BUILDING BY DECADES

DAVID WILKES
PRESIDENT & CEO OF BILD

The Building Industry and Land Development Association's (BILD) predecessor association, the Toronto Home Builders' Association, was founded in 1921. To mark its 100th anniversary, BILD has partnered with the Toronto Star to put together a special feature tracing, decade-by-decade, the history of residential and commercial development in the Greater Toronto Area (GTA). The 1980s were marked by two significant factors: inflation and the condominium becoming a housing staple in the GTA.

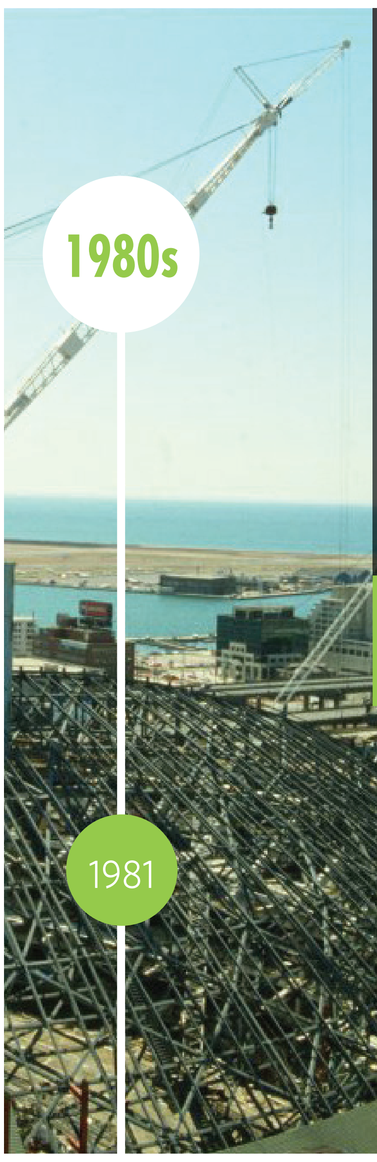
The late 1970s and very early 1980s were a period of high inflation—not the two percent target that the Bank of Canada now uses to gauge healthy economic growth, but closer to the low- to mid-teens range. It was the kind of punishing inflation that eats away at the value of money and leads to rapid cost increases.

As North America reeled from a series of economic shocks and instability, central banks and governments sought to tame inflation by steadily increasing interest rates. In Canada, those efforts were led by the Anti-Inflation Board. Eventually, the Bank of Canada rate was allowed to float, instead of being fixed. Of course, as those who were home owners at the time will recall, these efforts also impacted mortgage interest rates, as the prime lending rate hit 22.75 per cent in 1981. While this was successful for a period (inflation returned again in the late 1980s), it meant that servicing mortgage debt was a challenge, qualifying for a mortgage difficult and those renewing fixed mortgages were in for a shock.

Predictably, housing starts in the late '70s and early '80s dipped precipitously from the 50-year average, only to roar back in the mid-1980s and then drop off a cliff again as air came out of the housing market and the recession kicked in. The GTA housing market would not recover until the mid-1990s.

The 1980s also marked the beginning of the rise of the condominium. Today, roughly one in eight Canadian households call a condominium home and that proportion is higher in the GTA. While the condominium has been an allowable form of home ownership since the *Condominium Act* was passed in Ontario in the late 1960s, it was not until the 1980s that this housing form really took its place as a staple in the GTA market. The increasing comfort with the new form of home ownership led to the first condo boom in the region in the mid-1980s. Today, three condominium apartment units are sold for every single-family home.

For the development industry and our Association, a noteworthy development in the late 1980s was the passing of Ontario's first Development Charges Act. The Act allowed municipalities to recover the costs for growth-related services and infrastructure by levying charges on new homes and commercial development. While these added costs started out modestly, today development charges can add more than a hundred thousand dollars to the cost of a new home. Development charges are a significant component of the government fees, taxes and charges that now make up 25 per cent of the cost of a new home.



