority projects for 2026 include: Breaking ground on 931 Yonge Street and the continued development of a complete community at Bloor Kipling (Six Points) and with a groundbreaking for Block 5 at 970 Kipling Avenue.
2. **Activating public land for City program needs:** CreateTO works closely with our partners across all City Divisions, Agencies and Corporations to develop real estate solutions to help address their capital real estate needs in order to expand, enhance and improve programs and services to the residents of Toronto. This work enables the delivery of services such as fire halls, shelters, community spaces and delivers on a range of Council-directed policy priorities, including environmental sustainability, Truth and Reconciliation, economic development, community health and wellbeing, and diversity, equity and inclusion. Priority projects for 2026 include: the shoreside infrastructure work at the Jack Layton Ferry Terminal and finding an operator for Lamport Stadium.
3. **Supporting Port Lands Development:** As the largest landowner in the Port, CreateTO is committed to ensuring this unique downtown district delivers maximum value for the people of Toronto. The area, which is one of the largest and most valuable undeveloped pieces of real estate in North America, is undergoing massive transformation with new uses being unlocked to better serve Toronto residents and visitors. The agency manages more than 70 tenants across the Port that provide important supplies and services to the downtown core. CreateTO is also continuing to advance the long-term vision to create sustainable new communities in the Port within McCleary District and Ookwemin Minising. Priority projects for 2026 include: continuing to advance planning and due diligence for the McCleary District, ongoing management of area-wide dockwalls and planning for newly flood protected lands.

CITY STAFF PREPARED BUDGET

The City Manager and Chief Financial Officer and Treasurer have prepared the following budget:

1. The 2026 Operating Budget for CreateTO of \$16.258 million gross, \$16.258 million revenue and \$0.0 million net for the following services:

Service:	Gross Expenditures (\$000s)	Revenues (\$000s)	Net Expenditures (\$000s)
CreateTO	16,258.5	16,258.5	0.0
Total CreateTO Budget	16,258.5	16,258.5	0.0

- The 2026 staff complement for CreateTO is comprised of 96.0 operating positions.

2026

OPERATING BUDGET

2026 OPERATING BUDGET OVERVIEW

Table 1: 2026 Operating Budget by Service

(In \$000s)	2024 Actual	2025 Budget	2025 Projection*	2026 Base Budget	2026 New/ Enhanced	2026 Budget	Change vs. 2025 Budget	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
CreateTO	13,647.7	15,393.0	15,393.0	16,258.5		16,258.5	865.5	5.6%
Total Revenues	13,647.7	15,393.0	15,393.0	16,258.5		16,258.5	865.5	5.6%
Gross Expenditures								
CreateTO	13,647.7	15,393.0	15,393.0	16,258.5		16,258.5	865.5	5.6%
Total Gross Expenditures	13,647.7	15,393.0	15,393.0	16,258.5		16,258.5	865.5	5.6%
Net Expenditures								N/A
Approved Positions**	84.0	96.0	N/A	96.0		96.0	0.0	N/A

*2025 Projection based on 9-Month Variance

**Year-over-year comparison based on approved positions

KEY DRIVERS

Total 2026 Budget expenditures of \$16.258 million gross reflect an increase of \$0.865 million in spending above the 2025 Budget, predominantly arising from:

- The cumulative impact of cost-of-living adjustment (COLA) increases, the annual impact of 2025 hires, offset by the increase in chargebacks to deliver City capital projects due to CreateTO's expanded role in the delivery of key City housing and infrastructure initiatives.
- Higher Information Technology (IT) hardware and software costs.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in CreateTO's 2026 Operating Budget do not have any significant equity impacts.

2026 OPERATING BUDGET KEY COST DRIVERS

The 2026 Net Operating Budget for CreateTO of \$0.0 million is the same as the 2025 Net Budget. Table 2 below summarizes the key cost drivers for the 2026 Budget.

Table 2: 2026 Key Cost Drivers

(In \$000s)	2026				2027 Annualized Impact (Net)
	Revenues	Gross Expenditures	Net Expenditures	Positions**	
2025 Projection*	15,393.0	15,393.0			N/A
2025 Budget	15,393.0	15,393.0			96.0
Key Cost Drivers:					
Salaries and Benefits	752.7	752.7			
Technology costs	112.8	112.8			
Sub Total Key Cost Drivers	865.5	865.5			
Total 2026 Base Budget	16,258.5	16,258.5		96.0	
2026 Budget	16,258.5	16,258.5		96.0	
Change from 2025 Budget (\$)	865.5	865.5			N/A
Change from 2025 Budget (%)	5.6%	5.6%			N/A

*Based on 9-Month Variance

**Year-over-year comparison based on approved positions

Key Base Drivers:

Salaries and Benefits:

Increase in Salaries and Benefits is primarily due to the cumulative impact of cost-of-living adjustment (COLA) increases and the annual impact of 2025 hires, offset by the increase in chargebacks to deliver City capital projects due to CreateTO's expanded role in the delivery of key City housing and infrastructure initiatives.

