

URBAN SYSTEMS MEMORANDUM

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SUBJECT: City of Nanaimo - Development Financial Feasibility Analysis DCC Update and ACC Bylaw

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1.0 INTRODUCTION

The City of Nanaimo is currently in the process of updating its Development Cost Charge (DCC) Bylaw and developing a new Amenity Cost Charge (ACC) Bylaw. The updated Development Cost Charges (DCCs) and Amenity Cost Charges (ACCs) will be applied to new development in the City of Nanaimo to help pay for new infrastructure and amenities needed to support community growth.

To understand the impacts of the proposed draft DCCs and ACCs rates on development viability a development financial feasibility analysis was completed. This memorandum summarizes this analysis, which includes numerous case study pro forma analyses for multiple residential typologies to evaluate the broad impact of new DCC and ACC rates on development.

2.0 PROPOSED NEW DCC AND ACC RATES

The impact of the proposed ACC and DCC fees is evaluated based on a comparison of development viability under the following two scenarios:

1. **Current Rates:** Development viability under current DCC rates
Proposed Rates: Development viability under proposed combined draft DCC and ACC rates

Table 1 (below) summarizes the original and proposed Development Cost Charge (DCC) rates for City of Nanaimo.

Table 1 Current and Proposed Development Cost Charge (DCC) Rates for City of Nanaimo¹

Current City DCC Rates ¹		Proposed City DCC Rates ¹	
Single-family Dwelling	\$14,862 / lot	Low Density Residential (e.g. Single-family, Duplex)	\$42,887.3 / unit
Multi-family Dwelling	\$89.1 / sq. m. Gross Floor Area (GFA) ²	Medium Density Residential (e.g. Townhouse)	\$24,881.5 / unit
		High Density Residential (e.g. Apartment)	\$17,632.2 / unit

¹ Not including Regional District of Nanaimo Sanitary Development Cost Charge (DCC) Rates

² Drainage DCC not included.

Commercial	\$77.4 / sq. m. Gross Floor Area (GFA)	Commercial	\$178.5 / sq. m. Gross Floor Area (GFA)
Industrial	\$19.8 / sq. m. Gross Floor Area (GFA)	Industrial	\$61.6 / sq. m. Gross Floor Area (GFA)

Table 2 (below) summarizes the proposed Amenity Cost Charge (ACC) rates for City of Nanaimo.

Table 2 Proposed Amenity Cost Charge (ACC) Rates for City of Nanaimo

	Proposed ACC Rates
Low Density Residential	\$5,278.43 / unit
Medium Density Residential	\$3,591.83 / unit
High Density Residential	\$2,186.33 / unit
Commercial	\$3.44 / sq. m. Gross Floor Area (GFA)
Industrial	\$1.41 / sq. m. Gross Floor Area (GFA)

3.0 APPROACH

Case study pro forma analyses were prepared for residential typologies, including single-family, Small-Scale Multi-Unit Housing (SSMUH), townhouse, apartment, mixed-use apartment; as well as non-residential typologies including commercial and industrial development.

3.1 CASE STUDY SITE SELECTION

For most typologies except Small-Scale Multi-Unit Housing (SSMUH), the economic testing is conducted using case study sites representing different geographic sub-areas in the City. The case study site selection for the typologies is based on discussion with the City of Nanaimo for financial feasibility analysis testing with reference to location of potential future development across the City. At some sites (indicated below), the financial feasibility tests are run using a hypothetical 1-acre portion of a larger parcel, to reflect the development economics of a more plausible development phase that could be undertaken on a larger parcel of land.

The residential parking ratios are derived based on the current City of Nanaimo’s Off-Street Parking Bylaw. It is understood that the City has removed off-street parking requirements in Downtown Nanaimo. For sites in Downtown, the parking ratio is based on estimated market demand for residential parking. For others, the parking ratio is based on required parking as in the Off-Street Parking bylaw.

Details of the case study sites, and the associated typologies tested on these sites, are indicated in Table 3 (below).

