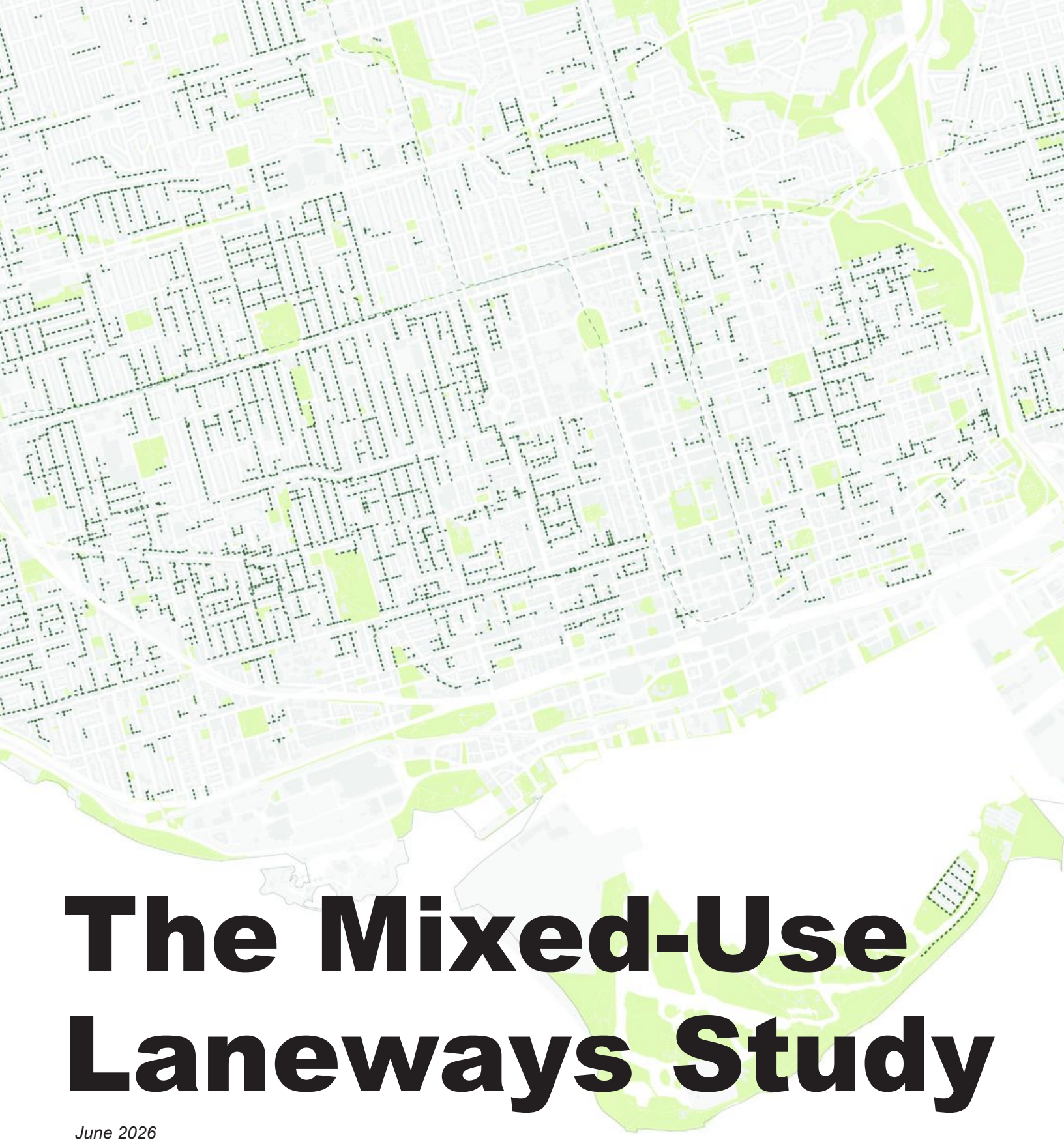


The Mixed-Use Laneways Study

June 2026

SCORGIE PLANNING

LGA architectural partners

SOCA STUDIO OF CONTEMPORARY ARCHITECTURE

The Mixed-Use Laneways Study was undertaken by a multi-disciplinary consultant team comprised of:

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- Architecture Lead – **LGA Architectural Partners**;
- Urban Design Lead – **Studio of Contemporary Architecture**;
- Geospatial Analysis Lead – **Gladki Planning Associates**;
- Transportation, Servicing, and Noise Lead – **LEA Consulting**; and,
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The Study was informed by input from a diverse group of industry practitioners, subject-matter experts, and community partners. Their professional insights helped validate technical assumptions, identify practical considerations, and refine the Study's analytical framework. In particular, the project team incorporated feedback from:

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Figure A: Healing Corridor & Playable Laneway Mural
By Monica Wickeler, Nyle Miigizi Johnston, and The Laneway Project.


SLOW

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.



Figure B: Graffiti Alley off Queen Street
Image by Marcus Mitanis.



1.0 Introduction

1.1 Study Purpose

The Mixed-Use Laneways Study ("Study") examines the feasibility of introducing non-residential uses into public laneways within residential neighbourhoods across Toronto. It evaluates the policy and regulatory framework, built form considerations, transportation and servicing requirements, and market conditions needed to support laneway-based commercial and employment activity. The Study identifies prototypical site and block conditions, tests development scenarios and design concepts, and provides recommendations to inform future policy, zoning, design, and implementation guidance. Prepared in the context of the City's EHON Neighbourhood Retail and Services initiative, the Study uses the resulting permissions as a current implementation context for evaluating laneway-adjacent conditions.

1.2 Study Area

The Study examines public laneways within residential neighbourhoods throughout the City of Toronto, recognizing their prevalence and concentration in specific districts. Laneways are most commonly found in the Former City of Toronto, the former City of York, and the former Borough of East York, where the street network is finer-grained and where public laneways have historically served as secondary access routes. However, the Study also considers public laneways in North York, Scarborough, and Etobicoke, which have different spatial configurations, urban development patterns and opportunities. By taking a city-wide approach, the Study ensures that its findings and recommendations remain relevant across diverse neighbourhood contexts.

1.3 Study Approach and Methodology

Leveraging the Combined Expertise of a Multi-Disciplinary Consultant Team

The Study has been undertaken by a multi-disciplinary consultant team with expertise in land use and policy planning, geospatial analysis, urban design, architectural design, civil and transportation engineering, land economics, and land development. External input has been provided by an advisory committee composed of experts from the public, private, and not-for-profit sectors, as well as owners of existing and prospective laneway-based businesses. This collaborative approach ensures that the Study is informed by technical knowledge, industry insights, and practical implementation considerations.

Building Upon Completed and Ongoing Work

The Study builds upon two decades of research and policy initiatives undertaken by technical experts, local organizations, and public institutions. Consideration has been given to recent initiatives by the City of Toronto, the University of Toronto, The Laneway Project, Together Design Lab, and a range of local planners, architects, placemakers, and historians. Particular consideration has also been given to the EHON Neighbourhood Retail and Services initiative, which has resulted in zoning amendments that permit additional neighbourhood-scale commercial activity in Residential zones.

By synthesizing these findings, the Study situates laneway activation within Toronto's broader urban development framework. It also identifies where the EHON permissions provide a foundation for laneway-adjacent activity, and where additional monitoring, policy refinement, or zoning amendments may be required to address the distinct spatial and operational conditions of public laneways.

Exploring a Range of Potential Uses

The Study examines a variety of non-residential and mixed-use programs that could be introduced into Toronto's laneways to support economic activity, public realm improvements, and neighbourhood vibrancy and resilience, while maintaining compatibility with adjacent residential uses. These uses are representative and intended to demonstrate emerging trends in urban intensification, responding to the growing demand for small-scale commercial spaces within walkable, mixed-use communities. The Study evaluates these uses based on policy feasibility, urban design considerations, and market demand to determine their viability within the laneway context.

Addressing a Range of Site, Laneway, and Block Characteristics

To assess the suitability of laneways for non-residential activation, the Study categorizes laneways based on key site, laneway, and block characteristics. These include lot dimensions (width, depth, and area), lot configuration (dual frontage vs. laneway-dependent access), and block characteristics (length, depth, and shape), which influence connectivity and the potential for clustering non-residential uses. Additionally, laneway width and right-of-way dimensions are evaluated for their impact on vehicle access, emergency services, and pedestrianization opportunities, while adjacent land uses are analyzed to determine compatibility with surrounding residential or mixed-use areas.



Figure 1.1: Workshop Laneway by Jon Cummings Architecture Image by Scott Norsworthy.

By analyzing these factors, the Study establishes a typological framework that classifies laneways into distinct categories based on spatial and contextual attributes. This approach supports targeted design interventions, ensuring that laneway activation strategies are context-sensitive, adaptable to various urban conditions, and aligned with broader city-building objectives.

Addressing a Range of Issues, Opportunities and Challenges
The Study identifies key issues, opportunities, and challenges at the site, laneway, and block scale. These elements have been determined through a comprehensive background review and analysis of policy frameworks, urban design constraints, servicing limitations, and market feasibility. Potential solutions have been tested through a scenario-based concept development process, with recommendations formulated to inform the future development of policies, regulations, guidelines, standards, and implementation tools.

Addressing Existing and Future Development Potential
In addition to analyzing current conditions, the Study identifies future opportunities for the public laneway network. Consideration is given to factors such as transportation and municipal servicing improvements, shifts in land economics, advancements in construction technology, demographic and employment trends, and changes in mobility patterns. The Study also evaluates potential revisions to the Ontario Building Code and municipal standards that could enable greater flexibility for laneway-based non-residential uses.

By addressing both existing conditions and future growth considerations, the Study provides a long-term framework for integrating non-residential laneway uses into Toronto's evolving urban landscape, offering a roadmap for policy adaptation, zoning refinements, and urban design strategies that support sustainable and inclusive city-building.

Addressing Existing Codes and By-Laws
For the purposes of the Study, existing by-laws regarding laneway development were not incorporated into the preparation of the design concepts. The goal of the designs is to model a range of compatible uses and built form suitable for laneway intensification and to stimulate discussion about the types of modifications to existing by-laws to achieve the type of uses illustrated. With respect to Ontario Building Code compliance, for the purposes of the Study, it is assumed that any single stair options would need to seek a compliance alternative solution in order to obtain municipal approvals and development permits.

1.4 Study Process

The study was undertaken in the following three phases.

PHASE 1 - *Background Review and Analysis*

The objective of Phase 1 was to initiate the study process and undertake a comprehensive background review and analysis, to inform the visioning and concept development process in Phase 2. Key Phase tasks and deliverables included establishing study area boundaries; identifying a range of prototypical site, laneway and block conditions; reviewing and analyzing relevant policies, regulations, planning studies, transportation and servicing conditions, market and real estate conditions, precedents and case studies; and identifying key issues, opportunities and challenges based on the findings of the background review and analysis.

PHASE 2 - *Visioning and Concept Development*

The objective of Phase 2 was to establish a set of development scenarios and an associated design framework, and to prepare a set of design concepts to inform the recommendations in Phase 3. Key tasks and deliverables included establishing site, laneway and block conditions, as well as an appropriate mix and range of uses and built form considerations associated with each development scenario; identifying a standard set of design deliverables; preparing a set of design concepts associated with each development scenario; and identifying key issues, opportunities and challenges associated with the design concepts.

PHASE 3 - *Recommendations*

The objective of Phase 3 was to prepare a set of recommendations to inform future city-building initiatives and conclude the study process. Key tasks and deliverables included identifying potential policy and regulatory amendments; identifying potential process amendments; identifying potential financial incentives; formulating an implementation strategy; and preparing the final report.

The Study was prepared in the context of the City's EHON Neighbourhood Retail and Services initiative, which has introduced new small-scale commercial permissions in Residential zones, including expanded home occupation permissions. These amendments provide an important implementation context, but do not create a comprehensive mixed-use laneway framework. The monitoring and review period provides an opportunity to evaluate whether laneway-adjacent conditions warrant further guidance or refinement.



Figure 1.2: Langford Laneway House by LGA Architectural Partners
Image by Robert Burley.



Figure C: Ulster House by LGA Architectural Partners
Toronto's first multiplex condominium has a laneway house that can be configured as an independent unit or an extension of the ground-floor unit.
Photo by Doublespace Photography.



2.0 Background

This section establishes the rationale for exploring non-residential and mixed-use activation of public laneways in Toronto. It outlines why laneways are an underutilized resource, what barriers currently exist, and how global precedents demonstrate the feasibility of laneway transformation.

2.1 Setting the Stage

Toronto's 2,400+ publicly owned laneways represent an underutilized resource with the potential to support small-scale commercial and employment uses that complement the city's broader urban and economic development goals. Historically, laneways have functioned as service corridors for waste collection, parking, and rear-lot access, with little consideration for their potential role in neighbourhood-scale economic activity. However, as commercial rents rise, small businesses struggle to find affordable space, and cities worldwide experiment with laneway activation, Toronto is in a position to rethink the function of its laneways as dynamic, mixed-use urban spaces.

By integrating small-scale retail, services, professional offices, maker spaces, and hospitality businesses into laneways, the city could diversify local economies, enhance walkability, and support neighbourhood vibrancy while maintaining compatibility with surrounding residential areas. However, regulatory and servicing barriers remain significant, and careful policy considerations are required to ensure laneway activation is both feasible and contextually appropriate.



Figure 2.1: Old York Lane
Image by Unknown. Source.

2.2 Understanding the Evolution of Toronto's Public Laneways

Toronto's laneways were originally designed as secondary access routes, primarily serving as backlot service corridors. Unlike cities where laneways historically supported commerce, Toronto's land use policies have largely restricted them to servicing and parking functions, with limited residential intensification through laneway suites. While some businesses have successfully integrated into laneway settings—primarily in Mixed Use and Employment Areas—these precedents exist outside of the Neighbourhoods-designated areas, where commercial uses are largely prohibited.

In recent years, interest in small-scale economic diversification, complete communities, and flexible business models has led to a growing conversation about the potential of laneways as affordable, adaptable spaces for homeowners, entrepreneurs and small businesses. As part of a broader city-building strategy, laneway activation could contribute to economic resilience, neighbourhood vibrancy, and public space enhancement, once the zoning, servicing and infrastructure barriers have been addressed. In some cases, lower-impact uses may be accommodated with limited servicing or infrastructure enhancements.

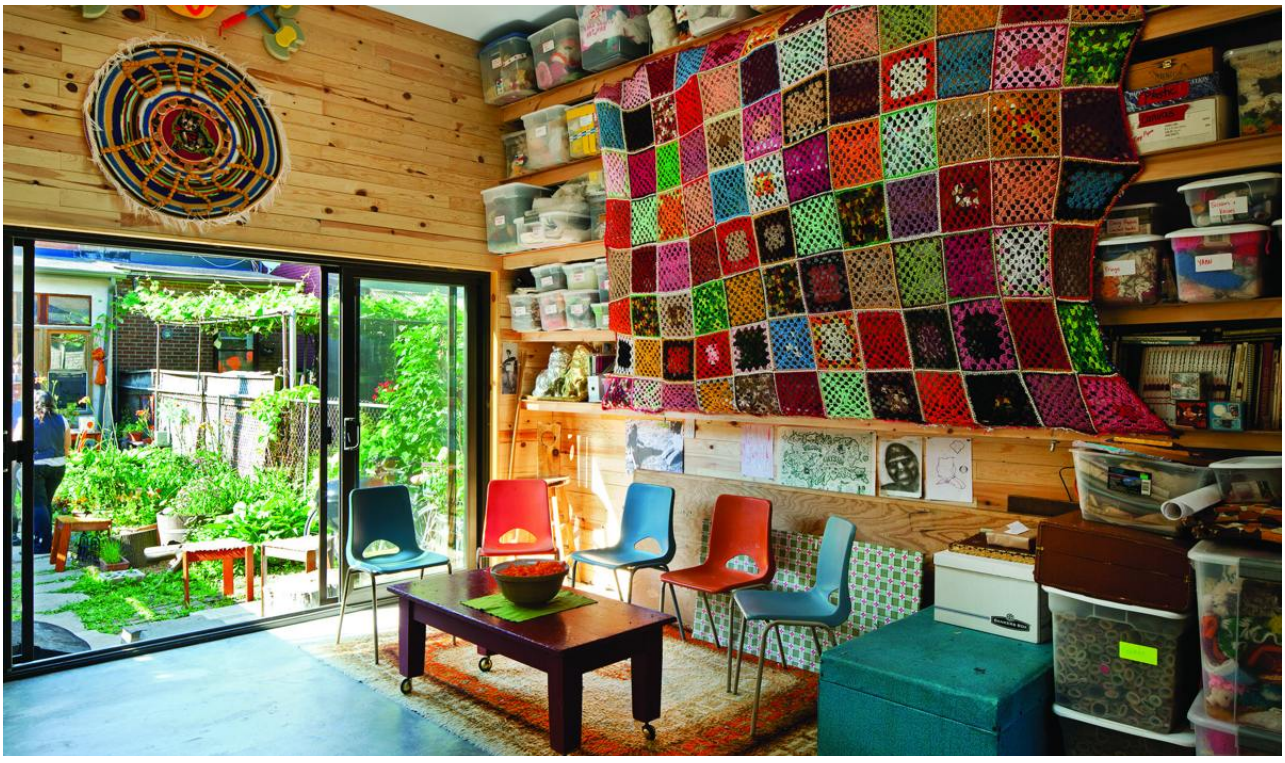


Figure 2.2: Feminist Art Gallery & Studio Laneway by LGA Architectural Partners. Image by A-Frame.

2.3 Addressing Barriers to Small Business and Economic Activity

Despite the growing demand for low-cost, small-scale commercial spaces, several factors continue to limit the viability of laneway-based businesses in Toronto. The EHON Neighbourhood Retail and Services amendments now permit some small-scale commercial activity in Residential zones, including expanded home occupations in ancillary buildings and structures, limited retail permissions on qualifying neighbourhood-interior lots, and broader permissions on major-street lots. These reforms are significant, but they do not fully resolve the barriers facing laneway-based commercial and employment activity, particularly where uses are independently tenanted, operated by non-residents, located in rear-yard ancillary buildings outside the home occupation framework, clustered along public laneways, or primarily oriented to the laneway rather than to a street frontage. The high cost of commercial rent in traditional retail corridors makes it difficult for small businesses and startups to establish themselves, and the limited availability of small-format spaces further restricts access to affordable commercial units.

Additionally, Toronto lacks low-cost, flexible business incubation spaces that allow entrepreneurs to test concepts before expanding. Without dedicated zoning or incentive programs, small businesses struggle to find locations suited to their scale and operational needs. Servicing constraints, including inadequate waste management, limited emergency access, and insufficient infrastructure capacity, further complicate the feasibility of laneway-based economic activity. Addressing these barriers through targeted policy adjustments and pilot projects could enable a low-impact, incremental approach to laneway activation, expanding economic opportunities while maintaining neighbourhood stability.

2.4 Rethinking Laneways as Economic and Public Spaces

Public laneways have the potential to function as small-scale commercial and employment hubs, offering affordable alternatives to traditional retail corridors. Existing laneway-based businesses in Toronto—such as artisan workshops, boutique retail, craft bakeries, micro-breweries, and live-work spaces—demonstrate that small-scale economic activity can be viable in these settings. However, most of these businesses exist in areas already zoned for commercial activity, meaning they do not provide a scalable model for broader laneway activation within residential neighbourhoods.

For laneways to serve a more integrated role in Toronto's urban economy, they must be designed to balance economic uses with servicing needs, pedestrian mobility, and public realm enhancements. Considerations for waste management, wayfinding, lighting, and accessibility will be critical to ensuring that laneways can support new business activity without compromising their existing functions. Additionally, laneway activation presents an opportunity to incorporate sustainability measures, such as permeable paving for stormwater management, urban greenery for cooling and biodiversity, and energy-efficient lighting for improved personal safety. Ensuring safe and functional laneway access will also be key, including pedestrian-friendly design interventions and clear guidelines for how laneway businesses interact with public space. Establishing clear responsibilities for upkeep, safety enforcement, and servicing will be necessary to ensure laneway activation remains viable in the long term.

2.5 Applying Lessons from Around the World

Globally, several cities have successfully integrated small-scale commercial and employment uses into laneways, offering valuable insights for Toronto. Tokyo's Yokocho alleyways demonstrate the potential for small-scale, high-density hospitality and retail clusters, where compact, pedestrian-oriented spaces foster vibrant social and economic interactions. Barcelona's Gothic Quarter and Superblocks highlight how pedestrianized laneways can support retail, hospitality, and cultural venues while enhancing walkability and public space quality.

Melbourne has transformed service alleys into thriving commercial corridors, using zoning flexibility, adaptive reuse, and public art to support diverse business models. San Francisco's alleyway revitalization demonstrates how hybrid spaces can blend retail, hospitality, and community programming, fostering mixed-use development in pedestrian-friendly corridors. London's historic mews illustrate how laneways can evolve into mixed-use spaces that balance residential, retail, and professional services, leveraging adaptive reuse policies and incremental zoning changes. Vancouver's laneway initiatives demonstrate how cities can incrementally introduce new residential uses in laneways while maintaining neighbourhood compatibility.

While laneway houses in Vancouver remain strictly residential, the city's approach to gradual zoning reform and infrastructure planning offers insights into how Toronto could phase in additional laneway functions over time.



Figure 2.3: Mews of Mayfair Restaurant, London.
Photo by Geeta - @yellowshoesorangeumbrella.

These global precedents reinforce that Toronto's laneways could accommodate small-scale businesses, provided that zoning, servicing, and infrastructure barriers are addressed. In some cases, lower-impact uses may be accommodated with limited servicing or infrastructure enhancements, subject to site-specific review. Lessons from other cities emphasize the importance of zoning flexibility, phased implementation, and public realm improvements to support sustainable laneway activation.

2.6 Addressing Policy and Regulatory Barriers

While local precedents and global case studies highlight the benefits of laneway-based commercial and employment uses, Toronto's zoning framework, servicing limitations, and policy barriers continue to require careful attention. The EHON Neighbourhood Retail and Services amendments represent an important shift in the City's approach to small-scale commercial activity in Residential zones. They establish broader permissions on major streets, limited retail permissions in selected neighbourhood-interior conditions, and expanded home occupation permissions that may apply directly to ancillary buildings and structures.

However, those permissions were not designed as a comprehensive mixed-use laneway framework. The home occupation permissions provide the clearest pathway for business activity in detached garages, laneway-facing ancillary buildings, and other rear-yard structures, but remain tied to the principal residence of the business operator. By contrast, the neighbourhood-interior retail and major-street commercial permissions are more street- and building-oriented. They may be relevant to laneway-adjacent lots where the lot independently satisfies the applicable criteria, but they should not be read as general permissions for commercial uses in rear-yard ancillary buildings or for uses primarily oriented to public laneways.

As a result, policy and regulatory barriers remain for many of the uses explored in this Study, particularly independent laneway commercial suites, clustered maker or employment uses, laneway-facing retail and services, and non-residential uses that are not accessory to a residence. These barriers should be assessed during the EHON monitoring and review period, with particular attention to servicing and infrastructure limitations, waste collection, emergency access, pedestrian movement, noise, lighting, signage, and compatibility with adjacent residential uses.



Figure 2.4: Langford Laneway House by LGA Architectural Partners.
Image by Robert Burley.



Figure D: Filmmaker's Studio by Office OU
Photo by Michael VanLeur



3.0 Policy Analysis

This section evaluates the existing provincial and municipal planning frameworks governing laneway-based non-residential and mixed-use developments.

3.1 Approach and Methodology

The Policy and Regulatory Analysis involved reviewing key provincial and municipal planning documents, focusing specifically on the Provincial Planning Statement (2024), the City of Toronto Official Plan (As Amended), and Zoning By-law 569-2013 (As Amended). These documents were assessed regarding their capacity to accommodate or constrain small-scale commercial uses in laneways. The review concentrated on key policy themes: growth management, land use compatibility, economic development, and urban design, evaluating the intersection of these themes with the objectives of laneway revitalization. This structured approach identified both constraints and opportunities within the current policy context, establishing a foundation for subsequent recommendations.

The Study has been prepared in the context of the City's EHON Neighbourhood Retail and Services initiative and the resulting zoning amendments. The analysis in this section should therefore be read as both a review of the underlying policy framework and an assessment of how the new permissions may affect laneway-based implementation. The amendments establish a useful foundation for neighbourhood-scale commercial activity, but they also clarify the remaining regulatory gap for mixed-use laneways.

3.2 Provincial Planning Statement (2024)

The Provincial Planning Statement provides direction on land use planning and development across Ontario, emphasizing intensification, economic development, efficient land use, and sustainable growth. The policy framework supports the integration of a mix of uses within existing urban areas while ensuring compatibility with surrounding land uses. Several policies within the Provincial Planning Statement align with the Study's objectives by guiding how land and infrastructure should be used efficiently, how employment and economic activity can be supported in existing communities, and how built form and design should respond to local conditions.

The Provincial Planning Statement provides a policy framework that supports the Study's focus on optimizing land use, facilitating small-scale economic activity, promoting compact and transit-supportive development, and ensuring land use compatibility in existing urban areas. While the Provincial Planning Statement does not explicitly reference the role of laneways, its broader objectives align with the Study's analysis of how urban spaces can be adapted to support economic and community functions. The Study contributes to local-level policy discussions by demonstrating how Provincial Planning Statement policies can be implemented within Toronto's planning and regulatory framework.

Growth Management and Intensification

The Provincial Planning Statement prioritizes directing growth to areas where infrastructure and services already exist, encouraging compact and efficient development that supports a mix of land uses. Policies emphasize intensification within urban areas to accommodate population and employment growth while maintaining the stability of established communities. (Policies 2.4.1.1 – 2.4.1.2)

The Study is informed by the objective of optimizing the use of underutilized land within the urban fabric. The Provincial Planning Statement supports this approach by reinforcing the importance of accommodating a mix of uses in appropriate locations while ensuring compatibility with existing land use patterns.

Efficient Use of Land and Infrastructure

The Provincial Planning Statement directs municipalities to maximize the use of existing land and infrastructure before considering new development areas. Policies emphasize the adaptive reuse of buildings and sites and the importance of transit-supportive development that reduces reliance on new infrastructure investment. (Policies 2.3.1.2 and 2.6.1.1)



Figure 3.1: Bar Neon's Bread & Wine on a Bloordale Laneway
Photo by Daniel Neuhaus.

The Study considers opportunities to make more efficient use of urban land while leveraging existing infrastructure. This aligns with Provincial Planning Statement policies that encourage municipalities to facilitate compact development patterns that make better use of municipal servicing, transit, and active transportation infrastructure.

Economic Development and Employment

The Provincial Planning Statement supports the integration of employment-generating uses into urban areas, promoting economic diversification and compact mixed-use development. Policies encourage a range of employment opportunities that are compatible with surrounding land uses, while also facilitating small-scale economic activity that supports complete communities. (Policies 2.8.1.1 – 2.8.1.3)



Figure 3.2: Bar Neon's Bread & Wine on a Bloordale Laneway
Photo by Fareen Karim.

The Study responds to Provincial Planning Statement objectives related to expanding local employment opportunities and economic activity in existing communities. The integration of employment functions into established urban areas aligns with the provincial direction to create more complete and economically diverse communities that allow for a range of business and employment activities.

Transit-Supportive Development and Complete Communities

The Provincial Planning Statement promotes development patterns that support public transit and active transportation. Policies encourage land use arrangements that reduce car dependency and contribute to complete communities by integrating residential, employment, and commercial uses in well-connected locations. (Policies 2.4.2.3 and 2.5.1.1)

The Study considers how land use and urban design can support more walkable environments with improved connections to transit and services. This aligns with the Provincial Planning Statement direction to encourage compact, transit-supportive land use patterns that reduce the need for automobile travel while enhancing accessibility to goods and services.

Land Use Compatibility and Urban Design

The Provincial Planning Statement emphasizes the importance of ensuring compatibility between different land uses, particularly where new development is introduced into established urban areas. Policies require that planning authorities consider built form, public realm improvements, and the relationship between new and existing uses to promote high-quality design outcomes. (Policies 2.6.3.1 and 2.6.4.1)



Figure 3.3: Gagné Contemporary Art Gallery in Leslieville near the intersection of Pape St and Dundas St East. Photo by Blair. Scorgie

The Study is informed by the need to balance new land use opportunities with the existing character of urban neighbourhoods. The Provincial Planning Statement provides a policy basis for ensuring that new development contributes to a high-quality public realm and is designed to integrate appropriately with surrounding land uses.

3.3 City of Toronto Official Plan (As Amended)

The Toronto Official Plan ("Official Plan") establishes the City's long-term vision for growth and development, guiding land use, urban design, economic activity, and infrastructure investment. The policies in the Official Plan emphasize complete communities, intensification within built-up areas, and the enhancement of the public realm. Several policies are relevant to the Study's objective of exploring opportunities for non-residential uses in laneways within Neighbourhoods-designated areas, particularly as they relate to land use compatibility, economic diversity, and urban design considerations.

The Official Plan provides a policy foundation for evaluating the role of laneways within established Neighbourhoods. While laneways are not explicitly identified as an opportunity for new non-residential uses, the overarching policy themes related to land use compatibility, economic diversity, built form, and public realm improvements align with the Study's objectives. The Study will contribute to local-level policy discussions by assessing how Official Plan policies can be applied to guide decision-making regarding laneway intensification in a way that is sensitive to the character and function of existing neighbourhoods.

