

# ‘A development tsunami’ in Kitchener

News Jul 07, 2018 by Catherine Thompson Waterloo Region Record

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The first tower of the 100Victoria condo project is already visible through the trees beyond his peonies and his veggie garden. Within a couple of years, the towers of Garment Street, Charlie West and other condo projects in Kitchener's booming downtown will also crowd the sky.

Kitchener's downtown is undergoing what downtown city councillor Frank Etherington calls "a development tsunami."

"I think it's a good-news tsunami for the city," he rushes to add.

"It's probably the most transformational time in the downtown's history, just because of the numbers of people coming" says Cory Bluhm, who heads the city's economic development department.

Right now, about 2,500 people live within the [downtown proper](#), the area from the railway tracks near Victoria Street to the market, between Joseph to Weber streets. About 9,000 people live within a kilometre of the core. But planned developments will add another 5,250 people to the area within the next few years.

The boom is significant partly because it's not clustered in just one area, said Brian Doucet, a planning professor at the University of Waterloo and an expert on gentrification. "From the market to Google and Sixo (the major development planned for Wellington and King), you can see that it's happening and will continue to happen in the future. It represents a different kind of downtown."

The development has been sparked by a number of things: a booming tech sector, the arrival of light rail, a strong economy, and the fact that downtown developers will face millions of dollars in new fees when a development-charge exemption for projects in the core disappears at the end of February 2019, said Brian Prudham, a principal at Momentum Developments, the developer behind major downtown projects like Charlie West and Garment Street.

Any developer with downtown land is looking to secure planning approvals to avoid paying fees of close to \$20,000 per unit that will kick in early next year.



Although that combination of factors does make it seem like a tidal wave of development, realtors are convinced there's plenty of demand and the market will snap up what's built.

"We've had numerous units sell within a day or two, and multiple offers — sometimes before they even hit the market. There's such demand that people are willing to step up and pay full price before it hits the market," said Tim Bolton, a sales rep at [Condo Culture](#).

The hot market is worrisome, said Mayor Berry Vrbanovic. When the condos at Garment Street went up for sale in May, more than 80 per cent of the units sold within a half-hour. "It's going to make it increasingly challenging for young people to be able to look at owning their first piece of real estate," he said.

Investors, most of them local, are snapping up most of the units, Prudham said. "Probably close to 75 per cent of our buyers are investors. They're not planning on living there."

The people who do live there tend to be younger professionals, says Bolton. Many of the units are smaller, from 550 to 800 square feet, and appeal to those who can't afford a larger space or who spend most of their time at work or out with friends. In One Hundred, for example, "Most of the people living in that building are under the age of 35. It's not the empty nesters," Bolton says.

But to truly thrive, downtown should include a mix of housing for all ages and all income groups, said Doucet.

"Developers will build what's easy and more profitable," Doucet says. "That tends to be fairly small units, one bedroom, one-plus, maybe two bedroom. Do we want a whole bunch of new, very small condos all along this line, that are all going to age at the same time?"

There will be plenty of people working along the LRT corridor who won't be high-income earners — janitors and bus drivers, waiters, young people with more precarious work, said Doucet.

"Everyone's paying for this LRT," Doucet says. "You can't have everyone in the region being able to walk to a stop to use it, but you can increase the diversity of people that benefit from it by ensuring there's a mix of housing along that corridor."

He points to examples that could work in Kitchener-Waterloo, such as Toronto's [St. Lawrence neighbourhood](#) or Vancouver's [False Creek](#), neighbourhoods that offer a mix of housing and a inviting array of public space and parkland. Building in incentives and regulations to encourage a mix of housing wouldn't scare off developers, Doucet believes.

"There's this idea that you can't put too many restrictions on developers, otherwise they won't invest and they won't develop, rather than saying, 'We want a city that has a good share of affordable housing, even in the downtown. These are just the rules of the game if you want to build in our community.'"

Others argue that the influx of condos will actually increase the diversity of downtown housing. Vrbancovic points out the downtown had been dominated by lower-cost housing and older, pricier homes in areas such as Victoria Park and near the library with little in between.

