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# Analysis of the Financial Viability of the Housing Forms in the Proposed Norquay Village Draft Plan

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**Prepared for:**  
City of Vancouver

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## 1.0 Introduction

The draft plan for the Norquay Village Neighbourhood Centre includes a variety of new forms and densities of housing proposed for the area, including:

- Midrise mixed-use residential and commercial buildings along Kingsway.
- Lowrise (4-storey) apartments to the north and south of the midrise buildings, which will act as a transition between higher density buildings and lower density multifamily residential areas.
- A variety of ground-oriented residential building forms (e.g. townhouse, rowhouse, duplex, infill) in the remainder of the neighbourhood.

Achieving the proposed vision of the draft plan will require rezoning and redevelopment of existing properties, so the City commissioned Coriolis Consulting Corp. to analyze the financial viability of the proposed types and forms of buildings.

This report documents the results of our analysis.

## 2.0 Description of Proposed Building Forms

We were asked to analyze the financial viability of seven different types of redevelopment projects in the planning area:

1. Midrise mixed-use residential and commercial buildings along Kingsway. Heights are proposed to range primarily between 6 and 8-storeys, but there would be opportunities for taller buildings on some mid-block and gateway sites. The density envisioned is 3.2 FSR (which would not change for different building heights). Most of the sites that are identified for this building type are currently zoned C-2. Most are improved with existing commercial buildings, but many of these buildings can be characterized as older, low density retail and service buildings.

Many sites fronting on Kingsway in the study area are relatively small. Some have frontages of only 33 feet and many have depths of about 100 feet. Narrow frontage means that larger, higher density development will require site assembly. This may be an obstacle to redevelopment as proposed because many of these small sites can currently be redeveloped to a relatively high density under the existing C-2 zoning without assembly or with minor assembly.

2. Lowrise apartment buildings (4-storeys), which would provide a transition between Kingsway and the surrounding lower density residential areas. Achievable density is expected to range between 1.5 and 2.0 FSR. The draft concept indicates that there could be a requirement for a minimum percentage of the units to be 1200 sq.ft. or larger and have 3 or more bedrooms. However, the percentage is not identified in the draft plan.

Sites that are identified for this use are currently zoned RS-1 and are improved with single family houses. Lots typically have 33 foot frontages so rezoning and redevelopment will likely require assembly<sup>1</sup>.

3. Rowhouses, with densities in the range of 0.9 to 1.0 FSR. Sites that are identified for this use are currently zoned RS-1 and are improved with single family houses. These lots typically have 44 foot frontages, but depths are often less than 90 feet. The parking requirement would be a minimum of 1 space per strata unit (in garages off the lane).
4. Stacked townhouses, with densities in the range of 0.9 to 1.1 FSR. Sites that are identified for this use are currently zoned RS-1 and are improved with single family houses. These lots typically have 33 foot frontages. The parking requirement would be a minimum of 2 spaces per 3 strata units (in garages off the lane).

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<sup>1</sup> Although this form of development will be 4-storeys (like C-2 zoning allows), the achievable density in the absence of assembly is much lower than in the C-2 District because C-2 requires minimal setback from property lines.

5. Duplexes. Sites that are identified for duplex are currently zoned RS-1 and are improved with single family houses. These lots typically have frontages ranging from 33 feet to 50 feet. The maximum permitted density would be 0.85 FSR.
6. Cottages or small detached houses on shared lots. This would allow multiple detached strata units on a single lot (or an assembly of lots). Sites that are identified for these uses are currently zoned RS-1 and are improved with single family houses. These lots typically have frontages ranging from 33 feet to 50 feet. The maximum FSR would be about 0.8 FSR. The parking requirement would be a minimum of 1 space per strata unit (in garages off the lane).
7. Infill housing. This would allow a single family house (typically the existing house) with an additional infill unit at the rear. The maximum total density would be 0.75 FSR. The infill unit could be strata-titled.

## 3.0 Financial Feasibility of Redevelopment

As almost all sites in the study area are occupied by some use, any site can be thought of as having three potential values:

1. The property value supported by the existing use (i.e. the amount an investor or user would pay just to keep the site in its present use), as an income-producing investment property, a home, or premises for an owner-occupied business.
2. The land value supported by redevelopment under existing zoning, which is the maximum a developer can pay to acquire the property in order to demolish the existing improvements and develop a viable project under existing zoning.
3. The land value supported by redevelopment under proposed zoning, which is the maximum a developer can pay to acquire the property, rezone and develop a viable project under the proposed new zoning.

For rezoning and redevelopment to occur, the land value supported by rezoning and redevelopment must be high enough to out-compete both the property value supported by existing use (number 1 above) and the land value under existing zoning (number 2 above).

### 3.1 Land Value Under Existing Use and Existing Zoning

Many of the properties along Kingsway are occupied by older, relatively low density commercial buildings. These are probably the main candidates for redevelopment, so we have analyzed whether it is financially feasible for a developer to acquire these sites, rezone and redevelop to 3.2 FSR as envisioned in the draft plan.

To estimate the existing value of the C-2 zoned sites along Kingsway that could be considered redevelopment candidates, we examined a variety of indicators:

1. We examined evidence of the actual sale prices for C-2 sites along Kingsway over the past year or so (2009 and 2010). There have been few a sales in Norquay Village and they ranged from about \$168 per sq.ft. of site area to well over \$200 per sq.ft. of site area.
2. We examined assessed values for C-2 zoned sites in Norquay Village. Most older, low density commercial properties have current assessed property values (land and improvements) in the range of about \$150 to \$160 per sq.ft. of site. The assessed values may slightly understate actual market value as property owners will appeal an assessment if they think it overstates market value, but they will not appeal the assessment if it understates market value. Therefore, on balance the assessments likely understate the actual market value. In addition, assessments are based on market values from mid-2009 so they do not reflect current market conditions.
3. We estimated the market value of older low density commercial buildings along Kingsway by capitalizing the estimated achievable net operating income. We assumed an older retail and

service building with these property characteristics: 10,000 sq.ft. site, a building with a footprint of 5,000 sq.ft. (i.e., 50% site coverage)<sup>2</sup>, and a grade level retail tenant paying rent of \$18 per square foot net<sup>3</sup>. Total annual income from this property is about \$90,000 at full occupancy. Deducting say 2% for landlord expenses leaves net operating income of \$88,000 per year. At a typical cap rate of 6.5%, this property would command roughly \$1.4 million in a sale to an investor wanting an income-producing investment (assuming the building is in reasonably good condition). This works out to \$140 per sq.ft. of site. This likely represents the approximate value of the income stream from the lowest density, oldest buildings in the study area. The value of the income stream increases as the density of the existing building increases. For example, at 60% site coverage the estimated value would be about \$163 per sq.ft. of site area.

4. We completed a land residual analysis (or proforma analysis) for a hypothetical 4-storey woodframe apartment and retail project built under existing C-2 zoning (2.5 FSR) in Norquay Village<sup>4</sup>. This analysis is contained in Appendix 1. Our analysis indicates that the supportable land value is about \$175 per sq.ft. of site (or \$70 per sq.ft. buildable), making this the amount a developer would pay to buy the site and develop under existing C-2 zoning.