Land Use Designations and Neighbourhood Stability
The Official Plan designates much of the city's low-rise residential areas as Neighbourhoods, which are intended to remain stable while allowing for compatible forms of intensification. Policies reinforce the importance of maintaining the prevailing physical character of these areas, ensuring that new development respects established building patterns, lot sizes, and uses. (Policies in Chapter 4.1 – Neighbourhoods)

The Study considers how new economic and employment uses could be introduced in Neighbourhoods while maintaining the stability of residential areas. The Official Plan provides a framework for evaluating whether small-scale commercial or employment functions could be integrated in a manner that is compatible with the surrounding built form. Any proposed non-residential uses would need to be carefully designed to align with the Neighbourhoods designation's emphasis on preserving the local character.

Public Realm and Built Form

The Official Plan emphasizes the importance of high-quality urban design and the role of the public realm in creating livable, pedestrian-friendly environments. Policies encourage development that improves streetscapes, enhances safety, and contributes to a visually appealing and functional urban setting. Built form policies ensure that new development fits harmoniously within the existing or planned context and promotes a well-integrated public realm. (Policies in Chapter 3.1.1 – The Public Realm and Chapter 3.1.2 – Built Form)

The Study aligns with these objectives by considering urban design and public realm improvements in public laneways, ensuring that any new uses contribute positively to the surrounding environment. The Study is informed by the need to balance pedestrian accessibility, safety, and public realm enhancements with the functional requirements of servicing and mobility. The Official Plan provides direction on how new built form should respond to its surroundings, guiding considerations related to building setbacks, height, frontage, and the relationship between laneway-facing uses and adjacent properties.

Economic Development and Employment Opportunities

The Official Plan supports the creation of a diverse economic base, encouraging a mix of employment uses throughout the city. Policies emphasize the importance of ensuring employment opportunities are distributed across Neighbourhoods to reduce commuting distances and promote complete communities. (Policies in Chapter 2.2.3 – A Diverse Economy)

The Study examines how small-scale economic activities—such as artisan workshops, professional services, and micro-retail spaces—could be introduced in public laneways. These types of uses align with the Official Plan's goal of diversifying employment opportunities within existing neighbourhoods, particularly where there is a demonstrated demand for low-barrier business spaces and alternative workspace models.

Housing Diversity and Mixed-Use Development

The Official Plan encourages housing diversity and mixed-use development to support affordable and inclusive communities. Policies direct mixed-use development to designated Mixed Use Areas, where residential, commercial, and institutional uses are encouraged to co-exist. (Policies in Chapter 3.2.1 – Housing and Chapter 4.5 – Mixed Use Areas)

While laneways within Neighbourhoods are not designated as Mixed Use Areas, the Study explores whether certain types of small-scale commercial and employment uses could function as ancillary or complementary land

uses within a predominantly residential setting. The Official Plan's policies on mixed-use development provide guidance on how residential and non-residential uses can be integrated while maintaining compatibility with surrounding properties.

Mobility, Active Transportation and Infrastructure

The Official Plan prioritizes active transportation and transit-oriented development, encouraging pedestrian-friendly environments and compact urban forms that reduce car dependency. Infrastructure policies emphasize the need for development to align with existing servicing capacity while ensuring municipal infrastructure can support growth. (Policies in Chapter 2.4 – Transportation and Chapter 3.4 – Infrastructure and Services)

The Study considers how laneways function as public rights-of-way, evaluating their potential for improved pedestrian and cycling infrastructure in areas where non-residential uses could be introduced. Additionally, the Study is informed by the need to assess servicing capacity, including water, wastewater, and stormwater management, to determine the feasibility of introducing new functions into public laneways. The Official Plan provides direction on how infrastructure constraints and opportunities should be factored into planning decisions.



Figure 3.4: Gagné Contemporary Art Gallery in Leslieville near the intersection of Pape St and Dundas St East. Photo by Tura Cousins Wilson.



Figure 3.5: Laneway Park-ing in Leslieville by The Laneway Project.
Photo by unknown. Source

3.4 City of Toronto Zoning By-law 569-2013 (As Amended)

Zoning By-law 569-2013 ("Zoning By-law") establishes the regulatory framework for land use, built form, and development permissions across the City of Toronto. It defines permitted uses within different zones, sets performance standards related to building height, setbacks, and density, and regulates matters such as parking, access, and servicing. Several provisions within the Zoning By-law are relevant to this Study, particularly regarding permitted uses within Residential zones, the treatment of public laneways, the regulation of ancillary buildings and structures, and the ability to introduce small-scale commercial and employment functions in a primarily residential setting.

The Zoning By-law has traditionally reinforced the predominantly residential function of Neighbourhoods by limiting non-residential uses in Residential zones. More recently, the zoning framework has evolved through initiatives such as Changing Lanes, multiplex permissions, expanded home occupations, and the EHON Neighbourhood Retail and Services amendments. These reforms demonstrate that the by-law can be adapted incrementally to support new forms of low-impact activity in residential neighbourhoods, provided that compatibility, built form, access, and servicing matters are addressed.

Residential Zoning Regulations and Permissions

The Zoning By-law designates much of Toronto's low-rise residential fabric as Residential (R), Residential Detached (RD), Residential Semi-Detached (RS), Residential Townhouse (RT), or Residential Multiple (RM) zones. Within these zones, permitted uses have historically been primarily residential, with limited permissions for home occupations, local institutions, parks, and ancillary structures such as garages and laneway suites. The EHON Neighbourhood Retail and Services amendments now add a new layer of small-scale commercial permissions in Residential zones, but these permissions are structured around specific conditions.

For the purposes of this Study, the most relevant distinction is between permissions that apply directly to ancillary buildings and permissions that may apply only where a lot or building satisfies specific street-oriented criteria. The expanded home occupation permissions may enable certain residence-linked business activities in ancillary buildings or structures. The neighbourhood-interior retail permissions may support limited retail activity on qualifying lots, and the major-street permissions may support broader commercial activity on qualifying major-street lots. However, the latter two

permission streams do not create a general permission for commercial uses in rear-yard ancillary buildings, independent commercial tenancies fronting onto public laneways, or a dedicated mixed-use laneway category.

Laneway Suites and Ancillary Structures

The Changing Lanes Initiative amended the Zoning By-law to permit laneway suites as-of-right in Residential zones across Toronto. Laneway suites are self-contained residential units located on the same lot as a principal dwelling, subject to requirements related to access, servicing, setbacks, separation distances, height, and other built form standards. These permissions do not extend to general commercial or employment uses, and therefore continue to reinforce the residential orientation of most laneway development in Neighbourhoods.

The laneway suite regulations remain a critical precedent for this Study because they demonstrate how the City can introduce a new use condition into public laneways through a comprehensive zoning framework. A similar approach could be used to evaluate whether limited commercial or employment functions should be permitted in laneways, subject to performance standards addressing scale, access, servicing, waste storage, hours of operation, noise, lighting, signage, and compatibility with adjacent residential uses.



Figure 3.6:Pilot Coffee's 'hub' by WilliamsonWilliamson
The first public coffee roasting facility in Toronto, transforming a forgotten warehouse on Wagstaff Drive into a catalyst for revitalizing the area. Photo by Scott Norsworthy.

EHON Neighbourhood Retail and Services Permissions

The EHON Neighbourhood Retail and Services amendments are directly relevant to the next phase of laneway analysis, but the permissions operate differently depending on the use, building type, and lot condition. The expanded home occupation permissions provide the clearest direct relationship to ancillary buildings and laneway-facing structures. A home occupation may now occur within a dwelling unit, living accommodation, or ancillary building or structure, provided the dwelling unit or living accommodation is the principal residence of the business operator. The amended permissions may support certain low-impact uses in detached garages, laneway-facing ancillary buildings, and other rear-yard structures, subject to applicable floor area, employee, customer/client attendance, storage, and operational restrictions. This creates a limited but important pathway for residence-linked laneway-adjacent economic activity.

The neighbourhood-interior retail permissions are more limited for laneway purposes. They apply to qualifying lots that do not abut a major street and permit a retail store in a non-residential building, detached house, or detached houseplex, subject to applicable criteria. These criteria include a corner lot abutting a community street, a lot abutting a park or public school that fronts on the same street, or a lot abutting another lot on the same street in specified commercial, commercial-residential, commercial-residential-employment, or institutional zone categories. The permissions may be relevant where a laneway-adjacent lot independently satisfies one of these criteria. However, they should not be understood as a general permission for retail uses in rear-yard ancillary buildings or for retail stores fronting onto, accessed primarily from, or clustered along public laneways.

The major-street commercial permissions are similarly street- and building-oriented. They may be relevant to lots that abut a major street and also have a rear or side relationship to a public laneway. However, the permissions apply to listed commercial and non-residential uses located in a lawfully existing non-residential building or permitted residential building type on a lot with a front or side lot line abutting a major street. They include standards related to floor area, location within the building, entrance orientation and proximity to the major-street lot line, waste storage, outdoor display, and other operational controls. They do not generally create permission for commercial uses in rear-yard ancillary buildings, nor do they fully resolve the question of commercial uses primarily oriented to laneways.

Together, these permissions provide an important foundation, but not a complete mixed-use laneway framework. The clearest ancillary-building pathway is the home occupation permission, which remains tied to the principal residence of the business operator and does not

support independent commercial tenancies or businesses operated by non-residents. The neighbourhood-interior retail and major-street permissions may support certain street-facing or street-related laneway-adjacent conditions, but they do not create a general laneway commercial permission. Further monitoring is therefore required to determine whether a second-stage laneway-specific framework is warranted.

Commercial and Employment Regulations and Permissions

The Zoning By-law permits a broad range of commercial and employment uses within Commercial Residential (CR), Commercial Local (CL), Commercial Apartment (CA), and Employment (E) zones. These zones permit retail, office, service-based businesses, production, light industrial functions, and related uses, subject to zoning regulations related to frontage, height, parking, loading, and other performance standards. Many existing laneway-based businesses in Toronto are located in or near these commercial and employment contexts.

The challenge addressed by this Study is different. It concerns public laneways within or adjoining Residential zones and Neighbourhoods-designated lands, where commercial permissions remain more limited. The EHON amendments narrow this gap in certain conditions, but they do not fully extend commercial and employment permissions into public laneways located within residential interiors.



Figure 3.7: Laneway Studio by VFA
Photo by Scott Norsworthy.

Performance Standards, Servicing and Access

The Zoning By-law establishes performance standards that regulate building height, lot coverage, and setbacks in each zoning category. In Residential zones, height restrictions typically range from 8.5m to 12m, and setbacks and separation distances are required to ensure adequate separation between structures. The by-law also contains minimum parking and loading requirements for commercial and employment uses, which could be a challenge in laneway environments with limited space for on-site parking or deliveries. (Provisions for Building Height, Setbacks, Lot Coverage, and Parking)

Introducing new non-residential functions into public laneways would require modifications to performance standards, particularly for building height, setbacks, and parking requirements. The Study considers how urban design strategies and regulatory adjustments could allow for context-sensitive non-residential uses that respect the scale of surrounding residential properties while enhancing laneway functionality.

Servicing, Access and Right-of-Way Considerations

The Zoning By-law incorporates servicing and access requirements to ensure that new developments can be adequately served by municipal infrastructure. In public laneways, challenges related to fire access, emergency servicing, and waste collection must be considered, particularly if new non-residential uses are introduced. (Provisions for Municipal Servicing, Fire Access, and Rights-of-Way)

The Study considers the capacity of existing laneway infrastructure to support new uses. If expanded functions in laneways require modifications to servicing or emergency access, the Zoning By-law may need to be amended to allow for flexible access standards, alternative servicing strategies, site-specific solutions or performance-based outcomes to accommodate these new uses.

3.5 Key Opportunities and Challenges

Key opportunities identified in the analysis include alignment with broader provincial and municipal objectives supporting compact growth, complete communities, economic diversification, walkability, and efficient use of existing land and infrastructure. Provincial policies support intensification, mixed-use communities, and economic activity in existing settlement areas, while municipal policies support neighbourhood amenities, local employment, and public realm improvements.

The EHON Neighbourhood Retail and Services amendments create a more favourable regulatory baseline for this Study. The expanded home occupation permissions provide a pathway for some residence-linked laneway-adjacent business activity in ancillary buildings and structures. The neighbourhood-interior retail permissions may support qualifying lots with a laneway relationship where the lot independently satisfies the applicable criteria. The major-street permissions confirm that a broader range of small-scale commercial uses may be appropriate on qualifying Residential-zoned major-street lots, although those permissions remain oriented to the major-street frontage and associated building standards.

However, significant challenges remain. The new permissions do not establish a comprehensive mixed-use laneway framework. Interior residential laneways, independent laneway commercial tenancies, clustered maker or employment uses, and laneway-facing retail or service uses may still require additional zoning amendments or a dedicated regulatory framework. Practical barriers also remain, including waste storage, emergency access, pedestrian safety, servicing capacity, noise, lighting, signage, deliveries, and compatibility with adjacent residential properties.



Figure 3.8: Burwood Chinatown
Photo by Basalt Studio.



Figure 3.9: Layers of #RushLaneMe
A public laneway party in Toronto's Graffiti Alley, south of Queen St W, in between Portland and Augusta. By the Laneway Project. Source.

3.6 Conclusion

The Policy and Regulatory Analysis reveals strong alignment between provincial and municipal policy objectives and the potential for laneway-based non-residential activation. The EHON Neighbourhood Retail and Services amendments now provide an important first layer of zoning permissions for neighbourhood-scale commercial activity. They also create a practical monitoring opportunity for laneway-adjacent implementation.

However, the new permissions do not fully address the public laneway condition. They are structured around residence-linked home occupations, qualifying neighbourhood-interior retail lots, and major-street buildings and frontages. Public laneways raise distinct questions related to access, servicing, built form, waste, noise, safety, and the relationship between rear-lot activity and residential dwellings. Future policy efforts should therefore use the EHON monitoring and review period to evaluate laneway-adjacent activity and determine whether a further laneway-specific zoning framework is warranted.



Figure E: Public wedding march in Leslieville laneway.
Source - Tura Cousins Wilson



4.0 Planning Study Analysis

This section examines municipal planning initiatives relevant to integrating non-residential and mixed-use functions into Toronto's public laneways. Particular attention is given to the EHON Neighbourhood Retail and Services initiative, which has resulted in approved zoning amendments and a monitoring and review period that may inform future refinements. The analysis considers how the approved permissions may support some laneway-adjacent conditions, while also identifying where public laneways remain a distinct implementation question.

4.1 Approach and Methodology

The Planning Study Analysis involved reviewing municipal initiatives such as the EHON Neighbourhood Retail and Services Study, the Laneway Suites Monitoring Report, the Retail Main Streets Study, Priority Retail Streets Zoning By-law Amendments, and the Toronto Employment Survey. The focus was on zoning permissions, built form considerations, servicing constraints, affordable commercial space, pedestrian-oriented design, and implementation tools.

The City has approved amendments for major-street commercial permissions, selected neighbourhood-interior retail permissions, and expanded home occupation permissions. The City has also identified a monitoring and review period to evaluate how the new permissions are used and whether refinements are required. This Study is intended to inform that monitoring and review period by identifying laneway-specific issues and opportunities.

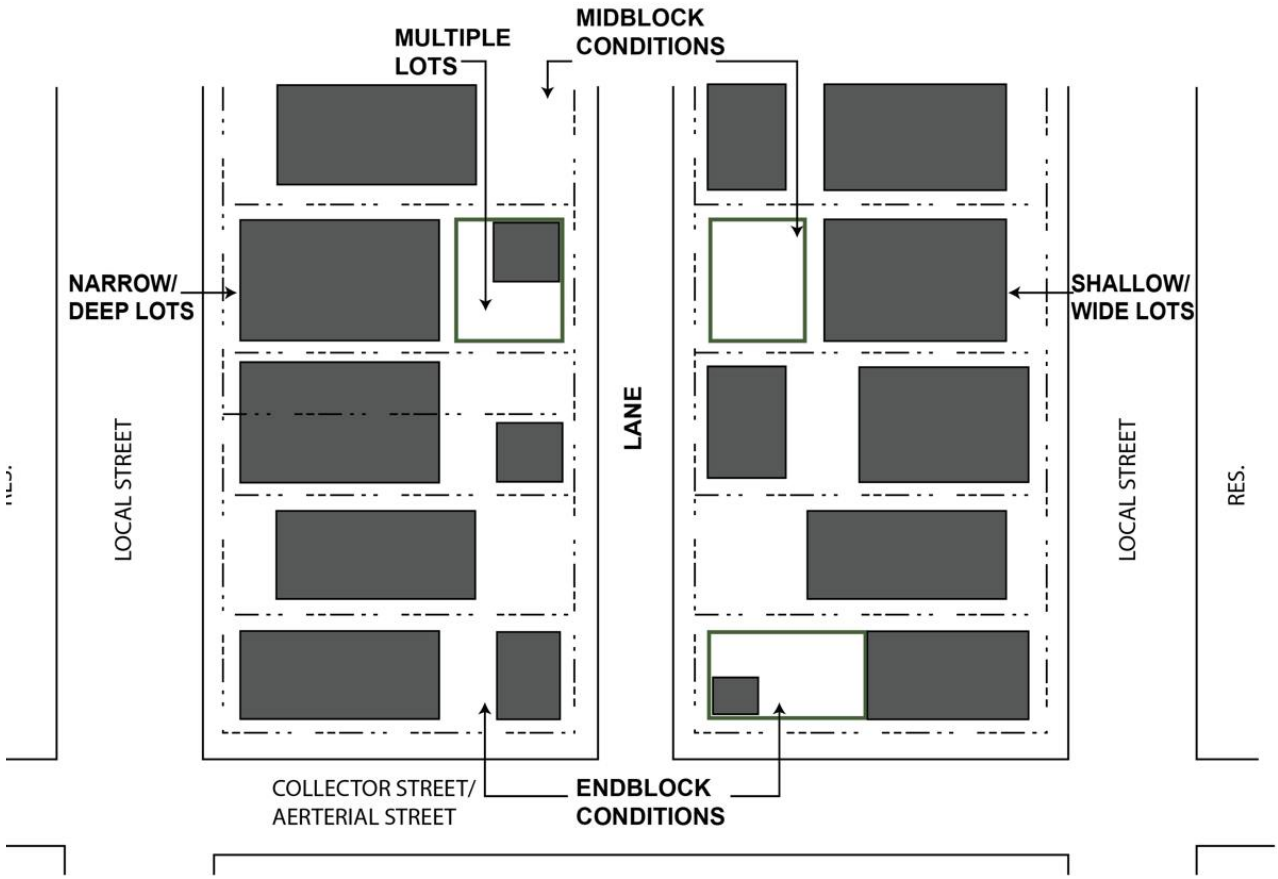


Figure 4.1: Neighbourhood Interior Condition.
"I" Shaped Laneway. Rear Yard Laneway Interface. Illustration based on sketch by Blair Scorgie, redrawn by Hania Shehab.

4.2 Expanding Housing Options in Neighbourhoods Initiative - Neighbourhood Retail and Services Study (2025)

The EHON Neighbourhood Retail and Services Study was initiated to assess how small-scale retail, service, office, and home-based business uses could be integrated into Toronto's Neighbourhoods. It forms part of the broader EHON initiative, which seeks to expand housing choice, improve access to local services, and support more complete communities within low-rise residential areas.

The initiative has now moved from study to implementation through zoning amendments that permit additional neighbourhood-scale commercial activity in Residential zones. As discussed in Section 3.4, these permissions include expanded home occupation permissions that may apply directly to ancillary buildings and structures, limited retail permissions on qualifying neighbourhood-interior lots, and broader small-scale commercial permissions on qualifying major-street lots.

For the purposes of this Study, the significance of the EHON Neighbourhood Retail and Services work is not simply that it creates new permissions. It also establishes a monitoring and review period through which the City can evaluate how those permissions function in practice. Public laneways represent a distinct implementation condition within that review. They raise questions related to rear-lot access, servicing, waste storage, pedestrian movement, noise, deliveries, visibility, and adjacency to residential rear yards that differ from conventional main-street, corner-store, or home-occupation conditions.

The EHON amendments should therefore be understood as an important first implementation layer rather than a complete response to mixed-use laneways. This Study is intended to inform the monitoring and review period by identifying the laneway-specific conditions that should be tracked, the uses that may be partially enabled, the conditions that remain outside the current permissions, and the operational issues that should guide future refinements.

Supporting Local Commercial Services in Residential Areas

The Neighbourhood Retail and Services Study identifies gaps in local commercial services, emphasizing the importance of walkable access to small-scale retail and personal services within residential communities. It recognizes that many neighbourhoods lack convenience-oriented retail, health services, and professional offices, resulting in residents having to travel further to access essential goods and services. (Study Direction on Expanding Retail and Services)

The Study examines whether laneways could serve as a location for small-scale retail, service, office, manufacturing and light industrial uses that support surrounding residential areas. Aligning with the Neighbourhood Retail and Services Study, this would help fill gaps in local commercial services while encouraging low-impact, pedestrian-oriented retail and employment opportunities within walking distance of homes.

Balancing Commercial Uses with Residential Stability

The Neighbourhood Retail and Services Study highlights the need to carefully integrate commercial and service uses into residential areas to avoid negative impacts such as increased traffic, noise, or land use conflicts. It acknowledges that large-scale commercial development is not appropriate in Neighbourhoods, but that small, context-sensitive retail and services could be accommodated without undermining the stability of residential areas. (Study Direction on Protecting Residential Character)

This Study shares the objective of ensuring that any new laneway-based non-residential uses are compatible with surrounding homes. The Neighbourhood Retail and Services Study provides a framework for evaluating how site size, building form, and operational constraints could be used to mitigate potential impacts while ensuring that new commercial uses remain at a scale appropriate to residential neighbourhoods.

Addressing Zoning Barriers to Small-Scale Commercial Uses

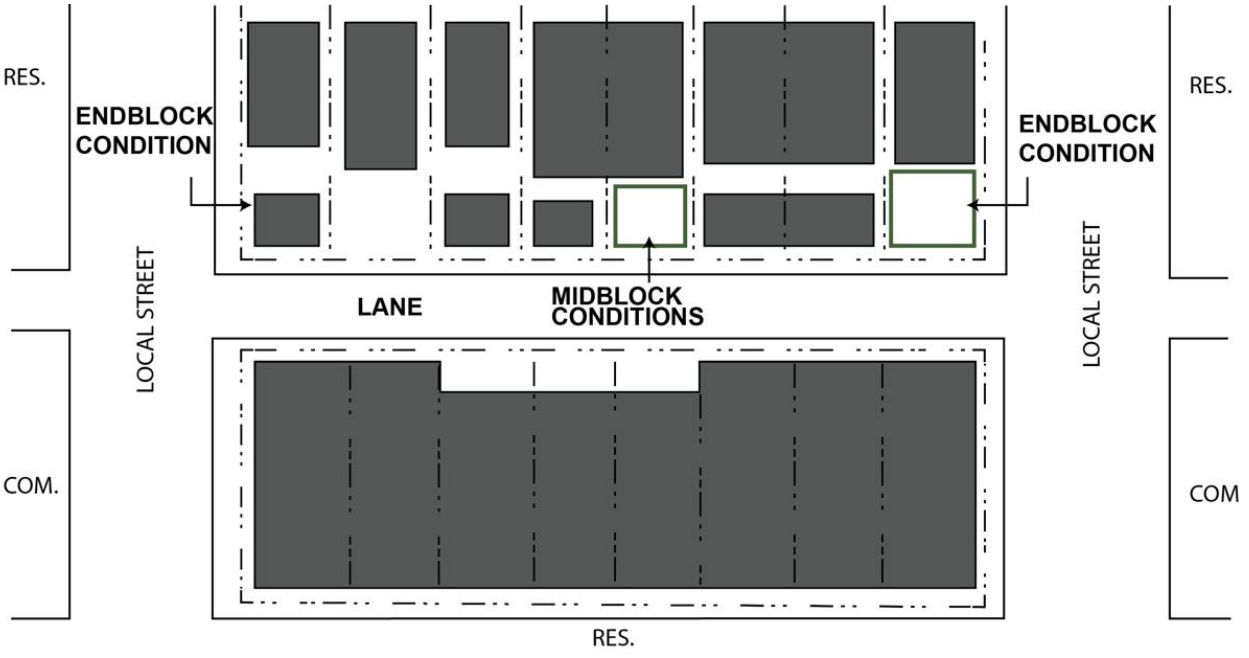
The Neighbourhood Retail and Services Study identifies zoning restrictions as a key barrier to introducing small-scale retail and service uses in Neighbourhoods. Current zoning limits commercial permissions to main streets, restricting opportunities for local-serving businesses in Neighbourhoods. It explores options for introducing zoning modifications that allow small-scale commercial uses in appropriate locations within residential settings. (Study Direction on Updating Zoning Permissions) The Study evaluates whether laneways could serve as an appropriate location for new non-residential uses, subject to zoning amendments or area-specific policies. This aligns with the Neighbourhood Retail and Services Study's recommendation that alternative approaches to zoning be explored to facilitate context-sensitive commercial uses in Neighbourhoods.

Walkability, Access to Amenities, and Complete Communities

The Neighbourhood Retail and Services Study supports Toronto's broader policy goals of creating complete, walkable communities where residents can access amenities, services, and employment opportunities without relying on private vehicles. It emphasizes the need to integrate commercial services into Neighbourhoods in a way that enhances active transportation connections. (Study Direction on Enhancing Walkability and Local Economic Activity)

The Study considers how public laneways could contribute to walkability and complete communities by introducing small-scale retail and services that are easily accessible by foot or bicycle. The Neighbourhood Retail and Services Study provides policy direction that supports locating local businesses within existing neighbourhoods, reinforcing the importance of pedestrian-friendly commercial uses that complement residential areas.


MIDBLOCK
CONDITIONS
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RES.
LOCAL STREET
LOCAL STREET
ENDBLOCK
CONDITION
LANE
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LOCAL COLLECTOR
ARTERIAL STREET


RES.
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Ensuring Economic Viability and Supporting Local Entrepreneurs
The Neighbourhood Retail and Services Study acknowledges that rising commercial rents and limited storefront availability have made it difficult for small businesses and entrepreneurs to establish operations within residential areas. It explores strategies to provide affordable, small-scale commercial spaces that support a diverse range of businesses. (Direction on Commercial Affordability and Small Business Support)

The Study considers whether public laneways could serve as locations for affordable, flexible business spaces, particularly for micro-retail, professional services, and creative industries. Aligning with the Neighbourhood Retail and Services Study, this approach supports economic diversity by providing opportunities for entrepreneurs to operate in residential settings where commercial space is otherwise limited.

4.3 City of Toronto Laneway Suites Monitoring Report (2021)

The Laneway Suites Monitoring Report was prepared to assess the impact of the Changing Lanes initiative, which introduced as-of-right permissions for laneway suites in residential neighbourhoods. The report evaluates the uptake of laneway suites, zoning and variance applications, servicing and infrastructure considerations, and the role of laneway housing in Toronto's broader housing strategy. It also examines how the program has influenced residential density, infrastructure demand, and neighbourhood character.

While the Laneway Suites Monitoring Report focuses on residential intensification, it provides critical insights into zoning, servicing, and fire access considerations that are directly relevant to the potential introduction of non-residential laneway uses. The process of integrating laneway suites into Toronto's urban fabric demonstrates that incremental zoning adjustments can facilitate new forms of development in laneways while ensuring compatibility with surrounding neighbourhoods.

One of the key findings of the report is the relatively strong market demand for laneway suites, as evidenced by 238 building permit applications received as of May 2021 (Increased to 540 building permit applications by September of 2024). The report also highlights that 94% of approved laneway suites were designed as two-storey structures. Additionally, the report found that laneway suites were being used for a mix of purposes, including rental housing, extended family accommodations, and home-based living spaces, reflecting their flexibility in addressing housing needs.

Figure 4.2: Mixed Use Adjacency Condition. "T" Shaped Laneway. Rear and Side Yard Laneway Interface.

Figure 4.3: Mixed Use Adjacency Condition "I" Shaped Laneway. Rear Yard Laneway Interface.

Both illustrations are based on sketches by Blair Scorgie, redrawn by Hania Shehab.

The report further emphasizes the importance of servicing and emergency access considerations, particularly regarding waste collection, fire access, and municipal servicing capacity. While the majority of laneway suites were approved through as-of-right zoning, 167 minor variance applications were submitted, with 91 approved, indicating that site-specific constraints often necessitate zoning adjustments. These findings underscore the need for a more flexible zoning frameworks that can accommodate site-specific conditions while ensuring overall alignment with broader city-building objectives.

The incremental approach used to introduce laneway suites, which began with policy pilots and stakeholder consultation, offers a potential model for testing commercial and employment-based laneway activation. Similar approaches have been applied in Tokyo, Japan and London, England with respect to the introduction of non-residential uses in laneways and residential mews. The report's recommendations on servicing feasibility, fire access, and built form integration can inform best practices for expanding laneway functions beyond housing while ensuring that new uses remain viable, scalable, and contextually appropriate.

The lessons from this report reinforce the importance of adaptive and performance-based zoning approaches that allow for gradual policy changes without disrupting neighbourhood stability. With thoughtful implementation, small-scale commercial and employment uses could be introduced incrementally, ensuring that laneway businesses complement surrounding residential uses while addressing servicing and fire safety requirements. The findings also highlight how community engagement and pilot testing are key to ensuring laneway-based development aligns with broader city-building objectives, providing a strong precedent for the study's recommendations.

