Rethinking Surplus Land: Three Decades of Municipal Land Sales in the City of Toronto

**Speaker:**
Sean Grisdale, 2023-24 IMFG Fellow in Municipal Finance and Governance

**Moderator:**
Sonali Chakraborti, Manager, Programs and Research, Institute on Municipal Finance and Governance

June 18, 2024
Land Acknowledgement

We wish to acknowledge this land on which the University of Toronto operates. For thousands of years it has been the traditional lands of the Huron-Wendat, the Seneca, and most recently, the Mississaugas of the Credit. Today, this meeting place is still the home to many Indigenous people from across Turtle Island and we are grateful to have the opportunity to work on this land.
Questions?

Ask in person

@imfgtoronto|#IMFGtalks
Rethinking Surplus Land: Three Decades of Municipal Land Sales in the City of Toronto

Sean Grisdale, PhD Candidate
University of Toronto
Department of Geography and Planning
Table of Contents

1. Research questions
2. What is public land?
3. The return of public land?
4. How does government own and manage its land?
5. Context of land privatization and condo-ism
6. Methodology
7. How much land have governments sold?
8. Where has City of Toronto sold land?
9. Land use outcomes on sold land?
10. Reflections and recommendations
Three Main Questions

1. How much municipal land was sold (and to whom and when) between 1998 and 2023?
2. What are the current land uses of land sold in that time?
3. How do outcomes reflect broader policy trends?
1. A regime of land privatization emerged in the wake of the federal government getting out of affordable housing policy (1993)
   - No housing policy
   - Rendered many ageing real estate assets “surplus” to needs of government

2. Developable surplus sites have been repurposed by private sector towards a new housing political economic regime (condo-ism)
   - Condominium development being a significant outcome
What do I mean by "public land"?

Publicly-Owned ‘REAL PROPERTY’
• 11% of land in Canada, mostly urban
• Privately held fee simple land
  • Governments and public institutions have portfolios of real property in addition to crown land

I do not mean CROWN LAND!
• Crown land cannot be sold,
  • held in trust by monarchy
• 89% of land in Canada
  • 41% federal domain
  • 48% provincial domain

This study concerns public land in the form of “REAL PROPERTY”
“The report says asking rents in Canada have increased overall by a total of 21 percent, or an average of $384 per month, from two years ago, just before the start of interest rate hikes by the Bank of Canada” (Toronto Star, 2024)
Mayor John Tory wants to “open doors” for new affordable housing

The plot of land at 200 Madison Ave. has been vacant for 10 years. Mayor John Tory says the city can create better conditions to build there and across the city.

April 28, 2015  2 min read

Open Door Program

Approved in 2016

Introduced in wake of Fed/Prov governments backing out of funding certain affordable housing projects

Later mobilized towards goals of HousingTO 2020-2030

“Financial contributions including capital funding and fees and property tax relief, fast-tracking planning approvals, and activating surplus public land” (City of Toronto, 2024)
Introduction

Housing Now  Announced: Dec 2019

Target: 10,000 affordable units

Learn more and access information about Housing Now sites on CreateTO's website.

Housing Now uses City-owned land to develop affordable housing. Housing Now aims to create housing that is close to transit, includes a variety of services, and is affordable to households with a range of incomes.

Housing Now is part of the City's HousingTO 2020-2030 Action Plan, Toronto's overall strategy to address a range of housing needs.

Since Housing Now began in January 2019 the City has included 22 properties across Toronto. These properties are estimated to produce over 15,000 new homes with over 5,000 being affordable rental homes.

Housing Now currently has development approvals for 10 properties. Construction began on the first property in August 2023.