Our analysis indicates that (in many cases) the older, lower density existing C-2 properties in Norquay Village are more valuable as development sites than as income-producing investment properties. Therefore, the market value of these properties is based on their value as redevelopment sites (under C-2 zoning), which we estimate at \$175 per sq.ft. of site area.

In order for midrise redevelopment along Kingsway to be financially viable, the midrise concept will need to support a land value of at least \$175 per sq.ft. of land area because:

1. The C-2 zoning already supports a land value of about \$175 per sq.ft. of site area. To off-set the costs and risks associated with rezoning, the draft midrise concept will need exceed this value.
2. Development under C-2 zoning will probably not require the same extent of assembly as relatively small sites can achieve the maximum permitted density in the C-2 District (or close to the maximum).

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<sup>2</sup> We do not have detailed information about existing FSR or site coverage at sites in the study area, but based on fieldwork it appears that most single storey buildings likely cover about 50% to 80% of the site. Therefore, our assumption of 50% is likely representative of the lowest density existing buildings in the study area.

<sup>3</sup> Based on our review of lease rates in the area, older low quality grade level commercial space along Kingsway leases for about \$16 to \$20 per sq.ft. net. We have used the mid-point of this range for this illustration. New(er), higher quality grade level space along Kingsway leases in the range of \$25 to \$30+ per sq.ft. net.

<sup>4</sup> The revenue assumptions for our analysis are based on sales prices for new woodframe apartment units currently marketing in Norquay Village (and other nearby locations). The cost assumptions are based on information from BDC Development Consultants and discussions with multifamily developers that are active in Vancouver.

3. Developers are very familiar with the C-2 District and the form and density of development that is achievable.
4. The maximum density in the C-2 District can be achieved using woodframe construction. Woodframe construction involves lower costs than concrete and allows developers to target a lower price segment (possibly with less risk) than a concrete project.

To estimate the value of the properties currently zoned RS-1 that could be candidates for redevelopment, we examined evidence of sales prices for RS-1 lots in East Vancouver (and in Norquay Village) where the existing house has recently been demolished to create a new single family house. Values ranged from about \$120 per sq.ft. of site to about \$150 per sq.ft. of site, depending on lot size and location.

### **3.2 Land Value Supported by Redevelopment**

To estimate the land value supported by redevelopment, we used two different approaches:

1. Because there have been relatively few development site sales in East Vancouver over the past year or so and because some of the proposed housing forms are not commonly permitted in Vancouver, we completed a land residual analysis (or proforma analysis) for each of the proposed housing forms. Our revenue assumptions for the land residuals are based on a detailed analysis of recent unit sales prices (last 12 months or so) at the newest projects in or near Norquay Village. Hard construction cost assumptions are based on information provided by quantity surveying companies (BDC, Altus, BTY Group) for mid-quality buildings in East Vancouver (in some cases adjusted for the lower parking requirements proposed by the City) and on discussions with developers that are active in the Vancouver multifamily market. The analysis also includes estimates for all other costs that would be incurred by a developer (including permits, soft costs, project management, sales/marketing, financing, landscaping, DCLs, financing, taxes, contingencies, and a minor servicing allowance). To estimate supportable land value (for a zoned site), we deduct all costs and a 15% developer's profit margin on gross revenues from estimated revenues. The difference is the supportable land value. It is important to note that the analysis excludes any costs associated with rezoning (such as application fees, consultants or CACs) unless noted.
2. We examined sales evidence (which is limited) and listings information for actual development sites in East Vancouver over the past year or so to confirm that the results of our land residual analysis was consistent with development site sales.

All of the assumptions used on our land residual analysis are contained in the proformas in Appendix 1. With any assumption (revenue or construction cost), there is typically a range of values that could be considered realistic. We have tended to use revenue assumptions near the upper end of the range in values. Therefore, our development site land value estimates could be considered slightly optimistic given that the current real estate market is relatively soft.

### 3.2.1 Kingsway Midrise Analysis

For the C-2 sites along Kingsway, a key consideration is the land value under existing zoning. If the proposed midrise buildings cannot support a higher value than the existing C-2 land value, then developers may not be interested in rezoning and may elect to redevelop under the existing C-2 zoning. As previously noted, this is not simply a land value issue because the C-2 zoning offers some additional benefits:

- Development under C-2 zoning will probably require less assembly than the proposed midrise zoning because relatively small sites can achieve the maximum permitted density in the C-2 District (or close to the maximum).
- Developers are very familiar with the C-2 District and the form and density of development that is achievable.
- The maximum density in the C-2 District can be achieved using woodframe construction. Woodframe construction involves lower costs than concrete and allows developers to target a lower price segment (possibly with less risk) than a concrete project.

Based our financial analysis:

- The value of sites under existing C-2 zoning is a minimum of about \$175 per sq.ft. of site area, and likely higher if the existing commercial building is high quality (see Attachment 1).
- The land value supported by midrise mixed-use development at 3.2 FSR is about \$130 to \$140 per sq.ft. of site area (see Attachment 2). The estimated land value is lower than under the C-2 zoning (despite a higher permitted density) because the proposed 8-storey mixed-use form will require concrete construction (and C-2 buildings can be built using woodframe). Concrete construction costs per square foot are significantly higher than woodframe construction costs. Concrete units sell for a premium over woodframe units, but the sales price premium in this part of Vancouver is not currently high enough to off-set the increased construction costs. This results in a lower supportable land value. This may change over time, if concrete residential unit sales prices increase at a faster pace than concrete construction costs.
- Because C-2 supports a higher land value, most developers (at least for the foreseeable future) will likely elect to build under the existing C-2 zoning, rather than go through the time, cost and risk associated with rezoning to a new zoning district that allows midrise development at 3.2 FSR.

The City asked us to estimate the minimum density that would likely be required to make rezoning from C-2 financially attractive (i.e., the minimum density required to support a land value that is equal to or higher than the \$175 per sq.ft. of site area supported by C-2 zoning, after allowing for rezoning costs<sup>5</sup>). We were instructed to assume a maximum building height of 10-storeys.

We estimate that (if the maximum building height is limited to about 10-storeys), a minimum density of 3.8 FSR<sup>6</sup> is required (Attachment 2a) to make rezoning and redevelopment financially attractive.

This applies to sites where the value of the existing improvements is low so that the value of the site is effectively the C-2 land value. It should be noted that many sites along Kingsway will not be redevelopment candidates at this density because the existing use is too valuable. For such properties, allowable densities will have to be even higher or redevelopment will have to wait either until residential land values rise further or the existing improvements become physically obsolete.

### 3.2.2 4-Storey Lowrise Analysis

Attachment 3 contains our financial analysis for a hypothetical 4-storey woodframe strata apartment building in Norquay Village<sup>7</sup>. Based our financial analysis:

- The lower value single family homes on sites identified for 4-storey lowrise apartment use range in value from about \$120 to \$150 per sq.ft. of site area.
- The land value supported by 4-storey apartment development is about \$80 to \$85 per sq.ft. buildable.
- At a permitted density in the range of 1.5 FSR to 2.0 FSR, the supportable land value is between \$120 and \$170 per sq.ft. of site area.
- 4-storey woodframe apartment development supports a high enough land value to make assembly and redevelopment of existing older single family houses financially viable (assuming rezoning costs are low).