4.4 City of Toronto Retail Main Streets Study (2020)

The Retail Main Streets Study examines the challenges facing Toronto's small-scale, independent retail businesses, with a focus on rising rents, changing retail trends, and the increasing dominance of larger commercial offerings. It highlights the need to maintain vibrant, walkable retail environments and ensure that small businesses can access affordable commercial spaces. It also explores how regulatory policies and zoning frameworks impact the viability of small retailers.

The Retail Main Streets Study reinforces the importance of neighbourhood-oriented retail and service uses in supporting local economies. While it does not propose laneways as alternative commercial spaces, it



Figure 4.4: Neighbourhood Interior Condition.
"T" Shaped Laneway. Rear and Side Yard Laneway Interface. Illustration based on sketch by Blair Scorgie, redrawn by Hania Shehab.

does identify financial and zoning barriers that make it difficult for small businesses to secure storefronts on main streets. Public laneways could provide lower-cost, smaller-scale commercial spaces that support local entrepreneurship, many of whom do not require a street facing location or a high concentration of pedestrian foot traffic, offering an alternative to high-rent main street locations.

4.5 City of Toronto Priority Retail Streets Zoning By-law Amendments (2019)

The Priority Retail Streets Zoning By-law Amendments aim to protect and enhance pedestrian-oriented retail along designated streets. The amendments require that a certain percentage of ground-floor frontages in new developments be dedicated to retail and service uses, ensuring active streetscapes and preventing the loss of small-scale commercial spaces to non-commercial functions.

While these zoning amendments focus specifically on main streets, they demonstrate how regulatory tools can be used to protect and promote small-scale commercial activity. A similar approach could be considered for laneways, where zoning adjustments could enable context-sensitive

commercial uses that complement rather than compete with main street businesses. The emphasis on active frontages, pedestrian-oriented design, and small-scale retail viability aligns with the principles of laneway-based economic activation. Two of the design concepts, prepared as part of this Study, illustrate representative laneway sites that can capture a range of micro commercial activities with both street front and laneway exposure as well singular laneway facing uses.

4.6 City of Toronto Employment Lands and Economic Activity Study (Annual)

The Toronto Employment Survey is conducted annually to monitor employment trends, sectoral growth, and the spatial distribution of businesses across the city. It collects data from business establishments to provide a comprehensive overview of Toronto's economic landscape, tracking changes in employment densities, business types, and emerging industries. The survey plays a key role in informing land use planning and economic policies, helping to ensure that Toronto's employment lands remain adaptable to evolving economic needs.

The Toronto Employment Survey provides valuable insights into employment trends that can guide the introduction of non-residential uses into public laneways. By analyzing data on small business needs, emerging employment sectors, and local economic activity, the survey can help identify areas where laneway-based commercial and employment uses would be most beneficial. Additionally, the survey reinforces the need for diverse and flexible commercial spaces, particularly for micro-enterprises, freelancers, and creative industries that struggle to secure affordable workspaces in traditional commercial corridors. Laneway-based businesses could help fill gaps in Toronto's employment space market by providing low-cost alternatives for businesses that do not require high-visibility locations but still contribute to local economies.

4.7 Key Opportunities and Challenges

Key opportunities identified through the Planning Study Analysis include the City's recent movement toward small-scale commercial permissions in Residential zones, the growing policy emphasis on complete and walkable communities, and the increasing demand for flexible, affordable commercial and employment spaces. The EHON Neighbourhood Retail and Services amendments provide an important foundation for testing how neighbourhood-scale commercial activity functions in practice.



Figure 4.5: Neighbourhood Interior Condition.
"I" Shaped Laneway. Rear and Side Yard Laneway Interface. Illustration based on sketch by Blair Scorgie, redrawn by Hania Shehab.

For laneways, the most immediate opportunity relates to expanded home occupation permissions in ancillary buildings and structures. These permissions may support residence-linked business activity in detached garages, laneway-facing ancillary buildings, and other rear-yard structures. Additional opportunities may exist where laneway-adjacent lots independently qualify for neighbourhood-interior retail permissions, or where major-street lots have rear-laneway relationships. However, those latter permissions remain oriented to qualifying lots, street frontages, and building conditions rather than to public laneways as a distinct frontage condition.

The primary challenge is that the new permissions are not laneway-specific. They do not fully address independent commercial tenancies, clustered laneway employment uses, commercial activity primarily oriented to laneways, or broader retail and service uses in interior laneway conditions. Implementation challenges also remain, including waste storage, servicing, emergency access, deliveries, pedestrian safety, lighting, signage, noise, and compatibility with adjacent residential uses.

4.8 Conclusion

The Planning Study Analysis confirms that recent municipal studies and zoning initiatives provide a strong foundation for evaluating mixed-use laneways. Together, they demonstrate the City's incremental approach to adapting land use permissions, supporting neighbourhood-scale activity, and managing compatibility through targeted standards and monitoring.

The EHON Neighbourhood Retail and Services amendments are particularly relevant because they establish a new implementation framework for small-scale commercial activity in Residential zones. However, public laneways remain a distinct condition, with specific considerations related to rear-lot access, servicing, waste storage, pedestrian movement, deliveries, noise, visibility, and adjacency to residential rear yards.

The monitoring and review period should therefore include laneway-adjacent conditions as a specific area of focus, including home occupations in ancillary buildings, qualifying neighbourhood-interior lots with laneway relationships, and major-street properties with rear-laneway interfaces. This would help determine whether a second-stage laneway-specific zoning and design framework is warranted.



Figure 4.6: Gloucester Lane.
Photo by Bosley Commercial Team.



Figure F: Queen West Gallery by Laneway Custom Build
Photo by Kira Noel.



5.0 Geospatial Analysis

This section evaluates the feasibility of introducing non-residential and mixed-use functions into Toronto's public laneways using a geospatial framework. The objective is to identify spatial patterns, lot typologies, and urban contexts that may be conducive to laneway activation, and to support the development of realistic and scalable design and policy scenarios. The analysis establishes an empirical foundation for typology development and informs the selection of representative sites for testing development scenarios in later stages of the study.

5.1 Approach and Methodology

The geospatial analysis was designed to identify laneway-adjacent parcels across Toronto that exhibit physical or contextual characteristics suitable for non-residential or mixed-use development. The primary objectives were to define common laneway lot typologies, understand their spatial distribution and regulatory context, and inform the selection of representative sites for deeper architectural, economic, and policy analysis.

The analysis relied on parcel-level land data, laneway centrelines, Official Plan land use designations, zoning layers, and infrastructure servicing network data provided by the City of Toronto. A structured approach was used to isolate all lots directly abutting public laneways, calculate lot dimensions (width and depth), and assess how these characteristics were distributed city-wide. Lot dimensions were compiled and histogram analysis was used to visualize the frequency and distribution of lot sizes across Toronto.

In consultation with architectural collaborators, an “ideal” lot configuration was defined as approximately 6 metres in width and 36 metres in depth. A tolerance range of 4.7 to 7.0 metres in width and 35 to 37 metres in depth was applied to establish a subset of highly suitable parcels. These “ideal” lots provided a specific target development condition and served as a key metric for understanding the scope of laneway-based intensification potential.

In parallel, the analysis incorporated findings from Shim and Chong’s Site Unseen study (2004), which documented Toronto’s historical laneway system and categorized laneways based on block configuration and land use interfaces. These morphological insights were integrated into the typology framework to contextualize spatial patterns and to inform how laneway conditions might translate into viable built form scenarios. Together, the geospatial and morphological components provided an evidentiary basis for exploring the physical and policy conditions under which multi-use laneways might emerge as a viable urban form.

In light of the EHON Neighbourhood Retail and Services amendments, the geospatial analysis can also help interpret how the new permission structure may relate to different laneway conditions. In addition to physical and morphological factors, laneway-adjoining parcels can be considered based on whether they involve residence-linked home occupation opportunities in ancillary buildings, qualifying neighbourhood-interior retail conditions, major-street commercial permissions, or conditions that remain outside the approved framework.

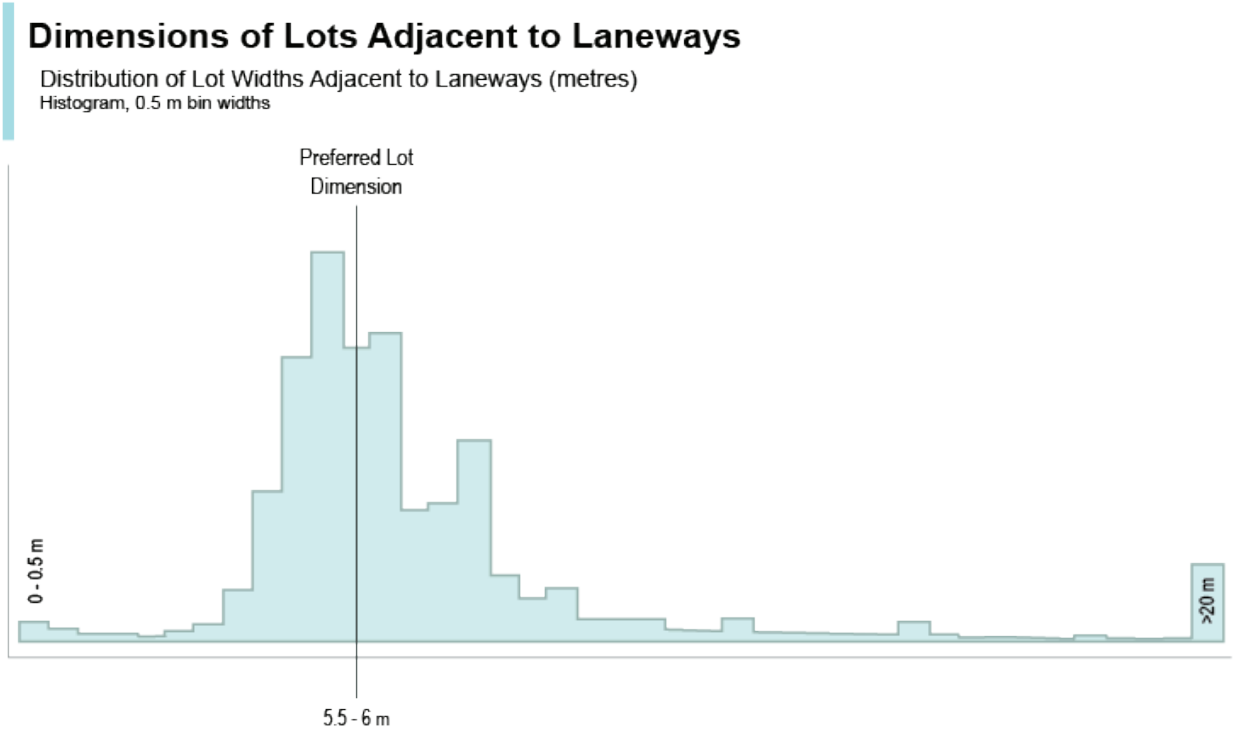


Figure 5.1: Distribution of Lot Widths Adjacent to Laneways
Study & Illustration by Gladki Planning Associates.

5.2 Findings: Laneway-Adjoining Parcels in Toronto

Toronto contains more than 2,400 publicly owned laneways, predominantly within low-rise residential neighbourhoods. The analysis covered over 300 kilometres of laneways and identified approximately 612 kilometres of laneway frontage, serving a total of 5,558 acres (or 22.5 square kilometres) of laneway-adjacent land.

In terms of land use designations, 57.8% of laneway-adjacent parcels fall within Neighbourhoods—areas characterized by ground-oriented housing and limited intensification potential. Another 17.3% of parcels are located in Mixed Use Areas, with the remainder in Apartment Neighbourhoods, Employment Areas, and Parks. This distribution suggests that while much of the laneway network is situated in stable residential zones, there are substantial opportunities for incremental change in locations already designated for mixed-use growth.

The analysis of lot dimensions revealed a high degree of consistency in laneway-adjacent parcels across the city. Lot sizes generally clustered around traditional residential block patterns, with typical depths of 30 to 40 metres and widths ranging from 5 to 7 metres. Using the defined “ideal” range of 4.7 to 7.0 metres in width and 35 to 37 metres in depth, 8.65% of all laneway-adjacent parcels were found to meet these criteria. These ideal lots are disproportionately located in the former City of Toronto and are most often situated mid-block, where laneway access is consistent and block structure is more regular.

Servicing infrastructure and access conditions also varied across the network. Through-laneways typically offer better vehicular and pedestrian circulation and greater potential for municipal waste collection, fire access, and snow storage. In contrast, dead-end or fragmented laneways present more significant logistical and safety challenges. These spatial and servicing factors informed the selection of representative sites and are critical considerations for assessing development feasibility.

5.3 Typology Development: Physical and Morphological Logics

A typology framework was developed to classify distinct laneway and lot conditions that might support non-residential or mixed-use intensification. This framework combined empirical parcel data—particularly lot width, depth, and access—with morphological patterns observed in Toronto's historical block structure. The goal was to move from raw spatial data to a set of prototypical conditions that could inform architectural design, infrastructure planning, and regulatory reform.

Four key variables were used to define the typologies: (1) lot dimensions; (2) laneway orientation (i.e., running parallel to the short or long side of the block); (3) position within the block (mid-block versus end-block); and (4) adjacent land use designation. Typology identification was supported by insights from Site Unseen, which categorized laneways into short, long, and "alphabetical" (C, I, L, T, Z) geometries based on their internal intersections and block configurations. According to the study, alphabetical laneways represent approximately 43% of Toronto's laneway system, followed by short laneways at 20% and long laneways at 15%, with the remaining 22% falling into irregular or miscellaneous patterns.

Based on this analytical and morphological framework, four laneway typologies were defined:

- Ideal Mid-Block Lots: Narrow and deep parcels (e.g., 6m x 36m), typically located mid-block within Neighbourhoods and characterized by high regularity and consistent rear access;
- Wide-Shallow Lots: Parcels with generous frontages but shallower depths (typically <25m), often found on corner sites or along major roads;
- Alphabetical Configurations: Composite laneway geometries shaped like C, I, L, T, and Z—formed by combinations of long and short segments with internal intersections—that require tailored access and servicing solutions; and,
- Mixed Interface Conditions: Laneways situated between Neighbourhoods and Mixed Use Areas, often with hybrid zoning contexts and potential for transition or buffer uses.

These typologies clarify where incremental intensification may be feasible and provide a structure for identifying the distinct regulatory, servicing, and design strategies required for each condition.



Figure 5.2: Duckboard Place, Melbourne
Photo by Visit Victoria.

5.4 Regulatory Interpretation of Laneway Conditions

For monitoring and implementation purposes, laneway-adjoining parcels may be understood through the following conditions:

- Interior Residential Laneways: Where expanded home occupation permissions may be relevant but broader retail or commercial permissions are likely limited;
- Laneway-Adjacent Lots: Where lots independently satisfy neighbourhood-interior retail criteria. These include qualifying corner lots abutting community streets, lots abutting parks or public schools that front on the same street, or lots abutting certain non-residential zones;
- Rear-of-Major Street Laneways: Where major-street commercial permissions may apply only where the subject lot itself abuts a major street and the use is located in a qualifying building associated with that major-street frontage. These permissions may be relevant to lots with rear-laneway interfaces, but should not be extended to local-street lots that merely share a laneway with major-street properties;
- Ancillary Building and Garage Conversion Conditions: Where detached garages, laneway-facing ancillary buildings, or rear-yard structures could support residence-linked home occupation activity; and,
- Independent Laneway Commercial Conditions: Where the desired commercial or employment use would be operated independently of the principal residence or primarily oriented to the laneway, and may require future zoning refinement.

5.5 Application: Selection of Representative Conditions

The typology framework was used to guide the selection of six representative laneway sites across Toronto. These sites were chosen to reflect a diverse range of lot configurations, urban contexts, regulatory environments, and servicing conditions. Selection criteria included geographic distribution, frequency of typology occurrence, variation in zoning and infrastructure conditions, and the opportunity to test a wide range of development constraints and opportunities.

Each representative site embodies distinct urban challenges. Some possess few regulatory or servicing constraints and are situated in favourable policy environments. Others were selected precisely because of their complexity—such as minimal lot depth or restrictive land use designations—to evaluate how laneway activation might function under more constrained scenarios. The six sites serve as case studies that will inform development scenario testing in Section 12.0 and provide an applied basis for assessing potential zoning amendments, urban design guidelines, and servicing upgrades.



Figure 5.3: Guildford Lane, Melbourne
Photo by Visit Victoria.

5.6 Key Opportunities and Challenges

The geospatial analysis identified a number of critical constraints that shape the potential for laneway-based non-residential and mixed-use development. Chief among these are the narrow dimensions of most laneways, which limit vehicle circulation and access for emergency services. Fragmented or dead-end laneway configurations exacerbate servicing challenges, particularly for waste collection, fire access, and snow storage. From a regulatory standpoint, the lack of consistent permissions for non-residential uses in Neighbourhoods and the zoning restrictions on laneway-facing development create further obstacles to implementation.

At the same time, the analysis highlights strong latent potential within the existing laneway network. A significant share of lots—8.65%—meet the ideal dimensional criteria, with many located in stable, well-connected neighbourhoods. Numerous laneways are situated adjacent

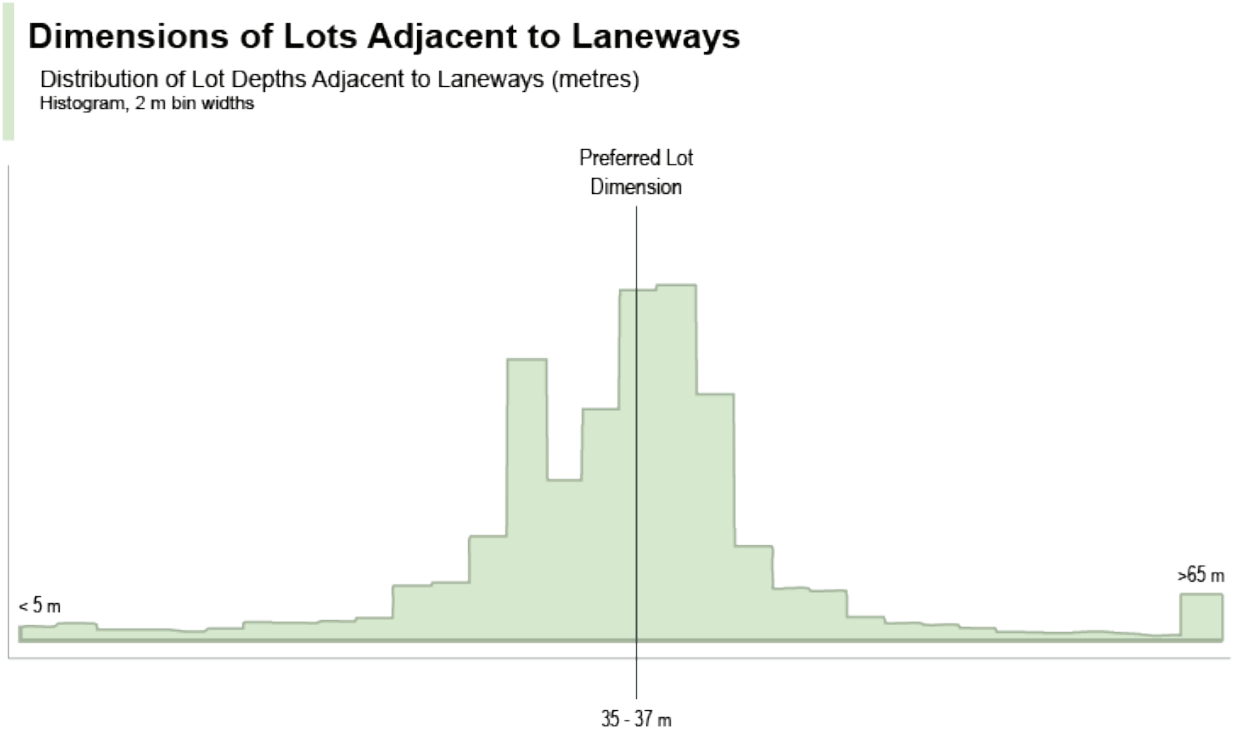
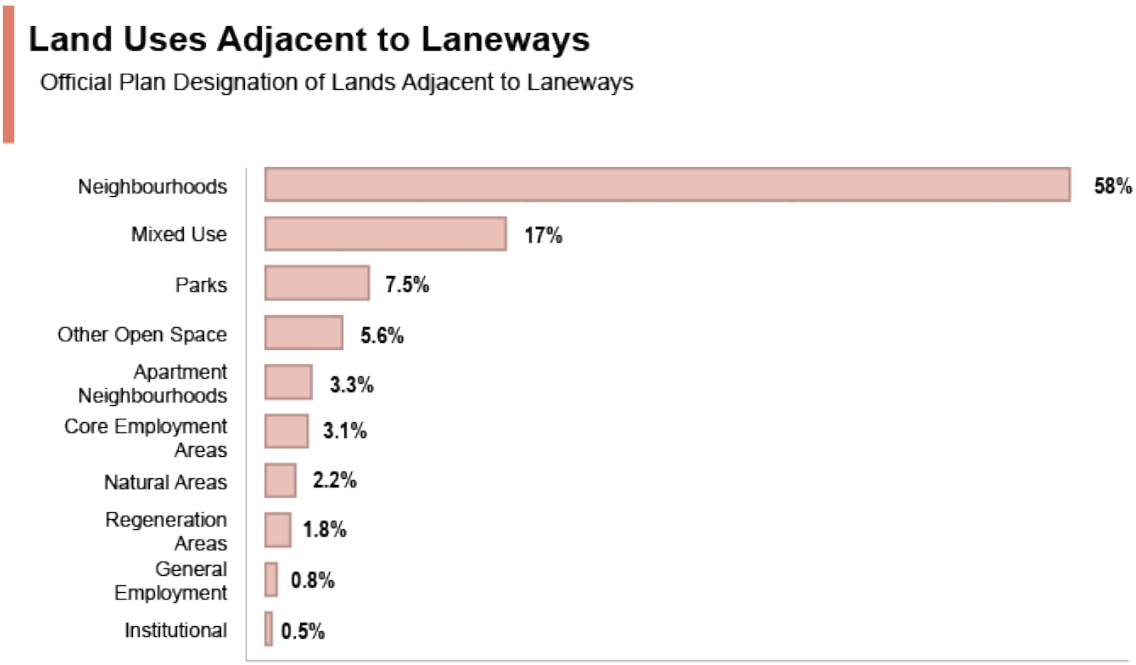


Figure 5.4: Distribution of Lot Depths Adjacent to Laneways
Study & Illustration by Gladki Planning Associates.

to Mixed Use Areas, providing opportunities for hybrid or transitional functions. The identified typologies create a clear framework for matching urban conditions with development strategies and can guide targeted interventions without requiring city-wide rezoning. These findings support a policy approach that prioritizes context-sensitive intensification and recognizes the structural diversity of Toronto's laneway system.

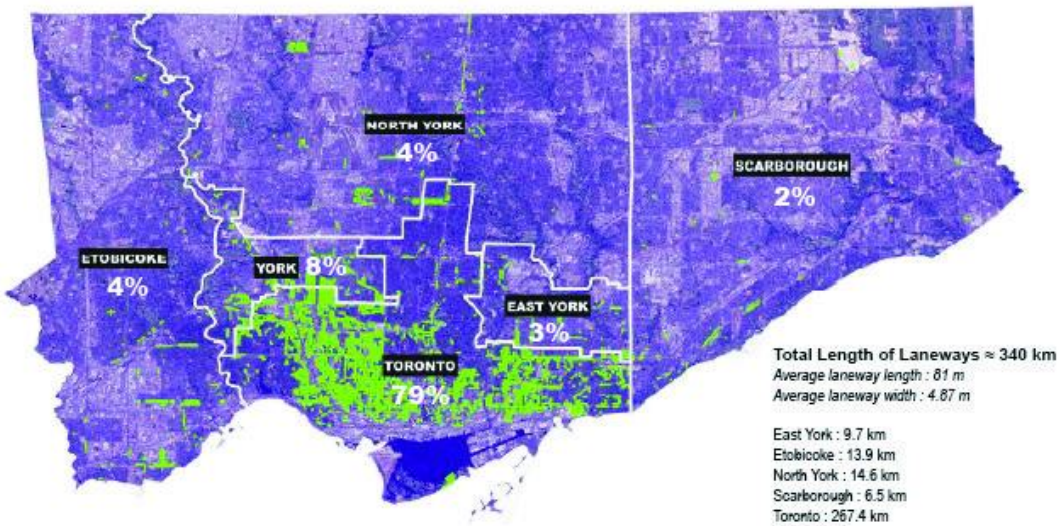
In light of the EHON Neighbourhood Retail and Services amendments, these physical and morphological conditions can also be interpreted through the new permission structure. Some laneway-adjacent parcels may be partially enabled through home occupations in ancillary buildings. Others may relate to neighbourhood-interior retail permissions where the lot independently satisfies the applicable criteria, such as a qualifying community-street, park, school, or adjacent non-residential condition. Major-street lots with rear laneways may be subject to broader permissions, although those permissions remain primarily oriented to the major-street frontage and qualifying building conditions.

Figure 5.5: Official Plan Designation of Lands Adjacent to Laneways
Study & Illustration by Gladki Planning Associates.



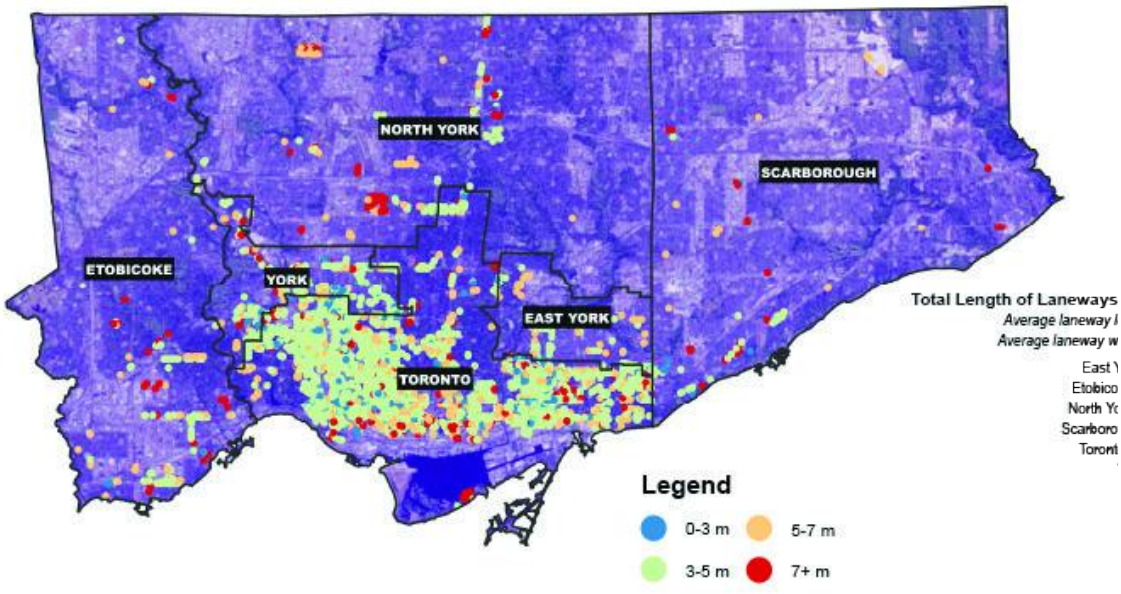
Distribution of Laneways in Toronto

Percent of Laneways in Former Municipalities



Width of Laneways in Toronto

Distribution of Laneways by Width of Right-of-Way



5.7 Conclusion

The Geospatial Analysis provides a clear framework for evaluating laneway-based non-residential and mixed-use development opportunities. By identifying representative typologies and diverse site conditions, the analysis supports realistic, targeted development scenarios. This structured approach addresses key challenges related to servicing, access, and land use compatibility, while supporting a flexible and scalable strategy for laneway activation that maintains neighbourhood stability and livability.

In the context of the EHON Neighbourhood Retail and Services amendments, these findings can also help the City understand where the new permissions may support laneway-adjacent activity and where further refinement may be warranted. For monitoring and implementation purposes, the Study's findings can be read alongside a regulatory interpretation of laneway conditions, including interior residential laneways, qualifying neighbourhood-interior retail lots with laneway relationships, rear-of-major-street conditions, ancillary building and garage conversion opportunities, and independent laneway commercial conditions.

Figure 5.6: Percent of Laneways in Former Municipalities
Study & Illustration by Gladki Planning Associates.

Figure 5.7: Distribution of Laneways by Width of Right-of-Way
Study & Illustration by Gladki Planning Associates.

Figure 5.8: Land Use Designations Adjacent to Laneways
Study & Illustration by Gladki Planning Associates.

