APPENDIX A

Assessment of Redevelopment Viability within the Town of Oakville's Main Street Growth Areas

September 2016

N. BARRY LYON CONSULTANTS LIMITED

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Disclaimer:

The conclusions contained in this report have been prepared based on both primary and secondary data sources. NBLC makes every effort to ensure the data is correct but cannot guarantee its accuracy. It is also important to note that it is not possible to fully document all factors or account for all changes that may occur in the future and influence the viability of any development. NBLC, therefore, assumes no responsibility for losses sustained as a result of implementing any recommendation provided in this report.

This report has been prepared solely for the purposes outlined herein and is not to be relied upon, or used for any other purposes, or by any other party without the prior written authorization from N. Barry Lyon Consultants Limited.

Executive Summary

N. Barry Lyon Consultants Limited ("NBLC") has been retained by the Town of Oakville ("the Town") to analyze the redevelopment viability of the existing policy framework for the Main Street Growth Areas and the potential impacts that emerging policy directions may have on development economics for mixed-use development. The current policy framework primarily allows 4-storey development within Main Street Growth Areas, namely Downtown Oakville, Kerr Village and Bronte Village. The Town would like to understand what benefits, if any, are created by permitting developments with heights of up to 6 storeys.

The following is a summary of the key components and results of this study:

- Three prototypical sites were tested, one in each of the Main Street Growth Areas. Prototype site attributes were established through a review of land parcel characteristics within each of the Growth Areas, identifying sites which were underutilised and had potential for intensification. The prototype sites are intended to capture common characteristics of potential redevelopment opportunities in each Main Street Growth Area in order to test replicable and repeatable market conditions.
- A market scan was conducted to develop location-specific assumptions through a review of development activity in the three Main Street Growth Areas since 2008. Overall, these growth areas remain excellent locations for intensification. Highlighted below are some notable findings:
    - Of the three areas, Downtown Oakville has the highest value condominium apartment market (when measured by average price per square foot), characterised by high-end luxury units. However, this market area has experienced some softening as illustrated through a slowing of recent sales volumes.
    - Kerr Village has the most affordable condominium apartment pricing amongst the three Growth Areas as it transitions to a mixed use community. The market is dominated by the large "Rain" and "Senses" developments by Empire as well as several smaller projects. While the demand for these projects have been mixed and sensitive to price, they illustrate the market's appetite to invest in this Growth Area.
    - Reinvestment and intensification in Bronte Village has been modest relative to the other areas. Most development has occurred in the form of renewed street retail with some second storey office above and medium density infill developments. Only one condominium apartment development has occurred since 2008 (Shores Condominium Residences on the Lake). However, real estate demand characteristics are very strong and point to the potential for new higher density redevelopment potential.

- To analyse the impact of increased height on development economics, we examined the relationship that increased height and density have on the financial viability of development. In our analysis, to show evidence of financial feasibility we seek to determine if a development would meet the following two tests:
  - Whether a developer is able to earn a targeted profit of 15% of gross revenues; and,
  - A land value that might motivate an owner to sell their property, benchmarked against recent land transactions.
- Generally speaking, as height and density increases on a property, the cost of the development, on a per square foot basis, typically decline.[1] This is due to the economies of scale that are achieved as fixed costs, such as planning and legal fees, marketing costs, project management, some foundation work, amenity areas and landscaping are distributed across a larger revenue base, which can make a project increasingly profitable.
- If the land price is fixed, an increase in project density can also reduce the land cost on a per square foot basis.
- When costs can be distributed over a wider revenue base the opportunity to offer a wider range of unit types and affordability improves.
- While four storey developments can produce viable financial results, current costs of development in Oakville typically require developers to position these developments at the luxury market, where demand is less robust. Therefore, these projects take longer to develop and it is difficult for multiple sites to compete in the market same time.
- Our analysis indicates that an increase from four to six storeys for new mixed-use development will have a positive impact in terms of encouraging reinvestment in these growth areas. This impacts the Town's ability to achieve broader policy objectives as articulated in the Provincial Policy Statement and Growth Plan for the Greater Golden Horseshoe. These include policies to promote cost effective development patterns and densities that support the efficient use of land and resources; and, to establish development standards for residential intensification which minimize the cost of housing and facilitate compact development forms.
- However, an increase in height can also increase the required cash in lieu of parkland dedication payment (if applicable) to a per unit rate higher than in a four storey project. In its current form, the Town's parkland dedication policy serves a disincentive to intensification and offsets some of the benefits of a larger project.
- An important issue in all the Main Street Growth Areas was the availability of development sites. In most cases, the lack of large vacant parcels necessitates the assembly of two or more sites. With a height limit of four storeys the amount a developer could pay to acquire these sites is limited.

[1] Up to 12 Stories, after 12 storeys costs increase modestly ($5 to $20 psf), 2016 Altus Cost Guide

This can undermine the feasibility of intensification objectives. An increase of two storeys helps support a higher land value and helps encourage reinvestment.

Recommendations

- While all three Growth Areas are strong market locations for future intensification, the results of our pro forma analysis indicate that an increase in development height from four to six storeys would have a positive impact in encouraging intensification in Downtown Oakville and the Bronte Village Main Street Growth Areas. Notwithstanding any planning and urban design issues, amendments permitting building heights of at least six storeys in these locations would support:
    - Increases in land value that could motivate land owners to redevelop sites consistent with the vision of the Official Plan;
    - Lot assemblies for development sites;
    - Population growth, strengthening local area retail and other downtown functions; and,
    - A wider spectrum of housing choice and affordability.
- We recommend that the Town continue with the Main Street Growth Area Reviews, undertaking detailed planning and urban design exercises to explore if there are areas that might allow buildings taller than six storeys.
- In Kerr Village, our financial prototype testing illustrates that the increase in height does not produce a positive impact on the financial results of the development. This is largely because the move to 6-storey building forms would increase construction costs and the market is not currently robust enough to offset this hard cost increase while also supporting typical developer profit requirements and market value for land. However, over time we expect demand and pricing to increase where development of this nature will be feasible. Allowing 6-storey developments in Kerr Village will therefore be beneficial in the near future as the market continues to evolve.
- In addition to permitting added height, an interim solution to further improve the viability of redevelopment in Kerr Village could also be to expand the existing Kerr Village Community Improvement Plan to include a short term financial incentive program which could include a waiver of development charges and/or cash-in-lieu of parkland costs. Depending on the nature of the incentive being offered, these tools may be offered through the Town's Planning Department or in conjunction with established organizations such as the local Business Improvement Area (BIA).

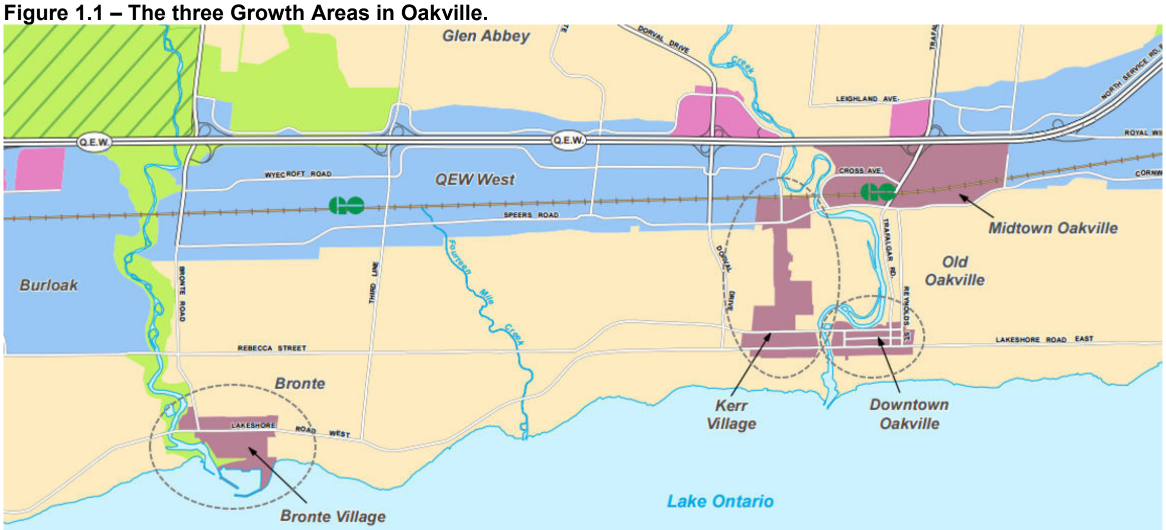
1.0 Introduction

N. Barry Lyon Consultants Limited ("NBLC") has been retained by the Town of Oakville ("the Town") to analyze market and economic factors contributing to the viability of redevelopment within its Main Street Growth Areas. The study evaluates the economic considerations for development within existing and emerging planning policy which affects achievable mixed-use development forms in its Main Street Growth Areas. As part of its ongoing five-year Official Plan Review, the Town is currently assessing its Main Street Growth Areas and the potential impacts that increased density may have on the economics of land development. This report presents the results of a technical analysis which evaluates the existing and emerging draft policy direction from a development feasibility perspective; namely an increase in as-of-right building heights from four to six-storeys. It also highlights a range of other barriers to development in these market locations, beyond just built form considerations.

To assist in the analysis we explore the impact of height increases at three prototypical mixed-use development sites in Oakville. A prototype location within each of the Growth Areas (Downtown Oakville, Kerr Village and Bronte Village) has been selected to explore the impact that increased building heights might have within the context of varied local market conditions. A review of actively marketing developments in each of the three Growth Areas was undertaken to identify market characteristics such as pricing, unit sizing and absorption rates. These characteristics are then used to inform model inputs.

