City of Toronto

Liberty Village
Economic Development Strategy

April 2026

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N. Barry Lyon Consultants Ltd.

City of Toronto

Liberty Village Economic Development Strategy

Table of Contents

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 City of Toronto to prepare an Economic Development Strategy (the 'Strategy') as part of the Regeneration Area Study which will inform policies within the future Liberty For All Official Plan Amendment.

The analysis assesses existing commercial, retail and industrial market conditions within and around Liberty Village, and within the context of broader city-wide employment trends. This was paired with a financial analysis examining the feasibility of mixed-use development containing condominium apartment or purpose-built rental apartment units and a range of non-residential requirements, including the requirements of the existing policy framework.

The financial analysis also tested two timeframes, including present day and a post-Ontario Line completion scenario. From this analysis, potential policy pathways are suggested that could attract reinvestment while balancing housing and employment objectives.

Key Findings & Directions

The office market is facing significant longer-term challenges, where demand for net new space is unlikely to materialize for at least ten years across most locations in the city. In this environment, the office market is likely to favour the strongest market locations such as Downtown Toronto, a trend that was already apparent leading up the pandemic. Even in the Study Area, stagnant rents and high vacancy rates have led to no new office development over the past five years. This lack of feasibility is a strain on the viability of mixed-use projects and will make any policy requiring office space challenging to implement for the near term.

At present, the weakness in the condominium and purpose-built rental apartment markets are unable to drive land values or profits that can meaningfully subsidize commercial uses. When the condo market begins to stabilize, it may look quite different from pre-2022. We expect reduced building scales to account for shifting buyer profiles comprised of a greater proportion of end users to reduce absorption risk. Tall towers are going to be less common outside prime, high-demand locations.

Relaxing the existing 45% non-residential requirement could allow projects to advance, introducing new housing and jobs, whereas the current policy framework may sterilize new development for some time without further intervention (i.e. subsidies). Such reductions will increase land value/ equity and/or potential profit for those who have a low sunken land cost.

While the overall market fundamentals underpinning non-residential development are challenged, the eventual opening of Exhibition Station on the Ontario Line will increase demand for most uses, including office, increasing pricing and lowering vacancies. The opening of the Ontario

Line serves as a logical demarcation point for policy options that differentiate lower near term non-residential requirements from higher long-term options.

The City therefore has several options to consider as the policy context for these lands is developed:

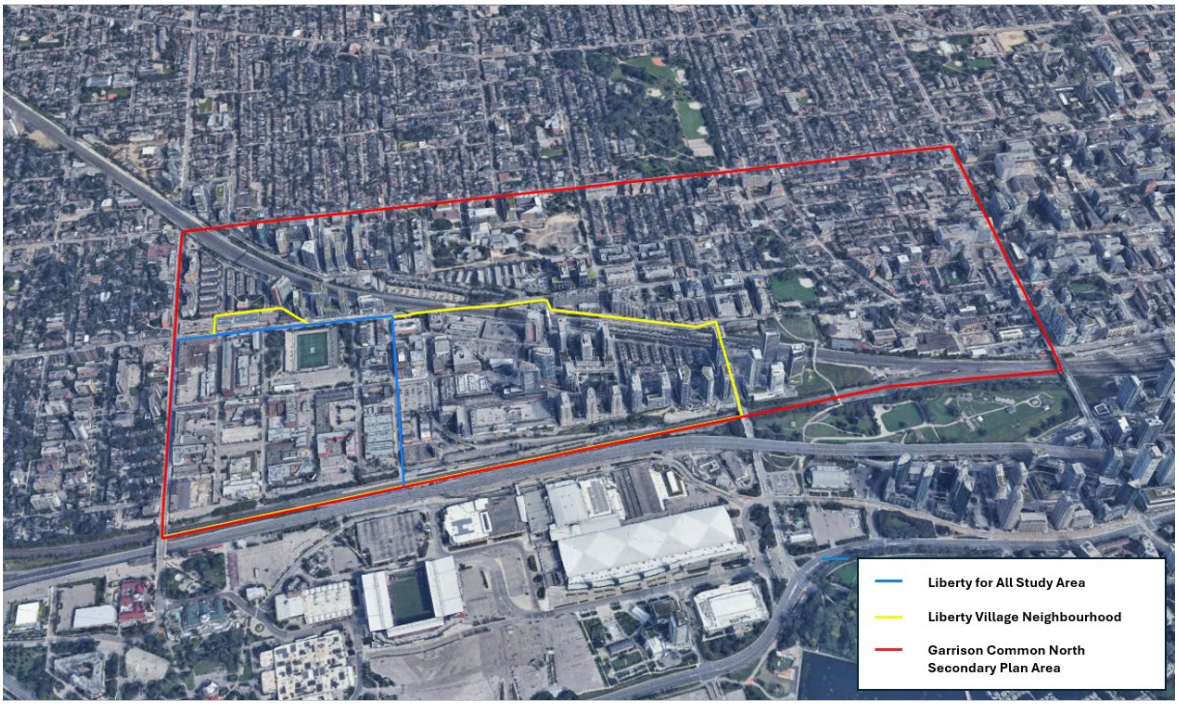
- **Apply Area 3 Policies as Currently Written**
    - If the City's primary objective is to secure non-residential space, applying the policy requirements as currently approved may achieve this objective over the longer term. However, as demonstrated throughout this study, these prescribed non-residential outcomes are not generally feasible under prevailing market conditions and are unlikely to be feasible for a considerable period of time.
    - Maintaining these requirements may result in little to no redevelopment activity for many years, as landowners and developers wait for market conditions to improve and construction costs to come down. This would, in turn, delay the delivery of new housing, associated community benefits, and new office and retail uses, albeit at lower increments.
- **Lower Non-Residential and/or Affordable Housing Requirements**
    - If the City's primary objective is to advance new reinvestment in the near term to address housing and employment growth objectives, reducing non-residential and/or affordable housing requirements will improve development feasibility. If housing affordability is a priority, we suggest a more aggressive reduction in non-residential requirements.
    - With the anticipated weak market conditions over the next few years for both residential and office uses, we suggest the following policy amendment options be considered:
        - Reduce the non-residential requirement to 15% of total gross floor area while holding the existing affordable housing requirements constant; and,
        - Allow for the option to reduce affordable housing requirements where non-residential gross floor area exceeds 15% of the total GFA.
    - To be clear, the suggested policy framework is intended to balance the need for jobs, investment and affordable housing while creating a window of potential viability in select (near-term) circumstances where land has been secured at a relatively low cost.
    - Although we have suggested near-term reductions in the non-residential requirement, the overarching policy framework should continue to be paired with overall goals that would encourage non-residential floor area to maintain and enhance the existing non-residential character of the area, promote investment and increase employment.

- **Be Flexible: Monitor and Revisit Market Conditions and Feasibility**
    - Real estate markets are dynamic, and the level, timing and form of non-residential demand will vary based on broader economic conditions, absorption of competing projects elsewhere in the City, evolving office and retail trends and the extent to which key demand drivers, such as transit accessibility, population growth, amenity provision and agglomeration, are realized. Development viability is also deeply impacted by construction costs and financing rates.
    - Understanding this, we suggest that the policy framework include a market-responsive approach to updating the non-residential requirements for the Secondary Plan. Such an approach could include a requirement to monitor and revisit market conditions and project feasibility at the completion of the Ontario Line and adjust the policy requirements based on those conditions. It may be that such a review could allow for improved market conditions and/or lower development costs to support improved feasibility and increases to the non-residential and affordable housing requirement rates so that the City can extract additional benefits. Alternatively, it could indicate that further relaxation of the requirements is necessary.
    - Alternatively, the City may wish to set a higher non-residential requirement now (relative to the 15% noted above) tied to the completion of the Ontario Line. The establishment of the policy now would create a sense of urgency for developers to act on their plans at the lower non-residential rate.

1.0 Introduction

N. Barry Lyon Consultants Limited ('NBLC') has been retained by the City of Toronto to prepare an Economic Development Strategy (the 'Strategy') as part of the Regeneration Area Study which will inform policies within the future Liberty For All Official Plan Amendment to the Garrison Common North Secondary Plan. The Study Area for the Strategy is illustrated in blue on **Figure 1**.

Figure 1: Liberty For All Study Area and Other Key Areas



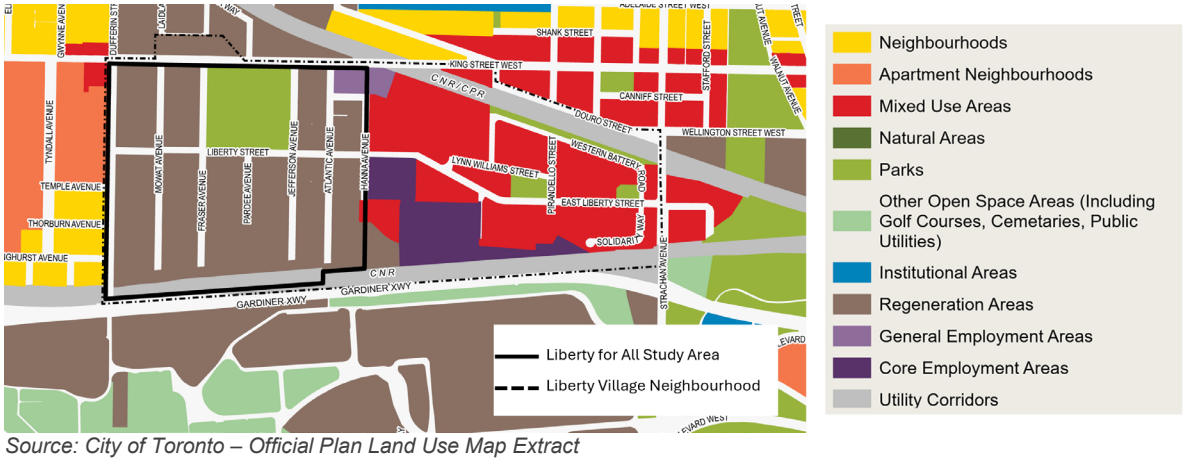
Source: City of Toronto.

The Study Area is located within the portion of the Liberty Village neighbourhood west of Hanna Avenue, a collection of blocks containing the greatest concentration of office and light industrial uses. The neighbourhood currently contains a range of creative studios, research labs, offices, small-scale retail, with a combination of repurposed buildings and new mid-rise construction.

The Study Area boundaries generally align with westerly two-thirds of Area 3 of the existing Garrison Common North Secondary Plan (the 'GCNSP'), wherein the continuation and enhancement of the employment-oriented uses was envisioned. The existing Area 3 policies prevent new residential uses prior to the implementation of a new Secondary Plan. Moreover, they also require a substantial component of non-residential uses and affordable housing in any proposed development.

The existing Area 3 policies were approved as part of a 2024 settlement to the appeal of Official Plan Amendment 231 ('OPA 231'), which was approved by the Minister of Municipal Affairs and Housing in 2014. As part of the settlement, most of the Study Area lands were redesignated from General Employment Areas to Regeneration Areas and subject to modified Area 3 policies.

Figure 2: Study Area and Liberty Village Neighbourhood



Source: City of Toronto – Official Plan Land Use Map Extract

The City of Toronto Official Plan ('Official Plan') directs *Regeneration Areas* to facilitate reinvestment, adaptive reuse, and new development by permitting a broad range of residential, employment, institutional, commercial, and open space uses. A Regeneration Area Study provides an opportunity to comprehensively examine these lands and establish a policy framework to guide their long-term revitalization in a manner that implements the objectives of the applicable Secondary Plan.

A new Secondary Plan would establish the overarching land-use vision, urban structure, and economic development framework for the area, including policies that guide the long-term role, scale, and location of employment and other non-residential uses. This Strategy provides an evidence-based assessment of employment, commercial, and redevelopment potential across the area, and informs future land-use and development policies. Specifically, the Strategy is intended to assess and recommend an appropriate mix of non-residential and residential uses within the Study Area and to provide options for implementing Secondary Plan policies.

A first step in the analysis was to assess existing commercial and industrial market conditions on and around the Study Area, and within the context of broader city-wide employment trends. This was followed by a financial analysis which builds upon our market research to test the feasibility of the existing policy framework, as well as other potential scenarios involving different residential and non-residential floor area combinations. From this analysis, potential policy pathways are suggested.

1.1 Study Area

Given the mobility of commercial markets, the Strategy assesses office, retail and service-commercial, and light industrial uses in the Study Area within the context of the Liberty Village Neighbourhood and broader regional market (**Figure 1**), as well as employments trends.

1.2 Background Context

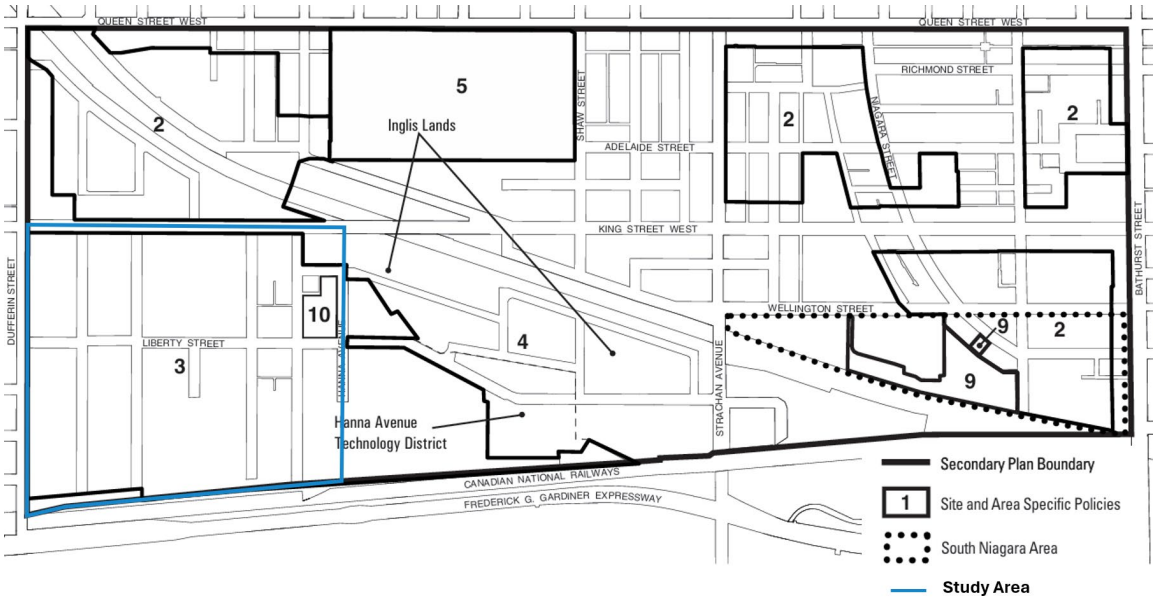
The Study Area, while originally planned for residential development, had become a major industrial node by the early 1900s. Following strong demand for factory-made goods through both World Wars and the decades following 1945, industry began to decline and relocate to undeveloped lands in suburban communities across Southern Ontario, as well as abroad. This saw a gradual shift from manufacturing and warehousing towards more artistic uses and informal live-work residential conversions, and vacant facilities.

The current era of office and creative industry space use began in the 1990s, when the City and developers began to show interest in redeveloping the underutilized industrial spaces. City studies and planning direction designed to stimulate adaptive reuse and reinvestment resulted in a more flexible zoning framework for this area in 1995, layering in a wide range of use permissions supportive of various creative industries, offices, retail and residential uses. This change, in combination with relatively low rents and the large and flexible space configurations attracted investment into underutilized buildings, resulting in adaptive re-use offices and retail spaces being established across the Study Area.

Garrison Common North Secondary Plan (GCNSP)

Following population growth in the surrounding area and employment growth in Liberty Village, the GCNSP was adopted in 2006 to, among other things, support the proper integration of new development onto the existing urban fabric and character, as well as protect the various industries operating in the area. As shown in **Figure 3**, the Study Area occupies the portion of Area 3 to the west of Hanna Avenue as well as Area 10.

Figure 3 – Garrison Common North Secondary Plan Site Area & Specific Policies (Map 14-1) & Study Area



Source: City of Toronto – GCNSP Policy Area Map Extract

In December 2023, the City adopted OPA 231, which resulted in a number of key policy amendments to the GCNSP which impacted development on lands within the Study Area, including:

- The redesignation of most parcels within the Study Area from *Employment Areas* to *Regeneration Areas*, aimed at encouraging new investment and construction, as well as the re-use of existing structures;
- Non-residential floor area replacement requirements for redevelopment specifying:
    - A minimum of 45% of the total gross floor area to be dedicated as non-residential space, or replacement of the existing non-residential gross floor area, whichever is greater;
    - Of the above, at least 51% of total non-residential gross floor area is to be dedicated to *Core Employment Areas* uses, including offices, studios, trade schools and creative industries;
- Minimum affordable housing requirements within residential development:
    - For condominium developments, at least 10% of total new residential gross floor area is to be secured as affordable ownership units (or 7% if affordable rental units are provided instead);
    - For purpose-built rental apartment development proposed after 2025, a minimum of 5% of total new residential GFA is to be secured as affordable rental units.
    - Affordability must be secured for at least 75 years from occupancy, with the unit mix of affordable units being reflective of the unit mix in the market component of the development.

While the portion of the Study Area located to the north of Liberty Street are within the King-Liberty Protected Major Transit Station Area ('PMTSA'), the Official Plan's inclusionary zoning policies will not apply in the Study Area unless they meet or exceed the requirements described above for Area 3 (Area 3 Policy 15). At the time of writing, provincial regulations have removed the implementation of Inclusionary Zoning ('IZ') requirements (i.e., 5% of total residential units or total floor area of residential units) on projects which have submitted planning and/or building permit applications on or before July 1, 2027.

Liberty For All Secondary Plan

The current secondary plan exercise was launched in 2024 following the adoption of OPA 231, as amended. OPA 231 required that a Secondary Plan be in place prior to any redevelopment and provide a long-term framework and vision for the Study Area's future development.

This Strategy is intended to inform such policies, considering existing non-residential uses, including how these could be protected and enhanced, as well as future residential uses, including how these

could be integrated into the framework of the community. Consultations have been held with community stakeholders, residents, businesses, and workers to obtain feedback regarding potential policy objectives, a public realm strategy and the Traffic Action Plan for Liberty Village. Collectively, these policies, strategies and action plans will influence the quality of life, access, and investment activity within the wider neighbourhood.

The Liberty for All Secondary Plan (the 'Secondary Plan' is scheduled to be considered by City Council in 2026).

1.3 Methodology and Data Sources

The development of non-residential real estate requires consideration of two related key variables: **Demand** and **Feasibility**. Together, these variables define the amount, type, and timing of space that tenants and businesses are both willing and able to absorb, given prevailing market prices and development economics.

This report therefore considers the key drivers of demand for various real estate classes (e.g., retail, office, limited light industrial) by assessing macro and micro market trends and data, the factors that drive successful investment and absorption of new construction, the characteristics of the Study Area, current market needs, and other considerations to identify if there is demand for non-residential space in this location.

Following this demand analysis, we have prepared a financial analysis which evaluates if the achievable absorption rates and rents would be sufficient to justify new construction as part of a mixed-use project containing either purpose-built rental apartment units or condominium apartment units. The financial analysis required a separate residential market analysis to inform likely inputs in the financial model under existing circumstances and those following the completion of the Ontario Line, including the new Exhibition Station.

The analysis considers whether other offsets, such as increased residential density or other incentives/programs, could be offered to improve viability.

Understanding that the future Secondary Plan will establish a framework to guide development over the long-term, this report also includes considerations related to longer term policy development, recognizing that real estate markets are cyclical and that current conditions may change over the medium to longer term.

Data sources are identified throughout this report but generally come from paid subscription services such as CoStar, Geowarehouse, and Altus Data Solutions. We have also used various publications, such as brokerage reports, consultant studies, as well as data provided directly from the City of Toronto, such as the Toronto Employment Survey ('TES').

2.0 Study Area and Neighbourhood Conditions

The following section highlights existing and emerging conditions in and around the Study Area. It is intended to provide a grounded understanding of the physical, economic, and transportation context of the Study Area and their surrounding Liberty Village Neighbourhood, and to frame the discussion that follows regarding City-wide employment, non-residential, and redevelopment trends and opportunities.

2.1 Physical Context and Surrounding Uses

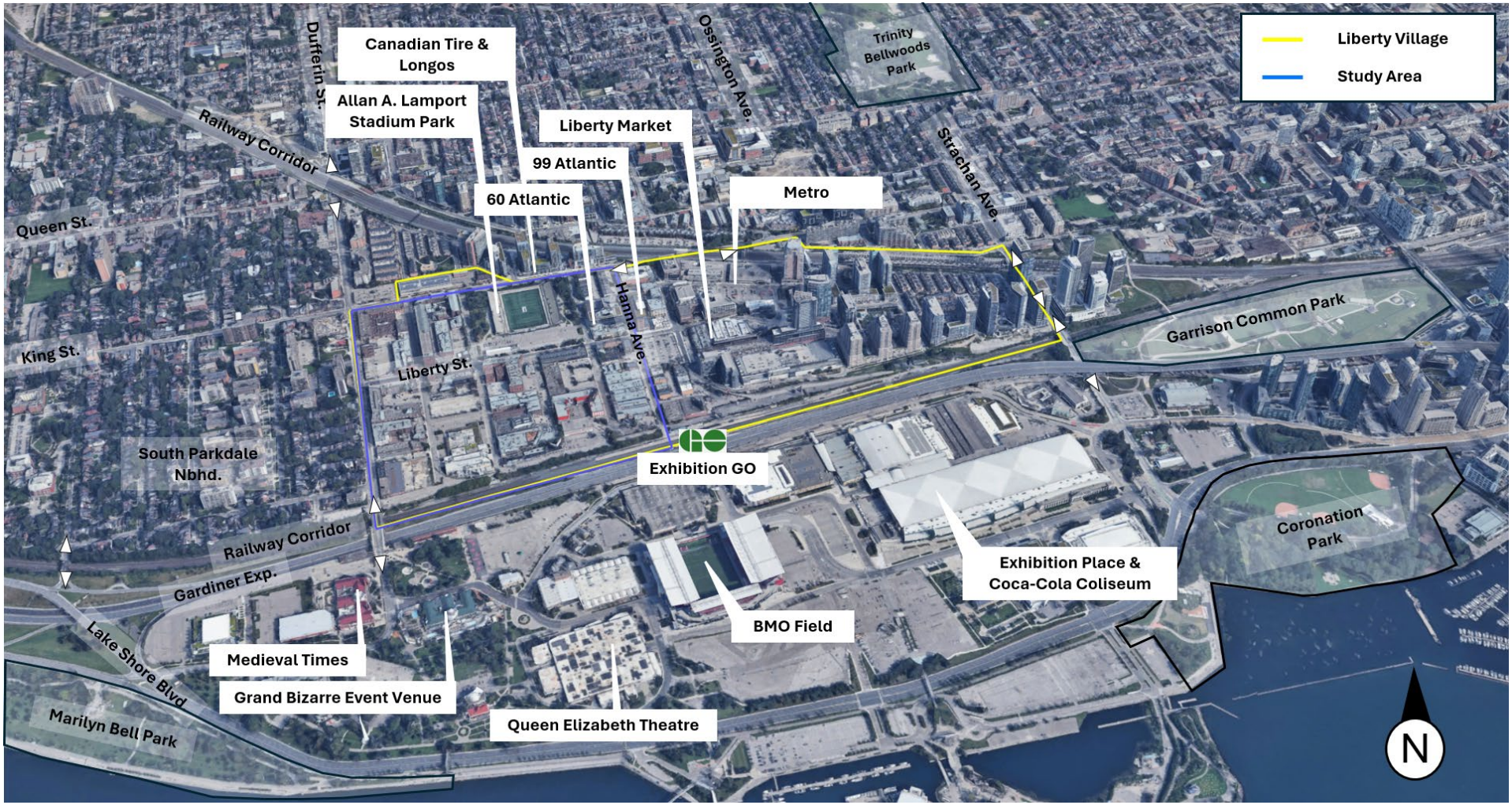
The Study Area had traditionally been a centre of manufacturing within the city, before its gradual transformation into a creative industry and office hub. In its current form, the area contains many well-maintained and retrofitted industrial buildings, many of which have heritage character attributes, as well as new office buildings. It represents one of the City's larger employment nodes with approximately 13,200 jobs, including a concentration of media, technology, and retail tenants. Although not currently on a subway line, the Study Area benefits from its proximity to the downtown core, and its connections to the rest of the city and region through Exhibition GO Station and the variety of TTC bus and streetcar routes.

Surrounding Uses

The Study Area occupies the westerly half of the Liberty Village neighbourhood, just west of the downtown core. As shown in Figure 4, its surrounding context includes:

- North of King Street, there are several mixed-use/ high density residential developments of varying scales (mid-rise and high-rise), along with businesses like Canadian Tire, No Frills, and Longo's servicing local residents and workers. There are also a number of townhome blocks interspersed between these apartment projects. Of note, a railway corridor that supports UP Express and GO Train service cuts northwest-southeast through the King Street and Hanna Avenue intersection towards Union Station.
- East of Hanna Avenue, Liberty Village transitions from mid-rise non-residential buildings to a predominantly high-rise apartment neighbourhood. Along Hanna Avenue is Liberty Market and Shops at King Liberty, with an eclectic mix of eateries, restaurants, service commercial uses and retail. This retail commercial flavour continues for an additional block, inclusive of surface parking lot, before transitioning to residential uses.
- South of the Study Area, a railway corridor connects Exhibition GO station to Union Station and the rest of GO's regional transit connections. This corridor abuts the Gardiner Expressway, which allows driving commuters and visitors relatively easy access to the Study Area. To the south of these major transportation routes is BMO Field, Enercare Centre, Exhibition Place, Coca-Cola Coliseum and the Queen Elizabeth Theatre, bringing a significant number of visitors to the area throughout the year.

Figure 4: Study Area and Surrounding Context



Source: N. Barry Lyon Consultants Limited

- West of Dufferin Street is the South Parkdale neighbourhood, containing a wide range of housing typologies including turn-of-the-century low-rise housing (townhomes, semi-detached and detached homes), as well as mid-rise and high-rise apartment buildings dating from the 1960s and 1970s. These residents provide the Study Area with access to another major pool of local labour and customers.

Taken together, the local context provides the Study Area with access to a large population base and many retail and recreational amenities which help support the existing employment function.

2.2 Most Recently Completed Developments

No new developments have been completed in the Liberty Village Neighbourhood since 2021 when Liberty House opened at 39 East Liberty Street, containing 440 rental apartment units and 2,300 sf of ground-level retail.

Prior to that, development in the area was quite active, with four projects completed in 2020:

- 19 Western Battery Road (ZEN King West Condos) - a 31-storey, 538-unit residential building containing 7,400 sf of daycare space, located just east of the Study Area;
- 145-147 East Liberty Street (Liberty Market Tower) - a 28-storey, 281-unit residential building with 23,000 sf of ground-floor retail and 133,200 sf of office space on floors two through seven. The project is located just east of the Study Area;
- 99 Atlantic Avenue, which is comprised of two buildings (2 and 8 storeys) containing 10,500 sf of ground floor-retail and 130,000 sf of office space; and,
- 80 Atlantic Avenue, which is comprised of a 5-storey building containing 7,700 sf of retail and 29,900 sf of office space. The project is integrated with 60 Atlantic Avenue, a retrofitted, mixed-use office-retail building.

Figure 5: Liberty Market Tower

Figure 6: 99 Atlantic Avenue

The lack of recent completions is reflective of the deteriorating office market conditions post-pandemic, the limited number of residential sites east of the Study Area and the more recent weakening of the residential apartment market in both tenures.

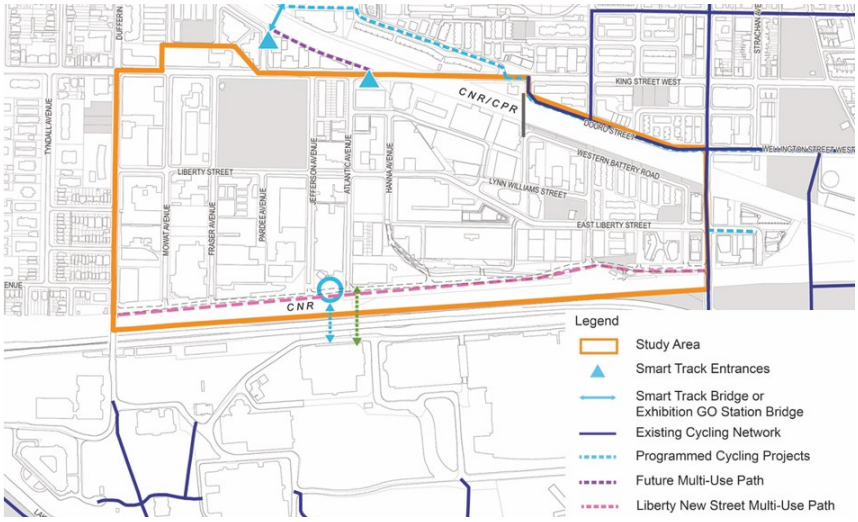
2.3 Emerging Context

Five site plan applications are currently under review which would collectively introduce 1,530 units, 498,600 sf of office space, 74,200 sf of retail space, and 81,200 sf of industrial (self-storage) space. Outside of the self-storage proposal, it is not clear if any of these projects will move forward to construction once approved. At present, many prerequisite conditions are not in place to suggest that construction is imminent: construction costs remain elevated, with both office and residential demand not supporting required revenues and absorption/ lease-up rates.

Outside of these, the planned expansion of transportation and social infrastructure such as transit, roads, and public spaces will improve quality of life and connectivity for current and future residents in the Study Area, including:

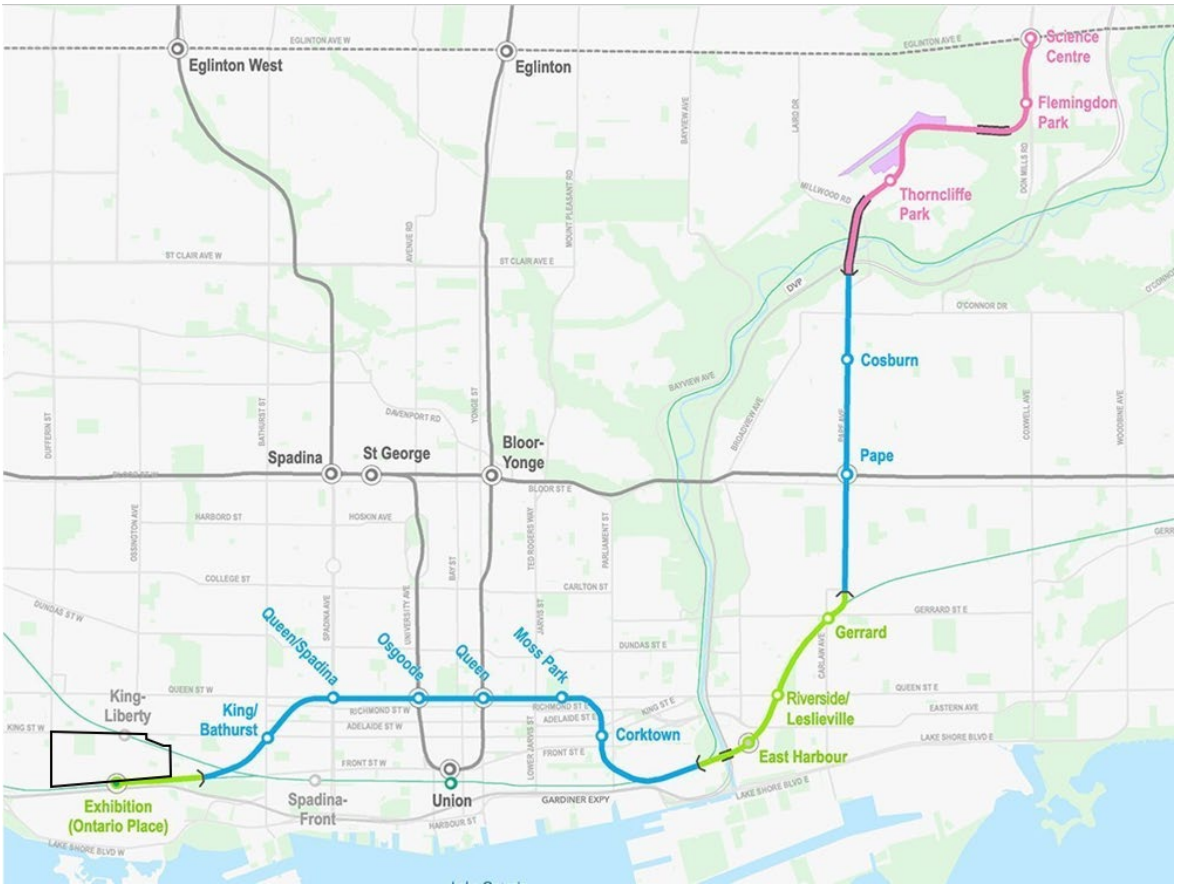
- Ontario Line – The expected completion of the Ontario Line around 2031 will create an additional connection to the downtown core and more direct connections with the existing subway network, increasing the Study Area's accessibility from other parts of the City. This will act as a more affordable and frequent alternative to the GO train, cutting commute times, thereby improving the quality of life for residents and workers alike.
- Liberty New Street – The City is currently seeking commitments from Metrolinx for the delivery of a new street which would connect Dufferin Street and Strachan Avenue at the south end of Liberty Village. This new east-west corridor is planned to reduce through-traffic and congestion in Liberty Village and create bus connections to service the future Ontario Line Station.