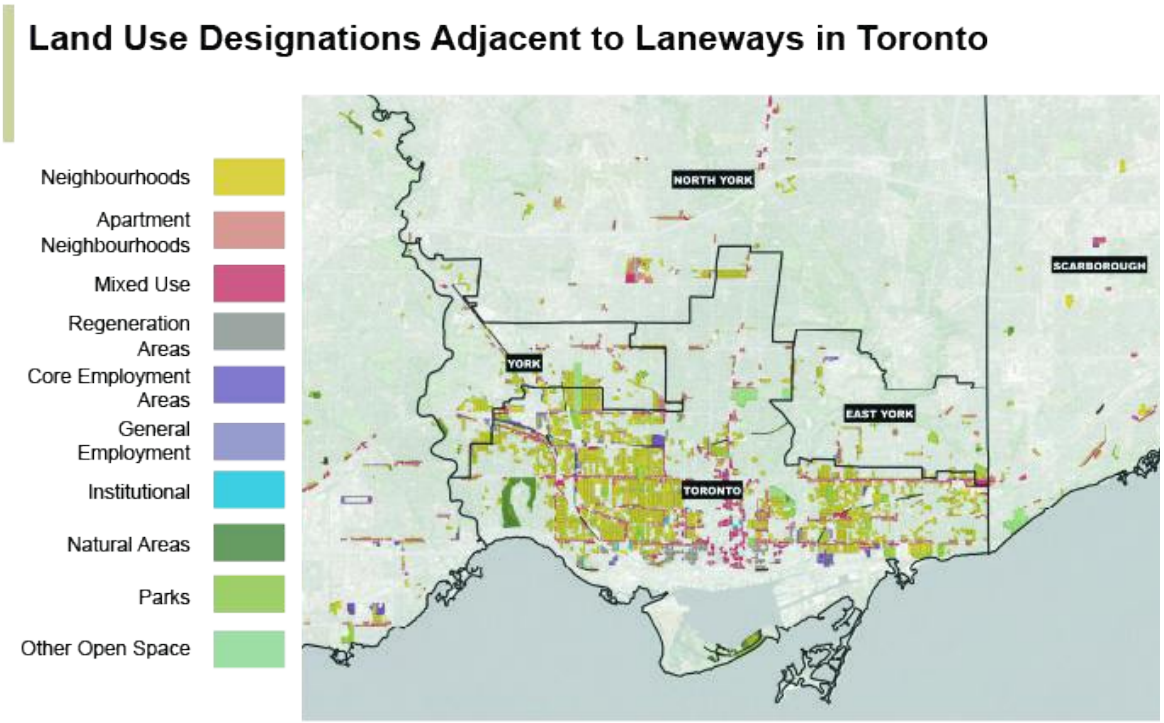




Figure G: The Garage Gem by Office Ou
Photo by Adrian Ozimek.



6.0 Transportation Analysis

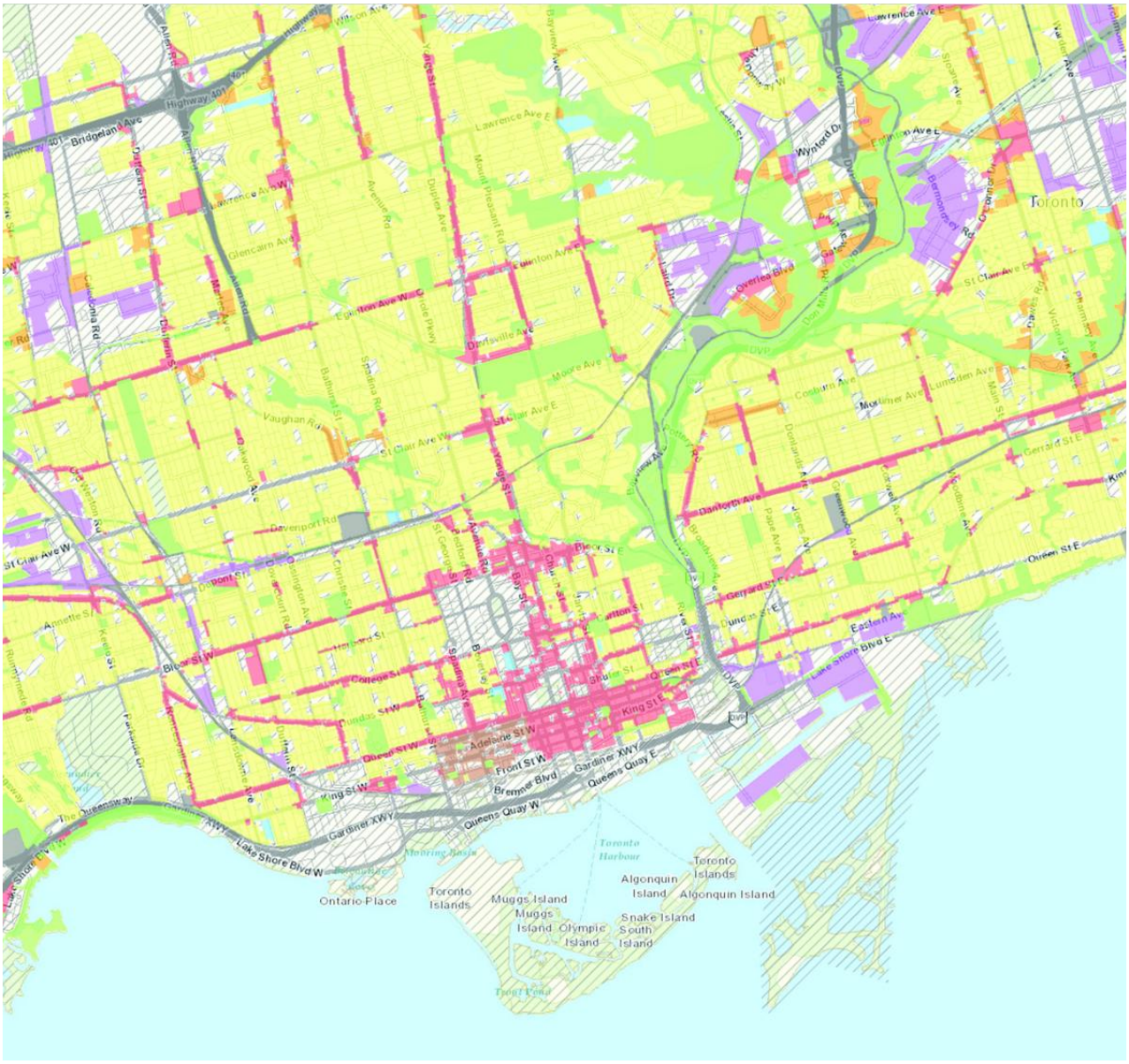
This section evaluates transportation aspects associated with integrating non-residential and mixed-use developments in Toronto's public laneways, focusing on trip generation, traffic impact, parking, accessibility, pedestrian safety, active transportation, on-demand services, servicing, emergency access, and maintenance.

6.1 Approach and Methodology

The Transportation Analysis employed a qualitative, policy-driven approach, reviewing City of Toronto planning and engineering guidelines, regulatory standards, and professional judgment on typical serviceability, traffic generation, and access considerations. This approach provided practical feasibility insights, eliminating the need for extensive traffic simulations

6.2 Trip Generation and Traffic Impact

Non-residential and mixed-use laneway developments are anticipated to generate fewer than 100 peak-hour trips per site, due to their modest scale and localized function. As such, a full Transportation Impact Study (TIS) is not required under City of Toronto guidelines. While vehicular impacts are anticipated to be minimal, traffic calming measures such as speed humps, raised crosswalks, and signage should be incorporated to enhance pedestrian safety and reduce vehicle speeds within laneways.



6.3 Parking Demand and Accessibility

Zoning By-law 569-2013, as amended, does not require minimum parking for either residential or non-residential uses within laneway-based developments. While this eliminates formal on-site parking obligations, attention must still be paid to the availability of accessible parking nearby. It is anticipated that mixed-use laneway developments will not incorporate on-site parking, highlighting the importance of surrounding street parking or public options to accommodate visitors, customers, and individuals with mobility challenges.

Figure 6.1: City of Toronto Zoning By-law 569-2013 Zoning Map
Source

6.4 Pedestrian Safety and Active Transportation

Laneways generally lack dedicated sidewalks and were originally designed for servicing and vehicular access. The introduction of non-residential functions is expected to increase pedestrian and cyclist activity. As such, a shared-street design approach is recommended, including low-scale buildings, active frontages, improved lighting, and clear visual cues to prioritize pedestrian safety and support active transportation. Specific design interventions could include textured paving, narrowing laneway entries, or the use of bollards to slow vehicles and highlight pedestrian-priority zones, drawing from best practices in cities like Melbourne and Barcelona. In recognition of the current laneway by-laws, the Study anticipates that the type of vehicles used to service laneway occupancies has already accommodated the smaller scale road widths and corners. In addition, the scale of the vehicular access already promotes a slower speed to deal with the reduced widths and turning radii.

6.5 On-Demand Services

Sites proposing cafés, retail, or food-oriented functions are likely to rely on on-demand delivery services. It is anticipated that most deliveries will be bicycle-based, given the urban context and laneway dimensions. Design considerations could include designated areas for quick courier access without obstructing pedestrian or vehicular movement, as well as basic bike-friendly infrastructure to support delivery activity. Additionally, laneway developments may consider integrating smart delivery lockers or micro-distribution hubs to manage short-term logistics more efficiently and avoid congestion in compact laneway spaces.

6.6 Servicing, Waste Collection, and Loading

Loading requirements under the City's zoning by-law are triggered at 500m² for retail and 100m² for light manufacturing or warehouse uses. While most proposed developments fall below these thresholds, operations involving food, goods, or materials may require informal loading accommodations. Waste collection presents more significant challenges. Due to limited laneway width and turning radii, municipal waste trucks may not be able to access all sites. Where feasible, laneway developments could share collection points with the principal residential building. This is consistent with the permissions associated with laneway suites. However, if this is not possible, private waste management solutions could be accommodated.



Figure 6.2: Alleyway in the Gothic Quarter
Photo by Carlos Lorenzo

6.7 Emergency Access

Laneway developments must comply with Ontario Building Code and Toronto Fire Services requirements. Currently this includes a minimum 0.9m wide and 2.1m high unobstructed access path and a maximum 45m travel distance from the street to the building entrance. Where this distance cannot be met, supplemental measures such as sprinklers, are required. In some cases, shared access agreements with adjacent properties may provide viable alternatives. Given that the laneways are now serviced by the Toronto Fire Services for residential uses, it is not anticipated that the scale of the proposed additional uses will create an undue pressure on the service responses.

6.8 Maintenance and Winter Operations

Laneways are classified as Class 6 roads under O. Reg. 239/02 and therefore receive the lowest municipal priority for snow clearing, ice removal, and pothole repair. This has operational implications, particularly for year-round commercial uses and businesses dependent on walkability and consistent public access.

6.9 Key Opportunities and Challenges

Challenges include the lack of traditional pedestrian infrastructure in laneways, limited on-street parking availability, and constraints on waste collection, emergency access, and maintenance due to laneway design and municipal priorities. Despite these constraints, opportunities exist to enhance active transportation and pedestrian-friendly environments. Laneways inherently accommodate low traffic volumes, facilitating shared use by pedestrians, cyclists, and vehicles. Strategic design interventions and traffic calming can foster vibrant, community-focused spaces.



Figure 6.3: Waverly St. Philadelphia, Pennsylvania
Photo by Tura Cousins Wilson

6.10 Conclusion

The Transportation Analysis supports the viability of laneway-based mixed-use development, contingent upon targeted design interventions addressing pedestrian safety, active transportation, delivery logistics, and emergency access. With thoughtful planning, laneways can be transformed into safe, accessible, and vibrant corridors, enhancing connectivity and supporting sustainable urban mobility.



Figure H: SPIN Toronto
A ping pong social club in a laneway between King St. and Wellington St. Source


TORONTO

7.0 Servicing Analysis

This section evaluates civil servicing considerations associated with introducing mixed-use functions into Toronto's public laneways, focusing on water servicing, sanitary servicing, stormwater management, grading, and accessibility.

7.1 Approach and Methodology

The Servicing Analysis was undertaken through a high-level review of City of Toronto design standards and servicing policies, referencing guidelines such as the Design Criteria for Sewers and Watermains (2021) and Wet Weather Flow Management Guidelines (2006). The analysis aimed to identify potential servicing constraints and general requirements, assuming detailed assessments (e.g., hydrant flow testing, sewer load analysis) would occur at later project stages.

7.2 Water Servicing

Laneway intensification can result in increased water demand. Verification of this is already part of existing laneway suite program. However, the scale of the new development would not create an onerous draw on the water infrastructure.

7.3 Sanitary Servicing

An increase in sanitary load is also anticipated, necessitating verification of the capacity of existing sanitary or combined sewers. As with the water service, verification of this is already part of the existing laneway suite program. New sanitary service connections may be required. However, the Zoning By-law directs new connection either to the main house infrastructure or into the street / laneway main lines.

7.4 Stormwater and Drainage

Stormwater management is anticipated to be one of the most challenging infrastructure elements to comply with City of Toronto regulations, which prohibit direct connections from downspouts or private storm systems to municipal storm sewers for low-rise buildings. Intensifying the land use on a site, such as what is already occurring with laneway and garden suite housing, will require new performance-based design solutions to handle the stormwater output on the site. Green infrastructure elements, such as green roofs, permeable pavers, and rainwater harvesting systems, could further reduce loads on municipal systems and contribute to broader sustainability targets.

7.5 Grading and Accessibility

Grading, like stormwater management, requires new design solutions to comply with the overall intent of the Ontario Building Code and zoning requirements. New developments must also comply with accessibility requirements, as prescribed by both the Ontario Building Code and, where relevant, the Accessibility for Ontarians with Disabilities Act (AODA).

7.6 Key Opportunities and Challenges

Challenges include accommodating servicing infrastructure within narrow laneways and limited site areas. Ensuring adequate capacity for water supply and wastewater management without straining municipal systems requires early coordination and potential infrastructure upgrades. Stormwater management must comply with requirements for on-site handling.

Opportunities include utilizing underutilized laneways for incremental development, leveraging sustainable drainage solutions, and adopting flexible servicing strategies tailored to small-scale sites. Such approaches can effectively support compliant development within existing infrastructure constraints.



Figure 7.1: Small sized garbage trucks in Ciutat Vella, Barcelona
Photo by Tura Cousins Wilson

7.7 Conclusion

The Servicing Analysis confirms the general feasibility of small-scale laneway intensification within Toronto's existing servicing framework, contingent on site-specific assessments. New water and sanitary connections will typically be required, and sustainable stormwater management solutions are recommended. Successful implementation will depend on context-specific servicing strategies, ensuring compliance with municipal standards while supporting incremental urban development.



Figure 7.2: Narrow street in Ciutat Vella, Barcelona
Photo by Tura Cousins Wilson



Figure I: Workshop Laneway by Jon Cummings Architecture
Image by Scott Norsworthy.



8.0 Noise Analysis

This section evaluates noise considerations associated with non-residential and mixed-use developments in Toronto's public laneways, focusing on regulatory compliance, acoustical challenges, and mitigation strategies.

8.1 Approach and Methodology

The Noise Analysis employed an environmental and regulatory framework, reviewing applicable provincial (MECP NPC-300) and municipal (Toronto Chapter 591) standards. It assessed spatial relationships between potential noise sources (e.g., HVAC, exhaust systems) and sensitive receptors (e.g., residential areas), and considered site-specific constraints to recommend early-stage interventions for regulatory compliance.

8.2 Applicable Requirements and Guidelines

Mixed-use laneway developments are subject to two key regulatory frameworks. The first is the Ministry of the Environment, Conservation and Parks (MECP) Publication NPC-300, which governs stationary noise sources such as HVAC equipment, workshops, and kitchen exhausts. Under NPC-300, stationary noise at sensitive points of reception must not exceed 50 dBA during the day and 45 dBA at night in Class 1 areas, such as Toronto. However, if ambient background levels are higher, these may serve as the applicable threshold. The second framework is the City of Toronto Noise Bylaw (Chapter 591), which addresses temporary or

nuisance noise, such as construction, powered equipment, and amplified sound. The bylaw includes restrictions on hours of operation and sound limits for both residential and commercial uses.

8.3 Activity and Operations

To reduce noise spillover into the community, limiting operating hours to 7 AM–7 PM. Outdoor amenities could be limited in size to avoid triggering additional noise sensitivity assessments. In addition, operators should be encouraged to adopt clear operational guidelines. This includes loading and waste management schedules that avoid early morning or late evening disturbances, and tenant education on noise-generating equipment, hours of operation, and complaint protocols.

8.4 Key Opportunities and Challenges

Challenges primarily involve managing noise in compact laneway spaces close to residential areas. Opportunities include early-stage acoustic planning, strategic placement of noise-generating equipment, use of below-grade spaces, and thoughtful operational planning.

8.5 Conclusion

The Noise Analysis confirms that, while laneway developments present unique acoustical challenges due to proximity constraints, these can be effectively managed through proactive design and operational strategies. Early-stage acoustical considerations, tailored building solutions, and careful use planning are essential to regulatory compliance, supporting mixed-use viability, and maintaining neighbourhood livability.



Figure J: Workshop Laneway by Jon Cummings Architecture
Image by Scott Norsworthy.



9.0 Market and Real Estate Analysis

This section presents a market and real estate analysis evaluating the feasibility of introducing small-scale commercial and mixed-use development along Toronto's laneways. The study considers prevailing retail conditions, construction and operating costs, and the financial performance of both residential and commercial laneway suites. The intent is to assess whether Commercial Laneway Suite Units (CLSUs) can function as viable contributors to local economic activity and community-serving infrastructure in established neighbourhoods.

9.1 Approach and Methodology

The Market and Real Estate Analysis draws on a combination of construction cost benchmarking, retail market data, and financial modeling to assess the development feasibility of residential and commercial laneway suites. The analysis evaluates conditions in mature, low-rise residential neighbourhoods across Toronto, with a defined study area comprising locations that contain a high concentration of laneways and are proximate to established commercial corridors. These areas were selected to reflect realistic opportunities for laneway activation and to ground the analysis in observed market conditions.

Construction cost estimates are based on permit data, contractor pricing, and builder quotes from a range of recent laneway suite projects. Retail market insights are informed by CoStar commercial listings and a review of available small-format spaces within the study area and comparable

neighbourhoods. Competitive retail characteristics—including unit size, rent levels, vacancy rates, and location patterns—were analyzed to establish a reference point for potential laneway commercial users. Financial feasibility was tested using a discounted cash flow model that calculates net present value and internal rate of return for both residential and commercial typologies under pessimistic, moderate, and optimistic market conditions. The model assumes a $0 land cost to reflect a homeowner-led development scenario and isolates the financial performance of the laneway unit itself, including construction costs, operating expenses, rental income, vacancy periods, and exit values.

9.2 Retail Market Trends

Toronto's inner neighbourhoods exhibit strong underlying demand for local retail and personal services, coupled with constrained supply. The study area has a retail vacancy rate below 1.0%, compared to a city-wide average of 1.9%, underscoring persistent market tightness. This imbalance is driven by sustained population growth, residential intensification, and the increasing desirability of walkable, amenity-rich communities.

Existing retail inventory is concentrated along major corridors such as Queen Street, Bloor Street, and Danforth Avenue. Available units average approximately 2,300 square feet and command high rents—typically between $30 and $57 per square foot annually (or $2.50 to $4.72 per square foot monthly, net). In contrast, CLSUs are anticipated to offer significantly smaller footprints—often under 1,000 square feet—and reduced visibility, positioning them as lower-cost alternatives better suited to appointment-based or digital-forward business models.

9.3 Construction Costs and Land Economics

The construction costs associated with commercial laneway suites are broadly similar to those of residential laneway housing, assuming typical fit-outs and no specialized mechanical infrastructure. Estimated hard costs range from $450 to $750 per square foot, with soft costs averaging approximately $35 per square foot. These ranges reflect differences in builder scale, unit size, finish quality, and servicing requirements.

The model assumes that CLSUs would benefit from similar development charge relief as residential laneway projects. However, feasibility may be compromised in cases requiring commercial kitchens, enhanced ventilation, barrier-free upgrades, or additional life safety systems. These factors materially increase construction costs and may also trigger additional zoning or code compliance hurdles.

9.4 Development Feasibility

Residential vs. Commercial Feasibility
Under moderate market assumptions, residential laneway suites are projected to achieve a net present value (NPV) of approximately $99,700 and an internal rate of return (IRR) of 14%, supported by steady demand, low vacancy risk, and predictable operating costs. This makes them broadly viable across a range of urban conditions.

Commercial laneway suites demonstrate more modest financial performance, with an estimated NPV of $30,600 and IRR of 11% under the same assumptions. These returns are highly sensitive to variations in rent, lease-up timing, and upfront costs. Even a $0.50 drop in net monthly rent or a 10% increase in hard costs can eliminate profitability, making viability far more contingent on precise market alignment.

Businesses most likely to succeed in laneway environments include wellness practitioners (e.g., massage therapists, counselors, physiotherapists), personal service providers (e.g., barbers, tailors, estheticians), artisan studios, independent consultants, and e-commerce-based retailers. These uses tend to require modest interior fit-outs, operate by appointment, and are less dependent on physical exposure or walk-in traffic.

Sensitivity

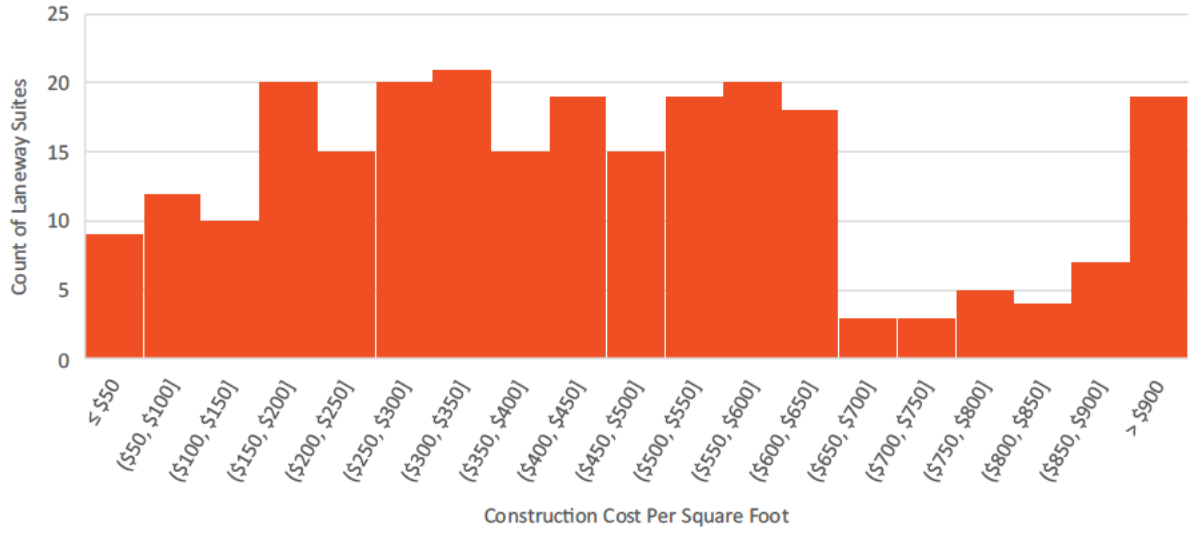
Sensitivity testing reveals that commercial viability quickly diminishes outside a narrow band of cost and revenue conditions. Under moderate assumptions, viability is sustained at net retail rents of $3.25/sq. ft./month and hard costs of ~$600/sq. ft.. If rents fall below $3.10/sq. ft. or hard costs rise above $773/sq. ft., commercial units become unviable. Small changes in cap rates, vacancy assumptions, or rent growth also have outsized impacts. These thresholds provide a quantitative basis for identifying where public support or incentive tools—such as rent guarantees, pre-approved designs, or cost offsets—may be warranted.

Design Considerations for Viability

Design flexibility can mitigate feasibility risks by enabling adaptive reuse over time. Units designed to accommodate both residential and commercial uses—particularly those with convertible ground floors, shell conditions, or modular fit-outs—can respond to changing market demand. Corner sites, locations adjacent to parks, and properties near arterial roads offer higher visibility and better natural light, increasing their attractiveness to prospective commercial tenants. Additional design features such as shared access corridors, simplified mechanical systems, and outdoor spillover space may also improve functionality and reduce costs. Integrating these strategies into urban design guidelines can help align built form with market realities.

Figure 9.1: Distribution of Construction Costs per Square Foot
Indexed to Q4 2024

Figure 1-4: Distribution of Construction Costs per Square Foot, indexed to Q4 2024



SOURCE: urbanMetrics Inc., with City of Toronto building permit data and data from *Statistics Canada. Table 18-10-0289-01 Building construction price indexes by type of building and division.*

9.5 Key Opportunities and Challenges

Commercial laneway suites offer a distinct opportunity to diversify local economic activity in residential neighbourhoods. They provide a form of affordable, small-format workspace that is largely absent in the current retail landscape and particularly well-suited to sole proprietors, creative professionals, and service-based businesses. In doing so, they may relieve pressure on overstretched main streets and expand the range of commercial services available within walking distance of homes.

Importantly, CLSUs also serve as potential incubators for businesses that may eventually scale to more prominent locations. Their small size and lower cost of entry can support experimentation, hybrid work models, and the use of laneways as productive, community-serving spaces. This aligns with emerging trends toward more distributed, flexible employment spaces and mixed-use neighbourhoods.

However, several challenges must be addressed to support successful implementation. The financial risk profile of commercial laneway development is significantly higher than that of residential laneway housing. Tenants may face difficulty financing or committing to long-term leases, particularly in mid-block locations with limited exposure. Specialized occupancies with greater servicing or accessibility needs may not be viable without upfront public investment or regulatory relief.

Demand is also likely to vary spatially, with stronger performance expected in corner conditions or park-adjacent sites. As such, careful alignment of permissions, tenant targeting, and urban design standards will be essential. Municipal policies should consider the differentiated market potential across laneway types and geographies.



Figure 9.2: Cinecycle; Toronto Bicycle Film Festival 2010.
Image by Sean Connors, Eyeline-Imagery.

9.6 Conclusion

The Market and Real Estate Analysis confirms that small-scale commercial and mixed-use laneway development is financially feasible under favourable conditions but carries a greater degree of risk and complexity than residential laneway housing. Residential units benefit from consistent market demand and more predictable returns, while commercial units require more precise alignment between use, location, and design.

As such, success will depend on targeted planning policies, supportive financial tools, and careful calibration of use permissions to match site characteristics. Where applied strategically, CLSUs can help meet unmet demand for affordable workspace, support neighbourhood-serving commerce, and contribute to a more economically resilient and fine-grained urban fabric.



Figure K: The Annex Hotel
Image by Charlye V.


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10.0 Local Precedent Analysis

This section examines existing businesses operating within Toronto's laneways to understand how small-scale commercial, industrial, and live-work uses are already emerging across the city.

10.1 Approach and Methodology

The Local Precedent Analysis employed a qualitative case-study approach, selecting diverse businesses in Toronto's laneways based on operational characteristics, physical configurations, regulatory contexts, servicing conditions, and urban design interfaces. Businesses were categorized into five typologies: retail and artisanal, hospitality and nightlife, light manufacturing and industrial, mixed-use and live-work, and commercial service and office, highlighting practical insights to inform future policy and design strategies.

10.2 Retail and Artisnal Businesses

Retail and artisanal laneway businesses often integrate production and sales within compact, experience-focused spaces. Fern Toronto (154 Galt Avenue) combines a retail floral storefront with design-oriented installations. Coach House Books (80 bpNichol Lane), a small publishing house, demonstrates how creative industries can thrive in unique, low-profile locations.

Community-oriented examples such as Karma Co-op Grocery Store (739 Palmerston Avenue) show how co-operative ownership models and neighbourhood engagement can sustain businesses in quieter laneway settings. Boxcar Social Laneway Café (298 Markham Street) embraces its tucked-away location, drawing customers through a curated experience supported by branding, social media, and word-of-mouth. Maha's Café (978 Queen Street East), while officially fronting Queen Street, is most commonly accessed through a laneway entrance off Carlaw Avenue and demonstrates how laneways can offer welcoming, vibrant hospitality spaces with unique entrances and orientations.

These precedents suggest that public laneways can support small scale, niche retail formats and creative enterprises—particularly those offering distinctive products or immersive experiences.



Figure 10.1: Karma Co-op's Summer 2023 Repair Cafe
Conducted in partnership with RepairCafe TO. Image by Unknown. Source.



Figure 10.2: Boxcar Social Laneway
West of Bathurst and College, it is a slower, intimate space inspired by Japanese listening bars. Image by Lima Colati. Source







Figure 10.3: Maha's Café
Laneway Egyptian Café of Queen St. E & Carlaw St. Image by Unknown. Source.

Figure 10.4: Maha's Café
Laneway Egyptian Café of Queen St. E & Carlaw St. Image by Unknown. Source

Figure 10.5: Boxcar Social Laneway
Image by Unknown. Source.

10.3 Hospitality and Nightlife Businesses

Several Toronto laneways support small-scale hospitality and entertainment uses, creating intimate social environments that activate underutilized spaces. Left Field Brewery (36 Wagstaff Drive) has adapted a former industrial site into a brewery and tasting space, integrating production with customer-facing hospitality. The Annex Hotel (296 Brunswick Avenue) operates a boutique accommodation accessed via laneway, using a minimalist, self-check-in model that maintains a discreet presence within a residential setting.

Bar Raval (505 College Street) enhances laneway pedestrian activity along Markham Street, while Mister Frenchy (37 Baldwin Street) leverages its hidden location to create a curated, exclusive café and bar experience. These businesses reinforce the potential for laneways to support low-impact, experience-driven hospitality. They also highlight operational challenges, including noise mitigation, waste storage, and delivery access—especially near residential areas—that any new proposals need to consider.

