

Live Where You Go

Encouraging-location efficient development in Ontario

What is location-efficient development?

Live where you go, work and play

- Convenient distance from workplaces, amenities, stores and urban hubs
- Access to rapid transit
- Short commute times
- Realistic opportunities to use transit, walk or cycle to where you go, work and play

Report Summary

Residents in Ontario and elsewhere increasingly prefer to live in locations that are walkable and have access to rapid transit. A recent study by the Royal Bank of Canada and the Pembina Institute found that, if home price were not a factor, over 80 percent of homebuyers would give up a large house and yard and a long car commute for a modest or attached dwelling where they can walk to amenities, take rapid transit to work and enjoy a commute of less than 30 minutes.

However, while preference for location-efficient living may be increasing, affordable location-efficient options are not. Developers continue to build in sprawling greenfields because it is often cheaper and easier than building developments in walkable, transit-oriented neighbourhoods.

Lack of supply means homebuyers are priced out of location-efficient neighbourhoods and literally “driven” to the urban fringes, where long and stressful auto commutes are required. Even worse, transportation and other costs can cancel out lower prices for remote homes.

Finding ways to encourage location-efficient development

Live Where You Go identifies five policy tools that could be put in place now to encourage more location-efficient development in the Greater Golden Horseshoe region — creating more affordable choices for homebuyers to live where they go, work and play.

Location efficiency encompasses commercial as well as residential development. Businesses and employment hubs can increase location efficiency by locating in areas accessible to transit and population centres rather than in sprawling greenfields.

Five top policy tools to encourage location-efficient development in Ontario's Greater Golden Horseshoe

- 1. Develop a location cost calculator** to inform and educate homebuyers about the cost of their location choices — including all location and transportation costs (e.g., gas, insurance, parking, maintenance) not just debt (e.g., car loan).
- 2. Change development charges** so that location-efficient development costs less, while removing the subsidy currently going to expensive-to-service sprawl. Charge developers for the actual costs of servicing new development using development charges based on zones, and amend the Development Charges Act so municipalities can get more money to build capital for a broader range of improved services (such as soft costs and improved transit).
- 3. Tax surface parking at higher rates**, increasing carrying costs. This could make location-efficient developments more attractive while reducing the space wasted on, and implicit subsidies for, surface parking.
- 4. Remove or reduce minimum parking requirements for new developments**, allowing developers and municipalities to provide parking according to the market and based on a neighbourhood's unique mix of uses and transit service, reducing the cost of location-efficient development and maximizing land efficiencies.
- 5. Under the Metrolinx Act, make transit funding contingent on meeting location efficiency principles**, such as pre-zoning for densification near mobility hubs or other assurances that densification with location efficient criteria will be encouraged.



Read the report

Download the full report from the Pembina Institute, www.pembina.org/pub/2354.