Appendix 1

Proposed Municipal Charges and Fees for Residential Development

Evaluation of Potential Impacts

City of Mississauga

February 2022

nblc

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City of Mississauga

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Executive Summary

N. Barry Lyon Consultants Limited has been retained by the City of Mississauga to evaluate the potential impact of several potential policy changes that are likely to influence the economics of new high-density residential development. The policy changes include:

- A Community Benefits Charge to replace the former Section 37 approach;
- An alternative Cash-in-Lieu of Parkland rate; and,
- An increase to the City's Development Charge rates.

Key to the methodology used in this work is the understanding that housing prices are established by the characteristics of supply and demand, with developers only being able to charge what the market is willing and able to pay. If the cost of producing a housing unit increases, developers cannot simply increase pricing if buyers are unwilling or unable to pay a higher price. Instead, developers will discount the price they are willing to pay to acquire land as a means of absorbing these increased costs.

If residential land values are depressed too much, however, the supply of available residential land could be reduced. This would be a negative unintended consequence that could impact a range of policy objectives and broader housing affordability throughout the City of Mississauga's residential market.

Our analytical approach in this study examines this relationship between increased costs and land values. The modelling seeks to evaluate how far land values can be depressed before the incentive to redevelop land might be discouraged. To do this, we examine six prototypical developments across a variety of markets in the City. We model these test sites under various policy scenarios to estimate the maximum price a developer could pay for land and still achieve an acceptable profit. These results are then compared to the value of competitive land uses in each market location (e.g. retail, office, etc.).

The following are our central findings from this analysis:

- While the individual impact of each of the proposed policies may not be substantial on its own, the cumulative impact of all the proposed policies is very significant. Our analysis shows that land values would need to decrease between 14% and 50% to maintain development viability if residential pricing remained stable. This magnitude of impact could become a disincentive to reinvestment. Some vendors of land may choose to hold onto sites or sell to developers of other non-residential land uses, reducing the supply of developable residential land.
- For the first time in recent history, 2021 saw the hard costs of construction increase at a faster pace than residential pricing. If this trend continues, the viability of many projects will deteriorate. Persistent inflation and rising interest rates may also temper residential pricing, potentially magnifying the challenges posed by proposed policy changes.
- Stronger residential submarkets, such as Port Credit, can best withstand the proposed policy changes. As these submarkets can achieve higher project revenues, their underlying land values tend to be higher, allowing for a greater ability to absorb cost increases without significantly impacting the ability of residential land prices to outcompete other uses. Conversely, weaker market areas, such as

Applewood-Rathwood, have lower underlying land values. This means the proposed changes will be more impactful, likely challenging the viability of residential development in these locations.

- Recent land purchasers generally have thinner margins than long-term land owners because they have likely purchased their land at current market pricing without knowing the full extent of near term policy changes. The cumulative impact of proposed policy changes could make it more challenging for some to absorb the increased costs in the near term. In some instances, these recent land purchasers could opt to delay development until pricing levels have increased to reinstate an acceptable return.
- While long-term landowners theoretically have the greatest buffer to absorb increased costs, should the proposed policy changes reduce land values by a significant enough margin, they too could reconsider their investment strategies. It is possible that some owners would re-evaluate their investment plans, with some potentially having to restructure the financing strategies for their projects or delay their projects, waiting until revenues increase in the future.
- This report does not include an assessment of potential impacts relating to Inclusionary Zoning policies. This analysis did not include an assessment of the Inclusionary Zoning policies. However, if implemented, Inclusionary Zoning policies could also have a significant impact on land values, further challenging the viability of residential projects.
- As both the proposed Cash-In-Lieu of Parkland Dedication and Community Benefits Charge are calculated according to a site's land value, the full implementation of the proposed policies could reduce the amount of revenue collected by the City from these tools.
- For numerous reasons, rental development is already at a significant economic disadvantage compared to condominium development. Within the current policy environment, only three of the six test sites are estimated to support a positive land value as a purpose-built rental apartment project. Given this, the proposed policies would further exacerbate the challenges faced in creating new purpose-built rental housing development.
- Any increases in Development Charge rates (and other municipal fees) that occur after the time a condominium unit is sold – but, before the point at which these fees are usually paid – are usually shared between the developer and the purchaser at closing. In the GTA condominium industry, it is common for these increases in fees to be 'capped' for purchasers at a fixed amount within the purchase and sale agreement. In Mississauga, this cap is usually between $10,000 and $15,000 per unit. However, it is possible that there could be purchasers who have no such protection against these increases. The proposed increases could, therefore, pose a significant cost for the purchasers, especially for first-time buyers.

Overall, the pressure to increase the municipal fees facing new residential development projects comes at a time when the industry is facing significant increases in hard construction costs. In addition, the threat of rising interest rates and inflationary pressures have the potential to undermine demand and pricing. The testing in this analysis illustrates that the cumulative impact of the proposed municipal fees has the potential to dampen development interest in high-density residential development across the City. The effects, however, will vary depending on the market and specific land economics associated with a particular site. For these reasons, the municipality should consider approaches to mitigate the significant impacts that these policy changes might have. This could include a phase-in period that could adjust to reflect economic conditions, such as interest rates.

1.0 Introduction

The City of Mississauga (‘the City’) has retained N. Barry Lyon Consultants (‘NBLC’) to assess the potential impacts to residential development that may result from a range of proposed policy changes and fee increases that are currently under consideration.

The City is currently in the process of preparing a new 2022 Development Charge Background study in accordance with recent changes made to the provincial enabling legislation. Concurrently, the City is also evaluating the introduction of a Community Benefits Charge (‘CBC’), and an update to its Cash-in-Lieu of Parkland Dedication (‘CIL’) by-law, also following recent changes to provincial legislation. Each of these initiatives are intended to support an increase in municipal revenue to support infrastructure investments, but they also represent an increase to the production costs of housing.

The purpose of this study is to examine the possible impacts that these policy changes and fee increases could have on high-density residential development. We address these issues by evaluating how the policy changes and fee increases would impact the feasibility of six prototypical high-density residential developments throughout various submarkets in Mississauga. Through an understanding of the subtleties between various markets in the City, as well as an understanding of the economics of development, we examine how these changes could impact project viability not just at the six representative test sites, but across the broader Mississauga marketplace.

2.0 Residential Market Context

Like much of the GTA, Mississauga has seen growing levels of residential development over the past two decades driven by population and employment growth. Continued investments in the City, both private and public, are only further increasing the appeal of Mississauga. The following section provides a review of Mississauga's residential market.

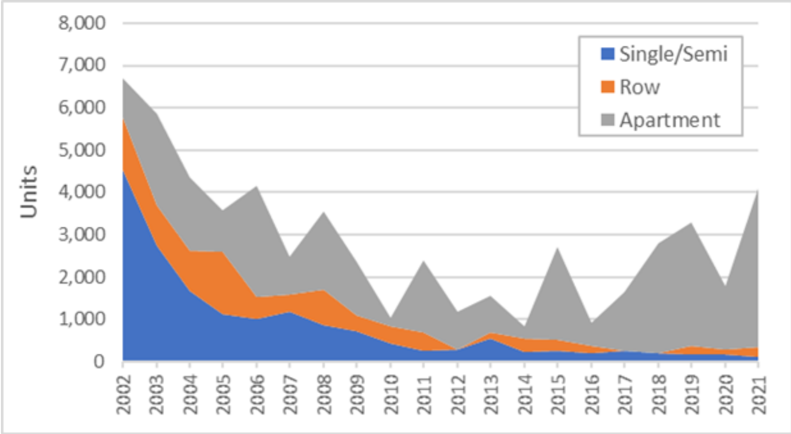
Affordability Underpins Growth in High-Density Demand

As Mississauga exhausted much of its supply of greenfield land by the early 2010s, pricing for low-rise homes in Mississauga has surged substantially. The average resale price of a single-detached home nearly tripled between 2011 and 2021, increasing by 279%. As income growth has not kept pace, an increasing share of households has been pushed towards more affordable housing options in Mississauga, typically condominium apartments and rental apartments. Between 2017 and 2021, apartments accounted for 89% of housing starts in Mississauga, compared to 67% of housing starts between 2012 and 2016.

High-Density Growth Has Been Concentrated in City Centre

This high-density residential growth has been heavily concentrated in the City Centre submarket. This is not surprising as high-density demand has historically shown a strong preference for established areas. As shown in **Table 1**, 56% of the total high-rise units launched in Mississauga between 2012 and 2021 have been in the City Centre submarket. To a lesser degree, the Erin Mills and Port Credit submarkets have also seen a concentration of high-rise development, accounting for 11% and 6%, respectively, of the total high-rise units launched in Mississauga between 2012 and 2021. We expect these concentrations to continue, being only further enhanced by the introduction of the Hurontario LRT.

Figure 1 – Housing Starts by Type, City of Mississauga, 2002 to 2021



Source: CMHC

Table 1

New High-Rise Project Launches – Mississauga				
Year	City Centre		Mississauga	
	Projects	Units	Projects	Units
2012	3	1,478	**11**	**2,346**
2013	0	0	**2**	**248**
2014	0	0	**2**	**564**
2015	2	602	**5**	**911**
2016	1	344	**6**	**1,242**
2017	4	2,404	**8**	**3,482**
2018	2	1,366	**8**	**2,592**
2019	4	2,078	**6**	**2,449**
2020	2	1,153	**10**	**2,893**
2021	3	2,091	**8**	**3,829**
Total:	**21**	**11,516**	**66**	**20,556**

Note: Does not include projects that launched and cancelled later.
Source: Altus Group

High-Rise Sales and Pricing Have Both Continued to Grow

With residential demand shifting towards high-density housing, new high-rise sales in Mississauga have grown over the past five years. On average, Mississauga recorded 3,302 new high-rise unit sales between 2017 and 2021, up from an average of just 1,134 high-rise unit sales in the preceding five years (**Table 2**). Growing high-rise demand has supported strong pricing growth in the new high-rise market over the past five years. This growth is best exemplified in **Figure 2**, where index pricing growth was modest from 2012 to 2017, after which it doubled in just five years. Given prevailing market conditions, we expect pricing levels to continue to appreciate over the short-term, although at a more modest pace, with the most popular submarkets (Port Credit and City Centre), continuing to achieve the highest pricing levels.

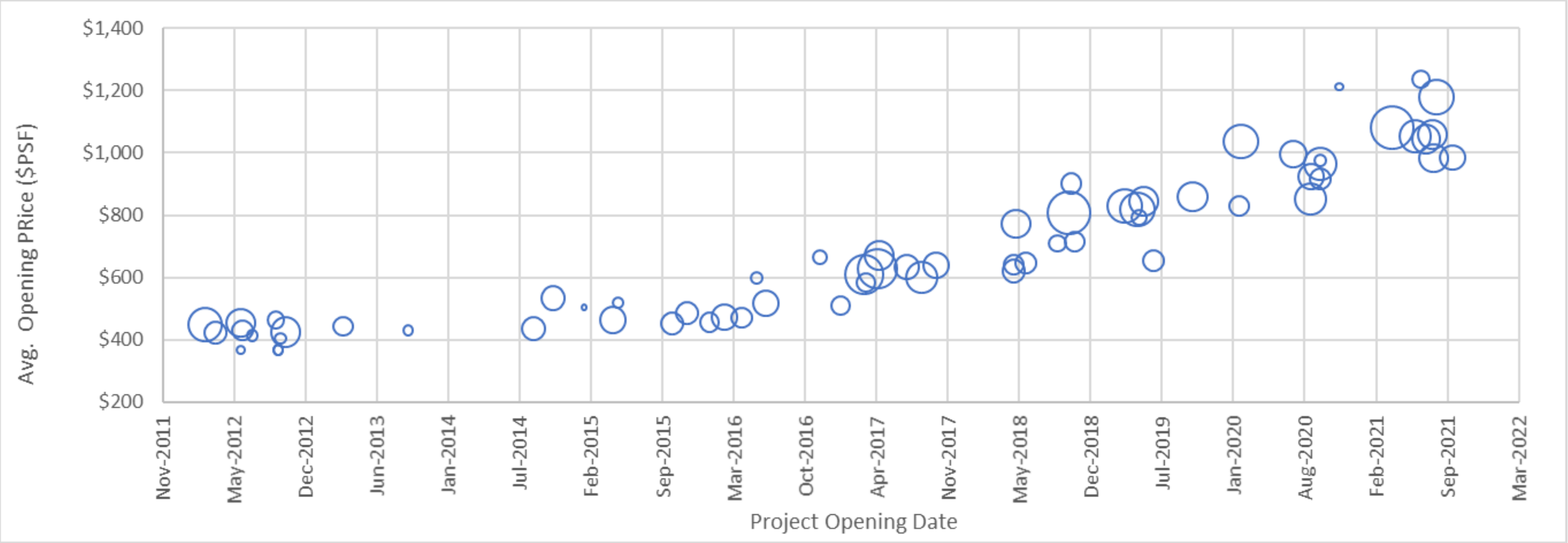
Table 2

High-Rise Sales and Pricing – City of Mississauga

Year	Sales	Avg $PSF	Annual Change
2012	1,653	$435	-
2013	770	$440	1%
2014	757	$487	11%
2015	891	$471	-3%
2016	1,599	$505	7%
2017	3,658	$619	23%
2018	2,159	$752	21%
2019	3,436	$816	9%
2020	3,199	$949	16%
2021*	4,059	$1,074	13%

Note: 2021 is YTD as of November 30, 2021
Source: Altus Group

Figure 2 – Average Opening Price by Opening Date, City of Mississauga (Bubble size represents the number of units)



Source: Altus Group

Rental Demand is Also Driven by Affordability

Declining homeownership affordability has also driven an increasing level of rental housing demand in Mississauga. Since 2018, the City of Mississauga recorded 1,472 rental housing starts (12% of total housing starts). As a point of comparison, Mississauga recorded only 913 rental housing starts in the preceding fifteen years (2% of housing starts). It is important to note, however, that investment in purpose-built rental development has almost entirely been concentrated in situations where lands have been owned for a long period of time, and often where another economically productive land use has been in place to capitalize the initial land purchase. For example, there has been a trend of existing purpose-built rental landowners intensifying their properties by adding additional rental apartments, and similarly with retail site intensification.

Notwithstanding the above-noted increase, this supply of new purpose-built rental apartment units has been inadequate to meet the growing level of rental housing demand in Mississauga. Instead, condominium apartments units purchased by investors have become the primary rental apartment product in Mississauga. As of October 2020, CMHC reported that 29.7% of condominium apartment units in Peel Region were being used as rental units on the secondary rental market, up from just 19.1% a decade earlier. While CMHC does not provide this data for Mississauga individually, it is likely that the share is even higher in Mississauga.

Moreover, **Table 3** shows that the supply of condominium rental units has seen larger net growth over the past decade than owner-occupied condominium units. This aligns with trends from recent condominium project launches in Mississauga, where investors typically make up more than 50% of purchasers, or even higher for projects in high-demand submarkets such as Mississauga City Centre.

Table 3

Condominium Apartments by Tenure
Peel Region, 2010 to 2020

Year	Condominium Units		% of Units as Rental
	Rental	Non-Rental	
2010	6,787	28,786	19.1%
2011	7,543	30,424	19.9%
2012	8,917	30,417	22.7%
2013	9,363	30,808	23.3%
2014	10,523	30,533	25.6%
2015	10,965	31,910	25.6%
2016	12,339	30,968	28.5%
2017	12,108	31,967	27.5%
2018	13,214	33,388	28.4%
2019	13,690	33,961	28.7%
2020	14,345	33,951	29.7%
Avg. Annual Increase:	**756**	**517**	**-**
Total Increase:	**7,558**	**5,165**	**-**

Source: CMHC

Land Values Have Increased in Lockstep with Residential Pricing

With increased demand and pricing, high-density residential land values have also increased significantly across the GTA as shown in **Figure 3**, approximately doubling between 2016 and 2021. While the sample of residential land transactions in Mississauga with a proposed GFA is quite small, a similar pattern is observed in Mississauga. A survey of transactions in Mississauga found three over the past two years with an average land value sale of $60 per buildable square foot. Between 2015 and 2016, five transactions were recorded with an average land value sale of $27 per buildable foot. Given the concentration of high-density demand in Mississauga, it is likely that these land values have increased the most in the high-growth submarkets.

Figure 3 – High-Density Residential Land Transactions by Price ($/SF of Buildable GFA), GTA

Source: Altus Group

Construction Costs Are Escalating Rapidly, but Slower than Pricing Increases

Disruptions to global supply chains and a shortage of skilled labour have both exacerbated rising construction costs. Statistics Canada's Building Construction Price Index ('BCPI') shows that apartment construction costs in the GTA have increased by 23% between Q1-2020 and Q3-2021 (**Figure 4**). During the same period, the average available index price for a new condominium apartment in the GTA increased by 16%. Prior to this recent surge, in construction costs, new high-rise pricing was growing at a much faster pace than construction costs, which were typically growing by about 3% to 5% per year.[1]

Historically, developers have been able to absorb increased construction costs as pricing was growing at a more substantial margin. From Q1-2017 to Q1-2020, the average index price for a new condominium apartment unit in the GTA grew by 57%, while construction costs only increased by 13%. This rapid pricing growth effectively provided developers with a buffer against any increased costs. However, given that construction costs are now growing faster than pricing, this buffer is eroding. If this trend continues, it could put significant pressure on the development industry, substantially reducing a project's margin for error.

[1] Altus Cost Guides

Figure 4 – Apartment Construction Costs vs. Available High-Rise Pricing ($PSF), GTA, Q1-2017 to Q3-2021

Note: Statistics Canada BCPI is calculated quarterly, while Altus' Index pricing is calculated monthly

Source: Statistics Canada Building Construction Index Price & Altus Group

3.0 Land Economics Approach

It is a common misconception that the cost of constructing new housing determines the price at which that housing can be sold; that any new or increased costs – including those introduced due to government policies – can be directly 'passed on' to end users through higher sale prices or lease rates. Though related, the actual dynamics by which pricing is set are more complex. This understanding informs the approach in which impacts are measured in this analysis.

Pricing is Driven by Market Supply / Demand

In an efficient market with open competition, developers and/or landowners will charge the maximum price (rent or sale value) that the market will bear at any given time. This price is irrespective of the production cost of housing. Competitive markets establish pricing by the characteristics of supply and demand, underpinned by the principle of the 'willing buyer and seller'. In the GTA, high levels of residential demand relative to the supply of new homes are what drives high increases in home pricing. In the absence of a monopoly on housing, costs do not directly play a role in the price of a home.

For example, if two identical high-density projects were situated adjacent to one another, buyers would view these homes as substitutes. In this situation, buyers would value both projects equally and pricing would be comparable at each project. However, if one of these projects was situated on a parcel of land that required expensive environmental remediation, the developer could increase sale prices equivalent to the cost of remediation, as buyers would simply choose the identical and lower priced project. To the buyer, there is no added value to justify additional costs for a similar quality unit and the developer could not charge more for the unit.

This is why it is common practice for developers and landowners to seek an opinion with respect to the quality of the soil (and other matters throughout due diligence) prior to purchasing land. If there is evidence of a soil/environmental issue, the developer will discount the value of the parcel by the cost of remedying the problem. The same principle applies to development fees. A purchaser would not pay more for a home simply because costs have increased. Rather, the development industry evaluates conditions of competitive supply and demand to set sales pricing.

An exception to this is where a developer has already presold units but has not obtained building permits prior to development fees being increased. In these situations (subject to purchase and sale terms) the burden of the increased fees (or a portion of them) can be incurred by the homebuyer, in effect, increasing the price to the purchasers. Where the purchaser's exposure to rate increases are 'capped' – a common approach to be discussed later in this report – the increase in fees is shared with the developer. Where some or all of this cost increase is absorbed by the developer, it would occur through a reduction in the developer's profit.

Increased Housing Production Costs Primarily Impact Land Value

Understanding that market pricing is largely set independently from costs, developers will seek to transfer any increase in costs elsewhere. Developers are unlikely to accept reduces profit expectations as they are investing their skill and equity with the expectation of a return. Further, a minimum return is also required of developers by their lenders in order to mitigate risk. If an acceptable profit level can not be achieved, developers will utilize their capital elsewhere – investing in another community or possibly even another investment opportunity.

In a market that shows steady demand and pricing growth, such as the GTA, it is possible that increased costs can be absorbed without impacting the viability of new development. However, in more stable markets, with return expectations and costs relatively fixed, the impact of any cost increase is largely compensated for with a reduction in land value. **Figure 5** illustrates this, showing that if the total project revenue remains stable (as set by supply and demand conditions), any increase in soft costs (i.e. development fees) must be compensated for by an equal reduction in land value as hard costs and the developer's profit margin are both considered fixed.

The Impact on Affordability

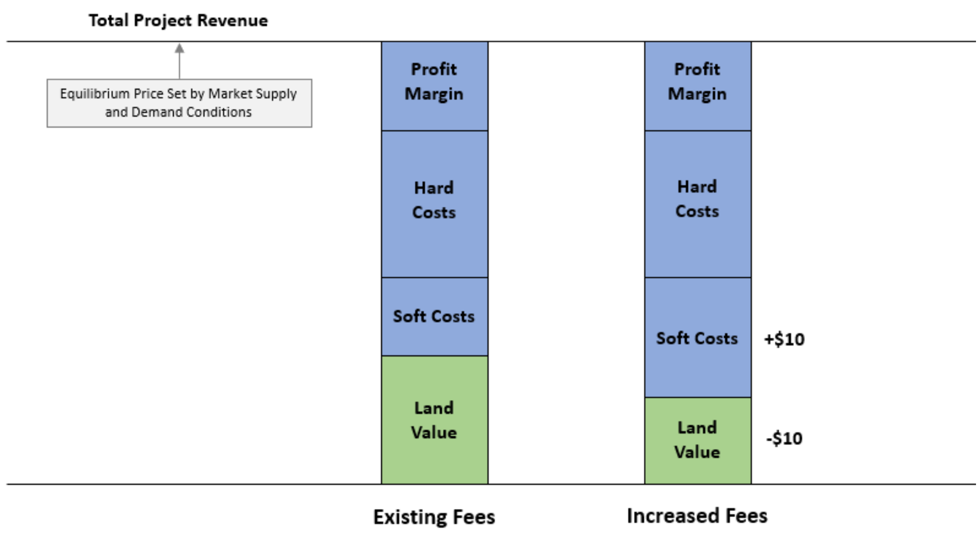
As discussed, the impact of these additional charges and fees does not linearly translate to increased costs for consumers. Instead, the cumulative impact of rising housing production costs will put downward pressure on land prices. However, if significant, this reduction in land prices can impact the supply of available and developable land, which in turn could impact housing prices by shifting supply and demand conditions. If the downward pressure on land values leads to a decline of land available for development, the supply of new housing will be reduced, which in turn will lead to increased pricing for both new and existing housing.

Downward pressure on land value can impact the supply of developable land in several ways:

- Existing landowners may be less likely to sell or redevelop a property, as the existing land use may provide equal or even greater value;
- Project viability can be impacted as the costs of development may exceed local market pricing; and,
- Other competitive uses such as office and retail uses may now be able to compete for properties.

Any of these potential outcomes could discourage reinvestment, reducing the supply of new housing and putting upward pressure on housing prices – to the extent that the market will allow – ultimately reducing affordability. As supply is constrained, the market is either forced to pay more for housing or make other housing choices. This may be especially true in low-growth areas where margins are already very thin, but opportunities for lower cost housing are the greatest. These areas also benefit significantly from new investment in terms of community improvements.

Figure 5 – The Impact of Increased Development Fees on Land Value



4.0 Methodology

The following section summarizes the methodology employed to consider the potential impacts of new municipal fees and policy changes.

Land Value as a Measure of Feasibility

To assess the land value impacts of the new fees and policies, we examine the financial viability of different residential typologies in a range of markets across the city. To do this, we employ a residual land value (‘RLV’) model. The RLV model is a mathematical tool that follows these core steps:

- Develop a market rationale for the site that supports a certain form of development based on the local characteristics of supply and demand. This includes unit sizing, types, pricing, parking sales, and project sales pace. This analysis considers current conditions and future market factors such as the Hurontario LRT, for example.
- Calculate the revenues that might accrue for the project given the defined market parameters.
- Subtract from the revenues and estimate of all the costs associated with the development – both hard and soft costs.
- Subtract the developer’s required profit. This is assumed as a percentage of the project’s total revenues.
- The remaining value or ‘residual’ is the value that the developer could pay for the land and maintain an attractive profit.

This model is repeated for each of the test sites using the appropriate local market inputs. The outputs of the model are then used to examine how a residential developer’s budget for acquiring land would change under various policy/fee environments.

These land values are then compared to the value of alternative land uses that are prevalent in each local area. This includes uses such as retail, office, and lower-density residential uses. If the land value of the redevelopment scenario approaches or falls below the alternative use values, we assume that the viability of the project is in question. In other words, an owner of a property would not be motivated to sell or redevelop the site, thereby reducing the supply of developable land.

Based on this analysis, we can understand the market areas or building forms that show evidence of weak viability under the various policy/fee environments. These will be areas where we would expect to see development interest weaken or be delayed until the market can support higher sales pricing or rents. Further, this analysis allows us to assess the magnitude of land value change that would result at the instance of policy change. These impacts could have an impact on the availability of land if the cumulative impact creates a shock to market conditions.

Figure 6

Understanding Residual Land Value

Project Revenue

\- Project Costs

\- Developer Profit

= Land Value

Establishing Comparative Land Values

To establish the benchmark where landowners become less motivated to redevelop their property for higher density housing, we estimate the value of typical land uses of identically sized sites in each of the test site's market areas. To evaluate these alternative property values, we consider comparable land sale transactions as well as the typical net income stream of revenue generating uses based on current market conditions in each of the local areas. Net income is then capitalized. A theoretical premium is then applied to this market value that would likely be necessary to incentivize a landowner to sell or to justify the site's redevelopment. This establishes a 'threshold' land value for each of these alternative land uses that would need to be met for the hypothetical redevelopment to proceed.