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<sup>5</sup> For this analysis, we made an allowance for the rezoning application fee, a \$3 per sq.ft. CAC (on additional permitted floorspace) which is the rate for a standard rezoning, and consultant fees (design, engineering, management) of \$200,000 (which is modest and assumes the City and neighbourhood is generally supportive of rezoning).

We also assumed that the midrise developer would target a profit margin of 15% on project costs, which (in our experience) is at the lower end of the range of profit that a multifamily developer would target. If a higher profit margin is required, then the density would need to be higher.

<sup>6</sup> This FSR does not include space that is typically excluded by the City of Vancouver when calculating density, such as balconies, residential storage space, and amenity areas. Therefore, the gross building size will be slightly larger.

<sup>7</sup> The financial analysis assumes that the hypothetical project has an average gross unit size in the range of about 850 to 900 sq.ft. This would allow for a range of different unit types and sizes, including small units and larger 2 or 3 bedroom units.

- Because there will likely be costs associated with assembly and rezoning, the density may need to be in the upper half of the envisioned range of 1.5 to 2.0 FSR to make redevelopment viable.

### 3.2.3 Rowhouse Analysis

Attachment 4 contains our financial analysis for a hypothetical rowhouse project in Norquay Village. Based our financial analysis:

- The lower value single family homes on sites identified for rowhouse use range in value from about \$120 to \$150 per sq.ft. of site area.
- The land value supported by rowhouse development is about \$140 per sq.ft. buildable.
- At a permitted density in the range of 0.9 FSR to 1.0 FSR, the supportable land value is between \$125 and \$140 per sq.ft. of site area.
- Rowhouse development supports a high enough land value to make assembly and redevelopment of existing older single family houses financially viable, assuming rezoning costs are low.

### 3.2.4 Stacked Townhouse Analysis

Attachment 5 contains our financial analysis for a hypothetical stacked townhouse project in Norquay Village. Based our financial analysis:

- The lower value single family homes on sites identified for stacked townhouse use range in value from about \$120 to \$150 per sq.ft. of site area.
- The land value supported by stacked townhouse development is about \$135 per sq.ft. buildable.
- At a permitted density in the range of 0.9 FSR to 1.1 FSR, the supportable land value is between \$120 and \$150 per sq.ft. of site area.
- Stacked townhouse development supports a high enough land value to make assembly and redevelopment of existing older single family houses financially viable, assuming rezoning costs are low.

### 3.2.5 Duplex Analysis

Attachment 6 contains our financial analysis for a hypothetical duplex project in Norquay Village. Based our financial analysis:

- The lower value single family homes on sites identified for duplex use range in value from about \$120 to \$150 per sq.ft. of site area.

- The land value supported by duplex development is about \$175 per sq.ft. buildable<sup>8</sup>.
- At a permitted density of 0.85 FSR, the supportable land value is \$150 per sq.ft. of site area.
- Duplex development supports a high enough land value to make assembly and redevelopment of existing older single family houses financially viable, assuming rezoning costs are low.

### 3.2.6 Cottages or Detached Strata Dwelling Unit Analysis

Attachment 7 contains our financial analysis for a hypothetical duplex project in Norquay Village. Based our financial analysis:

- The lower value single family homes on sites identified for detached strata use range in value from about \$120 to \$150 per sq.ft. of site area.
- The land value supported by development of strata cottages or small detached houses is about \$180 per sq.ft. buildable<sup>9</sup>.
- At a permitted density of 0.80 FSR, the supportable land value is \$145 per sq.ft. of site area.
- Development of detached strata units or cottages supports a high enough land value to make assembly and redevelopment of existing older single family houses financially viable, assuming rezoning costs are low.

### 3.2.7 Infill Analysis

We did not complete a detailed financial analysis of infill housing on an existing single family lot. If single family home owners are permitted to build an infill unit at the rear of their existing single family house, this will be financially attractive as it increases the development rights at the lot without requiring demolition of the existing structure.

The City indicated that it may allow that infill unit to be stratified. However, in our opinion, this is not needed to make infill financially attractive. Infill units will be viable if used for rental purposes. For example, our understanding is that it would likely cost about \$200,000 to construct an 800 sq.ft. infill unit at the rear of a house (about \$250 per sq.ft. all-in cost). Under current rental market conditions, this unit would likely rent for about \$1600 per month, or so. Deducting a

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<sup>8</sup> Our duplex analysis assumes a lower developer's project margin (10% on revenue rather than 15%) than used in our analysis for the other multifamily housing forms because the risks associated with a duplex project (marketing, construction, financing) are lower than for a larger multifamily project. Also, duplex units are often constructed by builders rather than developers. Part of the incentive for the builder to proceed with the project is the profit associated with being the general contractor (not just a developer's margin) so a lower developer's margin can be required.

<sup>9</sup> Our detached strata analysis assumes a lower developer's project margin (10% on revenue rather than 15%) than in our analysis for the other housing forms because the risks associated with a detached project (marketing, construction, financing) are lower than for a larger multifamily project.

maximum of 20% for operating costs would result in an annual net rental income stream of about \$15,360, equivalent to a 7.7% annual return on total costs.

If the entire cost of the infill unit is financed through a mortgage with a 25 year amortization at a rate of 3.8% (current 5 year fixed rate), the annual mortgage costs would be about \$12,365, or about \$3,000 per year less than the net rental income. The revenue significantly exceeds the annual debt service costs (and after 25 years the loan is fully repaid). This illustrates that it would be financially attractive for a home owner to build a rental infill unit even if the costs were entirely borrowed.

Therefore, we recommend that the City consider restricting the infill units to rental use. If the infill units are stratified, it will make the future long term redevelopment of these sites to higher density multifamily forms more complicated and costly.

### 3.2.8 Summary

The results of our analysis are summarized in Exhibit 1.

Exhibit 1: Summary of Financial Analysis

	Proposed Concept	Land Value Supported by Proposed New Concept	Existing Value of Sites that are Redevelopment Candidates	Financially Attractive
1	6 to 8-Storey Mixed Use @ 3.2 FSR on Kingsway	\$130 to \$140 psf of site	\$150 to \$175 psf of site	no
1a	10-Storey Mixed Use @ 3.8 FSR on Kingsway	\$175 psf of site	\$150 to \$175 psf of site	yes
2	4-Storey Apartment @ 1.5 to 2.0 FSR	\$125 to \$165 psf of site	\$120 to \$150 psf of site	yes
3	Rowhouse @ 0.9 to 1.0 FSR	\$125 to \$140 psf of site	\$120 to \$150 psf of site	yes
4	Stacked Townhouse @ 0.9 to 1.1 FSR	\$120 to \$145 psf of site	\$120 to \$150 psf of site	yes
5	Duplex @ 0.85 FSR	\$150 psf of site	\$120 to \$150 psf of site	yes
6	Cottages/Detached Houses @ 0.8 FSR	\$145 psf of site	\$120 to \$150 psf of site	yes
7	Infill at Rear of Single Family House	not analyzed	not analyzed	yes

