

Toronto's boom in self-storage centres is starting to irritate the neighbours

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A nine-storey self-storage facility proposed by Talus Capital Corp. near Bathurst Street in west end Toronto will have 1,290 units. TALUS CAPITAL CORP.

Are they urban dead zones, employment engines, or a new form of vertical garage for cities with a profusion of tiny apartments?

For many years, self-storage facilities were low-slung and vaguely dodgy, places situated in suburban industrial parks, their garage-format lockers filled with grandma's junk and god knows what else.

But thanks to a confluence of factors – among them real estate investor interest, Marie Kondo's cultural impact, and the surge of the entirely virtual e-commerce businesses – the City of Toronto has seen a surge of development applications for such projects, a growing number of which are now multi-storey affairs situated much closer to the core.

According to the City's planning department, there are currently 66 self-storage facilities in Toronto, but nine new development proposals have received their initial planning approvals, and a further 19 are under review, together representing a potential 38 per cent increase in locations.

One in particular, slated for a slice of land near Dupont and Bathurst, has opened up a bit of a Pandora's, well, locker, and triggered an intriguing debate about what kinds of buildings belong on a stretch of former industrial land that was rezoned in recent years to allow for the development of mid-rise condos.

Talus Capital Corp. a Toronto firm, wants to erect a nine-storey self-storage facility on a sliver of land south of the rail corridor, with access off Bathurst Street. The building will have 1,290 units, about two-thirds of which will be less than 75 square feet. The development application, which requires a zoning amendment, is due to go to council later this spring.

The property, currently a self-serve car wash with a parking lot that opens onto Albany Avenue, sits behind a row of two-storey buildings with apartments and retail spaces, including the iconic Vesta diner. One of Tridel's newest tapered mid-rises, Bianca, is next door, with several other such projects planned or going up elsewhere along Dupont between Spadina and Ossington.

The size of the proposed facility quickly drew the attention of residents' groups both north and south of the tracks. Some homeowners to the north are definitely not pleased about the project, and in particular the sight of its blank rear wall protruding over the rail corridor.

Robert Levy, who heads the Casa Loma Residents Association, says the proposal is too large and too high, and may produce traffic back-ups on Bathurst. "How can this even work?" he asks, predicting that the building's size will make it impossible to redevelop the Dupont-facing side of that block with a mid-rise apartment building, as the 2014 Dupont regeneration study envisioned. "Part of this process is the developer trying to steamroller this application."

However, the Annex Residents Association (ARA), whose members live immediately to the south, has been far less exercised about the prospect of a new self-storage neighbour. The ARA's planning committee pushed Talus to tweak its design to include a façade that looks more like a brick warehouse, as well as stepped back massing similar to what's typical for mid-rises.

Talus asked an architectural firm to examine whether the properties facing Dupont could support a condo, and provided a rendering to Mr. Levy. Mike Layton, the local councillor, says the whole block is zoned for nine storeys anyways, and adds, "It's probably got some value to the neighborhood as a self-storage."

Yet, Peter Obradovich, Talus' vice-president of acquisitions and development, points out that 25 per cent to 30 per cent of the units are likely to be leased for warehouse space for small or virtual businesses operating in the downtown. The trend towards the use of self-storage facilities for these commercial purposes is wide-spread, and there are some local projects, including one downtown, where as many as three-quarters of the tenants are companies or non-profits.

He says the units are popular with photographers, who use them for their equipment, and pharmaceutical company sales reps, who rent the lockers to store samples. Some self-storage facilities also offer receiving services. Mr. Layton adds that Talus has promised to include on-site bike parking and the use of a cargo vehicle for tenants.

Mr. Levy argues that the City and the developer have under-estimated the traffic that will be generated by commercial tenants. “We know what’s happening with the pressures of e-commerce,” he says. “The owner told me himself that this will create employment because it’s going to have businesses going in and out of this thing, obviously by cars or trucks.”

Given that the site has been an active car wash for decades, it’s unlikely there will be a significant change. Yet the broader planning question of the evolving role of self-storage warehouse in a downtown neighbourhood is certainly worth exploring.

The City believes Toronto’s 66 self-storage facilities employ just 200 people, or three for each location. But Mr. Obradovich notes that if 25 per cent to 30 per cent of the units are rented for commercial purposes, that means the proposed Bathurst/Dupont project alone will support about 300 to 400 small businesses – hardly an insignificant number in terms of local employment.

There’s a further irony to this application, which is that Dupont had been zoned for commercial and industrial uses – among them self-storage facilities – for decades. In more recent years, with the decline of manufacturing and developer demand for condo sites, council changed the zoning designation along Dupont from employment lands to mixed-use residential.

As the City’s stats about the pipeline of self-storage applications suggests, these kinds of projects may become much more visible in the coming years. Mr. Obradovich says the Canadian market has been traditionally under-served. However, investor and private equity interest in Canada and Toronto appears to be gathering steam. He adds that one of the largest U.S. players, Life Storage, with 2019 revenues of US\$574-million, is looking to buy a site in Toronto.

With a long-term decline in employment lands and the dramatic uptick in ecommerce, it seems the self-storage industry’s presence in Toronto will soon cease to be self-contained.