Of course, due to the wide range of situations that can occur, this is not a precise measurement and should be thought of as a high-level benchmarking exercise in order to demonstrate where there may be a risk to the economic viability of new residential development. For example, a recent trend is for shopping centre owners to intensify their sites with new rental housing. For these owners, the land value has frequently been capitalized through the existing longstanding retail use. Without a land cost, these projects have greater latitude to rationalize the investment.

A condominium developer who may have purchased land in a high-growth market several years ago and is only now moving forward with development, after land values have substantially increased, may be able to accommodate the proposed fees and changes without critically impacting project viability. Conversely, developers who have recently purchased land without fully understanding the nature of the potential fee increase/ policy changes may have to delay redevelopment until the market can support pricing that provides an acceptable return.

This study, however, makes the necessary assumption that, going forward, land will be purchased at market rates and developed within a reasonable time frame. The research cannot capture all the complexities of the market or unique site conditions. Rather, it provides a general picture of the most probable impacts over the foreseeable future using conservative assumptions.

4.1 Site Selection

For our analysis, six prototypical development scenarios were selected by City staff. These sites are intended to be representative of typical sites in each of the market areas, not a specific site. They capture a range of residential projects that are currently occurring or are anticipated to occur in the city. The sites and typologies are as follows:

- **Mississauga City Centre** – A 40-storey tower on a 1.0-acre parcel with approximately 416,000 sf of GFA;
- **Port Credit** – A 10-storey tower on a 0.6-acre parcel with approximately 100,000 sf of GFA;
- **Dixie/Lakeview** – A 6-storey mid-rise building on a 0.9-acre parcel with approximately 122,000 sf of GFA;
- **Cooksville** – A 25-storey tower on a 1.0-acre parcel with approximately 220,000 sf of GFA;
- **Glen Erin** – A 3-storey stacked townhome project on a 2.0-acre parcel with approximately 103,000 sf of GFA; and,
- **Rathwood/Applewood** – a 15-storey tower on a 1.0-acre parcel with approximately 280,000 sf of GFA.

4.2 Market Assumptions

For each of the test sites, a range of market assumptions have been made. These assumptions have been informed by market research in each of the test site's areas. This research has been attached as an Appendix. The full range of market assumptions are shown below in **Table 4**.

4.3 Financial Assumptions

The following are key financial assumptions applied to all scenarios:

- Market revenues have been inflated by 2.0% per annum.
- A discount rate of 6.0% per annum.
- Hard construction costs were based on the 2022 Altus Construction Cost Guide. Costs are then inflated at 2.0% per annum.
- A site servicing cost of $750,000 per site.
- No extraordinary costs are assumed for constrained sites;
- All projects are assumed to require an Official Plan Amendment, a Zoning Amendment, and a Site Plan Application.
- Consultants, legal and marketing costs are 14.5% of hard costs.
- For construction financing, it is assumed a developer can borrow 75% of construction costs at 4.5%
- Developer's profit expectations are 15% of gross revenue.
- A retail vacancy of 5% and a retail cap rate of 5.50%.
- Additional financial assumptions are included in the Appendix.

Table 4

Market Inputs - As of January 2022

Test Site	Typology	Suite Mix	Avg. Unit Size	Index Sale Price	Absorption Rate	Parking Ratio[1]	Parking Cost	Below Market Index Price[2]	Market Rental Rate	Retail Lease Rate
		0B/1B/2B/3B	*(sf)*	*$PSF*	*units/mth*	*per unit*	*per stall*	*$PSF*	*$PSF/mth*	*$PSF/yr*
Mississauga City Centre	Tower	5%/50%/40%/5%	650	$1,095	45	0.9	$60,000	$516	$3.30	$26.00
Port Credit	Tower	5%/45%/45%/5%	680	$1,184	35	1.2	$55,000	$498	$3.30	$28.00
Dixie/Lakeview	Mid-rise	0%/40%/55%/5%	740	$1,023	25	1.3	$50,000	$471	$3.15	$26.00
Cooksville	Tower	5%/45%/45%/5%	680	$1,048	30	1.2	$50,000	$498	$3.15	$23.00
Glen Erin	Stacked	0%/20%/55%/25%	960	$954	20	1.5	-	$391	$2.90	$25.00
Rathwood/Applewood	Tower	0%/40%/55%/5%	740	$973	20	1.3	$40,000	$471	$3.00	$24.00

1= Market Unit Parking Ratio. Does not include visitors or below-market parking.

2= Based on unit type affordability thresholds established by Peel Region.

Source: NBLC

5.0 Proposed Policy and Fee Changes

The following section provides a summary of the proposed policy changes and fee increases that have been included in our analysis.

Community Benefits Charge

In Ontario, municipalities are permitted through Section 37 of the *Planning Act* to extract community contributions in exchange for authorizing increases in heights and density beyond what is permitted in the existing zoning by-law. Previously, this extraction was negotiated between the municipality and the developer ('Section 37').

In 2020, the provincial government amended the *Planning Act* replacing the former Section 37 density bonusing approach with a new Community Benefits Charge regime ('CBC'). Single-tier and lower-tier municipalities are now able to impose a CBC on new development to pay for the capital costs of facilities, services, and other matters required to support new development. Most importantly, unlike the previous Section 37 agreements, which were only triggered by zoning amendments and minor variances, CBCs are triggered under almost all planning applications including plans of subdivision, plans of condominium, and building permits for buildings five storeys or greater. Further, the value of a CBC is calculated as a percentage of the value of the land, capped at 4%.

For our analysis, we have tested each of the hypothetical projects under the existing Section 37 framework and the proposed CBC framework.

- **Section 37** – Under the existing Section 37 framework, it is assumed that the City receives no payment from the hypothetical developments, as per the City's guidance.
- **CBC** – Under the proposed CBC policy framework, it is assumed that the city receives a payment equal to 4% of the land value for each of the hypothetical developments if it is above 4-storeys.

Development Charges

The Development Charges Act permits municipalities in Ontario to enact by-laws that impose levies on new developments to pay for growth-related capital expenses for municipal services such as roads, water, recreation, and public works. A municipality must complete a development charge background study prior to passing a development charge by-law, with this study setting the development charge rates ('DC').

For our analysis, we have tested each site under the current DC rates and the proposed DC rates, as shown in **Figure 9,** to follow, for residential developments. For non-residential uses, we have assumed an increase of 58% for non-industrial uses, as advised by Hemson. Also of note, we have not assumed any increase in DC rates paid to Peel Region.

Figure 7 – Proposed Residential Development Charges

Service	Residential Charge By Unit Type (1)			
	Singles & Semis	Rows & Other Multiples	Apartments Units	Small Units
By-Law Enforcement	$148	$115	$101	$55
Development-Related Studies	$290	$225	$197	$108
Library Services	$1,596	$1,242	$1,088	$593
Fire Services	$1,518	$1,181	$1,034	$564
Recreation & Parks Development	$17,784	$13,836	$12,122	$6,604
Transit Services	$4,944	$3,846	$3,370	$1,836
Public Works Services	$866	$674	$590	$322
LAC Debt	$87	$68	$59	$32
Sub-total General Services	**$27,233**	**$21,187**	**$18,561**	**$10,114**
Roads And Related Infrastructure	$22,942	$17,849	$15,637	$8,519
TOTAL CHARGE PER UNIT	**$50,175**	**$39,036**	**$34,198**	**$18,633**
(1) Based on Persons Per Unit Of:	4.02	3.13	2.74	1.49

Source: Hemson Consulting

Parkland Conveyance (Cash-in-Lieu)

Section 42 and Section 51.1 of the *Planning Act* permit municipalities to require new developments to dedicate a portion of the site for parkland or other public recreational purposes, or, collect payment of cash-in-lieu (CIL) thereof. Currently, the City of Mississauga charges a fixed unit rate of $11,370 per unit which was the result of calculating 1 ha per 500 dwelling units against historic citywide averages for medium density land, indexed to 3% twice per year. However, a review by Hemson of recent residential land sales indicates that annual appreciation has far exceeded this growth, suggesting this fixed unit rate is providing far less CIL value relative to actual land acquisition costs.

The proposed new rate methodology is to be based around revised parkland provisions targets identified in the Parks Plan to 2041. This new methodology utilizes a maximum capped rate rather than a fixed unit rate. Not all projects will pay the maximum capped rate. The new CIL charge for development will be the lesser of:

- The value of 1 hectare of land per 500 units (based on the subject site's land value); or,
- The number of units multiplied by the calculated maximum cap (based on City-wide parkland requirements). We have used a draft calculated maximum capped rate of $25,112 per unit, as provided by Hemson.

5.1 Scenario Descriptions

For our analysis, we have tested each of the test sites under a variety of graduating policy scenarios, each with a different combination of the new policies and fee increases. While each of these policies/fee increases can be tested individually, or as part of numerous combinations, we have utilized scenarios that stack each of the changes on top of one another. A description of each scenario that has been tested is shown in **Table 5.**

- **Scenario 1 (Status Quo)** – The status quo scenario tests each site under the existing policy/fee environment. This scenario helps to establish a baseline to which each of the subsequent scenarios will be compared. It includes no changes to the current section 37 policies, DC rates, or parkland rates.
- **Scenario 2 (Community Benefits Charge)** – The second scenario being tested is the adoption of a 4% Community Benefits Charge. as a replacement for the current approach.
- **Scenario 3 (Development Charges)** – In the next scenario, we have stacked the increased DC rates on top of the new CBC.
- **Scenario 4 (All proposed Changes)** – The fourth scenario stacks the new CIL of Parkland rates on top of the CBC and the increased DC rates.

Table 5

Initial Scenarios for Testing

Policy / Scenario	1	2	3	4
Section 37 or Community Benefit Charge	S. 37	CBC	CBC	CBC
Current DC Rate or New DC Rate	Current DC Rate	Current DC Rate	New DC Rate	New DC Rate
Current Parkland Rate or New Parkland Rate	Current Parkland Rate	Current Parkland Rate	Current Parkland Rate	New Parkland Dedication Rate

Source: NBLC

6.0 Impacts on High-Density Residential Development

Table 7, at the end of this section, provides a summary of the results for each of the test sites. The results show impacts to the land value of new residential development land across each of the test sites under the four fee/policy scenarios. Further detail for each of the test sites, including an assessment of a developer's budget for land acquisition under each of the policy scenarios and how these values compare to competitive land use values is provided in individual site summary results (**Table 8 to Table 13**). The following section provides a discussion of our results.

6.1 Cumulative Impacts of Policy Changes on Land Value are Significant

While the individual impact of each of the proposed policies may not have a substantial impact to land values on their own, the cumulative impacts are significant, with residential land values projected to decrease between 14% and 50% across the six test sites in order to maintain development viability where there is no commensurate growth in revenue. This cumulative impact could be a substantial shock to the land market and it would likely be unsustainable in the short term. It is unlikely that land vendors would immediately adjust their pricing expectations by such a significant amount; this includes long-term landowners who may have a larger buffer against such declining land values.

More likely, this degree of impact could cause some land vendors to retract from the market, opting either to wait until pricing has recovered or utilizing their land for an alternative land uses that support higher values. In either case, the impact would be a net loss in the supply of land that could be used for residential development, with a potential unintended consequence being increased housing prices, due to a lack of supply.

6.2 Increased Construction Costs Could Further Exacerbate Development Challenges

As noted in previous sections, the costs of high-density residential construction have grown at a faster pace than high-density pricing (developer revenue) over the past two years. This marks the first time in recent history that this has been the case. Previously, developers have largely been able to absorb construction cost increases because revenue grew at an equal or faster pace. With this relationship eroding, at least in the short-term, the potential impacts of the proposed policy changes and fee increases will only be magnified with the viability of many projects being increasingly challenged to return an acceptable profit.

Further, should recent levels of inflation persist and interest rates rise in the coming months, the challenge posed by increased hard and soft costs would only further be magnified by impacts to residential demand and pricing if consumer purchasing power is limited.

6.3 Strongest Market Areas are Better Capable of Sustaining the Impact of Increased Charges

While the proposed policy changes and fees are to be applied consistently across the City, their impacts on land values are market specific. Stronger submarkets are generally able to able to withstand a higher increase in costs. As these stronger submarkets can achieve higher project revenues, the underlying land values tend to be higher, allowing for a greater capacity to absorb increased costs without significantly impacting the supply of developable land. Conversely, weaker submarkets have lower underlying land values due to lower achievable project revenues. In this case, higher costs can have a more significant impact on these underlying land values, and in turn, may restrict the supply of developable land for new residential development.

For example, Port Credit is one of the strongest residential submarkets in Mississauga. In our hypothetical development test for Port Credit, the full implementation of new policies / fees reduces the land value of the test site by 19% from the existing status quo (**Table 7**). While this rate of change is significant, even with this reduction, we see that the developer's budget for land acquisition is likely to remain above the typical acquisition price of other land uses in that submarket. In this scenario, assuming the market is given ample time to adjust to this new reality, developers would likely maintain the ability to acquire underutilized land for redevelopment in Port Credit.

The degree of impact varies in softer market areas, such as Rathwood-Applewood. This submarket is much less developed than other high-density submarkets in Mississauga with much lower levels of demand and more limited project revenues. As shown in **Table 13**, the implementation of the full range of proposed policies and fees would decrease the test site's land value by 50% from the status quo. This decrease would make the developer's budget for land acquisitions fall below the acquisition price of representative land uses in that submarket. This means that these existing land uses would outcompete high-density residential land values, meaning that there would be no incentive to redevelop these sites, reducing the supply of developable land.

6.4 Recent Land Purchasers Generally Have Thinner Margins

As discussed in previous sections, residential land values in the GTA have seen considerable growth in recent years, doubling over the past five years.

For long-time landowners and developers who purchased their lands several years ago, this rapid growth has provided a cushion that may allow them to absorb more of the proposed increase to costs.

Recent land purchasers, however, are likely to have thinner margins with which to absorb these increased costs. This is especially true if the developer has recently purchased land without fully understanding the magnitude of the potential increases in cost. In scenarios such as this, where a developer has recently acquired land and an unanticipated increase in costs occurs, developers may no longer be able to achieve an acceptable return on their investment. This could result in the developer needing to hold the property until market revenues have increased enough to reinstate an acceptable return. Again, this scenario could result in a decrease in the supply of developable land.

Understanding the impact that fee increases can have on recent land purchasers and the supply of developable land underscores the importance of properly signalling the upcoming changes to the development industry. In addition, it highlights the need to move forward with a degree of caution. The City should consider phasing in significant fee increases in digestible increments, so as to not 'shock' the land market and significantly reduce the supply of developable land.

6.5 Long-Term Landowners May Also Hold Back Supply

Significant fee increases could also impact the actions of long-term landowners, despite the theoretical buffer that could absorb some degree of cost increase. While landowner's motivations can vary dramatically, a rapid escalation in fees that reduces land values by a considerable amount could lead many long-term landowners to delay new investment plans, waiting for revenues to increase, even if the recent surge in land values has provided them with a sufficient buffer to absorb these increased fees.

Across all six of our hypothetical test sites, land values are reduced by an average of 27% from the status quo scenario with the full adoption of policy changes and fee increases (**Table 7**). If land values were suppressed by over 25%, some landowners may view this as a loss, with many opting to hold onto their land in anticipation of revenue increases and corresponding land value increases in the future. Further, developers will often obtain financing with the market value of their landholding included as part of their equity, therefore a rapid adjustment to fees can also impact projects on historical land acquisitions. Again, such a scenario could lead to a reduction in developable land supply across the city.

In policy scenarios where the impact on land values is more modest, this effect is likely to be smaller in magnitude. For example, policy Scenario 3 reduces land values at our test sites by an average of 12% (**Table 7**). This scenario includes the introduction of a CBC and an increase in DC rates. While it is impossible to pinpoint what degree of land value decrease landowners would accept, it is possible that many could afford to accept this 'loss' without significantly altering their behaviours. However, in Scenario 4, with the full implementation of proposed fees/policies, many landowners may view the drop in land value as too significant without any accompanying strategies to mitigate or phase in these impacts. In this circumstance, landowners could consider respond by delaying development in anticipation of increased revenues.

Finally, as noted earlier, these impacts on land values vary by submarket, with weaker submarkets seeing a more substantial impact. Long-term landowners in these weaker market areas, such as Rathwood-Applewood, could be more likely to delay reinvestment decisions in the face of even small policy changes that reduce the value of land.

6.6 Inclusionary Zoning Could Further Exacerbate Challenges

While this analysis does not include an assessment of the under consideration Inclusionary Zoning policies, it is important to note that should an Inclusionary Zoning policy be adopted, it could only further exacerbate the feasibility challenges posed to residential development by the proposed fees/policies. To be sure, the impact of an Inclusionary Zoning policy can vary widely, dependent on the policies parameters. However, should the City of Mississauga progress with an Inclusionary Zoning policy, it will be critical to assess its impact on land values in the fact of these proposed policy/fee changes, where possible linking IZ policies to forward looking planning permissions to offset negative financial impacts.

6.7 Cumulative Impact on CIL and CBC Collections

As the calculations for both CBC and CIL are expected to be driven by land value, policy changes and fee increases that put downward pressure on land values also decrease the amount of revenue collected by the City through both CBC and CIL policies. For example, as a DC increase is layered on top of CBC policies in Scenario 3 of our analysis, the amount of revenue collected by the City through a CBC decreases by 3%, on average, across all the test sides. This excludes the stacked townhome test site as CBC does not apply to projects under 5-storeys. This decline in revenue collected is quite modest and is reflective of the small increase proposed for the City's DCs. It does, however, underscore an important point – municipal revenues calculated on land value can be significantly impacted by the layering on of additional fees that put downward pressure on land values, so much so that in some cases the total revenue collected by the City, within the context of certain growth funding tools, can actually go down.

6.8 Rental Housing Would be Significantly Impacted

Notwithstanding the recent surge in rental demand, condominium uses almost universally produce higher land values than rental uses in the GTA. Recent rental housing development has been primarily limited to long-time landowners, often where the initial land acquisition cost of a site has been capitalized by a previous land use. For example, many retail centres are intensifying by adding high-density residential uses onto their site. There are several reasons that put rental housing at this disadvantage in Ontario:

- **Financing –** For condominium projects, financing can be supported with less equity due to the pre-sale process which provides lenders with greater assurance of the project's viability, years before the development is complete. The equity requirements for rental buildings can therefore be as high as 50% of the total costs, compared to condominium projects where the requirement is typically 25%.
- **Revenue –** Rental projects require developers to go many years into the development process without any revenue. Further, even once the building is constructed, it can take months for the building to become fully occupied. In a condominium project, purchasers' deposits can form an inexpensive source of financing, subject to obtaining deposit insurance. When the development can be occupied, developers can immediately charge all purchasers interim occupancy rents until the project registers and the purchasers complete their sale agreements.
- **Market and Risk –** For many developers, the market opportunity for condominium development offers much less risk and relatively quick returns compared to rental development.

This lower land value is evident at the six test sites, only three of which produced a positive land value as a purpose-built rental apartment project in the Status Quo scenario (City Centre, Port Credit, and Dixie Lakeview). At the other test sites, purpose-built rental development is not likely to occur without a reduction to profit. Again, this assumes a forward-looking approach, whereby a developer would acquire land with the intention of beginning development in short order. It does not account for situations such as long-time land owners with capitalized parcels.

6.9 Viability of Stacked Townhome Projects is Impacted

Stacked townhomes can fill an important gap in the ownership housing market between traditional low-rise uses and high-rise apartment buildings. Further, as pricing for traditional low-rise homes continues to climb out of reach for most households in Mississauga, this product type will play an increasingly important role in the ownership market, continuing to fill this market gap.

Of note, only one stacked townhome test site was selected as part of this review, so broad conclusions are not possible. However, the analysis of the Glen Erin stacked townhome test site showed that the financial viability of this form was marginal, with land values only slightly above low-rise commercial uses within the existing Status Quo scenario (**Table 12**). Extrapolating on this finding, the proposed policies and fee increases may have the potential to significantly impact the viability of stacked townhome projects where the values of alternative land uses are strong. This is notable given that this level of density may be desirable from both a market and planning perspective as the City continues to intensify.

One exception to the policy testing scenarios in this case is the CBC. It would not apply to stacked townhome projects which are less than five-storeys.

6.10 Passing Increased Fees on to Purchasers

Any increases in DC rates (or municipal fees) that occur between a unit's time of sale and the point at which these fees are usually paid is usually shared between the developer and the purchaser at closing. In the GTA condominium market, it is common for these increases in fees to be 'capped' for purchasers at a fixed amount within the purchase and sale agreement. This is typically offered as an incentive by most developers. In instances where the developer has not offered a cap, it is also common for purchasers to negotiate a cap individually. There could be, however, a number of purchasers who have no protection against increases. These purchasers would be responsible for the full increase upon closing of their purchase agreement.

To understand the nature of this practice of capping development levy increases, NBLC surveyed condominium apartment projects that are still in the pre-construction stage. In total, we identified 10 projects, nine of which offered a capped development charge structure to purchasers. **Table 6**, summarizes this research, showing that reported caps ranged from $5,000 to $15,000.

6.10.1 Impact on Purchasers

Based on the above research, the large majority of purchasers in the market today are likely have some protection against the proposed rate increases. However, even with capped fees, increases will be unwelcome news to these purchasers at the time of closing, with some purchasers needing to fund increases upwards of $15,000 at closing.

These extra costs come at a time when many buyers, especially those first entering the housing market, will have very little excess cash. It is possible that for some buyers these additional costs may be 'rolled into' the mortgage at closing, however, each lending institution takes a different view on this practice, and the increased mortgage payments would be unforeseen by many purchasers.

While this additional cost will undoubtedly create hardship for some purchasers, our study suggests that the risk is generally low for most purchasers, and for many, some appreciation in the value of the unit could soften the concern.

It is also possible that depending on what policies are adopted, developers may adjust their strategy in the future, either increasing the caps or possibly seeking to eliminate them all together. Again, such a scenario would have negative implications for purchasers.

6.10.2 Impact on Developers

Conversely, developers are responsible for any increases over and above the negotiated cap. Should the increases be substantial enough, this will likely come as an additional, unforeseen cost to developers. For developers yet to acquire land, this can be absorbed into the land value. However, for many developers who have already purchased land, this cost may not have been anticipated, as noted earlier. This is particularly true for developers whose projects have been seen delays in obtaining development approvals, as well as projects in weaker market areas that have seen a slower presale period. For these developers, the additional costs would have to be absorbed in the profit margin of the development.

The risk here is that should increased costs reduce the profit margin of the development beyond what is deemed acceptable, the vulnerability of the project increases and it becomes more likely to cancel. This scenario would be most burdensome for purchasers, particularly first-time homebuyers, as new home pricing has grown beyond the down payments that developers would be required to return. In this instance, these purchasers may end up being priced out of the new home market, at no fault of their own.