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Table 3 Case Study Test Site Parameters

Site	Geographical Location	OCP Designation	Typology Tested	Residential Parking Ratio	Lot Size (sq. ft.)	Land price per acre
Residential						
1	Downtown	Primary Urban Centre	<ul style="list-style-type: none"> 24-storey mixed-use apartment 	0.8 ³	23,573	\$4.79M
2*	South Gate/ Chase River	Secondary Urban Centre	<ul style="list-style-type: none"> 6-storey apartment Single Family Townhouse 	1.2 for single-family 1.7 for multi-family	43,560	\$182K
3*	Diver Lake	Neighbourhood	<ul style="list-style-type: none"> Townhouse 	1.5	43,560	\$536K
4*	Pleasant Valley & Brannen Lake	Residential Corridor	<ul style="list-style-type: none"> 6-storey apartment 	1.2	43,560	\$516K
5*	Long Lake North Island Hwy	Mixed-Use Corridor	<ul style="list-style-type: none"> 6-storey mixed-use 	1.3	43,560	\$1.86M
6*	Newcastle	Waterfront	<ul style="list-style-type: none"> 12-storey mixed-use apartment 	1.5	43,560	\$2.05M
Commercial						
7	Departure Bay	Mixed-Use Corridor	<ul style="list-style-type: none"> Commercial 	N/A	15,454	\$1.42M
8	Chase River	Secondary Urban Centre	<ul style="list-style-type: none"> Commercial 	N/A	46,912	\$1.65M
9	Northfield	Light Industrial	<ul style="list-style-type: none"> Industrial 	N/A	137,738	\$1.36M

*Site development has been modelled on the 1-acre portion of the site.

³ Based on estimated market demand for residential parking due to removal of off-site parking requirement in Downtown area as of July 2025.

3.2 SMALL-SCALE MULTI-UNIT HOUSING ARCHETYPAL LOT DEFINITION

For the Small-Scale Multi-Unit Housing (SSMUH) financial analysis, scenarios were tested for the following SSMUH zones in the City:

- R5 - Three and Four Unit Residential
- R14 – Old City Low Density (Fourplex) Residential

To establish appropriate case study parcels, a GIS analysis was undertaken to identify both the distribution of SSMUH-eligible lots, and their typical parcel characteristics within the two SSMUH zones. In undertaking this analysis, we focused on the sub-set of lots with an improvement value of ratio of less than 25% owing to their greater likelihood of redevelopment for SSMUH.

Based on a review of lot sizes and average price per acre by zone, the following lot sizes have been established for the purposes of case study financial analysis, as shown in Table 4 (below). From the review, the most prevalent lot size and larger lot size were chosen as case studies based on the distribution of lots across the zones.

The lot price is established based on BC Assessment data associated with SSMUH-eligible lots to estimate what such lots would likely transact for if a developer were seeking to buy a lot to construct a SSMUH-unit project. For the archetypal lots in R5 zone, a lower land price estimate is created additionally to reflect the possibility of SSMUH development in some of the areas with lower land value in the City.

The analysis in this report tests on the viability of duplex with secondary suites development from a developer perspective for both R5 and R14. While the R14 zoning allows for quadplex with four dwelling units, it is expected that the duplex development is likely to be more prevalent for SSMUH development across the City based on market observations.

Table 4: SSMUH Case Study Lots

	Archetypal Lot	Development Typology	Lot Size (sq. ft.)	Price Per Acre
R5 Zone	Archetypal Lot 1, Mid Land Price	Duplex with secondary suites	6,674	\$3.14M
	Archetypal Lot 1, Low Land Price			\$2.32M
	Archetypal Lot 2, Mid Land Price		10,549	\$2.30M
	Archetypal Lot 2, Low Land Price			\$1.90M
R14 Zone	Archetypal Lot 3, Mid Land Price		7,341	\$3.32M
	Archetypal Lot 4, Mid Land Price		8,181	\$2.41M

3.3 FINANCIAL MODEL ASSUMPTIONS

3.3.1 Revenue Assumption

The financial model uses assumptions that are informed through recent developments data (NHS Live), interviews with developers, MLS listings. Based on data gathered, our interpretation of market dynamics, we have assumed the following pricing:

Residential

- Single family: \$970,000 / single family home assuming an average unit size of 2,500 square feet
- SSMUH (Duplex with secondary suite): \$790,000 / unit (or \$343 per square foot assuming average unit size of 2,300 square feet)
- Townhouse: \$585,000 / unit (or \$450 per square foot, assuming average unit size of 1,300 square feet)
- Wood frame apartment condo: \$585 per square foot (assuming average unit size of 770 square feet)
- Concrete apartment condo: \$644 per square foot (assuming average unit size of 770 square feet)

Commercial/Industrial

- Commercial: Lease rate at \$29 per square foot, cap rate of 6.00%
- Industrial: Lease rate at \$23 per square foot, cap rate of 6.00%