THE BILD
CORNERSTONE

Mortgage rates hit highest point in Canadian history
1981

Fram Building Group
1981

SCAN TO SEE OUR DECADE-BY-DECADE TIMELINE

City of Toronto Archives, Fonds 200, Series 1465, File 356, Item 29

THE COST OF MONEY

Home owners, builders take the hits in the 1980s

The financial district in Toronto, featuring Scotiabank Plaza, centre, which opened in 1988.
Illustration by Suzana Esteves

Conventional wisdom holds that it takes 25 years or more to buy a house outright and, until then, you're essentially borrowing money from the bank to build equity while you live in your home. That's, of course, because to purchase a house, first you have to buy the money in the form of a mortgage, and the price at the end is determined by the interest rates you sign up for over the amortization periods.

Such is the cost of money.

When money is priced too low, the economy tends to heat up, fuelled by high demand – low cost money – chasing too fixed, or slowly expanding supply, whether it's labour costs or real estate. And that drives inflation. To control inflation, the Central Banks, in our case the Bank of Canada, raise interest rates to try to slow demand.

This is precisely what happened in Canada in the 1980s. From 1981 to 1983, the Bank of Canada raised the cost of money by raising interest rates – and by extension mortgages – to control inflation, which hit 12 per cent in 1981-1982. In reaction, five-year mortgages jumped to 18.12 per cent in just 12 months (from 13.98 per cent in 1980). They hit 21.46 per cent briefly in August 1981 before tapering off in 1983.

The squeeze on home owners was suffocating. Many couldn't afford to renew their mortgage at the higher rates and lost their homes; some took on second mortgages at even higher rates to leverage cash for the short term to pay the high monthly mortgages.

The ripple effect was troubling as the economy shed jobs and unemployment hit 12 per cent across Canada in 1983, up from 7.6 per cent just two years earlier. The pain went deep as building permits for residential and commercial projects peaked at $2.64 billion in the Census Metro Toronto Area in 1981, dropping off to $2.11 billion by 1982. Vehicle sales also crashed, though initially only slightly, and then rebounded as the Bank of Canada eased back on the money squeeze.

Today's buyers are in a markedly different situation than those of the recession-ravaged 1980s and early 1990s, with the inverse situation of low interest rates but increasing demand and a lagging supply driving prices ever higher.

The pain of those recessions and high interest rates, however, taught valu-

(Continued on pg. 2)

(Continued from pg. 1)

able lessons. As things got back on track with building permits rising across the GTA, car sales recovering and unemployment dropping, inflation rebounded in 1989. In response, interest rates again rose to 11.17 per cent for a five-year mortgage that year, climbing to 13.35 per cent by 1990 while unemployment grew to 11.4 per cent by 1993 as the recession took its toll.

> What happened in the early 1980s in some respects was the result of what happened in 1974 to 1978 when the oil crisis sparked inflation...

This time, the impact on a fragile economy was more pronounced and lasted longer. GTA building permits dropped to a low of \$3.6 billion in 1993 from \$10 billion in 1989. Permits didn't recover until 2003, hitting \$11.64 billion, albeit in 2003 dollars, and accounting for inflation, not for another 10 years after that.

Frank Clayton, senior research fellow at Ryerson's Centre for Urban Research and Land Development, says that's a common phenomenon.

"What happened in the early 1980s in some respects was the result of what happened in 1974 to 1978 when the oil crisis sparked inflation and then Prime Minister Pierre Trudeau brought in the Anti-Inflation Board and Wage and Price Controls."

After the board was dismantled, inflation, which had been repressed, ultimately returned, he said. Since the recessions of the early 1990s, the market has continued to play catch up, struggling to meet the demand for housing while migration and immigration saw people flocking to the GTA – almost all in that demographic of wanting to purchase a home.

"Planning for the most part was top down and not responsive," says Clayton. "If we'd had a constant flow of housing, maybe we'd be better off today."

BEYOND THE CITY:
MILTON IN THE 1980s

Milton's mayor, Gordon "Gord" Krantz, was elected in 1980 after serving as town councillor since 1965. That makes him the longest-serving mayor in the GTA and in Ontario, having been re-elected a total of 21 terms — including 13 as mayor. Krantz has been a key contributor to the Region of Halton's growth plan over the years, serving on the municipality's council since 1980. Projects undertaken during his tenure include the restoration of the Town Hall, the 401 Industrial Park, the Rotary Park redevelopment, Hawthorne Village and Milton Education Village. These projects have helped Milton accommodate new growth: Milton Education Village, for example, is a 400-acre planned urban neighbourhood that integrates post-secondary education, residential, commercial and recreational uses.