Table 6

Capped Development Fees Incentive **Actively Marketing & Sold Out Pre-Construction Projects, City of Mississauga**						
Project Name	**Developer**	**Capped Development Charges**	**Amount by Bedroom**			
			Studio	**1B**	**2B+**	**3B**
EV Royale	YYZed Project Management & Nurreal Capital	Yes	$5,000	$5,000	$5,000	$5,000
Gemma	Pinnacle International	Yes	-	$12,000	$15,000	$15,000
Exchange Distrcit - EX3	Camrost Felcorp	Yes		$12,000	$15,000	-
ORO at Edge Towers	Solmar Development Corp.	Yes	-	$12,000	$12,000	$12,000
Mason at Brightwater	Kilmer/Diamond Corp/DREAM/Fram/Slokker	Yes	-	$10,000	$12,000	-
Alba	Edenshaw Developments	Yes	$12,000	$12,000	$15,000	-
Voya	Amacon Developments	Yes		$12,000	$15,000	-
Arte Residences	Emblem Developments	Yes	$12,000	$12,000	$15,000	-
M4 - M City Condominium	Rogers Real Estate & Urban Capital Property Group	Yes	$12,000	$12,000	$15,000	$15,000
Kindred Condominiums	Daniels Corporation	No	-	-	-	-
		Average (10 Projects):	**$10,250**	**$11,000**	**$13,222**	**$11,750**
Source: Altus Studio & Sales Agents						

Table 7

Impact Analysis Results Summary Table City of Mississauga, 2022								
Policy Scenarios / Test Submarket	**Land Value (Change from Status Quo)**				**Total Fees Collected (Change from Status Quo)**			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Rezoning Exaction	S. 37	CBC	CBC	CBC	S. 37	CBC	CBC	CBC
Development Charges	Current Rate	Current Rate	Proposed Rate	Proposed Rate	Current Rate	Current Rate	Proposed Rate	Proposed Rate
CIL of Parkland	Current Rate	Current Rate	Current Rate	Proposed Rate	Current Rate	Current Rate	Current Rate	Proposed Rate
Inclusionary Zoning	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
DT Core	0%	-4%	-11%	-25%	0%	3%	12%	25%
Port Credit	0%	-3%	-8%	-19%	0%	3%	12%	22%
Dixie/Lakeview	0%	-3%	-9%	-22%	0%	3%	12%	22%
Cooksville	0%	-4%	-13%	-35%	0%	2%	10%	21%
Glen Erin (Stacked)	0%	0%	-5%	-14%	0%	0%	9%	18%
Rathwood-Applewood	0%	-5%	-27%	-50%	0%	1%	9%	14%
Minimum:	**0%**	**-5%**	**-27%**	**-50%**	**0%**	**0%**	**9%**	**14%**
Maximum:	**0%**	**0%**	**-5%**	**-14%**	**0%**	**3%**	**12%**	**25%**
Average:	**0%**	**-3%**	**-12%**	**-27%**	**0%**	**2%**	**11%**	**20%**

Source: NBLC

Table 8

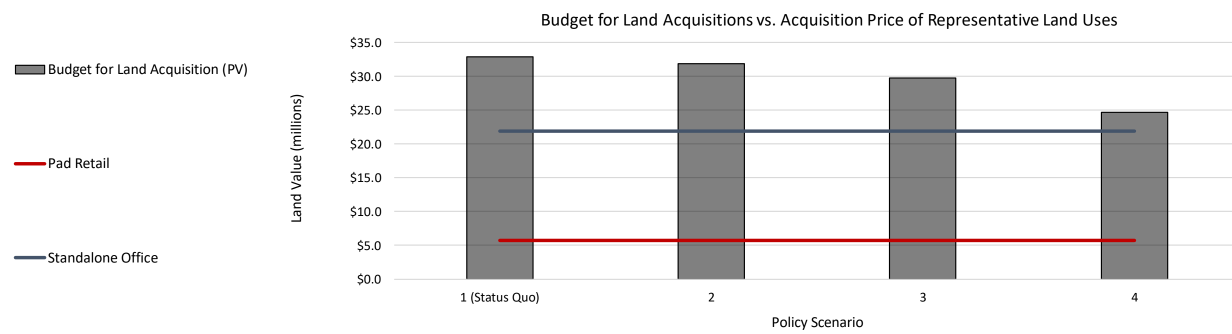
Impact Analysis Results Summary

City Centre

Building Stats		Key Revenue Inputs		Key Cost Inputs	
Site Area (sq. ft.)	44,000	Res. Index Price ($psf)	$1,095	Above Grade Hard (psf GCA)	$328
Building Height (storeys)	40	Net Retail ($psf/yr)	$26.00	Below Grade Hard (psf)	$230
Residential Units	518	Retail Cap Rate	5.5%		
Floor Space Index (FSI)	9.45	Profit Margin	15%		
Residential GFA (sq. ft.)	406,000	Discount Rate	6.0%	**Key Policy Parameters**	
Retail GFA (sq. ft.)	10,000			IZ Condo Price ($psf)	$516
Office GFA (sq. ft.)	0			IZ Set Aside (% units)	10%
Total GFA (sq. ft.)	**416,000**				

Policy Change	1 (Status Quo)	2	3	4
Rezoning Exaction (S.37 or CBC)	S. 37	CBC	CBC	CBC
Development Charges	Current Rate	Current Rate	Proposed Rate	Proposed Rate
CIL of Parkland	Current Rate	Current Rate	Current Rate	Proposed Rate

Development Budget ($millions)	1 (Status Quo)	2	3	4
Revenue (FV)	$428.5	$428.5	$428.5	$428.5
- Hard Costs (FV)	$188.9	$188.9	$188.9	$188.9
- Soft Costs (FV)	$128.2	$129.6	$132.7	$139.9
- Profit (FV)	$64.3	$64.3	$64.3	$64.3
Budget for Land Acquisition (FV)	$47.2	$45.7	$42.7	$35.4
Budget for Land Acquisition (PV)	$32.9	$31.9	$29.8	$24.7
$ Per Sq. Ft.	*$75*	*$73*	*$68*	*$56*
Impact on Budget for Land Acquisition	**$0.0**	**-$1.4**	**-$4.5**	**-$11.7**
% Change	**0%**	**-3%**	**-10%**	**-25%**



Municipal Charges ($millions)	1 (Status Quo)	2	3	4
Development Charges	$50.4	$50.4	$56.1	$56.1
CIL of Parkland	$6.1	$6.1	$6.1	$13.6
Community Benefits Charge	$0.0	$1.5	$1.4	$1.1
Total Municipal Charges	**$56.6**	**$58.0**	**$63.6**	**$70.8**
Change from Status Quo		$1.5	$7.0	$14.3
% Change from Status Quo		3%	12%	25%

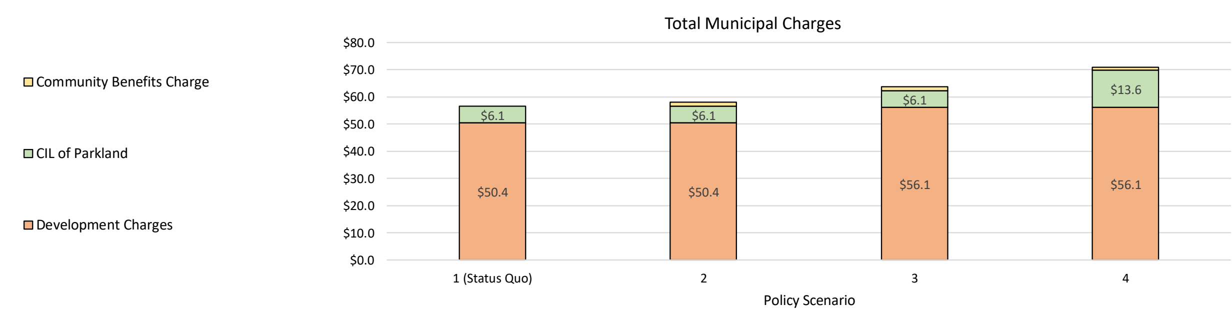


Table 9

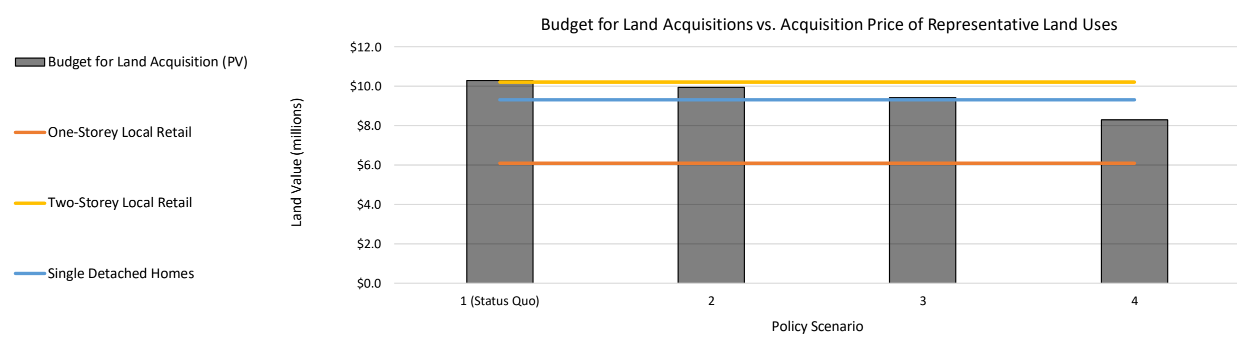
Impact Analysis Results Summary

Port Credit

Building Stats		Key Revenue Inputs		Key Cost Inputs	
Site Area (sq. ft.)	26,000	Res. Index Price ($psf)	$1,184	Above Grade Hard (psf GCA)	$315
Building Height (storeys)	10	Net Retail ($psf/yr)	$28.00	Below Grade Hard (psf)	$230
Residential Units	109	Retail Cap Rate	5.5%		
Floor Space Index (FSI)	3.85	Profit Margin	15%		
Residential GFA (sq. ft.)	90,000	Discount Rate	6.0%	**Key Policy Parameters**	
Retail GFA (sq. ft.)	10,000			IZ Condo Price ($psf)	$498
Office GFA (sq. ft.)	0			IZ Set Aside (% units)	10%
Total GFA (sq. ft.)	**100,000**				

Policy Change	1 (Status Quo)	2	3	4
Rezoning Exaction (S.37 or CBC)	S. 37	CBC	CBC	CBC
Development Charges	Current Rate	Current Rate	Proposed Rate	Proposed Rate
CIL of Parkland	Current Rate	Current Rate	Current Rate	Proposed Rate

Development Budget ($millions)	1 (Status Quo)	2	3	4
Revenue (FV)	$106.6	$106.6	$106.6	$106.6
- Hard Costs (FV)	$46.1	$46.1	$46.1	$46.1
- Soft Costs (FV)	$31.0	$31.4	$32.1	$33.6
- Profit (FV)	$16.0	$16.0	$16.0	$16.0
Budget for Land Acquisition (FV)	$13.5	$13.1	$12.4	$10.9
Budget for Land Acquisition (PV)	$10.3	$9.9	$9.4	$8.3
$ Per Sq. Ft.	*$98*	*$95*	*$90*	*$79*
Impact on Budget for Land Acquisition	**$0.0**	**-$0.4**	**-$1.1**	**-$2.6**
% Change	**0%**	**-3%**	**-8%**	**-19%**



Municipal Charges ($millions)	1 (Status Quo)	2	3	4
Development Charges	$12.9	$12.9	$14.1	$14.1
CIL of Parkland	$1.3	$1.3	$1.3	$2.8
Community Benefits Charge	$0.0	$0.4	$0.4	$0.4
Total Municipal Charges	**$14.1**	**$14.6**	**$15.8**	**$17.3**
Change from Status Quo		$0.4	$1.7	$3.2
% Change from Status Quo		3%	12%	22%

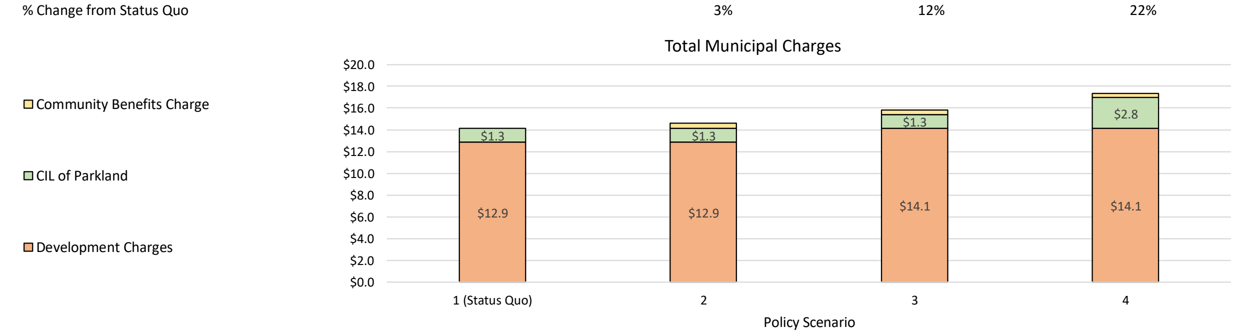


Table 10

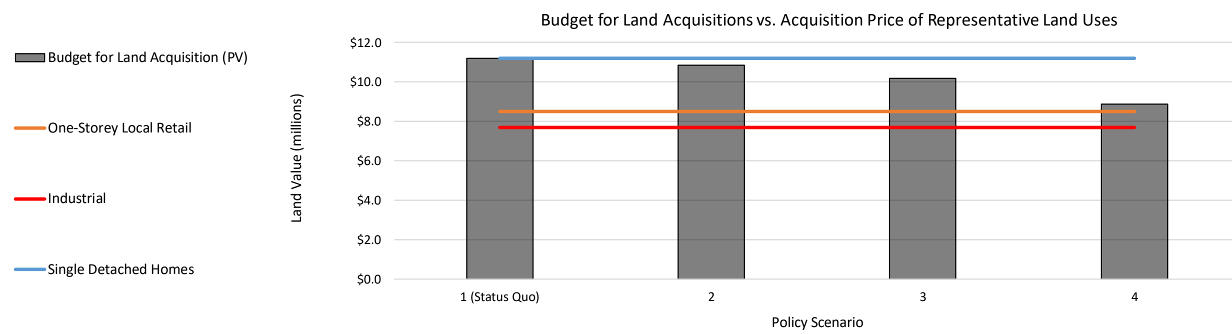
Impact Analysis Results Summary

Dixie/Lakeview

Building Stats		Key Revenue Inputs		Key Cost Inputs	
Site Area (sq. ft.)	39,000	Res. Index Price ($psf)	$1,023	Above Grade Hard (psf GCA)	$268
Building Height (storeys)	6	Net Retail ($psf/yr)	$26.00	Below Grade Hard (psf)	$230
Residential Units	125	Retail Cap Rate	5.5%		
Floor Space Index (FSI)	3.13	Profit Margin	15%		
Residential GFA (sq. ft.)	112,000	Discount Rate	6.0%	**Key Policy Parameters**	
Retail GFA (sq. ft.)	10,000			IZ Condo Price ($psf)	$471
Office GFA (sq. ft.)	0			IZ Set Aside (% units)	10%
Total GFA (sq. ft.)	**122,000**				

Policy Change	1 (Status Quo)	2	3	4
Rezoning Exaction (S.37 or CBC)	S. 37	CBC	CBC	CBC
Development Charges	Current Rate	Current Rate	Proposed Rate	Proposed Rate
CIL of Parkland	Current Rate	Current Rate	Current Rate	Proposed Rate

Development Budget ($millions)	1 (Status Quo)	2	3	4
Revenue (FV)	$114.2	$114.2	$114.2	$114.2
- Hard Costs (FV)	$49.1	$49.1	$49.1	$49.1
- Soft Costs (FV)	$33.6	$34.1	$34.9	$36.6
- Profit (FV)	$17.1	$17.1	$17.1	$17.1
Budget for Land Acquisition (FV)	$14.4	$13.9	$13.1	$11.4
Budget for Land Acquisition (PV)	$11.2	$10.8	$10.2	$8.9
$ Per Sq. Ft.	*$88*	*$85*	*$80*	*$69*
Impact on Budget for Land Acquisition	**$0.0**	**-$0.5**	**-$1.3**	**-$3.0**
% Change	**0%**	**-3%**	**-9%**	**-21%**



Municipal Charges ($millions)	1 (Status Quo)	2	3	4
Development Charges	$15.6	$15.6	$17.1	$17.1
CIL of Parkland	$1.5	$1.5	$1.5	$3.3
Community Benefits Charge	$0.0	$0.5	$0.5	$0.4
Total Municipal Charges	**$17.0**	**$17.5**	**$19.0**	**$20.7**
Change from Status Quo		$0.5	$2.0	$3.7
% Change from Status Quo		3%	12%	22%

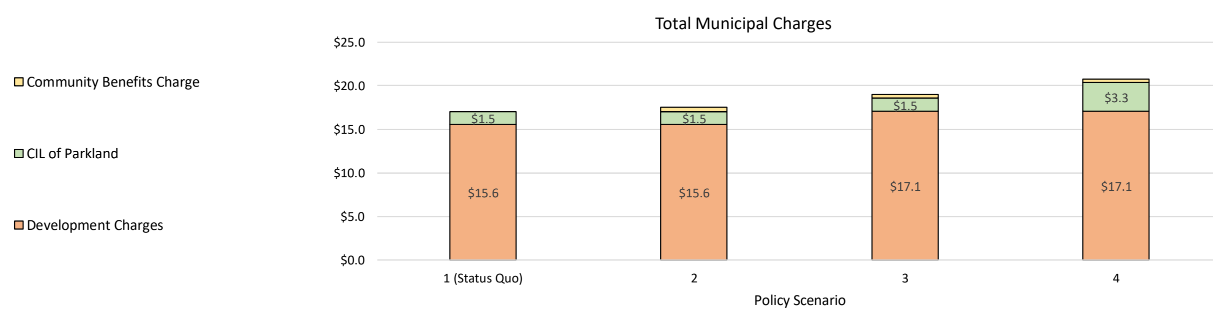


Table 11

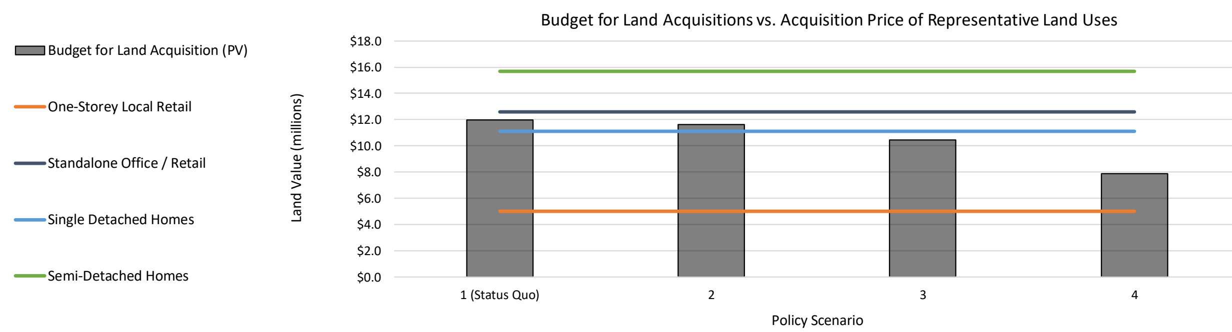
Impact Analysis Results Summary

Cooksville

Building Stats		**Key Revenue Inputs**		**Key Cost Inputs**	
Site Area (sq. ft.)	44,000	Res. Index Price ($psf)	$1,048	Above Grade Hard (psf GCA)	$315
Building Height (storeys)	25	Net Retail ($psf/yr)	$23.00	Below Grade Hard (psf)	$230
Residential Units	256	Retail Cap Rate	5.5%		
Floor Space Index (FSI)	5.00	Profit Margin	15%		
Residential GFA (sq. ft.)	210,000	Discount Rate	6.0%	**Key Policy Parameters**	
Retail GFA (sq. ft.)	10,000			IZ Condo Price ($psf)	$498
Office GFA (sq. ft.)	0			IZ Set Aside (% units)	10%
Total GFA (sq. ft.)	**220,000**				

Policy Change	**1 (Status Quo)**	**2**	**3**	**4**
Rezoning Exaction (S.37 or CBC)	S. 37	CBC	CBC	CBC
Development Charges	Current Rate	Current Rate	Proposed Rate	Proposed Rate
CIL of Parkland	Current Rate	Current Rate	Current Rate	Proposed Rate

Development Budget ($millions)	**1 (Status Quo)**	**2**	**3**	**4**
Revenue (FV)	$215.1	$215.1	$215.1	$215.1
- Hard Costs (FV)	$99.7	$99.7	$99.7	$99.7
- Soft Costs (FV)	$66.6	$67.2	$68.7	$72.3
- Profit (FV)	$32.3	$32.3	$32.3	$32.3
Budget for Land Acquisition (FV)	$16.5	$16.0	$14.4	$10.9
Budget for Land Acquisition (PV)	$12.0	$11.6	$10.5	$7.9
$ Per Sq. Ft.	*$52*	*$50*	*$45*	*$34*
Impact on Budget for Land Acquisition	**$0.0**	**-$0.5**	**-$2.1**	**-$5.6**
% Change	**0%**	**-3%**	**-13%**	**-34%**



Municipal Charges ($millions)	**1 (Status Quo)**	**2**	**3**	**4**
Development Charges	$30.0	$30.0	$33.0	$33.0
CIL of Parkland	$3.0	$3.0	$3.0	$6.7
Community Benefits Charge	$0.0	$0.5	$0.5	$0.4
Total Municipal Charges	**$33.1**	**$33.6**	**$36.4**	**$40.0**
Change from Status Quo		$0.5	$3.4	$6.9
% Change from Status Quo		2%	10%	21%

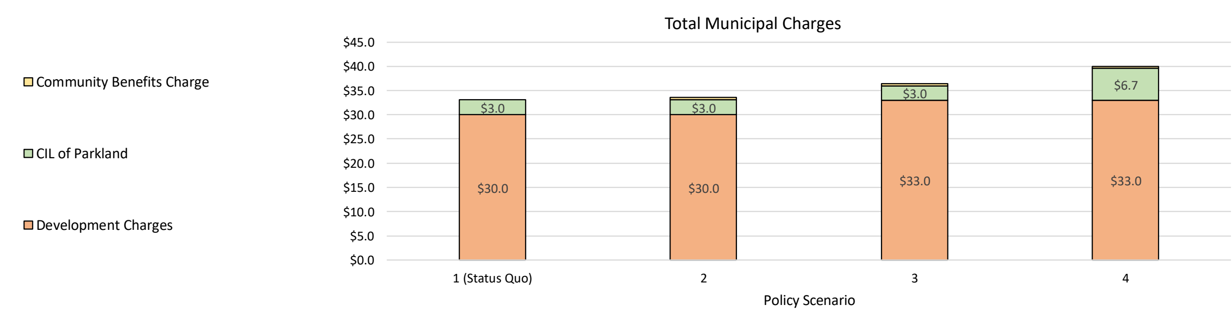


Table 12

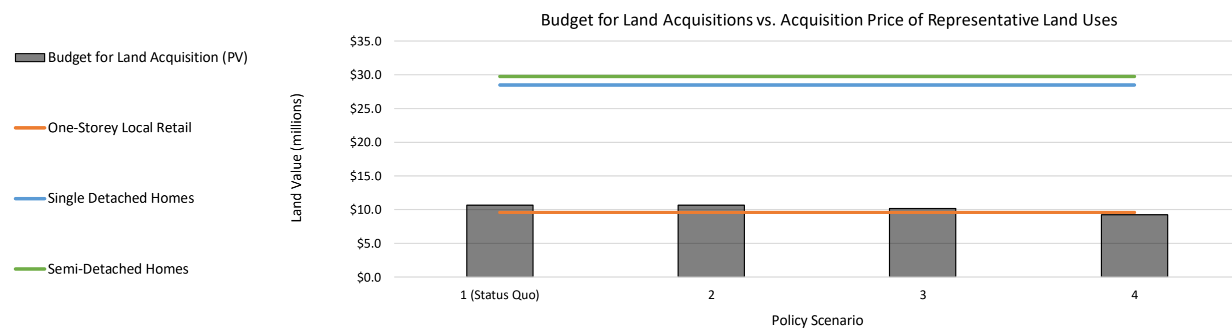
Impact Analysis Results Summary

Glen Erin Stacked TH

Building Stats		Key Revenue Inputs		Key Cost Inputs	
Site Area (sq. ft.)	87,000	Res. Index Price ($psf)	$954	Above Grade Hard (psf GCA)	$213
Building Height (storeys)	3	Net Retail ($psf/yr)	$25.00	Below Grade Hard (psf)	$170
Residential Units	89	Retail Cap Rate	5.5%		
Floor Space Index (FSI)	1.18	Profit Margin	15%		
Residential GFA (sq. ft.)	103,000	Discount Rate	6.0%	**Key Policy Parameters**	
Retail GFA (sq. ft.)	0			IZ Condo Price ($psf)	$391
Office GFA (sq. ft.)	0			IZ Set Aside (% units)	10%
Total GFA (sq. ft.)	**103,000**				

Policy Change	1 (Status Quo)	2	3	4
Rezoning Exaction (S.37 or CBC)	S. 37	CBC	CBC	CBC
Development Charges	Current Rate	Current Rate	Proposed Rate	Proposed Rate
CIL of Parkland	Current Rate	Current Rate	Current Rate	Proposed Rate

Development Budget ($millions)	1 (Status Quo)	2	3	4
Revenue (FV)	$86.4	$86.4	$86.4	$86.4
- Hard Costs (FV)	$33.9	$33.9	$33.9	$33.9
- Soft Costs (FV)	$25.9	$25.9	$26.6	$27.8
- Profit (FV)	$13.0	$13.0	$13.0	$13.0
Budget for Land Acquisition (FV)	$13.7	$13.7	$13.0	$11.8
Budget for Land Acquisition (PV)	$10.7	$10.7	$10.2	$9.2
$ Per Sq. Ft.	*$94*	*$94*	*$90*	*$82*
Impact on Budget for Land Acquisition	**$0.0**	**$0.0**	**-$0.6**	**-$1.8**
% Change	**0%**	**0%**	**-5%**	**-13%**



Municipal Charges ($millions)	1 (Status Quo)	2	3	4
Development Charges	$12.0	$12.0	$13.1	$13.1
CIL of Parkland	$1.0	$1.0	$1.0	$2.3
Community Benefits Charge	$0.0	$0.0	$0.0	$0.0
Total Municipal Charges	**$13.0**	**$13.0**	**$14.2**	**$15.4**
Change from Status Quo		$0.0	$1.2	$2.4
% Change from Status Quo		0%	9%	18%