## 4.0 Conclusions and Implications

### 4.1 Kingsway Mixed-Use Midrise

1. As proposed, the midrise (6-storeys to 8-storeys) mixed-use form envisioned along Kingsway is not financially attractive. The existing C-2 zoning along Kingsway supports a higher land value so most developers will likely elect to build under the existing C-2 zoning, rather than go through the time, cost and risk associated with rezoning to a new zoning district that allows midrise mixed-use development at 3.2 FSR. Compounding this land value constraint is the fact that the C-2 zoning offers some additional benefits:
  - Development under C-2 zoning will probably require less assembly because relatively small sites can achieve the maximum permitted density in the C-2 District (or close to the maximum).
  - Developers are very familiar with the C-2 District and the form and density of development that is achievable.
  - The maximum density in the C-2 District can be achieved using woodframe construction. Woodframe construction involves lower costs than concrete and allows developers to target a lower price segment (possibly with less risk) than a concrete project.
2. To make rezoning and redevelopment of the C-2 sites along Kingsway financially attractive, we estimate that a minimum density of 3.8 FSR (at 10-storeys) is required. Taller buildings would likely require a lower FSR because taller buildings will achieve higher average sales prices per sq.ft. due to increased view potential.
3. Because there is no land lift generated by rezoning to allow midrise development at 3.2 FSR, rezoning will not create an opportunity to negotiated community amenity contributions.
4. Our sensitivity analysis indicates that a 10-storey mixed-use building at 3.8 FSR can currently support the \$3 flat rate community amenity contribution that the City charges for standard rezonings.

### 4.2 Housing Proposed for RS-1 Sites

1. The proposed forms of housing in the existing RS-1 neighbourhood will be financially viable. This includes:
  - 4-storey woodframe apartment buildings at densities in the range of 1.5 to 2.0 FSR.
  - Rowhouses, with densities in the range of 0.9 to 1.0 FSR.
  - Stacked townhouses, with densities in the range of 0.9 to 1.1 FSR.
  - Duplexes at 0.85 FSR.
  - Cottages or small detached strata houses on shared lots at densities of about 0.8 FSR.
  - Infill housing, at the rear of existing single family houses.

2. At the lower end of the proposed densities, these forms of housing are just financially viable. Any significant community amenity contribution will reduce the number of sites that are financially attractive development candidates. The ability for these projects to make a community amenity contribution will depend on whether or not the projects can achieve densities at (or near) the upper end of the proposed range.

### **4.3 Implementation**

The housing forms and densities proposed in the draft plan are just at the threshold of being financially viable (or below in the case of the Kingsway midrise at 3.2 FSR).

Most projects will require assembly (which introduces some additional costs and risks). It is possible that if developers perceive that there is significant rezoning risk (in addition to assembly), they will not be interested in the proposed new forms of housing and will build under the existing zoning (particularly with the C-2 sites).

While all rezonings involve risk, it is possible that developers who are familiar with the history of the Norquay Village planning process will perceive that there will be opposition to some of the proposed new forms of housing and the proposed densities. If developers include a significant cost into their proforma to account for the time and risk associated with rezoning, it is possible that there will not be as much redevelopment to the new housing forms as the City would like to see.

As noted in our previous work for Norquay Village, we think that the City should consider pre-zoning the area<sup>10</sup> as part of the implementation of the Plan. The City would still have control over the design of new projects through the development permit approval process.

In addition, it would not eliminate the ability of new projects to make contributions toward public facilities and amenities because new zoning districts could include a base outright density (that is just high enough to make development viable) plus bonus density that can be obtained in exchange for a prescribed amenity contribution.

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<sup>10</sup> The City could leave specific sites out of the pre-zoning strategy if there are sites that warrant a more individual approach, such as sites that are very large, have special amenity potential (e.g. heritage assets), or present unique development opportunities.

## 5.0 Appendix 1

Attachment 1: Mixed-Use 4-Storey Project in C-2 District

<b>Major Assumptions</b> (shading indicates figures that are inputs; unshaded cells are formulas)			
<b>Revenue and Value</b>			
Average Residential Sales Price Per Sq. Ft.	\$425	per sq.ft. of net saleable residential space	
Average Value of Commercial Space	\$476	per sq.ft. Assuming net lease rate of	\$30
		vacancy/structural allowance of	3.0%
		capitalization rate of	6.5%
<b>Site and Building Size</b>			
Site size	17,860	sq.ft. or	0.41 acre
	149	frontage feet x	120 feet depth
Assumed density	2.5	FSR	
Total floorspace	44,649	sq.ft.	
Commercial Floorspace	6,251	sq.ft., assuming	0.35 FSR
Gross Residential Floorspace	38,398		2.2 FSR
Net saleable space	32,638	sq.ft. or	85% of gross area
Average Gross unit size	882		
Average Net unit size	750	sq.ft.	
Number of units	44	units or	
Required Parking Stalls	1.10	per unit	
Residential Stalls	48	stalls	
Required Commercial Stalls	13	stalls, assuming 1 stall per	500 sq.ft.
Total Stalls	61	stalls	
<b>Construction Costs</b>			
Allowance for Demolition of Existing Buildings	\$12,502	or about	\$2 per sq.ft. of existing building
On-Site Servicing (3)	\$68,063	or about	\$1,500 per lineal metre of frontage
Other Predevelopment Costs	\$0		
Hard Cost Used in Analysis (2)	\$165,000		
Landscaping	\$5.00	per sq.ft. of site area on	0.0% of site (not covered by building)
Soft costs (1)	11.0%	of hard costs, servicing, landscaping (assumes commercial space adds premium)	
Contingency on hard and soft costs	5.0%	of hard and soft costs	
GVRD DCC sewer residential	\$560.00	per unit	
GVRD DCC sewer commercial	\$0.443	per sq.ft. of commercial space	
SSAC	\$0.00	per unit	
DCC's residential	\$10.4200	per sq.ft. of residential building area or	\$ 9,194 per average unit
DCC's commercial	\$10.4200	per sq.ft. of retail building area	
Interim financing on construction costs	6.0%	on 50% of hard and soft costs, assuming a	1.5 year construction period
Financing fees	0.75%	of hard and soft costs	
<b>Other Costs and Allowances</b>			
Rezoning Costs	\$0		
Tenant Improvement Allowance on Commercial Space	\$15	per sq.ft. for basic allowance	
Residential Marketing and Commissions	5.0%	of gross revenue	
Commercial Leasing Commissions	17.0%	of estimated Year 1 leasing income upfront	
Commercial Sales Commission	2.0%	of commercial value	
Developer's Profit	15.0%	of gross revenue, or	17.7% of total costs
Property Taxes	1.864%	of assessed value (assuming business classification as mixed use project)	
Assumed current assessment (Year 1 of analysis)	\$3,000,000		
Assumed assessment after 1 year of construction (Year 2 of analysis)	\$6,935,664	(50% of completed project value)	
<b>Analysis</b>			
<b>Revenue</b>			
Gross sales revenue	\$13,871,328		
Less marketing and commissions	\$693,566		
Net sales revenue	\$13,177,762		
Value of Commercial Space	\$2,974,239		
Less Commissions on Sale	\$59,485		
Net Value of Commercial Space	\$2,914,755		
Total Net Project Value	\$16,092,516		
<b>Construction Costs</b>			
Allowance for Rezoning Costs	\$0		
Allowance for Demolition of Existing Buildings	\$12,502		
On-Site Servicing (Upgrade of Adjacent Roads/Sidewalks/etc)	\$68,063		
Other Predevelopment Costs	\$0		
Hard construction costs	\$7,367,085		
Landscaping	\$0		
Soft costs	\$817,866		
Contingency on hard and soft costs	\$413,276		
TI Allowance on Grade Level Commercial	\$93,763		
Upfront Leasing Commissions on Commercial	\$31,879		
GVRD DCC sewer residential	\$24,640		
GVRD DCC sewer commercial	\$2,769		
SSAC	\$0		
DCC's residential	\$400,109		
DCC's commercial	\$65,134		
Interim financing	\$415,438		
Financing fees/costs	\$69,728		
Total construction costs	\$9,782,251		
<b>Developer's Profit</b>	<b>\$2,526,835</b>		
<b>Residual to Land and Land Carry</b>	<b>\$3,783,430</b>		
Less interim financing on land (approvals/presales/construction)	\$422,231		
Less property purchase tax	\$65,224		
Less property taxes	\$148,491		
<b>Residual Land Value</b>	<b>\$3,147,484</b>		
<b>Residual Value per sq.ft. of site</b>	<b>\$176.23</b>		
<b>Residual Value per square foot buildable</b>	<b>\$70.49</b>		