You can review information on specific Housing Now locations by visiting CreateTO's Housing Now page.
Why are we selling public land in the middle of housing crisis?" she said. "We should be using public land to build housing, community centres and community spaces." – Mayor Olivia Chow
Introduction

“It’s a potential shift in strategy for Ottawa to consider building homes on existing federal properties. For decades, the government has waited for federal departments to deem land as surplus, and then sold it for profit.”
Introduction

Provincial Affordable Housing Lands Program

Use surplus public lands 'more aggressively' to create affordable housing, researcher says

A Ryerson University researcher is calling on governments in Ontario to be more aggressive in using surplus public land to boost the supply of affordable housing.

Diana Petramala, is a co-author of a new report, “Governments in Ontario Making Headway in Using Surplus Lands for Housing.”

Petramala spoke to CBC Toronto on Monday, the same day the province announced the sale of a parcel of land in downtown Toronto partly for the construction of affordable housing.
Introduction

“The Ontario government is expediting the sell-off of 243 surplus government properties on 14,600 acres to raise between $105 million and $135 million in the next four years.” (Toronto Star, 2018)

Since, 2018, the Province has sold just over 9,000 acres across Ontario, and approximately 300 acres in Toronto itself. (Infrastructure Ontario, 2023)
Introduction

Source: Michael Shapcott, Wellesley Institute
https://policyfix.ca/2011/10/07/where-has-all-the-affordable-housing-construction-gone/

End of Federal social/affordable housing commitments (starting 1993)
Publicly Owned Land in the GTA (2022)

Sources: Infrastructure Ontario (2022); City of Toronto (2022); Federal Government (2020); TCHC (2022); City of Mississauga (2022); City of Markham (2022)

Map compiled and designed by Sean Grisdale.
# Government Real Estate Agencies

| **Federal** | **Canada Lands Company**  
|-------------|------------------------------|---------------------|
| **Provincial** | **1993** - Merged with IO 2011  
Ontario Realty Corporation  
Société immobilière de l’Ontario | 2011–Today |
| **Municipal** | **2009**–Merged into CreateTO 2018  
BUILD TORONTO  
TEDCO  
CREATE TO TORONTO LANDS CORPORATION | 1986–Today  
2018–Today |
Financialization, Rentierism, and Land

- **Financialization and Rentierism**
  - Post-industrial, neoliberal transition in which profits increasingly accrue through financial channels (rent, interest) as opposed to commodity production (Krippner, 2005; Aalbers, 2016)
    - Empowerment of rentiers over levers of governance (Ward and Swyngedouw, 2018; Christophers, 2022)
  - Land increasingly treated as a financial asset (regarded primarily for its exchange value) (Haila, 2016; Hyötyläinen and Beauregard, 2022)

- **Financialization and Privatization**
  - One role of state under financialization is to subsidize and steward financialization through privatization of land (Christophers, 2017, 2018; Whiteside, 2018)
  - **BUT** state does not itself treat land as a financial asset
    - Deeming land “surplus” depends on development of discursive rhetoric around its “use value”
    - i.e. as no longer useful in public ownership (Christophers, 2017)
Privatization and Surplus Land

- **Institutionalization of Land Privatization via Public Agencies**
  - Project of investigating and explaining the roles played by Canadian “government departments and agencies in managing public land and public real estate so as to support its privatization” (Whiteside, 2020, p. 2).

- **Land Fictions**
  - “Land Fictions” (Christophers and Whiteside, 2021)
    - Refers to narratives legitimizing land privatization
    - Idea of land being “surplus” mobilized to justify commodification
      - Public land = bad and unproductive
      - Private land = good and productive
The Emergence of "Surplus Land"

Instances of Term "Surplus Land" in Canadian News Media between 1986 and 2022

End of Federal social/affordable housing commitments (starting 1993)

Source: Factiva, compiled by Sean Grisdale
Toronto’s Changing Housing Mix

**Annual Proportion of New Build Housing Completions in Condo Tenure in the GTA, 1998-2021**

- 77% of new build housing completions in Toronto (1998–2021) were condos

Grisdale and Walks (2022)  
Source: CMHC, compiled by Sean Grisdale
78% of net new rental stock is in the form of condominium rentals. 13% in rented single family homes, duplexes, etc.

