

SOUTHERN GULF ISLANDS ELECTORAL AREA COMMUNITY ECONOMIC SUSTAINABILITY COMMISSION

Notice of Meeting to be held on Tuesday, June 21, 2022 at 9:30am Held by Zoom Video Conference

** Electronic Meeting Notice**

To receive an invitation to the electronic meeting please contact Melody Pender at 250-629-3475 or mpender@crd.bc.ca no later than 4:00pm on June 20th, 2022.

SGI CESC Commissioners: Paul Brent, Alternate Director, Chair (Saturna), Mike Hoebel, Vice Chair (Galiano), Richard Piskor, Treasurer (Pender), Deb Goldman (Mayne),

Staff: Justine Starke, Manager, SGI Service Delivery; Melody Pender – Recorder/Pender Liaison; SGI Liaisons: Emma Davis (Galiano), Katie Dentry (Saturna), Kat Ferneyhough (Mayne)

Guests: Ed Andrusiak, Southern Gulf Islands Community Resource Centre Soceity

- 1. Territorial Acknowledgement/Call Meeting to Order
- 2. Approval of the Agenda
- 3. Approval of Minutes from May 17th, 2022
- 4. Financial Report
 - Request from Southern Gulf Island Tourism Partnership Society to release 3rd party funds for 2022 of \$20,000
- 5. SGI Liaisons Update Justine Starke/Liaisons
- 6. SGI Housing Feasibility report attached
- 7. Old Business
 - Update from Southern Gulf Islands Community Resource Centre Ed Andrusiak
- 8. New Business
- 9. Next proposed regular meeting July 19th, 2022
- 10. Meeting Adjourned



SOUTHERN GULF ISLANDS ELECTORAL AREA COMMUNITY ECONOMIC SUSTAINABILITY COMMISSION Tuesday, May 17th, 2022 at 9:30am Held by Zoom Video Conference

Present: SGI CESC Commissioners: David Howe (Director); Paul Brent, Chair

(Saturna); Mike Hoebel, Vice Chair (Galiano); Richard Piskor,

Treasurer (Pender); Deb Goldman (Mayne)

Staff: Justine Starke, Manager, SGI Service Delivery; Melody Pender,

Recorder/Liaison (Pender); SGI Liaisons: Emma Davis (Galiano); Kat Ferneyhough

(Mayne)

Guests: Ed Andrusiak, Janey Rowland, SGI Community Resource Centre

Absent: Katie Dentry (Saturna)

1. Territorial Acknowledgement/Call Meeting to Order

Chair Brent provided the territorial acknowledgement and called the meeting to order at 9:30am.

2. Approval of the Agenda

The following item was added to the agenda:

6. Old Business:

6.1 Follow up on support from the CESC for the Mayne Island Housing Society

MOVED by consent to adopt the agenda as amended.

3. Approval of Minutes from April 19th, 2022

MOVED by consent to adopt the minutes of April 19th, 2022 as presented.

4. Financial Report

4.1 The Financial Report was presented to the Commission.

MOVED by Commissioner Hoebel, **SECONDED** by Chair Brent that the Financial Report be approved as presented.

CARRIED

4.2 Statement of Work for Southern Gulf Islands Community Resource Centre for Southern Gulf Islands Sustainable Funding Initiative

MOVED by Commissioner Hoebel, **SECONDED** by Commissioner Piskor that the Commission endorse the Statement of Work for Southern Gulf Islands Community Resource Centre for Southern Gulf Islands Sustainable Funding, while also requesting a more detailed breakdown of administrative costs and more information on how the feefor-service revenue will be applied.

CARRIED



5. SGI Liaisons Update – Justine Starke/Liaisons

The CRD board endorsed the SGI Housing Strategy and the report is available on the CRD website. The CRD participated in a productive meeting with the SGI Housing Coalition to discuss housing strategy options for the SGIs.

The transportation report is a bit delayed from Watt Consulting. The Commission will be presented with the CRD transportation report when it is available.

The commission was informed that Islands Trust is closing some of their Island offices which will affect some of the Liaison's office space. Funding options will be discussed in the future.

6. Old Business

6.1 Follow up on support from the CESC for the Mayne Island Housing Society

Mayne Island Housing Society requested support from the CESC for their re-zoning application to the Islands Trust. The CESC will have the opportunity to advocate for housing solutions and act as a referral agency further along in the application process. The CRD will present the Commission with appropriate referrals and give the Commission the opportunity to respond to such requests.

7. New Business – none

8. Next proposed regular meeting is June 21st, 2022 at 9:30am.

MOVED by Commissioner Piskor, **SECONDED** by Commissioner Goldman that the regular meetings continue to be held virtually for now due to logistical concerns and that an inperson meeting be scheduled for later in the year.

CARRIED

9. Meeting Adjournment

MOVED by Commissioner Hoebel, **SECONDED** by Commissioner Piskor that the meeting be adjourned at 10:39am.

CARRIED

		January	February	March	April	May	Totals Actuals Spent	remaining
429000 - Interest Income	100.00							100.00
430000 - Grant in Lieu- Federal	960.00	1,237.25						960.00
440100 - Grants Regional & Other								-
486000 - Requisition- Municipal Electoral Area-	119,324.00							119,324.00
490000 - Surplus	2,772.00							2,772.00
	123,156.00	1,237.25	-	-	-	-	123,156.00	123,156.00
501000 - Travel Expenses CRD Business	1,020.00						-	1,020.00
503130 - Contract for Services	73,440.00	1,632.80	1,632.80	1,632.80	1,632.80	5,072.80	11,604.00	61,836.00
506010 - Insurance - Public Liability	170.00						-	170.00
506050 - Insurance - Group Accident	40.00						-	40.00
506090 - Insurance - Service Contract	10.00						-	10.00
510000 - Rentals - Building	8,810.00	427.43	434.86	434.86	434.86	434.86	2,166.87	6,643.13
514030 - Advertising	2,040.00	204.47	9.52	9.52	9.52	555.02	788.05	1,251.95
514060 - Program Development	9,820.00				2,500.00		2,500.00	7,320.00
514880 - Meeting Expenses	1,020.00						-	1,020.00
530010 - StandardOH Allocations	5,986.00	498.83	498.83	498.83	498.83	498.83	2,494.15	3,491.85
538000 - Supplies - Office	510.00						-	510.00
545410 - Payments - 3rd Parties	20,000.00						-	20,000.00
570010 - Interest - Internal	290.00			6.43			6.43	283.57
	123,156.00	2,763.53	2,576.01	2,582.44	5,076.01	6,561.51	19,559.50	103,596.50

123,156.00

19,559.50 Budget Remaining: 103,596.50 84%



Southern Gulf Islands Housing Feasibility Analysis

Final Report

May 19, 2022

Prepared for: Capital Regional District Justine Starke, MCIP, RPP Manager, Southern Gulf Islands Service Delivery

By:

Wiser Projects / New Commons Development

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1. Executive Summary

The Southern Gulf Islands (SGIs) comprise a group of five islands located in the Strait of Georgia, between Vancouver Island and the lower mainland. Characterized by rural landscapes and relative remoteness, these islands are only accessible by water transportation. They have experienced unprecedented population growth over the last few years, yet minimal increase in the number and diversity of housing units. These and other factors have exacerbated existing affordability issues on the SGIs, leading to increased home purchase and rental prices. Recent reports have found that high housing costs are disproportionately affecting vulnerable populations, including seniors and people with disabilities. In addition, the SGIs are struggling to retain workers and families, who are discouraged by the low availability and high cost of rentals.

To better understand, plan for and inform current and future activities to address housing affordability in the Southern Gulf Islands Electoral Area, the Capital Regional District (CRD) enlisted Wiser Projects and New Commons Development to undertake the Southern Gulf Islands Housing Feasibility Analysis (SGIHFA).

This report represents the final version of the SGIHFA, which includes a policy review and proforma analysis with the objective of meeting the following outcomes:

- Determine if the unit types analysed in this study are viable while meeting the affordability targets outlined in the 2018 SGI Housing Needs Assessment.
- Identify funding gaps and opportunities to deliver the analysed building types while meeting the affordability targets outlined in the 2018 SGI Housing Needs Assessment.
- Understand the scale, density and cost of projects that must be built to meet the objectives of the 2018 Housing Needs Assessment ideal housing supply.
- Provide recommendations to support the CRD in making informed decisions about future programs and opportunities.

The proforma financial analysis produced the following general findings:

- All unit types, other than 2-bedroom secondary suites, have a funding gap.
- Renovation to create secondary suites were the most financially feasible option, followed by new secondary suites.
- Multi-family residential developments provided a more financially feasible way to create rental units than stand-alone cottages due to their lower construction cost per square foot and availability of federal funding.
- Cottages were the least financially feasible option.

From this report, the following recommendations and opportunities were identified as the most feasible for the CRD to address housing affordability in the SGIs. These recommendations are ordered in terms of priority based on assumptions around the ease of implementation (how fast they can be approved) and impact (number of units that can be built).

• Recommendation 1: Close the financial gaps needed to build secondary suites and cottages.

Opportunity: That the CRD create a pilot funding project providing a grant to homeowners who commit to affordable rents (secured through a housing agreement) that would close the financial gap outlined in the proforma analysis.

• Recommendation 2: Simplify the application process for homeowners around secondary suites and cottages.

Opportunity: That the CRD implement a "package" for homeowners that includes several pre-approved building plans, a user-friendly website and information clinics to educate homeowners on opportunities and processes for building secondary suites and cottages.

Recommendation 3: Work with Islands Trust to support multi-family development projects.

Opportunity: That the CRD collaborate with the Islands Trust to identify parcels of land that are appropriate for multi-family projects and that the CRD collaborate with the Islands Trust to acquire pre-zoned land, where possible.

• Recommendation 4: Explore opportunities to reduce building costs.

Opportunity: That the CRD support pilot projects for alternative building technologies that would help reduce construction costs and times and that the CRD explore alternative construction methods including relocating recycled homes. This may also include partnering with organizations that may be able to provide in-kind donations of time and knowledge towards building homes.

• Recommendation 5: Explore opportunities, within CRD service delivery areas, to increase uptake of secondary suites and cottages.

Opportunity: That the CRD provide direct support to landowners to understand the expectations/requirements for developing secondary suites and cottages; and provide financial aid to cover the soft costs of predevelopment.

• Recommendation 6: Explore opportunities for more affordable housing typologies.

Opportunity: That the CRD address regulatory and financing barriers to building alternative housing options, including tiny homes, recreational vehicles, and yurts, among others.

2. Introduction

The Southern Gulf Islands Housing Feasibility Analysis (SGIHFA) aims to support the Capital Regional District (CRD) in better understanding, planning for and informing current and future activities to address housing affordability in the Southern Gulf Islands Electoral Area.

The scope of this study includes three distinct phases:

Phase 1: Summary of the Housing Environment of the SGIs

In Phase 1, the SGIHFA provided a summary of challenges and opportunities in the housing environment of the Southern Gulf Islands (SGIs) by analysing previous housing reports, as well as current policies and bylaws. Phase 1 identified low-barrier options for increasing the supply of affordable rental units on the SGIs, including secondary suites and accessory dwelling units (cottages). In addition, Phase 1 identified opportunities for small multi-family developments. The information gathered in Phase 1 helped identify the unit types to be analysed in Phase 2.

Phase 2: Financial Proforma Analysis

In Phase 2, the SGIHFA completed a financial proforma analysis to develop capital budgets for the various unit types identified in Phase 1. Assumptions for the proformas were established using current knowledge, discussions with the CRD and research on cost assumptions, including engagement with local builders to extract construction cost information. The information gathered in Phase 2 was integrated into the final deliverable, Phase 3.

Phase 3: Integration and Final Deliverable

In Phase 3, the SGIHFA cross-referenced the proforma analysis in Phase 2 with the housing environment summary in Phase 1. The goals of this phase are as follows:

- Determine if the unit types analysed in this study are viable while meeting the affordability targets outlined in the 2018 SGI Housing Needs Assessment.
- Identify funding gaps and opportunities to deliver the analysed building types while meeting the affordability targets outlined in the 2018 SGI Housing Needs Assessment.
- Understand the scale, density and cost of projects that must be built to meet the objectives of the 2018 Housing Needs Assessment ideal housing supply.
- Provide recommendations to support the CRD in making informed decisions about future programs and opportunities.

3. Southern Gulf Islands Context

The SGIs are a group of five islands located between Vancouver Island and the mainland of British Columbia in the Strait of Georgia. The islands are within the traditional territories of the BOΚΕĆΕΝ, Cowichan Tribes, Halalt, Xwémalhkwu, K'ómoks, Klahoose, Ts'uubaa-asatx, Ləkwəŋən (SXIMEŁEŁ, Songhees, T'Sou-ke), Lyackson, MÁLEXEŁ, Penelakut, Qualicum, Scia'new, səlilwəta બે, SEMYOME, shíshálh, Snaw'-naw-as, Snuneymuxw, Skwxwú7mesh, SŢÁUT_W, Stz'uminus, Tla'amin, scəwaθən məsteyəxw, We Wai Kai, Wei Wai Kum, WJOŁEŁP, WSIKEM, and xwməθkwəyəm First Nations.

The SGIs include Mayne, North and South Pender, Galiano and Saturna Islands. All islands are served by BC Ferries, with daily ferries connecting them to both Swartz Bay in Victoria and Tsawwassen in Vancouver. There are a total of 19 ferry services between the islands, including ferries connecting each island. North and South Pender are joined by a Canal Road, which crosses the close divide, and share ferry services from Otter Bay. These islands are characterized by their rural landscapes and remoteness relative to the surrounding major metropolitan areas.



Figure 1: Islands Trust regional context map¹

Population

The Southern Gulf Islands Housing Needs Assessment (Gauthier, 2018) data reflected a total population of 4,735 people distributed across the SGIs, with an older population compared to the median age for the CRD, British Columbia (BC) and Canada. According to the 2016

¹ https://islandstrust.bc.ca/mapping-resources/mapping/entire-region/

census, the SGI's proportion of the population is over 55 years of age (66.1%) was more than double that of BC (32.8%).

Census 2021

In early 2022, more current census data was released indicating significant growth in the population of the SGIs – increasing 28.9% between 2016 and 2021 (from 4,735 to 6,101 people), compared to 7.6% for BC and 5.2% for Canada. This made the SGIs the second fastest growing census subdivision in BC after Langford. The population increase of each island between 2016 and 2021 is outlined in Table 1 below. Because many of the reports covered in this document were based off the 2016 census, it is important to recognise this recent significant increase and the resulting pressure on housing in the SGIs that may not be reflected in older documents.

	Table 1: Po	pulation in	creases b	v island	(Statistics	Canada.	. 2022)
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Island	2016 Population	2021 Population	Percentage Increase Between 2016 and 2021
Galiano	1,044	1,396	33.7%
Mayne	949	1,304	37.4%
North Pender	2,067	2,467	19.4%
South Pender	235	306	30.2%
Saturna	354	465	31.4%

Governance Overview

As an unincorporated Electoral Area, governance on the Southern Gulf Islands is a shared responsibility of various local government and provincial agencies. Below is a summary of governance and land use responsibilities.

Capital Regional District

The Capital Regional District (CRD) provides many local government services on the SGIs, including climate action, parks and recreation, library services, economic development, emergency preparedness, docks and harbours, and bylaw enforcement (animal and noise control). The CRD is also responsible for the administration of the BC Building Code which is operated through its building inspection department.

The CRD Regional Housing Division advances affordable housing across the region by working to increase the supply of affordable housing for vulnerable citizens. The CRD's efforts to provide ownership and rental housing are carried out in tandem with implementation of the Regional Housing Affordability Strategy (CRD, 2018). The CRD has a wholly owned subsidiary that owns and operates affordable housing in the region called the Capital Region Housing Corporation (CRHC). One Director for the Southern Gulf Islands Electoral Area is elected as political representation for the SGIs on the 24-member CRD Board.

Islands Trust

The Islands Trust (the Trust) is a special purpose government established to preserve and protect the Islands Trust Area.

While Islands Trust is a conservancy, it is also responsible for community planning and land use (including Official Community Plans and Zoning Bylaws) on the islands. Under the *Islands Trust Act* and the *Local Government Act*, the Islands Trust Council has 26 trustees from 13 Trust Areas. These trust areas extend as far south as Saturna Island in the SGI to as far north as Denman and Hornby Islands in the Comox Valley Regional District. A Local Trust Committee, consisting of the two locally elected trustees and chaired by one member of the Islands Trust Executive Committee of Trust Council, is the authority that makes land-use and planning decisions for each island.

Other Agencies

Other land-use related applications may be covered by provincial agencies, including the following:

- Subdivision approval rests with the Approving Officer within the Ministry of Transportation and Infrastructure (MOTI) and involves a referral to the Islands Trust.
- Water licensing is carried out through the Ministry of Forests, Lands, Natural Resource Operations and Rural Development (FLNRORD).
- The Island Health Authority is responsible for septic approvals and community water systems.

4. Housing Need

The Southern Gulf Islands Housing Needs Assessment (SGIHNA) (Gauthier, 2018) and the updated Southern Gulf Islands Housing Market Analysis Report (SGIHMAR) (CRD, 2022) were reviewed to provide context for this report, and to serve as baseline documents to establish affordability targets for the purpose of this study.

Southern Gulf Islands Housing Needs Assessment, 2018

The SGIHNA (Gauthier, 2018) was designed to establish baseline data to support long-term planning needs and guide policy and bylaw development.

The SGIHNA identified a large number of renters in core housing need and a significant gap in the provision of affordable housing. Since the report was published, rental and home prices have continued to increase significantly relative to incomes, creating an even larger affordability gap.

Current Stock and Typologies

In the 2016 census, the SGIs were dominated by single detached dwellings, representing 96% of housing units, which was more than twice the percentage of the CRD and BC. As demonstrated in Table 2 below, there are only 40 units across the entire SGIs that are not single detached homes or moveable dwellings, indicating a lack of housing diversity. It should be noted that the typologies tracked are limited, and do not include some considered in further analysis, such as garden cottages.

Table 2: Housing stock on	the SGIs	(Gauthier	. 2018)
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Structure Type	SGIs Total Units	SGIs %	CRD %
Single detached house	2,375	96%	42%
Semi-detached house	10	0.4%	4%
Row house	10	0.4%	6%
Apartment in duplex (secondary suite)	15	1%	15%
Apartment Building under 5 storeys	5		
Moveable dwelling	60	2%	1%

Affordability

The SGIHNA (Gauthier, 2018) provided the following definitions of affordability for both renters and homeowners:

- An affordability benchmark of 30% of income
- Households paying more than 50% of their income on housing are at risk of homelessness

The report stated that a high percentage of renter households (44% in census, 63% of survey respondents) were paying rent exceeding 30% of their income. In contrast, relatively few owner households (17%) were paying more than 30% of their income on housing costs.

Priority Groups

Within the SGIHNA (Gauthier, 2018), the following priority groups were identified:

Seniors: The SGIHNA identified only 26 non-market seniors' units across the SGI, a number that has not changed since 2018.

Vulnerable populations: The SGIs have a relatively high proportion of low-income residents compared with the CRD and BC, with a significant rate of those being families with children and youth (29%) in comparison to the CRD and BC (16% and 19%, respectively). Despite this, the SGIs also have a relatively small number of households receiving rental supplements in private market rentals (18 total according to the SGIHMAR), and a low number of social housing units.

Employees of local businesses: 75% of employers reported that workforce housing would help meet their business needs.

Housing Need and Gap

The SGIHNA (Gauthier, 2018) estimated the need for 16 new dwelling units per year to meet population growth for a total of 397 units over the next 25 years.

The report also outlined a need for affordable units. Table 3 below was taken from the SGIHNA, highlighting the levels of affordability required to meet the housing need on the SGIs.

Table 3: Ideal housing supply – rental and purchase prices (Gauthier, 2018)

	Income Group	Household Income 2010	# house- holds	% house- holds	Avg. income	Affordable Rent	Affordable Purchase
185 units		Under 5,000	55	2%	5,000	125	n/a
needed rents under	Little to no income	5,000 to 9,999	50	2%	7,500	188	n/a
\$313	income	10,000 to 14,999	80	3%	12,500	313	n/a
	1	15,000 to 19,999	125	5%	17,500	438	60,500
	Low	20,000 to 29,999	265	11%	25,000	625	110,000
	Low to Mod	30,000 to 39,999	310	13%	35,000	875	171,000
	Moderate	40,000 to 49,999	270	11%	45,000	1,125	235,000
	Mod to >Mod	50,000 to 59,999	205	8%	55,000	1,375	300,000
	> Mod to High	60,000 to 79,999	355	14%	70,000	1,750	395,000
	11:	80,000 to 99,999	270	11%	90,000	2,250	520,000
	High	100,000 +	490	20%	100,000+	2,500+	585,000+
	Total/M	edian income	2,475	100%	\$54,037	\$1,351	\$295,000



Key Findings

The following summarizes the key takeaways from the SGIHNA (Gauthier, 2018):

- The number of rented dwellings decreased between 2006 and 2016.
- 44% of tenants paid more than 30% of their income in rent (63% in population surveyed).
- A high proportion of lower-income households were at the highest risk of housing insecurity.

- There was a supply shortage of suitable and affordable rental units.
- There was an insufficient amount of appropriate housing for seniors.
- There was a supply shortage of work-force housing.
- There was a shortage of affordable home ownership options for those wishing to enter the market.
- There was a declining rate of permanent residency.

Limitations

While the findings of the SGIHNA (Gauthier, 2018) are valuable, there are several limitations to the conclusions, including:

- The data is from 2016 and therefore outdated. There have been rapid changes to the housing landscape, and some of the trends found in the SGIHNA may be exacerbated.
- New data covered under the Southern Gulf Islands Housing Market Analysis Report (see below) indicates significant increases in rental and home prices, which are expected to exacerbate issues outlined in the SGIHNA, furthering the gap between income and rents.

Southern Gulf Islands Housing Market Analysis Report (2022)

The recent Southern Gulf Islands Housing Market Analysis Report (SGIHMAR) (CRD, 2022) provides an updated market assessment outlining an exacerbation of the issues highlighted in the SGIHNA (Gauthier, 2018). As previously mentioned, the SGIs have experienced significant population growth, with very few housing units added. Despite the population growing by 1,369 people between 2017 and 2021, only 168 new single-detached dwellings and 22 secondary suites and Accessory Dwelling Units (ADUs) were constructed over this period (Figure 2 below).

This has contributed to a sharp increase in home prices, varying between a low of 35% for Pender Island and a high of 137% for Galiano Island over this same 5-year period. Rental rates specific to the SGIs are unavailable, with the closest Census Metropolitan Area (CMA) being Victoria. Within the Victoria CMA, rents have increased 16% between 2018 and 2021 and vacancy rates are currently below 1%.

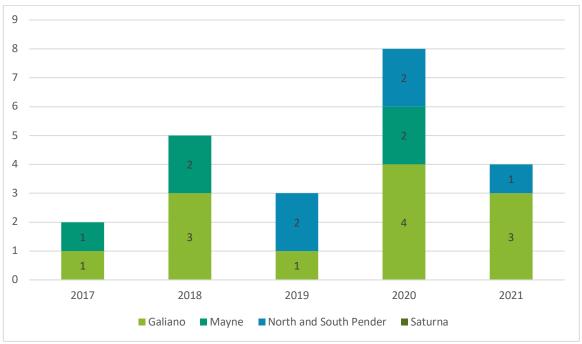


Figure 2: Secondary suite and cottage building permits, 2017-2021 (CRD, 2022)

In addition, the SGIs have seen no change in non-market seniors' housing since 2018, with a total of 26 units across all islands.

Key Findings:

- Rental and home purchase prices have significantly increased.
- Hidden homelessness (e.g., living in boats, camping, overcrowded homes) continues to be an issue across the islands.
- Building policy and zoning regulations are limiting the supply of new housing units.
- Inventory for affordable rental and entry-level home ownership remains low.
- Local businesses need their own staff housing solutions.
- There is a lack of supply of 1- to 2- bedroom units for home ownership.
- Seasonal housing demands, including vacation and employee rentals during the summer season, highlight the need for increased short and long-term rentals.
- There are few purpose-built rental units, leading to additional pressure on the secondary rental market.

Limitations:

- There is no rental price data available specific to the SGIs (the study used the Victoria CMA rental prices).
- The report does not include income data to directly compare market conditions and income

5. Policy and Bylaws

An in-depth analysis of the Official Community Plans and land use bylaws of each island was completed to assess the following:

- The type and size of units allowed on each island for the following typologies:
 - Secondary suites
 - Cottages
 - Other low-cost options
- The approximate number of properties these units are allowed on (estimated uptake)
- Support for multi-family developments (requiring a rezoning) within the official community plans and land use bylaws

Secondary Suite and Cottage Analysis

An analysis of each island's land use bylaws as they relate to secondary suites and cottages is summarized in Table 4 below. For each unit type, the allowance was estimated using the following definitions:

- High allowance: This unit type is allowed on more than 50% of lots
- Moderate allowance: This unit type is allowed on 25-50% of lots
- Low allowance: This unit type is allowed on less than 25% of lots

These estimates were identified by reviewing each island's zoning for areas that allowed secondary suites and cottages and overlaying these areas on google earth to estimate the lots that may meet the size and location criteria. A full analysis, which includes analysis of each island's Official Community Plan (OCP) is outlined in Appendix 2.

Table 4: Analysis of secondary suite and cottage policies (Islands Trust, Land Use Bylaw, 2020)

Island	Secondary Suites	Cottages (ADU)	Allowance
Galiano	60m² (646 ft²) 40% of the floor area of the building in which it is located. On lots with an area greater than 0.4 hectares. Allowed in all Residential zones.	80 m ² (861 ft ²) On lots with an area greater than 0.4 hectares. Allowed in all Residential zones.	Secondary suites and cottages have a high allowance , as most residential lots are 0.4 hectares or larger.
Mayne	60m² (646 ft²) 40% of the floor area of the building in which it is located. Allowed on lots outlined in in Appendix 1.	Allowed in the following two floor areas depending on the zone and lot size, starting at a minimum of 0.6 hectare lots: • 60 m² (646 ft²) • 93 m² (1001 ft²) Allowed in Settlement Residential, Miners Bay Rural Comprehensive, Rural Residential Rural, Upland and Agricultural zones.	Secondary suites have a moderate allowance, as most suites are permitted mainly in rural areas across the Island. It is in higher density locations where they are more commonly not allowed. Cottages have a low allowance, as they are allowed on a relatively small number of large rural

			properties due to minimum lot size requirements.
North Pender	90m² (968 ft²) 40% of the floor area of the building in which it is located. Allowed in Rural Residential, Rural and Agricultural zones.	56m² (602ft²) On lots with an area greater than 1.2 hectares. Allowed in Rural Residential, Rural, Rural Comprehensive and Agricultural zones.	Secondary suites have a moderate allowance as they are allowed on a moderate number of properties, with the rural residential zone representing a significant number of properties. Cottages have a low allowance, as they are allowed on a relatively small number of properties, since most residential lots (including the Magic Lake subdivision) are smaller than 1.2 hectares.
South Pender	Not allowed	70m ² (754 ft ²) On lots with an area greater than 0.8 hectares.	Cottages have a low allowance, as they are allowed on a relatively small number of properties, with most residential lots being smaller than 0.8 hectares.
Saturna	90 m² (968 ft²) 40% of the floor area of the building in which it is located.	92.9m ² (1,000 ft ²) On lots with an area greater than 1.2 hectares.	Secondary suites have a low allowance as they are allowed on a relatively small number (Appendix 1). Cottages have a low allowance, as they are allowed on a relatively small number of properties, with most residential lots being smaller than 1.2 hectares.

<u>Note on other low-cost options:</u> Both Mayne and Saturna Islands allow for low-cost housing options in the form of recreational vehicles and yurts as residences. Although these typologies would create considerable cost savings over traditional residential homes, they are not supported by the BC Building Code and therefore cannot be endorsed currently by the CRD.

Summary:

• Secondary suites are allowed on all islands except for South Pender.

- Secondary suites are allowed on a limited number of properties due to bylaw restrictions.
 - \circ 60m² (646 ft²) secondary suites are allowed on four islands.
 - o 90m² (968 ft²) secondary suites are allowed on two islands.
- Cottages are allowed on all islands.
- Cottages are allowed on a limited number of properties due to bylaw restrictions, in particular minimum lot size.
 - o 56m² (602ft²) cottages are allowed on all islands.
 - o 70m² (754 ft²) cottages are allowed on four islands.
 - \circ 80 m² (861 ft²) cottages are allowed on three islands.
 - \circ 92.9m² (1,000 ft²) cottages are allowed on two islands.

Galiano Island's policies allow for the most potential units, with most properties allowing for 1-bedroom secondary suites and 1 and 2-bedroom cottages. This is mostly due to a smaller minimum lot size requirement of 0.4 hectares. Minimum lot size requirements appear to be the largest regulatory barrier to building more secondary suites and cottages.

Additional details can be found in Appendix 1, Section 1.

Multi-Family Development Analysis

An analysis of each island's OCP as it relates to rezoning options for higher density, multifamily developments are summarized in Table 6 below. The full analysis, which includes analysis of each island's land use bylaw, is in Appendix 1.

Table 5: OCP analysis for higher densities

Plan	Rezoning for higher density permitted	Housing agreement	Form	Density	Other restrictive rezoning policies
Galiano Island Official Community Plan (https://islan dstrust.bc.ca /document/ galiano-ltc- ocp-bylaw- no-108/)	Yes, Exclusively for affordable, seniors and special needs housing	Yes	Clustered detached dwellings, duplexes or attached ground- oriented housing	A site- specific zone, density not specified	Must demonstrate an adequate supply of potable water
Mayne Island Official Community Plan (https://islan dstrust.bc.ca /wp-	Yes, Exclusively for affordable and special needs housing	No, but may be given protection through a covenant	Joined or multiple housing units	Will not consider applications in which more than 10 additional dwelling	Rainwater storage systems are required through the registration of a legal agreement

content/uplo ads/2020/05 /ocp-bylaw- no- 144_consoli dated- october- 2019.pdf)				units are proposed in exchange for a community amenity	when considering applications that could result in an increased density
North Pender Island Official Community Plan (https://islan dstrust.bc.ca /wp- content/uplo ads/2020/05 /NPocp- bylaw-171 consolidiate d-dec-10- 2018.pdf)	Yes, Exclusively for seniors and affordable housing	Yes, for affordable housing	Clustered detached dwellings, duplexes or attached ground- oriented housing and multi-unit buildings	Not mentioned	Rezoning applications that are not related to farming must not reduce the quality and quantity of water for farming
South Pender Island Official Community Plan (https://islan dstrust.bc.ca /wp- content/uplo ads/2020/05 /SPbylaw-no- 107- ocp_consoli dated-2019- 05-08.pdf)	Yes, Exclusively for affordable, rental, and special needs housing	No	No mention of any typology other than cottages	Not mentioned	Prioritizes maintaining a rural island living environment that is free from disturbance and overcrowding. Single family detached dwellings must be the predominant form of island residential housing
Saturna Island Official Community Plan (https://islan dstrust.bc.ca /island- planning/sat urna/bylaws/	Yes	No	Multiple family residential buildings	Not exceeding four units per acre for affordable and special needs housing owned and operated by	When considering rezoning applications, the Saturna Island Local Trust Committee should address the

#:~:text=Sat urna%20Isla nd%20Local %20Trust%2 0Area%20Of ficial%20Co mmunity%20 Plan,use%20 and%20relat ed%20com		a registered (non-profit) society	proposal's impact on the environment and the mitigation of negative aspects
munity%20p riorities.)			

Summary:

- Policy and Bylaws generally support smaller scale projects and limit the density of multi-family zones, making it difficult to achieve affordability in multi-family projects.
- Galiano and North and South Pender do not specify the density of rezonings.
- There is a prioritization of affordable, seniors and special needs housing with limited mention of housing for other target populations, including families.
- Policy suggests a prioritization of water conservation and environmental factors over the provision of housing.

6. Financial Analysis Framework

The financial analysis focuses on providing a preliminary capital budget and proforma analysis for the following unit types:

Table 6: Unit type summary (CRD Zoning and Land Use Bylaws, n.d)

Unit type	Unit size (sf)	Notes
1-br Secondary	600	Permissible on all islands except South Pender
Suite		· ·
2-br Secondary	725	Permissible on Saturna and North Pender only
Suite		
1-br Cottage	600	Permissible on all islands
2-br Cottage	725	Permissible on all islands except North Pender
3-br Cottage	1000	Permissible on Mayne and Saturna only
MFR Building	350 (studio)	Mix of studio, 1-br and 2-br units per CRD Scope of Work;
	525 (1-br)	Unit Sizes per BC Housing Design Guidelines &
	725 (2-br)	Construction Standards for apartments

These unit types were determined based on an analysis of the building sizes and typologies allowed under the current policies and Zoning Bylaws of the SGIs, outlined in section 5 of this report. Given the Trust's prioritization of environmental protection and land conservation, rezoning land for higher density development has been challenging; as such, these proformas focus on typologies that do not require rezoning, such as secondary suites and cottages. Table 6 provides a summary of the unit sizes allowed on each island.

The goal of the financial analysis was to identify the funding gap required to support the construction and ongoing operations of the unit types outlined above while meeting the affordability targets outlined in the SGIHNA (Gauthier, 2018).

Rental Rate Assumptions

Rental rates were calculated for studio, 1-bedroom, 2-bedroom and 3-bedroom units, with all but the multi-family residential typology based on the Affordability Targets published in the 2018 Southern Gulf Islands Housing Needs Assessment (SGIHNA) (Gauthier, 2018). These rents are outlined in Table 7, calculated using the following criteria:

- Studio and 1-bedroom rents are based on the SGIHNA target affordable rents for single persons, projecting an income increase of 2% per year between 2018-2022.
- 2-bedroom rents are based on the average of the SGIHNA target affordability for lone parent families and families without children, projecting an income increase of 2% per year between 2018-2022.
- 3-bedroom rents are based on the average of the SGIHNA target affordable rents for families without children and families with children, projecting an income increase of 2% per year between 2018-2022.

Table 7: Rental rate assumptions (CMHC, 2021) (BC Housing, 2022)

Household Type	Unit Type	Target Rents	Median Income 2022	Median Income 2018
One-person households	Studio/1 Bed	\$826	\$33,044	\$30,528
Families without children+ Lone parent families	2 Bedroom	\$1,478	\$59,120	\$54,618
Families with children + families without children	3 Bedroom	\$1,935	\$77,385	\$71,492

Rental rates for the multi-family typology are dependent on whether the development is funded through CMHC or BC Housing; as these two entities are the primary below-market funders, rents associated with their programs are outlined in Table 8, calculated using the following criteria:

CMHC's National Housing Co-Investment Fund (CMHC, 2021):

• 30% of units rented at less than 80% of Median Market Rents for Victoria BC (per CMHC Housing Information Portal, 2021 data) to meet minimum program requirements, with 70% of units rented at market rents. See Table 7 above for rents by unit type and category.

BC Housing's Community Housing Fund (BC Housing, 2022):

- 20% of units rented at Deep Subsidy rents (based on provincial shelter allowances)
- 50% of units rented at Rent- Geared-to-Income (estimated based on 70% of 2021 Housing Income Limits for Victoria BC)
- 30% of units at market rents

Table 8: Rental rate comparison (CMHC, 2022)

Unit Type	SGI Target Rent	80% MMR Victoria	RGI (70% HILs Victoria)	Deep Subsidy	Market (HILs Victoria)
Studio	743	798	831	375	1,000
1-bedroom	826	959	831	375	1,188
2-bedroom	1,478	1,238	1,068	570	1,525
3-bedroom	1,935	1,518	1,383	660	1,975
Total Avg.	1,062	1,022	926	453	1,266

Construction Cost Data

Construction costs are based on a survey of builders from the Southern Gulf Islands. Builders typically provided estimates as a range of cost per square foot, given the potential for these costs to vary significantly depending on numerous factors including site conditions, design and the standard/quality of the housing being constructed. From these data points, working

assumptions of low and high construction cost were established to facilitate modeling of low and high-cost scenarios for each development typology. These are summarized in Table 9 below.

Table 99: Construction cost assumptions based on builder input (Appendix 2)

Unit Type	Unit Size (sf)	Low (per sf)	High (per sf)
Secondary Suite - Renovation	725	\$225	\$285
Secondary Suite - New Construction	725	\$325	\$350
1-bedroom Cottage	600	\$350	\$450
2-bedroom Cottage	725	\$350	\$450
3-bedroom Cottage	1000	\$350	\$450
Multi-family Housing	350 (studio) 525 (1-br) 725 (2-br)	\$325	\$350

Capital Budget Assumptions

The capital budgets for the proformas used the following assumptions:

Land

- Land is already owned by the developer (could be a residential homeowner), and the developer would be approved to finance the costs required.
- Land is zoned for the intended use.
- Land is serviced with hydro, water, and septic; however, upgrades may be required.

All Unit Types

- Unit types will meet the BC Building Code.
- Finishings will be modest for increased affordability.
- Costing includes the cost of a building permit and associated construction requirements (plumbing, electrical permits).
- Costing includes architect and other consultant fees in soft costs, at a varying amount per unit type.
- Costing includes a contingency equivalent to 10% of combined hard and soft costs.

Multi-Family

- Costing includes the application fees associated with rezoning.
- Costing includes a 5% developer's fee.
- Costing includes a 50% GST exemption on hard and soft costs, assuming the developer qualifies for non-profit status.
- Costing does not include project financing fees necessary to carry the project through a one-year rezoning process.

Financing Assumptions

The financing assumptions used in the proformas are outlined below. The project includes two phases of financing: first, a construction loan (1) and second, a permanent mortgage (2).

1. Construction Loan

For all unit types, the construction loan is assumed for one year during the construction period and represents 70% of the total build costs. The loan assumes a 3% loan interest rate and 0.5% loan fee.

2. Permanent Mortgage

For each unit type, two interest rate scenarios (a low scenario that is reflective of current rates and a high scenario that will act as a stress test) were used to calculate financing options for a permanent mortgage. In addition, there are differing financing assumptions between secondary suites, cottages, and multi-family residential developments, as outlined in Tables 10 and 11.

Secondary Suites and Cottages

For secondary suites and cottages, conventional bank financing was used, as outlined in Table 10 below.

Table 1010: Financing assumptions for secondary suites and cottages (Appendix 2)

	Conventional financing	Reasoning
Amortization Period	30	Typical amortization period for a loan
Debt Coverage Ratio	1.1	To ensure some measure of cash flow after debt servicing as it was assumed that owners would not be willing to construct the rental units otherwise
Interest Rates (2 scenarios)	3%	Reflective of current rates
	4.5%	Stress test
Funding	Conventional bank financing	
Municipal Contribution	None	

Multi-Family Residential

For multi-family residential developments, two scenarios were modeled to illustrate the feasibility of the development under different funding programs: CMHC's National Housing Co-Investment Fund (NHCIF) (CMHC, 2022) and BC Housing's Community Housing Fund (CHF) (BC Housing, 2022). These are outlined in Table 11.

Table 1111: Financing assumptions for multi-family residential developments (CMHC, 2022) (BC Housing, 2022)

	CMHC NHCIF	BC Housing
Amortization Period	50 years	35 years
Debt Coverage Ratio	1.0	1.0
Interest Rates (2 scenarios)	3% (approximate market rate)	3.55% (BC Housing's posted rate for 2023 takeout)
	4.5% (stress test)	4.5% (stress test)

Funding	Federation of Canadian Municipalities' Sustainable Affordable Housing: • Study Grant of \$150,000 • Capital grant of 10% of project costs, assuming project targets Net Zero Energy Ready status CMHC seed grant of \$40,000 (estimated grant for projects of this size)	BC Housing CHF grant of: • \$75,000 per studio unit • \$100,000 per 1-br unit • \$125,000 per 2-br unit • \$150,000 per 3-br unit or larger CMHC seed grant of \$40,000 (estimated grant for projects of this size)
	CMHC NHCIF forgivable contribution at 12.5% of total project costs (could vary from 5% - 20% depending on nature of the project)	CMHC NHCIF forgivable contribution at 12.5% of project costs
Municipal Contribution	No local or municipal fee waivers or property tax exemptions	No local or municipal fee waivers or property tax exemptions

Maximum financing is the amount that can be serviced through the payment of rent at the target affordable rates.

Operating Expenses Assumptions

The following assumptions were used for operating expenses in the proforma analysis:

- Secondary suite operating budgets include allowances for:
 - Property taxes
 - o Property insurance
 - o Interior maintenance
 - $\circ\quad$ Capital replacement reserve contribution associated with the rental unit

No exterior maintenance expense is included for this typology as these units are assumed to be contained within the principal dwelling, as per the relevant land use bylaws.

- 1-bedroom, 2-bedroom and 3-bedroom cottage operating budgets include allowances for:
 - o Property taxes
 - o Property insurance
 - o Interior and exterior maintenance
 - o Capital replacement reserve contribution associated with the rental unit
 - o Expense increases in proportion to the size and cost of the unit
- 10-unit multi-family residential (MFR) typology includes a full operating cost budget that includes allowances for:
 - Property taxes (discounted 70% for projects with rents restricted via covenant on title)
 - o Insurance
 - o Maintenance for interior, exterior and grounds

- Admin costs including building staff salaries and wages, a telephone line, office, and general admin expenses
- Audit*
- Service contracts (e.g., fire alarm & extinguishers, fire suppression systems, wastewater servicing, etc.)
- o Capital replacement reserve contributions (based on BC Housing's minimum required replacement reserve contribution of \$60 per unit per month)
- *Note that the BC Housing funded MFR scenario assumes the cost of a full audit, whereas the CMHC funded scenario assumes the lower cost of annual review engagement (CMHC does not require audited financial statements).

Vacancy losses for each scenario were based on an assumed vacancy rate of 2% on the SGIs. Actual vacancy rates may be lower than this given the lack of available rental stock, however vacancy data for the SGIs is not readily available

7. Proforma Scenarios

A summary of proforma results for each unit type is presented below under each cost scenario (low and high) and each interest rate. Results are presented in the form of a net funding surplus (positive value) or gap (negative value), representing the shortfall in funding required to deliver the rental unit(s). The negative values are represented in parentheses and the highest gap and highest profit are highlighted with an orange and darker green cell colour, respectively. This information is intended to help assess the feasibility of each rental development opportunity based on the assumptions presented.

Secondary Suites

As previously stated, 1-bedroom (600 sq. ft.) secondary suites are allowed on four out of five islands and 2-bedroom (750 sq. ft.) secondary suites are allowed on two out of five islands. The following proformas are based on the financial assumptions in Table 10.

1-Bedroom Secondary Suite Renovation

Table 12: 1-bedroom secondary suite renovation information

Development Statistics	Low Cost (\$)	High Cost (\$)	Units (sq. ft.)
Gross Floor Area	600	600	sq. ft.
Construction Cost	\$225	\$285	per sq. ft.
Target Rent	\$826	\$826	\$ per month

Table 13: Funding gap calculation for 1-bedroom secondary suite renovation

Funding Gap Calculation	Low Cost (\$)	High Cost (\$)	Low Cost (\$)	High Cost (\$)
Gross Capital Costs	(\$177,456)	(\$218,805)	(\$177,456)	(\$218,805)
Land Value (TBD)	-	-		
Interest Rate	3'	%	4.	5%
Principal*	\$141,012	\$141,012	\$117,188	\$117,188

Net Surplus/(Gap)	(\$36,444)	(\$77,793)	(\$60,269)	(\$101,618)
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^{*}Principal is the estimated max loan available from lender based on the financial assumptions outlined in Table 10

1-Bedroom Secondary Suite New Construction

Table 14: 1-bedroom secondary suite new construction information

Development Statistics	Low Cost (\$)	High Cost (\$)	Units (sq. ft.)
Gross Floor Area	600	600	sq. ft.
Construction Cost	\$325	\$350	per sq. ft.
Target Rent	\$826	\$826	\$ per month

Table 15: Funding gap calculation for 1-bedroom secondary suite new construction

Funding Gap Calculation	Low Cost (\$)	High Cost (\$)	Low Cost (\$)	High Cost (\$)
Gross Capital Costs	\$249,536	\$266,764	\$249,536	\$266,764
Land Value (TBD)	-	-	-	-
Interest Rate	3'	%	4.	.5%
Principal	\$132,673	\$132,673	\$110,257	\$110,257
Net Surplus/(Gap)	(\$116,863)	(\$134,092)	(\$139,278)	(\$156,507)

2-Bedroom Secondary Suite Renovation

Table 16: 2-bedroom secondary suite renovation information

Development Statistics	Low Cost (\$)	High Cost (\$)	Units (sq. ft.)
Gross Floor Area	725	725	sq. ft.
Construction Cost	\$225	\$285	per sq. ft.
Target Rent	\$1,478	\$1,478	\$ per month

Table 17: Funding gap calculation for 2-bedroom secondary suite renovation

Funding Gap Calculation	Low Cost (\$)	High Cost (\$)	Low Cost (\$)	High Cost (\$)
Gross Capital Costs	\$210,047	\$260,011	\$210,047	\$260,011
Land Value (TBD)	-	-		
Interest Rate	3'	%	4.	5%
Principal	\$274,001	\$274,001	\$227,708	\$260,011
Net Surplus/(Gap)	\$63,954	\$13,990	\$17,661	(\$32,303)

2-Bedroom Secondary Suite New Construction

Table 18: 2-bedroom secondary suite new construction information

Development Statistics	Low Cost (\$)	High Cost (\$)	Units (sq. ft.)
Gross Floor Area	725	725	sq. ft.
Construction Cost	\$325	\$350	per sq. ft.
Target Rent	\$1,478	\$1,478	\$ per month

Table 19: Funding gap calculation for 2-bedroom secondary suite new construction

Funding Gap Calculation	Low Cost (\$)	High Cost (\$)	Low Cost (\$)	High Cost (\$)
Gross Capital Costs	\$297,143	\$317,961	\$297,143	\$317,961
Land Value (TBD)	-	-		
Interest Rate	39	%	4.	5%
Principal	\$263,952	\$263,952	\$219,356	\$219,356
Net Surplus/(Gap)	(33,192)	(54,010)	(77,787)	(98,605)

Cottages

Cottages are allowed on all islands and in most residential zones but only on large lots. The following proformas are based on the financial assumptions in Table 10.

1-Bedroom Cottage

Table 20: 1-bedroom cottage information

Development Statistics	Low Cost (\$)	High Cost (\$)	Units (sq. ft.)
Gross Floor Area	600	600	sq. ft.
Construction Cost	\$350	\$450	per sq. ft.
Target Rent	\$ 826	\$826	\$ per month

Table 21: Funding gap calculation for 1-bedroom cottage

Funding Gap Calculation	Low Cost (\$)	High Cost (\$)	Low Cost (\$)	High Cost (\$)
Gross Capital Costs	\$276,532	\$361,674	\$276,532	\$361,674
Land Value (TBD)	-	-	-	-
Interest Rate	30	%	4.	5%
Principal	\$128,183	\$128,183	\$103,327	(\$103,327)
Net Surplus/(Gap)	(\$148,349)	(\$233,492)	(\$193,792)	(\$262,707)

2-Bedroom Cottage

Table 22: 2-bedroom cottage information

Development Statistics	Low Cost (\$)	High Cost (\$)	Units (sq. ft.)
Gross Floor Area	725	725	sq. ft.
Construction Cost	\$350	\$450	per sq. ft.
Target Rent	\$1,478	\$1,478	\$ per month

Table 23: Funding gap calculation for 2-bedroom cottage

Funding Gap Calculation	Low Cost (\$)	High Cost (\$)	Low Cost (\$)	High Cost (\$)
Gross Capital Costs	\$350,571	\$433,844	\$350,571	\$433,844
Land Value (TBD)	-	-	-	-
Interest Rate	3	%	4.	5%
Principal	\$254,116	\$254,116	\$211,182	\$211,182
Net Surplus/(Gap)	(\$96,456)	(\$179,728)	(\$139,389)	(\$222,662)

3-Bedroom Cottage

Table 24: 3-bedroom cottage information

Development Statistics	Low Cost (\$)	High Cost (\$)	Units (sq. ft.)
Gross Floor Area	1000	1000	sq. ft.
Construction Cost	\$350	\$450	per sq. ft.
Target Rent	\$1,935	\$1,935	\$ per month

Table 25: Funding gap calculation for 3-bedroom cottage

Funding Gap Calculation	Low Cost (\$)	High Cost (\$)	Low Cost (\$)	High Cost (\$)
Gross Capital Costs	\$458,840	\$573,698	\$458,840	\$573,698
Land Value (TBD)	-	-		
Interest Rate	30	%	4.	5%
Principal	\$337,263	\$337,263	\$280,281	\$280,281
Net Surplus/(Gap)	(\$121,577)	(\$236,435)	(\$178,558)	(\$293,417)

Multi-family

Multi-family scenarios were analysed based on the financial assumptions for funding through CMHC NCIF and BC Housing, as outlined in Table 11. The multi-family buildings contain 10 units of differing sizes, as outlined in Table 6.

Table 26: Multi-family project information

Development Statistics	Low Cost (\$)	High Cost (\$)	Units (sq. ft.)	
Gross Floor Area	6,906	6,906	sq. ft.	
Construction Cost	\$325	\$375	per sq. ft.	
Target Rent	Dependent of	\$ per month		

Canadian Mortgage and Housing Corporation (CMHC) National Housing Co-Investment Fund (NCIF)

Table 27: Funding gap calculation for CMHC scenario

Funding Gap Calculation	Low Cost (\$)	High Cost (\$)	Low Cost (\$)	High Cost (\$)
Gross Capital Costs	\$3,716,561	\$4,214,233	\$3,716,561	\$4,214,233
Land Value (TBD)	-	-		
Interest Rate	3%		4.5%	
Principal	\$2,137,392	\$2,137,392	\$1,641,646	\$1,641,646
Net Profit (Loss)	(\$552,943)	(\$938,638)	(\$1,048,689)	(\$1,434,385)

Net Surplus/(Gap)	(\$140,093)	(\$217,232)	(\$232,399)	(\$309,538)
Per Unit				

BC Housing

Table 28: Funding gap calculation for BC Housing funding scenario

Funding Gap Calculation	Low Cost (\$)	High Cost (\$)	Low Cost (\$)	High Cost (\$)
Gross Capital Costs	\$3,722,580	\$3,989,204	\$3,722,580	\$3,989,204
Land Value (TBD)	-	-		
Interest Rate	3.55%		4.5%	
Principal	\$2,442,360	\$2,442,360	\$2,332,166	\$2,402,397
Net Profit (Loss)	(\$1,280,220)	(\$1,513,516)	(\$1,390,414)	(\$1,586,807)
Net Surplus/(Gap) Per Unit	(\$275,990)	(\$331,916)	(\$139,041)	(\$158,681)

8. Analysis

A summary of the proforma results is shown in Table 29 below. Results are presented in the form of a net funding surplus or (gap), representing the shortfall in funding required to deliver the rental unit(s). This information is intended to help assess the feasibility of each rental development opportunity based on the financial framework and assumptions in Section 6 of this report and included in the detailed notes in the proforma worksheets in Appendix 2.

This section provides an analysis that integrates data from other reports and policy documents that were analysed in Sections 4 and 5 of this report and in further detail in Appendix 1.

Table 29: Summary of funding gaps (all scenarios)

Funding Gap Calculation	Low Cost (\$)	High Cost (\$)	Low Cost (\$)	High Cost (\$)
Interest Rate	3%*		4.5%	
1-Bedroom SS (New)	(\$116,863)	(\$134,092)	(\$139,278)	(\$156,507)
1-Bedroom SS (Reno)	(\$36,444)	(\$77,793)	(\$60,269)	(\$101,618)
2-Bedroom SS (New)	(\$33,192)	(\$54,010)	(\$77,787)	(\$98,605)
2-Bedroom SS (Reno)	\$63,954	\$13,990	\$17,661	(\$32,303)
1-Bedroom Cottage	(\$172,785)	(\$241,700)	(\$193,792)	(\$262,707)
2-Bedroom Cottage	(\$96,456)	(\$179,728)	(\$139,389)	(\$222,662)
3-Bedroom Cottage	(\$121,577)	(\$236,435)	(\$178,558)	(\$293,417)
MFR (CMHC) - per unit	(\$55,294)	(\$93,864)	(\$104,869)	(\$143,438)
MFR (BCH) - per unit	(\$128,022)	(\$147,154)	(\$139,041)	(\$158,681)

^{*}Low interest rate is 3.55% for MFR BCH (BC Housing) scenario

Secondary Suites

Funding Gap: \$32,303 - \$156,507 **Potential Surplus:** \$13,990 - \$63,953

Key Takeaways:

- Results indicate that the renovation of an existing home to create a 2-bedroom secondary suite is the most financially viable unit type assessed. Only under the high construction cost parameters and at the higher 4.5% interest rate does this unit type show a funding gap.
- Adding on to an existing home to create a 2-bedroom suite appears to be the next
 most feasible typology and produces a smaller funding gap than construction of a
 stand-alone 2-bedroom cottage due to the lower assumed construction and
 operating costs for additions vs. stand-alone buildings.
 - o Although 2-bedroom secondary suites are financially viable, they are only permitted on Saturna and North Pender Islands and on a small number of lots.
- The renovation of an existing home to create a 1-bedroom secondary suite is the third-most financially viable option of the typologies assessed.
 - o Although not as financially viable as the 2-bedroom secondary suite, 1-bedroom secondary suites are allowed on all islands except South Pender.
 - This typology is allowed on most lots on Galiano due to the relatively low minimum lot size requirement of 0.4 hectares.

Cottages

Funding Gap: \$96,456 - \$293,417

Potential Surplus: None

Key Takeaways:

- Cottages are the most expensive typology due to their higher assumed construction costs over secondary suites and multi-family residential developments, along with the high upkeep costs associated with a stand-alone building.
- The 2-bedroom cottage is the most financially viable cottage across all scenarios and is permissible on all islands except North Pender under the following minimum lot sizes:
 - o Galiano: 0.4 ha; Mayne: 1 ha; South Pender: 0.8 ha; Saturna: 1.2 ha.
- The 1-bedroom cottage is allowed on all islands, including North Pender, but has a much larger funding gap than the 2-bedroom cottage. This gap is likely due to the gap in rents between the two scenarios, where a 1-bedroom is assumed to be rented at \$826 per month and the 2-bedroom is assumed to be rented at \$1,478 per month.
 - The 1-bedroom and 2-bedroom cottages are allowed on most lots on Galiano due to the relatively low minimum lot size requirement of 0.4 hectares.
- The 3-bedroom cottage is the least financially viable of the cottages and is also the
 most restricted since it is only allowed on Saturna and Mayne Islands on lots over 1.2
 and 1 hectares, respectively.

General Observations for Cottages and Secondary Suites

- The funding gaps from the proforma analysis (Table 29), in combination with the land use bylaw restrictions (Table 4) may explain why there is a low uptake of secondary suites and cottages on the SGIs, with only 22 secondary suites and cottages built between 2017 and 2022 according to the SGIMAR (CRD, 2022) (see Figure 2).
- Galiano appears to be the least restrictive of the islands, allowing 1-bedroom secondary suites and 1- and 2-bedroom cottages on most lots. This is corroborated by the SGIMAR (CRD 2022), where Galiano was found to account for 55% (12 of 22) of the secondary suites and cottages built on the SGIs between 2017 and 2022.
- Regulatory barriers, including minimum lot sizes and allowed uses continue to create barriers to the number of cottages and secondary suites that can be built.

Multi-Family Developments

Funding Gap: \$55,294 - \$158,681

Potential Surplus: None

Key Takeaways:

Multi-family residential developments may offer a more financially feasible opportunity to create rental units than the stand-alone cottage typologies due to their lower construction cost per square foot and availability of federal and provincial funding (assuming they are owned and operated by a non-profit). However, these developments bring their own challenges and risks, such as:

- o Requiring rezoning of existing parcels
- Needing proof that sufficient water resources exist to service the development without negatively impacting neighbouring water supplies
- o May not be supported by the Islands Trust or, if they are, the timeline to secure necessary zoning and development permits may be prohibitively long
- The funding gap outlined in Table 29 is assumed to be the equity needed to ensure the viability and affordability of the units.
- Although rezoning to allow for higher density affordable housing developments is allowed on all islands, there are few examples of these being built, with only 40 units across the entire SGIs that are not single detached homes according to the SGIHNA or moveable dwellings and the 26 non-market seniors' units according to the SGIMAR (CRD, 2022).

General Observations Across All Typologies

High build costs continue to be the largest factor impacting affordability. Even without accounting for the cost of land, financial viability of all projects other than renovation to add a 2-bedroom secondary suite is not feasible.

Limitations and Further Work

1-bedroom units are cost prohibitive across both secondary suites and cottages, although this may be due to the low assumed rental rate of \$826 based on a single person. A family without children could feasibly live in a 1-bedroom unit, potentially allowing for the same rental rates as the 2-bedroom units at \$1,478. There are other methodologies that can be used to determine affordability, and the target affordable rental rates impact the viability of all typologies. Specific projects may be found to be more or less viable than this proforma analysis due to the high number of variables.

9. Conclusion and Recommendations

The cost of land and unpredictability related to the cost of construction and associated labour has made housing unaffordable in many parts of the province. The SGI situation is exacerbated by a significant increase in population with minimal new housing stock or units and further constraints due to geographic limitations. Additionally, policy complexity and the different approach to land use by each island's Zoning Bylaws and OCPs creates a very challenging environment in which to deliver housing.

This report has analyzed relevant policies and reports and cross-referenced this information with a robust proforma analysis of construction of a range of housing types. The analysis indicates that very few housing types can be built and rented affordably, with the potential exception of renovating a portion of an existing dwelling into a 2-bedroom suite.

The following recommendations provide guidance to the CRD for increasing the overall viability of constructing affordable housing on the SGIs and respecting what is currently within the CRDs policy.

A global recommendation that spans each of the individual opportunities identified is for CRD to ensure it has a service model and associated resources that provide the ability to deliver these recommendations. A concrete example of this is the need for a more robust housing agreement function within CRD to grow and administer the current program around these agreements.

Recommendation 1: Close the financial gaps needed to build secondary suites and cottages

Secondary suites and cottages are allowed on most SGIs without rezoning. This significantly reduces the time and risk associated with constructing housing. Despite this, most secondary suites and cottages are not financially viable under the current assumptions.

The CRD could consider a pilot grant program which provides funding to homeowners who wish to develop secondary suites or cottages on their property. If the homeowner commits to affordable rents (through a housing agreement or covenant registered on title), the CRD could provide a grant to close the financial gap outlined in the proformas. In addition, there are opportunities to involve other levels of government in this program. Current provincial and federal funding opportunities are targeted toward multi-family projects, either operated by non-profit housing providers or developed by market developers who commit to a

prescribed level of affordability. However, this model does not necessarily fit the context and culture of the SGIs. Higher levels of government could support affordable housing on the SGIs by partnering with the CRD and Islands Trust to fund private homeowners in developing small-scale rural affordable housing.

Opportunities:

- That the CRD explore opportunities to partner with other levels of government to create a pilot funding program for homeowners.
- That the CRD advocate for a partnership for an incentive program with Islands Trust for homeowners that reflects the service delivery mandate of CRD and the regulatory oversight of Islands Trust.
- That the CRD advocate to Provincial and Federal levels of government for funding and financing options to help close this gap.
- That the CRD expand the current Housing Agreement Program to support more homeowners.

Recommendation 2: Simplify the application process for the CRD Building Inspection department for homeowners around secondary suites and cottages

The low number of building permits granted (22) for secondary suites and cottages between 2017 and 2021 may indicate challenges in the application process, as well as gaps in homeowner knowledge around opportunities and processes for building secondary suites and cottages. Even though these unit types are allowed without rezoning, understanding whether your property qualifies can be a challenge for homeowners. In addition, the application process for building these units can also be a major challenge. Recognizing this challenge, the CRD Building Inspection Department could find ways to simplify the process by implementing a "package" that includes pre-approved architecture drawings, as well as an educational component that educates homeowners on the opportunities and the application process. This could be offered in conjunction with a pilot funding program for homeowners mentioned in Recommendation 1.

Opportunities:

- That the CRD create a "package" for homeowners that includes several pre-approved building plans.
 - Saanich's recent garden suite process provides an example of how owner-led infill may be supported.
- That the CRD create an accessible webpage, alongside improving existing resources, to educate homeowners on the application process, as well as whether they qualify to build secondary suites and cottages.
- That the CRD implement free information clinics on each SGI to educate homeowners on opportunities and processes for building secondary suites and cottages.

Recommendation 3: Work with Islands Trust to support multi-family development projects

The rezoning process is frequently long (two or more years) and high-risk and may become controversial within communities. Considering the preserve and protect mandate of the Islands Trust, the CRD and the Trust could collaborate to identify parcels that would be appropriate for higher densities/multi-family projects based on the water supply and

ecological factors. As opportunities arise, non-profit organizations or government agencies may acquire this land, and would need only a building permit to move a project forward.

Other local governments within the CRD are also contemplating, or have adopted, bylaws that allow non-profit housing organizations to develop the maximum density considered in the OCP without rezoning the land. In most cases, a development permit would be delegated to staff decision-making, thus keeping the decision out of the political realm. This approach may work in tandem with pre-zoning and could be considered by the CRD and the Islands Trust.

Opportunities:

- That the CRD collaborate with the Islands Trust to identify parcels of land that are appropriate for multi-family projects, with considerations such as:
 - A bonus density system
 - Confirmation of proof of water
 - Ecological impact and restoration requirements
 - o Parcels could be publicly owned or privately held.
- That the CRD can then acquire pre-zoned land, where possible.
- That the CRD continue to develop its capacity to hold and administer housing agreements that support this program.

Recommendation 4: Explore opportunities to reduce building costs

The unpredictability related to the cost of construction and associated labour that has made housing unaffordable in many parts of the province is exacerbated by several additional challenges on the SGIs. These challenges include limited building supplies and an increased cost associated with transporting these supplies, as well as a limited number of tradespeople. Given that construction costs (hard costs) make up the most expensive item in every proforma scenario, the CRD could explore innovative ways to reduce building costs.

Opportunities:

- That the CRD explore options to support timely approvals of prefabricated homes. This may include working with modular fabrication companies and engineers to develop housing models that are suitable for the SGI context.
- That the CRD support pilot projects for alternative building technologies that would help reduce construction costs and timelines.
- That the CRD support a conversation at the provincial level to incentivize recycled and/or up-cycled materials and homes instead of demolition, allowing these homes to be relocated and used as cottages.
- That the CRD explore opportunities to amend the building permit fees bylaw to incentive affordable construction.
- That the CRD coordinate partnerships at the community level through programs and relationships with organizations that offer in-kind donations of time, knowledge, and resources towards building homes and the approvals required for building. For example, partnering with the Island School of Building Arts of Gabriola.
- That the CRD work with appropriate levels of government to make it easier for Owner Builders to achieve construction authorizations and financial requirements for self-builders.

Recommendation 5: Explore opportunities, within CRD service delivery areas, to increase uptake of secondary suites and cottages.

Two of the major barriers identified to the uptake of the most cost-effective housing opportunities, secondary suites, and cottages, are the restrictive policies which lead to increased soft costs on projects. While most islands (apart from South Pender) allow secondary suites, and all allow cottages, few existing properties meet the size requirements to provide those units; as such, the predevelopment costs associated with amending zones and undertaking detailed due diligence work remains a significant barrier to these typologies. The CRD could support owners in identifying regulatory requirements and opportunities to anticipate and pay for these requirements as they navigate the complex system, such as through grants for the increased soft costs that may be required.

Opportunities:

- That the CRD more strongly engage in educating community on the opportunities and process associated with secondary suites and cottages.
- That the CRD broaden the current service delivery to include support for individual owners in understanding expectations and requirements for secondary suite and cottage development
- That the CRD provide direct support to landowners (such as grants) to cover predevelopment costs

Recommendation 6: Explore opportunities for more affordable housing typologies

Several factors, including land use bylaws, building codes, and financing limitations restrict opportunities for alternative, more affordable building typologies including tiny homes, recreational vehicles, yurts, and other structures. Under the land use bylaws for Mayne and Saturna Islands, recreational vehicles and yurts are permitted for use as residences. Despite this, these forms of housing are not supported under the building code, which is enforced by the CRD on the SGIs, meaning that the CRD cannot support these as viable forms of affordable housing. The CRD could explore opportunities to widen the spectrum of structures that qualify as housing, which may offer more affordable housing typologies.

Opportunities:

- That the CRD advocate to the Provincial Government for alternative housing options in the BC Building Code (recreational vehicles, yurts, tiny homes, cob huts, etc.).
- That the CRD explore partnerships with financial institutions to explore the financing of small dwelling units (many financial institutions will not approve a mortgage for dwelling units under 600ft²).
 - Some community housing programs, such as those offered by Vancity, may have the potential to be adjusted so they apply to small-scale affordable housing such as secondary suites, cottages, and alternative building types. This could offer the opportunity for low-cost financing for homeowners.
- The CRD consider opportunities for supporting the financing of small-scale construction projects.

Summary

The SGIs present a unique set of challenges that add difficulty to the provision of affordable housing including high build costs, regulatory barriers and other restrictions that are unique to the islands. Despite these challenges, there are several recommendations and opportunities for creating affordable housing within the SGIs, as outlined in this report. Given the financial viability of secondary suites over other unit types, coupled with their allowance across more parcels, a next step for the CRD would be to create a program that increases the number of secondary suites on the island. This program could also be expanded to cottages, which are also allowed on several islands.

10. Appendices

Appendix 1: Phase 1 Summary of challenges and opportunities in the housing environment of the SGIs

1. Report Analysis

To accurately identify the key challenges related to housing affordability in the SGIs, the following reports were reviewed to provide a baseline analysis:

- 1. Southern Gulf Islands Housing Needs Assessment (2018)
- 2. Community Housing in the Trust Area Final Report (2016)
- 3. Baseline Report Affordable Housing in the Islands Trust Area (2019)
- 4. Updated Southern Gulf Islands Market Analysis (2022)
- 5. Islands Trust Rezoning Application Form
- 6. Salt Spring Island Housing Needs Assessment (2015)
- 7. Salt Spring Island CRD Housing Needs Assessment (2020)

1.1 Southern Gulf Islands Housing Needs Assessment

The Southern Gulf Islands Housing Needs Assessment (SGIHNA) establishes baseline data around housing affordability, including rental and purchase prices. Housing Needs Assessments generally support long-term planning needs by providing data to guide policy and bylaw development. The SGIHNA includes gaps in housing costs by income, but unlike most Housing Needs Assessments, the SGIHNA does not include the anticipated housing needs in term of number of units to accommodate population growth.

Table 1: Southern Gulf Islands Housing Needs Assessment

Item	Description
Year Published	• 2018
Data Source	 Statistics Canada, BC Stats, BC Assessment, BC Building Department, BC Housing, the MLS, online vacation rental sites, and online surveys of residents and employers. Resident survey response represents over 39% of the total population of the SGIs.
Purpose/Objective	To establish baseline data to support long-term planning needs.
Key Points	 Rentals reduced from 400 in 2006 to 350 in 2016. In 2016, 30% of households could not afford the median rent of \$939. There is a lack of housing affordability. There is a lack of housing availability. Availability identified as the largest housing difficulty. Employers were surveyed, with 75% reporting that workforce housing would help them with their business.

