

# Ontario to lose nursing homes as owners, facing mandatory upgrades, opt to sell to housing developers

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For-profit nursing homes in Canada's largest city are vacating the sector rather than undertaking mandatory upgrades, creating a property sell-off that hinders the [Ontario government's promise](#) of 60,000 new and upgraded beds by 2028.

The problem stems from two colliding forces: Toronto's red-hot real estate market and a looming deadline for outdated homes to comply with design standards requiring single- or double-occupancy rooms. Faced with a choice between significant construction costs or selling their properties to housing developers, many nursing-home owners are opting for the latter, a Globe and Mail investigation has found.

Although this is an issue across the province – 20 for-profit homes in Ontario whose licences will expire in June, 2025, are not planning to modernize their buildings, according to a Globe analysis – it is particularly acute in Toronto, where six of the facilities are located and where demand for beds is four times higher than the provincial average.

Those six homes account for more than 9 per cent of the city's long-term care beds. The owners of three of those homes have either closed or are closing their facilities and have sold the land to developers: Cedarvale Terrace for \$32-million, Vermont Square for \$11-million and Garden Court Nursing Home for \$5.5-million. The other three have not submitted plans to update their facilities and face an uncertain future, with one of them operating under a temporary licence.

Elder-care advocates anticipate that more homes will close their doors, underscoring the risks of private, for-profit ownership in Ontario's long-term care sector. They expect the owners of some outdated homes will ask the government to simply terminate their licences when they expire.

For-profit companies own almost 60 per cent of the province's 626 nursing homes, the highest share in Canada. The provincial government has little ability to provide nursing-home care in certain locations when it doesn't own the assets or the operating licences, said Samir Sinha, the head of geriatrics at Sinai Health System in Toronto.

“It’s a huge vulnerability for the province,” Dr. Sinha said. “There’s a danger that actually providing care in these homes is a side business to the real business, which is actually property plays and making money.”

A 2017 report by the Toronto Central Local Health Integration Network warned that operators of eight of the region’s 36 nursing homes intended to leave the city and another six were at risk of leaving. The report did not name the homes. (Such regional health authorities, known as LHINs, now operate under the name Home and Community Care Support Services.)

Toronto urgently needs new beds. Even as the government embarks on the most ambitious expansion of long-term care in a generation, it is playing catch-up: Almost 18,000 people are waiting for one of the 9,000 spots at facilities in the former Toronto Central and Central LHINs, areas that include the city centre and sections of North Toronto, Etobicoke and York Region. But rising real estate and construction costs, along with municipal zoning delays, have stalled many projects.

“The problem is there is nowhere for people to go other than very expensive retirement homes,” said Natalie Mehra, executive director of the Ontario Health Coalition. “There’s a crunch coming, and no one has a plan for it at all.”

Jake Roseman, a spokesperson for Long-Term Care Minister Paul Calandra, said Toronto has been “acutely affected by construction challenges.” He said the government has issued enhanced minister’s zoning orders, allowing it to override municipal site plans and fast-track the development of two facilities in the city: a 320-bed nursing home on land owned by Humber River Hospital and a 348-bed facility to be built on a vacant site in the West Don Lands.

Elsewhere in the province, 44 projects comprising a total of 2,866 new beds and 4,056 upgraded ones have been completed or are under construction, according to a list of capital development projects the Ministry of Long-Term Care provided to The Globe.

Any facilities set to close “will not shut their doors until every resident has transferred to a new home that meets their care needs,” Mr. Roseman said.

This is the fate awaiting the 132 residents of Cedarvale Terrace in Toronto’s tony Forest Hill neighbourhood on Walmer Road. A large sign posted outside their nursing home says its new owner is seeking the go-ahead to tear it down and build a 19-storey condominium.

Residential real estate developer Stafford Homes Ltd. applied to the City of Toronto to rezone the property shortly after purchasing it last June. The same day Stafford Homes bought Cedarvale Terrace, it also purchased Vermont Square in Seaton Village, west of the downtown, property records show. Vermont Square closed in September, 2021, and Stafford has applied to build a 10-storey condo on the site.

Nate Pace, Stafford's vice-president of acquisitions and development, said in an e-mail that the company "had no role in the decision to close either facility." Both sites were marketed as residential mixed-used development opportunities after the previous owner decided to close the "antiquated facilities," he said.

The former owner of the two homes is concealed behind numbered companies and limited-liability partnerships. Michael Fraser, the chief financial officer of All Seniors Care Living Centres, a national chain of retirement homes, is the sole director of the numbered companies for both homes as well as the general partnerships that sold them.

"I'm just a name on there, so to speak," Mr. Fraser said during a brief phone call before referring questions to Responsive Group Inc., the company that managed Vermont Square before it closed and still manages Cedarvale Terrace. "Both properties have been sold, and so I have little involvement with them now," he said in a follow-up e-mail.

Nicola Major, a spokesperson for Responsive Group, declined to identify the homes' previous owner. Speaking on its behalf, she said complying with the ministry's design standards "was not possible on the existing sites because of inadequate lot size and zoning restrictions."

All residents of Vermont Square were transferred to another home of their choice, Ms. Major said. The ministry has also approved a closure plan for Cedarvale Terrace, she said.

Both those homes and Garden Court Nursing Home were sold without any public notification.

Nursing homes typically change hands through the transfer of their operating licences, a process that involves the Long-Term Care Ministry posting a notice on its public consultation registry. If the homes sell the shares in the corporate entity that holds the licence, however – which is how the Cedarvale Terrace, Vermont Square and Garden Court transactions were executed – no such notice is required.

Jane Meadus, a lawyer at the Advocacy Centre for the Elderly in Toronto, said all changes in ownership of a nursing home should be disclosed. With transactions done behind closed doors, she said, the public has no idea what criteria the ministry used to approve them.

"There is a real question as to how this is being done," Ms. Meadus said. "Why would you allow someone to take it over if they have no interest in actually running the home?"

Barbara Chernin, who lives across the street from Cedarvale Terrace, has written to politicians at every level of government, saying it is "shameful" that seniors are getting pushed out of their homes.

"This is a terribly harsh way to treat the vulnerable in our society," Ms. Chernin said during a Zoom meeting in February hosted by Toronto Councillor Josh Matlow's office.

Mr. Matlow, [who is running for mayor](#), told The Globe he is also not happy to see seniors displaced. But he said the city has no jurisdiction over nursing homes. “There’s no tool that’s been granted by the province for the city to say, ‘You must retain a long-term care home,’” he said. “That is not what the city is allowed to do.”