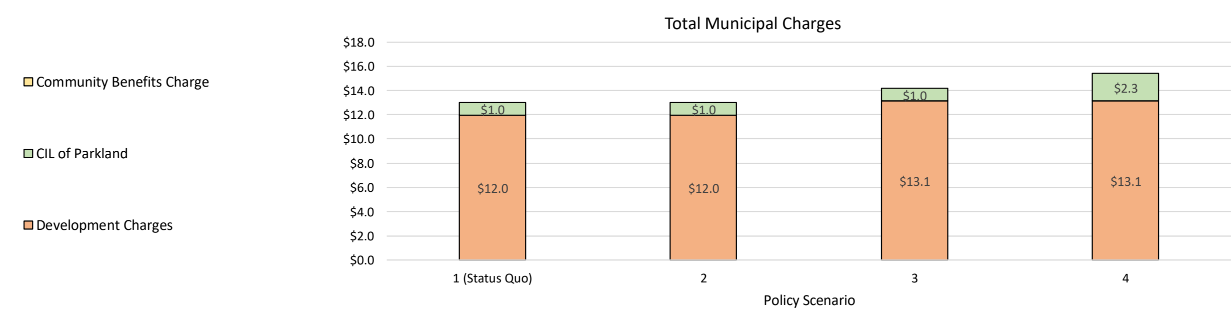


Table 13

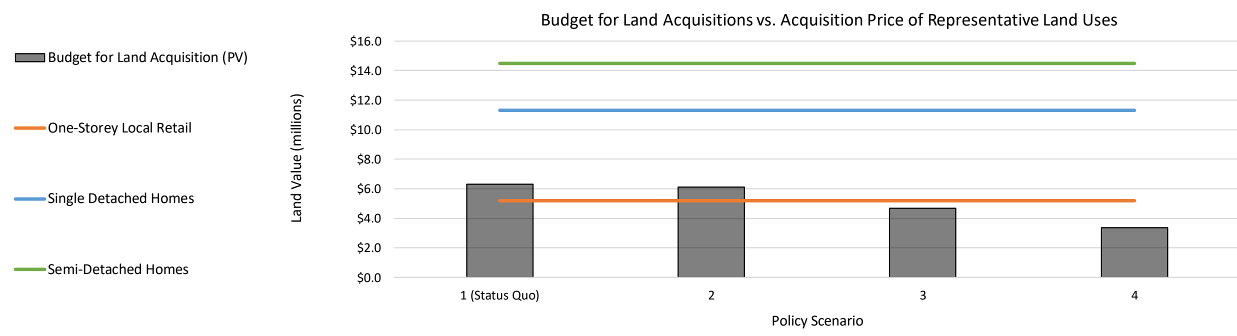
Impact Analysis Results Summary

Rathwood-Applewood

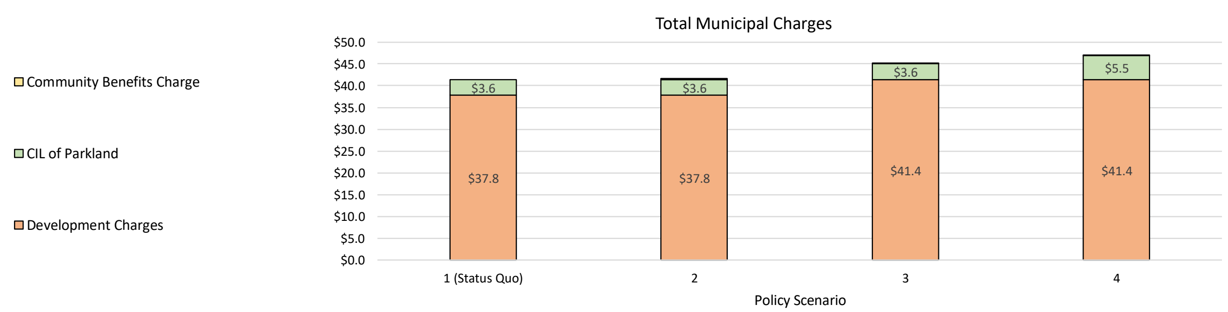
Building Stats		**Key Revenue Inputs**		**Key Cost Inputs**	
Site Area (sq. ft.)	44,000	Res. Index Price ($psf)	$973	Above Grade Hard (psf GCA)	$315
Building Height (storeys)	15	Net Retail ($psf/yr)	$24.00	Below Grade Hard (psf)	$230
Residential Units	302	Retail Cap Rate	5.5%		
Floor Space Index (FSI)	6.36	Profit Margin	15%		
Residential GFA (sq. ft.)	270,000	Discount Rate	6.0%	**Key Policy Parameters**	
Retail GFA (sq. ft.)	10,000			IZ Condo Price ($psf)	$471
Office GFA (sq. ft.)	0			IZ Set Aside (% units)	10%
Total GFA (sq. ft.)	**280,000**				

Policy Change	**1 (Status Quo)**	**2**	**3**	**4**
Rezoning Exaction (S.37 or CBC)	S. 37	CBC	CBC	CBC
Development Charges	Current Rate	Current Rate	Proposed Rate	Proposed Rate
CIL of Parkland	Current Rate	Current Rate	Current Rate	Proposed Rate

Development Budget ($millions)	**1 (Status Quo)**	**2**	**3**	**4**
Revenue (FV)	$253.6	$253.6	$253.6	$253.6
- Hard Costs (FV)	$126.7	$126.7	$126.7	$126.7
- Soft Costs (FV)	$80.3	$80.5	$82.5	$84.3
- Profit (FV)	$38.0	$38.0	$38.0	$38.0
Budget for Land Acquisition (FV)	$8.6	$8.3	$6.4	$4.6
Budget for Land Acquisition (PV)	$6.3	$6.1	$4.7	$3.4
$ Per Sq. Ft.	*$22*	*$21*	*$16*	*$11*
Impact on Budget for Land Acquisition	**$0.0**	**-$0.3**	**-$2.2**	**-$4.0**
% Change	**0%**	**-3%**	**-26%**	**-47%**



Municipal Charges ($millions)	**1 (Status Quo)**	**2**	**3**	**4**
Development Charges	$37.8	$37.8	$41.4	$41.4
CIL of Parkland	$3.6	$3.6	$3.6	$5.5
Community Benefits Charge	$0.0	$0.3	$0.2	$0.1
Total Municipal Charges	**$41.4**	**$41.7**	**$45.2**	**$47.0**
Change from Status Quo		$0.3	$3.9	$5.7
% Change from Status Quo		1%	9%	14%



6.11 Limitations of this Analysis

A major variable affecting the outcomes of this analysis is the rapidly changing cost of construction. As noted in previous sections, the hard costs of high-density housing have seen dramatic increases over the past two years, which causes a significant degree of uncertainty in our models. More importantly, while we have developed hard cost assumptions using up to date industry information, it is important to recognize that these assumptions are considered broad, the actual costing of each project could vary significantly for many reasons; not all sites will be typical.

Additionally, the selection of the six test sites and typologies, while largely reflective of the most prominent types of high-density residential development in Mississauga are not fully able to capture the nuance of all development forms, ownership conditions and site specific characteristics across Mississauga.

Also related is the nature of development or redevelopment potential throughout some areas of the City. This analysis isolates evaluation to one single development phase. However, in some locations, the nature of redeveloping areas is such that large lot areas will result in multi-phase developments. This analysis pro rates the valuation of existing land uses to the area required to support a single phase of redevelopment.

Finally, this analysis cannot capture certain nuances arising from the nature of a historical land purchase or the former capitalization of land costs through the operation of an income-generating use in the interim. Nor can it contemplate the acquisition of land at speculative values, not fully appreciating the magnitude of impacts from future policy adjustments.

Moreover, there will also be instances throughout the City where land vendors, developers or operators have operating assumptions that differ from those in this report. For this reason, it is possible that development may or may not occur in practice which might be contrary to the results of this work.

This analysis is intended to provide the City with a high level view with respect to the opportunities and risks related to the proposed policy changes and fee increases. The test case scenarios are thought to be reasonable protypes for development occurring under current market conditions within the premise of a willing buyer and a willing seller.

7.0 Conclusions

As demonstrated by our analysis, the increased costs and reduced revenues resulting from the proposed policy changes and fee increases would be absorbed by reducing residential land values. This reduction in residential land values may improve the ability of other non-residential land uses, such as retail, to compete for land in prime locations. It may also cause land vendors to delay investment decisions, choosing instead to wait until market pricing returns to a more favourable level.

It is clear that the substantial magnitude of change projected through the cumulative scenarios in this review could undermine the supply of land that is available for residential development. The impacts of this reduction in residential land values and the corresponding reduction in residential land supply should not be understated. As shown in our analysis, the potential downward swings in land values could be upwards of 50% in some market areas. Such a decline is very likely to cause unintended consequences, one of which will likely be an increase in residential pricing (due to increasing supply constraints), a highly undesirable outcome.

The pressure to increase the municipal fees facing new residential development projects comes at a time when the industry is facing significant increases in hard construction costs. In addition, the threat of rising interest rates has the potential to undermine demand and pricing. The testing in this analysis illustrates the limited capacity for development finances to absorb all the policy changes being contemplated at one time. The effects, however, will vary depending on the market and land economics associated with the particular site.

For these reasons, the municipality should consider approaches to mitigate the significant impacts that these policy changes might have. This could include a phase in period that adjusts over time to reflect economic conditions, such as interest rates.

In NBLC's opinion, the results of this work underscore the importance of both moving slowly with the adoption of the proposed policy and fee changes, as well as acting in a deliberate manner that seeks to prioritize the implementation of municipal policy objectives. This deliberate implementation approach should seek to allow the residential land market time to adjust in a manner that does not lead to unintended consequences in Mississauga's housing market.

Appendix

Cumulative Impact Analysis

City Centre

Test Site	City Centre	City Centre	City Centre	City Centre	
Scenario	1	2	3	4	
Description	Status Quo	New CBC	New CBC DC Increase	New CBC DC Increase New Parkland	
Section 37 or Community Benefit Charge	S. 37	CBC	CBC	CBC	
DC Rate Increase	Current Rate	Current Rate	Proposed Rate	Proposed Rate	
Parkland Dedication Rate	Current Rate	Current Rate	Current Rate	Proposed Rate	
Inclusionary Zoning	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
Tenure	Condominium	Condominium	Condominium	Condominium	
DEVELOPMENT STATISTICS					
Site Area	44,000	44,000	44,000	44,000	*sq. ft.*
Building Height	40	40	40	40	*storeys*
Floor Space Index	9.5	9.5	9.5	9.5	
Gross Floor Area (GFA)	416,000	416,000	416,000	416,000	*sq. ft.*
Residential Gross Floor Area	406,000	406,000	406,000	406,000	*sq. ft.*
Market GFA	406,000	406,000	406,000	406,000	*sq. ft.*
Below Market GFA	0	0	0	0	*sq. ft.*
Retail Gross Floor Area	10,000	10,000	10,000	10,000	*sq. ft.*
Office Gross Floor Area	0	0	0	0	*sq. ft.*
Exclusions from GFA Calculation	22,000	22,000	22,000	22,000	*sq. ft.*
Amenity Area	15,612	15,612	15,612	15,612	*sq. ft.*
Miscellaneous Exclusions	6,240	6,240	6,240	6,240	*sq. ft.*
Gross Construction Area (GCA)	438,000	438,000	438,000	438,000	*sq. ft.*
Gross Parking Area (GPA)	83,000	83,000	83,000	83,000	*sq. ft.*
Below Grade Parking Area	83,100	83,100	83,100	83,100	*sq. ft.*
Total Construction Area (TCA)	521,000	521,000	521,000	521,000	*sq. ft.*
Net Floor Area (NFA)	346,000	346,000	346,000	346,000	*sq. ft.*
Net Residential Floor Area (Market)	336,980	336,980	336,980	336,980	*sq. ft.*
Net Residential Floor Area (Below-Market)	0	0	0	0	*sq. ft.*
Net Retail Floor Area	9,000	9,000	9,000	9,000	*sq. ft.*
Net Office Floor Area	0	0	0	0	*sq. ft.*
Efficiency Ratio	79%	79%	79%	79%	
Efficiency Ratio (Res)	83%	83%	83%	83%	
Efficiency Ratio (Ret)	90%	90%	90%	90%	
Efficiency Ratio (Off)	90%	90%	90%	90%	
Suite Mix					
Studio (%)	5%	5%	5%	5%	
One Bedroom (%)	50%	50%	50%	50%	
Two Bedroom (%)	40%	40%	40%	40%	
Three Bedroom (%)	5%	5%	5%	5%	
Average Unit Size	650	650	650	650	*sq. ft.*
Residential Units	518	518	518	518	*units*
Market Units	518	518	518	518	*units*
Below Market Units	0	0	0	0	*units*
Parking Stalls	554	554	554	554	*parking stalls*
Parking Ratio	1.1	1.1	1.1	1.1	per unit
Market Unit Parking Ratio	0.90	0.90	0.90	0.90	*per unit*
Below Market Unit Parking Ratio	0.54	0.54	0.54	0.54	*per unit*
Visitor Parking Ratio	0.10	0.10	0.10	0.10	*per unit*
Retail Parking Ratio	4.00	4.00	4.00	4.00	*per 1,000 sq. ft. net*
REVENUE INPUTS					
Market Pricing					
Market Index Price	$ 1,095	$ 1,095	$ 1,095	$ 1,095	*per sq. ft.*
Average Attained Price	$ 1,148	$ 1,148	$ 1,148	$ 1,148	*per sq. ft.*
Starting Parking Price	$ 60,000	$ 60,000	$ 60,000	$ 60,000	*per stall*
Average Attained Parking Price	$ 62,892	$ 62,892	$ 62,892	$ 62,892	*per stall*
Retail Lease Rate	$ 26	$ 26	$ 26	$ 26	*psf/yr*
Retail Value	$ 449	$ 449	$ 449	$ 449	*per sq. ft.*
Retail Cap Rate	5.5%	5.5%	5.5%	5.5%	
Retail Revenue Inflator	1.5%	1.5%	1.5%	1.5%	*per year*
Presale & Pricing Inflation Assumptions					
Market Revenue Inflator	2.0%	2.0%	2.0%	2.0%	*per year*
Price Increase at Start and End of Construction	2.0%	2.0%	2.0%	2.0%	*%*
Initial and Final Deposit	20%	20%	20%	20%	*% of unit price*
Sold During Pre-Constuction / Presales	70%	70%	70%	70%	*%*
Sold During Construction	20%	20%	20%	20%	*%*
Sold at Completion	10%	10%	10%	10%	*%*
Below Market Units					
Inclusionary Zoning Set Aside Requirement	10%	10%	10%	10%	*%*
Below Market Index Price	$ 516	$ 516	$ 516	$ 516	*per sq. ft.*
Below Market Revenue Inflator	1.5%	1.5%	1.5%	1.5%	*per year*
Average Attained Price	$533	$533	$533	$533	*per sq. ft.*

DEVELOPMENT COST INPUTS

Hard Costs					
Above Grade Construction	$ 328	$ 328	$ 328	$ 328	*per sq. ft. GFA*
Below Grade Construction	$ 230	$ 230	$ 230	$ 230	*per sq. ft. below grade area*
Demolition & Site Prep	$ 15	$ 15	$ 15	$ 15	*per sq. ft. site area*
Site Servicing	$ 750,000	$ 750,000	$ 750,000	$ 750,000	*total*
Landscaping & Hardscaping	$ 1,000	$ 1,000	$ 1,000	$ 1,000	*per unit*
Contingency Factor	10%	10%	10%	10%	*% of hard costs*
Cost Inflator	2.0%	2.0%	2.0%	2.0%	*year*
Soft Costs					
Planning Application Fees					
Official Plan Amendment & Zoning By-Law Amendment	$ 46,896.00	$ 46,896.00	$ 46,896.00	$ 46,896.00	*base fee*
OPA & ZBL Additional Fee (<=25 units)	$ 982.00	$ 982.00	$ 982.00	$ 982.00	*per unit*
OPA & ZBL Additional Fee (26 to 100 units)	$ 520.00	$ 520.00	$ 520.00	$ 520.00	*per unit*
OPA & ZBL Additional Fee (101 to 200 units)	$ 216.00	$ 216.00	$ 216.00	$ 216.00	*per unit*
OPA & ZBL Additional Fee (>200 units)	$ 100.00	$ 100.00	$ 100.00	$ 100.00	*per unit*
OPA & ZBL Maximum Residential Charge	$ 226,774.00	$ 226,774.00	$ 226,774.00	$ 226,774.00	*Total - Base & Variable*
OPA & ZBL Commercial/Insitutional	$ 1.39	$ 1.39	$ 1.39	$ 1.39	*per sq. ft.*
OPA & ZBL Maximum Non-Res Charge	$ 118,365.00	$ 118,365.00	$ 118,365.00	$ 118,365.00	*Total*
Site Plan Application	$ 10,708.00	$ 10,708.00	$ 10,708.00	$ 10,708.00	*base fee*
SPA Additional Fee (<=25 units)	$ 630.00	$ 630.00	$ 630.00	$ 630.00	*per unit*
SPA Additional Fee (26 to 100 units)	$ 287.00	$ 287.00	$ 287.00	$ 287.00	*per unit*
SPA Additional Fee (>100 units)	$ 66.00	$ 66.00	$ 66.00	$ 66.00	*per unit*
SPA Maximum Residential Variable Fee (per building)	$ 83,321.00	$ 83,321.00	$ 83,321.00	$ 83,321.00	*Total - Variable*
SPA Non-Res Variable (<=2,000 sq m)	$ 1.36	$ 1.36	$ 1.36	$ 1.36	*per sq. ft.*
SPA Non-Res Variable (2,001 to 4,500 sq m)	$ 0.97	$ 0.97	$ 0.97	$ 0.97	*per sq. ft.*
SPA Non-Res Variable (4,501 to 7,000 sq m)	$ 0.59	$ 0.59	$ 0.59	$ 0.59	*per sq. ft.*
SPA Non-Res Variable (>7,000 sq m)	$ 0.28	$ 0.28	$ 0.28	$ 0.28	*per sq. ft.*
SPA Maximum Non-Residential Variable Fee	$ 50,874.00	$ 50,874.00	$ 50,874.00	$ 50,874.00	*Total - Variable*
Plan of Condominium Approval	$ 13,881.00	$ 13,881.00	$ 13,881.00	$ 13,881.00	*base fee*
PoC Additional Fee	$ 37.10	$ 37.10	$ 37.10	$ 37.10	*per unit*
PoC Non-Res	$ 181.20	$ 181.20	$ 181.20	$ 181.20	*per hectare*
PoC Maximum Charge	$ 27,655.15	$ 27,655.15	$ 27,655.15	$ 27,655.15	*Total*
Building Permit Fee	$ 169.00	$ 169.00	$ 169.00	$ 169.00	*base fee*
BP Additional Fee (Apartments)	$ 1.80	$ 1.80	$ 1.80	$ 1.80	*per sq. ft.*
BP Additional Fee (Office)	$ 1.72	$ 1.72	$ 1.72	$ 1.72	*per sq. ft.*
BP Additional Fee (Retail)	$ 1.31	$ 1.31	$ 1.31	$ 1.31	*per sq. ft.*
Development Charges					
Avg. DC per Unit (Existing)	$ 49,821	$ 49,821	$ -	$ -	*per unit*
Avg. DC per Unit (Proposed)	$ -	$ -	$ 55,421	$ 55,421	*per unit*
Non-Res DC (Existing)	$ 32.78	$ 32.78	$ -	$ -	*per sq. ft.*
Non-Res DC (Proposed)	$ -	$ -	$ 38.43	$ 38.43	*per sq. ft.*
DC Inflation Rate	3.0%	3.0%	3.0%	3.0%	*%*
Cash In Lieu of Parkland Dedication & S.37					
Current Rate	$ 11,370	$ 11,370	$ 11,370	N/A	*per unit*
Proposed Rate	N/A	N/A	N/A	$ 25,112	*per unit*
Section 37 Payment	$ -	$ -	$ -	$ -	*per unit*
Community Benefit Charge	4%	4%	4%	4%	*of land value*
Other Soft Costs					
Consultants, PM, Legal, Insurance, Marketing	14.5%	14.5%	14.5%	14.5%	*hard costs*
Property Tax Rate	0.8%	0.8%	0.8%	0.8%	*year*
Provincial and Municipal Land Transfer Tax	2.0%	2.0%	2.0%	2.0%	*% of land value*
Sales Commission Fee	4.0%	4.0%	4.0%	4.0%	*revenue*
Tarion Enrolment Fee	$ 1,421	$ 1,421	$ 1,421	$ 1,421	*unit*
HRCA Regulatory Oversight Fee	$ 151	$ 151	$ 151	$ 151	*unit*
Lender's Administrative Fee	0.8%	0.8%	0.8%	0.8%	*total costs*
Construction Loan Interest Rate	4.5%	4.5%	4.5%	4.5%	*term*
HST Rate	13.0%	13.0%	13.0%	13.0%	*year*
HST Rebate	$30,000	$30,000	$30,000	$30,000	*unit*
Development Rates & Timing					
Profit Margin	15.0%	15.0%	15.0%	15.0%	*revenue*
Discount Rate	6.0%	6.0%	6.0%	6.0%	*year*
Sales Absorption Rate	45	45	45	45	*sales per month*
Time Prior to Land Sale	0.0	0.0	0.0	0.0	*years*
Time to Prior to Sales Start	1.5	1.5	1.5	1.5	*years*
Presale Period	0.7	0.7	0.7	0.7	*years*
Construction Period	3.5	3.5	3.5	3.5	*years*
Occupancy Period Prior to Registration	0.5	0.5	0.5	0.5	*years*
Total Time to Completion	6.2	6.2	6.2	6.2	*years*

	Total				
REVENUE					
Market Unit Sale Revenue	$ 386,776,000	$ 386,776,000	$ 386,776,000	$ 386,776,000	
Market Parking Sale Revenue	$ 29,307,000	$ 29,307,000	$ 29,307,000	$ 29,307,000	
Below Market Sale Revenue	$ -	$ -	$ -	$ -	
Revenue from Sale of Commercial	$ 4,923,000	$ 4,923,000	$ 4,923,000	$ 4,923,000	
Interim Occupancy Charges					
Interest on the unpaid balance of the purchase price of the condo	$ 2,097,000	$ 2,097,000	$ 2,097,000	$ 2,097,000	*40% of units, due to staggered occupancy*
Property Taxes	$ 601,000	$ 601,000	$ 601,000	$ 601,000	*40% of units, due to staggered occupancy*
Projected Common Expense Contribution	$ 437,000	$ 437,000	$ 437,000	$ 437,000	*40% of units, due to staggered occupancy*
DC Recoveries	$ 3,626,000	$ 3,626,000	$ 3,626,000	$ 3,626,000	*Assumption: $7,000 per condo unit. Market units only*
Tarion Recoveries	$ 736,000	$ 736,000	$ 736,000	$ 736,000	
Total Revenue	**$ 428,503,000**	**$ 428,503,000**	**$ 428,503,000**	**$ 428,503,000**	*total*
	$ 827,000	$ 827,000	$ 827,000	$ 827,000	*unit*
	$ 978	$ 978	$ 978	$ 978	*sq. ft. GCA*
DEVELOPMENT COSTS					
Hard Costs					
Above Grade Construction Costs	$ 149,748,000	$ 149,748,000	$ 149,748,000	$ 149,748,000	
Below Grade Construction Cost	$ 19,929,000	$ 19,929,000	$ 19,929,000	$ 19,929,000	
Other Hard Costs (Servicing, Landscape / Hardscape, Site Prep / Demo)	$ 2,013,000	$ 2,013,000	$ 2,013,000	$ 2,013,000	
Hard Cost Contingency	$ 17,169,000	$ 17,169,000	$ 17,169,000	$ 17,169,000	
Total Hard Cost	**$ 188,859,000**	**$ 188,859,000**	**$ 188,859,000**	**$ 188,859,000**	*total*
	$ 365,000	$ 365,000	$ 365,000	$ 365,000	*unit*
	$ 431	$ 431	$ 431	$ 431	*sq. ft. GCA*
Soft Costs					
Planning Application Fees	$ 308,000	$ 308,000	$ 308,000	$ 308,000	
Building Permit Fee	$ 744,000	$ 744,000	$ 744,000	$ 744,000	
Residential Development Charges (Condo)	$ 27,518,000	$ 27,518,000	$ 30,611,000	$ 30,611,000	*Includes city, region, education, GO*
Non-Residential Development Charges	$ 342,000	$ 342,000	$ 401,000	$ 401,000	*Includes city, region, education, GO*
Cash-In-Lieu of Parkland Dedication	$ 6,148,000	$ 6,148,000	$ 6,148,000	$ 13,580,000	
S. 37	$ -	$ -	$ -	$ -	
CBC	$ -	$ 1,451,000	$ 1,352,000	$ 1,133,000	
Consultants, PM, Legal, Insurance, Marketing	$ 27,385,000	$ 27,385,000	$ 27,385,000	$ 27,385,000	
Property Tax	$ 1,650,000	$ 1,585,000	$ 1,476,000	$ 1,237,000	
Provincial Land Transfer Tax	$ 666,000	$ 639,000	$ 596,000	$ 499,000	
Sales Commission Fee	$ 15,471,000	$ 15,471,000	$ 15,471,000	$ 15,471,000	
HRCA Regulatory Oversight Fees	$ 78,410	$ 78,410	$ 78,410	$ 78,410	
Tarion Enrolment Fees	$ 736,000	$ 736,000	$ 736,000	$ 736,000	
Lender's Administrative Fee	$ 2,159,000	$ 2,170,000	$ 2,193,000	$ 2,248,000	
Construction Loan Financing Costs	$ 12,654,000	$ 12,718,000	$ 12,854,000	$ 13,176,000	*75% Average Draw Schedule, 75% Loan To Cost Ratio*
HST	$ 47,868,000	$ 47,868,000	$ 47,868,000	$ 47,868,000	
HST Rebate	$ (15,540,000)	$ (15,540,000)	$ (15,540,000)	$ (15,540,000)	
Total Soft Cost	**$ 128,187,410**	**$ 129,621,410**	**$ 132,681,410**	**$ 139,935,410**	*total*
	$ 247,000	$ 250,000	$ 256,000	$ 270,000	*unit*
	$ 293	$ 296	$ 303	$ 319	*sq. ft. GCA*
Total Development Cost (Hard & Soft Costs)	**$ 317,046,410**	**$ 318,480,410**	**$ 321,540,410**	**$ 328,794,410**	*total*
	$ 612,000	$ 615,000	$ 621,000	$ 635,000	*unit*
	$ 724	$ 727	$ 734	$ 751	*sq. ft. GCA*
Profit	**$ 64,275,000**	**$ 64,275,000**	**$ 64,275,000**	**$ 64,275,000**	*total*
	$ 124,000	$ 124,000	$ 124,000	$ 124,000	*unit*
	$ 147	$ 147	$ 147	$ 147	*sq. ft. GCA*
RESIDUAL LAND VALUE					
Total Revenue	$ 428,503,000	$ 428,503,000	$ 428,503,000	$ 428,503,000	
Less: Total Development Costs	$ (317,046,410)	$ (318,480,410)	$ (321,540,410)	$ (328,794,410)	
Less: Profit	$ (64,275,000)	$ (64,275,000)	$ (64,275,000)	$ (64,275,000)	
Total Residual Land Value (FV)	**$ 47,181,590**	**$ 45,747,590**	**$ 42,687,590**	**$ 35,433,590**	*total*
Time from Permit to Completion	4.0	4.0	4.0	4.0	*years*
Total Residual Land Value at Time of Permit (FV)	**$ 37,372,000**	**$ 36,236,000**	**$ 33,813,000**	**$ 28,067,000**	*total*
	$ 72,000	$ 70,000	$ 65,000	$ 54,000	*unit*
	$ 85	$ 83	$ 77	$ 64	*sq. ft. GCA*
Total Time to Completion	6.2	6.2	6.2	6.2	*years*
Total Residual Land Value (PV)	**$ 32,930,000**	**$ 31,930,000**	**$ 29,794,000**	**$ 24,731,000**	*total*
	$ 64,000	$ 62,000	$ 58,000	$ 48,000	*unit*
	$ 75	$ 73	$ 68	$ 56	*sq. ft. GCA*