Milton's very first town council was formed in 1857, when the town of Milton was formally incorporated as more European settlers — particularly those from Great Britain, Ireland and Loyalists from the U.S. — moved here during the 1800s. The new town provided plenty of employment opportunities for residents, with a foundry, tannery, woolen factory, grist mill and saw mill. But the town became known in the early 1900s for the P.L. Robertson Manufacturing Co., which manufactured socket-head screws.

Krantz was already serving as a town councillor in 1974 when the Regional Municipality of Halton replaced Halton County, bringing together Milton with Burlington, Oakville and Halton Hills. Milton itself added parts of former townships such as Esquesing, Campbellville and the northern sections of Trafalgar in Oakville and Nelson in Burlington, as well as Niagara Escarpment lands. The continuing growth of Milton's population set the stage for new development of housing options and mixed-use buildings over the coming decades.

Milton's population is expected to grow from 110,128 residents in 2016 to 235,000 by 2031. To prepare for this growth, the town is planning a reimagined pedestrian-friendly downtown surrounding the GO Transit station, with mixed-use and high-density residential and office development. Milton is also planning for residential, office and retail mixed-use development in intensified neighbourhoods. The Trafalgar Corridor, which includes the Trafalgar and Agerton areas, is expected to bring 19,000 jobs to Milton and accommodate 32,000 residents in the coming years. Trafalgar is considered one of the last major greenfield development opportunities in the GTA along a major highway, and the Trafalgar Secondary Plan envisions a mixed-use, transit-supportive community that connects people to jobs, shopping, public transit and community spaces.

THE BILD
CORNERSTONE

Canada's Wonderland opens
1981

SalDan Construction Group (SalDan Developments Ltd.)
1981

Cachet Homes
1981

Diamante Group
1982

Marshall Homes
1982

Roy Thomson Hall opens
1982

PlazaCorp
1982

Tribute Communities (Tribute Homes)
1983

The Daniels Corporation (The Daniels Group)
1983

Design Plan Services Inc.
1983

Queen's Quay Terminal makes spectacular case for adaptive reuse projects
1983

Royalpark Homes
1985

Times Group Corp. (Times Developments)
1986

Lifetime Developments
1986

INNOVATION FINDS A HOME

The search for efficiency through innovation drives the construction sector

Homes built since 2017 use 15% less energy than homes built just five years earlier.
Toronto Star, Brian Dexter / Contributor

Compare a 1920 home to one built last year and you'll quite likely see 100 years of construction innovation. Compare houses built just five, 10 or even 20 years apart, however, and it's not as obvious. But rest assured there are massive differences.

Construction technology, techniques, design and materials evolve over time, as they should. For example, in the 1960s and 1970s, Toronto subdivisions were comprised of homes with wood frames on concrete foundations. There was some insulation, but not much, and oil furnaces were common while air conditioning was not.

By 1981, the R2000 home set new standards, and requirements have been regularly updated since: insulation has dramatically increased, building envelopes – the walls – control air and water penetration, prevent heat loss and block heat gain, and window technology offers much better energy savings.

Condos, too, improved, with more attention paid to materials, better use of space through efficient design, and green roofs that cut energy consumption.

Still, Tad Putyra, the founder of Home Technology and president and COO of Low Rise at Great Gulf, says there's room for more efficiencies. His factory near Toronto's Lester B. Pearson Airport, with similar facilities across North America, produces pre-fabricated, pre-finished panels.

Factory-built homes may cost 10 per cent more than field-built structures, but the price difference is easily overcome by savings in waste, time to completion and fewer repair call-backs. The bonus is that factory-built panels literally fit with laser precision, complete with plumbing, wiring and windows.

Innovators on the cutting edge are pushing for a soup-to-nuts supply chain starting with digital design, which programs robotic factory fabrication, where components arrive and leave as panels on a flat bed truck to be assembled at a construction site, minimizing waste.