Understanding these market characteristics as well as the conditions of prevalent underutilised sites in each Growth Area, the analysis uses a financial pro forma model to assess the impacts of added height on development viability. The prototype sites have been tested at both the existing and emerging policy direction to test the impact of permitting increased density through two additional storeys, however, we note that our analysis is conducted without the benefit of detailed designs or information such as soil conditions which could have a significant bearing on the feasibility of a development.

Figure 1.1 – The three Growth Areas in Oakville.



2.0 Market and Development Characteristics of the Main Street Growth Areas

With strong demand, increasing pricing and a rapidly declining supply of land for single family homes, the Greater Toronto Area is evolving to produce demand for more compact, affordable and dense housing types. There are several socio-economic trends that have a direct bearing on the demand outlook for medium and high-density residential development. These include:

- Declining affordability – above all, the cost of renting or owning a home is driving all markets to consider smaller, more affordable accommodations.
- Strong growth – The GTA is expected to attract the most significant share of Canada's future population growth.
- Demand from all market sectors to live in active, interesting communities that offer walkable amenities such retail, entertainment and community/cultural services.
- An ageing society that is healthier and living longer than previous generations. Higher density residential forms are partially replacing demand for traditional seniors housing by offering secure, maintenance-free living options, with a broad selection of amenities.
- Households are being formed later in life, with fewer children. The average household size is declining, meaning more households will find that compact townhome or apartment living is a suitable option.

Oakville's condominium apartment market is still emerging compared to other parts of the GTA (primarily Toronto), where greater concentrations of investor purchasers within new condominium apartment product has occurred. Part of what has driven rapid growth in the condominium apartment sector across the GTA is demand from investors. While some investors are seeking a short term turnover of these units, the majority are placing these units on the rental market as longer-term investment strategies. These investors have been drawn to the condominium apartment market by a combination of factors that are underpinning demand for higher density living in the GTA. Some of these key factors include: population growth; tenant/ purchaser affordability concerns; traffic congestion; proximity to employment; and the general lack of new purpose-built rental construction to meet rental demand, with condominiums becoming the de facto new rental market.

Reviewing residential sale activity of new medium and high-density development in the Town, there is a correlation between affordability and market absorption. In short, affordably positioned projects sell quickly. This is notable because it effectively caps sales prices for developers, or drastically limits the pool of buyers in higher-end developments.

Within south Oakville in particular, high density residential or mixed use development has occurred sporadically, with mixed success. Highly valued market characteristics, including walkable retail amenities, proximity to the waterfront and Lakeshore West GO train service yield high land values.

However, relatively high-priced condominium apartment development has had limited market success, as other comparable priced options, such as larger grade-related housing forms continue to be available elsewhere in the Town. However, as the price of grade related housing forms continue to escalate, the outlook for high-density apartment development in the Town should continue to improve.

NBLC conducted a market scan for each of the Main Street Growth Areas to identify key market trends. Market characteristics unique to each location are outlined below and tables outlining characteristics of the developments discussed are provided in Appendix A. In some instances, projects discussed fall outside of the defined boundaries of the three Growth Areas. Despite being outside of the study area, all of the projects are in fairly close proximity to a Growth Area after being analyzed, were deemed to be both relatable and informative.

2.1 Test Location A: Downtown

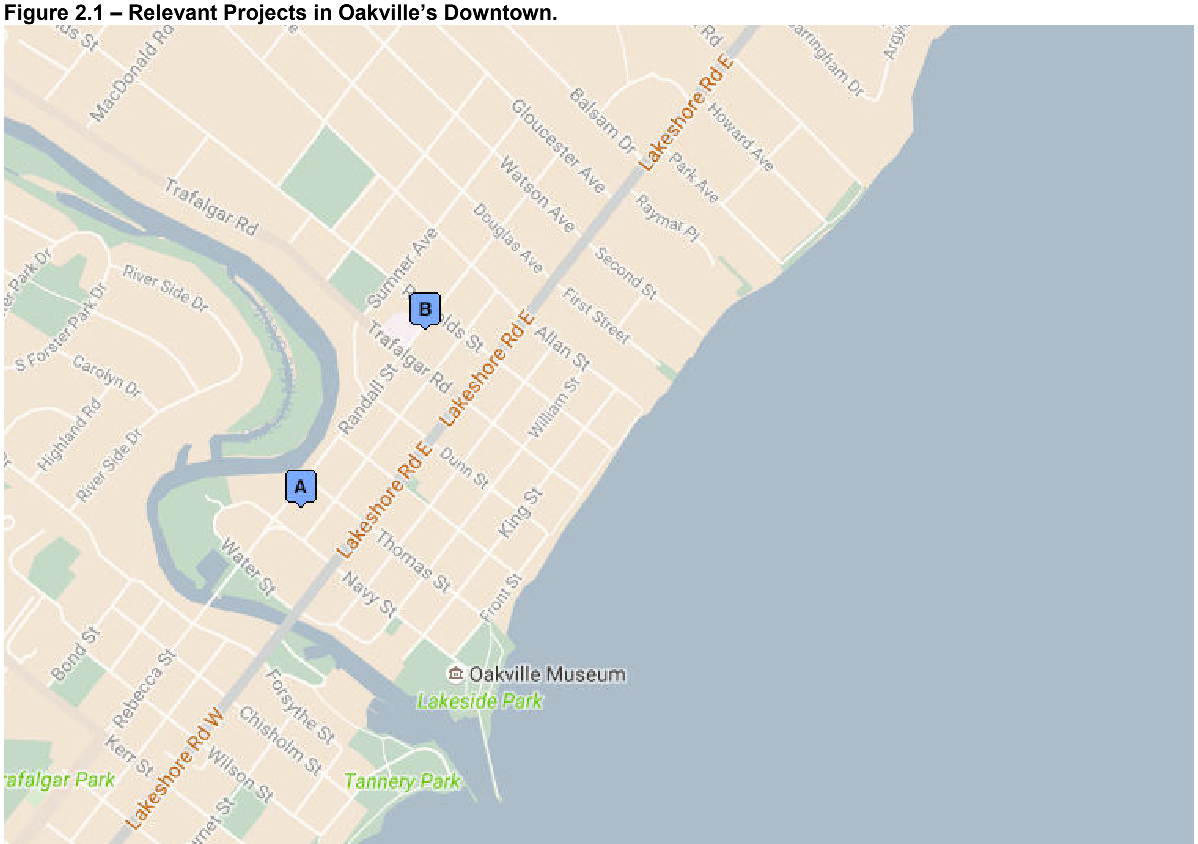
Downtown Oakville is one of the most established and prestigious communities in Ontario. The local real estate market surrounding Downtown Oakville is home to some of the Province's most exclusive real estate, including historic homes, lakefront estates, condominium apartments, and executive townhomes.

Downtown Oakville is also home to a range of high quality retail, galleries, cafes, restaurants and commercial services along a picturesque main street. Together with the Town's cultural facilities which include a centre for performing arts and library, the Downtown functions as a destination for Oakville residents and others from neighbouring municipalities. The historic main street along lakeshore is the focus of much of the existing retail, restaurant and festival spaces, with side streets and parallel streets performing secondary commercial and residential functions.

Both the QEW and Oakville GO Station can be accessed within five minutes by car via Trafalgar Road. Sixteen Mile Creek also wraps around Downtown Oakville and offers a series of parks and green spaces. Oakville Harbour is located at the mouth of Sixteen Mile Creek, accommodating recreational boating services and other waterfront recreational facilities.

New residential developments are typically positioned as luxury condominiums and contain large, high priced units. There are currently two actively marketing projects, Randall Residences by Rosehaven Homes and Mayfair Residences undertaken by Kencan Properties. Aside from these two projects, only one additional development was launched between 2008 and present, the Chelsea, which marketed for just under a year and failed to sell any units.

Figure 2.1 – Relevant Projects in Oakville's Downtown.



Map ID	Project Name	Address
A	Mayfair Residences	150 Randall Street
B	Randall Residences	300 Randall Street

The Randall Residences launched with 36 units in October 2012 and has sold roughly 72% as of June 30th, 2016. Units in this development are priced very high with the remaining inventory ranging between \$2,020,000 and \$3,530,000. Unit sizes of the remaining inventory are between 1,807 square feet and 2,928 square feet which represents an average per square foot price of \$1,126. Sales at the Randall Residences have been slow and sporadic with the overall absorption rate at 0.76 sales per month. No units have been sold since December 2015, which represents the longest duration of time between sales in the project's history to date.

Compared to the Randall Residences, the Mayfair Residences, while still a high-end development, is positioned at a slightly lower price point. Mayfair Residences launched in April 2016 and offers units ranging in size between 1,134 square feet to 2,007 square feet correlating to an end-unit price range of \$829,900 to \$1,576,900. The project contains 31 units of which 35% take the form of 1-bedroom units while the remaining 65% are composed of 2-bedroom units. As of June 30th, the Mayfair has yet to record its first sale. Typically, a project's highest volume of sales is observed very early on in the marketing period.

The lack of project launches and the low absorption rates of the actively marketing developments could signal that the high-end condominium apartment market in Downtown Oakville has been exhausted. While slower absorption rates are typical of high-end developments, it is notable that of the three developments launched, one was cancelled, a second launched to zero sales and the third, the project with the strongest sales record, has yet to record a sale in 2016, based on available data. It is important to note that there is a lot of choice throughout the market at prices over $1 million. These projects are competing for a very small pool of buyers, with selective taste.

