
MEMORANDUM



DATE: 14 May 2021
TO: Malcolm MacLean, City of Victoria
FROM: Blair Erb, Coriolis Consulting Corp.
RE: Summary of Preliminary Financial Analysis for: Missing Middle Housing Typologies and Heritage Conversions

1.0 Introduction

Missing middle housing includes ground-oriented forms of housing such as duplexes, triplexes, houseplexes, townhouses and other forms of attached housing. These infill housing forms can often be introduced into existing single family neighbourhoods without impacts on neighbourhood character and can provide a variety of significant benefits, including housing options that are more affordable than single detached houses, options for existing neighbourhood residents to downsize (freeing up existing housing stock), more efficient use of land and infrastructure, reduction in energy use, improved public realm, and more walkable urban areas.

The City of Victoria land use policies and bylaws already allow some of these forms of housing in some locations in the City¹. However, the pace of missing middle housing development has been slow in Victoria in comparison to other forms of housing.

Therefore, the City of Victoria has undertaken a city-wide planning process to:

- Identify suitable locations for missing middle forms of housing.
- Engage with the community to help shape the framework.
- Evaluate opportunities to secure public benefits, rental housing and/or affordable housing from new missing middle projects, or certain types of missing middle projects.
- Consider policy and/or bylaw changes that would allow these forms of housing to proceed without Council approval for each project.

As input to the process, the City retained Coriolis Consulting Corp. to:

1. Analyze the financial viability of different types of missing middle housing in different parts of the City to identify the circumstances in which missing middle housing is viable, taking into account different factors such as typology, density, location, existing use and existing zoning.
2. Identify the type of missing middle projects that have the financial ability to provide public benefits.
3. Evaluate the financial performance of retaining, renovating and converting existing heritage homes into multi-unit dwellings (heritage conversion).
4. Determine the financial ability of new projects to include rental or affordable housing units and, if rental and/or affordable units are viable, help determine the level of affordability that can be achieved.
5. Work with staff to test the ideas and strategies that emerge from the engagement process.

¹ The Traditional Residential OCP designation allows attached forms of housing up to 1.0 FSR (in 2 storeys).

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6. Evaluate the draft recommendations and policies in terms of financial viability, potential land value impacts, opportunities for public benefits and/or affordable housing, and other desired outcomes.

Our work is being completed in steps to match the City's overall planning process. We have completed preliminary financial analysis for items 1 to 4 above. This document provides a brief summary of the key findings for these tasks.

Following the planned engagement process, we will refine our financial analysis, complete tasks 5 and 6, and document our findings in a full report.

2.0 Typologies Evaluated

The City identified six different types of missing middle housing options to evaluate as part of our financial analysis:

1. Smaller 2 1/2 storey houseplex on a smaller single family lot. This typology is assumed to achieve a gross floorspace to lot area ratio of 0.8. Parking would be provided in a single car enclosed garage. Any additional parking would be provided at surface.
2. Larger 3 storey houseplex on a smaller single family lot. This typology is assumed to achieve a gross floorspace to lot area ratio of 0.88. Parking would be provided in a single car enclosed garage. Any additional parking would be provided at surface.
3. Smaller 2 1/2 storey houseplex on a larger single family lot. This typology is assumed to achieve a gross floorspace to lot area ratio of 0.87. Parking would be provided in a single car enclosed garage. Any additional parking would be provided at surface.
4. Larger 3 storey houseplex on a larger single family lot. This typology is assumed to achieve a gross floorspace to lot area ratio of 0.97. Parking would be provided in a single car enclosed garage. Any additional parking would be provided at surface.
5. Townhouse on an assembly of two single family lots. This typology is assumed to achieve a gross floorspace to lot area ratio of 1.07. Parking would be provided at surface.
6. 3 storey transitional apartment on an assembly of two single family lots. This typology is assumed to achieve a gross floorspace to lot area ratio of 1.15. Parking would be provided for about half of the units under the building in a tuck under parking area. Any additional parking would be provided at surface.

In addition, the City identified scenarios to test for potential conversion of heritage houses into multiple dwellings. We analyzed the financial performance of renovating and converting a hypothetical existing heritage house into multiple strata units (heritage conversion) and allowing new infill units on the lot in addition the existing renovated heritage house.

