
Financial Analysis for the Ambleside Centre Zoning Districts

July 2013

Prepared for:
The District of West Vancouver

By:
Coriolis Consulting Corp.

Table of Contents

1.0	Introduction.....	1
1.1	Purpose	1
1.2	Study Area.....	1
1.3	Approach	2
1.4	Professional Disclaimer	2
2.0	Summary of the AC1 and AC2 Zoning Districts.....	3
2.1	Uses, Height, and Density	3
2.1.1	Permitted Uses	3
2.1.2	Height.....	3
2.1.3	Density	3
2.2	Community Amenity Contribution	4
3.0	Case Study Sites.....	5
3.1	Site 1: 1821 Marine Drive	6
3.2	Site 2: 1495 Clyde Avenue	7
3.3	Site 3: 1846-1854 Marine Drive	8
3.4	Site 4: 1583 Marine Drive	9
3.5	Site 5: 1379-1381 Marine Drive.....	10
3.6	Site 6: 1327 Marine Drive	11
4.0	Summary of Financial Analysis.....	12
5.0	Conclusions and Recommendations.....	15
5.1	Conclusions	15
5.2	Recommendations	16
6.0	Appendix 1: Example of Financial Analysis	18

1.0 Introduction

1.1 Purpose

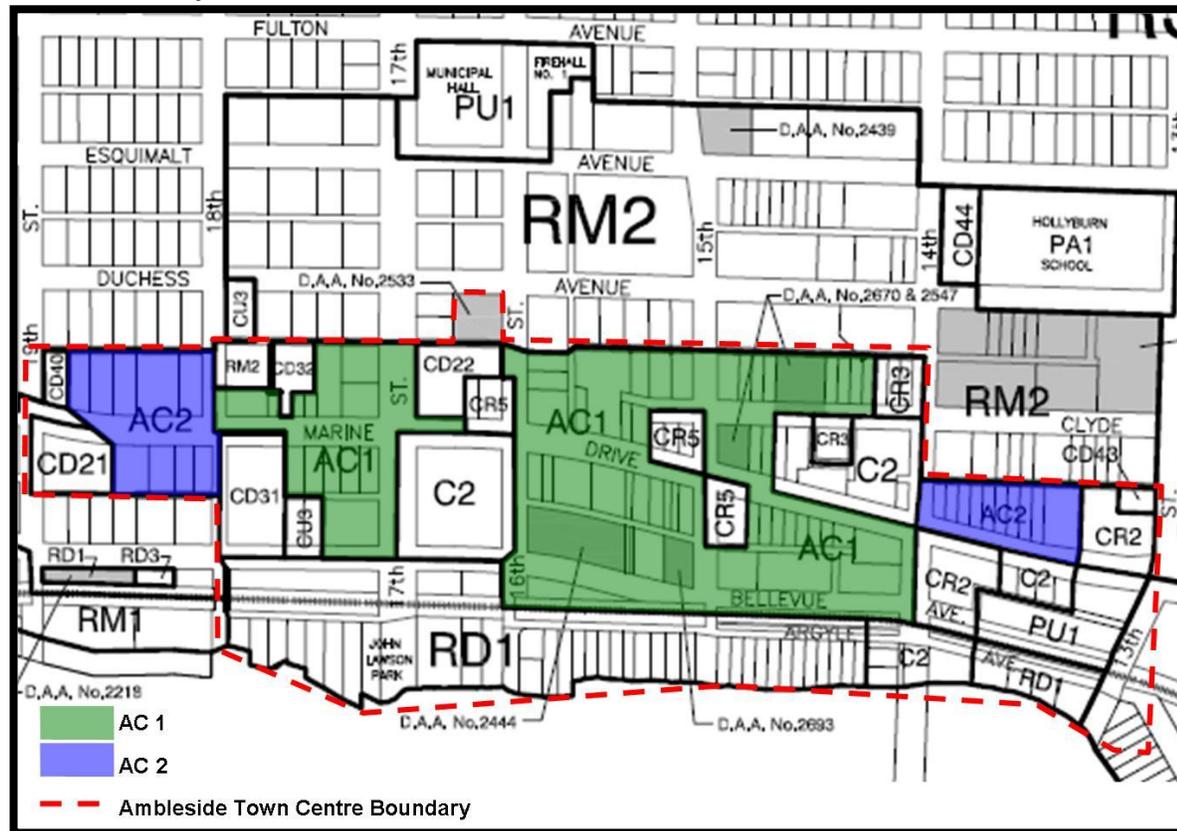
The District of West Vancouver has planning policies and zoning regulations for the Ambleside village area that are intended to support redevelopment and densification as a means of strengthening and vitalizing the commercial component of the neighbourhood. However, there has been little recent redevelopment activity. The District wants to know why there has not been much activity, particularly if there are some aspects of planning policy or zoning regulations that are negatively affecting development potential.

The District retained Coriolis Consulting Corp. to analyze the financial viability of redevelopment at Ambleside properties that front on Marine Drive, with the aim of seeing whether redevelopment is financially attractive and, if not, identifying the main causes. In particular, the District wants to know if its community amenity contribution (CAC) policy or some aspects of zoning regulations are inhibiting development interest.

1.2 Study Area

The study area for this analysis includes all the properties located in the Ambleside Centre Zone 1 (AC1) and Ambleside Centre Zone 2 (AC2) zoning districts. Exhibit 1 shows the boundaries of the AC1 and AC2 zoning districts.

Exhibit 1: Study Area Boundaries



1.3 Approach

Our approach to this analysis included these main steps:

1. With the District, we identified six case study sites, three in the AC1 zoning district and three in the AC2 zoning district. These sites were chosen to represent a cross-section of potential redevelopment opportunities.
2. For each site, we estimated the property value under the existing use of the site.
3. Next, we determined the form of redevelopment allowed under existing policy and zoning (uses, density, achievable floor area) and we analyzed the financial performance of this redevelopment concept to determine how much land value is supported.
4. We compared the land value supported by redevelopment to the property value supported by the existing use. If redevelopment value is higher, the site should be a candidate for redevelopment. If existing property value is higher, the site is a holding property.
5. For those sites in which existing property value is higher than redevelopment value, we examined policy and regulations to see what kinds of changes would be needed to make the sites candidates for redevelopment in the short term.

1.4 Professional Disclaimer

This document may contain estimates and forecasts of future growth and urban development prospects, estimates of the financial performance of possible future urban development projects, opinions regarding the likelihood of approval of development projects, and recommendations regarding development strategy or municipal policy. All such estimates, forecasts, opinions, and recommendations are based in part on forecasts and assumptions regarding population change, economic growth, policy, market conditions, development costs and other variables. The assumptions, estimates, forecasts, opinions, and recommendations are based on interpreting past trends, gauging current conditions, and making judgments about the future. As with all judgments concerning future trends and events, however, there is uncertainty and risk that conditions change or unanticipated circumstances occur such that actual events turn out differently than as anticipated in this document, which is intended to be used as a reasonable indicator of potential outcomes rather than as a precise prediction of future events.