Joe Mancini of the Working Centre also welcomes the downtown growth. He still remembers the late 1980s and early 1990s, when downtown Kitchener was struggling with empty storefronts and a drug problem.

But though he welcomes the new liveliness in the core, he sees the supply of low-cost housing dwindling: the cheap housing is gone from places like 48 Weber St. W., the Mayfair, Tommy's Place, the Station Hotel and the American Hotel. "You walk by lots of buildings and you see the buildings have been renovated. It's important because the buildings are being preserved, but generally the rents are much higher than they were."

More and more Working Centre clients list addresses that are further afield. With good transit connections, they're still able to access downtown services, but Mancini says it's important to ensure there's some cheaper housing in the core.

There's some evidence to back up the impression that downtown housing is costing more. A rental survey by a team of University of Waterloo researchers led by planning prof [Dawn Parker](#) found that rents along the central transit corridor were, on average, seven per cent higher than elsewhere and that units in highrises were generally more expensive.

The research also suggested smaller, one- and two-bedroom units may be oversupplied while there aren't enough medium-sized units of about 1,500 square feet that would appeal to families.

That trend is worrying to some. John Neufeld, the executive director of the House of Friendship, doesn't want to see the downtown become "all sanitized. It's not just for the rich and the privileged. I think a downtown needs to be a place for all."

Part of the appeal of Kitchener's downtown is its diversity and gritty authenticity, even as it revitalizes, said Hilary Abel, Kitchener's manager of downtown development. "People want downtown to remain an inclusive place, a place for all different types of people — for different incomes, different ages, families, single people, married people."

Very few of the thousands of units being built in the next few years will be considered affordable housing. The two-tower Drewlo project near the Kitchener Market will have eight to 10 affordable units in the 488-unit project. The developers behind the massive Sixo project just west of downtown are also interested in including some affordable units.

The city is working on new tools to encourage builders to include more affordable housing. Density bonusing allows builders to increase the density — and therefore the profitability — of their project if they provide public benefits such as affordable housing, public art or extra parkland. But Etherington worries most of them are opting for enhancements that boost the value of the development, such as nicer designs or attractive facades.

The city is also looking at development charge rebates for affordable housing and "inclusionary zoning" — which requires a new development to include a certain percentage of affordable units — but it will still be a year or two before they're fully implemented, because city planners are either working to change complex zoning rules or are waiting for specific regulations from Queen's Park.