Figure 10.6: The Annex Hotel
Image by Unknown
Source



10.4 Light Manufacturing and Industrial Businesses

Toronto's laneways have proven viable for supporting light manufacturing, fabrication, and maker spaces—particularly when activities are low-impact and integrated into residential or mixed-use contexts. CoLABoratory (718R Ossington Avenue) offers shared tools, workspace, and programming for small-scale fabricators. Pilot Coffee Roasters (50 Wagstaff Drive) combines wholesale roasting with a public-facing café. Brothers Dressler (225 Sterling Rd.) houses furniture production, showroom space, and sales in a laneway-accessed workshop.

These examples suggest that laneways can accommodate small-scale production uses, especially in creative or artisanal industries. However, Current zoning, servicing capacity, and infrastructure constraints may limit broader implementation and will require careful policy and operational updates to support increased laneway development.

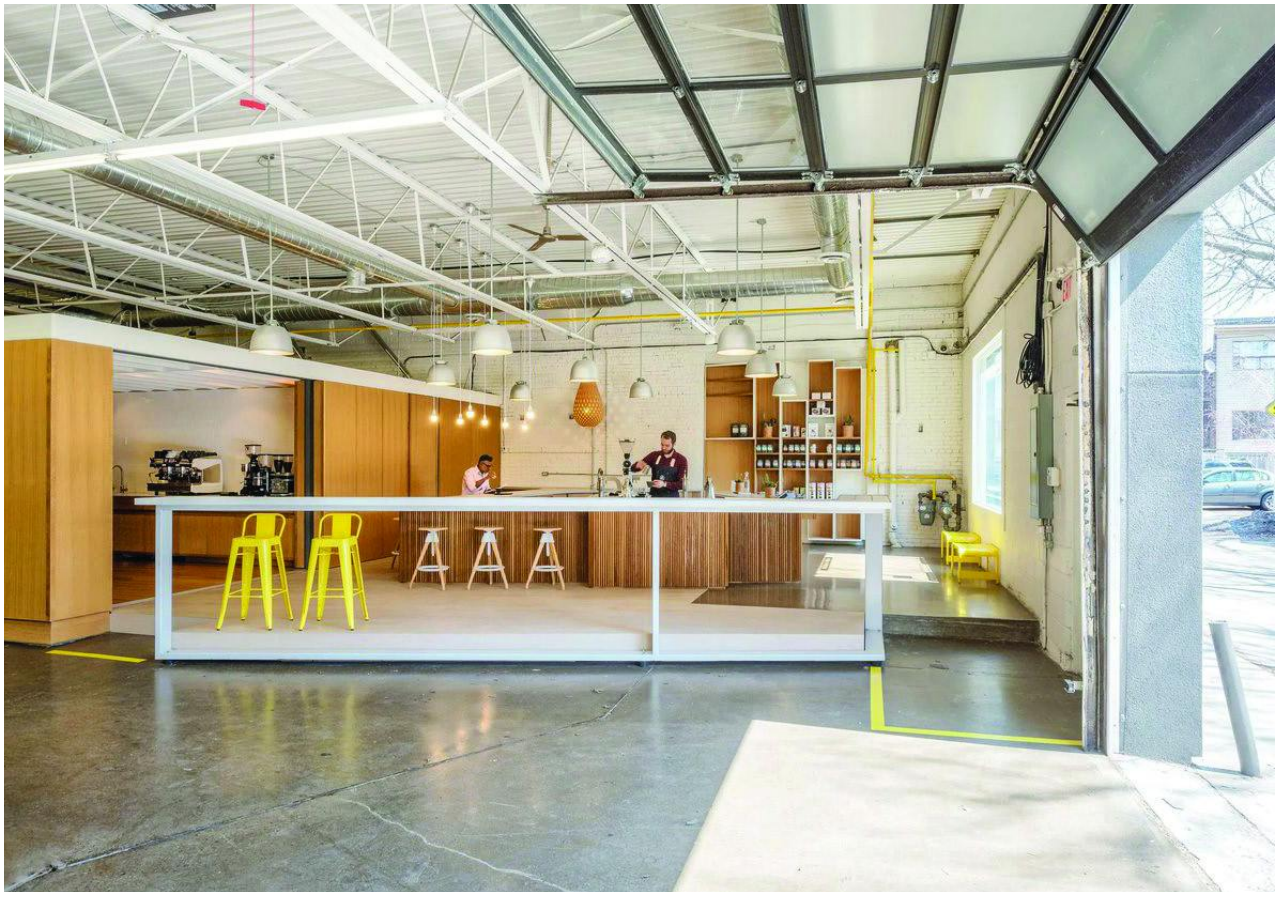


Figure 10.7: Pilot Coffee's 'hub' by WilliamsonWilliamson The first public coffee roasting facility in Toronto, transforming a forgotten warehouse on Wagstaff Drive into a catalyst for revitalizing the area. Photo by Scott Norsworthy.



10.5 Mixed-Use and Live-Work Businesses

Some laneway-based businesses in Toronto successfully integrate commercial and residential uses, offering affordable, flexible live-work models. Croft House (97 Croft Street) was purpose-built for a creative professional who lives above their ground-floor workspace. Laneway Loft (526A Shaw Street) repurposes a former garage into a modern live-work dwelling with workspace below and living quarters above.

Figure 10.8: 15-50 Bartlett Avenue by Avenue Brown + Storey Architects
Image by Unknown
Source

Other examples, such as Lanescape House (Dufferin Grove) and Brown + Storey Architects (50 Bartlett Avenue), showcase how architects and designers are adapting laneway sites to support hybrid environments that combine working and living functions. These projects highlight the potential for laneways to support small-scale intensification through integrated live-work uses.



Figure 10.9: TACT Architecture Inc. at 660R College St.
Image by Unknown
Source

10.6 Commercial Service and Office Businesses

Some laneway-accessed businesses operate as design studios, offices, or co-working spaces, providing an alternative to traditional commercial locations. TACT Architecture (660 College Street) and The Den (1960 Davenport Road) demonstrate how creative professionals adapt laneway structures for low-impact office use. East Room (50 Carroll Street) offers co-working space in a laneway-accessed building, catering to small businesses and freelancers seeking affordable, flexible work environments.

Lambert & Fils (116 Geary Avenue), a Montreal-based lighting firm, combines studio and showroom functions in a converted warehouse with laneway access. These examples suggest that laneways can accommodate commercial office uses when access, visibility, and infrastructure are sufficient.



Figure 10.10:Painter Studio by Office Ou Image by Michael VanLeur.

10.7 Key Opportunities and Challenges

Opportunities exist in laneways to support niche retail, creative industries, and low-impact hospitality due to lower overhead, localized markets, and unique spatial characteristics, contributing to neighbourhood vibrancy and economic diversity.

Challenges include zoning restrictions, visibility, access limitations, and servicing constraints (waste management, water, emergency access). Additionally, noise sensitivity near residential areas and the need for tailored urban design solutions (signage, lighting, active frontages) pose challenges that only careful design solutions can overcome.



Figure 10.11: Feminist Art Gallery & Studio Laneway by LGA Architectural Partners. Image by A-Frame.

10.8 Conclusion

The Local Precedent Analysis confirms laneways as viable spaces for diverse, small-scale commercial, industrial, and live-work activities. Current zoning and servicing constraints present notable challenges, but existing businesses demonstrate clear potential for more flexible, adaptive uses. Future planning and design strategies should leverage insights from these precedents to enhance neighbourhood vitality, support local entrepreneurship, and foster innovative urban intensification.



Figure L: Active laneway culture at dusk in the heart of Florence, Italy.
Photo by Tura Cousins Wilson.


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11.0 International Case Study Analysis

This section examines how cities around the world have transformed laneways and similar urban corridors into active, mixed-use spaces.

11.1 Approach and Methodology

A comparative review of global cities was conducted, focusing on Tokyo, Barcelona, Melbourne, San Francisco, London, and Vancouver, selected for their successful laneway revitalization strategies. Key lessons relevant to Toronto were identified, including incremental zoning reform, pedestrian prioritization, adaptive reuse, and public realm integration.



Figure 11.1: Food stands and patios meet the street edge in Paris, France.
Creating an active, engaging threshold between public and private space. Photo by Tura Cousins Wilson.

11.2 Tokyo, Japan

Tokyo's extensive network of narrow streets and laneways is globally recognized for its vibrancy and historical layering. Among the most distinctive are the Yokocho alleyways, which represent an important part of the city's cultural and urban identity. Yokocho translates to "back alley," and in Tokyo these are often hidden pedestrian or car-light streets, typically 1.5 to 3 metres wide, populated by small-scale hospitality businesses such as cafes, bars, and restaurants.

These laneways emerged during the post-World War II period as spaces where black market vendors relocated during the city's rapid reconstruction. Initially informal and lined with makeshift stalls, they gradually evolved into permanent commercial corridors. Common architectural forms include multistorey warehouses divided into small tenancies, compact department stores, underground passageways, and nagaya—long, narrow row houses that characterize historic districts. With Japan's postwar economic growth, many of these informal operations transitioned into established venues. Today, Yokocho are celebrated for their intimate atmosphere, animated signage, lantern-lit pathways, and strong culinary culture. Their character is shaped by the incremental nature of their development, allowing for adaptation and fine-grained commercial evolution.

Lessons for Toronto

Lane Width: Despite their narrow dimensions, Yokocho support dense commercial and pedestrian activity. Toronto's wider laneways could comfortably accommodate similar uses while maintaining space for accessibility and servicing.

Incremental Evolution: Yokocho exemplify the benefits of organic, adaptive development. This mirrors the historical evolution of Toronto neighbourhoods such as Kensington Market. As Toronto explores more permissive zoning under initiatives like EHON, policies should support incremental and flexible change.

Eclectic Character: Each Yokocho reflects the distinct culture of its surrounding area. Toronto's laneways can similarly evolve in diverse ways by avoiding overly standardized urban design frameworks and encouraging local expression.

Scale: The small footprint of venues in Yokocho illustrates the potential of compact commercial typologies. Toronto should support these through zoning permissions that enable micro-retail, live-work spaces, and alternative ownership models.



Figure 11.2: Backstreets of Nakano, Tokyo
Known for their retro lanterns, cables, & signs -one of the most compelling areas in Tokyo. Photo by Jimmy Liao.



Figure 11.3: Alleyways of Tatsumi Shindo, Tokyo
Minutes from Monzen-Nakacho station in Tokyo, these00 narrow alleyways offer a rare glimpse into Tokyo's post-war Showa era, lined with over 30 bars and eateries that still preserve their original charm. Photo by Sybilla Patrizia.



Figure 11.4: Yokocho, Tokyo
lively backstreet Yokocho, Tokyo filled with shabby-charming eateries and cramped izakayas, where locals gather on beer crates for late-night snacks and drinks under the railways—an authentic slice of Tokyo's alleyway culture. Photo by Sybilla Patrizia.

11.3 Barcelona, Spain

Barcelona has been internationally recognized for its leadership in reclaiming urban space for public life. The city's Gothic Quarter—its medieval core—features a complex network of narrow pedestrian lanes ranging from 3 to 8 metres in width. Buildings typically rise 5–6 storeys, with commercial uses at grade and residential above. Vehicular access is limited to local servicing, with through traffic redirected to peripheral arterials.

In contrast, the 19th-century Example district has become the focus of the Superblocks (superilles) initiative. This strategy reorganizes clusters of nine city blocks into pedestrian-priority zones by diverting traffic to the perimeter, reducing internal speed limits to 10 km/h, and reconfiguring the public realm with trees, paving stones, and street furniture. The initiative has delivered measurable gains in pedestrian activity, air quality, and noise reduction.

Lessons for Toronto

Waste Management: Barcelona uses centralized collection bins, and in some areas, pneumatic systems connected to underground facilities. These strategies reduce sidewalk clutter and enhance collection efficiency—offering models for denser Toronto neighbourhoods with laneway dwellings.

Traffic Calming: The 10 km/h speed limit within Superblocks has been key to enabling safe shared space. Toronto's laneways—many without posted limits—could benefit from similar traffic calming strategies.

Built Form: Barcelona demonstrates that mid-rise buildings can integrate with narrow public rights-of-way, challenging conventional height-to-width ratios. This supports recent EHON policies promoting mid-rise buildings on major streets and could inform future laneway development standards.

Integrated Networks: The success of Superblocks lies in their cumulative, networked impact. Toronto could explore a coordinated laneway strategy that links active transportation corridors, public realm investments, and flexible zoning tools.

Figure 11.5 to 11.8: All Photos by Tura Cousins Wilson.



Figure 11.5: Vehicular access to laneway, Barcelona, Spain



Figure 11.6: Laneway with painted speed limits, calming traffic in Barcelona, Spain



Figure 11.7: Double as shared pedestrian–vehicular corridors, Barcelona, Spain



Figure 11.8: Laneway defined by bollards, reinforcing pedestrian priority, Barcelona, Spain

11.4 Melbourne, Australia

Melbourne's laneways—approximately 900 in total—originated as service routes within the 1837 Hoddle Grid. For much of the 20th century, they remained underutilized. Beginning in the 1980s, the City adopted a deliberate strategy to transform laneways into pedestrian-friendly destinations. Policy shifts supported small-scale commercial uses, sanctioned street art, and relaxed liquor licensing, enabling bars and cafes to operate in compact spaces. These reforms catalyzed dramatic growth in laneway activation: outdoor patios increased from two in 1980 to over 500 by the early 2000s.

The City also prioritized evidence-based planning. Danish urbanist Jan Gehl was commissioned to lead the "Places for People" studies in 1994, 2004, and 2014—documenting pedestrian patterns, behaviour, and spatial relationships. These insights have shaped laneway revitalization and broader urban design policy.

Lessons for Toronto

Shared Legacy: Both Melbourne and Toronto developed laneways as back-of-house infrastructure. Melbourne's transformation demonstrates how these spaces can support servicing while evolving into vibrant public corridors.

Evidence-Based Design: Melbourne's longitudinal pedestrian studies are a strong precedent. Toronto would benefit from a comprehensive laneway inventory and usage analysis to guide investment and policy.

Tactical Urbanism: Melbourne's early successes were grounded in small-scale interventions—murals, lighting, seating, and community programming. Toronto could support local groups through micro-grants or pilot initiatives to test similar approaches.



Figure 11.9:Hardware Lane, Melbourne
Image by Unknown.Source



Figure 11.10: Center Place, Melbourne.
Image by Unknown. Source



Figure 11.11: Degraves Street, Melbourne
One of Melbourne's popular laneways.Image by Unknown. Source

11.5 San Francisco, The United States of America

San Francisco's laneways emerged during the city's 19th-century growth and remain embedded in the urban fabric, particularly in Chinatown and the Tenderloin. These alleys host retail, cultural, and entertainment uses, and have become key sites for murals, public gatherings, and commercial life. Notable examples include Ross Alley, Waverly Place, Maiden Lane, and Balmy Alley.

Unlike other cities that prioritize new uses, San Francisco's approach has focused on enhancing existing conditions through streetscape upgrades, accessibility improvements, and cultural preservation. Planning frameworks such as the Chinatown Alleyway Master Plan (1998), Lower Polk Alleyways Vision Plan (2016), and Central SoMa Alleyways Project (2018) have guided implementation. Community Benefit Districts, akin to Toronto's Business Improvement Areas, have played a critical role in funding programming and maintenance.

Lessons for Toronto

Strengthening Existing Assets: San Francisco illustrates how revitalization can begin by reinforcing what already exists. In Toronto, established laneway destinations like Graffiti Alley or Coach House Books could be better supported through infrastructure upgrades, lighting, and wayfinding.

Phased Implementation: San Francisco's gradual, community-led approach aligns well with Toronto's diverse neighbourhood contexts. A flexible, pilot-driven strategy could generate early success and build momentum.

Neighbourhood-Specific Responses: Tailoring interventions to local culture and need has been a hallmark of San Francisco's model. Toronto could adopt similar area-based strategies, ensuring that laneway revitalization reflects local demographics, heritage, and land use conditions.



Figure 11.12: Ross Alley, San Francisco
A north–south alley in San Francisco's Chinatown. Image by Kārlis Dambrāns.

11.6 London, The United Kingdom

London's mews streets were originally constructed as service alleys to house stables and staff quarters behind grand residential terraces. Over time, these narrow, often cobbled laneways have evolved into some of the city's most desirable mixed-use environments. Notable examples such as Kynance Mews and Holland Park Mews have been sensitively adapted to support boutique retail, professional offices, and live-work residences—creating intimate, pedestrian-oriented commercial nodes embedded within established neighbourhoods.

Projects like Boundary London in Shoreditch, which integrates a boutique hotel with hospitality and retail uses, and Koops Mill Mews in Bermondsey, where a former tannery was repurposed into office and residential units, illustrate how historic laneways can accommodate economic and cultural activity while preserving architectural character and fine-grained urban form.

Lessons for Toronto

Adaptive Reuse and Incremental Intensification: London's mews streets demonstrate how laneways can evolve into successful mixed-use environments through adaptive reuse, preservation, and flexible zoning. Toronto could support similar evolution by enabling gradual land use change and encouraging context-sensitive infill.

Human-Scale Design and Walkability: The design of mews emphasizes narrow street widths, human-scale frontages, and pedestrian priority—contributing to vibrant and walkable local destinations. Toronto could adopt similar urban design guidelines to ensure laneway development enhances neighbourhood character.

Zoning Flexibility to Support Mixed Use: The transformation of London's mews was made possible by zoning flexibility that permitted small-scale commercial and live-work functions. Toronto could explore zoning overlays or as-of-right permissions that allow for compatible mixed-use laneway activation.

Figure 11.13 to 11.15: Various pedestrian streets and mixed use laneways in London , England. All Photos by Tura Cousins Wilson.



Figure 11.13



Figure 11.14



Figure 11.15

11.7 Vancouver, Canada

Vancouver has taken a progressive approach to laneway transformation, focusing on both residential intensification and public realm enhancement. The city's laneway housing program, introduced in 2009, permits as-of-right development of secondary rental units behind existing homes. Over 4,000 laneway houses have been built, contributing to rental supply and gentle density while maintaining neighbourhood character.

Beyond housing, the Livable Laneways Project has reimagined select laneways as public spaces animated by temporary retail kiosks, public art, and community events. These interventions support small businesses, creative industries, and local placemaking, highlighting the potential for laneways to function as flexible, multi-use corridors

Lessons for Toronto

Zoning Reform and Phased Implementation: Vancouver's success illustrates how incremental zoning reform can support new laneway functions without disrupting existing residential areas. Toronto could consider phased permissions or pilot initiatives to enable commercial laneway uses on a neighbourhood-specific basis.

Flexible Commercial Activation: Temporary uses such as retail pop-ups and community programming have allowed Vancouver to test the viability of laneway commerce. Toronto could implement similar strategies to encourage activation while evaluating long-term impacts.

Servicing and Safety Considerations: Vancouver's experience underscores the importance of planning for waste collection, fire access, and servicing infrastructure when enabling laneway development. Toronto must ensure that any expansion of laneway commercial uses integrates with servicing standards and public safety requirements.

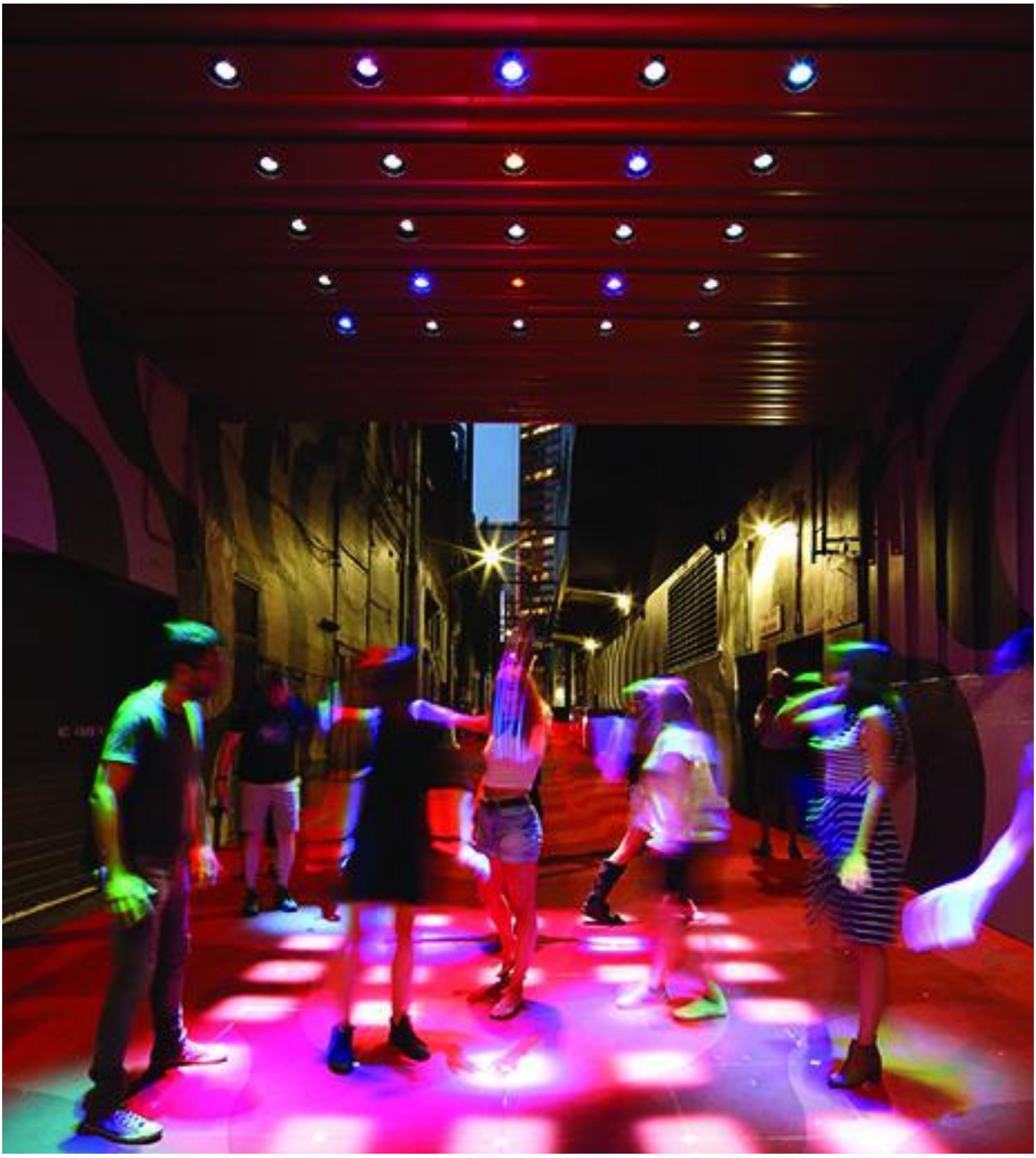


Figure 11.16: Ackery's Alley behind Vancouver's Orpheum Theatre
Turned into a stage-inspired space with an S-curve pattern, & interactive light-&-sound art. Image by Unknown. Source



Figure 11.17: Alley-Oop, Downtown Vancouver Brings "Play" to the business district
With bold colours, hoops, & social spaces—doubling pedestrian use since its 2016 makeover. Image by Unknown. Source



Figure 11.18: Snékwem Lane - Downtown Vancouver
A laneway between Granville & Pender now bursts with vibrant colour, inspired by a Squamish Nation story. Image by Kai Jaconson



Figure 11.19: Yokocho Backstreets in Tokyo
This smoky backstreet Yokocho, with its shabby-charming eateries and cramped izakayas, comes alive at night as locals squeeze onto beer crates for late-night snacks and drinks—one of Tokyo's most authentic alleyway experiences. Photo by Sybilla Patrizia.

11.8 Key Opportunities and Challenges

Opportunities include adopting incremental, context-sensitive laneway revitalization approaches seen in Tokyo, Melbourne, and Vancouver. These cities demonstrate how flexible zoning, adaptive reuse, and small-scale interventions foster vibrant commercial and community spaces. Additionally, pedestrian-friendly design and public realm enhancements, exemplified by Barcelona and San Francisco, offer significant potential for improving laneway accessibility and vibrancy.

Challenges for Toronto involve overcoming zoning restrictions, servicing standards, and safety regulations. Balancing new uses with neighbourhood character, managing noise and traffic impacts, and coordinating infrastructure investments remain significant hurdles. Despite these obstacles, the international case studies illustrate that thoughtful policy evolution, innovative urban design, and community engagement can successfully transform laneways into dynamic, multi-use urban corridors.



Figure 11.20: Hayden Lane, Australia
Once forgotten, Hayden Lane in Darlinghurst has been revived by locals into a picture-perfect hideaway, complete with street art, lush greenery, and twinkling lights. Image by Sebastien Vasquez.

11.9 Conclusion

The National and International Case Study Analysis highlights that while international contexts vary, common principles emerge: incremental zoning reforms, pedestrian-oriented design, adaptive reuse, and community-led initiatives. These strategies can guide Toronto's laneway revitalization efforts, enhancing local economic activity, social interaction, and urban resilience. By integrating proven approaches from global precedents, Toronto can develop practical, context-sensitive policies and designs, fully realizing the potential of its laneway network.



Figure M: Laneway Studio in Toronto
A 415 sq ft live-work space with green brick, a saw-tooth roof for light and privacy, and a flexible interior designed for modern living.
By Studio Vaaro



12.0 Development Scenario Analysis

The Study explores six prototypical development scenarios that demonstrate how small-scale commercial and employment uses could be integrated into public laneways within residential neighbourhoods across Toronto. Each scenario is grounded in representative site, laneway, and block conditions, and tests built form typologies, land use configurations, servicing requirements, and transportation considerations. The scenarios are intended to stimulate discussion about laneways as resilient, adaptable, multi-functional spaces that can support neighbourhood economic activity, enhance the public realm, and accommodate local-serving businesses without displacing investment from adjacent main street retail corridors.

The Study translates these scenarios into representative design concepts. Each concept responds to one of six prototypical laneway conditions and explores opportunities for commercial viability, live-work integration, public realm enhancement, and laneway activation, while addressing constraints related to servicing, access, and residential compatibility. The concepts are not recommendations or prescriptive solutions. They are intended to test ideas, examine the viability of mixed-use laneway development, and inform the Study's final recommendations, which are grounded in the practical realities of policy, zoning, servicing, transportation, and urban design. The design concepts:

- optimize massing and spatial layout to support small-scale commercial and employment uses while maintaining compatibility with adjacent properties;

- explore façade articulation, materiality, and active frontage treatments to enhance laneway activation, pedestrian engagement, and neighbourhood integration;
- integrate servicing, emergency access, and infrastructure strategies to support functionality within a laneway environment; and,
- apply sustainability principles, including daylighting, passive ventilation, and green infrastructure, to support resilient and adaptable urban infill models.

By integrating policy and design considerations, the concepts offer practical models for discussion and demonstrate how incremental intensification could be achieved while reinforcing neighbourhood character and economic vitality.

The development scenarios should be read in relation to the EHON Neighbourhood Retail and Services amendments, but are not zoning compliance assessments. The Regulatory Interpretation discussion focuses on use permissions only; individual concepts may still require review or relief for built form, access, servicing, parking, waste storage, and other applicable requirements.



Figure 12.1:Exterior Rendering by Jon Cummings Architecture

12.1 Site 1: The Timberworks

Development Scenario

Site 1 is a 190 m² mid-block lot, with a 5.0m frontage and 38.0m depth, accessible via a 4.5m-wide T-shaped laneway. The site presents an opportunity to transform an underutilized garage into a functional, small-scale employment space, while addressing challenges related to narrow frontage, limited laneway access, and residential sensitivities.

The design concept explores adaptive reuse and vertical expansion, integrating a light manufacturing or industrial use on the first storey while maintaining a modest mid-block presence with a maximum height of approximately 1.5 storeys.



Figure 12.2: Exterior Rendering by Jon Cummings Architecture

Design Concept

The Timberworks introduces a 1.5-storey carpentry workshop, optimized for light industrial use within a compact urban footprint. The structure rises to 6.3 metres, incorporating a double-height workspace at grade and a partial mezzanine for fine woodworking and administrative functions. This design allows for a fully operational shop while maintaining a modest laneway presence compatible with neighbouring dwellings.

Exterior Design and Urban Integration: The façade combines natural wood shingles, light metal cladding, and large laneway-facing glazing, blending traditional craft aesthetics with a contemporary industrial tone. A garage-style entrance provides functional access for occasional deliveries and facilitates laneway activation through visual permeability. The slight rear yard setback accommodates future laneway widening, while a rear outdoor work area supports flexible operations and airflow.

Interior Layout and Functionality: The ground floor, with a 4.0 metre ceiling height, includes a machine shop, as well as limited material storage, and a washroom. A dedicated outdoor work zone at the rear allows for spill-out wood fabrication under controlled conditions. The mezzanine, at 2.5 metres ceiling height, is equipped for fine carpentry tasks using hand tools and precision machinery, alongside an administrative workstation and finished goods storage.