Figure 7: Planned Mobility Improvements in Liberty Village



Source: Liberty Village Public Realm Strategy.

Figure 8: Ontario Line Transit Map



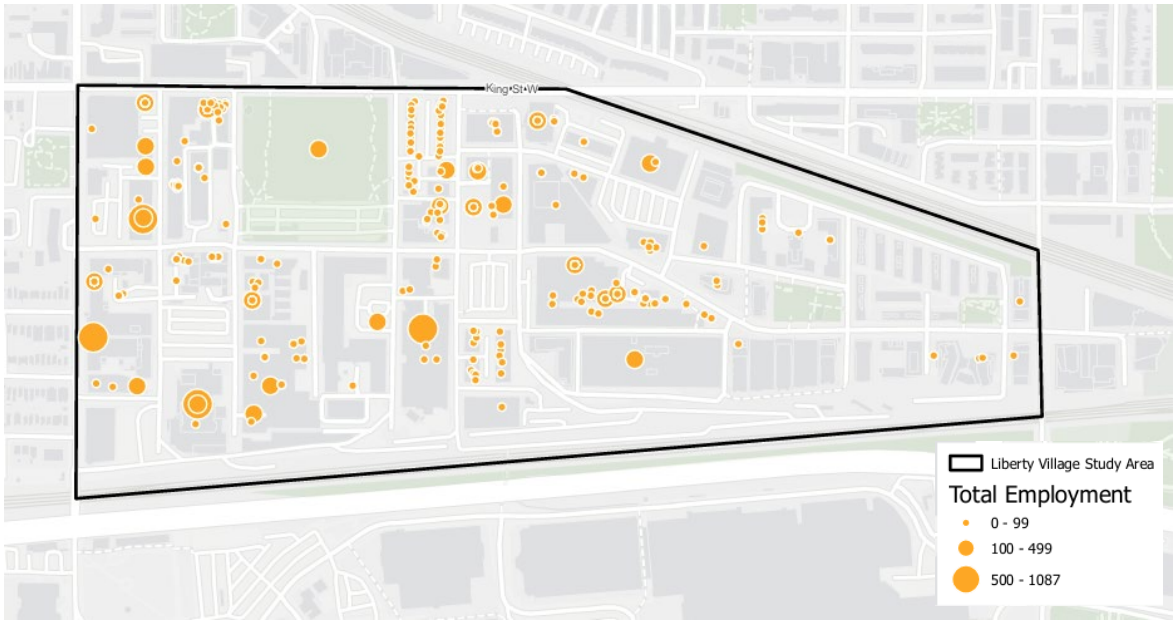
Source: Infrastructure Ontario Line Map.

2.4 Employment Conditions

The City of Toronto has provided employment data for the Study Area collected through the Toronto Employment Survey ('TES'). As of 2024, there were nearly 13,200 jobs within the Liberty Village Employment Survey Area ('ESA') (**Figure 9, Table 1**). The largest share of employees worked within the office sector (81%), followed by service (11%) and retail (5%). Most employment is full-time (90%) rather than part-time.

The concentration of larger establishments is higher in the western half of the ESA, with offices and light industrial uses contained in the larger, retrofitted industrial buildings. This is reflected in the higher number of employees per establishment for office sector entities (40 persons) compared to other sectors. Meanwhile, smaller establishments are concentrated along Atlantic Avenue and Jefferson Avenue (contained in low-rise strip retail format), within Liberty Market, and in ground-floor spaces within mixed-use residential apartment buildings.

Figure 9 – Liberty Village Employment Survey Area



Source: City of Toronto.

Table 1

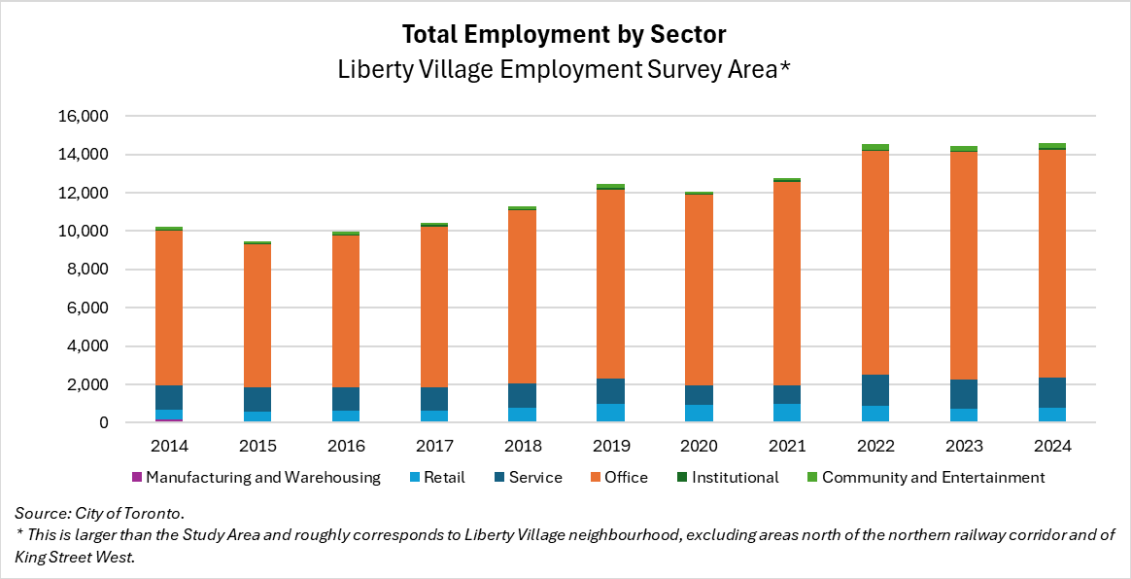
Employment by Sector 2024, Liberty Village Employment Survey Area[1]				
Sector	**Full-Time Employment**	**Part-Time Employment**	**Total Employment**	**Establishments**
Manufacturing and Warehousing	64	13	77	11
Retail	355	333	688	54
Service	1,192	419	1,611	92
Office	11,410	437	11,847	293
Institutional	27	60	87	5
Community and Entertainment	124	146	270	15
Total All Sectors	**13,172**	**1,408**	**14,580**	**470**

Source: City of Toronto

[1] *This is larger than the Study Area and roughly corresponds to Liberty Village neighbourhood, excluding areas north of the northern railway corridor and of King Street West.*

Employment within the ESA has grown steadily over the past decade, with the employment having increased from 10,200 in 2014 to 14,600 in 2024, representing a 4.3% annual increase on a straight-line basis (**Figure 10**). 86% of this increase (3,800 workers) resulted from the expansion of office employment in Liberty Village. Overall, the office sector dominates Liberty Village, representing 81% of local employment (11,800 workers). Growth between 2019 and 2024 is due in part to major projects like Liberty Market Tower and 99 Atlantic, which added quality office space, as well as the return of economic activity and in-office work following the COVID-19 pandemic.

Figure 10



Source: City of Toronto.
** This is larger than the Study Area and roughly corresponds to Liberty Village neighbourhood, excluding areas north of the northern railway corridor and of King Street West.*

The office sector's significant expansion over the past decade reflects Liberty Village's established identity as an economic node within the city, with considerable market appeal.

Between 2022 and 2024, office sector employment increased by only 200 jobs (1.6% average annual growth), a departure from the previous period of strong growth. This contrasts with City-wide trends which are discussed in **Section 3.3**.

Employment decline has been most significant in the already small manufacturing and warehousing sector, which saw a 52% drop to 77 workers. The retail and service sectors experienced moderate growth (roughly 30%) over the observed period, supported by increased population and worker densities within the neighbourhood and surrounding areas. The institutional and community & entertainment sectors saw the largest relative increases at 190% and 78% respectively, but these account for a very small share of current employment in the area (57 and 118 workers respectively).

3.0 City of Toronto Employment Trends

The following summarizes key macro employment trends across the City of Toronto as presented in the most recent 2025 Toronto Employment Survey (TES). All figures and tables in this section are also taken directly from the 2025 TES.

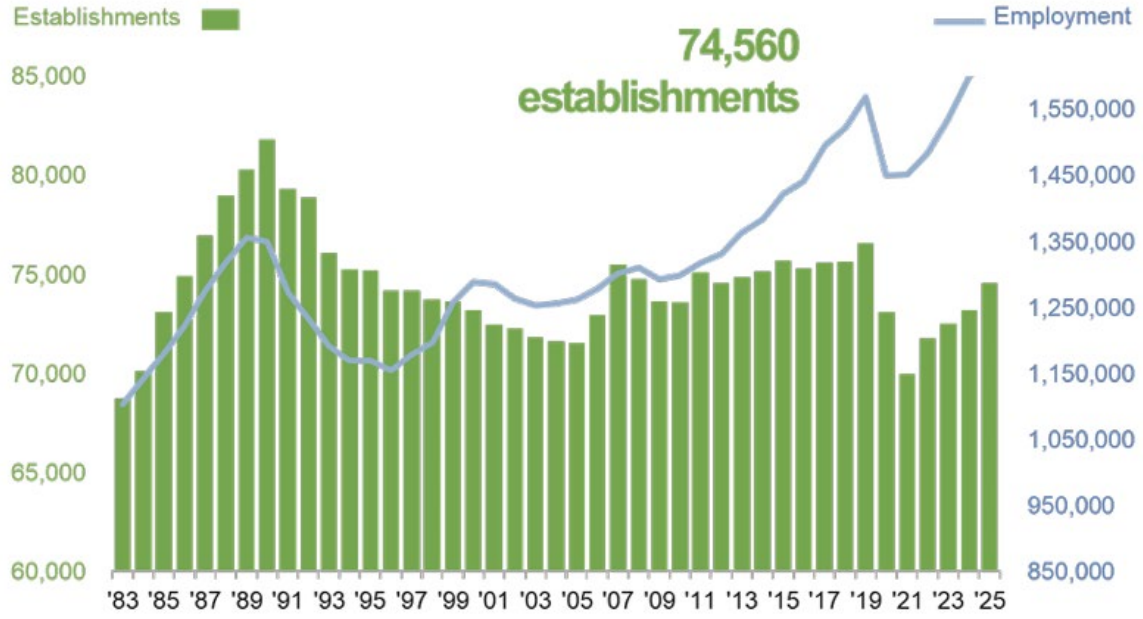
3.1 The City's Employment Base is Still Recovering Following the Pandemic

As identified in **Figure 11**, the city experienced significant employment losses at the onset of the COVID-19 pandemic. These losses continued into 2021 and were followed by two years of negligible growth. Employment began to grow again in 2022 and, by 2024, had fully recovered and surpassed the 2019 peak of approximately 1.57M jobs. As of 2025, the TES estimates the City of Toronto to have just over 1.62M jobs.

While overall employment has increased, the number of business establishments has not recovered since the pandemic. After substantial decreases in both 2020 and 2021, business establishments have increased every year beginning in 2022 but remains well below the 2019 high.

The above trends signal a stabilizing economy; however, growth has been tempered by rising unemployment, growing economic uncertainty—further increased by tariffs and trade disruptions with the United States—and elevated lending rates. Of note, part-time employment grew at a quicker pace than full-time employment, following longer term trends observed since 2014.

Figure 11: Employment and Business Establishment Trends in the City of Toronto

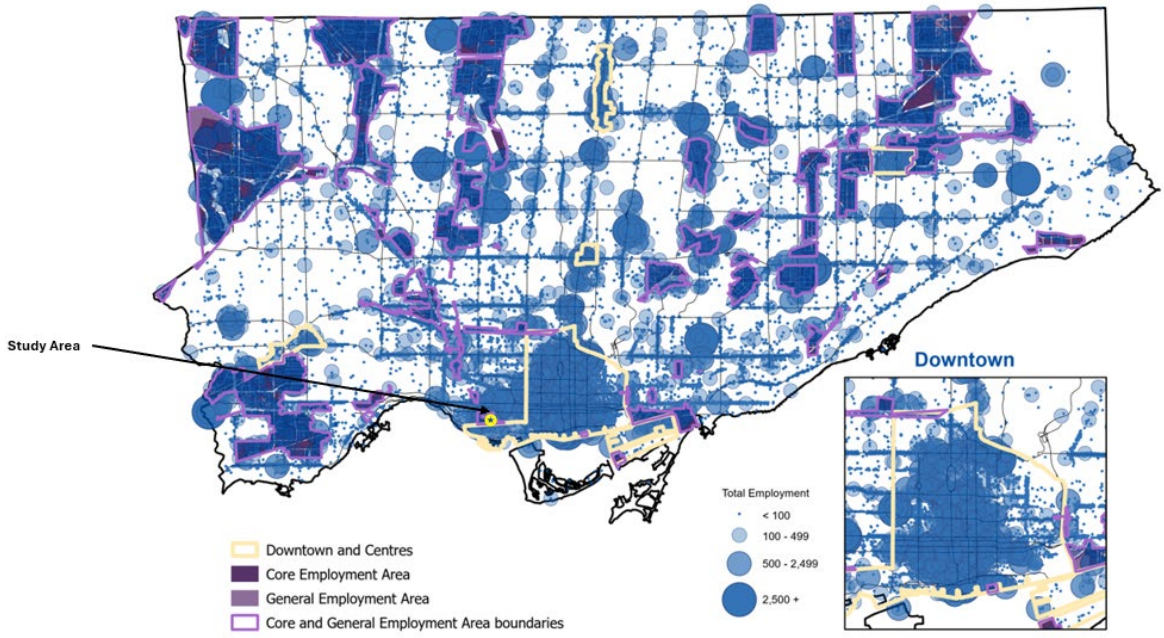


3.2 Employment Remains Concentrated

Toronto's employment is heavily concentrated within the Downtown, the Yonge Corridor and the City's large continuous Employment Areas as identified by **Figure 12**, with the Study Area being in a strong employment node outside of these core areas.

When considering the City's employment growth, of the 23,410 net new jobs created in 2025, 21,300 was located within the Downtown, representing 91% of all growth. Since 2021, the Downtown has accommodated virtually all the City's employment growth, with the remaining City Centres facing a modest increase or slight decline over this period.

Figure 12: 2024 Employment Distribution in the City (Study Area Noted by Star Icon)



						2021-2025		2024-2025	
	2021	2022	2023	2024	2025	Net Change	Percent Change	Net Change	Percent Change
Downtown	547,700	564,990	601,010	643,350	664,650	116,950	21.4%	21,300	3.3%
North York Centre	34,830	33,770	34,770	35,600	36,540	1,710	4.9%	940	2.6%
Yonge-Eglinton	17,100	16,010	15,480	16,610	16,890	-210	-1.2%	280	1.7%
Scarborough Centre	14,280	14,120	13,720	13,670	13,400	-880	-6.2%	-270	-2.0%
Etobicoke Centre	10,110	9,960	9,780	10,420	10,630	520	5.1%	210	2.0%
Downtown and the Centres	624,020	638,850	674,760	719,650	742,110	118,090	18.9%	22,460	3.1%
Rest of City	827,500	845,750	860,530	880,650	881,600	54,100	6.5%	950	0.1%
City Total	**1,451,520**	**1,484,600**	**1,535,290**	**1,600,300**	**1,623,710**	**172,190**	**11.9%**	**23,410**	**1.5%**

Note: Numbers have been rounded to the nearest ten. Centres are in descending order by size of employment base.

3.3 Recent Employment Growth in Liberty Village is Modest Compared to the City

As identified by the City's 2024 TES, the Liberty Village Employment Area has gained 2,200 jobs since 2019 (a 3.3% increase), compared to a gain of 30,500 jobs City-wide (a 2% increase). Over the past year however, this area only grew by 210 jobs (a 1.6% increase), while the city added 65,000 jobs (a 4% increase).

Total employment in Liberty Village has largely flattened since 2022. This is despite strong annual growth in 2024 in the neighbouring downtown core (7% increase) and other secondary employment centres like Yonge-Eglinton (7.3%) and Etobicoke Centre (6.5%).

3.4 Employment Growth is Led by Office and Institutional Sectors, with Retail and Services Lagging

As identified in **Figure 13**, employment growth in the City over the past decade has primarily been driven by the office and institutional market, with the office sector accounting for 67% of all employment growth over this period (2016-2025). This was driven by strong increase in office development within and immediately surrounding the Downtown and a few select nodes, such as Liberty Village. Similar trends are identified over the past year as well, with these two sectors driving most of the City's employment growth.

The service and retail market has experienced more modest growth over the same timeframe, with both sectors experiencing measurable employment declines since 2019 (i.e., onset of the pandemic). While these sectors are showing signs of recovering (although the retail sector experienced a decline in 2025), they remain well below 2019 levels. Of note, the TES provide the following observations for these key categories:

- Retail gained 7,930 jobs between 2021 and 2024 but saw a loss of 2,820 jobs in 2025.The relative volatility within this sector is further highlighted by its size continuing to be below pre-pandemic levels, despite record population growth since 2020 and likely tied to the growth of online shopping and omni-channel marketing. Retail employment has had the second largest decline of the six categories[1] between 2016 and 2025.
- Service experienced a significant growth of 34,740 jobs or of 23.4% since 2021. Despite these gains, service employment is still 7% below its pre-pandemic high of 178,070 jobs.
- Office employment added the highest number of jobs in 2025, with 23,870 new jobs. Similarly, this sector has experienced the strongest growth since 2016, with an increase of 122,910 jobs.
- Institutional saw a slight decline of 3,010 jobs or of 1.0% in the last year. However, this sector has been seeing steady growth since 2016, with a 20.8% increase since the beginning of this

[1] The six categories utilized in the TES based on Land Us Activity Codes are: Manufacturing and Warehousing; Retail; Service; Office; Institutional; and Community and Entertainment.

period. Most of this growth occurred between 2021 and 2024, strongly tied to increased government spending on public services to support a rapidly growing population.

Figure 13: Employment by Category

Category	2016	2021	2024	2025	2016-2025 Net Change	2016-2025 Percent Change	2021-2025 Net Change	2021-2025 Percent Change	2024-2025 Net Change	2024-2025 Percent Change
Manufacturing & Warehousing	123,880	127,030	127,380	123,380	-500	-0.4%	-3,650	-2.9%	-4,000	-3.1%
Retail	147,620	139,270	147,200	144,380	-3,240	-2.2%	5,110	3.7%	-2,820	-1.9%
Service	180,590	148,480	178,070	183,220	2,630	1.5%	34,740	23.4%	5,150	2.9%
Office	690,210	748,070	789,250	813,120	122,910	17.8%	65,050	8.7%	23,870	3.0%
Institutional	250,040	253,050	305,170	302,160	52,120	20.8%	49,110	19.4%	-3,010	-1.0%
Community & Entertainment	48,440	35,630	53,230	57,460	9,020	18.6%	21,830	61.3%	4,230	7.9%
Total	**1,440,790**	**1,451,520**	**1,600,300**	**1,623,710**	**182,920**	**12.7%**	**172,190**	**11.9%**	**23,410**	**1.5%**

Note: Numbers have been rounded to the nearest ten. Totals may differ from sum of full-time and part-time employment.

3.5 Growth Projections Remain Strong

Despite softening market conditions, the City of Toronto's employment base is projected to increase to 2051. As identified in **Figure 14**, Toronto is forecasted to grow to 1,979,000 jobs by 2051—a 0.6% increase in employment per annum, over the current 30-year planning horizon. This would create 371,000 new jobs between 2016 and 2051.

Figure 14: Toronto Employment Forecast

Scenario	2016	2051	2016-2051	Per Annum	Per Annum % (CAGR)	Years
Growth Plan Reference	1,608,000	1,979,000	371,000	10,600	0.6%	35
	2012	**2022**	**2012-2022**			
TES 10 Years to 2022	1,331,570	1,484,600	153,030	15,303	1.1%	24
	2014	**2024**	**2014-2024**			
TES 10 Years to 2024	1,384,390	1,600,300	215,910	21,591	1.5%	17
	2015	**2025**	**2015-2025**			
TES 10 Years to 2025	1,422,280	1,623,710	201,430	20,143	1.3%	18

Note: CAGR abbreviates Compound Annual Growth Rate.

3.6 Remote Work has Impacted the Job Market

The TES estimates that approximately 14.3% of businesses allow their employees to work remotely, with nearly 76% of office businesses allowing remote / hybrid work. This is an expected finding, as remote work in other employment categories/sectors is more challenging or impossible.

As will be explored in more detail to follow, this has had a substantial impact on the office market, particularly as it relates to new office space need and new construction—as key finding of the City of Toronto Office Space Needs Study (discussed further in **Section 4.1** of this report).

4.0 Non-Residential Trends, Preferences and Analysis

The following section provides a more fulsome analysis of key employment sectors that can typically be accommodated in a mixed-use and high-density residential context, and likely would be contemplated in the context of the Study Area. These uses are typically found the lower (podium) levels of residential towers but can also be standalone buildings. The sectors under consideration include professional office, retail and other population servicing commercial uses.

This section of the report identifies key trends and data, factors driving demand and investment decisions, and the locational and building characteristics of identified uses, along with other sector specific analyses. This analysis is undertaken at both the City and Study Area level and concludes with a summary identifying employment gaps, demand, and key opportunities and challenges of the properties.

4.1 Office Market

The following assesses the office market in the City of Toronto, which focuses on professional office uses (e.g., tenanted and owner-occupied professional office, co-working space, creative studios, etc.). This does not include medical office or other professional service spaces that are population serving and more closely aligned with retail and service commercial uses, which is considered in **Section 4.2** to follow.

These professional and creative uses can be included in standalone buildings or within the lower levels / podium of high-density residential towers—both common and appropriate typologies in mixed-use developments.

4.1.1 Factors Driving Office Investment

Understanding the various factors influencing office investment is crucial to understanding the depth and characteristics of office demand in any location. While the site selection priorities of businesses requiring office space may differ, the fundamental preferences of prospective tenants (employers/employees) and therefore office developers, typically align and have remained consistent despite shifting real estate, financial and economic markets in recent years. The following provides an overview of these key factors:

- **Preference for Amenity Rich and Mixed-Use Environments** – The most significant impact for office investment locations—not only in Toronto but across North America—is a growing preference for locations within amenity-rich communities that offer walkable opportunities to both live and work. This is in stark contrast to single-use office parks that were once the primary target of major office developers. This aligns with the profile of emerging young professionals who place a high value on living in environments that offer creative outlets, a broad range of cultural and social pursuits, and avoid the need for cars and commuting.

This has become even more pronounced since the onset of the pandemic as landlords and businesses attempt to lure employees back to the office.

- **Access to Labour** – Businesses require access to a deep pool of qualified employees. Today's employees are increasingly seeking to work and live within the same community, or at least within a reasonable commuting distance, ideally by high-order transit. To better compete for this talent, office development gravitates towards established or emerging mixed-use areas that are accessible by transit and offer a significant supply of housing.

- **Transit** – Related to the above, access to rapid transit is increasingly important in the GTA due to road congestion and average daily commute times approaching 70 minutes. Even with hybrid and work-from-home policies, the costs and time associated with commuting are expected to persist and underpin demand for convenient and affordable transit service. Again, transit-oriented properties will be more attractive as businesses attempt to bring employees back to the office, in addition to lowering parking requirements that can make project more viable.

- **Agglomeration Economics** – Many knowledge-based employment uses also gain efficiencies by locating near each other, often improving economies of scale and networking effects. In Toronto, the financial services sector in Downtown Toronto, the creative and technology clusters in the brick-and-beam districts in the Downtown West and East ends, and the major corporate headquarters located near Pearson International Airport are all examples of this type of clustering.

- **Regionally Competitive Pricing** – Office development also naturally gravitates to the highest demand areas where the highest rents can be charged. This, combined with the factors identified above, explain why the vast majority of office investment has occurred in a small geography within Downtown Toronto over the past decade, as discussed further to follow.

  To compensate for off 'centre ice' locations that do not offer the same access to amenities, high-value employees, rapid transit and potential for agglomeration economics, lower rents must be offered to help drive demand. This would also likely include abundant and cheap/free parking options—which add significant costs to a project—and tenant inducements (e.g., free months rent) resulting in lower overall gross rents. Reducing rents in addition to carrying higher parking costs can erode the viability of these projects.

- **Capital Costs and Operating Competitiveness** – A significant consideration for a business will also be the 'cost of doing business' in one location over another. This is particularly true when comparing locations within the City of Toronto's inner suburbs to the suburban office nodes such as in Richmond Hill and Markham. Factors such as development charges, property taxes, lease rates, vacancies and other related variables will all influence the decision on where to locate. Of note, while Toronto used to offer property tax rebates through the IMIT program for office developments to compensate for higher tax rates relative to competing suburban municipalities in the GTA, this program is no longer offered.

- **Parking** – Office districts outside the Downtown that are not served by higher-order transit (including Liberty Village) continue to rely on the provision of ample, affordable parking. This

often involves large properties capable of accommodating significant surface parking, as underground parking will undermine viability.

- **Population and Employment Growth** – The City of Toronto is forecasted to grow considerably in the decades to come in both population and jobs. The Growth Plan forecasts that the City will accommodate approximately 3.65M people and 1.98M jobs by 2051, which is an increase of 832,000 people and 371,000 jobs from the 2016 census totals.
- **Exposure and Visibility** – Office and/or signage visibility to the travelling public is also an important consideration for many businesses who use their real estate as part of their marketing and branding strategy. This is particularly true in suburban locations, in major office towers in Downtown Toronto and along the 400-series highways.

How Drivers of Demand Influence Investment Activity

Leading up the 1980s, the majority of office development in the GTA was occurring in Toronto's financial core as well as select locations along the subway system and other non-transit serviced areas adjacent to major highways. As illustrated by **Figure 15**, some development was also occurring in Mississauga and smaller scale buildings in Markham and Vaughan. However, most major office development was occurring in Downtown Toronto, which included the establishment of major office projects such as Commerce Court and the TD Centre that continue to anchor the financial district today.

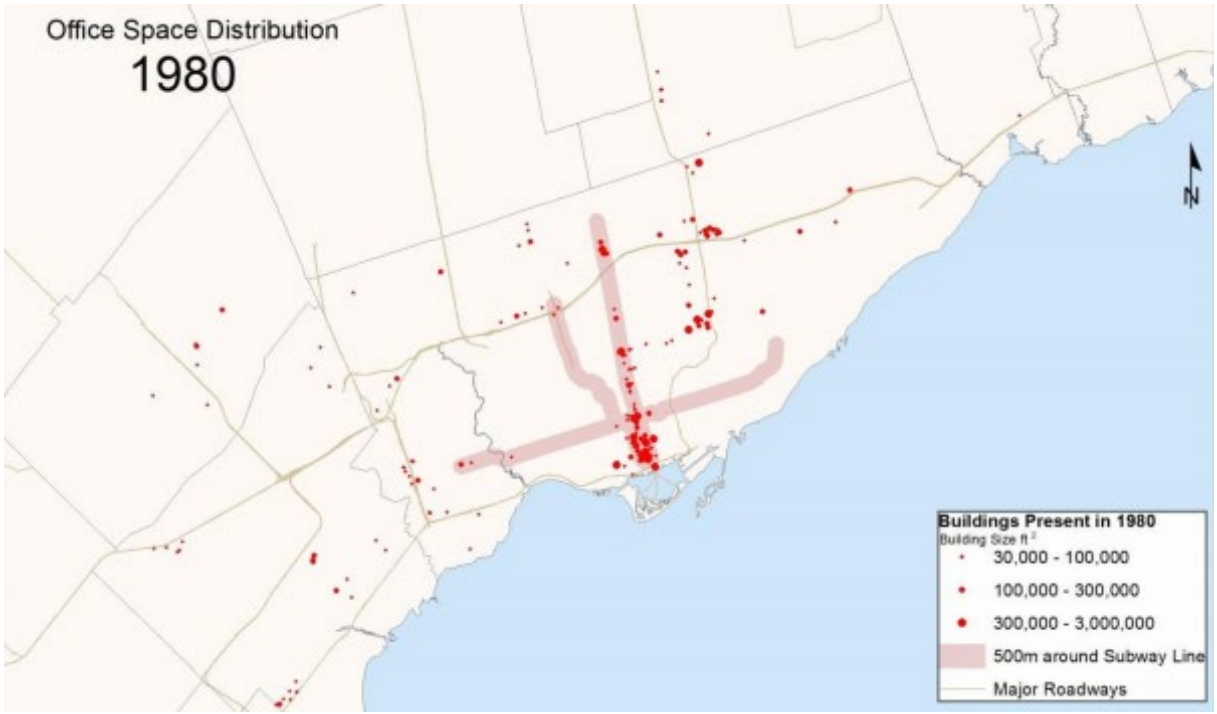
Leading into the 1980s and 1990s, office development continued to occur in Toronto (Downtown and elsewhere), however significant office development also began to occur in suburban locations in the "905 Region". This trend was due to the popularity of the suburbs as a housing option, relative ease of commuting by automobile, expansion of the GO commuter rail network, less expensive land and favourable commercial tax rates, the ability to acquire large properties to accommodate ample surface parking, worker preferences for suburban office parks and many others.

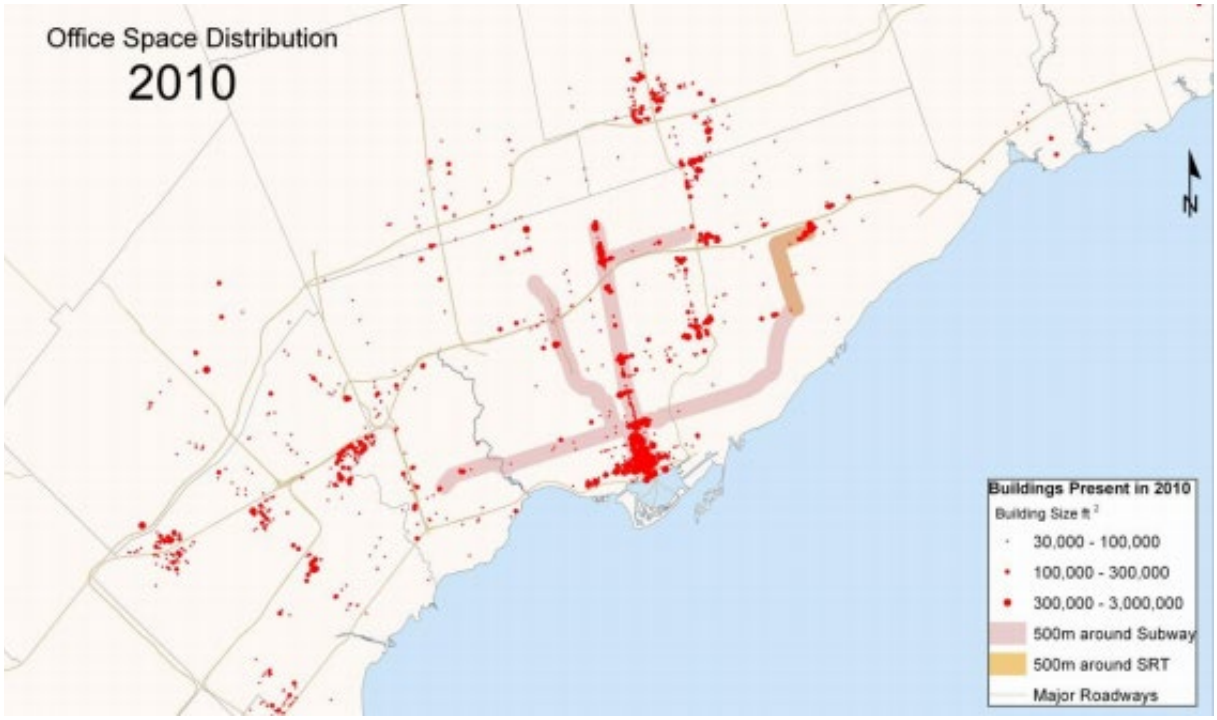
Since 2010, office investment began to shift back to the City of Toronto and specifically the Downtown, with the following key trends and data points identified:

- In their review of the City's IMIT incentive program in 2017[2], Hemson estimated that 72% of all major office investment in the GTA occurred within the City of Toronto between 2011 and 2016.

[2] https://www.toronto.ca/legdocs/mmis/2018/ex/bgrd/backgroundfile-111609.pdf

Figure 15: Distribution of Office Space in the GTA in 1980 and 2010





Source: Canadian Urban Institute: The New Geography of Office Location, March 2011

- According to Colliers[3], between Q3 2015 and Q3 2025, 68% of all new office space added to the GTA market was in the City of Toronto, with Downtown and Midtown absorbing nearly 80% of this space.
- Reviewing locational trends within the City of Toronto, the City's 2024 Office Space Needs Study[4] report found that between 2019 and 2024, approximately 9.2M sf of office space was added, of which 81% located in the Downtown. As identified in **Figure 16**, office development has been heavily concentrated in the Downtown, with about 80% of all new office space delivered within 2.0 kilometers of Union Station[5].
- When considering proposed office investment, the City's Office Space Needs Study identifies that 70% of under-construction office space and 47% of proposed office space is located Downtown.
    - While the share of proposed office space in the Downtown is lower relative to under-construction and recent development activity, the report identified that this is due to the significant amount of office space proposed at East Harbour, east of the Downtown.
    - However, given current weaknesses in the office market, as will be explored to follow, we understand Cadillac Fairview is requesting a significant reduction in the amount of non-residential space in their East Harbour development.
    - Proposed office space can materialize for a variety of reasons too, such as planning policy requiring office through redevelopments (e.g., SASP on an Employment Land Conversion, Office Replacement Requirement) as opposed to a market led decision. The viability of these developments is also unknown as they have not yet advanced.
    - The above trends and supporting figures are illustrated in **Figure 17**.