2.2 Test Location B: Kerr Village

The Kerr Village Main Street Growth area is characterised by a long main street that is occupied by older, two storey developments with office or residential rental apartments above, and retail at the street level. There has been some recent reinvestment in the retail uses along Kerr Street in support of a few popular local restaurants local shops relocating to Kerr Village from the more expensive downtown locations. Kerr Village is popular with singles, younger couples and families. Its popular summertime Handmade Market and Farmers Markets contribute to a growing sense of community.

The village has good access to schools and parks, along with the proximity to the amenities of Downtown Oakville and regional shopping facilities. GO Transit is also within a short drive or walk from the area. North of Rebecca Street, the Kerr Street market area is dominated by a stable and modest single family detached neighbourhood with a wide range of home pricing, styles and conditions. Some recent high density residential redevelopment activity has occurred with mixed success. South of Rebecca Street, the affluence and exclusivity associated with the waterfront, lakeshore largely extends westward from Downtown.

Land registration data indicates that the property ownership along Kerr Street frontages is highly fragmented with numerous owners. Combined with this fragmentation, Kerr Village lacks the exclusivity of the downtown or waterfront areas necessary to attract higher end or luxury buyers. These conditions have limited large scale reinvestment and redevelopment opportunities.

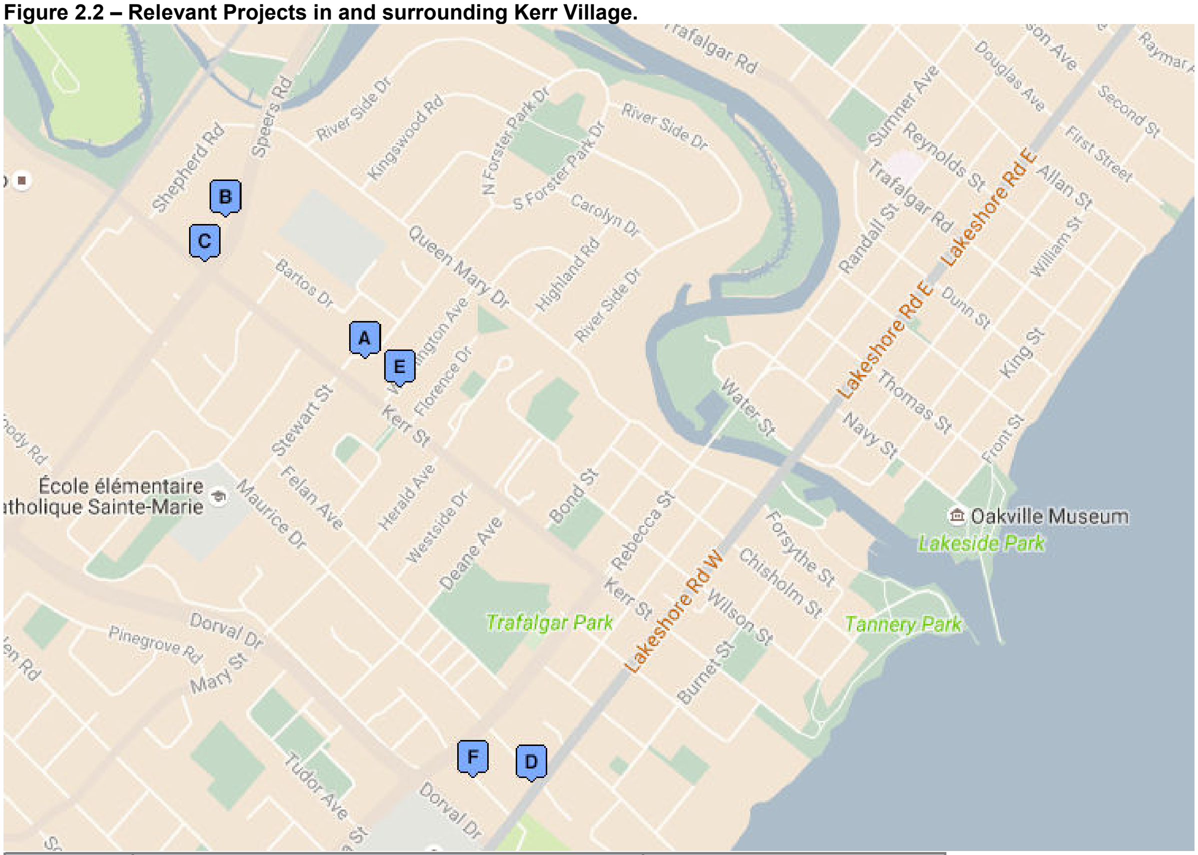
Kerr Village is in the process of transition. Compared to other neighbourhoods in Oakville, lower housing prices and commercial rental rates are typically observed. Kerr Village, and its bordering neighbourhoods, have seen nine project launches since the beginning of 2008, three of which resulted in the cancellation of the projects. One of these cancelled projects saw a developer pay a high price for land and launch a condominium apartment development targeted at the luxury market. The site's location outside of Downtown Oakville was not conducive to this strategy and the project subsequently failed due to poor sales performance.

Of the remaining six projects, all were launched between 2008 and 2012, three of which are still actively marketing and three which have sold-out. The three projects that are actively marketing are:

- Princeton Manor – North Manor by Green Hill Homes;

- Rain Condominiums – North Tower by Empire; and,
- Senses Condominiums by Empire.

Figure 2.2 – Relevant Projects in and surrounding Kerr Village.



Map ID	Project Name	Address
A	Princeton Manor - North Manor	70 Stewart Street
B	Rain Condominiums - North Tower (Phase 1)	65 Speers Road
C	Senses Condominiums	521 Kerr Street
D	Windermere Manor	205 Lakeshore Road West
E	Princeton Manor - South Manor	73 Washington Avenue
F	Wyndham Place	128 Garden Drive

The actively marketing projects offer units ranging in size from 346 square feet to 1,250 square feet and in price from $199,990 to $684,000. Between the three projects, 548 units were brought to market, of which 81% have been sold. The pace of sales to the 70% sales threshold (the typical amount required to receive construction financing) is roughly 2.87 units per month per project, while the overall sales absorption rate is approximately 2.38 units per project per month. Both absorption rates are brought down by the performance of Princeton Manor – North Manor, which has struggled to sell units, with an overall absorption rate of 0.15 units per month.

Empire's actively marketing developments, Rain and Senses, are very different from the typical character of lower-scale development occurring in the Town's Main Street Growth Areas, at 21 and

19 storeys in height. The site's location north of Speers Road sits within a different land use policy context than the rest of Kerr Village, where building heights are capped at 4-sotreys. The two Empire projects succeeded in achieving approval for additional height and density at the Ontario Municipal Board (OMB). Despite being an outlier from the overarching Kerr Village context, both projects are informative of the Growth Area's local market with respect to pricing, unit sizing and sales velocity.

Rain Condominiums performed very strongly after its initial launch in 2011, selling 55% of its units in the first three months and 94% as of June 30th, 2016. Senses Condominiums is the relaunch of the cancelled South Tower of Rain Condominiums. Senses was able to retain some of the sales obtained under the South Tower's previous "Rain Phase 2" brand, and as of June 30th, 2016, has sold roughly 68% of 244 units. The sales absorption rates for Rain and Senses are roughly 4.60 and 3.42 units per month, overall.

A defining characteristic affecting the development economics at Rain and Senses is the price of land paid versus the density which was later allowed at the OMB (resulting in a per buildable unit price of $6,700 and a per unit per buildable square foot price of $7.69). This land acquisition cost is key factor affecting the development economics of this development. When the property was initially purchased by the developer, the property had as-of-right planning approvals that would have capped development at four storeys, with a maximum development density of 49 units per hectare. This is reflected in the price paid for land at that time in 2007. The eventual development approvals granted through the OMB allowed development density well in excess of this initial context, with approval for development density at 602 units per hectare, as per available information in OPA 291.

Land value is determined by the market. If a property is acquired with redevelopment in mind, the purchaser factors in a number of variables including the existing planning context of the site. When a developer is able to secure additional density through a municipal planning process or at the OMB, they have effectively enhanced the value of the site, and reduced the land acquisition cost on a per-unit or per-buildable basis because the acquisition price is now spread over a larger denominator. This effectively reduces the costs of development.

Other sold-out projects within Kerr Village and the surrounding area are as follows:

- Windermere Manor by Matas Homes and Rakla Development;
- Princeton Manor – South Manor by Green Hill Homes; and,
- Wyndham Place by Vandyk Properties Incorporated.

Sold-out projects launched at comparable per square foot prices as the actively marketing projects. With the exception of Wyndham Place, the projects were relatively small in scale, containing 34 units (Windermere Manor) and 23 units (Princeton Manor – South Manor). Sales absorption rates were lower when compared to actively marketing projects. The average absorption rate up to the 70% sales threshold was approximately 1.68 units per month per project, while the overall absorption rate was

1.04 units per project per month. Similar to the absorption rates of the actively marketing projects, absorption rates for sold-out projects have been brought down by Princeton Manor – South Manor.