Key Opportunities and Challenges: The design emphasizes vertical efficiency and laneway transparency, reinforcing the potential for light manufacturing in residential contexts. Opportunities include leveraging passive daylighting, natural ventilation, and compact spatial planning to enhance energy efficiency and operational functionality. Key considerations involve noise mitigation for workshop activities through sound-rated walls and enclosed equipment, and vibration-sensitive construction due to proximity to neighbouring structures. Private waste management may be necessary due to limited laneway access, and compliance with emergency access and fire-rating requirements is essential given the building's mid-block placement and potential zero lot line condition.

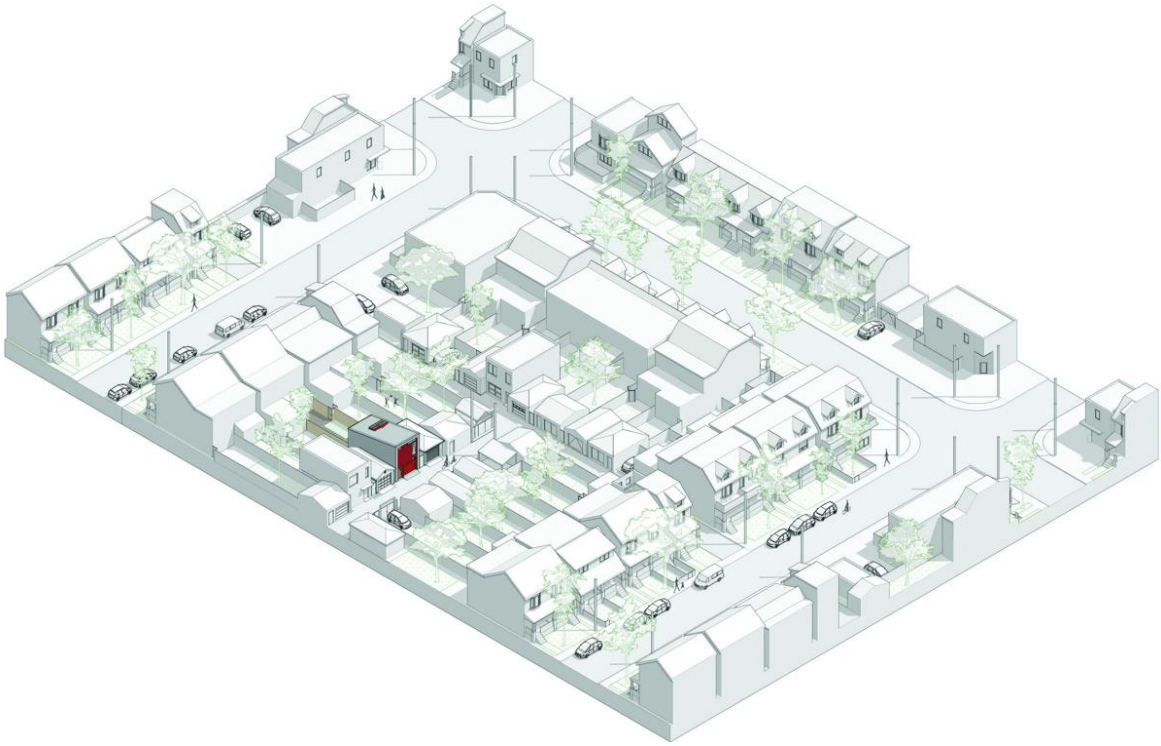


Figure 12.3: The Timberworks in Context



Figure 12.4: Sectional Rendering

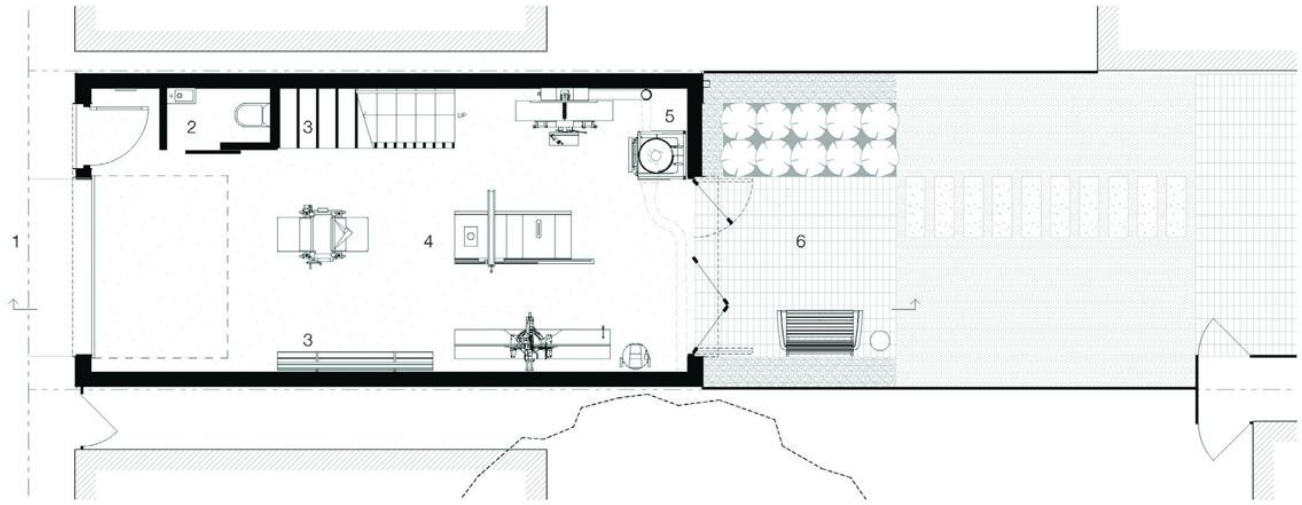


Figure 12.5: Ground Floor Plan

1 Laneway
2 Bathroom
3 Lumber Storage
4 Rough Carpentry Machines - Planer, Jointer, Table Saw, Mitre Saw
5 Dust Collector
6 Outdoor Work Area

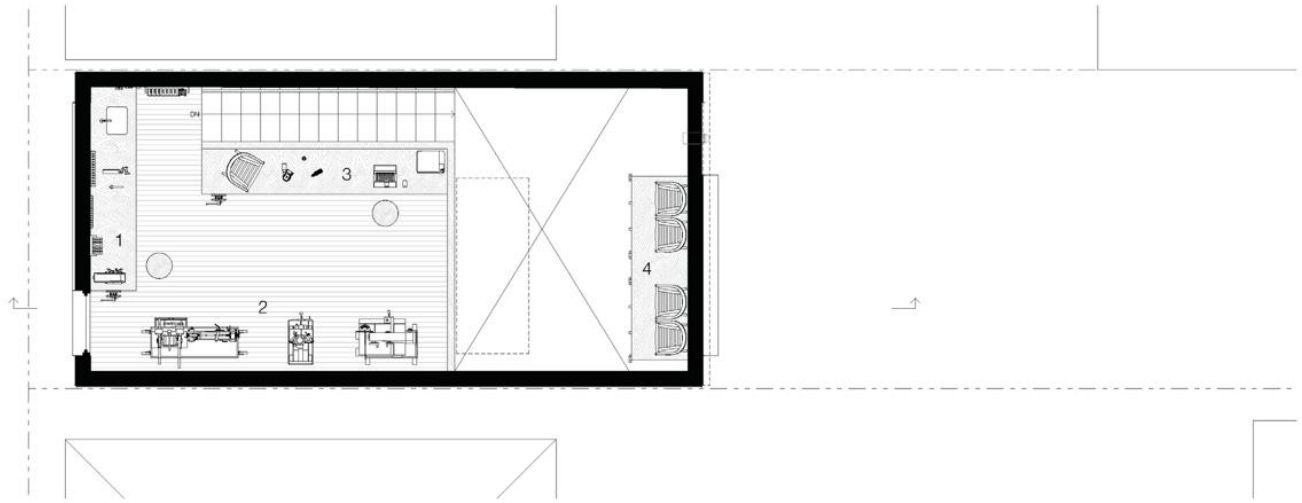
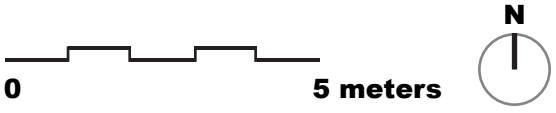


Figure 12.6: Mezzanine Floor Plan

1 Hand Tools + Workbench
2 Fine Carpentry Machines - Drill Press, Lathe, Mortiser, Band Saw
3 Computer / Admin
4 Finished Goods Storage (Ladder Access)



12.2 Site 2: The Corner Exchange

Development Scenario
Site 2 is a 209 m² end-block lot, with a 5.5m frontage and 38.0m depth, accessible via a 3.0m-wide I-shaped laneway. The site offers opportunities to leverage dual frontage, laneway activation, and street visibility, while addressing narrow laneway constraints and residential sensitivities. Coordination with adjacent developments is essential to ensure a seamless interface with surrounding mixed-use areas.

The design concept explores adaptive reuse and potential expansion of an existing laneway suite, incorporating retail or service use on the first storey and office or residential use on the second storey, maintaining a modest urban scale compatible with the neighbourhood.



Figure 12.7: Exterior Rendering by this—office

Design Concept

The Corner Exchange is a 2-storey mixed-use live-work development, with integrated retail and artisanal food production at grade and a flexible residential unit above. The structure reaches approximately 9.0 metres in height, and includes a rooftop green roof and private terrace, maximizing the site's potential for both commercial vibrancy and urban sustainability.

Exterior Design and Urban Integration: The façade is composed of green-toned cladding, masonry base, and expansive glazing, blending modern materiality with contextual sensitivity. A recessed ground-floor entry and adjacent courtyard strengthen pedestrian interaction and create a social space at the laneway interface. The upper floor steps back to reduce massing impact and introduce terraces for natural light access and residential privacy.

Interior Layout and Functionality: The ground floor, with a 4.0 metre ceiling height, proposes a fresh pasta shop that combines retail and on-site production. Customers are invited into an experience-oriented space where production is visible, and a public courtyard adjacent to the laneway extends the commercial zone outdoors, creating space for seating or informal gatherings. The second floor, at 3.0 metres ceiling height, accommodates a live-work unit with an open-concept layout including kitchen, living, bedroom, and storage areas—flexible for both residential and professional use. The roof level provides access to a private terrace and green roof, contributing to stormwater management and improved thermal performance.

Key Opportunities and Challenges: This project emphasizes the potential of dual frontage sites and supports live-work adaptability, allowing for seamless integration of artisanal food production and retail in a vibrant laneway setting. The public-facing storefront and courtyard enhance pedestrian engagement, contributing to local economic vitality. Opportunities exist to optimize on-demand delivery access via bicycle couriers, minimizing vehicular impact. The green roof supports sustainable stormwater management, while natural ventilation and passive lighting strategies promote resilient urban infill. Attention to noise from retail operations and waste collection logistics ensures smooth operations.

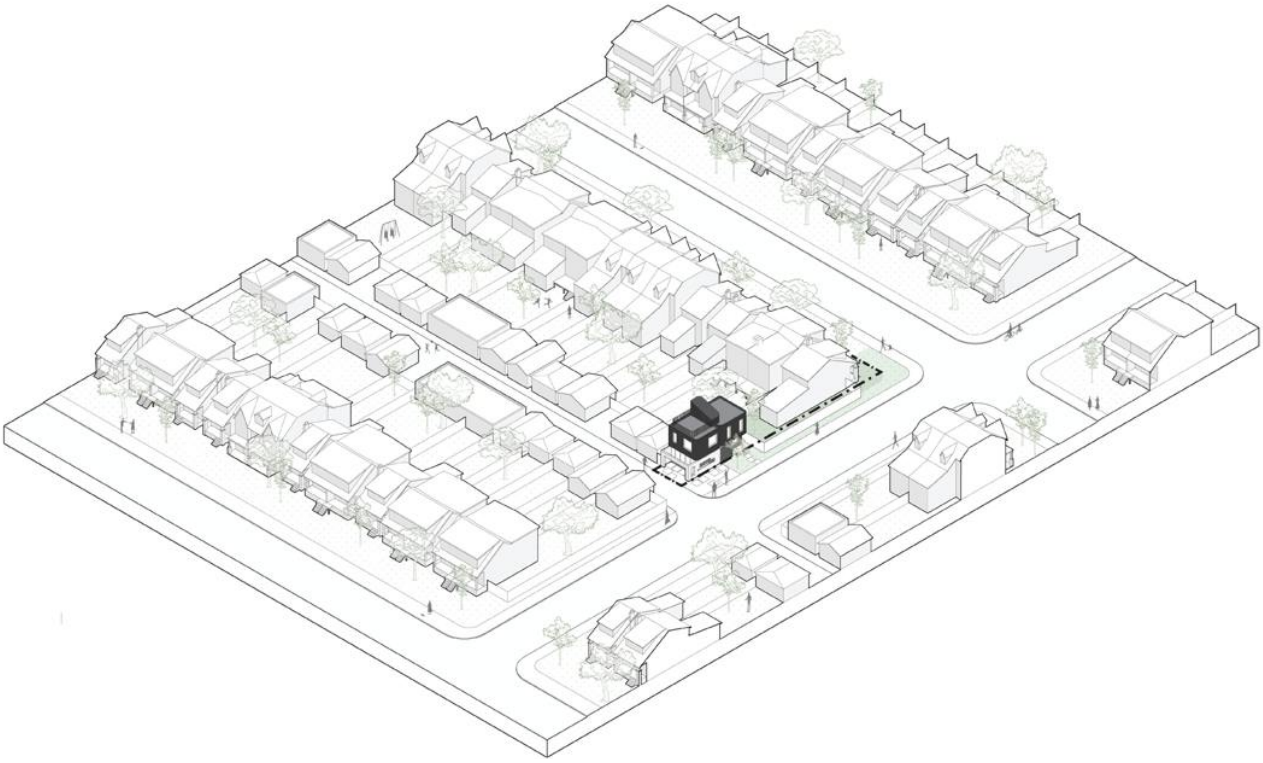


Figure 12.8: The Corner Exchange in Context

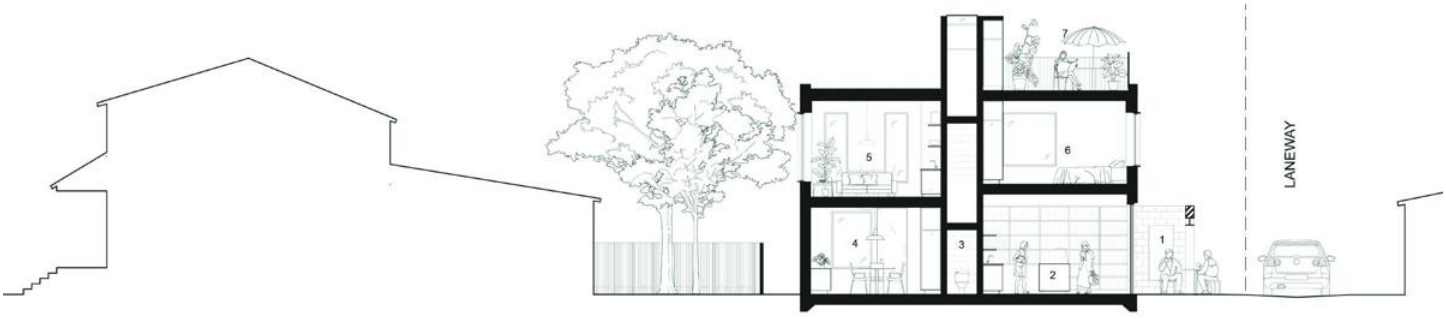


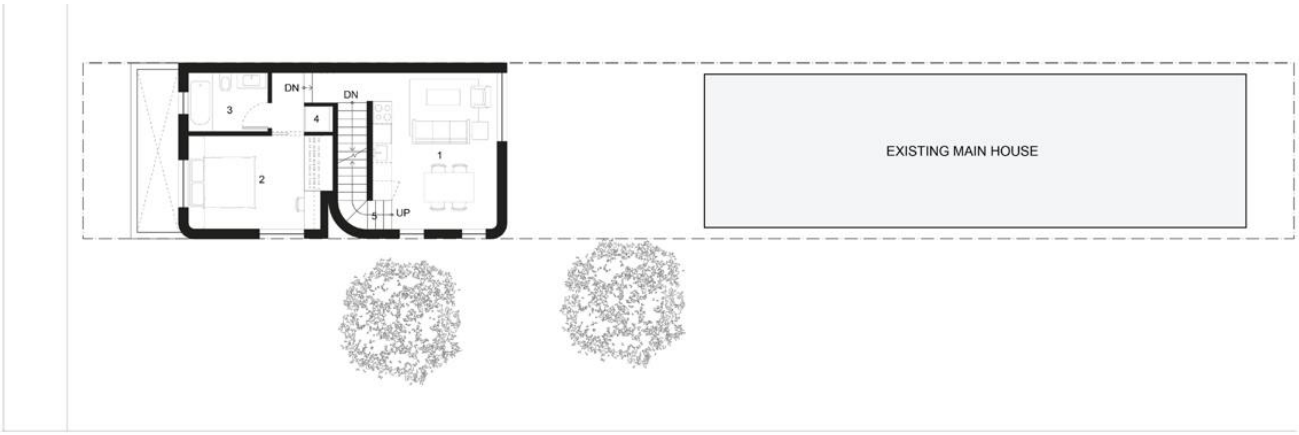
Figure 12.9: Cross Section

1. Retail Entry Courtyard
2. Workshop and Shop
3. W/C
4. Room for private dinners
5. Kitchen / Living / Dining
6. Bedroom
7. Terrace



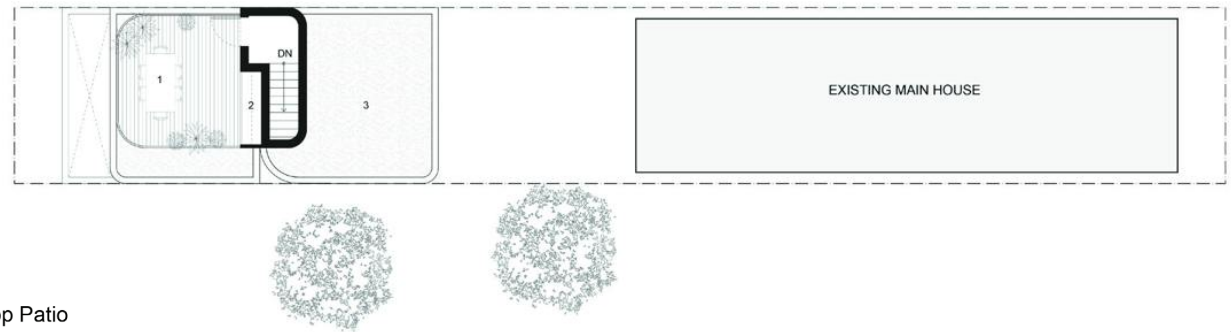
1. Retail Entry Courtyard
2. Workshop and Shop
3. W/C
4. Room for private dinners
5. Residential Enty

Figure 12.10: Ground Floor Plan



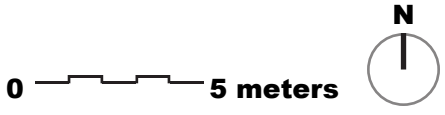
1. Kitchen / Living / Dining
2. Bedroom
3. Bathroom
4. Laundry
5. Stair to Roof Terrace

Figure 12.11: Second Floor Plan



1. Rooftop Patio
2. Storage
3. Green Roof

Figure 12.12: Roof Floor Plan



12.3 Site 3: The Maker's Lane

Development Scenario

Site 3 is a 216 m² lot, with a 6.0m frontage and 36.0m depth, situated at the edge of a neighbourhood, interfacing with a Mixed-Use Area designation. The site is accessible via a 6.0m-wide T-, I-, or L-shaped laneway, offering flexibility for mid-block or end-block placement. The site presents opportunities to maximize dual frontage, enhance visibility, and capitalize on proximity to transit, while addressing potential impacts from mixed-use adjacencies, such as noise and odor. Strategic coordination with neighboring developments will ensure compatibility.

The design concept explores new construction, integrates retail and/or light manufacturing or industrial use on the first storey, with office or residential use on the second storey, and residential use on the third storey, fostering a dynamic, adaptable mixed-use environment.



Figure 12.13: Exterior Rendering by Studio AC

Design Concept

The Maker's Lane is a 3-storey mixed-use development, rising to approximately 9.5 metres, integrating ground-floor retail, small-scale textile production, and residential spaces above. The structure is designed to activate the laneway while maintaining compatibility with neighbouring residential and mixed-use properties. The design prioritizes flexible use, commercial viability, and enhanced public realm interaction.

Exterior Design and Urban Integration: The building features a light metal façade and a recessed retail storefront, creating a contemporary yet inviting laneway frontage. Upper floors are stepped back, incorporating terraces that offer daylighting and reduce the visual mass. The side and rear elevations are articulated with balconies and green accents, contributing to soft urban integration. The laneway-facing elevation includes large display glazing at grade, enhancing pedestrian engagement.

Interior Layout and Functionality: The ground floor, with a 4.0 metre ceiling height, includes a retail space specializing in textiles or handmade goods, paired with a workshop studio for on-site production. The space features visual transparency between production and retail areas, reinforcing craft-based branding. A shared courtyard improves daylight access and serves as a communal outdoor amenity space for workers and residents. The second floor (3.0 metre ceiling height) hosts a live-work unit with an open-plan kitchen, living, and bedroom area. The third floor (2.5 metre ceiling height) provides a loft-style residential space, including a sleeping nook and private terrace. A green roof enhances stormwater management and thermal comfort.

Key Opportunities and Challenges: This project integrates flexible live-work models, laneway-oriented commerce, and sustainability strategies, including daylighting and stormwater management. The dynamic mix of uses supports adaptable small-scale production, though noise mitigation for textile workspaces and ventilation systems must be carefully planned. Shared laneway servicing and private waste solutions can support operational needs, while the design enhances pedestrian priority through traffic calming and public realm cues.

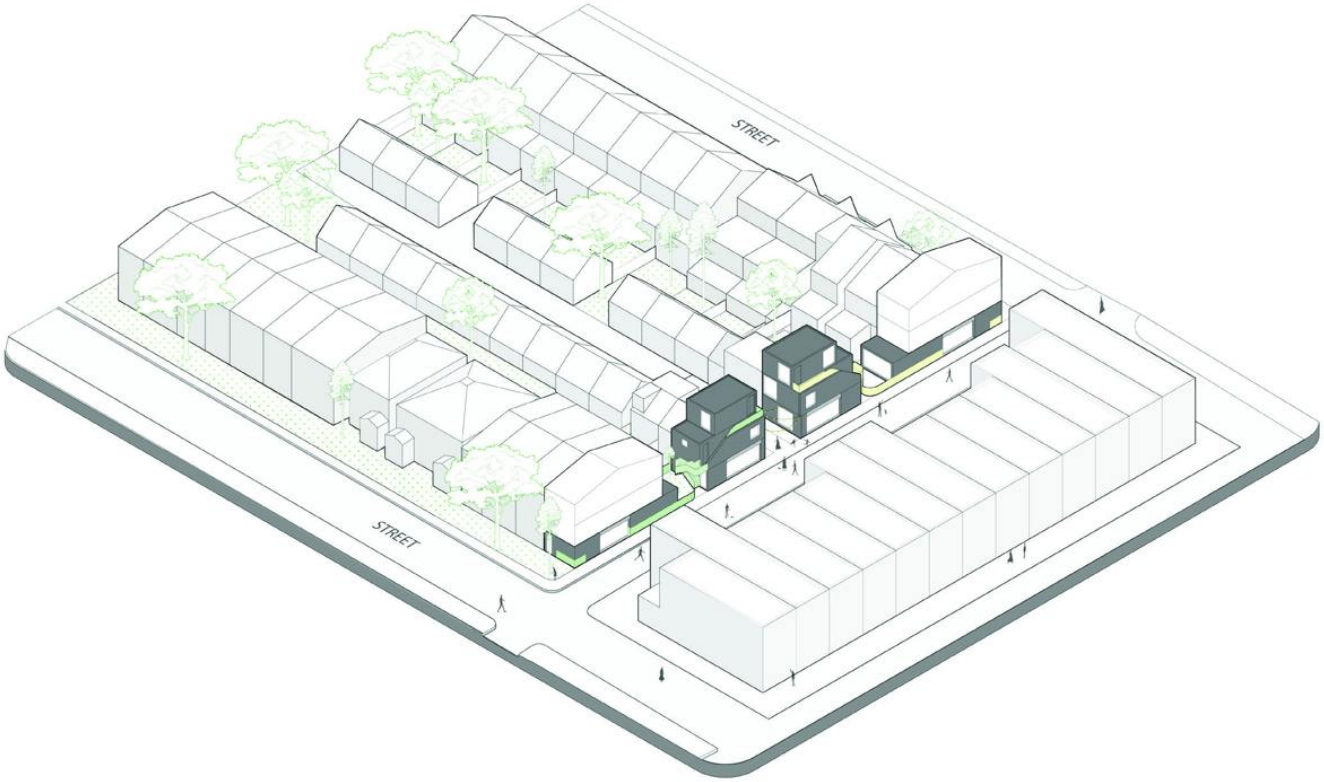


Figure 12.14: The Maker's Lane Exchange in Context

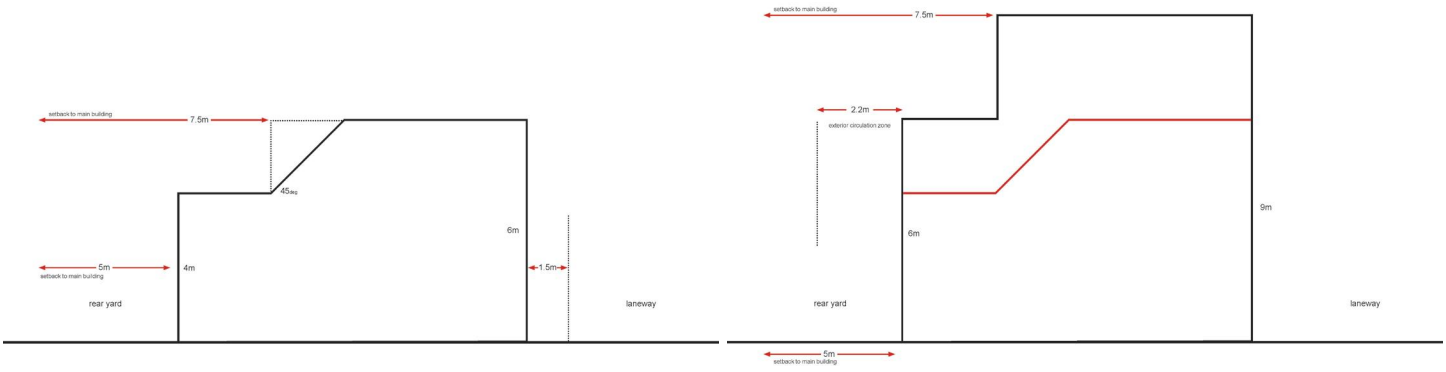


Figure 12.15: Existing vs Proposed Laneway Zoning

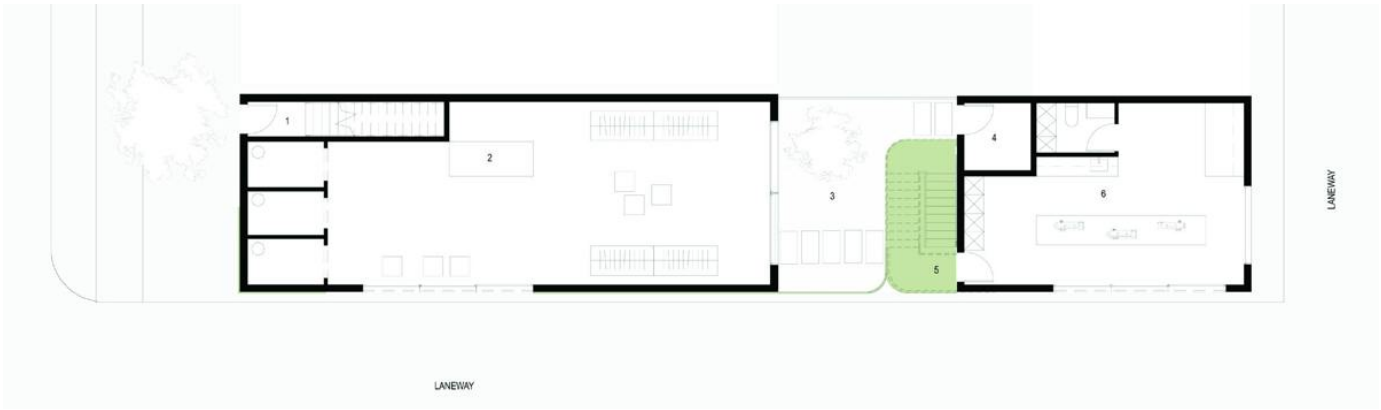


Figure 12.16: Ground Floor Plan

1 - STAIR TO RESIDENTIAL
2 - RETAIL SHOP (CLOTHING/TEXTILES)
3 - SHARED COURTYARD
4 - GARBAGE ROOM
5 - STAIR TO RESIDENTIAL
6 - WORKSHOP/STUDIO (SEWISTS)

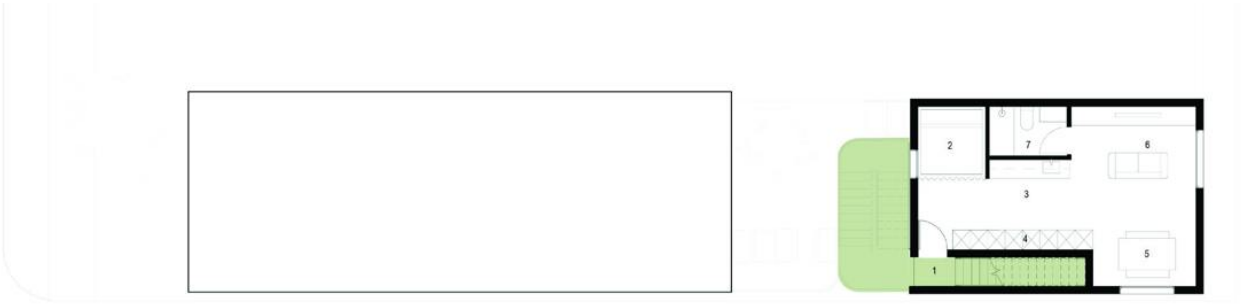


Figure 12.17: Second Floor Plan

1 - ENTRY PORCH
2 - BEDROOM
3 - KITCHEN/DINING
4 - WARDROBE STORAGE
5 - DINING
6 - LIVING ROOM
7- W/C

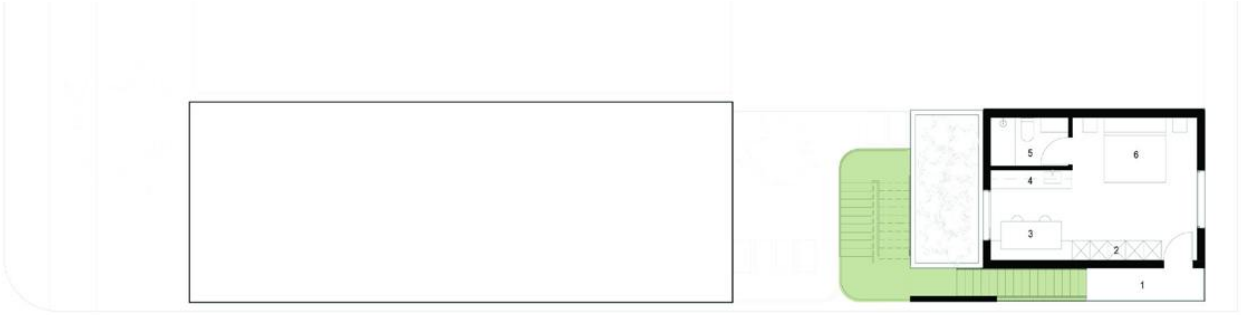
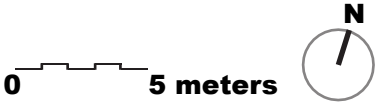


Figure 12.18: Third Floor Plan

1 - ENTRY PORCH
2 - WARDROBE STORAGE
3 - DINING
4 - KITCHEN
5 - W/C
6 - BED



12.4 Site 4: The Green Junction

Development Scenario

Site 4 is a 272 m² end-block lot, with an 8.0m frontage and 34.0m depth, interfacing with a Mixed-Use Area designation. It is accessible via a 4.5m-wide I-shaped laneway, offering high visibility, dual frontage, and strong commercial potential. The site's adjacency to mixed-use zones rather than exclusively residential properties creates flexibility for non-residential programming. However, the design must address shallow site constraints, neighbourhood sensitivities, and potential mixed-use nuisances like noise and odor.