Attachment 2: Mixed-Use 8-Storey Project at 3.2 FSR (Proposed)

<b>Major Assumptions</b> (shading indicates figures that are inputs; unshaded cells are formulas)			
<b>Revenue and Value</b>			
Average Residential Sales Price Per Sq. Ft.	\$490	per sq.ft. of net saleable residential space	
Average Value of Commercial Space	\$476	per sq.ft. Assuming net lease rate of	\$30
		vacancy/structural allowance of	3.0%
		capitalization rate of	6.5%
<b>Site and Building Size</b>			
Site size	17,860	sq.ft. or	0.41 acre
	149	frontage feet x	120 feet depth
Assumed density	3.2	FSR	
Total floorspace	57,151	sq.ft.	
Commercial Floorspace	6,251	sq.ft., assuming	0.35 FSR
Gross Residential Floorspace	50,900		2.9 FSR
Net saleable space	43,774	sq.ft. or	86% of gross area
Average Gross unit size	872		
Average Net unit size	750	sq.ft.	
Number of units	58	units or	349 UPH
Required Parking Stalls	1.10	per unit	
Residential Stalls	64	stalls	
Required Commercial Stalls	13	stalls, assuming 1 stall per	500 sq.ft.
Total Stalls	77	stalls	
<b>Construction Costs</b>			
Allowance for Demolition of Existing Buildings	\$12,502	or about	\$2 per sq.ft. of existing building
On-Site Servicing (3)	\$68,063	or about	\$1,500 per lineal metre of frontage
Other Predevelopment Costs	\$0		
Hard Cost Used in Analysis (2)	\$220.00		
Landscaping	\$5.00	per sq.ft. of site area on	0.0% of site (not covered by building)
Soft costs (1)	11.0%	of hard costs, servicing, landscaping (assumes commercial space adds premium)	
Contingency on hard and soft costs	5.0%	of hard and soft costs	
GVRD DCC sewer residential	\$560.00	per unit	
GVRD DCC sewer commercial	\$0.443	per sq.ft. of commercial space	
SSAC	\$0.00	per unit	
DCC's residential	\$10.4200	per sq.ft. of residential building area or	\$ 9,087 per average unit
DCC's commercial	\$10.4200	per sq.ft. of retail building area	
Interim financing on construction costs	6.0%	on 50% of hard and soft costs, assuming a	2.0 year construction period
Financing fees	0.75%	of hard and soft costs	
<b>Other Costs and Allowances</b>			
Rezoning Costs	\$0		
Tenant Improvement Allowance on Commercial Space	\$15	per sq.ft. for basic allowance	
Residential Marketing and Commissions	5.0%	of gross revenue	
Commercial Leasing Commissions	17.0%	of estimated Year 1 leasing income upfront	
Commercial Sales Commission	2.0%	of commercial value	
Developer's Profit	15.0%	of gross revenue, or	17.7% of total costs
Property Taxes	1.864%	of assessed value (assuming business classification as mixed use project)	
Assumed current assessment (Year 1 of analysis)	\$2,000,000		
Assumed assessment after 1 year of construction (Year 2 of analysis)	\$10,724,601	(50% of completed project value)	
<b>Analysis</b>			
<b>Revenue</b>			
Gross sales revenue	\$21,449,201		
Less marketing and commissions	\$1,072,460		
Net sales revenue	\$20,376,741		
Value of Commercial Space	\$2,974,239		
Less Commissions on Sale	\$59,485		
Net Value of Commercial Space	\$2,914,755		
Total Net Project Value	\$23,291,496		
<b>Construction Costs</b>			
Allowance for Rezoning Costs	\$0		
Allowance for Demolition of Existing Buildings	\$12,502		
On-Site Servicing (Upgrade of Adjacent Roads/Sidewalks/etc)	\$68,063		
Other Predevelopment Costs	\$0		
Hard construction costs	\$12,573,158		
Landscaping	\$0		
Soft costs	\$1,390,534		
Contingency on hard and soft costs	\$702,213		
TI Allowance on Grade Level Commercial	\$93,763		
Upfront Leasing Commissions on Commercial	\$31,879		
GVRD DCC sewer residential	\$32,480		
GVRD DCC sewer commercial	\$2,769		
SSAC	\$0		
DCC's residential	\$530,377		
DCC's commercial	\$65,134		
Interim financing	\$926,264		
Financing fees/costs	\$116,272		
Total construction costs	\$16,545,407		
<b>Developer's Profit</b>	<b>\$3,663,516</b>		
<b>Residual to Land and Land Carry</b>	<b>\$3,082,572</b>		
Less interim financing on land (approvals/presales/construction)	\$430,019		
Less property purchase tax	\$51,051		
Less property taxes	\$255,776		
<b>Residual Land Value</b>	<b>\$2,345,726</b>		
<b>Residual Value per sq.ft. of site</b>	<b>\$131.34</b>		
<b>Residual Value per square foot buildable</b>	<b>\$41.04</b>		

Attachment 2a: Mixed-Use 10-Storey Project at 3.8 FSR (Sensitivity Analysis)