Nothing contained in this report, express or implied, shall confer rights or remedies upon, or create any contractual relationship with, or cause of action in favor of, any third party relying upon this document.

In no event shall Coriolis Consulting Corp. be liable to the District of West Vancouver or any third party for any indirect, incidental, special, or consequential damages whatsoever, including lost revenues or profits.

2.0 Summary of the AC1 and AC2 Zoning Districts

2.1 Uses, Height, and Density

2.1.1 Permitted Uses

- The AC1 zone allows a wide variety of residential, retail, service, and office uses. Residential uses must be located above the first storey, and a minimum of 30% of the total floor area in any building must be used for commercial uses¹.
- In addition, AC1 properties located on Marine Drive between 14th Street and 18th Street must have commercial space on the portion of the second story facing Marine Drive².
- The AC2 zone allows all the uses permitted in the AC1 Zone as well as townhouse and apartment uses with no requirement for any commercial space. Commercial space is optional.

2.1.2 Height

The outright height limit in both the AC1 and AC2 zones is 3 storeys or 37 feet. The building height in both zones can be increased to 4 storeys or 47 feet if all of the following criteria are met:

- Lot width is greater than 120 feet.
- Lot area is greater than 14,000 square feet.
- The difference in average existing elevation from the curb at the front lot line to the lane at the rear lot line is at least 7.9 feet.

Very few properties can meet all three of these requirements, so few properties are eligible for the increased height.

2.1.3 Density

The maximum outright floor area ratio (FAR) permitted for both the AC1 and AC2 zones is 1.0.

If a community amenity contribution (CAC) is provided, the density can be increased up to a maximum of 1.75 FAR³. CACs are described in further detail in section 2.2.

¹ Zoning Bylaw Section 701.01(11)(a)(iii).

² Zoning Bylaw Section 701.02(1)(a).

³ The AC2 zoning district was recently amended to allow a maximum density of 2.0 FAR at 1821 Marine Drive.

2.2 Community Amenity Contribution

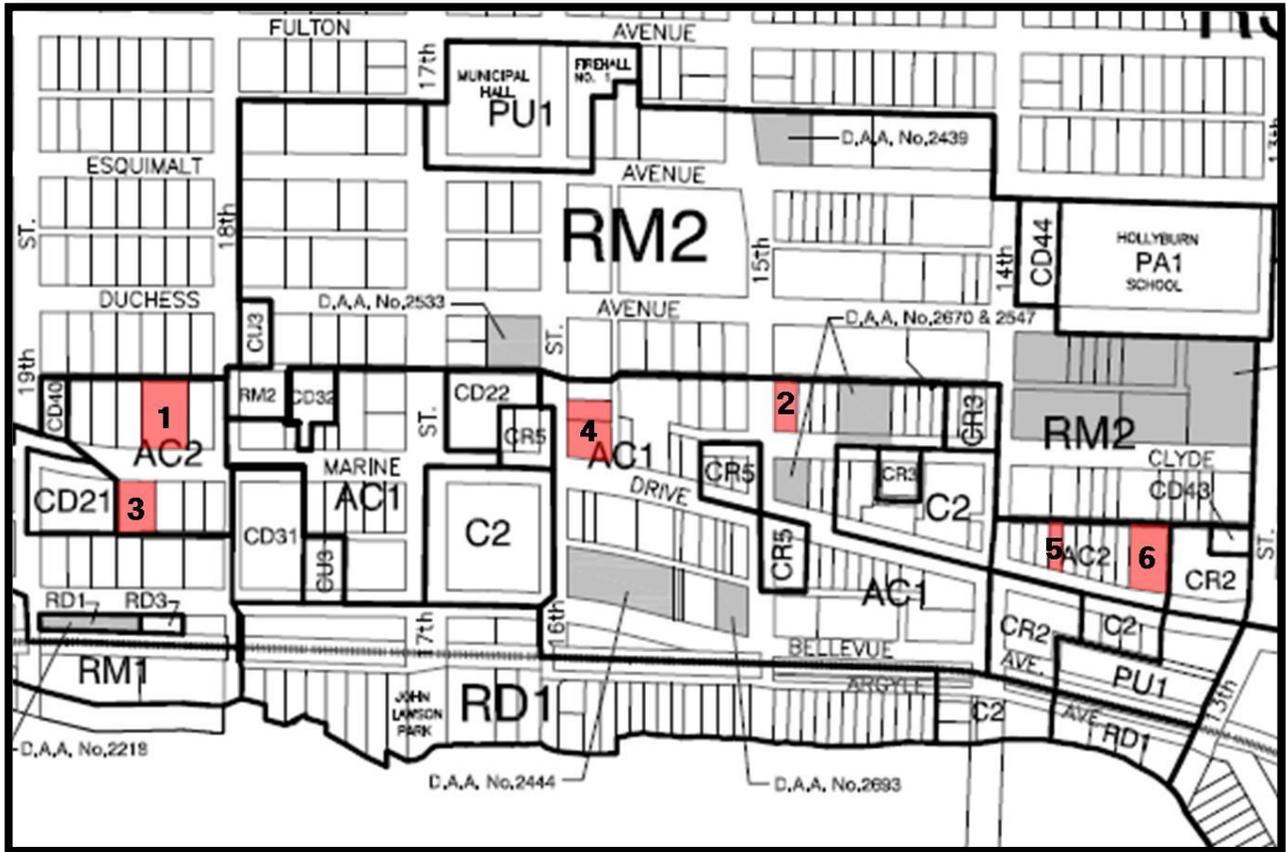
The District of West Vancouver provides developers the opportunity to obtain additional density in exchange for providing amenities in accordance with the Districts' community amenity policy. The key aspects of this policy are:

- For mixed use commercial/residential buildings, the developer must provide \$15.00 per square foot of bonus density between 1.0 and 1.4 FAR, and \$50.00 per square foot of bonus density between 1.4 and 1.75 FAR.
- For primarily residential buildings where commercial floorspace is less than 20% of the building area, the developer must provide \$50.00 per square foot of bonus density between 1.0 and 1.75 FAR.
- The CAC rate is adjusted on July 1st of each year in accordance to the Statistics Canada Consumer Price Index for All Items in Greater Vancouver (2008=100).

3.0 Case Study Sites

Exhibit 2 identifies the location of the six AC1 and AC2 zoned case study sites that the District of West Vancouver selected for this analysis.

Exhibit 2: Location of Six Case Study Sites



The key characteristics (site size, zoning, permitted uses, permitted density, permitted height, existing use) for each site are summarized in the following sections.