3.0 Approach to Financial Analysis

We created proformas to test the likely financial performance of each of the typologies identified by the City. Each proforma, compares the estimated overall value of the completed project with the estimated costs to create the new housing units². We used the models to:

² Our analysis focused on testing the viability of strata residential development for each typology. We also tested some rental scenarios, but our analysis indicated that rental housing development is not financially viable at the densities that we were asked to assume. Our analysis also assumes that sites are rezoned in advance by the City to allow the various typologies.

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- Estimate the land value supported by the typology and compared this with the existing value of the property as an older single family home.
 - Estimate the potential profit that could be generated by each typology assuming the builder/developer acquired the lot at its current market value as an older single family home³.
 - Determine whether a typology will likely be financially viable.
 - Evaluate whether a typology creates increased lot value (beyond existing single family value) and is therefore able to provide amenity contributions and/or affordable housing.

We completed the financial analysis for each of the missing middle typologies in three different locations that span the range of market conditions and property values in the City, including:

- A higher value market area. This includes neighbourhoods such as Fairfield, Gonzales, and James Bay.
- A middle value market area. This includes neighbourhoods, such as Fernwood, Vic West, and Jubilee.
- A lower value market area. This includes neighbourhoods such as Hillside-Quadra and Burnside.

This allowed us to determine whether the financial viability of each typology would likely vary across different parts of the City due to differences in existing property values and due to differences in the likely market value of new missing middle units in different locations.

4.0 Summary of Results for Missing Middle Typologies

Attachments 1 to 6 summarize the results of our preliminary financial analysis for the six missing middle typologies. There are two attachments for each of the three different market areas (six in total):

- The first attachment for each market area assumes that each of the new missing middle units are provided with one parking stall (either at grade, in a garage, or in a tuck under parking area). This may not be physically achievable, so it could be optimistic.
- The second attachment for each market area assumes that parking is only provided for a limited number of units (the assumed amount of parking varies depending on the typology and the architectural concepts provided to us by the City for the analysis).

For each typology, the attachments show:

- The assumed lot size.
- The assumed total project size (floorspace and units).
- The estimated lot value in dollars per square foot of lot area supported by the typology.
- The assumed lot acquisition cost in dollars per square foot of lot area (this is the value of older single family homes in the neighbourhood that are likely redevelopment candidates).
- Whether or not the typology is likely financially viable for builders and developers.
- The potential increase in lot value per new unit⁴.
- The estimated profit margin as a percentage of total project costs.

The key findings of the preliminary analysis for the six missing middle typologies are as follows:

1. The financial performance of each typology varies depending on the market area/locations. The missing middle typologies perform better (from a financial perspective) in the higher value market areas than in

³ For typologies that require assembly, we assume that the builder needs to pay a 20% premium to existing homeowners to create a financial incentive to sell both adjacent lots simultaneously for redevelopment.

⁴ This is an indicator of the ability of a typology to provide amenity contributions and/or affordable housing.

the middle and lower value market areas. Therefore, in the short term, we would expect interest in the missing middle housing forms to be focused in higher value single family neighbourhoods such as Fairfield, James Bay, and Gonzales. Over time, as market conditions change, we would expect interest in missing middle typologies to increase throughout the City.

2. The amount of parking that can be provided on site will likely affect the financial viability of the missing middle typologies. We would expect the marketability of units to be negatively affected if units do not come with a parking stall. However, this is likely location dependent. For example, a project that is close to existing commercial services and amenities may not need to provide as much parking as a project that is removed from commercial services and amenities.
3. With exception of the townhouse typology in the higher value market area, the typologies we tested do not generate any estimated increase in lot value beyond current single family property value. Therefore, the typologies tested create little or no financial room for amenity contributions and/or affordable housing.
4. The estimated achievable profit for most of the typologies is very low (typically less than 10%) so the financial viability of most typologies is likely marginal. There are two exceptions which can achieve higher profit margins:
 - The large houseplex typology in the middle and higher value locations, assuming sufficient parking can be provided.
 - The townhouse typology in the middle and higher value locations, assuming sufficient parking can be provided.
5. Overall, a gross floorspace to lot area ratio of about 1.0 is likely required to make the missing middle typologies typologies financially attractive at the single family lot sizes that we tested⁵. Even at this density, the financial viability of each typology will likely depend on the amount of parking that can be provided and the location of the project.