Given the above evolution of investment patterns and policy, supply has become increasingly concentrated in a select few market locations in the City, primarily the Downtown and fringe Downtown submarkets. This trend has been influenced by the drivers of demand identified above, with office developers, tenants and businesses becoming increasingly drawn to the Downtown where transit service levels and amenities are the greatest, there are concentrations of economic activity (i.e., agglomeration economics), demand and achievable rents are highest, and parking requirements are lowest. This is a trend observed not only in Toronto, but generally across major markets in North America and Europe.

The implications are significant, as office development in locations outside of these prime market areas have struggled to achieve demand and viability, which has resulted in a lack of investment. However, Liberty Village possesses many desirable locational attributes which will help it compete in the future for new office demand (regional and future subway access, highway access and a large

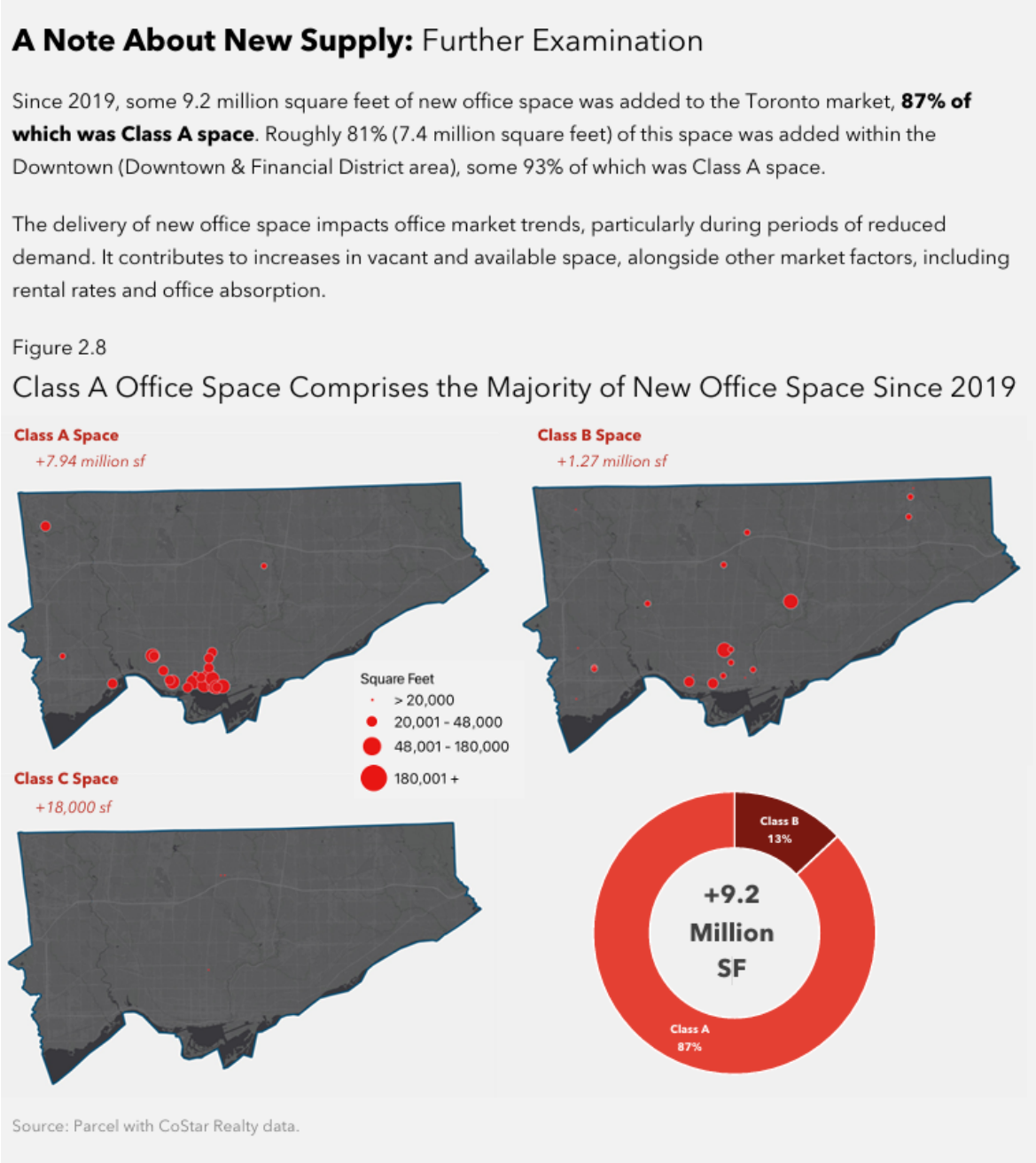
[3] https://www.collierscanada.com/download-article?itemId=b9e74c60-2295-4553-8c29-3053a617ba1d

[4] https://www.toronto.ca/city-government/planning-development/planning-studies-initiatives/office-space-needs-study/

[5] NBLC review of Building Permit Data through the City's Open Data platform.

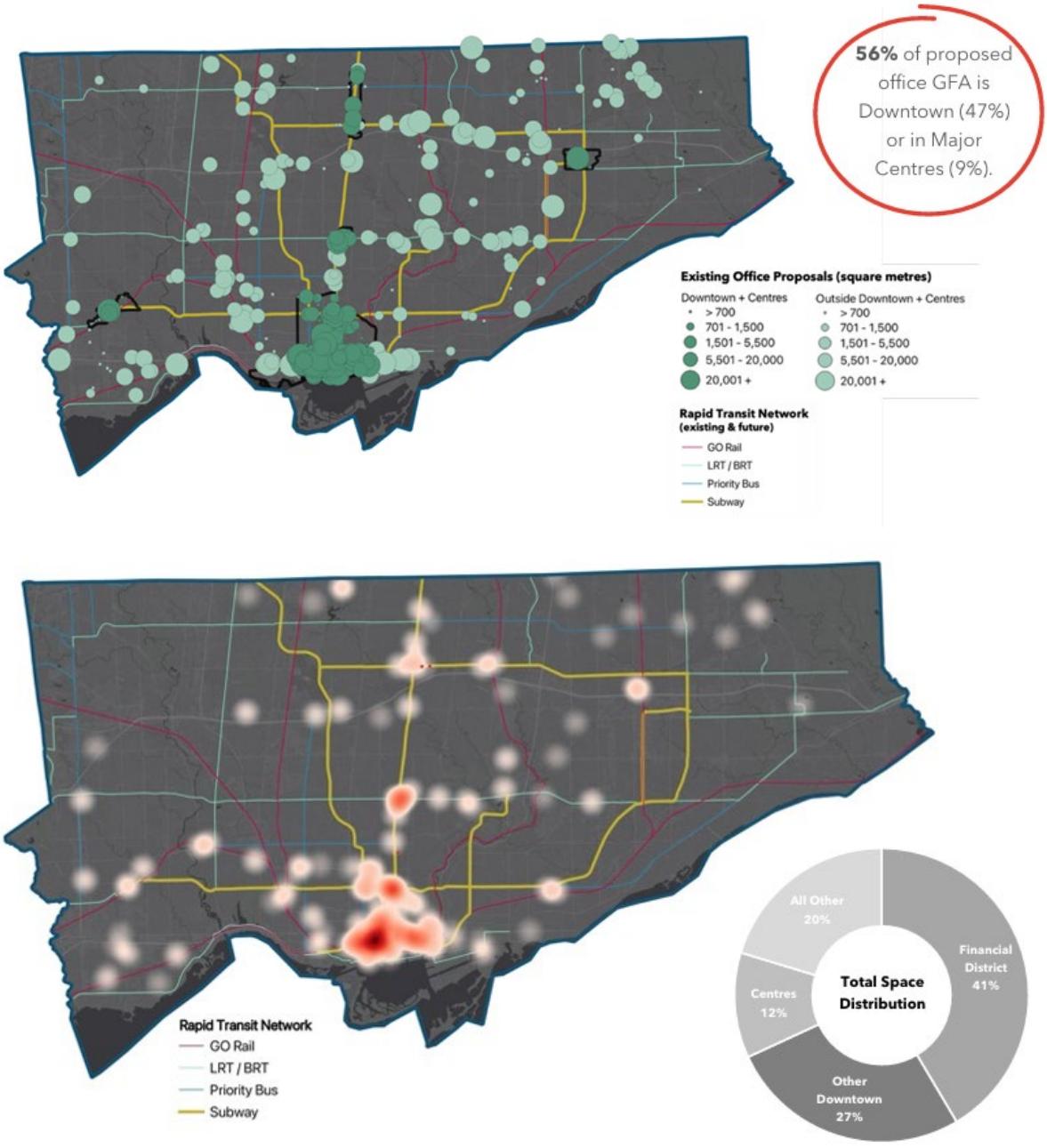
local population). It is important to also identify that the trends noted above were observed at a time when the office market was experiencing extraordinary strength and investment activity. The market has shifted significantly since the onset of the pandemic, which is explored in more detail to follow.

Figure 16: Location of New Office Supply (2019-2024)



Source: Parcel Economics Toronto Office Space Needs Study.

Figure 17: Total Proposed Office Development Application Floor Area (Top) and Approved Office Development Applications* (Bottom) Across City of Toronto.



Source: Parcel Economics Toronto Office Space Needs Study.

** Total applications refer to all proposed projects. Approved applications include those for which Building Permits have been applied or have been issued and/or those which are under construction.*

4.1.2 The City of Toronto's Office Market is Facing Significant Market Challenges

The City of Toronto retained Parcel Economics in 2024 to review office space need across the City, including validation of current and anticipated market conditions to gain an improved understanding of potential policy directions that could help yield the ideal type and scale of office uses in preferred locations.

This study—referred to as the Office Space Needs Study—characterized the current market, identified key short- and longer-term challenges introduced by the pandemic, estimated demand for office space looking forward and considered the viability of new office investment in different locations across the City. The following are key findings from this work:

- Due to market challenges introduced by the pandemic—which accelerated pre-existing trends such as remote and hybrid work, declining floor space per worker, and more concentrated development patterns, and a significant volume of under-construction and recently delivered space, there is not expected to be any net new demand for office space in the City of Toronto for at least the next ten years.
- The report assumes demand for new office space may return to pre-pandemic levels by 2034; however, a long list of factors could shift/delay this recovery over the longer term. These factors include the continuation or acceleration of remote and hybrid work practices; ongoing reductions in floor space per worker; the extent to which the current pipeline of proposed office space is delivered; potential reduction to employment forecast; and other related variables.
- Given the above market demand challenges, the study unsurprisingly found that the development of new standalone office projects are currently unviable, including those located in the Downtown and other strong market locations. Retrofits of existing office buildings, as well as replacement of older office buildings within larger redevelopments, were also generally found to be unviable.
- While not copied in this report, the Office Needs Study includes a fulsome assessment of the data and market conditions leading to these findings.

These factors are likely to result in office development becoming even more selective and concentrated, with locations like Downtown Toronto becoming even more favoured, especially as competition for tenants remains high.

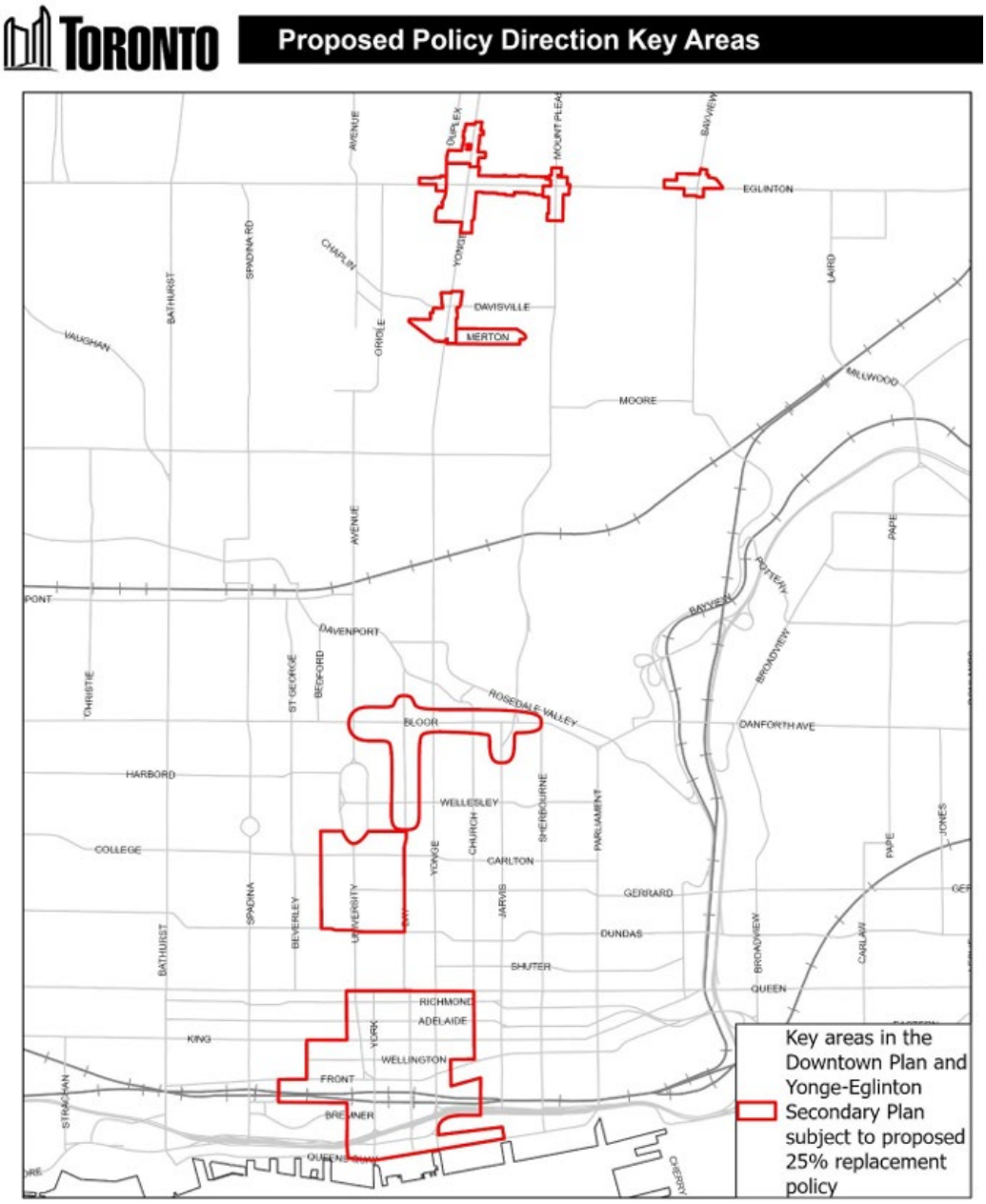
The City has responded to these market conditions by proposing an adjustment to the office replacement policy of the Official Plan as follows:

- Reducing replacement requirements from 100% replacement to 25% in the areas identified by **Figure 18,** which would also supersede any Secondary Plan requirements.
- Other parts of the Downtown, Midtown and strategic high-density employment nodes in the City that are not identified within **Figure 18,** but previously subject to office replacement through Chapter 3.5.1.9 of the Official Plan, are no longer subject to these requirements.

- Additional flexibility has also been proposed that will allow replacement space to include any non-residential space and/or affordable housing, rather than just office space.
- The new replacement policy will direct staff to revisit the policy framework every four years or until, in Council's opinion, the supply and availability of office in the City has returned to a healthy state, putting in place a temporary office replacement policy framework that is responsive to market conditions and Council priorities.

Figure 18

Key Area Subject to Proposed 25% Replacement Policy



Source: Office Space Needs Study Parcel's Final Report

4.1.3 Study Area Office Market Conditions

From a non-residential perspective, the Study Area can be characterized as a mix of modern office, brick and beam office and light industrial employment area. Vestiges of its historical manufacturing and warehousing character are represented by refurbished and retrofitted industrial buildings, as well as a few warehousing facilities. While initially planned for residential development (as was the case with neighbouring South Parkdale), the Study Area and the wider Liberty Village neighbourhood gradually developed as an industrial centre in the late 1800s and early 1900s due to the surrounding rail corridors which isolated it from surrounding communities but also made it ideal for transporting goods en masse. Significant investments into these buildings by developers in the 1990s and onwards resulted in a gradual shift in character into a major brick and beam office hub, attracting creative industries and professional industries alike with their Victorian era charm and authenticity.

The following section summarizes current local office market conditions, considering the previously discussed drivers of demand and investment activity, as well as the significant supply-side challenges expected to persist across the City for many years to come.

Current Inventory Characteristics

In total, the Liberty Village neighbourhood contains 59 office properties, collectively accommodating nearly 3.1M sf of office space. For context, this inventory represents approximately 1.6% of the City's total office supply. This inventory is summarized in **Table 2**, with the location of the properties identified in **Figure 19.**

- The office tenant base is diverse, with key industries including technology, media, design, and advertising being identified across roughly 270 firms. The occupied spaces also represent a range of sizes and configurations, with the largest single-firm spaces being around 55,000 sf, and at times spanning multiple floors.
- As identified in **Figure 19**, there are only two office buildings (and one notable mixed-use residential and office building) located west of Hanna Avenue, as this area has evolved into a largely residential neighbourhood comprised of apartment buildings and townhomes.
- As identified in **Table 2**, office buildings range in heights from one to eight storeys, supporting a human-scale environment for pedestrian retail, as reflected along portions of Atlantic Avenue, Hanna Avenue, and Jefferson Avenue. A notable inclusion is Liberty Market Tower at 145 East Liberty Street. Although this 28-storey building is primarily residential, it includes 139,000 sf of office space from the 2nd to the 7th floors.
- While most of the office spaces provided within Liberty Village are inside heritage/ character industrial structures, the interiors have generally been upgraded to contain upgraded HVAC, electrical and plumbing, and at times, access to shared amenities such as fitness facilities, kitchens, and boardrooms. This creates a unique space where the building's exteriors maintain Liberty Village's historical character while attracting creative enterprises with interesting retail

frontages and traditional brick facades, as well as modernized necessities and facilities required by most businesses.

- Office properties vary greatly in size, with some being under 10,000 sf and others being over 200,000 sf. Of the 59 office properties, nine provide a significant density of office space at over 100,000 sf, with the largest being Liberty Market Building (260,000 sf), the Light Factory (236,000 sf), and the Toronto Carpet Factory (210,000 sf).
- Due to the prevailing lot configurations, and the mix of smaller to medium sized tenants, newer buildings typically have floor plates in the range of 10,000 to 15,000 sf. The area's accessibility to the Gardiner Expressway and Lake Shore Boulevard, in combination with its currently limited access to rapid transit, means that many workers and visitors still rely upon the mix of surface and underground parking lots across the neighbourhood, with Car Park 181 and 34 Hanna Avenue being notable examples.
- 32 of the 59 office properties have dedicated parking spaces on-site, with 29 of these having purely surface parking, all having boulevard parking within 600 metres and the others having at least some within an underground garage. There is considerable variance in parking ratios across these properties, with 19 having a ratio of 1.0 space or less per 100 square metres of gross floor area ('GFA'), and 13 having a parking ratio greater than 1.0.
- At the same time, there are several frequent public transit options serving the Study Area, with the Dufferin and Ossington buses and the King streetcar, all of which connect to TTC subway stations (i.e., St. Andrew, Ossington, Dufferin). The Exhibition GO station creates regional access for workers outside of Toronto, via Union Station, and along the Lakeshore West line. The future Ontario Line will add a new subway station serving Liberty Village, integrated with the existing GO station, increasing city-wide accessibility to the area, reducing the need for automobile commuting and freeing up surface parking lots for development and parkland.
- Most office properties in the Study Area are classified as Class B or Class C. Class B buildings generally offer utilitarian space with average features and amenities and tend to attract a broad range of tenants. Despite being the newest build in the neighbourhood, the office space in Liberty Market Tower is considered a Class B asset due to its utilitarian design and lack of common amenities. By comparison, Class C office properties are characterized by limited—if any—building amenities and basic suite finishes, with correspondingly lower market rents required to support occupancy. Class A office properties, in contrast, represent the highest-quality segment of the market, featuring modern construction, superior amenities and the highest achievable rents.
- Despite the limited number of Class A buildings, the continued construction/refurbishment of office space buildings in Liberty Village is reflective of the strong office demand in the area, with the more recent completions being in 2020 and 2021. 99 Atlantic, completed in 2020, currently has no vacancies while 60 Atlantic, completed in 2014, currently has just under 75% of its total floor space available for rent. Asking rents, on a net basis, are generally in the range of $30 to $40 per square foot ('psf') per year, for newer spaces, with the higher end of the range associated with smaller spaces.

- Following the pandemic, gradual return-to-office trends in combination with these recent completions has resulted in unabsorbed office inventory placing downward pressure on rents. Going forward, the continuation of return-to-office trends, higher than expected absorptions in the adjacent downtown core, and the completion of the nearby Ontario Line station should help to strengthen Liberty Village's office market demand.

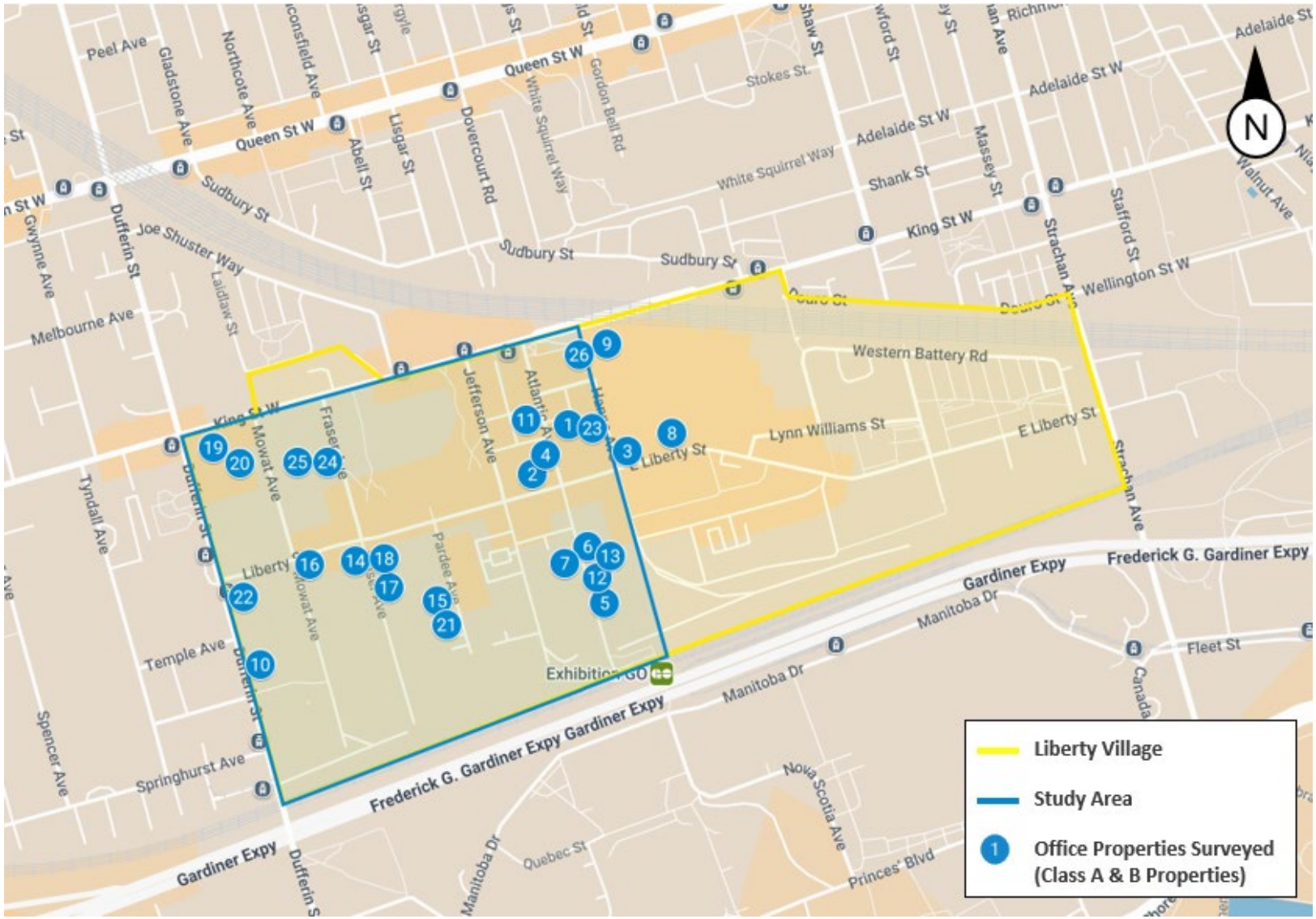
Table 2

All Office Properties - Study Area
As of November 2025

Map ID	Building & Address	Built Year/ Renovated	Building Class	No. Storeys	Total Rentable Area (SF)	Total Vacant (SF)	Vacancy Rate	Total Available (SF)	Availability Rate	Net Asking Rate ($PSF/Year)	
										Min.	Max.
1	99 Atlantic *99 Atlantic Ave*	2020	A	8	141,100	0	0.0%	0	0.0%	-	-
2	60 Atlantic Ave	2014	A	3	78,559	58,716	74.7%	64,504	82.1%	$30.00	$35.00
3	Liberty Market Tower *145-147 E Liberty St*	2021	B	6 [2]	138,700	75,392	54.4%	81,248	58.6%	$32.00	$35.00
4	80 Atlantic Ave	2020	B	5	96,717	0	0.0%	5,900	6.1%	-	-
5	21 Atlantic Av	2017	B	3	46,700	0	0.0%	0	0.0%	-	-
6	29 Atlantic Ave	2015	B	3	4,100	0	0.0%	0	0.0%	-	-
7	32 Atlantic Ave	2013	B	2	50,434	0	0.0%	0	0.0%	-	-
8	Liberty Market Building *171 E Liberty St*	2012	B	3	260,338	23,052	8.9%	43,698	16.8%	n/a	n/a
9	85 Hanna Ave	2006	B	4	85,568	0	0.0%	0	0.0%	-	-
10	173 Dufferin St	2001	B	4	98,479	0	0.0%	1,450	1.5%	-	-
11	102 Atlantic Ave	1991	B	4	19,170	0	0.0%	9,608	50.1%	$40.00	$40.00
12	25 Atlantic Ave	1990	B	4	19,170	0	0.0%	0	0.0%	-	-
13	27 Atlantic Ave	1990	B	3	4,551	0	0.0%	0	0.0%	-	-
14	64 Fraser Ave	1974	B	1	3,411	0	0.0%	0	0.0%	-	-
15	4-6 Pardee Ave	1950	B	2	24,280	6,740	27.8%	9,534	39.3%	$25.00	$25.00
16	161 Liberty St	1913	B	3	30,000	10,363	35.4%	15,933	53.1%	$21.00	$21.00
17	47 Fraser Ave	1911	B	3	10,948	1,450	13.2%	0	0.0%	-	-
18	49 Fraser Ave	1911	B	5	69,870	0	0.0%	10,363	14.8%	$10.50	$35.00
19	1201-1209 King St W	1910	B	2	64,818	11,161	17.2%	8,980	13.9%	$35.00	$39.00
20	78-96 Mowat Ave	1910	B	2	70,000	0	0.0%	26,937	38.5%	$35.50	$35.50
21	2 Pardee Ave	1910	B	3	22,473	0	0.0%	0	0.0%	-	-
22	Light Factory *219 Dufferin St*	1908	B	4	235,669	15,933	6.8%	65,818	27.9%	$19.95	$29.95
23	40 Hanna Ave	1905	B	5	120,000	0	0.0%	37,694	31.4%	$25.00	$30.00
24	74 Fraser Av	1900	B	2	23,589	0	0.0%	0	0.0%	$32.00	$32.00
25	Toronto Carpet Factory *67 Mowat Av*	1899	B	7	210,000	45,132	21.5%	11,161	5.3%	$32.00	$32.00
26	Barrymore Building *109 Atlantic Ave*	1898	B	3	79,467	9,608	12.1%	0	0.0%	$36.00	$36.00
27	43 Hanna Av	n/a	B	5	34,550	0	0.0%	0	0.0%	-	-
Avg. - Class A & B Offices (27 Buildings):				**4**	**2,042,661**	**257,547**	**12.6%**	**392,825**	**19.2%**	**$10.50**	**$40.00**
Avg. - Class C Buildings (32 Buildings):				**2**	**1,008,879**	**67,107**	**6.7%**	**264,120**	**26.2%**	**n/a**	**n/a**
Avg. - All Offices (59 Buildings):				**3**	**3,051,540**	**324,654**	**10.6%**	**656,945**	**21.5%**	**n/a**	**n/a**

Source: CoStar.
1 - Study Area is bounded by Dufferin Street, King Street West, Douro Street, Strachan Avenue and the Railway Corridor to the south.
2 - Liberty Market Tower contains office spaces from the 2nd to 7th floors.

Figure 19: Location of Office Properties Surveyed in the Study Area



4.1.4 Parking

Table 3 describes surveyed parking ratios for recently approved or proposed planning applications in the study area. Of note, while parking ratios for projects completed prior to the Ontario Line funding announcement exceed 1.0 per 100 square metres of GFA, those which are currently in the approvals pipeline are considerably lower. In projects where the office component is ancillary to residential, such as 147-151 Liberty Street, no dedicated parking has been proposed.

Table 3

Parking Ratios for Proposed and Approved Office Spaces							
Address	Application Type	Status	Storeys	Office Space (sf)	Parking	Parking Ratio (per 1,000 sf)	Parking Type
80 Atlantic Ave.	SPA	Constructed (2019)	5			1.1	Underground
80 Lynn Williams St.	ZBA	Approved	44	-	-	-	Underground
147-151 Liberty St. & 54-68 Fraser Ave.	OPA / ZBA	OLT Appeal	55	12,242	0	0.0	-
53 Fraser Ave. (Phase 1)	SPA	Under Review	11	188,132	39	0.2	Underground
53 Fraser Ave. (Phase 2)	SPA	Under Review	10	150,447	28	0.2	Underground
58 Atlantic Ave.	OPA / ZBA	Under Review	50	-	-	-	Underground
Total / Average:			**34**	**350,821**	**67**	**0.2**	**-**
Source: City of Toronto.							

Local Office Market Indicators

Beyond total inventory, a standard set of market indicators can be used to assess overall office market health, tenant demand, pricing thresholds and development feasibility. These indicators include vacancy rates, absorption trends and rental performance. Vacancy rates reflect the balance between available space and tenant demand, with rates of approximately 8% to 10% generally considered healthy. Absorption trends indicate whether occupied office space is expanding or contracting over time, while asking and achieved rents provide insight into landlord pricing power and development viability.

Vacancy and availability rates for all office types in the Study Area are currently at 10.6%, only slightly above the healthy vacancy range, reflecting moderate office demand. Lower vacancies in Class C properties (6.7%) than Class A and B properties (12.6%) is likely driven by more affordable rents. Vacancy in Liberty Village is slightly lower compared to the former City of Toronto (approximately 12.6%) and City-wide (approximately 12.6%), both of which have seen increased vacancies since the onset of the pandemic.

Class A, as well as higher quality, centrally located Class B spaces (e.g., along King Street, Hanna Avenue, Dufferin Street) have net asking rents ranging from roughly $30 to $35 psf, per year, while less central lower quality Class B spaces have net asking rents ranging from roughly $20 to $30 psf, per year.

4.1.5 Competitive Position of Study Area

When assessed against key demand and investment drivers (**Table 4**)—including the primary factors of high-order transit, urban amenities, agglomeration benefits, and achievable rents— Liberty Village occupies a competitive position within the broader regional office market, although secondary to the Financial District and other Downtown Core areas. Retail and amenities are largely concentrated in the neighbourhood's northern and central areas, creating somewhat less attractive walking environments toward Dufferin Street. However, strong population growth, good transit and road accessibility, proximity to the city's downtown west neighbourhoods create unique competitive position within the Toronto context.

Moreover, current market challenges are pushing new office investment to become even more concentrated in favour of locations like the Downtown and other areas where rents and demand are high enough to justify new construction. Where work arrangements tilt more towards requiring primarily or purely in-office work, we expect an improved market demand. If this demand can align with locations where construction costs moderate (e.g. lower parking requirement), new office space development can become more feasible.

Table 4

Study Area Office Market – Existing Competitive Factors		
	Liberty Village	**Downtown**
Amenity-Rich, Mixed-Use Environment		
Agglomeration Economics		
Access to Labour / Residential Areas		
Access to Public Transit (Lower Parking Requirement)	Ontario Line Coming	
Access to Expressways & Highways		
Operating Costs		
Achievable Rents		
Population Growth		
Exposure and Visibility		
Overall Office Demand		

Notes:
Red - Conditions not supporting demand.
Yellow - Conditions moderately supporting demand.
Green - Conditions supporting demand and contributing to new development.

4.1.6 Office Market Input Conclusions for Financial Analysis

Based on the above research, as well as industry standards for office uses, we suggest the use of the following inputs be utilized for the financial feasibility analysis in **Section 6.0** for quality Class B/ Class A space:

- A net asking rent of $35 psf, per year, and increasing to approximately $37 psf, per year, in a post Ontario Line completion scenario;
- A vacancy rate of 10%;
- A cap rate of 6%;
- A parking ratio of 1.0 spaces per 1,000 sf of office GFA, for projects completed prior to Ontario Line completion and 0.75 spaces per 1,000 sf of office GFA for post Ontario Line completion scenarios.