3.1 Site 1: 1821 Marine Drive

- Address: 1821 Marine Drive.
- Site Size: 19,576 square feet.
- Existing Use: Older, low density retail, currently occupied by West Van Florist.
- Existing Floorspace: About 6,600 square feet of grade level space (or about 0.3 FAR).
- Zoning: AC2.
- Permitted Use: Commercial, residential, or mixed-use.
- Permitted Density: Recently amended to allow 2.0 FAR at this property.
- Maximum Height: 3 storeys.
- Current Development Application: Recently rezoned, but no specific application yet.
- Other Factors: Large, gently sloped site, deep lot, built to a very low density.

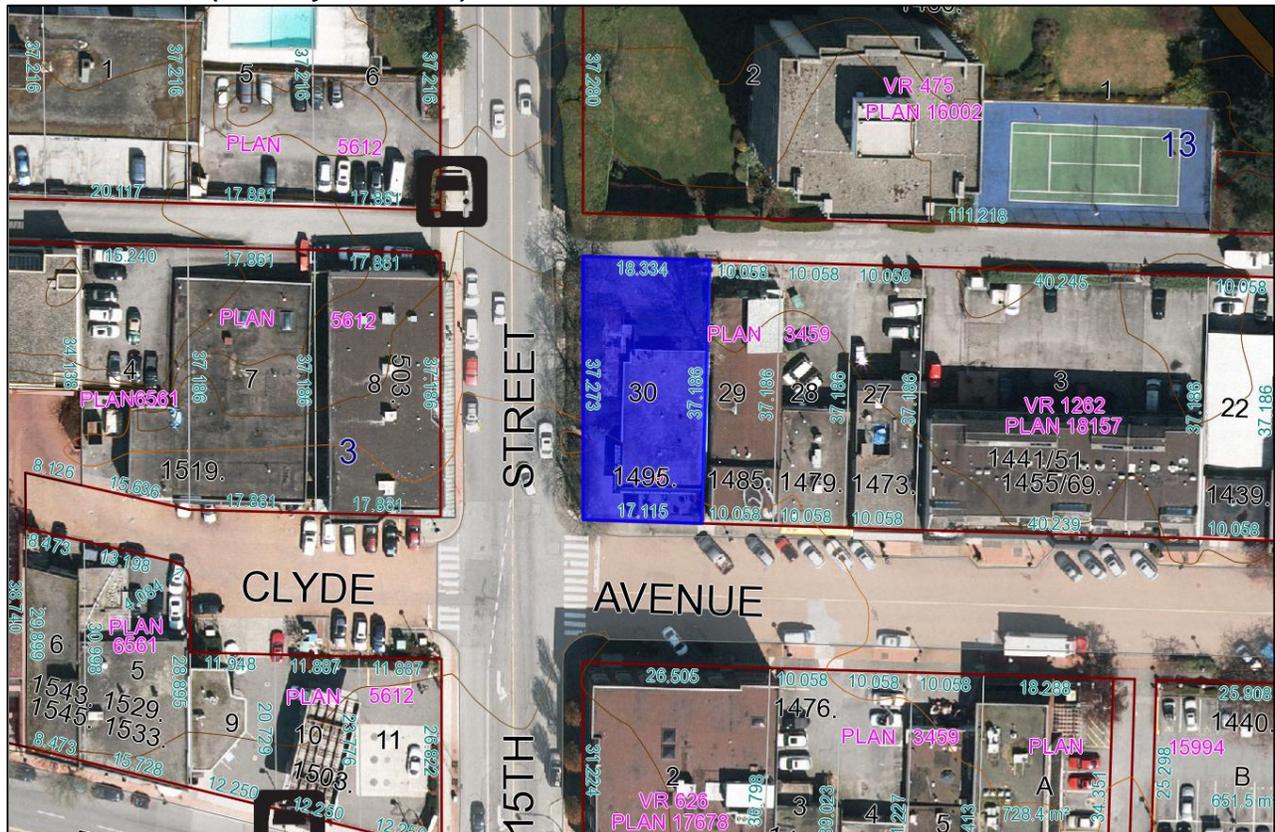
Exhibit 3: Site 1 (1821 Marine Drive)



3.2 Site 2: 1495 Clyde Avenue

- Address: 1495 Clyde Avenue.
- Site Size: 7,094 square feet.
- Existing Use: Low density single storey retail, currently occupied by Ambleside Animal Hospital.
- Existing Floorspace: About 2,100 square feet of grade level space (or about 0.30 FAR).
- Zoning: AC1.
- Permitted Use: Commercial or mixed-use.
- Permitted Density: 1.75 FAR.
- Maximum Height: 3 storeys.
- Current Development Application: Yes.
- Other Factors: Corner lot, small.

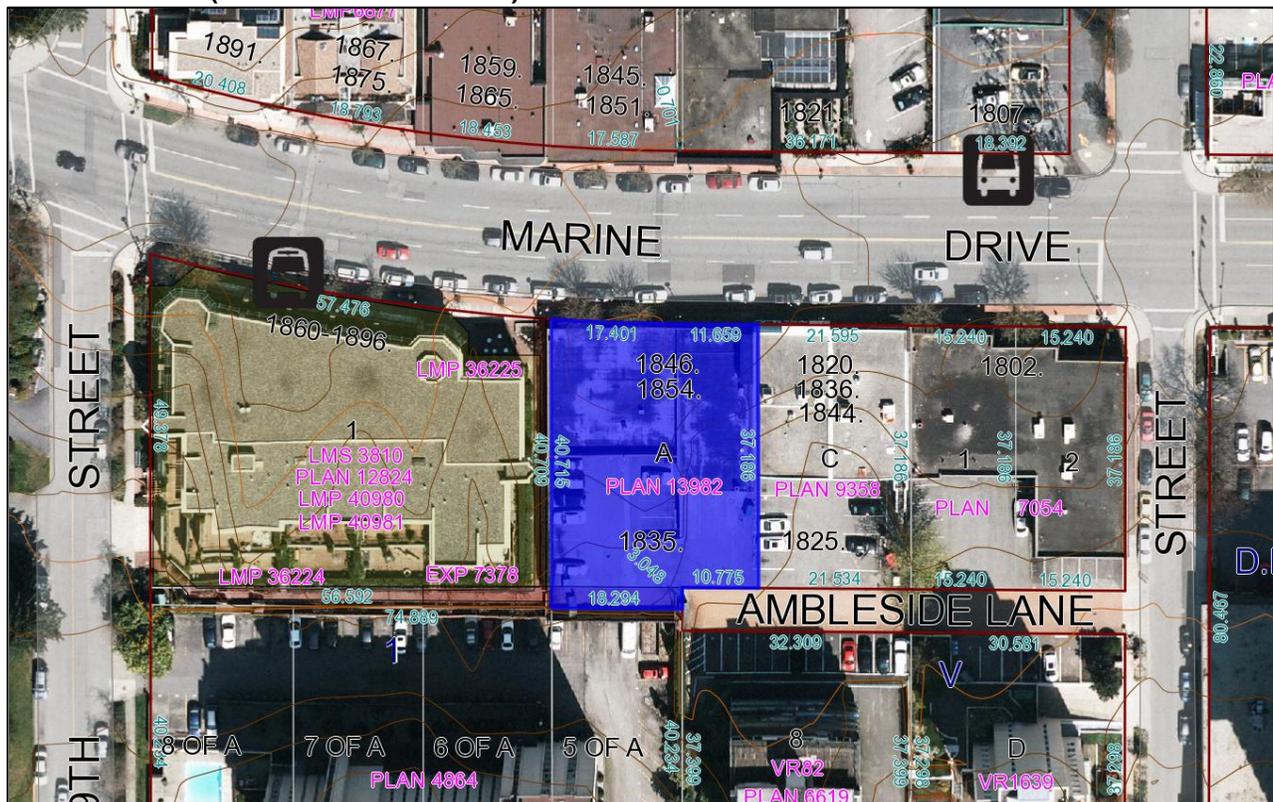
Exhibit 4: Site 2 (1495 Clyde Avenue)



