

Memorandum

To:	Kim Law, P.Eng.	File #:	
CC:	Jeff Moi, P.Eng.	Date:	March 20, 2026 Revised April 6, 2026
From:	Shashi Bandara, P.Eng.		
Subject:	Financial Feasibility Analysis – Preliminary Results		

Purpose

The purpose of this memo is to summarize the financial feasibility analysis undertaken to inform ongoing policy and bylaw updates. This analysis provides insight into the economic viability of various forms of development under evolving regulatory and financial frameworks.

Background

The City is currently undertaking a comprehensive update of its Development Cost Charges (DCC) Bylaw and preparing a new Amenity Cost Charge (ACC) Bylaw. These efforts follow the recent Official Community Plan (OCP) update, new provincial housing legislation, and concurrent updates to the City’s infrastructure master plans.

In conjunction with these initiatives, the City is also advancing related policy tools, including:

- Inclusionary zoning bylaw
- Density bonus (DB) bylaw

To support these bylaw updates and as per best management practices, a financial feasibility analysis has been conducted to evaluate development viability under the above emerging frameworks.

Analysis Overview

The financial feasibility analysis examined a representative development scenario involving the assembly of four older single-family properties, reflecting a common redevelopment pattern.

Multiple development and policy scenarios were tested to understand their impact on project viability. These scenarios include, but are not limited to:

- Current DCC and CAC (Community Amenity Contribution) rates
- Draft DCC rates (25% parks allocation) with ACCs, with no CAC or density bonus contributions
- Draft DCC rates (50% parks allocation) with ACCs, with no CAC or density bonus contributions
- Current DCC rates combined with proposed ACC structure

This comparative approach enables the City to assess how different combinations of charges and contributions influence financial outcomes for redevelopment projects. The findings of this analysis can be found in Attachments 1 through 4.

Conclusion and Next Steps

The financial feasibility analysis serves as an input into the City's ongoing bylaw updates and policy development. Further financial feasibility analysis will be undertaken following the completion of the ACC public engagement process. This additional work will:

- Incorporate stakeholder feedback
- Refine assumptions
- Support finalization of the ACC bylaw and related policies

**Exhibit B (updated)
Summary of IZ Financial Analysis (no bonus density)
Mixed Use Redevelopment**

DRAFT - for discussion purposes only

27-Feb-26

Preliminary Analysis - subject to refinement - includes some optimistic assumptions

Analysis assumes draft DCC rate (25% parks) and ACCs under consideration (with no CAC or DB contributions) ***

Type of Case Study Property assembly of 4 older single family properties
Existing Site Size 33,418 sf
Existing Property Value** \$7,317,240 (higher of existing use/income value and existing zoned land value)

	Market Strata Scenarios*				Market Rental Scenarios*			
	4 storey 2.3 FAR	6 storey 3.2 FAR	Highrise 4.0 FAR	Highrise 5.0 FAR	4 storey 2.3 FAR	6 storey 3.2 FAR	Highrise 4.0 FAR	Highrise 5.0 FAR
Inclusionary Floorspace (% of overall residential)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Estimated Supportable Land Value	\$4,988,187	\$7,629,198	\$2,283,225	\$2,899,207	\$2,669,639	\$4,265,302	-\$8,659,416	-10,884,304
Estimated Profit Margin (if acquired at existing use value)	9.8%	15.5%	8.9%	10.6%	4.0%	9.5%	-5.7%	-4.3%
Estimated Annual Yield (if acquired at existing use value)	n/a	n/a	n/a	n/a	4.4%	4.6%	4.0%	4.0%
Viable without Inclusionary Housing	likely	yes	unlikely	likely	no	likely	no	no

Notes::

* Assumes no contributions for any bonus density over 2.5 FAR that is currently required by policy

** This value may be less than the land value supported by existing OCP designation

*** DCC rate assumed is \$17,238 per unit (25% parks rate) and ACC rate assumed is \$7,159 per unit

Exhibit C
Summary of IZ Financial Analysis (no bonus density)
Mixed Use Redevelopment

DRAFT - for discussion purposes only

27-Feb-26

Preliminary Analysis - subject to refinement - includes some optimistic assumptions

Analysis assumes draft DCC rate (50% parks) and ACCs under consideration (with no CAC or DB contributions) ***

Type of Case Study Property assembly of 4 older single family properties
Existing Site Size 33,418 sf
Existing Property Value** \$7,317,240 (higher of existing use/income value and existing zoned land value)

	Market Strata Scenarios*				Market Rental Scenarios*			
	4 storey 2.3 FAR	6 storey 3.2 FAR	Highrise 4.0 FAR	Highrise 5.0 FAR	4 storey 2.3 FAR	6 storey 3.2 FAR	Highrise 4.0 FAR	Highrise 5.0 FAR
Inclusionary Floorspace (% of overall residential)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Estimated Supportable Land Value	\$4,452,678	\$6,853,902	\$1,320,994	\$1,677,443	\$2,021,360	\$3,326,689	-\$9,829,528	-12,368,680
Estimated Profit Margin (if acquired at existing use value)	8.7%	14.2%	7.8%	9.5%	2.6%	7.9%	-7.0%	-5.6%
Estimated Annual Yield (if acquired at existing use value)	n/a	n/a	n/a	n/a	4.4%	4.5%	3.9%	3.9%
Viable without Inclusionary Housing	unlikely	likely	unlikely	likely	no	unlikely	no	no

Notes::

* Assumes no contributions for any bonus density over 2.5 FAR that is currently required by policy

** This value may be less than the land value supported by existing OCP designation

*** DCC rate assumed is \$24,973 per unit (50% parks rate) and ACC rate assumed is \$7,159 per unit

Exhibit 2
Summary of IZ Financial Analysis (no bonus density)
Mixed Use Redevelopment

DRAFT - for discussion purposes only

06-Apr-26

Preliminary Analysis - subject to refinement - includes some optimistic assumptions
Analysis assumes current DCCs and proposed ACC

Type of Case Study Property assembly of 4 older single family properties
Existing Site Size 33,418 sf
Existing Property Value** \$7,317,240 (higher of existing use/income value and existing zoned land value)

	Market Strata Scenarios*				Market Rental Scenarios*			
	4 storey 2.3 FAR	6 storey 3.2 FAR	Highrise 4.0 FAR	Highrise 5.0 FAR	4 storey 2.3 FAR	6 storey 3.2 FAR	Highrise 4.0 FAR	Highrise 5.0 FAR
Inclusionary Floorspace (% of overall residential)	0.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Estimated Supportable Land Value	\$5,572,030	\$7,507,764	\$3,072,981	\$4,481,654	\$3,503,110	\$5,432,380	-\$7,416,254	-8,888,706
Estimated Profit Margin (if acquired at existing use value)	11.1%	15.3%	9.8%	12.2%	5.8%	11.5%	-4.4%	-2.4%
Estimated Annual Yield (if acquired at existing use value)	n/a	n/a	n/a	n/a	4.5%	4.7%	4.0%	4.1%
Viable without Inclusionary Housing	likely	yes	likely	likely	unlikely	likely	no	no

Notes::

* Assumes no contributions for any bonus density over 2.5 FAR that is currently required by policy

** This value may be less than the land value supported by existing OCP designation