Policy/Planning Implications	 An affordability benchmark of 30% of income was used. For homeownership, conventional mortgage qualifications (4.0% interest, 25-year amortization, 75% loan-to-value ratio) was used to estimate housing cost. Identification of the impact of vacation rentals in the housing stock that is available to permanent residents. Regulations prohibiting the legal use of suites, cabins and cottages is exacerbating the problem. Mechanism to remove or reduce land values from the housing cost. Small increases in density should make small homes, cohousing, townhomes, or condos more attainable.
Affordability Information	 24% of households are low-income (earn under \$30K per year). Survey indicates 63% of tenants pay more than 30% of their income in rent. The median household income of \$54,000 (2016) can only afford a \$295,000 home.
Tenure Information	 The report provided information on current tenure types: Galiano: 77% owner, 23% renter Mayne: 92% owner, 8% renter N. Pender: 87% owner, 13% renter S. Pender: 100% owner Saturna: 76% owner, 24% renter SGI Average: 85% owner, 15% renter BC Average: 68% owner, 32% renter
Funding/Financing Assumptions Housing Solutions Suggested	 Top housing solutions suggested in survey were secondary suites (15%), tiny homes (14%), supportive/accessible housing for seniors (12%), communal/co-op housing (10%), apartments/condos (9%), removing regulatory (zoning) barriers (7%) and enforcing vacation rentals (7%).
	 Mechanisms to assist some households with their shelter costs. In addition to any new supply, increase utilization of existing rental assistance programs to improve affordability for lower income working families and seniors; this may also incentivize owners of currently underutilized or seasonally vacant properties to rent them year-round to residents.

There may be potential for home ownership models if small multi-family style dwellings were developed, with mechanisms to remove or reduce land values (e.g., density increases, partnerships with non-profits or with land trusts). Co-housing could potentially provide opportunities for affordable home ownership. **Priority Groups** Seniors, young families, seasonal employees. **Housing needs** Households with little to no income and low income (up to \$22,500): o A need for additional supply of rental housing with rents ranging from \$375 to \$560. Households with low-moderate income (average \$35,000): o A need for additional supply of housing with rents ranging from \$750 to \$975 per month. o Homes priced under \$180,000 to enable homeownership. Households with moderate income (average \$45,000): o A need for secured rental supply that is priced between \$875-\$1,125. o Homes priced around \$235,000 to enable homeownership. Households with moderate to above moderate incomes (average \$55,000): o A need for increased supply of market rental housing. o Homes priced around \$300,000 to enable homeownership. **Challenges** All evidence clearly points to serious shortages in secure, appropriate, and affordable housing for low to moderate income earners. Renters are particularly impacted as their incomes are insufficient to enter the homeownership market, and the limited number of rental properties are increasingly left vacant seasonally or tied up in the vacation rental property market. Community members strongly described the housing situation as bordering on crisis, and as having serious impacts on themselves and their families, community well-being and economic sustainability. High proportion of lower-income households are at highest risk of housing insecurity. Ownership may be unattainable for low-moderate

incomes.

	 Housing solutions listed in the survey rely on private homeowners/developers (secondary suites/tiny homes). Supply shortage of suitable and affordable rental units. Shortage of affordable home ownership options for those wishing to enter the market. Vacation rentals and part-time residency impacts housing supply for residents. Shortages of appropriate seniors housing. Supply shortage for work-force housing. Outdated data from 2016, some of the research and assumptions need to be updated. Prioritizing and addressing the housing needs of various types of households (low-income, workforce, seniors, etc.).
Opportunities	 Consider medium scale projects such as 10- to 12-unit cottages or low-rise apartments that might be better suited to receive funding from provincial and federal funders. Work with higher levels of government to create SGI specific programs that would support affordable housing for low-income households. Create a policy framework and develop incentives for local non-profit groups and private developers alike. Determine interest in housing by local business owners looking to accommodate staff. Utilize data that is updated regularly to determine affordability levels based on household income such as Housing Income Limits, CMHC data, etc. Create solutions across the "housing continuum."

1.2 Final Report - Community Housing in the Islands Trusts Area

This report is the outcome of a forum held by Islands Trust in Cowichan Bay in June of 2016. The forum was held after the Local Planning Committee, a standing committee of the Islands Trust Council, identified community housing needs as a top priority. The goal of this report was to provide recommendations for how the Trust Council could support affordable housing in the Islands Trust area. This report is meant to accompany the Baseline Report - Affordable Housing in the Islands Trust Area (2016).

Table 2: Community housing in the Islands Trusts Area

Item	Description
Year Published	2016
Data Source	A one-day forum
	 Islands Trust Baseline Report (2016)
	 Previous reports including a Housing Toolkit (2010), Salt
	Spring Island Affordable Housing Strategy (2011), Bowen

	Island Affordable Housing Strategy and North Pender Island Affordable Housing Task Force (2008)
Purpose/Objective	To come up with recommendations for advancing affordability in the land use process and provide information that may support policy documents including the Islands Trust Policy Statement, Housing Needs Assessment, Housing Agreements, etc.
Key Points	 Need for all levels of Islands Trust to work together to ensure affordability is supported by the land use process and by Islands Trust in general.
Policy/Planning Implications	 Recommendation that the Trust Council explore authority to support land acquisition and the creation of an affordable housing land trust. Recommendation that the Trust adopt bylaws that enable density bonus and support smaller dwelling units. Fee forgiveness for affordable housing in private dwellings. Recommended advocacy to the Province of BC for building codes to address alternative building practices (yurts, cob houses, upcycled materials, etc.) Recommendation that density is calculated as total floor area vs. number of units.
Affordability Information	 Recommendation: Review the Islands Trust policy statement to ensure that it: Includes clear and well-thought-out definition of affordability. Includes clearly articulated vision, goal, and objectives for affordable housing. Gives affordable housing a greater profile for its role in sustainable communities.
Tenure Information	 Ability to have flexibility in tenure is key. Tenure types are not mutually exclusive (e.g., strata cohousing, or mixed rental and ownership), but they may require different governance structures and levels of capacity. Trust Council could provide resources so LTCs can use housing agreements to control the tenure, when applicable.
Funding/Financing Assumptions	Recommendation:

	 Explore the potential to expand their advocacy role to senior levels of government for increased funding for affordable housing. Direct staff to explore and report back on the potential for the creation of an affordable housing Land Trust. Support housing provided through private, public, and non-profit sectors.
Housing Solutions Suggested	 Encourage smaller footprint homes, especially on smaller lots. Encourage diverse housing types that support demographically diverse communities. Adopt bylaws that enable higher density smaller dwelling units. Develop model bylaws that LTCs can use to enable density bonus – a higher density of smaller sized limited dwellings in exchange for environmental protections. Establish a budget for housing needs assessments to be conducted at the regional level and to be updated with each census.
Priority Groups	Low-income seniorsFamilies
Challenges	 No consistent definition of affordability. Translating the recommendations into policy in a timely manner, otherwise the results from the report become obsolete. Grassroots recommendations, cob housing, tiny homes will not meet scale of growing housing need. Report is from 2016, so some of the assumptions/research must be updated.
Opportunities	 Provide solutions that create a broader diversity of housing types. Expand the library/knowledge of housing models and building typologies by researching case studies and learning from other semi-rural communities. Address housing need for people with a wide range of incomes. Leverage the Islands Trust mandate and capacity to create policies to support the provision of affordable housing. Create an affordable housing land trust and enable higher density smaller dwelling units.

1.3 Baseline Report - Community Housing in the Islands Trusts Area

This report was originally published in 2016 but was updated in 2019. It covers the policy and bylaws in the Official Community Plans and Land Use Bylaws of each island as they relate to affordable housing, as well as special needs, social and seniors housing. Section 4 of this report expands on the analysis by adding more details and updated policies and bylaws from these documents.

1.4 Updated Southern Gulf Islands Market Analysis, 2022 (Urban Matters, 2022)

This report was finalized in 2022 and builds on the findings of the 2018 Southern Gulf Islands Housing Needs Assessment. The analysis indicated that the gap between incomes and cost of housing present in 2018 has been increasing; that there is a lack of rental stock; that there is considerable hidden homelessness; and that the rental situation is adversely impacting the local economy and the ability to deliver services.

1.5 Islands Trust Rezoning Application Form

The Islands Trust rezoning application form outlines a similar process to most local governments. The process requires a pre-application meeting with Islands Trust Planners, as well as an optional consultation or public meetings with property owners who may be affected by the proposal. During the application process, the application follows a typical process including a public hearing and 1st, 2nd, and 3rd readings, with a final bylaw adoption. The process has additional requirements over municipalities including a referral of the bylaw to the Minister of Municipal Affairs. In addition, the application requires a written description of the project which includes proposed uses, as well as the timing of the development and the anticipated occupancy date.

1.6 Salt Spring Island Housing Needs Assessment 2020 (CRD, 2020)

This report is a compilation of census data, community engagement findings and BC statistics projections into the population growth. The assessment gives estimates for the number of units needed to address housing for the next 5 years. The document includes comprehensive statistical information and provides benchmarks for the number of homes needed.

Table 3: Salt Spring Island Housing Needs Assessment 2020

Item	Description
Year Published	2020
Data Source	 2016 Census Interviews and focus groups with key stakeholders BC Statistics population projections for the CRD
Purpose/Objective	To evaluate the housing needs of Salt Spring Island.
Key Points	 Identified several priority groups for housing (see priority groups below). Salt Spring has the highest per capita rate of homelessness in the province per 2016 data. Lack of diversity in the housing stock. Compared to the entire CRD, the housing stock on Salt Spring Island is considerably less diverse. While building permit data

	 reflects the recent approval of multi-family developments, the single-family home remains the dominant dwelling type on Salt Spring. Virtually no purpose-built rental units, reliance on the secondary market. Over 50% of the population is facing affordability challenges.
Policy/Planning Implications	 Pilot inclusionary zoning in areas where this policy can be supported to iteratively test ideas. Continue to support renewal of purpose-built rentals. Ensure local government leadership to support affordable housing. Support culturally supportive housing. Other opportunities: Explore the encouragement of mixed-income residential buildings to promote inclusive communities. Ensure all affordable housing developments have housing agreements and consider implementing a universal housing agreement within the CRD.
Affordability Information	 Affordability threshold no more than 30% of gross household income. Average household income is \$57,761 (2015), which is 17% lower than the CRD median. Renter income (2016) is \$33,008 vs. \$67,044 for owner. 21% of owner and 49% of renter households did not meet the affordability standard in 2016. 56.3% of renters on Salt Spring are paying more than 30% of their income on shelter costs.
Tenure Information	 Between 2006 and 2016, the proportion of owner households decreased from 82% to 76% while the proportion of renter households grew from 18% to 24%. In 2016: 24% renter, 76% owner. 81% single-detached homes on the island. In 2016, the average non-waterfront residential home was unaffordable for all household types making the median income. As of 2019, there were just four legal market rental units recorded on Salt Spring Island by CMHC, leaving most renter households relying on the secondary rental market for housing.

Funding/Financing Establish multi-sectoral collaboration and partnerships to **Assumptions** secure funding that will support levels of affordability to meet the housing need. • Find partnerships by fostering relationships with Indigenous partners, First Nations, non-profit housing providers, private developers, municipalities, Islands Trust, BC Housing, CMHC and others to build affordable housing. Partner with First Nations that have set aside land for revenue through the development of housing. **Housing Solutions** Encourage smaller footprint homes, especially on smaller Suggested Reduce parking requirements to support new affordable housing. • Pilot inclusionary zoning in areas where this policy can be supported to test and iterate ideas. • Continue to support renewal of purpose-built rentals. **Priority Groups** Identified priorities for housing include: Affordable housing Rental housing • Housing for people with disabilities • Housing for seniors Housing for families Housing for people experiencing homelessness **Housing Needs** Estimates the need for: o 136 studio/1-bedroom units o 120 2-bedroom units o 46 3+ bedroom units between 2020-2025 A need for housing for people with disabilities, who cannot afford rent on the \$375 provincial housing supplement. • A need for aging in place options for seniors, where 55+ is represented by 51% of the population (compared to 34% for the CRD). • A need for housing for families. • A need for housing for people experiencing homelessness, where there was a 58% increase between 2016 and 2018. • As of 2020, the following populations were on the BC Housing waitlist for below-market housing: o 8 people with disabilities o 46 seniors

	o 10 families
Challenges	 Renter incomes identified as being significantly lower than owner incomes. High number of people experiencing homelessness. Lack of diversity of housing stock. Shortage of purpose-built rentals. Pressure in the rental market by short-term vacation rentals.
Opportunities	 Studio and 1-bedroom units are more economical than larger units and may be more feasible to have affordable rates. Support for inclusionary zoning pilot projects. Salt Spring is a larger island with more services and infrastructure. Given the more developed nature of the island, it might be easier to implement larger projects with a diversity of housing tenures and affordability levels.

1.7 Salt Spring Island Housing Needs Assessment 2015 (JG Consulting Services Ltd, 2015)

This report provides an update to the 2009 Housing Needs Assessment (JG Consulting Services Ltd). The report uses 2011 census data to assess affordability of housing on Salt Spring. This report has been updated with the 2020 Housing Needs Assessment (CRD, 2020).

1.8 Key Takeaways from Report Analysis

Key takeaways from policy documents and Zoning Bylaws are summarized below.

- There is a gap between the cost of housing and resident incomes.
- The data of the policy documents analysed is outdated and references the census from 2016, with most of the documents completed prior to 2018.
- Inconsistent methodologies are implemented for regulatory approvals across different jurisdictions. For example, each island has different bylaws and restrictions around floor area measurements, proof of water standards and timing of surveys.
- Affordability is not cohesively defined across policy and governing entities such as Islands Trust and the CRD.
- Salt Spring Island may provide some policy examples to be used on the SGIs.

2. Islands Policy and Bylaw Comparative Analysis

To further our understanding of the policy and regulatory landscape in the SGIs, the following is an in-depth analysis for each Island. The analysis also includes a list of the various building typologies that could be considered to address the housing needs along with information on the alignment with the current policy and the approvals process required for implementation.

The information is presented in a standardized manner for each island in the following:

- Population
- Area of the island
- Housing priority groups
- Analysis of building typologies including:
 - Secondary suites
 - o Cottages (ADU)
 - o Alternative low-cost housing options, including recreational vehicles and yurts
 - Higher density building types
 - o Other typologies requiring rezoning
- Precedents or example zones

2.1 Galiano Island

- Land Use Bylaw No. 127
- OCP Bylaw No. 108

Table 4: Galiano Island (Land Use Bylaw No. 127 and OCP Bylaw No. 108)

Item	Description
Population (2021)	1,396
Area	6,035 hectares
Housing Priority Groups	Seniors and special needs
Secondary Suites	 Yes OCP Policy: Secondary suites may be permitted within principal dwellings with the intent of providing housing options and vacation rental accommodation. A maximum of one secondary suite, limited in floor area, shall be permitted per lot and dwellings containing secondary suites shall provide a rainwater catchment and storage system. The Local Trust Committee may consider amending zoning to allow for secondary dwellings for affordable housing within residential zones in areas close to existing roads, services, and amenities and where there is an adequate supply of potable water. Land Use Bylaw: Permitted in all residential zones including Village Residential 1 and 2, Small Lot Residential, Rural Residential, Rural 2, Rural 3. Allowed on lots with an area greater than 0.4 hectares. A secondary suite shall not exceed 60m² (646 ft²) in floor area nor 40% of the floor area of the building in which it is located. Permitted in every residential zone as well as agricultural zones. One secondary suite is permitted on each lot with an area of 0.4 hectares or greater. On parcels with an area greater than 0.4 hectares, a secondary suite shall not be permitted on the parcel if a cottage has been constructed and a cottage shall not be permitted on the parcel if a secondary suite has been constructed. A secondary suite shall be entirely located within the building that contains the principal dwelling.
Cottages (ADU)	Yes

- Permitted in all residential zones include Village Residential 1 and 2, Small Lot Residential, Rural Residential, Rural 2, Rural 3 (same for secondary suites)
 - Allowed on lots with an area greater than 0.4 hectares.
 - The floor area of a cottage must not exceed 80 m² (861 ft²).
 - Must not exceed a height of 9m.

Alternative low-cost housing options

Does not allow for the use of a recreational vehicle as a residence.

Higher density

Yes, permitted for seniors and affordable housing only.

OCP Policy:

- Applications for rezoning to a higher density than permitted by current zoning shall be considered where the application would result in the provision of seniors, affordable or special needs housing, subject to the following:
 - All additional density greater than that permitted by current zoning shall be in the form of units reserved exclusively for occupancy as affordable, seniors or special needs housing.
 - Applications shall include provision of a housing agreement ensuring that for affordable housing, the rental, lease, sale or share prices are fixed below average rates within the CRD, and the agreement may limit occupancy of the dwellings to rental, lease, co-housing, or co-operative tenure, and may limit occupancy.
 - All applications shall site development on land with modified ecosystems, avoid potentially hazardous lands, demonstrate an adequate supply of potable water, and be in proximity and accessible to existing roads, services, and other amenities.
 - o Consideration of applications for affordable, seniors or other special needs housing shall include the following where appropriate: amendment of the OCP to designate the land as community housing, designation as a development permit area, amendment of the zoning to designate the area for affordable or special needs housing, site-specific zoning regulation of density, siting and size, and registration of a housing agreement and a section 219 covenant.

Land Use Bylaw:

 Dwellings for the provision of affordable housing, subject to a housing agreement under Section 483 of the Local Government Act.

Other OCP Policy: typologies requiring rezoning

Applications may be submitted for units in the form of clustered detached dwellings, duplexes or attached ground-oriented housing, and are encouraged to incorporate water conservation and energy efficient building design elements, including rainwater catchment.

Land Use Bylaw:

- Community Housing 1 CH1
 - o Dwellings for the provision of affordable housing
 - o One dwelling unit per lot
- Community Facility Zone CF
 - o The density of affordable and special needs housing must not exceed 2 dwellings per hectare.

Precedents or example zones

There are seven properties with this CF zoning on Galiano. There have not been any affordable housing units built within this zone.

2.2 Mayne Island

- Land Use Bylaw No. 146
- OCP Bylaw No. 144

Table 5: Mayne Island (Land Use Bylaw No. 146 and OCP Bylaw No. 144)

Itom	Description
Item	Description
Population (2021)	1,304
Area	2,320 hectares
Housing Priority Groups	Seniors and special needs.
Secondary Suites	 Yes OCP Policy: One secondary suite, limited in size, contained wholly within a dwelling unit may be permitted per parcel. On parcels less than 4 hectares: a secondary suite shall not be permitted on the parcel if a cottage has been constructed; and a cottage shall not be permitted on the parcel if a secondary suite has been constructed. Land Use Bylaw: Secondary suites are permitted on lots within the shaded area on Schedule "D" to this Bylaw (See figure 1). The shaded area includes only rural areas, and not moderate density subdivisions. The floor area of the secondary suite must not exceed 60m² (646 ft²), nor shall it exceed 40% of the floor area of the principal dwelling unit.
	 There is a maximum of one secondary suite per lot. On parcels less than 4 hectares: a secondary suite shall not be permitted on the parcel if a cottage has been constructed; and a cottage shall not be permitted on the parcel if a secondary suite has been constructed. The secondary suite must be contained within the walls of the building that contains the principal dwelling unit.
Cottages (ADU)	Yes, permitted in Settlement Residential, Miners Bay Rural Comprehensive, Rural Residential Rural, Upland and Agricultural. Land Use Bylaw: The floor areas of the cottage must not exceed the following, depending on which zone it is located within. Settlement residential: 60 m² (646 ft²) on a lot with an area greater than 0.6 hectares. 93 m² (1001 ft²) on a lot with an area greater than 1 hectare.

Miners Bay Rural Comprehensive (MBRC), Rural Residential One (RR1), Rural (R), Upland (UP) and Agricultural (A): o 60 m² (646 ft²) on a lot with an area under 1 hectare. o 93 m² (1001 ft²) on a lot with an area greater than 1 hectare. Minimum lot size for an additional dwelling unit in the form of a cottages is as follows: MBRC: no minimum o RR1: 2.8 hectares o R: 1 hectare o UP: 1 hectare o A: 8 hectares Maximum height for any dwelling unit or cottage is 9 metres (29.5 feet). **Alternative** Recreational vehicles are allowed to be used by residences on lots larger low-cost than 0.6 hectares (same as cottages). They are allowed in the following zones: Settlement Residential, Miners Bay Rural Comprehensive, Rural housing options Residential 1, Rural, Upland, Agricultural. Must be connected to sewage disposal facilities consistent with the Public Health Act and have a domestic water supply. Yes, permitted for seniors and affordable housing only. **Higher density** OCP Policy: Increasing residential density through redesignation/rezoning shall not be permitted except for special needs and seniors affordable housing. Affordable housing is encouraged through joined or multiple housing units, which may be considered by site specific rezoning of a parcel subject to compliance with Section 2.10 (Amenity Zoning Guidelines) of this plan. Other OCP Policy: typologies With the exception of affordable housing, no provision shall be made requiring for multi-dwelling residential use in the planning area. rezoning Land Use Bylaw: "Senior citizen residential use" is a residential use in which at least one person aged 55 years or older occupies each dwelling unit. A maximum of eight duplexes, containing two dwelling units each. The maximum floor area of each dwelling unit is 90m² (969 ft²). **Precedents or** The Mayne Island land use bylaw does not have a specific zone for affordable housing, but it has a comprehensive development zone for example zones seniors housing.

SCHEDULE D (SECONDARY SUITE MAP)

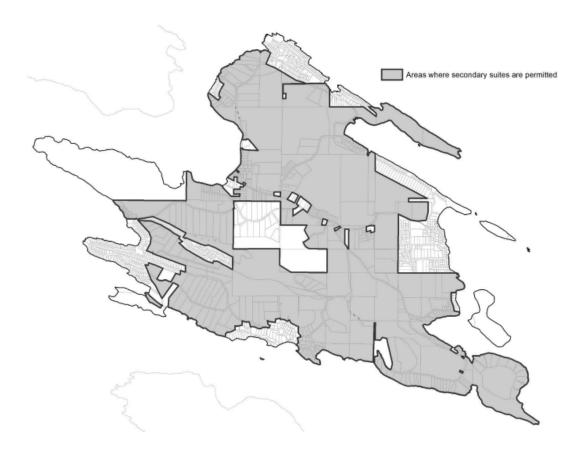


Figure 1: Mayne Island secondary suite map

2.3 North Pender Island

- Land Use Bylaw No. 103
- OCP Bylaw No. 171

Table 6: North Pender Island (Land Use Bylaw No. 103 and OCP Bylaw No. 171)

Item	Description
Population	2,467
(2021)	
Area	2,728 hectares
Housing Priority	Seniors, special needs
Groups	
Secondary Suites	Yes
	 OCP Policy: Accessory housing options such as secondary suites may be permitted to increase the stock of rental housing without negatively impacting the rural sense of place or the carrying capacity of the island. There is a maximum of one secondary suite permitted per lot. A secondary suite shall be entirely located within the building that contains the principal dwelling. Land Use Bylaw: Allowed in Rural Residential, Rural and Agricultural zones. The maximum floor area is 90m² (968 ft²), and it shall not exceed 40% of the floor area of the principal dwelling unit. There is no minimum lot size for secondary suites.
Cottages (ADU)	 There is a maximum of one secondary suite permitted per lot. Yes, permitted in Rural Residential and Agricultural zones. Land Use Bylaw: Allowed in Rural Residential, Rural, Rural Comprehensive and Agricultural zones. On a parcel 1.2 hectares (3 acres) or greater, one (1) single family dwelling and one cottage is permitted. Cottage floor area cannot exceed 56m² (602ft²).
Alternative low-cost housing options	Only allows for the temporary use of a recreational vehicle as a residence while a home is being constructed.
Higher density	Yes, allowed for seniors and affordable housing only. OCP Policy: • Affordable Housing Policies:

	 Subject to policies in Subsection 2.3 of this plan (seniors and affordable housing policies), consideration may be given to applications to rezone land within the Rural Residential and Rural designations to a higher density where the additional density takes the form of seniors and affordable housing. Applications for rezoning to a higher density than permitted by current zoning may be considered within the Rural Residential or Rural land use designations, subject to the other policies in this plan, if the application would result in the provision of affordable housing and a housing agreement. Any additional density greater than that permitted by current zoning shall be in the form of units reserved exclusively for occupancy as affordable housing. 									
Other	OCP Policy:									
typologies requiring rezoning	Applications for rezoning to a higher density to permit affordable housing may involve units in the form of clustered detached dwellings, duplexes or attached ground-oriented housing.									
	Land Use Bylaw:									
	Special Needs Housing (SNH) Zone									
	Permitted uses in the SNH Zone:									
	 Two-family dwellings managed by a non-profit society. 									
	Residential Density									
	o There may not be more than one dwelling unit per 0.1									
	hectares of lot area, to a maximum of 20 dwelling units									
Duesedonte	per lot.									
Precedents or	Pym Island site specific zone: one (1) single family dwelling and five (5)									
example zones	cottages are permitted in this location, with four cottages having a combined floor area of not more than 232 m² (2497 ft²) and one cottage									
	not exceeding 93 m^2 (1001 ft^2).									
	not exceeding 70 m (1001 h).									

2.4 South Pender Island

- Land Use Bylaw No. 114
- OCP Bylaw No. 107

Table 7: South Pender Island (Land Use Bylaw No. 114 and OCP Bylaw No. 107)

Item	Description
Population	306
(2021)	
Area	913 ha

Housing Priority	None Specified							
Groups								
Secondary Suites	No							
Cottages (ADU)	 OCP Policy: Allowed in Rural Residential (RR) zones including RR1, RR2 and RR3 zones. Also allowed in Forestry, Natural Resource (8 hectares or larger) and Agriculture zones. "Cottage" means a dwelling with a floor area of 70m² (754ft²) or less that is located on the same parcel as another dwelling. RR1 RR2 RR3 On a parcel less than 0.8 hectares (2 acres) in area, one (1) dwelling is permitted, and no cottage is permitted. On a parcel 0.8 hectares or greater in area, but less than 4.0 hectares in area, one (1) dwelling and one (1) cottage are permitted. On a parcel 4 hectares (10 acres) or greater in area, two (2) dwellings and two (2) cottages are permitted. Forestry: Permitted on all lots. Natural Resource: Permitted on lots over 8 hectares. Agriculture: Allowed for housing agricultural workers only. 							
Alternative low-cost housing options	Does not allow for the use of a recreational vehicle as a residence.							
Higher density Other	 Yes, but only for affordable housing. OCP Policy: Housing policies for affordable housing, rental housing, and special needs housing: Provision is to be made for affordable housing, rental housing, and special needs housing land uses and developments when justified by demand from the community. Establishment of different density regulations for a zone, one generally applicable for the zone and the other(s) applicable if certain amenities and/or affordable or special needs housing are provided either by agreement or by zoning designation. No mention of any typology other than cottages. 							
typologies requiring rezoning	The memori of any typology other than cottages.							
Precedents or example zones	None specified.							

2.5 Saturna Island

- Land Use Bylaw No. 119
- OCP Bylaw No. 70

Table 8: Saturna Island (Land Use Bylaw No. 119 and OCP Bylaw No. 70)

Item	Description							
Population	465							
(2021)								
Area	3,575 ha							
Housing	Seniors							
Priority								
Groups								
Secondary	Yes							
Suites								
	Land Use Bylaw:							
	 Permitted in rural residential, rural general, rural comprehensive, farm resort, forest reserve, forest residential and wilderness reserve zones. 							
	 The secondary suite must be contained within the walls of the building that contains the principal residence. 							
	 The floor area of the secondary suite shall not exceed 90 m² (968 ft²), nor shall it exceed 40% of the floor area of the principal residence. 							
Cottages (ADU)	 Yes Permitted in rural residential, farmland zone, farm retreat zone, farm resort zone, forest general zone and forest residential zone. Rural Residential General Zone: Density On a parcel 1.21 hectares (3 acres) or less, the maximum density is one (1) residence. On a parcel greater than 1.21 hectares (3 acres), the maximum density is one (1) residence and one (1) cottage. On lots having an area of 4.05 hectares (10 acres) or greater, one (1) residence and one (1) cottage per 2.02 hectares (5 acres) are permitted up to a maximum density of five (5) units and five (5) cottages per lot parcel. 							
Alternative low-cost housing options	Recreational vehicles and yurts allowed on lots larger than 1.2 hectares (same as cottages) and within the same zones as cottages. Must be connected to sewage disposal facilities consistent with the Public Health Act and have a domestic water supply.							
Higher density	Yes OCP Policy: • Multi-family use is permitted to a density not exceeding:							

- 120% of the primary residences permitted on the lot prior to rezoning for multiple family use; or
- Four units per acre for affordable and special needs housing owned and operated by a registered (non-profit) society.
- When considering rezoning applications, the Saturna Island Local Trust Committee should address the proposal's impact on the environment and the mitigation of negative aspects.
- From the date of adoption of the plan, no rezoning, development permit, temporary permit, or other planning tool or device available to the local trust committee should be used to increase the maximum subdivision capacity, or total residential density of any island within the area.
- When subdivision or residential density is removed, it is added to the Community Amenity Density Reserve (CADR), which is a pool of unallocated density. In the future, density may be drawn from the CADR and granted to a lot in exchange for community amenities.

Other typologies requiring rezoning

OCP Policy:

 Multiple family use may be permitted to a density not exceeding four units per acre for affordable and special needs housing owned and operated by a registered (non-profit) society.

Land Use Bylaw:

- In the multiple family residential (MFR) zone, the following uses are permitted, subject to the regulations set out in this section and the general regulations set out in Part 2, and all other uses are prohibited
 - Residential for the purpose of providing senior citizen housing sponsored by a public or quasi-public society incorporated under the Society Act.

Precedents or example zones

On the parcel of land legally described as Lot B, Plan 11380, Section 7 and Lot 1, Plan 51011, Section 8 both in Cowichan District and Saturna Island, the maximum number of residences is 7 and the maximum number of cottages is 7.

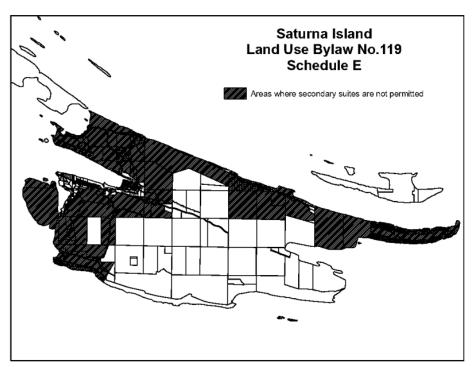


Figure 2: Saturna Island secondary suite map

2.6 Key Takeaways from Policy and Bylaw Analysis

Key takeaways from policy documents and Zoning Bylaws are summarized below.

- Secondary suites are allowed on all islands except South Pender.
- Cottages are allowed on all islands.
- Rezoning and higher density (multi-family) is allowed on all islands, but is limited to affordable housing on Galiano, Mayne, North Pender, and South Pender.
- Minimum lot sizes limit the number of properties that can allow secondary suites and cottages on all islands.
- Policies and bylaws support smaller scale projects and limit the density of multi-family zones, likely making multi-family projects a challenge to achieve affordability.
- Seniors and special needs housing are prioritized with limited mention of affordable housing for other target populations, including families.
- Water conservation and other environmental factors are prioritized over the provision of housing.

3. Challenges Summary

Challenges for building affordable housing based on policy documents and Zoning Bylaws are summarized below.

Key takeaways from policy documents and Zoning Bylaws are summarized below.

- There is a gap between the cost of housing and resident incomes.
- The data of the policy documents analysed is outdated and references the census from 2016, with most of the documents completed prior to 2018.
- Inconsistent methodologies are implemented for regulatory approvals across different jurisdictions. For example, each island has different bylaws and restrictions around floor area measurements, proof of water standards and timing of surveys.
- Affordability is not cohesively defined across policy and governing entities such as Islands Trust and the CRD.

Appendix 2: Phase 2, Proforma Analysis: Memo



Date: April 20, 2022

To: Justine Starke, Manager Southern Gulf Islands Service Delivery, CRD

From: Dion Whyte, Director BC, New Commons Development

cc: Alicia Medina & Kaeley Wiseman, Wiser Projects

RE: Southern Gulf Islands Housing Feasibility Study Phase 2 – Pro Forma

Development Summary

New Commons Development (NCD) was engaged to support completion of Phase 2 of the Southern Gulf Islands Housing Feasibility Study involving the preparation of capital pro formas for the following housing development typologies:

- 1-bedroom secondary suite newly constructed as an addition to an existing home
- 1-bedroom secondary suite constructed as a renovation to an existing home
- 2-bedroom secondary suite newly constructed as an addition to an existing home
- 2-bedroom secondary suite constructed as a renovation to an existing home
- 1-bedroom cottage newly constructed as a secondary dwelling unit
- 2-bedroom cottage newly constructed as a secondary dwelling unit
- 3-bedroom cottage newly constructed as a secondary dwelling unit
- Multi-family-residential building (apartments) newly constructed on vacant land

Each pro forma contemplates a single development typology and is provided as an Excel workbook that includes the following worksheets:

- 1. Summary: provides a brief side by side summary of results for each of the LOW and HIGH cost scenarios.
- Inputs: contains all inputs used to model each of the LOW and HIGH cost scenarios
 including development statistics, rent schedules, costing assumptions, financing
 assumptions and operating budgets.
- LOW: provides a breakdown of development statistics, revenues, costs, sources of funds and any resulting funding gap or surplus associated with the LOW cost scenario.
- 4. HIGH: provides a breakdown of development statistics, revenues, costs, sources of funds and any resulting funding gap or surplus associated with the HIGH cost scenario.

For each pro forma, detailed assumptions are noted in the LOW and HIGH worksheets next to each line item. The following sections provide additional discussion on methodologies and key assumptions used to develop the pro formas.



Units & Unit Sizes

Unit sizes for all but the multi-family-residential typology were determined based on parameters in the CRD's SGI Southern Gulf Islands Feasibility Study Scope of Work and a review of land use regulations for each of Galiano, Mayne, Saturna, N Pender and S Pender islands completed by Wiser Projects and are summarized below.

Unit type	Unit size	Notes				
	(sf)					
1-br Secondary Suite	600	Permissible on all islands except for South Pender.				
2-br Secondary Suite	725	Permissible on Saturna and North Pender				
1-br Cottage	600	Permissible on all islands				
2-br Cottage	725	Permissible on all islands except for North Pender				
3-br Cottage	1000	Permissible on Mayne and Saturna only				
MFR Building	350 (studio)	Mix of studio, 1-br and 2-br units per CRD Scope of Work.				
	525 (1-br)	Unit Sizes per BC Housing Design Guidelines &				
	725 (2-br)	Construction Standards for apartments				

For the multi-family-residential typology, the development was assumed to consist of a total of 10 units with the following unit mix: three studio units, three 1-bedroom units and four 2-bedroom units. All other typologies were assumed to consist of one rental unit.

SGI Target Affordable Rents

Target Affordable Rents for the Southern Gulf Islands were calculated for all but the multi-family-residential typology based on the Affordability Targets published in the 2018 Southern Gulf Islands Housing Needs Assessment (Table 22) for various economic household types. These household incomes were then "mapped" to appropriate unit sizes and an inflation factor was applied in order to determine the 2022 Target Affordable Rents used in developing the pro formas for the secondary suite and cottage typologies as follows:



Farget Rent Calcula	tor				
	2018 SGI	2022 SGI	Rent as %	2022 Target	
	Median	Median	of Gross	Affordable	
Unit Type	Income*	Income**	Income	Rents	Notes
1 Bedroom	30,528	33,044	30%	826	Based on SGI HNA target affordable rent for single persons
2 Bedroom	54,618	59,120	30%	1,478	Based on average of SGI HNS target affordable rents for lo parent families and families without children
3 Bedroom	71,492	77,385	30%	1,935	Based on average of SGI HNS target affordable rents for fa without children and families with children

^{*} data from 2018 SGI Housing Needss Assessment (Table 23); averages calculated per notes provided

The table below provides a comparison between the resulting 2022 Target Affordable Rents and other benchmark affordable and market rents for the nearest community for which CMHC and BC Housing published data is available (Victoria, BC).

SGI Target Rent - Comparison vs Benchmarks								
		Market						
	SGI Target	80% MMR	HILS	Deep	(HILS			
Unit Type	Rents	Victoria	Victoria)	Subsidy	Victoria)			
Studio	743	798	831	375	1,000			
1 Bedroom	826	959	831	375	1,188			
2 Bedroom	1,478	1,238	1,068	570	1,525			
3 Bedroom	1,935	1,518	1,383	660	1,975			
Total/ Avg.	1,062	1,022	926	453	1,266			

It is worth noting that this methodology yielded a relatively low Target Affordable Rent for studio units (calculated at 90% of the 1-bedroom unit rent) and 1-bedroom units, both being below 80% of Median Market Rent (CMHC's affordability target under the National Housing Co-Investment Program) and below 70% of Housing Income Limits (BC Housing's affordability target for Rent-Geared-to-Income units under the Community Housing Fund) for Victoria BC (the nearest community for which rental data is published by CMHC and BC Housing, respectively). The methodology also yielded relatively high Target Affordable Rents for the 2- and 3-bedroom units given the higher household incomes of economic families on the Southern Gulf Islands, with these approaching Market Rents for Victoria BC (estimated based on unadjusted Housing Income Limits).

For the multi-family-residential development typology, two pro forma scenarios were developed to assess the feasibility of the development under major federal and provincial funding programs and assuming the project was owned and operated by a non-profit housing society, housing co-operative, or other organization eligible for such funding, as follows:

^{**} assumes 2% inflation on median incomes for 4 years (2019-2022)



- 1. CMHC's National Housing Co-Investment Fund: 30% of units rented at less than 80% of Median Market Rents for Victoria BC (per CMHC Housing Information Portal, 2021 data) to meet minimum program requirements, with 70% of units rented at market rents. See table above for rents by unit type and category.
- 2. BC Housing's Community Housing Fund: 20% of units rented at Deep Subsidy rents (based on provincial shelter allowances), 50% of units rented at Rent-Geared-to-Income (estimated based on 70% of 2021 Housing Income Limits for Victoria BC), and 30% of units at market rents. See table above for rents by unit type and category.

Construction Costs

In order to develop the pro formas it was necessary to establish working assumptions regarding the current construction cost per square foot for the various development typologies being considered. To do this, NCD and Wiser Projects prepared a list of survey questions for builders operating on the Southern Gulf Islands that was subsequently distributed directly to builders by local representatives on each island. NCD and Wiser Projects also reviewed CRD building permits issued for the Southern Gulf Islands, however this was abandoned as a potential data source once it was determined that the construction values assigned to CRD building permits are normally based on a flat construction value per square foot established by bylaw and are not likely representative of actual construction costs.

The table below provides a summary of the estimated construction costs per square foot obtained from Southern Gulf Island builders. It should be noted that responses were limited, and the majority of these were obtained from builders working on Galiano Island with no responses from Mayne or Pender Island builders.

		New	1							Ren	0			Nev	v		
Island	Builder	SFD	/sf Low	SFD	/sf HIGH	Suit	e/sf LOW	Sui	te/sf HIGH	Suit	e/sf LOW	Suit	e/sf HIGH	MF	R/sf (low)	MFR/	sf (high)
Galiano	Galiano Builder #1	\$	450	\$	500					\$	240	\$	260				
Galiano	Galiano Builder #2	\$	480	\$	520					\$	150	\$	300	\$	540	\$	560
Galiano	Galiano Builder #3	\$	280	\$	320							\$	300				<u></u>
Galiano	Galiano Builder #4	\$	350	\$	350	\$	300	\$	350	\$	300	\$	350	\$	325	\$	350
Saturna	Saturna Builder #1	\$	400	\$	400	\$	350	\$	350	\$	200	\$	200	\$	325	\$	325

Builders typically provided estimates in the form of a range of cost per square foot given the potential for these costs to vary significantly depending on numerous factors including site conditions, design and the standard/quality of the housing being constructed. From these data points, LOW and HIGH construction cost working assumptions were established to facilitate modeling of LOW and HIGH cost scenarios for each development typology as follows:



SGI Construction Cost Assumptions									
Development Typology Cost Per SF (LOW) Cost Per SF (HIGH									
Secondary Suite – New	\$325	\$350							
Secondary Suite – Reno	\$225	\$285							
1-Bedroom Cottage	\$350	\$450							
2-Bedroom Cottage	\$350	\$450							
3-Bedroom Cottage	\$350	\$450							
Multi-Family-Residential	\$325	\$350							

Operating Costs

Rental units incur operating expenses payable by the owner. A simple operating expense budget was created for each of the development typologies. The Net Operating Income generated by the rental activity, which in turn represents the unlevered cash flow available to service debt financing, was then calculated as follows:

Rental Revenue – Vacancy Loss – Operating Expenses = Net Operating Income

Operating expense budgets are included in the pro forma workbooks on the Inputs worksheet and key assumptions are summarized below.

- Secondary suite operating budgets include allowances for property taxes, property insurance, interior maintenance and capital replacement reserve contribution associated with the rental unit. No exterior maintenance expense is included for this typology as these units are assumed to be contained within the principal dwelling.
- 1-br, 2-br and 3-br cottage operating budgets include allowances for property taxes, property insurance, interior and exterior maintenance and capital replacement reserve contribution associated with the rental unit. Expenses increase in proportion to the size and cost of the unit.
- Multi-family-residential (MFR) typology is based on a 10-unit building and includes a
 full operating cost budget that includes allowances for property taxes (discounted
 70% for projects with rents restricted via covenant on title), insurance, interior and
 exterior maintenance, grounds maintenance, building staff salaries and wages,
 telephone line, office and general admin expenses, audit, service contracts (e.g., fire
 alarm & extinguishers, fire suppression systems, wastewater servicing, etc.) and
 capital replacement reserve contributions (based on BC Housing's minimum
 required replacement reserve contribution of \$60 per unit per month). Note that
 the BC Housing funded MFR scenario assumes the cost of a full audit whereas the
 CMHC funded scenario assumes the lower cost of annual review engagement
 (CMHC does not require audited financial statements).



Vacancy losses for each scenario were based on an assumed vacancy rate of 2% on the Southern Gulf Islands. Actual vacancy rates may be lower than this given the lack of available rental stock, however vacancy data for the Southern Gulf Islands is not readily available.

Sources of Funding

For all secondary suite and cottage development typologies, it was assumed that conventional (private) bank financing is able to be secured by the owner with an amortization period of 30 years. A debt coverage ratio of 1.1 was used to ensure some measure of cash flow after debt servicing as it was assumed that owners would not be willing to construct the rental units otherwise. Two interest rate scenarios were modeled for each typology: 3% (approximately reflecting current lending rates) and 4.5% (as a stress test on development feasibility).

For the multi-family-residential typology, two scenarios were modeled to illustrate the feasibility of the development under different funding programs: CMHC's National Housing Co-Investment Fund (NHCIF) and BC Housing's Community Housing Fund (CHF).

CMHC NHCIF Scenario Includes:

- CMHC mortgage amortized over 50 yrs at a debt coverage ratio of 1.0
- Two interest rate scenarios modeled: 3% and 4.5% (stress test)
- CMHC forgivable contribution at 12.5% of total project costs (could vary from 5% - 20% depending on nature of the project)
- CMHC Seed grant of \$40,000 (estimated grant for projects of this size)
- Federation of Canadian
 Municipalities' Sustainable
 Affordable Housing Study Grant of
 \$150,000 and capital grant of 10% of
 project costs assuming project
 targets Net Zero Energy Ready
 status.
- No local or municipal fee waivers or property tax exemptions.

BC Housing CHF Scenario Includes:

- BC Housing mortgage amortized over 35 years at a debt coverage ratio of 1.0
- Two interest rate scenarios modeled: 3.55% (BC Housing's posted rate for 2023 takeout) and 4.5% (stress test)
- BC Housing CHF grant of \$75,000 per studio unit, \$100,000 per 1-br unit, \$125,000 per 2-br unit, and \$150,000 per 3-br unit or larger.
- CMHC NHCIF forgivable contribution at 12.5% of project costs.
- CMHC Seed grant of \$40,000 (estimated grant for projects of this size)
- No local or municipal fee waivers or property tax exemptions.



Pro Forma Results

A summary of pro forma results is presented in the table below. Results are presented in the form of a net funding surplus (positive value) or gap (negative value) representing the shortfall in funding required to deliver the rental unit(s). This information is intended to help assess the feasibility of each rental development opportunity based on the assumptions presented in this memorandum and in the detailed notes included in the pro forma worksheets. The following comments are offered on the results presented below:

- Renovation of an existing home to create a 2-bedroom suite appears to be the
 most feasible of the development typologies assessed. Only under the HIGH
 construction cost parameters and at the higher 4.5% interest rate does this
 typology show a funding gap.
- Adding on to an existing home to create a 2-bedroom suite appears to be the next most feasible typology and produces a smaller funding gap than construction of a stand-alone 2-bedroom cottage due to the lower assumed construction cost for additions vs. stand-alone buildings and lower operating costs.
- Renovation of an existing home to create a 1-bedroom suite, appears to be more feasible than adding onto an existing home to create a new 1-bedroom suite or construction of a new stand-alone 1-bedroom cottage.
- Multi-family residential developments may offer a more financially feasible opportunity to create rental units than the stand-alone cottage typologies due to their lower construction cost per square foot and availability of federal and provincial funding for such projects assuming they are owned and operated by a non-profit. However, such developments will require rezoning of existing parcels and proof that sufficient water resources exist to service the development without negatively impacting neighbouring water supplies. These developments may not be supported by the Islands Trust or, if they are, the timeline to secure necessary zoning and development permits may be prohibitively long.
- While the Multi-family scenario funded under CMHC's National Housing Co-Investment Program shows a smaller funding gap than BC Housing's Community Housing Fund, it should be noted that the latter represents a fully funded program that offers an annual operating subsidy sufficient to service additional debt required to close the funding gap. Projects that require a lower annual operating subsidy are more likely to secure funding under this program.



Development Typology	LOW Cost @ 3% Interest (\$)	LOW Cost @ 4.5% Interest (\$)	HIGH Cost @ 3% Interest (\$)	HIGH Cost @ 4.5% Interest (\$)
1-Bedroom Secondary	(116,863)	(139,278)	(134,092)	(156,507)
Suite (New)				
1-Bedroom Secondary	(36,444)	(60,269)	(77,793)	(101,618)
Suite (Reno)				
2-Bedroom Secondary	(33,192)	(77,787)	(54,010)	(98,605)
Suite (New)				
2- Bedroom Secondary	63,954	17,661	13,990	(32,303)
Suite (Reno)				
1-Bedroom Cottage	(172,785)	(193,792)	(241,700)	(262,707)
2-Bedroom Cottage	(96,456)	(139,389)	(179,728)	(222,662)
3-Bedroom Cottage	(121,577)	(178,558)	(236,435)	(293,417)
MFR (CMHC) – per unit	(55,294)	(104,869)	(93,864)	(143,438)
MFR (BCH) – per unit	(128,022)	(139,041)	(147,154)	(158,681)



Qualifying Statement

It should be noted that the pro forma worksheets and analysis summarized in this memorandum do not constitute detailed class estimates of the various development typologies described and should not be relied upon for funding purposes. Cost estimates are based on general assumptions developed following consultation with local builders and using the consultant's industry experience. Actual development and construction costs for new construction will depend on numerous factors including site characteristics, building or unit design and servicing requirements. For renovation projects, actual construction costs may vary significantly from those presented herein depending on the age and condition of the existing principal dwelling being renovated. For example, the costing presented herein does not include allowances for significant code or seismic upgrades to the existing home should these be required.

Appendix 3: Phase 2, Proforma Analysis: Full Proformas

Summary of Results - 1 Bedroom Secondary Suite (New Construction) - 3% Interest Rate Prepared by New Commons Development

Surplus / (Gap)	(116,863
Total Sources	132,673
Other	
City DC and Fee Waivers	
Permanent Mortgage	132,673
CMHC Seed Funding (Loan & Grant)	
Land Value (TBD)	
Total Costs	249,536
Other	
Contingency	22,685
Soft Costs	19,096
Hard Costs	207,755
Land Value (TBD)	
Parking Spots	1
Total Units	1
% of Total Floor Area	1009
Gross Floor Area	600

Surplus / (Gap)	(134,092)
Total Sources	132,673
Other	-
City DC & Fee Waivers	-
Permanent Mortgage	132,673
CMHC Seed Funding (Loan & Grant)	-
Land Value (TBD)	-
Total Costs	266,764
Other	-
Contingency	24,251
Soft Costs	19,758
Hard Costs	222,755
Land Value (TBD)	-
Parking Spots	1
Total Units	1
% of Total Floor Area	100%
Gross Floor Area	600

Inputs			
Development Statistics	New SS low	New SS high	
Site Area (SF)	600	600	sq. ft.
Public Park Area	0%	0%	of site area
Gross Floor Area	600	600	sq. ft.
Residential	100%	100%	of GFA
Non-Residential GFA	0%	0%	of GFA
Market Condominium Target Rental	0% 100%	0% 100%	of Residential GFA of Residential GFA
80% MMR Rental	100%	100%	of Residential GFA
50% WINK REILL	076	0%	or residential GFA
Res. Efficiency	100%	100%	of GFA
Program Space	100%	100%	of Non-Residential GFA
Retail	0%	0%	of Non-Residential GFA
Non-Res. Efficiency	100%	100%	of Non-Residential GFA
Parking Ratio			
Other	-	-	stalls per unit
Rental Below Market Rental	1.00	1.00 1.00	stalls per unit stalls per unit
Visitor	1.00	1.00	stalls per unit
Community Space		-	stalls per 1,000 sq. ft. leaseable
Other			stalls
Condo Parking Sale Price		-	per stall
Development Cost Assumptions	New SS low	New SS high	
Hard Costs			total
Land Value - placeholder Site Prep & Remediation	200,000	200,000	per ac.
On-Site Servicing	200,000	200,000	per ac.
Off-Site Servicing			per ac.
Public Park Const. Cost (15% of site area)			per sq. ft.
Extraordinary Site or Servicing Costs	10,000	10,000	As per CRD Scope of Services
Residential Const. Cost	325	350	per sq. ft.
Commercial Const. Cost Parking Const. Cost			per sq. ft. per stall
			per stall
Soft Costs Architect	\$ 5,000.00	\$ 5,000.00	LS
Other Consultants	\$ 2,000.00	\$ 2,000.00	LS
Dev. Charges - Studio & 1 Bed			per unit
Dev. Charges - 2 Bed +		-	per unit
Education DC	-		per unit
Education DC - Non-Res	-	-	per m2
Non-Res DC	-	-	per m2
Sec. 37 Payment			total
Municipal Fees & Permits	2,500	2,500	\$300 processing fee, \$300 est plum
Public Art	0.0%	0.0%	of hard costs
Developer Fees Legal	0.0%	0.0%	of project costs (excl. land & finance
Legal Sales & Closing	-		per res. unit and, per 1,000 sq. ft. n per unit
Condo Marketing	-		per unit per unit
Condo Commissions		-	per unit
Rental Marketing			per unit
Rental Op Ex During Lease-up	0%	0%	of year 1 op ex
GST	3.2%	3.2%	of hard and soft costs, assumes qua
Contingency (incl. cost escalation)	10%	10%	of hard & soft costs
Revenue Assumptions	New SS low	New SS high	
Rental Operations Market Unit Operating Costs (RUPM)	189	189	
Market Unit Operating Costs (PUPM)	189	189 189	
Affordable Unit Operating Costs (DUDAA)			
Affordable Unit Operating Costs (PUPM)	189	103	
Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month) Vacancy Rate & Bad Debt	- - 2%	- 2%	

Operating Costs	/yr		/mo	Mil	l rate
Property Tax	\$	914	\$	76	4.4
Insurance	\$	623	\$	52	
Interior Maintenance	\$	240	\$	20	
Exterior Maintenance	\$	-	\$	-	
Replacement Reserve	\$	480	\$	40	
Total	Ś	2.257	Ś	188	

Condominium & Non-Res Revenue Revenue Inflation	2%	2%	per year
Parking Stall Sale Price	2%		
		-	per stall
Church Space Net Lease Rate	-	-	per sq. ft.
Office Vacancy & Bad Debt	0%	0%	
Office Cap Rate	0.00%		
Retail Net Lease Rate	-	-	per sq. ft.
Retail Vacancy & Bad Debt	0%	0%	
Retail Cap Rate	0.00%		
Office & Retail Commissions	0%	0%	of sale price
iming & Financing Assumptions	New SS low	New SS high	
iming Assmptions			
Marketing/ Entitlement Period	1.0	1.0	years
Sales Period	1.0	1.0	years
Construction Period	1.0	1.0	years
Construction Loan			
Construction Loan	70%	70%	of total costs
Avg. Draw on Construction Loan	70%	70%	during construction period
Loan Fees	0.50%	0.50%	of loan
Loan Interest	3.00%	3.00%	of loan
ermanent Mortgage			
Lending Program	Std. Mortgage	Std. Mortgage	
Interest Rate	3.00%	3.00%	per year
Amortization	30	30	years
Min. DCR	1.1	1.1	
Co-Investment Grant	0.0%	0.0%	of rental project costs
IAH Capital Grant			per below-market rental unit
Patient Equity	0.00%	0.00%	of permanent loan principal
rofit Assumptions			
Discount Rate	7%	7%	per year
Condo Profit	0%	0%	of suite revenue

٠,	Suite Mix - All Offits					
	Unit Type	Suite Mix	Unit Size	Price \$PSF	Target Rents	
	Studio	0%	0	0	0	
	1 Bedroom	100%	600	0	826	
	2 Bedroom	0%	725	0	1,478	
	3 Bedroom	0%	1,000	0	1,935	
	Total/ Avg.	100%	600	0	826	
	Target Rent Calculator					
		2018 SGI	2022 SGI	Rent as % of	2022 Target	
		Median	Median	Gross	Affordable	
Į	Unit Type	Income*	Income**	Income	Rents	Notes 100% AMR 80% AMR
	1 Bedroom	30,528	33,044	30%	826	Based on SGI HNA target affordable rent for single pers
	2 Bedroom	54,618	59,120	30%	1,478	Based on average of SGI HNS target affordable rents for
	3 Bedroom	71,492	77,385	30%	1,935	Based on average of SGI HNS target affordable rents for
	 data from 2018 SGI Housing Ne assumes 2% inflation on media 				culated per no	tes provided
	assumes 2% initiation on media	an incomes for	4 years (201	9-2022)		
1						
,						
]						
ng fe	e, \$700 est electrical fee, \$10/\$10	000 CV @ \$200	psf as per CF	RD Building Re	gs Bylaw amen	ndment # 4403 Appendix M (https://www.crd.bc.ca/docs
	-,		, ,		. ,	
g)						
-res.						
ies fo	or NRRP Rebate of 36% of GST					

Scenario 1 - New Secondary Suite (1br) LOW - 3% Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents

Non-Residential None

Rental Financing Residential Mortgage (30 yrs)

Capital Subsidies None

DEVELOPMENT STATISTICS		
SITE		
Site Area (sq. ft.)	600	Assumes developed site area equals gross floor area of suite
Park Area (sq. ft.)	000	Assumes developed site area equals gross floor area of suite
FLOOR AREA	_	
Gross Floor Area (sq. ft.)	600	Gross Floor Area
Efficiency Ratio		Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)
Net Floor Area (sq. ft.)		
% of Residential Floor Area	100%	Leasable floor area fiet of circulation, utility and common areas
% of Non-Residential Floor Area	100%	
	100%	
% of Total Floor Area	100%	
PARKING Registeration Register Register (consumit)	4.00	A contract the court
Residential Parking Ratio (per unit)		1 parking stall per unit
Residential Stalls	1	
Visitor Parking Ratio (per unit)	-	
Visitor Stalls	=	
Office Parking Space Ratio (per 1,000 SF)	-	
Office Parking	-	
Total Parking Stalls	1	1 surface parking stalls in total
UNITS		
Total Units	1	1 unit total
Avg. Unit Size	600	Unit size
DEVELOPMENT COST		
Land Cost		
Land Cost - place holder		Assumes land is already award or secured under lang term lease
Land Cost - place holder		Assumes land is already owned or secured under long term lease
Hard Costs		
Site Prep & Remediation	2,755	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,00
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	-	·
Residential Const. Cost	195,000	At \$325/sf
At-Grade Parking Const. Cost		Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs		Per CRD Scope of Work assumes \$10,000 to upgrade existing services
TOTAL HARD COSTS	207,755	
Per sq. ft.	346	
· · · · · · · · · · · · · · · · · · ·		
Soft Costs		
Architect	5,000	Estimated lump sum
Other Consultants	2,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees)
Development Charges	-	Assumes no Development Cost Charges
Municipal Fees & Permits	2,500	\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendn
•		

Legal	-	No allowance for legal fees
Marketing	-	
Op Ex During Lease-up	-	
Loan Fees	1,086	Fees on construction loan at 0.5% of loan value
Loan Interest	1,475	Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
HST	7,034	At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
TOTAL SOFT COSTS	19,096	
Per sq. ft.	32	
Contingency (incl. cost escalation)	22,685	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	249,536	
Per sq. ft.	416	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)	-	
CMHC Seed Funding (Loan & Grant)		Does not qualify for CMHC Seed Funding
Permanent Mortgage	132,673	Maximum assumed standard mortgage based on financing terms below
City DC and Fee Waivers	-	Assumes no municipal fee waivers
Other	-	
Other		
Other	-	
TOTAL REVENUE	132,673	
Per sq. ft.	221	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	(116,863)	Estimated funding gap
Per unit	(116,863)	Estimated funding gap per unit (averaged)
Per sq. ft.	(195)	
RLV (EQUITY GAP) - PRESENT \$	-	
Per unit	-	
Per sq. ft.	-	
CASHFLOW		
Rental Revenue	0.012	Based on SGI Target Rent for 1br unit.
	9,912	שמשכע טון שטו ומוצבי הבווג וטו שוווג.
Parking Revenue	0.042	
Gross Potential Income	9,912	
Less Vacancy & Bad Debt		Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	9,714	
Less: Operating Expenses (Non-Res NNN)		Based on estimated operating expense of \$214 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	7,446	
	(¢¢ 760 07)	Cost of debt servicing
Debt Service	(\$0,700.07)	cost of debt servicing

	DEBT CALCULATION		
	Net Operating Income	7,446	Net operating income after vacancy loss and operating expenses
	DCR	1.1	Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt coverage expectation to develop the rental housing.
	Amortization	30	Ammortization period of 30 yrs is standard max for residential mortgages.
_	Interest Rate	3.00%	3% interest rate per CRD Scope of Services
	Principal	132,673	Estimated max principal available from lender based on above terms

Scenario 2 - New Secondary Suite (1br) HIGH - 3% Interest Rate

 Residential Tenure
 Rental - SGI Target Affordable Rents

 Non-residential
 None

 Rental Financing
 Residential Mortgage (30 yrs)

capital substates	Hone	
DEVELOPMENT STATISTICS		
SITE		
Site Area (sq. ft.)	600	Assumes developed site area equals gross floor area of suite
Park Area (sq. ft.)		
FLOOR AREA		
Gross Floor Area (sq. ft.)	600	Gross Floor Area
Efficiency Ratio	100%	Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)
Net Floor Area (sq. ft.)	600	Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	

% of Non-Residential Floor Area % of Total Floor Area 100%

% of Total Floor Area 1005
PARKING

 Residential Parking Ratio (per unit)
 1.00
 1 parking stall per unit

 Residential Stalls
 1
 1

 Visitor Parking Ratio (per unit)

 Visitor Stalls

 Office Space Parking Ratio (per 1,000 sq.

Office Parking Total Parking Stalls 1 surface parking stalls in total

 UNITS
 Total Units
 1
 1 unit total

 Avg. Unit Size
 600
 Unit size

DEVELOPMENT COST	
Land Cost	
Land Cost - place holder	-
Hard Costs	

Assumes land is already owned or secured under long term lease

ilalu Costs		
Site Prep & Remediation	2,755	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	-	
Residential Const. Cost	210,000	At \$350/sf
At-Grade Parking Const. Cost		Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	10,000	Per CRD Scope of Work assumes \$10,000 to upgrade existing services
TOTAL HARD COSTS	222,755	
Per sq. ft.	371	

Soft Costs		
Architect	5,000	Estimated lump sum
and an in-		

Other Consultants 2,000 Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees)

Dev. Charges - Studio & 1 Bed - Assumes no Development Cost Charges

Planning Application Fees 2,500 | \$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-4403.pdf?sfwrsn=46607fcd_4)

Development Management Fee - -

Legal - No allowance for legal fees
Marketing - -

Op Ex During Lease-up - Loan Fees 1,161 Fees on construction loan at 0.5% of loan value

221

Loan Interest 1,577 Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.