Cumulative Impact Analysis

Port Credit

Test Site	*Port Credit*	*Port Credit*	*Port Credit*	*Port Credit*	
Scenario	1	2	3	4	
Description	Status Quo	New CBC	New CBC DC Increase	New CBC DC Increase New Parkland	
Section 37 or Community Benefit Charge	S. 37	CBC	CBC	CBC	
DC Rate Increase	Current Rate	Current Rate	Proposed Rate	Proposed Rate	
Parkland Dedication Rate	Current Rate	Current Rate	Current Rate	Proposed Rate	
Inclusionary Zoning	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
Tenure	Condominium	Condominium	Condominium	Condominium	
DEVELOPMENT STATISTICS					
Site Area	26,000	26,000	26,000	26,000	*sq. ft.*
Building Height	10	10	10	10	*storeys*
Floor Space Index	3.8	3.8	3.8	3.8	
Gross Floor Area (GFA)	100,000	100,000	100,000	100,000	*sq. ft.*
Residential Gross Floor Area	90,000	90,000	90,000	90,000	*sq. ft.*
Market GFA	90,000	90,000	90,000	90,000	*sq. ft.*
Below Market GFA	0	0	0	0	*sq. ft.*
Retail Gross Floor Area	10,000	10,000	10,000	10,000	*sq. ft.*
Office Gross Floor Area	0	0	0	0	*sq. ft.*
Exclusions from GFA Calculation	5,000	5,000	5,000	5,000	*sq. ft.*
Amenity Area	3,285	3,285	3,285	3,285	*sq. ft.*
Miscellaneous Exclusions	1,500	1,500	1,500	1,500	*sq. ft.*
Gross Construction Area (GCA)	105,000	105,000	105,000	105,000	*sq. ft.*
Gross Parking Area (GPA)	27,000	27,000	27,000	27,000	*sq. ft.*
Below Grade Parking Area	26,700	26,700	26,700	26,700	*sq. ft.*
Total Construction Area (TCA)	132,000	132,000	132,000	132,000	*sq. ft.*
Net Floor Area (NFA)	84,000	84,000	84,000	84,000	*sq. ft.*
Net Residential Floor Area (Market)	74,700	74,700	74,700	74,700	*sq. ft.*
Net Residential Floor Area (Below-Market)	0	0	0	0	*sq. ft.*
Net Retail Floor Area	9,000	9,000	9,000	9,000	*sq. ft.*
Net Office Floor Area	0	0	0	0	*sq. ft.*
Efficiency Ratio	80%	80%	80%	80%	
Efficiency Ratio (Res)	83%	83%	83%	83%	
Efficiency Ratio (Ret)	90%	90%	90%	90%	
Efficiency Ratio (Off)	90%	90%	90%	90%	
Suite Mix					
Studio (%)	5%	5%	5%	5%	
One Bedroom (%)	45%	45%	45%	45%	
Two Bedroom (%)	45%	45%	45%	45%	
Three Bedroom (%)	5%	5%	5%	5%	
Average Unit Size	680	680	680	680	*sq. ft.*
Residential Units	109	109	109	109	*units*
Market Units	109	109	109	109	*units*
Below Market Units	0	0	0	0	*units*
Parking Stalls	178	178	178	178	*parking stalls*
Parking Ratio	1.6	1.6	1.6	1.6	per unit
Market Unit Parking Ratio	1.20	1.20	1.20	1.20	*per unit*
Below Market Unit Parking Ratio	0.72	0.72	0.72	0.72	*per unit*
Visitor Parking Ratio	0.10	0.10	0.10	0.10	*per unit*
Retail Parking Ratio	4.00	4.00	4.00	4.00	*per 1,000 sq. ft. net*
REVENUE INPUTS					
Market Pricing					
Market Index Price	$ 1,184	$ 1,184	$ 1,184	$ 1,184	*per sq. ft.*
Average Attained Price	$ 1,234	$ 1,234	$ 1,234	$ 1,234	*per sq. ft.*
Starting Parking Price	$ 55,000	$ 55,000	$ 55,000	$ 55,000	*per stall*
Average Attained Parking Price	$ 57,355	$ 57,355	$ 57,355	$ 57,355	*per stall*
Retail Lease Rate	$ 28	$ 28	$ 28	$ 28	*psf/yr*
Retail Value	$ 484	$ 484	$ 484	$ 484	*per sq. ft.*
Retail Cap Rate	5.5%	5.5%	5.5%	5.5%	
Retail Revenue Inflator	1.5%	1.5%	1.5%	1.5%	*per year*
Presale & Pricing Inflation Assumptions					
Market Revenue Inflator	2.0%	2.0%	2.0%	2.0%	*per year*
Price Increase at Start and End of Construction	2.0%	2.0%	2.0%	2.0%	*%*
Initial and Final Deposit	20%	20%	20%	20%	*% of unit price*
Sold During Pre-Constuction / Presales	70%	70%	70%	70%	*%*
Sold During Construction	20%	20%	20%	20%	*%*
Sold at Completion	10%	10%	10%	10%	*%*
Below Market Units					
Inclusionary Zoning Set Aside Requirement	10%	10%	10%	10%	*%*
Below Market Index Price	$ 498	$ 498	$ 498	$ 498	*per sq. ft.*
Below Market Revenue Inflator	1.5%	1.5%	1.5%	1.5%	*per year*
Average Attained Price	$512	$512	$512	$512	*per sq. ft.*

DEVELOPMENT COST INPUTS

Hard Costs					
Above Grade Construction	$ 315	$ 315	$ 315	$ 315	*per sq. ft. GFA*
Below Grade Construction	$ 230	$ 230	$ 230	$ 230	*per sq. ft. below grade area*
Demolition & Site Prep	$ 15	$ 15	$ 15	$ 15	*per sq. ft. site area*
Site Servicing	$ 750,000	$ 750,000	$ 750,000	$ 750,000	*total*
Landscaping & Hardscaping	$ 1,000	$ 1,000	$ 1,000	$ 1,000	*per unit*
Contingency Factor	10%	10%	10%	10%	*% of hard costs*
Cost Inflator	2.0%	2.0%	2.0%	2.0%	*year*
Soft Costs					
Planning Application Fees					
Official Plan Amendment & Zoning By-Law Amendment	$ 46,896.00	$ 46,896.00	$ 46,896.00	$ 46,896.00	*base fee*
OPA & ZBL Additional Fee (<=25 units)	$ 982.00	$ 982.00	$ 982.00	$ 982.00	*per unit*
OPA & ZBL Additional Fee (26 to 100 units)	$ 520.00	$ 520.00	$ 520.00	$ 520.00	*per unit*
OPA & ZBL Additional Fee (101 to 200 units)	$ 216.00	$ 216.00	$ 216.00	$ 216.00	*per unit*
OPA & ZBL Additional Fee (>200 units)	$ 100.00	$ 100.00	$ 100.00	$ 100.00	*per unit*
OPA & ZBL Maximum Residential Charge	$ 226,774.00	$ 226,774.00	$ 226,774.00	$ 226,774.00	*Total - Base & Variable*
OPA & ZBL Commercial/Insitutional	$ 1.39	$ 1.39	$ 1.39	$ 1.39	*per sq. ft.*
OPA & ZBL Maximum Non-Res Charge	$ 118,365.00	$ 118,365.00	$ 118,365.00	$ 118,365.00	*Total*
Site Plan Application	$ 10,708.00	$ 10,708.00	$ 10,708.00	$ 10,708.00	*base fee*
SPA Additional Fee (<=25 units)	$ 630.00	$ 630.00	$ 630.00	$ 630.00	*per unit*
SPA Additional Fee (26 to 100 units)	$ 287.00	$ 287.00	$ 287.00	$ 287.00	*per unit*
SPA Additional Fee (>100 units)	$ 66.00	$ 66.00	$ 66.00	$ 66.00	*per unit*
SPA Maximum Residential Variable Fee (per building)	$ 83,321.00	$ 83,321.00	$ 83,321.00	$ 83,321.00	*Total - Variable*
SPA Non-Res Variable (<=2,000 sq m)	$ 1.36	$ 1.36	$ 1.36	$ 1.36	*per sq. ft.*
SPA Non-Res Variable (2,001 to 4,500 sq m)	$ 0.97	$ 0.97	$ 0.97	$ 0.97	*per sq. ft.*
SPA Non-Res Variable (4,501 to 7,000 sq m)	$ 0.59	$ 0.59	$ 0.59	$ 0.59	*per sq. ft.*
SPA Non-Res Variable (>7,000 sq m)	$ 0.28	$ 0.28	$ 0.28	$ 0.28	*per sq. ft.*
SPA Maximum Non-Residential Variable Fee	$ 50,874.00	$ 50,874.00	$ 50,874.00	$ 50,874.00	*Total - Variable*
Plan of Condominium Approval	$ 13,881.00	$ 13,881.00	$ 13,881.00	$ 13,881.00	*base fee*
PoC Additional Fee	$ 37.10	$ 37.10	$ 37.10	$ 37.10	*per unit*
PoC Non-Res	$ 181.20	$ 181.20	$ 181.20	$ 181.20	*per hectare*
PoC Maximum Charge	$ 27,655.15	$ 27,655.15	$ 27,655.15	$ 27,655.15	*Total*
Building Permit Fee	$ 169.00	$ 169.00	$ 169.00	$ 169.00	*base fee*
BP Additional Fee (Apartments)	$ 1.80	$ 1.80	$ 1.80	$ 1.80	*per sq. ft.*
BP Additional Fee (Office)	$ 1.72	$ 1.72	$ 1.72	$ 1.72	*per sq. ft.*
BP Additional Fee (Retail)	$ 1.31	$ 1.31	$ 1.31	$ 1.31	*per sq. ft.*
Development Charges					
Avg. DC per Unit (Existing)	$ 60,109	$ 60,109	$ -	$ -	*per unit*
Avg. DC per Unit (Proposed)	$ -	$ -	$ 65,878	$ 65,878	*per unit*
Non-Res DC (Existing)	$ 32.78	$ 32.78	$ -	$ -	*per sq. ft.*
Non-Res DC (Proposed)	$ -	$ -	$ 38.43	$ 38.43	*per sq. ft.*
DC Inflation Rate	3.0%	3.0%	3.0%	3.0%	*%*
Cash In Lieu of Parkland Dedication & S.37					
Current Rate	$ 11,370	$ 11,370	$ 11,370	N/A	*per unit*
Proposed Rate	N/A	N/A	N/A	$ 25,112	*per unit*
Section 37 Payment	$ -	$ -	$ -	$ -	*per unit*
Community Benefit Charge	4%	4%	4%	4%	*of land value*
Other Soft Costs					
Consultants, PM, Legal, Insurance, Marketing	14.5%	14.5%	14.5%	14.5%	*hard costs*
Property Tax Rate	0.8%	0.8%	0.8%	0.8%	*year*
Provincial and Municipal Land Transfer Tax	2.0%	2.0%	2.0%	2.0%	*% of land value*
Sales Commission Fee	4.0%	4.0%	4.0%	4.0%	*revenue*
Tarion Enrolment Fee	$ 1,530	$ 1,530	$ 1,530	$ 1,530	*unit*
HRCA Regulatory Oversight Fee	$ 150	$ 150	$ 150	$ 150	*unit*
Lender's Administrative Fee	0.8%	0.8%	0.8%	0.8%	*total costs*
Construction Loan Interest Rate	4.5%	4.5%	4.5%	4.5%	*term*
HST Rate	13.0%	13.0%	13.0%	13.0%	*year*
HST Rebate	$30,000	$30,000	$30,000	$30,000	*unit*
Development Rates & Timing					
Profit Margin	15.0%	15.0%	15.0%	15.0%	*revenue*
Discount Rate	6.0%	6.0%	6.0%	6.0%	*year*
Sales Absorption Rate	35	35	35	35	*sales per month*
Time Prior to Land Sale	0.0	0.0	0.0	0.0	*years*
Time to Prior to Sales Start	1.5	1.5	1.5	1.5	*years*
Presale Period	0.2	0.2	0.2	0.2	*years*
Construction Period	2.5	2.5	2.5	2.5	*years*
Occupancy Period Prior to Registration	0.5	0.5	0.5	0.5	*years*
Total Time to Completion	4.7	4.7	4.7	4.7	*years*

11.2.

	Total				
REVENUE					
Market Unit Sale Revenue	$ 92,212,000	$ 92,212,000	$ 92,212,000	$ 92,212,000	
Market Parking Sale Revenue	$ 7,514,000	$ 7,514,000	$ 7,514,000	$ 7,514,000	
Below Market Sale Revenue	$ -	$ -	$ -	$ -	
Revenue from Sale of Commercial	$ 5,186,000	$ 5,186,000	$ 5,186,000	$ 5,186,000	
Interim Occupancy Charges					
Interest on the unpaid balance of the purchase price of the condo	$ 503,000	$ 503,000	$ 503,000	$ 503,000	*40% of units, due to staggered occupancy*
Property Taxes	$ 144,000	$ 144,000	$ 144,000	$ 144,000	*40% of units, due to staggered occupancy*
Projected Common Expense Contribution	$ 97,000	$ 97,000	$ 97,000	$ 97,000	*40% of units, due to staggered occupancy*
DC Recoveries	$ 763,000	$ 763,000	$ 763,000	$ 763,000	*Assumption: $7,000 per condo unit. Market units only*
Tarion Recoveries	$ 167,000	$ 167,000	$ 167,000	$ 167,000	
Total Revenue	**$ 106,586,000**	**$ 106,586,000**	**$ 106,586,000**	**$ 106,586,000**	*total*
	$ 978,000	$ 978,000	$ 978,000	$ 978,000	*unit*
	$ 1,015	$ 1,015	$ 1,015	$ 1,015	*sq. ft. GCA*
DEVELOPMENT COSTS					
Hard Costs					
Above Grade Construction Costs	$ 34,195,000	$ 34,195,000	$ 34,195,000	$ 34,195,000	
Below Grade Construction Cost	$ 6,420,000	$ 6,420,000	$ 6,420,000	$ 6,420,000	
Other Hard Costs (Servicing, Landscape / Hardscape, Site Prep / Demo)	$ 1,291,000	$ 1,291,000	$ 1,291,000	$ 1,291,000	
Hard Cost Contingency	$ 4,191,000	$ 4,191,000	$ 4,191,000	$ 4,191,000	
Total Hard Cost	**$ 46,097,000**	**$ 46,097,000**	**$ 46,097,000**	**$ 46,097,000**	*total*
	$ 423,000	$ 423,000	$ 423,000	$ 423,000	*unit*
	$ 439	$ 439	$ 439	$ 439	*sq. ft. GCA*
Soft Costs					
Planning Application Fees	$ 213,000	$ 213,000	$ 213,000	$ 213,000	
Building Permit Fee	$ 175,000	$ 175,000	$ 175,000	$ 175,000	
Residential Development Charges (Condo)	$ 6,886,000	$ 6,886,000	$ 7,547,000	$ 7,547,000	*Includes city, region, education, GO*
Non-Residential Development Charges	$ 339,000	$ 339,000	$ 397,000	$ 397,000	*Includes city, region, education, GO*
Cash-In-Lieu of Parkland Dedication	$ 1,281,000	$ 1,281,000	$ 1,281,000	$ 2,830,000	
S. 37	$ -	$ -	$ -	$ -	
CBC	$ -	$ 440,000	$ 417,000	$ 366,000	
Consultants, PM, Legal, Insurance, Marketing	$ 6,684,000	$ 6,684,000	$ 6,684,000	$ 6,684,000	
Property Tax	$ 387,000	$ 375,000	$ 355,000	$ 312,000	
Provincial Land Transfer Tax	$ 206,000	$ 200,000	$ 189,000	$ 166,000	
Sales Commission Fee	$ 3,688,000	$ 3,688,000	$ 3,688,000	$ 3,688,000	
HRCA Regulatory Oversight Fees	$ 16,340	$ 16,340	$ 16,340	$ 16,340	
Tarion Enrolment Fees	$ 167,000	$ 167,000	$ 167,000	$ 167,000	
Lender's Administrative Fee	$ 529,000	$ 532,000	$ 538,000	$ 549,000	
Construction Loan Financing Costs	$ 2,219,000	$ 2,233,000	$ 2,256,000	$ 2,304,000	*75% Average Draw Schedule, 75% Loan To Cost Ratio*
HST	$ 11,473,000	$ 11,473,000	$ 11,473,000	$ 11,473,000	
HST Rebate	$ (3,270,000)	$ (3,270,000)	$ (3,270,000)	$ (3,270,000)	
Total Soft Cost	**$ 30,993,340**	**$ 31,432,340**	**$ 32,126,340**	**$ 33,617,340**	*total*
	$ 284,000	$ 288,000	$ 295,000	$ 308,000	*unit*
	$ 295	$ 299	$ 306	$ 320	*sq. ft. GCA*
Total Development Cost (Hard & Soft Costs)	**$ 77,090,340**	**$ 77,529,340**	**$ 78,223,340**	**$ 79,714,340**	*total*
	$ 707,000	$ 711,000	$ 718,000	$ 731,000	*unit*
	$ 734	$ 738	$ 745	$ 759	*sq. ft. GCA*
Profit	**$ 15,988,000**	**$ 15,988,000**	**$ 15,988,000**	**$ 15,988,000**	*total*
	$ 147,000	$ 147,000	$ 147,000	$ 147,000	*unit*
	$ 152	$ 152	$ 152	$ 152	*sq. ft. GCA*
RESIDUAL LAND VALUE					
Total Revenue	$ 106,586,000	$ 106,586,000	$ 106,586,000	$ 106,586,000	
Less: Total Development Costs	$ (77,090,340)	$ (77,529,340)	$ (78,223,340)	$ (79,714,340)	
Less: Profit	$ (15,988,000)	$ (15,988,000)	$ (15,988,000)	$ (15,988,000)	
Total Residual Land Value (FV)	**$ 13,507,660**	**$ 13,068,660**	**$ 12,374,660**	**$ 10,883,660**	*total*
Time from Permit to Completion	3.0	3.0	3.0	3.0	*years*
Total Residual Land Value at Time of Permit (FV)	**$ 11,341,000**	**$ 10,973,000**	**$ 10,390,000**	**$ 9,138,000**	*total*
	$ 104,000	$ 101,000	$ 95,000	$ 84,000	*unit*
	$ 108	$ 105	$ 99	$ 87	*sq. ft. GCA*
Total Time to Completion	4.7	4.7	4.7	4.7	*years*
Total Residual Land Value (PV)	**$ 10,283,000**	**$ 9,948,000**	**$ 9,420,000**	**$ 8,285,000**	*total*
	$ 94,000	$ 91,000	$ 86,000	$ 76,000	*unit*
	$ 98	$ 95	$ 90	$ 79	*sq. ft. GCA*

Cumulative Impact Analysis

Dixie/Lakeview

Test Site	*Dixie/Lakeview*	*Dixie/Lakeview*	*Dixie/Lakeview*	*Dixie/Lakeview*	
Scenario	1	2	3	4	
Description	Status Quo	New CBC	New CBC DC Increase	New CBC DC Increase New Parkland	
Section 37 or Community Benefit Charge	S. 37	CBC	CBC	CBC	
DC Rate Increase	Current Rate	Current Rate	Proposed Rate	Proposed Rate	
Parkland Dedication Rate	Current Rate	Current Rate	Current Rate	Proposed Rate	
Inclusionary Zoning	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
Tenure	Condominium	Condominium	Condominium	Condominium	
DEVELOPMENT STATISTICS					
Site Area	39,000	39,000	39,000	39,000	*sq. ft.*
Building Height	6	6	6	6	*storeys*
Floor Space Index	3.1	3.1	3.1	3.1	
Gross Floor Area (GFA)	122,000	122,000	122,000	122,000	*sq. ft.*
Residential Gross Floor Area	112,000	112,000	112,000	112,000	*sq. ft.*
Market GFA	112,000	112,000	112,000	112,000	*sq. ft.*
Below Market GFA	0	0	0	0	*sq. ft.*
Retail Gross Floor Area	10,000	10,000	10,000	10,000	*sq. ft.*
Office Gross Floor Area	0	0	0	0	*sq. ft.*
Exclusions from GFA Calculation	6,000	6,000	6,000	6,000	*sq. ft.*
Amenity Area	3,920	3,920	3,920	3,920	*sq. ft.*
Miscellaneous Exclusions	1,830	1,830	1,830	1,830	*sq. ft.*
Gross Construction Area (GCA)	128,000	128,000	128,000	128,000	*sq. ft.*
Gross Parking Area (GPA)	32,000	32,000	32,000	32,000	*sq. ft.*
Below Grade Parking Area	31,800	31,800	31,800	31,800	*sq. ft.*
Total Construction Area (TCA)	160,000	160,000	160,000	160,000	*sq. ft.*
Net Floor Area (NFA)	102,000	102,000	102,000	102,000	*sq. ft.*
Net Residential Floor Area (Market)	92,960	92,960	92,960	92,960	*sq. ft.*
Net Residential Floor Area (Below-Market)	0	0	0	0	*sq. ft.*
Net Retail Floor Area	9,000	9,000	9,000	9,000	*sq. ft.*
Net Office Floor Area	0	0	0	0	*sq. ft.*
Efficiency Ratio	80%	80%	80%	80%	
Efficiency Ratio (Res)	83%	83%	83%	83%	
Efficiency Ratio (Ret)	90%	90%	90%	90%	
Efficiency Ratio (Off)	90%	90%	90%	90%	
Suite Mix					
Studio (%)	0%	0%	0%	0%	
One Bedroom (%)	40%	40%	40%	40%	
Two Bedroom (%)	55%	55%	55%	55%	
Three Bedroom (%)	5%	5%	5%	5%	
Average Unit Size	740	740	740	740	*sq. ft.*
Residential Units	125	125	125	125	*units*
Market Units	125	125	125	125	*units*
Below Market Units	0	0	0	0	*units*
Parking Stalls	212	212	212	212	*parking stalls*
Parking Ratio	1.7	1.7	1.7	1.7	per unit
Market Unit Parking Ratio	1.30	1.30	1.30	1.30	*per unit*
Below Market Unit Parking Ratio	0.78	0.78	0.78	0.78	*per unit*
Visitor Parking Ratio	0.10	0.10	0.10	0.10	*per unit*
Retail Parking Ratio	4.00	4.00	4.00	4.00	*per 1,000 sq. ft. net*
REVENUE INPUTS					
Market Pricing					
Market Index Price	$ 1,023	$ 1,023	$ 1,023	$ 1,023	*per sq. ft.*
Average Attained Price	$ 1,066	$ 1,066	$ 1,066	$ 1,066	*per sq. ft.*
Starting Parking Price	$ 50,000	$ 50,000	$ 50,000	$ 50,000	*per stall*
Average Attained Parking Price	$ 52,121	$ 52,121	$ 52,121	$ 52,121	*per stall*
Retail Lease Rate	$ 26	$ 26	$ 26	$ 26	*psf/yr*
Retail Value	$ 449	$ 449	$ 449	$ 449	*per sq. ft.*
Retail Cap Rate	5.5%	5.5%	5.5%	5.5%	
Retail Revenue Inflator	1.5%	1.5%	1.5%	1.5%	*per year*
Presale & Pricing Inflation Assumptions					
Market Revenue Inflator	2.0%	2.0%	2.0%	2.0%	*per year*
Price Increase at Start and End of Construction	2.0%	2.0%	2.0%	2.0%	*%*
Initial and Final Deposit	20%	20%	20%	20%	*% of unit price*
Sold During Pre-Constuction / Presales	70%	70%	70%	70%	*%*
Sold During Construction	20%	20%	20%	20%	*%*
Sold at Completion	10%	10%	10%	10%	*%*
Below Market Units					
Inclusionary Zoning Set Aside Requirement	10%	10%	10%	10%	*%*
Below Market Index Price	$ 471	$ 471	$ 471	$ 471	*per sq. ft.*
Below Market Revenue Inflator	1.5%	1.5%	1.5%	1.5%	*per year*
Average Attained Price	$484	$484	$484	$484	*per sq. ft.*