3.3 Site 3: 1846-1854 Marine Drive

- Address: 1846-1854 Marine Drive.
- Site Size: 12,305 square feet.
- Existing Use: Low density, single story retail.
- Existing Floorspace: About 7,000 square feet of commercial space (or about 0.57 FAR).
- Zoning: AC2.
- Permitted Use: Commercial, residential, or mixed-use.
- Permitted Density: 1.75 FAR.
- Maximum Height: 3 storeys.
- Current Development Application: No.
- Other Factors: Large site.

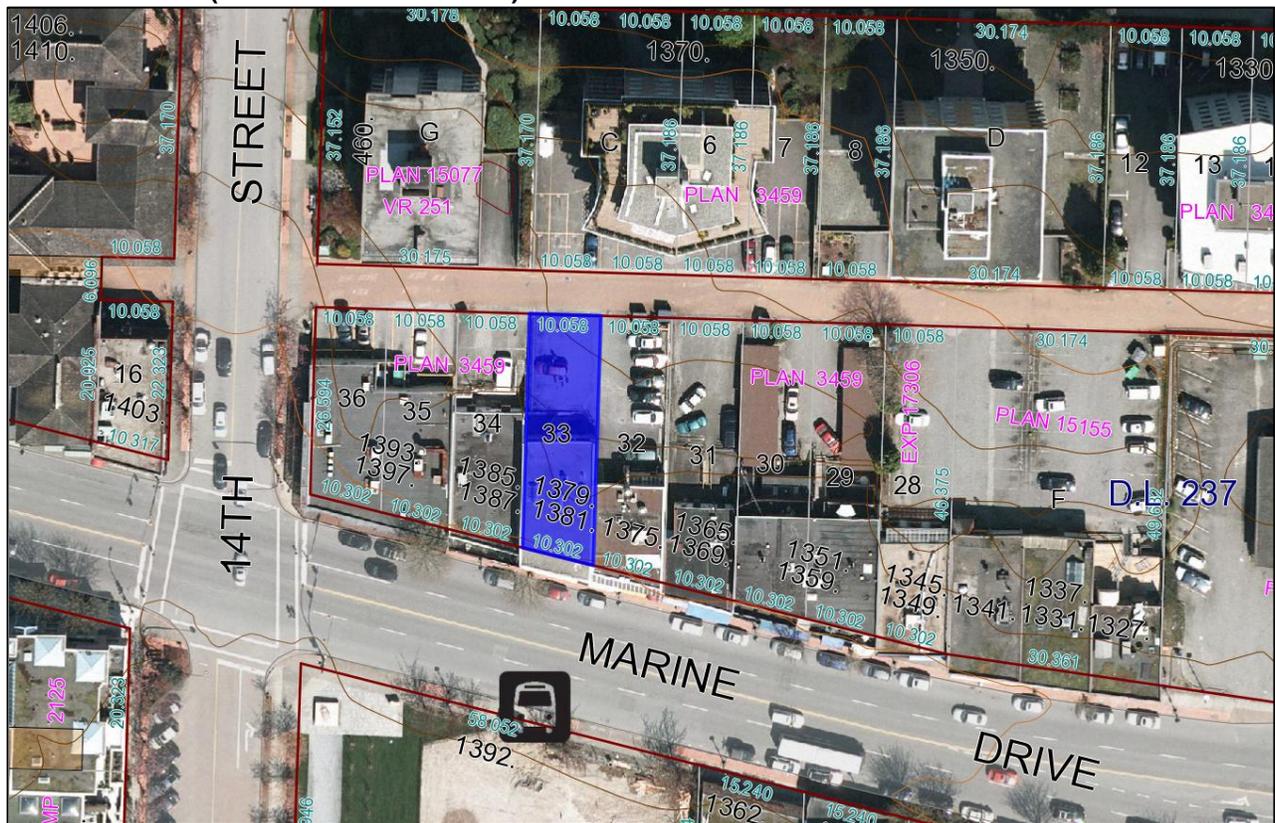
Exhibit 5: Site 3 (1846-1854 Marine Drive)



3.5 Site 5: 1379-1381 Marine Drive

- Address: 1379-1381 Marine Drive.
- Site Size: 3,711 square feet.
- Existing Use: 2 storey commercial building.
- Existing Floorspace: About 3,800 square feet of office and retail space (or about 1.02 FAR).
- Zoning: AC2.
- Permitted Use: Commercial, residential, or mixed-use.
- Permitted Density: 1.75 FAR.
- Maximum Height: 3 storeys.
- Current Development Application: No.
- Other Factors: Small site, improved with good quality 2 storey building, deep site.