3.3.2 Construction Costs

Hard construction costs have been broken out by above vs below grade components. The figures quoted below are inclusive of all hard cost components exclusive of construction management fees, including:

- Above and below grade on-site hard costs
- Landscaping
- Site servicing
- Demolition
- Contingency

Costs are based on interviews with selected developers as well as 2025 Altus Cost Guide. The hard cost for each of the typologies are listed as follows:

- Concrete mixed-use apartment: \$466-\$521 per square foot, varying by parking ratios
- Wood frame apartment: \$348 per square foot
- Townhouse: \$273-\$277 per square foot
- Small Scale Multi-Unit Housing (SSMUH): \$260-\$266 per square foot
- Commercial: Approximately \$315 per square foot
- Industrial: Approximately \$215 per square foot

Hard cost includes the following:

- At-grade building cost per respective typology
- Parking structure cost:
 - Underground parking: \$64,000 per stall
 - Surface parking: \$10,000 per stall
- Demolition cost: \$25 per square foot of existing building structure
 - For Small-Scale Multi-Unit Housing (SSMUH) scenarios, an estimated existing structure of 850 to 1,000 square feet (sq. ft.) are assumed to be removed.
- Site- servicing cost: Approximately \$300K per acre
- 5% hard cost contingency is included.

Soft costs are captured as follows:

- Architects, engineers, consultants and construction management:
 - Single-family, Townhouse, Apartment, Commercial and Industrial: 8.0% of hard costs
 - Small Scale Multi-Unit Housing (SSMUH): 13.0% of hard costs
- Development management: 4.0% of hard costs
- Marketing and commission of strata sale:
 - Single-family, Townhouse, Apartment, Commercial and Industrial: 2.0% of gross revenue
 - Small Scale Multi-Unit Housing (SSMUH): 3.0% of gross revenue
- Municipal permit fees and charges per current bylaws
- 5% soft cost contingency is included.

3.3.3 Construction Financing Rates

- For most development (except SSMUH development),
 - Land loan: Annual interest rate of 5.95%, with a loan-to-value ratio of 50%
 - Construction loan: Annual interest rate of 5.95%, with a loan-to-value ratio of 75%
- For Small-Scale Multi-Unit Housing (SSMUH) development:
 - Land loan: Annual interest rate of 7.5%, with a loan-to-value ratio of 50%
 - Construction loan: Annual interest rate of 6.0%, with a loan-to-value ratio of 75%

Financing fees at 1% of the cost before financing is also assumed.

4.0 FINANCIAL FEASIBILITY ANALYSIS RESULTS

4.1 PROJECT VIABILITY MEASUREMENT

From a developer perspective, to measure project viability, we consider the following:

- Any scenario that yields a profit on cost margin of **at least 15%** is categorized as being **viable**. These projects likely have some capacity to absorb additional costs without impacting viability.
- Any scenario that generates a project profit on cost of **less than 15% but above 10%** is considered as **“potentially viable”**. While these scenarios may be viable in some cases, these projects would have very limited capacity to absorb additional fees.
- Any scenario generating a profit on cost margin of **less than 10%** is categorized as **not likely viable**. In these scenarios, there is no financial capacity to absorb new costs, in the absence of other cost savings, or higher prices.

4.2 ANALYSIS RESULTS FOR SINGLE FAMILY HOME DEVELOPMENT

Table 5 (below) summarizes the analysis results for the single-family home development case study. The case study assumes a 1-acre subdivision development for single-family homes, each with a home size of 2,500 square feet (sq. ft.) on a 5,380 square feet lot.

Table 5 Summary of Financial Analysis for Single Family Home Case Studies

Site	OCP Designation	Typology Tested	Land Size (sq. ft.)	Land Price per Acre	FSR	Is Project Viable at Existing DCC Rates?	Is project viable under proposed DCC + ACC Rates?	Change in profit margin
2	Secondary Urban Centre	Single Family	43,560	\$182K	0.43	Not likely	Not likely	-2%

The analysis indicated that under both current DCC regime, and the proposed new DCC + ACC regime, single family development is not currently showing financial viability. The proposed changes to DCCs and ACCs are estimated to reduce the project profit margin by 2%, however this reduction is beginning from a starting point of projects already showing well below 10% return on cost. This is in spite of relatively low per-acre land pricing. The present market context for achievable prices, vs. prevailing costs of construction, is simply misaligned, and unlikely to yield new projects until such time as fundamental macro-economic conditions improve (i.e., lower costs, higher revenues, or both).