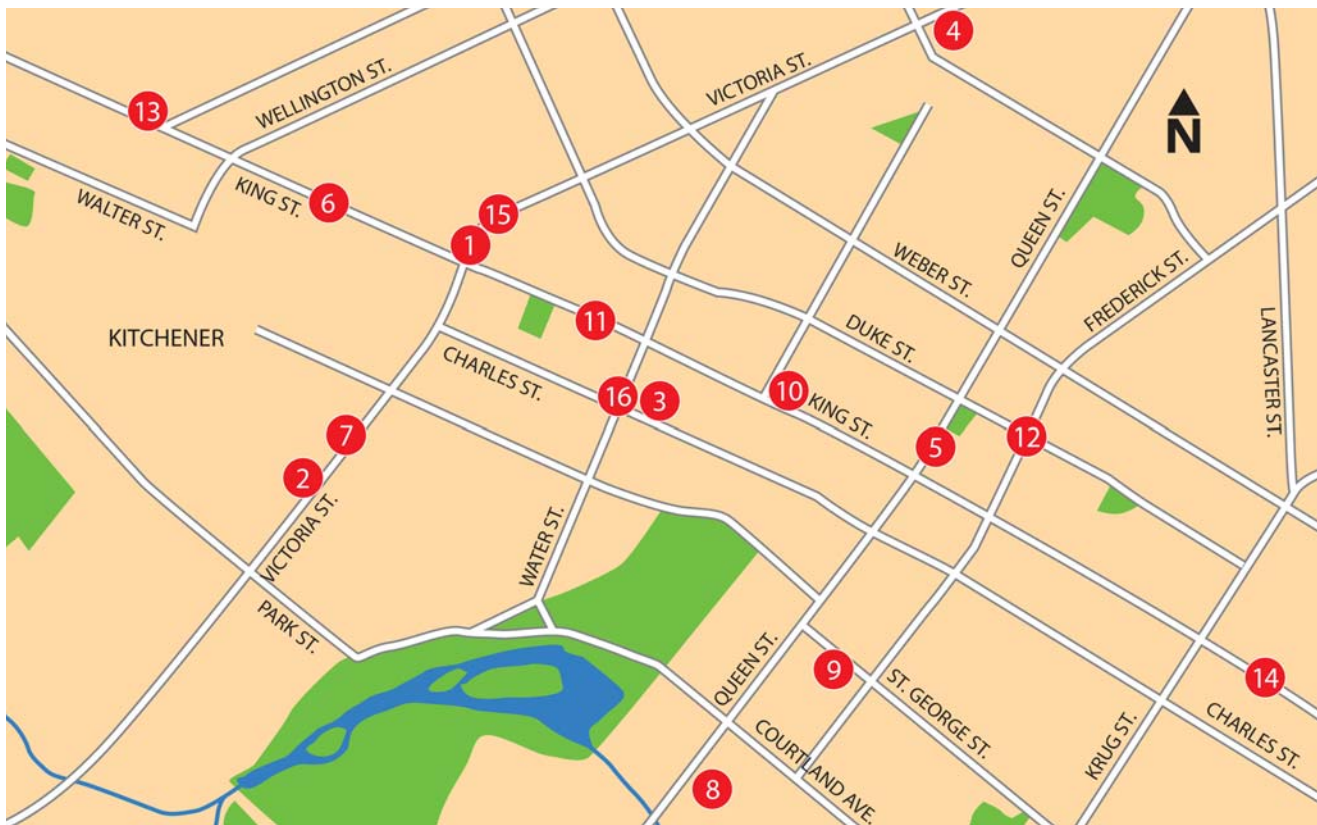
Mancini would like to see some of millions developers save in development charges invested in low-cost housing. "Kitchener really does need units," Mancini said. "It would be nice if they could pass on some of those savings and build affordable housing."

Another challenge is to have all these new residents feel like they belong, Bluhm said. "In any given condo, the people who live on the first five floors have very low unit turnover," Bluhm said. "But the further you get from the street and shared public space, the less you feel part of the community and the more you feel you're just living in the sky."

Doucet argues Kitchener's transformation is, ultimately, a great opportunity.

If the priority for civic leaders is thriving neighbourhoods with a mix of owners and renters, rich and poor, and households of different ages, lifestyles, and incomes, households, "we have a tremendous opportunity to create sustainable and successful neighbourhoods for everyone. The region could even become an international leader in how to use mass transit to build inclusive and fair cities," Doucet said

"I think it's an exciting transformation, because it gives us the chance to do it right," Bluhm said. "The job is not done. We're just getting started."



## Thousands of units slated for downtown Kitchener

1. [One Victoria](#) at King and Victoria: 19 storeys, 212 units
2. [Garment Street](#): 25 storeys, 300 units, six-storey office tower.
3. [Charlie West](#): 31 storeys, 300 units.
4. [64 Margaret Ave](#): six storeys, 111 units.
5. Old [American Hotel](#): six storeys, 50 units.
6. [Sixo](#): five towers, including four residential towers of 14 to 30 storeys, 990 units; mid-rise office tower.
7. [One Hundred](#): two towers, 15 and 19 storeys, 348 units.
8. [Barra on Queen](#): seven storeys, 106 units plus seven townhomes and semis.
9. [Arrow Lofts](#) Phase 2: 15 storeys, 176 units.
10. [Young Condos](#): 18 storeys tower, 240 units.
11. 345 King St. W.: six-storey office.
12. [DTK condos](#): 33 storeys, 410 units.

13. [Midtown Lofts](#): 168-unit six-storey condo at 676 King St. W.
14. Drewlo 19 and 23 storeys, 488 units.
15. Regional transit hub: at least two towers as high as 30 storeys.
16. Manulife looking to redevelop Charles Street lot with 20-storey residential tower.

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### The building boom that will transform downtown

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