Source: CMHC, compiled by Sean Grisdale
Condoism and Condo-fication

▪ The Rise of the Condominium in Canada (Harris, 2011)
  ▪ “A form of land ownership that combines private ownership of an individual unit in a multi-unit building with an undivided share of the common property in the building and a right to participate in the collective governance of the private and common property.” (Harris, p. 694).
    ▪ Enables vertical subdivision of land (ie. realization of “highest and best use”)
    ▪ Pre-Sale financing less risky for lenders

▪ Condo-ism (Rosen and Walks, 2015)
  ▪ A regime of urban development now associated with post-industrial, “Third Wave” (Scott, 2011), neoliberal city

▪ Condo-fication (Lehrer and Wieditz, 2009; Grisdale and Walks, 2021)
  ▪ New build gentrification (cultural and economic) of inner-city through condominium development
The emergence of “condo-ism” driven by the combined influences of:

1. **Regional planning policy**
   - E.g., Greenbelt policies and the shift towards intensification in Toronto

2. **Neoliberalization**
   - Homeownership has replaced the welfare state as a means of security in old age (Doling and Ronald, 2010)
     - Disincentivizes/neglects rental housing and renters

3. **Financialization**
   - A broad shift towards an economy based on finance, real estate, and technology
   - Pre-sale model underpins financing of development in the city
What have governments in Canada done with public land between 1993 and today?

Source: Michael Shapcott, Wellesley Institute
https://policyfix.ca/2011/10/07/where-has-all-the-affordable-housing-construction-gone/
Methodology

- Freedom of Information Requests (FOIs)
- Annual Reports and Financial Statements
- Teranet Geowarehouse Database and Altus Group Data
  - Ontario land registry data on land parcels (their total size, dates of sale, and sale prices)
  - Data on commercial land transactions 1995–2023
- Web Archive, Media Analysis, TMMIS (City of Toronto)
Research Pains

- Land data in Ontario is highly fragmented and hard to access
  - Geowarehouse is expensive (privatized)
    - Teranet has exclusive rights to property boundary shapefiles
    - Governments unwilling to share this data in some cases
  - FOI process is uneven and takes time
    - Have done more than 60 FOIs for broader project
    - Redactions, Denials
- Land and its ownership is complex
  - Canadian land is settled land (held “By Right of his Majesty the King”)
  - Easements
  - Air and water rights
  - Lend leases, etc.
Findings

Acres of Public Land Sold by Federal Provincial Government in the GTA, 1980–2023

Public Land Sold Annually (Acres)

End of Federal social/affordable housing commitments (starting 1993)

Province wants to speed sale of 243 surplus properties

Source: Altus Group. Compiled by Sean Grisdale
Findings

Public Land Sold by Municipal Government in the City of Toronto, 1998–2023, by Category of Buyer

Source: Altus Group. City of Toronto. Compiled by Sean Grisdale
Findings

Municipal Land (Total) Sold in GTA between 1995 - 2023

Source: Compiled and Mapped by Sean Grisdale

Land Sold by the City of Toronto (and City Agencies) between 1998-2023 by Buyer Category

Source: Compiled and Mapped by Sean Grisdale
Findings

Municipal Land (Total) Sold in GTA between 1995 - 2023

Source: Compiled and Mapped by Sean Grisdale
Findings

Municipal Land (Total) Sold in GTA between 1995-2023 by Buyer Category

Source: Compiled and Mapped by Sean Grisdale
Findings

Municipal Land (Total) Sold in GTA between 1995-2023 by Buyer Category

Source: Compiled and Mapped by Sean Grisdale
What has Become of Municipal Land Sold in the GTA between 1998–2023?