<b>Major Assumptions</b> (shading indicates figures that are inputs; unshaded cells are formulas)			
<b>Revenue and Value</b>			
Average Residential Sales Price Per Sq. Ft.	\$495	per sq.ft. of net saleable residential space (premium due to increased view units)	
Average Value of Commercial Space	\$476	per sq.ft. Assuming net lease rate of	\$30
		vacancy/structural allowance of	3.0%
		capitalization rate of	6.5%
<b>Site and Building Size</b>			
Site size	17,860 sq.ft. or	0.41 acre	
	149 frontage feet x	120 feet depth	
Assumed density	3.8	FSR	
Total floorspace	67,866	sq.ft.	
Commercial Floorspace	6,251	sq.ft., assuming	0.35 FSR
Gross Residential Floorspace	61,616		3.5 FSR
Net saleable space	52,989	sq.ft. or	86.0% of gross area
Average Gross unit size	872		
Average Net unit size	750	sq.ft.	
Number of units	71	units or	428 UPH
Required Parking Stalls	1.10	per unit	
Residential Stalls	78	stalls	
Required Commercial Stalls	13	stalls, assuming 1 stall per	500 sq.ft.
Total Stalls	91	stalls	
<b>Construction Costs</b>			
Allowance for Demolition of Existing Buildings	\$12,502	or about	\$2 per sq.ft. of existing building
On-Site Servicing (3)	\$68,063	or about	\$1,500 per lineal metre of frontage
Other Predevelopment Costs	\$3	psf CAC on extra density	
Hard Cost Used in Analysis (2)	\$220.00		
Landscaping	\$5.00	per sq.ft. of site area on	0.0% of site (not covered by building)
Soft costs (1)	11.0%	of hard costs, servicing, landscaping (assumes commercial space adds premium)	
Contingency on hard and soft costs	5.0%	of hard and soft costs	
GVRD DCC sewer residential	\$560.00	per unit	
GVRD DCC sewer commercial	\$0.443	per sq.ft. of commercial space	
SSAC	\$0.00	per unit	
DCC's residential	\$10.4200	per sq.ft. of residential building area or	\$ 9,087 per average unit
DCC's commercial	\$10.4200	per sq.ft. of retail building area	
Interim financing on construction costs	6.0%	on 50% of hard and soft costs, assuming a	2.0 year construction period
Financing fees	0.75%	of hard and soft costs	
<b>Other Costs and Allowances</b>			
Rezoning Costs	\$229,100	for rezoning application fees, consultants	
Tenant Improvement Allowance on Commercial Space	\$15	per sq.ft. for basic allowance	
Residential Marketing and Commissions	5.0%	of gross revenue	
Commercial Leasing Commissions	17.0%	of estimated Year 1 leasing income upfront	
Commercial Sales Commission	2.0%	of commercial value	
Developer's Profit	13.04%	of gross revenue, or	15.00% of total costs
Property Taxes	1.864%	of assessed value (assuming business classification as mixed use project)	
Assumed current assessment (Year 1 of analysis)	\$3,000,000		
Assumed assessment after 1 year of construction (Year 2 of analysis)	\$13,114,885	(50% of completed project value)	
<b>Analysis</b>			
<b>Revenue</b>			
Gross sales revenue	\$26,229,769		
Less marketing and commissions	\$1,311,488		
Net sales revenue	\$24,918,281		
Value of Commercial Space	\$2,974,239		
Less Commissions on Sale	\$59,485		
Net Value of Commercial Space	\$2,914,755		
Total Net Project Value	\$27,833,036		
<b>Construction Costs</b>			
Allowance for Rezoning Costs	\$229,100		
Allowance for Demolition of Existing Buildings	\$12,502		
On-Site Servicing (Upgrade of Adjacent Roads/Sidewalks/etc)	\$68,063		
Other Predevelopment Costs	\$69,652		
Hard construction costs	\$14,930,626		
Landscaping	\$0		
Soft costs	\$1,649,856		
Contingency on hard and soft costs	\$847,990		
TI Allowance on Grade Level Commercial	\$93,763		
Upfront Leasing Commissions on Commercial	\$31,879		
GVRD DCC sewer residential	\$39,760		
GVRD DCC sewer commercial	\$2,769		
SSAC	\$0		
DCC's residential	\$642,035		
DCC's commercial	\$65,134		
Interim financing	\$1,117,080		
Financing fees/costs	\$140,123		
Total construction costs	\$19,940,331		
<b>Developer's Profit</b>	\$3,808,203		
<b>Residual to Land and Land Carry</b>	\$4,084,502		
Less interim financing on land (approvals/presales/construction)	\$569,788		
Less property purchase tax	\$68,294		
Less property taxes	\$328,277		
<b>Residual Land Value</b>	\$3,118,142		
<b>Residual Value per sq.ft. of site</b>	\$174.59		
<b>Residual Value per square foot buildable</b>	\$45.95		

**Attachment 3: 4-Storey Woodframe Apartment (Proposed)**

<b>Major Assumptions</b> (shading indicates figures that are inputs; unshaded cells are formulas)			
<b>Revenue and Value</b>			
Average Sales Price Per Sq. Ft.	\$425	per sq.ft. of net saleable residential space	
<b>Site and Building Size</b>			
Site size	17,860 sq.ft. or 149 frontage feet x	0.41 acre 120 feet depth	
Assumed density	1.75 FSR		
Total floorspace	31,254 sq.ft.		
Net saleable space	26,566 sq.ft. or	85.0% of gross area	
Average Gross unit size	893		
Average Net unit size	759 sq.ft.		
Number of units	35 units or		
Required Parking Stalls	1.10 per unit		
Residential Stalls	39 stalls		
Total Stalls	39 stalls		
<b>Construction Costs</b>			
Allowance for Demolition of Existing Buildings	\$17,860 or about	\$2 per sq.ft. of existing building	
On-Site Servicing (3)	\$68,063 or about	\$1,500 per lineal metre of frontage	
Other Predevelopment Costs	\$0		
Hard Cost Used in Analysis (2)	\$145.00		
Landscaping	\$5.00 per sq.ft. of site area on	50.0% of site (not covered by building)	
Soft costs (1)	10.0% of hard costs, servicing, landscaping		
Contingency on hard and soft costs	5.0% of hard and soft costs		
GVRD Sewer Levy	\$560.00 per unit		
SSAC	\$0.00 per unit		
DCLs	\$10.420 per sq.ft. of building area	or \$ 9,305 per average unit	
Interim financing on construction costs	6.0% on 50% of hard and soft costs, assuming a	1.5 year construction period	
Financing fees	0.75% of hard and soft costs		
<b>Other Costs and Allowances</b>			
Rezoning Costs	\$0		
Marketing and Commissions	5.0% of gross revenue		
Developer's Profit	15.0% of gross revenue, or	17.6% of total costs	
Property Taxes	0.421% of assessed value		
Assumed current assessment (Year 1 of analysis)	\$2,000,000		
Assumed assessment after 1 year of construction (Year 2 of analysis)	\$5,645,308 (50% of completed project value)		
<b>Analysis</b>			
<b>Revenue</b>			
Gross sales revenue	\$11,290,616		
Less marketing and commissions	\$564,531		
Net sales revenue	\$10,726,085		
<b>Construction Costs</b>			
Allowance for Rezoning Costs	\$0		
Allowance for Demolition of Existing Buildings	\$17,860		
On-Site Servicing (Upgrade of Adjacent Roads/Sidewalks/etc)	\$68,063		
Other Predevelopment Costs	\$0		
Hard construction costs	\$4,531,874		
Landscaping	\$44,649		
Soft costs	\$464,459		
Contingency on hard and soft costs	\$256,345		
GVRD Sewer Levy	\$19,600		
SSAC	\$0		
DCLs	\$325,670		
Interim financing	\$257,783		
Financing fees/costs	\$42,964		
Total construction costs	\$6,029,265		
<b>Developer's Profit</b>	\$1,693,592		
<b>Residual to Land and Land Carry</b>	<b>\$3,003,227</b>		
Less interim financing on land (approvals/presales/construction)	\$335,160		
Less property purchase tax	\$51,361		
Less property taxes	\$24,535		
<b>Residual Land Value</b>	<b>\$2,592,171</b>		
<b>Residual Value per sq.ft. of site</b>	<b>\$145.14</b>		
<b>Residual Value per square foot buildable</b>	<b>\$82.94</b>		