5.0 Summary of Results for Heritage Conversion

Attachment 7 summarizes the results of our preliminary financial analysis for the heritage renovation and conversion scenarios that we analyzed. We analyzed three density scenarios:

- A scenario that assumes the existing heritage home is converted into small strata units.
- A scenario that assumes the existing heritage home is converted into multiple units plus an additional 0.2 x the lot area of new infill housing is constructed on the lot (the small infill scenario).
- A scenario that assumes the existing heritage home is converted into multiple units plus an additional 0.35 x the lot area of new infill housing is constructed on the lot (the large infill scenario).

Based on interviews with builders in Victoria who are actively involved in heritage projects, the cost associated with a heritage conversion can vary significantly from project to project. Therefore, for each of the three density scenarios, we analyze a lower and a higher renovation cost scenario for the heritage conversion. So, Attachment 7 includes a total of six different scenarios (three density scenarios with two cost assumptions for each).

⁵ We tested the missing middle typologies on lots in the range of about 4,900 square feet to 6,000 square feet. Lower densities would likely be financially attractive at single family lots that are larger than the lot sizes that we tested because the market value of a single family lot (per square foot of lot area) typically declines as the lot size increases.

For each scenario, Attachment 7 shows:

- The assumed lot size.
- The assumed total project size (floorspace, units, infill space).
- The estimated lot value in dollars per square foot of lot area supported by the typology.
- The assumed lot acquisition cost in dollars per square foot of lot area (this is the existing value of the older heritage house).
- Whether or not the typology is likely financially viable for builders and developers.
- The estimated profit margin as a percentage of total project costs.

The key findings of the heritage analysis are as follows:

1. Renovation and conversion of most existing heritage homes is unlikely to be financially viable in the absence of additional infill housing on the lot. The exception would be existing heritage homes that involve relatively low costs to renovate and convert.
2. Permitting infill housing on-site can significantly improve the viability of heritage retention. However, even with infill housing, the viability of heritage retention will likely be marginal. In addition, the financial viability will vary from property to property depending on the cost to renovate and convert the existing home to multiple units.
3. The greater the infill density permitted on the lot, the higher the likelihood that heritage conversion will be financially attractive.

6.0 Key Planning Implications

The key implications of our preliminary analysis are as follows:

1. The City is has numerous locations zoned for apartment development and a wide range of locations zoned for single family housing. However, there are few locations zoned for attached forms of housing. Missing middle housing would create opportunities for new types of housing that are generally not available in existing single family neighbourhoods in the City. This could:
 - Increase the housing choice for residents.
 - Create opportunities for younger families to purchase a ground-oriented home in the City at a lower cost than a single family home.
 - Create opportunities for existing single family owners to downsize within their own neighbourhood.
 - Creates flexibility for homeowners to accommodate family members through redevelopment.
2. The financial viability of missing middle housing development is marginal in most locations in the City, so if permitted, we would expect the pace of missing middle development to be modest for the foreseeable future.
3. To help make missing middle development financially attractive to builders and developers, the City should consider the following:
 - Maximize the achievable density for missing middle housing forms (while still achieving the City's urban design objectives). Our analysis indicates that heights of 3 storeys and gross floorspace to lot area ratios of about 1.0 are likely required to make the typologies we tested financially viable.

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- Allow a significant number of units per lot (say four to five units per lot) to help keep the average unit sizes modest. Smaller unit sizes will keep the total unit price more affordable than larger units allowing the new units to appeal to a broader range of buyers.
 - Allow flexibility about the amount of off-street parking⁶. Projects that are close to existing commercial services and amenities may not need to provide as much parking as projects that are removed from commercial services and amenities.
 - In locations where the City wants to encourage missing middle housing, rezone properties in advance so that builders do not need to go through the cost and uncertainty associated with rezoning.
4. Because the financial viability of missing middle housing is marginal, there is little or no room for missing middle project to provide amenity contributions, rental housing, or affordable housing.
 5. The cost of retaining, renovating and converting an existing heritage home into multiple units will vary from property to property. However, unless costs are low, heritage conversion is unlikely to be financially viable in the absence of additional infill units on the lot. Even with infill housing, the financial viability of heritage retention and conversion is likely to be marginal. Therefore, the City should examine opportunities to allow a significant amount of infill housing on a lot as part of a heritage conversion.

⁶ We tested the financial viability of missing middle housing with underground parking. However, due to the additional cost associated with underground parking, these forms of missing middle housing are unlikely to be financially viable.