DEVELOPMENT COST INPUTS

Hard Costs					
Above Grade Construction	$ 268	$ 268	$ 268	$ 268	*per sq. ft. GFA*
Below Grade Construction	$ 230	$ 230	$ 230	$ 230	*per sq. ft. below grade area*
Demolition & Site Prep	$ 15	$ 15	$ 15	$ 15	*per sq. ft. site area*
Site Servicing	$ 750,000	$ 750,000	$ 750,000	$ 750,000	*total*
Landscaping & Hardscaping	$ 1,000	$ 1,000	$ 1,000	$ 1,000	*per unit*
Contingency Factor	10%	10%	10%	10%	*% of hard costs*
Cost Inflator	2.0%	2.0%	2.0%	2.0%	*year*
Soft Costs					
Planning Application Fees					
Official Plan Amendment & Zoning By-Law Amendment	$ 46,896.00	$ 46,896.00	$ 46,896.00	$ 46,896.00	*base fee*
OPA & ZBL Additional Fee (<=25 units)	$ 982.00	$ 982.00	$ 982.00	$ 982.00	*per unit*
OPA & ZBL Additional Fee (26 to 100 units)	$ 520.00	$ 520.00	$ 520.00	$ 520.00	*per unit*
OPA & ZBL Additional Fee (101 to 200 units)	$ 216.00	$ 216.00	$ 216.00	$ 216.00	*per unit*
OPA & ZBL Additional Fee (>200 units)	$ 100.00	$ 100.00	$ 100.00	$ 100.00	*per unit*
OPA & ZBL Maximum Residential Charge	$ 226,774.00	$ 226,774.00	$ 226,774.00	$ 226,774.00	*Total - Base & Variable*
OPA & ZBL Commercial/Insitutional	$ 1.39	$ 1.39	$ 1.39	$ 1.39	*per sq. ft.*
OPA & ZBL Maximum Non-Res Charge	$ 118,365.00	$ 118,365.00	$ 118,365.00	$ 118,365.00	*Total*
Site Plan Application	$ 10,708.00	$ 10,708.00	$ 10,708.00	$ 10,708.00	*base fee*
SPA Additional Fee (<=25 units)	$ 630.00	$ 630.00	$ 630.00	$ 630.00	*per unit*
SPA Additional Fee (26 to 100 units)	$ 287.00	$ 287.00	$ 287.00	$ 287.00	*per unit*
SPA Additional Fee (>100 units)	$ 66.00	$ 66.00	$ 66.00	$ 66.00	*per unit*
SPA Maximum Residential Variable Fee (per building)	$ 83,321.00	$ 83,321.00	$ 83,321.00	$ 83,321.00	*Total - Variable*
SPA Non-Res Variable (<=2,000 sq m)	$ 1.36	$ 1.36	$ 1.36	$ 1.36	*per sq. ft.*
SPA Non-Res Variable (2,001 to 4,500 sq m)	$ 0.97	$ 0.97	$ 0.97	$ 0.97	*per sq. ft.*
SPA Non-Res Variable (4,501 to 7,000 sq m)	$ 0.59	$ 0.59	$ 0.59	$ 0.59	*per sq. ft.*
SPA Non-Res Variable (>7,000 sq m)	$ 0.28	$ 0.28	$ 0.28	$ 0.28	*per sq. ft.*
SPA Maximum Non-Residential Variable Fee	$ 50,874.00	$ 50,874.00	$ 50,874.00	$ 50,874.00	*Total - Variable*
Plan of Condominium Approval	$ 13,881.00	$ 13,881.00	$ 13,881.00	$ 13,881.00	*base fee*
PoC Additional Fee	$ 37.10	$ 37.10	$ 37.10	$ 37.10	*per unit*
PoC Non-Res	$ 181.20	$ 181.20	$ 181.20	$ 181.20	*per hectare*
PoC Maximum Charge	$ 27,655.15	$ 27,655.15	$ 27,655.15	$ 27,655.15	*Total*
Building Permit Fee	$ 169.00	$ 169.00	$ 169.00	$ 169.00	*base fee*
BP Additional Fee (Apartments)	$ 1.80	$ 1.80	$ 1.80	$ 1.80	*per sq. ft.*
BP Additional Fee (Office)	$ 1.72	$ 1.72	$ 1.72	$ 1.72	*per sq. ft.*
BP Additional Fee (Retail)	$ 1.31	$ 1.31	$ 1.31	$ 1.31	*per sq. ft.*
Development Charges					
Avg. DC per Unit (Existing)	$ 63,477	$ 63,477	$ -	$ -	*per unit*
Avg. DC per Unit (Proposed)	$ -	$ -	$ 69,585	$ 69,585	*per unit*
Non-Res DC (Existing)	$ 32.78	$ 32.78	$ -	$ -	*per sq. ft.*
Non-Res DC (Proposed)	$ -	$ -	$ 38.43	$ 38.43	*per sq. ft.*
DC Inflation Rate	3.0%	3.0%	3.0%	3.0%	*%*
Cash In Lieu of Parkland Dedication & S.37					
Current Rate	$ 11,370	$ 11,370	$ 11,370	N/A	*per unit*
Proposed Rate	N/A	N/A	N/A	$ 25,112	*per unit*
Section 37 Payment	$ -	$ -	$ -	$ -	*per unit*
Community Benefit Charge	4%	4%	4%	4%	*of land value*
Other Soft Costs					
Consultants, PM, Legal, Insurance, Marketing	14.5%	14.5%	14.5%	14.5%	*hard costs*
Property Tax Rate	0.8%	0.8%	0.8%	0.8%	*year*
Provincial and Municipal Land Transfer Tax	2.0%	2.0%	2.0%	2.0%	*% of land value*
Sales Commission Fee	4.0%	4.0%	4.0%	4.0%	*revenue*
Tarion Enrolment Fee	$ 1,475	$ 1,475	$ 1,475	$ 1,475	*unit*
HRCA Regulatory Oversight Fee	$ 150	$ 150	$ 150	$ 150	*unit*
Lender's Administrative Fee	0.8%	0.8%	0.8%	0.8%	*total costs*
Construction Loan Interest Rate	4.5%	4.5%	4.5%	4.5%	*term*
HST Rate	13.0%	13.0%	13.0%	13.0%	*year*
HST Rebate	$30,000	$30,000	$30,000	$30,000	*unit*
Development Rates & Timing					
Profit Margin	15.0%	15.0%	15.0%	15.0%	*revenue*
Discount Rate	6.0%	6.0%	6.0%	6.0%	*year*
Sales Absorption Rate	25	25	25	25	*sales per month*
Time Prior to Land Sale	0.0	0.0	0.0	0.0	*years*
Time to Prior to Sales Start	1.5	1.5	1.5	1.5	*years*
Presale Period	0.3	0.3	0.3	0.3	*years*
Construction Period	2.0	2.0	2.0	2.0	*years*
Occupancy Period Prior to Registration	0.5	0.5	0.5	0.5	*years*
Total Time to Completion	4.3	4.3	4.3	4.3	*years*

REVENUE		Total							
Market Unit Sale Revenue	$	99,084,000	$	99,084,000	$	99,084,000	$	99,084,000	
Market Parking Sale Revenue	$	8,496,000	$	8,496,000	$	8,496,000	$	8,496,000	
Below Market Sale Revenue	$	-	$	-	$	-	$	-	
Revenue from Sale of Commercial	$	4,787,000	$	4,787,000	$	4,787,000	$	4,787,000	
Interim Occupancy Charges									
Interest on the unpaid balance of the purchase price of the condo	$	542,000	$	542,000	$	542,000	$	542,000	*40% of units, due to staggered occupancy*
Property Taxes	$	156,000	$	156,000	$	156,000	$	156,000	*40% of units, due to staggered occupancy*
Projected Common Expense Contribution	$	120,000	$	120,000	$	120,000	$	120,000	*40% of units, due to staggered occupancy*
DC Recoveries	$	875,000	$	875,000	$	875,000	$	875,000	*Assumption: $7,000 per condo unit. Market units only*
Tarion Recoveries	$	184,000	$	184,000	$	184,000	$	184,000	
Total Revenue	**$**	**114,244,000**	**$**	**114,244,000**	**$**	**114,244,000**	**$**	**114,244,000**	*total*
	$	914,000	$	914,000	$	914,000	$	914,000	*unit*
	$	893	$	893	$	893	$	893	*sq. ft. GCA*
DEVELOPMENT COSTS									
Hard Costs									
Above Grade Construction Costs	$	35,477,000	$	35,477,000	$	35,477,000	$	35,477,000	
Below Grade Construction Cost	$	7,626,000	$	7,626,000	$	7,626,000	$	7,626,000	
Other Hard Costs (Servicing, Landscape / Hardscape, Site Prep / Demo)	$	1,513,000	$	1,513,000	$	1,513,000	$	1,513,000	
Hard Cost Contingency	$	4,462,000	$	4,462,000	$	4,462,000	$	4,462,000	
Total Hard Cost	**$**	**49,078,000**	**$**	**49,078,000**	**$**	**49,078,000**	**$**	**49,078,000**	*total*
	$	393,000	$	393,000	$	393,000	$	393,000	*unit*
	$	383	$	383	$	383	$	383	*sq. ft. GCA*
Soft Costs									
Planning Application Fees	$	219,000	$	219,000	$	219,000	$	219,000	
Building Permit Fee	$	215,000	$	215,000	$	215,000	$	215,000	
Residential Development Charges (Condo)	$	8,366,000	$	8,366,000	$	9,171,000	$	9,171,000	*Includes city, region, education, GO*
Non-Residential Development Charges	$	340,000	$	340,000	$	398,000	$	398,000	*Includes city, region, education, GO*
Cash-In-Lieu of Parkland Dedication	$	1,473,000	$	1,473,000	$	1,473,000	$	3,252,000	
S. 37	$	-	$	-	$	-	$	-	
CBC	$	-	$	483,000	$	455,000	$	392,000	
Consultants, PM, Legal, Insurance, Marketing	$	7,116,000	$	7,116,000	$	7,116,000	$	7,116,000	
Property Tax	$	388,000	$	375,000	$	353,000	$	304,000	
Provincial Land Transfer Tax	$	225,000	$	218,000	$	205,000	$	177,000	
Sales Commission Fee	$	3,963,000	$	3,963,000	$	3,963,000	$	3,963,000	
HRCA Regulatory Oversight Fees	$	18,780	$	18,780	$	18,780	$	18,780	
Tarion Enrolment Fees	$	184,000	$	184,000	$	184,000	$	184,000	
Lender's Administrative Fee	$	573,000	$	576,000	$	583,000	$	596,000	
Construction Loan Financing Costs	$	1,930,000	$	1,942,000	$	1,964,000	$	2,008,000	*75% Average Draw Schedule, 75% Loan To Cost Ratio*
HST	$	12,376,000	$	12,376,000	$	12,376,000	$	12,376,000	
HST Rebate	$	(3,750,000)	$	(3,750,000)	$	(3,750,000)	$	(3,750,000)	
Total Soft Cost	**$**	**33,636,780**	**$**	**34,114,780**	**$**	**34,943,780**	**$**	**36,639,780**	*total*
	$	269,000	$	273,000	$	280,000	$	293,000	*unit*
	$	263	$	267	$	273	$	286	*sq. ft. GCA*
Total Development Cost (Hard & Soft Costs)	**$**	**82,714,780**	**$**	**83,192,780**	**$**	**84,021,780**	**$**	**85,717,780**	*total*
	$	662,000	$	666,000	$	672,000	$	686,000	*unit*
	$	646	$	650	$	656	$	670	*sq. ft. GCA*
Profit	**$**	**17,137,000**	**$**	**17,137,000**	**$**	**17,137,000**	**$**	**17,137,000**	*total*
	$	137,000	$	137,000	$	137,000	$	137,000	*unit*
	$	134	$	134	$	134	$	134	*sq. ft. GCA*
RESIDUAL LAND VALUE									
Total Revenue	$	114,244,000	$	114,244,000	$	114,244,000	$	114,244,000	
Less: Total Development Costs	$	(82,714,780)	$	(83,192,780)	$	(84,021,780)	$	(85,717,780)	
Less: Profit	$	(17,137,000)	$	(17,137,000)	$	(17,137,000)	$	(17,137,000)	
Total Residual Land Value (FV)	**$**	**14,392,220**	**$**	**13,914,220**	**$**	**13,085,220**	**$**	**11,389,220**	*total*
Time from Permit to Completion		2.5		2.5		2.5		2.5	*years*
Total Residual Land Value at Time of Permit (FV)	**$**	**12,441,000**	**$**	**12,028,000**	**$**	**11,311,000**	**$**	**9,845,000**	*total*
	$	100,000	$	96,000	$	90,000	$	79,000	*unit*
	$	97	$	94	$	88	$	77	*sq. ft. GCA*
Total Time to Completion		4.3		4.3		4.3		4.3	*years*
Total Residual Land Value (PV)	**$**	**11,208,000**	**$**	**10,836,000**	**$**	**10,190,000**	**$**	**8,869,000**	*total*
	$	90,000	$	87,000	$	82,000	$	71,000	*unit*
	$	88	$	85	$	80	$	69	*sq. ft. GCA*

Cumulative Impact Analysis

Cooksville

Test Site	*Cooksville*	*Cooksville*	*Cooksville*	*Cooksville*
Scenario	1	2	3	4
Description	Status Quo	New CBC	New CBC DC Increase	New CBC DC Increase New Parkland
Section 37 or Community Benefit Charge	S. 37	CBC	CBC	CBC
DC Rate Increase	Current Rate	Current Rate	Proposed Rate	Proposed Rate
Parkland Dedication Rate	Current Rate	Current Rate	Current Rate	Proposed Rate
Inclusionary Zoning	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Tenure	Condominium	Condominium	Condominium	Condominium

DEVELOPMENT STATISTICS

Site Area	44,000	44,000	44,000	44,000	*sq. ft.*
Building Height	25	25	25	25	*storeys*
Floor Space Index	5.0	5.0	5.0	5.0	
Gross Floor Area (GFA)	220,000	220,000	220,000	220,000	*sq. ft.*
Residential Gross Floor Area	210,000	210,000	210,000	210,000	*sq. ft.*
Market GFA	210,000	210,000	210,000	210,000	*sq. ft.*
Below Market GFA	0	0	0	0	*sq. ft.*
Retail Gross Floor Area	10,000	10,000	10,000	10,000	*sq. ft.*
Office Gross Floor Area	0	0	0	0	*sq. ft.*
Exclusions from GFA Calculation	11,000	11,000	11,000	11,000	*sq. ft.*
Amenity Area	7,716	7,716	7,716	7,716	*sq. ft.*
Miscellaneous Exclusions	3,300	3,300	3,300	3,300	*sq. ft.*
Gross Construction Area (GCA)	231,000	231,000	231,000	231,000	*sq. ft.*
Gross Parking Area (GPA)	55,000	55,000	55,000	55,000	*sq. ft.*
Below Grade Parking Area	55,350	55,350	55,350	55,350	*sq. ft.*
Total Construction Area (TCA)	286,000	286,000	286,000	286,000	*sq. ft.*
Net Floor Area (NFA)	183,000	183,000	183,000	183,000	*sq. ft.*
Net Residential Floor Area (Market)	174,300	174,300	174,300	174,300	*sq. ft.*
Net Residential Floor Area (Below-Market)	0	0	0	0	*sq. ft.*
Net Retail Floor Area	9,000	9,000	9,000	9,000	*sq. ft.*
Net Office Floor Area	0	0	0	0	*sq. ft.*
Efficiency Ratio	79%	79%	79%	79%	
Efficiency Ratio (Res)	83%	83%	83%	83%	
Efficiency Ratio (Ret)	90%	90%	90%	90%	
Efficiency Ratio (Off)	90%	90%	90%	90%	
Suite Mix					
Studio (%)	5%	5%	5%	5%	
One Bedroom (%)	45%	45%	45%	45%	
Two Bedroom (%)	45%	45%	45%	45%	
Three Bedroom (%)	5%	5%	5%	5%	
Average Unit Size	680	680	680	680	*sq. ft.*
Residential Units	256	256	256	256	*units*
Market Units	256	256	256	256	*units*
Below Market Units	0	0	0	0	*units*
Parking Stalls	369	369	369	369	*parking stalls*
Parking Ratio	1.4	1.4	1.4	1.4	per unit
Market Unit Parking Ratio	1.20	1.20	1.20	1.20	*per unit*
Below Market Unit Parking Ratio	0.72	0.72	0.72	0.72	*per unit*
Visitor Parking Ratio	0.10	0.10	0.10	0.10	*per unit*
Retail Parking Ratio	4.00	4.00	4.00	4.00	*per 1,000 sq. ft. net*

REVENUE INPUTS

Market Pricing					
Market Index Price	$ 1,048	$ 1,048	$ 1,048	$ 1,048	*per sq. ft.*
Average Attained Price	$ 1,096	$ 1,096	$ 1,096	$ 1,096	*per sq. ft.*
Starting Parking Price	$ 50,000	$ 50,000	$ 50,000	$ 50,000	*per stall*
Average Attained Parking Price	$ 52,297	$ 52,297	$ 52,297	$ 52,297	*per stall*
Retail Lease Rate	$ 23	$ 23	$ 23	$ 23	*psf/yr*
Retail Value	$ 397	$ 397	$ 397	$ 397	*per sq. ft.*
Retail Cap Rate	5.5%	5.5%	5.5%	5.5%	
Retail Revenue Inflator	1.5%	1.5%	1.5%	1.5%	*per year*
Presale & Pricing Inflation Assumptions					
Market Revenue Inflator	2.0%	2.0%	2.0%	2.0%	*per year*
Price Increase at Start and End of Construction	2.0%	2.0%	2.0%	2.0%	*%*
Initial and Final Deposit	20%	20%	20%	20%	*% of unit price*
Sold During Pre-Constuction / Presales	70%	70%	70%	70%	*%*
Sold During Construction	20%	20%	20%	20%	*%*
Sold at Completion	10%	10%	10%	10%	*%*
Below Market Units					
Inclusionary Zoning Set Aside Requirement	10%	10%	10%	10%	*%*
Below Market Index Price	$ 498	$ 498	$ 498	$ 498	*per sq. ft.*
Below Market Revenue Inflator	1.5%	1.5%	1.5%	1.5%	*per year*
Average Attained Price	$513	$513	$513	$513	*per sq. ft.*

DEVELOPMENT COST INPUTS					
Hard Costs					
Above Grade Construction	$ 315	$ 315	$ 315	$ 315	*per sq. ft. GFA*
Below Grade Construction	$ 230	$ 230	$ 230	$ 230	*per sq. ft. below grade area*
Demolition & Site Prep	$ 15	$ 15	$ 15	$ 15	*per sq. ft. site area*
Site Servicing	$ 750,000	$ 750,000	$ 750,000	$ 750,000	*total*
Landscaping & Hardscaping	$ 1,000	$ 1,000	$ 1,000	$ 1,000	*per unit*
Contingency Factor	10%	10%	10%	10%	*% of hard costs*
Cost Inflator	2.0%	2.0%	2.0%	2.0%	*year*
Soft Costs					
Planning Application Fees					
Official Plan Amendment & Zoning By-Law Amendment	$ 46,896.00	$ 46,896.00	$ 46,896.00	$ 46,896.00	*base fee*
OPA & ZBL Additional Fee (<=25 units)	$ 982.00	$ 982.00	$ 982.00	$ 982.00	*per unit*
OPA & ZBL Additional Fee (26 to 100 units)	$ 520.00	$ 520.00	$ 520.00	$ 520.00	*per unit*
OPA & ZBL Additional Fee (101 to 200 units)	$ 216.00	$ 216.00	$ 216.00	$ 216.00	*per unit*
OPA & ZBL Additional Fee (>200 units)	$ 100.00	$ 100.00	$ 100.00	$ 100.00	*per unit*
OPA & ZBL Maximum Residential Charge	$ 226,774.00	$ 226,774.00	$ 226,774.00	$ 226,774.00	*Total - Base & Variable*
OPA & ZBL Commercial/Insitutional	$ 1.39	$ 1.39	$ 1.39	$ 1.39	*per sq. ft.*
OPA & ZBL Maximum Non-Res Charge	$ 118,365.00	$ 118,365.00	$ 118,365.00	$ 118,365.00	*Total*
Site Plan Application	$ 10,708.00	$ 10,708.00	$ 10,708.00	$ 10,708.00	*base fee*
SPA Additional Fee (<=25 units)	$ 630.00	$ 630.00	$ 630.00	$ 630.00	*per unit*
SPA Additional Fee (26 to 100 units)	$ 287.00	$ 287.00	$ 287.00	$ 287.00	*per unit*
SPA Additional Fee (>100 units)	$ 66.00	$ 66.00	$ 66.00	$ 66.00	*per unit*
SPA Maximum Residential Variable Fee (per building)	$ 83,321.00	$ 83,321.00	$ 83,321.00	$ 83,321.00	*Total - Variable*
SPA Non-Res Variable (<=2,000 sq m)	$ 1.36	$ 1.36	$ 1.36	$ 1.36	*per sq. ft.*
SPA Non-Res Variable (2,001 to 4,500 sq m)	$ 0.97	$ 0.97	$ 0.97	$ 0.97	*per sq. ft.*
SPA Non-Res Variable (4,501 to 7,000 sq m)	$ 0.59	$ 0.59	$ 0.59	$ 0.59	*per sq. ft.*
SPA Non-Res Variable (>7,000 sq m)	$ 0.28	$ 0.28	$ 0.28	$ 0.28	*per sq. ft.*
SPA Maximum Non-Residential Variable Fee	$ 50,874.00	$ 50,874.00	$ 50,874.00	$ 50,874.00	*Total - Variable*
Plan of Condominium Approval	$ 13,881.00	$ 13,881.00	$ 13,881.00	$ 13,881.00	*base fee*
PoC Additional Fee	$ 37.10	$ 37.10	$ 37.10	$ 37.10	*per unit*
PoC Non-Res	$ 181.20	$ 181.20	$ 181.20	$ 181.20	*per hectare*
PoC Maximum Charge	$ 27,655.15	$ 27,655.15	$ 27,655.15	$ 27,655.15	*Total*
Building Permit Fee	$ 169.00	$ 169.00	$ 169.00	$ 169.00	*base fee*
BP Additional Fee (Apartments)	$ 1.80	$ 1.80	$ 1.80	$ 1.80	*per sq. ft.*
BP Additional Fee (Office)	$ 1.72	$ 1.72	$ 1.72	$ 1.72	*per sq. ft.*
BP Additional Fee (Retail)	$ 1.31	$ 1.31	$ 1.31	$ 1.31	*per sq. ft.*
Development Charges					
Avg. DC per Unit (Existing)	$ 60,109	$ 60,109	$ -	$ -	*per unit*
Avg. DC per Unit (Proposed)	$ -	$ -	$ 65,878	$ 65,878	*per unit*
Non-Res DC (Existing)	$ 32.78	$ 32.78	$ -	$ -	*per sq. ft.*
Non-Res DC (Proposed)	$ -	$ -	$ 38.43	$ 38.43	*per sq. ft.*
DC Inflation Rate	3.0%	3.0%	3.0%	3.0%	*%*
Cash In Lieu of Parkland Dedication & S.37					
Current Rate	$ 11,370	$ 11,370	$ 11,370	N/A	*per unit*
Proposed Rate	N/A	N/A	N/A	$ 25,112	*per unit*
Section 37 Payment	$ -	$ -	$ -	$ -	*per unit*
Community Benefit Charge	4%	4%	4%	4%	*of land value*
Other Soft Costs					
Consultants, PM, Legal, Insurance, Marketing	14.5%	14.5%	14.5%	14.5%	*hard costs*
Property Tax Rate	0.8%	0.8%	0.8%	0.8%	*year*
Provincial and Municipal Land Transfer Tax	2.0%	2.0%	2.0%	2.0%	*% of land value*
Sales Commission Fee	4.0%	4.0%	4.0%	4.0%	*revenue*
Tarion Enrolment Fee	$ 1,417	$ 1,417	$ 1,417	$ 1,417	*unit*
HRCA Regulatory Oversight Fee	$ 151	$ 151	$ 151	$ 151	*unit*
Lender's Administrative Fee	0.8%	0.8%	0.8%	0.8%	*total costs*
Construction Loan Interest Rate	4.5%	4.5%	4.5%	4.5%	*term*
HST Rate	13.0%	13.0%	13.0%	13.0%	*year*
HST Rebate	$30,000	$30,000	$30,000	$30,000	*unit*
Development Rates & Timing					
Profit Margin	15.0%	15.0%	15.0%	15.0%	*revenue*
Discount Rate	6.0%	6.0%	6.0%	6.0%	*year*
Sales Absorption Rate	30	30	30	30	*sales per month*
Time Prior to Land Sale	0.0	0.0	0.0	0.0	*years*
Time to Prior to Sales Start	1.5	1.5	1.5	1.5	*years*
Presale Period	0.5	0.5	0.5	0.5	*years*
Construction Period	3.0	3.0	3.0	3.0	*years*
Occupancy Period Prior to Registration	0.5	0.5	0.5	0.5	*years*
Total Time to Completion	5.5	5.5	5.5	5.5	*years*