Proportion of Total PRIVATIZED Land by Resulting Land Use

- New Residential Development: 55.2%
- Commercial/Office/Retail: 19.5%
- Vacant Land/Parking: 11.3%
- Unknown: 6.3%
- Industrial: 3.2%
- Existing Residential: 3.5%
- Private School: 0.9%

Total: 324 Acres

Proportion of Total Land sold to PUBLIC / NON-PROFIT Entities by Resulting Land Use

- Parks/Recreation: 54.6%
- Infrastrucure/Transit: 16.4%
- New Residential Development: 16.6%
- Vacant Land/Parking: 5.5%
- Industrial: 5.3%
- University/School/Hospital: 1.4%
- Unknown: 0.3%

Total: 101 Acres

Source: Compiled by Sean Grisdale
### What Kind of Housing was Built on Municipal Land Sold in the GTA between 1998–2023?

<table>
<thead>
<tr>
<th>Type of Housing (Built or Planned)</th>
<th>Total Units (Built or Planned)</th>
<th>Percent of Total (Built or Planned)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-Rise Condominium Apartments</td>
<td>28,861</td>
<td>77.5%</td>
</tr>
<tr>
<td>Market Rentals</td>
<td>5,205</td>
<td>14.0%</td>
</tr>
<tr>
<td>Affordable Ownership</td>
<td>952</td>
<td>2.6%</td>
</tr>
<tr>
<td>Single/Semi-Detached, Townhouses</td>
<td>936</td>
<td>2.5%</td>
</tr>
<tr>
<td>Market Seniors Housing</td>
<td>496</td>
<td>1.3%</td>
</tr>
<tr>
<td>Affordable Rentals</td>
<td>464</td>
<td>1.2%</td>
</tr>
<tr>
<td>Market Student Residences</td>
<td>225</td>
<td>0.6%</td>
</tr>
<tr>
<td>Rental Replacement Units</td>
<td>99</td>
<td>0.3%</td>
</tr>
<tr>
<td>Affordable Already Built / Total Built or Planned</td>
<td>506</td>
<td>1.4%</td>
</tr>
<tr>
<td>Affordable Built or Planned / Total Built or Planned</td>
<td>1,416</td>
<td>3.8%</td>
</tr>
<tr>
<td>Total Built / Total Built or Planned</td>
<td>19,031</td>
<td>51.1%</td>
</tr>
<tr>
<td>Total Built or Planned</td>
<td>37,238</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Compiled by Sean Grisdale
What has Become of Municipal Land Sold in the GTA between 1998–2023?

### Breakdown of Housing COMPLETED on former Municipal Land

- High-Rise Condo Market Ownership: 83.5%
- Market Rental: 7.3%
- Single, Semi-Detached and Townhouses: 3.9%
- Market Seniors: 2.6%
- Affordable Ownership: 2.2%
- Affordable Rental: 0.4%
- Rental Replacement: 0.1%

**19,031 Units Total**

### Breakdown of Housing Still PLANNED on former Municipal Land

- Market Rental: 21.0%
- Single, Semi-Detached and Townhouses: 1.0%
- Market Student Residences: 1.2%
- Affordable Ownership: 2.9%
- Affordable Rental: 2.1%
- Rental Replacement: 0.5%

**18,207 Units Total**

Source: Compiled by Sean Grisdale
Findings

Completed Housing on Former Municipal Lands Sold Between 1998 and 2022 (by Type and by Year of Land Sale)

Source: Compiled by Sean Grisdale
Housing Planned on Former Municipal Lands Sold Between 1998 and 2022
(by Type and by Year of Land Sale)

Source: Compiled by Sean Grisdale
### Breakdown of Programs Financing Affordable Housing on Land Sold Between 1998–2023