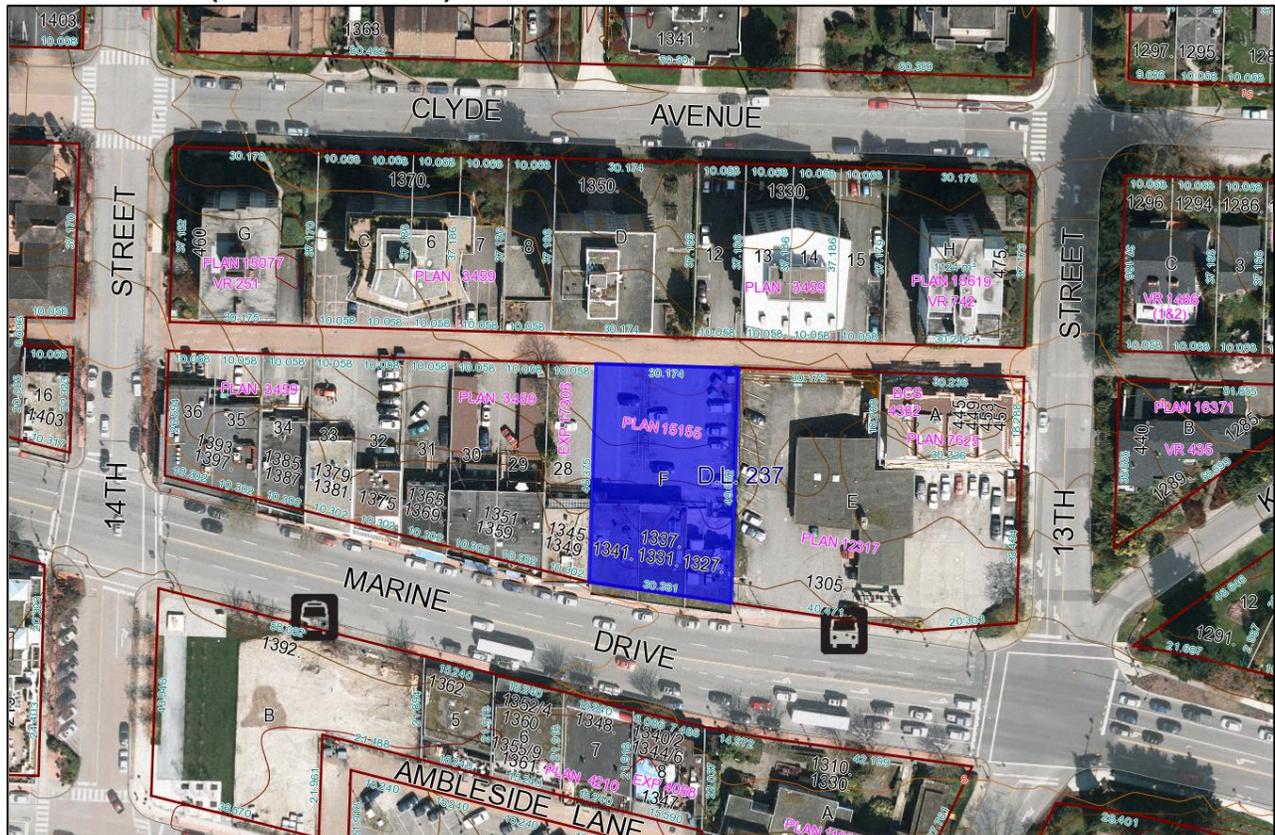
Exhibit 7: Site 5 (1379-1381 Marine Drive)



3.6 Site 6: 1327 Marine Drive

- Address: 1327 Marine Drive.
- Site Size: 15,647 square feet.
- Existing Use: Older 2 storey commercial building.
- Existing Floorspace: About 10,800 square feet of restaurant and retail space (or about 0.69 FAR).
- Zoning: AC2.
- Permitted Use: Commercial, residential, or mixed-use.
- Permitted Density: 1.75 FAR.
- Maximum Height: 3 storeys.
- Current Development Application: Yes.
- Other Factors: Deep site, existing building recently damaged in a fire. However, our analysis assumes the building has not been fire damaged so that the results are meaningful to apply to other sites in the study area.

Exhibit 8: Site 6 (1327 Marine Drive)



4.0 Summary of Financial Analysis

The case study sites are all improved with existing commercial buildings so each site can be thought of as having two potential values:

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

For redevelopment to occur, the land value supported by development must be high enough to out-compete the property value supported by existing use.

For each site we completed two different estimates of value:

1. An estimate of the market value of the income stream that could be generated by each building based on the capitalized value of the estimated achievable net operating income.
2. An estimate of the land value supported by redevelopment under existing zoning. We used two different approaches for this estimate:
 - We completed a land residual analysis (or proforma analysis) for each of the case study sites. Our revenue assumptions for the land residuals are based on a detailed analysis of recent unit sales prices (last 12 months or so) at the newest projects in or near Ambleside. Hard construction cost assumptions are based on information provided by quantity survey companies (BDC, Altus, BTY Group) for high-quality buildings in West Vancouver and on discussions with developers that are active in the Vancouver multifamily market. The analysis also includes estimates for all other costs that would be incurred by a developer (including permits, soft costs, project management, sales/marketing, financing, landscaping, CACs, DCCs, financing, taxes, contingencies, and a minor servicing allowance). To estimate supportable land value (for a zoned site), we deduct all costs and a 15% developer's profit margin on costs from estimated revenues. The difference is the supportable land value.
 - We examined sales evidence (which is limited) and listings information for actual development sites in West Vancouver over the past few years to confirm that the results of our land residual analysis are consistent with development site sales.

For each site we analyzed a variety of redevelopment options that are permitted under existing zoning. Depending on the site, this included a variety of different options:

- Townhouse at 1.0 FSR with no CAC.
- Apartment at 1.75 FSR with a CAC.
- Mixed-use with a minimum of 20% commercial at 1.75 FSR with a CAC (this is the minimum required in AC2 to qualify for the lower CAC payment).
- Mixed-use with a minimum of 30% commercial at 1.75 FSR with a CAC (this is the minimum required in the AC1 District).

Combined, there are about 25 proformas for the six sites. We have not included each of the detailed proformas for each site in this report. However, for illustrative purposes, we have included a sample of the

proformas that we analyzed for Site 2 (1495 Clyde) in Appendix 1. These proformas contain the detailed revenue and cost assumptions used on all of our land residual analysis. With any assumption (revenue or construction cost), there is typically a range of values that could be considered realistic. We have tended to use revenue assumptions near the middle of the range in values.

Exhibit 9 summarizes the results of our financial analysis for each case study site. This exhibit shows the site size, existing built FSR, estimated market value of each property based on the income that could be generated by the existing building, the estimated land value under existing zoning, and whether or not the site is likely a redevelopment candidate under current zoning.

Exhibit 9: Viability of Redevelopment Under Existing Zoning

Site	Zoning	Maximum FSR Permitted In Zoning District	Site Size (Sq. Ft.)	Existing Built Commercial FSR	Estimated Value of Potential Income Generated by Existing Improvements	Estimated Value as Redevelopment Site Based on Existing Zoning Regulations		
						Assumed Achievable FSR	Value of Entire Site	Redevelopment Candidate
Site 1 - 1821 Marine Drive	AC2	2.0 ⁴	19,576	0.34	\$3,200,000	2.0	\$8,600,000	yes
Site 2 - 1495 Clyde Avenue	AC1	1.75	7,094	0.30	\$1,500,000	1.75	\$2,700,000	yes
Site 3 - 1846-1854 Marine Drive	AC2	1.75	12,305	0.57	\$4,800,000	1.75	\$4,700,000	almost
Site 4 - 1583 Marine Drive	AC1	1.75	16,277	0.50	\$5,500,000	1.75	\$5,000,000	no
Site 5 - 1379-1381 Marine Drive	AC2	1.75	3,711	1.02	\$2,000,000	1.75	\$1,400,000	no
Site 6 - 1327 Marine Drive ⁵	AC2	1.75	15,647	0.69	\$5,700,000	1.75	\$5,900,000	yes

Exhibit 9 shows that three of the six sites are financially attractive for redevelopment under existing zoning. Each of these three properties has been the focus of development interest.