GST 7,520 At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST

TOTAL SOFT COSTS 19,758

Contingency (incl. cost escalation) 24,251 At 10% of hard and soft costs costs

TOTAL DEVELOPMENT COST 266,764
Per sq. ft. 445

DEVELOPER PROFIT SOURCES OF FUNDS

- Does not qualify for CMHC Seed Funding
132,673 Maximum assumed standard mortgage based on financing terms below

- Assumes no municipal fee waivers

EQUITY SURPLUS / GAP

SURPLUS / (GAP)	(134,092)	Estimated funding gap
Per unit	(134,092)	Estimated funding gap per unit (averaged)
Per sq. ft.	(223)	
RLV (EQUITY GAP) - PRESENT \$		
Per unit	-	
Per sq. ft.	-	
CASHFLOW		
Rental Revenue	9,912	Based on SGI Target Rent for 1br unit.
 Parking Revenue		
Gross Potential Income	9,912	
 Less Vacancy & Bad Debt	(198)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	9,714	
 Less: Operating Expenses (Non-Res NNN)	(2,268)	Based on estimated operating expense of \$214 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	7,446	
Debt Service		Cost of debt servicing
Annual Cashflow After Debt Servicing	677	Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION		
Net Operating Income		Net operating income after vacancy loss and operating expenses
DCR	1.1	Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt coverage expectation to develop the rental housing.
Amortization	30	Ammortization period of 30 yrs is standard max for residential mortgages.
 Interest Rate	3.00%	3% interest rate per CRD Scope of Services
Principal	132,673	Estimated max principal available from lender based on above terms

Summary of Results - 1 Bedroom Secondary Suite (Renovation) - 3% Interest Rate

Prepared by New Commons Development

cenario 1 - Secondary Suite Reno (2br) LOW - 3% Interest Rate		
Gross Floor Area	600	
% of Total Floor Area	1009	
Total Units	1	
Parking Spots	1	
Land Value (TBD)		
Hard Costs	145,000	
Soft Costs	16,324	
Contingency	16,132	
Other		
Total Costs	177,45	
Land Value (TBD)		
CMHC Seed Funding (Loan & Grant)		
Permanent Mortgage	141,01	
City DC and Fee Waivers		
Other		
Total Sources	141,01	
Surplus / (Gap)	(36,444	

1,000 7,914
.7,914
9,891
8,805
_
-
1,012
1,011
-
1,012
7,793)

eno SS high	
	sq. ft.
0%	of site area
600	sq. ft.
100%	of GFA
0%	of GFA
0%	of Residential GFA
100%	of Residential GFA
0%	of Residential GFA
100%	of GFA
100%	of Non-Residential GFA
0%	of Non-Residential GFA
100%	of Non-Residential GFA
-	stalls per unit
1.00	stalls per unit
1.00	stalls per unit
-	stalls per unit
-	stalls per 1,000 sq. ft. leaseab
-	stalls
-	per stall
eno SS high	
ow R	ow Reno SS high

Suite Mix - All Units						
Unit Type	Suite Mix	Unit Size	Price \$PSF	Target Rents		
Studio	0%	0	0	0		
1 Bedroom	100%	600	0	826		
2 Bedroom	0%	725	0	1,478		
3 Bedroom	0%	1,000	0	1,935		
Total/ Avg.	100%	600	0	826		
· ·						
arget Rent Calculator						

Т	arget Rent Calculator							
Г		2018 SGI	2022 SGI	Rent as % of	2022 Target			
		Median	Median	Gross	Affordable			
L	Unit Type	Income*	Income**	Income	Rents	Notes	100% AMR	80% AMR
	1 Bedroom	30,528	33,044	30%	826	Based on SGI HNA	target affordable rent f	or single pers
	2 Bedroom	54,618	59,120	30%	1,478	Based on average	of SGI HNS target afford	lable rents for
	3 Bedroom	71,492	77,385	30%	1,935	Based on average	of SGI HNS target afford	lable rents for

^{*} data from 2018 SGI Housing Needss Assessment (Table 23); averages calculated per notes provided

** assumes 2% inflation on median incomes for 4 years (2019-2022)

Development Cost Assumptions	111	110 33 10W	IVE.	io 33 iligii	
Hard Costs					
Land Value - placeholder				-	total
Site Prep & Remediation		200,000		200,000	per ac.
On-Site Servicing				-	per ac.
Off-Site Servicing				-	per ac.
Public Park Const. Cost (15% of site area)				-	per sq. ft.
Extraordinary Site or Servicing Costs		10,000		10,000	As per CRD Scope of Services
Residential Const. Cost		225		285	per sq. ft.
Commercial Const. Cost				-	per sq. ft.
Parking Const. Cost		-		-	per stall
Soft Costs					
Architect	\$	5,000.00	\$	5,000.00	LS
Other Consultants	\$	2,000.00	\$	2,000.00	LS
Day Charges Studio 9 1 Ded					nor unit

Other Consultants
Dev. Charges - Studio & 1 Bed
Dev. Charges - 2 Bed +
Education DC
Education DC - Non-Res
Non-Res DC
Sec. 37 Payment
Municipal Fees & Permits
Public Art
Developer Fees
Legal
Condo Marketing
Condo Omarketing
Condo Commissions
Rental Op Ex During Lease-up
GST
Contingency (incl. cost escalation) per unit
per 2,500 0.0% 0.0% 2,500 0.0% 0.0%

0% 3.2% 10% 0% 3.2% 10%

Revenue Assumptions
Rental Operations
Market Unit Operating Costs (PUPM)
Affordable Unit Operating Costs (PUPM)
Parking Revenue (per stall, per month)
Vacancy Rate & Bad Debt
Lease-Up Period (months)
Market Can Bate SS low Reno SS high 150 150 150 150 2% 1 2% 1

Market Cap Rate	3.50%	3.50%		
Condominium & Non-Res Revenue				
Revenue Inflation	2%	2%	per year	
Parking Stall Sale Price		-	per stall	
Church Space Net Lease Rate		-	per sq. ft.	
Office Vacancy & Bad Debt	0%	0%		
Office Cap Rate	0.00%	0.00%		
Retail Net Lease Rate		-	per sq. ft.	
Retail Vacancy & Bad Debt	0%	0%		
Retail Cap Rate	0.00%	0.00%		
Office & Retail Commissions	0%	0%	of sale price	

Marketing/ Entitlement Period 1.0 1.0 years Sales Period 1.0 1.0 years Construction Period 1.0 1.0 years Construction Loan 70% 70% of total costs Avg. Draw on Construction Loan 70% 70% during construction period Loan Fees 0.50% 0.50% of loan Loan Interest 3.00% 3.00% of loan Permanent Mortgage Lending Program Std. Mortgage Std. Mortgage Interest Rate 3.00% 3.00% per year Amortzation 30 3.00 years Min. DCR 1.1 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs Jate Option per below-market rental unit per below-market rental unit	Fiming & Financing Assumptions	Reno SS low	Reno SS high	
Sales Period	Timing Assmptions			
Construction Period	Marketing/ Entitlement Period	1.0	1.0	years
Construction Loan	Sales Period	1.0	1.0	years
Construction Loan	Construction Period	1.0	1.0	years
Avg. Draw on Construction Loan 70% 70% during construction period of loan of	Construction Loan			
Loan Fees 0.50% 0.50% of loan Loan Interest 3.00% 3.00% of loan Permanent Mortgage Lending Program Std. Mortgage Std. Mortgage Interest Rate 3.00% 3.00% per year Amortization 30 3.00% years Min. DCR 1.1 1.1 1.1 Co-Investment Grant 0.0% 0.00% of rental project costs per below-market rental unit IAH Capital Grant - - - per below-market rental unit of permanent loan principal Profit Assumptions Discount Rate 7% 7% per year	Construction Loan	70%	70%	of total costs
Coan Interest 3.00% 3.00% of loan	Avg. Draw on Construction Loan	70%	70%	during construction period
Decimanent Mortgage	Loan Fees	0.50%	0.50%	of loan
Lending Program Std. Mortgage Std. Mortgage Interest Rate 3.00% 3.00% per year Amortization 30 30 years Min. DCR 1.1 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs per below-market rental unit pratient Equity Patient Equity 0.00% 0.00% of permanent loan principal Profit Assumptions Discount Rate 7% 7% per year	Loan Interest	3.00%	3.00%	of loan
Interest Rate	Permanent Mortgage			
Amortization 30 30 years Min. DCR 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs IAH Capital Grant - per below-market rental unit Patient Equity 0.00% 0.00% of permanent loan principal Profit Assumptions Discount Rate 7% 7% per year	Lending Program	Std. Mortgage	Std. Mortgage	
Min. DCR 1.1 1.1 co-investment Grant 0.0% 0.0% of rental project costs IAH Capital Grant - per below-market rental unit Patient Equity 0.00% 0.00% of permanent loan principal Profit Assumptions Discount Rate 7% 7% per year	Interest Rate	3.00%	3.00%	per year
Co-Investment Grant	Amortization	30	30	years
IAH Capital Grant per below-market rental unit Patient Equity 0.00% 0.00% of permanent loan principal Profit Assumptions Discount Rate 7% 7% per year	Min. DCR	1.1	1.1	
Patient Equity 0.00% 0.00% of permanent loan principal Profit Assumptions Biscount Rate 7% 7% per year	Co-Investment Grant	0.0%	0.0%	of rental project costs
Profit Assumptions Discount Rate 7% 7% per year	IAH Capital Grant		-	per below-market rental unit
Discount Rate 7% 7% per year	Patient Equity	0.00%	0.00%	of permanent loan principal
	Profit Assumptions			
Condo Profit 0% 0% of suite revenue	Discount Rate	7%	7%	per year
	Condo Profit	0%	0%	of suite revenue

Operating Costs	/yr		/mo	N	/ill rate
Property Tax	\$	638	\$	53	4.4
Insurance	\$	435	\$	36	
Interior Maintenance	\$	240	\$	20	
Exterior Maintenance	\$	-	\$	-	
Replacement Reserve	\$	480	\$	40	
Total	\$	1,793	\$	149	

Scenario 1 - Secondary Suite Reno (1br) LOW - 3% Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents
Non-Residential None

Rental Financing Residential Mortgage (30 yrs)

Capital Subsidies None

DEVELOPMENT STATISTICS		
SITE		
Site Area (sq. ft.)	-	Assumes suite contained within existing developed footprint
Park Area (sq. ft.)	-	
FLOOR AREA		
Gross Floor Area (sq. ft.)	600	Gross Floor Area
Efficiency Ratio	100%	Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)
Net Floor Area (sq. ft.)	600	Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING		
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1	
Visitor Parking Ratio (per unit)	_	
Visitor Stalls	_	
Office Parking Space Ratio (per 1,000 SF)		
Office Parking Space Ratio (per 1,000 SF)	=	
Total Parking Stalls	-	1 surface parking stalls in total
UNITS	1	1 surroce parking statis in total
Total Units		1 unit total
Avg. Unit Size	600	Unit size
DEVELOPMENT COST		
Land Cost		
Land Cost - place holder		Assumes land is already owned or secured under long term lease
, , , , , , , , , , , , , , , , , , , ,		
Hard Costs		
Site Prep & Remediation	-	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	-	
Residential Const. Cost	135,000	At \$225/sf
At-Grade Parking Const. Cost	=	Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	10,000	Per CRD Scope of Work assumes \$10,000 to upgrade existing services
TOTAL HARD COSTS	145,000	
Per sq. ft.	242	
Soft Costs		
Architect		Estimated lump sum
Other Consultants		Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees)
Development Charges		Assumes no Development Cost Charges
Municipal Fees & Permits	2,500	\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws,
Development Management Fee	-	
Legal	-	No allowance for legal fees
Marketing	-	
Op Ex During Lease-up	-	
Loan Fees	773	Fees on construction loan at 0.5% of loan value
Loan Interest		Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
HST	5,002	At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
TOTAL SOFT COSTS	16,324	
Per sq. ft.	27	
Contingency (incl. cost escalation)	16,132	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	177,456	
Per sq. ft.	296	

DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD) CMHC Seed Funding (Loan & Grant)	-	Does not qualify for CMHC Seed Funding
Permanent Mortgage	141,012	Maximum assumed standard mortgage based on financing terms below
City DC and Fee Waivers	-	Assumes no municipal fee waivers
Other	-	
Other		
Other TOTAL REVENUE	141,012	-
Per sq. ft.	235	
1 (1 34.1).	233	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	(36,444)	Estimated funding gap
Per unit	(36,444)	Estimated funding gap per unit (averaged)
Per sq. ft.	(61)	
RLV (EQUITY GAP) - PRESENT \$	-	
Per unit	-	
Per sq. ft.	=	
CASHFLOW		
CASHILOW		
Rental Revenue	9,912	Based on SGI Target Rent for 1br unit.
Parking Revenue	-	
Gross Potential Income	9,912	
Less Vacancy & Bad Debt	(198)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	9,714	
Less: Operating Expenses (Non-Res NNN)	(1,800)	Based on estimated operating expense of \$167 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	7,914	
Debt Service	(7,194)	Cost of debt servicing
Annual Cash Flow After Debt Servicing		Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION		
Net Operating Income	7 914	Net operating income after vacancy loss and operating expenses
DCR		Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt coverage expectation to develop the rental housing.
Amortization		Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate		3% interest rate per CRD Scope of Services
Principal		Estimated max principal available from lender based on above terms

Scenario 2 - Secondary Suite Reno (1br) HIGH - 3% Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents

Non-residential None

Rental Financing Residential Mortgage (30 yrs)

Capital Subsidies None

Op Ex During Lease-up

DEVELOPMENT STATISTICS		
0.75		
SITE		
Site Area (sq. ft.)	-	Assumes developed site area equals gross floor area of suite
Park Area (sq. ft.)	-	
FLOOR AREA		
Gross Floor Area (sq. ft.)	600	Gross Floor Area
Efficiency Ratio	100%	Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space
Net Floor Area (sq. ft.)	600	Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING		
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1	
Visitor Parking Ratio (per unit)	-	
Visitor Stalls	-	
Office Space Parking Ratio (per 1,000 sq. ft.)	-	
Office Parking	-	
Total Parking Stalls	1	1 surface parking stalls in total
UNITS		
Total Units	1	1 unit total
	600	Unit size

DEVELOPMENT COST		
Land Cost		
Land Cost - place holder	-	Assumes land is already owned or secured under long term lease
Hard Costs		
Site Prep & Remediation		Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
·		
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	-	
Residential Const. Cost	171,000	At \$285/sf
At-Grade Parking Const. Cost	-	Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	10,000	Per CRD Scope of Work assumes \$10,000 to upgrade existing services
TOTAL HARD COSTS	181,000	
Per sq. ft.	302	
Soft Costs		
Architect	5,000	Estimated lump sum
Other Consultants	2,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees)
Dev. Charges - Studio & 1 Bed	-	Assumes no Development Cost Charges
Planning Application Fees	2,500	\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/d
Development Management Fee	-	
Legal	-	No allowance for legal fees
Marketing	-	

Loan Fees	953	Fees on construction loan at 0.5% of loan value
Loan Interest	1,294	Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
GST	6,168	At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
TOTAL SOFT COSTS	17,914	
Per sq. ft.	30	
Contingency (incl. cost escalation)	19,891	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	218,805	
Per sq. ft.	365	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)	-	
CMHC Seed Funding (Loan & Grant)	-	Does not qualify for CMHC Seed Funding
Permanent Mortgage	141,012	Maximum assumed standard mortgage based on financing terms below
City DC & Fee Waivers	-	Assumes no municipal fee waivers
Other	-	
Other	-	
Other	-	
TOTAL REVENUE	141,012	
	235	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	(77 793)	Estimated funding gap
Per unit		Estimated funding gap per unit (averaged)
Per sq. ft.	(130)	Estimated tallaing gap per directorged)
RLV (EQUITY GAP) - PRESENT \$	(150)	
Per unit	-	
Per sq. ft.	-	
·		
CASHFLOW		
Rental Revenue	9,912	Based on SGI Target Rent for 1br unit.
Parking Revenue	-	
Gross Potential Income	9,912	
Less Vacancy & Bad Debt	(198)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	9,714	
Less: Operating Expenses (Non-Res NNN)	(1,800)	Based on estimated operating expense of \$167 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	7,914	
Debt Service	(7,194)	Cost of debt servicing
Annual Cashflow After Debt Servicing		Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION		
Net Operating Income		Net operating income after vacancy loss and operating expenses
DCR	1.1	Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt coverage expectation to develop the rental housing.
Amortization	30	Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate	3.00%	3% interest rate per CRD Scope of Services
Principal	141,012	Estimated max principal available from lender based on above terms

Summary of Results - 2 Bedroom Secondary Suite (New Construction) - 3% Interest Prepared by New Commons Development

Surplus / (Gap)	(33,192
Total Sources	263,952
Other	
City DC and Fee Waivers	
Permanent Mortgage	263,952
CMHC Seed Funding (Loan & Grant)	
Land Value (TBD)	
Total Costs	297,143
Other	
Contingency	27,013
Soft Costs	21,176
Hard Costs	248,954
Land Value (TBD)	
Parking Spots	1
Total Units	1
% of Total Floor Area	1009
Gross Floor Area	725

	(54,010
Total Sources	263,952
Other	
City DC & Fee Waivers	
Permanent Mortgage	263,952
CMHC Seed Funding (Loan & Grant)	
Land Value (TBD)	
Total Costs	317,96
Other	
Contingency	28,906
Soft Costs	21,97
Hard Costs	267,079
Land Value (TBD)	-
Parking Spots	
Total Units	
% of Total Floor Area	100
Gross Floor Area	72

Inputs									
Development Statistics	New SS low N	ew SS high		Suite Mix - All Units					
Site Area (SF)	725	725	sq. ft.	Unit Type	Suite Mix	Unit Size		Target Rent	s
Public Park Area	0%	0%	of site area	Studio	0%	0	0	0	
Gross Floor Area Residential	725 100%	725 100%	sq. ft. of GFA	1 Bedroom 2 Bedroom	0% 100%	600 725	0	826 1,478	
Non-Residential GFA	0%	0%	of GFA	3 Bedroom	0%	1,000	0	1,935	
Market Condominium	0%	0%	of Residential GFA	Total/ Avg.	100%	725	0	1,478	
Target Rental 80% MMR Rental	100%	100%	of Residential GFA of Residential GFA	Target Rent Calculator					
80% MMR Rental	0%	0%	of Residential GFA	Target Rent Calculator	2018 SGI	2022 SGI	Rent as % of	2022 Targe	
					Median	Median	Gross	Affordable	
Res. Efficiency	100%	100%	of GFA	Unit Type	Income*	Income**	Income	Rents	Notes 100% AMR 80% AMR
Program Space Retail	100%	100%	of Non-Residential GFA of Non-Residential GFA	1 Bedroom 2 Bedroom	30,528 54,618	33,044 59,120	30% 30%	826 1,478	Based on SGI HNA target affordable rent for single personal Based on average of SGI HNS target affordable rents for
Non-Res. Efficiency	100%	100%	of Non-Residential GFA	3 Bedroom	71,492	77,385	30%	1,478	Based on average of SGI HNS target affordable rents for Based on average of SGI HNS target affordable rents for
Parking Ratio									
Other	-	-	stalls per unit	* data from 2018 SGI Housing I				culated per n	otes provided
Rental Below Market Rental	1.00 1.00	1.00 1.00	stalls per unit	** assumes 2% inflation on me	edian incomes fo	or 4 years (201	19-2022)		
Visitor	1.00	1.00	stalls per unit stalls per unit						
Community Space			stalls per 1,000 sq. ft. leaseable						
Other			stalls						
Condo Parking Sale Price	-	-	per stall						
Development Cost Assumptions	New SS low N	ew SS high							
Hard Costs Land Value - placeholder			total						
Site Prep & Remediation	200,000	200,000	per ac.						
On-Site Servicing	-	-	per ac.						
Off-Site Servicing			per ac.						
Public Park Const. Cost (15% of site area)	-		per sq. ft.						
Extraordinary Site or Servicing Costs	10,000	10,000	As per CRD Scope of Services						
Residential Const. Cost Commercial Const. Cost	325	350	per sq. ft. per sq. ft.						
Parking Const. Cost			per stall						
Soft Costs Architect	\$ 5,000.00 \$	5.000.00	LS						
Other Consultants	\$ 2,000.00 \$	2,000.00	LS						
Dev. Charges - Studio & 1 Bed			per unit						
Dev. Charges - 2 Bed +			per unit						
Education DC Education DC - Non-Res	-		per unit per m2						
Non-Res DC			per m2						
Sec. 37 Payment			total						
Municipal Fees & Permits	2,750	2,750		g fee, \$700 est electrical fee, \$10/\$	\$1000 CV @ \$20	0 psf as per C	RD Building Re	gs Bylaw ame	endment # 4403 Appendix M (https://www.crd.bc.ca/docs
Public Art	0.0%	0.0%	of hard costs						
Developer Fees Legal	0.0%	0.0%	of project costs (excl. land & financing) per res. unit and, per 1,000 sq. ft. non-	***					
Sales & Closing			per unit	163.					
Condo Marketing			per unit						
Condo Commissions	-		per unit						
Rental Marketing	-	-	per unit						
Rental Op Ex During Lease-up GST	0% 3.2%	0% 3.2%	of year 1 op ex of hard and soft costs, assumes qualifie	or for NDDD Debate of 26% of GST					
Contingency (incl. cost escalation)	10%	10%	of hard & soft costs	3 101 WARE REDUCE OF 30% OF G31					
Revenue Assumptions	New SS low N	ew SS high			Operating As	mutions			
Rental Operations	New SS IOW N	ew 55 nign			Operating Co		/yr	/mo	Mill rate
Market Unit Operating Costs (PUPM)	214	214			Property Tax		\$ 1,095		
Affordable Unit Operating Costs (PUPM)	214	214			Insurance		\$ 747		
Parking Revenue (per stall, per month)	-	- 20/			Interior Main		\$ 240		
Vacancy Rate & Bad Debt Lease-Up Period (months)	2% 1	2% 1			Exterior Mair Replacement		\$ - \$ 480	\$ - \$ 40	
Market Cap Rate	3.50%	3.50%							
Condominium & Non-Res Revenue					Total		\$ 2,562	\$ 214	
Revenue Inflation	2%	2%	per year	_					
Parking Stall Sale Price	-	-	per stall						
Church Space Net Lease Rate		-	per sq. ft.						
Office Vacancy & Bad Debt Office Cap Rate	0% 0.00%	0%							
Retail Net Lease Rate	0.00%	0.00%	per sq. ft.						
Retail Vacancy & Bad Debt	0%	0%							
Retail Cap Rate	0.00%	0.00%							
Office & Retail Commissions	0%	0%	of sale price						

Suite M	lix - All Units				
	Unit Type	Suite Mix	Unit Size	Price \$PSF	Target Rents
	Studio	0%	0	0	0
	1 Bedroom	0%	600	0	826
	2 Bedroom	100%	725	0	1,478
	3 Bedroom	0%	1,000	0	1,935
	Total/ Avg.	100%	725	0	1,478

Target Rent Calculator							
	2018 SGI	2022 SGI	Rent as % of	2022 Target			
	Median	Median	Gross	Affordable			
Unit Type	Income*	Income**	Income	Rents	Notes	100% AMR	80% AMR
1 Bedroom	30,528	33,044	30%	826	Based on SGI HN.	A target affordable rent	for single pers
2 Bedroom	54,618	59,120	30%	1,478	Based on average	e of SGI HNS target affor	dable rents for
3 Bedroom	71.492	77.385	30%	1.935	Based on average	e of SGI HNS target affor	dable rents for

^{*} data from 2018 SGI Housing Needss Assessment (Table 23); averages calculated per notes provided
** assumes 2% inflation on median incomes for 4 years (2019-2022)

Operating Assumptions					
Operating Costs	/yr		/mo		Mill rate
Property Tax	\$	1,095	\$	91	4.4
Insurance	\$	747	\$	62	
Interior Maintenance	\$	240	\$	20	
Exterior Maintenance	\$	-	\$		
Replacement Reserve	\$	480	\$	40	
Total	\$	2,562	\$	214	

Retail Cap Rate	0.00%	0.00%	
Office & Retail Commissions	0%	0%	of sale price
Firming & Financing Assumptions	New SS low	New SS high	
Timing Assmptions			
Marketing/ Entitlement Period	1.0	1.0	years
Sales Period	1.0	1.0	years
Construction Period	1.0	1.0	years
Construction Loan			
Construction Loan	70%	70%	of total costs
Avg. Draw on Construction Loan	70%	70%	during construction period
Loan Fees	0.50%	0.50%	of loan
Loan Interest	3.00%	3.00%	of loan
Permanent Mortgage			
Lending Program	Std. Mortgage	Std. Mortgage	
Interest Rate	3.00%	3.00%	per year
Amortization	30	30	years
Min. DCR	1.1	1.1	
Co-Investment Grant	0.0%	0.0%	of rental project costs
IAH Capital Grant			per below-market rental unit
Patient Equity	0.00%	0.00%	of permanent loan principal
	0.00%		
Patient Equity Profit Assumptions Discount Rate	0.00%		

Scenario 1 - New Secondary Suite (2br) LOW - 3% Interest

Residential Tenure Rental - SGI Target Affordable Rents

Non-Residential None

Rental Financing Residential Mortgage (30 yrs)

Capital Subsidies None

DEVELOPMENT STATISTICS		
511111111111111111111111111111111111111		
SITE	•	
Site Area (sq. ft.)	725	Assumes developed site area equals gross floor area of suite
Park Area (sq. ft.)	-	
FLOOR AREA		
Gross Floor Area (sq. ft.)	725	Gross Floor Area
Efficiency Ratio	100%	Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)
Net Floor Area (sq. ft.)	725	Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING		
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1	
Visitor Parking Ratio (per unit)	-	
Visitor Stalls	-	
Office Parking Space Ratio (per 1,000 SF)		
Office Parking		
Total Parking Stalls	1	1 surface parking stalls in total
UNITS		
Total Units	1	1 unit total
Avg. Unit Size		Unit size
DEVELOPMENT COST		
Land Cost		
Land Cost - place holder		Assumes land is already owned or secured under long term lease
		, , , , , , , , , , , , , , , , , , , ,
Hard Costs		
Site Prep & Remediation	3,329	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	-	
Residential Const. Cost	235,625	At \$325/sf
At-Grade Parking Const. Cost	_	Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	10,000	
TOTAL HARD COSTS	248,954	
Per sq. ft.	343	
Soft Costs		
Architect	5,000	Estimated lump sum
Other Consultants	2,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees)
Development Charges	-	Assumes no Development Cost Charges
Municipal Fees & Permits	2,750	\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/default-so
Development Management Fee	-	
Legal	-	No allowance for legal fees
Marketing	-	
Op Ex During Lease-up	-	
Loan Fees	1,294	Fees on construction loan at 0.5% of loan value
Loan Interest	1,757	Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
	, -	

HST	8,376	At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
TOTAL SOFT COSTS	21,176	
Per sq. ft.	29	
Contingency (incl. cost escalation)	27,013	At 10% of hard and soft costs costs
TOTAL DELICIODATATAL COST	207.442	
TOTAL DEVELOPMENT COST	297,143	
Per sq. ft.	410	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)	-	
CMHC Seed Funding (Loan & Grant)	-	Does not qualify for CMHC Seed Funding
Permanent Mortgage		Maximum assumed standard mortgage based on financing terms below
City DC and Fee Waivers	-	Assumes no municipal fee waivers
Other	-	
Other		
Other	-	
TOTAL REVENUE	263,952	
Per sq. ft.	364	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	(33,192)	Estimated funding gap
Per unit	(33,192)	Estimated funding gap per unit (averaged)
Per sq. ft.	(46)	
RLV (EQUITY GAP) - PRESENT \$	-	
Per unit	-	
Per sq. ft.	-	
CASHFLOW		
Rental Revenue	17,736	Based on SGI Target Rent for 2br unit.
Parking Revenue	-	
Gross Potential Income	17,736	
Less Vacancy & Bad Debt	(355)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	17,381	,
	,	
Less: Operating Expenses (Non-Res NNN)	(2.568)	Based on estimated operating expense of \$214 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	14,813	
,	,-	
Debt Service	(\$13.466.62)	Cost of debt servicing
Annual Cash Flow After Debt Servicing		Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
	_,	9
DEBT CALCULATION		
Net Operating Income	14,813	Net operating income after vacancy loss and operating expenses
DCR		Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt coverage expectation to develop the rental housing.
Amortization		Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate		3% interest rate per CRD Scope of Services
Principal		Estimated max principal available from lender based on above terms
· P ·		

Scenario 2 - New Secondary Suite (2br) HIGH - 3% Interest

Residential Tenure Rental - SGI Target Affordable Rents

Non-residential None

Rental Financing Residential Mortgage (30 yrs)

Capital Subsidies None

Marketing
Op Ex During Lease-up

SITE		
Site Area (sq. ft.)	725	Assumes developed site area equals gross floor area of suite
Park Area (sq. ft.)	-	
FLOOR AREA		
Gross Floor Area (sq. ft.)	725	Gross Floor Area
Efficiency Ratio	100%	Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, et
Net Floor Area (sq. ft.)	725	Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING		
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1	
Visitor Parking Ratio (per unit)	-	
Visitor Stalls	-	
Office Space Parking Ratio (per 1,000 sq. ft.)	-	
Office Parking	-	
Total Parking Stalls	1	1 surface parking stalls in total
UNITS		
Total Units	1	1 unit total
Avg. Unit Size	725	Unit size

Land Cost		
Land Cost - place holder	-	Assumes land is already owned or secured under long term lease
Hard Costs		
Site Prep & Remediation	3,329	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	-	
Residential Const. Cost	253,750	At \$350/sf
At-Grade Parking Const. Cost	-	Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	10,000	Per CRD Scope of Work assumes \$10,000 to upgrade existing services
TOTAL HARD COSTS	267,079	
Per sq. ft.	368	
Soft Costs		

Soft Costs		
Architect	5,000	Estimated lump sum
Other Consultants	2,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees)
Dev. Charges - Studio & 1 Bed	-	Assumes no Development Cost Charges
Planning Application Fees	2,750	\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/d
Development Management Fee	-	
Legal	-	No allowance for legal fees

Loan Fees	1,384	Fees on construction loan at 0.5% of loan value
Loan Interest	1,880	Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
GST	8,963	At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
TOTAL SOFT COSTS	21,977	
Per sq. ft.	30	
Contingency (incl. cost escalation)	28,906	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	317,961	
Per sq. ft.	439	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)	-	
CMHC Seed Funding (Loan & Grant)		Does not qualify for CMHC Seed Funding
Permanent Mortgage		Maximum assumed standard mortgage based on financing terms below
City DC & Fee Waivers	-	Assumes no municipal fee waivers
Other	-	
Other	-	
Other	-	
TOTAL REVENUE	263,952	
	364	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	(54.010)	Estimated funding gap
Per unit		Estimated funding gap per unit (averaged)
Per sq. ft.	(74)	Estimated funding gap per unit (averageu)
RLV (EQUITY GAP) - PRESENT \$	(, -,	
Per unit	_	
Per sq. ft.	-	
CASHFLOW		
Rental Revenue	17,736	Based on SGI Target Rent for 2br unit.
Parking Revenue	-	
Gross Potential Income	17,736	
Less Vacancy & Bad Debt	(355)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	17,381	
Less: Operating Expenses (Non-Res NNN)	(2,568)	Based on estimated operating expense of \$214 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	14,813	
Debt Service	(13,467)	Cost of debt servicing
Annual Cashflow After Debt Servicing		Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION	,	, 0,
Net Operating Income	14,813	Net operating income after vacancy loss and operating expenses
DCR	1.1	Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt coverage expectation to develop the rental housing.
Amortization	30	Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate	3.00%	3% interest rate per CRD Scope of Services
Principal	262.052	Estimated max principal available from lender based on above terms

Summary of Results - 2 Bedroom Secondary Suite (Renovation) - 3% Interest Prepared by New Commons Development

Total Sources	274,001
Other	
City DC and Fee Waivers	
Permanent Mortgage	274,003
CMHC Seed Funding (Loan & Grant)	
Land Value (TBD)	
Total Costs	210,04
Other	
Contingency	19,09
Soft Costs	17,82
Hard Costs	173,125
Land Value (TBD)	
Parking Spots	:
Total Units	
% of Total Floor Area	100
Gross Floor Area	72

Surplus / (Gap)	13
Total Sources	274
Other	
City DC & Fee Waivers	
Permanent Mortgage	274
CMHC Seed Funding (Loan & Grant)	
Land Value (TBD)	
Total Costs	260
Other	
Contingency	23
Soft Costs	19
Hard Costs	210
Land Value (TBD)	
Parking Spots	
Total Units	
% of Total Floor Area	
Gross Floor Area	

Inputs				
Development Statistics	Reno SS low	Reno SS high		Suite Mix - All Units
Site Area (SF) Public Park Area	- 0%	0%	sq. ft. of site area	Unit Type Studio
Gross Floor Area	725	725	sq. ft.	1 Bedroom
Residential	100%	100%	of GFA	2 Bedroom
Non-Residential GFA	0%	0%	of GFA	3 Bedroom
Market Condominium	0%	0%	of Residential GFA	Total/ Avg.
Target Rental	100%	100%	of Residential GFA	
80% MMR Rental	0%	0%	of Residential GFA	Target Rent Calculator
Res. Efficiency	100%	100%	of GFA	Unit Type
Program Space	100%	100%	of Non-Residential GFA	1 Bedroom
Retail	0%	0%	of Non-Residential GFA	2 Bedroom
Non-Res. Efficiency	100%	100%	of Non-Residential GFA	3 Bedroom
Parking Ratio				
Other	-	-	stalls per unit	* data from 2018 SGI Housing
Rental Below Market Rental	1.00 1.00	1.00 1.00	stalls per unit stalls per unit	** assumes 2% inflation on me
Visitor	1.00	1.00	stalls per unit	
Community Space			stalls per 1,000 sq. ft. leaseable	
Other			stalls	
Condo Parking Sale Price			per stall	
Development Cost Assumptions Hard Costs	Reno SS low	Reno SS high		
Land Value - placeholder			total	1
Site Prep & Remediation	200,000	200,000	per ac.	
On-Site Servicing	-	-	per ac.	
Off-Site Servicing		-	per ac.	
Public Park Const. Cost (15% of site area)	-	-	per sq. ft.	
Extraordinary Site or Servicing Costs	10,000	10,000	As per CRD Scope of Services	
Residential Const. Cost	225	285	per sq. ft.	
Commercial Const. Cost Parking Const. Cost			per sq. ft. per stall	
Soft Costs				1
Architect	\$ 5,000.00	\$ 5,000.00	LS	1
Other Consultants	\$ 2,000.00	\$ 2,000.00	LS	
Dev. Charges - Studio & 1 Bed	-	-	per unit	
Dev. Charges - 2 Bed +	-	-	per unit	
Education DC	-	-	per unit	
Education DC - Non-Res Non-Res DC	-	-	per m2 per m2	
Sec. 37 Payment			total	
Municipal Fees & Permits	2.750	2.750	\$300 processing fee, \$300 est plumbi	ng fee. \$700 est electrical fee. \$10/5
Public Art	0.0%	0.0%	of hard costs	
Developer Fees	0.0%	0.0%	of project costs (excl. land & financing	
Legal	-	-	per res. unit and, per 1,000 sq. ft. nor	n-res.
Sales & Closing	-	-	per unit	
Condo Marketing	-		per unit	
Condo Commissions Rental Marketing	-	-	per unit per unit	
Rental Op Ex During Lease-up	0%	0%	of year 1 op ex	
GST	3.2%	3.2%	of hard and soft costs, assumes qualif	ies for NRRP Rehate of 36% of GST
Contingency (incl. cost escalation)	10%	10%	of hard & soft costs	
Revenue Assumptions	Reno SS low	Reno SS high		
Rental Operations Market Unit Operating Costs (PUPM)	167	167		
Affordable Unit Operating Costs (PUPM)	167	167		
Parking Revenue (per stall, per month)	-	-		
Vacancy Rate & Bad Debt	2%	2%		
Lease-Up Period (months)	1	1		
Market Cap Rate	3.50%	3.50%		
Condominium & Non-Res Revenue				
Revenue Inflation	2%	2%	per year	
Parking Stall Sale Price	-	-	per stall	
Church Space Net Lease Rate Office Vacancy & Bad Debt	- 0%	0%	per sq. ft.	
Office Cap Rate	0.00%	0.00%		
Retail Net Lease Rate	-	-	per sq. ft.	
	0%	0%		

-res.					
ies for NRRP Rebate of 36% of GST					
	0				
	Operating Assumptions		/		
	Operating Costs	/yr	/mo		Mill rate
	Property Tax	Ś	762 S	63	4.4

Suite Mix Unit Size Price \$PSF Target Rents

0 826 1,478 1,935 **1,478**

 Median Income**
 Rent as % of 2022 Target
 Affordable Income
 Notes
 100% AMR
 80% AMR

 33,044
 30%
 826
 Based on SGI HNA target affordable rent for single perss

 77,385
 30%
 1,478
 Based on average of SGI HNS target affordable rents for some part of som

0 600 725

1,000 **725**

* data from 2018 SGI Housing Needss Assessment (Table 23); averages calculated per notes provided
** assumes 2% inflation on median incomes for 4 years (2019-2022)

0% 0% 100% 0% 100%

2018 SGI Median Income* 30,528 54,618 71,492

Retail Vacancy & Bad Debt	0%	0%	
Retail Cap Rate	0.00%	0.00%	
Office & Retail Commissions	0%	0%	of sale price
Timing & Financing Assumptions	Reno SS low	Reno SS high	
Timing Assmptions			
Marketing/ Entitlement Period	1.0	1.0	years
Sales Period	1.0	1.0	years
Construction Period	1.0	1.0	years
Construction Loan			
Construction Loan	70%	70%	of total costs
Avg. Draw on Construction Loan	70%	70%	during construction period
Loan Fees	0.50%	0.50%	of loan
Loan Interest	3.00%	3.00%	of loan
Permanent Mortgage			
Lending Program	Std. Mortgage	Std. Mortgage	
Interest Rate	3.00%	3.00%	per year
Amortization	30	30	years
Min. DCR	1.1	1.1	
Co-Investment Grant	0.0%	0.0%	of rental project costs
IAH Capital Grant			per below-market rental unit
Patient Equity	0.00%	0.00%	of permanent loan principal
Profit Assumptions			
Discount Rate	7%	7%	per year
Condo Profit	0%	0%	of suite revenue

00 CV @ \$200 psf as per	CRD Bui	lding Re	gs Byla	w amer	dment # 4	1403	pendix	M (ht	tps://wv	ww.crd.bc.ca
Operating Assumptions										
Operating Assumptions Operating Costs	/yr		/mo		Mill rate					
	\$	762	\$	63		4.4				
Operating Costs	\$ \$	762 519		63 43		4.4				
Operating Costs Property Tax	\$ \$ \$		\$			4.4				
Operating Costs Property Tax Insurance	\$ \$ \$	519	\$ \$	43		4.4				
Operating Costs Property Tax Insurance Interior Maintenance	\$ \$	519 240	\$ \$ \$ \$	43 20		4.4				
Operating Costs Property Tax Insurance Interior Maintenance Exterior Maintenance	\$ \$ \$ \$	519 240	\$ \$ \$ \$	43 20		4.4				

Scenario 1 - Secondary Suite Reno (2br) LOW - 3% Interest

Residential Tenure Rental - SGI Target Affordable Rents

Non-Residential None

Rental Financing Residential Mortgage (30 yrs)

Capital Subsidies None

DEVELOPMENT CTATICTICS		
DEVELOPMENT STATISTICS		1
SITE		
Site Area (sq. ft.)	-	Assumes suite contained within existing developed footprint
Park Area (sg. ft.)	-	
FLOOR AREA		
Gross Floor Area (sq. ft.)	725	Gross Floor Area
Efficiency Ratio		Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)
Net Floor Area (sq. ft.)	725	
% of Residential Floor Area	100%	
% of Non-Residential Floor Area		
% of Total Floor Area	100%	
PARKING	10070	
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1.00	1 parking stain per unit
	1	
Visitor Parking Ratio (per unit)	-	
Visitor Stalls	-	
Office Parking Space Ratio (per 1,000 SF)	-	
Office Parking	-	
Total Parking Stalls	1	1 surface parking stalls in total
UNITS	_	
Total Units		1 unit total
Avg. Unit Size	725	Unit size
DEVELOPMENT COST		
Land Cost		1
Land Cost - place holder		Assumes land is already owned or secured under long term lease
Land Cost - place Holder		Assumes tailed is directly dwiled on secured under long term lease
Hard Costs		
Site Prep & Remediation	-	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	-	
Residential Const. Cost	163,125	At \$225/sf
At-Grade Parking Const. Cost	-	Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	10,000	Per CRD Scope of Work assumes \$10,000 to upgrade existing services
TOTAL HARD COSTS	173,125	
Per sq. ft.	239	
Soft Costs		1
Architect	5,000	Estimated lump sum
Other Consultants	2,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees)
Development Charges	-	Assumes no Development Cost Charges
Municipal Fees & Permits	2,750	\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-libra
Development Management Fee	-	
Legal	-	No allowance for legal fees
Marketing	-	
Op Ex During Lease-up	-	
Loan Fees	914	Fees on construction loan at 0.5% of loan value
Loan Interest	1,242	Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
HST	5,921	
TOTAL SOFT COSTS	17,827	
Per sq. ft.	25	
Contingency (incl. cost escalation)	19,095	At 10% of hard and soft costs costs

	1	
TOTAL DEVELOPMENT COST	210,047	
Per sq. ft.	290	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)	-	and the same of th
CMHC Seed Funding (Loan & Grant)		Does not qualify for CMHC Seed Funding
Permanent Mortgage		Maximum assumed standard mortgage based on financing terms below
City DC and Fee Waivers Other	-	Assumes no municipal fee waivers
Other	-	
Other	-	
TOTAL REVENUE	274,001	
Per sq. ft.	378	
·		
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	63,954	Estimated funding gap
Per unit	63,954	Estimated funding gap per unit (averaged)
Per sq. ft.	88	
RLV (EQUITY GAP) - PRESENT \$	-	
Per unit	-	
Per sq. ft.	-	
CASHFLOW		
Rental Revenue	17 726	Based on SGI Target Rent for 2br unit.
Parking Revenue	17,730	based on soft ranget went for zon unit.
Gross Potential Income	17,736	
Gross r Steridar medine	17,730	
Less Vacancy & Bad Debt	(355)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	17,381	
Less: Operating Expenses (Non-Res NNN)	(2,004)	Based on estimated operating expense of \$167 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	15,377	
Debt Service		Cost of debt servicing
Annual Cash Flow After Debt Servicing	1,398	Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION		
Net Operating Income	15 277	Net operating income after vacancy loss and operating expenses
DCR		net operating income after vacancy loss and operating expenses Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt coverage expectation to develop the rental housing.
Amortization		Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate		3% interest rate per CRD Scope of Services
Principal		Estimated max principal available from lender based on above terms
-:p=:	2,001	

Scenario 2 - Secondary Suite Reno (2br) HIGH - 3% Interest

Residential Tenure Rental - SGI Target Affordable Rents

Non-residential None

Rental Financing Residential Mortgage (30 yrs)

Capital Subsidies None

Marketing
Op Ex During Lease-up

DEVELOPMENT STATISTICS		
SITE		
Site Area (sq. ft.)	-	Assumes developed site area equals gross floor area of suite
Park Area (sq. ft.)	-	
FLOOR AREA		
Gross Floor Area (sq. ft.)	725	Gross Floor Area
Efficiency Ratio	100%	Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, e
Net Floor Area (sq. ft.)	725	Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING		
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1	
Visitor Parking Ratio (per unit)	-	
Visitor Stalls	-	
Office Space Parking Ratio (per 1,000 sq. ft.)	-	
Office Parking	-	
Total Parking Stalls	1	1 surface parking stalls in total
UNITS		
Total Units	1	1 unit total
Avg. Unit Size	725	Unit size

DEVELOPMENT COST		
Land Cost		
Land Cost - place holder	-	Assumes land is already owned or secured under long term lease
Hard Costs		
Site Prep & Remediation	-	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	-	
Residential Const. Cost	206,625	At \$285/sf
At-Grade Parking Const. Cost	-	Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	10,000	Per CRD Scope of Work assumes \$10,000 to upgrade existing services
TOTAL HARD COSTS	216,625	
Per sq. ft.	299	
Soft Costs		
Architect	5,000	Estimated lump sum
Other Consultants	2,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees)
Dev. Charges - Studio & 1 Bed	-	Assumes no Development Cost Charges
Planning Application Fees	2,750	\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/d
Development Management Fee	-	
Legal	-	No allowance for legal fees

Loan Fees	1,132	Fees on construction loan at 0.5% of loan value
Loan Interest	1,537	Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
GST	7,329	At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
TOTAL SOFT COSTS	19,749	
Per sq. ft.	27	
Contingency (incl. cost escalation)	23,637	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	260,011	
Per sq. ft.	359	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)	-	
CMHC Seed Funding (Loan & Grant)	-	Does not qualify for CMHC Seed Funding
Permanent Mortgage	274,001	Maximum assumed standard mortgage based on financing terms below
City DC & Fee Waivers	-	Assumes no municipal fee waivers
Other	-	
Other	-	
Other	-	
TOTAL REVENUE	274,001	
	378	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	13,990	Estimated funding gap
Per unit		Estimated funding gap per unit (averaged)
Per sq. ft.	19	
RLV (EQUITY GAP) - PRESENT \$	-	
Per unit	-	
Per sq. ft.	-	
CASHFLOW		
CASHFLOW		
Rental Revenue	17,736	Based on SGI Target Rent for 2br unit.
Parking Revenue	,.50	
Gross Potential Income	17,736	
Less Vacancy & Bad Debt		Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	17,381	
Less: Operating Expenses (Non-Res NNN)	(2,004)	Based on estimated operating expense of \$167 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	15,377	
Debt Service	(13.979)	Cost of debt servicing
Annual Cashflow After Debt Servicing		Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION	_,550	
Net Operating Income	15,377	Net operating income after vacancy loss and operating expenses
DCR	1.1	Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt coverage expectation to develop the rental housing.
Amortization	30	Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate	3.00%	3% interest rate per CRD Scope of Services

Summary of Results - 1 Bedroom Cottage (New Construction) - 3% Interest Rate

Prepared by New Commons Development

cenario 1 - 1br Cottage LOW - 3% Interest Rate	
	500
Gross Floor Area	600
% of Total Floor Area	100%
Total Units	1
Parking Spots	1
Land Value (TBD)	-
Hard Costs	239,183
Soft Costs	30,926
Contingency	27,011
Other	-
Total Costs	297,119
Land Value (TBD)	-
CMHC Seed Funding (Loan & Grant)	-
Permanent Mortgage	124,334
City DC and Fee Waivers	-
Other	-
Total Sources	124,334
Surplus / (Gap)	(172,785)

Cottingenty Other Total Costs Land Value (TBD) CMHC Seed Funding (Loan & Grant) Permanent Mortgage City DC and Fee Waivers Other Total Sources	366,034 - 366,034 - 124,334 - 124,334
Other Total Costs Land Value (TBD) CMHC Seed Funding (Loan & Grant) Permanent Mortgage City DC and Fee Waivers	366,034
Other Total Costs Land Value (TBD) CMHC Seed Funding (Loan & Grant) Permanent Mortgage	366,034
Other Total Costs Land Value (TBD) CMHC Seed Funding (Loan & Grant)	366,034
Other Total Costs Land Value (TBD)	<u> </u>
Other Total Costs	<u> </u>
Other	<u> </u>
	-
Contingency	33,270
Contingency	33,276
Soft Costs	33,576
Hard Costs	299,183
Land Value (TBD)	-
Parking Spots	1
Total Units	1
% of Total Floor Area	100%
Gross Floor Area	600

Control 120	Inputs									
Marie Park Park Park Park Park Park Park Park	·	Abeless	Abolitok		Culturation all their	_		_	_	
Part	Development Statistics	1br low	1br high		Suite Mix - All Units					
Second Control										S
Machine 1908 1908 1908 1909										
Monore Condemination 10	Residential	100%	100%	of GFA	2 Bedroom	0%	725	0	1,478	
Terper found (1906) 0.00 of the controlled of th										
Bits						100%	600	U	020	
Property 1969 197	80% MMR Rental	0%	0%	of Residential GFA	Target Rent Calculator					
March 1906										
Section Sect	Res. Efficiency	100%			Unit Type					
Section Sect										Based on SGI HNA target affordable rent for single pers
# 1										Based on average of SGI HNS target affordable rents to Based on average of SGI HNS target affordable rents fo
Rectar 1.00										
School And Institution 1					* data from 2018 SGI Housing N	Needss Assessm	ent (Table 23); averages ca	lculated per n	otes provided
Victor Control Parties Sale Price 1 Control Parties Sale Price 2					assumes 2% initiation on the	ulali ilicollies io	1 4 years (201	19-2022)		
Control Profuse Services Control Profuse Services Control Profuse Services Control	Visitor	-								
Note (part of this part of the low of the lo										
Section Sect										
Section Sect				·	•					
List Valvaler-Standbordsom		1br low	1br high							
On-the fewring per c per c	Land Value - placeholder	-			1					
Office Servine Park			200,000							
Public Park Cont. Cont [150 of size variety Cont.										
Extensionless files of Servings (Code)		-		per sq. ft.						
Sept Cost	Extraordinary Site or Servicing Costs			LS per CRD Scope of Work						
Section Sect		350	450							
Architect (5 10,000,000 \$ \$ 10,000,000 \$ \$ \$ 10,000,000 \$ \$ \$ \$ 7,000,000 \$ \$ \$ \$ 7,000,000 \$ \$ \$ \$ \$ 7,000,000 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		-								
Architect (5 10,000,000 \$ \$ 10,000,000 \$ \$ \$ 10,000,000 \$ \$ \$ \$ 7,000,000 \$ \$ \$ \$ 7,000,000 \$ \$ \$ \$ \$ 7,000,000 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$					1					
Check County-2-Study & 3 5 7,000 mo 5 7,000 mo 7,000 m		\$ 10.000.00	\$ 10.000.00	LS						
Dec. Charges 2 Red +	Other Consultants			LS per CRD Scope of Work						
Education DC - Non-Res										
Excitation DC - Non-Req										
Sec. 3 P Pyment	Education DC - Non-Res	-		per m2						
Municipal Free & Permiss										
Public Act		2,500	2,500		ng fee, \$700 est electrical fee, \$10/\$	1000 CV @ \$20	0 psf as per C	RD Building R	egs Bylaw ame	endment # 4403 Appendix M (https://www.crd.bc.ca/doc
Legal				of hard costs						
Sales & Costing		0.0%	0.0%							
Condo Commissions -					-1 C3.					
Rental Opt During Leaves 3.2% 3.2% of year 10 pex GST 3.2% 3.2% of hard and soft costs, assumes qualifies for NRBR Rebate of 36% of GST Contingency (incl. cost secalation) 10% 10% 10 k light Rental Operating Costs (PUPM) 228 228 Affordable Lind Operating Costs (PUPM) 228 228 Parking Revenue (per stall, per month) 2. 2. Parking Revenue (ser stall, per month) 1										
Revenue Assumptions Revenue Assumptions Revenue Assumptions Market Unit Operating Casts (PUPM) Parking Revenue (per stall, per month) Lease-Up Per folia (months) Revenue Assumptions Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Revenue Reven		-								
Contingency (incit. cost escalation) 10% 10% 10 h lph 10		0%	0%	of year 1 op ex						
Revenue Assumptions					es for NRRP Rebate of 36% of GST					
Market Luft Departing Costs (PUPM) 228	Contingency (incl. cost escalation)	10%	10%	of hard & soft costs						
Market Unit Operating Costs (PUPM)		1br low	1br high							
Affordable Unit Operating Costs (PUPM) 28 278		228	228				sts			
Vacancy Rate & Bad Debt 2% 2% 2% 2% 2% 2% 2% 2										
Replacement Reserve		- 20/	- 20/							
Market Cap Rate 3.50% 3.50% S Total S 2,730 S 227										
Revenue Inflation 2% 2% per year										
Revenue Inflation 2% 2% per year Parking Stall Sale Price per stall Church Space Net Lease Rate per sq. ft. Office Cap Rate 0.00% 0% Office Cap Rate 0.00% 0.00% Retail Net Lease Rate 0.00% 0.00% Retail Net Lease Rate 0.00% 0.00% Office Retail Cap Rate 0.00% 0.00% Office Cap Rate 0.00% Office Retail Cap Rate 0.00% Office	Condominium & Non-Res Revenue					Total		\$ 2,730	\$ 227	
Construction Loan Construction Loan Construction Loan Construction Loan Avg. Draw on Construction Loan Avg. Draw on Construction Loan Loan Fees Loan Interest Rate 3.00% 3.00% 5td. Mortgage Itending Program Std. Mortgage	Revenue Inflation	2%	2%		_					
Office Vacancy & Bad Debt		-								
Office Cap Rate 0.00% 0.00% Retail Net Lease Rate		0%		per sq. ft.						
Retail Vacancy & Bad Debt 0% 0% 0% Retail Cop Rate 0.00% 0.00% of sale price Timing & Financing Assumptions 1br low 1br high Timing Assemptions Wastering Fintitement Period 1.0 1.0 years Sales Period 1.0 1.0 years Sales Period 1.0 1.0 years Construction Period 1.0 1.0 years Construction Loan Avg. Draw on Construction Loan 70% 70% of total costs Avg. Draw on Construction Loan 70% 70% of loan Loan Fees 0.50% 0.50% of loan Loan Interest 3.00% 3.00% per year Amortization 30 30 years Min. DCR 1.1 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs	Office Cap Rate									
Retail Cap Rate 0.00% 0.00% 0.00% Office & Retail Commissions 0% 0% of sale price Timing & Financing Assumptions 1br low by high Marketing/ Entitlement Period 1.0 1.0 years Sales Period 1.0 1.0 years Construction Period 1.0 1.0 years Construction Loan 70% 70% of total costs dvg. Draw on Construction Loan 70% 70% during construction period Loan Fees 0.50% 0.50% of loan Loan Interest 3.00% 3.00% of loan Permanent Mortgage Interest Rate 3.00% 3.00% per year Amortization 30 30 years Min. DCR 1.1 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs		-	-	per sq. ft.						
Office & Retail Commissions 0% 0% of sale price Timing & Financing Assumptions 1br low 1br high Timing Assmptions										
Marketing/ Entitlement Period 1.0 1.0 years				of sale price						
Marketing/ Entitlement Period 1.0 1.0 years	Timing & Financing Assumptions	1hr low	1hr high							
Marketing/ Entitlement Period 1.0 1.0 years Sales Period 1.0 1.0 years Construction Period 1.0 1.0 years Construction Loan 70% 70% of total costs Awg. Draw on Construction Loan 70% 70% during construction period Loan Fees 0.50% 0.50% of loan Loan Interest 3.00% 3.00% of loan Permanent Mortgage Std. Mortgage Std. Mortgage per year Interest Rate 3.00% 3.00 per year Amortization 30 30 years Min. DCR 1.1 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs		IN IOW	Tor mgn							
Construction Lean	Marketing/ Entitlement Period									
Construction Loan Construction Loan 70% 70% of total costs Avg. Draw on Construction Loan 70% 70% during construction period Loan Fes 0.50% 50% of loan Loan Interest 3.00% 3.00% of loan Permanent Mortgage Lending Program Std. Mortgage Std. Mortgage Interest Rate 3.00% 3.00% per year Amortization 30 30 years Min. DCR 1.1 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs										
Construction Loan 70% 70% of total costs Awg. Draw on Construction Loan 70% 70% during construction period Loan Fees 0.50% 0.50% of loan Loan Interest 3.00% 3.00% of loan Permanent Mortgage Lending Program Std. Mortgage Std. Mortgage Interest Rate 3.00% 3.00% per year Amortization 30 30 years Min. DCR 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs			1.0	y	_					
Avg. Draw on Construction Loan 70% 70% during construction period Loan Fees 0.50% 0.50% of loan Permanent Mortgage Lending Program Std. Mortgage Std. Mortgage Lending Program Std. Mortgage Std. Mortgage Interest Rate 3.00% 3.00% Amortization 30 30 Min. DCR 1.1 1.1 Co-Investment Grant 0.0% of rental project costs		700/	700/	of total costs						
Loan Fees 0.50% 0.50% of loan Permanent Mortgage Std. Mortgage Std. Mortgage Std. Mortgage Lending Program Std. Mortgage Std. Mortgage Interest Rate 3.00% 3.00% per year Anontization 30 30 years Min. DCR 1.1 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs										
Permanent Mortgage Lending Program Std. Mortgage Std. Mortgage Interest Rate 3.00% 3.00% Amortization 30 30 Min. DCR 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs 0.0%	Loan Fees	0.50%	0.50%	of loan						
Lending Program Std. Mortgage Std. Mortgage Interest Rate 3.00% 3.00% Amortization 30 30 Min. DCR 1.1 1.1 Co-Investment Grant 0.0% 0.0%	Loan Interest	3.00%	3.00%	of loan						
Lending Program Std. Mortgage Std. Mortgage Interest Rate 3.00% 3.00% per year Amortization 30 30 years Min. DCR 1.1 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs	Permanent Mortgage									
Amortization 30 30 years Min. DCR 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs	Lending Program									
Min. DCR 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs										
Co-Investment Grant 0.0% 0.0% of rental project costs				jeul3						
IAH Capital Grant - ner helow-market rental unit	Co-Investment Grant									
Ant capital Grant per Delow-market rental unit per Delow-market rental uni	IAH Capital Grant Patient Equity	0.00%	0.00%	per below-market rental unit of permanent loan principal						
	· occur Equity	0.00%	0.00%	2. permanent tout principal	_					

7% 0%

Profit Assumptions
Discount Rate
Condo Profit

7% 0%

per year of suite revenue

Suite Mix	Unit Size	Price \$PSF	Target Rents
0%	0	0	0
100%	600	0	826
0%	725	0	1,478
0%	1,000	0	1,935
100%	600	0	826
	0% 100% 0% 0%	0% 0 100% 600 0% 725 0% 1,000	0% 0 0 100% 600 0 0% 725 0 0% 1,000 0

Target Rent Calculator							
	2018 SGI Median	2022 SGI Median	Rent as % of Gross	2022 Target			
Unit Type	Income*	Income**	Income	Rents	Notes	100% AMR	80% AMR
1 Bedroom	30,528	33,044	30%	826	Based on SGI HN	IA target affordable rent	for single perso
2 Bedroom	54,618	59,120	30%	1,478	Based on averag	e of SGI HNS target affor	dable rents for
3 Bedroom	71.492	77.385	30%	1.935	Based on average	e of SGI HNS target affor	dable rents for

^{*} data from 2018 SGi Housing Needss Assessment (Table 23); averages calculated per notes provided

** assumes 2% inflation on median incomes for 4 years (2019-2022)

Operating Assumptions Operating Costs	/yr		/mo		Mill rate
Property Tax	\$	1,052	\$	88	4.4
Insurance	\$	718	\$	60	
Interior Maintenance	\$	240	\$	20	
Exterior Maintenance	\$	240	\$	20	
Replacement Reserve	\$	480	\$	40	
Total	\$	2,730	\$	227	

Scenario 1 - 1br Cottage LOW - 3% Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents Non-Residential Rental Financing Residential Mortgage (30 yr)

Capital Subsidies	None	
DEVELOPMENT STATISTICS		
	Target Rental	
SITE		
Site Area (sq. ft.)	2,000	Approximately 2000 sf development area
Park Area (sq. ft.)		
FLOOR AREA		

Gross Floor Area (sq. ft.) 600 Gross Floor Area Efficiency Ratio 100% Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)

Net Floor Area (sq. ft.) 600 Leasable floor area net of circulation, utility and common areas % of Residential Floor Area 100% % of Non-Residential Floor Area

100%

% of Total Floor Area PARKING

Residential Parking Ratio (per unit) 1.00 1 parking stall per unit

Residential Stalls Visitor Parking Ratio (per unit) Visitor Stalls Office Parking Space Ratio (per 1,000 SF) Office Parking Total Parking Stalls

1 1 surface parking stalls in total

UNITS Total Units 1 1 unit total Avg. Unit Size 600 Unit size

DEVELOPMENT COST	
Land Cost	
Land Cost - place holder	-
Hard Costs	

Assumes land is already owned or secured under long term lease

Site Prep & Remediation 9,183 Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre On-Site Servicing Per CRD Scope of Work assumes no new servicing cost Off-Site Servicing Residential Const. Cost 210,000 At \$350/sf At-Grade Parking Const. Cost Per CRD Scope of Work assumes no new servicing cost 20,000 Per CRD Scope of Work assumes \$20,000 to upgrade existing services Extraordinary Site Costs TOTAL HARD COSTS 239,183 Per sq. ft. 399

Soft Costs 10,000 Estimated lump sum Architect/Designer Other Consultants Development Charges Municipal Fees & Permits Development Management Fee Legal

7,000 Per CRD Scope of Work assumes \$7,000 in additional consultants' fees

Assumes no Development Cost Charges

2,500 \$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-4403.pdf?sfvrsn=46607fcd_4)

No allowance for legal fees Marketing Op Ex During Lease-up Loan Fees 1,293 Fees on construction loan at 0.5% of loan value

Loan Interest 1,757 Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.

8,375 At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST TOTAL SOFT COSTS 30,926

Contingency (incl. cost escalation) 27,011 At 10% of hard and soft costs costs

TOTAL DEVELOPMENT COST 297,119 Per sa. ft. 495 DEVELOPER PROFIT

SOURCES OF FUNDS Land Value (TBD) CMHC Seed Funding (Loan & Grant)

Does not qualify for CMHC Seed Funding

124,334 Maximum assumed standard mortgage based on financing terms below Assumes no municipal fee waivers

Other Other

TOTAL REVENUE 124,334 207

EQUITY SURPLUS / GAP

Other

Permanent Mortgage

City DC and Fee Waivers

		lander a
SURPLUS / (GAP)		Estimated funding gap
Per unit		Estimated funding gap per unit (averaged)
Per sq. ft.	(288)	
RLV (EQUITY GAP) - PRESENT \$	-	
Per unit	-	
Per sq. ft.	-	
CASHFLOW		
Rental Revenue	0.013	Based on SGI Target Rent for 1br unit
Parking Revenue	9,912	based on 3ch ranget kent for 10h dint
Gross Potential Income	9.912	
Gross Potential Income	9,912	
Less Vacancy & Bad Debt	(198)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	9,714	
Less: Operating Expenses (Non-Res NNN)	(2,736)	Based on estimated operating expense of \$228 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	6,978	
Debt Service	(65.242.42)	Cost of debt servicing
Annual Cash Flow After Debt Servicing	634	Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION		
Net Operating Income	6,978	Net operating income after vacancy loss and operating expenses
DCR	1.1	Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt coverage expectation to develop the rental housing.
Amortization	30	Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate	3.00%	3% interest rate per CRD Scope of Services
Principal	124,334	Estimated max principal available from lender based on above terms

Scenario 2 - 1 br Cottage HIGH - 3% Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents Non-residential Rental Financing Residential Mortgage (30 yr)

Capital Subsidies	None		
DEVELOPMENT STATISTICS			
SITE			
Site Area (sq. ft.)		2,000	Approximately 2000 sf development area
Park Area (sq. ft.)		-	
FLOOR AREA			
Gross Floor Area (sq. ft.)		600	Gross Floor Area
Efficiency Ratio		100%	Assumes no efficiency loss (no circulation a

ssumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc) Net Floor Area (sq. ft.)

% of Residential Floor Area 100% Leasable floor area net of circulation, utility and common areas

% of Non-Residential Floor Area % of Total Floor Area 100%

PARKING

Soft Costs

Residential Parking Ratio (per unit) 1.00 1 parking stall per unit

Residential Stalls Visitor Parking Ratio (per unit) Visitor Stalls Office Space Parking Ratio (per 1,000 sq. Office Parking

Total Parking Stalls 1 1 surface parking stalls in total

UNITS Total Units

1 1 unit total 600 Unit size Avg. Unit Size

DEVELOPMENT COST	
Land Cost	
Land Cost - place holder	-

Assumes land is already owned or secured under long term lease

Site Prep & Remediation 9,183 Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre On-Site Servicing Per CRD Scope of Work assumes no new servicing cost Off-Site Servicing Residential Const. Cost 270,000 At \$450/sf At-Grade Parking Const. Cost Per CRD Scope of Work assumes no new servicing cost

20,000 Per CRD Scope of Work assumes \$20,000 to upgrade existing services Extraordinary Site Costs

TOTAL HARD COSTS 299,183 Per sq. ft. 499

10,000 Estimated lump sum Architect Other Consultants Dev. Charges - Studio & 1 Bed

7,000 Per CRD Scope of Work assumes \$7,000 in additional consultants' fees

Assumes no Development Cost Charges

Planning Application Fees 2,500 | \$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-4403.pdf?shrsn=46607fcd_4) Development Management Fee

Legal No allowance for legal fees Marketing

Op Ex During Lease-up Loan Fees 1,593 Fees on construction loan at 0.5% of loan value Loan Interest

2,164 Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period. 10,318 At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST

TOTAL SOFT COSTS 33,576

610

Contingency (incl. cost escalation) 33,276 At 10% of hard and soft costs costs TOTAL DEVELOPMENT COST 366,034

DEVELOPER PROFIT

SOURCES OF FUNDS Land Value (TBD) CMHC Seed Funding (Loan & Grant) Permanent Mortgage

Does not qualify for CMHC Seed Funding

124,334 Maximum assumed standard mortgage based on financing terms below Assumes no municipal fee waivers

Other Other

TOTAL REVENUE 124,334 207

EQUITY SURPLUS / GAP

Other

City DC and Fee Waivers

Per sa. ft.