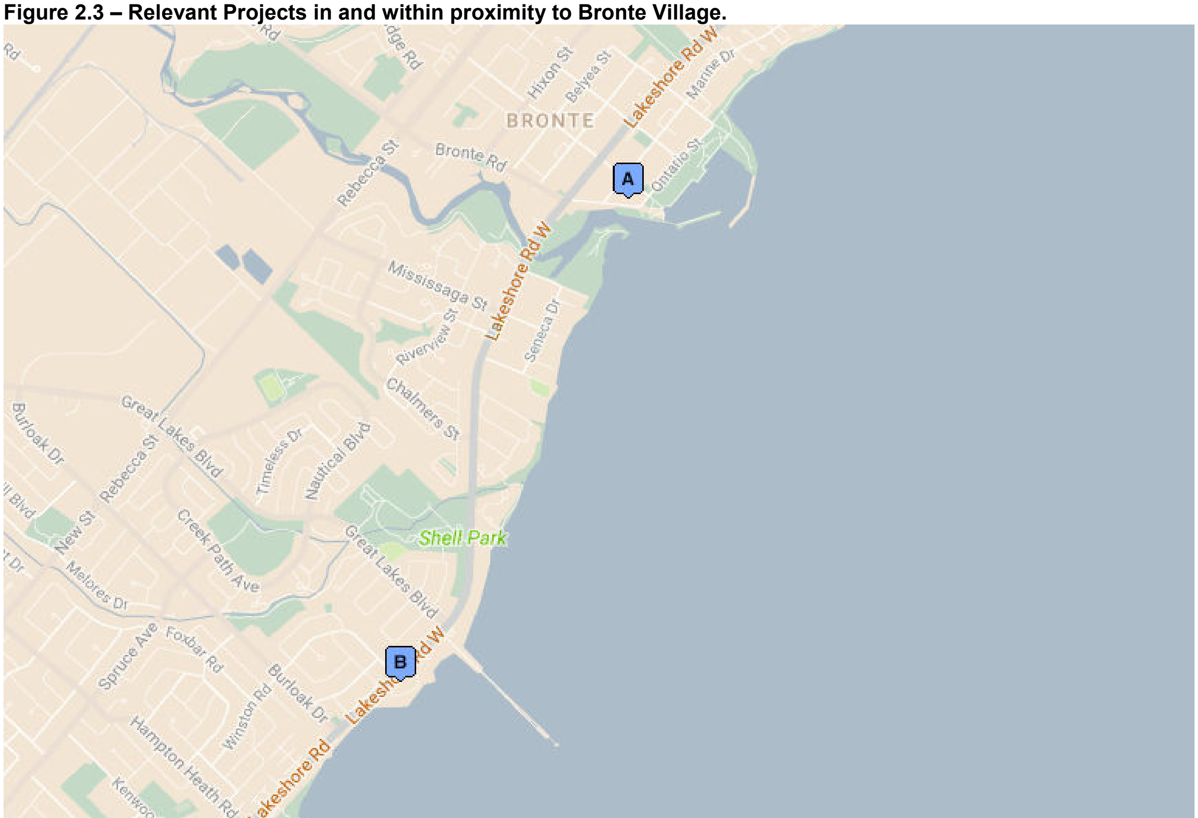
2.3 Test Location C: Bronte Village

The Bronte Village main street area is characterised by a mix of both local shops and services and larger national chain retailers. Like Downtown Oakville and Kerr Village, the Bronte Village community has great access to local schools, parks and open spaces. Notable amenities include the Town's Queen Elizabeth Park Community and Cultural Centre and the Bronte GO Transit station (located about 4 kilometres north of the main street area). Bronte Harbour is located just south of the Main Street Growth Area and offers generous open spaces and recreational boating facilities.

The lot fabric in Bronte Village, especially along Lakeshore Road West is characterised by deeper lots. Some main street buildings are oriented with their facades along the lot line, while others feature greater setbacks with surface parking in between the sidewalk and building. Combined with a relatively large mall at the intersection of Bronte and Lakeshore Road, as well as some notable vacant parcels along Lakeshore, the result is a main street that feels somewhat incohesive and car-oriented.

Since 2008, only one development has launched in Bronte Village, Shores Condominium Residences on the Lake. Unit Sizes at Shores range from 497 to 2,600 square feet, with an average price per square foot at launch of $590. The project launched in 2008 and sold-out in June 2016 averaging a sales absorption rate of 65.68 units per month up to the 70% sales threshold and 2.24 units per month overall. Fronting the Harbour, the development offers unobstructed waterfront views with numerous amenities nearby.

Figure 2.3 – Relevant Projects in and within proximity to Bronte Village.



Map ID	Project Name	Address
A	Shores Condominium Residences on the Lake	11 Bronte Road
B	Bluwater - Building A, B & C	3500 Lakeshore Road

Due to the lack of development in Bronte between 2008 and present, NBLC extended the survey to include developments as far west as Burloak Drive. The expanded search resulted in the inclusion of three projects, all under the same name, Bluwater (Building A, B and C) by the Pemberton Group, while removed from Bronte Village's main street context, these developments enjoy a waterfront location within close proximity and are informative towards understanding the market for intensified development in Bronte Village. These three projects launched in 2010 and 2011 and launched at an average price per square foot ranging between $558 and $606. All three projects have subsequently sold-out, selling at an average rate of 4.43 units per project per month to the 70% financing threshold and 1.50 units per project per month overall. Similar to Shores, the Bluwater buildings have unobstructed waterfront views. Waterfront views are highly desirable for condominium apartment purchasers.

Due to the lack of actively marketing developments, NBLC also reviewed resale activity of recently transacted units in Bronte Village in order to develop a larger sample of market data. Generally, condominium apartment resale activity in Bronte Village is characterised by older apartment stock with average resale pricing per square foot at about $460 and average unit sizing at 1,329 square feet, corresponding to an end unit price of roughly $620,000. Resale units spent an average of 44 days-on-market. Between 2014 and June 2016, 198 transactions were observed (throughout nine buildings). It is interesting to note that Shores generated the most resale activity amongst any of the nine buildings, accounting for slightly over 25% of the 198 transactions. At Shores, 50 units were sold between 2014 and 2016 at an average end unit price of $800,500 and an average unit size of 1,150 square feet ($696 psf).

3.0 Prototype Locations

A review of underutilised sites in each of the three Main Street Growth Areas was undertaken to identify potential redevelopment sites. The purpose of this review was to identify common characteristics of underutilised properties in order to develop conceptual development scenarios that are relevant to the physical characterises in each market location. The criteria used to select the prototype conditions used in this analysis were:

- Land availability – Common ownership, existing built form improvements;
- Property dimensions – As a general rule, for development at two to four storeys in height, optimal property depths are typically about 30 metres for townhome, stacked townhome and small apartment/ mixed-use buildings. For larger apartment/ mixed-use developments above four storeys in height, a minimum lot depth of about 35 metres is preferred; and,
- Planning policy – Confirming that existing policy context is generally supportive of mixed use intensification; and
- A repeatable/ prototypical property condition given the context of each market area.

Between 10 and 20 underutilised sites were identified in each study area. The sites captured reflect undeveloped land, land with improvements that are currently vacant and/or in disrepair and sites that are currently being utilized but could achieve a substantial increase in development density.

Planning policy currently in force generally permits the construction of 4-storey mixed-use development on properties identified with a Main Street or Central Business District land use designation. The emerging policy directions consider a permissible height increase to 6-storeys to help achieve intensification. Each of the three prototype locations have been tested at 4 and 6-storeys to assess development feasibility in each market location under the existing and emerging policy direction.

The following conceptual massing and development yield estimates have been developed with reference to applicable Town urban design guidelines and zoning. It has been assumed that all parking, including commercial, is provided below grade and that commercial parking is provided at all test locations except in the downtown. At each of the three locations, the retail area was assumed to be 4,500 square feet.

3.1 Test Location A: Downtown

For Downtown Oakville, the prototypical site and associated developments have the following characteristics.

Downtown Oakville: Summary of Site and Built-Form Stats	
Property Dimensions	
Frontage:	30 metres
Depth:	32 metres
Area:	960 square metres
Existing Planning Context Development	
Height:	4 storeys
Gross Floor Area (Commercial & Residential):	2,850 square metres
Unit Yield:	20 units
Emerging Policy Directions Development	
Height:	6 storeys
Gross Floor Area (Commercial & Residential):	3,600 square metres
Unit Yield:	26 units

Figure 3.1 – Existing planning context in Downtown Oakville.

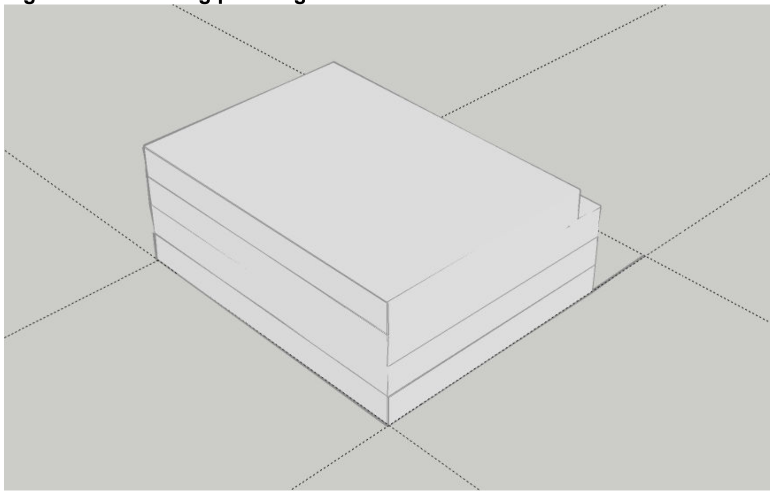
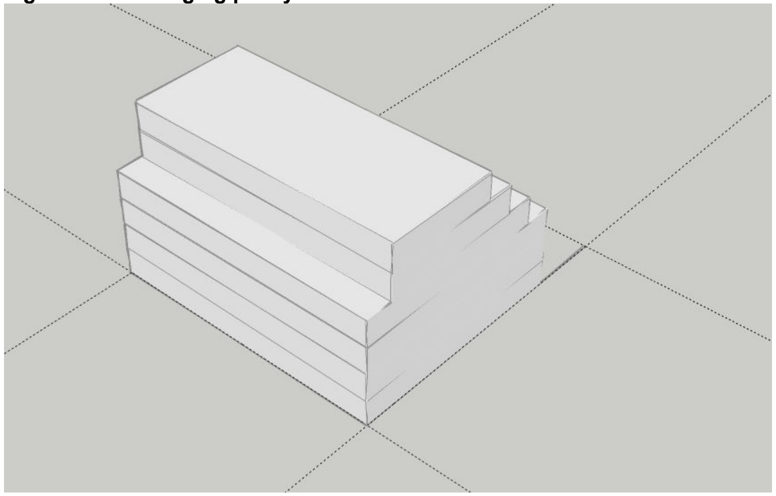


Figure 3.2 – Emerging policy direction in Downtown Oakville.