Technology costs:

Increase is primarily due to higher Information Technology (IT) hardware and software costs.

CreateTO operates on a financially self-sustaining basis and therefore submits a net expenditure budget of zero to the City of Toronto. The noted cost increases are fully offset by revenue adjustments, driven by higher revenues from City capital project recoveries, and Advisory and Port Lands management services.

2027 AND 2028 OUTLOOK

Table 3: 2027 and 2028 Outlook

(In \$000s)	2026 Budget	2027 Incremental Outlook	2028 Incremental Outlook
Revenues			
Advisory & Operations Management		183.3	187.0
Port Lands Management		135.4	138.1
Total Revenues	16,258.5	318.7	325.0
Gross Expenditures			
Salaries & Benefits		278.4	283.9
Office & Other Services		40.4	41.1
Total Gross Expenditures	16,258.5	318.7	325.0
Net Expenditures			
Approved Positions	96.0		

Key Outlook Drivers

The 2027 Outlook with total gross expenditures of \$16.577 million reflects an anticipated \$0.319 million or 2.0% increase in gross expenditures above the 2026 Operating Budget. The 2028 Outlook expects a further increase of \$0.325 million or 2.0% above the 2027 Outlook.

These changes arise from the following:

- 2% overall inflationary impacts on salaries, benefits and other general and administrative costs.

Base revenue will adjust accordingly to reflect the actively managed City's real estate projects and assets as well as portfolio across the Port Lands.

APPENDICES

Appendix 1

2026 Operating Budget by Category

Category (In \$000s)	2024 Actual	2025 Budget	2025 Projection*	2026 Budget	2026 Change from 2025 Budget	
	\$	\$	\$	\$	\$	%
Advisory & Operations Management	7,256.6	9,661.0	9,661.0	9,489.5	(171.4)	(1.8%)
Portlands Management	5,308.4	5,732.0	5,732.0	6,768.9	1,036.9	18.1%
Other Revenue	1,082.6					
Total Revenues	13,647.7	15,393.0	15,393.0	16,258.5	865.5	5.6%
Salaries and Benefits	11,571.4	13,165.5	13,165.5	13,918.1	752.7	5.7%
Office & Other Services	2,076.3	2,227.5	2,227.5	2,340.3	112.8	5.1%
Total Gross Expenditures	13,647.7	15,393.0	15,393.0	16,258.5	865.5	5.6%
Net Expenditures						

*Projection based on 9-Month Variance

Appendix 2

Summary of 2026 Service Changes

N/A

Appendix 3

Summary of 2026 New/Enhanced Requests Included in Budget

N/A

Appendix 4a

Operating Program Provincial/Federal Funding Streams by Program

N/A

Appendix 4b

Capital Program Provincial/Federal Funding Streams by Project

N/A

Appendix 5

2026 Capital Budget; 2027-2035 Capital Plan Including Carry Forward

N/A

Appendix 5a

2026 Cash Flow and Future Year Commitments Including Carry Forward

N/A

Appendix 5b

2027-2035 Capital Plan Including Carry Forward

N/A

Appendix 6

Capacity to Deliver Review

N/A

Appendix 7

Summary of Capital Delivery Constraints

N/A

Appendix 8

Inflows and Outflows to/from Reserves and Reserve Funds

N/A

Appendix 9

Glossary

Approved Position: Permanent or temporary position that support the delivery of City services and service levels in annual budget.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Deliver Ability to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget and Plan: A Capital Budget and Plan is the City's 10-year strategy to acquire/build assets or extend the useful lives of existing assets. The Capital Budget is the first year of approved cash flows and future year's commitments and the remaining nine years include project estimates.

Capital Delivery Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency has the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New/Enhanced Service Priorities: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provide services.

Operating Impact of Completed Capital Projects: The Operating Budget Impact of Capital is the change in operating expenditure and/or revenue, which is projected to occur during the implementation of a capital project and/or when a capital project is completed. These changes should be documented on a Business Case Form in the appropriate category.

Rate-Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority.

Salary and Benefit Adjustments: General increases related to contractual obligations, such as cost of living, step increases, pay for performance and progression pay.

State of Good Repair (SOGR): The cost of maintaining assets to ensure that they can support the delivery of City services and meet service outcomes.

Tax-Supported Budget: Budget funded by property taxes.

User Fees: Includes all program-generated fees and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).