It's a concept being applied to wood-framed townhomes and mid-rise buildings up to six storeys. It also resolves the shortage of skilled labour, since the robots do most of the work and running electrical, plumbing and heating lines is also simplified.

“

The biggest barrier is cost, Brydon says, but that will come down as more manufacturers get rolling.

Factory-built components are also gaining traction in the high-rise sector, where Tridel is piloting the making of concrete columns indoors, to be delivered and installed on site. It's faster, less labour intensive and the concrete is more resilient because it's cured in a controlled environment.

“You don't lose days because of weather because all you have to do is put them in place and you're done,” says Bruno Giancarlo, Tridel SVP Project Management. “It could take four days before. And now: four hours.”

It's an echo of how the company pioneered flying forms in the 1970s – literally concrete forms that slid upwards after each pour and in place for the next pour, building high-rises faster and with lower labour costs.

Net Zero is coming, demanding a building that generates as much energy as it consumes, and that's changing the way glass is used. Windows are being made with insulated blank panels – spandrels – that look like glass but are more energy-efficient. High E coatings have also dramatically reduced the energy gain and loss.

Also coming into the market are photo-voltaic (solar) panels made of ceramics, which are being used on glass balconies to feed power back into the building grid.

As Larry Brydon of Cricket Energy notes, homes built since 2017 use 15 per cent less energy than homes built just five years earlier and, over time, about 80 per cent less than homes built in the 1960s and 1970s. Some of that is by design and construction, and some is from more efficient HVAC, appliances and lighting.

“It's not about energy consumption but going net zero,” says Brydon. To get there means upping standards, reducing heating and cooling loads with design, materials and technology.

The big leap will be to disconnect from natural gas as some jurisdictions ban it for new home installations, forcing a shift to electrical heating and cooling using air source heat pumps or, in some cases, a ground source heat pump augmented with roof-mounted solar panels.

The biggest barrier is cost, Brydon says, but that will come down as more manufacturers get rolling.

This content was funded and approved by the advertiser.

A WELCOME WONDERLAND

Canada's largest amusement park opens in Vaughan

In 1975, when Family Leisure Centres announced that a $50-million theme park – Canada's first ever – would be constructed on 320 acres at Highway 400 and Major Mackenzie Drive, there was a mixed reaction. While many were eager to embrace the economic opportunity (and the fun), some questioned its relatively remote location.

Norm Pirtovshek is Vice President and General Manager of Canada's Wonderland since 2011 – and a member of the building crew from day one. He recalls hearing people joking about building an amusement park in the middle of nowhere. After all, Highway 400 was only a two-lane road, and Jane Street was a single lane at the time.

Canada's Wonderland was officially opened on May 23, 1981, by then-Premier of Ontario, William Davis, with a spectacular ceremony that included 10,000 helium balloons, 13 parachutists, 350 white doves, a pipe band and special guest Wayne Gretzky.

The 45-kilometre distance from downtown Toronto, it seemed, was hardly a deterrent.

In just its second year, 1982, a staggering 2.1 million visitors came through Wonderland's gates, 60 per cent from beyond the GTA. It had already become a bona fide tourist destination and was pumping millions into the local economy.

Over the last 40 years, Canada's Wonderland has had a huge impact on the local economy, especially in the summer months. And, today, it's actually hard to miss the park in its highly visible location.

The park itself is its own best advertisement. About 159,000 vehicles drive by it on Highway 400 every day. Seeing the roller coasters is a promise of fun and adventure.

Wonderland is still Canada's largest amusement park. And it has become the largest seasonal employer in the province, which invariably comes with its own challenges– notably the process of hiring 6,000 positions for summer, Halloween and Winterfest.

Pirtovshek says the park is in a great place today when it comes to hiring, but it wasn't always easy. In the early days, the economy wasn't as strong and it was hard to get people to the park. There wasn't any transit. Wonderland actually contracted GO Transit to provide a route to and from the park, which helped. And today, with the subway connection to Vaughan, it's much easier.

While Wonderland's current challenge is how to reopen in 2021, given the uncertainty around the pandemic, there are hints that the park's current owners, Cedar Fair Entertainment, might construct a resort hotel on an unused 79-acre portion of the site.