3.2 Test Location B: Kerr Village

The following site and built form assumptions have been employed for the test location within Kerr Village, where development is illustrated on what would be a land assembly of a corner property and an adjacent lot.

Kerr Village: Summary of Site and Built-Form Stats	
Property Dimensions	
Frontage:	45 metres
Depth:	32 metres
Area:	1,440 square metres
Existing Planning Context Development	
Height:	4 storeys
Gross Floor Area (Commercial & Residential):	4,086 square metres
Unit Yield:	39 units
Emerging Policy Directions Development	
Height:	6 storeys
Gross Floor Area (Commercial & Residential):	5,310 square metres
Unit Yield:	53 units

Figure 3.3 – Existing planning context in Kerr Village, corner property.

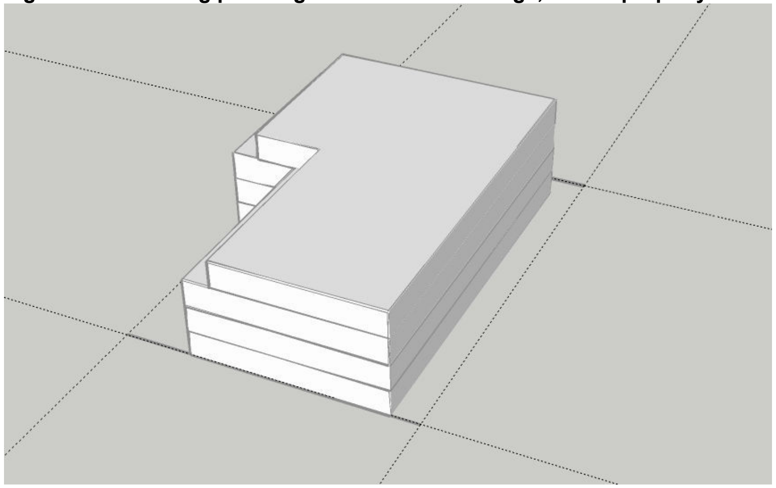
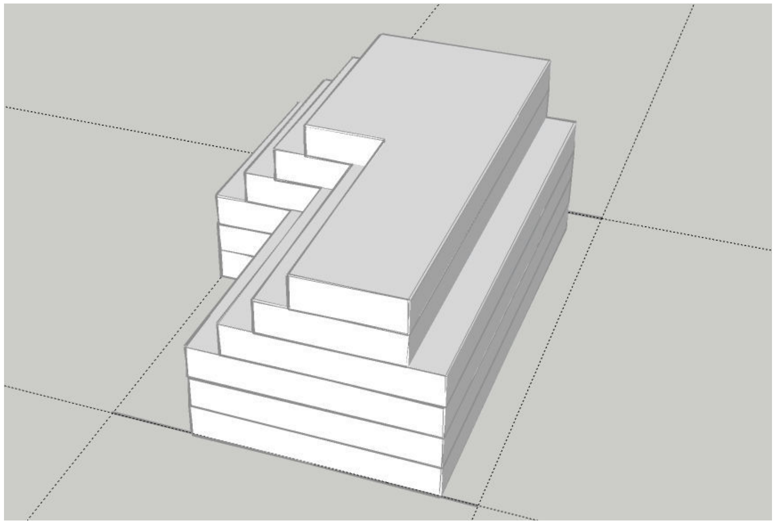


Figure 3.4 – Emerging planning direction in Kerr Village, corner property.



3.3 Test Location C: Bronte Village

For the Bronte Village test location, the following assumptions with respect to site characteristics and built form were made.

Bronte Village: Summary of Site and Built-Form Stats	
Property Dimensions	
Frontage:	45 metres
Depth:	60 metres
Area:	2,700 square metres
Existing Planning Context Development	
Height:	4 storeys
Gross Floor Area (Commercial & Residential):	6,509 square metres
Unit Yield:	59 units
Emerging Policy Directions Development	
Height:	6 storeys
Gross Floor Area (Commercial & Residential):	9,183 square metres
Unit Yield:	84 units

Figure 3.5 – Existing planning context in Bronte Village.

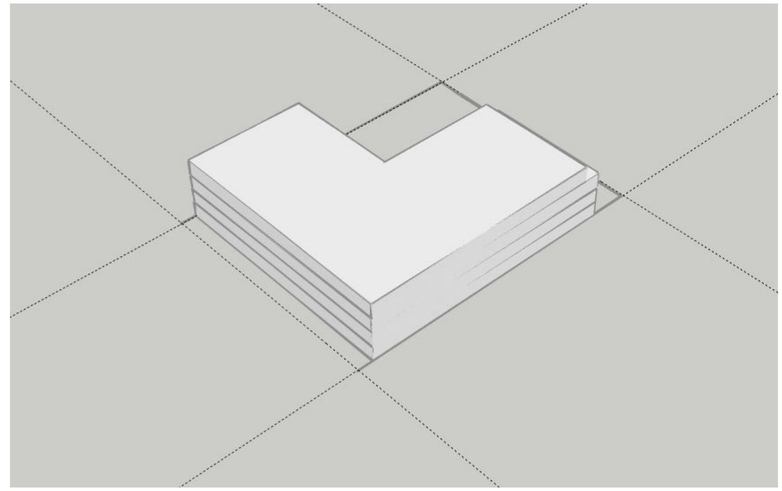
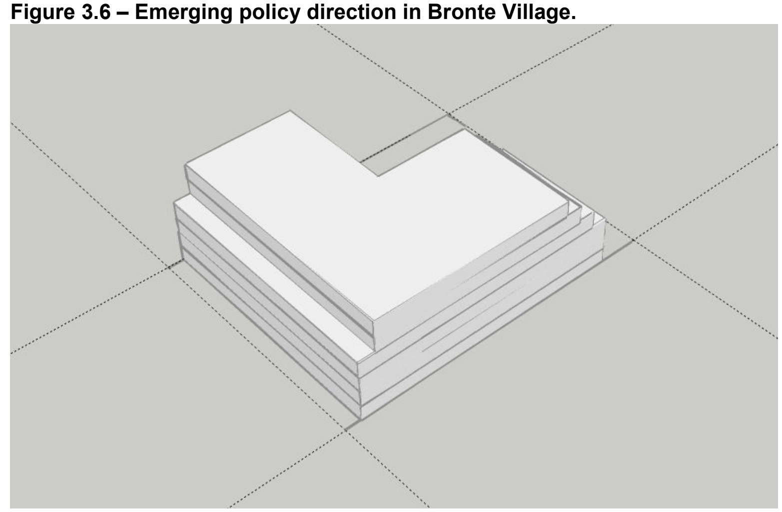


Figure 3.6 – Emerging policy direction in Bronte Village.



4.0 Financial Pro Forma Analysis

4.1 Methodology

NBLC developed a pro forma financial model to forecast the returns that could potentially be achieved by a condominium apartment development for each of the scenarios. The following is a prototypical development analysis that is intended to provide a preliminary assessment of the financial feasibility of a condominium apartment development on each site, reflecting the existing and emerging planning contexts. This assessment is based on typical costing for similar buildings and our review of market conditions in each Main Street Growth Area. Our analysis is conducted without the benefit of detailed designs or information such as soil conditions which could have a bearing on the cost and viability of a potential development.

A residual land value (RLV) model has been used to assess the feasibility of the various scenarios. This model establishes a site's estimated land value, by forecasting all of the revenues, costs and profit associated with the project. For our purposes, it is assumed that a developer requires a profit margin of 15% to undertake the development. The residual amount, after subtracting costs and required profit from the revenues is the maximum amount that a reasonable developer might be willing to pay for land. The site's residual land value is then discounted to the present day to determine the current land value.

In our analysis, to show evidence of financial feasibility we seek to determine whether a development would meet the following two tests:

- A developer could earn a target profit of 15% of gross revenues; and,
- A land value that might motivate an owner to sell their property, benchmarked against recent land transactions in the market.

It is important to note that these are typical guidelines only. There are situations where a landowner may already have property and have capitalized its original cost from its former use, or a developer may have a risk tolerance that differs from the industry average, and because so, may be willing to develop at a lower profit margin.

The model assumes that the real estate market is composed of rational and educated participants and that land values adjust to reflect adapting environments which includes new municipal, provincial and federal policies.

4.2 Key Assumptions

Outlined below are some of the key assumptions employed in the financial models. In each model, assumptions are held constant with the exception of the inputs identified in **Table 4.1**.

Table 4.1 – Location specific assumptions.