7.0 Attachments

Exhibit 1							
Missing Middle Financial Analysis - Higher Value Areas with One Parking Stall per Unit							
Strata/Ownership Scenarios							
Typology ¹	1	2	3	4	5	6	
	Smaller Lot Houseplex 2.5 Storeys	Smaller Lot Houseplex 3 Storeys	Larger Lot Houseplex 2.5 Storeys	Larger Lot Houseplex 3 Storeys	Townhouse	Transitional Apartment	
Site Size (sf)	4,924	4,924	5,909	5,909	12,917	12,917	
Residential Floorspace Divided by Site Size	0.80	0.88	0.87	0.97	1.07	1.15	
Number of Units	3	4	4	5	10	13	
Average Unit Size (sf)	1,227	1,018	1,211	1,079	1,382	931	
Assembly Required	No	No	No	No	Yes	Yes	
Estimated Supportable Land Value (\$ PSF of Site Area)	\$113	\$127	\$129	\$146	\$204	\$134	
Assumed Land Acquisition	Higher Cost	\$165	\$165	\$165	\$165	\$198	\$198
Cost (\$ PSF of Site Area) ²	Lower Cost	\$150	\$150	\$150	\$150	\$180	\$180
Viable?	No	Possibly	Possibly	Possibly	Yes	No	
Calculated Increase in Land Value per Unit ³	n/a	n/a	n/a	n/a	\$7,750	n/a	
Estimated Profit ^{4,5}	2% to 5%	6% to 10%	7% to 10%	11% to 14%	15% to 20%	3% to 6%	
¹ All scenarios are assumed to include at least one parking stall per unit.							
² Assembling 2 lots is assumed to result in a 20% assembly premium, increasing the cost of acquiring land.							
³ Increase in land value is calculated on the higher end of the assumed land acquisition cost.							
⁴ Assumes no CAC/bonus density contribution.							
⁵ Assumes sites acquired based on current value.							

Exhibit 2						
Missing Middle Financial Analysis - Higher Value Areas With Parking as Indicated in Architectural Testing						
Strata/Ownership Scenarios						
Typology ¹	1	2	3	4	5	6
	Smaller Lot Houseplex 2.5 Storeys	Smaller Lot Houseplex 3 Storeys	Larger Lot Houseplex 2.5 Storeys	Larger Lot Houseplex 3 Storeys	Townhouse	Transitional Apartment
Site Size (sf)	4,924	4,924	5,909	5,909	12,917	12,917
Residential Floorspace Divided by Site Size	0.80	0.88	0.87	0.97	1.07	1.15
Number of Units	3	4	4	5	10	13
Average Unit Size (sf)	1,227	1,018	1,211	1,079	1,382	931
Assembly Required	No	No	No	No	Yes	Yes
Estimated Supportable Land Value (\$ PSF of Site Area)	\$91	\$94	\$102	\$110	\$171	\$107
Assumed Land Acquisition	Higher Cost	\$165	\$165	\$165	\$165	\$198
Cost (\$ PSF of Site Area) ²	Lower Cost	\$150	\$150	\$150	\$150	\$180
Viable?	No	No	No	Possibly	Possibly	No
Calculated Increase in Land Value per Unit ³	n/a	n/a	n/a	n/a	n/a	n/a
Estimated Profit ^{4,5,6}	Negative to 0%	0% to 2%	1% to 3%	3% to 6%	9% to 13%	Negative to 1%

¹Houseplex Sites have 1 off street parking stall, townhouse has 2 off street parking stalls and the transitional apartment has 6 off street parking stalls.
²Assembling 2 lots is assumed to result in a 20% assembly premium, increasing the cost of acquiring land.
³Increase in land value is calculated on the higher end of the assumed land acquisition cost.
⁴Assumes no CAC/bonus density contribution.
⁵Assumes sites acquired based on current value.
⁶Assumes units without parking sell at a \$75,000 discount (this is a rough allowance based on limited existing market evidence).

