

# R

# RESIDENTIAL INTENSIFICATION CASE STUDIES

## Built Projects

### LONDON LANE

Guelph, Ont.

240 London Road West

#### Developer

Reid Heritage Homes

#### Date completed

2000–2001

#### Site area

3.2 ha (7.8 acres)

#### Number and type of residential units

105 condominium townhouses and  
22 semi-detached units

#### Floor area

111–121 m<sup>2</sup> (1,200–1,300 sq. ft.) per unit,  
plus finished basement

#### Gross residential density

40 units per hectare (uph) for townhouses

#### Site coverage

24 per cent for townhouses,  
32 per cent for semi-detached units

#### Landscaped open space

49 per cent for townhouses: 1.5 ha (3.7 acres)  
open space, both private and common areas

#### Maximum height

Two storeys

#### Parking spaces

One per unit on individual driveways, plus a garage  
in 28 units; 70 visitor spaces for townhouses,  
22 for semi-detached units

#### Non-residential units

None

#### Pre-development usage

Industrial (brownfield), Pirelli Cable storage

#### Selling price

\$134,000–\$146,500 for townhouses

\$150,000–\$160,000 for semi-detached units



Figure 1: Typical Townhouses at London Lane

London Lane is a 105-unit townhouse project in an old suburban area of Guelph that also includes 22 semi-detached homes. The project was developed on a brownfield industrial site, formerly operated by Pirelli Cable, and required significant site remediation before construction.



Figure 2: Two-bedroom townhouse with surface parking space

## PROJECT OVERVIEW

The project is in an older, established single-family residential neighbourhood fairly close to downtown Guelph and steps from Exhibition Park. The site is bounded on two sides by a collector road and a local road; on a third side by another residential development and on the fourth side by a CN rail line, which presented noise issues.

The site was a brownfield site, having been previously occupied by Pirelli Cable. There was contamination, mainly from copper. Significant site remediation was required and many tons of soil had to be removed by the previous owner before construction.

The townhouses were developed as rent-to-own units. The developer was very pleased that more than half the renters purchased their units when the project was converted to condominiums.

The project consists of rows of five to eight townhouses and features brick combined with vinyl siding. The buildings are fairly uniform in style, although there are six different layouts, one with two bedrooms and surface parking, and the remainder with three bedrooms

and a garage. Each townhouse has a single parking spot at the unit, but the developer has made allowance for owners to buy an additional space if required. There are also 70 visitor parking spots at grade level. There is 1.5 ha (3.7 acres) of open space in the form of private backyards and grassed common areas.

London Lane is a 15-minute walk from most amenities and shopping, which seems to be a little too far for most residents to walk.

## PROJECT SUCCESS: DEVELOPER'S PERSPECTIVE

*We tried to build a strong sense of community and affordability into the project. The 105 units rented out within six months to a year... [our] retention rate from rental to ownership was about 50 per cent, which we think indicates that the residents were extremely happy with the place. From our perspective it was extremely successful and profitable.* **John Sennema, Reid Heritage Homes**

### Costs and financing

The developer estimates that the project cost about five per cent more than a comparable greenfield project because of the costs of decommissioning the brownfield site and extra time involved in gaining approvals. Further cost information is not available.

The project was financed through conventional bank financing. There was no government financial assistance.

### Marketability and profitability

London Lane was a very successful and profitable project for the developer, Reid Heritage Homes. It was developed as a condominium project but ownership was initially retained by the developer and units rented under a rent-to-own program. This program allowed renters to use from 30 to 50 per cent of their rent as a down payment. The 105 units rented out within six months.

A year after completion, renters were given the option to purchase their homes. More than half the renters converted to ownership, a high rate for this type of program. The semi-detached units were not part of this program and were sold directly.

The project was marketed using site signage, newspaper advertisements and a sales office. Site models were used to walk clients through the project, and Reid's maintained a strong company presence throughout rather than contracting out the sales work.

## Obstacles

The site decommissioning was the major hurdle and it both delayed the project and added cost. The project could not proceed until a firm cost and timeline for decommissioning were established. However, environmental liability can never be fully removed and this remains a barrier to developing these types of sites. Although the previous owner paid for remediation, the delays added to the overall approvals period, which added costs for the developer.

Neighbours were generally very supportive of the project. Neighbourhood opposition was not an obstacle in this case.

The railway line next to the project was a minor obstacle, as there is a safety setback and noise attenuation requirements for residential development next to railway lines. Noise attenuation usually involves an acoustic barrier of wood or concrete, which can be expensive.

## City support

Recognizing the difficulty of the site, the municipality allowed some increased density. In addition, the site was located within an existing Development Charge Reduction Zone, which offset the costs of decommissioning to some extent.

## Lessons learned

In spite of the success of this project, the developer warns that the unknowns involved with contaminated sites—or even perceived contamination—are a hurdle to the successful redevelopment of brownfield sites. Despite the best efforts of site remediation companies, the environmental risk can never be fully eliminated and the developer is pleased that Ontario is introducing legislation to limit continuing liability of developers for these types of sites.

