Office to Residential Conversion

Planning and Housing Committee – November 1, 2023



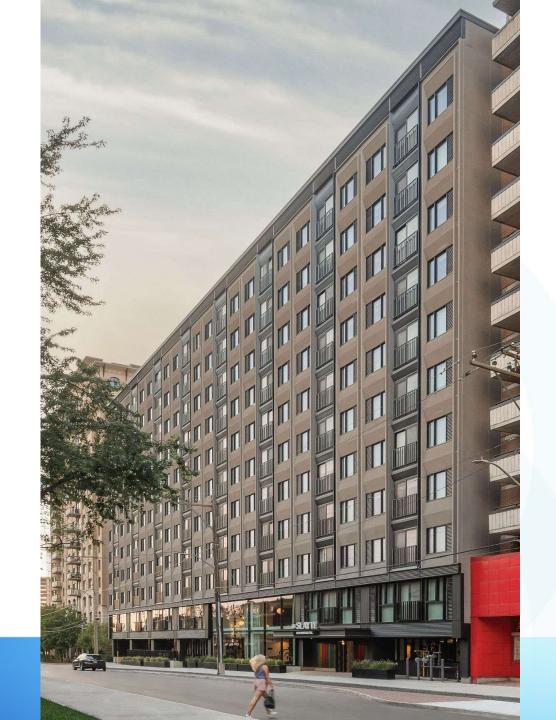
Background

- Staff directed via motion in February 2023 to review Office to Residential Conversions
- Healthy rate of office vacancies in a city is 10%
- Healthy rate of housing vacancies is 3%.
- The Ottawa context:
 - 2.1 % residential vacancy rate (January 2023)
 - 12.6% city-wide office vacancy rate (Q3 2023)
 - 14.2 % downtown office vacancy (Q3 2023)
 - Between 2013 and 2022: over 900 units created from non-residential to residential conversions, including over 700 new residential units from Office-to-Residential Conversions



473 Albert Street

- Interior alterations to convert an 11-storey office building to a high-rise apartment building
- 158 Units created, replacing
 122,050 sq ft of office space





305 Rideau Street

- Interior and exterior alterations to convert an existing office/retail 11-storey building to a mixed-use apartment with retail on first floor.
- 194 units created, replacing 277,938 sq ft of office space





Recommendations

- 1. Approve waiving Official Plan Amendment application fee
- 2. Approve the inclusion of an amendment in the Q1 2024 Omnibus Zoning By-law Amendment Report to provide flexibility for Office-to-Residential Conversions
- 3. Receive an update on the Site Plan Control process for Office-to-Residential Conversions with no additions or new storeys



Recommendations (continued)

- 4. Direct PRED GM to send a letter to the Ministry of the Environment, Conservation and Parks expressing support for the Province to re-examine the exemption requirement for a Record of Site Condition to support Office-to-Residential Conversions
- 5. Receive an update on Site Servicing for Office-to-Residential Conversions
- 6. Receive an update on the financial mechanism reviewed in the context of Office-to-Residential Conversions



Potential Applicant Savings

City initiatives

Action proposed	Potential Savings
Official Plan Amendment Fee	\$29k
Zoning By-law Amendment Fee	\$13-25k
Zoning By-law amendment – Time	90-days of carry costs
Site Plan Control Fee (\$19k instead of \$54k)	\$30k
Stormwater Management measures	Varies by project

 Federal GST rebate for construction costs example: for an eligible \$50 million project creating 132 units, should the province match the federal government proposal, this could represent \$6.5 million in savings which represents the value of HST.



Financial Considerations

Financial Considerations within municipal control:

- No spending is recommended in this report
- Each funding stream was reviewed with the lens to link any incentives to affordable housing:
 - Development application fees
 - Development Charges
 - Community Benefits Charges
 - Cash-in-lieu of Parkland
 - Incentive fund similar to Calgary
 - Funding for Affordable Housing



Questions?