4.2 Retail and Service-Commercial Markets

The term retail generally refers to the sale of goods directly to consumers and encompasses a wide range of uses. Retail uses are often grouped into destination-oriented retail—where customers are willing to travel specifically to purchase certain goods—and non-destination retail, which serves more routine, day-to-day needs.

Non-destination retail is typically expected to be in convenient and accessible locations, ideally close to where people live or near frequently used community destinations such as schools, libraries and recreation centres; it is also often referred to interchangeably as 'local population-serving' or 'convenience-based retail'. Retail businesses selling both destination and non-destination goods can be accommodated across a variety of commercial formats, including super-regional shopping centres, neighbourhood strip plazas, mixed-use main streets, and, increasingly, within the ground floors of high-density mixed-use residential buildings. Each of these 'shopping centre' typologies have a different role in a regional hierarchy of retail markets.

In addition to traditional retail establishments, service-commercial uses often co-locate with retail. These typically include personal services (such as salons and repair services), fitness and wellness uses, food and beverage establishments (including restaurants, cafés and bars) and other customer-facing service operations (including dentist and medical offices) that involve direct interaction with the public or commercial clients. **Table 5** illustrates the composition of potential retail and service-commercial categories that are typically used to assess retail supply, gaps in a market and potential space need.

Table 5

Composition of Destination vs Convenience Type Commercial Uses by Retail and Service-Commercial Categories		
Destination Type Retail	**Destination / Convenince Type Retail**	**Convenience Type Retail and Services**
Home Furniture, Furnishing, & Electronics Building & Outdoor Home Supplies Clothing & Accessories Store Entertainment & Recreation	General Merchandise Stores Miscellaneous Stores	Specialty Food Financial, Insurance, Legal & Real Estate Services Healthcare & Social Assistance - including medical office and dental, among others Other Convenience Retail & Services Supermarket Personal Care Beer, Wine, Liquor Food Services & Drinking Places

4.2.1 Factors Driving Retail and Service-Commercial Investment

Several fundamental factors influence demand for additional retail and service-commercial uses and where it is most suitable to locate in terms of serving consumer needs and supporting business viability. Below is a summary of some of these considerations:

- **Population and Job Growth –** As residential intensification takes place, the influx of new residents will increase the need for accessible retail and service-commercial uses, particularly if not already offered in the vicinity of a growth area.
- **Agglomeration Economics –** Like office uses, retailers often like to locate near each other to create more destination type space, even if the uses themselves are convenience-based retail type uses. Practically, this provides consumers with a more convenient "one-stop" shopping location, which provides choice and comparison-shopping opportunities.
- **Market Saturation –** Notwithstanding the above, investors seeking the most appropriate location for a particular use must carefully balance the benefits of clustering with like or complementary uses against minimum population and employment thresholds, as well as the risk of oversaturating any individual retail or service-commercial category.

  While there is no definitive standard, the following ranges can be treated as indicative population thresholds required to support individual stores/ restaurants in various retail and service-commercial categories. These benchmarks hold household income constant but can be used to assess the potential need for additional uses or, conversely, the risk of oversaturation:

  - Convenience stores and small food retail: ~2,000–4,000 people;
  - Quick-service restaurants and take-out food uses: ~3,000–7,500 people;
  - Personal services (i.e., salons, small fitness studios): ~5,000–10,000 people;

- Neighbourhood-scale professional services (i.e., medical, banking): ~7,500–15,000 people
- Small urban-format grocery stores: ~8,000–15,000 people
- Full-service supermarkets: ~15,000–30,000+ people

- **Demographics –** Income, age, household composition and resulting spending habits in an area also shape the nature of retail demand.
- **Tourism –** In areas with high levels of tourism, there is also increased demand for commercial space that caters to visitors, including supporting attractions and amenities like luxury stores, souvenirs and a variety of dining options.
- **Vehicle Access and Parking –** Vehicular accessibility and the availability of convenient, visible parking remain among the most critical drivers of sales performance and business viability for many retail and service commercial uses, particularly destination-based retail such as supermarket stores, discount retail, specialty shopping and casual dining. These uses rely on customers willing to travel from a broader trade area and typically require direct access from arterial roads and convenient parking. Convenience-based retail and services are generally less parking-intensive on a per-visit basis, but still benefit from some level of accessible, short-term parking to support quick trips, service appointments, deliveries and ride-share activity.
- **Transit Accessibility –** Proximity to rapid transit can meaningfully support retail and service commercial demand by expanding the effective customer base beyond immediate surrounding neighbourhoods, particularly for food services, personal services and other non-destination uses that align with daily or routine travel patterns. Transit accessibility is typically less critical for destination-oriented retail, where customers are more likely to arrive by car and make less frequent but longer visits. However, in higher-density urban contexts, strong transit access can partially offset reduced parking supply for smaller-format retail and service uses, provided that surrounding population density and pedestrian conditions are supportive.
- **Visibility and Street Exposure –** High visibility and clear exposure from major streets are important contributors to customer awareness, impulse visits and overall commercial performance across most retail and service commercial categories. Destination-based retail, in particular, benefits from prominent frontage, signage opportunities and direct exposure to high-volume vehicular corridors.
- **Foot Traffic Patterns –** Convenience-based retail and service commercial uses benefit from visibility—specifically, consistent pedestrian activity—and are most viable when integrated into daily movement patterns, such as along primary pedestrian routes, near building entrances or adjacent to transit access points. This is because strong and predictable foot traffic improves customer capture and repeat visits, ultimately supporting higher sales productivity.
- **Rent Expectations and Business Feasibility –** The ability of retail and service commercial uses to operate successfully is also influenced by rent levels relative to achievable sales volumes. In

locations where pedestrian activity is limited, higher rent expectations can materially constrain business feasibility, even where surrounding population or employment levels may appear sufficient. Conversely, locations with strong foot traffic and customer capture can better support market rents and a broader range of viable uses.

4.2.2 Per Capita Retail and Service-Commercial Space Demand Is Down, but Consumer Trends Continue to Support Local Convenience-Based Uses

Over the past decade, and particularly since the pandemic, the retail market has undergone structural changes. While retail demand remains tied to employment, income growth and consumer confidence, population and employment growth no longer translate into proportional increases in brick-and-mortar retail and service-commercial space. Even where the factors outlined in **Section 4.2.1** suggest a business case for retail investment, the amount of space warranted today is typically lower than in prior market cycles.

This shift reflects the continued growth and normalization of e-commerce, app-based purchasing and omni-channel retailing, which have permanently altered consumer behaviour. Consumers increasingly combine online and in-store shopping, using physical locations for convenience, pickup, returns and services rather than traditional, inventory-heavy retailing. These trends are not expected to reverse and are likely to intensify over time, particularly as digital adoption continues to expand across all age cohorts, including an aging population that is also increasingly comfortable with online purchasing.

As a result, per capita retail and service-commercial space requirements have declined, even as overall consumer spending continues to grow. At the same time, demand for local, convenience-based and service-oriented uses remains resilient. Retail and service-commercial categories that meet immediate, routine or in-person needs—such as food and beverage uses, personal care and wellness services, fitness, medical and professional services and small-format grocery and food retail—continue to rely on physical storefronts and remain closely tied to daily activity patterns.

Notwithstanding the reliance of local population-serving uses, these conditions have also made retail investors and operators more selective in terms of where they choose to locate and deploy capital. With lower per capita space needs, investors are increasingly focused on repositioning or backfilling existing vacant space or targeting only those locations that offer the strongest demand fundamentals, including those with high visibility, strong foot traffic, effective customer capture and the greatest likelihood of achieving sustainable sales performance and market rents. Locations that lack these attributes face increased difficulty in attracting new retail investment, even where population growth is occurring.

4.2.3 Study Area Retail and Service Commercial Market Conditions

Understanding how the demand drivers and structural trends discussed in **Sections 4.2.1** and **4.2.2** play out locally is essential to assessing whether additional retail and service-commercial space may be supported within the Study Area, and where such space would most appropriately locate. This section examines the Study Area within its broader competitive retail context and evaluates local market conditions, including existing supply, vacancy, per capita space provision and potential gaps in the marketplace.

Rather than quantifying a precise amount of "warranted" retail space, the analysis is intended to clarify the likely role and function of retail and service-commercial uses in the Study Area, identify constraints on retail investment and inform the range and scale of uses that could reasonably be supported over time, having regard to surrounding supply, accessibility and planned development.

Role of the Study Area in the Competitive Retail Landscape

It is important to appreciate that the Study Area does not function as a destination retail node within the City's retail hierarchy. Instead, it primarily acts as a resident- and employment-oriented, local-serving retail area, with most higher-order and destination-oriented retail needs met elsewhere within the broader regional trade area.

The anticipated regional trade area is defined as the distance area residents of the Study Area would reasonably travel to within about a 20-minute drive or a 45-minute transit trip. Within this area, there are numerous established destination retail nodes, including three super-regional shopping centres, eight regional shopping centres and a wide range of community-scale centres (**Table 6** and **Figure 21**). Major destinations such as the Eaton Centre and Sherway Gardens are all within roughly a 20-minute drive of the Study Area, reinforcing the conclusion that the Study Area is not intended to compete as a destination retail location.

Immediately north of the site is the King High Line, a shopping centre integrated at the base of Trilogy on King, a purpose-built rental apartment (discussed in **Section 5.4.2**). This four-storey, 160,000 sf retail space includes major retailers such as Canadian Tire, Longos, and Winners, providing local residents important access to both essential and recreational needs, including food, clothing, electronics and appliances.

Figure 20: King High Line

For day-to-day retail needs, residents rely on the many small stores and ground-floor retailers located within and surrounding the Study Area. King Street,

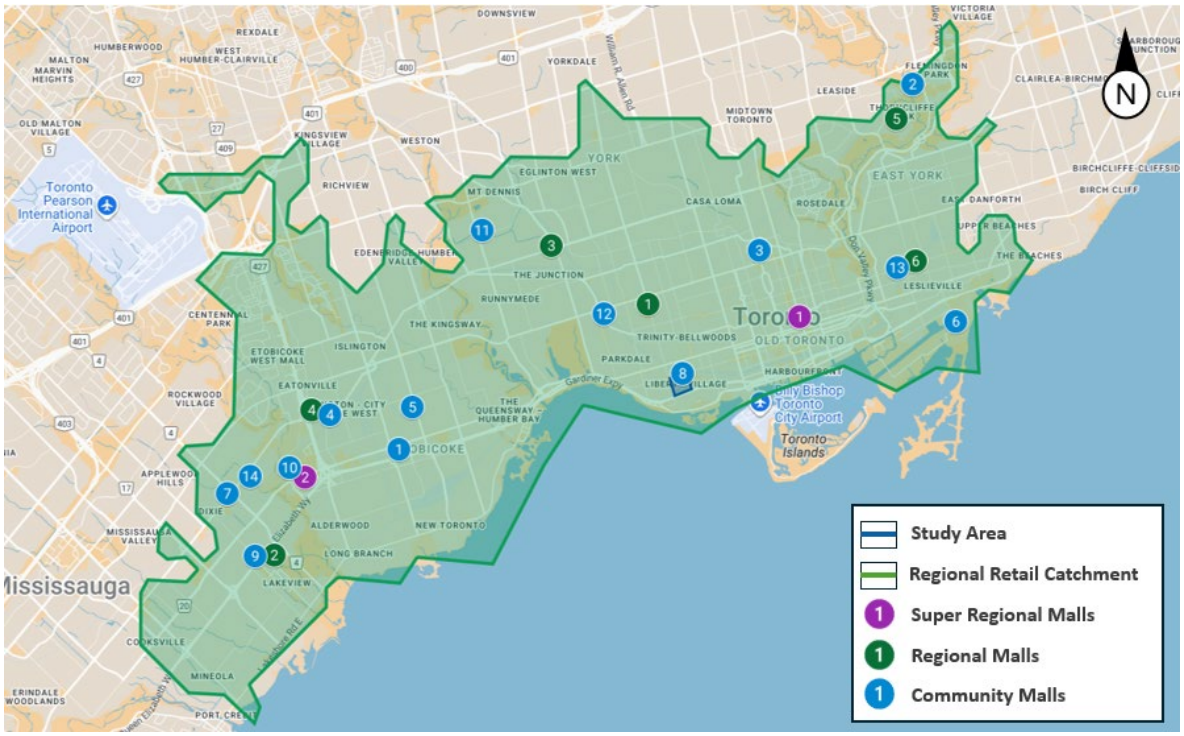
Queen Street, and Ossington Avenue contain significant numbers of food and beverage, clothing, recreation, and other convenience retail category stores. These are all accessible on foot and transit from the Study Area and provide many options to connect and socialize within the local community.

Table 6

Regional Profile of Shopping Centres As of December 2025			
Map ID	**Mall/Shopping Centre Name**	**GLA (SF)**	**Vacancy (%)**
Super Regional Malls[1]			
1	CF Toronto Eaton Centre	2,181,037	0.0%
2	Sherway Gardens (Main Mall)	1,197,417	17.0%
Regional Malls[2]			
1	Dufferin Mall	582,256	0.0%
2	Dixie Outlet Mall	551,381	0.0%
3	Stock Yards Village	512,136	25.8%
4	Cloverdale Mall	378,359	0.0%
5	East York Town Centre	355,256	13.1%
6	Gerrard Square Shopping Centre	320,028	1.0%
Community Malls[3]			
1	Kipling Queensway Mall	303,106	0.0%
2	Ontario Science Centre	226,920	0.0%
3	Yorkville Village	221,500	0.0%
4	Honeydale Mall	202,186	0.0%
5	Titan Islington Plaza	183,017	0.0%
6	Lakeshore & Leslie Plaza	175,738	0.0%
7	Mississauga Plaza	175,672	0.0%
8	King High Line	174,784	0.0%
9	Applewood Village	164,453	0.0%
10	The Queensway Centre	163,266	0.0%
11	Jane Park Plaza	150,000	0.0%
12	Highpark Plaza	127,980	0.0%
13	Riverdale Plaza	120,317	0.0%
14	The Dunwynn Centre	107,455	0.0%
All Other Retail in Trade Area[4]			
n/a	All Other Retail	4,289,017	1.1%
Total / Average:		**12,863,281**	**3.4%**

Notes:
1) Extensive offerings of anchors and destination retailers, as well as larger food courts, and a comprehensive mix of entertainment. Typically, 800,000 sf or larger.
2) Includes retailers selling fashion apparel, accessories and shoes, and home furnishing, electronics, toys, etc. Typical GLA is between 300,000 and 799,999 sf.
3) Offers products and services focused on daily shopping needs. Typically, a cluster of attached retail units that can be open-air and/or enclosed with significant street parking. Often has a GLA between 100,000 and 400,000 sf.
4) Other refers to all other types of retail buildings, including but not limited to stand-alone retail, neighbourhood centres, and strip centres.
Source: CoStar. NBLC.

Figure 21: Competitive Regional Retail Catchment Area



Source: CoStar & NBLC

Local Retail and Service Commercial Market Indicators

Within a 1.0-kilometre radius of the Study Area ('local area'), there is an estimated 2.3 million square feet of retail and service-commercial floor space (**Table 7**). Approximately 23% of this inventory is occupied by food services & drinking places and 19% by entertainment and recreation. Based on a 2021 Census population estimate of the local area[6] of approximately 90,700 residents, this equates to an overall provision rate of roughly 24.8 ft² per capita.

In areas that are not defined as destination retail nodes, the amount of retail and service-commercial space ratio within a 1.0-kilometre catchment (roughly the distance of a 10-minute walk) can be used estimate population-serving demand. When both convenience-oriented and limited destination-oriented uses are considered, the total retail provision is generally expected to fall within a range of 20 to 25 ft² per capita, with the lower end of this range increasingly typical given evolving retail formats, changing consumer behaviour, and continued growth in e-commerce.

[6] This consists of the following census tracts: 004.00, 005.00, 006.00, 007.01, 007.02, 008.01, 008.02, 009.00, 010.01, 010.02, 011.01, 040.00, 043.00, 044.01, 044.02, 046.00, 047.02, 047.04.

Within this context, the Study Area's retail mix is weighted toward convenience-based uses, which account for approximately 20.6 ft² per capita, compared to approximately 4.2 ft² per capita attributable to destination-oriented uses. Collectively, this indicates that the Study Area is well-serviced by convenience-based retail – likely because of its proximity to key retail streets on Queen Street West, Ossington Avenue, and King Street West. There is a more limited presence of destination retail, with only a small concentration in the nearby King High Line. These retail options often require larger spaces due to the nature of their service (i.e., requiring more storage and/or equipment space) and products (e.g., furniture, electronics, building supplies), which may not be well-suited to the many older and smaller store spaces available along King Street and Queen Street.

At a more local scale, there is a significant amount of retail and service-commercial space within a walkable 500-metre radius of the Study Area (**Figure 22**). This is concentrated along Queen Street West and within Liberty Village. As mentioned above, Queen Street contains primarily small-format stores, either as freestanding retail or as ground-floor retail with one- to two-storeys of residential units above. These attract residents in both the local and surrounding areas as their agglomeration creates a diverse retail corridor that not only provides walkable access to daily needs, but also an activated street environment for more recreational shopping and socializing.

Meanwhile, retail within Liberty Village is typically found either as freestanding retail (i.e., along Atlantic and Jefferson Avenues just south of King Street) or in ground-floor retail within low- and mid-rise, mixed-use office buildings. These have more localized clientele, given their positioning within the neighbourhood's interior, away from major streets and most transit routes, and lack of pedestrian pull factors (e.g., landscape punctured by parking lots, disjointed retail positioning, not considered a major reputation for retail hub). People living in the mostly residential eastern half of Liberty Village will also likely frequent these options, due to the lack of retail to the east and south, and the isolating effect of the railway corridor to the north.

Vacancy in the Study Area and surrounding local catchment is also limited at 1% or roughly 35,400 sf of total space, highlighting the strong demand for retail in this area. This is spread across both ground-floor retail spaces within newer mixed-use buildings and older, low-rise retail on main streets.

The high density of residents within Liberty Village, combined the scarcity of destination retail options within the neighbourhood, indicate potential demand for such spaces within the Study Area. This is dependent however, on the ability of developers to provide such a significant enough space that most destination retailers require and location within the Study Area, with more viability if this is placed along King Street. Indicative population thresholds for various retail and service-commercial categories also suggest there may be demand for modest, convenience-oriented uses, particularly as new residents and workers are introduced through local redevelopment.

The latter approach is reflected in the proposed and approved mixed-use developments discussed **Section 2**, most of which include modestly sized ground-floor spaces for retail and amenities.

Table 7

Gross Leasable Area of Existing Local Retail Tenants by Category
As of December 2025

Tenant Type	0 km - 0.8 km		0.8 km - 2 km		Total
	Convenience Retail and Services	Destination Retail	Convenience Retail and Services	Destination Retail	
Building & Outdoor Home Supplies	0	129,900	0	27,700	157,600
Clothing & Accessories Store	0	217,800	0	5,600	223,400
Home Furniture, Furnishing, & Electronics	0	93,400	0	27,500	120,900
General Merchandise Stores	125,200	444,900	30,000	0	600,100
Miscellaneous Stores	111,800	85,300	61,400	35,800	294,300
Beer, Wine, Liquor	22,000	0	6,500	0	28,500
Entertainment & Recreation	316,000	0	63,000	0	379,000
Financial, Insurance, Legal & Real Estate Services	159,800	0	125,600	0	285,400
Food Services & Drinking Places	157,700	0	185,600	0	343,300
Healthcare & Social Assistance	83,300	0	79,400	0	162,700
Motor Vehicles and Parts Dealers	193,100	0	155,900	0	349,000
Other Convenience Retail & Services	105,700	0	78,800	0	184,500
Personal Care	64,800	0	77,300	0	142,100
Specialty Food	24,000	0	35,900	0	59,900
Supermarket	197,700	0	114,100	0	311,800
Total:	**1,561,100**	**971,300**	**1,013,500**	**96,600**	**3,642,500**

Source: CoStar

Figure 22 – Local Retail

Source: CoStar. NBLC.

4.2.4 Competitive Position of the Study Area and Key Takeaways

Overall, the analysis indicates that the redevelopment of the Study Area would be expected to generate modest, population-serving retail and service-commercial demand, broadly consistent with the approximately 20 ft² per capita threshold over time, as new residents are introduced. This demand would be weighted primarily toward convenience-based uses (e.g., retail, food services, personal services and select professional/medical services), with destination-oriented formats potentially available within larger sites. Moreover, at present, vacant space within the Study Area is limited, suggesting there is relatively little short-term capacity within existing commercial premises to absorb incremental demand as it emerges.

Importantly, however, warranted 'need' for new commercial space does not necessarily translate into the delivery of space on-site. As summarized in **Section 4.2.1**, retail and service-commercial investment is driven not only by population growth, but also by business viability factors such as visibility and street exposure, customer capture, agglomeration of complementary uses, transit access, pedestrian conditions, and appropriate rent expectations. In this context, the Study Area has many of the factors needed for retail to be viable but does not have the critical mass of shops that other nearby and well-known retail corridors have (i.e. Queen Street West, King Street West and Ossington Avenue). Such factors are summarized in **Table 8** below.

Table 8

Study Area Retail Market - Competitive Factors	
	Liberty Village
Population and Job Growth	
Density of Retail and Related Uses (Agglomeration Economics)	
Market Gaps	
Tourism	
Vehicular Access and Parking	
Access to Public Transit (Existing)	Ontario Line Coming
Foot Traffic Patterns	
Achievable Rents*	

**Assumes typically rents attributed to a power centre (e.g., $20 per sf).*
Notes:
Red - Conditions not supporting demand.
Yellow - Conditions moderately supporting demand.
Green - Conditions supporting demand and contributing to new development.

4.2.5 Retail Market Inputs

Based on the above research and retail survey, as well as industry standards for retail uses, for the purposes of preparing the financial feasibility analysis in **Section 6.0**, we suggest the use of the following market parameters in association with ancillary ground floor retail and service commercial uses:

- A net asking rent of $35 psf, per year, and increasing to approximately $37 psf, per year, in a post Ontario Line completion scenario.
- A vacancy rate of 5%
- A parking ratio of 0 spaces per 1,000 sf, given the ancillary nature of the proposed space and proposed/approved parking ratios such space in the local area (**Table 9**).

Table 9

Parking Ratios for Proposed and Approved Retail Spaces							
Address	Application Type	Status	Storeys	Retail Space (sf)	Parking	Parking Ratio (per 1,000 sf)	Parking Type
80 Lynn Williams St.	ZBA	Approved	44	5,597	6	1.1	Underground
147-151 Liberty St. & 54-68 Fraser Ave.	OPA / ZBA	OLT Appeal	55	-	-	-	-
53 Fraser Ave. (Phase 1)	SPA	Under Review	11	5,931	0	0.0	Underground
53 Fraser Ave. (Phase 2)	SPA	Under Review	10	3,132	0	0.0	Underground
58 Atlantic Ave.	OPA / ZBA	Under Review	50	20,070	2	0.1	Underground
Total / Average:			**34**	**34,731**	**8**	**0.0**	**-**
Source: City of Toronto.							

4.3 Employment Land Employment (ELE) Market

Employment Lands – Employment (ELE) consists of jobs located within designated Employment Areas and are primarily associated with industrial and light-industrial activities such as manufacturing, processing, warehousing, distribution and logistics, utilities (e.g., data centres and waste management) and some forms of office-based research and development (R&D).

Many of these uses generate noise, vibration, heavy servicing, truck traffic or extended operating hours and therefore require separation from sensitive land uses such as residential neighbourhoods, schools and hospitals. Employment Area designations—particularly *General Employment Areas*—are intended to preserve this separation, ensure long-term land-use compatibility, and protect employment capacity for activities that cannot function in mixed-use environments.

In practice, there are a limited subset of Employment Lands – Employment job types, or business establishments, that may be accommodated within a vertical or horizontal mixed-use context, including ground-floor or podium space within residential towers. These uses typically occupy flex or hybrid employment spaces that sit between traditional office and industrial uses and are characterized by clean daytime operations, limited servicing needs and low noise or vibration levels.

Typical examples include:

- **Urban production and maker spaces** – Small-scale manufacturing and fabrication such as prototyping, furniture making, textiles, electronics assembly, ghost kitchens or craft breweries. These uses are typically clean, operate primarily during daytime hours, and generate limited deliveries.
- **Repair, service, and craft uses** – Local repair and craft businesses such as bicycle repair, limited electronics servicing, tailoring, and instrument repair. These uses are highly compatible with mixed-use environments due to their small footprints, low noise levels, and walk-in customer traffic.
- **Creative and cultural production** – Artist studios, digital print shops, and shared maker spaces focused on creative industries. These uses can generate employment and street animation while operating with low environmental impacts.
- **Film and media uses** – Production offices, editing and post-production suites, small-scale sound stages, and equipment storage ancillary to filming activities. These uses are typically office-like in nature and can be compatible with residential buildings through soundproofing, limited loading, and controlled hours of operation.
- **Office-intensive R&D and life science uses** – Including dry labs, testing facilities, and lab-office hybrids associated with biotechnology, medical devices, and pharmaceutical activities. At an urban, mixed-use scale, these uses are also commonly referred to as "Green Labs" too, which are simply designed and operated to reduce energy and water consumption, minimize chemical use and waste, and improve indoor air quality and ventilation efficiency. They are non-manufacturing operations but typically require enhanced building systems and strict safety protocols.
- **Limited warehousing and storage functions** – In some cases, small-scale storage uses may be accommodated within mixed-use formats; however, these typically generate lower employment densities and require careful design to manage servicing, loading, and truck access.

Collectively, many of these uses have the potential to be integrated into a vertical or horizontal mixed-use residential context – but tend to behave more like retail or commercial sectors, particularly production and maker uses, repair and service uses, and creative and cultural activities. As such, they generally fall within the discussion of retail and commercial markets assessed in **Section 4.2** of this report, with the added consideration that they are highly cost-sensitive and typically seek lower-rent space in older buildings within Employment Areas, rather than new, high-value residential podiums. An exception to this sometimes occurs when operating subsidies are made available. In market terms, many of these users resemble office or retail tenants in lease size and space configuration, but their ability to pay rent remains constrained by industrial-style business economics.

Film production and associated activities—including post-production, storage, maker spaces, and office functions—tend to locate in established employment nodes such as the Port Lands, the South of Eastern Employment Area, the emerging Downsview node, Hamilton, and other designated film districts. Across the region, film uses primarily occupy industrial and employment areas, with only

limited, office-like functions (e.g., editing suites or production offices) occasionally integrated into mixed-use buildings. Typically, production offices and post-production tenants seek close proximity to filming locations and studio facilities—conditions that are not generally supported within residential podium environments.

4.3.1 Factors Driving ELE Investment

For traditional industrial classes, the supply of appropriately sized, serviced properties will be a key determinant of investment. Beyond these baseline requirements, a range of additional locational attributes will influence where more traditional ELE industrial development occurs, including speculative projects, pre-leased investment properties and purpose-built facilities. In practice, the following three factors tend to have the greatest influence on demand and location decisions.

- **Highway and Intermodal Access** – Traditional ELE uses are most strongly attracted to locations that offer direct, efficient access to markets and suppliers, typically in proximity to 400-series highways, intermodal facilities and established freight and logistics corridors. This exposure to major transportation routes is particularly critical to support distribution, logistics and trade-oriented operations.
- **Market Ready Site and Suitable Building Formats** – Equally important is the functional character of the available properties, including building configurations that accommodate at-grade loading, service functions and flexibility for future expansion.

By contrast, less-traditional ELE sectors (creative industries, maker spaces, film offices, and office-intensive R&D) are influenced by these physical factors but also by urban and labour-market dynamics, which were alluded to above, including:

- **Potential for Agglomeration Impacts and Innovations** – Creative industries, digital media, and life-sciences-related R&D continue to grow in urban regions with large and diverse labour pools. These sectors typically require collaborative, hands-on environments that conventional office space does not normally have. As a result, demand is often generated for studio-style spaces, innovation hubs, and shared facilities that support collaboration, knowledge exchange, and talent attraction. This dynamic underpins the clustering of such uses in locations such as those mentioned above, like the MaRS Discovery District—where space is heavily subsidized—as well as smaller innovation hubs associated with the University of Toronto (St. George and Scarborough campuses), Toronto Metropolitan University, and the George Brown–Waterfront Innovation Cluster—all of which are located in a highly-urban mixed use context.
- **Proximity to Labour and Transit** – Proximity to labour and transit remains important for these sectors; however, many users do not require prime office nodes. Instead, they tend to prioritize reasonable transit accessibility combined with more affordable space, enabling them to attract and retain talent without bearing core-market office rents.
- **Flexible Spaces, Lease Agreements and Rents** – These sectors are often comprised of start-ups, entrepreneurs, and SMEs that require commercial space capable of supporting

experimentation, short lease terms and incremental expansion. Discussed in greater detail below, such users are generally less able to absorb high rents or long-term lease commitments and therefore tend to seek flexible leasing structures, smaller unit sizes and mixed-use environments with lower barriers to entry. These needs are commonly accommodated through co-working and other flexible workspace models. A good example of this are ghost kitchens.

- **Operating Costs –** Across all ELE segments, long-term operating costs—rent, property taxes, utilities, insurance, and maintenance—are often more important than initial development costs. Because many industrial, production, and R&D users operate on thin margins and compete in regional or global markets, even modest cost increases can undermine business viability.

  This sensitivity strongly favours:

  - Lower-cost employment lands
  - Older or simpler building stock
  - Locations outside high-rent, residential-driven markets

As a result, traditional industrial users have increasingly migrated to fringe GTA markets such as Milton, Halton Hills, Pickering, and Brampton, where land values and operating costs are materially lower than in Toronto.

Even urban-oriented ELE uses—creative industries, film, and life sciences—require sub-office rents and typically locate in purpose-built employment, institutional, or flex buildings, rather than high-value mixed-use podiums, except where subsidized or institutionally anchored.

4.3.2 Regional Industrial Markets Have Outperformed Other Real Estate Classes but are in a Period of Normalization

The following section summarizes recent trends in the traditional industrial market, drawing on CBRE broker reports for Toronto and the GTA from Q3 2021 to Q3 2025, supplemented by CoStar market data.

Over the past several years, we note that the GTA industrial market has performed very well relative to other major real estate asset classes. Over the past decade, industrial rents increased significantly (up 180%, from about $5.70 psf per year, now averaging $16.00 psf per year), driven by sustained demand, limited availability, and a prolonged period of historically low vacancy.

These strong demand conditions have been amplified in recent years given changes in supply chains, the acceleration of e-commerce, and evolving logistics and inventory management practices. Demand has been particularly concentrated in modern, large-format industrial facilities offering high clear heights, extensive dock access, large floorplates, greater column separation, and thicker flooring, etc., which for a period of time supported elevated leasing activity, historically low vacancy levels, continued upward pressure on rents and increased new investment activity in strategic locations. This included a shift by major institutional investors toward industrial assets, which were increasingly perceived as a more resilient and durable real estate asset class.

Industrial vacancy declined to a historic low of approximately 0.8% in late 2021, prompting a substantial wave of new development across the region. As this new supply has been delivered, vacancy and availability have increased. As of Q3 2025, vacancy has risen to approximately 4.3%, with availability increasing to approximately 6.6%, and is expected to modestly increase further over the near term as recently completed space is absorbed. For context, a healthy industrial market typically exhibits an availability rate of approximately 5% to 7%.

More recently, leasing activity and rental growth have also moderated as occupiers have become more cautious in response to broader economic uncertainty and trade-related considerations.

At the same time, the form of industrial development delivered in recent years has evolved. As indicated, new construction has skewed towards large-scale, high-specification buildings designed to accommodate e-commerce and major logistics users. As the market recalibrates, the pool of users able to occupy these facilities has narrowed, underscoring the growing importance of a diversity of site size, configuration, access, and built form options in determining where industrial demand can realistically be accommodated.

Overall, current indicators suggest the GTA industrial market is transitioning from a period of unusually strong demand and rapid expansion to a more selective phase. While long-term fundamentals remain positive, recent trends highlight that industrial demand is increasingly tied to physical and locational characteristics—an important consideration when assessing the role and function of smaller or more constrained industrial areas.

4.3.3 Study Area Industrial Market Conditions

As previously discussed, the Study Area was historically developed as a manufacturing and warehousing centre, with activity serviced by regional rail connection and supported by demand created during the two world wars. Following the relocation of industry out of Liberty Village in the 1970s, driven by cheaper land, less congestion and labour elsewhere and the hastening transition from rail to road shipping, industrial buildings began to be abandoned, and land values began to decline. Despite many buildings falling into states of disrepair, the resulting cheaper rent and large vacant spaces attracted artists and other creatives, gradually establishing the neighbourhood's reputation as a creative hub. Today, this is represented by the large number of new media companies, including radio broadcasters (e.g., Indie88, Jazz.FM 91), music recording and production studios (e.g., Universal Music, Sony Music), and several graphic design, video game, and film studios.

Furthermore, the City's attempts to revitalize the downtown core and surrounding areas in the 1990s, led to the neighbourhood's rezoning from exclusively industrial uses to permit a wider spread of uses. The burgeoning artistic community and more permissive zoning signalled opportunity for landlords, who began to re-invest in existing industrial buildings, allowing for their adaptive re-use for creative and office uses. These conditions coincided with the start of the internet and the dotcom boom, which allowed Liberty Village to be competitively positioned for the City's new tech sector.

This continues to this day with many tech start-ups and a number of data processing facilities locating in the area.