SURPLUS / (GAP)	(241,700)	Estimated funding gap
Per unit		Estimated funding gap per unit (averaged)
Per sq. ft.	(403)	
RLV (EQUITY GAP) - PRESENT \$	-	
Per unit		
Per sq. ft.	-	
CASHFLOW		
Rental Revenue	9,912	Based on SGI Target Rent for 1br unit
Parking Revenue		
Gross Potential Income	9,912	
Less Vacancy & Bad Debt	(198)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	9,714	
Less: Operating Expenses (Non-Res NNN)		Based on estimated operating expense of \$228 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	6,978	
Debt Service	(6.343)	Cost of debt servicing
Annual Cashflow After Debt Servicing		Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION		
Net Operating Income	6,978	Net operating income after vacancy loss and operating expenses
DCR	1.1	Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt coverage expectation to develop the rental housing.
Amortization	30	Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate	3.00%	3% interest rate per CRD Scope of Services
Principal	124,334	Estimated max principal available from lender based on above terms

Summary of Results - 2 Bedroom Cottage (New Construction) - 3% Interest Prepared by New Commons Development

Surplus / (Gap)	(96,456
Total Sources	254,116
Other	
City DC and Fee Waivers	
Permanent Mortgage	254,116
CMHC Seed Funding (Loan & Grant)	
Land Value (TBD)	
Total Costs	350,57
Other	
Contingency	31,870
Soft Costs	35,769
Hard Costs	282,933
Land Value (TBD)	
Parking Spots	1
Total Units	1
% of Total Floor Area	1009
Gross Floor Area	725

City DC & Fee Waivers Other Total Sources	- 254,116
· · ·	
City DC & Fee Waivers	
Permanent Mortgage	254,116
CMHC Seed Funding (Loan & Grant)	-
Land Value (TBD)	
Total Costs	433,844
Other	-
Contingency	39,440
Soft Costs	38,971
Hard Costs	355,433
Land Value (TBD)	-
Parking Spots	1
Total Units	1
% of Total Floor Area	100%
Gross Floor Area	725

Site Area (SF)	Inputs					
Public Park Area 0% 0% of site area Gross Floor Area 725 725 35. st. ft.	Development Statistics	2	br low		2br high	
Gross Froo Area Residental 100% 100% 100% 100% 100% 100% 100% 100						
Residential 100% 100% 0 6FA Non-Residential GFA 0 % 0 % 0 % 0						
Non-Residential GFA						
Market Condominum						
Res. Efficiency						
Res. Efficiency						
Program Space 100% 100% of hon-Residential GFA	80% MMR Rental		0%		0%	of Residential GFA
Retail	Res. Efficiency		100%		100%	of GFA
Non-Res Efficiency	Program Space		100%		100%	of Non-Residential GFA
Parking Ratio						
Other Rental			100%		100%	of Non-Residential GFA
Rental 1.00 1.00 stalls per unit						etalls per unit
Below Marker Rental 1.00			1.00		1.00	
Community Space	Below Market Rental		1.00			stalls per unit
### Other Condo Parking Sale Price - -	Visitor		-			stalls per unit
Development Cost Assumptions Zobr low Zobr high			-		-	
			-			
Start Costs	Condo Parking Sale Price		-		-	per stall
Land Value - placeholder		2	br low		2br high	
On-Site Servicing -	Land Value - placeholder		-			
Off-Site Serviding			200,000		200,000	
Public Park Const. Cost. (15% of site area)			-			
Extraordinary Site or Servicing Costs			-			
Residential Const. Cost						
Soft Costs	Residential Const. Cost					
Soft Costs	Commercial Const. Cost		-			per sq. ft.
Architect \$ 10,000.00 \$ 1,000.00 LS Per RD Scope of Work Other Consultants \$ 7,000.00 \$ 7,000.00 LS per RD Scope of Work Dev. Charges - Studio & 1 Bed Dev. Charges - Studio & 1 Bed Dev. Charges - 2 Bed +	Parking Const. Cost		-			per stall
Other Consultants	Soft Costs					
Dev. Charges - Studio & 1 Bed -						
Dev. Charges - 2 Bed +		Ş	7,000.00	\$	7,000.00	
Education DC - Non-Res			-			
Education DC - Non-Res Non-Res C						
Non-Res DC						
Municipal Fees & Permits 2,750 2,750 S300 processing fee, \$300 est plum Public Art 0.0% 0.0% 0.0% of pard costs Developer Fees 0.0% of pard costs Developer Fees 0.0% of per res. unit and, per 1,000 sq. ft. n Developer Fees 0.0% of per res. unit and, per 1,000 sq. ft. n Developer Fees 0.0% of per res. unit and, per 1,000 sq. ft. n Developer Fees 0.0% of per res. unit and, per 1,000 sq. ft. n Developer Fees 0.0% of per res. unit and, per 1,000 sq. ft. n Developer Fees 0.0% of per sq. ft. Developer Developer Fees 0.0% of per sq. ft. Developer Fees 0.0%	Non-Res DC		-			
Public Art 0.0% 0.0% of hard costs Developer Fees 0.0% 0.0% of project costs (excl. land & financi Legal 3.0% 0.0% 0.0% of project costs (excl. land & financi Legal 3.0% 0.0% 0.0% of project costs (excl. land & financi Legal 3.0% 0.0% 0.0% of project costs (excl. land & financi Legal 3.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0%			-		-	
Developer Fees						
Legal						
Sales & Closing			0.0%		0.0%	
Condo Marketing						
Condo Commissions						
Rental Op Ex During Lease-up 0% 0% of year 1 op ex			-			
ST	Course of Construction Insurance	\$	3.50	\$	3.50	
Contingency (incl. cost escalation) 10% 10% of hard & soft costs	Rental Op Ex During Lease-up		0%		0%	of year 1 op ex
Revenue Assumptions 2br low 2br high						of hard and soft costs, assumes qua
Narket Unit Operating Costs (PUPM)						of hard & soft costs
Affordable Unit Operating Costs (PUPM) 260 260 Parking Revenue (per stall, per month)		2	br low		2br high	
Parking Revenue (per stall, per month)	Market Unit Operating Costs (PUPM)					
Vacancy Rate & Baid Debt 2% 2% Lease-ty- per project (months) 1			-		-	
Market Cap Rate 3.50% 3.50%	Vacancy Rate & Bad Debt					
Revenue Inflation 2% 2% per year						
Revenue Inflation 2% 2% per year Parking Stall Sale Price	Market Cap Rate		3.50%		3.50%	
Parking Stall Sale Price - - per stall Church Space Net Lease Rate - - per sq. ft. Office Vacancy & Bad Debt 0% 0.00% 0.00% Retail Wacancy & Bad Debt 0% 0% 0% Retail Vacancy & Bad Debt 0.00% 0.00% 0.00% Office & Retail Commissions 0% 0% of sale price Imming & Financing Assumptions Warring Financing Assumptions Marketing/ Entitlement Period 1.0 1.0 years Sales Period 1.0 1.0 years Construction Period 1.0 1.0 years Construction Loan 70% 70% of total costs Avg. Draw on Construction Loan 70% 70% of total costs Avg. Draw on Construction Loan 70% 70% of loan Loan Interest 3.00% 3.00% of loan Permanent Mortage Lending Program Std. Mortgage Std. Mortgage std. Mortgage per year <			2%		2%	per year
Office Varancy & Bad Debt 0% 0% Office Cap Rate 0.00% 0.00% Retail Net Lease Rate			-		-	
Office Cap Rate 0.00% 0.00% Retail IN Lause Rate - - per sq. ft. Retail IV Acancy & Bad Debt 0% 0% 0% Office & Retail Commissions 0% 0 of sale price Timing & Financing Assumptions 2br low 2br light Marketing Fintlement Period 1.0 1.0 years Sales Period 1.0 1.0 years Construction Period 1.0 1.0 years Construction Loan 70% 70% of total costs Avg. Draw or Construction Loan 70% 70% of total costs Avg. Draw or Construction Loan 70% 70% of loan Loan Fees 0.50% 0.50% of loan Loan Interest 3.00% 3.00% of loan Permanent Mortage Lending Program Std. Mortgage Std. Mortgage per year Lending Program Std. Mortgage Std. Mortgage years Lon Deck 1.			-			per sq. ft.
Retail Net Lease Rate						
Retail Vacancy & Bad Debt 0% 0% 0% Retail Cap Rate 0.00% 0.00% 0.00% Office & Retail Commissions 0% 2br log Timing & Financing Assumptions Washing Financing Assumptions Timing & Financing Assumptions Washing Financing &			0.00%		0.00%	
Retail Cap Rate			-		094	per sq. rt.
Office & Retail Commissions						
Tillinig Assmptions						of sale price
Marketing/Entitlement Period 1.0 1.0 years Sales Period 1.0 1.0 years Construction Period 1.0 1.0 years Construction Loan 70% 70% of total costs Avg. Draw no Construction Loan 70% 70% during construction period Loan Fees 0.50% 0.50% of loan Loan Interest 3.00% 3.00% of loan Permanent Mortgage Lending Program Std. Mortgage std. Mortgage per year Interest Rate 3.00% 3.00% years Amortization 30 30 years Min, DCR 1.1 1.1 1.1 Co-investment Grant 0.0% 0.0% of rental project costs		2	br low		2br high	
Sales Period 1.0 1.0 years Construction Lean 1.0 1.0 years Construction Loan 70% 70% of total costs Avg. Draw on Construction Loan 70% 70% during construction period Loan Fees 0.50% 0.50% of loan Permanent Mortgage 1.0 1.0 years Lending Program Std. Mortgage Std. Mortgage Interest Rate 3.00% 3.00% per year Amortization 30 30 years Min. DCR 1.1 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs			1.0		1.0	years
Construction Loan 70% 70% of total costs	Sales Period		1.0		1.0	
Construction Loan 70% 70% of total costs	Construction Loan					
Loan Fees 0.50% 0.50% of loan Loan Interest 3.00% 3.00% of loan Permanent Mortgage Std. Mortgage Std. Mortgage Lending Program Std. Mortgage 3.00% per year Amortization 30 30 years Min. DCR 1.1 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs	Construction Loan					
Loan Interest 3.00% 3.00% of Ioan	Aug Draw on Construction Loan					
Lending Program Std. Mortgage Std. Mortgage Interest Rate 3.00% 3.00% per year Amortization 30 30 years Min. DCR 1.1 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs						
Lending Program Std. Mortgage Std. Mortgage Interest Rate 3.00% 3.00% per year Amortization 30 30 years Min. DCR 1.1 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs	Loan Fees					
Amortization 30 30 years Min. DCR 1.1 1.1 1.2 Co-Investment Grant 0.0% 0.0% of rental project costs	Loan Fees Loan Interest					
Min. DCR 1.1 1.1 Co-Investment Grant 0.0% 0.0% of rental project costs	Loan Fees Loan Interest Permanent Mortgage Lending Program	Std. P	Mortgage	Std.		
Co-Investment Grant 0.0% 0.0% of rental project costs	Loan Fees Loan Interest Permanent Mortgage Lending Program Interest Rate	Std. N	Mortgage 3.00%	Std.	3.00%	
	Loan Fees Loan Interest Permanent Mortgage Lending Program Interest Rate Amortization	Std. M	Mortgage 3.00% 30	Std.	3.00% 30	
	Loan Fees Loan Interest Permanent Mortgage Lending Program Interest Rate Amortization Min. DCR	Std. N	Mortgage 3.00% 30 1.1	Std.	3.00% 30 1.1	years

7% 0%

Profit Assumptions
Discount Rate
Condo Profit

7% 0%

per year of suite revenue

* assumes 2% inflation on median incomes for 4 years (2019-2022)								
Unit Type	Cultivation all studios	_						
Studio 0% 600 0 826 2 Bedroom 0% 600 0 826 3 Bedroom 100% 725 0 1,478 3 Bedroom 0% 1,000 0 1,335 Total/ Avg. 100% 725 0 1,478 Common	Suite Mix - All Units							
1 Bedroom 0% 600 0 826 2 Bedroom 0% 1,000 0 1,478 3 Bedroom 0% 1,000 0 1,935 Total/Avg. 100% 725 0 1,478 2018 SGI 2022 SGI Rent as yof 2022 Target Median Conse** Income* Affordable Income* Income* Affordable Income* 1,492 30% 826 2 Bedroom 34,518 59,120 30% 1,478 3 Bedroom Median income based on SGI HNA target affordable rent for single persons 2 Bedroom Median income based on average of SGI HNS target affordable rents for lone parent families and families without children 3 Bedroom Median income based on average of SGI HNS target affordable rents for families without children and families with childre ** assumes 2% inflation on median incomes for 4 years (2019-2022) ***representation of the property Tax								
2 Bedroom 100% 725 0 1.478 3 Bedroom 0½ 1,000 0 1,935 Total/Avg. 100% 725 0 1.478 2018 SGI 2022 SGI Rent as % of 2022 Target Median Median Median								
3 Bedroom 0/6 1.00% 0 1.335 Total / Avg. 100% 725 0 1.478 2018 561 2022 561								
Total/Avg. 100% 725 0 1,478 Comparison								
2018 SGI 2022 SGI Remt as % of 2022 Target								
2018 SGI 2022 SGI Remt as % of 2022 Target	Torgot Bont Coloulator							
Unit Type	rarget Kerit Calculator	2018 SGI	2022 SGI	Rent as % of	2022 Target			
1 Bedroom 30,528 33,044 30% 826 2 Bedroom 54,618 59,120 30% 1,478 3 Bedroom 71,492 77,385 30% 1,935 1 Bedroom Median Income based on SGI HNA target affordable rent for single persons 1 Bedroom Median Income based on average of SGI HNS target affordable rents for lone parent families and families without children 3 Bedroom Median Income based on average of SGI HNS target affordable rents for families without children and families without children assumes 2% inflation on median Income soft 4 years (2019-2022) 1, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.b. assumes 2% inflation on median Incomes for 4 years (2019-2022) 1, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.b. assumes 2% inflation on median Incomes for 4 years (2019-2022) 1, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.b. assumes 2% inflation on median Incomes for 4 years (2019-2022) 1, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.b. assumes 2% inflation on median Incomes for 4 years (2019-2022) 1, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.b. assumes 2% inflation on median Incomes 5 1, 240 S 100 Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.b. assumes 2% inflation on median Incomes 5 1, 240 S 100 Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.b. assumes 2% inflation on median Incomes 5 1, 240 S 100 Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.b. assumes 2% inflation on median Incomes 5 1, 240 S 100 Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.b. assumes 2% inflation on median Incomes 5 1, 240 S 100 Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.b. assumes 1,								
2 Bedroom \$4,618 \$9,120 30% 1,478 3 Bedroom 71,492 77,385 30% 1,935 1 Bedroom Median Income based on SGI HNA target affordable rents for single persons 2 Bedroom Median Income based on average of SGI HNS target affordable rents for lone parent families and families without children 3 Bedroom Median Income based on average of SGI HNS target affordable rents for families without children and families with childre ** assumes 2% inflation on median incomes for 4 years (2019-2022) 5,\$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.b. rNRRP Rebate of 36% of GST FORTH TO STAN STAN STAN STAN STAN STAN STAN STAN	Unit Type		Income**					
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Operating Assumptions /m Mill rate Peroperty Tax \$ 1,245 \$ 104 4.4 Insurance \$ 849 \$ 71 Interior Maintenance \$ 240 \$ 20 Exterior Maintenance \$ 240 \$ 20 \$ 20	e, 5700 est electrical fee, 510,	/\$1000 CV @ \$200 p	osf as per Ci	RD Building Rep	gs Bylaw amen	ndment # 4403 .	Appendix M	(https://www.crd
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Operating Costs	e, 5700 est electrical fee, 510, or NRRP Rebate of 36% of GST		osf as per CI	RD Building Rep	gs Bylaw amen	ndment # 4403 .	Appendix M	(https://www.crd
Property Tax \$ 1,245 \$ 104 4.4 Insurance \$ 849 \$ 71 Interior Maintenance \$ 240 \$ 20 Exterior Maintenance \$ 240 \$ 20				RD Building Rep	gs Bylaw amen	ndment # 4403 .	Appendix M	(https://www.crd
Insurance \$ 849 \$ 71 Interior Maintenance \$ 240 \$ 20 Exterior Maintenance \$ 240 \$ 20		Operating Assu	imptions				Appendix M	(https://www.crd
Interior Maintenance \$ 240 \$ 20 Exterior Maintenance \$ 240 \$ 20		Operating Assu	imptions	/yr	/mo	Mill rate	Appendix M	(https://www.crd
Interior Maintenance \$ 240 \$ 20 Exterior Maintenance \$ 240 \$ 20		Operating Assu	imptions	/yr	/mo	Mill rate	Appendix M	(https://www.crd
Exterior Maintenance \$ 240 \$ 20		Operating Assu Operating Cost	imptions	/yr \$ 1,245	/mo \$ 104	Mill rate	Appendix M	(https://www.crd
		Operating Assu Operating Costs Property Tax Insurance	imptions s	/yr \$ 1,245 \$ 849	/mo \$ 104 \$ 71	Mill rate	Appendix M	(https://www.crd
replacement reserve \$ 340 \$ 45		Operating Assu Operating Costs Property Tax Insurance Interior Mainte	imptions s	/yr \$ 1,245 \$ 849 \$ 240	/mo \$ 104 \$ 71 \$ 20	Mill rate	Appendix M	(https://www.crd
		Operating Assu Operating Cost Property Tax Insurance Interior Mainte Exterior Mainte	imptions s	/yr \$ 1,245 \$ 849 \$ 240 \$ 240	/mo \$ 104 \$ 71 \$ 20 \$ 20	Mill rate	Appendix M	(https://www.crd
Total \$ 3,114 \$ 259		Operating Assu Operating Cost Property Tax Insurance Interior Mainte Exterior Mainte	imptions s	/yr \$ 1,245 \$ 849 \$ 240 \$ 240	/mo \$ 104 \$ 71 \$ 20 \$ 20	Mill rate	Appendix M	(https://www.crd

Scenario 1 - 2br Cottage LOW - 3% Interest

 Residential Tenure
 Rental - SGI Target Affordable Rents

 Non-Residential
 None

 Rental Financing
 Residential Mortgage (30yrs)

Rental Financing Capital Subsidies	Residential Mortgage (3 None	Oyrs)
DEVELOPMENT STATISTICS		
SITE		
Site Area (sq. ft.) Park Area (sq. ft.)	2,000	Approximately 2000 sf development area
FLOOR AREA	-	
Gross Floor Area (sq. ft.)	725	Gross Floor Area
Efficiency Ratio		Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)
Net Floor Area (sq. ft.)		Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING		
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1	
Visitor Parking Ratio (per unit) Visitor Stalls	-	
Office Parking Space Ratio (per 1,000 SF	٠ -	
Office Parking Space Ratio (per 1,000 Sr)	, -	
Total Parking Stalls	1	1 surface parking stalls in total
UNITS		
Total Units		1 unit total
Avg. Unit Size	725	Unit size
DEVELOPMENT COST		
Land Cost Land Cost - place holder		Assumes land is already owned or secured under long term lease
tario cost - piace riolder	-	Assumes rainu is arready cwined on secured under rollig territ nease
Hard Costs		
Site Prep & Remediation	9,183	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing		Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing		
Residential Const. Cost		At \$350/sf
At-Grade Parking Const. Cost		Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	20,000	Per CRD Scope of Work assumes \$20,000 to upgrade existing services
TOTAL HARD COSTS Per sq. ft.	282,933 390	
rei sq. it.	390	
Soft Costs		
Architect	10,000	Estimated lump sum
Other Consultants	7,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees
Development Charges	-	Assumes no Development Cost Charges
Municipal Fees & Permits	2,750	\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-4403.pdf?sfvrsn=46607fcd_e)
Development Management Fee	-	
Legal Course of Construction Insurance	2,538	No allowance for legal fees
Op Ex During Lease-up	2,538	
Loan Fees	1,526	Fees on construction loan at 0.5% of loan value
Loan Interest		Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
GST	9,882	At 3.2% of hr Assumes owner qualifies for New Residential Rental Property Rebate (36% of GST applicable on self supply)
TOTAL SOFT COSTS	35,769	
Per sq. ft.	49	
Contingency (incl. cost escalation)	21 070	At 10% of hard and soft costs costs
contingency (mel. tost escalation)	31,870	74 AVIV 01 - 1010 4 1010 4 1010 4 1010 4 1010 4 1010 4 1010 4 1010 4 1010 4 1010 4 1010 4 1010 4 1010 4 1010 4
TOTAL DEVELOPMENT COST	350,571	
Per sq. ft.	484	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
SOURCES OF FORDS		
Land Value (TBD)		
CMHC Seed Funding (Loan & Grant)	-	Does not qualify for CMHC Seed Funding
Permanent Mortgage	254,116	Maximum assumed standard mortgage based on financing terms below
City DC and Fee Waivers		Assumes no municipal fee waivers
Other		
Other	-	
Other TOTAL REVENUE	254,116	
TOTAL REVENUE	254,116	

EQUITY SURPLUS / GAP

SURPLUS / (GAP)		
Per unit	106.450	Estimated funding gap Estimated funding gap per unit (averaged)
Per sq. ft.	(13:	
RLV (EQUITY GAP) - PR		
Per unit	ESENT	
Per sq. ft.		
rei sq. it.		
CASHFLOW		
CASHIESW		
Rental Revenue	17,736	Based on SGI Target Rent for 2br unit.
Parking Revenue		
Gross Potential Inc	come 17,736	\overline{A}
Less Vacancy & Ba	d Debt (35)] Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Inc	ome 17,38	
Less: Operating Ex	penses (Non-Res NNN) (3,120	Based on estimated operating expense of \$260 per unit per month. See Operating Expense Breakdown for details.
Net Operating Inco	ome 14,26	
Debt Service	(\$12,964.80	Cost of debt servicing
Annual Cash Flow	After Debt Servicing 1,296	Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION		
Net Operating Inco	ome 14,26	Net operating income after vacancy loss and operating expenses
DCR	1.3	Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt coverage expectation to develop the rental housing.
Amortization	30	Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate	3.00	6 3% interest rate per CRD Scope of Services
Principal	254,116	Estimated max principal available from lender based on above terms

Scenario 2 - 2 br Cottage HIGH - 3% Interest

Residential Tenure Rental - SGI Target Affordable Rents

Non-residential None

Rental Financing Residential Mortgage (30yrs)

Capital Subsidies None

Development Management Fee

Course of Construction Insurance

Op Ex During Lease-up

DEVELOPMENT STATISTICS		
SITE		
Site Area (sq. ft.)	2,000	Approximately 2000 sf development area
Park Area (sq. ft.)	-	
FLOOR AREA		
Gross Floor Area (sq. ft.)	725	Gross Floor Area
Efficiency Ratio	100%	Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, ϵ
Net Floor Area (sq. ft.)	725	Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING		
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1	
Visitor Parking Ratio (per unit)	-	
Visitor Stalls	-	
Office Space Parking Ratio (per 1,000 sq. ft.)	-	
Office Parking	-	
Total Parking Stalls	1	1 surface parking stalls in total
UNITS		
Total Units	1	1 unit total
Avg. Unit Size	725	Unit size

No allowance for legal fees

2,538

	DEVELOPMENT COST		
	Land Cost		
	Land Cost - place holder	-	Assumes land is already owned or secured under long term lease
_			
	Hard Costs		
	Site Prep & Remediation	9,183	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
	On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
	Off-Site Servicing	-	
	Residential Const. Cost	326,250	At \$450/sf
	At-Grade Parking Const. Cost	-	Per CRD Scope of Work assumes no new servicing cost
	Extraordinary Site Costs	20,000	Per CRD Scope of Work assumes \$20,000 to upgrade existing services
	TOTAL HARD COSTS	355,433	
	Per sq. ft.	490	
_			
	Soft Costs		
	Architect	10,000	Estimated lump sum
	Other Consultants	7,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees
	Development Charges	-	Assumes no Development Cost Charges
	Municipal Fees & Permits	2,750	\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/d

Loan Fees	1,889	Fees on construction loan at 0.5% of loan value
Loan Interest	2,565	Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
GST	12,230	At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
TOTAL SOFT COSTS	38,971	
Per sq. ft.	54	
Contingency (incl. cost escalation)	39 440	At 10% of hard and soft costs costs
contingency (mei. cost escalation)	33,440	At 10/0 Of field and 30ft Costs Costs
TOTAL DEVELOPMENT COST	433,844	
Per sq. ft.	598	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)	-	
CMHC Seed Funding (Loan & Grant)	-	Does not qualify for CMHC Seed Funding
Permanent Mortgage	254,116	Maximum assumed standard mortgage based on financing terms below
City DC & Fee Waivers	-	Assumes no municipal fee waivers
Other	-	
Other	-	
Other	-	
TOTAL REVENUE	254,116	
	351	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	(179.728)	Estimated funding gap
Per unit		Estimated funding gap per unit (averaged)
Per sq. ft.	(248)	
RLV (EQUITY GAP) - PRESENT \$	` -/	
Per unit	-	
Per sq. ft.	-	
CASCUTE COM		
CASHFLOW		
Rental Revenue	17 726	Based on SGI Target Rent for 2br unit.
Parking Revenue	17,730	based on Sor ranger near for Ear unite
Gross Potential Income	17,736	
2. 233 . Occide	17,730	
Less Vacancy & Bad Debt		Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	17,381	
Less: Operating Expenses (Non-Res NNN)	(3,120)	Based on estimated operating expense of \$260 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	14,261	
Debt Service	(12,965)	Cost of debt servicing
Annual Cashflow After Debt Servicing		Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION		
Net Operating Income		Net operating income after vacancy loss and operating expenses
DCR		Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt coverage expectation to develop the rental housing.
Amortization		Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate		3% interest rate per CRD Scope of Services
Principal	254,116	Estimated max principal available from lender based on above terms

Summary of Results - 3 Bedroom Cottage (New Construction) - 3% Interest Prepared by New Commons Development

	(121,577
Total Sources	337,263
Other	
City DC and Fee Waivers	
Permanent Mortgage	337,263
CMHC Seed Funding (Loan & Grant)	
Land Value (TBD)	
Total Costs	458,840
Other	
Contingency	41,713
Soft Costs	37,944
Hard Costs	379,183
Land Value (TBD)	
Parking Spots	1
Total Units	1
% of Total Floor Area	1009
Gross Floor Area	1,000

	1
	-
	479,183
	42,361
	52,154
	573,698
	-
g (Loan & Grant)	-
ge	337,263
vers	_
	337,263
	(236,435)

Inputs									
Development Statistics	2br low	2br high		Suite Mix - All Units					
Site Area (SF) Public Park Area	2,000 0%	2,000 0%	sq. ft. of site area	Unit Type Studio	Suite Mix 0%	Unit Size	Price \$PSF 0	Target Rents	
Gross Floor Area	1,000	1,000	sq. ft.	1 Bedroom	0%	600	0	826	
Residential	100%	100%	of GFA	2 Bedroom	0%	725	0	1,478	
Non-Residential GFA Market Condominium	0% 0%	0% 0%	of GFA of Residential GFA	3 Bedroom Total/ Avg.	100% 100%	1,000 1,000	0	1,935 1,935	
Target Rental	100%	100%	of Residential GFA			-,		-,	
80% MMR Rental	0%	0%	of Residential GFA	Target Rent Calculator					
					2018 SGI Median	2022 SGI Median	Gross	2022 Target Affordable	
Res. Efficiency	100%	100%	of GFA	Unit Type	Income*	Income**	Income	Rents	Notes 100% AMR 80% AMR
Program Space	100%	100%	of Non-Residential GFA of Non-Residential GFA	1 Bedroom	30,528	33,044	30%	826	Based on SGI HNA target affordable rent for single per
Retail Non-Res. Efficiency	0% 100%	0% 100%	of Non-Residential GFA of Non-Residential GFA	2 Bedroom 3 Bedroom	54,618 71,492	59,120 77,385	30% 30%	1,478 1,935	Based on average of SGI HNS target affordable rents f Based on average of SGI HNS target affordable rents f
Parking Ratio	100%	100/0	or non-nesidential or n	5 550100111	72,432	77,303	3070	1,555	based on average of sorting target anormable rener
Other	-		stalls per unit	* data from 2018 SGI Housing I				culated per no	ites provided
Rental Below Market Rental	1.00 1.00	1.00 1.00	stalls per unit stalls per unit	** assumes 2% inflation on me	dian incomes to	r 4 years (201	19-2022)		
Visitor			stalls per unit						
Community Space	-	-	stalls per 1,000 sq. ft. leaseable						
Other Condo Parking Sale Price	-		stalls per stall						
			per stall						
Development Cost Assumptions	2br low	2br high							
Hard Costs Land Value - placeholder			total						
Site Prep & Remediation	200,000	200,000	per ac.						
On-Site Servicing	-	-	per ac.						
Off-Site Servicing Public Park Const. Cost (15% of site area)	-	-	per ac. per sq. ft.						
Extraordinary Site or Servicing Costs	20,000	20,000	per sq. ft. LS per CRD Scope of Work						
Residential Const. Cost	350	450	per sq. ft.						
Commercial Const. Cost Parking Const. Cost	-		per sq. ft.						
Parking Const. Cost	-		per stall						
Soft Costs									
Architect Other Consultants	\$ 10,000.00 \$ 7,000.00		LS LS per CRD Scope of Work						
Dev. Charges - Studio & 1 Bed	\$ 7,000.00	\$ 7,000.00	per unit						
Dev. Charges - 2 Bed +	-		per unit						
Education DC Education DC - Non-Res	-		per unit						
Non-Res DC			per m2 per m2						
Sec. 37 Payment	-		total						
Municipal Fees & Permits	3,300	3,300		g fee, \$700 est electrical fee, \$10/\$	1000 CV @ \$200	psf as per C	RD Building Re	gs Bylaw ame	ndment # 4403 Appendix M (https://www.crd.bc.ca/do
Public Art Developer Fees	0.0%	0.0%	of hard costs of project costs (excl. land & financing)						
Legal	-		per res. unit and, per 1,000 sq. ft. non-						
Sales & Closing	-	-	per unit						
Condo Marketing Condo Commissions			per unit per unit						
Rental Marketing			per unit						
Rental Op Ex During Lease-up	0%	0%	of year 1 op ex						
GST Contingency (incl. cost escalation)	3.2% 10%	3.2% 10%	of hard and soft costs, assumes qualifie of hard & soft costs	es for NKRP Repate of 36% of GST					
				_					
Revenue Assumptions Rental Operations	2br low	2br high			Operating As Operating Co		/yr	/mo	Mill rate
Market Unit Operating Costs (PUPM)	319	319			Property Tax		\$ 1,668	\$ 139	4.4
Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month)	319	319			Insurance Interior Main	tenance	\$ 1,138 \$ 240		
Vacancy Rate & Bad Debt	2%	2%			Exterior Main		\$ 240		
Lease-Up Period (months)	1	1			Replacement		\$ 540		
Market Cap Rate	3.50%	3.50%			Total		\$ 3,826	\$ 319	
Condominium & Non-Res Revenue							y 3,020	, 319	
Revenue Inflation	2%	2%	per year						
Parking Stall Sale Price Church Space Net Lease Rate	-		per stall per sq. ft.						
Office Vacancy & Bad Debt	0%	0%	parade to						
Office Cap Rate	0.00%	0.00%							
Retail Net Lease Rate Retail Vacancy & Bad Debt	- 0%	- 0%	per sq. ft.						
Retail Vacancy & Bad Debt Retail Cap Rate	0.00%	0.00%							
		0%	of sale price						
Office & Retail Commissions	0%	076							
	0% 2br low								
Timing & Financing Assumptions Timing Assmptions	2br low	2br high							
Timing & Financing Assumptions Timing Assmptions Marketing/ Entitlement Period	2br low	2br high	years years						
Timing & Financing Assumptions Timing Assmptions	2br low	2br high	years years years						
Timing & Financing Assumptions Timing Assmptions Marketing/Entitlement Period Sales Period Construction Period	2br low 1.0 1.0	2br high 1.0 1.0	years						
Timing & Financing Assumptions Timing Assmptions Marketing/ Entitlement Period Sales Period	2br low 1.0 1.0	2br high 1.0 1.0	years						
Timing & Financing Assumptions Timing Assemptions Marketing/ Entitlement Period Sales Period Construction Period Construction Loan Construction Loan Avg. Draw on Construction Loan	2br low 1.0 1.0 1.0 70% 70%	2br high 1.0 1.0 1.0 1.0 70% 70%	years years of total costs during construction period						
Timing & Financing Assumptions Timing Assemptions Marketing/ Entitlement Period Sales Period Construction Period Construction Loan Construction Loan Avg. Draw on Construction Loan Loan Fees	2br low 1.0 1.0 1.0 1.0 70% 70% 0.50%	2br high 1.0 1.0 1.0 1.0 0.0 1.0 0.50%	years years of total costs during construction period of loan						
Timing & Financing Assumptions Timing Assemptions Marketing/ Entitlement Period Sales Period Construction Period Construction Loan Construction Loan Avg. Draw on Construction Loan	2br low 1.0 1.0 1.0 70% 70%	2br high 1.0 1.0 1.0 1.0 70% 70%	years years of total costs during construction period	•					
Timing & Financing Assumptions Timing Assemptions Marketing/ Entitlement Period Sales Period Construction Period Construction Loan Construction Loan Avg. Draw on Construction Loan Loan Fees Loan interest Permanent Mortgage	2br low 1.0 1.0 1.0 70% 70% 0.50% 3.00%	2br high 1.0 1.0 1.0 1.0 70% 0.50% 3.00%	years years of total costs during construction period of loan						
Timing & Financing Assumptions Timing Assmptions Marketing/Entitlement Period Sales Period Construction Period Construction Loan Construction Loan Any, Draw on Construction Loan Loan Fees Loan Interest Permanent Mortgage Lending Program	2br low 1.0 1.0 1.0 1.0 70% 70% 0.50% 3.00%	2br high 1.0 1.0 1.0 1.0 70% 70% 3.00%	years years of total costs during construction period of loan of loan						
Timing & Financing Assumptions Timing Assumptions Marketing/ Entitlement Period Sales Period Construction Period Construction Loan Construction Loan Avg. Draw on Construction Loan Loan Fees Loan Interest Permanent Mortgage	2br low 1.0 1.0 1.0 70% 70% 0.50% 3.00%	2br high 1.0 1.0 1.0 1.0 70% 0.50% 3.00%	years years of total costs during construction period of loan						
Timing & Financing Assumptions Timing Assemptions Marketing Entitlement Period Sales Period Construction Period Construction Loan Construction Loan Aug. Draw on Construction Loan Loan Fees Loan Interest Permanent Mortgage Lending Program Interest Rate Amortzation Min. DCR	2br low 1.0 1.0 1.0 70% 70% 0.50% 3.00% Std. Mortgage : 3.00% 30 1.1	2br high 1.0 1.0 1.0 1.0 70% 70% 0.50% 3.00% Std. Mortgage 3.00% 3.00%	years years of total costs during construction period of loan per year years						
Timing & Financing Assumptions Timing Assemptions Marketing / Entitlement Period Sales Period Construction Period Construction Loan Avg. Draw on Construction Loan Loan Fees Loan Interest Permanent Mortgage Lending Program Interest Rate Amortization Min. DCR Co-Investment Grant	2br low 1.0 1.0 1.0 1.0 70% 70% 0.50% 3.00% Std. Mortgage 1 3.00%	2br high 1.0 1.0 1.0 1.0 70% 70% 3.00% 3.00%	years years of total costs during construction period of loan of loan per year years of rental project costs						
Timing & Financing Assumptions Timing Assmptions Marketing/Entitlement Period Sales Period Construction Period Construction Loan Construction Loan Aug. Draw on Construction Loan Loan Fees Loan Interest Permanent Mortgage Lending Program Interest Rate Amortization Min. DCR	2br low 1.0 1.0 1.0 70% 70% 0.50% 3.00% Std. Mortgage : 3.00% 30 1.1	2br high 1.0 1.0 1.0 1.0 70% 70% 0.50% 3.00% Std. Mortgage 3.00% 3.00%	years years of total costs during construction period of loan per year years						

7% 0%

7% 0%

per year of suite revenue

Profit Assumptions
Discount Rate
Condo Profit

Suite Mix - All	Units				
Uni	t Type	Suite Mix	Unit Size	Price \$PSF	Target Rents
St	udio	0%	0	0	0
1 Be	droom	0%	600	0	826
2 Be	droom	0%	725	0	1,478
3 Be	droom	100%	1,000	0	1,935
Tota	ıl/ Avg.	100%	1,000	0	1,935

Target Rent Calculator							
	2018 SGI Median	2022 SGI Median	Rent as % of Gross	2022 Target			
Unit Type	Income*	Income**	Income	Rents	Notes	100% AMR	80% AMR
1 Bedroom	30,528	33,044	30%	826	Based on SGI HN	IA target affordable rent	for single perso
2 Bedroom	54,618	59,120	30%	1,478	Based on averag	e of SGI HNS target affor	dable rents for
3 Bedroom	71.492	77.385	30%	1.935	Based on average	e of SGI HNS target affor	dable rents for

^{*} data from 2018 SGI Housing Needss Assessment (Table 23); averages calculated per notes provided

** assumes 2% inflation on median incomes for 4 years (2019-2022)

Operating Assumptions Operating Costs	/yr		/mo		Mill rate
Property Tax	\$	1,668	\$	139	4.
Insurance	\$	1,138	\$	95	
Interior Maintenance	\$	240	\$	20	
Exterior Maintenance	\$	240	\$	20	
Replacement Reserve	\$	540	\$	45	
Total	Ś	3.826	Ś	319	

Scenario 1 - 3br Cottage LOW - 3% Interest

Residential Tenure Rental - SGI Target Affordable Rents

Non-Residential None

Rental Financing Residential Mortgage (30 yrs)

Capital Subsidies None

DEVELOPMENT STATISTICS		
DEVELOPMENT STATISTICS		1
SITE		
Site Area (sq. ft.)	2,000	Approximately 2000 sf development area
Park Area (sg. ft.)	-	
FLOOR AREA		
Gross Floor Area (sq. ft.)	1,000	Gross Floor Area
Efficiency Ratio	100%	Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)
Net Floor Area (sq. ft.)	1,000	
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING	100/0	
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1.00	- Porting dan per an
Visitor Parking Ratio (per unit)	1	
Visitor Stalls	-	
	-	
Office Parking Space Ratio (per 1,000 SF) Office Parking	-	
9	1	
Total Parking Stalls UNITS	1	1 surface parking stalls in total
Total Units		1 unit total
Avg. Unit Size	1,000	Unit size
DEVELOPMENT COST		
Land Cost		
Land Cost - place holder	-	Assumes land is already owned or secured under long term lease
Hard Costs		4
Site Prep & Remediation	9,183	
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing		
Residential Const. Cost	350,000	At \$350/sf
At-Grade Parking Const. Cost	-	Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs		Per CRD Scope of Work assumes \$20,000 to upgrade existing services
TOTAL HARD COSTS	379,183	
Per sq. ft.	379	
Soft Costs		1
Architect	10,000	Estimated lump sum
Other Consultants		Per CRD Scope of Work assumes \$7,000 in additional consultants' fees
Development Charges	- ,000	Assumes no Development Cost Charges
Municipal Fees & Permits	3 300	5300 processing fee, 5300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-libra
Development Management Fee	-	
Legal	-	No allowance for legal fees
Marketing	_	
Op Ex During Lease-up	_	
Loan Fees	1,997	Fees on construction loan at 0.5% of loan value
Loan Interest	2,713	Therest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
GST	12,934	
TOTAL SOFT COSTS	37,944	ALL ALL AND OF THE OWNER AND
Per sq. ft.	37,944	
·	30	
Contingency (incl. cost escalation)	41,713	At 10% of hard and soft costs costs

	1	
TOTAL DEVELOPMENT COST	458,840	
Per sq. ft.	459	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)	-	
CMHC Seed Funding (Loan & Grant)		oes not qualify for CMHC Seed Funding
Permanent Mortgage		laximum assumed standard mortgage based on financing terms below
City DC and Fee Waivers	- As	ssumes no municipal fee waivers
Other	-	
Other		
Other		
TOTAL REVENUE	337,263	
Per sq. ft.	337	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	(121,577) Es	stimated funding gap
Per unit	(121,577) Es	stimated funding gap per unit (averaged)
Per sq. ft.	(122)	
RLV (EQUITY GAP) - PRESENT \$	-	
Per unit	-	
Per sq. ft.	-	
CASHFLOW		
Rental Revenue	23,220 Ba	ased on SGI Target Rent for 3br unit.
Parking Revenue	-	
Gross Potential Income	23,220	
Less Vacancy & Bad Debt	(464) \/-	acancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	22,756	reamy resources or cross meaning to reading rates
2. 233 Ericoure moonie	22,730	
Less: Operating Expenses (Non-Res NNN)	(3,828) Ba	ased on estimated operating expense of \$319 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	18,928	
Debt Service	(17 207) (pst of debt servicing
Annual Cash Flow After Debt Servicing		nlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
Allitual Cash Flow After Debt Servicing	1,721 0	nevered tash now after operating expenses and deot servicing based on Deot Coverage Nation of 1.1
DEBT CALCULATION		
Net Operating Income	18,928 N	et operating income after vacancy loss and operating expenses
DCR		er CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt coverage expectation to develop the rental h
Amortization		mmortization period of 30 yrs is standard max for residential mortgages.
Interest Rate		% interest rate per CRD Scope of Services
Principal		stimated max principal available from lender based on above terms

Scenario 2 - 3 br Cottage HIGH - 3% Interest

Residential Tenure Rental - SGI Target Affordable Rents

Non-residential None

Rental Financing Residential Mortgage (30 yrs)

Capital Subsidies None

Op Ex During Lease-up

DEVELOPMENT STATISTICS		
SITE		
Site Area (sq. ft.)	2,000	Approximately 2000 sf development area
Park Area (sq. ft.)	-	
FLOOR AREA		
Gross Floor Area (sq. ft.)	1,000	Gross Floor Area
Efficiency Ratio	100%	Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)
Net Floor Area (sq. ft.)	1,000	Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING		
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1	
Visitor Parking Ratio (per unit)	-	
Visitor Stalls	-	
Office Space Parking Ratio (per 1,000 sq. ft.)	-	
Office Parking	-	
Total Parking Stalls	1	1 surface parking stalls in total
UNITS		
Total Units	1	1 unit total
Avg. Unit Size	1,000	Unit size

Avg. Unit Size	1,000	Unit size
DEVELOPMENT COST		
Land Cost		
Land Cost - place holder	-	Assumes land is already owned or secured under long term lease
Hard Costs		
Site Prep & Remediation	9,183	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	-	
Residential Const. Cost	450,000	At \$450/sf
At-Grade Parking Const. Cost	-	Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	20,000	Per CRD Scope of Work assumes \$20,000 to upgrade existing services
TOTAL HARD COSTS	479,183	
Per sq. ft.	479	
Soft Costs		
Architect	10,000	Estimated lump sum
Other Consultants	7,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees
Development Charges	-	Assumes no Development Cost Charges
Municipal Fees & Permits	3,300	\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/d
Development Management Fee	-	
Legal	-	No allowance for legal fees
Marketing	-	

Loan Fees	2,497	Fees on construction loan at 0.5% of loan value
Loan Interest	3,392	Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
GST	16,172	At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
TOTAL SOFT COSTS	42,361	
Per sq. ft.	42	
Contingency (incl. cost escalation)	52,154	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	573,698	
Per sq. ft.	574	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)	-	
CMHC Seed Funding (Loan & Grant)		Does not qualify for CMHC Seed Funding
Permanent Mortgage		Maximum assumed standard mortgage based on financing terms below
City DC & Fee Waivers	-	Assumes no municipal fee waivers
Other	-	
Other	-	
Other	-	
TOTAL REVENUE	337,263	
	337	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	(236 435)	Estimated funding gap
Per unit		Estimated funding gap per unit (averaged)
Per sq. ft.	(236)	Estimated funding gap per unit (averaged)
RLV (EQUITY GAP) - PRESENT \$	(230)	
Per unit	-	
Per sq. ft.	_	
1		
CASHFLOW		
Rental Revenue	23,220	Based on SGI Target Rent for 3br unit.
Parking Revenue	-	
Gross Potential Income	23,220	
Less Vacancy & Bad Debt	(464)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	22,756	
Less: Operating Expenses (Non-Res NNN)	(3,828)	Based on estimated operating expense of \$319 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	18,928	
Debt Service	(17,207)	Cost of debt servicing
Annual Cashflow After Debt Servicing		Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION		
Net Operating Income	18,928	
DCR	1.1	Net operating income after vacancy loss and operating expenses
Amortization	30	Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt coverage expectation to develop the rental housing.
Interest Rate	3.00%	Ammortization period of 30 yrs is standard max for residential mortgages.
Principal		3% interest rate per CRD Scope of Services

Summary of Results - Multi Family Residential, 10 Units, CMHC (New Construction) - 3% Interest

Prepared by New Commons Development

enario 1 - Multi Family Residential LOW - CMHC - 3% Interest R	ate
Gross Floor Area	6,90
% of Total Floor Area	100
Total Units	10
Parking Spots	1
Land Value (TBD)	
Hard Costs	2,699,38
Soft Costs	679,30
Contingency	337,86
Other	
Total Costs	3,716,56
Land Value (TBD)	
CMHC Seed Funding (Grant)	40,00
CMHC Permanent Mortgage	2,137,39
CMHC Co-Investment Fund Grant (12.5%)	464,57
City DC and Fee Waivers	
FCM GMF SAH Study Grant	150,00
FCM GMF SAH Capital Grant	371,65
Total Sources	3,163,61
Surplus / (Gap) - 10 units	(552,94
Surplus / (Gap) per unit	(55,29

Surplus / (Gap) per unit	(93,864
Surplus / (Gap) - 10 units	(938,638
Total Sources	3,275,595
FCM GMF SAH Capital Grant	421,423
FCM GMF SAH Study Grant	150,000
City DC and Fee Waivers	-
CMHC Co-Investment Fund Grant (12.5%)	526,779
CMHC Permanent Mortgage	2,137,392
CMHC Seed Funding (Grant)	40,000
Land Value (TBD)	
Total Costs	4,214,233
Other	-
Contingency	383,112
Soft Costs	762,420
Hard Costs	3,068,701
Land Value (TBD)	-
Parking Spots	12
Total Units	10
% of Total Floor Area	100%
Gross Floor Area	6,906

Inputs												
•												
Development Statistics	MFR low	MFR high		Suite Mix - All Units				CCI Toward	80% MMR	70% HILS	Doon	
Site Area (SF)	43,000	43,000	sq. ft.	Unit Type	Suite Mix	Unit Size	Price \$PSF	Rents	Victoria	Victoria	Deep Subsidy	Market
Public Park Area	0%	0%	of site area	Studio	30%	350	0	743	798	831	375	1,000
Gross Floor Area	6,906	6,906	sq. ft.	1 Bedroom	30%	525	0	826	959	831	375	1,188
Residential Non-Residential GFA	100%	100%	of GFA of GFA	2 Bedroom	40% 0%	725 925	0	1,478 1,935	1,238 1.518	1,068	570 660	1,525
Market Condominium	0%	0%	of Residential GFA	3 Bedroom Total/ Avg.	100%	553	0	1,062	1,022	926	453	1,975 1,266
Target Rental	70%	100%	of Residential GFA	Totaly Avg.	20070	333	•	2,002	2,022	320	455	1,200
80% MMR Rental	30%	0%	of Residential GFA	SGI Target Rent Calculator								
					2018 SGI	2022 SGI	Rent as % of					
Res. Efficiency	82%	82%	of GFA	Unit Type	Median Income*	Median Income**	Gross	Affordable Rents	Notes		100% AMR	OOO/ ANAD
Program Space	100%	100%	of Non-Residential GFA	1 Bedroom	30,528	33,044	Income 30%	826		HNA target at	fordable rent f	
Retail	0%	0%	of Non-Residential GFA	2 Bedroom	54,618	59,120	30%	1,478	Based on ave	rage of SGI HI	S target afford	dable rents f
Non-Res. Efficiency	100%	100%	of Non-Residential GFA	3 Bedroom	71,492	77,385	30%	1,935	Based on ave	rage of SGI HI	S target afford	dable rents f
Parking Ratio												
Other Rental	1.00	1.00	stalls per unit stalls per unit	* data from 2018 SGI Housing N ** assumes 2% inflation on med				ulated per no	ites provided			
Below Market Rental	1.00	1.00	stalls per unit	assumes 2/6 illiacion on med	Jian incomes ic	1 4 years (201	.5-2022)					
Visitor	0.03	0.03	stalls per unit									
Community Space		-	stalls per 1,000 sq. ft. leaseable									
Other	-	-	stalls									
Condo Parking Sale Price	-	-	per stall									
Development Cost Assumptions	MFR low	MFR high										
Hard Costs	WIFICIOW	WIFK HIGH										
Land Value - placeholder	-		total									
Site Prep & Remediation	200,000	200,000	per ac.									
On-Site Servicing	200,000	200,000	per ac.									
Off-Site Servicing Public Park Const. Cost (15% of site area)	-		per ac.									
Extraordinary Site or Servicing Costs	-		per sq. ft. total									
Residential Const. Cost	325	375	per sq. ft.									
Commercial Const. Cost		-	per sq. ft.									
Parking Const. Cost	5,000	7,000	per stall									
Soft Costs	4.50/	4.50/	n/ of content conte									
Architect Other Consultants	4.5% 8.0%	4.5% 8.0%	% of.project costs % of.project costs									
Dev. Charges - Studio & 1 Bed	0.070	0.070	per unit									
Dev. Charges - 2 Bed +		-	per unit									
Education DC	-	-	per unit									
Education DC - Non-Res	-	-	per m2									
Non-Res DC		-	per m2									
Sec. 37 Payment Municipal Fees & Permits	19,113	19,113	total \$300 processing fee, \$3000 est plumbin	ng faa \$2000 ast alastrical faa \$10	/¢1000 CV @ ¢	200 nef ac nor	CPD Building I	Page Bulaw an	andment # 44	02 Annondiy I	A (https://www	w crd hc ca/
Public Art	0.0%	0.0%	of hard costs	ig ree, \$2000 est electrical ree, \$10,	/ J1000 CV @ J	200 psi as pei	CIVD building i	regs bylaw all	ienument # 44	os Appendix i	vi (iiccps.//ww	w.cru.bc.ca/
Developer Fees	5.0%	5.0%	of project costs (excl. land & financing)	,								
Legal	3,000	3,000	per res. unit and, per 1,000 sq. ft. non-	res.								
Sales & Closing	-	-	per unit									
Condo Marketing Condo Commissions	-	-	per unit per unit									
Rental Marketing	250	250	per unit per unit									
Rental Op Ex During Lease-up	25%	25%	of year 1 op ex									
GST	2.5%	2.5%	of hard and soft costs, assumes eligible	for qualifying non profit status (50°	% GST exempt)							
Contingency (incl. cost escalation)	10%	10%	of hard & soft costs									
Revenue Assumptions	MFR low	MFR high			Operation	ng Assumptio				i		
Rental Operations	tiow	an a mgu					ns					
Market Unit Operating Costs (PUPM)	477				Operatii	ng Expenses		pupm	Mill rate			
Affordable Unit Operating Costs (PUPM)		477			Property Tax	ng Expenses	/yr \$ 3,563	\$ 30	Mill rate 4.4		Assumed Mill	Rate. Assu
	477	477 477			Property Tax Insurance	ng Expenses	/yr \$ 3,563 \$ 12,000	\$ 30 \$ 100				
Parking Revenue (per stall, per month)	477	477			Property Tax Insurance Heat/Utilities	ng Expenses	/yr \$ 3,563 \$ 12,000 \$ 6,000	\$ 30 \$ 100 \$ 50			Assumed Mill	
Vacancy Rate & Bad Debt	477 - 2%	477 - 2%			Property Tax Insurance Heat/Utilities Interior Main	ng Expenses tenance	/yr \$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400	\$ 30 \$ 100 \$ 50 \$ 20				
	477	477			Property Tax Insurance Heat/Utilities	tenance	/yr \$ 3,563 \$ 12,000 \$ 6,000	\$ 30 \$ 100 \$ 50				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate	477 - 2% 3	477 - 2% 3			Property Tax Insurance Heat/Utilities Interior Main Exterior Main	tenance ntenance ntenance Reserve	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 75				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue	477 - 2% 3 3.50%	477 - 2% 3 3.50%			Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone	tenance ntenance Reserve ries & Wages	/yr \$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 75 \$ 5				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation	477 - 2% 3	477 - 2% 3	per year		Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm	tenance ntenance Reserve ries & Wages	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 75 \$ 5				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price	477 - 2% 3 3.50%	477 - 2% 3 3.50%	per stall		Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit	tenance ntenance Reserve ries & Wages	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 7,200 \$ 7,200 \$ 9,000 \$ 1,200 \$ 5,000	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 75 \$ 5 \$ 10				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate	477 - 2% 3 3.50%	477 - 2% 3 3.50%			Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm	tenance tenance Reserve ries & Wages viin	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 75 \$ 5				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price	477 - 2% 3 3.50%	477 - 2% 3 3.50%	per stall		Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Contri	tenance tenance Reserve ries & Wages viin	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 75 \$ 5 \$ 5 \$ 5				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Net Lease Rate	477 - 2% 3 3.50% 2% 0% 0.00%	477 - 2% 3 3.50% - - 0% 0.00%	per stall		Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance tenance Reserve ries & Wages viin	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Net Lease Rate Retail Vacancy & Bad Debt	2% 3 3.50% 2% - - 0% 0.00%	477 - 2% 3 3.50% - - 0% 0.00%	per stall per sq. ft.		Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance tenance Reserve ries & Wages viin	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Vac	477 - 2% 3 3.50% - 2% - 0.00% 0.00% 0.00%	477 - 2% 3 3.50% 2% - - 0% 0.00% - 0% 0.00%	per stall per sq. ft. per sq. ft.		Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance tenance Reserve ries & Wages viin	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Net Lease Rate Retail Vacancy & Bad Debt	2% 3 3.50% 2% - - 0% 0.00%	477 - 2% 3 3.50% - - 0% 0.00%	per stall per sq. ft.		Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance tenance Reserve ries & Wages viin	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Vac	477 - 2% 3 3.50% - 2% - 0.00% 0.00% 0.00%	477 - 2% 3 3.50% 2% - - 0% 0.00% - 0% 0.00%	per stall per sq. ft. per sq. ft.		Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance ntenance Reserve ries & Wages	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Net Lease Rate Retail Net Lease Rate Coffice Sand Debt Retail Can Rate Office & Retail Commissions Timing & Financing Assumptions Timing & Financing Assumptions	477 2% 3 3.50% 2% 	477	per stall per sq. ft. per sq. ft. of sale price	_	Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance ntenance Reserve ries & Wages	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Vacancy & Bad Debt Retail Cap Rate Retail Vacancy & Bad Debt Retail Cap Rate Office & Retail Commissions Timing & Financing Assumptions Timing Assymptions Timing Assumptions Timing Macancy Entitlement Period	477 - 2% 3 3 3.50% - 2% - 0% 0.00% - 0% 0.00% MFR low	477 3 3.50% 2%	per stall per sq. ft. per sq. ft. of sale price	.	Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance ntenance Reserve ries & Wages	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Net Lease Rate Retail Chacancy & Bad Debt Retail Cap Rate Office & Retail Commissions Timing & Financing Assumptions Timing & Financing Assumptions Marketing/ Entitlement Period Sales Period	477 2% 3 3.50% 2% - 0% 0.00% - 0% 0.00% - 0% MFR low	477	per stall per sq. ft. per sq. ft. of sale price years years		Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance ntenance Reserve ries & Wages	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Vacancy & Bad Debt Retail Cap Rate Retail Vacancy & Bad Debt Retail Cap Rate Office & Retail Commissions Timing & Financing Assumptions Timing Assymptions Timing Assumptions Timing Macancy Entitlement Period	477 - 2% 3 3 3.50% - 2% - 0% 0.00% - 0% 0.00% MFR low	477 3 3.50% 2%	per stall per sq. ft. per sq. ft. of sale price	_	Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance ntenance Reserve ries & Wages	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Net Lease Rate Retail Can Rate Retail Can Rate Retail Can Rate Office & Retail Commissions Timing & Financing Assumptions Timing & Financing Assumptions Marketing/ Entitlement Period Sales Period	477 - 2% 3 3.50% 2%	477 2% 3 3.50% 2%	per stall per sq. ft. per sq. ft. of sale price years years years	.	Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance tenance Reserve ries & Wages viin	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Water & Bad Debt Retail Cap Rate Retail Vacancy & Bad Debt Retail Cap Rate Office & Retail Commissions Timing & Financing Assumptions Timing Assumptions Marketing Entitlement Period Sales Period Construction Period Construction Loan Construction Loan	477 2% 3 3.50% 2%	477	per stall per sq. ft. per sq. ft. of sale price years years years of total costs		Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance tenance Reserve ries & Wages viin	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Vacancy & Bad Debt Retail Cap Rate Retail Vacancy & Bad Debt Retail Cap Rate Office & Retail Commissions Timing & Financing Assumptions Timing & Financing Assumptions Timing & Financing Commissions Marketing/ Entitlement Period Sales Period Construction Period Construction Period Construction Loan Avg. Draw on Construction Loan	477 2% 3 3.50% 2%	477 - 2% 3 3.50% 2%	per stall per sq. ft. per sq. ft. of sale price years years years do f total costs during construction period		Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance tenance Reserve ries & Wages viin	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Vacancy & Bad Debt Retail Vacancy & Bad Debt Retail Vacancy & Bad Debt Retail Cap Rate Rotail Net Lease Rate Retail Vacancy & Bad Debt Retail Cap Rate Office & Retail Commissions Timing & Financing Assumptions Timing Assumptions Timing Assumptions Timing Assumptions Timing Assumptions Construction Period Construction Loan Construction Loan Construction Loan Awg. Draw on Construction Loan Loan Fees	477 2% 3 3.50% 2%	477	per stall per sq. ft. per sq. ft. of sale price years years years dring construction period of loan	•	Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance tenance Reserve ries & Wages viin	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Vacancy & Bad Debt Retail Cap Rate Retail Vacancy & Bad Debt Retail Cap Rate Office & Retail Commissions Timing & Financing Assumptions Timing & Financing Assumptions Marketing/ Entitlement Period Sales Period Construction Period Construction Farance Construction Loan Avg. Draw on Construction Loan	477 2% 3 3.50% 2%	477 - 2% 3 3.50% 2%	per stall per sq. ft. per sq. ft. of sale price years years years do f total costs during construction period	.	Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance tenance Reserve ries & Wages viin	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Vacancy & Bad Debt Retail Vacancy & Bad Debt Retail Vacancy & Bad Debt Retail Cap Rate Rotail Net Lease Rate Retail Vacancy & Bad Debt Retail Cap Rate Office & Retail Commissions Timing & Financing Assumptions Timing Assumptions Timing Assumptions Timing Assumptions Timing Assumptions Construction Period Construction Loan Construction Loan Construction Loan Awg. Draw on Construction Loan Loan Fees	477 2% 3 3.50% 2%	477	per stall per sq. ft. per sq. ft. of sale price years years years dring construction period of loan		Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance tenance Reserve ries & Wages viin	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Vacancy & Bad Debt Retail Cap Rate Retail Vacancy & Bad Debt Retail Cap Rate Coffice & Retail Commissions Timing & Financing Assumptions Timing Assmptions Timing Assimptions Ti	477 2% 3 3.50% 2%	477	per stall per sq. ft. per sq. ft. of sale price years years years dring construction period of loan		Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance tenance Reserve ries & Wages viin	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Vacancy & Bad Debt Retail Vacancy &	477	477	per stall per sq. ft. per sq. ft. of sale price years years years during construction period of loan per year	.	Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance tenance Reserve ries & Wages viin	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Wacancy & Bad Debt Retail Cap Rate Retail Wacancy & Bad Debt Retail Cap Rate Office & Retail Commissions Timing & Financing Assumptions Timing Assumptions Timing Assumptions Occupancy Commissions Timing Assumptions Timing Assumptions Timing Assumptions Marketing Entitlement Period Sales Period Construction Period Construction Dean Construction Dean Loan Fees Loan Interest Loan Interest Permanent Mortgage Lending Program Interest Rate Amortization	477 - 2% 3 3 3.50% - 2% - 0% 0.00% - 0% 0.00% 0.00% - 1.0 1.0 1.0 1.0 5.0% 3.00%	477	per stall per sq. ft. per sq. ft. of sale price years years years during construction period of loan of loan		Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance tenance Reserve ries & Wages viin	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Vacancy & Bad Debt Retail Cap Rate Retail Vacancy & Bad Debt Retail Cap Rate Retail Fersien Confice & Retail Commissions Timing & Financing Assumptions Timing Assmptions Marketing Entitlement Period Sales Period Construction Period Construction Loan Construction Loan Avg. Draw on Construction Loan Loan Fees Loan Interest Permanent Mortgage Lending Program Interest Rate Amortization Min. DCR	477	477	per stall per sq. ft. per sq. ft. of sale price years years years during construction period of loan per year		Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance tenance Reserve ries & Wages viin	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Wacancy & Bad Debt Retail Cap Rate Office & Retail Commissions Timing & Financing Assumptions Timing & Financing Assumptions Timing Assumptions Occupantion of Construction Period Construction Period Construction Period Construction Loan Avg. Draw on Construction Loan Loan Fees Loan Interest Permanent Mortgage Lending Program Interest Rate Amontziation Min. DCR Co-Investment Grant	477 - 2% 3 3 3.50% - 2% - 0% 0.00% - 0% 0.00% 0.00% - 1.0 1.0 1.0 1.0 5.0% 3.00%	477	per stall per sq. ft. per sq. ft. of sale price years years years diring construction period of loan per year years of rental project costs		Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance ntenance Reserve ries & Wages	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				
Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Vacancy & Bad Debt Retail Cap Rate Retail Vacancy & Bad Debt Retail Cap Rate Retail Cap Rate Retail Cap Rate Office & Retail Commissions Timing & Financing Assumptions Timing Assumptions Timing Assumptions Construction Period Construction Period Construction Loan Construction Loan Construction Loan Loan Fees Loan Interest Permanent Mortgage Lending Program Interest Rate Amortization Min. DCR	477	477	per stall per sq. ft. per sq. ft. of sale price years years years during construction period of loan per year		Property Tax Insurance Heat/Utilities Interior Main Exterior Main Replacement Building Sala Telephone Office & Adm Audit Service Control Grounds Mai	tenance ntenance Reserve ries & Wages	\$ 3,563 \$ 12,000 \$ 6,000 \$ 2,400 \$ 2,400 \$ 7,200 \$ 9,000 \$ 600 \$ 1,200 \$ 5,000 \$ 6,000 \$ 1,800	\$ 30 \$ 100 \$ 50 \$ 20 \$ 20 \$ 60 \$ 5 \$ 5 \$ 5 \$ 10 \$ 42 \$ 50 \$ 15				

7% 0%

7% 0%

per year of suite revenue

Profit Assumptions
Discount Rate
Condo Profit

Suite Mix - All Units												
					SGI Target	80% MMR	70% HILS	Deep				
	Unit Type	Suite Mix	Unit Size	Price \$PSF	Rents	Victoria	Victoria	Subsidy	Market			
	Studio	30%	350	0	743	798	831	375	1,000			
	1 Bedroom	30%	525	0	826	959	831	375	1,188			
	2 Bedroom	40%	725	0	1,478	1,238	1,068	570	1,525			
	3 Bedroom	0%	925	0	1,935	1,518	1,383	660	1,975			
	Total/ Avg.	100%	553	0	1,062	1,022	926	453	1,266			

SGI Target Rent Calculator							
	2018 SGI	2022 SGI	Rent as % of	2022 Target			
	Median	Median	Gross	Affordable			
Unit Type	Income*	Income**	Income	Rents	Notes	100% AMR	80% AMR
1 Bedroom	30,528	33,044	30%	826	Based on SGI HI	NA target affordable rent	for single pers
2 Bedroom	54,618	59,120	30%	1,478	Based on averag	ge of SGI HNS target afford	dable rents for
3 Redroom	71 492	77 385	30%	1 935	Rased on averag	e of SGI HNS target afford	dable rents for

- * data from 2018 SGI Housing Needss Assessment (Table 23); averages calculated per notes provided
 ** assumes 2% inflation on median incomes for 4 years (2019-2022)

Operating Expenses	/yr		pupm	Mill rate
Property Tax	\$ 3,563	\$	30	4.4
Insurance	\$ 12,000	\$	100	
Heat/Utilities	\$ 6,000	\$	50	
Interior Maintenance	\$ 2,400	\$	20	
Exterior Maintenance	\$ 2,400	\$	20	
Replacement Reserve	\$ 7,200	\$	60	
Building Salaries & Wages	\$ 9,000	\$	75	
Telephone	\$ 600	\$	5	
Office & Admin	\$ 1,200	\$	10	
Audit	\$ 5,000	\$	42	
Service Contracts	\$ 6,000	\$	50	
Grounds Maint	\$ 1,800	\$	15	
Total	\$ 57,163	Ś	476	

Scenario 1 - Multi Family Residential LOW - CMHC - 3% Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents
Non-Residential None
Rental Financing Residential Mortgage
Capital Subsidies None

