Executive Summary

Introduction

The Mixed-Use Laneways Study (“Study”) explores the feasibility of introducing small-scale commercial, employment, and mixed-use functions into Toronto’s public laneways. Traditionally used for servicing and access, laneways offer potential to support local economic development, entrepreneurship, and neighbourhood vitality. Rising commercial rents and storefront consolidation have created demand for alternative affordable spaces, prompting a review of how laneways could accommodate new uses while ensuring compatibility with residential areas. Refer to Section 1.0 for more information.

Background

Toronto’s 2,400+ public laneways have historically functioned as service corridors, but small-scale production, recreation, gathering, and limited retail activity have also emerged. Global cities increasingly recognize laneways as valuable economic and social spaces. In Toronto, the EHON Neighbourhood Retail and Services amendments now create a first layer of neighbourhood-scale commercial permissions in Residential zones. Unlocking Toronto’s laneway potential will require building on that framework with more specific attention to the access, servicing, built form, and operational conditions of public laneways. Refer to Section 2.0 for more information.

Policy Analysis

The Study reviews the Provincial Planning Statement (2024), Toronto’s Official Plan, and Zoning By-law 569-2013. While broader policies support compact growth, economic diversification, complete communities, and

efficient use of existing infrastructure, zoning has traditionally limited commercial and employment uses in laneways within or adjoining Residential zones. The EHON amendments partially change this baseline, most directly through expanded home occupation permissions in ancillary buildings and structures. The neighbourhood-interior retail and major-street commercial permissions may also be relevant to laneway-adjacent lots that independently satisfy the applicable criteria, but they are more street- and building-oriented. They do not establish a comprehensive framework for independent laneway commercial tenancies, clustered employment uses, or commercial uses primarily oriented to public laneways. Refer to Section 3.0 for more information.

Planning Study Analysis

The Study builds on municipal initiatives, including the EHON Neighbourhood Retail and Services Study, the Laneway Suites Monitoring Report, the Retail Main Streets Study, and related zoning initiatives. With the EHON amendments now in place, this Study is intended to help inform the monitoring and review period by identifying laneway-specific conditions, use types, built form models, and operational considerations that may warrant further monitoring, implementation review, or future zoning refinement. Refer to Section 4.0 for more information.

Geospatial Analysis

GIS-based mapping categorized laneways by width, block depth, adjacent uses, and servicing capacity. Six representative sites were analyzed to model different built form typologies, to demonstrate that many laneways can accommodate modest mixed-use development with minimal servicing upgrades and thoughtful design. Refer to Section 5.0 for more information.

Transportation Analysis

Laneway intensification would primarily generate pedestrian and cycling activity, with minimal traffic impacts. However, challenges related to waste collection, emergency access, and pedestrian safety must be addressed through careful urban design interventions, including shared space concepts. Refer to Section 6.0 for more information.

Servicing Analysis

Servicing analysis identified potential impacts on water, sanitary, stormwater, and grading infrastructure. While site-specific challenges exist, small-scale projects can often proceed with existing infrastructure or modest upgrades, particularly if built form is kept low-impact. Refer to Section 7.0 for more information.

Noise Analysis

The Study assessed potential noise impacts from new commercial uses adjacent to residential properties. Key concerns include sound and vibration from mechanical equipment. Early-stage acoustical planning and design-based mitigation strategies, such as below-grade spaces and strategic equipment placement, can manage noise impacts effectively. Refer to Section 8.0 for more information

Market and Real Estate Analysis

The Market and Real Estate Analysis confirms strong demand for affordable, small-format workspace in Toronto's mature neighbourhoods, driven by limited retail supply and intensifying residential growth. Commercial laneway suites are modestly viable under favourable cost and rent assumptions, but financial feasibility is highly sensitive to construction pricing, tenant fit, and location. Residential laneway suites are more consistently viable and offer more predictable returns. Success for commercial formats will depend on targeted permissions, incentive tools, and design approaches that reflect the unique conditions of laneway environments. Refer to Section 9.0 for more information.

Local Precedent Analysis

Existing examples of laneway-based businesses in Toronto illustrate how small-scale retail, hospitality, and live-work uses can co-exist successfully, despite current zoning limitations. These precedents provide valuable insight into design, servicing, and operational considerations for broader activation. Refer to Section 10.0 for more information.

International Case Study Analysis

Examples from cities like Melbourne, Tokyo, San Francisco, and Vancouver show how laneways have been successfully transformed into vibrant mixed-use spaces. Lessons learned emphasize the importance of flexible zoning, incremental change, public realm improvements, and community engagement. Refer to Section 11.0 for more information.

Development Scenario Analysis

Six development scenarios—ranging from carpentry workshops to cafés and maker spaces—illustrate how laneways can accommodate a range of uses. Each scenario tests built form compatibility, servicing feasibility, and economic sustainability, offering practical models for Toronto's laneway network. Refer to Section 12.0 for more information.

Recommendations

The Study recommends that the City use the EHON monitoring and review period to evaluate laneway-adjacent conditions and determine whether a second-stage laneway-specific zoning framework is warranted. Monitoring should consider home occupations in ancillary buildings, qualifying neighbourhood-interior retail permissions on laneway-adjacent lots, major-street sites with rear-laneway relationships, and uses that remain outside the current framework. Based on this work, the City should consider targeted zoning amendments, design guidance, servicing standards, and implementation tools for appropriate low-impact laneway commercial and employment uses Refer to Section 13.0 for more information.