The Study Area features a number of attributes that have allowed it to thrive as an important employment area within the City of Toronto. These include its character-building infrastructure consisting of large, industrial Victorian and pre-war buildings which have been cost-effectively retrofitted for modern use, as well as its proximity to the downtown core's density of businesses and amenities and the Gardiner Expressway,

Current Inventory Characteristics

Today, the Study Area contains approximately 430,000 sf of industrial inventory, across just seven buildings, comprised entirely of older building stock, with almost all properties constructed prior to the 1960s. This inventory is primarily concentrated south of Liberty Street, closer to the railway corridor to the south (approximately 77%). Key attributes of the building stock include:

- It is mostly occupied by single-tenant industrial properties (69%), with two of these properties owned by the City of Toronto (54% of total rentable building area). There is a large range of rentable unit sizes, from 4,300 sf to 134,900 sf, although only two properties exceed 100,000 sf.
- The only two multi-tenant properties (2 Fraser Avenue and 29 Fraser Avenue) contain flex buildings. 2 Fraser Avenue is a three-storey building containing 115,000 sf of rentable building area, with most space being leased by Vena Solutions (52,900 sf) and Joe Fresh (45,200 sf). 29 Fraser Avenue, also a three-storey building, contains 18,300 sf of rentable building area, with a rock-climbing studio at the first level, and various offices located on the second and third levels.
- For context, almost all buildings were constructed prior to 1960. One exception is 9 Hanna Avenue, which was built in 2002, while 2 Fraser Avenue, which was originally constructed in 1910, was renovated in 2015. The remaining properties are being utilized mainly for storage/warehousing and would require significant reinvestment to meet modern occupier requirements. While the Gardiner Expressway provides reasonably good regional access for transportation, congestion in the surrounding high-density residential areas and from the downtown core may at times spill over into the local area, limiting accessibility.
- Relative to new construction, the construction era of most properties features lower clear ceiling heights—typically under 15 feet, limited dock access, and constrained site layouts.
- Moreover, these properties are relatively small compared to modern warehousing and distribution standards. Contemporary facilities in the GTA are typically 350,000 sf to over 1.0M sf in size and offer clear heights of 30 feet or greater (e.g., 6351 Steeles Avenue East, 601 Milner Avenue, and 1395 Tapscott Road).
- Reflecting these constraints, industrial development activity within the Study Area has not returned since its departure in the 1970s. 9 Hanna Avenue was built to service the City of Toronto's Police Service, specifically housing its Traffic Operations and Services, as well as

acting as its towing and impound facility. Meanwhile, 2 Fraser Avenue currently does not contain industrial uses, as mentioned above.

- As of report writing, these properties are fully occupied.

Industrial Market Indicators

The industrial market within the Study Area is characterized by limited supply, but persistent occupancy and increasing redevelopment pressure, reflecting its role as a mature and land-constrained employment area within the city.

As mentioned, most former industrial spaces in the Study Area have long been converted into office and retail use spaces, with remaining inventory facing redevelopment pressure. Two properties previously contributing nearly 11,000 sf of industrial space have been demolished over the past 10 years.

Despite the older building stock and limited reinvestment, vacancy and availability are both at 0%, indicating their utility to existing tenants, as well as to the City of Toronto, which occupies a majority of this space.

Given the lack of available space within the Study Area, industrial style tenants must compete with commercial office and industrial commercial tenants, which drive rents above those typically associated with industrial tenants. For example, industrial properties along the Gardner Expressway in South Etobicoke range from $10 to $19.75 psf, per year, net, while those in the study area typically exceed this range.

4.3.4 Competitiveness of the Study Area and Key Findings

When assessed against the location and cost fundamentals outlined in **Section 4.3.1**, the Study Area is not competitive for the forms of traditional industrial development that are currently driving regional industrial growth.

The Study Area has long finished its transition away from traditional industries, with office spaces being the current dominant use in the area. The rise in land values over the past decades and the development of high-rise, mixed-use and residential communities in adjacent areas prevent the return of this largely incompatible land use into Liberty Village. What industrial buildings remain are relatively small for modern industrial standards and are already fully occupied and utilized either as storage/warehousing space or as office space by the City of Toronto and by various private enterprises. Given these conditions, the Study Area lacks several of the key attributes that most strongly influence traditional industrial location decisions. As a result, it is unlikely to attract modern logistics, warehousing, or large-scale industrial investment, regardless of broader regional market conditions.

At the same time, the Study Area now has a significant role in providing another subset of employment uses, namely in technology and media, with a high density of start-up and established companies with offices and studios here. The wider Liberty Village neighbourhood contains just over 500 establishments providing over 10,200 jobs, mainly in the Office and Service-Commercial sectors.

These uses may align more closely with the less-traditional ELE segments described in **Section 4.3.1** and are more compatible with high-density residential mixed-use contexts.

Discussed in greater detail in the concluding section of this report, the ability to integrate such uses in a higher-density residential mixed use context or even within light industrial or flex space at a more contemporary standard (with commiserate rents) points to the likely need of the public sector to assist in closing the gap between project costs and revenues with financial incentives.

Overall, while the Study Area's long-term competitiveness for traditional industrial investment is limited. However, it can continue to serve an important economic role by accommodating urban, lower-cost, and transitional ELE uses. Mandating a minimum non-residential floor area helps preserve demand for such uses.

Table 10

Subject Lands Industrial Market - Competitive Factors	
	Liberty Village
Access to Expressways & Highways	
Access to Transit* (Existing)	
Agglomeration Economics	
Access to Labour	
Operating Costs	
Achievable Rents	
Exposure and Visibility	
Overall Industrial Demand	

** Applicable to less traditional ELE uses that can be accommodated in a more urban, vertical or horizontal mixed-use context.*
Notes:
Red - Conditions not supporting demand.
Yellow - Conditions moderately supporting demand.
Green - Conditions supporting demand and contributing to new development.

5.0 Residential Apartment Market

NBLC has been asked to consider the ability of high-density residential development density permissions as a means of potentially subsidizing new commercial and affordable housing redevelopment within mixed-use projects. This section includes both rental and condominium apartment market analysis as a means of understanding the viability of a range of non-residential set aside rates. The analysis includes an assessment of factors influencing apartment demand, actively marketing condominium projects and relevant purpose-built rental projects to derive reasonable market input estimates for use in residual land value and cash flow modeling in the section to follow.

5.1 Factors Influencing Residential Apartment Demand

Toronto's condominium apartment market has softened considerably since roughly mid-2022, while recent and upcoming supply additions are expected to soften the rental apartment market in 2026. The following outlines the key factors contributing to this shift, including Federal population and immigration policy changes, resale pricing and elevated borrowing costs, among others.

5.1.1 Tightened Immigration Targets are Having Short Term Impacts, but Future Readjustments are Expected

Immigration has been a major driver of recent population growth in Toronto, but the Federal Government has introduced measures to reduce newcomer levels following several years of record increases that intensified housing pressures. Beginning in 2025, Canada implemented its first targets for non-permanent residents, aiming to reduce this population by approximately 445,000 in both 2025 and 2026. Despite net gains of more than 670,000 non-permanent residents in 2023 and nearly 800,000 in 2024, mid-year 2025 estimates show only a modest decline of roughly 15,000 persons, indicating that the targeted reductions may be difficult to achieve in the near term.

Going forward, temporary resident admissions will be capped at 385,000 in 2026 and 370,000 annually in 2027 and 2028, while permanent resident targets will target 380,000 per year over the same period. These changes are already reflected in national data, which recorded a population decrease of 76,068 persons (-0.2%) in Q3 2025—the largest quarterly decline outside the COVID-19 period. A further slight decline is projected in 2026 before modest growth resumes in 2027.

For Toronto, lower newcomer inflows are expected to moderate near-term housing demand, particularly in the rental sector, where immigrants and non-permanent residents have been most concentrated.

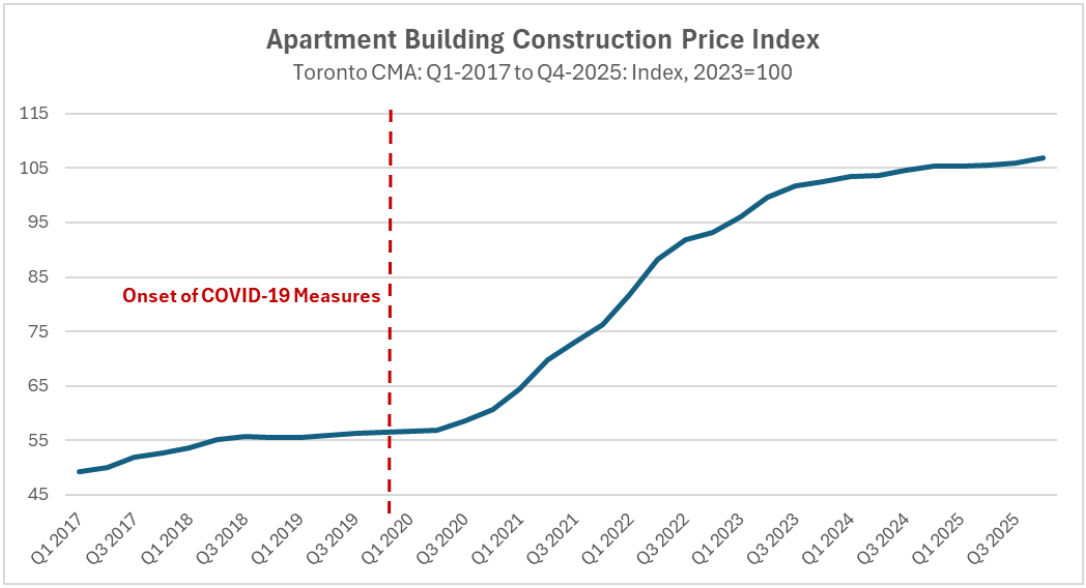
5.1.2 Lack of Development Viability is Delaying Future Supply

Following several years of strong housing demand and record levels of construction activity, the feasibility of new development has become increasingly constrained by elevated construction costs in combination with lower revenues. This combination has forced many high-density developers to delay projects until such time as a favourable cost and revenue environment returns.

Construction costs had historically increased at rate close to inflation as identified by the Building Construction Price Index between 2010 and 2020 (~2% to 3%). However, following the pandemic, costs began increasing rapidly due to a variety of compounding issues related to supply chain disruptions, material and labour cost increases, competition for labour, tariffs and taxes and other similar considerations (**Figure 23**). Construction costs increased by nearly 70% between 2020 and 2025, whereas the index increased by only 34% between 2010 and 2020.

While construction costs have begun to stabilize, with growing signals that costs are likely to moderate looking forward, unit pricing has fallen considerably since the 2022 peak.

Figure 23



Source: Statistics Canada

5.1.3 Stabilized Inflation Helping to Lower Borrowing Costs but Resale Pricing Gap Remains Substantial

To tackle rising inflation, the Bank of Canada consecutively increased its overnight lending rate 10 times over the course of 2022 and 2023, increasing the financing cost to purchase units and construct. This had the effect of dramatically lowering residential new sale demand between 2022 and 2024.

At the same time, access to financing and debt is also becoming more difficult, which is also impacting overall development feasibility and activity. Rental projects, in particular, have become almost exclusively reliant on CMHC financing products to advance.

In 2025, inflationary pressures eased, allowing the Bank of Canada to been steadily reduce its policy rate. However, with an uncertain economic outlook, demand for most housing product types continued to decline, resulting in falling pricing in 2025. While this has yet to stimulate new sales activity, lower borrowing rates are important as a factor that will set the stage for market recovery.

5.1.4 Resale Price Declines Have Negatively Impacted New Sale Condo Market

With the continued softening of the apartment resale market, and the desire of developers to maintain required profit margins, the price gap between new and resale apartment pricing continues to widen. As of the end of February 2026, the average price of a resale apartment in the City was just under $627,000 while the average price of new sale condominium apartment units was just over $1,022,000 on remaining inventory as of February 2026.

The gap between new sale and resale began to grow leading into 2019 and 2020, fueled by low-interest rates and speculation that prices would continue to rapidly accelerate. Increased borrowing rates from a few years ago significantly reduced the amount that purchasers could spend - which is reflected in current resale pricing. However, developers have only partially reflected the loss of investor demand and reduced outlook for future appreciation in their pricing. Until this gap closes in an appreciable way, the value proposition of resale housing (both in terms of pricing and closing time reduction) will outweigh the value associated with new/unlived in product.

5.1.5 Investors Have Left the High-Density Condominium Market

The collapse of the new condominium apartment market Toronto, for the various reasons noted above, has seen the GTA average of 22,900 over the past decade, decline to approximately 1,500 sales in 2025. This decline has been driven by the absence of investors who have shifted the value offered in the resale marketplace, which allows for cash flow positive investments with room for appreciation.

The market is therefore rejecting pricing at current levels, however due to high land acquisition and development costs, there is little to no 'room' in the proforma for developers to reduce pricing and maintain viability. As a result, only a handful of smaller luxury (end-user) projects have launched since the beginning of 2025 in the City of Toronto.

Figure 24

Source: Altus Data Studio.

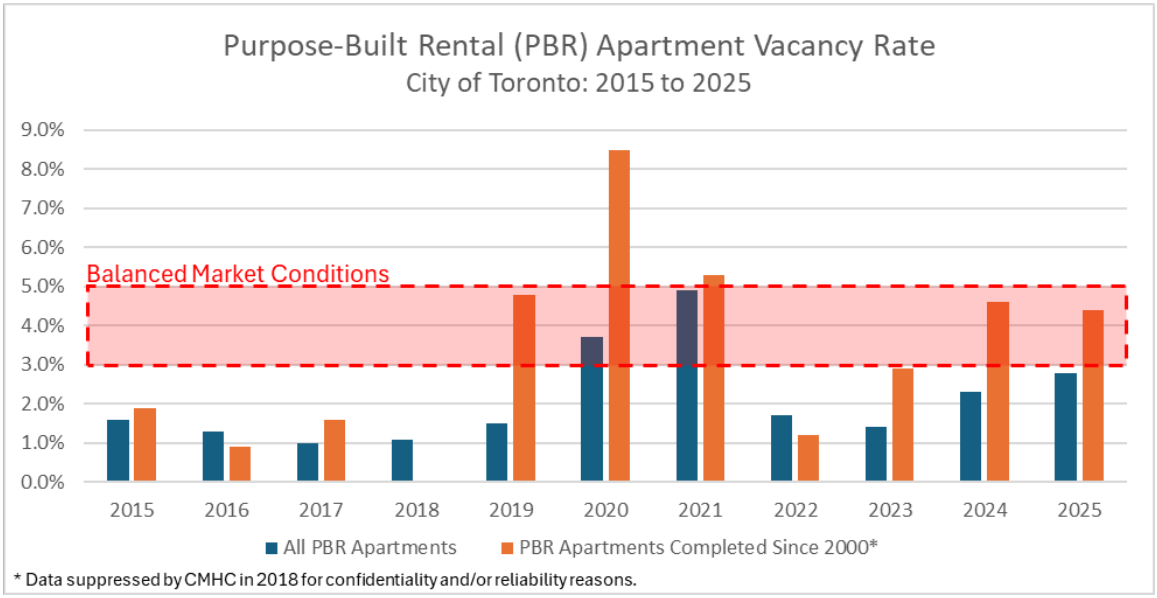
5.1.6 Rental Market Conditions Have Softened

As identified in **Figure 25**, vacancy rates for purpose-built rental (PBR) apartments in Toronto have fluctuated significantly over the past decade. Newly built rental buildings (completed since 2000) have consistently exhibited higher vacancy rates than the overall PBR stock, largely attributed to greater turnover in newer buildings and higher pricing. Newer projects typically command higher rents, leading tenants to move more frequently, whereas older, rent-controlled buildings experience lower turnover as tenants seek to retain below-market rents. This dynamic leads to higher vacancies in new projects, and longer timeframes to fully lease and occupy.

Since 2022, the overall vacancy rate across all purpose-built rentals has remained below a balanced level of 3–5%, indicating continued tight market conditions. In contrast, vacancy in newer PBR buildings has risen steadily to a balanced rate of approximately 4.3% in 2025.

Since 2023, however, rental rates have started to decline, falling by 4% year-over-year in 2024 and an additional 5% year-over-year in 2025. Similar trends are identified by other rental trend reporting, with rentals.ca showing that rents for one-bedroom units in Toronto decreased 6.3% year over year as of March 2026, with two-bedroom rents decreasing by 4.3% year over year [7]. These rental rate declines are likely understated, as many buildings are also currently offering Free-to-Win (FTW) reductions/ incentives to attract tenants. This market softening is due to immigration declines, including non-permanent residents, as well as the significant increase in rental and condominium supply in recent years.

Figure 25



Source: CMHC Housing Portal.

[7] https://rentals.ca/national-rent-report

5.1.7 Policies South of the Border Create New Market Uncertainty

The economic gravity and policies of the United States have a significant impact on Toronto's economy and housing market. This has become more evident in 2025 with higher tariff rates on items not covered by Canada United States Mexico Trade Agreement (CUSMA), and higher fuel pricing due to supply shortages caused by the Iran War. At the time of writing, these impacts continue to ripple its way through the economy in the form of higher inflation and lower spending. It is unclear, whether these inflationary pressures will be sufficient to warrant increases in lending rates by the Bank of Canada, and further weaken purchasing power.

5.1.8 Condominium & Rental Apartment Market Outlook

Despite the slowdown in new condominium sales, the GTA continues to face a housing shortage. The issue today is not a lack of demand, but rather the combination of elevated interest rates, a temporary slowdown in non-permanent resident growth, and broader market uncertainty - all of which have pushed many purchasers, especially investors, to the sidelines. This is significant, as investors have historically accounted for a large share of new condominium purchases. With project launches having dropped sharply over the past two years, Toronto is now at risk of substantial supply challenges in the near-term.

Looking forward, we expect purpose-built rental investment to continue to make up some of the near-term housing demand shortfall. We expect the number of development companies engaged in the development of purpose-built rental to grow, particularly if the current lending and incentive programs remain in place. Overall, rental housing starts across the City should remain at elevated levels relative to historical trends.

However, it is also important to identify that rental housing faces viability challenges that are largely being overcome with CMHC financing products and other incentives. Rental projects will also support lower land values relative to condominium developments, with generally thin proforma margins that make the provision of significant community benefits challenging, as well as introducing non-residential uses at rates that do not support project viability.

As shown in **Figure 26**, the private rental supply will be bolstered by a significant number of completions up to 2028. If immigration targets are not adjusted upward, this should result in relatively soft demand for rental accommodation in the near term, with minimal rental rate appreciation.

The forecast illustrated in Figure 26 is considered to be optimistic as some projects may not be completed or will be converted to rental projects. There are also a limited number of pre-construction applications that will move towards construction given the current economic conditions. Further, many of the projects in the planning stages are designed as large-scale investor-driven projects. It is more likely that the emerging demand will have far more end users who will demand larger suites. Completions are therefore expected to decline sharply following 2028.

While construction delays may extend some completions, overall occupancy volumes are still anticipated to remain low through the latter half of this decade. Even if market conditions improve over the next year and new projects begin to launch, a meaningful increase in occupancies is unlikely before 2030 due to the typical lag between launch and completion. Together, these trends illustrate how the recent slowdown in launches is setting the stage for a pronounced supply gap later in the decade, even if demand rebounds in the interim.

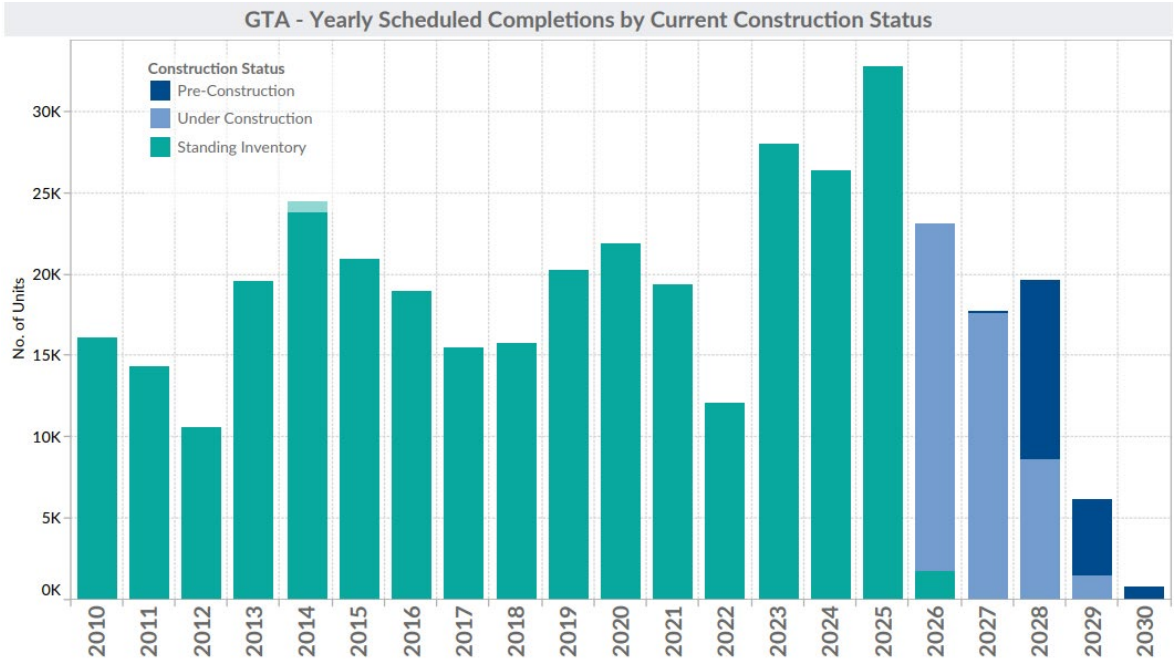
The return of the condominium market will be delayed until the near-term supply issue and resale pricing gap are resolved. We expect that as the current supply grinds down over the next few years, demand will increasingly shift into the resale market. With the majority of the market now directed at the resale sector, pricing should eventually increase. With higher pricing, aided by lower costs and stable interest rates, the economics of new development should then improve and justify investment of the more mid-term.

It is inevitable that the strain caused by the current market will reduce the number of active development groups in the City, leaving only the most experienced and financially stable groups. In this environment, demand is expected to be driven primarily by end users—including first-time buyers, downsizers, and move-up households—rather than by investor purchasers, with a greater share of new supply delivered as purpose-built rental to respond to ongoing population growth and affordability constraints.

It is important to appreciate that the GTA condominium apartment market has relied heavily on investor-purchasers over the last two decades to quickly reach the 60% to 80% pre-sales thresholds typically required for construction financing. Compared to investor-purchasers, end-user purchasers are less willing to wait four to six years—or longer—from purchase to occupancy, so early sales by investors have been critical. With likelihood of fewer investor purchases relative to peak-sales activity in the late-2010s, project scales will need to be recalibrated to reach construction financing in a reasonable period (e.g., historically, considered to be less than 18 months).

This will require a complete market reset where land values remain depressed, and development costs reduce to allow viability. This will also likely increase competition for prime market locations, with higher density developments in weaker market areas to face significant longer term viability challenges.

Figure 26



Source: Altus Group Greater Toronto Area High Rise Projects New Homes Monthly Report, February 2026

5.2 Actively Marketing Condominium Apartment Projects

To gain a better understanding of potential market parameters for use in our financial analysis in **Section 6.0**, NBLC surveyed actively marketing and recently sold-out high-rise condominium projects in the vicinity of the Study Area. As of January 31, 2026, there were three actively marketing condominium apartment projects in close proximity to Liberty Village (**Figure 29, Tables 12 & 13**), all having launched in 2023. Key project information and observations include:

- Bellwoods House, is a 14-storey, 325-unit apartment project located along Strachan Avenue north of King Street West. As of the survey date, the project had sold 108 units of the 135 released units (33% of the building's 325-unit total);
    - 99 units were sold in the project's first three months, however only 9 units were sold in 2024 and no units sold in 2025. This project had an average initial index price of $1,457 per square foot, and a smaller average unit size of 644 sf through the inclusion of studio units and unit sizing at the lower end of observed design ranges by bedroom type.
    - The reduced sales absorption rate is tied to a decision to maintain 2023 pricing, with pricing on remaining inventory averaging $1,449 per square foot, and a shift in the marketplace to end users who require additional living space.
- 8 Temple is a 15-storey, 246-unit apartment project by Curated Properties located along Dufferin Street, near the west terminus of Liberty Street.

- The project launched in October 2023, selling 70% of its 246 units by the end of March 2025 (18 months), representing an average absorption rate of 28 sales per month. As of our survey date, 187 units had sold, representing 76% of the unit total.
- The relative success of the sales program can be partially attributed to its more competitive pricing both at launch ($1,358 psf) and on remaining inventory ($1,240 psf) and its slightly higher average unit size of just under 700 sf which appeals to end-users.
- The suite mix includes a higher proportion of larger units, with 84% of units comprised of one-bedroom plus den units or larger, and 47% of units being two-bedroom units or larger.

- Reside on Richmond, is an 18-storey, 216-unit apartment project located along Richmond Street West, west of Bathurst Street.
  - Although launched in September of 2023, the project had sold only 28 units at the time of our survey (13% of total units). As with many projects which have not succeeded since the market slowdown, smaller average unit sizing (558 sf) did not appeal to end users and pricing decreases did not keep pace with the decrease in demand.
  - At launch, average index pricing was $1,601 psf, with remaining inventory priced at $1,499 psf.
- The price for parking stalls varies widely between active projects, ranging from $95,000 at Bellwoods House to as much as $150,000 at Reside on Richmond (**Table 11**), with all projects limiting parking availability to larger units.
- While all projects have lockers for residents, only Reside on Richmond has availability, with a locker costing $25,000. The remaining projects have a waitlist for lockers but priced them lower.
- Notwithstanding 8 Temple's slightly better performance, we note that other projects which have performed better in the current market have been more aggressively priced. Notably, Aquanova Condos in Mississauga's Lakeview Village community, launched in June 2025 with an average index selling price of $935 psf. This pricing enabled to the project to sell 44% (183 of its 416 units) within its first seven months of marketing, averaging just under 25 units per month.

Figure 27: 8 Temple

Figure 28: Aquanova Condos

Figure 29: Surveyed Actively Marketing Condominium Apartments

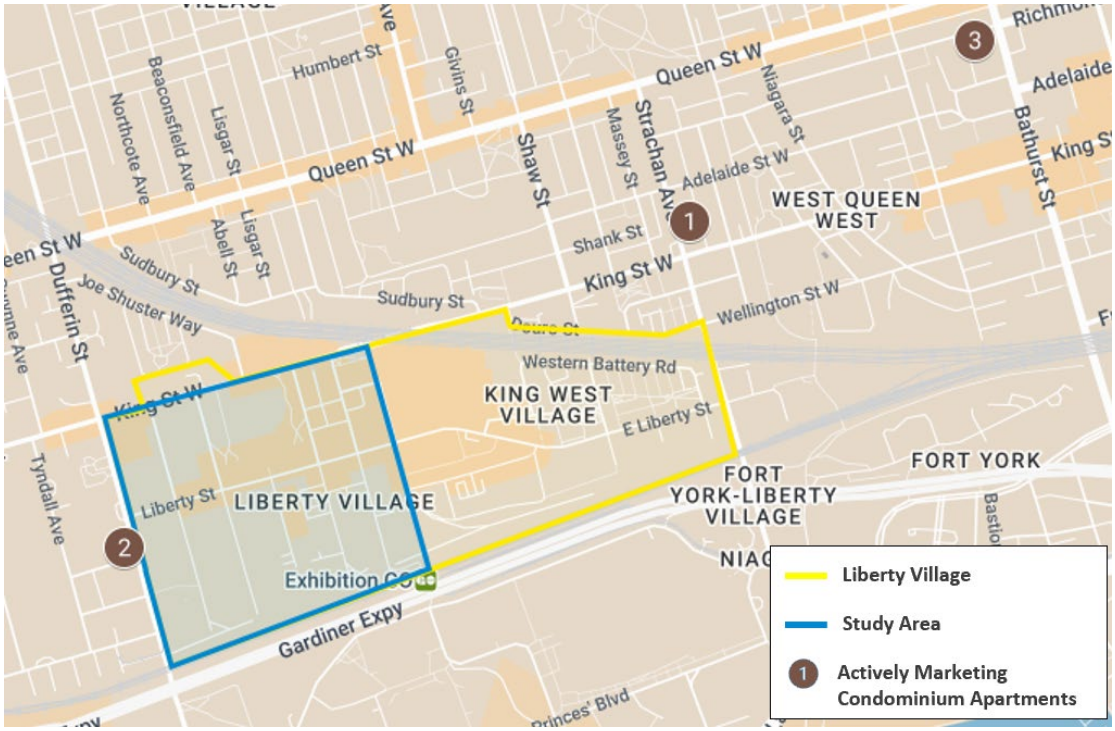


Table 11

Parking and Locker Pricing and Provisions As of January 31, 2026				
Project	**Parking**		**Lockers**	
	Price	**Notes**	**Price**	**Notes**
Bellwoods House	$95,000	For two-bedroom units and larger.	n/a	Currently under waitlist - no pricing available.
8 Temple	$115,000	For units 771 sf or larger.	n/a	Currently under waitlist - no pricing available.
Reside on Richmond	$150,000	-	$25,000	Limited availability
Total / Average (3 Projects):	**$120,000**		**$25,000**	
Source: Altus Data Studio				

Table 12

Surveyed Actively Marketing (New) Condominium Apartment Projects
Local Area, as of January 31, 2026

Map ID	Project Name	Open Date	Status[1]	Storeys	Total Units	Released Units	Total Sales	% Sold	Avg Unit Size (sf)	Available Sizing (sf)		Available Unit Pricing		Avg. $PSF		Abs.[3]	
										Min	Max	Min	Max	Org.	Curr.	70%	Overall
1	Bellwoods House *Republic Developments Inc.*	Oct-23	Pre	14	325	135	108	33%	644	376	1,280	$590,990	$1,845,990	$1,457	$1,449	n/a *n/a*	4 *27*
2	8 Temple *Curated Properties*	Oct-23	Pre	15	246	246	187	76%	695	477	1,260	$599,900	$1,784,900	$1,358	$1,240	10 *18*	7 *28*
3	Reside on Richmond *Harlo Capital and Originate Developments*	Sep-23	Pre	18	216	216	28	13%	605	301	1,091	$529,990	$1,999,990	$1,611	$1,499	n/a *n/a*	1 *29*
Total / Average (3 Projects):				**16**	**787**	**597**	**323**	**41%**	**651**	**301**	**1,280**	**$529,990**	**$1,999,990**	**$1,472**	**$1,438**	**14**	**4**

1. Pre = Pre-Construction, UC = Under Construction, and SI = Standing Inventory

2. Avg. $PSF = Original values are based on total inventory; current values are based on remaining inventory.

3. Abs. = Average number of unit sales per month up to 70% and current date, less months off market (top number). Number of months to current date or 70% sold threshold (bottom number)

Local Area roughly bounded by Queen Street to the north, the Gardiner Expressway to the south, Bathurst Avenue to the east, and Dufferin Street to the west.

Source: Altus Data Studio, Project Marketing Materials

Table 13

Surveyed Actively Marketing (New) Condominium Apartment Project - Aquanova Condos
As of January 31, 2026

Map ID	Project Name	Open Date	Storeys	Total Units	Released Units	Total Sales	% Sold	Avg Unit Size (sf)	Available Sizing (sf)		Available Unit Pricing		Avg. $PSF		Abs.[3]	
									Min	Max	Min	Max	Org.	Curr.	70%	Overall
-	Aquanova Condos *Greenpark Group*	Jun-25	43	416	416	183	44%	771	450	1,172	$425,900	$1,091,900	$935	$936	n/a *n/a*	25 *7*

1. Pre = Pre-Construction, UC = Under Construction, and SI = Standing Inventory

2. Avg. $PSF = Original values are based on total inventory; current values are based on remaining inventory.

3. Abs. = Average number of unit sales per month up to 70% and current date, less months off market (top number). Number of months to current date or 70% sold threshold (bottom number)

Source: Altus Data Studio, Project Marketing Materials

5.2.1 Resale Condominium Apartment Market

Given the limited number of actively marketing condominium apartment projects in the vicinity, NBLC also surveyed resale listings in recently completed condominium apartment projects as shown in **Figure 30** and described in **Table 14** and **Table 15**.

- Surveyed projects were all occupied in 2015 and 2016 and ranged in height from 17 to 25 storeys. Only 25 of the 66 listings had sold over the observed period, representing a sales-to-new-listing ratio of 38%. Ratios below 40% are considered to be indicative of a buyer's market.
- On average, sold units listed for 28 days, and with an overall average price of approximately $615,000 and size of 670 sf ($924 psf). This is well below 8 Temple's average index pricing on remaining inventory of $1,240 psf.
- While there are some advantages to new sale product, including lower maintenance fees, greater energy efficiency, more freedom on unit location, and a new home warranty, many will desire the move-in ready resales, with the ability to tour units in-person prior to purchase.

Table 14

Private Condominium Apartment Leases in New Buildings
Local Area, February 1, 2025, to February 28, 2026

Map ID	Project	Occupancy	Storeys	Units	Listings	Sales	SNLR[1]	Leased Units (Average)			
								Price	Size	$PSF	DOM[2]
1	One Eleven	2016	17	255	17	3	18%	$613,000	650	$944	38
2	Epic on Triangle Park	2015	15	437	29	14	48%	$545,580	639	$854	25
3	Liberty Central by the Lake	2015	25	386	20	8	40%	$736,875	718	$1,026	30
Total / Average (3 Projects):				**1,078**	**66**	**25**	**38%**	**$614,885**	**666**	**$924**	**28**

1=Sales-to-New-Listings Ratio; 2=Days on Market

Local Area roughly bounded by Queen Street to the north, the Gardiner Expressway to the south, Bathurst Avenue to the east, and Dufferin Street to the west.