SITE	Market	79% MMR	Total/ Avg.	Assumptions
Site Area (sq. ft.)	-	-	43,000	Approximately 1 acre development area
FLOOR AREA				
Gross Floor Area (sq. ft.) Efficiency Ratio	4,834 82%	2,072 82%	6,906 82%	ncludes circulation, utility and common areas BC Housing efficiency target for wood frame low rise buildings
Efficiency Ratio Net Floor Area (sq. ft.)	82% 3,964	82% 1,699		C Housing efficiency target for wood frame low rise buildings easable floor area net of circulation, utility and common areas
% of Residential Floor Area	70%	30%	100%	
% of Non-Residential Floor Area	-	-	0%	
% of Total Floor Area PARKING	70%	30%	100%	
Residential Parking Ratio (per unit)	1.00	1.00	1.00	parking stall per unit
Residential Stalls	7	3	10	
Visitor Parking Ratio (per unit)	0.03	0.03	0.20	
Visitor Stalls Office Parking Space Ratio (per 1,000 SF	1.4	0.6	2	Total of 2 visitors parking stalls
Office Parking Space Ratio (per 1,000 3r				
Total Parking Stalls	8	4	12	12 surface parking stalls in total
UNITS Total Units	7	3	40	10 units in total
Avg. Unit Size	553	553		to units in total twerage unit size based on specified unit mix
DEVELOPMENT COST	Market	79% MMR	TOTAL	
Land Cost - place holder	Market -	75/6 WINNE -	- IOIAL	Assumes land is already owned or secured under long term lease
<u> </u>				
Hard Costs	Market	79% MMR	TOTAL	
Site Prep & Remediation On-Site Servicing	138,200 138,200	59,229 59,229		kssumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ ncludes allowance for on site drinking water, stormwater and wastewater and hydro services and associated underground wo
Off-Site Servicing		-		and a second control of the second control o
Public Park Const. Cost (15% of site area		-	-	
Residential Const. Cost	1,571,172	673,359	2,244,531	nt \$325/sf
Commercial Const. Cost At-Grade Parking Const. Cost	42,000	18,000	60,000	At \$5000 per parking stall
Extraordinary Site Costs	42,000			
TOTAL HARD COSTS	1,889,572	809,817	2,699,389	
Per sq. ft.	391	391	391	
Soft Costs	Market	79% MMR	Total/ Aug	
Soft Costs Architect	Market 85,031	79% MMR 36,442	Total/ Avg. 121,473	At 4.5% of hard costs
Other Consultants	151,166	64,785		At 8% of hard costs (allows for surveyor, geotech, environmental assessment, civil, wastewater, mechanical, structural, electrical
Dev. Charges	-	-	-	Assumes no Development Cost Charges
Municipal Fees & Permits Development Management Fee	13,379 108,596	5,734 46,541	19,113 155,137	6300 processing fee, \$3000 est plumbing fee, \$2000 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw
Legal	108,596 21,000	46,541 9,000		kt 5% of project costs excluding land value. Ulowance for legal fees
Marketing	1,750	750	2,500	Marketing expenses during initial lease-up period
Op Ex During Lease-up	10,017	4,293		Operating expense during initial lease-up period. Assumes 3 months of operating expenses.
Loan Fees	11,403	4,887	16,289	ees on construction loan at 0.5% of loan value
Loan Interest GST	15,487 57,685	6,637 24,722		nterest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period. kt 2.5% of project expenses. Assumes owner is eligible for qualifying non profit status (50% GST exempted/rebated)
TOTAL SOFT COSTS	475,512	203,791	679,303	a 2.300 project experimes. Pasantes owner is engine for qualifying from profit status (300 031 exempted) reduced)
Per sq. ft.	98	98	98	
Per sq. ft.	98			At 10% of hard and soft costs costs
Per sq. ft. Contingency (incl. cost escalation)	98 236,508	101,361	337,869	At 10% of hard and soft costs costs
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST	98 236,508 2,601,593	101,361 1,114,968	337,869 3,716,561	ht 10% of hard and soft costs costs
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft.	98 236,508	101,361	337,869	N: 10% of hard and soft costs costs
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST	98 236,508 2,601,593	101,361 1,114,968	337,869 3,716,561	Nt 10% of hard and soft costs costs
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT	236,508 2,601,593 538	101,361 1,114,968 538	337,869 3,716,561	At 10% of hard and soft costs costs
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft.	236,508 2,601,593 538	101,361 1,114,968 538	337,869 3,716,561	It 10% of hard and soft costs costs
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD)	98 236,508 2,601,593 538 Market	101,361 1,114,968 538 - 79% MMR	337,869 3,716,561 538	
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD) CHHC Seed Funding (Grant)	98 236,508 2,601,593 538 - Market 28,000	101,361 1,114,968 538 - 79% MMR	337,869 3,716,561 538 - TOTAL 40,000	stimated CMHC Seed Funding grant contribution for project of this size
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNOS Land Value (TBD) CMHC Seed Funding (Grant) CMHC Seed Funding (Arab)	98 226,508 2,601,593 538 - Market 28,000 1,651,071	101,361 1,114,968 538 - 79% MMR 12,000 486,321	337,869 3,716,561 538 - TOTAL 40,000 2,137,392	tstimated CMHC Seed Funding grant contribution for project of this size dasimum CMHC National Housing Co-investment Program mortgage based on financing terms below
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD) CMHC Seed Funding (Grant) CMHC Permanent Mortgage CMHC Co-Investment Fund Grant (12.5 City C and Fee Waivers)	98 236,508 2,601,593 538 - Market 28,000 1,651,071 325,199	101,361 1,114,968 538 - 79% MMR 12,000 486,321 139,371	337,869 3,716,561 538 TOTAL 40,000 2,137,392 464,570	Stimated CMHC Seed Funding grant contribution for project of this size Assimum CMHC National Housing Co-investment Program mortgage based on financing terms below Stimated CMHC National Housing Co-investment Program grant amount Ssumes no municipal fee wakers
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD) CMHC Seed Funding (Grant) CMHC Permanent Mortgage CMHC Co-Investment Fund Grant (12.5 CIty DC and Fee Waivers FUM GMM'S AM Study Grant M Study Form	98 236,508 2,601,593 538 Market 2,8,000 1,651,071 325,199 105,000	101,361 1,114,968 538 - 79% MMR 12,000 46,321 139,371 45,000	337,869 3,716,561 538 - TOTAL 40,000 2,137,392 464,570 - 150,000	stimated CMHC Seed Funding grant contribution for project of this size Assimum CMHC National Housing Co-tinvestiment Program mortgage based on financing terms below stimated CMHC National Housing Co-tinvestiment Program grant amount susumes no municipal fee waivers susumes no municipal fee waivers susumes no municipal fee waivers
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPMENT COST CONTINUED CONTINUED COST Land Value (TBD) CMHC Seed Funding (Grant) CMHC Permanent Mortgage CMHC Co-Investment Fund Grant (12.5 City CC and Fee Waivers FCM GMF SAH Study Grant FCM GMF SAH Study Grant FCM GMF SAH Study Grant FCM GMF SAH Capital Grant	98 236,508 2,601,593 538 - Market 28,000 1,651,071 325,199	101,361 1,114,968 538 - 79% MMR 12,000 486,321 139,371	337,869 3,716,561 538 TOTAL 40,000 2,137,392 464,570	Sstimated CMHC Seed Funding grant contribution for project of this size Assimum CMHC National Housing Co-Investment Program mortgage based on financing terms below Stimated CMHC National Housing Co-Investment Program grant amount susumes no municipal fee waivers
Per sq. ft. Contingency (incl. cost excalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNOS Land Value (TBD) CMHC Seed Funding (Grant) CMHC Permanent Mortgage CMHC Co-Investment Fund Grant (12.5 City DC and Fee Waivers FCM CMP SM Study Grant FCM GMF SM Study Grant	98 226,508 2,601,593 538 Market 28,000 1,651,071 325,199 105,000 260,159	101,361 1,114,968 538 79% MMR 12,000 486,321 139,371 45,000 111,497	337,869 3,716,561 538 - 107AL - 40,000 2,137,392 464,570 150,000 371,656	Sstimated CMHC Seed Funding grant contribution for project of this size Assimum CMHC National Housing Co-Investment Program mortgage based on financing terms below Stimated CMHC National Housing Co-Investment Program grant amount susumes no municipal fee waivers susumes no municipal fee waivers susumes no municipal fee waivers
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD) CMHC Seed Funding (Grant) CMHC Nermanent Mortgage CMHC Co-Investment Fund Grant (12.5 City CC and Fee Waivers FCM GMF SAH Study Grant	98 236,508 2,601,593 538 Market 2,8,000 1,651,071 325,199 105,000	101,361 1,114,968 538 - 79% MMR 12,000 46,321 139,371 45,000	337,869 3,716,561 538 - TOTAL 40,000 2,137,392 464,570 - 150,000	Sstimated CMHC Seed Funding grant contribution for project of this size Assimum CMHC National Housing Co-Investment Program mortgage based on financing terms below Stimated CMHC National Housing Co-Investment Program grant amount susumes no municipal fee waivers susumes no municipal fee waivers susumes no municipal fee waivers
Per sq. ft. Contingency (Incl. cost excalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPMENT COST PER SQ. ft. SOURCES OF FUNDS Land Value (TBD) COHIC Seed Funding (Grant) COHIC Seed Funding (Grant) COHIC Consestment fund Grant (12.5 CH) OC and Fee Waivers FCM GMF SAM Study Grant TCM GMF SAM Study FOR TOTAL REVENUE Per sq. ft.	28,508 2,601,593 538 Market 28,000 1,651,071 325,199 105,000 260,159	101,361 1,114,968 538	337,869 3,716,561 538 TOTAL 40,000 2,137,392 464,570 150,000 371,656	Sstimated CMHC Seed Funding grant contribution for project of this size Assimum CMHC National Housing Co-Investment Program mortgage based on financing terms below Stimated CMHC National Housing Co-Investment Program grant amount susumes no municipal fee waivers
Per sq. ft. Contingency (incl. cost excalation) TOTAL DEVLLOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD) CMHC Seed Funding (Grant) CMHC Permanent Mortgage CMHC Co-Investment fund Grant (12.5 City DC and Fee Waivers FCM GMP SAH Suby Grant FCM GMP SAH Suby Grant Other TOTAL REVENUE Per sq. ft. EQUITY SURPLUS / GAP	98 236,508 2,601,593 338 Market 28,000 1,651,071 325,199 105,000 260,159 2,369,430 490	101,361 1,114,968 538 79% MMR 12,000 486,321 139,371 45,000 111,497 794,189 383	337,869 3,716,561 538 TOTAL 40,000 2,137,392 464,570 150,000 371,656 458	isstimated CMHC Seed Funding grant contribution for project of this size dasimum CMHC National Housing Co-Investment Program mortgage based on financing terms below Stimated CMHC National Housing Co-Investment Program grant amount Sausmes no municipal fee wakers votential study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing oteential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing
Per sq. ft. Contingency (Incl. cost excalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD) CMMC Seed Funding (Grant) CMMC Permanent Mortgage CMMC Commentment fund crant (12.5 CITY OC and Fee Waivers FCM GMF SAM Edypt Grant CMG GMF SAM Edypt Grant CMG GMF SAM Edypt Grant TOTAL REVENUE Per sq. ft. EQUITY SURPLUS / GAP SURPLUS / GAP	98 236,508 2,601,593 538 538 Market 28,000 1,651,071 2375,199 105,000 260,159 2,369,430 490	101,361 1,114,968 538 79% MMR 12,000 486,321 139,371 45,000 111,497 794,189 383	337,869 3,716,561 538 TOTAL 40,000 2,137,392 464,570 150,000 371,656 3,163,618 458	Estimated CMHC Seed Funding grant contribution for project of this size daaimum CMHC National Housing Co-investment Piogram mortgage based on financing terms below stimated CMHC National Housing Co-investment Piogram grant amount sussmen on municipal fee wakers ottential study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing ottential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing ottential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing stimated funding gap
Per sq. ft. Contingency (Incl. cost excalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD) CMHC Seed Funding (Grant) CMHC Permanent Mortgage CMHC Co-Investment Fund Grant (12.5 CID; DC and fee Waivers FCM GMF SAN Study Grant FCM GMF SAN Study Grant TOTAL REVENUE Per sq. ft. EQUITY SURPLUS / GAP SURPLUS / GAP Per unit	98 236,508 2,601,593 538 Market 28,000 1,651,071 325,199 105,000 200,159 2,369,430 (33,166) (33,166)	101,361 1,114,968 538 7995 MMR 12,000 486,321 139,371 45,000 111,497 794,189 383	337,869 3,716,561 538 TOTAL 40,000 2,137,392 464,570 150,000 371,656 438 (552,943) (140,093)	istimated CMHC Seed Funding grant contribution for project of this size dasimum CMHC National Housing Co-Investment Program mortgage based on financing terms below Stimated CMHC National Housing Co-Investment Program grant amount Sausmes no municipal fee valvers votestial study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing oteential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing
Per sq. ft. Contingency (incl. cost excalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD) CMMC Seed Funding (Grant) CMMC Seed Funding (Grant) CMMC Permanent Mortgage CMMC Co-Investment Fund Grant (12.5 CIC) DC and fee Waivers FUN GOM'S AND Subject Grant (2.5 CM GOM'S AND Subject Grant (2.5 TOTAL REVENUE Per sq. ft. EQUITY SURPLUS / GAP SURPLUS / GAP Per unit Per sq. ft.	98 236,508 2,601,593 538 538 Market 28,000 1,651,071 2375,199 105,000 260,159 2,369,430 490	101,361 1,114,968 538 79% MMR 12,000 486,321 139,371 45,000 111,497 794,189 383	337,869 3,716,561 538 TOTAL 40,000 2,137,392 464,570 150,000 371,656 3,163,618 458	Estimated CMHC Seed Funding grant contribution for project of this size dazimum CMHC National Housing Co-investment Program mortgage based on financing terms below stimated CMHC National Housing Co-investment Program grant amount sixeme an omnicipal fee wakers ottential study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing ottential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing ottential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing stimated funding gap
Per sq. ft. Contingency (incl. cost excalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD) CMHC Seed Funding (Grant) CMHC Permanent Mortgage CMHC Coherstement Fund Grant (12.5 CK) CC and ree Waivers FCM GMM SAN Study Grant FCM GMM SAN Study Grant FCM GMM SAN Capital Grant Other TOTAL REVENUE Per sq. ft. EQUITY SURPLUS / GAP SURPLUS / GAP Per unit	98 236,508 2,601,593 538 Market 28,000 1,651,071 325,199 105,000 260,159 2,369,430 490 (232,163) (33,166) (48)	101,361 1,114,568 538 538 79% MMR 12,000 486,221 139,771 45,000 111,477 794,189 383 (320,779) (105,226) (1555)	337,869 3,716,561 538 TOTAL 40,000 2,137,392 464,570 150,000 371,656 458 (552,943) (140,033) (80)	Estimated CMHC Seed Funding grant contribution for project of this size dazimum CMHC National Housing Co-investment Program mortgage based on financing terms below stimated CMHC National Housing Co-investment Program grant amount sussmen on municipal fee waivers ottential study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing ottential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing ottential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing stimated funding gap
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROPIT SOURCES OF FUNOS Land Value (TED) CMHC Seed Funding (Grant) CMHC Permanent Morgage CMHC Co-Investment Tund grant (12.5 City OC and Tee Waivers FUM GMS 94th Study Grant FUM FUM FUM Per sq. ft. COSHFLOW CASHFLOW CASHFLOW	98 236,508 2,601,598 538 Market 28,000 1,631,071 335,199 105,000 200,159 2,369,430 (33,166) (48) Market	101,361 1,114,568 538 79% MMR 12,000 486,321 139,371 45,000 111,497 794,189 383 (320,779) (105,226) (155)	337,869 3,716,561 538	Estimated CMHC Seed Funding grant contribution for project of this size dazimum CMHC National Housing Co-investment Program mortgage based on financing terms below stimated CMHC National Housing Co-investment Program grant amount sussmen on municipal fee waivers ottential study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing ottential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing ottential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing stimated funding gap
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROPIT SOURCES OF FUNDS Land Value (TBD) CMHC Seed Funding (Grant) CMHC Seed Funding (Grant) CMHC Permaient Mortgage CMHC Co-Investment Fund Grant (12.5 CIC) OC and Fee Waivers FUN GMP SMH Subpl Grant FUN GMP SMH SUBPLUS (GAP) Per unit Per sq. ft.	98 236,508 2,601,593 538 Market 28,000 1,651,071 325,199 105,000 260,159 2,369,430 490 (232,163) (33,166) (48)	101,361 1,114,568 538 538 79% MMR 12,000 486,221 139,771 45,000 111,477 794,189 383 (320,779) (105,226) (1555)	337,869 3,716,561 538 TOTAL 40,000 2,137,392 464,570 150,000 371,656 458 (552,943) (140,033) (80)	Estimated CMHC Seed Funding grant contribution for project of this size dazimum CMHC National Housing Co-investment Program mortgage based on financing terms below stimated CMHC National Housing Co-investment Program grant amount sussmen on municipal fee waivers ottential study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing ottential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing ottential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing stimated funding gap
Pers q. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD) CMHC Seed Funding (Grant) CMHC Seed Funding (Grant) CMHC Permanent Mortgage CMHC Co-Investment Fund Grant (12.5 CIty DC and Fee Waivers FCM GMM S-AH Study Grant FCM GMS S-AH Study Grant TOTAL REVENUE Per sq. ft. COULTS SUBREUS / GAP Per unit Per sq. ft. CASHEOW Rental Revenue	98 236,508 2,601,598 538 Market 28,000 1,631,071 335,199 105,000 200,159 2,369,430 (33,166) (48) Market	101,361 1,114,568 538 79% MMR 12,000 486,321 139,371 45,000 111,497 794,189 383 (320,779) (105,256) (155)	337,869 3,716,561 538	Estimated CMHC Seed Funding grant contribution for project of this size daaimum CMHC National Housing Co-investment Piogram mortgage based on financing terms below stimated CMHC National Housing Co-investment Piogram grant amount sussmen on municipal fee wakers ottential study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing ottential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing ottential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing stimated funding gap
Per sq. ft. Contingency (incl. cost exalistion) TOTAL DEVELOPMENT COST Per sq. ft. SOURCES OF FUNDS Land Value (TED) CMHC Seed Funding (Grant) CMHC Seed Funding (Grant) CMHC Perminent Morgage CMHC Co-Investment Fund Grant (12.5 CIly CC and Fee Walvers FCM GMS SAM Capital Grant CM GMS SAM Capital Grant Other TOTAL REVENUE Per sq. ft. EQUITY SURPLUS / GAP SURPLUS / GAP Per unit Per sq. ft. CASHEOW Rental Revenue Parking Revenue Gross Potential Income	24,601,598 2,601,598 338 Market 2,800,00 1,651,071 335,199 105,000 260,159 23,169,430 (232,163) (33,166) (48) Market 106,365	101,361 1,114,568 538	337,869 3,716,561 538 40,000 2,137,392 464,570 150,000 371,656 3,163,618 (552,943) (440,093) (80) Total/Avg.	isstimated CMHC Seed Funding grant contribution for project of this size daarimum CMHC National Housing Co-investment Program mortgage based on financing terms below stimated CMHC National Housing Co-investment Program grant amount stimated CMHC National Housing Co-investment Program grant amount susmes no municipal fee waivers rotential study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing rotential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing rotential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing stimated funding gap per unit (averaged)
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FINOS Land Value (TBD) CMHC Seed Funding (Grant) CMHC Permanent Mortgage CMHC Co-Investment Fund Grant (12.5 CIty DC and Fee Waivers FUM GMF SAM Study Grant FUM GMF SAM Study Grant Other TOTAL REVENUE Per sq. ft. COUNT SUBPLUS / GAP SUBPLUS / GAP PUM Per sq. ft. CASHTOW Rental Revenue Parking Revenue Parking Revenue Parking Revenue Parking Revenue Parking Revenue Less Vacancy & Bad Debt	98 226,508 2,601,593 538 Market 28,000 1,651,071 325,199 105,000 260,159 2,369,430 490 (232,163) (33,166) (48) Market 106,365 106,365 (2,127)	101,361 1,114,968 538 538 79% MMR 12,000 486,21 139,77 45,000 411,497 794,189 383 (320,779) (105,250) (155) 79% MMR 36,809	337,869 3,716,561 538 TOTAL 40,000 2,137,392 464,570 150,000 377,656 3,163,618 458 (552,943) (140,033) (80) Total/Aug. 143,174 143,174 (2,863)	Estimated CMHC Seed Funding grant contribution for project of this size flashimum CMHC National Housing Co-investment Program mortgage based on financing terms below stimated CMHC National Housing Co-investment Program grant amount sussmen on municipal fee wakers totential study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing F ortential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing forential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing stimated funding gap
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TSD) CMHC Seed Funding (Grant) CMHC Seed Funding (Grant) CMHC Perminent Morgage CMHC CO-Investment Fund Grant (12.5 CIty CC and Fee Walvers FOX GMS 49M Supply Grant FOX GMS 49M Supply GMS 49M Supply GMS 49M FOX GMS 49M Supply GMS 49	24,601,598 2,601,598 338 Market 2,800,00 1,651,071 335,199 105,000 260,159 23,169,430 (232,163) (33,166) (48) Market 106,365	101,361 1,114,568 538	337,869 3,716,561 538 40,000 2,137,392 464,570 150,000 371,656 3,163,618 (552,943) (440,093) (80) Total/Avg.	isstimated CMHC Seed Funding grant contribution for project of this size daarimum CMHC National Housing Co-investment Program mortgage based on financing terms below stimated CMHC National Housing Co-investment Program grant amount stimated CMHC National Housing Co-investment Program grant amount susmes no municipal fee waivers rotential study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing rotential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing rotential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing stimated funding gap per unit (averaged)
Persq. ft. Contingency (incl. cost exalistion) TOTAL DEVELOPMENT COST Per sq. ft. SOURCES OF FUNDS Land Value (TED) CHIC Seed Funding (Grant) TOTAL REVENUE Persq. ft. EQUITY SURPLUS / GAP) Per unt Per sq. ft. CASHCOW Rental Revenue Parking Revenue Gross Potential Income Less' Operating Expenses (Non-Res Not) Less' Operating Expenses (Non-Res Not)	24,001,598 2,601,598 3,88 2,800,00 1,651,071 325,199 105,000 260,159 23,369,430 450 (232,163) (33,166) (448) Market 106,365 106,365 106,365 (2,127) 104,238	101,361 1,114,968 538 - 12,000 486,321 139,371 45,000 111,497 794,189 383 (320,779) (105,926) (155) 79% MMR 36,809 (7,26) 36,673	337,869 3,716,561 538 TOTAL 40,000 2,137,392 464,570 150,000 371,656 31,63,618 458 (552,943) (140,093) (80) Total/Avg. 143,174 (2,863) 140,311 (57,240)	sstimated CMHC Seed Funding grant contribution for project of this size dasimum CMHC National Housing Co-investment Program mortgage based on financing terms below stimated CMHC National Housing Co-investment Program grant amount stimated CMHC National Housing for investment Program grant amount susmes no municipal fee waivers rotential study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing P rotential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing stimated funding gap stimated funding gap per unit (averaged)
Persq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD) CMHC Seed Funding (Grant) CMHC Seed Funding (Grant) CMHC Permanent Mortgage CMHC CO-Investment Fund Grant (12.5 CIN DC and Fee Waivers FCM GMH SAH Sudy Grant FCM GMH SAH Sudy Grant TOTAL REVENUE Per sq. ft. EQUITY SURPLUS / CAP Per unit Per sq. ft. CANIFLOW Rental Revenue Parking Revenue Parking Revenue Parking Revenue Parking Revenue Less Vacancy & Bad Debt Gross Effective Income	98 226,508 2,601,593 538 538 Market 28,000 1,651,071 325,199 105,000 260,159 2,369,430 490 (232,163) (33,166) (48) Market 106,365 106,365 (2,127) 104,238	101,361 1,114,968 538 538 79% MMR 12,000 486,21 139,371 45,000 111,497 794,189 383 (320,779) (105,226) (155) 79% MMR 36,809 36,073	337,869 3,716,561 538 TOTAL 40,000 2,137,392 464,570 150,000 371,656 3,163,618 458 (552,943) (140,033) (80) Total/Aug. 143,174 (2,863) 140,311	Sstimated CMHC Seed Funding grant contribution for project of this size drawinum CMHC Rational Housing Co-investment Program mortgage based on financing terms below stimated CMHC Rational Housing Co-investment Program grant amount sources on municipal fee wakers oriented study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing P oriented study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing oriented capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing stimated funding gap stimated funding gap per unit (averaged)
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TED) CANIC Seed Funding (Grant) CANIC Seed Funding (Grant) CANIC Seed Funding (Grant) CANIC Co-Investment Fund Grant (12.5 (F)) Continent Mortgage CANIC CO-Investment Fund Grant (12.5 (F)) CONTINENT FUND GRANT (F) Rental Revenue Parking Revenue Gross Potential Income Less: Operating Expenses (Non-Res NM) Net Operating Expenses (Non-Res NM)	98 236,508 2,601,598 338 338 Market 2,800,00 1,651,071 335,199 105,000 260,159 23,369,430 450 (232,163) (33,166) (48) Market 106,365 106,365 106,365 106,365 (2,127) 104,238 (40,068) 64,170	101,361 1,114,968 538	337,869 3,716,561 538 TOTAL 40,000 2,137,392 464,570 150,000 371,656 31,66,818 458 (552,943) (140,03) (80) Total/Avg. 143,174 (2,863) 140,311 (57,240) 83,071	isstimated CMHC Seed Funding grant contribution for project of this size dastimum CMHC National Housing Co-Investment Program mortgage based on financing terms below stilmated CMHC National Housing Co-Investment Program grant amount stilmated CMHC National Housing Co-Investment Program grant amount sizes are nominified fee wakers oteratial study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing Protential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing distinguished capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing stimated funding gap stimated funding gap per unit (averaged) facancy loss at 2% of Gross Income (2% vacancy rate) sased on estimated operating expense of \$477 per unit per month. See Operating Expense Breakdown for details.
Persq. ft. Contingency (incl. cost exalistion) TOTAL DEVELOPMENT COST Per sq. ft. SOURCES OF FUNDS Land Value (TED) CHIC Seed Funding (Grant) TOTAL REVENUE Persq. ft. EQUITY SURPLUS / GAP) Per unt Per sq. ft. CASHCOW Rental Revenue Parking Revenue Gross Potential Income Less' Operating Expenses (Non-Res Not) Less' Operating Expenses (Non-Res Not)	24,001,598 2,601,598 3,88 2,800,00 1,651,071 325,199 105,000 260,159 23,369,430 450 (232,163) (33,166) (448) Market 106,365 106,365 106,365 (2,127) 104,238	101,361 1,114,968 538 - 12,000 486,321 139,371 45,000 111,497 794,189 383 (320,779) (105,926) (155) 79% MMR 36,809 (7,26) 36,673	337,869 3,716,561 538 TOTAL 40,000 2,137,332 464,570 150,000 371,656 3,163,618 458 (552,943) (140,033) (80) Total/Aug. 143,174 (2,863) 140,311 (57,240) 83,071 (63,071) (63,071)	Sstimated CMHC Seed Funding grant contribution for project of this size drawinum CMHC Rational Housing Co-investment Program mortgage based on financing terms below stimated CMHC Rational Housing Co-investment Program grant amount sources on municipal fee wakers oriented study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing P oriented study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing oriented capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing stimated funding gap stimated funding gap per unit (averaged)
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD) CHHC Seed Funding (Grant) CHHC Permainent Mortgage CHHC Co-Investment Fund Grant (12.5 CIty Co and Fee Waivers FUM GMF SAN Study Grant FUM GMF SAN Study Grant Other TOTAL REVENUE Per sq. ft. FQUITY SURPLUS / CAP SURPLUS / (GAP) Per unit Per sq. ft. CASHROW Rental Revenue Gross Petential income Less 'Operating Expenses (Mon-Res NN) NET Operating Expenses (Mon-Res NN) NET OPERATION	98 236,508 2,601,598 338 338 Market 2,800,00 1,651,071 335,199 105,000 260,159 23,369,430 450 (232,163) (33,166) (48) Market 106,365 106,365 106,365 106,365 (2,127) 104,238 (40,068) 64,170	101,361 1,114,968 538	337,869 3,716,561 538 TOTAL 40,000 2,137,332 464,570 150,000 371,656 3,163,618 458 (552,943) (140,033) (80) Total/Aug. 143,174 (2,863) 140,311 (57,240) 83,071 (63,071) (63,071)	Sstimated CMHC Seed Funding grant contribution for project of this size Assimum CMHC Rational Housing Co-investment Program mortage based on financing terms below Stimated CMHC Bational Housing Co-investment Program grant amount Stimated CMHC Bational Housing Co-investment Program grant amount study and the waters overential study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing stematic capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing stimated funding gap stimated funding gap stimated funding gap per unit (averaged) facancy loss at 2% of Gross income (2% vacancy rate) stated on estimated operating expense of \$477 per unit per month. See Operating Expense Breakdown for details.
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD) CMM*C Seed Funding (Grant) CMM*C Seed Funding (Grant) CMM*C Permanent Mortgage CMM*C Co-Investment Fund Grant (12.5 CIty OC and Fee Waivers FCM GMM* SAM Sudy Grant FCM GMM* SAM Sudy Grant FCM GMM* SAM Sudy Grant TOTAL REVENUE Per sq. ft. COULTY SURPLUS / GAP SURPLUS / GAP Per unit Per sq. ft. CASHEOW Rental Revenue Parking Revenue Parking Revenue Gross Pleatural income Less Vacancy & Bad Debt Gross Effective Income Less Coperating Expenses (Non-Res NNI Net Operating (NOR NNI NET OPERATING (NOR NNI NET OPERATING (NOR NNI NNI NOR NNI	24,601,598 2,601,598 3.38 Market 2,800,0 1,651,071 325,199 105,000 260,159 2,369,410 450 (232,163) (33,166) (48) Market 106,365 106,365 104,213 104,218 (40,088) 64,170 (64,170)	101,361 1,114,968 538 12,000 146,321 139,371 45,000 111,997 794,189 383 (320,779) (105,226) (155) 795, MMR 36,809 36,673 (17,172) 18,901 (18,901)	337,869 3,716,561 538 40,000 2,137,392 464,570 150,000 371,656 3,163,618 (552,943) (140,093) (80) Total/Avg. 143,174 (2,863) 140,311 (57,240) 83,071	Sstimated CMHC Seed Funding grant contribution for project of this size Assimum CMHC Rational Housing Co-investment Program mortage based on financing terms below Stimated CMHC Bational Housing Co-investment Program grant amount Stimated CMHC Bational Housing Co-investment Program grant amount study and the waters overential study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing stematic capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing stimated funding gap stimated funding gap stimated funding gap per unit (averaged) facancy loss at 2% of Gross income (2% vacancy rate) stated on estimated operating expense of \$477 per unit per month. See Operating Expense Breakdown for details.
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD) CMH C Seed Funding (Grant) CMH C Permanent Mortgage CMH C C - Investment Fund Grant (12.5 CIty OC and Fee Waivers FCM GMM S AH Capital Grant CMG GMS SH Study Grant FCM GMS SH Capital Grant Other TOTAL REVENUE Per sq. ft. EQUITY SURPLUS / CAP SURPLUS / (CAP) Per unit Per sq. ft. CASHFLOW Rental Revenue Gross Potential income Less Vacancy & Bad Debt Gross Effective income Less Coperating Expenses (Non-Res NN) Not Operating Expenses (Non-Res NN)	98 236,508 2,601,593 338 Market 28,000 1,631,071 232,199 105,000 260,199 2,369,430 490 (232,163) (33,166) (48) Market 106,365 106,365 64,170 (64,170)	101,361 1,114,968 538 538 79% MMR 12,000 486,321 139,371 45,000 111,497 794,189 383 383 (320,779) (106,526) (105,78) (337,869 3,716,561 538 TOTAL 40,000 2,137,392 464,570 150,000 377,656 3,163,618 458 (552,943) (140,093) (80) Total/Avg. 143,174 (2,863) 140,311 (57,240) 83,071 (83,071)	Assimated CMHC Seed Funding grant contribution for project of this size Assimum CMHC National Housing Co-Investment Program mortgage based on financing terms below Stimated CMHC Bational Housing Co-Investment Program grant amount Stimated CMHC Bational Housing Co-Investment Program grant amount Several Stating and sensitive under Section of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing Stimated spital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing Stimated funding gap Stimated funding gap Stimated funding gap per unit (averaged) Facancy loss at 2% of Gross Income (2% vacancy rate) Stated on estimated operating expense of \$477 per unit per month. See Operating Expense Breakdown for details. Cost of debt servicing Debt Coverage Ration of 1.0 results in no unlevered cash flow after operating expenses and debt servicing
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TRD) CMHC Seed Funding (Grant) CMHC Permanent Mortgage CMHC Co-Investment Fund Grant (12.5 CM) Count Fee Walvers FEM GMF SAH Study Grant FEM GMF SAH Study Grant FEM GMF SAH Study Grant FEM GMF SAH Capital Grant Other TOTAL REVENUE Per sq. ft. EQUITY SURPLUS / GAP Per unit Per sq. ft. COSITION Rental Revenue Parking Revenue Grass Petential Income Less' Operating Expenses (Mon-Res NNI Net Operating Income Debt Service DEBT CALCULATION Net Operating Income	98 236,508 2,601,598 338 338 348 2,800,509 28,51,99 105,000 260,359 2,369,410 490 (232,163) (13,166) (48) Market 106,365 106,365 (2427) 104,238 (40,068) 64,170 (64,170)	101,361 1,114,968 538 12,000 146,321 139,371 45,000 111,97 794,189 383 (320,779) (106,226) (155) 795 MMR 36,809 (236,73 (17,472) 18,901 (18,901)	337,869 3,716,561 538 TOTAL 40,000 2,137,392 464,570 150,000 377,656 3,163,618 458 (552,943) (140,093) (80) Total/Avg. 143,174 (2,863) 140,311 (57,240) 83,071 (83,071)	Estimated CMHC Seed Funding grant contribution for project of this size dashmum CMHC National Housing Co-investment Program mortgage based on financing terms below stimated CMHC National Housing Co-investment Program grant amount stimated CMHC National Housing Co-investment Program grant amount stored to the service of the servicing stimated funding gap stimated funding gap per unit (averaged) Vacancy loss at 2% of Gross Income (2% vacancy rate) lased on estimated operating expense of \$477 per unit per month. See Operating Expense Breakdown for details. Cost of debt servicing best Coverage Ration of 1.0 results in no unlevered cash flow after operating expenses and debt servicing
Per sq. ft. Contingency (incl. cost excalation) TOTAL DEVELOPMENT COST Per sq. ft. SOURCES OF FUNDS Land Value (TED) CAMIC Seed Funding (Grant) CAMIC Seed Funding (Grant) CAMIC Permanent Mortgage CAMIC Seed Funding (Grant) CAMIC Permanent Mortgage CAMIC Seed Funding (Grant) CAMIC Permanent Mortgage CAMIC Seed Funding (Grant) CAMIC Seed Funding (Grant) CAMIC Seed Funding (Grant) CAMIC CONTROL OF CONTROL CAMIC CAMIC CAMIC CONTROL CAMIC CA	98 236,508 2,601,593 338 Market 28,000 1,631,071 232,199 105,000 260,199 2,369,430 490 (232,163) (33,166) (48) Market 106,365 106,365 64,170 (64,170)	101,361 1,114,968 538 538 79% MMR 12,000 486,321 139,371 45,000 111,497 794,189 383 383 (320,779) (106,526) (105,78) (337,869 3,716,561 538 TOTAL 40,000 2,137,392 464,570 150,000 377,656 3,163,618 458 (552,943) (140,093) (80) Total/Avg. 143,174 (2,863) 140,311 (57,240) 83,071 (83,071)	Assimated CMHC Seed Funding grant contribution for project of this size Assimum CMHC National Housing Co-Investment Program mortgage based on financing terms below Stimated CMHC Bational Housing Co-Investment Program grant amount Stimated CMHC Bational Housing Co-Investment Program grant amount Stimated GMHC Bational Housing Co-Investment Program grant amount Stimated for the water Stimated Stimated grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing Stimated funding gap Stimated funding gap Stimated funding gap per unit (averaged) Fracancy loss at 2% of Gross Income (2% vacancy rate) Stated on estimated operating expense of \$477 per unit per month. See Operating Expense Breakdown for details. Cost of debt servicing Bebt Coverage Ration of 1.0 results in no unlevered cash flow after operating expenses and debt servicing
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF ENNOS Land Value (TBD) CMMC Seed Funding (Grant) CMMC Seed Funding (Grant) CMMC Permianent Mortgage CMMC Co-Investment Fund Grant (12.5 City OC and Fee Waivers FCM GMF SM Study Grant FCM GMF SM Study Grant FCM GMF SM SM Capital Grant Other TOTAL REVENUE Per sq. ft. EQUITY SURPLUS / GAP SURPLUS / GAP SURPLUS / GAP Per sq. ft. CASHELOW Rental Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less Operating Expenses (Non-Res NN) Net Operating Income Debt Service Annual Cash Flow After Debt Servicing DEST CALCULATION Net Operating Income DCR Amortization Interest Rate	98 236,508 2,601,593 338 Market 28,000 1,651,071 205,199 105,000 260,199 2,369,430 (33,166) (48) Market 106,365 (2,127) 106,238 64,170 (64,170) 10,500	101,361 1,114,968 538 79% MMR 12,000 486,321 139,371 45,000 111,497 794,189 383 383 383 383 (185,900 36,073 46,000 (17,125) 18,901 (18,901) 18,901 19,901 10,900	337,869 3,716,561 538 TOTAL 40,000 2,137,392 465,570 150,000 371,656 458 (\$52,943) (140,093) (80) Total/Aug. 143,174 (2,863) 140,311 (57,240) 83,071 (83,071)	Assimum CMHC Standand Housing Convestment Program mortgage based on financing terms below Stimmated CMH Challonal Housing Co-Investment Program mortgage based on financing terms below Stimmated SMH Challonal Housing Co-Investment Program grant amount Standard SMH Challonal Housing Co-Investment Program grant amount Standard SMH Challonal Housing Totential study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing Stimmated funding gap Stimmated funding gap Stimmated funding gap per unit (averaged) According to the SMH Challonal Housing Co-Investment Program minimum requirement Instituted operating expense of \$477 per unit per month. See Operating Expense Breakdown for details. Cost of debt servicing Seek Coverage Ration of 1.0 results in no unlevered cash flow after operating expenses and debt servicing Seek Coverage Ration of 1.0 per CMHC National Housing Co-Investment Program minimum requirement Immortization period of 50 by under CMHC National Housing Co-Investment Program Skineters rate per GRO Scope of Services.
Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TRD) Child Seed Funding (Grant) Child Permanent Mortgage Child Code Funding (Grant) Child Permanent Mortgage Child Code Feed Seed Seed Seed Seed Seed Seed Se	98 236,508 2,601,598 338 338 348 2,800,000 1,655,071 325,199 105,000 260,359 2,369,480 (40,008) (48) Market 106,365 106,365 (42,27) 104,238 (40,068) 64,170 (64,170) Market 1.00	101,361 1,114,968 538 12,000 146,321 139,371 45,000 111,697 794,189 383 (320,779) (106,226) (155) 795 MMR 36,809 (236,732 18,801 18,901 18,901 10,901 10,901 10,901 10,901 10,901 10,901 10,901 10,901 10,901 10,901 10,901	337,869 3,716,561 538 TOTAL 40,000 2,137,392 465,570 150,000 371,656 458 (\$52,943) (140,093) (80) Total/Aug. 143,174 (2,863) 140,311 (57,240) 83,071 (83,071)	Estimated CMHC Seed Funding grant contribution for project of this size dasimum CMHC National Housing Co-investment Program mortgage based on financing terms below stimated CMHC National Housing Co-investment Program grant amount stimated CMHC National Housing Co-investment Program grant amount protected study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing I contential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing I destinated funding gap stimated funding gap per unit (averaged) //acancy loss at 2% of Gross income (2% vacancy rate) //acancy loss at 2% of Gross income (2% vacancy r

Scenario 2 - Multi Family Residential HIGH - CMHC - 3% Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents

Non-residential None

Rental Financing Residential Mortgage

Capital Subsidies None

DEVELOPMENT STATISTICS				
DEVELOT WILLIAM STATISTICS	Market	79% MMR	Total/ Avg.	Assumptions
SITE	<u>'</u>	<u>'</u>		·
Site Area (sq. ft.)	Ξ.	Ē	43,000	Approximately 1 acre development are
FLOOR AREA				
Gross Floor Area (sq. ft.)	4,834	2,072	6,906	Includes circulation, utility and commo
Efficiency Ratio	82%	82%		BC Housing efficiency target for wood fr
Net Floor Area (sq. ft.)	3,964	1,699	5,663	Leasable floor area net of circulation, ut
% of Residential Floor Area	70%	30%	100%	
% of Non-Residential Floor Area	-	-	0%	
% of Total Floor Area	70%	30%	100%	
PARKING	.070	3070	100%	
Residential Parking Ratio (per unit)	1.00	1.00	1.00	1 parking stall per unit
Residential Stalls	7	3	100	2 parang stan per unit
Visitor Parking Ratio (per unit)	0.14	0.06	0.20	
				Total of 2 vicitors parking stalls
Visitor Stalls	1.4	0.6	2	Total of 2 visitors parking stalls
Office Space Parking Ratio (per 1,000 sq. ft.	-	-		
Office Parking	-	= .	-	
Total Parking Stalls	8	4	12	12 surface parking stalls in total
UNITS				
Total Units	7	3		10 units in total
Avg. Unit Size	553	553	553	Average unit size based on specified unit mix
DELIE ON IEU OCC				
DEVELOPMENT COST	Market	700/ 84840	TOTAL	
Land Cost Land Cost - place holder	iviarket	79% MMR	IUIAL	Assumes land is already owned or secured u
Land Cost - place noidei				Assumes famous affeauly owned of secured to
Hard Costs	Market	79% MMR	TOTAL	
Site Prep & Remediation	138,200	59,229	197,429	Assumes no remediation required, includes si
On-Site Servicing	138,200	59,229	197,429	Includes allowance for on site drinking water
Off-Site Servicing		-	· · · · ·	g ,
Residential Const. Cost	1,812,891	776,953	2,589,844	Δt \$375/sf
Church Space Const. Cost	1,012,031		2,303,011	710 457 57 51
At-Grade Parking Const. Cost	58,800	25,200	84.000	At \$7000 per parking stall
Extraordinary Site Costs	38,800	23,200	84,000	At \$7000 per parking stair
· · · · · · · · · · · · · · · · · · ·				
TOTAL HARD COSTS	2,148,091	920,610	3,068,701	
Per sq. ft.	444	444	444	
Soft Costs	Market	79% MMR	Total/ Avg.	
Architect	96,664	41,427		At 4.5% of hard costs
Other Consultants	171,847	73,649		At 8% of hard costs (allows for surveyor, geotec
Dev. Charges			2.3,750	Assumes no Development Cost Charges
Planning Application Fees	13,379	5,734	19 112	\$300 processing fee, \$3000 est plumbing fee, \$2
Development Management Fee	123,137	52,773		At 5% of project costs excluding land value.
Legal	21,000	9,000		Allowance for legal fees
Marketing	1,750	9,000 750	2,500	•
9				
Op Ex During Lease-up	10,017	4,293		Operating expense during initial lease-up period
Loan Fees	12,929	5,541	18,471	Fees on construction loan at 0.5% of loan value
	17,560	7,526	25,086	Interest paid on construction loan at 3% interes
Loan Interest		28,033	93,442	At 2.5% of project expenses. Assumes owner is
GST	65,409			
GST TOTAL SOFT COSTS	533,694	228,726	762,420	
GST			762,420 110	
GST TOTAL SOFT COSTS Per sq. ft.	533,694 110	228,726 110	110	At 10% of hard and soft costs costs
GST TOTAL SOFT COSTS	533,694	228,726	110	At 10% of hard and soft costs costs
GST TOTAL SOFT COSTS Per sq. ft.	533,694 110	228,726 110	110	At 10% of hard and soft costs costs

ELOPER PROFIT	-	-	-
SOURCES OF FUNDS			
55511525	Market	79% MMR	TOTAL
Land Value (TBD)	-	-	-
CMHC Seed Funding (Grant)	28,000	12,000	40,000
CMHC Permanent Mortgage	1,651,071	486,321	2,137,392
CMHC Co-Investment Fund Grant (12.5%)	368,745	158,034	526,779
City DC and Fee Waivers	•	· ·	· ·
FCM GMF SAH Study Grant	105,000	45,000	150,000
FCM GMF SAH Capital Grant	294,996	126,427	421,423
Other	-	-	-
TOTAL REVENUE	2,447,813	827,782	3,275,595
	506	400	474
EQUITY SURPLUS / GAP			
SURPLUS / (GAP)	(502,150)	(436,488)	(938,638)
Per unit	(71,736)	(145,496)	(217,232)
Per sq. ft.	(104)	(211)	(136)
CASHFLOW			
	Market	79% MMR	Total/ Avg.
Rental Revenue	106,365	36,809	143,174
Parking Revenue	-	-	
Parking Revenue Gross Potential Income	106,365	36,809	143,174
-	106,365	36,809	143,174
-	106,365	36,809 (736)	143,174
Gross Potential Income			•
Gross Potential Income Less Vacancy & Bad Debt	(2,127)	(736)	(2,863)
Gross Potential Income Less Vacancy & Bad Debt	(2,127)	(736)	(2,863) 140,311
Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income	(2,127) 104,238	(736) 36,073	(2,863) 140,311
Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN)	(2,127) 104,238 (40,068)	(736) 36,073 (17,172)	(2,863) 140,311 (57,240)
Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN)	(2,127) 104,238 (40,068)	(736) 36,073 (17,172)	(2,863) 140,311 (57,240)
Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income	(2,127) 104,238 (40,068) 64,170	(736) 36,073 (17,172) 18,901	(2,863) 140,311 (57,240) 83,071
Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service Annual Cashflow After Debt Servicing	(2,127) 104,238 (40,068) 64,170	(736) 36,073 (17,172) 18,901 (18,901)	(2,863) 140,311 (57,240) 83,071
Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service	(2,127) 104,238 (40,068) 64,170	(736) 36,073 (17,172) 18,901 (18,901)	(2,863) 140,311 (57,240) 83,071
Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service Annual Cashflow After Debt Servicing	(2,127) 104,238 (40,068) 64,170 (64,170)	(736) 36,073 (17,172) 18,901 (18,901)	(2,863) 140,311 (57,240) 83,071 (83,071)
Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service Annual Cashflow After Debt Servicing DEBT CALCULATION Net Operating Income	(2,127) 104,238 (40,068) 64,170 (64,170) 	(736) 36,073 (17,172) 18,901 (18,901)	(2,863) 140,311 (57,240) 83,071
Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service Annual Cashflow After Debt Servicing DEBT CALCULATION Net Operating Income DCR	(2,127) 104,238 (40,068) 64,170 (64,170)	(736) 36,073 (17,172) 18,901 (18,901)	(2,863) 140,311 (57,240) 83,071 (83,071)
Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service Annual Cashflow After Debt Servicing DEBT CALCULATION Net Operating Income	(2,127) 104,238 (40,068) 64,170 (64,170) 	(736) 36,073 (17,172) 18,901 (18,901)	(2,863) 140,311 (57,240) 83,071 (83,071)

Summary of Results - Multi-Family Residential, 10 Units, BC Housing (New Construction) - 3.55% Interest Prepared by New Commons Development

tenario 1 - Multi Family Residential LOW - BC Housing - 3.55% II	iterest
Gross Floor Area	6,906
% of Total Floor Area	1009
Total Units	10
Parking Spots	12
Land Value (TBD)	-
Hard Costs	2,702,389
Soft Costs	681,775
Contingency	338,416
Other	-
Total Costs	3,722,580
Land Value (TBD)	-
CMHC Seed Funding (Grant)	40,000
BCH Permanent Mortgage	912,038
BCH CHF Grant	1,025,000
City DC and Fee Waivers	-
CMHC NHCIP Grant (@ 12.5%)	465,323
Other	-
Total Sources	2,442,360
Surplus / (Gap) - 10 units	(1,280,220
Surplus / (Gap) - per unit	(128,022
BCH Annual Subsidy Required to Close Gap	64,460
BCH Subsidy Required PUPM	537

cenario 2 - Multi Family Residential HIGH	
Gross Floor Area	6,90
% of Total Floor Area	100
Total Units	1
Parking Spots	1
Land Value (TBD)	
Hard Costs	2,900,24
Soft Costs	726,30
Contingency	362,65
Other	
Total Costs	3,989,20
Land Value (TBD)	
CMHC Seed Funding (Grant)	40,00
CMHC Permanent Mortgage	954,01
CMHC Co-Investment Fund Grant (12.5%)	1,025,00
City DC and Fee Waivers	
CMHC NHCIP Grant (@ 12.5%)	498,65
Other	
Total Sources	2,517,66
Surplus / (Gap) - 10 units	(1,471,54
Surplus / (Gap) - per unit	(147,15
BCH Annual Subsidy Required to Close Gap	76,20
BCH Subsidy Required PUPM	63

Development Statistics	MFR low	MFR high	
Development Statistics	WII K IOW	THE REAL PROPERTY.	
Site Area (SF)	43,000	43,000	sq. ft.
Public Park Area	0%	0%	of site area
Gross Floor Area	6,906	6,906	sq. ft.
Residential	100%	100%	of GFA
Non-Residential GFA	0%	0%	of GFA
Market Condominium	0%	0%	of Residential GFA
Market Rental	30%	30%	of Residential GFA
RGI (70% HILS)	50%	50%	of Residential GFA
Deep Subsidy	20%	20%	of Residential GFA
Res. Efficiency	82%	82%	of GFA
Program Space	100%	100%	of Non-Residential GFA
Retail	0%	0%	of Non-Residential GFA
Non-Res. Efficiency	100%	100%	of Non-Residential GFA
Parking Ratio			
Other	-	-	stalls per unit
Rental	1.00	1.00	stalls per unit
Below Market Rental	1.00	1.00	stalls per unit
Visitor	0.03	0.03	stalls per unit
Community Space	-	-	stalls per 1,000 sq. ft. leaseabl
Other	-	-	stalls
Condo Parking Sale Price	-	-	per stall
Development Cost Assumptions	MFR low	MFR high	
Hard Costs			
Land Value - placeholder	-	-	total
Site Prep & Remediation	200,000	200,000	per ac.
On-Site Servicing	200,000	200,000	per ac.
Off-Site Servicing	-	-	per ac.
Public Park Const. Cost (15% of site area)	-	-	per sq. ft.
Extraordinary Site or Servicing Costs			total
Residential Const. Cost	325	350	per sq. ft.
Commercial Const. Cost		-	per sq. ft.

						RGI (70%		Market
				SGI Target	80% MMR	HILS	Deep	(HILS
Unit Type	Suite Mix	Unit Size	Price \$PSF	Rents	Victoria	Victoria)	Subsidy	Victoria
Studio	30%	350	0	743	798	831	375	1,000
1 Bedroom	30%	525	0	826	959	831	375	1,188
2 Bedroom	40%	725	0	1,478	1,238	1,068	570	1,525
3 Bedroom	0%	925	0	1,935	1,518	1,383	660	1,975
Total/ Avg.	100%	553	0	1.062	1.022	926	453	1,266

BC Housing CHF Capital		
Grant	Units	Total Grant
Studio	3	75,000
One Bedroom	3	100,000
Two Bedroom	4	125,000
Three Bedroom		150,000
Total	10	1,025,000

TOWN AVE.	100/0	333		1,002	I,ULL	320	400	1,200	
GI Target Rent Calculator									
	2018 SGI	2022 SGI	Rent as %	2022 Target					
	Median	Median	of Gross	Affordabl					
Unit Type	Income*	Income**	Income	e Rents	Notes				
1 Bedroom	30,528	33,044	30%	826	Based on SGI F	INA target affo	ordable rent f	or single perso	ons
2 Bedroom	54,618	59,120	30%	1,478	Based on avera families and fa			dable rents for	lone par
3 Bedroom	71,492	77,385	30%	1,935	Based on avera without childre				families

^{*} data from 2018 SGI Housing Needss Assessment (Table 23); averages calculated per notes provided
** assumes 2% inflation on median incomes for 4 years (2019-2022)

Soft Costs			
Architect	4.5%	4.5%	% of project costs
Other Consultants	8.0%	8.0%	% of project costs
Dev. Charges - Studio & 1 Bed	-	-	per unit
Dev. Charges - 2 Bed +	-	-	per unit
Education DC	-	-	per unit
Education DC - Non-Res	-	-	per m2
Non-Res DC	-	-	per m2
Sec. 37 Payment	-	-	total
Municipal Fees & Permits	19,113	19,113	\$300 processing fee, \$3000 est plum
Public Art	0.0%	0.0%	of hard costs
Developer Fees	5.0%	5.0%	of project costs (excl. land & financir
Legal	3,000	3,000	per res. unit and, per 1,000 sq. ft. no
Sales & Closing	-	-	per unit
Condo Marketing	-	-	per unit
Condo Commissions	-	-	per unit
Rental Marketing	250	250	per unit
Rental Op Ex During Lease-up	25%	25%	of year 1 op ex

sts, assumes eligible for qualifying non profit status (50% GST exempt)

GST	2.5%	2.5%	of hard and soft costs
Contingency (incl. cost escalation)	10%	10%	of hard & soft costs

Revenue Assumptions	MFR low	MFR high	
Rental Operations			
Market Unit Operating Costs (PUPM)	532 532	532	
Affordable Unit Operating Costs (PUPM)		532	
Parking Revenue (per stall, per month)	-	-	
Vacancy Rate & Bad Debt	2%	2%	
Lease-Up Period (months)	3	3	
Market Cap Rate	3.50%	3.50%	
ondominium & Non-Res Revenue			
Revenue Inflation	2%	2%	per year
Parking Stall Sale Price	-	-	per stall
Church Space Net Lease Rate	-	-	per sq. ft.
Office Vacancy & Bad Debt	0%	0%	
Office Cap Rate	0.00%	0.00%	
Retail Net Lease Rate	-	-	per sq. ft.
Retail Vacancy & Bad Debt	0%	0%	
Retail Cap Rate	0.00%	0.00%	
Office & Retail Commissions	0%	0%	of sale price
iming & Financing Assumptions	MFR low	MFR high	
iming Assmptions			
Marketing/ Entitlement Period	1.0	1.0	years
Sales Period	1.0	1.0	years
Construction Period	1.0	1.0	years
Construction Loan			
Construction Loan	70%	70%	of total costs
	70% 70%	70% 70%	of total costs during construction period
Construction Loan			
Construction Loan Avg. Draw on Construction Loan	70%	70%	during construction period
Construction Loan Avg. Draw on Construction Loan Loan Fees Loan Interest	70% 0.50%	70% 0.50%	during construction period of loan
Construction Loan Avg. Draw on Construction Loan Loan Fees	70% 0.50%	70% 0.50% 3.00%	during construction period of loan
Construction Loan Avg. Draw on Construction Loan Loan Fees Loan Interest ermanent Mortgage	70% 0.50% 3.00%	70% 0.50% 3.00%	during construction period of loan
Construction Loan Avg. Draw on Construction Loan Loan Fees Loan Interest ermanent Mortgage Lending Program	70% 0.50% 3.00% Std. Mortgage	70% 0.50% 3.00% Std. Mortgage	during construction period of loan of loan
Construction Loan Awg. Draw on Construction Loan Loan Fees Loan Interest ermanent Mortgage Lending Program Interest Rate	70% 0.50% 3.00% Std. Mortgage 3 3.55%	70% 0.50% 3.00% Std. Mortgage 3.55%	during construction period of loan of loan per year
Construction Loan Avg, Draw on Construction Loan Loan Fees Loan interest ermanent Mortgage Lending Program Interest Rate Armortization	70% 0.50% 3.00% Std. Mortgage 3.55% 3.55%	70% 0.50% 3.00% Std. Mortgage 3.55% 35	during construction period of loan of loan per year
Construction Loan Avg. Draw on Construction Loan Loan Fees Loan Interest ermanent Mortgage Lending Program Interest Rate Amortization Min. DCR	70% 0.50% 3.00% Std. Mortgage 9 3.55% 35 1.0	70% 0.50% 3.00% Std. Mortgage 3.55% 35 1.0	during construction period of loan of loan per year years

Profit Assumptions
Discount Rate
Condo Profit

Operating Assumption	ıns			
Operating Expenses		/yr	pupm	Mill rate
Property Tax	\$	3,567	\$ 30	4.4
Insurance	\$	12,000	\$ 100	
Heat/Electricity	\$	9,600	\$ 80	
Interior Maintenance	\$	2,400	\$ 20	
Exterior Maintenance	\$	2,400	\$ 20	
Replacement Reserve	\$	7,200	\$ 60	
Building Salaries & Wages	\$	9,000	\$ 75	
Telephone	\$	600	\$ 5	
Office & Admin	\$	1,200	\$ 10	
Audit	\$	8,000	\$ 67	
Service Contracts	\$	6,000	\$ 50	
Grounds Maint	\$	1,800	\$ 15	
Total	\$	63,767	\$ 531	

Assumed Mill Rate. Assumes 2.7MM assessed value discounted 70% due to charge c Tenants pay own heat but includes avg \$30/mo heat allowance paid to residents per

Scenario 1 - Multi Family Residential LOW - BC Housing - 3.55% Interest

Rental - SGI Target Affordable Rents

Residential Tenure Non-Residential Rental Financing Capital Subsidies None Residential Mortgage

None

DEVELOPMENT STATISTICS					
	Market	RGI (70% HILS)	Deep Subsidy	Total/ Avg.	Assumptions
SITE		,		,	
Site Area (sq. ft.)				43,000	Approximately 1 acre development area
FLOOR AREA				-,	
Gross Floor Area (sq. ft.)	2,072	3,453	1,381	6,906	Includes circulation, utility and common areas
Efficiency Ratio	82%	82%	82%		BC Housing efficiency target for wood frame low rise building
Net Floor Area (sq. ft.)	1,699	2,832	1,133		Leasable floor area net of circulation, utility and common a
% of Residential Floor Area	30%	50%	20%	100%	
% of Non-Residential Floor Area	-		-	0%	i i
% of Total Floor Area	30%	50%	20%	100%	i i
PARKING					
Residential Parking Ratio (per unit)	1.00	1.00	1.00	1.00	1 parking stall per unit
Residential Stalls	3	5	2	10	
Visitor Parking Ratio (per unit)	0.03	0.03	0.03	0.20	
Visitor Stalls	0.6	1.0	1.0		Total of 2 visitors parking stalls
Office Parking Space Ratio (per 1,000 SF)					
Office Parking					
Total Parking Stalls	4	6	3	12	12 surface parking stalls in total
UNITS	•	·	,		
Total Units	3	5	2	10	10 units in total
Avg. Unit Size	553	553	553		Average unit size based on specified unit mix
AND OTHER SIZE	333	333	333	333	Average and size based on specified unit his
DEVELOPMENT COST					4
Land Cost	Market	RGI (70% HILS)	Deep Subsidy	TOTAL	1
Land Cost - place holder	iviai Ket	NGI (70% HILS)	Deep Subsidy	IOIAL -	Assumes land is already owned or secured under long term
Land Cost - place noider	-	•			Assumes faile is already owned of secured under long term
Hard Costs	Market	RGI (70% HILS)	Deep Subsidy	TOTAL	1
Site Prep & Remediation	59,229	98,714	39.486		Assumes no remediation required, includes site preparation
On-Site Servicing	59,229	98,714	39,486	197,429	
		98,714		197,429	includes anowance for on site drinking water, stormwater a
Off-Site Servicing	-				
Public Park Const. Cost (15% of site area)	-		-	-	
Residential Const. Cost	673,359	1,122,266	448,906	2,244,531	At \$325/sf
Commercial Const. Cost				-	
At-Grade Parking Const. Cost	18,000	30,000	15,000	63,000	At \$5000 per parking stall
Extraordinary Site Costs				-	_
TOTAL HARD COSTS	809,817	1,349,694	542,878	2,702,389	
Per sq. ft.	391	391	393	391	
					4
Soft Costs	Market	RGI (70% HILS)	Deep Subsidy	Total/ Avg.	4
Architect	36,442	60,736	24,430		At 4.5% of hard costs
Other Consultants	64,785	107,976	43,430	216,191	At 8% of hard costs (allows for surveyor, geotech, environm
Dev. Charges	-	-			Assumes no Development Cost Charges
Municipal Fees & Permits	5,734	9,556	3,823		\$300 processing fee, \$3000 est plumbing fee, \$2000 est ele
Development Management Fee	46,566	77,610	31,213		At 5% of project costs excluding land value.
Legal	9,000	15,000	6,000	30,000	Allowance for legal fees
Marketing	750	1,250	500	2,500	Marketing expenses during initial lease-up period
Op Ex During Lease-up	4,788	7,980	3,192	15,960	
Loan Fees	4,889	8,149	3,277		Fees on construction loan at 0.5% of loan value
Loan Interest	6,641	11,068	4,451	22,160	
GST	24,735	41,225	16,580	82,541	
TOTAL SOFT COSTS	204,330	340,550	136,895	681,775	
Per sq. ft.	99	99	99	99	
Continuous final cost 1 to 1	*****	400.00	62.025	200	- At 100/ of book and or frame.
Contingency (incl. cost escalation)	101,415	169,024	67,977	358,416	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	4 445 500	1.050.252	747 770	2 722 500	4
TOTAL DEVELOPMENT COST	1,115,561	1,859,269	747,750	3,722,580	
Per sq. ft.	538	538	541	539	
DELET OPEN PROFIT					-
DEVELOPER PROFIT	-			-	
					•
SOURCES OF FUNDS					4
	Market	RGI (70% HILS)	Deep Subsidy	TOTAL	4
Land Value (TBD)	-	-	-	-	
CMHC Seed Funding (Grant)	12,000	20,000	8,000	40,000	Estimated CMHC Seed Funding grant contribution for project
BCH Permanent Mortgage	506,868	447,144	(41,974)	912,038	Maximum BC Housing mortgage serviceable by net operating
BCH CHF Grant	307,500	512,500	205,000	1,025,000	Estimated BC Housing Community Housing Fund grant amo

City DC and Fee Waivers				. 1	Assumes no municipal fee waivers
CMHC NHCIP Grant (@ 12.5%)	139,597	232,661	93,065		Assumes qualifies for forgiveable contribution of 12.5% of project costs under CMHC's National Housing Co-Investment Fund
Other	-			-	Potential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing Program for qualifying net zero energy re
Other	-		-		
TOTAL REVENUE	965,965	1,212,305	264,090	2,442,360	
Per sq. ft.	466	351	191	354	
EQUITY SURPLUS / GAP					
SURPLUS / (GAP)	(149,596)	(646,964)	(483,660)	(1.280,220)	Estimated funding gap
Per unit	(49,865)	(129,393)	(96,732)		Estimated funding gap per unit (averaged)
Per sq. ft.	(72)	(187)	(350)	(185)	
Annual BCH Operating Subsidy Required	\$7,532.31	\$32,575.24	\$24,352.73		Estimated Annual Operating Subsidy required from BC Housing to service additional mortgage needed to close equity gap based on same financing terms as below
BCH Operating Subsidy Required PUPM	63	271	203	537	Estimated Operating Subsidy required from BC Housing per unit per month.
CASHFLOW					
	Market	RGI (70% HILS)	Deep Subsidy	Total/ Avg.	
Rental Revenue	45,585	55,545	10,872	112,002	
Parking Revenue	-		-		
Gross Potential Income	45,585	55,545	10,872	112,002	
Less Vacancy & Bad Debt	(912)	(1,111)	(217)	(2,240)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	44,673	54,434	10,655	109,762	
Less: Operating Expenses (Non-Res NNN)	(19,152)	(31,920)	(12,768)		Based on estimated operating expense of \$532 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	25,521	22,514	(2,113)	45,922	
Debt Service	(25,521)	(22,514)	2,113	(45.922)	Cost of debt servicing
Annual Cash Flow After Debt Servicing	(0)	(0)	-		Debt Coverage Ration of 1.0 results in no unlevered cash flow after operating expenses and debt servicing
		***			. 5
DEBT CALCULATION					
	Market	RGI (70% HILS)	Deep Subsidy	Total/ Avg.	
Net Operating Income	25,521	22,514	(2,113)		Net operating income after vacancy loss and operating expenses
DCR	1.0	1.0	1.0		Debt Coverage Ration of 1.0
Amortization	35	35	35		Ammortization period of 35 yrs under BC Housing Community Housing Fund program
Interest Rate	3.55%	3.55%	3.55%		3.55% interest rate as posted by BC Housing for 2023 takeout financing
Principal	506,868	447,144	(41,974)	954,012	Estimated max principal available from lender based on above terms

Scenario 1 - Multi Family Residential HIGH - BC Housing - 3.55% Interest

Rental - SGI Target Affordable Rents

Residential Tenure Non-Residential Rental Financing Capital Subsidies None Residential Mortgage

None

DEVELOPMENT STATISTICS					
DEVELOPMENT STATISTICS	Market	RGI (70% HILS)	Deep Subsidy	Total/ Avg.	Assumptions
SITE	IVIAIREL	NOI (70% THES)	Deep Subsidy	Total, Avg.	Assumptions
Site Area (sq. ft.)	_			43.000	approximately 1 acre development area
FLOOR AREA				,	
Gross Floor Area (sq. ft.)	2,072	3,453	1,381	6.906	ncludes circulation, utility and common areas
Efficiency Ratio	82%	82%	82%		C Housing efficiency target for wood frame low rise buildings
Net Floor Area (sq. ft.)	1,699	2,832	1,133		easable floor area net of circulation, utility and common areas
% of Residential Floor Area	30%	50%	20%	100%	cosable noor area net or encolation, atmry and common areas
% of Non-Residential Floor Area	-	-	-	0%	
% of Total Floor Area	30%	50%	20%	100%	
PARKING	3070	3070	2070	100/0	
Residential Parking Ratio (per unit)	1.00	1.00	1.00	1.00	parking stall per unit
	3	5	2		parking stail per unit
Residential Stalls		-		10	
Visitor Parking Ratio (per unit)	0.03	0.03	0.03	0.20	
Visitor Stalls	0.6	1.0	1.0	2	otal of 2 visitors parking stalls
Office Parking Space Ratio (per 1,000 SF)	-				
Office Parking	-			-	
Total Parking Stalls	4	6	3	12	2 surface parking stalls in total
UNITS					
Total Units	3	5	2		0 units in total
Avg. Unit Size	553	553	553	553	verage unit size based on specified unit mix
DEVELOPMENT COST					
Land Cost	Market	RGI (70% HILS)	Deep Subsidy	TOTAL	
Land Cost - place holder	-	-		-	ssumes land is already owned or secured under long term lease
·					,
Hard Costs	Market	RGI (70% HILS)	Deep Subsidy	TOTAL	
Site Prep & Remediation	59,229	98,714	39,486		ssumes no remediation required, includes site preparation, grading
On-Site Servicing	59,229	98,714	39,486	197,429	ncludes allowance for on site drinking water, stormwater and waste
Off-Site Servicing			-	,	,
Public Park Const. Cost (15% of site area)					
Residential Const. Cost	725,156	1,208,594	483,438	2,417,188	A 6275 (-f
Commercial Const. Cost	/25,150	1,208,594	483,438	2,417,188	11 53/5/51
	25.000	40.000		-	. 47000
At-Grade Parking Const. Cost	25,200	42,000	21,000	88,200	at \$7000 per parking stall
Extraordinary Site Costs				-	
TOTAL HARD COSTS			583,409	2,900,245	
	868,814	1,448,023			
Per sq. ft.	868,814 419	1,448,023 419	422	420	
	419	419	422		
Soft Costs	419 Market	419 RGI (70% HILS)	422 Deep Subsidy	Total/ Avg.	
Soft Costs Architect	419 Market 39,097	419 RGI (70% HILS) 65,161	Deep Subsidy 26,253	Total/ Avg. 130,511	at 4.5% of hard costs
Soft Costs	419 Market	419 RGI (70% HILS)	422 Deep Subsidy	Total/ Avg. 130,511	tt 4.5% of hard costs tt 8% of hard costs (allows for surveyor, geotech, environmental ass
Soft Costs Architect	419 Market 39,097	419 RGI (70% HILS) 65,161	Deep Subsidy 26,253	Total/ Avg. 130,511	
Soft Costs Architect Other Consultants	419 Market 39,097	419 RGI (70% HILS) 65,161	Deep Subsidy 26,253	Total/ Avg. 130,511 232,020	at 8% of hard costs (allows for surveyor, geotech, environmental ass
Soft Costs Architect Other Consultants Dev. Charges	Market 39,097 69,505	RGI (70% HILS) 65,161 115,842	Deep Subsidy 26,253 46,673	Total/ Avg. 130,511 232,020 - 19,113	at 8% of hard costs (allows for surveyor, geotech, environmental ass Assumes no Development Cost Charges
Soft Costs Architect Other Consultants Dev. Charges Municipal Fees & Permits	Market 39,097 69,505 - 5,734	RGI (70% HILS) 65,161 115,842 - 9,556	Deep Subsidy 26,253 46,673 - 3,823	Total/ Avg. 130,511 232,020 - 19,113 166,517	at 8% of hard costs (allows for surveyor, geotech, environmental ass assumes no Development Cost Charges 300 processing fee, \$3000 est plumbing fee, \$2000 est electrical fe
Soft Costs Architect Other Consultants Dev. Charges Municipal Fees & Permits Development Management Fee	Market 39,097 69,505 5,734 49,884	419 RGI (70% HILS) 65,161 115,842 9,556 83,141	Deep Subsidy 26,253 46,673 3,823 33,492	Total/ Avg. 130,511 232,020 - 19,113 166,517 30,000	t 8% of hard costs (allows for surveyor, geotech, environmental ass ssumes no Development Cost Charges 300 processing fee, \$3000 est plumbing fee, \$2000 est electrical fe t 5% of project costs excluding land value.
Soft Costs Architect Other Consultants Dev. Charges Municipal Fees & Permits Development Management Fee Legal Marketing	Market 39,097 69,505 5,734 49,884 9,000 750	RGI (70% HILS) 65,161 115,842 9,556 83,141 15,000 1,250	Deep Subsidy 26,253 46,673 - 3,823 33,492 6,000	Total/ Avg. 130,511 232,020 - 19,113 166,517 30,000 2,500	tt 8% of hard costs (allows for surveyor, geotech, environmental ass ssumes no Development Cost Charges 300 processing fee, 53000 est plumbing fee, \$2000 est electrical fee tt 5% of project costs excluding land value. Illowance for legal fees Aarketing expenses during initial lease-up period
Architect Other Consultants Dev. Charges Municipal Fees & Permits Development Management Fee Legal Marketing Op & En During Lease-up	Market 39,097 69,505 5,734 49,884 9,000 750 4,788	419 RGI (70% HILS) 65,161 115,842 9,556 83,141 15,000 1,250 7,980	422 Deep Subsidy 26,253 46,673 - 3,823 33,492 6,000 500 3,192	Total/ Avg. 130,511 232,020 - 19,113 166,517 30,000 2,500 15,960	tt 8% of hard costs (allows for surveyor, geotech, environmental ass ssumes no Development Cost Charges 300 processing fee, \$3000 est plumbing fee, \$2000 est electrical fei tt 5% of project costs excluding land value. Illowance for legal fees darketing expenses during initial lease-up period. Assumes 3 month
Architect Other Consultants Dev. Charges Municipal Fees & Permits Development Management Fee Legal Marketing Op Ex During Lease-up Loan Fees	Market 39,097 69,505 - 5,734 49,884 9,000 750 4,788 5,238	RGI (70% HILS) 65.161 115,842 - 9,556 83,141 15,000 1,250 7,980 8,730	422 Deep Subsidy 26,253 46,673 3,823 33,492 6,000 500 3,192 3,517	Total/ Avg. 130,511 232,020 - 19,113 166,517 30,000 2,500 15,960 17,484	tt 8% of hard costs (allows for surveyor, geotech, environmental assusumes no Development Cost Charges 300 processing fee, \$3000 est plumbing fee, \$2000 est electrical fee t 5% of project costs excluding land value. Illowance for legal fees drarketing expenses during initial lease-up period perating expenses during initial lease-up period. Assumes 3 month ees on construction loan at 0.5% of loan value
Soft Costs Architect Other Consultants Dev. Charges Municipal Fees & Permits Development Management Fee Legal Marketing Op Ex During Lease-up Loan Fees Loan Interest	39,097 69,505 5,734 49,884 9,000 750 4,788 5,238 7,114	861 (70% HILS) 65,161 115,842 9,556 83,141 15,000 1,250 7,980 8,730 11,856	422 Deep Subsidy 26,253 46,673 3,823 33,492 6,000 500 3,192 3,517 4,776	Total/ Avg. 130,511 232,020 19,113 166,517 30,000 2,500 15,960 17,484 23,747	tt 8% of hard costs (allows for surveyor, geotech, environmental ass ssumes no Development Cost Charges 300 processing fee, 53000 est plumbing fee, \$2000 est electrical fee tt 5% of project costs excluding land value. Ullowance for legal fees Araketing expenses during initial lease-up period. Apraketing expenses during initial lease-up period. Assumes 3 month ees on construction loan at 0.5% of loan value titerest paid on construction loan at 3% interest rate assuming aver
Soft Costs Architect Other Consultants Dev. Charges Municipal Fees & Permits Development Management Fee Legal Marketing Op & During Lease-up Loan Fees Loan Interest GST	39,097 69,505 5,734 49,884 9,000 750 4,788 5,238 7,114 26,498	861 (70% HILS) 65,161 115,842 9,556 83,141 15,000 1,250 7,980 8,730 11,856 44,163	422 Deep Subsidy 26,253 46,673 - 3,823 33,492 6,000 500 3,192 3,517 4,776 17,791	Total/ Avg. 130,511 232,020 - 19,113 166,517 30,000 2,500 15,960 17,484 23,747 88,452	tt 8% of hard costs (allows for surveyor, geotech, environmental assusumes no Development Cost Charges 300 processing fee, \$3000 est plumbing fee, \$2000 est electrical fee t 5% of project costs excluding land value. Illowance for legal fees drarketing expenses during initial lease-up period perating expenses during initial lease-up period. Assumes 3 month ees on construction loan at 0.5% of loan value
Soft Costs Architect Other Consultants Dev. Charges Municipal Fees & Permits Development Management Fee Legal Marketing Op Ex During Lease-up Loan Fees Loan Interest GST TOTAL SOFT COSTS	39,097 69,505 - 5,734 49,884 9,000 750 4,788 5,238 7,114 26,498 217,608	RGI (70% HILS) 65.161 115,842 - 9,556 83,141 15,000 1,250 7,980 8,730 11,856 44,163 362,679	422 Deep Subsidy 26,253 46,673 3,823 33,492 6,000 500 3,192 3,517 4,776 17,791	Total/ Avg. 130,511 232,020 - 19,113 166,517 30,000 2,500 17,484 23,747 88,452 726,304	tt 8% of hard costs (allows for surveyor, geotech, environmental ass ssumes no Development Cost Charges 300 processing fee, 53000 est plumbing fee, \$2000 est electrical fee tt 5% of project costs excluding land value. Ullowance for legal fees Araketing expenses during initial lease-up period. Apraketing expenses during initial lease-up period. Assumes 3 month ees on construction loan at 0.5% of loan value titerest paid on construction loan at 3% interest rate assuming aver
Soft Costs Architect Other Consultants Dev. Charges Municipal Fees & Permits Development Management Fee Legal Marketing Op Ex During Lease-up Loan Fees Loan Interest	39,097 69,505 5,734 49,884 9,000 750 4,788 5,238 7,114 26,498	861 (70% HILS) 65,161 115,842 9,556 83,141 15,000 1,250 7,980 8,730 11,856 44,163	422 Deep Subsidy 26,253 46,673 - 3,823 33,492 6,000 500 3,192 3,517 4,776 17,791	Total/ Avg. 130,511 232,020 - 19,113 166,517 30,000 2,500 15,960 17,484 23,747 88,452	tt 8% of hard costs (allows for surveyor, geotech, environmental ass ssumes no Development Cost Charges 300 processing fee, 53000 est plumbing fee, \$2000 est electrical fee tt 5% of project costs excluding land value. Ullowance for legal fees Araketing expenses during initial lease-up period. Apraketing expenses during initial lease-up period. Assumes 3 month ees on construction loan at 0.5% of loan value titerest paid on construction loan at 3% interest rate assuming aver
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Soft Costs Architect Other Consultants Dev. Charges Municipal Fees & Permits Development Management Fee Legal Marketing Op Ex During Lease-up Loan Fees Loan Interest GST TOTAL SOFT COSTS Per sq. ft.	419 Market 39,097 69,505 - 5,734 49,884 9,000 750 4,788 5,238 7,114 26,498 217,608 105 108,642	RGI (70% HILS) RGI (70% HILS) 55,161 115,842 9,556 83,141 15,000 1,250 7,980 8,730 11,856 44,163 362,679 105 181,070	422 Deep Subsidy 26,253 46,673 46,673 3,823 33,492 6,000 500 3,192 3,517 4,776 17,791 146,017 106 72,943	Total/ Avg. 130,511 232,020 - 19,113 166,517 30,000 2,500 15,960 17,484 23,747 88,452 726,304 105 362,655	tt 8% of hard costs (allows for surveyor, geotech, environmental assusumes no Development Cost Charges also processing fee, \$2000 est electrical fee tt 5% of project costs excluding land value. Illowance for legal fees drarketing expenses during initial lease-up period operating expense during initial lease-up period. Assumes 3 month ees on construction loan at 0.5% of loan value neterest paid on construction loan at 3% interest rate assuming aver tt 2.5% of project expenses. Assumes owner is eligible for qualifyin
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Soft Costs Architect Other Consultants Dev. Charges Municipal Fees & Permits Development Management Fee Legal Marketing Op Ex During Lease-up Loan Fees Loan Interest GST TOTAL SOFT COSTS Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft.	419 Market 39,097 69,505 - 5,734 49,884 9,000 750 4,788 5,238 7,114 26,498 217,608 105 108,642	RGI (70% HILS) RGI (70% HILS) 55,161 115,842 9,556 83,141 15,000 1,250 7,980 8,730 11,856 44,163 362,679 105 181,070	422 Deep Subsidy 26,253 46,673 46,673 3,823 33,492 6,000 500 3,192 3,517 4,776 17,791 146,017 106 72,943	Total/ Avg. 130,511 232,020 - 19,113 166,517 30,000 2,500 15,960 17,484 23,747 88,452 726,304 105 362,655	tt 8% of hard costs (allows for surveyor, geotech, environmental assusumes no Development Cost Charges also processing fee, \$2000 est electrical fee tt 5% of project costs excluding land value. Illowance for legal fees drarketing expenses during initial lease-up period operating expense during initial lease-up period. Assumes 3 month ees on construction loan at 0.5% of loan value neterest paid on construction loan at 3% interest rate assuming aver tt 2.5% of project expenses. Assumes owner is eligible for qualifyin
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Soft Costs Architect Other Consultants Dev. Charges Municipal Fees & Permits Development Management Fee Legal Marketing Op EX During Lease-up Loan Fees Loan Interest GST TOTAL SOFT COSTS Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft.	39,097 69,505 5,734 49,884 9,000 750 4,788 5,238 7,114 26,498 217,608 105 108,642	RGI (70% HILS) RGI (70% HILS) 65,161 115,842 9,556 83,141 15,000 1,250 7,980 8,730 11,856 44,163 362,679 105 181,070 1,991,772 577	422 Deep Subsidy 26,253 46,673 3,823 33,492 6,000 500 3,192 3,517 4,776 17,791 146,017 106 72,943	Total/ Avg. 130,511 232,020 - 19,113 166,517 30,000 2,500 15,960 17,484 23,747 88,452 726,304 105 362,655	tt 8% of hard costs (allows for surveyor, geotech, environmental assusumes no Development Cost Charges also processing fee, \$2000 est electrical fee tt 5% of project costs excluding land value. Illowance for legal fees drarketing expenses during initial lease-up period operating expense during initial lease-up period. Assumes 3 month ees on construction loan at 0.5% of loan value neterest paid on construction loan at 3% interest rate assuming aver tt 2.5% of project expenses. Assumes owner is eligible for qualifyin
Soft Costs Architect Other Consultants Dev. Charges Municipal Fees & Permits Development Management Fee Legal Marketing Op EX During Lease-up Loan Fees Loan Interest GST TOTAL SOFT COSTS Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT	39,097 69,505 5,734 49,884 9,000 750 4,788 5,238 7,114 26,498 217,608 105 108,642	419 RGI (70% HILS) 65,161 115,842 9,556 83,141 15,000 1,250 7,980 8,730 11,856 44,163 362,679 105 181,070 1,991,772 577	422 Deep Subsidy 26,253 46,673 3,823 33,492 6,000 500 3,192 3,517 4,776 17,791 146,017 106 72,943	Total/ Avg. 130,511 232,020 - 19,113 166,517 30,000 2,500 15,960 17,484 23,747 88,452 7726,304 105 362,655 3,989,204 578	tt 8% of hard costs (allows for surveyor, geotech, environmental assusumes no Development Cost Charges also processing fee, \$2000 est electrical fee tt 5% of project costs excluding land value. Illowance for legal fees drarketing expenses during initial lease-up period operating expense during initial lease-up period. Assumes 3 month ees on construction loan at 0.5% of loan value neterest paid on construction loan at 3% interest rate assuming aver tt 2.5% of project expenses. Assumes owner is eligible for qualifyin
Soft Costs Architect Other Consultants Dev. Charges Municipal Fees & Permits Development Management Fee Legal Marketing Op EX During Lease-up Loan Fees Loan Interest GST TOTAL SOFT COSTS Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD)	39,097 69,505 5,734 49,884 9,000 750 4,788 5,238 7,114 26,498 217,608 105 108,642 1,195,063 577	RGI (70% HILS) RGI (70% HILS) 65,161 115,842 9,556 83,141 15,000 1,250 7,980 8,730 11,856 44,163 362,679 105 181,070 1,991,772 577	422 Deep Subsidy 26,253 46,673 3,823 33,492 6,000 5,00 7,791 146,017 106 72,943 802,369 581	Total/ Avg. 130,511 232,020 - 19,113 166,517 30,000 2,500 15,960 17,484 23,747 88,452 726,304 105 362,655 3,989,204 578	tt 8% of hard costs (allows for surveyor, geotech, environmental assissumes no Development Cost Charges adol processing fee, 52000 est electrical fee ts 5% of project costs excluding land value. Illowance for legal fees drarketing expenses during initial lease-up period operating expense during initial lease-up period. Assumes 3 month ees on construction loan at 0.5% of loan value therest paid on construction loan at 3% interest rate assuming aver tt 2.5% of project expenses. Assumes owner is eligible for qualifyin the construction loan at 3% interest rate assuming aver to 2.5% of project expenses. Assumes owner is eligible for qualifyin the construction loan at 3% interest rate assuming aver to 2.5% of project expenses. Assumes owner is eligible for qualifyin the construction loan at 3% interest rate assuming aver to 2.5% of project expenses. Assumes owner is eligible for qualifyin the construction loan at 3% interest rate assuming aver to 2.5% of project expenses.
Soft Costs Architect Other Consultants Dev. Charges Municipal Fees & Permits Development Management Fee Legal Marketing Op Ex During Lease-up Loan Fees Loan Interest GST TOTAL SOFT COSTS Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD) CMHC Seed Funding (Grant)	39,097 69,505 5,734 49,884 9,000 750 4,788 5,238 7,114 26,498 217,608 105 108,642 1,195,063 577	419 RGI (70% HILS) 65,161 115,842 9,556 83,141 15,000 1,250 7,980 8,730 11,856 44,163 362,679 105 181,070 1,991,772 577	422 Deep Subsidy 26,253 46,673 3,823 33,492 6,000 500 3,192 3,517 4,776 17,791 146,017 106 72,943 802,369 581 Deep Subsidy 8,000	Total/ Avg. 130,511 232,020 - 19,113 166,517 30,000 2,500 15,960 17,484 23,747 88,452 776,304 105 362,655 3,989,204 578 - TOTAL 40,000	tt 8% of hard costs (allows for surveyor, geotech, environmental assusumes no Development Cost Charges 300 processing fee, \$3000 est plumbing fee, \$2000 est electrical fee tt 5% of project costs excluding land value. Illowance for legal fees Araketing expenses during initial lease-up period perating expense during initial lease-up period. Assumes 3 month ees on construction loan at 0.5% of loan value therest paid on construction loan at 3% interest rate assuming aver tt 2.5% of project expenses. Assumes owner is eligible for qualifyin tt 10% of hard and soft costs costs
Soft Costs Architect Other Consultants Dev. Charges Municipal Fees & Permits Development Management Fee Legal Marketing Op EX During Lease-up Loan Fees Loan Interest GST TOTAL SOFT COSTS Per sq. ft. Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD)	39,097 69,505 5,734 49,884 9,000 750 4,788 5,238 7,114 26,498 217,608 105 108,642 1,195,063 577	RGI (70% HILS) RGI (70% HILS) 65,161 115,842 9,556 83,141 15,000 1,250 7,980 8,730 11,856 44,163 362,679 105 181,070 1,991,772 577	422 Deep Subsidy 26,253 46,673 3,823 33,492 6,000 5,00 7,791 146,017 106 72,943 802,369 581	Total/ Avg. 130,511 232,020 - 19,113 166,517 30,000 2,500 15,960 17,484 23,747 88,452 726,304 105 362,655 3,989,204 578 - TOTAL 40,000 954,012	tt 8% of hard costs (allows for surveyor, geotech, environmental assissumes no Development Cost Charges adol processing fee, 52000 est electrical fee ts 5% of project costs excluding land value. Illowance for legal fees drarketing expenses during initial lease-up period operating expense during initial lease-up period. Assumes 3 month ees on construction loan at 0.5% of loan value therest paid on construction loan at 3% interest rate assuming aver tt 2.5% of project expenses. Assumes owner is eligible for qualifyin the construction loan at 3% interest rate assuming aver to 2.5% of project expenses. Assumes owner is eligible for qualifyin the construction loan at 3% interest rate assuming aver to 2.5% of project expenses. Assumes owner is eligible for qualifyin the construction loan at 3% interest rate assuming aver to 2.5% of project expenses. Assumes owner is eligible for qualifyin the construction loan at 3% interest rate assuming aver to 2.5% of project expenses.