Exhibit 3						
Missing Middle Financial Analysis - Medium Value Areas with One Parking Stall per Unit						
Strata/Ownership Scenarios						
Typology ¹	1	2	3	4	5	6
	Smaller Lot Houseplex 2.5 Storeys	Smaller Lot Houseplex 3 Storeys	Larger Lot Houseplex 2.5 Storeys	Larger Lot Houseplex 3 Storeys	Townhouse	Transitional Apartment
Site Size (sf)	4,924	4,924	5,909	5,909	12,917	12,917
Residential Floorspace Divided by Site Size	0.80	0.88	0.87	0.97	1.07	1.15
Number of Units	3	4	4	5	10	13
Average Unit Size (sf)	1,227	1,018	1,211	1,079	1,382	931
Assembly Required	No	No	No	No	Yes	Yes
Estimated Supportable Land Value (\$ PSF of Site Area)	\$84	\$96	\$98	\$112	\$163	\$99
Assumed Land Acquisition	Higher Cost	\$145	\$145	\$145	\$145	\$174
Cost (\$ PSF of Site Area) ²	Lower Cost	\$130	\$130	\$130	\$130	\$156
Viable?	No	Possibly	Possibly	Possibly	Yes	No
Calculated Increase in Land Value per Unit ³	n/a	n/a	n/a	n/a	n/a	n/a
Estimated Profit ^{4,5}	0% to 3%	3% to 6%	4% to 7%	8% to 11%	13% to 15%	1% to 4%

¹All scenarios are assumed to include at least one parking stall per unit.
²Assembling 2 lots is assumed to result in a 20% assembly premium, increasing the cost of acquiring land.
³Increase in land value is calculated on the higher end of the assumed land acquisition cost.
⁴Assumes no CAC/bonus density contribution.
⁵Assumes sites acquired based on current value.

Exhibit 4							
Missing Middle Financial Analysis - Medium Value Areas With Parking as Indicated in Architectural Testing							
Strata/Ownership Scenarios							
Typology ¹	1	2	3	4	5	6	
	Smaller Lot Houseplex 2.5 Storeys	Smaller Lot Houseplex 3 Storeys	Larger Lot Houseplex 2.5 Storeys	Larger Lot Houseplex 3 Storeys	Townhouse	Transitional Apartment	
Site Size (sf)	4,924	4,924	5,909	5,909	12,917	12,917	
Residential Floorspace Divided by Site Size	0.80	0.88	0.87	0.97	1.07	1.15	
Number of Units	3	4	4	5	10	13	
Average Unit Size (sf)	1,227	1,018	1,211	1,079	1,382	931	
Assembly Required	No	No	No	No	Yes	Yes	
Estimated Supportable Land Value (\$ PSF of Site Area)	\$63	\$63	\$71	\$75	\$131	\$72	
Assumed Land Acquisition Cost (\$ PSF of Site Area) ²	Higher Cost	\$145	\$145	\$145	\$145	\$174	\$174
	Lower Cost	\$130	\$130	\$130	\$130	\$156	\$156
Viable?	No	No	No	No	Possibly	No	
Calculated Increase in Land Value per Unit ³	n/a	n/a	n/a	n/a	n/a	n/a	
Estimated Profit ^{4,5,6}	Negative	Negative	Negative to 0%	Negative to 2%	6% to 10%	Negative	
¹ Houseplex Sites have 1 off street parking stall. townhouse has 2 off street parking stalls and the transitional apartment has 6 off street parking stalls.							
² Assembling 2 lots is assumed to result in a 20% assembly premium, increasing the cost of acquiring land.							
³ Increase in land value is calculated on the higher end of the assumed land acquisition cost.							
⁴ Assumes no CAC/bonus density contribution.							
⁵ Assumes sites acquired based on current value.							
⁶ Assumes units without parking sell at a \$75,000 discount (this is a rough allowance based on limited existing market evidence).							

Exhibit 5							
Missing Middle Financial Analysis - Lower Value Areas with One Parking Stall per Unit							
Strata/Ownership Scenarios							
Typology ¹	1	2	3	4	5	6	
	Smaller Lot Houseplex 2.5 Storeys	Smaller Lot Houseplex 3 Storeys	Larger Lot Houseplex 2.5 Storeys	Larger Lot Houseplex 3 Storeys	Townhouse	Transitional Apartment	
Site Size (sf)	4,924	4,924	5,909	5,909	12,917	12,917	
Residential Floorspace Divided by Site Size	0.80	0.88	0.87	0.97	1.07	1.15	
Number of Units	3	4	4	5	10	13	
Average Unit Size (sf)	1,227	1,018	1,211	1,079	1,382	931	
Assembly Required	No	No	No	No	Yes	Yes	
Estimated Supportable Land Value (\$ PSF of Site Area)	\$28	\$33	\$36	\$42	\$83	\$29	
Assumed Land Acquisition Cost (\$ PSF of Site Area) ²	Higher Cost	\$140	\$140	\$140	\$140	\$168	\$168
	Lower Cost	\$125	\$125	\$125	\$125	\$150	\$150
Viable?	No	No	No	No	No	No	
Calculated Increase in Land Value per Unit ³	n/a	n/a	n/a	n/a	n/a	n/a	
Estimated Profit ^{4,5}	Negative	Negative	Negative	Negative	Negative to 1%	Negative	
¹ All scenarios are assumed to include at least one parking stall per unit.							
² Assembling 2 lots is assumed to result in a 20% assembly premium, increasing the cost of acquiring land.							
³ Increase in land value is calculated on the higher end of the assumed land acquisition cost.							
⁴ Assumes no CAC/bonus density contribution.							
⁵ Assumes sites acquired based on current value.							