Three of the properties are not attractive for redevelopment (and there have been no development proposals for these sites). The three sites that are not financially attractive for redevelopment are:

1. Site 3 (1846-54 Marine Drive). The value of the potential income stream that could be generated by the retail space at this site is slightly higher than the value supported by redevelopment. However, the two value estimates are very close. This site will be attractive for redevelopment if land values for multifamily development increase by about 2% or so.
2. Site 4 (1583 Marine Drive). The value of this site as a development site is constrained because there is a requirement under existing zoning to include second floor commercial space fronting Marine Drive at

⁴ The AC2 zoning district was amended in April 2013 to allow a maximum density of 2.0 FAR at 1821 Marine Drive.

⁵ Our estimate of the value of the achievable income stream is based on the pre-fire condition of this property.

this site. The requirement to include second floor commercial space reduces the amount of apartment space that can be achieved at the site. Because second storey commercial (likely office) use supports a much lower land value than apartment use, this requirement constrains land value under existing zoning. In the absence of a requirement for second storey commercial space, this site would be attractive for redevelopment at 1.75 FSR.

3. Site 5 (1379-81 Marine Drive). This property is built to a relatively high existing density (1.0 FSR) in comparison to the other case study sites. The value of the potential income stream that could be generated by the retail and upper floor office space at this site is significantly higher than the value supported by redevelopment. This site will not be a redevelopment candidate under existing zoning until development site values increase significantly or the physical condition of the building deteriorates.

5.0 Conclusions and Recommendations

5.1 Conclusions

The main conclusions of our analysis are as follows:

1. Redevelopment in the study area is financially viable under existing zoning at sites that are improved with older, low density (single storey) buildings. Sites that are improved with 2 storey buildings (or higher) are not likely to be financially attractive for redevelopment, unless the building is in very poor condition.
2. Most sites⁶ can accommodate the full permitted 1.75 FAR; however, there are some constraints created by the existing zoning districts that reduce the financial viability of redevelopment in the study area:
 - At the full 1.75 FAR, the minimum commercial floor space requirements (30%) result in the need for deep grade level CRUs (which are often less marketable than shallow units) and/or the need to use some of the second floor for commercial use (which is less valuable than second floor residential use).
 - The requirement to include second level commercial space at new projects between 14th Street and 18th Street along Marine Drive reduces the amount of apartment space that can be achieved at these sites. Because second storey commercial use (likely office) supports a much lower land value than apartment use, this requirement constrains redevelopment land value under existing zoning.
 - The requirements that need to be met under existing zoning to allow a 4th floor (site size, site width and minimum slope) mean that few properties are candidates for a 4th floor.
3. The existing CAC policy (and particularly the CAC rate) is supportive of redevelopment. By making additional multifamily floorspace available to developers at a price that is lower than the current market value of multifamily development rights, the policy favours the economics of redevelopment. Any increase in CAC rates would decrease the financial viability of redevelopment.
4. In our view, the pace of redevelopment in Ambleside has been slow for the following reasons:
 - Many of the properties in the study area are improved with good quality, higher density, income-producing buildings that are not redevelopment candidates.
 - Many lots are narrow and would require assembly to accommodate a new building.
 - Some property owners are likely not interested in selling regardless of development potential because of the stable income generated by the existing improvements.
 - The 30% commercial requirement in the AC1 zoning district may be discouraging some development.
 - The second floor commercial requirement for sites located in the AC1 zoning district on Marine Drive between 14th and 18th Street may be discouraging some development.

⁶ On very small sites it is difficult (or not possible) to provide enough parking to achieve the full permitted 1.75 FAR. At these small sites, redevelopment is constrained (unless assembled with an adjacent property that is financially attractive for redevelopment) even if the site is improved with a low density existing building.

5. Redevelopment prospects could be improved for some sites if some minor changes are made to the existing AC1 and AC2 zoning districts. These are discussed further in section 5.2.

5.2 Recommendations

1. The AC1 District requires second storey commercial at sites located between 14th Street and 18th Street along Marine Drive. We understand that this policy is intended to encourage office development in Ambleside. However, second floor commercial space is less valuable than grade level commercial and second level residential space and it creates design challenges for projects that intend to include upper floor residential space. Therefore, this requirement creates a constraint on redevelopment between 14th Street and 18th Street along Marine Drive. If the District wants to improve the financial viability of redevelopment at these sites while retaining the requirement for second storey office development, it could:

- Allow an extra floor (4th floor) of residential space for projects that include second storey office space. This would either require an increase in the total permitted density or an exclusion of office space from the FAR calculations. Our case study analysis indicates that this would make redevelopment with second storey office space (and residential above) financially attractive.
- Waive the entire CAC for projects that provide second storey office space. At the case study site that we examined (site number 4), on its own, waiving the CAC would not be sufficient to make redevelopment financially viable. However, it could be sufficient at sites with low value existing improvements. We expect demand for new office space in Ambleside to be modest, so eliminating the CAC on new office development is unlikely to result in a large decline in CAC revenues to the District over the long term.

If neither of these options is acceptable to the District in policy terms, then we would not expect many of the sites between 14th and 18th Street along Marine Drive to be financially attractive for redevelopment (until office lease rates increase significantly).

2. We see no need to amend the existing CAC policy and rate structure for multifamily projects or for mixed retail and multifamily projects. The CAC policy benefits the redevelopment prospects for sites in the AC1 and AC2 District because the value charged for bonus residential floorspace is lower than the market value of multifamily development rights. If the CAC associated with the bonus floorspace was increased, fewer sites in Ambleside would be financially attractive for redevelopment.

As mentioned in point 1 above, if the District wants to encourage office development in Ambleside, it could consider waiving the CAC for projects that include a significant amount of upper floor office space. However, on its own, this may not make office projects financially attractive (until office lease rates increase significantly).