	Total				
REVENUE					
Market Unit Sale Revenue	$ 190,968,000	$ 190,968,000	$ 190,968,000	$ 190,968,000	
Market Parking Sale Revenue	$ 16,055,000	$ 16,055,000	$ 16,055,000	$ 16,055,000	
Below Market Sale Revenue	$ -	$ -	$ -	$ -	
Revenue from Sale of Commercial	$ 4,312,000	$ 4,312,000	$ 4,312,000	$ 4,312,000	
Interim Occupancy Charges					
Interest on the unpaid balance of the purchase price of the condo	$ 1,043,000	$ 1,043,000	$ 1,043,000	$ 1,043,000	*40% of units, due to staggered occupancy*
Property Taxes	$ 299,000	$ 299,000	$ 299,000	$ 299,000	*40% of units, due to staggered occupancy*
Projected Common Expense Contribution	$ 226,000	$ 226,000	$ 226,000	$ 226,000	*40% of units, due to staggered occupancy*
DC Recoveries	$ 1,792,000	$ 1,792,000	$ 1,792,000	$ 1,792,000	*Assumption: $7,000 per condo unit. Market units only*
Tarion Recoveries	$ 363,000	$ 363,000	$ 363,000	$ 363,000	
Total Revenue	**$ 215,058,000**	**$ 215,058,000**	**$ 215,058,000**	**$ 215,058,000**	*total*
	$ 840,000	$ 840,000	$ 840,000	$ 840,000	*unit*
	$ 931	$ 931	$ 931	$ 931	*sq. ft. GCA*
DEVELOPMENT COSTS					
Hard Costs					
Above Grade Construction Costs	$ 75,701,000	$ 75,701,000	$ 75,701,000	$ 75,701,000	
Below Grade Construction Cost	$ 13,160,000	$ 13,160,000	$ 13,160,000	$ 13,160,000	
Other Hard Costs (Servicing, Landscape / Hardscape, Site Prep / Demo)	$ 1,733,000	$ 1,733,000	$ 1,733,000	$ 1,733,000	
Hard Cost Contingency	$ 9,059,000	$ 9,059,000	$ 9,059,000	$ 9,059,000	
Total Hard Cost	**$ 99,653,000**	**$ 99,653,000**	**$ 99,653,000**	**$ 99,653,000**	*total*
	$ 389,000	$ 389,000	$ 389,000	$ 389,000	*unit*
	$ 431	$ 431	$ 431	$ 431	*sq. ft. GCA*
Soft Costs					
Planning Application Fees	$ 257,000	$ 257,000	$ 257,000	$ 257,000	
Building Permit Fee	$ 391,000	$ 391,000	$ 391,000	$ 391,000	
Residential Development Charges (Condo)	$ 16,324,000	$ 16,324,000	$ 17,891,000	$ 17,891,000	*Includes city, region, education, GO*
Non-Residential Development Charges	$ 341,000	$ 341,000	$ 400,000	$ 400,000	*Includes city, region, education, GO*
Cash-In-Lieu of Parkland Dedication	$ 3,028,000	$ 3,028,000	$ 3,028,000	$ 6,688,000	
S. 37	$ -	$ -	$ -	$ -	
CBC	$ -	$ 519,000	$ 467,000	$ 353,000	
Consultants, PM, Legal, Insurance, Marketing	$ 14,450,000	$ 14,450,000	$ 14,450,000	$ 14,450,000	
Property Tax	$ 530,000	$ 510,000	$ 459,000	$ 347,000	
Provincial Land Transfer Tax	$ 240,000	$ 231,000	$ 208,000	$ 157,000	
Sales Commission Fee	$ 7,639,000	$ 7,639,000	$ 7,639,000	$ 7,639,000	
HRCA Regulatory Oversight Fees	$ 38,618	$ 38,618	$ 38,618	$ 38,618	
Tarion Enrolment Fees	$ 363,000	$ 363,000	$ 363,000	$ 363,000	
Lender's Administrative Fee	$ 1,146,000	$ 1,150,000	$ 1,162,000	$ 1,189,000	
Construction Loan Financing Costs	$ 5,758,000	$ 5,778,000	$ 5,838,000	$ 5,974,000	*75% Average Draw Schedule, 75% Loan To Cost Ratio*
HST	$ 23,817,000	$ 23,817,000	$ 23,817,000	$ 23,817,000	
HST Rebate	$ (7,680,000)	$ (7,680,000)	$ (7,680,000)	$ (7,680,000)	
Total Soft Cost	**$ 66,642,618**	**$ 67,156,618**	**$ 68,728,618**	**$ 72,274,618**	*total*
	$ 260,000	$ 262,000	$ 268,000	$ 282,000	*unit*
	$ 288	$ 291	$ 298	$ 313	*sq. ft. GCA*
Total Development Cost (Hard & Soft Costs)	**$ 166,295,618**	**$ 166,809,618**	**$ 168,381,618**	**$ 171,927,618**	*total*
	$ 650,000	$ 652,000	$ 658,000	$ 672,000	*unit*
	$ 720	$ 722	$ 729	$ 744	*sq. ft. GCA*
Profit	**$ 32,259,000**	**$ 32,259,000**	**$ 32,259,000**	**$ 32,259,000**	*total*
	$ 126,000	$ 126,000	$ 126,000	$ 126,000	*unit*
	$ 140	$ 140	$ 140	$ 140	*sq. ft. GCA*
RESIDUAL LAND VALUE					
Total Revenue	$ 215,058,000	$ 215,058,000	$ 215,058,000	$ 215,058,000	
Less: Total Development Costs	$ (166,295,618)	$ (166,809,618)	$ (168,381,618)	$ (171,927,618)	
Less: Profit	$ (32,259,000)	$ (32,259,000)	$ (32,259,000)	$ (32,259,000)	
Total Residual Land Value (FV)	**$ 16,503,382**	**$ 15,989,382**	**$ 14,417,382**	**$ 10,871,382**	*total*
Time from Permit to Completion	3.5	3.5	3.5	3.5	*years*
Total Residual Land Value at Time of Permit (FV)	**$ 13,459,000**	**$ 13,040,000**	**$ 11,758,000**	**$ 8,866,000**	*total*
	$ 53,000	$ 51,000	$ 46,000	$ 35,000	*unit*
	$ 58	$ 56	$ 51	$ 38	*sq. ft. GCA*
Total Time to Completion	5.5	5.5	5.5	5.5	*years*
Total Residual Land Value (PV)	**$ 11,980,000**	**$ 11,607,000**	**$ 10,466,000**	**$ 7,891,000**	*total*
	$ 47,000	$ 45,000	$ 41,000	$ 31,000	*unit*
	$ 52	$ 50	$ 45	$ 34	*sq. ft. GCA*

Cumulative Impact Analysis

Glen Erin Stacked TH

Test Site	*Glen Erin Stacked TH*	*Glen Erin Stacked TH*	*Glen Erin Stacked TH*	*Glen Erin Stacked TH*	
Scenario	1	2	3	4	
Description	Status Quo	New CBC	New CBC DC Increase	New CBC DC Increase New Parkland	
Section 37 or Community Benefit Charge	S. 37	CBC	CBC	CBC	
DC Rate Increase	Current Rate	Current Rate	Proposed Rate	Proposed Rate	
Parkland Dedication Rate	Current Rate	Current Rate	Current Rate	Proposed Rate	
Inclusionary Zoning	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
Tenure	Condominium	Condominium	Condominium	Condominium	
DEVELOPMENT STATISTICS					
Site Area	87,000	87,000	87,000	87,000	*sq. ft.*
Building Height	3	3	3	3	*storeys*
Floor Space Index	1.2	1.2	1.2	1.2	
Gross Floor Area (GFA)	103,000	103,000	103,000	103,000	*sq. ft.*
Residential Gross Floor Area	103,000	103,000	103,000	103,000	*sq. ft.*
Market GFA	103,000	103,000	103,000	103,000	*sq. ft.*
Below Market GFA	0	0	0	0	*sq. ft.*
Retail Gross Floor Area	0	0	0	0	*sq. ft.*
Office Gross Floor Area	0	0	0	0	*sq. ft.*
Exclusions from GFA Calculation	10,000	10,000	10,000	10,000	*sq. ft.*
Amenity Area	8,712	8,712	8,712	8,712	*sq. ft.*
Miscellaneous Exclusions	1,545	1,545	1,545	1,545	*sq. ft.*
Gross Construction Area (GCA)	113,000	113,000	113,000	113,000	*sq. ft.*
Gross Parking Area (GPA)	21,000	21,000	21,000	21,000	*sq. ft.*
Below Grade Parking Area	21,450	21,450	21,450	21,450	*sq. ft.*
Total Construction Area (TCA)	134,000	134,000	134,000	134,000	*sq. ft.*
Net Floor Area (NFA)	85,000	85,000	85,000	85,000	*sq. ft.*
Net Residential Floor Area (Market)	85,490	85,490	85,490	85,490	*sq. ft.*
Net Residential Floor Area (Below-Market)	0	0	0	0	*sq. ft.*
Net Retail Floor Area	0	0	0	0	*sq. ft.*
Net Office Floor Area	0	0	0	0	*sq. ft.*
Efficiency Ratio	75%	75%	75%	75%	
Efficiency Ratio (Res)	83%	83%	83%	83%	
Efficiency Ratio (Ret)	90%	90%	90%	90%	
Efficiency Ratio (Off)	90%	90%	90%	90%	
Suite Mix					
Studio (%)	0%	0%	0%	0%	
One Bedroom (%)	20%	20%	20%	20%	
Two Bedroom (%)	55%	55%	55%	55%	
Three Bedroom (%)	25%	25%	25%	25%	
Average Unit Size	960	960	960	960	*sq. ft.*
Residential Units	89	89	89	89	*units*
Market Units	89	89	89	89	*units*
Below Market Units	0	0	0	0	*units*
Parking Stalls	143	143	143	143	*parking stalls*
Parking Ratio	1.6	1.6	1.6	1.6	per unit
Market Unit Parking Ratio	1.50	1.50	1.50	1.50	*per unit*
Below Market Unit Parking Ratio	0.90	0.90	0.90	0.90	*per unit*
Visitor Parking Ratio	0.10	0.10	0.10	0.10	*per unit*
Retail Parking Ratio	4.00	4.00	4.00	4.00	*per 1,000 sq. ft. net*
REVENUE INPUTS					
Market Pricing					
Market Index Price	$ 954	$ 954	$ 954	$ 954	*per sq. ft.*
Average Attained Price	$ 994	$ 994	$ 994	$ 994	*per sq. ft.*
Starting Parking Price	$ -	$ -	$ -	$ -	*per stall*
Average Attained Parking Price	$ -	$ -	$ -	$ -	*per stall*
Retail Lease Rate	$ 25	$ 25	$ 25	$ 25	*psf/yr*
Retail Value	$ 432	$ 432	$ 432	$ 432	*per sq. ft.*
Retail Cap Rate	5.5%	5.5%	5.5%	5.5%	
Retail Revenue Inflator	1.5%	1.5%	1.5%	1.5%	*per year*
Presale & Pricing Inflation Assumptions					
Market Revenue Inflator	2.0%	2.0%	2.0%	2.0%	*per year*
Price Increase at Start and End of Construction	2.0%	2.0%	2.0%	2.0%	*%*
Initial and Final Deposit	20%	20%	20%	20%	*% of unit price*
Sold During Pre-Constuction / Presales	70%	70%	70%	70%	*%*
Sold During Construction	20%	20%	20%	20%	*%*
Sold at Completion	10%	10%	10%	10%	*%*
Below Market Units					
Inclusionary Zoning Set Aside Requirement	10%	10%	10%	10%	*%*
Below Market Index Price	$ 391	$ 391	$ 391	$ 391	*per sq. ft.*
Below Market Revenue Inflator	1.5%	1.5%	1.5%	1.5%	*per year*
Average Attained Price	$402	$402	$402	$402	*per sq. ft.*

DEVELOPMENT COST INPUTS

Hard Costs					
Above Grade Construction	$ 213	$ 213	$ 213	$ 213	*per sq. ft. GFA*
Below Grade Construction	$ 170	$ 170	$ 170	$ 170	*per sq. ft. below grade area*
Demolition & Site Prep	$ 15	$ 15	$ 15	$ 15	*per sq. ft. site area*
Site Servicing	$ 750,000	$ 750,000	$ 750,000	$ 750,000	*total*
Landscaping & Hardscaping	$ 1,000	$ 1,000	$ 1,000	$ 1,000	*per unit*
Contingency Factor	10%	10%	10%	10%	*% of hard costs*
Cost Inflator	2.0%	2.0%	2.0%	2.0%	*year*
Soft Costs					
Planning Application Fees					
Official Plan Amendment & Zoning By-Law Amendment	$ 46,896.00	$ 46,896.00	$ 46,896.00	$ 46,896.00	*base fee*
OPA & ZBL Additional Fee (<=25 units)	$ 982.00	$ 982.00	$ 982.00	$ 982.00	*per unit*
OPA & ZBL Additional Fee (26 to 100 units)	$ 520.00	$ 520.00	$ 520.00	$ 520.00	*per unit*
OPA & ZBL Additional Fee (101 to 200 units)	$ 216.00	$ 216.00	$ 216.00	$ 216.00	*per unit*
OPA & ZBL Additional Fee (>200 units)	$ 100.00	$ 100.00	$ 100.00	$ 100.00	*per unit*
OPA & ZBL Maximum Residential Charge	$ 226,774.00	$ 226,774.00	$ 226,774.00	$ 226,774.00	*Total - Base & Variable*
OPA & ZBL Commercial/Insitutional	$ 1.39	$ 1.39	$ 1.39	$ 1.39	*per sq. ft.*
OPA & ZBL Maximum Non-Res Charge	$ 118,365.00	$ 118,365.00	$ 118,365.00	$ 118,365.00	*Total*
Site Plan Application	$ 10,708.00	$ 10,708.00	$ 10,708.00	$ 10,708.00	*base fee*
SPA Additional Fee (<=25 units)	$ 630.00	$ 630.00	$ 630.00	$ 630.00	*per unit*
SPA Additional Fee (26 to 100 units)	$ 287.00	$ 287.00	$ 287.00	$ 287.00	*per unit*
SPA Additional Fee (>100 units)	$ 66.00	$ 66.00	$ 66.00	$ 66.00	*per unit*
SPA Maximum Residential Variable Fee (per building)	$ 83,321.00	$ 83,321.00	$ 83,321.00	$ 83,321.00	*Total - Variable*
SPA Non-Res Variable (<=2,000 sq m)	$ 1.36	$ 1.36	$ 1.36	$ 1.36	*per sq. ft.*
SPA Non-Res Variable (2,001 to 4,500 sq m)	$ 0.97	$ 0.97	$ 0.97	$ 0.97	*per sq. ft.*
SPA Non-Res Variable (4,501 to 7,000 sq m)	$ 0.59	$ 0.59	$ 0.59	$ 0.59	*per sq. ft.*
SPA Non-Res Variable (>7,000 sq m)	$ 0.28	$ 0.28	$ 0.28	$ 0.28	*per sq. ft.*
SPA Maximum Non-Residential Variable Fee	$ 50,874.00	$ 50,874.00	$ 50,874.00	$ 50,874.00	*Total - Variable*
Plan of Condominium Approval	$ 13,881.00	$ 13,881.00	$ 13,881.00	$ 13,881.00	*base fee*
PoC Additional Fee	$ 37.10	$ 37.10	$ 37.10	$ 37.10	*per unit*
PoC Non-Res	$ 181.20	$ 181.20	$ 181.20	$ 181.20	*per hectare*
PoC Maximum Charge	$ 27,655.15	$ 27,655.15	$ 27,655.15	$ 27,655.15	*Total*
Building Permit Fee	$ 169.00	$ 169.00	$ 169.00	$ 169.00	*base fee*
BP Additional Fee (Apartments)	$ 1.80	$ 1.80	$ 1.80	$ 1.80	*per sq. ft.*
BP Additional Fee (Office)	$ 1.72	$ 1.72	$ 1.72	$ 1.72	*per sq. ft.*
BP Additional Fee (Retail)	$ 1.31	$ 1.31	$ 1.31	$ 1.31	*per sq. ft.*
Development Charges					
Avg. DC per Unit (Existing)	$ 70,212	$ 70,212	$ -	$ -	*per unit*
Avg. DC per Unit (Proposed)	$ -	$ -	$ 77,000	$ 77,000	*per unit*
Non-Res DC (Existing)	$ 32.78	$ 32.78	$ -	$ -	*per sq. ft.*
Non-Res DC (Proposed)	$ -	$ -	$ 38.43	$ 38.43	*per sq. ft.*
DC Inflation Rate	3.0%	3.0%	3.0%	3.0%	*%*
Cash In Lieu of Parkland Dedication & S.37					
Current Rate	$ 11,370	$ 11,370	$ 11,370	N/A	*per unit*
Proposed Rate	N/A	N/A	N/A	$ 25,112	*per unit*
Section 37 Payment	$ -	$ -	$ -	$ -	*per unit*
Community Benefit Charge	4%	4%	4%	4%	*of land value*
Other Soft Costs					
Consultants, PM, Legal, Insurance, Marketing	14.5%	14.5%	14.5%	14.5%	*hard costs*
Property Tax Rate	0.8%	0.8%	0.8%	0.8%	*year*
Provincial and Municipal Land Transfer Tax	2.0%	2.0%	2.0%	2.0%	*% of land value*
Sales Commission Fee	4.0%	4.0%	4.0%	4.0%	*revenue*
Tarion Enrolment Fee	$ 1,802	$ 1,802	$ 1,802	$ 1,802	*unit*
HRCA Regulatory Oversight Fee	$ 150	$ 150	$ 150	$ 150	*unit*
Lender's Administrative Fee	0.8%	0.8%	0.8%	0.8%	*total costs*
Construction Loan Interest Rate	4.5%	4.5%	4.5%	4.5%	*term*
HST Rate	13.0%	13.0%	13.0%	13.0%	*year*
HST Rebate	$30,000	$30,000	$30,000	$30,000	*unit*
Development Rates & Timing					
Profit Margin	15.0%	15.0%	15.0%	15.0%	*revenue*
Discount Rate	6.0%	6.0%	6.0%	6.0%	*year*
Sales Absorption Rate	20	20	20	20	*sales per month*
Time Prior to Land Sale	0.0	0.0	0.0	0.0	*years*
Time to Prior to Sales Start	1.5	1.5	1.5	1.5	*years*
Presale Period	0.3	0.3	0.3	0.3	*years*
Construction Period	2.0	2.0	2.0	2.0	*years*
Occupancy Period Prior to Registration	0.5	0.5	0.5	0.5	*years*
Total Time to Completion	4.3	4.3	4.3	4.3	*years*

	Total				
REVENUE					
Market Unit Sale Revenue	$ 84,979,000	$ 84,979,000	$ 84,979,000	$ 84,979,000	
Market Parking Sale Revenue	$ -	$ -	$ -	$ -	
Below Market Sale Revenue	$ -	$ -	$ -	$ -	
Revenue from Sale of Commercial	$ -	$ -	$ -	$ -	
Interim Occupancy Charges					
Interest on the unpaid balance of the purchase price of the condo	$ 428,000	$ 428,000	$ 428,000	$ 428,000	*40% of units, due to staggered occupancy*
Property Taxes	$ 123,000	$ 123,000	$ 123,000	$ 123,000	*40% of units, due to staggered occupancy*
Projected Common Expense Contribution	$ 111,000	$ 111,000	$ 111,000	$ 111,000	*40% of units, due to staggered occupancy*
DC Recoveries	$ 623,000	$ 623,000	$ 623,000	$ 623,000	*Assumption: $7,000 per condo unit. Market units only*
Tarion Recoveries	$ 160,000	$ 160,000	$ 160,000	$ 160,000	
Total Revenue	**$ 86,424,000**	**$ 86,424,000**	**$ 86,424,000**	**$ 86,424,000**	*total*
	$ 971,000	$ 971,000	$ 971,000	$ 971,000	*unit*
	$ 765	$ 765	$ 765	$ 765	*sq. ft. GCA*
DEVELOPMENT COSTS					
Hard Costs					
Above Grade Construction Costs	$ 24,864,000	$ 24,864,000	$ 24,864,000	$ 24,864,000	
Below Grade Construction Cost	$ 3,697,000	$ 3,697,000	$ 3,697,000	$ 3,697,000	
Other Hard Costs (Servicing, Landscape / Hardscape, Site Prep / Demo)	$ 2,220,000	$ 2,220,000	$ 2,220,000	$ 2,220,000	
Hard Cost Contingency	$ 3,078,000	$ 3,078,000	$ 3,078,000	$ 3,078,000	
Total Hard Cost	**$ 33,859,000**	**$ 33,859,000**	**$ 33,859,000**	**$ 33,859,000**	*total*
	$ 380,000	$ 380,000	$ 380,000	$ 380,000	*unit*
	$ 300	$ 300	$ 300	$ 300	*sq. ft. GCA*
Soft Costs					
Planning Application Fees	$ 173,000	$ 173,000	$ 173,000	$ 173,000	
Building Permit Fee	$ 185,000	$ 185,000	$ 185,000	$ 185,000	
Residential Development Charges (Condo)	$ 6,582,000	$ 6,582,000	$ 7,219,000	$ 7,219,000	*Includes city, region, education, GO*
Non-Residential Development Charges	$ -	$ -	$ -	$ -	*Includes city, region, education, GO*
Cash-In-Lieu of Parkland Dedication	$ 1,048,000	$ 1,048,000	$ 1,048,000	$ 2,261,000	
S. 37	$ -	$ -	$ -	$ -	
CBC	$ -	$ -	$ -	$ -	
Consultants, PM, Legal, Insurance, Marketing	$ 4,910,000	$ 4,910,000	$ 4,910,000	$ 4,910,000	
Property Tax	$ 367,000	$ 367,000	$ 348,000	$ 317,000	
Provincial Land Transfer Tax	$ 215,000	$ 215,000	$ 203,000	$ 185,000	
Sales Commission Fee	$ 3,399,000	$ 3,399,000	$ 3,399,000	$ 3,399,000	
HRCA Regulatory Oversight Fees	$ 13,363	$ 13,363	$ 13,363	$ 13,363	
Tarion Enrolment Fees	$ 160,000	$ 160,000	$ 160,000	$ 160,000	
Lender's Administrative Fee	$ 407,000	$ 407,000	$ 412,000	$ 421,000	
Construction Loan Financing Costs	$ 1,373,000	$ 1,373,000	$ 1,389,000	$ 1,420,000	*75% Average Draw Schedule, 75% Loan To Cost Ratio*
HST	$ 9,776,000	$ 9,776,000	$ 9,776,000	$ 9,776,000	
HST Rebate	$ (2,670,000)	$ (2,670,000)	$ (2,670,000)	$ (2,670,000)	
Total Soft Cost	**$ 25,938,363**	**$ 25,938,363**	**$ 26,565,363**	**$ 27,769,363**	*total*
	$ 291,000	$ 291,000	$ 298,000	$ 312,000	*unit*
	$ 230	$ 230	$ 235	$ 246	*sq. ft. GCA*
Total Development Cost (Hard & Soft Costs)	**$ 59,797,363**	**$ 59,797,363**	**$ 60,424,363**	**$ 61,628,363**	*total*
	$ 672,000	$ 672,000	$ 679,000	$ 692,000	*unit*
	$ 529	$ 529	$ 535	$ 545	*sq. ft. GCA*
Profit	**$ 12,964,000**	**$ 12,964,000**	**$ 12,964,000**	**$ 12,964,000**	*total*
	$ 146,000	$ 146,000	$ 146,000	$ 146,000	*unit*
	$ 115	$ 115	$ 115	$ 115	*sq. ft. GCA*
RESIDUAL LAND VALUE					
Total Revenue	$ 86,424,000	$ 86,424,000	$ 86,424,000	$ 86,424,000	
Less: Total Development Costs	$ (59,797,363)	$ (59,797,363)	$ (60,424,363)	$ (61,628,363)	
Less: Profit	$ (12,964,000)	$ (12,964,000)	$ (12,964,000)	$ (12,964,000)	
Total Residual Land Value (FV)	**$ 13,662,637**	**$ 13,662,637**	**$ 13,035,637**	**$ 11,831,637**	*total*
Time from Permit to Completion	2.5	2.5	2.5	2.5	*years*
Total Residual Land Value at Time of Permit (FV)	**$ 11,811,000**	**$ 11,811,000**	**$ 11,269,000**	**$ 10,228,000**	*total*
	$ 133,000	$ 133,000	$ 127,000	$ 115,000	*unit*
	$ 105	$ 105	$ 100	$ 91	*sq. ft. GCA*
Total Time to Completion	4.3	4.3	4.3	4.3	*years*
Total Residual Land Value (PV)	**$ 10,660,000**	**$ 10,660,000**	**$ 10,170,000**	**$ 9,231,000**	*total*
	$ 120,000	$ 120,000	$ 114,000	$ 104,000	*unit*
	$ 94	$ 94	$ 90	$ 82	*sq. ft. GCA*

Cumulative Impact Analysis

Rathwood-Applewood

Test Site	Rathwood-Applewood	Rathwood-Applewood	Rathwood-Applewood	Rathwood-Applewood	
Scenario	1	2	3	4	
Description	Status Quo	New CBC	New CBC DC Increase	New CBC DC Increase New Parkland	
Section 37 or Community Benefit Charge	S. 37	CBC	CBC	CBC	
DC Rate Increase	Current Rate	Current Rate	Proposed Rate	Proposed Rate	
Parkland Dedication Rate	Current Rate	Current Rate	Current Rate	Proposed Rate	
Inclusionary Zoning	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
Tenure	Condominium	Condominium	Condominium	Condominium	
DEVELOPMENT STATISTICS					
Site Area	44,000	44,000	44,000	44,000	*sq. ft.*
Building Height	15	15	15	15	*storeys*
Floor Space Index	6.4	6.4	6.4	6.4	
Gross Floor Area (GFA)	280,000	280,000	280,000	280,000	*sq. ft.*
Residential Gross Floor Area	270,000	270,000	270,000	270,000	*sq. ft.*
Market GFA	270,000	270,000	270,000	270,000	*sq. ft.*
Below Market GFA	0	0	0	0	*sq. ft.*
Retail Gross Floor Area	10,000	10,000	10,000	10,000	*sq. ft.*
Office Gross Floor Area	0	0	0	0	*sq. ft.*
Exclusions from GFA Calculation	13,000	13,000	13,000	13,000	*sq. ft.*
Amenity Area	9,102	9,102	9,102	9,102	*sq. ft.*
Miscellaneous Exclusions	4,200	4,200	4,200	4,200	*sq. ft.*
Gross Construction Area (GCA)	293,000	293,000	293,000	293,000	*sq. ft.*
Gross Parking Area (GPA)	69,000	69,000	69,000	69,000	*sq. ft.*
Below Grade Parking Area	68,850	68,850	68,850	68,850	*sq. ft.*
Total Construction Area (TCA)	362,000	362,000	362,000	362,000	*sq. ft.*
Net Floor Area (NFA)	233,000	233,000	233,000	233,000	*sq. ft.*
Net Residential Floor Area (Market)	224,100	224,100	224,100	224,100	*sq. ft.*
Net Residential Floor Area (Below-Market)	0	0	0	0	*sq. ft.*
Net Retail Floor Area	9,000	9,000	9,000	9,000	*sq. ft.*
Net Office Floor Area	0	0	0	0	*sq. ft.*
Efficiency Ratio	80%	80%	80%	80%	
Efficiency Ratio (Res)	83%	83%	83%	83%	
Efficiency Ratio (Ret)	90%	90%	90%	90%	
Efficiency Ratio (Off)	90%	90%	90%	90%	
Suite Mix					
Studio (%)	0%	0%	0%	0%	
One Bedroom (%)	40%	40%	40%	40%	
Two Bedroom (%)	55%	55%	55%	55%	
Three Bedroom (%)	5%	5%	5%	5%	
Average Unit Size	740	740	740	740	*sq. ft.*
Residential Units	302	302	302	302	*units*
Market Units	302	302	302	302	*units*
Below Market Units	0	0	0	0	*units*
Parking Stalls	459	459	459	459	*parking stalls*
Parking Ratio	1.5	1.5	1.5	1.5	per unit
Market Unit Parking Ratio	1.30	1.30	1.30	1.30	*per unit*
Below Market Unit Parking Ratio	0.78	0.78	0.78	0.78	*per unit*
Visitor Parking Ratio	0.10	0.10	0.10	0.10	*per unit*
Retail Parking Ratio	4.00	4.00	4.00	4.00	*per 1,000 sq. ft. net*
REVENUE INPUTS					
Market Pricing					
Market Index Price	$ 973	$ 973	$ 973	$ 973	*per sq. ft.*
Average Attained Price	$ 1,019	$ 1,019	$ 1,019	$ 1,019	*per sq. ft.*
Starting Parking Price	$ 40,000	$ 40,000	$ 40,000	$ 40,000	*per stall*
Average Attained Parking Price	$ 41,892	$ 41,892	$ 41,892	$ 41,892	*per stall*
Retail Lease Rate	$ 24	$ 24	$ 24	$ 24	*psf/yr*
Retail Value	$ 415	$ 415	$ 415	$ 415	*per sq. ft.*
Retail Cap Rate	5.5%	5.5%	5.5%	5.5%	
Retail Revenue Inflator	1.5%	1.5%	1.5%	1.5%	*per year*
Presale & Pricing Inflation Assumptions					
Market Revenue Inflator	2.0%	2.0%	2.0%	2.0%	*per year*
Price Increase at Start and End of Construction	2.0%	2.0%	2.0%	2.0%	*%*
Initial and Final Deposit	20%	20%	20%	20%	*% of unit price*
Sold During Pre-Constuction / Presales	70%	70%	70%	70%	*%*
Sold During Construction	20%	20%	20%	20%	*%*
Sold at Completion	10%	10%	10%	10%	*%*
Below Market Units					
Inclusionary Zoning Set Aside Requirement	10%	10%	10%	10%	*%*
Below Market Index Price	$ 471	$ 471	$ 471	$ 471	*per sq. ft.*
Below Market Revenue Inflator	1.5%	1.5%	1.5%	1.5%	*per year*
Average Attained Price	$486	$486	$486	$486	*per sq. ft.*

11.2.