Exhibit 6							
Missing Middle Financial Analysis - Lower Value Areas With Parking as Indicated in Architectural Testing							
Strata/Ownership Scenarios							
Typology ¹	1	2	3	4	5	6	
	Smaller Lot Houseplex 2.5 Storeys	Smaller Lot Houseplex 3 Storeys	Larger Lot Houseplex 2.5 Storeys	Larger Lot Houseplex 3 Storeys	Townhouse	Transitional Apartment	
Site Size (sf)	4,924	4,924	5,909	5,909	12,917	12,917	
Residential Floorspace Divided by Site Size	0.80	0.88	0.87	0.97	1.07	1.15	
Number of Units	3	4	4	5	10	13	
Average Unit Size (sf)	1,227	1,018	1,211	1,079	1,382	931	
Assembly Required	No	No	No	No	Yes	Yes	
Estimated Supportable Land Value (\$ PSF of Site Area)	\$6	\$0	\$9	\$6	\$50	\$1	
Assumed Land Acquisition Cost (\$ PSF of Site Area) ²	Higher Cost	\$145	\$145	\$145	\$145	\$174	\$174
	Lower Cost	\$130	\$130	\$130	\$130	\$156	\$156
Viability?	No	No	No	No	No	No	
Calculated Increase in Land Value per Unit ³	n/a	n/a	n/a	n/a	n/a	n/a	
Estimated Profit ^{4,5,6}	Negative	Negative	Negative	Negative	Negative	Negative	

¹Houseplex Sites have 1 off street parking stall, townhouse has 2 off street parking stalls and the transitional apartment has 6 off street parking stalls.

²Assembling 2 lots is assumed to result in a 20% assembly premium, increasing the cost of acquiring land.

³Increase in land value is calculated on the higher end of the assumed land acquisition cost.

⁴Assumes no CAC/bonus density contribution.

⁵Assumes sites acquired based on current value.

⁶Assumes units without parking sell at a \$75,000 discount (this is a rough allowance based on limited existing market evidence).

Exhibit 7							
Heritage Restoration Scenarios with One Parking Stall per Unit							
Strata/Ownership Scenarios							
Scenario ¹	1a	1b	2a	2b	3a	3b	
Cost Scenario	Lower	Higher	Lower	Higher	Lower	Higher	
	Heritage Conversion	Heritage Conversion	Heritage Conversion with Smaller Infill	Heritage Conversion with Smaller Infill	Heritage Conversion with Larger Infill	Heritage Conversion with Larger Infill	
Site Size (sf)	5,974	5,974	5,974	5,974	5,974	5,974	
Residential Floorspace Divided by Site Size	0.71	0.71	0.91	0.91	1.06	1.06	
Number of Heritage Conversion Units	6	6	6	6	6	6	
Number of Infill Units	None	None	2	2	3	3	
Average Heritage Conversion Unit Size (sf)	633	633	633	633	633	633	
Average Infill Unit Size (sf)	n/a	n/a	568	568	662	662	
Assumed Land Acquisition Cost (\$ PSF of Site Area) ²	Higher Cost	\$165	\$165	\$165	\$165	\$165	\$165
	Lower Cost	\$150	\$150	\$150	\$150	\$150	\$150
Viability?	No	No	Possibly	No	Possibly	Possibly	
Estimated Profit ^{2,3}	Negative	Negative	4% to 8%	Negative	11% to 14%	1% to 4%	

¹All scenarios are assumed to include at least one parking stall per unit.

²Assumes no CAC/bonus density contribution.

³Assumes sites acquired based on current value.