This content was funded and approved by the advertiser.

THE BILD **CORNERSTONE**

Mississauga Civic Centre Opens	Crystal Homes	Concord Adex (Concord Pacific)
1987	1988	1988

THE RISE OF THE CONDO

Condominiums become the backbone of GTA housing

The GTA would not be the same without all those low, mid, and high-rise condos.
Toronto Star, Keith Beaty / Contributor

The arrival of condominiums created a conundrum on the Toronto housing market.

It seemed strange to buy an apartment unit when you could rent for less in 1968, when the Ontario Condominium Act passed into law.

Condos did get off to a bit of a bumpy start, with sales really starting to take off in the 1980s but frustratingly crashing like most real estate at the recession of 1990.

Timing was everything. Land was fairly abundant then and single-family sub-divisions were being built everywhere. Early condos were quite large by today's standards, with two and three bedrooms with 1,500 square feet or more of living space.

It took until the mid-1990s for condos—and the rest of the housing market—to gain back the losses of the recession.

Fast-forward and the GTA would not be the same without all those low, mid, and high-rise and townhome condos.

The market stabilized and then started trending upwards uninterrupted and prices increased. By 2010, condo sales overtook single-family home sales in the GTA—not just in Toronto, where the city was running out of land for new low-rise subdivisions, but across the GTA, where there were still many new homes being built.

Meanwhile, in Toronto, old factories and warehouses and even disused churches were being given a new life and turned into condo units. Buyers were young couples, downtown dwellers who craved the nightlife and proximity to work, and downsizing early Baby Boomers, who by the mid-2000s started to make up an increasing percentage of new condo purchasers.

For a while, condos grew more luxurious, with grander amenities at prime locations, and prices rose, chasing well-heeled buyers or those who cashed out their Rosedale and Bridle Path addresses and downsized.

As Toronto lots got more expensive and development costs rose steeply, units shrank and offered fewer amenities. Gone were swimming pools and lavish gyms. Smaller units became more common and two- and three-bedroom units became less common as developers sought to manage price points to attract buyers.

The early boom was in a time of significantly less regulation, where five per cent down payments were possible and construction could begin with fewer units sold. Changes in lending policies and the rise of the investors also impacted the market. Investors used to buy and flip units in the 1980s but by the 2000s they were buying a holding and renting.

This has filled a significant gap in the market as the construction of new purpose-built rental decreased significantly since the '60s and '70s. In the last 20 years or so, some 40 per cent of entire construction was bought by investors; that's around 400,000 units of much-needed rental supply to the market, because no one—until recently—was building rental or purpose-built rental units in Toronto.

The boom now is in the 905, where in 2020, condo sales surpassed those in Toronto for the first time, underlining another shift in the marketplace.

Areas like North Oakville and York Region are seeing condos—not towers as much, but condos that are designed and priced to fit into these regions.

Many of these 905 buyers aren't commuting downtown to work and, if they were, the shift to working at home means they've got more reason to work, live and play in their own communities.

The 905 surge is partly due to demand, but also because clustering around master-planned communities is an attraction for buyers and developers alike. Take Vaughan's Metropolitan Centre, for instance, which has a subway connection, or Mississauga's Square One District development, which repurposes the ocean of parking around the mall to create a $3.5 billion, transit-centric downtown with 37 towers and 18,000 residential units.

Toronto is also seeing similar transit-driven development, especially along the Eglinton LRT, where there's a pending development of new condo and retail construction linked to green space and recreational areas from Don Mills Road to Kennedy Subway Station.

Still, size isn't everything. A 700 sq-ft. condo with a modern, efficient design offers more livable space today than a 1,000 sq-ft. condo from the 1990s. Today, of the approximately 40,000 new homes that are built every year, almost 65 per cent are condominiums. The condo has risen indeed.

THE BILD **CORNERSTONE**

Solmar Development Corp. (Solmar Homes) **1988** | Ballantry Homes **1989** | SkyDome opens **1989**

WELCOME TO THE 'DOME

SkyDome cost $570 million when it opened in 1989. Toronto Star, David Cooper / Contributor

The arrival of SkyDome brings civic pride and world recognition

SkyDome, known today as the Rogers Centre, not only reimagined Toronto's skyline – not to mention having a dramatic impact on the previously underutilized railway lands and surrounding neighbourhoods – it also enhanced the world's view of the city.