Source: Toronto Real Estate Board

Table 15

Private Condominium Apartment Leases in New Buildings by Unit Type
Local Area, February 1, 2025, to February 28, 2026

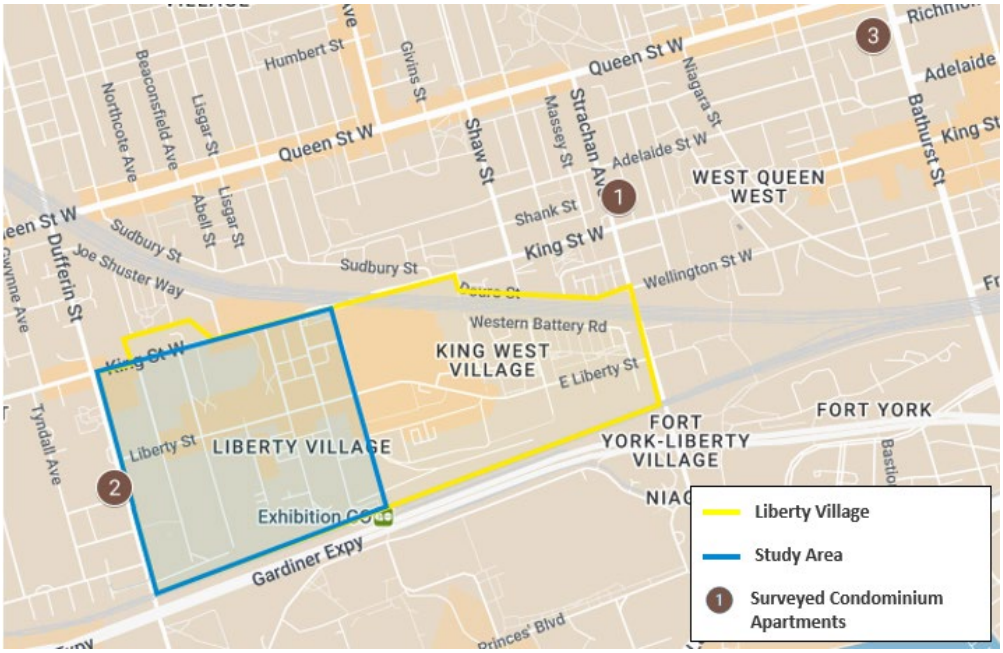
Unit Type	Listings	Leases	Share of Leases	SNLR[1]	Leased Units (Average)			
					Price	Size	$PSF	DOM[2]
1-Bedroom	19	7	28%	37%	$447,286	500	$895	17
1-Bedroom + Den	16	5	20%	31%	$589,300	650	$907	26
2-Bedroom	23	10	40%	43%	$603,600	670	$902	38
2-Bedroom + Den	5	3	12%	60%	$1,086,208	1,066	$1,019	22
3-Bedroom & Up	3	0	0%	0%	-	-	-	-
Total / Average:	**66**	**25**	**100%**	**38%**	**$614,885**	**666**	**$924**	**28**

1= Sales-to-New-Listings Ratio; 2=Days on Market

Local Area roughly bounded by Queen Street to the north, the Gardiner Expressway to the south, Bathurst Avenue to the east, and Dufferin Street to the west.

Source: Toronto Real Estate Board

Figure 30 – Surveyed Condominium Apartments



5.2.2 Condominium Pricing, Sizing & Suite Mix Conclusions

Overall, the current market demand suggests that, for the purposes of the financial analysis, condominium units in the Study Area should be priced below 8 Temple but above Aquanova, likely in the range of $1,125 to $1,175 psf for units with average sizing the range of 680 to 700 sf. Such sizing is likely to be comprised of 50% one-bedroom units, 40% two-bedroom units and 10% three-bedroom units. This pricing and sizing should be able to achieve sale velocities around 15 units per month up to the 70 percent sales threshold typically required for construction financing. to secure

5.3 Rental Apartment Market

The Toronto rental market softened in 2025 with vacancy rates increasing to 2.8%, significantly up from 1.7% at the peak of the pandemic in 2021. This was largely attributed to declining immigration rates for both permanent and temporary migrants and record levels of rental project completions.

To understand likely rental apartment market inputs for the financial analysis, NBLC surveyed five purpose-built rental apartment projects in the vicinity of the Liberty Village Neighbourhood that were occupied between 2019 and 2025. As shown in **Figure 31** and described in **Table 16** and **Table 17**, one project was within its initial lease-up period, West House, with the remaining buildings occupied between 2019 and 2021. Key observations from the survey include the following:

- West House is an 18-storey, 307-unit rental building completed in 2025. At the time of our survey in February 2026, 118 units remained available, representing 38% of the project. This translates into an average lease-up rate of 18 units per month.

- Available units averaged $3,371 per month ($5.46 psf) with an average suite size of 618 sf. This contrasts with other stabilized nearby projects, which averaged $4.36 psf per month and an average unit size of 655 sf.
- At launch, West House had an average monthly index rental rate of $5.18 psf and average unit size of 663 sf, indicating that larger unit sizes were in greater demand. The suite mix at the project was comprised of 47% one-bedroom units, 20% two-bedroom units which were 65% and 80% leased-up respectively at the time of our survey. Conversely, studio units (22% of all units) were the worst performing units with only 37% leased up.

West House

- Liberty House is a 25-storey, 440-unit building with ground floor retail located just southeast of the intersection of East Liberty Street and Strachan Avenue. Completed in 2021, the project had 16 available units at the time of our survey (3.6% availability) with an average index asking rent $4.34 psf per month and an average unit size of 553 on available units.
- Novus is a 34-storey, 579-unit building with ground floor retail located along the east side of Strachan Avenue opposite Liberty House. Completed in 2021, the project had 61 available units (10.5%) with an average index rent of $4.52 psf, per month and an average unit site of 678 sf.
- Trilogy on King is a 19-storey, 506-unit building located northeast of intersection of Joe Shuster Way and King Street West, just north of Liberty Village. Trilogy on King had 50 available units at the time of our survey (9.9% availability) with an average index rent of $4.15 psf per month and an average unit size 649 sf.
- Although not part of our original survey, SVNTY was also in its lease-up period at the time of writing. The 39-storey, 425-unit purpose-built rental apartment is located at 70 Ordinance Street, east of Strachan Avenue and overlooking Fort York. Through discussions with leasing staff, we have obtained the following rental rate information:
  - $4.90 psf, per month for studio units;
  - $4.47 to $4.90 psf, per month for 1-bedroom units;
  - $4.57 to $4.98 psf, per month for 2-bedroom units; and,
  - $4.38 to $4.68 psf, per month for 3-bedroom units.

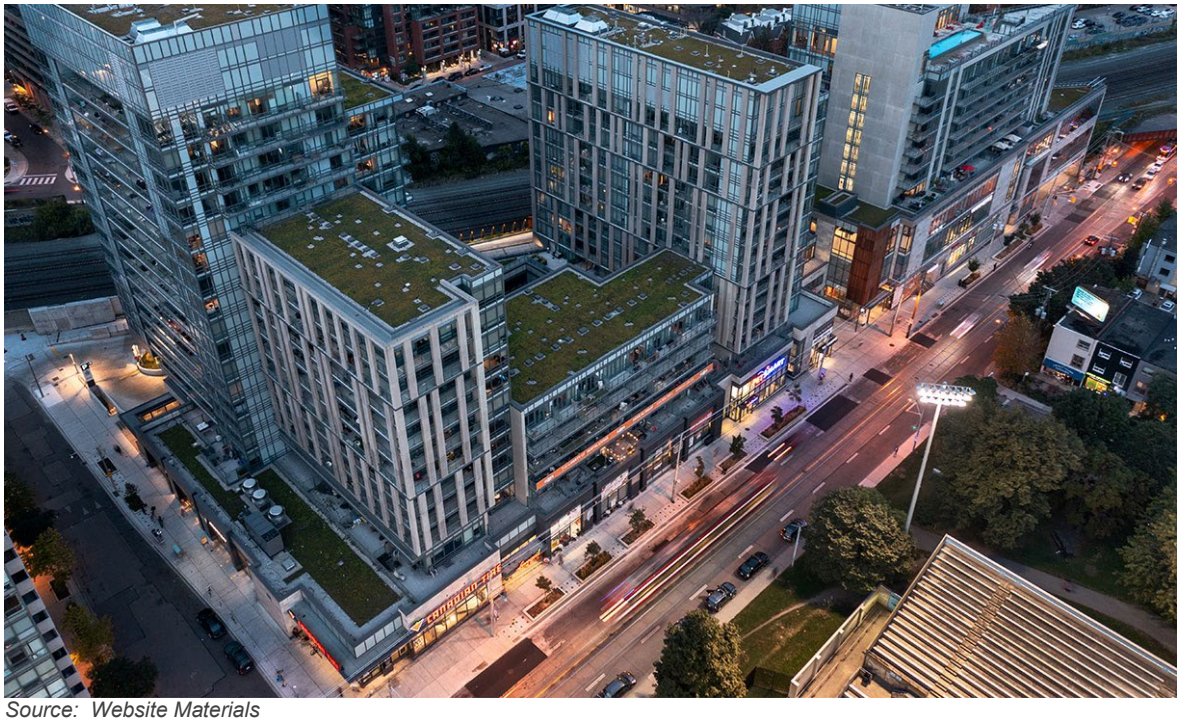
- The project begun pre-leasing in October 2025, and despite generous incentives of up to two months of free rent, it only leased roughly 20 units in its first month. This suggests that the proposed rental rates may need to be reduced to accelerate the lease-up of the building.

Liberty House

Novus

SVNTY

Trilogy on King



Source: Website Materials

Figure 31: Surveyed Purpose-Built Apartment Projects

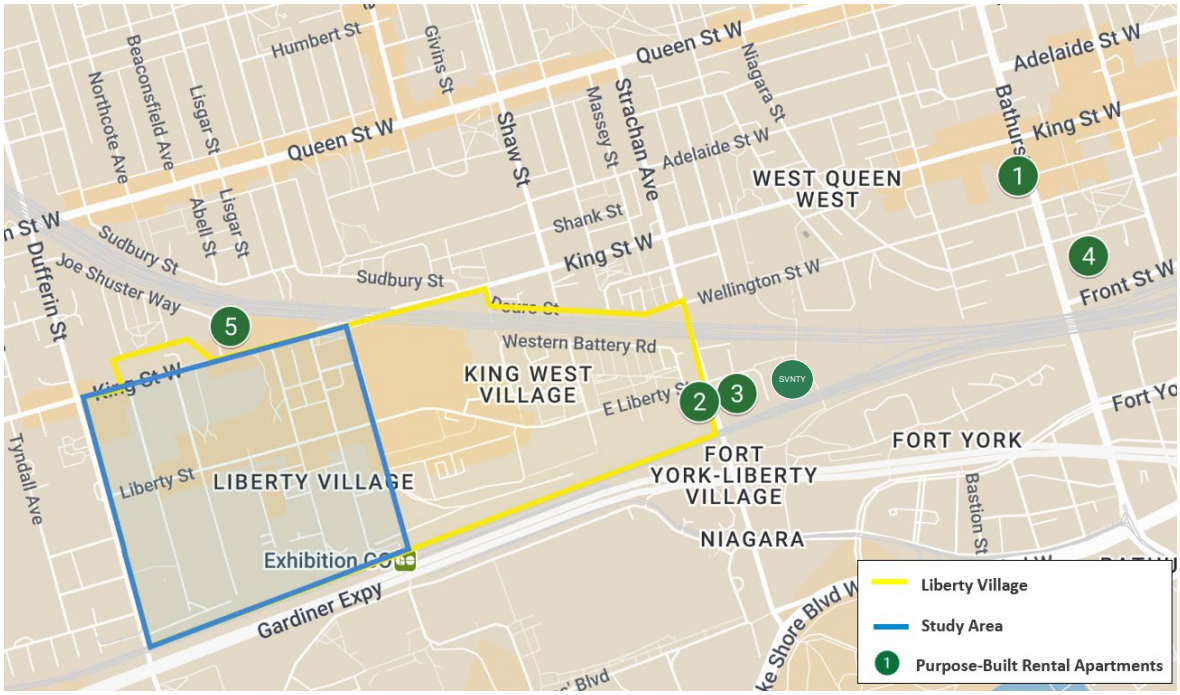


Table 16

Surveyed Purpose-Built Rental Apartment Projects in the Local Area
As of February 2026

Map ID	Project Name	Occupancy. Date	Storeys	Units	Available Units[1]	Availability Rate	Available Units		
							Avg Rent[2]	Avg Size	Avg $PSF
Projects in Initial Lease-Up									
1	West House	2025	18	307	118	38.4%	$3,371	618	$5.46
Total / Average (1 Projects):				**307**	**118**	**38.4%**	**$3,371**	**618**	**$5.46**
Projects with Stabilized Occupancy									
2	Liberty House	2021	25	440	16	3.6%	$2,402	553	$4.34
3	Novus	2021	34	579	61	10.5%	$3,063	678	$4.52
4	Niagara West	2019	19	501	6	1.2%	$3,345	741	$4.52
5	Trilogy on King	2019	19	506	50	9.9%	$2,697	649	$4.15
Total / Average (4 Projects):				**2,026**	**133**	**6.6%**	**$2,858**	**655**	**$4.36**

1 = Available units refers to units that are vacant or will be vacant in the coming months (e.g. currently occupied but tenant has given notice, undergoing renovations, etc.)

2 = Average monthly and per square foot rents have been adjusted to exclude utilities.

Local Area roughly bounded by Queen Street to the north, the Gardiner Expressway to the south, Bathurst Avenue to the east, and Dufferin Street to the west.

Source: On-Site Leasing Agents, Project Marketing Materials, and NHSLive / Zonda Urban

Table 17

Available Units by Unit Type
Surveyed Purpose-Built Rental Apartment Projects, As of February 2026

Unit Type	Available Units[1]	Available Units		
		Avg. Rent[2]	Avg. Size	Avg. $PSF
Projects in Initial Lease-Up				
Studio	42	$2,285	456	$5.01
1-Bedroom	51	$3,448	620	$5.56
2-Bedroom	12	$4,498	800	$5.62
3-Bedroom	13	$5,538	960	$5.77
Total / Average (1 Projects):	**118**	**$3,371**	**618**	**$5.46**
Projects with Stabilized Occupancy				
Studio	6	$1,976	389	$5.08
1-Bedroom	44	$2,475	557	$4.45
1-Bedroom + Den	15	$2,760	582	$4.74
2-Bedroom	29	$2,763	651	$4.25
2-Bedroom + Den	31	$3,314	754	$4.39
3-Bedroom	7	$3,962	967	$4.10
3-Bedroom + Den	1	$7,450	2,553	$2.92
Total / Average (4 Projects):	**133**	**$2,858**	**655**	**$4.36**

1 = Available units refers to units that are vacant or will be vacant in the coming months (e.g. currently occupied but tenant has given notice, undergoing renovation, etc.)

2 = Average monthly and per square foot rents have been adjusted to exclude utilities.

Source: On-Site Leasing Agents, Project Marketing Materials, and NHSLive / Zonda Urban

5.4 Future Competitive Residential Supply

NBLC also surveyed proposed and approved residential apartment planning approvals applications within Liberty Village to gauge the level of future competitive supply that could enter the marketplace in the foreseeable future.

- In total, two approved and three proposed development applications were surveyed in Liberty Village as shown in **Figure 32** and described in **Table 18**. The five applications totalling 3,297 units, of which 1,766 are currently planned to be rental units.
- The proposed applications were generally quite large in scale, with the smallest proposing 514 units and the largest proposing up to 963 units within three buildings.
- Proposed parking ratios ranged from 0.0 to 0.3 parking spaces per rental apartment unit and 0.31 spaces per condominium apartment unit (exclusive of visitor parking). At a minimum, rental projects are anticipated to complete within three years, and condominium apartment projects in five – suggesting that these proposed parking ratios reflect the ability to market the improved transit accessibility associated with the completion of the Ontario Line.
- While it appears that the majority of proposed developments include non-residential office and retail components which are well below the current policy ratio requirement, their inclusion will

contribute to the overall vibrancy of the Study Area through the provision of complete community relationships. This, in turn, will contribute to residential market demand.

- We note that at the time of writing, 147-151 Liberty Street / 54-68 Fraser Avenue, had been appealed to the Ontario Land Tribunal and 1 Jefferson Avenue / 2-20 Atlantic Avenue is being advanced through a province-led Minister's Zoning Order ('MZO'), aimed at creating a transit-oriented community alongside the future Ontario Line station at Exhibition Place.
- Should all, or even a few, of these future projects market simultaneously, there would be considerable competition and downward pressure on pricing.

61-85 Hanna Street (left - white building), 80 Lynn Williams Street (lift - brown building)
1 Jefferson Avenue / 2-20 Atlantic Avenue/ Exhibition Station (right)

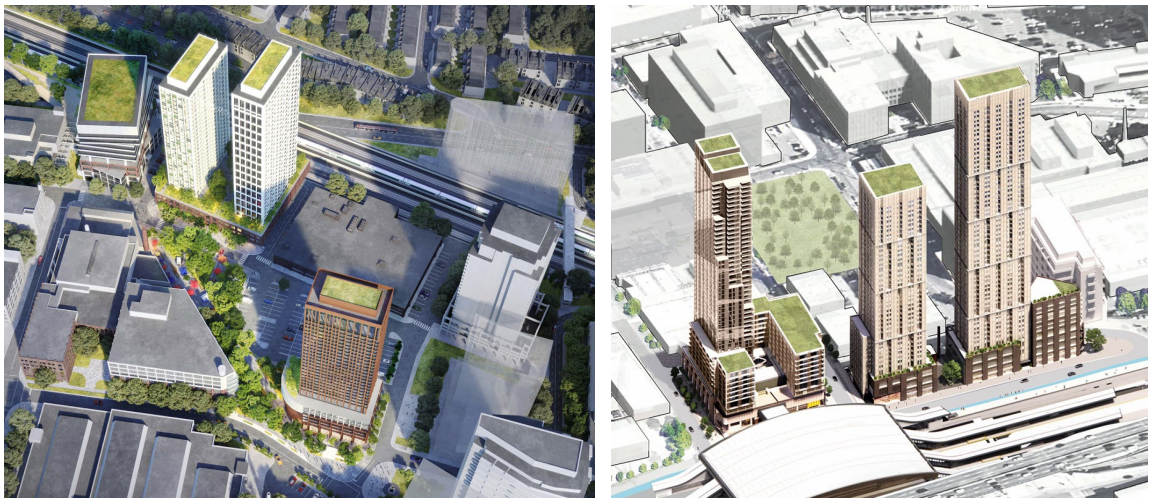


Figure 32: Approved and Proposed Residential Development Applications

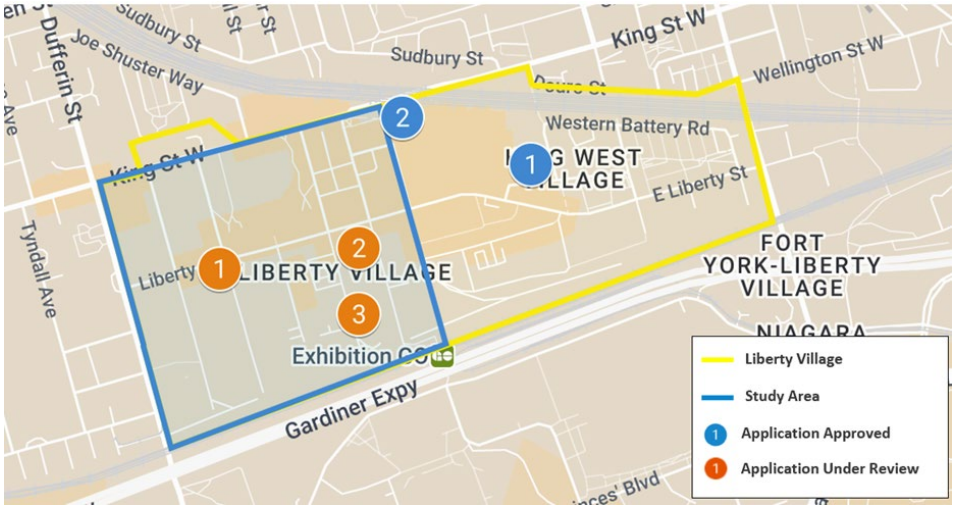


Table 18

Approved and Proposed Mixed-Use Residential Developments												
Map ID	Address	Application Type	Status	Tenure	Storeys	Units	Office	Retail	Parking		Parking Ratio	
									Residential	Visitor	Residential	Visitor
1	80 Lynn Williams Street	ZBA	Approved	Rental	44	520	-	5,597	54	30	0.10	0.06
2	61-85 Hanna Avenue & 120 Lynn Williams Street	ZBA	Approved	Condominium	32, 33, 36	963	47,770	19,666	294	140	0.31	0.15
Average / Total for Approved Applications (2 Applications):					**36**	**1,483**	**47,770**	**25,263**	**348**	**170**	**0.23**	**0.11**
1	147-151 Liberty Street & 54-68 Fraser Avenue	OPA / ZBA	OLT Appeal	Rental	55	732	12,242	-	0	30	-	0.04
2	58 Atlantic Avenue	OPA / ZBA	Under Review	Rental	50	514	-	20,070	155	5	0.30	0.01
3	1 Jefferson Avenue	MZO	Under Review	Undetermined	19, 19, 20	568	112,246	45,488	n/a	n/a	n/a	n/a
Average / Total for Applications Under Review (3 Applications):					**31**	**1,814**	**124,488**	**65,558**	**155**	**35**		
Average / Total of All Applications (5 Applications):					**34**	**3,297**	**172,258**	**90,821**	**503**	**205**		

Source: City of Toronto.

5.5 Residential Market Conclusions

Condominium Apartment Market

Given the current economic challenges, declines in immigration inflows, high inventories and investor fatigue with high-rise residential product (particularly with smaller units), a condominium apartment launching in this timeframe must be competitive not only with regards to pricing, but also suite mix and sizing must be positioned to end users. Such buyers typically include mid-career professionals and families, downsizers, and parents purchasing for adult children.

Given the poor sales activity for actively marketing condominium apartments nearby indicates that even an index price of $1,240 per sf (as is currently in 8 Temple) is not sufficiently competitive in the current market environment. This does not however, indicate that pricing would have to match projects like Aquanova Condos' current index price of $936 psf. Aquanova, despite its proximity to a GO Station, is not within a high-density mixed-use environment with a strong amenity context, and is far removed from Toronto's downtown core and significant employment base.

For the purposes of the financial analysis, we recommend the use of an average index price of $1,150 psf and a 5% premium associated with a post Ontario Line completion market environment. The suite mix would likely be comprised of a mix of 50% one-bedroom units of various sizes, with the remaining units comprised of 40% two-bedroom units and 10% three-bedroom units. Collectively, this suite mix would likely result in an average unit size in the range of 680 to 700 square feet.

For parking, we suggest the use of 0.2 spaces per unit plus 0.05 spaces per unit for visitors. Resident spaces are likely to be priced in the range of $110,000 per stall, based on the anticipated parking supply. Following the completion of the Ontario Line, we would expect resident parking space demand to be cut in half, reducing the ratio to 0.1 spaces per unit.

Storage lockers should be made available to 50% of units at an average price of around $15,000 per locker.

Based on the recommended pricing, suite mix, unit sizing and parking provision an average absorption rate of around 15 units per month can be expected up to the 70 percent sales threshold typically associated with attaining construction financing.

Rental Apartment Market

The purpose-built rental apartment survey indicates a softening rental market, with elevated availability rates even in areas close to the city's downtown core. While rents are high for projects like West House, they are supported by incentives to attract prospective tenants and are resulting a relative slow lease up rate of 18 units per month. We expect that projects leasing in the current market environment will achieve rents that are closer to those of newer stabilized projects, or slightly lower. For the purposes of the financial analysis, we suggest the use of $4.25 psf, per month, based on an

average unit size in the range of 660 to 680 sf and a suite mix comprised of 60% bachelor/one-bedroom units and 40% two-bedroom and three-bedroom units. As with the condominium conclusions, we suggest using a 5% pricing premium in association with scenarios modeling a post-Ontario Line completion market environment.

As renters are less likely to own cars relative to condominium unit owners within a transit accessible downtown context, we suggest the use of a parking ratio of 0.1 spaces per unit plus a visitor parking ratio of 0.05 spaces per unit. The resident parking ratio can reduce to zero in a post Ontario Line completion scenario.

6.0 Financial Feasibility

The following section describes the methodology, assumptions and results of the financial feasibility analysis undertaken to test the feasibility of mixed-use high-density development under a range of non-residential floor area requirements and in both condominium and rental apartment tenures.

6.1 Methodology

The analysis evaluated a total of 36 scenarios, including 18 under current market conditions and 18 under a future market scenario following the completion of the Ontario Line, including the nearby Exhibition Station ("Post Ontario Line" scenarios). The scenarios are also evenly distributed by residential tenure and evaluate three sets of total density approvals (8x FSI, 10x FSI & 12x FSI) and three sets of non-residential floor area requirements (45%, 25% and 15% of total floor area).

Table 19, **Table 20** and **Table 21** describe the scenario statistics which have been tested for the current (base) market scenario, and which also serve as the scenario statistics tested under the Post Ontario Line market scenario.

To evaluate the feasibility of the project a residual land value ('RLV') proforma methodology is deployed. An RLV approach deducts an estimate of development cost and profit from projected revenues, resulting in a residual land value at the time of the completion of the development. This value is then discounted back to the present to reflect risk and the time value of money over the forecasted period of development.

This methodology is applied differently across the scenarios tested. In the case of the condominium scenarios, the calculated residual land value represents the budget that a developer might be able to allocate for land acquisition, while maintaining a viable project proforma. While the same RLV methodology is applied in the rental scenarios, a cashflow analysis is also prepared to estimate a scenario's potential rate of return as a measure of developer feasibility.

Table 19: 10x FSI Scenarios

Summary of Scenario Statistics - 10x FSI 2026 Scenarios												
	Base Scenarios - 2026				Sensitivity Scenarios - 2026							
	S1 PBR + 45% NR		S2 Condo+45% NR		S1A PBR + 25% NR		S2A Condo+25% NR		S1B PBR + 15% NR		S2B Condo+15% NR	
Site Size (sf)	34,848		34,848		34,848		34,848		34,848		34,848	
Total Density (xFSI)	10		10		10		10		10		10	
Total Density (sf)	348,480		348,480		348,480		348,480		348,480		348,480	
Density Allocation												
Condo Apartment	*0%*	0	*55%*	191,664	*0%*	0	*75%*	261,360	*0%*	0	*85%*	296,208
Rental Apartment	*55%*	191,664	*0%*	0	*75%*	261,360	*0%*	0	*85%*	296,208	*0%*	0
Office/Institutional	*40%*	139,392	*40%*	139,392	*20%*	69,696	*20%*	69,696	*10%*	34,848	*10%*	34,848
Retail	*5%*	17,424	*5%*	17,424	*5%*	17,424	*5%*	17,424	*5%*	17,424	*5%*	17,424
Totals	*100%*	348,480	*100%*	348,480	*100%*	348,480	*100%*	348,480	*100%*	348,480	*100%*	348,480
% Affordable Rental	*5%*	9,583	*7%*	13,416	*5%*	13,068	*7%*	18,295	*5%*	14,810	*7%*	20,735
% Market Residential	*95%*	182,081	*93%*	178,248	*95%*	248,292	*93%*	243,065	*95%*	281,398	*93%*	275,473

Notes: 1. All floor area statistics expressed as square feet of zoned gross floor area.

Table 20: 8x FSI Scenarios

Summary of Scenario Statistics - 8x FSI 2026 Scenarios												
	Base Scenarios - 2026				Sensitivity Scenarios - 2026							
	S1-8x PBR + 45% NR		S2-8x Condo+45% NR		S1A-8x PBR + 25% NR		S2A-8x Condo+25% NR		S1B-8x PBR + 15% NR		S2B-8x Condo+15% NR	
Site Size (sf)	34,848		34,848		34,848		34,848		34,848		34,848	
Total Density (xFSI)	8		8		8		8		8		8	
Total Density (sf)	278,784		278,784		278,784		278,784		278,784		278,784	
Density Allocation												
Condo Apartment	*0%*	0	*55%*	153,331	*0%*	0	*75%*	209,088	*0%*	0	*85%*	236,966
Rental Apartment	*55%*	153,331	*0%*	0	*75%*	209,088	*0%*	0	*85%*	236,966	*0%*	0
Office/Institutional	*40%*	111,514	*40%*	111,514	*20%*	55,757	*20%*	55,757	*10%*	27,878	*10%*	27,878
Retail	*5%*	13,939	*5%*	13,939	*5%*	13,939	*5%*	13,939	*5%*	13,939	*5%*	13,939
Totals	*100%*	278,784	*100%*	278,784	*100%*	278,784	*100%*	278,784	*100%*	278,784	*100%*	278,784
% Affordable Rental	*5%*	7,667	*7%*	10,733	*5%*	10,454	*7%*	14,636	*5%*	11,848	*7%*	16,588
% Market Residential	*95%*	145,665	*93%*	142,598	*95%*	198,634	*93%*	194,452	*95%*	225,118	*93%*	220,379
Notes: 1. All floor area statistics expressed as square feet of zoned gross floor area.												

Table 21: 12x FSI Scenarios

Summary of Scenario Statistics - 12x FSI 2026 Scenarios												
	Base Scenarios - 2026				Sensitivity Scenarios - 2026							
	S1-12x PBR + 45% NR		S2-12x Condo+45% NR		S1A-12x PBR + 25% NR		S2A-12x Condo+25% NR		S1B-12x PBR + 15% NR		S2B-12x Condo+15% NR	
Site Size (sf)	34,848		34,848		34,848		34,848		34,848		34,848	
Total Density (xFSI)	12		12		12		12		12		12	
Total Density (sf)	418,176		418,176		418,176		418,176		418,176		418,176	
Density Allocation												
Condo Apartment	*0%*	0	*55%*	229,997	*0%*	0	*75%*	313,632	*0%*	0	*85%*	355,450
Rental Apartment	*55%*	229,997	*0%*	0	*75%*	313,632	*0%*	0	*85%*	355,450	*0%*	0
Office/Institutional	*40%*	167,270	*40%*	167,270	*20%*	83,635	*20%*	83,635	*10%*	41,818	*10%*	41,818
Retail	*5%*	20,909	*5%*	20,909	*5%*	20,909	*5%*	20,909	*5%*	20,909	*5%*	20,909
Totals	*100%*	418,176	*100%*	418,176	*100%*	418,176	*100%*	418,176	*100%*	418,176	*100%*	418,176
% Affordable Rental	*5%*	11,500	*7%*	16,100	*5%*	15,682	*7%*	21,954	*5%*	17,772	*7%*	24,881
% Market Residential	*95%*	218,497	*93%*	213,897	*95%*	297,950	*93%*	291,678	*95%*	337,677	*93%*	330,568
Notes: 1. All floor area statistics expressed as square feet of zoned gross floor area.												

6.2 Assumptions

The assumptions utilized in the financial analysis are summarized in **Tables 22** through **25** at the end of this section with additional assumptions summarized below and in **Appendices 'A'** and **'B'**.

Revenue Assumptions

- Revenue assumptions are based on our market analysis conclusions;
- In the valuation of the market rental units, a margin for vacancy and bad debt of 6.5% and an operating expense ratio of 32% is assumed. A cap rate of 4.3% is assumed which equates to the midpoint of the Multifamily High Rise A category for Toronto from the CBRE Q4 2025 Cap Rate Report.
- The Affordable units are assumed to lease at a rate of $1,552 per month based on the maximum allowable rents as defined by the Province and using the suite mix designed by NBLC. In the valuation of the affordable units a margin of 0% for vacancy and bad debt, 62% for operating expenses, and a cap rate equating to the market cap rate plus 20 basis points (4.5%) is assumed.

- An annual revenue inflator of 2.5% is assumed for both market condominium and rental revenues. A 2% inflator is applied to the affordable revenues.
- Both the office and retail space is assumed to lease at a rate of $35 psf per year and inflates annually at a rate of 1%. In the valuation of the retail space a vacancy rate of 5% and a cap rate of 5.25% is assumed. In the valuation of the office space a vacancy of 10% and a cap rate of 6.00% is assumed. This reflects the midpoint from the CBRE Q4 2025 Cap Rate Report for urban office and retail in Toronto.

Cost Assumptions

- NBLC has assumed costing from the 2025 Altus Construction Cost Guide. The midpoint of the applicable ranges for the Greater Toronto Area has been assumed, including an above grade cost of $340 psf and a below grade parking construction cost of $230 psf.
    - NBLC has made assumptions for other applicable hard costs based on our experience and expertise. This includes a demolition and site preparation cost of $25 psf of site area, a site servicing cost of $2.00 psf of GFA, a landscaping and hardscaping cost of $2.00 psf of GFA, and a contingency factor of 10% of total hard costs.

Soft costs including consultant fees, construction and development fees, taxes, and development charges, among others, which have been assumed as per prescribed rates by the City of Toronto at the time of writing.