4.3 ANALYSIS RESULTS FOR SMALL SCALE MULTI-UNIT HOUSING (SSMUH)

Table 6 (below) summarizes the analysis results for small scale multi-unit housing (SSMUH) based on testing of development of new duplex with secondary suites.

Table 6 Summary of Financial Analysis for Small Scale Multi-Unit Housing (SSMUH) Case Studies

Typology	Typology Tested	Lot Size (sq.ft.)	Land Price per Acre	Is Project Viable at Existing DCC Rates?	Is project viable under proposed DCC + ACC Rates?	Change in profit margin
Archetypal Lot 1, Mid Price	Duplex with Secondary Suites	6,674	\$3.14M	Not likely	Not likely	-2%
Archetypal Lot 1, Low Price		6,674	\$2.32M	Not likely	Not likely	-3%
Archetypal Lot 2, Mid Price		10,549	\$2.30M	Not likely	Not likely	-2%
Archetypal Lot 2, Low Price		10,549	\$1.90M	Not likely	Not likely	-2%
Archetypal Lot 3, Mid Price	Duplex with Secondary Suites	7,341	\$3.32M	Not likely	Not likely	-2%
Archetypal Lot 4, Mid Price		8,181	\$2.41M	Not likely	Not likely	-2%

The financial analysis results for suited duplexes are showing that, regardless of whether analysis is conducted under prevailing or proposed DCC/ACC rate structures, this development form is not currently viable at prevailing land prices. Notwithstanding this baseline non-viability, the new DCCs/ACCs do have a fairly significant overall impact on profit margin, with decreases of 2 to 3%.

The non-viability of SSMUH case studies is consistent with analysis results for many other communities in BC. The achievable market revenues for this form are simply not high enough to offset the combined costs of construction and lot acquisition. This is not to say that no development of this form will occur; it simply indicates that the most likely use case for this type of construction is not one driven by typical developer return metrics. SSMUH development may, for instance, gain momentum as a housing alternative for either existing landowners looking to create housing options for themselves and other family members, or those looking to build homes for their own use and partially offset some of their costs through sale or rent of other units.

4.4 ANALYSIS RESULTS FOR TOWNHOUSE

For townhouses, two different cases were tested with strata tenures. The first case study is in the South Gate/Chase River neighbourhood, which is designated as Secondary Urban Centre in the OCP. The second case study site is in the Diver Lake neighbourhood, which is designated as Neighbourhood in the OCP.

Table 7 summarizes the analysis results for the townhouse case studies in both areas.

Table 7 Summary of Financial Analysis for Townhouse Case Studies

Site	OCP Designation	Typology Tested	Land size (sq. ft.)	Land Price per Acre	FSR	Is Project Viable at Existing DCC Rates?	Is project viable under proposed DCC + ACC Rates?	Change in profit margin
2	Secondary Urban Centre	Townhouse	43,560	\$182K	0.75	Yes	Yes	-3%
3	Neighbourhood	Townhouse	43,560	\$536K	0.75	Yes	Potentially viable	-3%

Results suggest that townhouse development under the prevailing DCC system is viable, with profit margins exceeding 15%, while projects maintain viability (or at least potential viability) after accounting for proposed updated DCCs and new ACC rates. The divergent results for townhouses in comparison to SSMUH is primarily a function of prevailing land costs. Whereas the SSMUH-eligible lots with the greatest likelihood for redevelopment (based on lower improvement values and average lot sizes) still have prohibitively high land pricing for achievable redevelopment, the lands considered for townhouse development have comparatively much lower current land values. This provides both a clearer pathway to move projects forward, and absorb municipally driven costs.

Note, however, that the case study sites and related pro formas developed for townhouse analysis do not incorporate any atypical or outsized offsite costs related to servicing. Further analysis would be required to understand townhouse development viability in areas of Nanaimo (e.g., Sandstone) where developers would face significant costs of servicing as part of subdivision. Any additional costs related to site servicing would decrease profit margins, and reduce the financial capacity of projects to absorb new/higher municipal fees.

4.5 ANALYSIS RESULTS FOR MULTI-FAMILY APARTMENT AND MIXED-USE APARTMENT

For apartment and mixed-use apartments, development for strata residential tenure was tested. For parking, 100% underground parking was assumed for the mixed-use and residential scenarios. Parking ratios were determined based on the City of Nanaimo’s Off-Street Parking Regulations Bylaw.