It cost $570 million when it opened in 1989 – about $1.1 billion today.

SkyDome created a new focus on the waterfront, eventually leading to a new community of office towers, condos, and eventually, a convention centre, an aquarium and novelty museum. It provided more than 10,000 man years of work, pumping up a local economy battered from a period of high interest rates. It also put Toronto on the map with something no other city's stadium had: a convertible roof. The SkyDome could boast a roof with three moving panels that could open or close in 25 minutes, weighing 11,000 tonnes and covering 339,343 square feet, with its highest point 282 feet above field level.

SkyDome also co-birthed Toronto's fabulous entertainment district which, along with the opening of Roy Thomson Hall seven years earlier, helped transform the fashion district into a gem of night life and fine dining.

It all started at the cold and blustery 1982 Grey Cup at the old Exhibition Stadium, with the entire stadium chanting: "We want a dome! We want a dome! We want a dome!" The refrain that day may well have set the wheels in motion. Politicians heard it, and a plan was soon unveiled to find a location and design to create a new wonder of the world: a massive stadium (with that innovative roof) that should be accessible and purpose-built for baseball, football and other events – from monster truck shows to rock concerts.

Speculation on the location was fierce. The big bets were on Downsview, while others pushed for the CNE grounds or York University. In the end, right out of left field, came the railway lands – which turned out to be an inspired location. It was downtown, with transit access and visibility. The foot traffic it generated for sports, concerts and other events ignited the commercial and retail spaces around it, revitalizing the area and creating a new core destination.

And there was another surprise to follow in the design competition: Toronto architect Rod Robbie and structural engineer Michael Allen devised an ingenious technique to enable the steel trusses supported dome-shaped roof panels to open and close without crashing into one other.

Robbie and Allen were a pair of Davids up against the Goliaths of Canadian engineering, so they took their plans to Young and Wright Architects and NORR, and also brought general contractor Ellis Don to create a winning line-up.

It was a bases-loaded home run: no other design came close. In October 1986, construction got under way with an initial price tag of around $300 million, which quickly escalated, partly because new components, like a hotel, were added.

SkyDome opened two months later than anticipated, on June 3, 1989, with an evening of entertainment and, just two days later, Major League Baseball came to the 'Dome as the Toronto Blue Jays played their first game, a 5-3 loss to the Milwaukee Brewers.

Still, there's a silver lining in those dark clouds. The vibrancy SkyDome brought on game day – be it baseball, football or big events – inspired businesses, brought joy to millions and changed the city forever.

This content was funded and approved by the advertiser.

THE BILD CORNERSTONE	Concert Properties (Vancouver Land Company) 1989	First Ontario Development Charges Act introduced 1989	Market correction - decrease in housing prices and starts 1989

Greenpark™ GROUP | SINCE 1967

CONGRATULATIONS BILD ON 100 YEARS OF *excellence*

Under the guidance of Carlo Baldassarra, Founder and CEO of Greenpark Group, Greenpark has progressed from modest beginnings to building nearly 80,000 units across Southern Ontario, Europe and the United States. Greenpark's path to becoming one of Canada's largest home builders was forged on state-of-the-art designs, cutting edge building practices and a new standard of service.

CARLO BALDASSARRA WITH HIS 2014 BILD LIFETIME ACHIEVEMENT AWARD

Greenpark's leadership in the industry is founded upon its ability to actively respond to the ongoing challenges and shifts in the market. Arguably the most important example of this adaptive spirit arose in response to the 1989 Housing Market Crash. Led by Mr. Baldassarra, Greenpark introduced a revolutionary Interest Free Loan Program which successfully salvaged over 95% of all the home purchases at the time – allowing home buyers to keep their homes and the company to sustain operations. To further the recovery following this crash, Greenpark also shifted their offerings to smaller units eventually launching their own high-rise division. This important expansion of their building footprint allowed Greenpark to accommodate the growing demand for more affordable living spaces.

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