Location Specific Assumptions			
	Downtown	Kerr Village	Bronte Village
Average Unit Size (Square Feet)	1,100	850	950
Suite Mix			
One-Bedroom or Smaller	40%	50%	50%
Two-Bedroom or Larger	60%	50%	50%
Residential Parking Ratio (Spaces to Units)	1.3	1.25	1.25
Commercial Parking Ratio (Spaces Per Square Foot of Commercial)	n/a	0.0023	0.0023
Residential Index Price ($ Per Square Foot)	$825	$520	$600
Hard Construction Cost ($ Per Square Foot) - Four Storey Building	$190	$125	$155
Hard Construction Cost ($ Per Square Foot) - Six Storey Building	$190	$160	$163
Absorption Rate (Units Per Month)	1.0	2.5	4.5

Assumptions held constant amongst locations and scenarios are as follows:

- The financial model assumes that no extraordinary development costs relating to geotechnical or environmental remediation costs are incurred by the developer of the property;
- Given the luxury market positioning of projects in Downtown Oakville, we assume that developers would utilise reinforced concrete construction techniques, even at four storeys. This is consistent with recent development activity.
- Wood-frame construction costs are assumed in both the Kerr and Bronte Village scenarios, with pricing adjusted to reflect the entry-level market positioning of projects in Kerr Village;
- Each prototype site is assumed to be a mixed use development and includes a small (4,500 square foot) retail space at grade;
- It is assumed that appropriate planning permissions are obtained to support the development scenarios. Planning fees contemplated in the financial model assume that an Ontario Municipal Board hearing is not required;
- Development charges, cash-in-lieu of parkland, building permit fees and other soft costs have been accounted for including legal and consulting fees, costs associated with marketing and commission fees, construction and project management expenses, interest on purchaser's deposit and Tarion enrolment;
- To illustrate potential efficiencies gained in a developer's pro forma by increasing building height from four to six storeys, several costs are held constant between the built form scenarios on each prototype site. These include estimates of: landscaping costs, development project management fees, construction management fees, marketing costs and other general overhead fees.

- A contingency fund equivalent to 5% of total hard costs;
- An average area per parking stall of 400 square feet inclusive of ramps and laneways;
- Below grade construction cost of $90 per square foot;
- A servicing connection cost per unit of $500;
- Site preparation and landscaping cost of $500 per unit;
- Demolition costs of roughly $12 per square foot of the existing structure assuming 50% building coverage on each of the prototype sites currently;
- HST, municipal property taxes and provincial land transfer taxes have been accounted for;
- An interim financing rate of 3.5% with a loan to value ratio of 80%;
- Revenues and costs are inflated by 1.75% per year; and,
- A discount rate of 7% is applied.

4.3 Financial Results

Based on the assumptions above, the prototype scenarios in all three locations support a positive residual land value. That is, after subtracting all development costs, plus the developer's required return, there are remaining funds that could be used to acquire land for development under the existing policy framework of four storeys. However, land values do fluctuate between each of the prototype sites given the variations in their market contexts.

While four storey developments can produce viable financial results, current costs of development in Oakville often require developers to position these developments at the luxury market, where demand is less robust. Therefore, these projects take longer to develop and it is difficult for multiple sites to compete in the market at the same time.

A key result from this analysis is that where market conditions are robust, allowing developers to increase building heights to six storeys as-of-right allows for greater efficiencies in terms of development costs. However, for wood-frame developments, it is likely that above grade hard costs will increase when moving from four to six-storeys in height, but other soft cost savings may offset this increase.

4.3.1 Economies of Scale

Allowing for modest increases to building height and developable gross floor area allows developers to achieve economies of scale in several areas of the development pro forma. These savings result because there are several costs in a developer's pro forma which are relatively fixed. By allowing for increases to development scale, these costs can be reduced on an index basis (per square foot), while revenues get scaled up proportionate with the added building area. Several key areas where these savings can often be realised in a development model are:

- Landscaping costs, which vary largely based on land area and design considerations;
- A large component of planning application fees;
- Legal fees;
- Marketing costs, including the costs of constructing a sales centre;
- Development project management and construction management fees;
- Other architectural, planning, engineering and environmental consultant fees;
- Some components of the building's foundation costs, subject to underground depth; and,
- Land costs, in cases where properties have been purchased ahead of time and/or developers use their expertise and creativity to achieve increases in development density after the time of purchase.

4.3.2 Cash-in-Lieu of Parkland

In Oakville, cash-in-lieu of parkland has historically been collected at a rate equivalent to the value of one hectare of land for every 300 dwelling units. Since the introduction of Bill 73, municipalities are now required to calculate cash-in-lieu of parkland as a fee equivalent to one hectare of land for every 500 dwelling units.

Therefore, if an increase to development density on a site supports a higher land value, the calculation also requires a greater contribution of to cash-in-lieu of parkland, on a per unit basis. Notwithstanding slight variations in apartment unit size assumptions between each of the prototype scenarios tested in this analysis, cash-in-lieu of parkland fees in the condominium apartment scenarios tested in this analysis range between approximately $3,000 and $58,000 per unit, with rates highest in Downtown Oakville where land values are strongest.

In short, this method for calculating cash-in-lieu of parkland allocation penalises density in strong market locations. This is not the case in all GTA jurisdictions with alternative calculation policies better suited to high density development (i.e. a flat rate per apartment unit, or a percentage of land value).

The following table illustrates a comparison of cash-in-lieu or parkland standards and their financial impact on when density increases on a development site. This table compares two development scenarios, both on a 0.2 hectare property, with Example A at a density of 2.5 times the area of the lot (floor space index, "FSI") and Example B with 3.5 times FSI. This assumption gives us two scenarios, one with a 54,000 square foot development (60 units), and the second with a 75,000 square foot development (83 units).[2] In both cases, we assume a consistent land value, of $40 per buildable square foot.

[2] Assumes a gross average unit size of 900 square feet.

In the smaller development scenario (Example A), the Town's cash in lieu of parkland requirement payment would amount to $21,600 per unit. However, with increased development density to allow for a 75,000 square feet of development (Example B), the payment increases to $30,000 per unit. This cost increase offsets some of the benefit of the increased height because the developer is required to pay more per unit. The table also illustrates other methods of calculating cash-in-lieu of parkland which do not have this same impact.

Table 4.2 – Cash-in-Lieu of Parkland Impacts.

Comparison of Varying Parkland Dedication Requirements												
Theoretical Development Example										Cash-in-lieu of Parkland Dedication		
Example	Site Area (Ha)	Density (FSI)	GFA (sf)	No. Units	Land Value*	Land Value per Unit	Land Value per Ha	Parkland Dedication Ratio	Parkland Dedication (Ha)	Total Cash-in-lieu	Cost per Unit	Percentage of Land Value
A	0.20	***2.50***	54,000	60	$2,160,000	$36,000	$10,800,000	5% of Land Value	*0.010*	*$108,000*	**$1,800**	*5%*
								10% of Land Value *(Toronto)*	*0.020*	*$216,000*	**$3,600**	*10%*
								$9,800 per unit *(Mississauga)*	*0.272*	*$588,000*	**$9,800**	27%
								1.0 Ha/ 500 Units *(0.6 ha/ 300 Units)*	0.120	$1,296,000	**$21,600**	**60%**
								1.0 Ha/ 300 Units	0.200	$2,160,000	**$36,000**	100%
B	0.20	***3.50***	75,000	83	$3,000,000	$36,000	$15,000,000	5% of Land Value	*0.010*	*$150,000*	**$1,800**	*5%*
								10% of Land Value *(Toronto)*	*0.020*	*$300,000*	**$3,600**	*10%*
								$9,800 per unit *(Mississauga)*	*0.272*	*$816,667*	**$9,800**	27%
								1.0 Ha/ 500 Units *(0.6 ha/ 300 Units)*	0.167	$2,500,000	**$30,000**	**83%**
								1.0 Ha/ 300 Units	0.278	$4,166,667	**$50,000**	139%

** Assumes gross unit size of 900 sf and a land value equivalent to $40 psf buildable.*

4.3.3 Prototype Site Findings

Downtown Oakville

- Under the existing planning context, the development in Downtown Oakville results in a land value of $2.20 million, in present dollars. Increasing the height from four storeys to six storeys, results in an increase in land value to $2.76 million. This represents a percentage increase in value of approximately 26%. However, if land costs were fixed, the increase in potential land value could be attributed to developer profit.
- The amount of developer profit also increases on an absolute basis, from $3.17 to $4.06 million, (in future dollars) reflective of a 28% increase. These increases in land value and developer profit are notable and should help to improve the economic opportunity for redevelopment.
- We note that to acknowledge signs of a potential slowing of the high-end luxury market, we targeted a slightly lower average end unit price (than what is currently observed in the market) at just above $900,000, and have assumed that units would sell at an average pace of one unit per month up until the 70% sales threshold.

Kerr Village

- In Kerr Village, additional density via increased height results in a lower land value than derived under the existing policy direction. This is a result of the market area's weaker condominium apartment market context. Based on the assumptions used in this analysis, a 4-storey development in Kerr Village with mid-market positioning is expected to support a land value of $899,000.
- However, because construction costs increase in a 6-storey built form scenario and pricing is not yet at a level to offset that increase, the added density limits the developer's ability to pay the same land value that would be supported in a four-storey development scenario if the same 15% profit margin is maintained. Based on this assumption, land value in the six-storey scenario, is reduced to $265,000. However, the developer's return (profit) does improve.
- Given Kerr Village's excellent market attributes, over time we expect demand and pricing to increase where development of this nature will be feasible. Allowing 6-storey developments in Kerr Village will therefore be beneficial in the near future as the market continues to evolve.