- NBLC assumed planning and permit fees based on the City of Toronto effective rates as of January 1, 2026.
- Development Charges are based on the City of Toronto effective rates as of June 26, 2025, for condominium, rental and non-residential uses.
- NBLC has assumed the following Federal and Provincial incentives for the purpose-built rental scenarios, including:
    - A 0% HST rate as per Provincial and Federal announcements regarding the waiver of HST to incentivize rental development.
- NBLC has not applied annual escalation to any residential development charge assumptions and has assumed these costs are payable at the time of building occupancy, as per Provincial Bill 17 which defers all development charges interest free.
- Cash-in-lieu of parkland fees are capped at 10% of land value as per Bill 23.
- Community Benefit Charges are modelled as 4% of land values per Bill 23.
- It is assumed that development charges are waived for the affordable units as per Provincial policy. The Province of Ontario waives these fees for affordable units priced at the lesser of the income-based rent set out by the Province and 100% of average market rent. The $1,52 per month

assumption for the affordable units is below this threshold and would qualify for the cost waivers. Education charges are still applied to affordable units.

- All costs are assumed to inflate at a rate of 2.0% annually.
- A commission fee of 4% of gross revenue for the condominium scenarios, and three months of gross rent for the rental scenarios is assumed.
- An interest rate equating to the current Bank of Canada overnight lending rate plus 350 basis points is assumed (5.75%).
- A developer profit margin of 15% of gross revenues is assumed.
- A discount rate of 7% is assumed.

Development Timing Assumptions

NBLC has assumed the following timing assumptions:

- A 2-year predevelopment timeline in all scenarios.
- A 6-month period for pre-marketing in the condominium scenarios.
- A presale period in the condominium scenarios based on an average absorption rate of 10 sales per month to reach the 70% presales threshold required to obtain construction financing.
- A modified absorption rate of 15 sales per month to reach the 70% presales threshold is applied in the post-Ontario line scenarios.
- A construction period equating to the following:
    - In 10x FSI scenarios, a 3.00-year period for construction is assumed.
    - In 8x FSI scenarios, a 2.75-year period for construction is assumed.
    - In 12x FSI scenarios, a 3.25-year period for construction is assumed.
- In the condominium scenarios a 6-month period for occupancy is assumed.
- In the rental scenarios a lease-up period based on an average lease-up rate of 20 leases per month from occupancy to stabilization is assumed.

Table 22

Inputs and Assumptions - Condominum Apartment Scenarios	
Other Site Statistics	
Average Condo Net Unit Size (sf)	690
Residential Efficiency Ratio	82%
Non-Residential Efficiency Ratio	90%
Condo Suite Mix	
Studio/1-Bedroom	50%
2-Bedroom/3-Bedroom	50%
Estimated Gross Parking Stall Area (sf)	400
Condo Residential Parking Ratio - 2026	0.20
Condo Residential Parking Ratio - Post Ontario Line	0.10
Office Parking Ratio - 2026 (per 100 sqm GFA)	1.00
Office Parking Ratio - Post Ontario Line (per 100 sqm GFA)	0.75
Retail Parking Ratio (Per 100 sqm GFA)	1.00
Retail Parking Ratio - Post Ontario Line (per 100 sqm GFA)	0.75
Visitor Parking Ratio	0.05
Storage Locker Ratio	0.50
Market Revenue Inputs	
Revenue Inflator	2.0%
Condominium Apartment (Current Market)	
Index Price	$ 1,150
End Price	$ 793,500
Parking Price	$ 110,000
Storage Price	$ 15,000
Absorption Rate (to 70% sales)	15
Condominium Apartment (Post-Ontario Line Market)	
Index Price - 5% Increase	$ 1,208
End Price	$ 833,175
Parking Price	$ 115,500
Storage Price	$ 15,750
Absorption Rate (to 70% sales)	15
Affordable Rental Assumptions	
Index Monthly Rent ($psf, month)	$ 2.25
End Rent (Per Month)	$ 1,552
Parking Rent (Per Month)	$ 150
Storage Locker Monthly Rent	$ 50
Opex (32% of Market Rent as % of Affordable Rent)	61%
Afford. Res. Cap Rate (CBRE Q4 2025 Cap Rate Rpt + 20bps)	4.5%
Residential Floor Area Set Aside Rate	7%
Non-Residential (Current Market)	
Net Office Rents	$ 35
Net Retail Rents	$ 35
Daily Parking Revenue Per Commercial Stall	$ 16
Daily Commercial Parking Vacancy Rate	30.0%
Office Vacancy Rate	10.0%
Retail Vacancy Rate	5.0%
Non-Residential (Post-Ontario Line Market)	
Net Office Rents - 5% Increase	$ 36.75
Net Retail Rents - 5% Increase	$ 36.75
Office Vacancy Rate	10%
Retail Vacancy Rate	5%
Other Rental Revenue Assumptions	
Rate Assumptions for Net Operating Income	
Non-Residential Market Inflator	1.0%
Office Cap Rate (CBRE Q4 2025 Cap Rate Rpt)	6.0%
Retail Cap Rate (CBRE Q4 2025 Cap Rate Report)	5.25%

Table 23

Inputs and Assumptions - Rental Apartment Scenarios	
Other Site Statistics	
Average Rental Net Unit Size (sf) - Market 1	670
Residential Efficiency Ratio	82%
GFA to GCA Efficiency Ratio	92.5%
Non-Residential Efficiency Ratio	90%
Estimated Gross Parking Stall Area (sf)	400
Rental Residential Parking Ratio - 2026	0.10
Rental Residential Parking Ratio - Post Ontario Line	0.00
Office Parking Ratio - 2026 (per 100 sqm GFA)	1.00
Office Parking Ratio - Post Ontario Line (per 100 sqm GFA)	0.75
Retail Parking Ratio (Per 100 sqm GFA)	1.00
Retail Parking Ratio - Post Ontario Line (per 100 sqm GFA)	0.75
Visitor Parking Ratio	0.05
Storage Locker Ratio	0.75
Market Revenue Inputs	
Revenue Inflator	2.0%
Affordable Revenue Inflator	2.0%
Post-Ontario Line Inflator	5.0%
Market Rental (Current Market)	
Index Price ($psf, per month)	$ 4.25
End Price	$ 2,848
Parking Price (per month)	$ 225
Storage Price (per month)	$ 50
Vacancy Rate	6.5%
Operating Expense Ratio	32%
Absorption Rate (per month)	20
Market Rental (Post-Ontario Line Market)	
Index Price ($psf, per month)	$ 4.46
End Price	$ 2,990
Parking Price (per month)	$ 236
Storage Price (per month)	$ 53
Absorption Rate (per month)	20
Affordable Rental Assumptions	
Index Price ($psf, per month)	$ 2.25
End Rent	$ 1,552
Parking Rent (per month)	$ 150
Opex	61%
Residential Floor Area Set Aside Rate	5%
Non-Residential (Current Market)	
Net Office Rents ($psf, year)	$ 35
Net Retail Rents ($psf, year)	$ 35
Office Vacancy Rate	10.0%
Retail Vacancy Rate	5.0%
Parking Revenue (per stall, day)	$ 16
Parking Vacancy Rate	30.0%
Non-Residential (Post-Ontario Line Market)	
Net Office Rents ($psf, year)	$ 37
Net Retail Rents ($psf, year)	$ 37
Office Vacancy Rate	10%
Retail Vacancy Rate	5%
Parking Revenue (per stall, day)	$ 17
Parking Vacancy Rate	30.0%
Other Rental Revenue Assumptions	
Rate Assumptions for Net Operating Income	
Residential Cap Rate (CBRE Q4 2025 Cap Rate Rpt)	4.30%
Affordable Res. Cap Rate (Midpoint CBRE Cap Rate Rpt + 20bps)	4.50%
Office Cap Rate (CBRE Q4 2025 Cap Rate Rpt)	6.00%
Retail Cap Rate (CBRE Q4 2025 Cap Rate Rpt)	5.25%

Table 24 – Condominium Apartment Scenarios

Cost Inputs	
Hard Costs	
Above Grade Construction Cost (Altus, $psf GCA)	$ 340
Below Grade Parking Construction Cost (Altus, $psf GCA)	$ 230
Demolition and Site Prep ($psf of Site Area)	$ 25
Site Servicing ($psf GFA)	$ 2.00
Landscaping & Hardscaping ($psf GFA)	$ 2.00
Contingency Factor (% Hard Costs)	10.0%
Cost Inflator (% per year)	2.0%
Soft Costs	
Land Value Input ($psf) for Estimating Pkld CIL, Taxes, CBC	$ 50
Architect (% Hard Costs)	2.0%
Consultants (% Hard Costs)	2.0%
Construction Management (% Hard Costs)	3.0%
Development Management (% Hard Costs)	4.0%
Insurance (% Hard Costs)	1.0%
Legal ($psf)	$ 1.50
Marketing (% Hard Costs)	1.5%
Property Tax Rate (2026 New Multi Residential)	0.754%
Provincial Land Transfer Tax	4.0%
CIL of Parkland	10.0%
Community Benefits Charge	4.0%
Residential Commission (% Annual Gross Rent)	4.0%
Lender's Administrative Fee (% Costs b/f Financing)	0.8%
Construction Loan Interest Rate (BoC + 350 bps)	5.75%
HST Rate - Condo	13%
Planning Fees	
Site Plan Control	$ 43,605
Additional Fee - $psf	$ 0.50
Minor Variance (Base Fee)	$ 6,486
Plan of Condominium Approval (Base Fee)	$ 12,619
Rezoning Application Base Fee	$ 63,680
Additional Fee - $psf	$ 0.58
Building Permit Fee - Per Unit Residential Fee	$ 56.33
Additional Residential Fee (Multi-Unit Res. & Townhouses)	$ 1.72
Building Permit Hourly Fee	$ 92.79
Development Charges	
Condo Apartments 1 Bedroom & Bachelor	$ 52,676
Condo Apartments 2 Bedroom+	$ 80,690
Rental Apartments 1 Bedroom & Bachelor	$ 33,497
Rental Apartments 2 Bedroom	$ 48,299
Rental Apartments 3 Bedroom+	$ 45,280
Education - Residential	$ 3,893
Rates and Timing	
Profit Margin - % gross revenue	15.0%
Discount Rate - % per year	7.0%
Predevelopment Timeline	2.0
Time for Premarketing (Condo Only)	0.5
Construction Period (10x FSI)	2.8
Construction Period (8x FSI)	2.50
Construction Period (12x FSI)	3.00
Occupancy Period (Condo Only)	0.5

Table 25 – Rental Apartment Scenarios

Cost Inputs	
Hard Costs	
Above Grade Construction Cost (Altus, $psf GCA)	$ 340
Below Grade Parking Construction Cost (Altus, $psf GCA)	$ 230
Demolition and Site Prep ($psf of Site Area)	$ 25
Site Servicing ($psf GFA)	$ 2.00
Landscaping & Hardscaping ($psf GFA)	$ 2.00
Contingency Factor (% Hard Costs)	10.0%
Cost Inflator (% per year)	2.0%
Soft Costs	
Land Value Input ($psf) for Estimating Pkld CIL, Taxes, CBC	$ 50
Architect (% Hard Costs)	3.0%
Consultants (% Hard Costs)	2.0%
Construction Management (% Hard Costs)	3.0%
Development Management (% Hard Costs)	3.0%
Insurance (% Hard Costs)	1.0%
Legal ($psf)	$ 1.50
Marketing (% Hard Costs)	1.5%
Property Tax Rate (2026 New Multi Residential)	0.754%
Property Tax Rate (2026 Commercial)	2.302%
Provincial Land Transfer Tax	4.0%
CIL of Parkland	10.0%
Community Benefits Charges (% land value)	4.0%
Commission (% year rent)	25%
Lender's Administrative Fee (% Costs b/f Financing)	0.8%
Construction Loan Int. Rate (BoC Lending Rate + 350 bps)	5.75%
HST Rate - Condo	13%
Planning Fees	
Site Plan Control	$ 43,605
Additional Fee - $psf	$ 0.50
Minor Variance (Base Fee)	$ 6,486
Plan of Condominium Approval (Base Fee)	$ 12,619
Rezoning Application Base Fee	$ 63,680
Additional Fee - Per Square Foot	$ 0.58
Bulding Permit Fee- Non Residential	$ 2.27
Building Permit Non-Res Hourly Fee	$ 92.79
Building Permit Fee - Per Unit Residential Fee	$ 56.33
Additional Res. Fee (Multi-Unit Res. & Townhouses - $psf)	$ 1.72
Building Permit Hourly Fee	$ 92.79
Development Charges	
Condo Apartments 1 Bedroom & Bachelor	$ 52,676
Condo Apartments 2 Bedroom+	$ 80,690
Rental Apartments 1 Bedroom & Bachelor	$ 33,497
Rental Apartments 2 Bedroom	$ 48,299
Rental Apartments 3 Bedroom+	$ 45,280
Education - Residential	$ 3,893
Non-Residential Development Charge	$ 806
Non-Residential Education	$ 1.67
Rates and Timing	
Profit Margin	0.0%
Discount Rate	7.0%
Predevelopment Timeline	2.5
Time for Premarketing (Condo Only)	0.5
Construction Period (10x FSI)	2.75
Construction Period (8x FSI)	2.50
Construction Period (12x FSI)	3.00
Occupancy Period (Condo Only)	0.5

6.3 Condominium Development Results

The following presents the key findings observed from the condominium scenarios tested, with all dollar values expressed in discounted present value terms (i.e. 2026 dollars). These results are summarized in **Table 26** to follow, with detailed proformas provided in **Appendix 'A'**.

Reducing Non-Residential Requirements Results in Significant Land Value Creation

- The results reflect both the challenged development conditions underpinning feasibility and land value relative to a few years ago, which have been exacerbated by additional layers of non residential and affordable housing policy requirements.
- Under the base scenario (Scenario 2), which reflects the current policy framework (45% non residential requirement and 7% affordable rental housing), the estimated land value is just under approximately $2.7 million (present dollars), which equates to $8 psf of zoned GFA. Under Scenario 2A, where the non-residential requirement is reduced to 25% of the total GFA, the estimated land value increases to just under $13.3 million, or $38 psf of zoned GFA. A further reduction in the non-residential requirement to 15% of total GFA (Scenario 2B) results in an increase in estimated land value to just under $18.5 million, or $53 psf of zoned GFA.
- For comparison purposes, under a Scenario with no non-residential requirement, holding all other Scenario 2 assumptions constant, the estimated land value was $29.4 million (present dollars), or $84 psf of zoned GFA. Put another way, the 45% non-residential floor area requirement has the effect of removing approximately $26.7 million in land value, or profit, if the site has already been purchased.

Correlation between Land Value and Density is Tied to Non-Residential Requirement

- Lowering project density to 8.0x FSI had the effect of decreasing overall land value while increasing index land values on a per square foot of zoned GFA basis. The opposite was true for scenarios which tested an increased density of 12.0x FSI. These outcomes reflect the impact of discounting results over longer time periods - more density means more units to sell to get to construction financing and a longer project duration. More density also means more (less valuable) office floor area to lease, which dilutes the overall index land value.

The Impact of No Affordable Housing Requirement

- If the affordable housing requirement were to be removed from Scenarios 2, 2A and 2B, land values would increase to $6.4 million, $18.2 million and $23.9 million respectively ($18, $52 and $69 psf of zoned GFA). While not as much land value is added relative to removing all non-residential requirements, the added land value (or profit) is significant. On an incremental basis, this has the effect of adding $3.7 million, $4.9 million and $5.4 million in land value (or profit) respectively under Scenarios 2, 2A and 2B.

Completing the Ontario Line/ Returning to Investor Driven Conditions has Meaningful Impact

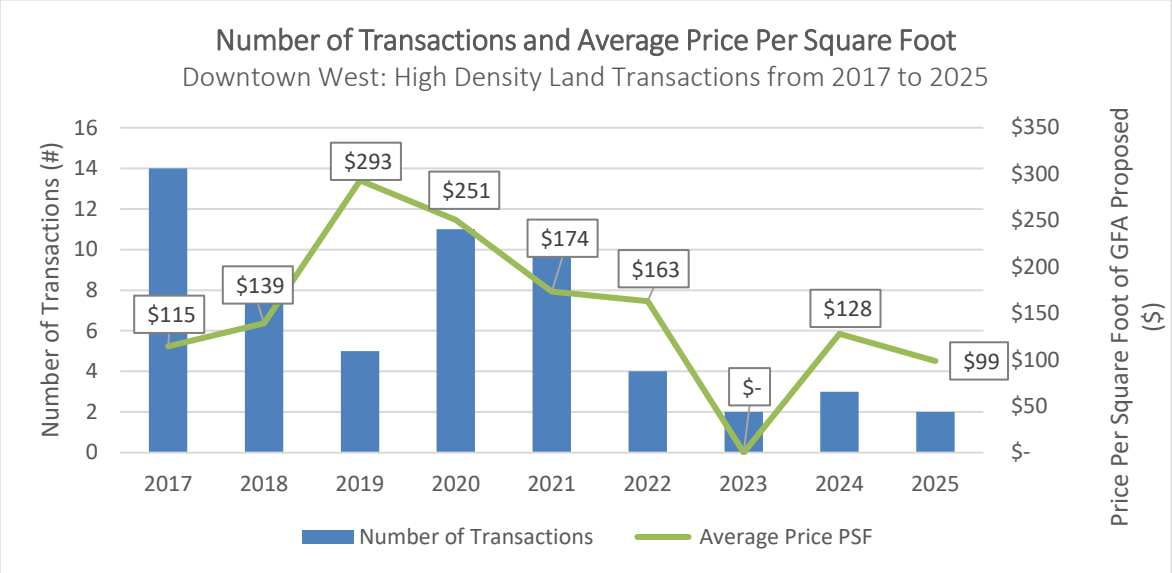
- An estimated 5% increase in revenue associated with the opening of the Ontario Line and/or the return of an investor driven market would result in considerable land value uplift and/or profit

increase. The results under Scenarios 2, 2A and 2B respectively are estimated to increase to approximately $7.3 million, $18.4 million and $23.8 million ($21, $53 and $68 psf of zoned GFA). On an incremental basis, this has the effect of respectively adding approximately $4.7 million, $5.1 million and $5.3 million in land value (or profit if already purchased).

Lowering Non-Residential and/or Affordable Housing Requirements Improves Profitability

- As note above, if a developer already has ownership or control of the land purchased at a lower value under each of these scenarios, the additional land value can be converted directly to profit. Depending on their profit margin target, it may justify moving forward with a project.
- As many in the local area will have purchased their land at considerably higher prices than those estimated within the tested scenarios, the opposite impact on potential profit will have occurred. For these projects to proceed, hard and/or soft costs must decrease, or revenues must increase to offset the higher sunken land cost.
- As shown in **Figure 33**, transacted index land values in the local area have declined steadily from a peak in 2019 ($293 psf) to $99 psf 2025. Since 2023, a total of 7 high density sites have transacted in the local area, whereas in the three preceding years, a total of 25 transacted.
- Declining transaction activity and land values highlight the current market weakness as developers, lenders, and investors are waiting for more favourable market conditions and opting not to realize a loss through a land sale, unless other circumstances dictate it.

Figure 33



Source: City of Toronto Planning Applications and Altus Data Studio
Notes: Downtown Toronto is bounded by Spadina Road to the East, Dufferin Street to the West, Queen Street to the North and Lake Ontario to the South.

Table 26

Residual Land Value Results - Condominium Apartment + Retail + Office									
Scenario:	**S2**	**S2A**	**S2B**	**S2-8x**	**S2A-8x**	**S2B-8x**	**S2-12x**	**S2A-12x**	**S2B-12x**
Building Scale (Storeys):	25-30	25-30	25-30	20-25	20-25	20-25	30-40	30-40	30-40
FSI:	10.0	10.0	10.0	8.0	8.0	8.0	12.0	12.0	12.0
Non-Residential Set Aside Rate:	45%	25%	15%	45%	25%	15%	45%	25%	15%
Affordable Rental Set Aside Rate:	7%	7%	7%	7%	7%	7%	7%	7%	7%
Market Residential GFA (sf):	178,248	243,065	275,473	142,598	194,452	220,379	213,897	291,678	330,568
Affordable Rental GFA (sf):	13,416	18,295	20,735	10,733	14,636	16,588	16,100	21,954	24,881
Office GFA (sf):	139,392	69,696	34,848	111,514	55,757	27,878	167,270	83,635	41,818
Retail GFA (sf):	17,424	17,424	17,424	13,939	13,939	13,939	20,909	20,909	20,909
Total GFA (sf):	348,480	348,480	348,480	278,784	278,784	278,784	418,176	418,176	418,176
Current Market									
Condo Index Pricing ($psf):					$1,150				
Office Net Rent ($psf, month):					*$35*				
Retail Net Rent ($psf, month):					*$35*				
Condo Parking Ratio (Per Unit):					0.20				
Commercial Parking Ratio (Per 100 sqm):					1.00				
Land Value (Present Value):	**$2,659,700**	**$13,291,800**	**$18,455,000**	**$2,753,700**	**$11,635,200**	**$15,975,300**	**$2,229,600**	**$14,450,500**	**$20,350,100**
PV Per Unit:	*$11,610*	*$42,560*	*$52,140*	*$15,030*	*$46,570*	*$56,420*	*$8,110*	*$38,560*	*$47,920*
PV Per Square Foot:	*$8*	*$38*	*$53*	*$10*	*$42*	*$57*	*$5*	*$35*	*$49*
Land Value (PV) Gain Relative to S2:		*$10,632,100*	*$15,795,300*	*$94,000*	*$8,975,500*	*$13,315,600*	*-$430,100*	*$11,790,800*	*$17,690,400*
Post Ontario Line/ Investor Driven Market									
Condo Index Pricing ($psf):					$1,208				
Office Net Rent ($psf, month):					*$37*				
Retail Net Rent ($psf, month):					*$37*				
Condo Parking Ratio (Per Unit):					0.10				
Commercial Parking Ratio (Per 100 sqm):					0.75				
Land Value (PV):	**$7,312,900**	**$18,381,800**	**$23,750,000**	**$6,561,800**	**$15,830,600**	**$20,353,900**	**$7,683,200**	**$20,378,200**	**$26,496,500**
PV Per Unit:	*$31,930*	*$58,860*	*$67,110*	*$35,820*	*$63,370*	*$71,890*	*$27,960*	*$54,380*	*$62,390*
PV Per Square Foot:	*$21*	*$53*	*$68*	*$24*	*$57*	*$73*	*$18*	*$49*	*$63*
Land Value (PV) Gain Relative to S2:		***$11,068,900***	***$16,437,100***	***-$751,100***	***$8,517,700***	***$13,041,000***	***$370,300***	***$13,065,300***	***$19,183,600***

6.4 Rental Apartment Development Results

The following presents the key findings observed from the purpose-built rental ('PBR') apartment scenarios tested, with all dollar values expressed in discounted present value terms (i.e. 2026 dollars). These results are summarized in **Table 27** and within detailed proformas provided in **Appendix 'B'**.

The RLV approach for a rental project assumes the developer will build the project and sell the building once complete. Understanding that many rental developers will instead hold a project for many years and earn a return through the cash flow, we have also calculated profitability thresholds (i.e., cash-on-cash return and yield-on-cost return) to assess project viability.

Reducing Non-Residential Requirements in PBR Developments Result in Significant Land Value Creation

- Relative to the condominium scenarios, PBR scenarios resulted in slightly higher land values, although still substantially lower than those observed in land sale transactions over the past half decade.
- Under the base scenario (Scenario 1), which reflects the current policy framework, the estimated land value is just under approximately $6.9 million (present dollars), which equates to $20 psf of zoned GFA. Under Scenario 1A, where the non-residential requirement is reduced to 25% of the total GFA, the estimated land value increases to just under approximately $13.2 million, or $38 psf of zoned GFA. A further reduction in the non-residential requirement to 15% of total GFA (Scenario 1B) results in an increase in estimated land value to just under $16.2 million, or $46 psf of zoned GFA.
- For comparison purposes, under a Scenario with no non-residential requirement, holding all other Scenario 1 assumptions constant (i.e. a density of 10x FSI and a requirement to provide 5% affordable rental housing), the estimated land value was $20.2 million (present dollars), or $58 psf of zoned GFA. This suggests that the 45% non-residential floor area requirement has the effect of removing approximately $13.3 million in land value or profit from a project containing approximately 348,500 square feet of rental apartment GFA. The reduction in the amount of non-residential floor area has the effect of decreasing the amount of required underground parking which decreases costs without a commensurate lowering of revenues.
- Cash-on-cash returns are a useful short term profitability metric that measures annual pre-tax cash flow relative to the equity invested. They do not factor in the future sale value of a project or changes in income over time. On a cash-on-cash basis, we estimate returns to be in the range of 1.52% in Scenario 1, falling to 1.41% under Scenario 1B (85% rental apartment/ 15% non-residential). All scenarios rely on developer equity in the range of 50% to 52% based on our debt coverage ratio and loan-to-value lending assumptions. These are considerably below what developers have told us would be required to greenlight a project in the current cost environment (typically above 8%). It is important to note that developer return expectations vary widely,

including the return metric used, and as such this analysis should be considered order of magnitude.

- We have also estimated the yield-on-cost, which measures the net operating income at stabilization against total project costs. Stabilization was assumed to be in year five. The yields-on-cost estimated for Scenarios 1, 1A and 1B were 4.77%, 4.64% and 4.59% respectively, which are below the typically cited minimum threshold of around 5% to go ahead with rental projects. This suggests only marginal feasibility for a limited subset of developers rather than broad market support.
- Importantly, the analysis also identifies a trade-off between land value and return metrics. While reducing non-residential GFA improves residual land value, it can suppress CoC and YoC. This reflects the stabilizing effect of non-residential income streams. Higher non-residential allocations generate stronger and more stable net operating income (NOI), supporting increased debt capacity. As non-residential components are reduced, projects rely more heavily on residential rental income, which, at current rent levels, is insufficient to support equivalent leverage. This results in higher equity requirements, reducing returns despite improvements in overall land value.

The Impact of No Affordable Housing Requirement

- If the affordable housing requirement (5% of residential GFA) were to be removed from Scenarios 1, 1A and 1B, land values would increase to $9.2 million, $16.4 million and $19.5 million respectively ($26, $46 and $56 psf of zoned GFA). On an incremental basis, this has the effect of adding $2.3 million, $3.2 million and $3.3 million in land value respectively under Scenarios 2, 2A and 2B.

More Consistent Correlation between Land Value and Density

- Unlike the condominium apartment scenarios, changing the project density was relatively uniformly correlated with changes in land value. For example, lowering project density to 8.0x FSI resulted in the same index land value to that observed under Scenario 1 of $20 per square foot of zoned GFA. Increasing the density to 12.0x FSI had the effect of decreasing the index land value slightly to $19 per square foot of zoned GFA.
- Greater density increases the development timeline as buildings take longer to lease up, extending the period of risk where the developer has invested capital into the project with offsetting revenue to support debt obligations. This not only increases financing costs but discounting costs resulting from a greater period of time over which the discount rate is applied. Had NBLC tested buildings larger than those under consideration, lease up times would have lengthened, resulting in a slower rate of land value increase.

The Completion of the Ontario Line

- A 5% increase in revenue associated with the opening of the Ontario Line results in considerable land value uplift through higher net operating incomes. Under this assumption, the results for

Scenarios 1, 1A and 1B respectively are estimated to increase to approximately $16.3 million, $22.6 million and $25.7 million ($47, $65 and $74 psf of zoned GFA). On an incremental basis, this has the effect of adding approximately $9.4 million, $6.2 million and $3.0 million in land value respective to the existing estimates for Scenarios 1, 1A and 1B.

- While cash-on-cash returns and yield-on-cost estimates improved under this higher revenue scenario, they were still below the thresholds noted above that would typically result in decisions to proceed with projects for most developers.

Increased Land Value Can Translate into Increased Profit Where Land Cost is Fixed (Sunken)

- As was the case with condominium apartment scenarios, if a developer already has ownership or control of the land purchased at a lower value, the additional land value created through reductions in requirements can be converted directly to profit or higher net operating income in rental scenarios.
- So, if the desire is to stimulate development on lands with a lower sunken land cost, decreases in the non-residential floor area requirement or the affordable housing requirement will have more of an impact on near-term developer decision making. Alternatively, a longer-term solution would be to wait for the completion of the Ontario Line to increase revenues, or to simply wait for construction costs to fall as contractors bid down a scarcity of work.

Table 27

Residual Land Value Results - Purpose-Built Rental + Retail + Office									
Scenario:	**S1**	**S1A**	**S1B**	**S1-8x**	**S1A-8x**	**S1B- 8x**	**S1-12x**	**S1A-12x**	**S1B-12x**
Building Height (Storeys):	25-30	25-30	25-30	20-25	20-25	20-25	30-40	30-40	30-40
FSI:	10.0	10.0	10.0	8.0	8.0	8.0	12.0	12.0	12.0
Non-Residential Set Aside Rate:	45%	25%	15%	45%	25%	15%	45%	25%	15%
Affordable Rental Set Aside Rate:	5%	5%	5%	5%	5%	5%	5%	5%	5%
Market Residential GFA (sf):	182,081	248,292	281,398	145,665	198,634	225,118	218,497	297,950	337,677
Affordable Rental GFA (sf):	9,583	13,068	14,810	7,667	10,454	11,848	11,500	15,682	17,772
Office GFA (sf):	139,392	69,696	34,848	111,514	55,757	z	167,270	83,635	41,818
Retail GFA (sf):	17,424	17,424	17,424	13,939	13,939	13,939	20,909	20,909	20,909
Total GFA (sf):	348,480	348,480	348,480	278,784	278,784	278,784	418,176	418,176	418,176
Current Market									
Rental Index Pricing ($psf):	$4.25								
Office Net Rent ($psf, month):	$35								
Retail Net Rent ($psf, month):	$35								
Rental Parking Ratio (Per Unit):	0.1								
Commercial Parking Ratio (Per 100 sqm):	1.0								
Land Value (Present Value):	**$6,942,600**	**$13,159,000**	**$16,159,800**	**$5,650,200**	**$10,696,200**	**$13,149,700**	**$8,114,800**	**$15,465,600**	**$18,988,248**
PV Per Unit:	$27,377	$38,053	$41,233	$27,851	$38,664	$41,940	$26,666	$37,269	$40,375
PV Per Square Foot:	$20	$38	$46	$20	$38	$47	$19	$37	$45
Cash on Cash:	1.52%	1.45%	1.41%	1.52%	1.44%	1.40%	1.52%	1.45%	1.42%
Yield on Cost:	4.77%	4.64%	4.59%	4.76%	4.63%	4.57%	4.77%	4.65%	4.60%
Land Value (PV) Gain Relative to S1:		***$6,216,400***	***$9,217,200***	***-$1,292,400***	***$3,753,600***	***$6,207,100***	***$1,172,200***	***$8,523,000***	***$12,045,648***
Post Ontario Line / Investor Driven Market									
Rental Index Pricing ($psf):	$4.46								
Office Net Rent ($psf, month):	$37								
Retail Net Rent ($psf, month):	$37								
Rental Parking Ratio (Per Unit):	0.0								
Commercial Parking Ratio (Per 100 sqm):	0.75								
Land Value (PV):	**$16,315,300**	**$22,631,100**	**$25,677,700**	**$13,340,400**	**$18,503,600**	**$21,012,800**	**$19,081,000**	**$27,394,900**	**$30,048,200**
PV Per Unit:	$64,336	$65,444	$65,518	$65,757	$66,885	$67,019	$62,702	$66,016	$63,891
PV Per Square Foot:	$47	$65	$74	$48	$66	$75	$46	$66	$72
Cash on Cash:	1.62%	1.53%	1.48%	1.62%	1.51%	1.47%	1.63%	1.54%	1.49%
Yield on Cost:	4.92%	4.77%	4.70%	4.91%	4.75%	4.68%	4.93%	4.80%	4.72%
Land Value (PV) Gain Relative to S1:		***$6,315,800***	***$9,362,400***	***-$2,974,900***	***$2,188,300***	***$4,697,500***	***$2,765,700***	***$11,079,600***	***$13,732,900***