3. There are other changes that the District could consider which will improve redevelopment opportunities in Ambleside. These changes are not required to make redevelopment of older, low density (single storey) commercial buildings in the AC1 and AC2 Districts financially attractive (as some sites are already attractive for redevelopment). However, these changes could increase the number of sites that are redevelopment candidates (i.e., sites that are currently at the margin of being redevelopment candidates) without increasing the maximum permitted height and density and without compromising the basic objectives of the Town Centre Strategy:

- To encourage grade level commercial space, the AC1 District includes a requirement for 30% of the gross floorspace to be commercial. However, it can be challenging for developers to achieve the 30% commercial requirement and the full 1.75 FAR that is permitted unless they build deep retail units or put some commercial space on the second floor. Deep retail units are less marketable than shallow units and second floor commercial space is less valuable than second floor residential space so both options reduce the financial viability of redevelopment. An alternative to the 30% requirement in the AC1 zone would be to require ground floor commercial along the entire street frontage and regulate the design through the development permit process. Based on typical retail unit depths in other mixed-use locations in Metro Vancouver, we suggest considering a minimum retail unit depth of about 40 feet (unless there is a physical constraint on unit depth). This approach would maintain retail continuity and allow developers to build marketable retail units while still achieving the full 1.75 FAR.
- The AC1 and AC2 Districts allow a height of 3-storeys, but this can be increased to 4-storeys under specific circumstances related to site size, site width and site slope. Under the existing requirements, very few sites are likely candidates for 4-storeys. This can make it challenging to achieve the full permitted density of 1.75 FAR. We suggest that the District consider relaxing the requirements needed to achieve 4-storeys in the study area. Allowing 4-storeys would alleviate any design challenges associated with achieving 1.75 FSR in 3-storeys and could help create more flexibility about residential unit sizes (i.e. shallower units).
- Section 701.1(11)(ii) of the Zoning Bylaw outlines the requirements for ground floor commercial and residential space in mixed-use buildings in the AC1 and AC2 zoning districts. As currently written, this section could be interpreted to not allow any ground floor residential space. However, our understanding is that the District permits grade level residential in the lane. We suggest that this be clarified.

6.0 Appendix 1: Example of Financial Analysis

For illustrative purposes, this appendix includes three different value estimates that we completed for Site 2: 1495 Clyde Avenue. The scenarios included in this appendix are:

1. An estimate of the value of potential income stream that could be generated by the existing building.
2. An estimate of the land value supported by the base permitted density of 1.0 FSR (which does not require a CAC).
3. An estimate of the land value supported by the maximum permitted density of 1.75 FSR (which requires a CAC).

We have not included the 20+ proformas that we produced for the other five case study sites.

1 - Estimated Value of Potential Income Stream from Existing Building

Site and Building Size			
Existing Zoning	AC1		
Permitted Maximum FSR	1.75 FSR		
Assumed Density	0.30 FSR		
Total Commercial Space	2,160 sq.ft.		
Office	0 sq.ft. with	100%	
Retail	2,160 sq.ft.	100%	
Revenue and Value			
Average Lease Rate for Office Space	\$0.00	per sq.ft. net, base building with no TI	
Average Lease Rate for Retail Space	\$35.00	per sq.ft. net, base building	
Capitalization Rate	5.00%		
Value of Office Space Upon Lease-up	\$0.00		
Value of Retail and Service Space Upon Lease-up	\$700	per sq.ft. of leasable area	
Vacancy and non recoverables	2%		
Estimated Overall Value			
Capitalized Value of Office Space	\$0		
Capitalized Value of Retail/Service Space	\$1,481,760		
Total Value of Commercial	\$1,481,760		
Total Estimated Value	\$1,481,760		
Value psf of Site Area	\$209		

2 - Estimated Land Value Supported by Existing Zoning - Mixed Use at 1.0 FSR Base - No CAC

Major Assumptions (shading indicates figures that are inputs; unshaded cells are formulas)			
Revenue and Value			
Average Sales Price Per Sq. Ft. (4)	\$900.00	per sq.ft. of net saleable residential space	
Average Value of Commercial Space Per Sq.Ft.			
Value of Retail Space	\$760.00	assuming a lease rate of and a	\$40.00 per sq.ft. net for shell space, with a T.I. of 5.00% cap rate and a vacancy allowance of 5.0%
Site and Building Size			
Site size	7,094	sq.ft. or	0.16 acre
Assumed density	1.00	FSR	
Total floorspace	7,094	sq.ft.	
Residential Space			
Net saleable space	3,370	sq.ft. or	0.48 FSR
	2,864	sq.ft. or	85% of gross area
Average Gross unit size	1,123	sq.ft.	
Average Net unit size	955	sq.ft.	
Number of Units	3	units or	18 per acre
Total Residential Parking Stalls	3.3	stalls or	1.10 per unit
Commercial Space			
Retail Space	3,724	sq.ft.	0.53 FSR
	3,724	sq.ft.	with 100% rentable
Commercial Parking Stalls			
Retail	9.3	stalls or	2.5 per 1000 sq.ft.
Combined Residential and Commercial Parking Stalls			
Underground/structured parking stalls	12.6	stalls in total	
	13.0	stalls with	0 stalls at surface (portion of retail plus visitor stalls) 0 sq.ft. 0% of site area
Construction Costs			
Density Bonus Floorspace Cost (Adjusted for inflation)	\$16	per sq.ft. of gross floorspace	1.0 FSR and \$53
Allowance for Demolition of Existing Buildings	\$5	per sq. ft. of existing building	per sq.ft. of gross floorspace ove 1.4 FSR
On-Site Servicing (Upgrade of adjacent roads/sidewalks/etc)	\$70,940	or about	\$10.00 per sq.ft. of site area
Other Predevelopment Costs	\$0		
Hard Construction Costs			
Residential Area	\$245	per gross sq.ft. of residential area	
Commercial Area (shell space - no TI)	\$180	per gross sq.ft. of commercial area	
Cost Per Underground Parking Stall	\$30,000	per underground/structured parking stall	
Cost Per Surface Parking Stall	\$5,000	per at grade stall	
Overall Costs Per Square Foot	\$265.85	per gross sq.ft.	
Soft costs (1)	12.0%	of hard costs and site prep/servicing costs	
Contingency on hard and soft costs	5.0%	of hard and soft costs	
Leasing Commissions on Commercial Space	17.0%	of Year 1 net income, or	\$24,059
GVRD Sewer Levy - Residential	\$807	per unit	
GVRD Sewer Levy - Commercial	\$0.605	per sq.ft. of commercial space	
Residential DCCs	\$9,197	per unit	
Retail DCCs	\$4,5930	per sq.ft. of retail building area (assumes Commercial 1 definition - less than 3,700 sq. metres of grade level space)	
Interim financing on construction costs	5.0%	on 50% of hard and soft costs, assuming	1.50 year construction period
Financing fees	0.75%	of hard and soft costs	
Other Costs and Allowances			
Marketing and Commissions	5.0%	of gross residential revenue	
	3.0%	of gross commercial value	
Developer's Profit	13.0%	of gross revenue, or	14.9% of total costs
Property Taxes	0.847%	of assessed value (weighted average blend of residential and business tax rate)	
Assumed current assessment (Year 1 of analysis)	\$2,448,400		
Assumed assessment after 1 year of construction	\$2,633,381	(50% of completed project value)	
Analysis			
Revenue			
Gross Residential Sales Revenue	\$2,577,782		
Gross Retail Value	\$2,688,981		
Total Gross Value	\$5,266,763		
Less marketing and commissions	\$209,559		
Net sales revenue	\$5,057,204		
Project Costs			
Density Bonus Floorspace	\$0		
Allowance for Demolition of Existing Buildings	\$10,800		
On-Site Servicing (Upgrade of Adjacent Roads/Sidewalks/Etc)	\$70,940		
Hard construction costs	\$1,885,947		
Soft costs	\$226,314		
Contingency on hard and soft costs	\$109,700		
GVRD Sewer Levy - Residential	\$2,421		
GVRD Sewer Levy - Commercial	\$2,253		
DCCs	\$44,697		
T.I. on Commercial Space	\$111,731		
Leasing Commissions on Commercial Space	\$24,059		
Interim financing	\$88,240		
Financing fees/costs	\$17,648		
Total Project Costs Before Land	\$2,594,750		
Developer's Profit	\$684,679		
Residual to Land and Land Carry	\$1,777,775		
Less interim financing on land during DP approvals/presales/construction	\$165,333		
Less property purchase tax	\$30,249		
Less property tax allowance during approvals/development	\$49,420		
Residual Land Value	\$1,532,774		

