

**THE GLOBE AND MAIL** 

Globe and Mail  
National daily newspaper  
Toronto, ON  
August 15, 2011



Recently, real estate brokerage Avison Young was tasked with finding a bigger site for a paint distribution centre that was moving from Vaughn into Toronto's North York area.

## The Globe and Mail

relocation

# Why industry still has a home in the post-industrial city

frances bula

From Tuesday's Globe and Mail

Published Monday, Aug. 15, 2011 3:56PM EDT

Last updated Monday, Aug. 15, 2011 4:38PM EDT

---

When expanding production prompted a move for the family running Baker Street Bakery in Toronto, their real estate agent showed them properties in the far suburbs. They found modern buildings with low rents, especially in Mississauga, which is home to 60 per cent of the industrial space in the Greater Toronto Area.

But the owners opted to stay where they were. They ended up choosing to lease a site just a few kilometres away.

"It was important for their staff to stay in the area where they were," says Mark Bleiwas, a principal at CresaPartners, which helped Baker Street find the new site.

Workers at the bakery, which makes desserts for Canadian grocery stores as well as hotels, casinos and resorts in the United States, often work late into the night or arrive at dawn. They needed a place they could get to easily, at all hours of the day and night.

Baker Street isn't the only business wanting to maintain a central location despite the attraction of cheap land and low taxes farther from the city core. Planners and economists are watching these companies closely as they try to figure out how industrial-land uses are evolving, with older established industries often being replaced by condos and offices.

Some businesses stay put because it's too expensive to move their equipment. Others serve customers in the central city. And for many, a main consideration is their labour force.

Recently, real estate brokerage Avison Young was tasked with finding a bigger site for a paint distribution centre that was moving from Vaughn into Toronto's North York area. The company, Dutch-based Akzo Nobel N.V., will tear down the existing building on the new site and construct one with the height clearance and loading-dock facilities that most modern industrial operations require.

Why go to so much trouble?

"It was really the proximity and closeness for our employees," says Katia Aubin, a spokeswoman for Akzo Nobel. Plus it was close to the company's production facility.

Those kinds of decisions are happening elsewhere as well.

"What we see in Vancouver is that more and more, industries want to be close to the SkyTrain," says Avison Young representative John Lecky. Companies are worried about losing long-time employees or not being able to attract new ones if they move to a place with few transit options.

In Vancouver, Westport Innovations Inc., a company that makes bus and truck engines that run on natural gas, thought about leaving its location in the city but ultimately decided to expand where it was. A new brewery is being planned for industrial land near the Olympic Village. And Hallmark Poultry Processors Ltd. has stayed put near the port even while other old-time industries have moved out.

Canada's largest cities have witnessed a drastic makeover to industrial land in the second half of the 20th century, as industries shut their waterfront or central district locations and moved away – some to China, others to outer suburbs. Much of that land has since been converted into offices, condos, parks or other uses that reflect the transformation of central cities into tourist attractions and residential districts.

But city planners are still struggling with how to preserve industrial land even as they face pressure from condo developers, office builders and high-tech companies that would like to grab what is typically the cheapest land in any city.

Industry provides a certain type of job – well-paying, but not necessarily demanding graduate school – that is needed in a city with a diverse population, says Randy Mclean, acting director of Toronto's strategic-growth division. Centre-city businesses help reduce the burden on transit systems, and they pay healthy taxes.

Plus cities must "protect the assets of the city for the next 100 years," says Toronto's chief planner, Gary Wright. "What if the energy world changes so dramatically that people can't ship all over the world?"

Former Toronto city planner Paul Bedford sees city industrial land as essentially being divided into three zones. The first is the core downtown area, which is best used by companies that absolutely have to be downtown and don't need a huge amount of space. The second is the inner-suburb ring, home in most cities to industrial operations that have been there for years and should be preserved. The third is the outer suburbs, which are best suited to big-box distribution centres and large new manufacturing buildings.

All of that means cities must think about locating industry in a more sophisticated way.