The design concept explores new construction, integrating retail or service use on the first storey, with flexibility for commercial uses to extend to the second storey or transition to office or residential functions, with residential use on the third storey. The project will enhance public engagement, laneway activation, and commercial viability.



Figure 12.19: Rendering by Office Ou

Design Concept

The Green Junction is a 3-storey mixed-use development, approximately 9.0 metres in height, integrating ground-floor retail/café, flexible commercial or live-work space on the second floor, and a residential unit on the third floor. The project maximizes corner visibility and laneway activation, fostering economic activity and enhancing the public realm through thoughtful massing and materiality.

Exterior Design and Urban Integration: The building features an exposed metal structural frame with a dynamic array of multi-colored panel cladding, incorporating shades of green, yellow, red, and distinctive plus-patterned panels. This playful yet controlled palette enhances the corner visibility and contributes to a unique visual identity within the laneway context. Large storefront glazing at grade fosters a welcoming pedestrian interface. The stepped-back third floor provides private terraces and mitigate the building's mass, while the bold use of color and material contrast establishes a vibrant, modern laneway presence.

Interior Layout and Functionality: The ground floor (4.0 metre ceiling height) features a retail or café space, along with an adjacent shop or studio suitable for boutique production or office use. The second floor (3.0 metre ceiling height) offers a flexible live-work unit, adaptable to studio, office, or residential functions. The third floor (2.5 metre ceiling height) includes an open-concept kitchen, living/dining area, sleeping nook, and access to a private outdoor terrace. The building is topped with a green roof, contributing to sustainable water management and thermal performance.

Key Opportunities and Challenges: This project leverages its corner site for maximum commercial exposure, integrating live-work adaptability and enhancing the public realm through playful materiality and active frontage. Sustainability elements such as natural ventilation, daylighting, and a green roof enhance environmental performance. Key considerations include supporting safe pedestrian circulation in the shared laneway through design interventions, and ensuring efficient service access for café and retail functions, particularly for bicycle-based deliveries.

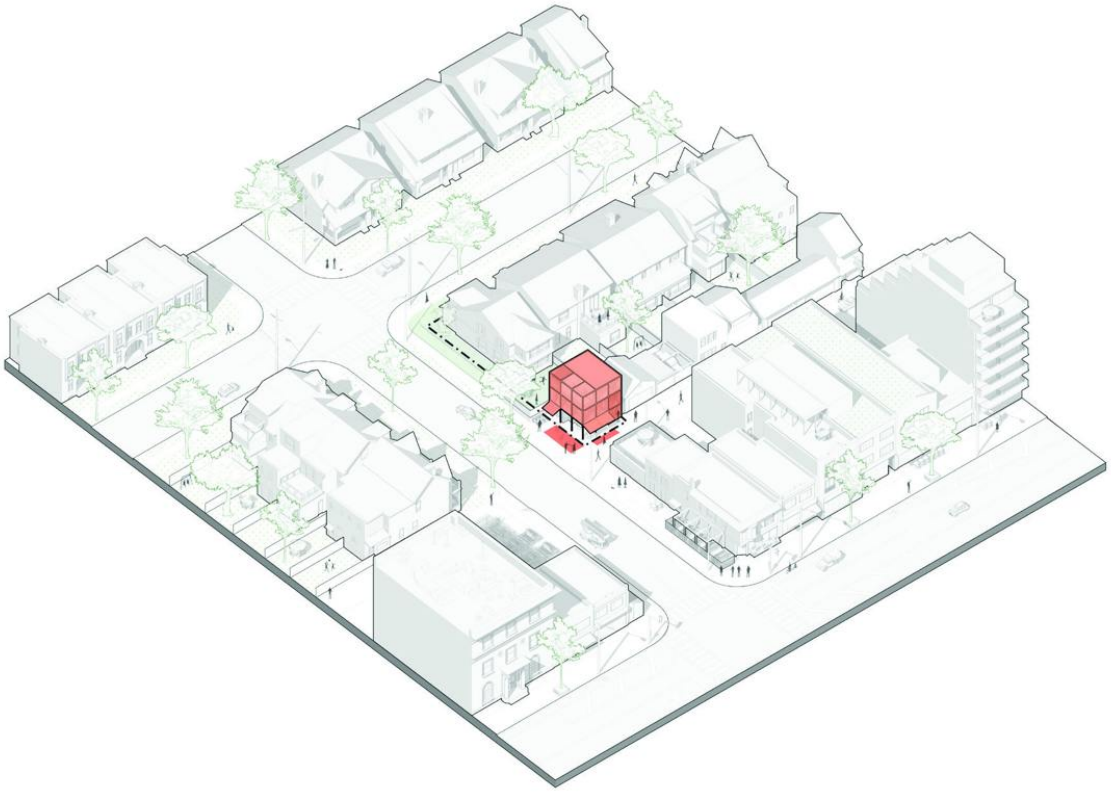


Figure 12.20: The Green Junction in Context

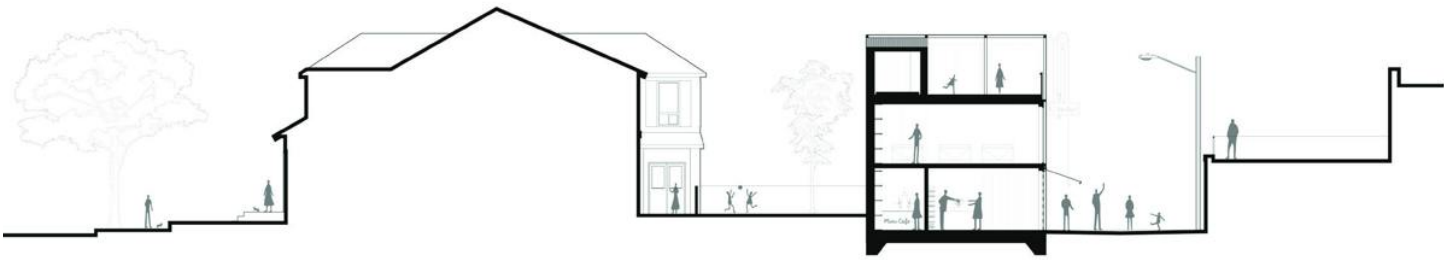


Figure 12.21: Cross Section



Figure 12.22: Ground Floor Plan

1 COMMERCIAL UNIT 1 (SMALL CAFE)
2 COMMERICAL UNIT 2 (SHOP)
3 SHARED ENTRY
4 STORAGE
5 OUTDOOR PATIO

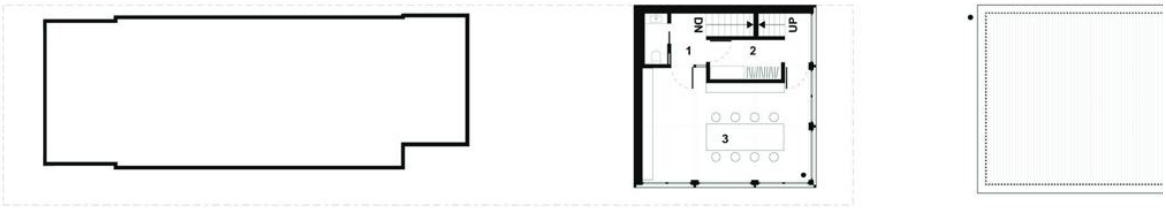
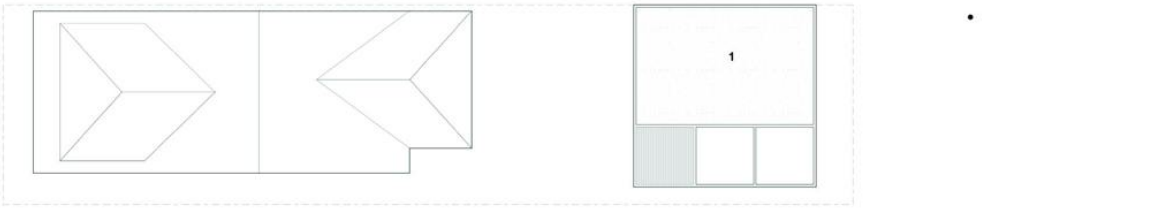


Figure 12.23: Second Floor Plan

1 SHARED FOYER
2 RESIDENTIAL UNIT FOYER
3 FLEXIBLE MUILTI-USE UNIT (WORKSHOP, OFFICE, LIVE-WORK)



1 GREEN ROOF

Figure 12.24: Site Plan



12.5 Site 5: The Tool Shed

Development Scenario

Site 5 is a 288 m² lot, with an 8.0m frontage and 36.0m depth, located at the edge of the neighbourhood, adjacent to an employment area. The site is accessible via a 4.5m-wide T-, I-, or L-shaped laneway, offering flexibility for mid-block or end-block placement. This location presents strong opportunities for non-residential uses, benefiting from employment-area adjacency while reducing residential constraints.

The design concept explores either new construction or adaptive reuse, integrating light manufacturing or community uses on the first storey, which may extend to the second storey, with residential or live-work uses on the second and third storeys. The project aims to activate the laneway while balancing public and private functions in a mixed-use setting.

Design Concept

The Tool Shed is a 3-storey mixed-use development, reaching approximately 11.5 metres in height, integrating a community tool library and workshop on the lower levels, with two live-work residential units above. The design balances public-facing industrial functions with private residential uses, while activating the laneway through dynamic massing and clear visual identity.

Exterior Design and Urban Integration: The building is clad in a mix of buff and light grey brick, creating a robust industrial yet refined aesthetic. A distinctive diamond-shaped window at the corner emphasizes the public nature of the tool library. Metal mesh details along the façade are designed to support climbing vegetation, softening the urban presence over time. Access to the residential units is provided via an exterior stair recessed from the laneway, leading to private balconies, ensuring clear separation between public and private zones.

Interior Layout and Functionality: The sunken ground floor (4.0 metre ceiling height) houses the tool library and community workshop, with double-height space for tool storage, workbenches, and heavy equipment. The mezzanine (2.8 metre ceiling height) provides additional storage and open workspace, along with access to a small residential courtyard. The second and third floors (each 3.0 metre ceiling height) accommodate two stacked live-work units, each with open-concept kitchens, workspaces, sleeping areas, and private balconies. The third-floor mezzanine includes a loft workspace, enhancing flexibility for creative or professional activities.

Key Opportunities and Challenges: This project balances community-oriented spaces with private residential functions, fostering engagement through a public-serving tool library and workshop. Opportunities include promoting skill-sharing and neighbourhood resilience, while natural ventilation, daylighting, and a green roof enhance sustainability. Noise mitigation for tool use is addressed through enclosed operations and thoughtful equipment placement. Private waste servicing and informal loading for small vehicles supports operational efficiency.



Figure 12.25: Exterior Rendering by Anya Moryoussef Architect (AMA)

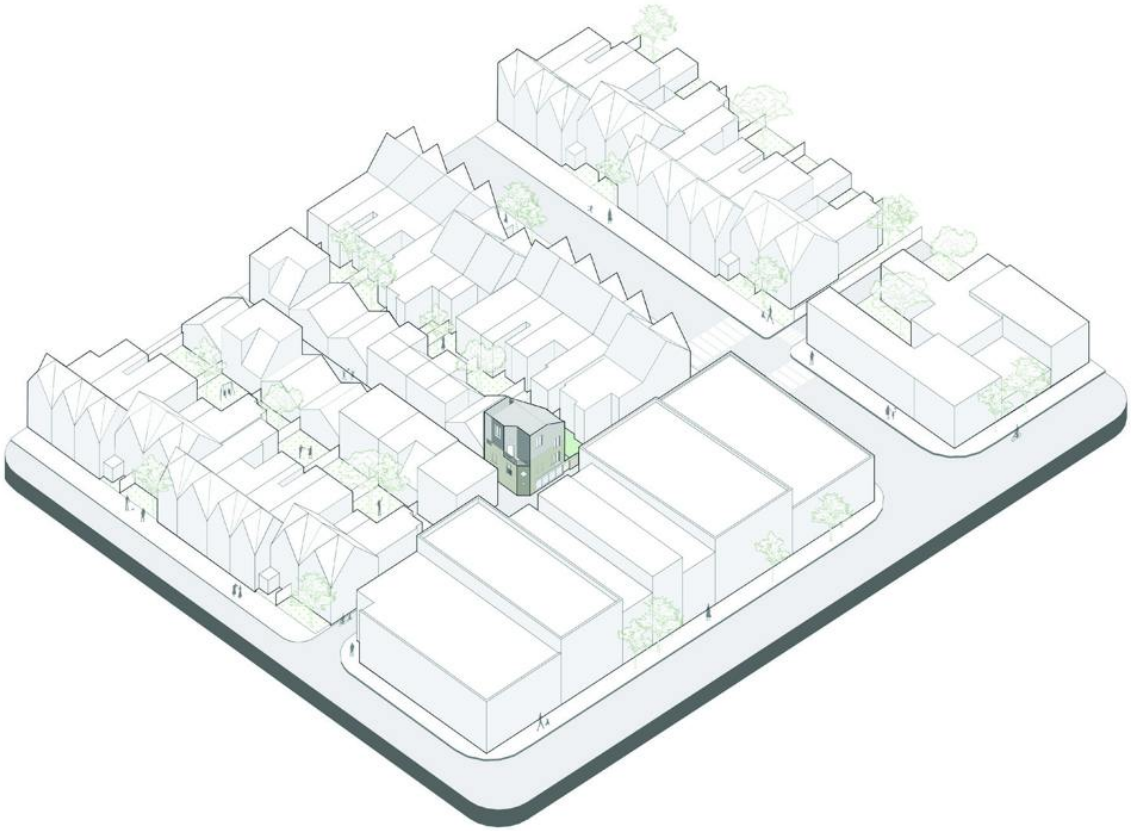


Figure 12.26: The Tool Shed in Context

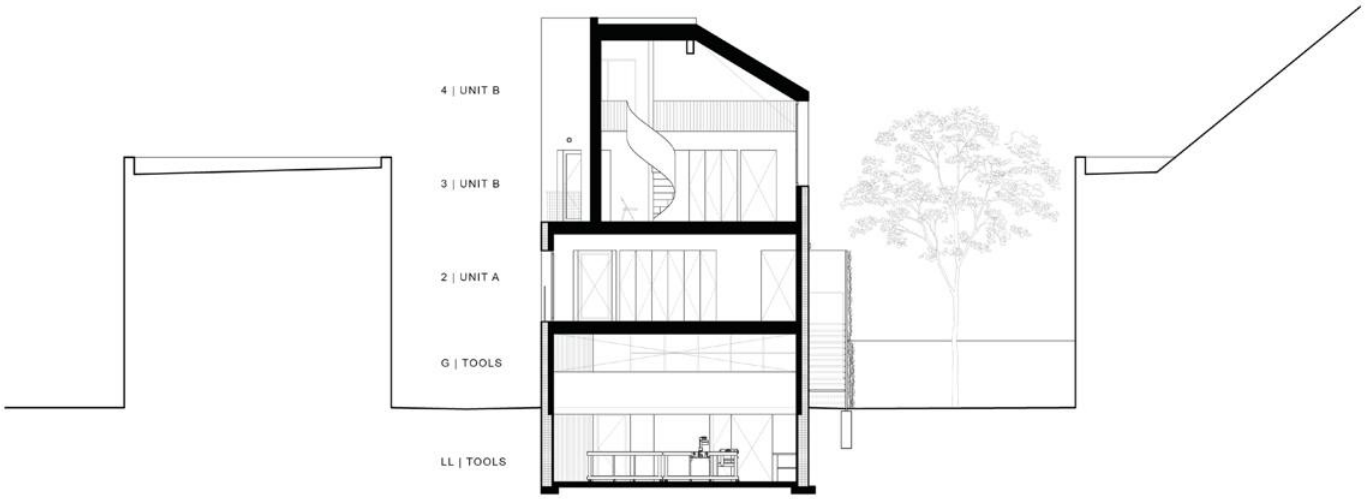
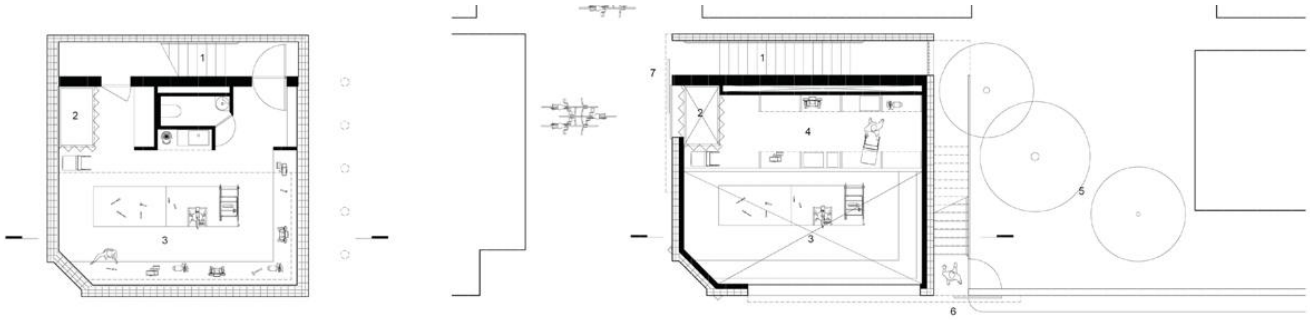


Figure 12.27: Cross Section



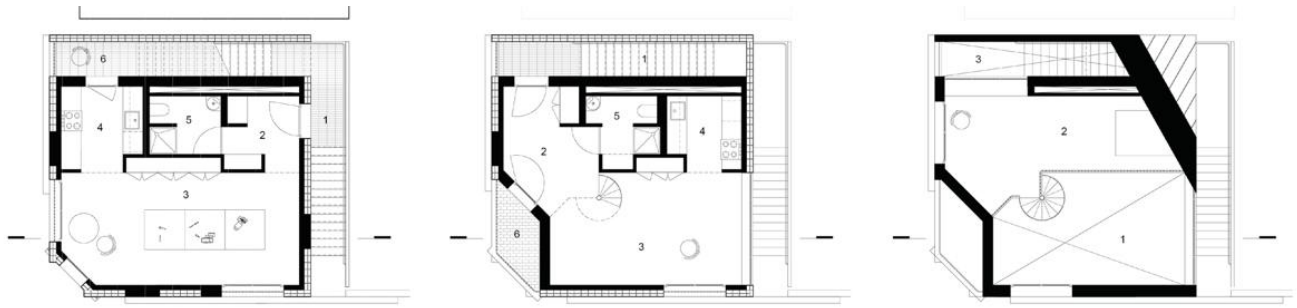
LL | TOOL LIBRARY

1 ENTRY STAIR / UNCONDITIONED
2 HYDROLIC SERVICE LIFT
3 TOOL LIBRARY & COMMUNITY WORKSHOP, OPEN TO ABOVE

G | TOOL LIBRARY MEZZANINE

1 ENTRY STAIR / UNCONDITIONED
2 HYDROLIC SERVICE LIFT
3 OPEN TO LL TOOL LIBRARY BELOW
4 STORAGE MEZZANINE
5 RESIDENTIAL COURTYARD
6 ENTRY GATE / ACCESS TO UPPER STOREY LIVE-WORK UNITS
7 ENTRY GATE / ACCESS TO LL TOOL LIBRARY

Figure 12.28: Lower Floor Plans



2 | UNIT A

1 EXTERIOR STAIR TO UPPER LEVEL UNITS
2 ENTRY
3 LIVE-WORK
4 KITCHEN
5 WASHROOM
6 BALCONY

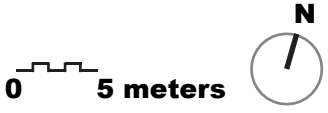
3 | UNIT B

1 EXTERIOR STAIR TO UPPER LEVEL UNIT
2 ENTRY
3 LIVE-WORK / OPEN TO ABOVE
4 KITCHEN
5 WASHROOM
6 BALCONY

4 | UNIT B MEZZANINE

1 OPEN TO LIVE-WORK BELOW
2 MEZZANINE
3 OPEN TO EXTERIOR STAIR AND BALCONY BELOW

Figure 12.29: Upper Floor Plans



12.6 Site 6: The Jeweler's Workshop

Development Scenario

Site 6 is a 354 m² lot, with a 9.0m frontage, situated in a mixed-use context and accessible via a laneway. The site presents an opportunity to establish a downward transition in height and massing between the scale of development contemplated for Mixed Use Areas and adjacent Neighbourhoods, integrate a vertically connected artisan workspace, combining retail, workshop, and office functions, while maintaining upper-floor live-work flexibility. Key design opportunities include leveraging the basement, ground floor, and mezzanine for a workspace, while activating the laneway through retail engagement. The multi-level program allows for efficient workflow, dedicated production space, and a strong public interface. Design considerations include ensuring proper servicing access, ventilation for workshop activities, and compatibility with adjacent developments.

The design concept explores new construction, integrating a ground-floor retail space, a basement-level production workshop, and a mezzanine office, with residential or live-work units on the upper floors. The project aims to activate the laneway, support local artisans, and balance commercial and residential functions in a compact urban setting.

Design Concept

The Jeweler's Workshop is a 3-storey mixed-use development with partial mezzanines, allowing for a vertically layered program of basement-level jewelry production, ground-floor retail engagement, and two upper-level residential units. The building rises to approximately 13.5m, maximizing spatial efficiency while maintaining compatibility with adjacent urban forms.

Exterior Design and Urban Integration: The exterior features a sophisticated palette of deep red brick, offset with light grey brick banding, creating a refined and contemporary aesthetic. Glass block inserts are strategically placed to introduce natural light into interior spaces while maintaining privacy. A distinctive angular recessed storefront at lane level enhances the public realm, drawing pedestrian interest and supporting retail visibility. The rear elevation is carefully articulated, ensuring visual interest and a contextual relationship with adjacent properties. The building's massing is designed to mediate between the adjacent mid-rise and low-rise forms, offering a sensitive transition in scale.



Figure 12.30: Exterior Renderings by SOCA | Studio of Contemporary Architecture

Interior Layout and Functionality: The building's interior is organized around a vertical sequence of specialized spaces. The basement accommodates a fully equipped jewelry workshop, with dedicated fabrication zones, staff lounge, utilities, and a sunken garden that delivers daylight and ventilation to the below-grade environment. The ground floor features a laneway-facing retail showroom, designed to showcase artisan products, with a side access point facilitating parking and deliveries. A partial mezzanine above the ground floor contains a retail office, supporting administrative functions tied to the public-facing operation. The second floor offers a one-bedroom residential unit with an open-concept kitchen, living, and dining area, along with an ensuite bathroom, providing high-quality compact living space. The third floor, with an additional mezzanine, houses a two-bedroom residential unit, featuring private bedrooms, flexible living space, and an upper-level mezzanine that can serve as an office or additional lounge area.



Figure 12.31: Exterior Renderings by SOCA | Studio of Contemporary Architecture

Key Opportunities and Challenges: This project integrates retail, production, and residential functions into a compact, multi-level layout, supporting artisan-led economic activity. The public-facing storefront strengthens commercial viability, while daylighting and natural ventilation promote sustainability and energy efficiency. Opportunities include creating a distinctive laneway identity through transparent façades and vibrant material articulation. This project requires changes to the Ontario building Code to allow for single egress residential units above 2 storeys.