DEVELOPMENT COST INPUTS

Hard Costs					
Above Grade Construction	$ 315	$ 315	$ 315	$ 315	*per sq. ft. GFA*
Below Grade Construction	$ 230	$ 230	$ 230	$ 230	*per sq. ft. below grade area*
Demolition & Site Prep	$ 15	$ 15	$ 15	$ 15	*per sq. ft. site area*
Site Servicing	$ 750,000	$ 750,000	$ 750,000	$ 750,000	*total*
Landscaping & Hardscaping	$ 1,000	$ 1,000	$ 1,000	$ 1,000	*per unit*
Contingency Factor	10%	10%	10%	10%	*% of hard costs*
Cost Inflator	2.0%	2.0%	2.0%	2.0%	*year*
Soft Costs					
Planning Application Fees					
Official Plan Amendment & Zoning By-Law Amendment	$ 46,896.00	$ 46,896.00	$ 46,896.00	$ 46,896.00	*base fee*
OPA & ZBL Additional Fee (<=25 units)	$ 982.00	$ 982.00	$ 982.00	$ 982.00	*per unit*
OPA & ZBL Additional Fee (26 to 100 units)	$ 520.00	$ 520.00	$ 520.00	$ 520.00	*per unit*
OPA & ZBL Additional Fee (101 to 200 units)	$ 216.00	$ 216.00	$ 216.00	$ 216.00	*per unit*
OPA & ZBL Additional Fee (>200 units)	$ 100.00	$ 100.00	$ 100.00	$ 100.00	*per unit*
OPA & ZBL Maximum Residential Charge	$ 226,774.00	$ 226,774.00	$ 226,774.00	$ 226,774.00	*Total - Base & Variable*
OPA & ZBL Commercial/Insitutional	$ 1.39	$ 1.39	$ 1.39	$ 1.39	*per sq. ft.*
OPA & ZBL Maximum Non-Res Charge	$ 118,365.00	$ 118,365.00	$ 118,365.00	$ 118,365.00	*Total*
Site Plan Application	$ 10,708.00	$ 10,708.00	$ 10,708.00	$ 10,708.00	*base fee*
SPA Additional Fee (<=25 units)	$ 630.00	$ 630.00	$ 630.00	$ 630.00	*per unit*
SPA Additional Fee (26 to 100 units)	$ 287.00	$ 287.00	$ 287.00	$ 287.00	*per unit*
SPA Additional Fee (>100 units)	$ 66.00	$ 66.00	$ 66.00	$ 66.00	*per unit*
SPA Maximum Residential Variable Fee (per building)	$ 83,321.00	$ 83,321.00	$ 83,321.00	$ 83,321.00	*Total - Variable*
SPA Non-Res Variable (<=2,000 sq m)	$ 1.36	$ 1.36	$ 1.36	$ 1.36	*per sq. ft.*
SPA Non-Res Variable (2,001 to 4,500 sq m)	$ 0.97	$ 0.97	$ 0.97	$ 0.97	*per sq. ft.*
SPA Non-Res Variable (4,501 to 7,000 sq m)	$ 0.59	$ 0.59	$ 0.59	$ 0.59	*per sq. ft.*
SPA Non-Res Variable (>7,000 sq m)	$ 0.28	$ 0.28	$ 0.28	$ 0.28	*per sq. ft.*
SPA Maximum Non-Residential Variable Fee	$ 50,874.00	$ 50,874.00	$ 50,874.00	$ 50,874.00	*Total - Variable*
Plan of Condominium Approval	$ 13,881.00	$ 13,881.00	$ 13,881.00	$ 13,881.00	*base fee*
PoC Additional Fee	$ 37.10	$ 37.10	$ 37.10	$ 37.10	*per unit*
PoC Non-Res	$ 181.20	$ 181.20	$ 181.20	$ 181.20	*per hectare*
PoC Maximum Charge	$ 27,655.15	$ 27,655.15	$ 27,655.15	$ 27,655.15	*Total*
Building Permit Fee	$ 169.00	$ 169.00	$ 169.00	$ 169.00	*base fee*
BP Additional Fee (Apartments)	$ 1.80	$ 1.80	$ 1.80	$ 1.80	*per sq. ft.*
BP Additional Fee (Office)	$ 1.72	$ 1.72	$ 1.72	$ 1.72	*per sq. ft.*
BP Additional Fee (Retail)	$ 1.31	$ 1.31	$ 1.31	$ 1.31	*per sq. ft.*
Development Charges					
Avg. DC per Unit (Existing)	$ 63,477	$ 63,477	$ -	$ -	*per unit*
Avg. DC per Unit (Proposed)	$ -	$ -	$ 69,585	$ 69,585	*per unit*
Non-Res DC (Existing)	$ 32.78	$ 32.78	$ -	$ -	*per sq. ft.*
Non-Res DC (Proposed)	$ -	$ -	$ 38.43	$ 38.43	*per sq. ft.*
DC Inflation Rate	3.0%	3.0%	3.0%	3.0%	*%*
Cash In Lieu of Parkland Dedication & S.37					
Current Rate	$ 11,370	$ 11,370	$ 11,370	N/A	*per unit*
Proposed Rate	N/A	N/A	N/A	$ 25,112	*per unit*
Section 37 Payment	$ -	$ -	$ -	$ -	*per unit*
Community Benefit Charge	4%	4%	4%	4%	*of land value*
Other Soft Costs					
Consultants, PM, Legal, Insurance, Marketing	14.5%	14.5%	14.5%	14.5%	*hard costs*
Property Tax Rate	0.8%	0.8%	0.8%	0.8%	*year*
Provincial and Municipal Land Transfer Tax	2.0%	2.0%	2.0%	2.0%	*% of land value*
Sales Commission Fee	4.0%	4.0%	4.0%	4.0%	*revenue*
Tarion Enrolment Fee	$ 1,493	$ 1,493	$ 1,493	$ 1,493	*unit*
HRCA Regulatory Oversight Fee	$ 152	$ 152	$ 152	$ 152	*unit*
Lender's Administrative Fee	0.8%	0.8%	0.8%	0.8%	*total costs*
Construction Loan Interest Rate	4.5%	4.5%	4.5%	4.5%	*term*
HST Rate	13.0%	13.0%	13.0%	13.0%	*year*
HST Rebate	$30,000	$30,000	$30,000	$30,000	*unit*
Development Rates & Timing					
Profit Margin	15.0%	15.0%	15.0%	15.0%	*revenue*
Discount Rate	6.0%	6.0%	6.0%	6.0%	*year*
Sales Absorption Rate	20	20	20	20	*sales per month*
Time Prior to Land Sale	0.0	0.0	0.0	0.0	*years*
Time to Prior to Sales Start	1.5	1.5	1.5	1.5	*years*
Presale Period	0.9	0.9	0.9	0.9	*years*
Construction Period	2.5	2.5	2.5	2.5	*years*
Occupancy Period Prior to Registration	0.5	0.5	0.5	0.5	*years*
Total Time to Completion	5.4	5.4	5.4	5.4	*years*

	Total				
REVENUE					
Market Unit Sale Revenue	$ 228,246,000	$ 228,246,000	$ 228,246,000	$ 228,246,000	
Market Parking Sale Revenue	$ 16,464,000	$ 16,464,000	$ 16,464,000	$ 16,464,000	
Below Market Sale Revenue	$ -	$ -	$ -	$ -	
Revenue from Sale of Commercial	$ 4,491,000	$ 4,491,000	$ 4,491,000	$ 4,491,000	
Interim Occupancy Charges					
Interest on the unpaid balance of the purchase price of the condo	$ 1,233,000	$ 1,233,000	$ 1,233,000	$ 1,233,000	*40% of units, due to staggered occupancy*
Property Taxes	$ 354,000	$ 354,000	$ 354,000	$ 354,000	*40% of units, due to staggered occupancy*
Projected Common Expense Contribution	$ 290,000	$ 290,000	$ 290,000	$ 290,000	*40% of units, due to staggered occupancy*
DC Recoveries	$ 2,114,000	$ 2,114,000	$ 2,114,000	$ 2,114,000	*Assumption: $7,000 per condo unit. Market units only*
Tarion Recoveries	$ 451,000	$ 451,000	$ 451,000	$ 451,000	
Total Revenue	**$ 253,643,000**	**$ 253,643,000**	**$ 253,643,000**	**$ 253,643,000**	*total*
	$ 840,000	$ 840,000	$ 840,000	$ 840,000	*unit*
	$ 866	$ 866	$ 866	$ 866	*sq. ft. GCA*
DEVELOPMENT COSTS					
Hard Costs					
Above Grade Construction Costs	$ 96,751,000	$ 96,751,000	$ 96,751,000	$ 96,751,000	
Below Grade Construction Cost	$ 16,636,000	$ 16,636,000	$ 16,636,000	$ 16,636,000	
Other Hard Costs (Servicing, Landscape / Hardscape, Site Prep / Demo)	$ 1,795,000	$ 1,795,000	$ 1,795,000	$ 1,795,000	
Hard Cost Contingency	$ 11,518,000	$ 11,518,000	$ 11,518,000	$ 11,518,000	
Total Hard Cost	**$ 126,700,000**	**$ 126,700,000**	**$ 126,700,000**	**$ 126,700,000**	*total*
	$ 420,000	$ 420,000	$ 420,000	$ 420,000	*unit*
	$ 432	$ 432	$ 432	$ 432	*sq. ft. GCA*
Soft Costs					
Planning Application Fees	$ 269,000	$ 269,000	$ 269,000	$ 269,000	
Building Permit Fee	$ 499,000	$ 499,000	$ 499,000	$ 499,000	
Residential Development Charges (Condo)	$ 20,568,000	$ 20,568,000	$ 22,547,000	$ 22,547,000	*Includes city, region, education, GO*
Non-Residential Development Charges	$ 344,000	$ 344,000	$ 403,000	$ 403,000	*Includes city, region, education, GO*
Cash-In-Lieu of Parkland Dedication	$ 3,600,000	$ 3,600,000	$ 3,600,000	$ 5,471,000	
S. 37	$ -	$ -	$ -	$ -	
CBC	$ -	$ 283,000	$ 215,000	$ 148,000	
Consultants, PM, Legal, Insurance, Marketing	$ 18,372,000	$ 18,372,000	$ 18,372,000	$ 18,372,000	
Property Tax	$ 279,000	$ 266,000	$ 203,000	$ 139,000	
Provincial Land Transfer Tax	$ 129,000	$ 123,000	$ 94,000	$ 64,000	
Sales Commission Fee	$ 9,130,000	$ 9,130,000	$ 9,130,000	$ 9,130,000	
HRCA Regulatory Oversight Fees	$ 45,904	$ 45,904	$ 45,904	$ 45,904	
Tarion Enrolment Fees	$ 451,000	$ 451,000	$ 451,000	$ 451,000	
Lender's Administrative Fee	$ 1,443,000	$ 1,445,000	$ 1,460,000	$ 1,474,000	
Construction Loan Financing Costs	$ 6,053,000	$ 6,061,000	$ 6,124,000	$ 6,182,000	*75% Average Draw Schedule, 75% Loan To Cost Ratio*
HST	$ 28,152,000	$ 28,152,000	$ 28,152,000	$ 28,152,000	
HST Rebate	$ (9,060,000)	$ (9,060,000)	$ (9,060,000)	$ (9,060,000)	
Total Soft Cost	**$ 80,274,904**	**$ 80,548,904**	**$ 82,504,904**	**$ 84,286,904**	*total*
	$ 266,000	$ 267,000	$ 273,000	$ 279,000	*unit*
	$ 274	$ 275	$ 282	$ 288	*sq. ft. GCA*
Total Development Cost (Hard & Soft Costs)	**$ 206,974,904**	**$ 207,248,904**	**$ 209,204,904**	**$ 210,986,904**	*total*
	$ 685,000	$ 686,000	$ 693,000	$ 699,000	*unit*
	$ 706	$ 707	$ 714	$ 720	*sq. ft. GCA*
Profit	**$ 38,046,000**	**$ 38,046,000**	**$ 38,046,000**	**$ 38,046,000**	*total*
	$ 126,000	$ 126,000	$ 126,000	$ 126,000	*unit*
	$ 130	$ 130	$ 130	$ 130	*sq. ft. GCA*
RESIDUAL LAND VALUE					
Total Revenue	$ 253,643,000	$ 253,643,000	$ 253,643,000	$ 253,643,000	
Less: Total Development Costs	$ (206,974,904)	$ (207,248,904)	$ (209,204,904)	$ (210,986,904)	
Less: Profit	$ (38,046,000)	$ (38,046,000)	$ (38,046,000)	$ (38,046,000)	
Total Residual Land Value (FV)	**$ 8,622,096**	**$ 8,348,096**	**$ 6,392,096**	**$ 4,610,096**	*total*
Time from Permit to Completion	3.0	3.0	3.0	3.0	*years*
Total Residual Land Value at Time of Permit (FV)	**$ 7,239,000**	**$ 7,009,000**	**$ 5,367,000**	**$ 3,871,000**	*total*
	$ 24,000	$ 23,000	$ 18,000	$ 13,000	*unit*
	$ 25	$ 24	$ 18	$ 13	*sq. ft. GCA*
Total Time to Completion	5.4	5.4	5.4	5.4	*years*
Total Residual Land Value (PV)	**$ 6,302,000**	**$ 6,101,000**	**$ 4,672,000**	**$ 3,369,000**	*total*
	$ 21,000	$ 20,000	$ 15,000	$ 11,000	*unit*
	$ 22	$ 21	$ 16	$ 11	*sq. ft. GCA*

Comparative Land Values

Assumptions	
Retail Vacancy Rate	5.00%
Retail Strip (anchored) Cap Rate	5.13%
Retail Strip (non-anchored) Cap Rate	6.25%
Retail Neighbourhood Cap Rate	5.63%
Retail Urban Streetfront Cap Rate	5.13%
Retail Power Cap Rate	6.63%
Office Vacancy	10.00%
Office Class B Cap Rate	6.63%
Industrial Vacancy	2.00%
Industrial Class B Cap Rate	4.50%
Incentive Premium (Residential)	30.00%
Incentive Premium (Commercial)	10.00%

CITY CENTRE			Test Site Area	43,560 sq. ft.	
Pad Retail			Acquisition Price	$5,700,000	
Storeys	1	storey(s)	Retail Rent (NNN)	$26.00	per sq. ft., net
Lot Coverage	30%		Retail Vacancy Rate	5%	per year
Density	0.3	FSI	Retail Cap Rate (Neighbourhood)	5.6%	
Gross Floor Area	13,068	sq. ft.	Retail Value	$439	per sq. ft., net
Efficiency Ratio	90%		Value of Existing Use	$5,164,474	
Leaseable Floor Area	11,761	sq. ft.	Incentive Premium	10%	
			Acquisition Price	$5,680,921	
			per Acre	$5,680,944	
Standalone Class B Office			Acquisition Price	$21,900,000	
Storeys	12	storey(s)	Retail Rent (NNN)	$26.00	per sq. ft., net
Lot Coverage	15%		Retail Vacancy Rate	5%	per year
Density	1.8	FSI	Retail Cap Rate (Strip Non-Anchor)	6.3%	
Gross Floor Area	78,408	sq. ft.	Retail Value	$395	per sq. ft., net
Efficiency Ratio	90%		Office Rent (NNN)	$20	per sq. ft., net
Leaseable Floor Area	70,567	sq. ft.	Office Vacancy Rate	10.00%	
Retail Area	8%		Office Class B Cap Rate	6.63%	
Office Area	92%		Office Value	$272	per sq. ft., net
			Value of Existing Use	$19,899,240	
			Incentive Premium	10%	
			Acquisition Price	$21,889,164	

PORT CREDIT			Test Site Area	26,136 sq. ft.	
Local Retail			Acquisition Price	$6,100,000	
Storeys	1	storey(s)	Retail Rent (NNN)	$28.00	per sq. ft., net
Lot Coverage	50%		Retail Vacancy Rate	5%	per year
Density	0.5	FSI	Retail Cap Rate (Neighbourhood)	5.6%	
Gross Floor Area	13,068	sq. ft.	Retail Value	$473	per sq. ft., net
Efficiency Ratio	90%		Value of Existing Use	$5,561,741	
Leaseable Floor Area	11,761	sq. ft.	Incentive Premium	10%	
			Acquisition Price	$6,117,915	
			per Acre	$10,196,566	
Local Retail w/ 2nd Storey Office/Services			Acquisition Price	$10,200,000	
Storeys	2	storey(s)	Retail Rent (NNN)	$28.00	per sq. ft., net
Lot Coverage	50%		Retail Vacancy Rate	5%	per year
Density	1	FSI	Retail Cap Rate (Urban Streetfront)	5.1%	
Gross Floor Area	26,136	sq. ft.	Retail Value	$519	per sq. ft., net
Efficiency Ratio	90%		Office Rent (NNN)	$20	per sq. ft., net
Leaseable Floor Area	23,522	sq. ft.	Office Vacancy Rate	10.00%	
Retail Area	50%		Office Class B Cap Rate	6.63%	
Office Area	50%		Office Value	$272	per sq. ft., net
			Value of Existing Use	$9,299,846	
			Incentive Premium	10%	
			Acquisition Price	$10,229,830	
			per Acre	*$17,049,785*	
Single Detached Homes			Acquisition Price	$9,300,000	
Avg. Sold Price	$1,893,233	Jul-Dec 2021			
Avg. Sold Lot Size	6,910	sq. ft.			
Incentive Premium	30%				
Acquisition Price	*$2,461,203*				

DIXIE / LAKEVIEW			Test Site Area	39,204	sq. ft.
Local Retail			Acquisition Price	$8,500,000	
Storeys	1	storey(s)	Retail Rent (NNN)	$26.00	per sq. ft., net
Lot Coverage	50%		Retail Vacancy Rate	5%	per year
Density	0.5	FSI	Retail Cap Rate (Neighbourhood)	5.6%	
Gross Floor Area	19,602	sq. ft.	Retail Value	$439	per sq. ft., net
Efficiency Ratio	90%		Value of Existing Use	$7,746,710	
Leaseable Floor Area	17,642	sq. ft.	Incentive Premium	10%	
			Acquisition Price	$8,521,381	
			per Acre	$9,468,239	
Industrial			Acquisition Price	$7,700,000	
Storeys	1	storey(s)	Industrial Rent (NNN)	$13.00	per sq. ft., net
Lot Coverage	70%		Industrial Vacancy Rate	2%	per year
Density	0.7	FSI	Industrial Cap Rate (Class B)	4.50%	
Gross Floor Area	27,443	sq. ft.	Industrial Value	$283	per sq. ft., net
Efficiency Ratio	90%		Value of Existing Use	$6,992,425	
Leaseable Floor Area	24,699	sq. ft.	Incentive Premium	10%	
			Acquisition Price	$7,691,668	
			per Acre	$8,546,332	
Single Detached Homes			Acquisition Price	$11,200,000	
Avg. Sold Price	$1,517,337	per lot			
Avg. Sold Lot Size	6,916	sq. ft.		5.7	
Incentive Premium	30%	per lot			
Acquisition Price	*$1,972,539*				

COOKSVILLE			Test Site Area	43,560	
Local Retail			Acquisition Price	$5,000,000	
Storeys	1	storey(s)	Retail Rent (NNN)	$23.00	per sq. ft., net
Lot Coverage	30%		Retail Vacancy Rate	5%	per year
Density	0.3	FSI	Retail Cap Rate (Neighbourhood)	5.6%	
Gross Floor Area	13,068	sq. ft.	Retail Value	$388	per sq. ft., net
Efficiency Ratio	90%		Value of Existing Use	$4,568,573	
Leaseable Floor Area	11,761	sq. ft.	Incentive Premium	10%	
			Acquisition Price	$5,025,430	
			per Acre	$5,025,450	
Four-Storey Office			Acquisition Price	$12,600,000	
Storeys	2	storey(s)	Retail Rent (NNN)	$23.00	per sq. ft., net
Lot Coverage	50%		Retail Vacancy Rate	5%	per year
Density	1	FSI	Retail Cap Rate (Strip Non-Anchor)	6.3%	
Gross Floor Area	43,560	sq. ft.	Retail Value	$350	per sq. ft., net
Efficiency Ratio	90%		Office Rent (NNN)	$20	per sq. ft., net
Leaseable Floor Area	39,204	sq. ft.	Office Vacancy Rate	10.00%	
Retail Area	25%		Office Class B Cap Rate	6.63%	
Office Area	75%		Office Value	$272	per sq. ft., net
			Value of Existing Use	$11,415,169	
			Incentive Premium	10%	
			Acquisition Price	$12,556,686	
			per Acre	*$12,556,736*	
Semi-Detached Homes			Acquisition Price	$15,700,000	
Avg. Sold Price	$1,056,343	Jul-Dec 2021			
Avg. Sold Lot Size	3,813	sq. ft.			
Incentive Premium	30%				
Acquisition Price	*$1,373,246*				
per acre	*$15,689,729*				
Single Detached Homes			Acquisition Price	$11,100,000	
Avg. Sold Price	$1,663,303	Jul-Dec 2021			
Avg. Sold Lot Size	8,475	sq. ft.			
Incentive Premium	30%				
Acquisition Price	*$2,162,294*				
per acre	*$11,114,200*				

GLEN ERIN			Test Site Area	87,120	sq. ft.
Local Retail			Acquisition Price	$9,600,000	
Storeys	1	storey(s)	Retail Rent (NNN)	$22.00	per sq. ft., net
Lot Coverage	30%		Retail Vacancy Rate	5%	per year
Density	0.3	FSI	Retail Cap Rate (Neighbourhood)	5.6%	
Gross Floor Area	26,136	sq. ft.	Retail Value	$372	per sq. ft., net
Efficiency Ratio	90%		Value of Existing Use	$8,739,878	
Leaseable Floor Area	23,522	sq. ft.	Incentive Premium	10%	
			Acquisition Price	$9,613,866	
			per Acre	$4,806,952	
Semi-Detached Homes			Acquisition Price	$29,700,000	
Avg. Sold Price	$1,045,583	Jul-Dec 2021			
Avg. Sold Lot Size	3,982	sq. ft.			
Incentive Premium	30%				
Acquisition Price	*$1,359,258*				
per acre	*$14,867,676*				
Single Detached Homes			Acquisition Price	$28,500,000	
Avg. Sold Price	$1,546,320	Jul-Dec 2021			
Avg. Sold Lot Size	6,150	sq. ft.			
Incentive Premium	30%				
Acquisition Price	*$2,010,215*				
per acre	*$14,239,034*				

RATHWOOD APPLEWOOD			Test Site Area	43,560	sq. ft.
Local Retail			Acquisition Price	$5,200,000	
Storeys	1	storey(s)	Retail Rent (NNN)	$24.00	per sq. ft., net
Lot Coverage	30%		Retail Vacancy Rate	5%	per year
Density	0.3	FSI	Retail Cap Rate (Neighbourhood)	5.6%	
Gross Floor Area	13,068	sq. ft.	Retail Value	$405	per sq. ft., net
Efficiency Ratio	90%		Value of Existing Use	$4,767,206	
Leaseable Floor Area	11,761	sq. ft.	Incentive Premium	10%	
			Acquisition Price	$5,243,927	
			per Acre	$5,243,948	
Semi-Detached Homes			Acquisition Price	$14,500,000	
Avg. Sold Price	$1,078,705	Jul-Dec 2021			
Avg. Sold Lot Size	4,224	sq. ft.			
Incentive Premium	30%				
Acquisition Price	*$1,402,317*				
per acre	*$14,462,496*				
Single Detached Homes			Acquisition Price	$11,300,000	
Avg. Sold Price	$1,483,905	Jul-Dec 2021			
Avg. Sold Lot Size	7,425	sq. ft.			
Incentive Premium	30%				
Acquisition Price	*$1,929,076*				
per acre	*$11,317,501*				

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