#### Affordable Ownership Units on Former Municipal Land

<table>
<thead>
<tr>
<th>Program</th>
<th>Already Built or Under Construction</th>
<th>Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Door</td>
<td>234</td>
<td>0</td>
</tr>
<tr>
<td>Habitat For Humanity</td>
<td>198</td>
<td>10</td>
</tr>
<tr>
<td>Social Housing Agreement</td>
<td>84</td>
<td>0</td>
</tr>
<tr>
<td>Artscape/Open Door</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>Inclusionary Zoning</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>Options for Homes</td>
<td>0</td>
<td>392</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>531</strong></td>
<td><strong>421</strong></td>
</tr>
</tbody>
</table>

#### Affordable Rental Units on Former Municipal Land

<table>
<thead>
<tr>
<th>Program</th>
<th>Already Built or Under Construction</th>
<th>Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Habitat For Humanity</td>
<td>119</td>
<td>0</td>
</tr>
<tr>
<td>Open Door</td>
<td>100</td>
<td>61</td>
</tr>
<tr>
<td>Open Door/Federal and Provincial Investment in Affordable Housing Program</td>
<td>21</td>
<td>0</td>
</tr>
<tr>
<td>Build Toronto</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td>CMHC Rental Financing</td>
<td>0</td>
<td>47</td>
</tr>
<tr>
<td>CreateTO/Open Door</td>
<td>0</td>
<td>104</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>252</strong></td>
<td><strong>212</strong></td>
</tr>
</tbody>
</table>

Source: Compiled by Sean Grisdale
Discussion

Land privatization historically starts when the Federal role in housing ends (early 1990s). Land privatization is most prominent in areas amenable to condo-ism.

Figure 1: New Affordable Rental Units Approved and Completed 2010-2019 (City of Toronto, 2019).

Figure 5: New -Build Affordable Rental Homes Approved and Completed within the City of Toronto, 2010-2019 (City of Toronto, 2019 b, p. 2).

2010-2019

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved</td>
<td>106</td>
<td>286</td>
<td>353</td>
<td>21</td>
<td>105</td>
<td>256</td>
<td>283</td>
<td>48</td>
<td>453</td>
<td>3,700</td>
</tr>
<tr>
<td>Completed</td>
<td>356</td>
<td>782</td>
<td>1,170</td>
<td>260</td>
<td>256</td>
<td>48</td>
<td>453</td>
<td>210</td>
<td>69</td>
<td>489</td>
</tr>
</tbody>
</table>

Notes: Increase in completions between 2010 and 2012 reflects funding from provincial and federal governments. Increase in approvals in 2017 and 2018 reflects initiation of Open Door program and Provincial Affordable Housing Lands Program (PAHLP). Projected actual completions in 2019 reflect Housing Now Program (City of Toronto, 2019).
**Key Findings**

Privatization of public land is an underexamined element of the post-industrial, neoliberal transformation of the city

- The absence of deliberate housing policy is itself a housing policy
- The state has played a strong fiscal role in condo-ism
  - I.e. providing surplus land, backstopping mortgage debt

Land privatization historically starts when the Federal role in housing ends (early 1990s)

Land privatization historically most prominent in areas amenable to condo development
Recommendations

Strategic use of publicly-owned land remains a key means for achieving affordability as it provides one avenue for making projects viable in an inflated land market.

Allows the production not only of physical walls and roofs, but of dedicated rules around property usage that can achieve our increasing need for new social infrastructure.

Insofar as a government entity retains ownership over any land, they can easily dictate both what is produced on that land, and how it is managed in terms of governance, form, and tenure.
1. Stop selling land for revenue
   • Meagre revenues do not justify losing land to speculative actors

2. Get land into hands of non-profit housing providers and land trusts
   • Can incorporate into reconciliation efforts

3. No partial privatizations of land
   • I.e. (Avoid incorporation of stratified, fully market units, 99-year land leases, etc.)

4. Co-operation of upper orders of government necessary
   • At the end of the day, upper-level funding is necessary
Thank you!

Sean Grisdale
IMFG Fellow in Municipal Finance and Governance
PhD Candidate
Department of Geography and Planning
University of Toronto
sean.grisdale@mail.utoronto.ca