City DC and Fee Waivers				-	Assumes no municipal fee waivers
CMHC NHCIP Grant (@ 12.5%)	149,595	249,325	99,730	498,651	Assumes qualifies for forgiveable contribution of 12.5% of project costs under CMHC's National Housing Co-Investment Fund
Other	-			-	Potential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing Program for qualifying net zero energy ready proj
Other	-	-		-	
TOTAL REVENUE	975,964	1,228,969	270,756	2,204,932	
Per sq. ft.	471	356	196	319	
EQUITY SURPLUS / GAP					
SURPLUS / (GAP)	(219,100)	(762,803)	(531,613)	(1,513,516)	Estimated funding gap
Per unit	(73,033)	(152,561)	(106,323)	(331,916)	Estimated funding gap per unit (averaged)
Per sq. ft.	(106)	(221)	(385)	(219)	
Annual BCH Operating Subsidy Required	\$11,031.88	\$38,407.86	\$26,767.20	76,207	Estimated Annual Operating Subsidy required from BC Housing to service additional mortgage needed to close equity gap based on same financing terms as below
BCH Operating Subsidy Required PUPM	92	320	223	635	Estimated Operating Subsidy required from BC Housing per unit per month.
CASHFLOW					
CASITIEOW	Market	RGI (70% HILS)	Deep Subsidy	Total/ Avg.	
Rental Revenue	45,585	55,545	10,872	112,002	
Parking Revenue	-	-	-	-	
Gross Potential Income	45,585	55,545	10,872	112,002	
Less Vacancy & Bad Debt	(912)	(1,111)	(217)	(2,240)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	44,673	54,434	10,655	109,762	
Less: Operating Expenses (Non-Res NNN)	(19.152)	(31,920)	(12.768)	(63 840)	Based on estimated operating expense of \$532 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	25,521	22,514	(2,113)	45,922	and a state of the
	,	,	(-//	,	
Debt Service	(25,521)	(22,514)	2,113	(45,922)	Cost of debt servicing
Annual Cash Flow After Debt Servicing	(0)	(0)		(0)	Debt Coverage Ration of 1.0 results in no unlevered cash flow after operating expenses and debt servicing
DEBT CALCULATION					
	Market	RGI (70% HILS)	Deep Subsidy	Total/ Avg.	
Net Operating Income	25,521	22,514	(2,113)	48,035	Net operating income after vacancy loss and operating expenses
DCR	1.0	1.0	1.0		Debt Coverage Ration of 1.0
Amortization	35	35	35		Ammortization period of 35 yrs under BC Housing Community Housing Fund program
		3.55%	3.55%		a service and the policy of a page of the service and the serv
Interest Rate	3.55%	3.55%	3.3370		3.55% interest rate as posted by BC Housing for 2023 takeout financing

Summary of Results - 1 Bedroom Secondary Suite (New Construction) - 4.5% Interest Rate

Prepared by New Commons Development

Suite (1br) LOW - 4.5%		Suite (1br) HIGH - 4.5%	
Interest Rate		Interest Rate	
Cusas Flagu Auga	600	Cuasa Flaga Auga	600
Gross Floor Area		Gross Floor Area	600
% of Total Floor Area		% of Total Floor Area	100%
Total Units		Total Units	1
Parking Spots	1	Parking Spots	1
Land Value (TBD)	-	Land Value (TBD)	-
Hard Costs	207,755	Hard Costs	222,755
Soft Costs	19,096	Soft Costs	19,758
Contingency	22,685	Contingency	24,251
Other	-	Other	-
Total Costs	249,536	Total Costs	266,764
Land Value (TBD)	-	Land Value (TBD)	-
CMHC Seed Funding (Loan &		CMHC Seed Funding (Loan &	
Grant)	_	Grant)	-
Permanent Mortgage	110,257	Permanent Mortgage	110,257
City DC and Fee Waivers	-	City DC & Fee Waivers	-
Other	-	Other	-
Total Sources	110,257	Total Sources	110,257
Surplus / (Gap)	(139,278)	Surplus / (Gap)	(156,507)

Development Statistics site Area (SF) bublic Park Area Gross Floor Area sesidential tion-Residential GFA Market Condominium arget Rental JOS MIMR Rental Res. Efficiency Yogram Space ketail Non-Res. Efficiency Parking Ratio Debter Rental	600 0% 600 100% 0% 0% 0% 0%	0% 600 100% 0% 0%	sq. ft. of site area sq. ft. of GFA	Suite Mix - All Us Unit Type Studio 1 Bedroom 2 Bedroom	Suite Mix 0% 100%	Unit Size 0 600	Price \$PSF	Target Rents			
site Area (SF) vublic Park Area rorses Floor Area kesidential doon-Residential GFA vlarket Condominium arget Rental doos MMR Rental Res. Efficiency rogram Space ketail don-Res. Efficiency arking Ratio bther kental	600 0% 600 100% 0% 0% 100%	600 0% 600 100% 0%	sq. ft. of site area sq. ft.	Unit Type Studio 1 Bedroom	Suite Mix 0%	0	\$PSF 0	Rents 0			
vublic Park Area Tross Floor Area kesidential ton-Residential GFA Market Condominium larget Rental lobs MMR Rental Res. Efficiency Yogram Space ketail ton-Res. Efficiency arking Ratio bher Kental	0% 600 100% 0% 0% 100%	0% 600 100% 0% 0%	of site area sq. ft.	Studio 1 Bedroom	0%	0	0	0			
tesidential ion-Residential GFA darket Condominium arget Rental ON MMR Rental ion-Residential ion-Residential ion-Residential ion-Residential ion-Residential ion-Residential ion-Residential ion-Residential ion-Residentia	100% 0% 0% 100%	100% 0% 0%									
Aarket Condominium arget Rental 0% MMR Rental tes. Efficiency rogram Space tetail ton-Res. Efficiency arding Ratio bther tental	0% 100%	0%		z pedroum	0%	725	0	826 1,478			
arget Rental 0% MMR Rental tes. Efficiency rogram Space tetail ton-Res. Efficiency arking Ratio	100%		of GFA of Residential GFA	3 Bedroom Total/ Avg.	0% 100%	1,000 600	0	1,935 826			
ites. Efficiency rogram Space tetail ion-Res. Efficiency ranking Ratio ther	0%		of Residential GFA				_				
Program Space Retail Non-Res. Efficiency Parking Ratio Other Rental		U%	of Residential GFA	Target Rent Calcu				2022			
Program Space Retail Non-Res. Efficiency Parking Ratio Other Rental					2018 SGI Median	Median	Rent as % of Gross	Target Affordable		100%	80%
Retail Non-Res. Efficiency Parking Ratio Other Rental	100% 100%		of GFA of Non-Residential GFA	Unit Type 1 Bedroom	Income* 30,528	Income** 33,044	Income 30%	Rents 826	Notes Rased on S	AMR SGLHNA ta	AMR rget affordable r
Parking Ratio Other Rental	0%	0%	of Non-Residential GFA	2 Bedroom	54,618	59,120	30%	1,478	Based on a	average of	SGI HNS target
Rental	100%	100%	of Non-Residential GFA	3 Bedroom	71,492	77,385	30%	1,935			SGI HNS target a
	1.00	1.00		* data from 2018 ** assumes 2% is						ulated pe	≥r notes provi
/isitor	1.00		stalls per unit stalls per unit								
Community Space		-	stalls per 1,000 sq. ft. leaseable								
Other Condo Parking Sale Price			stalls per stall								
Development Cost Assumptions	New SS low	New SS high									
lard Costs	IOW										
and Value - placeholder ite Prep & Remediation	200,000	200,000	total per ac.								
n-Site Servicing Off-Site Servicing	-		per ac.								
ublic Park Const. Cost (15% of site	-		per ac.								
rea) extraordinary Site or Servicing Costs	10,000		per sq. ft. As per CRD Scope of Services								
esidential Const. Cost	325	350	per sq. ft.								
arking Const. Cost			per sq. ft. per stall	1							
oft Costs rchitect	\$ 5,000.00	\$ 5,000.00	LS	l							
Other Consultants		\$ 2,000.00	LS								
lev. Charges - Studio & 1 Bed lev. Charges - 2 Bed +	-	-	per unit per unit								
ducation DC ducation DC - Non-Res	-		per unit per m2								
Non-Res DC ec. 37 Payment	-	-	per m2 total								
ec. 37 Payment		-	\$300 processing fee, \$300 est								
			plumbing fee, \$700 est electrical fee,								
			\$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment #								
			4403 Appendix M (https://www.crd.bc.ca/docs/default-								
			source/crd-document- library/bylaws/buildingregulationselec								
Municipal Fees & Permits	2,500		toralareas/bylawno- 4403.pdf?sfvrsn=46607fcd_4)								
ublic Art	0.0%	0.0%	of hard costs								
leveloper Fees	0.0%		of project costs (excl. land & financing)								
egal			per res. unit and, per 1,000 sq. ft. non- res.								
Sales & Closing			per unit								
Condo Marketing Condo Commissions			per unit per unit								
Rental Marketing	- 0%	-	per unit of year 1 op ex								
Rental Op Ex During Lease-up	U76		of hard and soft costs, assumes								
SST	3.2%	3.2%	qualifies for NRRP Rebate of 36% of GST								
Contingency (incl. cost escalation)	10%	10%	of hard & soft costs								
	New SS	New SS			Operating						
Revenue Assumptions	low	high			Assumptions Operating					1	
tental Operations					Costs		/yr	/mo	Mill rate	:	
Warket Unit Operating Costs (PUPM)	189	189			Property Tax		\$ 914	\$ 76	4.4		
Affordable Unit Operating Costs PUPM)	189	189			Insurance		\$ 623	\$ 52			
arking Revenue (per stall, per					Interior						
nonth)	-				Maintenance		\$ 240	\$ 20			
					Exterior						
/acancy Rate & Bad Debt	2%	2%			Maintenance		\$ -	\$ -			
oaco Un Boriod (months)	1	1			Replacemen		\$ 480	\$ 40			
ease-Up Period (months) Warket Cap Rate	3.50%	3.50%			t Reserve						
Condominium & Non-Res Revenue					Total		\$ 2,257	\$ 188			
Revenue Inflation	2%		per year	•							
Parking Stall Sale Price Church Space Net Lease Rate	-		per stall per sq. ft.								
Office Vacancy & Bad Debt Office Cap Rate	0% 0.00%	0.00%									
tetail Net Lease Rate	-	-	per sq. ft.								
etail Vacancy & Bad Debt etail Cap Rate	0% 0.00%	0% 0.00%									
office & Retail Commissions	0% New SS		of sale price	i							
iming & Financing Assumptions	low	high									
iming Assmptions larketing/ Entitlement Period	1.0	1.0	years								
ales Period onstruction Period	1.0 1.0	1.0	years								
onstruction Loan			years								
Construction Loan Lvg. Draw on Construction Loan	70% 70%		of total costs during construction period								
oan Fees	0.50%	0.50%	of loan								
oan Interest ermanent Mortgage	3.00%		of loan								
ending Program	Std. Mortgage	Std. Mortgage									
nterest Rate	4.50%	4.50%	per year								
Amortization	30 1.1	30 1.1	years								
			of rental project costs								
Min. DCR Co-Investment Grant	0.0%										
Min. DCR		-	per below-market rental unit of permanent loan principal								

Operating Assumptions					
Operating Costs	/yr		/mo		Mill rate
Property Tax	\$	914	\$	76	4.4
Insurance	\$	623	\$	52	
Interior Maintenance	\$	240	\$	20	
Exterior Maintenance	\$		\$	-	
Replacemen t Reserve	\$	480	\$	40	
Total	\$	2,257	\$	188	

| 2018 561 | 2022 561 | Rent as % Target | Target | 100% 80% | Rent as % Target | 100% 80% | 100% 80% | Rent as % Target | 100% 80% | 100% 80% | Rent as % Target | 100% 80% | 100% 80% | Rent as % Target | 100% 80% | Rent as % Target | 100% 80% | 100% 80% | 100% 80% | 100% 80% | 100% 80% | 100% 80% | 100% 80% | 100% 80% | 100% 80% | 100% 80% | 100% 80% | 100% 80% |

Scenario 1 - New Secondary Suite (1br) LOW - 4.5% Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents None
Residential Mortgage (30 yrs)

Non-Residential

Op Ex During Lease-up

Loan Fees

Loan Interest HST

TOTAL SOFT COSTS

Rental Financing	Residential Mortgage (3	80 yrs)
Capital Subsidies	None	
DEVELOPMENT STATISTICS		
SITE		
Site Area (sq. ft.)	600	Assumes developed site area equals gross floor area of suite
Park Area (sq. ft.)	-	
FLOOR AREA		
Gross Floor Area (sq. ft.)	600	Gross Floor Area
Efficiency Ratio	100%	Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)
Net Floor Area (sq. ft.)	600	Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING		
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1	
Visitor Parking Ratio (per unit)	-	
Visitor Stalls	-	
Office Parking Space Ratio (per 1,000 SF)	-	
Office Parking	-	
Total Parking Stalls	1	1 surface parking stalls in total
UNITS		
Total Units	1	1 unit total
Avg. Unit Size	600	Unit size
DEVELOPMENT COST	_	
Land Cost		
Land Cost - place holder		Assumes land is already owned or secured under long term lease
Hard Costs		
Site Prep & Remediation	2,755	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	-	
Residential Const. Cost	195,000	At \$325/sf
At-Grade Parking Const. Cost	-	Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	10,000	Per CRD Scope of Work assumes \$10,000 to upgrade existing services
TOTAL HARD COSTS	207,755	
Per sq. ft.	346	
Soft Costs Architect	F 000	Estimated lump sum
	•	·
Other Consultants	2,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees)
Development Charges	-	Assumes no Development Cost Charges
		\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment
Municipal Fees & Permits	2 500	# 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno- 4403.pdf?sfvrsn=46607fcd 4)
Development Management Fee	2,300	
Legal	-	No allowance for legal fees
Marketing		To distribute to legal red
Marketing	-	

1,086 Fees on construction loan at 0.5% of loan value

19,096

1,475 Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.

7,034 At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST

Scenario 1 - New Secondary	Suite (1br)	LOW - 4.5% Interest Rate
Per sq. ft.	32	
Contingency (incl. cost escalation)	22,685	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	249,536	
Per sq. ft.	416	
DEVELOPER PROFIT		
DEVELOPER PROTTI	_	
SOURCES OF FUNDS		
Land Value (TBD)	-	Description of the CANICS and Friends
CMHC Seed Funding (Loan & Grant)		Does not qualify for CMHC Seed Funding
Permanent Mortgage		Maximum assumed standard mortgage based on financing terms below
City DC and Fee Waivers	-	Assumes no municipal fee waivers
Other Other	-	
Other	_	
TOTAL REVENUE	110,257	
Per sq. ft.	184	
	10.	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	(139,278)	Estimated funding gap
Per unit	(139,278)	Estimated funding gap per unit (averaged)
Per sq. ft.	(232)	
RLV (EQUITY GAP) - PRESENT \$	-	
Per unit	-	
Per sq. ft.	-	
CASHFLOW		
Rental Revenue	9 912	Based on SGI Target Rent for 1br unit.
Parking Revenue	5,512	and an activation of the unit.
Gross Potential Income	9,912	
··· ·· ·· ·· · · · · · · · · · · · · ·	-,	
Less Vacancy & Bad Debt	(198)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	9,714	
Land Organization France (IV. S. 1999)	12.222	
Less: Operating Expenses (Non-Res NNN) Net Operating Income	(2,268) 7,446	Based on estimated operating expense of \$214 per unit per month. See Operating Expense Breakdown for details.
Net Operating income	7,446	
Debt Service	(\$6,768.87)	Cost of debt servicing
Annual Cash Flow After Debt Servicing		Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
		· - · · · · · · · · · · · · · · · · · ·
DEBT CALCULATION		
Net Operating Income		Net operating income after vacancy loss and operating expenses
0.00		Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt
DCR		coverage expectation to develop the rental housing.
Amortization		Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate		4.5% interest rate per CRD Scope of Services required stress test
Principal	110,25/	Estimated max principal available from lender based on above terms

Scenario 2 - New Secondary Suite (1br) HIGH - 4.5% Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents

Non-residential None

Rental Financing Residential Mortgage (30 yrs)

Capital Subsidies None

DEVELOPMENT STATISTICS		
SITE		
Site Area (sq. ft.)	600	Assumes developed site area equals gross floor area of suite
Park Area (sq. ft.)	-	
FLOOR AREA		
Gross Floor Area (sq. ft.)		Gross Floor Area
Efficiency Ratio		Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)
Net Floor Area (sq. ft.)	600	Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING		
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1	
Visitor Parking Ratio (per unit)	-	
Visitor Stalls	-	
Office Space Parking Ratio (per 1,000 sq. ft.)	-	
Office Parking	-	
Total Parking Stalls	1	1 surface parking stalls in total
UNITS		
Total Units	1	1 unit total
Avg. Unit Size	600	Unit size
-		
DEVELOPMENT COST		
Land Cost		
Land Cost - place holder	-	Assumes land is already owned or secured under long term lease
Hard Costs		
Site Prep & Remediation	2,755	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	-	
Residential Const. Cost	210.000	At \$350/sf
At-Grade Parking Const. Cost		Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs		Per CRD Scope of Work assumes \$10,000 to upgrade existing services
TOTAL HARD COSTS	222,755	. Compared to the compared to applicate and any second
Per sq. ft.	371	
Soft Costs		
Architect	5,000	Estimated lump sum
Other Consultants		Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees)
Dev. Charges - Studio & 1 Bed	-	Assumes no Development Cost Charges
Planning Application Fees	2.500	\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/i
Development Management Fee	_,500	, , , , , , , , , , , , , , , , , , ,
Legal	-	No allowance for legal fees
Marketing	_	
Op Ex During Lease-up	-	
	1 161	Foot or construction loan at 0.5% of loan value
Loan Peterest		Fees on construction loan at 0.5% of loan value
Loan Interest	1,5//	Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.

Scenario 2 - New Secondary	Suite (1br)	HIGH - 4.5% Interest Rate
GST	7,520	At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
TOTAL SOFT COSTS	19,758	
Per sq. ft.	33	
Contingency (incl. cost escalation)	24,251	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	266,764	
Per sq. ft.	445	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)	-	
CMHC Seed Funding (Loan & Grant)		Does not qualify for CMHC Seed Funding
Permanent Mortgage	110,257	Maximum assumed standard mortgage based on financing terms below
City DC & Fee Waivers	-	Assumes no municipal fee waivers
Other	-	
Other Other	-	
TOTAL REVENUE	110,257	
TOTAL REVENUE	110,257	
	104	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	(156 507)	Estimated funding gap
Per unit		Estimated funding gap per unit (averaged)
Per sq. ft.	(261)	Estimated funding gap per unit (averaged)
RLV (EQUITY GAP) - PRESENT \$	(201)	
Per unit	_	
Per sq. ft.	_	
4		
CASHFLOW		
Rental Revenue	9,912	Based on SGI Target Rent for 1br unit.
Parking Revenue	-	
Gross Potential Income	9,912	
Last Marcas & Bard Balta	(100)	
Less Vacancy & Bad Debt		Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	9,714	
Less: Operating Expenses (Non-Res NNN)	(2.268)	Based on estimated operating expense of \$214 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	7,446	
- Sharama manna	,,.+0	
Debt Service	(6,769)	Cost of debt servicing
Annual Cashflow After Debt Servicing		Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION		
Net Operating Income	7,446	Net operating income after vacancy loss and operating expenses
DCR		Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt coverage expectation to develop the rental housing.
Amortization		Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate		4.5% interest rate per CRD Scope of Services required stress test
Principal		Estimated max principal available from lender based on above terms

Summary of Results - 1 Bedroom Secondary Suite (Renovation) - 4.5% Interest Rate

Prepared by New Commons Development

Scenario 1 - Secondary Suite Reno (1br) LOW - 4.5%		Scenario 2 - Secondary Suite Reno (1br) HIGH - 4.5%	
Interest Rate		Interest Rate	
Gross Floor Area	600	Gross Floor Area	600
% of Total Floor Area	100%	% of Total Floor Area	100%
Total Units	1	Total Units	1
Parking Spots	1	Parking Spots	1
Land Value (TBD)	-	Land Value (TBD)	-
Hard Costs	145,000	Hard Costs	181,000
Soft Costs	16,324	Soft Costs	17,914
Contingency	16,132	Contingency	19,891
Other	-	Other	-
Total Costs	177,456	Total Costs	218,805
Land Value (TBD)	-	Land Value (TBD)	-
CMHC Seed Funding (Loan &		CMHC Seed Funding (Loan &	
Grant)	-	Grant)	-
Permanent Mortgage	117,188	Permanent Mortgage	117,188
City DC and Fee Waivers	-	City DC & Fee Waivers	-
Other	-	Other	-
Total Sources	117,188	Total Sources	117,188
Surplus / (Gap)	(60,269)	Surplus / (Gap)	(101,618)

nputs		Reno SS	
Development Statistics	Reno SS low	high	
Site Area (SF)	-		sq. ft.
Public Park Area Gross Floor Area	0% 600	600	of site area sq. ft.
Residential Non-Residential GFA	100%	100%	of GFA
Market Condominium	0%	0%	of GFA of Residential GFA
Target Rental 80% MMR Rental	100%		of Residential GFA of Residential GFA
300 mm rendi	0,0	070	or nesidental of A
Res. Efficiency Program Space	100% 100%		of GFA of Non-Residential GFA
Retail	0% 100%	0%	of Non-Residential GFA of Non-Residential GFA
Non-Res. Efficiency Parking Ratio	100%		
Other Rental	1.00		stalls per unit stalls per unit
Below Market Rental	1.00	1.00	stalls per unit
Visitor Community Space	-		stalls per unit stalls per 1,000 sq. ft. leaseable
Other Condo Parking Sale Price	-	Reno SS	stalls per stall
Development Cost Assumptions Hard Costs	Reno SS low	high	
Land Value - placeholder Site Prep & Remediation	200,000	200,000	total per ac.
On-Site Servicing Off-Site Servicing	-	-	per ac. per ac.
Public Park Const. Cost (15% of site area) Extraordinary Site or Servicing Costs	10,000		per sq. ft. As per CRD Scope of Services
Residential Const. Cost	10,000 225	285	per sq. ft.
Commercial Const. Cost Parking Const. Cost	-		per sq. ft. per stall
Soft Costs			
Architect Other Consultants	\$ 5,000.00 \$ 2,000.00	\$ 5,000.00 \$ 2,000.00	
Dev. Charges - Studio & 1 Bed Dev. Charges - 2 Bed +	-	-	per unit per unit
Education DC	-	-	per unit
Education DC - Non-Res Non-Res DC	-		per m2 per m2
Sec. 37 Payment	-		total
			\$300 processing fee, \$300 est plumbing fee, \$700 est electrical
			fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw
			amendment # 4403 Appendix M
			(https://www.crd.bc.ca/docs/def ault-source/crd-document-
			library/bylaws/buildingregulation selectoralareas/bylawno-
Municipal Fees & Permits Public Art	2,500 0.0%		4403.pdf?sfvrsn=46607fcd_4) of hard costs
			of project costs (excl. land &
Developer Fees	0.0%	0.0%	financing) per res. unit and, per 1,000 sq. ft.
Legal	-		non-res.
Sales & Closing Condo Marketing	-		per unit per unit
Condo Commissions Rental Marketing	-	-	per unit per unit
Rental Op Ex During Lease-up	0%		of year 1 op ex
			of hard and soft costs, assumes qualifies for NRRP Rebate of 36%
GST Contingency (incl. cost escalation)	3.2% 10%		of GST of hard & soft costs
Revenue Assumptions	Reno SS low	Reno SS	
	Reno SS low	Reno SS high	
Revenue Assumptions Rental Operations Market Unit Operating Costs (PUPM)	Reno SS low		
Rental Operations		high	
Rental Operations Market Unit Operating Costs (PUPM)	150	high	
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM)	150	high	
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month) Vacancy Rate & Bad Debt Lease-Up Period (months)	150 150 - 2%	150 150 - 2%	
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month) Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate	150 150 -	150 150 -	
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month) Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation	150 150 - 2% 1 3.50%	high 150 150 2% 1 3.50%	per year ner stall
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month) Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate	150 150 - 2% 1 3.50%	high 150 150 2% 1 3.50% 2% -	per year per stall per sq. ft.
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month) Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate	150 150 - 2% 1 3.50%	150 150 - 2% 1 3.50%	per stall
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month) Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Vacancy & Bad Debt Office Vacancy & Bad Debt Retail Net Lease Rate	150 150 - 2% 1 3.50% - 2% - 0% 0.00%	150 150 150 150 150 150 150 150 150 150	per stall
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month) /acancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Econdominium & Non-Res Revenue Revenue Inflation Tarking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Retail Net Lease Rate Retail Net Lease Rate Retail Cap Rate	150 150 - 2% 1 3.50% - - 0% 0.00% - 0.00%	150 150 150 2% 1 3.50% 2% - 0% 0.00%	per stall per sq. ft. per sq. ft.
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month) /acancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Econdominium & Non-Res Revenue Revenue Inflation Tarking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Netail Net Lease Rate Retail Vacancy & Bad Debt Retail Scan Rate Retail Cap Rate Retail Retail Cap Rate Retail Retail Cap Rate Retail Retail Retail Cap Rate Retail Ret	150 150 2% 1 3.50% 2 2% 0 0.00% 0.00% 0.00%	150 150 150 2% 1 1 3.50% 2% - 0% 0.00% 0.00% 0.00% 0.00% 0.00% Reno SS	per stall per sq. ft.
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month) Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Revenue Inflation Tarking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Retail Net Lease Rate Retail Vacancy & Bad Debt Retail Stall Rese Rate Office Rate Retail Cap Rate Retail Cap Rate Retail Cap Rate Retail Canny & Bad Debt Retail Cap Rate Retail Ca	150 150 2% 1 3.50% 2 2 4 0 0.00% 0.00% 0.00%	150 150 150 - 2% 1 3.50% 0% 0.00% - 0% Reno SS high	per stall per sq. ft. per sq. ft. of sale price
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month) Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Tarking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Retall Vacancy & Bad Debt Retall Vacancy & Bad Debt Retall Cap Rate Retall Cap Rate Retall Cap Rate Retall Canny & Bad Debt Retall Cap Rate Retall Canny & Bad Debt Retall Cap Rate Ret	150 150 150 2% 1 3.50% 2% 0,00% 0,00% 0,00% Reno SS low	150 150 150 2% 1 3.50% 2% 0,00% 0,00% 0,00% Reno SS high	per stall per sq. ft. per sq. ft. of sale price years years
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month) Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Revenue Inflation Tarking Stall Sale Price Conurch Space Net Lease Rate Office Vacancy & Bad Debt Retall Vacancy & Bad Debt Retall Vacancy & Bad Debt Retall Cap Rate Retall Cap Rate Retall Canny & Bad Debt Retall Cap Rate Retall Canny & Bad Debt Retall Canny & Bad Debt Retall Cap Rate Retall Canny & Bad Debt Retall Cap Rate Retall Cap Rate Retall Canny & Bad Debt Retall Cap Rate Retall Cap Rate Stell Commissions Timing & Financing Assumptions Timing & Samptions Marketing / Entitlement Period Sales Period Construction Deniod Construction Deniod Construction Loan	150 150 150 2% 1 3.50% 2% 0,00% 0,00% 0,00% 1,0 1,0	150 150 150 150 150 150 150 150 150 150	per stall per sq. ft. of sale price years years years
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month) Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Cap Rate Vacancy & Bad Debt Office Cap Rate Retail Vacancy & Bad Debt Retail Vacancy & Bad Debt Retail Cap Rate Office A Retail Commissions Ifming & Financing Assumptions Ifming & Financing Assumptions Ifming & Financing Assumptions Ifming & Financing Assumptions Ifming Sale Period Construction Period Construction Period Construction Lean Construction Lean	150 150 150 2% 1 3.50% 2% 0,00% 0,00% 0,00% Reno SS low	150 150 150 150 150 150 150 150 150 100 10	per stall per sq. ft. per sq. ft. of sale price years years years of total costs
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month) Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Janking Stall Sale Price Dunch Space Net Lease Rate Office Cap Rate Retail Net Lease Rate Office Agenty & Bad Debt Retail Vacancy & Bad Debt Retail Vacanc	150 150 150 2% 1 3.50% 2% 0.00% 0.00% 0.00% 1.0 1.0 70% 70% 70% 0.50%	150 150 150 150 150 150 150 150 150 150	per stall per sq. ft. of sale price years years years during construction period of loan
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Arking Revenue (per stall, per month) Vacancy Rate & Bad Debt Vacancy Rate & Bad Debt Vacancy Rate & Bad Debt Arket Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Net Lease Rate Retail Vacancy & Bad Debt Office Age Rate Retail Vacancy & Bad Debt Office Age Rate Retail Vacancy & Bad Debt Office & Retail Commissions Iming & Sinancing Assumptions Iming & Sinancing Assumptions Iming & Sinancing Assumptions Construction Loan Construction Loan Construction Loan Construction Loan Conn Interest	150 150 150 150 150 150 150 13.50% 13.50% 10.00% 1.00 1.00 1.00 70%	150 150 150 150 150 150 150 150 150 150	per stall per sq. ft. of sale price years years years of total costs during construction period
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Arking Revenue (per stall, per month) Vacancy Rate & Bad Debt Lease-Up Period (months) Variet Cap Rate Condominium & Non-Res Revenue Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy & Bad Debt Office Cap Rate Retail Net Lease Rate Retail Net Lease Rate Retail Vacancy & Bad Debt Office Age Rate Retail Vacancy & Bad Debt Office Sa Rate Retail Operation Sale Sale Retail Vacancy & Bad Debt Office & Retail Commissions Imning & Financing Assumptions Imning & Financing Assumptions Imning & Financing Assumptions Construction Dearlo Construction Loan Construction Loan Construction Loan Construction Loan Construction Loan Coan Interest Demmanent Mortage Permanent Mortage	150 150 150 2% 1 3.50% 2% - 0% 0.00% 0.00% 0.00% 0.10 1.0 1.0 70% 0.50% 3.00% d. Mortgage	150 150 150 150 150 150 150 150 150 150	per stall per sq. ft. of sale price years years years of total costs during construction period of loan of loan
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Arket Cap Attack Lease-Up Period (months) Arket Cap Rate Office Arket Lease Rate Office Arket Lease Rate Retail Net Lease Rate Retail Net Lease Rate Retail Vacancy & Bad Debt Office Arket Lease Rate Retail Retail Arket Lease Retail R	150 150 150 150 150 150 150 150 150 150	150 150 150 150 150 150 150 150 150 150	per stall per sq. ft. of sale price years years years during construction period of loan
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month) Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Revenue Inflation Tarking Stall Sale Price Conurch Space Net Lease Rate Office Vacancy & Bad Debt Retall Vacancy & Bad Debt Retall Vacancy & Bad Debt Retall Cap Rate Retall Cap Rate Retall Canny & Bad Debt Retall Cap Rate Retall Canny & Bad Debt Retall Canny & Bad Debt Retall Cap Rate Retall Canny & Bad Debt Retall Cap Rate Retall Cap Rate Retall Canny & Bad Debt Retall Cap Rate Retall Cap Rate Stell Commissions Timing & Financing Assumptions Timing & Samptions Marketing / Entitlement Period Sales Period Construction Deniod Construction Deniod Construction Loan	150 150 150 2% 1 3.50% 2% 0.00	150 150 150 150 150 150 150 150 150 150	per stall per sq. ft. per sq. ft. of sale price years years years of total costs during construction period of loan per year years
Rental Operations Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month) Vacancy Rate & Bad Debt Lease-Up Period (months) Market Cap Rate Condominium & Non-Res Revenue Revenue Inflation Jarking Stall Sale Price Courth Space Net Lease Rate Office Cap Rate Retail Not Lease Rate Retail Vacancy & Bad Debt Retail Not Lease Rate Retail Vacancy & Bad Debt Retail Commissions Jiming & Finencing Assumptions Jiming & Finencing Assump	150 150 150 150 150 150 150 150 150 150	150 150 150 150 150 150 150 150 10 10 10 10 10 10 10 10 10 10 10 10 10	per stall per sq. ft. per sq. ft. of sale price years years years of total costs during construction period of loan of loan

Unit Type	0% 100% 0% 0% 100%	0 600 725 1,000	\$PSF 0 0 0 0	0 826 1,478 1,935				
Studia 0% 0 0 0 0	0% 100% 0% 0% 100%	0 600 725 1,000	0 0 0	0 826 1,478 1,935				
1 Bedroom 100% 600 0 826	100% 0% 0% 100%	600 725 1,000	0 0	826 1,478 1,935				
2 Bedroom 0% 725 0 1,478 3 Bedroom 0% 1,000 0 1,935 Total/ Avg. 100% 600 0 826 arget Rent Calculator 2015 SGI Median Noone Sents Noone Sents Sents	0% 0% 100%	725 1,000	0	1,478 1,935				
3 Bedroom 0% 1,000 0 1,935	0% 100%	1,000	0	1,935				
Total Avg. 100% 600 0 826	100%							
2022 SGI Rent as 2022 2018 SGI Median Mof Target Median Income Gross Affordabl 100% 80% 100% 80% 100% 80% 10		600	0	826				
2018 SGI Median Word Target Target Motes	ator							
2018 SGI Median Word Target Target Motes	ator							
2018 SG Median Kof Target								
2018 SG Median Kof Target 100% 80% 100%								
2018 SG Median Kof Target 100% 80% 100%		2022 SGI	Rent as	2022				
	2018 SGI	Median	% of	Target				
Unit Type Income* * Income e Rents Notes AMR AMR 1 bedroom 30,528 33,024 30% 826 Based on Sig INNA target affordable rent for single persons 2 bedroom 34,618 59,100 30% 1,478 Based on average of Sid INS target affordable rents for one parent families and families without						100%	80%	
2 Bedroom 54,618 59,120 30% 1,478 Based on average of SGI HNS target affordable rents for lone parent families and families without					Notes			
	30,528	33,044	30%	826	Based on SG	I HNA targ	et afforda	ble rent for single persons
	54,618	59,120	30%	1,478	Based on av	erage of S	GI HNS tar	get affordable rents for lone parent families and families without d
3 Bedroom 71,492 77,385 30% 1,935 Based on average of SGI HNS target affordable rents for families without children and families w	71,492	77,385	30%	1,935	Based on av	erage of S	SI HNS tar	get affordable rents for families without children and families with
	30,528	33,044	30%	826	Based on SG	I HNA targ	et afforda	
3 Bedroom	li	Median ncome* 30,528 54,618	Median Income* ncome* * 30,528 33,044 54,618 59,120	Median ncome* Income* Gross Income 30,528 33,044 30% 54,618 59,120 30%	Median ncome* Income* Gross ncome Affordable ncome 30,528 33,044 30% 826 54,618 59,120 30% 1,478	Median Income* Gross Income* Affordabl Income Notes 30,528 33,044 30% 826 Based on SC S4,618 59,120 30% 1,478 Based on av	Median Income* Gross Affordabl Income 100% ncome* * Income e Rents Notes AMR 30,528 33,044 30% 826 Based on SGI HNN targ 54,618 59,120 30% 1,478 Based on average of St	Median Income* Gross Affordabl 100% 80% ncome* * Income e Rents Notes AMR AMR 30,528 33,044 30% 826 Based on SGI HNL stage at Bforda 54,618 59,120 30% 1,478 Based on average of SGI HNS tar

Operating Assumptions					
Operating Costs	/yr		/mo		Mill rate
Property Tax	\$	638	\$	53	4.
Insurance	\$	435	\$	36	
Interior Maintenance	\$	240	\$	20	
Exterior Maintenance	\$	-	\$	-	
Replacement Reserve	\$	480	\$	40	
Total	\$:	1,793	\$	149	

Scenario 1 - Secondary Suite Reno (1br) LOW - 4.5% Interest Rate

Residential Tenure Non-Residential Rental - SGI Target Affordable Rents Rental Financing Capital Subsidies Residential Mortgage (30 yrs) SITE Assumes suite contained within existing developed footprint Site Area (sq. ft.) Park Area (sq. ft.) FLOOR AREA Gross Floor Area (sq. ft.) 600 Gross Floor Area Efficiency Ratio 100% Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc) Net Floor Area (sq. ft.) easable floor area net of circulation, utility and common areas % of Residential Floor Area 100% % of Non-Residential Floor Area % of Total Floor Area 100% PARKING Residential Parking Ratio (per unit) 1.00 1 parking stall per unit Residential Stalls Visitor Parking Ratio (per unit) Visitor Stalls Office Parking Space Ratio (per 1,000 SF) Office Parking Total Parking Stalls 1 1 surface parking stalls in total UNITS Avg. Unit Size 600 Unit size DEVELOPMENT COST Land Cost Land Cost - place holder sumes land is already owned or secured under long term lease Hard Costs Site Prep & Remediation ssumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre On-Site Servicing Per CRD Scope of Work assumes no new servicing cost Off-Site Servicing Residential Const. Cost 135,000 At \$225/sf At-Grade Parking Const. Cost Per CRD Scope of Work assumes no new servicing cost Extraordinary Site Costs 10,000 Per CRD Scope of Work assumes \$10,000 to upgrade existing services TOTAL HARD COSTS 145,000 Per sq. ft. 242 Soft Costs 5,000 Estimated lump sum Architect 2,000 Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees) Other Consultants Development Charges Assumes no Development Cost Charges \$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-2,500 4403.pdf?sfvrsn=46607fcd_4) Municipal Fees & Permits Development Management Fee No allowance for legal fees Marketing Op Ex During Lease-up Fees on construction loan at 0.5% of loan value 1,049 Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period. Loan Interest 5,002 At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST HST TOTAL SOFT COSTS Per sq. ft. 16.132 At 10% of hard and soft costs costs Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST 177,456 Per sq. ft. 296 DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD) CMHC Seed Funding (Loan & Grant) Does not qualify for CMHC Seed Funding Permanent Mortgage 117,188 Maximum assumed standard mortgage based on financing terms below City DC and Fee Waivers Assumes no municipal fee waivers Other Other TOTAL REVENUE 117,188 EQUITY SURPLUS / GAP SURPLUS / (GAP) (60,269) Estimated funding gap (60,269) Estimated funding gap per unit (averaged) Per sq. ft. RLV (EQUITY GAP) - PRESENT \$ Per unit

	- (-1)	
Scenario 1 - Secondary Suite I	Reno (1br)	LOW - 4.5% Interest Rate
CASHFLOW		
Rental Revenue	9,912	Based on SGI Target Rent for 1br unit.
Parking Revenue	-	
Gross Potential Income	9,912	
Less Vacancy & Bad Debt	(198)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	9,714	
Less: Operating Expenses (Non-Res NNN)	(1,800)	Based on estimated operating expense of \$167 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	7,914	
Debt Service	(7,194)	Cost of debt servicing
Annual Cash Flow After Debt Servicing	719	Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION		
Net Operating Income	7,914	Net operating income after vacancy loss and operating expenses
		Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum
DCR	1.1	debt coverage expectation to develop the rental housing.
Amortization	30	Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate	4.50%	4.5% interest rate per CRD Scope of Services required stress test
Principal	117,188	Estimated max principal available from lender based on above terms

Scenario 2 - Secondary Suite Reno (1br) HIGH - 4.5% Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents

Non-residential None

Rental Financing Residential Mortgage (30 yrs)

Capital Subsidies None

Capital Subsidies	None	
DEVELOPMENT STATISTICS		
SITE	- I	
Site Area (sq. ft.)	_	Assumes developed site area equals gross floor area of suite
Park Area (sq. ft.)	_	
FLOOR AREA		
Gross Floor Area (sq. ft.)	600	Gross Floor Area
Efficiency Ratio		Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)
Net Floor Area (sq. ft.)		Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	account new area streams and an account of the control of the cont
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING	100/0	
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1.00	1 parking stein per unit
Visitor Parking Ratio (per unit)	1	
Visitor Stalls	•	
Office Space Parking Ratio (per 1,000 sq. ft.)	•	
	-	
Office Parking	1	1 surface parking stalls in total
Total Parking Stalls	1	1 surface parking stalls in total
UNITS	1	4
Total Units		1 unit total Unit size
Avg. Unit Size	600	Unit size
DEVELOPMENT COST		
Land Cost		
Land Cost - place holder	-	Assumes land is already owned or secured under long term lease
In a form		
Hard Costs		
Site Prep & Remediation	-	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	-	
Residential Const. Cost		At \$285/sf
At-Grade Parking Const. Cost		Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	10,000	Per CRD Scope of Work assumes \$10,000 to upgrade existing services
TOTAL HARD COSTS		
Per sq. ft.	181,000	
	181,000 302	
Soft Costs	•	
Soft Costs	302	Estimated lump sum
Architect	5,000	Estimated lump sum Der CRD Scope of Work assumes \$7,000 in additional consultants! fees (total with design fees)
Architect Other Consultants	5,000 2,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees)
Architect	5,000 2,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees) Assumes no Development Cost Charges
Architect Other Consultants	5,000 2,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees) Assumes no Development Cost Charges \$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment
Architect Other Consultants Dev. Charges - Studio & 1 Bed	5,000 2,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees) Assumes no Development Cost Charges \$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-
Architect Other Consultants Dev. Charges - Studio & 1 Bed Planning Application Fees	5,000 2,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees) Assumes no Development Cost Charges \$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment
Architect Other Consultants Dev. Charges - Studio & 1 Bed Planning Application Fees Development Management Fee	5,000 2,000 - 2,500	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees) Assumes no Development Cost Charges \$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno- 4403.pdf?sfvrsn=46607fcd_4)
Architect Other Consultants Dev. Charges - Studio & 1 Bed Planning Application Fees	5,000 2,000 - 2,500	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees) Assumes no Development Cost Charges \$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-

Op Ex During Lease-up	-	
Loan Fees	953	Fees on construction loan at 0.5% of loan value
Loan Interest	1,294	Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
GST	6,168	At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
TOTAL SOFT COSTS	17,914	
Per sq. ft.	30	
Contingency (incl. cost escalation)	19,891	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	310.005	
	218,805	
Per sq. ft.	365	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)	-	
CMHC Seed Funding (Loan & Grant)	-	Does not qualify for CMHC Seed Funding
Permanent Mortgage	117,188	Maximum assumed standard mortgage based on financing terms below
City DC & Fee Waivers		Assumes no municipal fee waivers
Other	-	
Other	-	
Other	-	
TOTAL REVENUE	117,188	
	195	
EQUITY SURPLUS / GAP	(404.540)	For and for the con-
SURPLUS / (GAP)		Estimated funding gap
Per unit		Estimated funding gap per unit (averaged)
Per sq. ft.	(169)	
RLV (EQUITY GAP) - PRESENT \$	-	
Per unit Per sq. ft.	-	
1 er 3q. 1t.		
CASHFLOW		
Rental Revenue	9,912	Based on SGI Target Rent for 1br unit.
Parking Revenue	-	
Gross Potential Income	9,912	
Less Vacancy & Bad Debt	(198)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	9,714	1
	-,	
Less: Operating Expenses (Non-Res NNN)	(1,800)	Based on estimated operating expense of \$167 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	7,914	
Dalet Carrier	/3 40 11	Cost of data assisting
Debt Service		Cost of debt servicing
Annual Cashflow After Debt Servicing	/19	Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION		
Net Operating Income	7 01/	Net operating income after vacancy loss and operating expenses
Net operating income	7,514	Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's
DCR	1.1	minimum debt coverage expectation to develop the rental housing.
Amortization	30	Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate		4.5% interest rate per CRD Scope of Services required stress test
Principal		Estimated max principal available from lender based on above terms
	11,100	

Summary of Results - 2 Bedroom Secondary Suite (New Construction) - 4.5 % Interest Rate

Prepared by New Commons Development

Scenario 1 - New Secondary Suite (2br) LOW - 4.5 % Interest Rate		Scenario 2 - New Secondary Suite (2br) HIGH - 4.5 % Interest Rate	
Gross Floor Area	_	Gross Floor Area	725
% of Total Floor Area	100%	% of Total Floor Area	100%
Total Units	1	Total Units	1
Parking Spots	1	Parking Spots	1
Land Value (TBD)	-	Land Value (TBD)	-
Hard Costs	248,954	Hard Costs	267,079
Soft Costs	21,176	Soft Costs	21,977
Contingency	27,013	Contingency	28,906
Other	-	Other	-
Total Costs	297,143	Total Costs	317,961
Land Value (TBD)	-	Land Value (TBD)	-
CMHC Seed Funding (Loan &		CMHC Seed Funding (Loan &	
Grant)	-	Grant)	-
Permanent Mortgage	219,356	Permanent Mortgage	219,356
City DC and Fee Waivers	-	City DC & Fee Waivers	-
Other	-	Other	-
Total Sources	219,356	Total Sources	219,356
Surplus / (Gap)	(77,787)	Surplus / (Gap)	(98,605)

March Color Note	Inputs									
March 1975	•									
18. See Above	Development Statistics	New SS IOW N	vew 55 nigh	Suite Mix - All						
Time Area 1	Site Area (SF)									
Section Content Cont	Gross Floor Area									
Select Controllation 10	Residential									
Mark	Market Condominium									
Part	Target Rental									
Part	80% MMR Rental	0%	0% of Residential GFA	Target Rent Ca	lculator		Rent as	2022		
Rise Efficiency 1500s 1500							% of	Target		
steal of Sp. 200 (1990)	Res. Efficiency	100%	100% of GFA	Unit Type						AMR
Table 1995	Program Space					, .				
The control of the Co	Non-Res. Efficiency							, .		
### Secure 25 inflation on median incomes for 4 years (2019-2027) 100	Parking Ratio Other		- stalls per unit	* data from 20	19 SGI Hous	ing Noods	Accacem	ent (Table 3	22): awaranas calculated per not	as provi
	Rental	1.00								:3 provi
Security Space	Below Market Rental	1.00								
The control of the co	VISILOI		- stans per unit							
100 Participa (September 1	Community Space									
Servicing 200,000 100 and an interest of the servicing 200,000 100 and and servicing 200 and	Condo Parking Sale Price			_						
Value - State-Ordinate	elopment Cost Assumptions	New SS low N	New SS high							
Very B. Remendantion	nd Value - placeholder			1						
Its Servicing	Prep & Remediation									
Part Center Cond (15% of site area - per su fit - 1,000 A per ris fit - per sul fit -	i-Site Servicing f-Site Servicing									
Interial Const. Cost	blic Park Const. Cost (15% of site area		- per sq. ft.							
rectal Concell. Cost	traordinary Site or Servicing Costs esidential Const. Cost									
Second S	mmercial Const. Cost	-	- per sq. ft.							
Interface \$ 5,000.00 \$ 5,	king Const. Cost Costs		- per stall]						
Courses - 2 Bach +	nitect			_						
Charges 2 8de +	her Consultants v. Charges - Studio & 1 Bed									
Station D.C Non-Neels	v. Charges - 2 Bed +	-	- per unit							
Next State	ducation DC ducation DC - Non-Res	-								
SSUD processing files, 5000 ext planeshing files, 5700 ext planeshing files, 5700 ext electrical fee, \$1005 stood ext electr	n-Res DC	-	- per m2							
plumbing (e.g., 730 ext electrical Res, \$100/\$2000 CV @ S200 paf a per CDD sulinding electrical Res, \$100/\$2000 CV @ S200 paf a per CDD sulinding electrical Res, \$100/\$2000 CV @ Facility Survey and the Adaption of Adap	c. 37 Payment	-								
Section Sect										
Regs Bylaw amendment # 4403			electrical fee, \$10/\$1000 CV @							
Chittss://www.crd.bc.ca/docs/de elasti-source/crd document-tibrary/playsw/buildingregulation received from the control of th			Regs Bylaw amendment # 4403							
Facility Comparison Compa										
Treatment Capa Ca			efault-source/crd-document-							
cipal Fees & Permits										
oper fees 0.0% O.0% Financing) per res. unit and, per 1,000 sq. 8. Closing	Municipal Fees & Permits Public Art									
## Closing	rubiic Ait	0.0%	of project costs (excl. land &							
## Closing	Developer Fees	0.0%								
O Marketing -	.egal									
Commissions - - - - - - - - -	Sales & Closing	-								
A De Ex During Lease-up	Condo Commissions									
of hard and soft costs, assumes qualifies for NRRP Rebate of 3.2% 3.2% 3.2% 3.2% 3.2% 3.2% 3.2% 3.2%	Rental Marketing	-								
Qualifies for NRRP Rebate of S17 3.2% 3.2% 3.2% 3.6% 65FT 10% of hard & soft costs 200 20 20 20 20 20 20	nental Op Ex During Lease-up	0%								
Mean	TOT	2 20/	qualifies for NRRP Rebate of							
Commission New SS low New SS low New S	GST Contingency (incl. cost escalation)			_						
at Unit Operating Costs (PUPM) 214 214 214 214 214 214 214 214 214 214	venue Assumptions							/mc	Mill rate	
dable Unit Operating Costs (PUPM) 214 214 ng Revenue (per stall, per month)	arket Unit Operating Costs (PUPM)			-	Property '	Гах	\$ 1,095	\$ 91	4.4	
Exterior Maintenanc S - S - Per- -Per-Pick Perrior (months)	ffordable Unit Operating Costs (PUPM arking Revenue (per stall, per month)) 214	214		Insurance					
## Total \$ 2,562 \$ 214 Initial	acancy Rate & Bad Debt				Exterior N	/laintenand	o \$ -	\$ -		
Total \$ 2,562 \$ 214	ase-Up Period (months) arket Cap Rate				Replacen	nent Reser	v \$ 480	\$ 40		
ruse Inflation		2.3070		_	Total		\$ 2,562	\$ 214		
ng Stall Sale Price - per stall h h Space Net Lease Rate - per sq. ft. e Vacancy & Bad Debt 0% 0% 0% f Cap Rate 0.00% 0.00% I Net Lease Rate - per sq. ft. I Vacancy & Bad Debt 0% 0% I Cap Rate 0.00% 0.00% e & Retail Commissions 0% 0% of sale price & Retail Commissions New SS low New SS high Assmptions eting / Entitlement Period 1.0 1.0 years Period 1.0 1.0 years ruction Deriod 1.0 1.0 years ruction Deriod 1.0 1.0 years ruction Loan 70% 70% of total costs Draw on Construction Loan 70% 70% of ioan linerest 3.00% 0.50% of ioan linerest 3.00% 0.50% of ioan linerest 3.00% 0.50% of ioan linerest rustion 1.0 3.0 years per Mortgage mg Program d. Mortgage itd. Mortgage sts Rate 4.50% 4.50% per year rustion Grant 3.0 3.0 years DCR 1.1 1.1 nt Equity 0.00% 0.00% of rental project costs apital Grant 4.50% 4.50% per year striction froat 1.0 1.0 years rustion froat 1.0 1.0 years per Hour Mortgage 1.0 Mortgage 1.	lominium & Non-Res Revenue venue Inflation	2%	2% per year	-						
e Vacancy & Bad Debt	arking Stall Sale Price		- per stall							
e Cap Rate 0.00% 0.00% Net Lease Rate per sq. ft. Vacancy & Bad Debt 0% 0% Cap Rate 0.00% 0.00% Se Retail Commissions 0% 0% 0% of sale price Financing Assumptions New SS low New SS low New SS low Financing Assumptions New SS low New SS low New SS low Feriod 1.0 1.0 years Period 1.0 1.0 y	hurch Space Net Lease Rate ffice Vacancy & Bad Debt	0%								
Vacancy & Bad Debt	ffice Cap Rate		0.00%							
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& Financing Assumptions New SS low New SS high Assmptions	tail Cap Rate	0.00%	0.00%							
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truction Period 1.0 1.0 years vection Loan Truction Loan 70% of total costs Draw on Construction Loan 70% 70% during construction period Fee 0.50% 0.50% of loan Interest 3.00% 3.00% of loan nent Mortgage d. Mortgage itd. Mortgage set Rate 4.50% 4.50% per year titation 3.0 3.0 years DCR 1.1 1.1 usetment Grant 0.0% 0.0% of rental project costs apital Grant - - per below-market rental unit nt Equity 0.00% 0.00% of permanent loan principal unt Rate 7% 7% per year	rketing/ Entitlement Period es Period									
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trization 30 30 years DCR 1.1 1.1 vestment Grant 0.0% 0.0% of rental project costs lapital Grant - - - per below-market rental unit nt Equity 0.00% 0.00% of permanent loan principal ssumptions - - unt Rate 7% 7% per year	iding Program erest Rate									
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unt Rate 7% 7% per year	atient Equity fit Assumptions	0.00%	0.00% of permanent loan principal	-						
	scount Rate	7%	7% per year	-						
	do Profit									

Operating Assumption	ons				
Operating Costs	/yr		/mo		Mill rate
Property Tax	\$:	1,095	\$	91	4.4
Insurance	\$	747	\$	62	
Interior Maintenance	\$	240	\$	20	
Exterior Maintenance	\$	-	\$	-	
Replacement Reserv	\$	480	\$	40	

Scenario 1 - New Secondary Suite (2br) LOW - 4.5 % Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents
Non-Residential None

Rental Financing Residential Mortgage (30 yrs)

Capital Subsidies	None	
DEVELOPMENT STATISTICS		
SITE		
Site Area (sq. ft.)	725	Assumes developed site area equals gross floor area of suite
Park Area (sq. ft.)	-	
FLOOR AREA		
Gross Floor Area (sq. ft.)	725	Gross Floor Area
Efficiency Ratio	100%	Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)
Net Floor Area (sq. ft.)	725	Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING		
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1	
Visitor Parking Ratio (per unit)	-	
Visitor Stalls	-	
Office Parking Space Ratio (per 1,000 SF)	-	
Office Parking	-	
Total Parking Stalls	1	1 surface parking stalls in total
UNITS		
Total Units	1	1 unit total
Avg. Unit Size	725	Unit size
DEVELOPMENT COST		
Land Cost		
Land Cost - place holder	•	Assumes land is already owned or secured under long term lease
Hard Costs		
Site Prep & Remediation	3,329	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	-	
Residential Const. Cost	235,625	At \$325/sf
At-Grade Parking Const. Cost	-	Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	10,000	Per CRD Scope of Work assumes \$10,000 to upgrade existing services
TOTAL HARD COSTS	248,954	
Per sq. ft.	343	
Soft Costs		
Architect		Estimated lump sum
Other Consultants		Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees)
Development Charges	-	Assumes no Development Cost Charges
		\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment #
		4403
Mariainal Face & Dannita	2.750	Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-
Municipal Fees & Permits	2,750	4403.pdf?sfvrsn=46607fcd_4)
Development Management Fee	-	No allowance for land for
Legal	-	No allowance for legal fees
Marketing	-	
Op Ex During Lease-up	-	
Loan Fees		Fees on construction loan at 0.5% of loan value
Loan Interest		Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
HST COSTS		At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
TOTAL SOFT COSTS	21,176	

Scenario 1 - New Secondar	ry Suite (2br)	LOW - 4.5 % Interest Rate
Per sq. ft.	29	
Contingency (incl. cost escalation)	27,013	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	297,143	
Per sq. ft.	410	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)		
CMHC Seed Funding (Loan & Grant)	_	Does not qualify for CMHC Seed Funding
Permanent Mortgage		Maximum assumed standard mortgage based on financing terms below
City DC and Fee Waivers		Assumes no municipal fee waivers
Other	-	Assumes no municipal rec waivers
Other Other	-	
Other	_	
TOTAL REVENUE	219,356	
Per sq. ft.	303	
1 et 3q. 1t.	303	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	(77.787)	Estimated funding gap
Per unit		Estimated funding gap per unit (averaged)
Per sq. ft.	(107)	
RLV (EQUITY GAP) - PRESENT \$	(107)	
Per unit	_	
Per sq. ft.	-	
CASHFLOW		
Rental Revenue	17,736	Based on SGI Target Rent for 2br unit.
Parking Revenue	-	
Gross Potential Income	17,736	
Less Vacancy & Bad Debt	(355)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	17,381	
Less: Operating Expenses (Non-Res NNN)	(2,568)	Based on estimated operating expense of \$214 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	14,813	
Dalut Carrier	(612,466,62)	Control dala consister
Debt Service		Cost of debt servicing
Annual Cash Flow After Debt Servicing	1,34/	Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION		
Net Operating Income	14,813	Net operating income after vacancy loss and operating expenses
	_ 1,010	Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt
DCR	1.1	coverage expectation to develop the rental housing.
Amortization		Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate		4.5% interest rate per CRD Scope of Services required stress test
Principal		Estimated max principal available from lender based on above terms
	223,330	

Scenario 2 - New Secondary Suite (2br) HIGH - 4.5 % Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents
Non-residential None

Rental Financing Residential Mortgage (30 yrs)

SITE		
Site Area (sq. ft.)	725	Assumes developed site area equals gross floor area of suite
Park Area (sq. ft.)	723	Assumes developed site area equals gross modifiarea of suite
FLOOR AREA	-	
Gross Floor Area (sq. ft.)	725	Gross Floor Area
Efficiency Ratio		
•		Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space,
Net Floor Area (sq. ft.)		Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING		
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1	
Visitor Parking Ratio (per unit)	-	
Visitor Stalls	-	
Office Space Parking Ratio (per 1,000 sq. ft.)	-	
Office Parking	-	
Total Parking Stalls	1	1 surface parking stalls in total
UNITS		
Total Units	1	1 unit total
Avg. Unit Size	725	Unit size

Avg. Unit Size	/25	Unit size
DEVELOPMENT COST		
Land Cost		
Land Cost - place holder	-	Assumes land is already owned or secured under long term lease
Hard Costs		
Site Prep & Remediation	3,329	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	-	
Residential Const. Cost	253,750	At \$350/sf
At-Grade Parking Const. Cost	-	Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	10,000	Per CRD Scope of Work assumes \$10,000 to upgrade existing services
TOTAL HARD COSTS	267,079	
Per sq. ft.	368	
Soft Costs		
Architect	5,000	Estimated lump sum
Other Consultants	2,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees)
Dev. Charges - Studio & 1 Bed	-	Assumes no Development Cost Charges
		\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-
Planning Application Fees	2,750	4403.pdf?sfvrsn=46607fcd 4)
Development Management Fee	-	
Legal	-	No allowance for legal fees
Marketing	-	
Op Ex During Lease-up	-	
Loan Fees	1,384	Fees on construction loan at 0.5% of loan value
Loan Interest	1,880	Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
GST	8,963	At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
TOTAL SOFT COSTS	21,977	