Table 8 (below) summarizes the results for the apartment and mixed-use case studies.

For concrete mixed-use buildings,

- Analysis indicates that development of this form is **unviable** under both current DCC and proposed DCC/ACC regimes due to high construction costs associated to concrete building development, and insufficiently high market revenue opportunities to offset these costs.

- The typology tested in Case 6 with Waterfront Designation in the Newcastle area, which has a higher parking ratio and lower density (FSR 5.0), has a lower profit margin than Case 1 at a FSR of 7.5 with lower parking ratio in Downtown.
- In both cases, the overall profit margin decreases by 1% under the proposed DCC/ACC regimes when compared against profit margins under the current DCC system.

For wood frame buildings,

- In all cases, the profit margin decreases by 2% to 3% under the proposed DCC/ACC regime, compared against the profit under the current DCC rates.
- For Case Study Site 4, with a lower parking ratio and relatively low land price per acre, the attained profit-on-cost for the development tested on this site falls within the **viable** category under the current DCC regime (>15%), and is reduced to **potentially viable** under the proposed DCC/ACC regime (>10% profit but <15%).
- In two other cases (Case 2 and 5), the profit-on-cost metrics are estimated to be 0% to 3% under the current DCC system, and -2% to 1% under proposed DCC/ACC system, which are expected to be **unviable** for development. For case 2, despite the low land price per acre, the site has the highest parking requirements among all sites tested for apartment or mixed-use typologies, resulting in low profit-on-cost at 3% and 1% under old and new DCC/ACC regimes respectively.

Table 8: Summary of Financial Analysis for Apartment and Mixed-Use Case Studies

Site	OCP Designation	Typology Tested	FSR	Land Size (sq. ft.)	Land Price Per Acre	Residential Parking Ratio (per unit)	Is Project Viable at Existing DCC Rates?	Is project viable under proposed DCC + ACC Rates?	Change in profit margin
1	Primary Urban Centre	24 Storey Apartment Mixed Use	7.50	23,573	\$4.79M	0.8	No	No	-1%
6	Waterfront	12 Storey Mixed Use Apartment	5.00	43,560	\$2.05M	1.5	No	No	-1%
2	Secondary Urban Centre	6 Storey Apartment	2.75	43,560	\$182K	1.7	No	No	-2%
4	Residential Corridor	6 Storey Residential	2.75	43,560	\$516K	1.2	Yes	Potentially Viable	-3%
5	Mixed-Use Corridor	6 Storey Mixed-Use	2.75	43,560	\$1.86M	1.3	No	No	-2%

4.6 ANALYSIS RESULTS FOR COMMERCIAL AND INDUSTRIAL

Table 9(below) summarizes the results for the commercial and industrial development.

Table 9: Summary of Financial Analysis for Commercial and Industrial Case Studies

Site	OCP Designation	Typology Tested	FSR	Land Size (sq. ft.)	Land Price Per Acre	Is Project Viable at Existing DCC Rates?	Is project viable under proposed DCC + ACC Rates?	Change in profit margin
7	Mixed-Use Corridor	Commercial	0.48	15,154	\$1.42M	No	No	-1%
8	Secondary Urban Centre	Commercial	0.48	46,912	\$1.65M	No	No	-1%
9	Light Industrial	Industrial	0.73	137,738	\$1.36M	No	No	-1%

The analysis indicates that for new stand-alone commercial and industrial, current market conditions suggest that new projects are not viable. Overall project margins would be affected by approximately 1% through introduction of new DCC and ACC rates.

4.7 IMPACT OF RESIDENTIAL PARKING REQUIREMENT REDUCTION ON APARTMENT AND MIXED-USE DEVELOPMENT VIABILITY

The City of Nanaimo is currently conducting a Citywide Parking Review, examining off-street parking requirement and curbside demand management. During this process, reduction in residential parking requirements has been proposed.

It is expected that a reduction in parking requirements would have the largest impact on construction costs for apartment and mixed-use developments. The economic analysis in this report also analyzes the impact of the proposed reduction of parking requirements on development viability under the proposed DCC/ACC regimes if the future development follows the proposed reduced minimum parking requirement. The detailed results can be found in Table 10 (below).

In summary, there are improvements in profit-on-cost metrics to varying degrees as a result of varied parking requirements.