3 - Estimated Land Value Supported by Existing Zoning - Mixed Use at 1.75 FSR - with CAC

Major Assumptions (shading indicates figures that are inputs; unshaded cells are formulas)					
Revenue and Value					
Average Apartment Sales Price Per Sq. Ft.	\$900.00	per sq.ft. of net saleable residential space			
Average Value of Commercial Space Per Sq.Ft.					
Value of Retail Space	\$760.00	assuming a lease rate of	\$40.00	per sq.ft. net for shell space, with a T.I.of	\$30.00 per sq. ft.
		and a	5.00%	cap rate and a vacancy allowance of	5.0%
Site and Building Size					
Site size	7,094	sq.ft. or	0.16	acre	
Assumed density	1.75	FSR			
Total floorspace	12,415	sq.ft.			
Residential Space					
Net saleable space	8,690	sq.ft. or	1.23	FSR	
	7,387	sq.ft. or	85%	of gross area	
Average Gross unit size	1,086	sq.ft.			
Average Net unit size	923	sq.ft.			
Number of Units	8.0	units or	49	per acre	
Total Residential Parking Stalls	8.8	stalls or	1.10	per unit	
Commercial Space					
	3,724	sq.ft.	0.53	FSR or	30% of total
Retail Space	3,724	sq.ft.	with	100%	rentable
Office Space	0	sq.ft.	with	95%	rentable
Commercial Parking Stalls					
Retail	9.3	stalls or	2.5	per 1000 sq.ft.	
Combined Residential and Commercial Parking Stalls					
	18.1	stalls in total			
Underground/structured parking stalls	19.0	stalls with	0	stalls at surface (portion of retail plus visitor stalls)	
			0	sq.ft.	
			0%	of site area	
Construction Costs					
Allowance for Rezoning Costs	\$0				
Density Bonus Floorspace Cost (Adjusted for inflation)	\$16	per sq.ft. of gross floorspace over	1.0	FSR and	\$53
Allowance for Demolition of Existing Buildings	\$5	per sq. ft. of existing building		per sq.ft. of gross floorspace over	1.4
On-Site Servicing (Upgrade of adjacent roads/sidewalks/etc)	\$70,940	or about	\$10.00	per sq.ft. of site area	
Other Predevelopment Costs	\$0				
Hard Construction Costs					
Residential Area	\$245	per gross sq.ft. of residential area			
Commercial Area (shell space - no TI)	\$180	per gross sq.ft. of commercial area			
Cost Per Underground Parking Stall	\$30,000	per underground/structured parking stall			
Cost Per Surface Parking Stall	\$5,000	per at grade stall			
Overall Costs Per Square Foot	\$271.41	per gross sq.ft.			
Soft costs (1)					
	12.0%	of hard costs and site prep/servicing costs			
Contingency on hard and soft costs	5.0%	of hard and soft costs			
Leasing Commissions on Commercial Space	17.0%	of Year 1 net income, or	\$24,059		
GVRD Sewer Levy - Residential	\$807	per unit			
GVRD Sewer Levy - Commercial	\$0.605	per sq.ft. of commercial space			
Residential DCCs	\$9,197	per unit			
Retail DCCs	\$4,5930	per sq.ft. of retail building area (assumes Commercial 1 definition - less than 3,700 sq. metres of grade level space)			
Office DCCs	\$4,5930	per sq.ft.			
Interim financing on construction costs	5.0%	on 50% of hard and soft costs, assuming a	1.50	year construction period	
Financing fees	0.75%	of hard and soft costs			
Other Costs and Allowances					
Marketing and Commissions					
	5.0%	of gross residential revenue			
	3.0%	of gross commercial value			
Developer's Profit	13.0%	of gross revenue, or	14.9%	of total costs	
Property Taxes	0.631%	of assessed value (weighted average blend of residential and business tax rate)			
Assumed current assessment (Year 1 of analysis)	\$2,448,400				
Assumed assessment after 1 year of construction	\$4,668,473	(50% of completed project value)			
Analysis					
Revenue					
Gross Residential Sales Revenue	\$6,647,965				
Gross Retail Value	\$2,688,981				
Gross Office Value	\$0				
Total Gross Value	\$9,336,945				
Less marketing and commissions	\$413,068				
Net sales revenue	\$8,923,878				
Project Costs					
Allowance for Density Bonus Floorspace	\$175,872				
Allowance for Demolition of Existing Buildings	\$10,800				
On-Site Servicing (Upgrade of Adjacent Roads/Sidewalks/Etc)	\$70,940				
Hard construction costs	\$3,369,470				
Soft costs	\$404,336				
Contingency on hard and soft costs	\$192,777				
GVRD Sewer Levy - Residential	\$6,456				
GVRD Sewer Levy - Commercial	\$2,253				
DCCs	\$90,682				
T.I. on Commercial Space	\$111,731				
Leasing Commissions on Commercial Space	\$24,059				
Interim financing	\$162,134				
Financing fees/costs	\$32,427				
Total Project Costs Before Land	\$4,653,938				
Developer's Profit					
	\$1,213,803				
Residual to Land and Land Carry					
	\$3,056,137				
Less interim financing on land during DP approvals/presales/constru	\$284,221				
Less property purchase tax	\$53,438				
Less property tax allowance during approvals/development	\$60,172				
Residual Land Value	\$2,658,306				