Figure 12.32: Exterior Renderings by SOCA | Studio of Contemporary Architecture

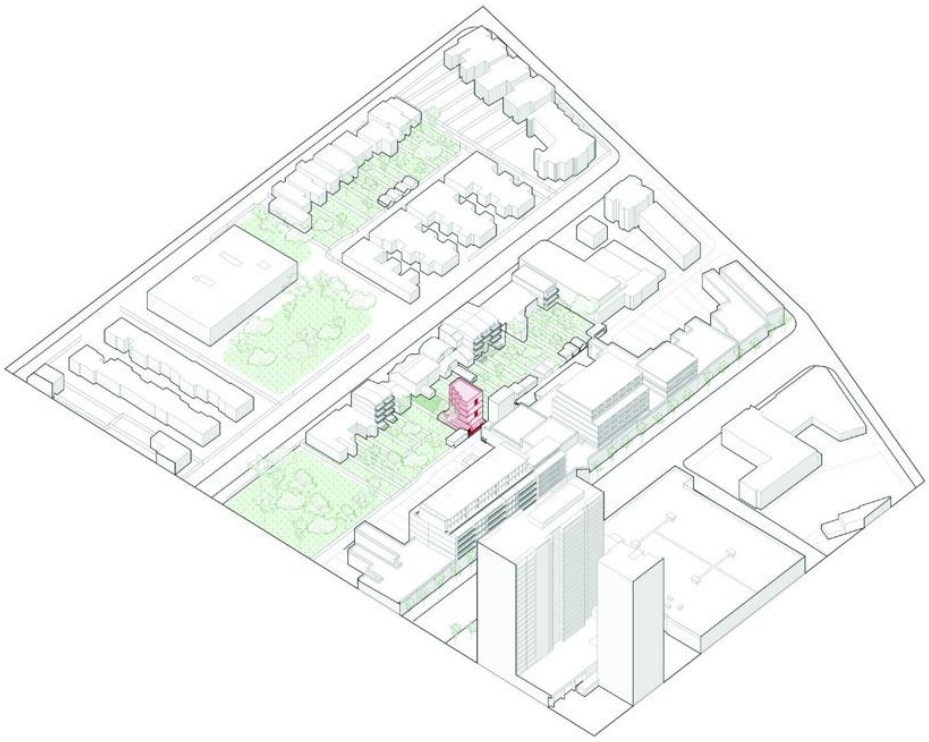


Figure 12.33: The Jeweler's Workshop in Context

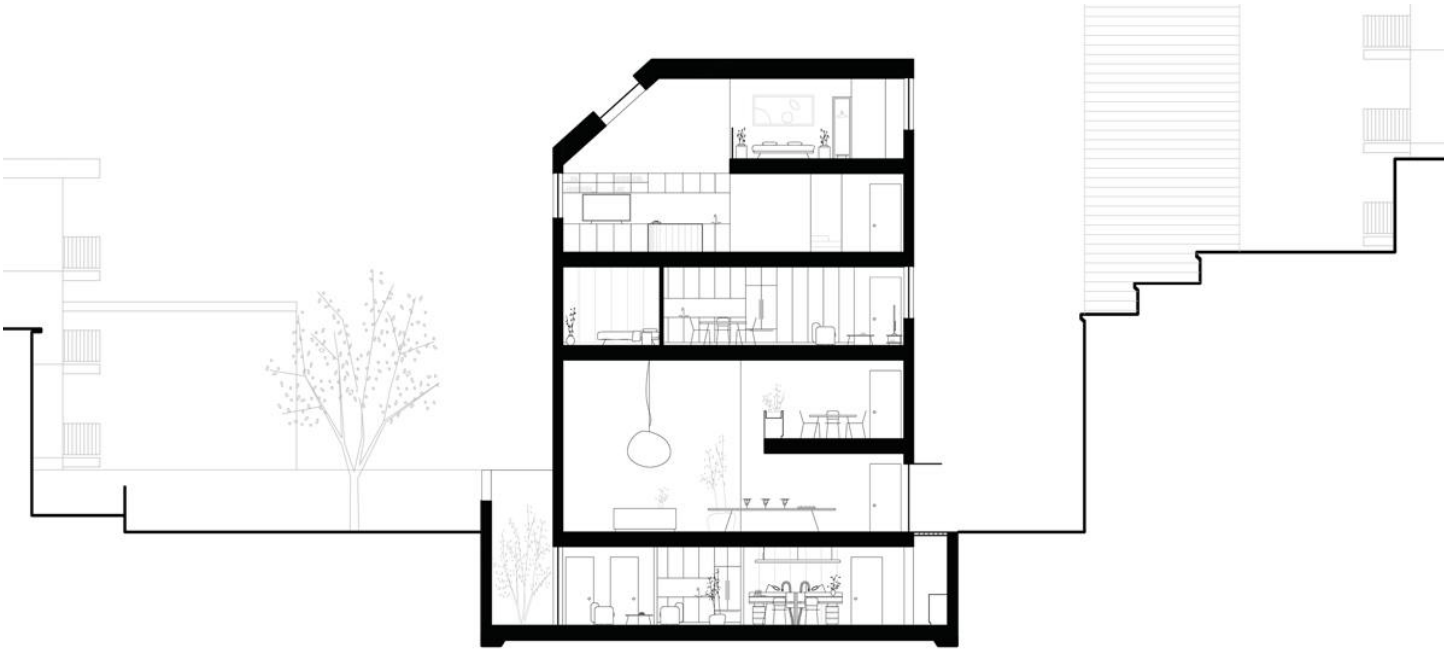


Figure 12.34: Cross Section

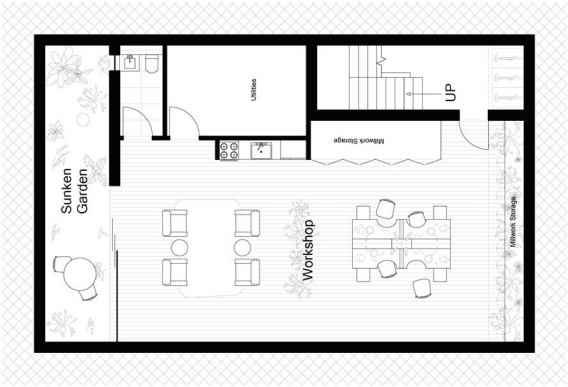


Figure 12.35: Basement Floor Plan

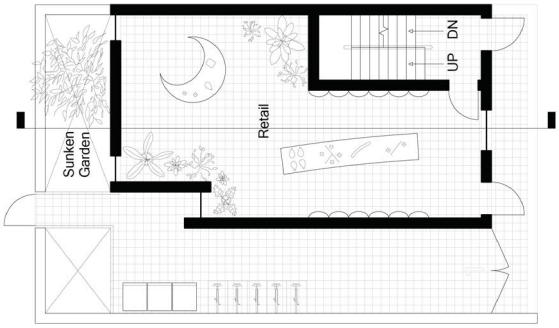


Figure 12.36: Ground Floor Plan

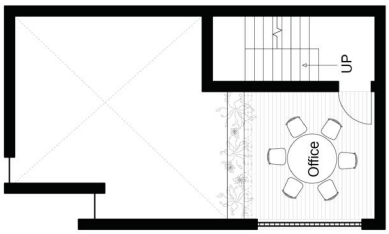
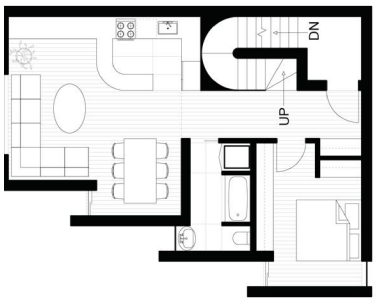


Figure 12.37: Mezzanine Floor Plan





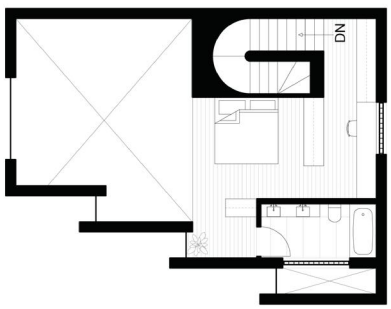


Figure 12.38: Residential Unit 1 Floor Plan
Figure 12.39: Residential Unit 2 Floor Plans (right)



12.7 Regulatory Interpretation of the Design Concepts

The development scenarios should be read in relation to the EHON Neighbourhood Retail and Services amendments, but they are not zoning compliance assessments. The concepts were prepared to test physical, operational, design, and market conditions, and to illustrate how different forms of small-scale commercial and employment activity might fit within public laneway conditions. The regulatory interpretation below focuses primarily on use permissions. Individual concepts may still require review or relief for built form, height, setbacks, separation distances, floor area, access, servicing, parking, waste storage, and other applicable zoning or technical requirements.

The EHON amendments provide an important new implementation context for the design concepts. They introduce a first layer of small-scale commercial permissions in Residential zones, including expanded home occupation permissions, limited neighbourhood-interior retail permissions, and broader major-street commercial permissions. These permissions operate differently depending on the use, building type, lot condition, and relationship to the street or laneway. They do not create a general permission for mixed-use laneway activity.

The clearest relationship is through the expanded home occupation permissions. These may support certain residence-linked business activities in ancillary buildings or structures, including detached garages and laneway-facing buildings, where the dwelling unit or living accommodation is the principal residence of the business operator and the use complies with applicable standards. This pathway is most relevant to concepts such as The Timberworks, The Tool Shed, and The Jeweler's Workshop, where low-impact workshop, studio, office, repair, or custom production activities could potentially occur in a laneway-adjacent building if they remain residence-linked.

The neighbourhood-interior retail permissions may also be relevant to some concepts, but only where the subject lot independently satisfies the applicable criteria. These permissions are most relevant to The Corner Exchange and The Green Junction, which explore local retail, food-related, and community-serving conditions near local streets or neighbourhood edges. Even where a lot qualifies, the permission is directed to a retail store in a qualifying building and should not be read as a general permission for commercial uses in rear-yard ancillary buildings or businesses primarily oriented to the laneway. Food preparation, café activity, classes, events, patios, or upper-level workshop and office uses may require further review or future refinement.

The major-street permissions are similarly limited for laneway purposes. They may apply where the subject lot itself abuts a major street and the use is located in a qualifying building associated with that frontage. They may be relevant to major-street properties with rear-laneway interfaces, particularly where servicing, deliveries, waste storage, or secondary access occur from the laneway. However, those permissions should not be extended to local-street properties that merely share a laneway with major-street lots. This distinction is important for The Jeweler's Workshop, which should be understood as a local-street, rear-of-main-street laneway condition rather than a direct major-street permissions scenario unless the subject lot independently qualifies.

Taken together, the six scenarios show that the EHON amendments partially change the regulatory baseline, but do not fully resolve the mixed-use laneway question. Some residence-linked activity in ancillary buildings may already be supportable. Some street-facing retail or major-street conditions may be relevant where the lot qualifies. Other concepts remain outside the current framework because they involve independent tenancies, non-resident operators, laneway-oriented commercial activity, food-related uses, community-serving resource hubs, or clustered small-scale employment.

The scenarios help identify what the current permissions may enable, where they stop short, and what the City should monitor before determining whether a second-stage, laneway-specific zoning and design framework is warranted.

Key Regulatory Takeaways

The following takeaways summarize how the EHON Neighbourhood Retail and Services relate to the design concepts and where further monitoring may be required:

- EHON creates a first layer of small-scale commercial permissions in Residential zones;
- home occupation permissions provide the clearest pathway for ancillary buildings and laneway-facing structures;
- neighbourhood-interior retail permissions apply only where the lot independently qualifies;
- major-street permissions apply only where the subject lot itself qualifies;
- the amendments do not create a general permission for mixed-use laneway activity; and,
- further monitoring is needed to assess independent tenancies, non-resident operators, food-related uses, community-serving hubs, and clustered laneway employment.



Figure N: Junction Custom by Laneway Custom Build
Photo by Kira Noel.



13.0 Recommendations

This section outlines a comprehensive framework to guide the integration of non-residential and mixed-use functions into Toronto's public laneways. The recommendations span five interconnected areas: policies and regulations, design guidelines and standards, future studies, process amendments, and implementation and phasing.

The recommendations should be understood in the context of the EHON Neighbourhood Retail and Services amendments, which establish a first layer of small-scale commercial permissions in Residential zones and provide an important basis for monitoring laneway-adjacent conditions.

13.1 Policies and Regulations

Strategic policy and regulatory amendments will be necessary to facilitate small-scale commercial and employment uses in laneways while preserving the residential character of surrounding neighbourhoods.

Monitoring the EHON Permission Framework
In light of the EHON Neighbourhood Retail and Services amendments, the City should use the monitoring and review period to assess how the approved permissions apply to laneway-adjacent commercial and employment activity. Monitoring should distinguish between at least four categories: residence-linked home occupations in ancillary buildings and structures that may already be permitted; limited retail permissions on

qualifying neighbourhood-interior lots with laneway relationships; major-street commercial permissions on qualifying major-street lots with rear-laneway interfaces; and independent laneway commercial or employment uses that remain outside the current framework.

Targeted Laneway-Specific Zoning Permissions
Based on this monitoring, the City should consider whether a second-stage laneway-specific zoning framework is required. Such a framework could include targeted zoning amendments, zoning overlays, or new as-of-right permissions for appropriate low-impact commercial, service, office, studio, custom workshop, repair, production, and community-serving uses in defined laneway conditions. Permissions should be calibrated by laneway type, lot condition, use intensity, access arrangement, servicing capacity, and adjacency to residential dwellings.

The City should also consider whether a distinct “laneway commercial” or “laneway employment” permission should be created separately from home occupation permissions. Home occupations provide a useful first pathway, particularly for residence-linked activity in ancillary buildings and structures, but they remain tied to the principal residence of the business operator. A future laneway-specific framework may be needed to address independent commercial tenancies, non-resident operators, shared occupancy models, and clustered small-scale employment uses.

Compatibility and Performance Standards
Non-residential laneway uses should remain compatible with the primary residential function of Neighbourhoods. Permitted uses should focus on low-impact, community-serving activities such as studios, galleries, professional offices, maker spaces, micro-retail, wellness practitioners, artisan workshops, personal service providers, and consulting offices. High-impact uses with significant noise, traffic, loading, servicing, or operational impacts should be excluded.

Any new zoning framework should include clear performance standards addressing maximum floor area, permitted use types, hours of operation, indoor waste storage, outdoor display, patios, signage, lighting, mechanical equipment, deliveries, loading, customer/client attendance, and pedestrian access. The standards should build from the compatibility logic of the EHON amendments while responding to the distinct conditions of public laneways.

Geographic Variation and Contextual Calibration

The City should consider geographic variation in the application of any future permissions. More permissive approaches may be appropriate in areas with stronger commercial adjacency, such as the Downtown, Centres, Avenues, Major Streets, Mixed Use Areas, and laneways with existing commercial or employment relationships, while more limited permissions may be appropriate in sensitive low-rise residential interiors.

Building Code and Market Feasibility Considerations

In parallel with zoning reform, the City should work with the Province to explore potential Ontario Building Code updates or alternative compliance pathways for modest-scale laneway commercial typologies. This may include consideration of single-exit conditions, alternative fire protection standards, and small-scale commercial occupancy models on constrained lots.

Finally, permissions should be calibrated to market feasibility. The most viable laneway commercial formats are likely to be small-format, low-impact businesses with modest servicing requirements, limited signage needs, low traffic generation, and flexible space requirements. The regulatory framework should support adaptable sub-1,000 square foot spaces that can respond to changing demand while minimizing infrastructure costs and neighbourhood impacts. Flexibility should also be built into future permissions to support shared occupancy, transitional use models, and adaptable commercial-to-residential configurations where appropriate.

13.2 Design Guidelines and Standards

A thoughtful approach to urban design will ensure that laneway-based developments contribute positively to neighbourhood vibrancy, pedestrian safety, environmental sustainability, and compatibility with adjacent residential properties. Design guidelines for mixed-use laneways should recognize that laneway-facing commercial activity differs from conventional street-facing retail. Public laneways often function simultaneously as service spaces, access corridors, pedestrian shortcuts, cycling routes, and residential rear-yard interfaces.

Urban Design Guidelines for Laneway Mixed-Use Projects

To ensure high-quality and context-sensitive laneway development, the City should establish detailed urban design guidelines specifically for laneway-based non-residential and mixed-use developments. These guidelines should address massing, setbacks, materials, lighting, signage,



Figure 13.1: Parkdale Studio by Laneway Custom Build
Image by Kira Noel.

entrance location, transparency, public realm enhancements, and operational considerations, promoting vibrant, pedestrian-friendly, and safe environments while respecting the fine-grain character of neighbourhoods.

Guidelines should distinguish between different regulatory and physical conditions, including low-impact home occupations in ancillary buildings, street-facing retail on qualifying neighbourhood-interior lots with laneway relationships, rear-of-major-street commercial conditions, and independent laneway commercial spaces. This distinction would help ensure that design expectations are calibrated to the use, lot condition, access arrangement, and surrounding residential context.

Design flexibility should be prioritized to mitigate long-term feasibility risk. Guidelines should encourage convertible ground-floor layouts and modular construction that can accommodate either commercial or residential uses over time, enabling units to adapt to changing market conditions. This adaptability supports long-term sustainability and reduces vacancy risk for both homeowners and tenants.

Shared-Street Principles and Traffic Calming Considerations

Shared-street principles should be central to laneway design, acknowledging the multi-functional nature of laneways as servicing routes, access corridors, and pedestrian spaces. Traffic calming measures, including signage, paving differentiation, lighting, and clear pedestrian-priority treatments, should be encouraged to support pedestrian and cyclist safety.

Servicing and Access Standards

Servicing and access standards should be tailored to the physical constraints of laneways, with clear guidance on:

- Waste Management: encourage shared collection points or private waste solutions where municipal access is limited;
- Emergency and Fire Access: ensure compliance with access distances, widths, and safety features;
- Utilities: promote flexible, small-scale infrastructure solutions, including support for green infrastructure such as permeable surfaces, green roofs, and stormwater capture, aligned with sustainable urban infill goals; and,
- Stormwater Management: require on-site stormwater management through performance-based strategies such as green roofs, permeable paving, or cisterns, in accordance with City policy and the Wet Weather Flow Management Guidelines.

Façade and Built Form Considerations

Design standards should address building frontages by encouraging active façades, high-quality materials, modest signage, appropriate lighting, and clear but compatible entrances to foster laneway activation and visual interest. Setbacks and stepbacks should be calibrated to minimize overlook and overshadowing, maintain privacy for adjacent residential properties, and support natural daylighting while optimizing development potential.

Built form guidance should also acknowledge the scale and dimensions of commercially viable laneway units, which typically fall under 1,000 square feet. Compact, efficient layouts should be encouraged to reduce construction costs while maintaining functional, tenant-ready spaces.

Laneway Design Competition for Innovation

The City should launch a Laneway Design Competition to source innovative, adaptable design models, particularly those addressing tight site constraints, servicing integration, residential compatibility, and flexible use configurations. This initiative would encourage forward-thinking solutions and raise awareness of laneways as viable locations for carefully managed small-scale commercial, employment, and community-serving activity.



Figure 13.2: Workshop Laneway by Jon Cummings Architecture
Image by Scott Norsworthy

Low Impact Design and Smart Laneway Infrastructure Standards
Finally, the City should integrate low-impact design standards and smart laneway infrastructure, including permeable paving strips, dynamic lighting, and IoT-based systems for waste, water, or energy monitoring. This would enhance sustainability, safety, efficiency, and user experience while supporting more resilient and adaptable laneway environments.

13.3 Process Amendments

Streamlined processes and organizational structures will be key to efficiently supporting laneway activation, ensuring that projects progress with community input, interdepartmental coordination, and appropriate oversight. In light of the EHON Neighbourhood Retail and Services amendments, process reform should distinguish between laneway-adjacent uses that may already be partially enabled, modest uses that could be addressed through performance standards, and more complex uses that require additional review.

Streamlining Approvals and Piloting Early Projects
To facilitate laneway development, the City should introduce a clear process pathway for small-scale laneway-based projects. Depending on the nature of the use and the scale of impact, this may include as-of-right permissions, minor variance pathways, pilot permissions, temporary use permissions, or area-specific zoning overlays.

A process framework should avoid requiring full site-specific rezonings for modest, low-impact uses where issues can be addressed through clear performance standards. At the same time, higher-impact uses, food preparation, patios, entertainment, late-night activity, larger production spaces, or uses involving significant deliveries may require additional review. A structured pilot program should guide the rollout of initial projects, incorporating clear evaluation metrics and feedback mechanisms to inform future refinements.

Dedicated Laneway Activation Office
Effective implementation requires cross-departmental coordination. The City should establish a Laneway Activation Office, empowered with dedicated resources and authority. This team should include urban designers, planners, transportation and servicing staff, economic development specialists, and other relevant staff responsible for overseeing project approvals, policy monitoring, and stakeholder engagement.

The office should help coordinate review among City Planning, Transportation Services, Solid Waste Management, Toronto Fire Services, Municipal Licensing and Standards, Urban Forestry where applicable, and other relevant divisions. The objective should be to identify implementation issues early, avoid fragmented review, and report annually to City Council on progress and challenges.



Figure 13.3: P's Studiolo by Anya Moryoussef Architect (AMA)
Image by Scott Norsworthy

Stakeholder Engagement and Community Participation

Ongoing collaboration with residents, businesses, and community organizations is essential to ensure that laneway activation reflects local needs and values. Engagement strategies should include public consultations, workshops, and digital platforms for feedback and idea-sharing, ensuring inclusive participation in the development process.

Temporary Uses and Tactical Urbanism

The City should adopt a rapid deployment model for temporary laneway activations, such as pop-up markets, cultural events, or pilot business uses. These initiatives should be supported by micro-grants and streamlined permits, allowing for experimentation and showcasing the potential of laneways as flexible, community-serving spaces.

A Civic Engagement Lab could prototype new uses, designs, and policy concepts in real time, fostering innovation and responsive planning.

Inclusive and Accessible Implementation

Implementation approaches should ensure that laneway-related opportunities are broadly accessible to residents, small businesses, local entrepreneurs, community organizations, and property owners across different neighbourhood contexts. Outreach, incentives, technical support, and pilot opportunities should be structured to reduce barriers to participation, particularly for smaller operators and first-time applicants, without prioritizing any particular demographic group.

Enforcement and Monitoring

To maintain the integrity of laneway uses, the City should strengthen enforcement tools, including regular inspections, complaint-based reviews, and proactive monitoring by the Laneway Activation Office. Conditional use approvals or performance standards, such as noise thresholds, servicing intensity limits, waste storage requirements, delivery controls, and hours of operation, should be applied to mitigate nuisance impacts.

Monitoring should also assess how the EHON permissions function in laneway-adjacent conditions, including residence-linked home occupations in ancillary buildings, qualifying neighbourhood-interior retail lots, qualifying major-street lots with rear-laneway interfaces, and uses that remain outside the current framework. Design guidelines and community consultation should address concerns about safety, privacy, servicing, and neighbourhood character before projects are approved.

13.4 Future Studies

To guide evidence-based decision-making, several targeted studies are needed to evaluate laneway conditions, infrastructure, market feasibility, regulatory implementation, and community impacts. These studies should build on the analysis completed through this Study and help determine where laneway-based non-residential and mixed-use activity may be appropriate.

Laneway Inventory and Typology Mapping

A comprehensive, GIS-based city-wide inventory of laneways should be developed, building on the geospatial analysis conducted in this Study. This inventory should classify laneways by width, connectivity, adjacent land use, existing servicing capacity, and regulatory constraints. It should also identify laneways by regulatory condition, including interior residential laneways, laneway-adjacent lots that independently satisfy neighbourhood-interior retail criteria, rear-of-major-street laneways, laneways adjoining commercial or employment zones, and laneways with significant ancillary building or garage-conversion potential.

This mapping would help prioritize laneways for activation and identify where different typologies of development, such as micro-retail, maker spaces, studios, repair uses, and live-work models, may be most feasible.

Economic Feasibility and Market Demand Study

Building upon the findings and recommendations of the Market and Real Estate Analysis, a broader economic study should be undertaken to assess market demand for laneway-based uses, including small businesses, artisans, and service providers, and explore viable business models for micro-enterprises. This study should move from market characterization to implementation testing by evaluating financial models, cost structures, and leasing mechanisms that support small-scale commercial viability in laneways. It should also support tailored economic development strategies, including mechanisms for commercial affordability and entrepreneur support, particularly in underserved neighbourhoods.

The study should assess the following:

- The price sensitivity and revenue models of micro-tenants;
- Capital and operational costs of laneway-based businesses;
- Real estate gaps for units under 500–1,000 square feet;
- Shared tenancy or co-leasing models to improve affordability; and,
- The impact of interior fit-out and servicing costs on business viability.

Sensitivity analysis from the current study indicates that commercial laneway units have very limited tolerance for cost escalation or rent suppression. The future study should refine these thresholds and provide recommendations for incentive tools, such as grants, application waivers, or simplified permitting, that can improve financial feasibility for early adopters.

Infrastructure Capacity and Servicing Assessments

Detailed engineering assessments of municipal water, wastewater, stormwater, and waste collection systems should be conducted to identify areas where capacity upgrades may be needed to support laneway intensification. These assessments will help avoid overburdening existing systems and inform site-specific feasibility for future developments.

Community and Participation Impact Study

A community-focused study should evaluate the social, cultural, and neighbourhood impacts of laneway activation, including whether residents, small businesses, local entrepreneurs, community organizations, and property owners can access and participate in new opportunities. Stakeholder engagement should inform recommendations for balancing economic activity with neighbourhood character and residential stability.

Ownership and Stewardship Models

The City should explore public ownership, cooperative, or non-profit stewardship models, including land trusts, to ensure laneway developments remain affordable, community-driven, and sustainable over the long term. In doing so, the City should also explore the role of laneways in advancing ecological goals, including as biodiversity corridors through targeted green infrastructure enhancements.

Monitoring and Evaluation Framework

The City should establish a monitoring program to evaluate how laneway-adjacent conditions function in practice and to guide future policy refinements. This should include tracking whether and how the EHON Neighbourhood Retail and Services permissions are used in laneway-adjacent contexts, including residence-linked home occupations in ancillary buildings, garage conversions, qualifying neighbourhood-interior retail lots with laneway relationships, and qualifying major-street sites with rear-laneway interfaces.

The monitoring program should also identify where desired laneway uses remain outside the approved framework. Particular attention should be given to independent laneway commercial tenancies, non-resident operators, maker spaces, small-scale production, shared-resource hubs, repair uses, studios, offices, cafés or food-related uses, and community-serving businesses where they are not supportable as home occupations or through another applicable permission stream.

Regular reporting should evaluate economic, social, environmental, servicing, and compatibility outcomes, and should inform any future city-wide expansion, pilot programs, zoning amendments, or laneway-specific design standards.

13.5 Implementation and Phasing

A phased rollout strategy will ensure that laneway development is tested, refined, and scaled in a deliberate manner, building on early implementation experience to inform broader application. In light of the EHON Neighbourhood Retail and Services amendments, implementation should proceed incrementally. The amendments should be treated as a first layer of neighbourhood-scale commercial reform, with public laneways identified as a distinct monitoring category because they create different implementation issues than major streets, conventional corner stores, or home occupations located entirely within principal dwellings.

PHASE 1 *– Policy and Pilot Initiation*

The initial phase should focus on monitoring the approved EHON permissions while preparing targeted laneway-specific implementation tools. This should include tracking the uptake of home occupations in ancillary buildings and structures, particularly detached garages and laneway-facing buildings, recognizing that some low-impact professional, studio, office, custom workshop, education, and service uses may already be enabled where they are residence-linked and comply with applicable regulations.

The City should also monitor neighbourhood-interior retail permissions where a laneway-adjacent lot independently satisfies the applicable criteria, and major-street permissions where the subject lot itself qualifies and the rear of the lot functions as a laneway interface. Monitoring should include both successful examples and locations where applicants, residents, or staff identify barriers.

In parallel, the City should identify select pilot areas or test conditions that reflect Toronto's diverse laneway contexts. Priority should be given to locations with supportive infrastructure, existing laneway activity, commercial or mixed-use adjacency, demonstrated local interest, and manageable compatibility considerations. This phase should also begin the development of detailed urban design guidelines tailored to laneway environments.

***PHASE 2** – Pilot Implementation and Monitoring*

Pilot projects should be launched in designated areas to test the viability of new zoning permissions, design standards, servicing models, and operational controls. A monitoring program should track key outcomes, including business success, neighbourhood impacts, servicing performance, access constraints, complaints, enforcement issues, and infrastructure needs. Feedback from these pilots should directly inform refinements to policies, regulations, guidelines, standards, and approval processes.

To support the financial viability of early commercial laneway projects, the City should explore targeted incentives during the pilot phase. These could include development charge exemptions, application fee waivers, small business start-up grants, tenant fit-out support, or other risk-sharing mechanisms, particularly for small-scale entrepreneurs, artisans, creative enterprises, and service-based businesses suited to laneway contexts.

Where appropriate, pilot sites should include test cases that model conditions requiring Ontario Building Code compliance alternatives or zoning relief. These examples would help inform future updates to municipal and provincial regulatory frameworks and provide a clearer understanding of implementation pathways.

To support uptake among individual property owners, the City should also develop capacity-building tools that make the laneway development process more accessible. These may include:

- Pre-approved design templates for common lot typologies;
- Step-by-step implementation guides tailored to homeowner-led projects;
- Standardized servicing checklists and planning compliance tools; and,
- Guidance on tenanting, operational management, and co-occupancy models.

These resources would reduce soft costs, support code compliance, and help bridge the knowledge gap for prospective laneway developers, improving uptake and reducing risk during the early phases of implementation.

PHASE 3 *– Expansion and Integration*

Following the monitoring period, the City should consider whether to bring forward a laneway-specific zoning amendment or pilot expansion program. This could permit a limited range of low-impact uses in defined laneway conditions, supported by design standards and operational controls. The framework should be sensitive to neighbourhood stability while recognizing that laneways are not merely residual service spaces. They may also support local entrepreneurship, small-scale employment, adaptive reuse, and more complete neighbourhoods.

Successful pilot approaches should be scaled more broadly, with refinements to policies, regulations, guidelines, standards, and approval processes based on implementation outcomes. This phase should involve the integration of laneway activation strategies with broader City initiatives, including EHON, active transportation planning, climate resilience, public realm improvements, and economic development programs. Updates to the Official Plan and Zoning By-law should reflect laneway-specific provisions where warranted.

PHASE 4 *– Long-Term Support and Evaluation*

To sustain momentum, the City should establish ongoing support mechanisms for laneway businesses, including technical assistance, funding programs, regular monitoring, and continued stakeholder engagement. Regular evaluations should measure economic, social, environmental, servicing, and compatibility outcomes, and should inform future policy refinements.

Toronto should also explore opportunities to share lessons with other cities and learn from international best practices. Over time, this could position Toronto as a leader in context-sensitive laneway revitalization, while ensuring that implementation remains grounded in local conditions, neighbourhood compatibility, and evidence gathered through monitoring.

13.6 Conclusion

The EHON Neighbourhood Retail and Services amendments create an important foundation for neighbourhood-scale commercial activity in Residential zones. They permit expanded home occupations in ancillary buildings and structures, limited retail uses on qualifying neighbourhood-interior lots, and broader commercial uses on qualifying major-street lots. These changes mark a significant shift in the City's approach to local economic activity within Neighbourhoods.

However, they do not fully resolve the mixed-use laneway question. Some residence-linked business activity in ancillary buildings may already be permitted through the home occupation framework, but public laneways have distinct physical, operational, and regulatory characteristics. The approved permissions do not establish a comprehensive framework for independent laneway commercial tenancies, non-resident operators, clustered small-scale employment uses, or commercial activity primarily oriented to public laneways.

This Study therefore recommends that the City use the EHON monitoring and review period to evaluate laneway-adjacent conditions and determine whether further permissions are warranted. A second-stage laneway-specific framework would allow the City to build on the EHON amendments while addressing the unique access, servicing, waste, noise, safety, and built form conditions of Toronto's public laneways. The objective should be incremental and evidence-based: monitor the first layer of reform, identify where it works, identify where it does not, and then take the next step.



Figure 13.4: Langford Laneway House by LGA Architectural Partners
Image by Robert Burley

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