- For the concrete 12-storey mixed-use development in Case Study Site 6, while the profit-on-cost metrics continue to indicate non-viability with parking ratios reduced from 1.5 to 1.2, there is an overall improvement to the profit-on-cost of 3%.
- For wood frame apartments,
 - In Case Study Site 2, when the residential parking ratio is reduced by half from 1.7 to 0.8, the profit-on-cost under the proposed DCC/ACC rates is 20% higher than that with current parking requirement; with the site reaching the **viable** threshold with a profit-on-cost of 21%. This is a very significant change to project economics, serving to underscore the prohibitively high cost of underground parking.

- In Case Study Site 4, when the residential parking ratio is reduced from 1.2 to 1.0, the profit-on-cost under the proposed DCC/ACC rates is 4% higher than that with current parking requirement, reaching the **viable** threshold with a profit-on-cost of 17%.
- In Case Study Site 5, when the residential parking ratio is reduced by half from 1.3 to 0.6 while assuming the commercial parking remains constant, the profit-on-cost under the proposed DCC/ACC rates is 12% higher than that with current parking requirement, reaching the **potentially viable** threshold with a profit-on-cost of 10%.
- While the reduction of off-street parking requirement can reduce the cost burden for building additional parking spaces more than the demand, developers may still opt to build more parking than the minimum parking requirement due to various factors, such as buyer or renter demand, ensuring the home product to be competitive, etc. The cost reduction, and thus the improvement in profitability, may therefore be overstated in the points above and table below. Lower parking provision may, for instance, lead slower market uptake for units, or lower achievable unit pricing, thus at least partially negating the cost savings of not providing the parking. Further study would be required to understand the market tipping points for parking provision, and the impact on pricing and absorption.

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Table 10 Summary of Financial Analysis for Apartment and Mixed-Use Case Studies, Reduced Residential Parking Ratio*

Site	OCP Designation	Typology Tested	FSR	Land Price Per Acre	Current Res. Parking Ratio (per unit)	Proposed Res. Parking Ratio (per unit)	Is Project Viable at Existing DCC Rates?	Is project viable under proposed DCC + ACC Rates?	Is project viable under proposed DCC + ACC Rates with reduced parking requirements?	Change in Profit Margin from Proposed Fees with Current Parking Ratio
1	Primary Urban Centre	24 Storey Apartment Mixed Use	7.50	\$4.79M	0.8	0.8 ⁴	No	No	No	N/A
6	Waterfront	12 Storey Mixed Use Apartment	5.00	\$2.05M	1.5	1.2	No	No	No	3%
2	Secondary Urban Centre	6 Storey Apartment	2.75	\$182K	1.7	0.8	No	No	Yes	20%
4	Residential Corridor	6 Storey Residential	2.75	\$516K	1.2	1.0	Yes	Potentially Viable	Yes	4%
5	Mixed-Use Corridor	6 Storey Mixed-Use	2.75	\$1.86M	1.3	0.6	No	No	Potentially Viable	12%

*analysis does not consider potential changes to unit pricing and absorption that may come with reduced parking provision. Resulting change in profit margin is therefore likely overstated.

⁴ Based on estimated market demand for residential parking under removal of off-site parking requirement in Downtown area as of July 2025.

5.0 SUMMARY OF DCC AND ACC IMPACTS

Development remains challenging for most typologies under current or proposed DCC/ACC regimes due to current development conditions, while the proposed DCC/ACC regimes are expected to lower the profit margin return metrics in most development scenarios.

- For **single-family home and Small-Scale Multi-Unit Housing (SSMUH)** development, the analysis results demonstrate **unviability** under the current and proposed DCC/ACC regimes.
- For **townhouse** development there remains some degree of **viability** and **potential viability** under the current and proposed DCC/ACC regime.
- For wood frame development, while **viability** or **potential viability** could potentially be met under the combination of relatively low parking requirement and moderate land prices, the return metrics generally demonstrate **unviability** in most cases.
- For concrete apartment or mixed-use development, commercial, and industrial development the analysis results demonstrate **unviability** under the current and proposed DCC/ACC regimes.

With reduction in parking requirements, the profit-on-cost metrics for apartment buildings improve by varying degree depending on the degree of parking requirement reduction, and could potentially bring **viability** to tested development under the proposed DCC/ACC regimes. Note however that further analysis would be required to understand how reduced parking ratios may affect sales prices and absorption rates.

It should also be noted that overall development viability is primarily impacted by current land, financing and construction costs, and that the proposed DCC and ACC rate increases typically account for a -1 to -3 change in profit margin.