## PROJECT SUCCESS: RESIDENTS' PERSPECTIVE

*The level of amenities is good...we are ten minutes [drive] from downtown, everything is there. Resident*

## Affordability

London Lane is mostly a three-bedroom townhouse development, but the developer also offered a two-bedroom unit. Selling prices ranged from \$134,000

to \$146,500 and unit sizes from 111 m<sup>2</sup> (1,200 sq. ft.) to 121 m<sup>2</sup> (1,300 sq. ft.). Condo fees range from \$130–\$150 per month. The average price for new three-bedroom townhouses in Guelph in 2001 was \$162,900.<sup>1</sup>

### Unit selling prices (2001)

Two-bedroom, no garage	\$134,000
Three-bedroom, with garage	\$134,000–\$146,500

All residents surveyed consider their units good value because of the central location, good quality construction and character.

## Design features, unit size, character, open space, etc.

All residents surveyed are happy with the size of their homes and feel that they fit their needs very well.

Although most residents feel that the single parking space is adequate, others would like more visitor parking and would prefer covered parking or a garage. Parking is a problem despite 70 visitor parking spaces and additional resident parking spaces for sale.

All residents said that they really like the feel of the project, some using terms like "cute," "cozy" and "well organized." The units satisfy most residents' concerns for privacy, although one noted that she feels her unit is so close to the opposite unit that she needs a curtain on the front door.

Overall, the developer seems to have found a reasonable balance between density, privacy and maintaining a sense of openness.

There are no impressive vistas from the site as the land is fairly flat. While not everyone is happy with the views because some windows face blank walls of other buildings, most views of the site were considered to be good because of the high quality landscaping. There were very positive comments about the amount of sunlight. One person even referred to the sun as "blaring" through the windows at times. The developer put fairly large windows in master bedrooms, which no doubt contributes to this sense of good light.

<sup>1</sup> CMHC, Ontario Market Analysis Centre

## The neighbourhood and transportation

All residents interviewed said that the project's closeness to amenities was one of the major benefits of the location. The project is less than a 10-minute drive from downtown, but it seems to be beyond easy walking distance for most residents, especially seniors. There is a nearby park, which is popular with the neighbourhood and visitors alike. The neighbourhood is diverse, with both older, established buildings as well as some new construction. This was seen in a positive light by residents, who like the variety of the area of which they are the newest part.

The project has a number of retired people but those still working (three out of four surveyed) travel by car to work, compared to 86 per cent of workers in the Guelph CMA that travel to work by car.<sup>2</sup> Residents also generally travel by car for most shopping and recreation trips.

## PROJECT SUCCESS: MUNICIPAL PLANNER'S PERSPECTIVE

*The developer consulted early on with the public by holding an informal public information meeting. Neighbourhood issues were tabled, recorded and acted upon. No appeals were received on any of the planning approvals. **Scott Hannah, Manager of Development Planning, City of Guelph.***

### Neighbourhood opposition or support

The project is viewed as very successful from the municipality's perspective and neighbourhood concerns seem to have been addressed very effectively through a spirit of openness and a commitment to following-through on promises. Initial concerns focused on cleanup of the contaminated site, density and traffic impact. The developer consulted early on with the public by holding an informal public information meeting and the issues raised were acted on.

### Planning objectives

The project meets the City of Guelph's Official Plan objectives for reuse of redundant industrial lands, residential infill and intensification and cleanup of contaminated sites.

The City's *Development Charges Bylaw* includes a reduction for the older, built-up areas. This is an attempt to encourage residential infill and redevelopment in older areas with full municipal services. This is consistent with infill policies in the official plan.

### Does it fit into the neighbourhood?

The site is considered well designed and presents an attractive streetscape along the two roads bordering the site. The developer also dedicated a small passive park to the City as part of the project.

### Regulations and approvals

The municipality is open to and encourages infill and intensification projects.

The approvals process, however, was very complicated and required both official plan and zoning bylaw amendments. The City granted the developer a number of exceptions to zoning standards. The cluster, townhouse component of the project also required site-plan approval and condominium approval. The semi-detached lots were created by a plan of subdivision and then further subdivided by "part-lot control" exemption.

*A large part of the success of the project, in my mind, was the reputation of the developer. Reid's have done many projects in the city and they follow through on what they promise. **Scott Hannah***

## LESSONS LEARNED

All participants interviewed regard London Lane as a successful development. The developer made a reasonable profit, the residents seem to enjoy almost all aspects of their new homes and the municipality achieved several important planning objectives.

It is interesting to note however, that in spite of a municipality that actively encourages infill projects, the approvals process was very cumbersome and may dissuade less-adventurous developers. The developer's reputation and attention to the issues raised by the neighbourhood meant that opposition to the project was minimal despite the fairly high density and traffic generated.

<sup>2</sup> Statistics Canada, 2001 Census

## FURTHER INFORMATION

Further information can be obtained from:

**Developer:** Alf Artinger, Reid's Heritage Homes  
Phone: (519) 658-6656  
E-mail: aartinger@HeritageHomes.com

**Municipality:** R. Scott Hannah, Manager  
of Development Planning, City of Guelph.  
Phone: (519) 837-5616, ext. 2359  
E-mail: shannah@city.guelph.on.ca

**Architect:** David Parrish  
**Landscape:** David Parrish; Davan Landscaping



Figure 3: Site plan, London Lane (note the semi-detached units on the east side)

**OUR WEB SITE ADDRESS:** [www.cmhc.ca](http://www.cmhc.ca)

Although this information product reflects housing experts' current knowledge, it is provided for general information purposes only. Any reliance or action taken based on the information, materials and techniques described are the responsibility of the user. Readers are advised to consult appropriate professional resources to determine what is safe and suitable in their particular case. Canada Mortgage and Housing Corporation assumes no responsibility for any consequence arising from use of the information, materials and techniques described.