Attachment 4: Rowhouse (Proposed)

<b>Major Assumptions</b> (shading indicates figures that are inputs; unshaded cells are formulas)			
<b>Revenue and Value</b>			
Average Sales Price Per Sq. Ft.	\$420	per sq.ft. of net saleable residential space	
<b>Site and Building Size</b>			
Site size	8,800 sq.ft. or	0.20 acre	
	88 frontage feet x	100 feet depth	
Assumed density	1.0	FSR	
Total floorspace	8,800	sq.ft.	
Net saleable space	8,800	sq.ft. or	100.0% of gross area
Average Gross unit size	1,257		
Average Net unit size	1,257	sq.ft.	
Number of units	7	units or	
Required Parking Stalls	1.00	per unit	
Residential Stalls	7	stalls	
Total Stalls	7	stalls	
<b>Construction Costs</b>			
Allowance for Demolition of Existing Buildings	\$8,800	or about	\$2 per sq.ft. of existing building
On-Site Servicing (3)	\$40,244	or about	\$1,500 per lineal metre of frontage
Other Predevelopment Costs	\$0		
<b>Hard Construction Costs</b>			
Hard Cost Used in Analysis (2)	\$140.00		
Landscaping	\$5.00	per sq.ft. of site area on	50.0% of site (not covered by building)
Soft costs (1)	10.0%	of hard costs, servicing, landscaping	
Contingency on hard and soft costs	5.0%	of hard and soft costs	
GVRD Sewer Levy	\$826.00	per unit	
SSAC	\$0.00	per unit	
DCLs	\$2,430	per sq.ft. of building area	or \$ 3,055 per average unit
Interim financing on construction costs	6.0%	on 50% of hard and soft costs, assuming a	1.0 year construction period
Financing fees	0.75%	of hard and soft costs	
<b>Other Costs and Allowances</b>			
Rezoning Costs	\$0		
Marketing and Commissions	5.0%	of gross revenue	
Developer's Profit	15.0%	of gross revenue, or	17.6% of total costs
Property Taxes	0.421%	of assessed value	
Assumed current assessment (Year 1 of analysis)	\$1,500,000		
Assumed assessment after 1 year of construction (Year 2 of analysis)	\$1,848,000	(50% of completed project value)	
<b>Analysis</b>			
<b>Revenue</b>			
Gross sales revenue	\$3,696,000		
Less marketing and commissions	\$184,800		
Net sales revenue	\$3,511,200		
<b>Construction Costs</b>			
Allowance for Rezoning Costs	\$0		
Allowance for Demolition of Existing Buildings	\$8,800		
On-Site Servicing (Upgrade of Adjacent Roads/Sidewalks/etc)	\$40,244		
Other Predevelopment Costs	\$0		
Hard construction costs	\$1,232,000		
Landscaping	\$22,000		
Soft costs	\$129,424		
Contingency on hard and soft costs	\$71,623		
GVRD Sewer Levy	\$5,782		
SSAC	\$0		
DCLs	\$21,384		
Interim financing	\$45,938		
Financing fees/costs	\$11,484		
Total construction costs	\$1,588,680		
<b>Developer's Profit</b>	\$554,400		
<b>Residual to Land and Land Carry</b>	\$1,368,120		
Less interim financing on land (approvals/presales/construction)	\$114,512		
Less property purchase tax	\$23,072		
Less property taxes	\$9,481		
<b>Residual Land Value</b>	\$1,221,055		
<b>Residual Value per sq.ft. of site</b>	\$138.76		
<b>Residual Value per square foot buildable</b>	\$138.76		

Attachment 5: Stacked Townhouse (Proposed)

<b>Major Assumptions</b> (shading indicates figures that are inputs; unshaded cells are formulas)			
<b>Revenue and Value</b>			
Average Sales Price Per Sq. Ft.	\$410	per sq.ft. of net saleable residential space	
		discount on row houses due to less parking	
<b>Site and Building Size</b>			
Site size	11,880 sq.ft. or	0.27 acre	
	99 frontage feet x	120 feet depth	
Assumed density	1.1 FSR		
Total floorspace	13,068 sq.ft.		
Net saleable space	13,068 sq.ft. or	100.0% of gross area	
Average Gross unit size	1,089		
Average Net unit size	1,089 sq.ft.		
Number of units	12 units or		
Required Parking Stalls	0.67 per unit		
Residential Stalls	8 stalls		
Total Stalls	8 stalls		
<b>Construction Costs</b>			
Allowance for Demolition of Existing Buildings	\$11,880 or about	\$2 per sq.ft. of existing building	
On-Site Servicing (3)	\$45,274 or about	\$1,500 per lineal metre of frontage	
Other Predevelopment Costs	\$0		
Hard Cost Used in Analysis (2)	\$140,000		
Landscaping	\$5.00 per sq.ft. of site area on	50.0% of site (not covered by building)	
Soft costs (1)	10.0% of hard costs, servicing, landscaping		
Contingency on hard and soft costs	5.0% of hard and soft costs		
GVRD Sewer Levy	\$826.00 per unit		
SSAC	\$0.00 per unit		
DCLs	\$2,430 per sq.ft. of building area	or \$ 2,646 per average unit	
Interim financing on construction costs	6.0% on 50% of hard and soft costs, assuming a	1.0 year construction period	
Financing fees	0.75% of hard and soft costs		
<b>Other Costs and Allowances</b>			
Rezoning Costs	\$0		
Marketing and Commissions	5.0% of gross revenue		
Developer's Profit	15.0% of gross revenue, or	17.6% of total costs	
Property Taxes	0.421% of assessed value		
Assumed current assessment (Year 1 of analysis)	\$1,500,000		
Assumed assessment after 1 year of construction (Year 2 of analysis)	\$2,678,940 (50% of completed project value)		
<b>Analysis</b>			
<b>Revenue</b>			
Gross sales revenue	\$5,357,880		
Less marketing and commissions	\$267,894		
Net sales revenue	\$5,089,986		
<b>Construction Costs</b>			
Allowance for Rezoning Costs	\$0		
Allowance for Demolition of Existing Buildings	\$11,880		
On-Site Servicing (Upgrade of Adjacent Roads/Sidewalks/etc)	\$45,274		
Other Predevelopment Costs	\$0		
Hard construction costs	\$1,829,520		
Landscaping	\$29,700		
Soft costs	\$190,449		
Contingency on hard and soft costs	\$105,341		
GVRD Sewer Levy	\$9,912		
SSAC	\$0		
DCLs	\$31,755		
Interim financing	\$67,615		
Financing fees/costs	\$16,904		
Total construction costs	\$2,338,351		
<b>Developer's Profit</b>	\$803,682		
<b>Residual to Land and Land Carry</b>	\$1,947,953		
Less interim financing on land (approvals/presales/construction)	\$163,044		
Less property purchase tax	\$33,698		
Less property taxes	\$9,481		
<b>Residual Land Value</b>	\$1,741,730		
<b>Residual Value per sq.ft. of site</b>	\$146.61		
<b>Residual Value per square foot buildable</b>	\$133.28		