Scenario 2 - New Secondary Suite (2br) HIGH - 4.5 % Interest Rate Per sq. ft. 30 Contingency (Locot escalation) 28,506 TOTAL DEVELOPMENT COST 317,951 Per sq. ft. 433 DEVELOPER PROFIT - SOURCES OF FUNDS Land Value (TRI0) - Does not qualify for CMHC Seed Funding Permanent Mortpage 219,356 Mobinium assumed standard mortgage based on financing terms below Assumes no municipal fee walvers Other - Oth		6 11 -/61-	
Contingency (incl. cost escalation) TOTAL DEVELOPMENT COST Per Sq. ft. SOURCES OF FUNDS Land Value (TBD) CMIC Seed Funding (Lonn & Grant) Does not qualify for CMIC Seed Funding Permanent Mortgage 219,356 Maximum assumed standard mortgage based on financing terms below Assumes no municipal fee walvers Other Other Other TOTAL REVENUE 219,356 SURRUS / (GAP) Per unit Per Sq. ft. (136) RIV (GUITY SAP)-PRESENT S Per unit Per Sq. ft. (136) RIV (GUITY GAP)-PRESENT S Per unit Per Sq. ft. (137) ECSHELOW Rental Revenue Per Sq. ft. (138) CASHELOW Rental Revenue 17,736 Parking Revenue 17,736 Gross Stockhall Income 17,736 Less Vacancy & Bad Debt (355) Vacancy loss at 2% of Gross Income (2% vacancy rate)	Scenario 2 - New Secondary	y Suite (2br)	HIGH - 4.5 % Interest Rate
TOTAL DEVELOPMENT COST Per sq. ft. SOURCES OF FUNDS Land Value (TBD) CMMC Seed Funding (Lsan & Grant) Permanent Mortagee Othy C& Fee Walvers Other Other Other Other SURRUS / GAP SURRUS / GAP SURRUS / GAP Per unit Per sq. ft. (98,605) RIV (EQUITY SURPUS / GAP SURRUS / GAP) Per unit Per sq. ft. (136) RIV (EQUITY GAP) - PRESENT \$ Per unit Per sq. ft. (136) RIV (EQUITY GAP) - PRESENT \$ Per unit Per sq. ft. CSHPLOW Rental Revenue 17,736 Parking Revenue 17,736 Gross Potential Income 17,736 Less Vacancy & Bad Debt (355) Vacancy loss at 2% of Gross Income (2% vacancy rate)	Per sq. ft.	30	
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DEVELOPER PROPRIT SOURCES OF FUNDS Land Value (TBD) CMHC Seed Funding (Loan & Grant) Permanent Mortagge 219,356 City CC & Fee Waivers Other Other TOTAL REVENUE 219,356 303 EQUITY SURPLUS / GAP SURPLUS / (GAP) Per unit (98,605) RIV (EQUITY GAP) - PRESENT \$ Per unit Per sq. ft. CASHEOW EXIMATED RIVE (QUITY GAP) - PRESENT \$ Per unit Per sq. ft. CASHEOW EXIMATED Revenue 17,736 Based on SGI Target Rent for 2br unit. Less Vacancy & Bad Debt (355) Vacancy (ses at 2% of Gross Income (2% vacancy rate)	TOTAL DEVELOPMENT COST	317.961	
Land Value (TBD) CMHC Seed Funding (Loan & Grant) Permanent Mortgage 219,356 City CC & Fee Waivers Other Other Other Other Other Other TOTAL REVENUE 219,356 303 EQUITY SURPLUS / (GAP) (98,605) Per sq. ft. (136) RLV (EQUITY GAP) - PRESENT \$ Per unit Per sq. ft. (36) RLV (EQUITY GAP) - PRESENT \$ Per unit Per sq. ft. (36) Per sq. ft. (36) Ratial Revenue 17,736 Parking Revenue 17,736 Cassification (355) Per Sq. ft. (355) Per			
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CMHC Seed Funding (Loan & Grant) Permanent Mortgage 219,356 City DC & Fee Waivers Other Other Other Other Other Other Other Other SurPLUS / GAP Fer sq. ft. Per sq. ft. Per sq. ft. Per sq. ft. Per sq. ft. CASHFLOW Rental Revenue Fer sq. ft. Gross Potential Income 17,736 Liess Vacancy & Bad Debt Less Vacancy & Bad Debt (19,355) City DC & Fee Waivers Does not qualify for CMHC Seed Funding Maximum assumed standard mortgage based on financing terms below Assumes no municipal fee waivers Having based on financing terms below Assumes no municipal fee waivers Passumes no municipal fee waivers Assumes no municipal fee waivers Having based on financing terms below Assumes no municipal fee waivers Passumes no municipal fee waivers Assumes no municipal fee waivers Passumes no municipal fee waivers Assumes no municipal fee waivers Assumes no municipal fee waivers Passumes no municipal fee waivers Assumes no municipal fee waivers Assumes no municipal fee waivers Passumes no municipal fee waivers Assumes no municipal fe	SOURCES OF FUNDS		
CMHC Seed Funding (Loan & Grant) Permanent Mortgage 219,356 City DC & Fee Waivers Other Other Other Other Other Other Other Other TOTAL REVENUE 219,356 303 EQUITY SURPLUS / GAP SURPLUS / (GAP) Per unit Per sq. ft. (136) RLV (EQUITY GAP) - PRESENT \$ Per unit Per sq. ft. CASHFLOW Rental Revenue Fer sq. ft. Gross Potential Income 17,736 Less Vacancy & Bad Debt (355) Experiment Mortgage 219,356 Maximum assumed standard mortgage based on financing terms below Assumes no municipal fee waivers Maximum assumed standard mortgage based on financing terms below Assumes no municipal fee waivers Assumes no municipal f			
Permanent Mortgage 219,356 City DC & Fee Waivers - Cother		-	
City DC & Fee Waivers Other -	- ·		
Other Other TOTAL REVENUE 219,356 303 EQUITY SURPLUS / GAP SURPLUS / (GAP) Per unit (98,605) Per sq. ft. (136) RLV (EQUITY GAP) - PRESENT \$ Per unit Per sq. ft. CASHFLOW CASHFLOW Rental Revenue Parking Revenue Gross Potential Income 17,736 Less Vacancy & Bad Debt (355) Less Vacancy & Bad Debt (355) Vacancy loss at 2% of Gross Income (2% vacancy rate)	Permanent Mortgage	219,356	Maximum assumed standard mortgage based on financing terms below
Other	City DC & Fee Waivers	-	Assumes no municipal fee waivers
Cother	Other	-	
EQUITY SURPLUS / GAP (98,605) Estimated funding gap Estimated funding gap Per unit (98,605) Estimated funding gap per unit (averaged) Per sq. ft. (136) RLV (EQUITY GAP) - PRESENT \$	Other	-	
EQUITY SURPLUS / GAP SURPLUS / (GAP) (98,605) Per unit (98,605) Per sq. ft. (136) RLV (EQUITY GAP) - PRESENT \$ Per unit	Other		
EQUITY SURPLUS / GAP SURPLUS / (GAP) (98,605) Per unit (98,605) Per sq. ft. (136) RLV (EQUITY GAP) - PRESENT \$ Per unit	TOTAL REVENUE	219,356	
EQUITY SURPLUS / GAP SURPLUS / (GAP) (98,605) Per unit (98,605) Per sq. ft. (136) RLV (EQUITY GAP) - PRESENT \$ Per unit - Per sq. ft CASHFLOW Rental Revenue 17,736 Parking Revenue - Gross Potential Income 17,736 Less Vacancy & Bad Debt (355) Estimated funding gap Estimated fundi			
SURPLUS / (GAP) (98,605) Per unit (98,605) Per sq. ft. (136) RLV (EQUITY GAP) - PRESENT \$ Per unit - Per sq. ft CASHFLOW Rental Revenue 17,736 Parking Revenue - Gross Potential Income 17,736 Less Vacancy & Bad Debt (355) Vacancy loss at 2% of Gross Income (2% vacancy rate)			
SURPLUS / (GAP) (98,605) Per unit (98,605) Per sq. ft. (136) RLV (EQUITY GAP) - PRESENT \$ Per unit - Per sq. ft CASHFLOW Rental Revenue 17,736 Parking Revenue - Gross Potential Income 17,736 Less Vacancy & Bad Debt (355) Estimated funding gap Estimated funding fu			
Per unit (98,605) Per sq. ft. (136) RLV (EQUITY GAP) - PRESENT \$ Per unit Per sq. ft CASHFLOW Rental Revenue Parking Revenue Gross Potential Income 17,736 Less Vacancy & Bad Debt (355) Estimated funding gap per unit (averaged) For sq. ft. Stimated funding gap per unit (averaged) For sq. ft. Stimated funding gap per unit (averaged) For sq. ft. Stimated funding gap per unit (averaged) For sq. ft. Stimated funding gap per unit (averaged) For sq. ft. Stimated funding gap per unit (averaged) For sq. ft. Stimated funding gap per unit (averaged)	EQUITY SURPLUS / GAP		
Per unit (98,605) Per sq. ft. (136) RLV (EQUITY GAP) - PRESENT \$ Per unit Per sq. ft CASHFLOW Rental Revenue Parking Revenue Gross Potential Income 17,736 Less Vacancy & Bad Debt (355) Estimated funding gap per unit (averaged) For sq. ft. Stimated funding gap per unit (averaged) For sq. ft. Stimated funding gap per unit (averaged) For sq. ft. Stimated funding gap per unit (averaged) For sq. ft. Stimated funding gap per unit (averaged) For sq. ft. Stimated funding gap per unit (averaged) For sq. ft. Stimated funding gap per unit (averaged)		(98,605)	Estimated funding gap
Per sq. ft. (136) RLV (EQUITY GAP) - PRESENT \$			
RLV (EQUITY GAP) - PRESENT \$			
Per unit Per sq. ft. CASHFLOW Rental Revenue Parking Revenue Gross Potential Income 17,736 Less Vacancy & Bad Debt (355) Vacancy loss at 2% of Gross Income (2% vacancy rate)		(130)	
Per sq. ft CASHFLOW Rental Revenue 17,736 Parking Revenue - Gross Potential Income 17,736 Less Vacancy & Bad Debt (355) Vacancy loss at 2% of Gross Income (2% vacancy rate)		-	
Rental Revenue 17,736 Parking Revenue - Gross Potential Income 17,736 Less Vacancy & Bad Debt (355) Vacancy loss at 2% of Gross Income (2% vacancy rate)		-	
Rental Revenue 17,736 Parking Revenue - Gross Potential Income 17,736 Less Vacancy & Bad Debt (355) Vacancy loss at 2% of Gross Income (2% vacancy rate)	r er sq. rc.	-	
Rental Revenue 17,736 Parking Revenue - Gross Potential Income 17,736 Less Vacancy & Bad Debt (355) Vacancy loss at 2% of Gross Income (2% vacancy rate)	CASHFLOW		
Parking Revenue - Gross Potential Income 17,736 Less Vacancy & Bad Debt (355) Vacancy loss at 2% of Gross Income (2% vacancy rate)			
Parking Revenue - Gross Potential Income 17,736 Less Vacancy & Bad Debt (355) Vacancy loss at 2% of Gross Income (2% vacancy rate)	Rental Revenue	17,736	Based on SGI Target Rent for 2br unit.
Gross Potential Income 17,736 Less Vacancy & Bad Debt (355) Vacancy loss at 2% of Gross Income (2% vacancy rate)			
		17,736	
Gross Effective Income 17,381			Vacancy loss at 2% of Gross Income (2% vacancy rate)
	Gross Effective Income	17,381	
Less: Operating Expenses (Non-Res NNN) (2,568) Based on estimated operating expense of \$214 per unit per month. See Operating Expense Breakdown for details.	Less: Operating Evpenses (Non-Res NNN)	(2 560)	Rased on estimated operating expense of \$214 per unit per month. See Operating Expense Breakdown for details
Net Operating Income 14,813 Net Operating Income 14,813			pased on estimated operating expense or \$224 per unit per months. See Operating Expense predxbown for details.
Net Operating monte	Het Operating income	14,013	
Debt Service (13,467) Cost of debt servicing	Debt Service	(13,467)	Cost of debt servicing
Annual Cashflow After Debt Servicing 1,347 Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1	Annual Cashflow After Debt Servicing	1,347	Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION			<u>-</u>
Net Operating Income 14,813 Net operating income after vacancy loss and operating expenses	Net Operating Income	14,813	Net operating income after vacancy loss and operating expenses
Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum			
DCR 1.1 debt coverage expectation to develop the rental housing.	DCR	11	
Amortization 30 Amortization period of 30 yrs is standard max for residential mortgages.			
Interest Rate 4.50% 4.5% interest rate per CRD Scope of Services required stress test			
Principal 219,356 Estimated max principal available from lender based on above terms			
Timorpai 215,530 [Estimated max principal available noin lender based on above terms	rincipai	213,330	Estimated may brincipal available from lender based on above terms

Summary of Results - 2 Bedroom Secondary Suite (Renovation) - 4.5 % Interest Rate

Scenario 1 - Secondary Suite Reno (2br) LOW - 4.5 %		Scenario 2 - Secondary Suite Reno (2br) HIGH - 4.5 %	
Interest Rate		Interest Rate	
Gross Floor Area	725	Gross Floor Area	725
% of Total Floor Area		% of Total Floor Area	100%
Total Units	1	Total Units	1
Parking Spots	1	Parking Spots	1
Land Value (TBD)	-	Land Value (TBD)	-
Hard Costs	173,125	Hard Costs	216,625
Soft Costs	17,827	Soft Costs	19,749
Contingency	19,095	Contingency	23,637
Other	-	Other	-
Total Costs	210,047	Total Costs	260,011
Land Value (TBD)	-	Land Value (TBD)	-
CMHC Seed Funding (Loan &		CMHC Seed Funding (Loan &	
Grant)	-	Grant)	-
Permanent Mortgage	227,708	Permanent Mortgage	227,708
City DC and Fee Waivers	-	City DC & Fee Waivers	-
Other	-	Other	-
Total Sources	227,708	Total Sources	227,708
Surplus / (Gap)	17,661	Surplus / (Gap)	(32,303)

		Reno SS						
Development Statistics	Reno SS low	Reno SS high	Suite Mix - All Units			Price	Target	
ite Area (SF) Jublic Park Area	- 0%	- sq. ft.	Unit Type Studio	Suite Mix	Unit Size	\$PSF 0	Rents	
ross Floor Area	725	0% of site area 725 sq. ft.	1 Bedroom	0%	600	0	826	
esidential ion-Residential GFA	100% 0%	100% of GFA 0% of GFA	2 Bedroom 3 Bedroom	100% 0%	725 1,000	0	1,478 1,935	
Market Condominium 'arget Rental	0% 100%	0% of Residential GFA 100% of Residential GFA	Total/ Avg.	100%	725	0	1,478	
80% MMR Rental	0%	0% of Residential GFA	Target Rent Calculat	or				
					2022 SGI	Rent as	2022	
Res. Efficiency	100%	100% of GFA		2018 SGI Median Income*	Median Income*	Gross	Target Affordabl	le 100% 80%
Program Space	100%	100% of Non-Residential GFA	Unit Type 1 Bedroom	30,528	33,044	30%	Rents 826	Based on SGI HNA target affordable rent for single persons
Retail Non-Res. Efficiency	0% 100%	0% of Non-Residential GFA 100% of Non-Residential GFA	2 Bedroom 3 Bedroom	54,618 71,492	59,120 77,385	30% 30%	1,478 1,935	Based on average of SGI HNS target affordable rents for lone parent families and families without ch Based on average of SGI HNS target affordable rents for families without children and families with o
Parking Ratio								
			* data from 2018 SGI Housing Needss Assessment (Table					
			23); averages calculated per notes					
Other	-	- stalls per unit	provided					
			** assumes 2% inflation on median					
Rental	1.00	1.00 stalls per unit	incomes for 4 years (2019-2022)					
Below Market Rental Visitor	1.00	1.00 stalls per unit - stalls per unit						
Community Space Other		 stalls per 1,000 sq. ft. leaseable stalls 						
Condo Parking Sale Price		- per stall Reno SS	ī					
Development Cost Assumptions Hard Costs	Reno SS low	high						
Land Value - placeholder Site Prep & Remediation	200,000	- total 200,000 per ac.	-					
On-Site Servicing	200,000	- per ac.						
Off-Site Servicing Public Park Const. Cost (15% of	-	- per ac.						
site area) Extraordinary Site or Servicing	-	- per sq. ft.						
Costs Residential Const. Cost	10,000 225	10,000 As per CRD Scope of Services 285 per sq. ft.						
Commercial Const. Cost Parking Const. Cost	-	- per sq. ft. - per stall	_					
Soft Costs Architect	\$ 5,000.00	\$ 5,000.00 LS	1					
Other Consultants Dev. Charges - Studio & 1 Bed	\$ 2,000.00	\$ 2,000.00 LS - per unit						
Dev. Charges - 2 Bed + Education DC	-	- per unit - per unit						
Education DC - Non-Res Non-Res DC	-	- per m2 - per m2						
Sec. 37 Payment	-	- total						
Municipal Fees & Permits Public Art	2,750 0.0%	CV @ \$200 pcf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crdb.cca/docs/default- source/crd-document- library/bylaws/buildingregulationselecto- ralareas/bylawno- 2,750 403.pdf?sfvsn=46607fcd_4) 0.0% of hard costs						
Developer Fees	0.0%	0.0% of project costs (excl. land & financing) per res. unit and, per 1,000 sq. ft. non-						
Legal Sales & Closing	-	- res. - per unit						
Condo Marketing Condo Commissions	-	- per unit - per unit						
Rental Marketing Rental Op Ex During Lease-up	- 0%	- per unit 0% of year 1 op ex						
GST	3.2%	of hard and soft costs, assumes qualifies	i					
Contingency (incl. cost escalation)	10%	10% of hard & soft costs	<u> </u>					
Revenue Assumptions	Reno SS low	Reno SS high			Assumptio			
Rental Operations Market Unit Operating Costs			_	Operating		/yr		Mill rate
(PUPM) Affordable Unit Operating Costs	#REF!	#REF!		Property 1		\$ 762		
(PUPM) Parking Revenue (per stall, per	#REF!	#REF!		Insurance		\$ 519		
month) Vacancy Rate & Bad Debt	2%	- 2%		Interior M Exterior M	faintenance	\$ -	\$ -	0
Lease-Up Period (months) Market Cap Rate	1 3.50%	1 3.50%		Replacem	ent Reserv	\$ 480	\$ 40	0
Condominium & Non-Res Revenue								
Revenue Inflation Parking Stall Sale Price	2%	2% per year - per stall	-					
Church Space Net Lease Rate	- 0%	- per sq. ft. 0%						
	0.00%	0.00% - per sq. ft.						
Office Cap Rate	0%	0% 0.00%						
Office Cap Rate Retail Net Lease Rate Retail Vacancy & Bad Debt		0% of sale price	-					
Office Cap Rate Retail Net Lease Rate Retail Vacancy & Bad Debt Retail Cap Rate Office & Retail Commissions	0%	Reno SS						
Office Cap Rate Retail Net Lease Rate Retail Vacancy & Bad Debt Retail Cap Rate Office & Retail Commissions Timing & Financing Assumptions	0% Reno SS low	Reno SS high						
Office Cap Rate Retail Vacancy & Bad Debt Retail Vacancy & Bad Debt Retail Cap Rate Office & Retail Commissions Timing & Financing Assumptions Timing Assmptions Marketing/ Entitlement Period	Reno SS low	high 1.0 years	_					
Office Vacancy & Bad Debt Office Cap Rate Retall Net Lease Rate Retall Vacancy & Bad Debt Retail Cap Rate Office & Retail Commissions (Timing & Financing) Assumptions Timing Assymptions Marketing/ Entitlement Period Sales Period Construction Period Construction Period	Reno SS low	high						
Office Cap Rate ketall Net Lease Rate ketall Vacancy, & Bad Debt ketall Cap Rate bffice & Retail Commissions firming & Financing sssumptions varketing/ Entitlement Period ales Period Construction Period Construction Loan	1.0 1.0 1.0 70%	1.0 years 1.0 years 1.0 years 70% of total costs						
Office Cop Rate Retail Net Lease Rate Retail Vacancy & Bad Debt Retail Cop Rate Particle & Retail Commissions Inting & Financing Systemptions Inting & Financing Systemptions Inting Assemptions Inting Assemption Inting Assemption Inting Assemption Inting In	1.0 1.0 1.0 1.0 70% 70% 0.50%	1.0 years 1.0 years 1.0 years 1.0 years 70% of total costs 70% during construction period 0.50% of Ioan						
Office Cap Rate Retail Net Lease Rate Retail Net Lease Rate Retail Varancy & Bad Debt Retail Cap Rate Office & Betail Commissions Inning & Financing Systems of State Systems of	1.0 1.0 1.0 1.0 70% 70% 0.50% 3.00%	1.0 years 1.0 years 1.0 years 1.0 years 70% of total costs 70% during construction period 0.50% of focan 3.00% of loan						
Office Cap Rate Retail Net Lease Rate Retail Vacancy & Bad Debt Retail Cap Rate Retail Cap Rate Office & Retail Commissions Inning & Florancing Sassumation Sassumation Varieting Fatilities Varieting	1.0 1.0 1.0 1.0 70% 0.50% 3.00%	Neh 1.0 years 1.0 years 1.0 years 1.0 years 70% of total costs 70% during construction period 0.50% of loan 3.00% of loan 1.00% of loan 4.50% per year						
Office Cop Rate ketall Net Lease Rate ketall Vacancy & Bad Debt ketall Cop Rate And Commissions Iming & Financing Susmedions Warketing / Entitlement Period Jeffer Berger Warketing / Entitlement Period Jeffer Berger Warketing / Entitlement Devious Jeffer Berger Warketing / Entitlement Devious Jeffer Berger	1.0 1.0 1.0 1.0 70% 0.50% 3.00% d. Mortgage 1 4.50% 30 1.1	1.0 years 70% of total costs 70% during construction period 0.50% of totan 3.00% of totan 3.00% of totan 4.50% per year 3.0 years 1.1						
Office Cap Rate tettall Net Lease Rate tettall Net Lease Rate tettall Variancy & Bad Debt tettall Cap Rate Office & Retail Commissions fining & Financies stamptions Marketing / Entitlement Period isless Period Construction Period Construction Loan Construction C	1.0 1.0 1.0 1.0 70% 0.50% 3.00%	Ngh 1.0 years 1.0 years 1.0 years 1.0 years 70% of total costs 70% of total costs 70% of foan 3.00% of loan 3.00% of loan 3.00% of loan 3.00% of years 4.50% per year 4.50% years	I					

Scenario 1 - Secondary Suite Reno (2br) LOW - 4.5 % Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents
Non-Residential None

Rental Financing Residential Mortgage (30 yrs)

·		_
DEVELOPMENT STATISTICS		
OUT.		
SITE Site Area (sg. ft.)		Accumes suite contained within existing developed featuring
Site Area (sq. ft.)	-	Assumes suite contained within existing developed footprint
Park Area (sq. ft.)	-	
FLOOR AREA		
Gross Floor Area (sq. ft.)		Gross Floor Area
Efficiency Ratio		Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)
Net Floor Area (sq. ft.)	725	Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING		
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1	
Visitor Parking Ratio (per unit)	-	
Visitor Stalls	-	
Office Parking Space Ratio (per 1,000 SF)	-	
Office Parking	-	
Total Parking Stalls	1	1 surface parking stalls in total
UNITS		
Total Units	1	1 unit total
Avg. Unit Size	725	Unit size
DEVELOPMENT COST		
Land Cost		
Land Cost - place holder		Assumes land is already owned or secured under long term lease
Hard Costs		
Site Prep & Remediation	-	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	-	
Residential Const. Cost	163,125	At \$225/sf
At-Grade Parking Const. Cost		Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	10,000	Per CRD Scope of Work assumes \$10,000 to upgrade existing services
TOTAL HARD COSTS	173,125	
Per sq. ft.	239	
Soft Costs		
Architect	5.000	Estimated lump sum
Other Consultants		Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees)
Development Charges	_,	Assumes no Development Cost Charges
Severopment enanges		\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment
		4403
		Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-
Municipal Fees & Permits	2.750	4403.pdf?sfvrsn=46607fcd_4)
	2,750	
Development Management Fee	2,750	
Development Management Fee Legal	2,750 - -	No allowance for legal fees
	- - -	No allowance for legal fees
Legal	- - - -	No allowance for legal fees
Legal Marketing	- - -	No allowance for legal fees Fees on construction loan at 0.5% of loan value
Legal Marketing Op Ex During Lease-up	- - - - 914	Fees on construction loan at 0.5% of loan value
Legal Marketing Op Ex During Lease-up Loan Fees	- - - - 914 1,242	

Scenario 1 - Secondary Suite	Reno (2br)	LOW - 4.5 % Interest Rate
Per sq. ft.	25	
Contingency (incl. cost escalation)	19.095	At 10% of hard and soft costs costs
contingency (men cost establishing	15,055	At 10% of fluid unit 30ft costs costs
TOTAL DEVELOPMENT COST	210,047	
Per sq. ft.	290	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)	-	
CMHC Seed Funding (Loan & Grant)	-	Does not qualify for CMHC Seed Funding
Permanent Mortgage	227,708	Maximum assumed standard mortgage based on financing terms below
City DC and Fee Waivers	-	Assumes no municipal fee waivers
Other	-	
Other		
Other	-	
TOTAL REVENUE Per sq. ft.	227,708 314	
Per sq. rt.	514	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	17,661	Estimated funding gap
Per unit	17,661	Estimated funding gap per unit (averaged)
Per sq. ft.	24	
RLV (EQUITY GAP) - PRESENT \$	-	
Per unit	-	
Per sq. ft.	-	
CASHFLOW		
Rental Revenue	17 736	Based on SGI Target Rent for 2br unit.
Parking Revenue	17,750	and the first term of the term
Gross Potential Income	17,736	
	,	
Less Vacancy & Bad Debt	(355)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	17,381	
	40.00	
Less: Operating Expenses (Non-Res NNN)		Based on estimated operating expense of \$167 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	15,377	
Debt Service	(13 979)	Cost of debt servicing
Annual Cash Flow After Debt Servicing		Unlewered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
	,	
DEBT CALCULATION		
Net Operating Income	15,377	Net operating income after vacancy loss and operating expenses
DCB	4.4	Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt
DCR		coverage expectation to develop the rental housing.
Amortization Interest Rate		Ammortization period of 30 yrs is standard max for residential mortgages. 4.5% interest rate per CRD Scope of Services required stress test
Principal		Estimated max principal available from lender based on above terms
····icipui	221,100	estimates may principal attitude form relider bused on above terms

Scenario 2 - Secondary Suite Reno (2br) HIGH - 4.5 % Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents

Non-residential None

Rental Financing Residential Mortgage (30 yrs)

DEVELOPMENT STATISTICS		
DEVELOPMENT STATISTICS		
SITE		
Site Area (sq. ft.)	-	Assumes developed site area equals gross floor area of suite
Park Area (sq. ft.)	-	
FLOOR AREA		
Gross Floor Area (sq. ft.)	725	Gross Floor Area
Efficiency Ratio	100%	Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space
Net Floor Area (sq. ft.)	725	Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING		
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1	
Visitor Parking Ratio (per unit)	-	
Visitor Stalls	-	
Office Space Parking Ratio (per 1,000 sq. ft.)	-	
Office Parking	-	
Total Parking Stalls	1	1 surface parking stalls in total
UNITS		
Total Units	1	1 unit total
Avg. Unit Size	725	Unit size

-	Assumes land is already owned or secured under long term lease
-	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
-	Per CRD Scope of Work assumes no new servicing cost
-	
206,625	At \$285/sf
-	Per CRD Scope of Work assumes no new servicing cost
10,000	Per CRD Scope of Work assumes \$10,000 to upgrade existing services
216,625	
299	
5,000	Estimated lump sum
2,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees (total with design fees)
	Assumes no Development Cost Charges
	\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403
2.750	Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-
2,750	4403.pdf?sfvrsn=46607fcd_4)
-	
-	No allowance for legal fees
-	
- 4 422	E CONTRACTOR OF THE CONTRACTOR
, -	Fees on construction loan at 0.5% of loan value
	Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
	At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
19,749	l .
	206,625 - 10,000 216,625 299 5,000 2,000 1,132 1,537

Sconario 2 Socondary Su	ita Pana (2hr	HIGH - 4.5 % Interest Rate
		nigh - 4.5 % litterest kate
Per sq. ft.	27	
Contingency (incl. cost escalation)	23,637	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	260,011	
Per sq. ft.	359	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)	-	
CMHC Seed Funding (Loan & Grant)	-	Does not qualify for CMHC Seed Funding
Permanent Mortgage	227,708	Maximum assumed standard mortgage based on financing terms below
City DC & Fee Waivers	-	Assumes no municipal fee waivers
Other	-	
Other	-	
Other	-	
TOTAL REVENUE	227,708	
	314	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	(32,303)	Estimated funding gap
Per unit		Estimated funding gap per unit (averaged)
Per sq. ft.	(45)	6
RLV (EQUITY GAP) - PRESENT \$	(43)	
Per unit	-	
Per sq. ft.	•	
rei sq. it.	•	
CASHFLOW		
0.110	47.726	
Rental Revenue	17,736	Based on SGI Target Rent for 2br unit.
Parking Revenue	47.700	
Gross Potential Income	17,736	
Less Vacancy & Bad Debt	(355)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	17,381	
Less: Operating Expenses (Non-Res NNN)	(2.004)	Based on estimated operating expense of \$167 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	15,377	pased on estimated operating expense of 9107 per unit per month. See Operating Expense Breakdown for details.
The operating meaning	13,377	
Debt Service	(13,979)	Cost of debt servicing
Annual Cashflow After Debt Servicing	1,398	Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION		
Net Counting Income	45.227	
Net Operating Income	15,377	Net operating income after vacancy loss and operating expenses
DCR	4.4	Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt coverage expectation to develop the rental housing.
Amortization		Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate	4.50%	
Principal	227,708	Estimated max principal available from lender based on above terms

Summary of Results - 1 Bedroom Cottage (New Construction) - 4.5 % Interest Rate

Scenario 1 - 1br Cottage LOW - 4.5 % Interest Rate		Scenario 2 - 1 br Cottage HIGH 4.5 % Interest Rate	
Gross Floor Area	600		600
% of Total Floor Area	100%	% of Total Floor Area	100%
Total Units	1	Total Units	1
Parking Spots	1	Parking Spots	1
Land Value (TBD)	-	Land Value (TBD)	-
Hard Costs	239,183	Hard Costs	299,183
Soft Costs	30,926	Soft Costs	33,576
Contingency	27,011	Contingency	33,276
Other	-	Other	
Total Costs	297,119	Total Costs	366,034
Land Value (TBD)	-	Land Value (TBD)	-
CMHC Seed Funding (Loan &		CMHC Seed Funding (Loan &	
Grant)	-	Grant)	-
Permanent Mortgage	103,327	Permanent Mortgage	103,327
City DC and Fee Waivers	-	City DC and Fee Waivers	-
Other	-	Other	
Total Sources	103,327	Total Sources	103,327
Surplus / (Gap)	(193,792)	Surplus / (Gap)	(262,707)

Inputs			
Development Statistics	1br low	1br high	
Site Area (SF)	2.000	2,000	sa. ft.
Public Park Area	0%	0%	of site area
Gross Floor Area Residential	600 100%		sq. ft. of GFA
Non-Residential GFA	0%	0%	of GFA
Market Condominium Target Rental	0% 100%		of Residential GFA of Residential GFA
80% MMR Rental	0%	0%	of Residential GFA
Res. Efficiency	100%		of GFA
Program Space Retail	100% 0%		of Non-Residential GFA of Non-Residential GFA
Non-Res. Efficiency Parking Ratio	100%	100%	of Non-Residential GFA
Other	-		stalls per unit
Rental Below Market Rental	1.00		stalls per unit
Visitor	-		stalls per unit
Community Space	_		stalls per 1,000 sq. ft. leaseable
Other Condo Parking Sale Price	-	-	stalls per stall
Development Cost Assumptions	1br low	1br high	per stall
Hard Costs Land Value - placeholder			total
Site Prep & Remediation	200,000	200,000	per ac.
On-Site Servicing Off-Site Servicing	-		per ac. per ac.
Public Park Const. Cost (15% of site			
area)	-	-	per sq. ft. LS per CRD Scope of Work
Extraordinary Site or Servicing Costs	20,000	20,000	(low), with assumed increase in HIGH scenario
Residential Const. Cost	350		per sq. ft.
Commercial Const. Cost Parking Const. Cost	-	-	per sq. ft. per stall
Soft Costs			
Architect Other Consultants	\$ 7,000.00	\$ 10,000.00 \$ 7,000.00	LS per CRD Scope of Work
Dev. Charges - Studio & 1 Bed	-	-	per unit
Dev. Charges - 2 Bed + Education DC	-	-	per unit per unit
Education DC - Non-Res Non-Res DC	-	-	per m2
Sec. 37 Payment			per m2 total
			\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/d efault-source/crd-document-
Municipal Fees & Permits	2,500		library/bylaws/buildingregulati onselectoralareas/bylawno- 4403.pdf?sfvrsn=46607fcd_4)
Public Art Developer Fees	0.0%		of hard costs of project costs (excl. land & financing)
	0.070		per res. unit and, per 1,000 sq.
Legal Sales & Closing	-		ft. non-res. per unit
Condo Marketing	-		per unit
Condo Commissions Rental Marketing	-	-	per unit per unit
Rental Op Ex During Lease-up	0%	0%	of year 1 op ex of hard and soft costs, assumes qualifies for NRRP
GST	3.2%		Rebate of 36% of GST
Contingency (incl. cost escalation) Revenue Assumptions	10% 1br low	10% 1br high	of hard & soft costs
Rental Operations			
Market Unit Operating Costs (PUPM) Affordable Unit Operating Costs	228	228	
(PUPM)	228	228	
Parking Revenue (per stall, per month) Vacancy Rate & Bad Debt	- 2%	- 2%	
Lease-Up Period (months)	1	1	
Market Cap Rate	3.50%	3.50%	
Condominium & Non-Res Revenue			
Revenue Inflation Parking Stall Sale Price	2%	2%	per year per stall
Church Space Net Lease Rate Office Vacancy & Bad Debt	- 0%	- 0%	per sq. ft.
Office Cap Rate	0.00%	0.00%	
Retail Net Lease Rate Retail Vacancy & Bad Debt	- 0%	- 0%	per sq. ft.
Retail Cap Rate	0.00%	0.00%	
Office & Retail Commissions Timing & Financing Assumptions	0% 1br low	0% 1br high	of sale price
Timing Assmptions			
Marketing/ Entitlement Period Sales Period	1.0 1.0		years years
Construction Period	1.0		years
Construction Loan Construction Loan	70%	70%	of total costs
Avg. Draw on Construction Loan	70%	70%	during construction period
Loan Fees Loan Interest	0.50% 3.00%		of loan of loan
Permanent Mortgage			
Lending Program Interest Rate	d. Mortgage 1 4.50%		per year
Amortization	30	30	years
Min. DCR Co-Investment Grant	1.1 0.0%	1.1 0.0%	of rental project costs
IAH Capital Grant	-	-	per below-market rental unit
Patient Equity Profit Assumptions	0.00%		of permanent loan principal
Discount Rate Condo Profit	7% 0%		per year of suite revenue
Condo Front	U%	υ%	or suite revenue

lite Mix - All Units							
				Target			
Unit Type	Suite Mix	Unit Size	Price \$PSF	Rents			
Studio	0%	0	0	0			
1 Bedroom	100%	600	0	826			
2 Bedroom	0%	725	0	1,478			
3 Bedroom	0%	1,000	0	1,935			
Total/ Avg.	100%	600	0	826			
rget Rent Calculat	or			2022			
	2018 SGI	2022 SGI	Rent as %	Target			
	Median	Median	of Gross	Affordable			
Unit Type	Income*	Income**	Income	Rents	Notes	100% AMR	80% AMR
1 Bedroom	30,528	33,044	30%	826	Based on SGI HNA targe	t affordable rent for single per	sons
2 Bedroom	54,618	59,120	30%	1,478	Based on average of SGI	HNS target affordable rents fo	r lone parent fam
3 Bedroom	71,492	77,385	30%	1,935	Based on average of SGI	HNS target affordable rents fo	r families without

- * data from 2018 SGI Housing Needss Assessment (Table 23); averages calculated per notes provided
 ** assumes 2% inflation on median incomes for 4 years (2019-2022)

Operating Assumption	ıs				
Operating Costs	/yr		/mo		Mill rate
Property Tax	\$	1,052	\$	88	4.4
insurance	\$	718	\$	60	
nterior Maintenance	\$	240	\$	20	
Exterior Maintenance	\$	240	\$	20	
Replacement Reserve	\$	480	\$	40	
Total	\$	2,730	\$	227	

Scenario 1 - 1br Cottage LOW - 4.5 % Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents

Non-Residential None

Rental Financing Residential Mortgage (30 yr)

DEVELOPMENT STATISTICS		
DEVELOPMENT STATISTICS	Target Rental	
SITE	raiget Keiltai	1
Site Area (sq. ft.)	2 000	Approximately 2000 sf development area
Park Area (sq. ft.)	2,000	Approximately 2000 St development area
FLOOR AREA	-	
Gross Floor Area (sq. ft.)	600	Gross Floor Area
Efficiency Ratio		
Net Floor Area (sq. ft.)		Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, e Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	100%	
% of Total Floor Area	100%	
PARKING	100%	
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1.00	1 parking stall per unit
Visitor Parking Ratio (per unit)	1	
Visitor Stalls		
Office Parking Space Ratio (per 1,000 SF)	-	
Office Parking	-	
Total Parking Stalls	-	1 surface parking stalls in total
UNITS	1	1 Surface parking stalls in total
Total Units	1	1 unit total
Avg. Unit Size		Unit size
Avg. Offit Size	600	Unit size
DEVELOPMENT COST		
Land Cost		
Land Cost - place holder	_	Assumes land is already owned or secured under long term lease
zana cost piace noide.		A South Control of the Control of th
Hard Costs		
		Assumes no remediation required, includes site preparation, grading, fill, retention works and,
Site Prep & Remediation	9,183	environmental controls etc. @ \$200,000/acre
On-Site Servicing		Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	-	
Residential Const. Cost	210,000	At \$350/sf
At-Grade Parking Const. Cost	-	Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	20,000	Per CRD Scope of Work assumes \$20,000 to upgrade existing services
TOTAL HARD COSTS	239,183	
Per sq. ft.	399	
Soft Costs		
Architect/Designer	10,000	Estimated lump sum
Other Consultants	7,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees
Development Charges	-	Assumes no Development Cost Charges
		\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf
		as per CRD Building Regs Bylaw amendment # 4403 Appendix M
Manageria I France O. Dane	2	(https://www.crd.bc.ca/docs/default-source/crd-document-
Municipal Fees & Permits	2,500	library/bylaws/buildingregulationselectoralareas/bylawno-4403.pdf?sfvrsn=46607fcd_4)
Development Management Fee	-	
Legal	-	No allowance for legal fees
Marketing	-	
Op Ex During Lease-up	-	
Loan Fees	1,293	Fees on construction loan at 0.5% of loan value

		Interest paid on construction loan at 3% interest rate assuming average loan drawdown
Loan Interest	1,757	of 70% over construction period.
GST TOTAL SOFT COSTS	8,375	At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
	30,926	
Per sq. ft.	52	
Contingency (incl. cost escalation)	27,011	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	297,119	
Per sq. ft.	495	
DEVELOPER PROFIT		
SOURCES OF FUNDS		
SOURCES OF FUNDS		
Land Value (TBD)	_	
CMHC Seed Funding (Loan & Grant)	-	Does not qualify for CMHC Seed Funding
Permanent Mortgage	103,327	Maximum assumed standard mortgage based on financing terms below
City DC and Fee Waivers	-	Assumes no municipal fee waivers
Other		
Other	-	
Other	-	
TOTAL REVENUE	103,327	
Per sq. ft.	172	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	(193,792)	Estimated funding gap
Per unit	(193,792)	Estimated funding gap per unit (averaged)
Per sq. ft.	(323)	
RLV (EQUITY GAP) - PRESENT \$	-	
Per unit _	-	
Per sq. ft.	-	
CASHFLOW		
Rental Revenue	9,912	Based on SGI Target Rent for 1br unit
Parking Revenue	-	
Gross Potential Income	9,912	
Less Vacancy & Bad Debt	(102)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	9,714	Totaling 1999 at 270 of Gross modifie (270 vacancy rate)
	-,,	
		Based on estimated operating expense of \$228 per unit per month.
Less: Operating Expenses (Non-Res NNN)		See Operating Expense Breakdown for details.
Net Operating Income	6,978	
Debt Service	(\$6,343.42)	Cost of debt servicing
Annual Cash Flow After Debt Servicing		Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION		
DEBT CALCULATION		
Net Operating Income	6,978	Net operating income after vacancy loss and operating expenses
		Per CRD Scope of Work, analysis assumes owner qualifies for financing.
DCR		DCR used to represent owner's minimum debt coverage expectation to develop the rental housing.
Amortization	30	Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate		4.5% interest rate per CRD Scope of Services required stress test
Principal	103,327	Estimated max principal available from lender based on above terms

Scenario 2 - 1 br Cottage HIGH - 4.5 % Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents

Non-residential None

Rental Financing Residential Mortgage (30 yr)

DEVELOPMENT STATISTICS					
SITE					
Site Area (sq. ft.)	2,000	Approximately 2000 sf development area			
Park Area (sq. ft.)	-				
FLOOR AREA					
Gross Floor Area (sq. ft.)	600	Gross Floor Area			
Efficiency Ratio	100%	Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)			
Net Floor Area (sq. ft.)	600				
% of Residential Floor Area	100%	Leasable floor area net of circulation, utility and common areas			
% of Non-Residential Floor Area	-				
% of Total Floor Area	100%				
PARKING					
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit			
Residential Stalls	1				
Visitor Parking Ratio (per unit)	-				
Visitor Stalls	-				
Office Space Parking Ratio (per 1,000 sq. ft.)	-				
Office Parking	-				
Total Parking Stalls	1	1 surface parking stalls in total			
UNITS					
Total Units	1	1 unit total			
Avg. Unit Size	600	Unit size			
DEVELOPMENT COST					
Land Cost					
Land Cost - place holder	-	Assumes land is already owned or secured under long term lease			
Hard Costs					
		Assumes no remediation required, includes site preparation, grading, fill, retention works and,			
Site Prep & Remediation	9,183	environmental controls etc. @ \$200,000/acre			
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost			
Off-Site Servicing	-				
Residential Const. Cost	270,000	At \$450/sf			
At-Grade Parking Const. Cost	-	Per CRD Scope of Work assumes no new servicing cost			
Extraordinary Site Costs	20,000	Per CRD Scope of Work assumes \$20,000 to upgrade existing services			
TOTAL HARD COSTS	299,183				
Per sq. ft.	499				
Soft Costs					
Architect	10,000	Estimated lump sum			
Other Consultants	7,000				
Dev. Charges - Studio & 1 Bed	-	Assumes no Development Cost Charges			
Planning Application Fees Development Management Fee	2,500	\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-4403.pdf?sfvrsn=46607fcd_4)			
Legal Marketing	-	No allowance for legal fees			

		1
Op Ex During Lease-up	-	
Loan Fees	1,593	Fees on construction loan at 0.5% of loan value
		Interest paid on construction loan at 3% interest rate assuming average loan drawdown of
Loan Interest	2,164	70% over construction period.
GST	10,318	At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
TOTAL SOFT COSTS	33,576	
Per sq. ft.	56	
Contingency (incl. cost escalation)	33,276	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	366,034	
Per sq. ft.	610	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)		
CMHC Seed Funding (Loan & Grant)	_	Does not qualify for CMHC Seed Funding
Permanent Mortgage	103,327	Maximum assumed standard mortgage based on financing terms below
	103,327	
City DC and Fee Waivers	-	Assumes no municipal fee waivers
Other	-	
Other	-	
Other		
TOTAL REVENUE	103,327	
	172	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	(262 707)	Estimated funding gap
Per unit	(262,707)	Estimated funding gap per unit (averaged)
		Estimated running gap per unit (averaged)
Per sq. ft.	(438)	
RLV (EQUITY GAP) - PRESENT \$	-	
Per unit	-	
Per sq. ft.	-	
CASHFLOW		
CASHFLOW		
	9.912	Based on SGI Target Rent for 1br unit
Rental Revenue	9,912	Based on SGI Target Rent for 1br unit
Rental Revenue Parking Revenue	<u> </u>	Based on SGI Target Rent for 1br unit
Rental Revenue	9,912 - 9,912	Based on SGI Target Rent for 1br unit
Rental Revenue Parking Revenue Gross Potential Income Less Vacancy & Bad Debt	9,912 (198)	Based on SGI Target Rent for 1br unit Vacancy loss at 2% of Gross Income (2% vacancy rate)
Rental Revenue Parking Revenue Gross Potential Income	9,912	
Rental Revenue Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income	9,912 (198) 9,714	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Rental Revenue Parking Revenue Gross Potential Income Less Vacancy & Bad Debt	9,912 (198) 9,714	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Rental Revenue Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income	9,912 (198) 9,714 (2,736) 6,978	Vacancy loss at 2% of Gross Income (2% vacancy rate) Based on estimated operating expense of \$228 per unit per month. See Operating Expense Breakdown for details.
Rental Revenue Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service	9,912 (198) 9,714 (2,736) 6,978 (6,343)	Vacancy loss at 2% of Gross Income (2% vacancy rate) Based on estimated operating expense of \$228 per unit per month. See Operating Expense Breakdown for details. Cost of debt servicing
Rental Revenue Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service Annual Cashflow After Debt Servicing	9,912 (198) 9,714 (2,736) 6,978	Vacancy loss at 2% of Gross Income (2% vacancy rate) Based on estimated operating expense of \$228 per unit per month. See Operating Expense Breakdown for details.
Rental Revenue Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service	9,912 (198) 9,714 (2,736) 6,978 (6,343)	Vacancy loss at 2% of Gross Income (2% vacancy rate) Based on estimated operating expense of \$228 per unit per month. See Operating Expense Breakdown for details. Cost of debt servicing
Rental Revenue Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service Annual Cashflow After Debt Servicing DEBT CALCULATION	9,912 (198) 9,714 (2,736) 6,978 (6,343) 634	Vacancy loss at 2% of Gross Income (2% vacancy rate) Based on estimated operating expense of \$228 per unit per month. See Operating Expense Breakdown for details. Cost of debt servicing Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
Rental Revenue Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service Annual Cashflow After Debt Servicing	9,912 (198) 9,714 (2,736) 6,978 (6,343) 634	Vacancy loss at 2% of Gross Income (2% vacancy rate) Based on estimated operating expense of \$228 per unit per month. See Operating Expense Breakdown for details. Cost of debt servicing Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1 Net operating income after vacancy loss and operating expenses
Rental Revenue Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service Annual Cashflow After Debt Servicing DEBT CALCULATION Net Operating Income	9,912 (198) 9,714 (2,736) 6,978 (6,343) 634	Vacancy loss at 2% of Gross Income (2% vacancy rate) Based on estimated operating expense of \$228 per unit per month. See Operating Expense Breakdown for details. Cost of debt servicing Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1 Net operating income after vacancy loss and operating expenses Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to
Rental Revenue Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service Annual Cashflow After Debt Servicing DEBT CALCULATION Net Operating Income DCR	9,912 (198) 9,714 (2,736) 6,978 (6,343) 634 6,978	Vacancy loss at 2% of Gross Income (2% vacancy rate) Based on estimated operating expense of \$228 per unit per month. See Operating Expense Breakdown for details. Cost of debt servicing Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1 Net operating income after vacancy loss and operating expenses Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum debt coverage expectation to develop the rental housing.
Rental Revenue Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service Annual Cashflow After Debt Servicing DEBT CALCULATION Net Operating Income	9,912 (198) 9,714 (2,736) 6,978 (6,343) 634 6,978	Vacancy loss at 2% of Gross Income (2% vacancy rate) Based on estimated operating expense of \$228 per unit per month. See Operating Expense Breakdown for details. Cost of debt servicing Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1 Net operating income after vacancy loss and operating expenses Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to

Summary of Results - 2 Bedroom Cottage (New Construction) - 4.5 % Interest Rate

Scenario 1 - 2br Cottage LOW -		Scenario 2 - 2 br Cottage HIGH -	
4.5 % Interest Rate		4.5 % Interest Rate	
Gross Floor Area	725	Gross Floor Area	725
% of Total Floor Area	100%	% of Total Floor Area	100%
Total Units	1	Total Units	1
Parking Spots	1	Parking Spots	1
Land Value (TBD)	-	Land Value (TBD)	-
Hard Costs	282,933	Hard Costs	355,433
Soft Costs	35,769	Soft Costs	38,971
Contingency	31,870	Contingency	39,440
Other	-	Other	-
Total Costs	350,571	Total Costs	433,844
Land Value (TBD)	-	Land Value (TBD)	-
CMHC Seed Funding (Loan &		CMHC Seed Funding (Loan &	
Grant)	-	Grant)	-
Permanent Mortgage	211,182	Permanent Mortgage	211,182
City DC and Fee Waivers	-	City DC & Fee Waivers	-
Other		Other	
Total Sources	211,182	Total Sources	211,182
Surplus / (Gap)	(139,389)	Surplus / (Gap)	(222,662)

Inputs								
Development Statistics	2br low	2br high	Suite Mix - All Un	its		_		
Site Area (SF)	2,000	2,000 sq. ft.		Suite Mix	Helt Clea	Price \$PSF	Target	
Public Park Area	0%	0% of site area	Unit Type Studio	0%	0	0	Rents 0	
Gross Floor Area Residential	725 100%	725 sq. ft. 100% of GFA	1 Bedroom 2 Bedroom	0% 100%	600 725	0	826 1,478	
Non-Residential GFA	0%	0% of GFA	3 Bedroom	0%	1,000	0	1,935	
Market Condominium Target Rental	0% 100%	0% of Residential GFA 100% of Residential GFA	Total/ Avg.	100%	725	0	1,478	
80% MMR Rental	0%	0% of Residential GFA	Target Rent Calcu	lator				
				2018 SGI	2022 SGI	Rent as % of	2022 Target	
				Median		Gross	Affordable	
Res. Efficiency Program Space	100% 100%	100% of GFA 100% of Non-Residential GFA	Unit Type 1 Bedroom	30.528	33,044	Income 30%	Rents 826	
Retail	0%	0% of Non-Residential GFA	2 Bedroom	54,618	59,120	30%	1,478	
Non-Res. Efficiency Parking Ratio	100%	100% of Non-Residential GFA	3 Bedroom	71,492	77,385	30%	1,935	
Other	-	- stalls per unit	* 1 Bedroom Median I					
Rental Below Market Rental	1.00 1.00	1.00 stalls per unit 1.00 stalls per unit						nts for lone parent families and families without children nts for families without children and families with children
Visitor	-	- stalls per unit	** assumes 2% inflation	on on median inc	omes for 4 ye	ears (2019-2	2022)	
Community Space Other		 stalls per 1,000 sq. ft. leases stalls 	ible					
Condo Parking Sale Price	-	- per stall						
Development Cost Assumptions Hard Costs	2br low	2br high						
Land Value - placeholder	-	- total						
Site Prep & Remediation On-Site Servicing	200,000	200,000 per ac. - per ac.						
Off-Site Servicing	-	- per ac.						
Public Park Const. Cost (15% of site area)		- per sq. ft.						
Extraordinary Site or Servicing Costs	20,000	20,000 LS per CRD Scope of Work						
Residential Const. Cost Commercial Const. Cost	350	450 per sq. ft. - per sq. ft.						
Parking Const. Cost	-	- per stall						
Soft Costs Architect	\$10,000.00	\$10,000.00 LS						
Other Consultants		\$ 7,000.00 LS per CRD Scope of Work						
Dev. Charges - Studio & 1 Bed Dev. Charges - 2 Bed +	-	per unitper unit						
Education DC	-	- per unit						
Education DC - Non-Res Non-Res DC	-	- per m2 - per m2						
Sec. 37 Payment	-	- total						
		\$300 processing fee, \$300 e						
		plumbing fee, \$700 est elect fee, \$10/\$1000 CV @ \$200 p						
		per CRD Building Regs Bylav	1					
		amendment # 4403 Appendi (https://www.crd.bc.ca/doc						
		It-source/crd-document-	-41					
		library/bylaws/buildingregui lectoralareas/bylawno-	ationse					
Municipal Fees & Permits Public Art	2,750 0.0%	2,750 4403.pdf?sfvrsn=46607fcd_4 0.0% of hard costs	1)					
rubiic Art	0.0%	of project costs (excl. land &						
Developer Fees	0.0%	0.0% financing)	- 4					
Legal		per res. unit and, per 1,000 s - non-res.	q. rt.					
Sales & Closing Condo Marketing		- per unit						
Condo Commissions		 per unit per unit 						
Course of Construction Insurance Rental Op Ex During Lease-up	\$ 3.50 0%	\$ 3.50 per sf 0% of year 1 op ex						
Kental Op Ex During Lease-up	070	of hard and soft costs, assur	nes					
GST	3.2%	qualifies for NRRP Rebate o 3.2% of GST	f 36%					
Contingency (incl. cost escalation)	10%	10% of hard & soft costs						
Revenue Assumptions Rental Operations	2br low	2br high		Operating Operating			/mo	Mill rate
Market Unit Operating Costs (PUPM)	260	260		Property T		/yr \$ 1,245	/mo \$ 104	4.4
Afficial-bl- Hala Occasion Costs (DUDAN)	200	200				ć 040	ć 71	
Affordable Unit Operating Costs (PUPM) Parking Revenue (per stall, per month)	260	260		Insurance Interior Ma	aintenance	\$ 849 \$ 240		
Vacancy Rate & Bad Debt	2% 1	2% 1		Exterior M				
Lease-Up Period (months) Market Cap Rate	3.50%	3.50%		Replaceme	ent keserv	1 3 340	\$ 45	
Condominium & Non-Res Revenue				Total		\$ 3,114	\$ 259	
Revenue Inflation	2%	2% per year						
Parking Stall Sale Price Church Space Net Lease Rate	-	 per stall per sq. ft. 						
Office Vacancy & Bad Debt	0%	- per sq. rt. 0%						
Office Cap Rate Retail Net Lease Rate	0.00%	0.00%						
Retail Vacancy & Bad Debt	0%	- per sq. ft. 0%						
Retail Cap Rate	0.00%	0.00%						
Office & Retail Commissions Timing & Financing Assumptions	2br low	0% of sale price 2br high						
Timing Assmptions Marketing/ Entitlement Period	1.0	4.0						
Sales Period	1.0 1.0	1.0 years 1.0 years						
Construction Period	1.0	1.0 years						
Construction Loan Construction Loan	70%	70% of total costs						
Avg. Draw on Construction Loan	70%	70% during construction period						
Loan Fees Loan Interest	0.50% 3.00%	0.50% of loan 3.00% of loan						
Permanent Mortgage								
Lending Program Interest Rate	d. Mortgage 4.50%	td. Mortgage 4.50% per year						
Amortization	30	30 years						
Min. DCR Co-Investment Grant	1.1 0.0%	1.1 0.0% of rental project costs						
IAH Capital Grant	-	 per below-market rental uni 						
Profit Assumptions	0.00%	0.00% of permanent loan principal						
Discount Rate	7%	7% per year						
Condo Profit	0%	0% of suite revenue						

Operating Assumption Operating Costs	/yr		/mo		Mill rate
Property Tax	\$ 1	1,245	\$	104	4.4
Insurance	\$	849	\$	71	
	¢	240	\$	20	
Interior Maintenance					
Interior Maintenance Exterior Maintenance		240	\$	20	

Scenario 1 - 2br Cottage LOW - 4.5 % Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents

Non-Residential None

Rental Financing Residential Mortgage (30yrs)

Capital Subsidies	None	
DEVELOPMENT STATISTICS		
DEVELOT MENT STATISTICS		
SITE		
Site Area (sq. ft.)	2,000	Approximately 2000 sf development area
Park Area (sq. ft.)	_,	
FLOOR AREA		
Gross Floor Area (sq. ft.)	725	Gross Floor Area
Efficiency Ratio		Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)
Net Floor Area (sq. ft.)	725	Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	, , , , , , , , , , , , , , , , , , ,
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING		
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1	
Visitor Parking Ratio (per unit)	-	
Visitor Stalls	-	
Office Parking Space Ratio (per 1,000 SF)	-	
Office Parking	-	
Total Parking Stalls	1	1 surface parking stalls in total
UNITS		
Total Units	1	1 unit total
Avg. Unit Size	725	Unit size
DEVELOPMENT COST		
Land Cost		
Land Cost - place holder	<u>-</u>	Assumes land is already owned or secured under long term lease
Land Cost - place noider	-	Assumes failurs affeauy owned of secured diluter folig terrif lease
Hard Costs		
Site Prep & Remediation	9,183	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	-	
Residential Const. Cost	253,750	At \$350/sf
At-Grade Parking Const. Cost	-	Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	20,000	Per CRD Scope of Work assumes \$20,000 to upgrade existing services
TOTAL HARD COSTS	282,933	
Per sq. ft.	390	
Soft Cooks		
Soft Costs Architect	10.000	Estimated lump sum
Other Consultants		Per CRD Scope of Work assumes \$7,000 in additional consultants' fees
Development Charges	7,000	Assumes no Development Cost Charges
bevelopment charges		
		\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-
Municipal Fees & Permits	2,750	
Development Management Fee	_,,,50	· · · · · · · · · · · · · · · · · · ·
Legal	_	No allowance for legal fees
Course of Construction Insurance	2,538	
Op Ex During Lease-up	-,	
Loan Fees	1,526	Fees on construction loan at 0.5% of loan value
Loan Interest		Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
** ***	_,	1

		At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
GST	9,882	Assumes owner qualifies for New Residential Rental Property Rebate (36% of GST applicable on self supply)
TOTAL SOFT COSTS	35,769	
Per sq. ft.	49	
Contingency (incl. cost escalation)	31,870	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	350,571	
Per sq. ft.	484	
	404	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)	-	
CMHC Seed Funding (Loan & Grant)	-	Does not qualify for CMHC Seed Funding
Permanent Mortgage	211,182	Maximum assumed standard mortgage based on financing terms below
City DC and Fee Waivers	-	Assumes no municipal fee waivers
Other	-	
Other	-	
Other		
TOTAL REVENUE	211,182	
Per sq. ft.	291	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)	(139 389)	Estimated funding gap
Per unit		Estimated funding gap per unit (averaged)
Per sq. ft.	(192)	Estimated failuming gap per anni (areragea)
RLV (EQUITY GAP) - PRESENT \$	(,	
Per unit	_	
Per sq. ft.	-	
CASHFLOW		
Rental Revenue	17.736	Based on SGI Target Rent for 2br unit.
Parking Revenue		
Gross Potential Income	17,736	
Less Vacancy & Bad Debt		Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	17,381	
Less: Operating Expenses (Non-Res NNN)	(3,120)	Based on estimated operating expense of \$260 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	14,261	
Debt Service	(\$12,964.80)	Cost of debt servicing
Annual Cash Flow After Debt Servicing		Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
and the second s	2,230	The second secon
DEBT CALCULATION		
Not Operating Income	14 364	Not appraising income after vacancy loss and appraising expenses
Net Operating Income	14,261	Net operating income after vacancy loss and operating expenses Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum
DCR	1.1	debt coverage expectation to develop the rental housing.
Amortization	30	Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate	4.50%	4.5% interest rate per CRD Scope of Services required stress test
Principal	211,182	Estimated max principal available from lender based on above terms

Scenario 2 - 2 br Cottage HIGH - 4.5 % Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents

Non-residential

Rental Financing Residential Mortgage (30yrs)

Capital Subsidies	None	
DEVELOPMENT STATISTICS		
SITE		
Site Area (sq. ft.)	2,000	Approximately 2000 sf development area
Park Area (sq. ft.)	-	
FLOOR AREA		
Gross Floor Area (sq. ft.)	725	Gross Floor Area
Efficiency Ratio	100%	Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)
Net Floor Area (sq. ft.)	725	Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING		
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1	
Visitor Parking Ratio (per unit)	-	
Visitor Stalls	-	
Office Space Parking Ratio (per 1,000 sq. ft.)	-	
Office Parking	=	
Total Parking Stalls	1	1 surface parking stalls in total
UNITS		
Total Units	1	1 unit total
Avg. Unit Size	725	Unit size
DEVELOPMENT COST		

DEVELOPMENT COST	
Land Cost	
Land Cost - place holder	-

Loan Fees

Assumes land is already owned or secured under long term lease

Hard Costs		
Site Prep & Remediation	9,183	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	=	
Residential Const. Cost	326,250	At \$450/sf
At-Grade Parking Const. Cost	-	Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	20,000	Per CRD Scope of Work assumes \$20,000 to upgrade existing services
TOTAL HARD COSTS	355,433	
Per sq. ft.	490	
Soft Costs		
Architect	10,000	Estimated lump sum
Other Consultants	7,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees
Development Charges	-	Assumes no Development Cost Charges
		\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403
	2.752	Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-
Municipal Fees & Permits	2,750	4403.pdf?sfvrsn=46607fcd_4)
Development Management Fee	-	
Legal	-	No allowance for legal fees
Course of Construction Insurance	2,538	
Op Ex During Lease-up	-	

1,889 Fees on construction loan at 0.5% of loan value

Loan Interest	2,565	
GST	12,230	Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period. At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
TOTAL SOFT COSTS	38,971	71. 5.276 of hard and soft costs. Assumes familiated qualifies for MMM Messate of 30% of 357
Per sq. ft.	54	
Contingency (incl. cost escalation)	39,440	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	433,844	
Per sq. ft.	598	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)	-	
CMHC Seed Funding (Loan & Grant)	-	Does not qualify for CMHC Seed Funding
Permanent Mortgage	211,182	Maximum assumed standard mortgage based on financing terms below
City DC & Fee Waivers	-	Assumes no municipal fee waivers
Other	-	
Other Other	-	
TOTAL REVENUE	211,182	
TOTAL REVENUE	211,182	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)		Estimated funding gap
Per unit		Estimated funding gap per unit (averaged)
Per sq. ft.	(307)	
RLV (EQUITY GAP) - PRESENT \$	-	
Per unit	-	
Per sq. ft.	-	
CASHFLOW		
Rental Revenue	17,736	Based on SGI Target Rent for 2br unit.
Parking Revenue	-	
Gross Potential Income	17,736	
Less Vacancy & Bad Debt	(355)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	17,381	,
Less: Operating Expenses (Non-Res NNN)		Based on estimated operating expense of \$260 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	14,261	
Debt Service	(12.965)	Cost of debt servicing
Annual Cashflow After Debt Servicing		Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION	_,_50	· · · · · · · · · · · · · · · · · · ·
Net Operating Income	14,261	Net operating income after vacancy loss and operating expenses
DCR	4.4	Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum
		debt coverage expectation to develop the rental housing. Ammortization period of 30 yrs is standard max for residential mortgages.
Amortization Interest Rate		Ammortization period of 30 yrs is standard max for residential mortgages. 4.5% interest rate per CRD Scope of Services required stress test
Principal		4.5% interest rate per CRD Scope of Services required stress test Estimated max principal available from lender based on above terms
imcipal	211,102	Estimated max principal available from lender based on above terms

Summary of Results - 3 Bedroom Cottage (New Construction) - 4.5 % Interest Rate

Scenario 1 - 3br Cottage LOW - 4.5 % Interest Rate		Scenario 2 - 3br Cottage HIGH - 4.5 % Interest Rate	
Gross Floor Area	1 000	Gross Floor Area	1,000
% of Total Floor Area	,	% of Total Floor Area	100%
Total Units	1	Total Units	1
Parking Spots	1	Parking Spots	1
Land Value (TBD)	-	Land Value (TBD)	-
Hard Costs	379,183	Hard Costs	479,183
Soft Costs	37,944	Soft Costs	42,361
Contingency	41,713	Contingency	52,154
Other	-	Other	=
Total Costs	458,840	Total Costs	573,698
Land Value (TBD)	-	Land Value (TBD)	-
CMHC Seed Funding (Loan & Grant)	-	CMHC Seed Funding (Loan & Grant)	-
Permanent Mortgage	280,281	Permanent Mortgage	280,281
City DC and Fee Waivers	-	City DC & Fee Waivers	-
Other	-	Other	-
Total Sources	280,281	Total Sources	280,281
Surplus / (Gap)	(178,558)	Surplus / (Gap)	(293,417)