Bronte Village

- At four storeys in height, the development in Bronte Village generates a land value of $1.88 million. Increasing development height to six storeys supports an increased land value of 39%, to $2.62 million. However, if land costs were fixed, the increase in potential land value could then be attributed to developer profit.
- The amount of developer profit also increases on an absolute basis through this increase in height, however, remains at 15% of gross revenue as per the assumptions in our model. The results

indicate that developer profit might increase from $5.4 million in a four storey development scenario, to $7.7 million in a six-storey development scenario.

- The results indicate that permitting development heights of six storeys in Bronte Village is likely to have a significant impact on the viability of redevelopment and could be a catalyst which encourages renewed investment activity in the village.

Table 4.3 – Summary of financial results.

Summary - Financial Analysis Results	Downtown 4-Storey	Downtown 6-Storey	Kerr Village 4-Storey	Kerr Village 6-Storey	Bronte Village 4-Storey	Bronte Village 6-Storey
Project Statistics						
Number of Condominium Apartment Units	20	26	39	53	59	84
Average net Unit Size (Square Feet)	1,100	1,100	850	850	950	950
Residential Index Price (Per Square Foot)	$825	$825	$520	$520	$600	$600
Average End Price per Unit	$907,500	$907,500	$442,000	$442,000	$570,000	$570,000
Total Residential Saleable Area (Square Feet)	22,251	29,113	33,559	44,758	55,728	80,193
Gross Residential Area (Square Feet)	26,177	34,250	39,481	52,656	65,562	94,345
Commercial Space Index Price (Per Square Foot)	$30	$30	$25	$25	$20	$20
Gross Commercial Area (Square Feet)	4,500	4,500	4,500	4,500	4,500	4,500
Parking Ratios						
Residential Spaces Per Unit	1.30	1.30	1.25	1.25	1.25	1.25
Visitor Spaces Per Unit	0.25	0.25	0.25	0.25	0.25	0.25
Commercial Parking Spaces	n/a	n/a	0.0023	0.0023	0.0023	0.0023
Revenues						
Total Project Revenues	$21,240,309	$27,199,983	$19,928,271	$26,041,356	$36,221,479	$51,606,076
Total Revenues Per Square Foot	$692	$702	$453	$456	$517	$522
Development Costs (Incl. Land)						
Total Project Hard Costs	$7,673,555	$9,790,082	$8,830,928	$13,641,484	$15,838,450	$23,148,580
Total Project Hard Costs PSF	$250	$253	$201	$239	$226	$234
Total Project Soft Costs	$7,322,306	$9,395,270	$6,890,787	$8,144,458	$12,434,841	$17,129,039
Total Project Soft Costs PSF	$239	$242	$157	$142	$177	$173
Total Project Costs	$14,995,861	$19,185,353	$15,721,715	$21,785,942	$28,273,291	$40,277,619
Total Project Costs PSF	$489	$495	$357	$381	$404	$407
Estimated Profit and Residual Land Value						
Total Profit (future$)	$3,169,842	$4,058,765	$2,973,031	$3,884,561	$5,402,241	$7,696,274
Residual Land Value (present$)	$2,202,565	$2,764,956	$899,268	*$264,796*	$1,876,361	$2,617,129
Per Acre	$9,284,860	$11,655,604	$2,527,229	*$744,161*	$2,812,356	$3,922,647

4.4 Comparable Land Transactions

Comparable land transactions for high-density residential and mixed use developments were analyzed dating back to 2008 in order to evaluate the results of the pro forma modelling exercise. There were relatively few transactions observed in all three of the Main Street Growth Areas. **Table 4.4** outlines the comparable transactions.

- For the Downtown test location, the land value derived was $9.23 million an acre for the 4-storey development and $11.66 million per acre for the 6-storey development. The land transactions for Downtown Oakville have a wide range from $9.62 million per acre to $20.25 million per acre, with higher land values typically demonstrated on smaller sites. The results of our analysis are at the low end of this range because the market assumptions used in our analysis acknowledge a slowing luxury market. In Downtown Oakville, the increase in height provides the developer with more capital to spend on land acquisition and/or attribute to profit if land costs are fixed.
- Kerr Village yielded the highest volume of recent land transaction activity, with five occurring between 2008 and 2016. In Kerr Village, a tighter transaction range was observed with land values ranging between $1.95 million and $6.36 million per acre. However, the Lakeshore Road transaction at the top end of this range later saw a development (West Harbour) launch and later be cancelled. West Harbour was positioned as a luxury project and received a poor market response. Overall, the average price per acre amongst the surveyed transactions was $3.52 million. The results of our four storey pro forma analysis indicate a land value result that is within the range as demonstrated by comparable land sales with development at four-storeys in height, but below average in a development scenario with increased height.
- As previously mentioned, there are currently three actively marketing projects in Kerr Village and an additional three projects that have sold-out. Through our review of these projects we believe that they have been successful in part for one or more of the following reasons:
    - Developers of these projects were able to achieve additional density, above and beyond what was anticipated by the seller, therefore reducing the proportional cost of land acquisition;
    - Developers may have been satisfied with a return below the typical 15% profit margin; and/or,
    - Land was purchased many years in advance of development, with land costs capitalized through a previous income generating use.
- Reviewing land transactions of the actively marketing and sold-out developments in Kerr Village uncovered the following:
    - The lands on which Princeton Manor (North and South) is situated were acquired in 1980 and 1994, which means that land acquisitions was likely considered sunk cost at the time of development, leaving any residual amount as profit;

- Rain and Senses Condominiums' land was purchased roughly nine and ten years ago at a price per acre of approximately $1.64 million per acre (or about $6,700 per unit buildable). These two projects are some of the densest observed in Oakville. When this site was purchased by the developer, the site had planning permission which would have supported a maximum building height of four storeys and a development density of 49 units per hectare. The eventual OMB approval for the Empire development allowed height and density well in excess of this initial permission; and,
- The land for Windermere Manor and Wyndham Place was acquired for $3.86 million in 2008 and $3.27 million in 2009 respectively. Both of these prices fall within the range of comparable transactions observed in Kerr Village. The land values observed can likely be explained by a developer building at a lower cost than is typical in the market, or by accepting a lower profit margin than we have assumed in this model.

- Two transactions occurred in Bronte Village, neither of which are truly comparable to likely development activity within the boundaries of the Main Street Growth Area. The Lakeshore Road West/East Street transaction reflects a price for land associated with a development application proposing a 20-storey building containing 144 units, with development density well in excess of what is contemplated in the four or six-storey development scenarios in this analysis. The Bronte Road transaction was for the Amica at Oakville senior's living development. Despite the lack of comparable transactions, if one assumes that the average value of these transactions at $2.66 million per acre is representative of the current land market in Bronte Village, the results of the financial models for Bronte Village in this analysis are reasonable. Providing added height does provide more cushion for a developer, allowing them to increase profit, or pay more for land at $3.92 million per acre.

Table 4.4 – Comparable Land Transactions.

High Density Residential Land Transactions								
Address	**Date of Sale**	**Sale Price**	**Land Area (Ac.)**	**Proposed GFA**	**No. Residential Units**	**Purchase Price Per Acre ($)**	**Land Value $PSF**	**$Per Buildable Unit**
Downtown Oakville								
299 Church St	10/03/2016	$1,250,000	0.084	7,267	3	$14,880,952	$172	$416,667
350 Lakeshore Rd E	14/03/2011	$2,531,000	0.125	8,533	4	$20,248,000	$297	$632,750
131 & 135 Trafalgar Rd, 312 Randall St & 293 Church St	15/12/2009	$6,000,000	0.624	62,823	36	$9,615,385	$96	$166,667
Downtown Average						**$11,741,897**	**$124**	**$227,465**
Kerr Village								
28-36 & 42 Lakeshore Rd W & 90 & 94 Chisholm St	29/08/2011	$3,700,000	0.582	49,100	23	$6,357,388	$75	$160,870
345 Kerr St	02/07/2010	$2,500,000	0.530	-	-	$4,716,981	-	-
120, 126, 130, 138 & 144 Garden Dr	02/11/2009	$4,494,444	1.376	105,800	102	$3,266,311	$42	$44,063
54 & 60 Shepherd Rd	28/10/2008	$2,627,333	1.350	199,183	188	$1,946,173	$13	$13,975
108 Maurice Dr	23/04/2008	$1,920,000	0.497	48,500	34	$3,863,179	$40	$56,471
Kerr Village Average						**$3,515,981**	**$32**	**$36,720**
Bronte Village								
2266 Lakeshore Rd W & 83 East St	28/05/2015	$3,595,000	0.593	165,352	144	$6,062,395	$22	$24,965
140, 150, 154 & 158 Bronte Rd	29/07/2008	$3,282,900	1.989	140,078	139	$1,650,528	$23	$23,618
Bronte Village Average						**$2,663,788**	**$23**	**$24,304**
Source: RealNet								

5.0 Assessing Existing Barriers to Development

Currently, an increase in development height to six storeys would benefit a developer in two of the three Main Street Growth Areas (Downtown Oakville and Bronte Village). Despite not having a positive effect in Kerr Village, as modelled, it is still beneficial to implement the policy for when the market matures and pricing improves. While our analysis finds some improvement to development viability through increased building height, our analysis also reveals several notable barriers to development:

- High development charges and cash-in-lieu of parkland rates create a burden on development, typically with combined costs in the order of $48,000 per unit (and more in Downtown Oakville where land value is higher). While strong markets can overcome these barriers to some degree, the viability of development in weaker markets locations, such as Kerr Village, can be significantly impacted, especially as construction costs continue to rise.
- These development costs are typically passed on to purchasers. As such, they erode affordability and limit Oakville's high density marketplace to the luxury market.
- The luxury market is the thinnest segment of the high density residential marketplace. The production of units is therefore relatively modest compared to mid or entry level markets where the deepest pool of tenants and purchasers reside.
- These factors limit the potential of the Growth Areas and impacts the Town's ability to achieve broader policy objectives as articulated in the Provincial Policy Statement and Growth Plan for the Greater Golden Horseshoe. These include policies to promote cost effective development patterns and densities that support the efficient use of land and resources; and, to establish development standards for residential intensification which minimize the cost of housing and facilitate compact development forms.
- In Downtown Oakville and in Kerr Village, the tight supply of underutilised land for intensification is notable. Aside from some of the Town-owned parcels and a few others, shallow lot depth conditions and fragmented property ownership patterns may require land assemblies in order to produce usable development sites. When developers have to assemble multiple properties in order to assemble useable development sites they face longer timelines for development, this translates into greater exposure to market risk. The costs of acquisition can also increase in an assembly process, especially when purchasing properties with existing operating businesses.
- While Downtown developments are known for their high priced luxury units, there appears to be some weakening in the marketplace while land prices have not adjusted to reflect this new reality, and/ or the competition for other uses remains strong. This competition with other uses relates primarily to commercial space with existing tenants, where developers must not only acquire land, but may also have to buy out the owners of a small business to compensate for future cash flow.

5.1 Summary Conclusions

The results of our analysis indicate that an increase in development height from four to six storeys would have a positive impact in encouraging intensification in Downtown Oakville and the Bronte Village Main Street Growth Areas. Over time, we expect the economic viability of high density intensification in Kerr Village to also improve as Oakville's condominium apartment market continues to mature.

The added flexibility that increased heights allow for will likely have a positive impact on development economics. This added development flexibility may also help to encourage development on sites where landowners have already capitalised the cost of land through an existing retail use or through longstanding ownership. Outside of any planning and urban design challenges associated with increased height, amendments permitting building heights of at least six storeys in these locations would be a positive policy change which could support:

- Increases in land value that could motivate land owners to redevelop sites consistent with the vision of the Official Plan;
- Lot assemblies for development sites;
- Population growth, strengthening local area retail and other downtown functions; and,
- A wider spectrum of housing choice and affordability.

In Kerr Village, our financial prototype testing illustrates that the increase in height does not currently produce a positive impact on the financial results of the development. This is largely because the move to 6-strorey building forms would increase construction costs and the market is not currently robust enough to offset this hard cost increase while also supporting typical developer profit requirements and market value for land. Nonetheless, permitting 6-storey development in Kerr Village will likely be beneficial in the future as the demand and pricing strengthen.

In addition to permitting added height, an interim solution to further improve the economic viability of redevelopment in Kerr Village could also be to expand the existing Kerr Village Community Improvement Plan to include a short term financial incentive program which could include a waiver of development charges and cash-in-lieu of parkland costs. Depending on the nature of the incentive being offered, these tools may be offered through the Town's Planning Department or in conjunction with established organizations such as the local BIA.

The Town should also continue to explore opportunities through the ongoing Growth Area Reviews to determine whether there are also areas that might also be appropriate for encouraging buildings with heights taller than six storeys.

Appendix A – Overview of Actively Marketing and Sold-Out Projects

Table 1A – Actively marketing projects in Downtown Oakville.

Project Name / Developer	Open Date	Status*	Storeys	Total Units	Total Sales	% Sold	Size Range (sq. ft.)	Price Range	Avg. $PSF** Org.	Avg. $PSF** Curr.	Abs. Rate*** 70%	Abs. Rate*** Overall
Condominium Apartment Projects - Downtown As of June 30, 2016												
Active												
Mayfair Residences *Kencan Properties*	Apr-16	PRE	4	31	0	0%	1,134 - 2,007	$829,900 - $1,576,900	$779	$779	- *-*	0.0 *2*
Randall Residences *Rosehaven Homes*	Oct-12	UC	4	36	26	72%	1,807 - 2,928	$2,020,000 - $3,530,000	$1,076	$1,126	0.7 *39*	0.8 *45*
Active Projects Total (2 Projects)			**4**	**67**	**26**	**39%**	**1,134 - 2,928**	**$829,900 - $3,530,000**	**$939**	**$864**	**0.7**	**0.7**

*Status: "PRE" = pre-construction, "UC" = under construction, "SI" = standing inventory, "SO" = sold-out; **Average per square foot values: original values are based on total inventory, current values are calculated based on remaining inventory; ***The top number represents the number of sales per month to June 30, 2016 or to the 70% sales date. The bottom number represents the number of months the project has been on the market or the number of months it took to reach the 70% sales mark.

Source: RealNet Canada Inc.

Table 2A – Actively marketing and sold-out projects in Kerr Village and the surrounding neighbourhood.

Condominium Apartment Projects - Kerr Village **As of June 30, 2016**												
Project Name / Developer	**Open Date**	**Status***	**Storeys**	**Total Units**	**Total Sales**	**% Sold**	**Size Range (sq. ft.)**	**Price Range**	**Avg. $PSF****		**Abs. Rate*****	
									Org.	**Curr.**	**70%**	**Overall**
Active												
Princeton Manor - North Manor *Green Hill Homes*	Aug-09	SI	4	16	12	75%	910 - 932	$399,990 - $422,990	$388	$447	0.2 *79*	0.1 *83*
Rain Condominiums - North Tower (Phase 1) *Empire*	Jul-11	SI	21	288	272	94%	346 - 1,030	$199,990 - $529,990	$477	$516	33.2 *6*	4.6 *59*
Senses Condominiums *Empire*	Mar-12	UC	19	244	178	73%	346 - 1,250	$209,990 - $684,000	$510	$551	3.4 *52*	3.4 *52*
Active Projects Total (3 Projects)			**15**	**548**	**462**	**84%**	**346 - 1,250**	**$199,990 - $684,000**	**$489**	**$540**	**2.9**	**2.4**
Sold-Out												
Windermere Manor *Matas Homes and Rakla Development*	Nov-08	SO	4	34	34	100%	1,162 - 1,312	$599,900 - $699,000	$399	$362	2.7 *9*	0.7 *49*
Princeton Manor - South Manor *Green Hill Homes*	Dec-09	SO	4	23	23	100%	545 - 820	$254,990 - $363,990	$405	$487	0.3 *56*	0.4 *63*
Wyndham Place *Vandyk Properties Inc.*	Feb-11	SO	4	102	102	100%	775 - 1,100	$361,990 - $659,990	$441	$571	23.1 *3*	2.5 *40*
Sold-Out Projects Total (3 Projects)			**4**	**159**	**159**	**100%**	**545 - 1,312**	**$254,990 - $699,000**	**$427**	**N/A**	**1.7**	**1.0**

*Status: "PRE" = pre-construction, "UC" = under construction, "SI" = standing inventory, "SO" = sold-out; **Average per square foot values: original values are based on total inventory, current values are calculated based on remaining inventory; ***The top number represents the number of sales per month to June 30, 2016 or to the 70% sales date. The bottom number represents the number of months the project has been on the market or the number of months it took to reach the 70% sales mark.

Source: RealNet Canada Inc.

Table 3A – Sold-out projects in Bronte Village and surrounding neighbourhood.

Project Name / Developer	Open Date	Status*	Storeys	Total Units	Total Sales	% Sold	Size Range (sq. ft.)	Price Range	Avg. $PSF** Org.	Avg. $PSF** Curr.	Abs. Rate*** 70%	Abs. Rate*** Overall
Condominium Apartment Projects -Bronte **As of June 30, 2016**												
Sold-Out (Bronte)												
Shores Condominium Residences on the Lake *Fernbrook Homes and Cityzen Development Group*	Aug-08	SO	10	211	211	100%	606 - 2,600	$390,000 - $2,687,000	$590	$641	65.7 *2*	2.2 *94*
Sold-Out Projects Total (1 Project)			**10**	**211**	**211**	**100%**	**606 - 2,600**	**$390,000 - $2,687,000**	**$590**	**#DIV/0!**	**65.7**	**2.2**
Sold-Out (Expanded Search)												
Bluwater - Building A *Pemberton Group*	Oct-10	SO	8	71	71	100%	935 - 2,685	$521,900 - $1,843,900	$573	$558	4.4 *11*	1.5 *47*
Bluwater - Building B *Pemberton Group*	Oct-10	SO	8	61	61	100%	695 - 2,140	$399,900 - $760,900	$543	$606	3.0 *14*	1.3 *48*
Bluwater - Building C *Pemberton Group*	Apr-11	SO	8	72	72	100%	615 - 2,270	$346,900 - $1,280,900	$543	$599	7.6 *7*	1.7 *42*
Sold-Out Projects Total (3 Projects)			**8**	**204**	**204**	**100%**	**615 - 2,685**	**$346,900 - $1,843,900**	**$553**	**#DIV/0!**	**0.0**	**0.0**

*Status: "PRE" = pre-construction, "UC" = under construction, "SI" = standing inventory, "SO" = sold-out; **Average per square foot values: original values are based on total inventory, current values are calculated based on remaining inventory; ***The top number represents the number of sales per month to June 30, 2016 or to the 70% sales date. The bottom number represents the number of months the project has been on the market or the number of months it took to reach the 70% sales mark.

Source: RealNet Canada Inc.