Attachment 6: Duplex (Proposed)

<b>Major Assumptions</b> (shading indicates figures that are inputs; unshaded cells are formulas)			
<b>Revenue and Value</b>			
Average Sales Price Per Sq. Ft.	\$475	per sq.ft. of net saleable residential space	
<b>Site and Building Size</b>			
Site size	3,960 sq.ft. or	0.09 acre	
	33 frontage feet x	120 feet depth	
Assumed density	0.85	FSR	
Total floorspace	3,366	sq.ft.	
Net saleable space	3,366	sq.ft. or	100.0% of gross area
Average Gross unit size	1,683		
Average Net unit size	1,683	sq.ft.	
Number of units	2	units or	
Required Parking Stalls	1.00	per unit	
Residential Stalls	2	stalls	
Total Stalls	2	stalls	
<b>Construction Costs</b>			
Allowance for Demolition of Existing Buildings	\$3,960	or about	\$2 per sq.ft. of existing building
On-Site Servicing (3)	\$15,091	or about	\$1,500 per lineal metre of frontage
Other Predevelopment Costs	\$0		
Hard Cost Used in Analysis (2)	\$170.00		
Landscaping	\$5.00	per sq.ft. of site area on	50.0% of site (not covered by building)
Soft costs (1)	10.0%	of hard costs, servicing, landscaping	
Contingency on hard and soft costs	5.0%	of hard and soft costs	
GVRD Sewer Levy	\$0.00	per unit (not charged on 4 units or less)	
SSAC	\$0.00	per unit	
DCLs	\$2.430	per sq.ft. of building area or	\$ 4,090 per average unit
Interim financing on construction costs	6.0%	on 50% of hard and soft costs, assuming a	1.0 year construction period
Financing fees	0.75%	of hard and soft costs	
<b>Other Costs and Allowances</b>			
Rezoning Costs	\$0		
Marketing and Commissions	3.0%	of gross revenue (MLS listing)	
Developer's Profit	10.0%	of gross revenue, or	11.1% of total costs
Property Taxes	0.421%	of assessed value	
Assumed current assessment (Year 1 of analysis)	\$500,000		
Assumed assessment after 1 year of construction (Year 2 of analysis)	\$799,425	(50% of completed project value)	
<b>Analysis</b>			
<b>Revenue</b>			
Gross sales revenue	\$1,598,850		
Less marketing and commissions	\$47,966		
Net sales revenue	\$1,550,885		
<b>Construction Costs</b>			
Allowance for Rezoning Costs	\$0		
Allowance for Demolition of Existing Buildings	\$3,960		
On-Site Servicing (Upgrade of Adjacent Roads/Sidewalks/etc)	\$15,091		
Other Predevelopment Costs	\$0		
Hard construction costs	\$572,220		
Landscaping	\$9,900		
Soft costs	\$59,721		
Contingency on hard and soft costs	\$33,045		
GVRD Sewer Levy	\$0		
SSAC	\$0		
DCLs	\$8,179		
Interim financing	\$21,063		
Financing fees/costs	\$5,266		
Total construction costs	\$728,446		
<b>Developer's Profit</b>	\$159,885		
<b>Residual to Land and Land Carry</b>	\$662,554		
Less interim financing on land (approvals/presales/construction)	\$55,456		
Less property purchase tax	\$10,142		
Less property taxes	\$3,160		
<b>Residual Land Value</b>	\$593,795		
<b>Residual Value per sq.ft. of site</b>	\$149.95		
<b>Residual Value per square foot buildable</b>	\$176.41		

Attachment 7: Detached Strata Houses (Proposed)

<b>Major Assumptions</b> (shading indicates figures that are inputs; unshaded cells are formulas)			
<b>Revenue and Value</b>			
Average Sales Price Per Sq. Ft.	\$480	per sq.ft. of net saleable residential space	
		assumes premium over duplex, but discount to traditional SFD	
<b>Site and Building Size</b>			
Site size	7,920 sq.ft. or	0.18 acre	
	66 frontage feet x	120 feet depth	
Assumed density	0.80	FSR	
Total floorspace	6,336	sq.ft.	
Net saleable space	6,336	sq.ft. or	100.0% of gross area
Average Gross unit size	1,584		
Average Net unit size	1,584	sq.ft.	
Number of units	4	units or	
Required Parking Stalls	1.00	per unit	
Residential Stalls	4	stalls	
Total Stalls	4	stalls	
<b>Construction Costs</b>			
Allowance for Demolition of Existing Buildings	\$7,920	or about	\$2 per sq.ft. of existing building
On-Site Servicing (3)	\$30,183	or about	\$1,500 per lineal metre of frontage
Other Predevelopment Costs	\$0		
Hard Cost Used in Analysis (2)	\$170.00		
Landscaping	\$5.00	per sq.ft. of site area on	50.0% of site (not covered by building)
Soft costs (1)	10.0%	of hard costs, servicing, landscaping	
Contingency on hard and soft costs	5.0%	of hard and soft costs	
GVRD Sewer Levy	\$0.00	per unit (not charged on 4 units or less)	
SSAC	\$0.00	per unit	
DCLs	\$2.430	per sq.ft. of building area	or \$ 3,849 per average unit
Interim financing on construction costs	6.0%	on 50% of hard and soft costs, assuming a	1.0 year construction period
Financing fees	0.75%	of hard and soft costs	
<b>Other Costs and Allowances</b>			
Rezoning Costs	\$0		
Marketing and Commissions	3.0%	of gross revenue (MLS listing)	
Developer's Profit	10.0%	of gross revenue, or	11.1% of total costs
Property Taxes	0.421%	of assessed value	
Assumed current assessment (Year 1 of analysis)	\$500,000		
Assumed assessment after 1 year of construction (Year 2 of analysis)	\$1,520,640	(50% of completed project value)	
<b>Analysis</b>			
<b>Revenue</b>			
Gross sales revenue	\$3,041,280		
Less marketing and commissions	\$91,238		
Net sales revenue	\$2,950,042		
<b>Construction Costs</b>			
Allowance for Rezoning Costs	\$0		
Allowance for Demolition of Existing Buildings	\$7,920		
On-Site Servicing (Upgrade of Adjacent Roads/Sidewalks/etc)	\$30,183		
Other Predevelopment Costs	\$0		
Hard construction costs	\$1,077,120		
Landscaping	\$19,800		
Soft costs	\$112,710		
Contingency on hard and soft costs	\$62,387		
GVRD Sewer Levy	\$0		
SSAC	\$0		
DCLs	\$15,396		
Interim financing	\$39,765		
Financing fees/costs	\$9,941		
Total construction costs	\$1,375,223		
<b>Developer's Profit</b>	\$304,128		
<b>Residual to Land and Land Carry</b>	\$1,270,690		
Less interim financing on land (approvals/presales/construction)	\$106,357		
Less property purchase tax	\$21,287		
Less property taxes	\$3,160		
<b>Residual Land Value</b>	\$1,139,887		
<b>Residual Value per sq.ft. of site</b>	\$143.93		
<b>Residual Value per square foot buildable</b>	\$179.91		