Inputs								
evelopment Statistics	3br low	3br high	Suite Mix - All Units					
ite Area (SF)	2,000	2,000 sq. ft.	Unit Type			Price \$PSF	Target Rents	
ublic Park Area iross Floor Area	1,000	0% of site area 1,000 sq. ft.	Studio 1 Bedroom	0% 0%	0 600	0	0 826	
esidential Ion-Residential GFA	100%	100% of GFA 0% of GFA	2 Bedroom 3 Bedroom	0% 100%	725 1.000	0	1,478 1,935	
Market Condominium	0%	0% of Residential GFA	Total/ Avg.	100%	1,000	0	1,935	
arget Rental 10% MMR Rental	100% 0%	100% of Residential GFA 0% of Residential GFA	Target Rent Calculat	tor				
					2022 SGI	Rent as %	2022 Target	
	4000/	1000/ 1051		Median	Median	of Gross	Affordable	le 80%
Res. Efficiency Program Space	100% 100%	100% of GFA 100% of Non-Residential GFA	Unit Type 1 Bedroom	30,528	33,044	Income 30%	Rents 826	Notes 100% AMR AMR Based on SGI HNA target affordable rent for single persons
Retail Non-Res. Efficiency	0% 100%	0% of Non-Residential GFA 100% of Non-Residential GFA	2 Bedroom 3 Bedroom	54,618 71,492	59,120 77,385	30% 30%	1,478 1,935	Based on average of SGI HNS target affordable rents for lone parent families and families with Based on average of SGI HNS target affordable rents for families without children and families
arking Ratio				,	,		-,	
			* data from 2018					
			SGI Housing Needss Assessment (Table					
			 23); averages calculated per notes 					
Other	-	- stalls per unit	provided					
			** assumes 2% inflation on median					
ental	1.00	1.00 stalls per unit	incomes for 4 years (2019-2022)					
Below Market Rental Visitor	1.00	1.00 stalls per unit - stalls per unit						
ommunity Space	-	- stalls per 1,000 sq. ft. leaseable						
other Condo Parking Sale Price	-	- stalls - per stall						
levelopment Cost Assumptions lard Costs	3br low	3br high						
and Value - placeholder	200	- total	→					
ite Prep & Remediation On-Site Servicing	200,000	200,000 per ac. - per ac.						
Off-Site Servicing ublic Park Const. Cost (15% of site	-	- per ac.						
rea)	-	- per sq. ft.						
extraordinary Site or Servicing Costs	20,000	20,000 LS per CRD Scope of Work						
tesidential Const. Cost Commercial Const. Cost	350	450 per sq. ft. - per sq. ft.						
arking Const. Cost	-	- per stall	_					
oft Costs rchitect		\$ 10,000.00 LS	_					
other Consultants 5 Nev. Charges - Studio & 1 Bed	7,000.00	\$ 7,000.00 LS per CRD Scope of Work - per unit						
lev. Charges - 2 Bed + ducation DC	-	- per unit - per unit						
ducation DC - Non-Res	-	- per m2						
lon-Res DC ec. 37 Payment	-	- per m2 - total						
		\$300 processing fee, \$300 est						
		plumbing fee, \$700 est electrical f \$10/\$1000 CV @ \$200 psf as per C	ee, RD					
		Building Regs Bylaw amendment i 4403 Appendix M	•					
		(https://www.crd.bc.ca/docs/defa	ult-					
		source/crd-document- library/bylaws/buildingregulations	ele					
Municipal Fees & Permits	3,300	ctoralareas/bylawno- 3,300 4403.pdf?sfvrsn=46607fcd_4)						
Public Art	0.0%	0.0% of hard costs of project costs (excl. land &						
Developer Fees	0.0%	0.0% financing)						
egal	-	per res. unit and, per 1,000 sq. ft. r - res.	ion-					
ales & Closing Condo Marketing	-	- per unit - per unit						
Condo Commissions	-	- per unit						
tental Marketing tental Op Ex During Lease-up	0%	- per unit 0% of year 1 op ex						
		of hard and soft costs, assumes qualifies for NRRP Rebate of 36%	nf					
SST	3.2% 10%	3.2% GST	-					
ontingency (incl. cost escalation) Eevenue Assumptions	3br low	10% of hard & soft costs 3br high		Operating /		ıs		
tental Operations Market Unit Operating Costs				Operating (Costs	/yr	/mo	Mill rate
PUPM)	319	319		Property Ta	x	\$ 1,668	\$ 139	9 4.4
ffordable Unit Operating Costs PUPM)	319	319		Insurance		\$ 1,138	\$ 99	5
arking Revenue (per stall, per nonth)	-	-		Interior Ma	intenance	\$ 240	\$ 20	0
acancy Rate & Bad Debt ease-Up Period (months)	2% 1	2% 1		Exterior Ma	intenance		\$ 20	0
ease-Up Period (months) Market Cap Rate	3.50%	3.50%			neserve			
			_	Total		\$ 3,826	\$ 319	9
ondominium & Non-Res Revenue evenue Inflation	2%	2% peryear						
arking Stall Sale Price	2%	- per stall						
hurch Space Net Lease Rate Office Vacancy & Bad Debt	- 0%	- per sq. ft. 0%						
Office Cap Rate Setail Net Lease Rate	0.00%	0.00% - per sq. ft						
etail Vacancy & Bad Debt	0%	- per sq. ft. 0%						
etail Cap Rate ffice & Retail Commissions	0.00% 0%	0.00% 0% of sale price						
iming & Financing Assumptions	3br low	3br high						
iming Assmptions Marketing/ Entitlement Period	1.0	1.0 years						
ales Period onstruction Period	1.0 1.0	1.0 years 1.0 years						
onstruction Loan								
onstruction Loan vg. Draw on Construction Loan	70% 70%	70% of total costs 70% during construction period						
pan Fees pan Interest	0.50% 3.00%	0.50% of loan 3.00% of loan						
ermanent Mortgage								
ending Program sterest Rate	Std. Mortgage 4.50%	Std. Mortgage 4.50% per year						
mortization lin. DCR	30	30 years 1.1						
an, put	1.1							
o-Investment Grant	0.0%	0.0% of rental project costs						
	0.0%	of rental project costs per below-market rental unit 0.00% of permanent loan principal						

Scenario 1 - 3br Cottage LOW - 4.5 % Interest Rate

Scenario 1 - 3bi Cottage	LOVV - 4.5 /0 III	
Residential Tenure Non-Residential	Rental - SGI Target Affo None	ordable Rents
Rental Financing	Residential Mortgage (30 yrs)
Capital Subsidies	None	
DEVELOPMENT STATISTICS		
SITE	2 000	4
Site Area (sq. ft.) Park Area (sq. ft.)	2,000	Approximately 2000 sf development area
FLOOR AREA		
Gross Floor Area (sq. ft.)	1,000	Gross Floor Area
Efficiency Ratio		Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)
Net Floor Area (sq. ft.) % of Residential Floor Area	1,000	Leasable floor area net of circulation, utility and common areas
% of Non-Residential Floor Area	-	
% of Total Floor Area	100%	
PARKING	1.00	1 parking stall per unit
Residential Parking Ratio (per unit) Residential Stalls	1.00	1 parking stail per unit
Visitor Parking Ratio (per unit)	-	
Visitor Stalls	-	
Office Parking Space Ratio (per 1,000 SF) Office Parking		
Total Parking Stalls	1	1 surface parking stalls in total
UNITS		
Total Units		1 unit total
Avg. Unit Size	1,000	Unit size
DEVELOPMENT COST		
Land Cost		
Land Cost - place holder	-	Assumes land is already owned or secured under long term lease
Hard Costs		
Site Prep & Remediation	9,183	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing Residential Const. Cost	- 250.000	At \$350/sf
At-Grade Parking Const. Cost	330,000	Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs	20,000	Per CRD Scope of Work assumes \$20,000 to upgrade existing services
TOTAL HARD COSTS	379,183	
Per sq. ft.	379	
Soft Costs		
Architect		Estimated lump sum
Other Consultants Development Charges	7,000	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees Assumes no Development Cost Charges
Development Charges	-	Assumes no Development Cost Charges \$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment
		# 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-
Municipal Fees & Permits Development Management Fee	3,300	4403.pdf?sfvrsn=46607fcd_4)
Legal	-	No allowance for legal fees
Marketing	-	
Op Ex During Lease-up Loan Fees	1 007	Fees on construction loan at 0.5% of loan value
Loan Interest		Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
GST	12,934	At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
TOTAL SOFT COSTS	37,944	
Per sq. ft.	38	
Contingency (incl. cost escalation)	41,713	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST Per sq. ft.	458,840 459	
rei SQ. It.	459	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)	-	
CMHC Seed Funding (Loan & Grant)	-	Does not qualify for CMHC Seed Funding
Permanent Mortgage City DC and Fee Waivers	280,281	Maximum assumed standard mortgage based on financing terms below Assumes no municipal fee waivers
Other	-	rassumes no municipal fee Walvers
Other		
Other TOTAL REVENUE		
Per sq. ft.	280,281 280	
	200	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)		Estimated funding gap
Per unit Per sq. ft.	(178,558)	Estimated funding gap per unit (averaged)
RLV (EQUITY GAP) - PRESENT \$	(173)	
Per unit	-	
Per sq. ft.	-	
CASHFLOW		

Scenario 1 - 3br Cottage I	OW - 4.5 % Int	erest Rate
Rental Revenue	23,220	Based on SGI Target Rent for 3br unit.
Parking Revenue	-	
Gross Potential Income	23,220	
Less Vacancy & Bad Debt		Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	22,756	
Less: Operating Expenses (Non-Res NNN)		Based on estimated operating expense of \$319 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	18,928	
Debt Service	. , . ,	Cost of debt servicing
Annual Cash Flow After Debt Servicing	1,721	Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEDT ON OU ATION		
DEBT CALCULATION		
Net Operating Income	18 928	Net operating income after vacancy loss and operating expenses
net operating means		Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's
DCR		minimum debt coverage expectation to develop the rental housing.
Amortization		
		Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate		4.5% interest rate per CRD Scope of Services required stress test
Principal	280,281	Estimated max principal available from lender based on above terms

Scenario 2 - 3 br Cottage HIGH - 4.5 % Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents

Non-residential None

Rental Financing Residential Mortgage (30 yrs)

DEVELOPMENT STATISTICS		
SITE		
Site Area (sq. ft.)	2,000	Approximately 2000 sf development area
Park Area (sq. ft.)		
FLOOR AREA	ļ	
Gross Floor Area (sq. ft.)	1,000	Gross Floor Area
Efficiency Ratio	100%	Assumes no efficiency loss (no circulation areas, dedicated utility space, indoor amenity space, etc)
Net Floor Area (sq. ft.)	1,000	Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	100%	
% of Non-Residential Floor Area	_ '	
% of Total Floor Area	100%	
PARKING		
Residential Parking Ratio (per unit)	1.00	1 parking stall per unit
Residential Stalls	1.00	I parking stain per unit
	- !	
Visitor Parking Ratio (per unit)	- 1	
Visitor Stalls	-	
Office Space Parking Ratio (per 1,000 sq. ft.)	- 1	
Office Parking	- 1	
Total Parking Stalls	1	1 surface parking stalls in total
UNITS	ļ	
Total Units	1	1 unit total
Avg. Unit Size	1,000	Unit size
DEVELOPMENT COST		
Land Cost		
Land Cost - place holder	-	Assumes land is already owned or secured under long term lease
Hard Costs		
Site Prep & Remediation	0.193	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	· ·	Per CRD Scope of Work assumes no new servicing cost
_	-	Per CRD Scope of Work assumes no new servicing cost
Off-Site Servicing	450.000	N. ASTOL 6
Residential Const. Cost		At \$450/sf
At-Grade Parking Const. Cost		Per CRD Scope of Work assumes no new servicing cost
Extraordinary Site Costs		Per CRD Scope of Work assumes \$20,000 to upgrade existing services
TOTAL HARD COSTS	479,183	
Per sq. ft.	479	
Soft Costs		
Architect	10.000	Estimated lump sum
		Estimated lump sum
Other Consultants	·	Per CRD Scope of Work assumes \$7,000 in additional consultants' fees
Development Charges	-	Assumes no Development Cost Charges
	ļ	\$300 processing fee, \$300 est plumbing fee, \$700 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment
		# 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-
Municipal Fees & Permits	3,300	4403.pdf?sfvrsn=46607fcd_4)
Development Management Fee	-	
Legal	-	No allowance for legal fees
Marketing	- !	
Op Ex During Lease-up	_ !	
Loan Fees	2,497	Fees on construction loan at 0.5% of loan value

Scenario 2 - 3 br Cottage H	HIGH - 4.5 % In	terest Rate
GST	16,172	At 3.2% of hard and soft costs. Assumes landlord qualifies for NRRP Rebate of 36% of GST
TOTAL SOFT COSTS	42,361	
Per sq. ft.	42	
Contingency (incl. cost escalation)	52,154	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	573,698	
Per sq. ft.	574	
	2	
DEVELOPER PROFIT	-	
SOURCES OF FUNDS		
Land Value (TBD)	-	
CMHC Seed Funding (Loan & Grant)	-	Does not qualify for CMHC Seed Funding
Permanent Mortgage		Maximum assumed standard mortgage based on financing terms below
City DC & Fee Waivers		Assumes no municipal fee waivers
Other	-	
Other	-	
Other	-	
TOTAL REVENUE	280,281	
	280	
EQUITY SURPLUS / GAP		
SURPLUS / (GAP)		Estimated funding gap
Per unit		Estimated funding gap per unit (averaged)
Per sq. ft.	(293)	
RLV (EQUITY GAP) - PRESENT \$	-	
Per unit	-	
Per sq. ft.	-	
CASHFLOW		
Rental Revenue	23,220	Based on SGI Target Rent for 3br unit.
Parking Revenue		
Gross Potential Income	23,220	
Less Vacancy & Bad Debt	(464)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	22,756	Totaling hoss of End of Gross modifie (End Tataling rate)
2.355 Erredire modific	22,730	
Less: Operating Expenses (Non-Res NNN)	(3,828)	Based on estimated operating expense of \$319 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	18,928	
Debt Service		Cost of debt servicing
Annual Cashflow After Debt Servicing	1,721	Unlevered cash flow after operating expenses and debt servicing based on Debt Coverage Ration of 1.1
DEBT CALCULATION		
Net Operating Income	18,928	Net operating income after vacancy loss and operating expenses
operating modifie	10,526	Per CRD Scope of Work, analysis assumes owner qualifies for financing. DCR used to represent owner's minimum
DCR	1.1	ret cap stope of work, analysis assumes owner qualifies for manning. Decreased to represent owner's imminum
Amortization		Ammortization period of 30 yrs is standard max for residential mortgages.
Interest Rate		4.5% interest rate per CRD Scope of Services required stress test
Principal		Estimated max principal available from lender based on above terms
·	, - 1	

Summary of Results - Multi Family Residential, 10 Units, CMHC (New Construction) - 4.5 % Interest Rate

Scenario 1 - Multi Family Residential LOW - CMHC - 4.5 %		Scenario 2 - Multi Family Residential HIGH - CMHC - 4.5 %	
Interest Rate		Interest Rate	
Gross Floor Area	,	Gross Floor Area	6,906
% of Total Floor Area		% of Total Floor Area	100%
Total Units	10	Total Units	10
Parking Spots	12	Parking Spots	12
Land Value (TBD)	-	Land Value (TBD)	-
Hard Costs	2,699,389	Hard Costs	3,068,701
Soft Costs	679,303	Soft Costs	762,420
Contingency	337,869	Contingency	383,112
Other	-	Other	-
Total Costs	3,716,561	Total Costs	4,214,233
Land Value (TBD)	-	Land Value (TBD)	-
CMHC Seed Funding (Grant)	40,000	CMHC Seed Funding (Grant)	40,000
CMHC Permanent Mortgage	1,641,646	CMHC Permanent Mortgage	1,641,646
CMHC Co-Investment Fund Grant		CMHC Co-Investment Fund Grant	
(12.5%)	464,570	(12.5%)	526,779
City DC and Fee Waivers	-	City DC and Fee Waivers	-
FCM GMF SAH Study Grant	150,000	FCM GMF SAH Study Grant	150,000
FCM GMF SAH Capital Grant	371,656	FCM GMF SAH Capital Grant	421,423
Total Sources	2,667,872	Total Sources	2,779,848
Surplus / (Gap) - 10 units	(1,048,689)	Surplus / (Gap) - 10 units	(1,434,385)
Surplus / (Gap) - per unit	(104,869)	Surplus / (Gap) - per unit	(143,438)

Inputs			_					
Development Statistics	MFR low	MFR high		Suite Mix - All Ur	nits			
Site Area (SF)	43,000	43,000	sq. ft.	Unit Type	Suite Mix	Unit Size	Price \$PSF	1
Public Park Area Gross Floor Area	0% 6.906	0%	of site area sq. ft.	Studio 1 Bedroom	30% 30%	350 525	0	
Residential	100%	100%	of GFA	2 Bedroom	40%	725	0	
Non-Residential GFA Market Condominium	0% 0%	0%	of GFA of Residential GFA	3 Bedroom Total/ Avg.	0% 100%	925 553	0	
Target Rental 80% MMR Rental	70% 30%		of Residential GFA of Residential GFA	SGI Target Rent (Calculator			
					2018 SGI Median Income*	2022 SGI Median Income*	Rent as % of Gross	Af
Res. Efficiency Program Space	82% 100%	100%	of GFA of Non-Residential GFA	Unit Type 1 Bedroom	30,528	33,044	Income 30%	e e
Retail Non-Res. Efficiency	0% 100%		of Non-Residential GFA of Non-Residential GFA	2 Bedroom 3 Bedroom	54,618 71,492	59,120 77,385	30% 30%	
Parking Ratio Other			stalls per unit	* data from 2018	SGI Housin	a Noodss A	ccoccmo	nt (T
Rental	1.00	1.00	stalls per unit	** assumes 2% in	nflation on r	nedian inco	mes for	4 yea
Below Market Rental Visitor	1.00 0.03		stalls per unit stalls per unit					
Community Space Other	-		stalls per 1,000 sq. ft. leaseable stalls					
Condo Parking Sale Price Development Cost Assumptions	MFR low	MFR high	per stall	1				
Hard Costs Land Value - placeholder			total]				
Site Prep & Remediation	200,000	200,000	per ac.					
On-Site Servicing Off-Site Servicing	200,000	200,000	per ac.					
Public Park Const. Cost (15% of site area)	-		per sq. ft.					
Extraordinary Site or Servicing Costs Residential Const. Cost	325		total per sq. ft.					
Commercial Const. Cost Parking Const. Cost	5.000	-	per sq. ft. per stall					
Soft Costs	.,]				
Architect Other Consultants	4.5% 8.0%	8.0%	% of.project costs % of.project costs					
Dev. Charges - Studio & 1 Bed Dev. Charges - 2 Bed +	-	-	per unit per unit					
Education DC - Non-Res			per unit per m2					
Non-Res DC Sec. 37 Payment		-	per m2					
Sec. 37 rayment	-		total					
			\$300 processing fee, \$3000 est plumbing fee, \$2000 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-					
			library/bylaws/buildingregulationselecto ralareas/bylawno-					
Municipal Fees & Permits Public Art	19,113 0.0%		4403.pdf?sfvrsn=46607fcd_4) of hard costs					
Developer Fees	5.0%	5.0%	of project costs (excl. land & financing)					
Legal	3,000	3,000						
Sales & Closing Condo Marketing	-		per unit per unit					
Condo Commissions Rental Marketing	250	250	per unit per unit					
Rental Op Ex During Lease-up	25%		of year 1 op ex of hard and soft costs, assumes eligible					
GST	2.5%	2 5%	for qualifying non profit status (50% GST exempt)					
Contingency (incl. cost escalation)	10%		of hard & soft costs	-				
Revenue Assumptions	MFR low	MFR high			Operating Assumpti ons			
nevenue 203 uniprono	IVII IC ION	Will be tringer			Operating			
Rental Operations				1	Expenses Property		/yr	pu
Market Unit Operating Costs (PUPM)	477	477			Tax		\$ 3,563	\$
Affordable Unit Operating Costs (PUPM)	477	477			Insurance		\$12,000	\$
Parking Revenue (per stall, per month)	-	-			Heat & Electricity Interior		\$ 6,000	\$
Vacancy Rate & Bad Debt	2%	2%			Maintena nce Exterior		\$ 2,400	, \$
Lease-Up Period (months)	3	3			Maintena nce		\$ 2,400	\$
Market Cap Rate	3.50%	3.50%			Replacem ent Reserve		\$ 7,200	\$
					Building Salaries &			
				_	Wages Telephon		\$ 9,000	
Condominium & Non-Res Revenue				1	e Office &		\$ 600	\$
Revenue Inflation Parking Stall Sale Price	2%		per year per stall		Admin Audit		\$ 1,200 \$ 5,000	
_	-				Service			
Church Space Net Lease Rate	-		per sq. ft.		Contracts Grounds		\$ 6,000	
Office Vacancy & Bad Debt Office Cap Rate	0% 0.00%	0.00%			Maint Total		\$ 1,800 \$57,163	\$
Retail Net Lease Rate Retail Vacancy & Bad Debt	- 0%	- 0%	per sq. ft.					
Retail Cap Rate Office & Retail Commissions	0.00%	0.00%						
Timing & Financing Assumptions	MFR low	MFR high	or salle price	1				
Timing Assmptions Marketing/ Entitlement Period	1.0		years	-				
Sales Period Construction Period	1.0 1.0		years years	=				
Construction Loan Construction Loan	70%		of total costs	1				
Avg. Draw on Construction Loan Loan Fees	70% 0.50%	70%	during construction period of loan					
Loan Interest	3.00%		of loan	-				
	td. Mortgage i			_				
Interest Rate Amortization	4.50% 50		per year years					
Min. DCR Co-Investment Grant	1.0 12.5%	1.0	of rental project costs					
IAH Capital Grant	-	-	per below-market rental unit					
Profit Assumptions	0.00%		of permanent loan principal	Ī				
Discount Rate Condo Profit	7% 0%		per year of suite revenue					

Median ncome*	Median Income*	% of Gross Income	Target Affordabl e Rents	Notes	100% AMR	80% AMR	
30,528	33,044	30%	826	Based on SGI HN	IA target afford	lable rent	for single persons
4,618	59,120	30%	1,478	Based on averag	e of SGI HNS ta	rget affor	dable rents for lone parent families and families without ch
1,492	77,385	30%	1,935	Based on averag	e of SGI HNS ta	rget affor	dable rents for families without children and families with
81	0,528 4,618	0,528 33,044 4,618 59,120	* Income 0,528 33,044 30% 4,618 59,120 30%	* Income e Rents 0,528 33,044 30% 826 4,618 59,120 30% 1,478	* Income e Rents Notes 0,528 33,044 30% 826 Based on SGI HN 4,618 59,120 30% 1,478 Based on average	Income e Rents Notes AMR 0,528 33,044 30% 826 Based on SGI HNA target afford 4,618 59,120 30% 1,478 Based on average of SGI HNS target	* Income e Rents Notes AMR AMR 0,528 33,044 30% 826 Based on SGI HNA target affordable rent 4,618 59,120 30% 1,478 Based on average of SGI HNS target affordable

 SGI
 80%
 70%
 Deep

 Target
 MMR
 HIL5
 Deep

 Rents
 Victoria
 Victoria
 Subsidy
 Market

 43
 798
 831
 375
 1,000

 826
 959
 831
 375
 1,188

 1,478
 1,238
 1,068
 570
 1,252

 1,955
 1,181
 1,383
 60
 1,975

 1,062
 1,022
 926
 453
 1,266

Operating Assumpti ons Operating Expenses /yr pupm	
ons Operating	
Operating	
	Mill rat
Property	
Tax \$ 3,563 \$ 30	4.4
Insurance \$12,000 \$ 100	
Heat & Electricity \$ 6,000 \$ 50	
Interior	
Maintena	
nce \$ 2,400 \$ 20	
Exterior	
Maintena	
nce \$ 2,400 \$ 20	
Replacem	
ent	
Reserve \$ 7,200 \$ 60	
Building Salaries &	
Wages \$ 9,000 \$ 75	
Telephon	
e \$ 600 \$ 5	
Office &	
Admin \$ 1,200 \$ 10	
Audit \$ 5,000 \$ 42	
Service	
Contracts \$ 6,000 \$ 50	
Grounds	
Maint \$ 1,800 \$ 15	
Total \$57,163 \$ 476	

Scenario 1 - Multi Family Residential LOW - CMHC - 4.5 % Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents

Non-Residential Non

Rental Financing Residential Mortgage

DEVELOPMENT STATISTICS				
DEFECT MENT STATISTICS	Market	79% MMR	Total/ Avg.	Assumptions
SITE			,	
Site Area (sq. ft.)	-	-	43,000	Approximately 1 acre development area
FLOOR AREA				
Gross Floor Area (sq. ft.)	4,834	2,072	6,906	Includes circulation, utility and common areas
Efficiency Ratio	82%	82%	82%	BC Housing efficiency target for wood frame low rise buildings
Net Floor Area (sq. ft.)	3,964	1,699		
% of Residential Floor Area	70%	30%	100%	
% of Non-Residential Floor Area	-	-	0%	
% of Total Floor Area	70%	30%	100%	
PARKING				
Residential Parking Ratio (per unit)	1.00	1.00	1.00	1 parking stall per unit
Residential Stalls	7	3	10	
Visitor Parking Ratio (per unit)	0.03	0.03	0.20	
Visitor Stalls	1.4	0.6	2	Total of 2 visitors parking stalls
Office Parking Space Ratio (per 1,000 SF)	-	-		
Office Parking	-	-	-	
Total Parking Stalls	8	4	12	12 surface parking stalls in total
UNITS				
Total Units	7	3	10	10 units in total
Avg. Unit Size	553	553	553	Average unit size based on specified unit mix
DEVELOPMENT COST				
Land Cost	Market	79% MMR	TOTAL	
Land Cost - place holder	-	-	-	Assumes land is already owned or secured under long term lease
Hard Costs	Market	79% MMR	TOTAL	
Site Prep & Remediation	138,200	59,229	197,429	Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	138,200	59,229		1 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7
Off-Site Servicing	130,200	55,225	157,425	initiates unwanter of on site uniming water, stormwater and wasterater and hydroservices and associated underground world
Public Park Const. Cost (15% of site area)	_	_	_	
Residential Const. Cost	1,571,172	673,359	2 244 531	At \$325/sf
Commercial Const. Cost	1,3/1,1/2	-	2,244,331	7.40293
At-Grade Parking Const. Cost	42,000	18,000	60,000	At \$5000 per parking stall
Extraordinary Site Costs			-	
TOTAL HARD COSTS	1,889,572	809,817	2,699,389	
Per sq. ft.	391	391	391	
Soft Costs	Market	79% MMR	Total/ Avg.	
Architect	85,031	36,442	121,473	At 4.5% of hard costs
				At 8% of hard costs (allows for surveyor, geotech, environmental assessment, civil, wastewater, mechanical, structural, electrical and
Other Consultants	151,166	64,785		envelop, energy modeling, quantity surveyor, appraiser, well pump test, huydrogeological report, ecological report and water management plan)
Dev. Charges	-	-	-	Assumes no Development Cost Charges
				\$300 processing fee, \$3000 est plumbing fee, \$2000 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment
Municipal Food 9 Demoits	42.270	E 724	40.443	# 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-
Municipal Fees & Permits	13,379	5,734		4403.pdf?sfvrsn=46607fcd_4)
Development Management Fee	108,596	46,541		At 5% of project costs excluding land value.
Legal	21,000	9,000		Allowance for legal fees
Marketing	1,750	750 4.303		Marketing expenses during initial lease-up period
Op Ex During Lease-up	10,017	4,293	14,310	Operating expense during initial lease-up period. Assumes 3 months of operating expenses.

Scenario 1 - Multi Family R	esidential LOV	V - CMHC - 4.	.5 % Interest	Rate
Loan Fees	11,403	4,887		Fees on construction loan at 0.5% of loan value
Loan Interest	15,487	6,637	22,124	Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
GST	57,685	24,722	82,407	At 2.5% of project expenses. Assumes owner is eligible for qualifying non profit status (50% GST exempted/rebated)
TOTAL SOFT COSTS	475,512	203,791	679,303	
Per sq. ft.	98	98	98	
Contingency (incl. cost escalation)	236,508	101,361	337,869	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	2,601,593	1,114,968	3,716,561	
Per sq. ft.	538	538	538	
DEVELOPER PROFIT	-	-	-	
SOURCES OF FUNDS				
	Market	79% MMR	TOTAL	
Land Value (TBD)	-	-	-	
CMHC Seed Funding (Grant)	28,000	12,000		Estimated CMHC Seed Funding grant contribution for project of this size
CMHC Permanent Mortgage	1,268,122	373,524		Maximum CMHC National Housing Co-Investment Program mortgage based on financing terms below
CMHC Co-Investment Fund Grant (12.5%)	325,199	139,371	464,570	Estimated CMHC National Housing Co-Investment Program grant amount
City DC and Fee Waivers	-	-	-	Assumes no municipal fee waivers
FCM GMF SAH Study Grant	105,000	45,000	150,000	Potential study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing Program
				Potential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable
FCM GMF SAH Capital Grant Other	260,159 -	111,497 -	371,656	Affordable Housing Program for qualifying net zero energy ready projects
TOTAL REVENUE	1,986,480	681,392	2,667,872	1
Per sq. ft.	411	329	386	
EQUITY SURPLUS / GAP				
SURPLUS / (GAP)	(615,112)	(433,577)	(1,048,689)	Estimated funding gap
Per unit	(87,873)	(144,526)	(232,399)	Estimated funding gap per unit (averaged)
Per sq. ft.	(127)	(209)	(152)	
CASHFLOW				
	Market	79% MMR	Total/ Avg.	
Rental Revenue	106,365	36,809	143,174	
Parking Revenue	<u> </u>			
Gross Potential Income	106,365	36,809	143,174	
	•	•	,	
Less Vacancy & Bad Debt	(2,127)	(736)	(2,863)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	104,238	36,073	140,311	
Less: Operating Expenses (Non-Res NNN)	(40,068)	(17,172)		Based on estimated operating expense of \$477 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	64,170	18,901	83,071	
	(64,170)	(18,901)	(82.071)	Cost of debt servicing
Deht Senice		(10,501)	(03,071)	Debt Coverage Ration of 1.0 results in no unlevered cash flow after operating expenses and debt servicing
Debt Service	(0.,270)			TDEDL COVETARE MALIOTI OF 1.0 TESUITS IN NO UNIEVERED CASH FLOW ATTER ODERATING EXDENSES AND DEDT SERVICING
Debt Service Annual Cash Flow After Debt Servicing	-	-	-	
Annual Cash Flow After Debt Servicing	-	-	- 	
Annual Cash Flow After Debt Servicing	- Market	79% MMR	Total/ Avg.	
	-	79% MMR		Net operating income after vacancy loss and operating expenses
Annual Cash Flow After Debt Servicing DEBT CALCULATION	- Market			
Annual Cash Flow After Debt Servicing DEBT CALCULATION Net Operating Income	- Market 64,170	18,901		Net operating income after vacancy loss and operating expenses
Annual Cash Flow After Debt Servicing DEBT CALCULATION Net Operating Income DCR	Market 64,170 1.0	18,901 1.0		Net operating income after vacancy loss and operating expenses Debt Coverage Ration of 1.0 per CMHC National Housing Co-Investment Program minimum requirement

Scenario 2 - Multi Family Residential HIGH - CMHC - 4.5 % Interest Rate

Residential Tenure Rental - SGI Target Affordable Rents

Non-residential Non

Rental Financing Residential Mortgage

DEVELOPMENT STATISTICS				
	Market	79% MMR	Total/ Avg.	Assumptions
SITE	•	•	· ·	
Site Area (sq. ft.)	-	-	43,000	Approximately 1 acre development area
FLOOR AREA				
Gross Floor Area (sq. ft.)	4,834	2,072	6,906	Includes circulation, utility and common areas
Efficiency Ratio	82%	82%	82%	BC Housing efficiency target for wood frame low rise buildings
Net Floor Area (sq. ft.)	3,964	1,699	5,663	Leasable floor area net of circulation, utility and common areas
% of Residential Floor Area	70%	30%	100%	
% of Non-Residential Floor Area	-	-	0%	
% of Total Floor Area	70%	30%	100%	
PARKING				
Residential Parking Ratio (per unit)	1.00	1.00	1.00	1 parking stall per unit
Residential Stalls	7	3	10	
Visitor Parking Ratio (per unit)	0.14	0.06	0.20	
Visitor Stalls	1.4	0.6	2	Total of 2 visitors parking stalls
Office Space Parking Ratio (per 1,000 sq. ft.)	-	-		
Office Parking	-	-	-	
Total Parking Stalls	8	4	12	12 surface parking stalls in total
UNITS				
Total Units	7	3	10	10 units in total
Avg. Unit Size	553	553	553	Average unit size based on specified unit mix
DEVELOPMENT COST				
Land Cost	Market	79% MMR	TOTAL	
Land Cost - place holder	-	-	-	Assumes land is already owned or secured under long term lease
Hard Costs	Market	79% MMR	TOTAL	
Site Prep & Remediation	138,200	59,229		Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	138,200	59,229		Includes allowance for on site drinking water, stormwater and wastewater and hydro services and associated underground works
Off-Site Servicing	-	-	-	
Residential Const. Cost	1,812,891	776,953	2,589,844	At \$375/sf
Church Space Const. Cost	-	-	-	
At-Grade Parking Const. Cost	58,800	25,200	84,000	At \$7000 per parking stall
Extraordinary Site Costs	-	-	-	
TOTAL HARD COSTS	2,148,091	920,610	3,068,701	
Per sq. ft.	444	444	444	
Soft Costs	Market	79% MMR	Total/ Avg.	
Architect	96,664	41,427		At 4.5% of hard costs
				At 8% of hard costs (allows for surveyor, geotech, environmental assessment, civil, wastewater, mechanical, structural, electrical and envelop,
Other Consultants	171,847	73,649		energy modeling, quantity surveyor, appraiser, well pump test, huydrogeological report, ecological report and water management plan)
Dev. Charges	-	-		Assumes no Development Cost Charges
				\$300 processing fee, \$3000 est plumbing fee, \$2000 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403
				Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-
Planning Application Fees	13,379	5,734	19.113	Appendix M (Interprite Transcet and Control of Control
Development Management Fee	123,137	52,773	•	At 5% of project costs excluding land value.
Legal	21,000	9,000		Allowance for legal fees
Marketing	1,750	750		Marketing expenses during initial lease-up period
Op Ex During Lease-up	10,017	4,293		Operating expenses during initial lease-up period. Assumes 3 months of operating expenses.
The run and reader wh	10,017	7,233	1-,510	1-L

cenario 2 - Multi Family R				·
Loan Fees	12,929	5,541	•	Fees on construction loan at 0.5% of loan value
Loan Interest	17,560	7,526	25,086	Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
GST	65,409	28,033	93,442	At 2.5% of project expenses. Assumes owner is eligible for qualifying non profit status (50% GST exempted/rebated)
OTAL SOFT COSTS	533,694	228,726	762,420	
Per sq. ft.	110	110	110	
Contingency (incl. cost escalation)	268,178	114,934	383,112	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	2,949,963	1,264,270	4,214,233	
Per sq. ft.	610	610	610	
DEVELOPER PROFIT	-	-	-	
OURCES OF FUNDS				
	Market	79% MMR	TOTAL	
Land Value (TBD)	-	-	-	
CMHC Seed Funding (Grant)	28,000	12,000	•	Estimated CMHC Seed Funding grant contribution for project of this size
CMHC Permanent Mortgage	1,268,122	373,524	1,641,646	
CMHC Co-Investment Fund Grant (12.5%)	368,745	158,034	526,779	Estimated CMHC National Housing Co-Investment Program grant amount
City DC and Fee Waivers	405.000	45.000	450.000	Assumes no municipal fee waivers Retartial study grant amount under Federation of Consider Municipalities! Croon Municipal Funds Systematical Affordable Housing Program
FCM GMF SAH Study Grant	105,000	45,000	150,000	Potential study grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing Program
FCM GMF SAH Capital Grant	294,996	126,427	A21 A22	Potential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing Program for qualifying net zero energy ready projects
Other	-	120,427	421,423	1.000mg 1.000mm 10. qualitying net zero energy ready projects
OTAL REVENUE	2,064,864	714,985	2,779,848	
	427	345	403	
EQUITY SURPLUS / GAP				
URPLUS / (GAP)	(885,099)	(549,285)	(1,434,385)	Estimated funding gap
Per unit	(126,443)	(183,095)	(309,538)	Estimated funding gap per unit (averaged)
Per sq. ft.	(183)	(265)	(208)	
CASHFLOW				
	Market	79% MMR	Total/ Avg.	
Rental Revenue	Market 106,365	79% MMR 36,809	Total/ Avg. 143,174	
Parking Revenue	106,365	36,809 -	143,174	
Parking Revenue Gross Potential Income	106,365 - 106,365	36,809 - 36,809	143,174 - 143,174	
Parking Revenue Gross Potential Income Less Vacancy & Bad Debt	106,365 - 106,365 (2,127)	36,809 - 36,809 (736)	143,174 - 143,174 (2,863)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Parking Revenue Gross Potential Income	106,365 - 106,365	36,809 - 36,809	143,174 - 143,174	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income	106,365 - 106,365 (2,127) 104,238	36,809 - 36,809 (736) 36,073	143,174 - 143,174 (2,863) 140,311	
Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN)	106,365 - 106,365 (2,127) 104,238 (40,068)	36,809 - 36,809 (736) 36,073 (17,172)	143,174 - 143,174 (2,863) 140,311 (57,240)	
Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income	106,365 - 106,365 (2,127) 104,238	36,809 - 36,809 (736) 36,073	143,174 - 143,174 (2,863) 140,311	
Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN)	106,365 - 106,365 (2,127) 104,238 (40,068) 64,170	36,809 - 36,809 (736) 36,073 (17,172) 18,901	143,174 - 143,174 (2,863) 140,311 (57,240) 83,071	Based on estimated operating expense of \$477 per unit per month. See Operating Expense Breakdown for details.
Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income	106,365 - 106,365 (2,127) 104,238 (40,068)	36,809 - 36,809 (736) 36,073 (17,172)	143,174 - 143,174 (2,863) 140,311 (57,240) 83,071	Based on estimated operating expense of \$477 per unit per month. See Operating Expense Breakdown for details. Cost of debt servicing
Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service Annual Cashflow After Debt Servicing	106,365 - 106,365 (2,127) 104,238 (40,068) 64,170	36,809 - 36,809 (736) 36,073 (17,172) 18,901	143,174 - 143,174 (2,863) 140,311 (57,240) 83,071	Based on estimated operating expense of \$477 per unit per month. See Operating Expense Breakdown for details.
Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service Annual Cashflow After Debt Servicing	106,365 - 106,365 (2,127) 104,238 (40,068) 64,170	36,809 - 36,809 (736) 36,073 (17,172) 18,901	143,174 - 143,174 (2,863) 140,311 (57,240) 83,071	Based on estimated operating expense of \$477 per unit per month. See Operating Expense Breakdown for details. Cost of debt servicing
Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service Annual Cashflow After Debt Servicing DEBT CALCULATION	106,365 - 106,365 (2,127) 104,238 (40,068) 64,170 (64,170)	36,809 36,809 (736) 36,073 (17,172) 18,901 (18,901)	143,174 - 143,174 (2,863) 140,311 (57,240) 83,071 (83,071) - Total/ Avg.	Based on estimated operating expense of \$477 per unit per month. See Operating Expense Breakdown for details. Cost of debt servicing
Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service Annual Cashflow After Debt Servicing DEBT CALCULATION	106,365 - 106,365 (2,127) 104,238 (40,068) 64,170 (64,170) -	36,809 36,809 (736) 36,073 (17,172) 18,901 (18,901)	143,174 - 143,174 (2,863) 140,311 (57,240) 83,071 (83,071) - Total/ Avg.	Based on estimated operating expense of \$477 per unit per month. See Operating Expense Breakdown for details. Cost of debt servicing Debt Coverage Ration of 1.0 results in no unlevered cash flow after operating expenses and debt servicing
Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service Annual Cashflow After Debt Servicing DEBT CALCULATION Net Operating Income	106,365 106,365 (2,127) 104,238 (40,068) 64,170 (64,170) 	36,809 36,809 (736) 36,073 (17,172) 18,901 (18,901) - 79% MMR	143,174 - 143,174 (2,863) 140,311 (57,240) 83,071 (83,071) - Total/ Avg.	Based on estimated operating expense of \$477 per unit per month. See Operating Expense Breakdown for details. Cost of debt servicing Debt Coverage Ration of 1.0 results in no unlevered cash flow after operating expenses and debt servicing Net operating income after vacancy loss and operating expenses
Parking Revenue Gross Potential Income Less Vacancy & Bad Debt Gross Effective Income Less: Operating Expenses (Non-Res NNN) Net Operating Income Debt Service Annual Cashflow After Debt Servicing DEBT CALCULATION Net Operating Income DCR	106,365 - 106,365 (2,127) 104,238 (40,068) 64,170 (64,170) - Market 64,170 1.0	36,809 . 36,809 (736) 36,073 (17,172) 18,901 (18,901) 	143,174 - 143,174 (2,863) 140,311 (57,240) 83,071 (83,071) - Total/ Avg.	Based on estimated operating expense of \$477 per unit per month. See Operating Expense Breakdown for details. Cost of debt servicing Debt Coverage Ration of 1.0 results in no unlevered cash flow after operating expenses and debt servicing Net operating income after vacancy loss and operating expenses Debt Coverage Ration of 1.0 per CMHC National Housing Co-Investment Program minimum requirement

Summary of Results - Multi Family Residential, 10 Units, BC Housing (New Construction) - 4.5 % Interest Rate

Scenario 1 - Multi Family Residential LOW - BC Housing - 4.5		Scenario 2 - Multi Family Residential HIGH	
% Interest Rate			
Gross Floor Area	•	Gross Floor Area	6,906
% of Total Floor Area	100%	% of Total Floor Area	100%
Total Units		Total Units	10
Parking Spots		Parking Spots	12
Land Value (TBD)	-	Land Value (TBD)	-
Hard Costs	2,702,389	Hard Costs	2,900,245
Soft Costs	681,775	Soft Costs	726,304
Contingency	338,416	Contingency	362,655
Other	-	Other	-
Total Costs	3,722,580	Total Costs	3,989,204
Land Value (TBD)	-	Land Value (TBD)	-
CMHC Seed Funding (Grant)	40,000	CMHC Seed Funding (Grant)	40,000
BCH Permanent Mortgage	801,844	CMHC Permanent Mortgage	838,747
BCH CHF Grant	1,025,000	(12.5%)	1,025,000
City DC and Fee Waivers	-	City DC and Fee Waivers	-
CMHC NHCIP Grant (@ 12.5%)	465,323	CMHC NHCIP Grant (@ 12.5%)	498,651
Other	-	Other	-
Total Sources	2,332,166	Total Sources	2,402,397
Surplus / (Gap) - 10 units	(1,390,414)	Surplus / (Gap) - 10 units	(1,586,807)
Surplus / (Gap) - per unit	(139,041)	Surplus / (Gap) - per unit	(158,681)
BCH Annual Subsidy Required to		BCH Annual Subsidy Required to Close	
Close Gap	79,630	Gap	92,991
BCH Subsidy Required PUPM	664	BCH Subsidy Required PUPM	775

Lea Le										
Inputs										
Development Statistics	MFR low	MFR high		Suite Mix - All Un	its					
							Price	SGI Target		RGI
Site Area (SF) Public Park Area	43,000	43,000	sq. ft.	Unit Type Studio	Suite Mix	Unit Size	\$PSF 0	Rents 743	80% MMR Victoria	Vict 8
Public Park Area Gross Floor Area	6,906	6.906	of site area	Studio 1 Bedroom	30%	350 525	0	743 826	798 959	8
Residential	100%	100%	of GFA	2 Bedroom	40%	725	0	1,478	1,238	1,0
Non-Residential GFA	0%	0%	of GFA	3 Bedroom	0%	925	0	1,935	1,518	1,3
Market Condominium Market Rental	0% 30%		of Residential GFA of Residential GFA	Total/ Avg.	100%	553	0	1,062	1,022	90
RGI (70% HILS)	50%	50%	of Residential GFA	SGI Target Rent C	alculator					
Deep Subsidy	20%	20%	of Residential GFA							
						2022 SGI				
					2018 SGI		Rent as %	2022 Target		
					Median	Income*	of Gross	Affordable		
Res. Efficiency	82%	82%	of GFA	Unit Type	Income*	•	Income	Rents	Notes	
Program Space	100%	100%	of Non-Residential GFA	1 Bedroom	30,528	33,044	30%	826	Based on SGI HNA target affordable rent for single persons	
Retail	0%	0%	of Non-Residential GFA	2 Bedroom	54,618	59,120	30%	1,478	Based on average of SGI HNS target affordable rents for lone parent families and families without children	
Non-Res. Efficiency Parking Ratio Other	100%		of Non-Residential GFA stalls per unit	3 Bedroom		77,385 Needs As	30%	1,935 Table 23): aw	Based on average of SGI HNS target affordable rents for families without children and families with children erages calculated per notes provided	
Rental	1.00	1.00	stalls per unit	** assumes 2% in	flation on m	edian incon	nes for 4 ye	ars (2019-20	22)	
Below Market Rental	1.00	1.00	stalls per unit				,		•	
Visitor Community Space	0.03	0.03	stalls per unit stalls per 1.000 sq. ft. leaseable							
Community Space Other		- :	stalis per 1,000 sq. ft. leaseable stalis							
Condo Parking Sale Price			per stall	_						
Development Cost Assumptions Hard Costs	MFR low	MFR high								
Land Value - placeholder	-		total	J						
Site Prep & Remediation	200,000	200,000	per ac.							
On-Site Servicing Off-Site Servicing	200,000	200,000	per ac. per ac.							
on-one servicing			per uc.							
Public Park Const. Cost (15% of site area)			per sq. ft.							
Extraordinary Site or Servicing Costs Residential Const. Cost	325		total							
Sesidential Const. Cost Commercial Const. Cost	325	350	per sq. ft. per sq. ft.							
Parking Const. Cost	5,000		per stall							
Soft Costs]						
Architect Other Consultants	4.5% 8.0%		% of project costs % of project costs							
Dev. Charges - Studio & 1 Bed	-		per unit							
Dev. Charges - 2 Bed +			per unit							
ducation DC - Non-Res			per unit per m2							
Non-Res DC			per m2 per m2							
Sec. 37 Payment			total							
			\$300 processing fee, \$3000 est plumbing fee, \$2000 est electrical fee, \$10/\$1000 CV @ \$200 psf as per CRD Building Regs Bylaw amendment # 4403 Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationsele							
Municipal Fees & Permits	19,113	19 112	ctoralareas/bylawno- 4403.pdf?sfvrsn=46607fcd_4)							
Public Art	0.0%	0.0%	of hard costs							
			of project costs (excl. land &							
Developer Fees	5.0%		financing) per res. unit and, per 1,000 sq. ft. non-							
.egal	3,000	3,000	res.							
Sales & Closing			per unit							
Condo Marketing Condo Commissions			per unit per unit							
ondo Commissions Rental Marketing	250	250	per unit per unit							
Rental Op Ex During Lease-up	25%	25%	of year 1 op ex of hard and soft costs, assumes eligible for qualifying non profit status							
GST	2.5%	2.5%	(50% GST exempt)							
Contingency (incl. cost escalation) Revenue Assumptions	10% MER low	MFR high	of hard & soft costs		0	g Assumpt				

Property Tax \$ 3,567 \$ 30 Insurance \$ 12,000 \$ 100

 Market Unit Operating Costs (PUPM)
 532
 532

 Affordable Unit Operating Costs (PUPM)
 532
 532

Condominium & Non-Res Reve Revenue Inflation Parking Stall Sale Price Church Space Net Lease Rate Office Vacancy, & Bad Debt Office Cap Rate Retall Vacancy, & Bad Debt Retall Vacancy, & Bad Debt Retall Cap Rate

BC Housing CHF Capital Grant	Units		Total Gran
Studio		3	75,000
One Bedroom		3	100,000
Two Bedroom		4	125,000
Three Bedroom			150,000
Total	1	0	1,025,000

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Scenario 1 - Multi Family Residential LOW - BC Housing - 4.5 % Interest Rate

Rental - SGI
Target
Affordable
Residential Tenure
Rents
Non-Residential
Rental Financing
Mortgage
Capital Subsidies
None

Capital Subsidies	None				
DEVELOPMENT STATISTICS					
	Market	RGI (70% HILS)	Deep Subsidy	Total/ Avg.	Assumptions
ITE					
ite Area (sq. ft.)	-	-	-	43,000	Approximately 1 acre development area
LOOR AREA					
Gross Floor Area (sq. ft.)	2,072	3,453	1,381	6,906	Includes circulation, utility and common areas
fficiency Ratio	82%	82%	82%		BC Housing efficiency target for wood frame low rise buildings
let Floor Area (sq. ft.)	1,699	2,832	1,133		Leasable floor area net of circulation, utility and common areas
6 of Residential Floor Area	30%	50%	20%	100%	
of Non-Residential Floor Area	_	-	-	0%	
of Total Floor Area	30%	50%	20%	100%	
ARKING					
esidential Parking Ratio (per unit)	1.00	1.00	1.00	1.00	1 parking stall per unit
tesidential Stalls	3	5	2	10	
'isitor Parking Ratio (per unit)	0.03	0.03	0.03	0.20	
isitor Stalls	0.6	1.0	1.0		Total of 2 visitors parking stalls
Office Parking Space Ratio (per 1,000 SF)	-	-	-	-	100000000000000000000000000000000000000
Office Parking	_	_	_		
otal Parking Stalls	4	6	3	12	12 surface parking stalls in total
INITS	•	U	,	12	12 Surface parking statis in total
otal Units	3	5	2	10	10 units in total
Avg. Unit Size	553	553	553		Average unit size based on specified unit mix
lvg. Offit Size	333	333	333	333	Average unit size based on specified unit mix
DEVELOPMENT COST					
and Cost	Market	RGI (70% HILS)	Deep Subsidy	TOTAL	
and Cost - place holder	-	-		-	Assumes land is already owned or secured under long term lease
lard Costs	Market	RGI (70% HILS)	Deep Subsidy	TOTAL	
Site Prep & Remediation	59,229	98,714	39,486		Assumes no remediation required, includes site preparation, grading, fill, retention works and, environmental controls etc. @ \$200,000/acre
On-Site Servicing	59,229	98,714	39,486	197,429	Includes allowance for on site drinking water, stormwater and wastewater and hydro services and associated underground works
Off-Site Servicing	-	-	-	-	
ublic Park Const. Cost (15% of site area)	-		_		
esidential Const. Cost			-	-	
ommercial Const. Cost	673,359	1,122,266	448,906	2,244,531	At \$325/sf
John Microral Collet. Cost	673,359 -	1,122,266		2,244,531 -	At \$325/sf
	673,359 - 18,000	1,122,266 - 30,000		-	At \$325/sf At \$5000 per parking stall
t-Grade Parking Const. Cost	-	-	448,906	-	
t-Grade Parking Const. Cost xtraordinary Site Costs	-	-	448,906	-	
at-Grade Parking Const. Cost xtraordinary Site Costs OTAL HARD COSTS	18,000	30,000	448,906 - 15,000 -	63,000	
it-Grade Parking Const. Cost xtraordinary Site Costs OTAL HARD COSTS er sq. ft.	18,000 - 809,817 391	30,000 - 1,349,694 391	448,906 - 15,000 - 542,878 393	63,000 - 2,702,389 391	
t-Grade Parking Const. Cost xtraordinary Site Costs OTAL HARD COSTS er sq. ft.	18,000 - 809,817 391 Market	30,000 - 1,349,694 391 RGI (70% HILS)	448,906 - 15,000 - 542,878 393 Deep Subsidy	63,000 - 2,702,389 391 Total/ Avg.	At \$5000 per parking stall
t-Grade Parking Const. Cost xtraordinary Site Costs OTAL HARD COSTS er sq. ft.	18,000 - 809,817 391	30,000 - 1,349,694 391	448,906 - 15,000 - 542,878 393	63,000 - 2,702,389 391 Total/ Avg.	At \$5000 per parking stall At 4.5% of hard costs
t-Grade Parking Const. Cost xtraordinary Site Costs OTAL HARD COSTS er sq. ft. oft Costs rchitect	18,000 - 809,817 391 Market 36,442	30,000 - 1,349,694 391 RGI (70% HILS) 60,736	448,906 - 15,000 - 542,878 393 Deep Subsidy 24,430	63,000 - 2,702,389 391 Total/ Avg.	At \$5000 per parking stall At 4.5% of hard costs modeling,
nt-Grade Parking Const. Cost xtraordinary Site Costs OTAL HARD COSTS er sq. ft. oft Costs urchitect Other Consultants	18,000 - 809,817 391 Market	30,000 1,349,694 391 RGI (70% HILS) 60,736	448,906 - 15,000 - 542,878 393 Deep Subsidy 24,430 43,430	63,000 - 2,702,389 391 Total/ Avg.	At \$5000 per parking stall At 4.5% of hard costs modeling, quantity surveyor, appraiser, well pump test, huydrogeological report, ecological report and water management plan)
nt-Grade Parking Const. Cost ixtraordinary Site Costs OTAL HARD COSTS fer sq. ft. oft Costs vrchitect Other Consultants	18,000 - 809,817 391 Market 36,442	30,000 - 1,349,694 391 RGI (70% HILS) 60,736	448,906 - 15,000 - 542,878 393 Deep Subsidy 24,430	63,000 - 2,702,389 391 Total/ Avg.	At \$5000 per parking stall At 4.5% of hard costs modeling,
t-Grade Parking Const. Cost xtraordinary Site Costs OTAL HARD COSTS er sq. ft. oft Costs rchitect ther Consultants ev. Charges	18,000 - 809,817 391 Market 36,442 64,785	30,000 1,349,694 391 RGI (70% HILS) 60,736	448,906 - 15,000 - 542,878 393 Deep Subsidy 24,430 43,430	63,000 2,702,389 391 Total/ Avg. 121,608 216,191	At 4.5% of hard costs modeling, quantity surveyor, appraiser, well pump test, huydrogeological report, ecological report and water management plan) Assumes no Development Cost Charges John Cost Charge
t-Grade Parking Const. Cost ktraordinary Site Costs DTAL HARD COSTS er sq. ft. oft Costs rchitect ther Consultants ev. Charges lunicipal Fees & Permits	18,000 - 809,817 391 Market 36,442 64,785 - 5,734	30,000 1,349,694 391 RGI (70% HILS) 60,736 107,976	448,906 - 15,000 - 542,878 393 Deep Subsidy 24,430 43,430 - 3,823	63,000 2,702,389 391 Total/Avg. 121,608 216,191 -	At 4.5% of hard costs modeling, quantity surveyor, appraiser, well pump test, hydrogeological report, ecological report and water management plan) Assumes no Development Cost Charges, John Cost Charges
At-Grade Parking Const. Cost Attraordinary Site Costs OTAL HARD COSTS Ver sq. ft. Oft Costs Architect Other Consultants Dev. Charges Municipal Fees & Permits	18,000 - 809,817 391 Market 36,442 64,785 - 5,734 46,566	30,000 1,349,694 391 RGI (70% HILS) 60,736 107,976 -	448,906 15,000 542,878 393 Deep Subsidy 24,430 43,430 - 3,823 31,213	63,000 2,702,389 391 Total/ Avg. 121,608 216,191 - 19,113 155,388	At 4.5% of hard costs modeling, quantity surveyor, appraiser, well pump test, huydrogeological report, ecological report and water management plan) Assumes no Development Cost Charges Supply Surveyor, appraiser, well pump test, huydrogeological report, ecological report and water management plan) Assumes no Development Cost Charges Supply Surveyor, appraiser, well pump test, huydrogeological report, ecological report and water management plan) Assumes no Development Cost Charges Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno-4403.pdf?sfxrsn=46607fcd_4) At 5% of project costs excluding land value.
t-Grade Parking Const. Cost xtraordinary Site Costs OTAL HARD COSTS er sq. ft. oft Costs rchitect ther Consultants ev. Charges funicipal Fees & Permits evelopment Management Fee	18,000 - 809,817 391 Market 36,442 64,785 - 5,734	30,000 1,349,694 391 RGI (70% HILS) 60,736 107,976	448,906 - 15,000 - 542,878 393 Deep Subsidy 24,430 43,430 - 3,823	63,000 2,702,389 391 Total/ Avg. 121,608 216,191 - 19,113 155,388	At 4.5% of hard costs modeling, quantity surveyor, appraiser, well pump test, huydrogeological report, ecological report and water management plan) Assumes no Development Cost Charges, Jood ost planning lee, Jacob ost planning lee, Jacob ost electrical lee, Jacob ost go particles and lee of the planning lee, Jacob ost planning lee, Jacob ost electrical lee, Jacob ost go particles and lee of the planning lee of the planni
At-Grade Parking Const. Cost Attraordinary Site Costs OTAL HARD COSTS er sq. ft. oft Costs Other Consultants ev. Charges Municipal Fees & Permits evelopment Management Fee egal	18,000 - 809,817 391 Market 36,442 64,785 - 5,734 46,566	30,000 1,349,694 391 RGI (70% HILS) 60,736 107,976 -	448,906 15,000 542,878 393 Deep Subsidy 24,430 43,430 - 3,823 31,213	63,000 2,702,389 391 Total/ Avg. 121,608 216,191 - 19,113 155,388 30,000	At 4.5% of hard costs modeling, quantity surveyor, appraiser, well pump test, huydrogeological report, ecological report and water management plan) Assumes no Development Cost Charges Assumes no Development Cost Charges Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno- 4403.pdf?sfxrsn=46607fcd_4) At 5% of project costs excluding land value.
Architect Other Consultants Dev. Charges Municipal Fees & Permits Development Management Fee Legal Architeging Dev. Charges Development Management Fee Legal Development Management Fee	18,000 	30,000 1,349,694 391 RGI (70% HILS) 60,736 107,976 - 9,556 77,610 15,000	448,906 15,000 542,878 393 Deep Subsidy 24,430 43,430 - 3,823 31,213 6,000	63,000 2,702,389 391 Total/ Avg. 121,608 216,191 19,113 155,388 30,000 2,500	At 4.5% of hard costs modeling, quantity surveyor, appraiser, well pump test, huydrogeological report, ecological report and water management plan) Assumes no Development Cost Charges John Development Cost Charges John Development Cost Charges Appendix M (https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/buildingregulationselectoralareas/bylawno- 4403.pdf?sfvrsn=46607fcd_4) At 5% of project costs excluding land value. Allowance for legal fees

Scenario 1 - Multi Famil	y Reside	ential LOW	- BC Hous	ing -	
4.5 % Interest Rate				J	
Loan Interest	6,641	11,068	4,451	22,160	Interest paid on construction loan at 3% interest rate assuming average loan drawdown of 70% over construction period.
SST	24,735	41,225	16,580	82,541	At 2.5% of project expenses. Assumes owner is eligible for qualifying non profit status (50% GST exempted/rebated)
OTAL SOFT COSTS	204,330	340,550	136,895	681,775	, , , , , , , , , , , , , , , , , , ,
Per sq. ft.	99	99	99	99	
Contingency (incl. cost escalation)	101,415	169,024	67,977	338,416	At 10% of hard and soft costs costs
TOTAL DEVELOPMENT COST	1,115,561	1,859,269	747,750	3,722,580	
Per sq. ft.	538	538	541	539	
DEVELOPER PROFIT	-	-	-	-	
SOURCES OF FUNDS					
	Market	RGI (70% HILS)	Deep Subsidy	TOTAL	
and Value (TBD)	-	-	-	-	
CMHC Seed Funding (Grant)	12,000	20,000	8,000	40,000	Estimated CMHC Seed Funding grant contribution for project of this size
3CH Permanent Mortgage	445,628	393,119	(36,903)	801,844	Maximum BC Housing mortgage serviceable by net operating income based on financing terms below
BCH CHF Grant	307,500	512,500	205,000	1,025,000	Estimated BC Housing Community Housing Fund grant amount
City DC and Fee Waivers	-			-	Assumes no municipal fee waivers
CMHC NHCIP Grant (@ 12.5%)	139,597	232,661	93,065	465,323	Assumes qualifies for forgiveable contribution of 12.5% of project costs under CMHC's National Housing Co-Investment Fund
Other	-	-		-	Potential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing Program for qualifying net zero energy ready projects
Other	-	-	-	-	
TOTAL REVENUE	904,724	1,158,280	269,162	2,332,166	
Per sq. ft.	437	335	195	338	
QUITY SURPLUS / GAP					
SURPLUS / (GAP)	(210,837)	(700,989)	(478,588)		Estimated funding gap
Per unit	(70,279)	(140,198)	(95,718)		Estimated funding gap per unit (averaged)
Per sq. ft.	(102)	(203)	(346)	(201)	
Annual BCH Operating Subsidy Required	\$12,074.72	\$40,145.93	\$27,408.98	79,630	Estimated Annual Operating Subsidy required from BC Housing to service additional mortgage needed to close equity gap based on same financing terms a
BCH Operating Subsidy Required PUPM	101	335	228	664	Estimated Operating Subsidy required from BC Housing per unit per month.
CASHFLOW					
	Market	RGI (70% HILS)	Deep Subsidy	Total/ Avg.	
Rental Revenue	45,585	55,545	10,872	112,002	
Parking Revenue	45 505	-	10.073	112.002	1
Gross Potential Income	45,585	55,545	10,872	112,002	
Less Vacancy & Bad Debt	(912)	(1,111)	(217)	(2,240)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	44,673	54,434	10,655	109,762	
ess: Operating Expenses (Non-Res NNN)	(19,152)	(31,920)	(12,768)	(63,840)	Based on estimated operating expense of \$532 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	25,521	22,514	(2,113)	45,922	
Debt Service	(25,521)	(22,514)	2,113	(45,922)	Cost of debt servicing
Annual Cash Flow After Debt Servicing	0	0	-	0	Debt Coverage Ration of 1.0 results in no unlevered cash flow after operating expenses and debt servicing
DEDT ON GUIATION					
DEBT CALCULATION	Market	RGI (70% HILS)	Deep Subsidy	Total/ Avg.	
N-1 0	25,521	22,514	(2,113)	48,035	Net operating income after vacancy loss and operating expenses
vet Operating income		1.0	1.0	,	Debt Coverage Ration of 1.0
	1.0				
Net Operating Income DCR Amortization	1.0 35	35	35		Ammortization period of 35 yrs under BC Housing Community Housing Fund program
DCR			35 4.50%		Ammortization period of 35 yrs under BC Housing Community Housing Fund program 4.5% interest rate per CRD Scope of Services requested stress test

Scenario 2 - Multi Family Residential HIGH - BC Housing - 4.5 % Interest Rate

Rental - SGI Target Affordable Rents

Residential Tenure Non-Residential Rental Financing Capital Subsidies None Residential Mortgage

None

DEVELOPMENT STATISTICS					
	Market	RGI (70% HILS)	RGI (70% HILS)	Deep Subsidy	Total/ Avg.
SITE					
Site Area (sq. ft.)	-	-	-	-	43,000
FLOOR AREA			_		
Gross Floor Area (sq. ft.)	2,072	3,453		1,381	6,906
Efficiency Ratio	82%			82%	82%
Net Floor Area (sq. ft.)	1,699	2,832		1,133	5,663
% of Residential Floor Area	30%	50%	50%	20%	100%
% of Non-Residential Floor Area	30%	50%	-	20%	0% 100%
% of Total Floor Area	30%	50%	50%	20%	100%
PARKING	4.00	4.00	4.00	4.00	
Residential Parking Ratio (per unit)	1.00	1.00		1.00	1.00
Residential Stalls	3	5		2	10
Visitor Parking Ratio (per unit)	0.03	0.03		0.03	0.20
Visitor Stalls	0.6	1.0	1.0	1.0	2
Office Parking Space Ratio (per 1,000 SF)					
Office Parking			-		-
Total Parking Stalls	4	6	6	3	12
UNITS					
Total Units	3	5		2	10
Avg. Unit Size	553	553	553	553	553
DEVELOPMENT COST					
Land Cost	Market	RGI (70% HILS)	RGI (70% HILS)	Deep Subsidy	TOTAL
Land Cost - place holder	-	-	-		-
Hard Costs	Market	RGI (70% HILS)		Deep Subsidy	TOTAL
Site Prep & Remediation	59,229	98,714		39,486	197,429
On-Site Servicing	59,229	98,714	98,714	39,486	197,429
Off-Site Servicing	-				-
Public Park Const. Cost (15% of site area)	-				-
Residential Const. Cost	725,156	1,208,594	1,208,594	483,438	2,417,188
Commercial Const. Cost					-
At-Grade Parking Const. Cost	25,200	42,000	42,000	21,000	88,200
Extraordinary Site Costs	-	-		-	-
TOTAL HARD COSTS	868,814	1,448,023	1,448,023	583,409	2,900,245
Per sq. ft.	419	419	419	422	420
Soft Costs	Market	RGI (70% HILS)	RGI (70% HILS)	Deep Subsidy	Total/ Avg.
Architect	39,097	65,161	65,161	26,253	130,511
Other Consultants	69,505	115,842	115,842	46,673	232,020
Dev. Charges					
Municipal Fees & Permits	5,734	9,556	9,556	3,823	19,113
Development Management Fee	49,884	83,141	83,141	33,492	166,517
Legal	9,000	15,000		6,000	30,000
Marketing	750	1,250		500	2,500
Op Ex During Lease-up	4,788	7,980		3,192	15,960
Loan Fees	5,238	8,730		3,517	17,484
Loan Interest	7,114	11,856		4,776	23,747
	26,498			17,791	
GST TOTAL SOFT COSTS	26,498	44,163 362,679		17,791	88,452 726,304
Per sq. ft.	105	105	105	106	105
	108,642	181,070	101 070	72.943	362,655
		181,070	181,070	72,943	362,655
Contingency (incl. cost escalation)	100,042				
		1.000 ===	1.002 ===	002.202	2 000 224
TOTAL DEVELOPMENT COST	1,195,063	1,991,772		802,369	3,989,204
		1,991,772 577		802,369 581	3,989,204 578
TOTAL DEVELOPMENT COST Per sq. ft.	1,195,063 577	577	577	581	
TOTAL DEVELOPMENT COST	1,195,063		577		
TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT	1,195,063 577	577	577	581	
TOTAL DEVELOPMENT COST Per sq. ft.	1,195,063 577	577	577	581	578
TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS	1,195,063 577	577	577	581	
TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD)	1,195,063 577 - Market	FGI (70% HILS)	S77	581 - Deep Subsidy	TOTAL
TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS	1,195,063 577	577	S77	581	578
TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD)	1,195,063 577 - Market	FGI (70% HILS)	RGI (70% HILS) - 20,000	581 - Deep Subsidy	TOTAL
TOTAL DEVELOPMENT COST Per sq. ft. DEVELOPER PROFIT SOURCES OF FUNDS Land Value (TBD) CMHC Seed Funding (Grant)	1,195,063 577 - Market - 12,000	RGI (70% HILS) - 20,000	RGI (70% HILS) 20,000 393,119	Deep Subsidy 8,000	578

City DC and Fee Waivers			-	-	Assumes no municipal fee waivers
CMHC NHCIP Grant (@ 12.5%)	149,595	249,325	99,730	498,651	Assumes qualifies for forgiveable contribution of 12.5% of project costs under CMHC's National Housing Co-Investment Fund
Other					Potential capital grant amount under Federation of Canadian Municipalities' Green Municipal Fund: Sustainable Affordable Housing Program for qualifying net zero energy ready projects
Other				-	
TOTAL REVENUE	914,723	1,174,944	275,827	2,089,667	
Per sq. ft.	441	340	200	303	
EQUITY SURPLUS / GAP					
SURPLUS / (GAP)	(280,340)	(816,828)	(526,541)		Estimated funding gap
Per unit	(93,447)	(163,366)	(105,308)		Estimated funding gap per unit (averaged)
Per sq. ft.	(135)	(237)	(381)	(235)	
Annual BCH Operating Subsidy Required	\$16,055.22	\$46,780.10	\$30,155.26		Estimated Annual Operating Subsidy required from BC Housing to service additional mortgage needed to close equity gap based on same financing terms as below
BCH Operating Subsidy Required PUPM	134	390	251	775	Estimated Operating Subsidy required from BC Housing per unit per month.
CASHFLOW					
CASHFLOW	Market	RGI (70% HILS)	Deep Subsidy	Total/ Avg.	
Rental Revenue	45,585	55,545	10,872	112,002	
Parking Revenue	45,505	33,343	10,072	112,002	
Gross Potential Income	45,585	55,545	10,872	112,002	
Gross roterital medice	43,303	33,343	10,072	112,002	
Less Vacancy & Bad Debt	(912)	(1,111)	(217)	(2,240)	Vacancy loss at 2% of Gross Income (2% vacancy rate)
Gross Effective Income	44,673	54,434	10,655	109,762	
Less: Operating Expenses (Non-Res NNN)	(19,152)	(31,920)	(12,768)	(63,840)	Based on estimated operating expense of \$532 per unit per month. See Operating Expense Breakdown for details.
Net Operating Income	25,521	22,514	(2,113)	45,922	
Debt Service	(25,521)	(22,514)	2,113	(45,922)	Cost of debt servicing
Annual Cash Flow After Debt Servicing	0	0		0	Debt Coverage Ration of 1.0 results in no unlevered cash flow after operating expenses and debt servicing
DEBT CALCULATION					
DEBT CALCULATION	Market	RGI (70% HILS)	Deep Subsidy	Total/ Avg.	
Net Operating Income	25,521	22,514	(2,113)		Net operating income after vacancy loss and operating expenses
DCR	1.0	1.0	1.0		Debt Coverage Ration of 1.0
Amortization	35	35	35		Ammortization period of 35 yrs under BC Housing Community Housing Fund program
Interest Rate	4.50%	4.50%	4.50%		4.5% interest rate per CRD Scope of Services requested stress test
Principal	445,628	393,119	(36,903)		Estimated max principal available from lender based on above terms
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