Table 28

Summary of NOI, Costs & Return Metrics - 2026 Market Conditions									
Scenario	S1	S1A	S1B	S1-8x	S1A-8x	S1B-8x	S1-12x	S1A-12x	S1B-12x
	PBR + 45% NR	PBR + 25% NR	PBR + 15% NR	PBR + 45% NR	PBR + 25% NR	PBR + 15% NR	PBR + 45% NR	PBR + 25% NR	PBR + 15% NR
NOI at Stabilization:	$10,877,528	$10,840,069	$10,821,340	$8,678,768	$8,640,297	$8,621,061	$13,088,156	$13,056,023	$13,039,957
Annual Debt Service to Support DCR	$8,702,023	$8,672,055	$8,657,072	$6,943,014	$6,912,237	$6,896,849	$10,470,525	$10,444,819	$10,431,966
Asset Man. Fee (4% NOI Before Debt)	($435,101)	($433,603)	($432,854)	($347,151)	($345,612)	($344,842)	($523,526)	($522,241)	($521,598)
Interest Rate	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
Amortization Period	25	25	25	25	25	25	25	25	25
Maximum LTC	70%	70%	70%	70%	70%	70%	70%	70%	70%
Minimum DCR:	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Limiting Factor	DCR	DCR	DCR	DCR	DCR	DCR	DCR	DCR	DCR
Total Cost (Hard, Soft, Financing, & Land)	$228,249,969	$233,470,761	$235,960,126	$182,267,938	$186,525,745	$188,576,434	$274,446,543	$280,589,722	$283,488,757
Loan Amount (Lesser of LTV & DCR)	$113,933,379	$113,541,024	$113,344,847	$90,903,128	$90,500,174	$90,298,697	$137,087,925	$136,751,367	$136,583,087
Actual LTC	50%	49%	48%	50%	49%	48%	50%	49%	48%
Annual Loan Payment	**($8,702,023)**	**($8,672,055)**	**($8,657,072)**	**($6,943,014)**	**($6,912,237)**	**($6,896,849)**	**($10,470,525)**	**($10,444,819)**	**($10,431,966)**
Developer Equity Summary									
Development Cost:	$228,249,969	$233,470,761	$235,960,126	$182,267,938	$186,525,745	$188,576,434	$274,446,543	$280,589,722	$283,488,757
Loan:	$113,933,379	$113,541,024	$113,344,847	$90,903,128	$90,500,174	$90,298,697	$137,087,925	$136,751,367	$136,583,087
Developer Equity (Cash):	$114,316,589	$119,929,737	$122,615,279	$91,364,810	$96,025,571	$98,277,737	$137,358,617	$143,838,356	$146,905,670
Developer Equity (%):	50%	51%	52%	50%	51%	52%	50%	51%	52%
Total (Loan & Equity):	$228,249,969	$233,470,761	$235,960,126	$182,267,938	$186,525,745	$188,576,434	$274,446,543	$280,589,722	$283,488,757
Cash on Cash:	**1.52%**	**1.45%**	**1.41%**	**1.52%**	**1.44%**	**1.40%**	**1.52%**	**1.45%**	**1.42%**
Yield on Cost:	**4.77%**	**4.64%**	**4.59%**	**4.76%**	**4.63%**	**4.57%**	**4.77%**	**4.65%**	**4.60%**

Table 29

Summary of NOI, Costs & Return Metrics - Post Ontario Line Conditions									
Scenario	S1	S1A	S1B	S1-8x	S1A-8x	S1B-8x	S1-12x	S1A-12x	S1B-12x
	PBR + 45% NR	PBR + 25% NR	PBR + 15% NR	PBR + 45% NR	PBR + 25% NR	PBR + 15% NR	PBR + 45% NR	PBR + 25% NR	PBR + 15% NR
NOI at Stabilization:	$11,412,274	$11,369,634	$11,348,314	$9,105,431	$9,062,403	$9,040,889	$13,731,559	$13,693,831	$13,674,966
Annual Debt Service to Support DCR	$9,129,819	$9,095,707	$9,078,651	$7,284,345	$7,249,922	$7,232,711	$10,985,247	$10,955,064	$10,939,973
Asset Man. Fee (4% NOI Before Debt)	($456,491)	($454,785)	($453,933)	($364,217)	($362,496)	($361,636)	($549,262)	($547,753)	($546,999)
Interest Rate	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
Amortization Period	25	25	25	25	25	25	25	25	25
Maximum LTC	70%	70%	70%	70%	70%	70%	70%	70%	70%
Minimum DCR:	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Limiting Factor	DCR	DCR	DCR	DCR	DCR	DCR	DCR	DCR	DCR
Total Cost (Hard, Soft, Financing, & Land)	$231,987,800	$238,356,693	$241,416,169	$185,483,362	$190,694,199	$193,218,565	$278,601,219	$285,515,704	$289,631,691
Loan Amount (Lesser of LTV & DCR)	$119,534,411	$119,087,788	$118,864,477	$95,372,082	$94,921,398	$94,696,056	$143,827,058	$143,431,884	$143,234,298
Actual LTC	52%	50%	49%	51%	50%	49%	52%	50%	49%
Annual Loan Payment	**($9,129,819)**	**($9,095,707)**	**($9,078,651)**	**($7,284,345)**	**($7,249,922)**	**($7,232,711)**	**($10,985,247)**	**($10,955,064)**	**($10,939,973)**
Developer Equity Summary:									
Development Cost:	$231,987,800	$238,356,693	$241,416,169	$185,483,362	$190,694,199	$193,218,565	$278,601,219	$285,515,704	$289,631,691
Loan:	$119,534,411	$119,087,788	$118,864,477	$95,372,082	$94,921,398	$94,696,056	$143,827,058	$143,431,884	$143,234,298
Developer Equity (Cash):	$112,453,389	$119,268,905	$122,551,692	$90,111,280	$95,772,801	$98,522,509	$134,774,162	$142,083,819	$146,397,393
Developer Equity (%):	48%	50%	51%	49%	50%	51%	48%	50%	51%
Total (Loan & Equity):	$231,987,800	$238,356,693	$241,416,169	$185,483,362	$190,694,199	$193,218,565	$278,601,219	$285,515,704	$289,631,691
Cash on Cash:	**1.62%**	**1.53%**	**1.48%**	**1.62%**	**1.51%**	**1.47%**	**1.63%**	**1.54%**	**1.49%**
Yield on Cost:	**4.92%**	**4.77%**	**4.70%**	**4.91%**	**4.75%**	**4.68%**	**4.93%**	**4.80%**	**4.72%**

Notes: 1. DCR = Debt Coverage Ratio
2. LTV = Loan to Value Ratio

6.5 Financial Analysis Conclusions

The financial analysis demonstrates that development viability across both condominium and rental scenarios is constrained under current market conditions. High construction costs, weak demand, and affordability obligations combine to place significant downward pressure on land values, particularly where non-residential (N-R) and affordable housing requirements remain high.

Our analysis indicates that residual land values are highly sensitive to the proportion of non-residential GFA, with increases in density offering minimal improvements in feasibility under current market circumstances. Under base case (current policy framework) assumptions, developments incorporating approximately 45% non-residential GFA, in combination with affordable housing obligations, generate residual land values that are well below that of high-density residential sites with no non-residential requirement, or even sites with non-residential requirements prior to the commencement of the residential market slowdown in 2023. To make a typical profit return, developers would likely need to be proceeding under circumstances with little or no land value through a historical acquisition and be willing to assume the risks associated with weak market conditions.

Assuming a developer might want to proceed under the current conditions, there have been few sellers willing to dispose of their lands for a fraction of the value that could have been attained just a few years ago. Lower land values have also led to higher project equity requirements, making projects more expensive and less profitable. Such conditions have led to very little development activity over the past few years, with notable exceptions being purpose-built rental apartment projects which have been able to utilize federal level financing incentive programs to lower costs.

As well, the price a developer is willing to pay for land is influenced by speculative thinking – that is, they believe they can amend Official Plan policies to increase land value and/or profit through the lowering of non-residential requirements, affordable housing requirements, and/or increasing residential density. For rental apartment developers, the prospect of incentive programs or preferential financing plays a role in increasing the value they place on land. In both cases there is strong incentive for them to wait until market demand returns and, in the meantime, pursue more favourable policy requirements that will add more value (i.e. less non-residential and/or affordable housing requirements).

A complicating factor for mixed use developments is that they often involve multiple development partners, with each specializing in elements of the project that align with their core business (e.g., project partner specializing in office). This makes such projects more complex with greater risk. Ultimately, there are few larger developers who are capable and willing to handle all elements of a major mixed-use development on their own.

Combined, the above noted factors have resulted in very little development activity over the past five years. The weaknesses in the condominium and rental apartment sectors will likely take several years

to improve due to a combination of high unsold inventories, new inventories from completed projects, and strong pricing competition from the resale market.

In the purpose-built rental sector, feasibility is similarly constrained, with projects largely dependent on preferential financing, government incentives, and/or public sector participation to achieve acceptable returns. Absent these supports, and a meaningful lowering of construction costs, yield-on-cost and cash-on-cash returns are likely to remain below the thresholds required by developers for some time.

In this context, sites subject to current policy parameters are likely to remain dormant in the near to medium term, as developers defer investment pending construction cost reductions combined with either market recovery or policy adjustment.

If the policy objective is to create potential opportunities for additional non-residential and residential uses in the next 3 to 5 years, the analysis suggests that a reduction in non-residential and/or affordable residential requirements as the most effective levers to improve development feasibility for sites with lower sunken land costs.

Beyond that, the delivery of the Ontario Line is expected to support revenue growth in most sectors, helping to drive higher land values and returns. This could allow for a partial reversal of near-term policy interventions.

7.0 Key Findings and Directions

The office market is facing significant longer-term challenges, where demand for net new space is unlikely to materialize for at least ten years across most locations in the city. In this environment, the office market is likely to favour the strongest market locations such as Downtown Toronto, a trend that was already apparent leading up the pandemic. Even in the Study Area, stagnant rents and high vacancy rates have led to no new office development over the past five years. This lack of feasibility is a strain on the viability of mixed-use projects and will make any policy requiring office space challenging to implement for the near term. Closer to the opening of the Ontario Line, demand for office in this location should improve and it is possible that some office investment will occur.

Looking to retail and service commercial space, while vacancy is relatively low, rents are insufficient to drive feasibility for new development. However, some ground-floor retail and service commercial space is likely supportive and complementary to the marketing of new office and residential uses above.

At present, the weakness in the condominium and purpose-built rental apartment markets are unable to drive land values or profits that can meaningfully subsidize commercial uses. When the condo market begins to stabilize, it may look quite different from pre-2022. We expect reduced building scales to account for shifting buyer profiles comprised of a greater proportion of end users to reduce absorption risk. Tall towers are going to be less common outside prime, high-demand locations.

Some well-capitalized developers may be forced to start construction earlier in the sales timeline to signal to end-users that a project is going to be built, and to shorten the timeline to occupancy from sales launch. However, this requires more capital and higher risk, which not every developer group can accommodate.

7.1 Key Considerations for Policy Development

Employment conversions/ policy relaxation typically result in a significant increase in underlying land value or, depending on the price paid, additional profit for those who move forward with projects. In stronger market cycles, this uplift can support the delivery of non-residential space and other community benefits. Under current conditions, however, land value uplift associated with residential redevelopment is generally insufficient to support such outcomes. An exception could be those lands which were purchased at prices lower than those estimated in our analysis.

While the overall market fundamentals underpinning non-residential development are challenged, the eventual opening of Exhibition Station on the Ontario Line will increase demand for most uses, including office, increasing pricing and lowering vacancies. The opening of the Ontario Line serves as a logical demarcation point for policy options.

In the next two-to-three-year period, policies requiring a 45% non-residential space requirement in new projects are highly likely to sterilize developments from advancing. Reducing these

requirements will therefore increase the odds that new mixed-use development will occur by increasing the value of properties and/or potential profit for those who are ready to proceed with development.

Relaxing the non-residential requirement could allow projects to advance, introducing new housing and jobs, whereas the current policy framework may sterilize new development for some time without further intervention (i.e. subsidies). Recalibrating the policy balance for non-residential and residential development may allow for broader planning objectives to be achieved for this planned major transit station area.

The City therefore has several options to consider as the policy context for these lands is developed:

7.1.1 Apply Area 3 Policies as Currently Written

If the City's primary objective is to secure non-residential space, applying the policy requirements as currently approved may achieve this objective over the longer term. However, as demonstrated throughout this study, these prescribed non-residential outcomes are not generally feasible under prevailing market conditions and are unlikely to be feasible for a considerable period of time.

Maintaining these requirements may result in little to no redevelopment activity for many years, as landowners and developers wait for market conditions to improve and construction costs to come down. This would, in turn, delay the delivery of new housing, associated community benefits, and new office and retail uses, albeit at lower increments.

7.1.2 Lower Non-Residential and/or Affordable Housing Requirements

If the City's primary objective is to advance new reinvestment in the near term to address housing and employment growth objectives, reducing non-residential and/or affordable housing requirements will improve development feasibility. If housing affordability is a priority, we suggest a more aggressive reduction in non-residential requirements.

With the anticipated weak market conditions over the next few years for both residential and office uses, we suggest the following policy amendment options be considered:

- Reduce the non-residential requirement to 15% of total GFA while holding the existing affordable housing requirements constant; and,
- Allow for the option to reduce affordable housing requirements where non-residential gross floor area exceeds 15% of the total GFA. For example, if the non-residential GFA is proposed to equal at least 20% of the total GFA, affordable housing set aside rates could be reduced by 50% (i.e. reduce the amount of affordable rental gross floor area from 5% to 2.5% of total residential GFA within PBR projects and from 7% to 3.5% within condominium apartment projects).

To be clear, the suggested policy framework is intended to balance the need for jobs, investment and affordable housing while creating a window of potential viability in select circumstances where land

has been secured at relatively low costs and would therefore likely only apply to handful of circumstances in the near term.

Although we have suggested near-term reductions in the non-residential requirement, the overarching policy framework should continue to be paired with overall goals that would encourage non-residential floor area to maintain and enhance the existing non-residential character of the area, promote investment and increase employment.

7.1.3 Be Flexible: Monitor and Revisit Market Conditions and Feasibility

Real estate markets are dynamic, and the level, timing and form of non-residential demand will vary based on broader economic conditions, absorption of competing projects elsewhere in the City, evolving office and retail trends and the extent to which key demand drivers, such as transit accessibility, population growth, amenity provision and agglomeration, are realized. Development viability is also deeply impacted by construction costs and financing rates.

Understanding this, we suggest that the policy framework include a market-responsive approach to updating the non-residential requirements for the Secondary Plan. Such an approach could include a requirement to monitor and revisit market conditions and project feasibility at the completion of the Ontario Line and adjust the policy requirements based on those conditions. It may be that such a review could allow for improved market conditions and/or lower development costs to support improved feasibility and increases to the non-residential and affordable housing requirement rates so that the City can extract additional benefits. Alternatively, it could indicate that further relaxation of the requirements is necessary.

Alternatively, the City may wish to set a higher non-residential requirement now (relative to the 15% noted above) tied to the completion of the Ontario Line. The establishment of the policy now would create a sense of urgency for developers to act on their plans at the lower non-residential rate.

The development community will also want to understand any grandfathering and/or timing policies so that they can plan accordingly.

7.1.4 Other Non-Residential Policy Requirements

Given prevailing market and development feasibility environment, the City could introduce a policy that is as flexible and expansive as possible in terms of the types of non-residential uses that would be permitted. One approach could be to relax the definition of non-residential gross floor area to include all compatible uses within residential portions of the building which could be rented to third-party operators not residing the building and accessed by the public (e.g. commercial grade kitchens or other amenities that could be rented by the community).

Appendix ‘A’ – Scenario 2 RLV Model

nblc

City of Toronto

Liberty Employment Strategy Analysis
Condominium RLV - Current Market

Every reasonable effort has been taken to ensure that the information, analysis, conclusions, and recommendations in this report are accurate and timely. No responsibility for the information, analysis, conclusions, or recommendations is assumed by N. Barry Lyon Consultants Limited or any of its employees or associates.

	Base Density Scenario (10x FSI) - Condo Apt			Base Density Scenario (8x FSI) - Condo Apt			Base Density Scenario (12x FSI) - Condo Apt		
	S2	S2A	S2B	S2-8x	S2A-8x	S2B	S2-12x	S2A-12x	S2B-12x
	Condo+45% NR	Condo+25% NR	Condo+15% NR	Condo+45% NR	Condo+25% NR	Condo+15% NR	Condo+45% NR	Condo+25% NR	Condo+15% NR
SUMMARY OF RESIDUAL LAND VALUE RESULTS									
Future Value:	$ 4,277,300	$ 22,055,600	$ 31,106,200	$ 4,279,900	$ 18,542,400	$ 25,779,800	$ 3,710,100	$ 24,966,500	$ 35,826,100
Present Value:	**$ 2,659,700**	**$13,291,800**	**$18,455,000**	**$ 2,753,700**	**$11,635,200**	**$15,975,300**	**$ 2,229,600**	**$14,450,500**	**$20,350,100**
Per Unit:	$ 11,610	$ 42,560	$ 52,140	$ 15,030	$ 46,570	$ 56,420	$ 8,110	$ 38,560	$ 47,920
PSF GFA:	$ 8	$ 38	$ 53	$ 10	$ 42	$ 57	$ 5	$ 35	$ 49
ASSUMPTIONS									
Site and Project Statistics									*Notes/Comments/Units:*
Site Area (sf)	34,848	34,848	34,848	34,848	34,848	34,848	34,848	34,848	34,848 *City of Toronto*
Building Height	30	30	30	30	30	30	30	30	30 *City of Toronto*
FSI	10.0	10.0	10.0	8.0	8.0	8.0	12.0	12.0	12.0 *Calculated*
Above Grade Gross Construction Area (sf)	376,735	376,735	376,735	301,388	301,388	301,388	452,082	452,082	452,082 *Calculated - Assumes GFA = 92.5% of GCA*
Total Parking GCA	81,175	63,603	54,817	64,940	50,882	43,853	97,411	76,324	65,780 *Calculated*
Total Gross Floor Area (sf)	348,480	348,480	348,480	278,784	278,784	278,784	418,176	418,176	418,176 *Based on Provided Information from City of Toronto*
GFA/GCA Ratio	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%
Residential GCA (sf)	207,204	282,551	320,225	165,763	226,041	256,180	248,645	339,062	384,270
Office GCA (sf)	150,694	75,347	37,674	120,555	60,278	30,139	180,833	90,416	45,208
Retail GCA (sf)	18,837	18,837	18,837	15,069	15,069	15,069	22,604	22,604	22,604
Net Residential Floor Area	169,908	231,692	262,584	135,926	185,354	210,068	203,889	278,031	315,101 *Calculated*
Net Condo Apartment Floor Area	158,014	215,474	244,203	126,411	172,379	195,363	189,617	258,568	293,044
Net Affordable Rental Floor Area	11,894	16,218	18,381	9,515	12,975	14,705	14,272	19,462	22,057
Net Office Floor Area	135,625	67,812	33,906	108,500	54,250	27,125	162,750	81,375	40,687
Net Retail Floor Area	16,953	16,953	16,953	13,562	13,562	13,562	20,344	20,344	20,344
Non-Residential Efficiency Ratio	90%	90%	90%	90%	90%	90%	90%	90%	90% *NBLC Assumption*
Residential Efficiency Ratio	82%	82%	82%	82%	82%	82%	82%	82%	82% *NBLC Assumption*
Residential Parking Ratio	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20 *NBLC Assumption*
Visitor Parking Ratio	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05 *NBLC Assumption*
Office Parking Ratio (Spaces per 100 sqm of GFA)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Retail Parking Ratio (Spaces per 100 sqm of GFA)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total Parking Spaces	203	159	137	162	127	110	244	191	164 *Calculated*
Residential Spaces (Spaces for Sale)	46	62	71	37	50	57	55	75	85 *Calculated*
Residential Spaces (Spaces for Rent)	0	0	0	0	0	0	0	0	0
Office Spaces	129	65	32	104	52	26	155	78	39
Retail Spaces	16	16	16	13	13	13	19	19	19
Visitor Spaces	11	16	18	9	12	14	14	19	21 *Calculated*
Estimated Area per Parking Stall (sf)	400	400	400	400	400	400	400	400	400 *NBLC Assumption*
Average Unit Size (sf)	690	690	690	690	690	690	690	690	690 *NBLC Assumption*
Total Condo Units for Sale	229	312	354	183	250	283	275	375	425 *Calculated*
Total Affordable Rental Units	17	24	27	14	19	21	21	28	32 *Calculated*
Suite Mix									
Single Unit: Studio/One Bedroom (%)	50%	50%	50%	50%	50%	50%	50%	50%	50% *NBLC Assumption*
Multi Unit: Two Bedroom/Three Bedroom (%)	50%	50%	50%	50%	50%	50%	50%	50%	50% *NBLC Assumption*
Storage Locker Ratio	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50 *NBLC Assumption*
Total Storage Lockers for Sale	115	156	177	92	125	142	137	187	212 *Calculated*

Revenue Inputs	S2	S2A	S2B	S2-8x	S2A-8x	S2B	S2-12x	S2A-12x	S2B-12x	
Condominium Inputs										
Index Price	$ 1,150	$ 1,150	$ 1,150	$ 1,150	$ 1,150	$ 1,150	$ 1,150	$ 1,150	$ 1,150	*NBLC Assumption*
End Price	$ 793,500	$ 793,500	$ 793,500	$ 793,500	$ 793,500	$ 793,500	$ 793,500	$ 793,500	$ 793,500	*Calculated*
Average Attained Price	$ 1,232	$ 1,236	$ 1,237	$ 1,230	$ 1,232	$ 1,234	$ 1,235	$ 1,239	$ 1,241	*Calculated*
Starting Parking Price	$ 110,000	$ 110,000	$ 110,000	$ 110,000	$ 110,000	$ 110,000	$ 110,000	$ 110,000	$ 110,000	*NBLC Assumption*
Average Attained Parking Price	$ 117,855	$ 118,195	$ 118,367	$ 117,607	$ 117,877	$ 118,013	$ 118,106	$ 118,517	$ 118,724	*Calculated*
Starting Locker Price	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	*NBLC Assumption*
Average Attained Locker Price	$ 16,071	$ 16,118	$ 16,141	$ 16,037	$ 16,074	$ 16,093	$ 16,105	$ 16,161	$ 16,190	*Calculated*
Presale and Inflation Assumptions										
Residential Market Revenue Inflator	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	*NBLC Assumption*
Price Increase at Start and End of Construction	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	*NBLC Assumption*
Initial and Final Deposit	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	*NBLC Assumption*
Sold During Pre-Construction / Presales	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	*NBLC Assumption*
Sold During Construction	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	*NBLC Assumption*
Sold at Completion	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	*NBLC Assumption*
Affordable Rental Rate (psf, per month)	$ 2.25	$ 2.25	$ 2.25	$ 2.25	$ 2.25	$ 2.25	$ 2.25	$ 2.25	$ 2.25	*NBLC Assumption*
Gross Affordable Revenue (Per Year)	$ 345,809	$ 475,898	$ 541,828	$ 275,257	$ 378,112	$ 430,100	$ 417,067	$ 575,015	$ 655,276	*Calculated*
Affordable Operating Expense Rate	61.2%	61.2%	61.2%	61.2%	61.2%	61.2%	61.2%	61.2%	61.2%	*Assumes 32%opex on $4.3 psf/month rent as % of affordable rent*
Net Annual Affordable Rental Revenue	$ 134,191	$ 184,672	$ 210,256	$ 106,814	$ 146,726	$ 166,900	$ 161,843	$ 223,135	$ 254,280	*Calculated*
Affordable Rental Cap Rate	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	*NBLC Assumption*
Office - Net Rent psf	$ 35	$ 35	$ 35	$ 35	$ 35	$ 35	$ 35	$ 35	$ 35	*NBLC Assumption*
Office Vacancy Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	*NBLC Assumption*
Net Annual Office Rent at Marketing	$ 4,379,783	$ 2,189,892	$ 1,094,946	$ 3,503,827	$ 1,751,913	$ 875,957	$ 5,255,740	$ 2,627,870	$ 1,313,935	
Office Cap Rate	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	*NBLC Assumption*
Retail - Net Rent psf	$ 35	$ 35	$ 35	$ 35	$ 35	$ 35	$ 35	$ 35	$ 35	*NBLC Assumption*
Retail Vacancy Rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	*NBLC Assumption*
Net Annual Retail Rent at Marketing	$ 577,888	$ 577,888	$ 577,888	$ 462,310	$ 462,310	$ 462,310	$ 693,472	$ 693,466	$ 693,466	*NBLC Assumption*
Non-Residential Market Inflator	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Retail Cap Rate	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	*NBLC Assumption*

Development Cost Inputs	S2	S2A	S2B	S2-8x	S2A-8x	S2B	S2-12x	S2A-12x	S2B-12x	
Hard Costs										
Above Grade Construction Cost	$ 340	$ 340	$ 340	$ 340	$ 340	$ 340	$ 340	$ 340	$ 340	*2025 Altus Construction Cost Guide - Midpoint GTA 13-39 St*
Parking Construction Cost	$ 230	$ 230	$ 230	$ 230	$ 230	$ 230	$ 230	$ 230	$ 230	*2025 Altus Construction Cost Guide - Midpoint GTA U/G Gar.*
Demolition and Site Prep	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	*NBLC Assumption - psf of Site Area*
Site Servicing	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	*NBLC Assumption - psf*
Landscaping & Hardscaping	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	*NBLC Assumption - psf*
Contingency Factor	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	*NBLC Assumption - % of Hard Costs*
Cost Inflator	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	*NBLC Assumption*
Soft Costs										
Land Value Input for Soft Costs Based on Value ($PSF)	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	*NBLC Assumption - psf*
Architect	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	*NBLC Assumption - % of Hard Costs*
Consultants	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	*NBLC Assumption - % of Hard Costs*
Construction Management	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	*NBLC Assumption - % of Hard Costs*
Development Management	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	*NBLC Assumption - % of Hard Costs*
Insurance	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	*NBLC Assumption - % of Hard Costs*
Legal	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	*NBLC Assumption - psf*
Marketing	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	*NBLC Assumption - % of Hard Costs*
Property Tax Rate - Multi Residential	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	*City of Toronto - 2026 - New Multi-Residential*
Property Tax Rate - Commercial	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	
Land Transfer Tax	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	*City of Toronto & Province of Ontario*
Residential Sales Commission	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	*NBLC Assumption - % of Gross Revenue*
Tarion Enrolment Fee	$ 1,839	$ 1,856	$ 1,864	$ 1,668	$ 1,834	$ 1,841	$ 1,857	$ 1,878	$ 1,888	*Tarion - per unit*
Home Construction Regulatory Authority Oversight Fee	$ 145	$ 145	$ 145	$ 145	$ 145	$ 145	$ 145	$ 145	$ 145	*HCRA Ontario - per unit*
Lender's Administrative Fee	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	*NBLC Assumption - % of Total Costs Before Financing*
Construction Loan Interest Rate	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	*Bank of Canada Overnight Lending Rate + 300 bps*
HST Rate	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	*As per CRA*
HST Rebate (per unit)	$ 24,000	$ 24,000	$ 24,000	$ 24,000	$ 24,000	$ 24,000	$ 24,000	$ 24,000	$ 24,000	*Per CRA Max $6,300 Fed. Rebate if Price <$450K, Max $24K Prov. Reb*
Rezoning Application Base Fee	$ 63,680	$ 63,680	$ 63,680	$ 63,680	$ 63,680	$ 63,680	$ 63,680	$ 63,680	$ 63,680	*City of Toronto - Effective January 1, 2026 - Base Fee*
Rezoning Application Fee - Additional (Per sf)	$ 0.58	$ 0.58	$ 0.58	$ 0.58	$ 0.58	$ 0.58	$ 0.58	$ 0.58	$ 0.58	*City of Toronto - Effective January 1, 2026 - Base Fee*
Site Plan Control	$ 43,605	$ 43,605	$ 43,605	$ 43,605	$ 43,605	$ 43,605	$ 43,605	$ 43,605	$ 43,605	*City of Toronto - Effective January 1, 2026 - Base Fee*
Additional Fee	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	*City of Toronto - Effective January 1, 2026 - psf*
Minor Variance	$ 6,486	$ 6,486	$ 6,486	$ 6,486	$ 6,486	$ 6,486	$ 6,486	$ 6,486	$ 6,486	*City of Toronto - Effective January 1, 2026 - Base Fee*
Residential Building Permit	$ 56.33	$ 56.33	$ 56.33	$ 56.33	$ 56.33	$ 56.33	$ 56.33	$ 56.33	$ 56.33	*City of Toronto - Effective January 1, 2026 - per unit*
Additional Fee	$ 1.72	$ 1.72	$ 1.72	$ 1.72	$ 1.72	$ 1.72	$ 1.72	$ 1.72	$ 1.72	*City of Toronto - Effective January 1, 2026 - psf*
Hourly Fee	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	*City of Toronto - Effective January 1, 2026 - per hour*
Plan of Condominium Approval	$ 12,619	$ 12,619	$ 12,619	$ 12,619	$ 12,619	$ 12,619	$ 12,619	$ 12,619	$ 12,619	*City of Toronto - Effective January 1, 2026 - Base Fee*
Office/Retail Building Permit Fee (Per sf)	$ 2.27	$ 2.27	$ 2.27	$ 2.27	$ 2.27	$ 2.27	$ 2.27	$ 2.27	$ 2.27	*City of Toronto - Effective January 1, 2026 - psf*
Hourly Fee	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	*City of Toronto - Effective January 1, 2026 - per hour*
Development Charges										
Condo Residential Studio / 1 Bedroom	$ 52,676	$ 52,676	$ 52,676	$ 52,676	$ 52,676	$ 52,676	$ 52,676	$ 52,676	$ 52,676	*City of Toronto - Effective June 26, 2025 - per unit*
Condo Residential 2 Bedroom+	$ 80,690	$ 80,690	$ 80,690	$ 80,690	$ 80,690	$ 80,690	$ 80,690	$ 80,690	$ 80,690	*City of Toronto - Effective June 26, 2025 - per unit*
Education - Residential	$ 3,893	$ 3,893	$ 3,893	$ 3,893	$ 3,893	$ 3,893	$ 3,893	$ 3,893	$ 3,893	*City of Toronto - Effective June 26, 2025 - per unit*
Non-Residential (per sf)	$ 74.85	$ 74.85	$ 74.85	$ 74.85	$ 74.85	$ 74.85	$ 74.85	$ 74.85	$ 74.85	*City of Toronto - Effective June , 2025*
Education - Non Residential (per sf)	$ 1.67	$ 1.67	$ 1.67	$ 1.67	$ 1.67	$ 1.67	$ 1.67	$ 1.67	$ 1.67	*City of Toronto - Effective June , 2026*
CIL of Parkland Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	*Bill 23 Cap for Sites < 5 Ha - % of Land Value*
Community Benefits Charge	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	*Bill 23/City of Toronto - % of Land Value*

Development Rates & Timing	S2	S2A	S2B	S2-8x	S2A-8x	S2B	S2-12x	S2A-12x	S2B-12x	
Profit Margin	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	*NBLC Assumption*
Discount Rate	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	*NBLC Assumption*
Absorption Rate	15	15	15	15	15	15	15	15	15	*NBLC Assumption*
Timing										
Predevelopment Timeline	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	*Years - NBLC Assumption*
Time for Premarketing	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	*Years - NBLC Assumption*
Total Time Prior to Sales Start	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	*Years - Calculated*
Presale Period	1.27	1.73	1.97	1.02	1.39	1.57	1.53	2.08	2.36	*Years - Calculated*
Construction Period	2.75	2.75	2.75	2.50	2.50	2.50	3.00	3.00	3.00	*Years - NBLC Assumption*
Occupancy Period	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	*Years - NBLC Assumption*
Total Time to Completion from Today	7.02	7.48	7.72	6.52	6.89	7.07	7.53	8.08	8.36	*Years - Calculated*
Key Dates										
Sales Start Date	October 2028	October 2028	October 2028	October 2028	October 2028	October 2028	October 2028	October 2028	October 2028	
Construction Start Date	January 2030	June 2030	September 2030	October 2029	February 2030	April 2030	April 2030	October 2030	February 2031	
Occupancy Date	October 2032	March 2033	June 2033	April 2032	August 2032	October 2032	April 2033	October 2033	February 2034	
Completion Date	April 2033	September 2033	December 2033	October 2032	February 2033	April 2033	October 2033	April 2034	August 2034	

A) Projected Revenues

Condominium Unit Sale Revenue	$ 194,692,828	$ 266,256,237	$ 302,194,136	$ 155,425,940	$ 212,430,971	$ 241,032,307	$ 234,127,621	$ 320,376,494	$ 363,728,454
Condominium Parking Sale Revenue	$ 5,397,911	$ 7,382,025	$ 8,378,413	$ 4,309,226	$ 5,889,706	$ 6,682,685	$ 6,491,251	$ 8,882,524	$ 10,084,469
Condominium Locker Sale Revenue	$ 1,840,197	$ 2,516,600	$ 2,856,277	$ 1,469,054	$ 2,007,854	$ 2,278,188	$ 2,212,926	$ 3,028,133	$ 3,437,887
Interim Occupancy Charges									
Interest on the Unpaid Balance of the Purchase Price	$ 1,381,208	$ 1,888,899	$ 2,143,853	$ 1,102,637	$ 1,507,047	$ 1,709,953	$ 1,660,969	$ 2,272,844	$ 2,580,396
Property Taxes	$ 274,092	$ 374,841	$ 425,435	$ 218,812	$ 299,064	$ 339,330	$ 329,609	$ 451,032	$ 512,064
Projected Common Expense Contribution	$ 238,550	$ 325,296	$ 368,668	$ 190,840	$ 260,237	$ 294,935	$ 286,260	$ 390,355	$ 442,402
DC Recoveries	$ 2,862,573	$ 3,903,508	$ 4,423,976	$ 2,290,058	$ 3,122,807	$ 3,539,181	$ 3,435,087	$ 4,684,210	$ 5,308,771
Tarion Recoveries	$ 421,069	$ 579,470	$ 659,748	$ 305,521	$ 458,128	$ 521,118	$ 510,356	$ 703,633	$ 801,846
HST	$ (23,230,993)	$ (31,770,028)	$ (36,058,184)	$ (18,545,618)	$ (25,347,530)	$ (28,760,277)	$ (27,936,402)	$ (38,227,725)	$ (43,400,536)
HST Rebate	$ 5,496,140	$ 7,494,736	$ 8,494,034	$ 4,396,912	$ 5,995,789	$ 6,795,227	$ 6,595,368	$ 8,993,683	$ 10,192,841
Capitalized Affordable Rental Revenue	$ 2,982,031	$ 4,103,831	$ 4,672,363	$ 2,373,634	$ 3,260,584	$ 3,708,895	$ 3,596,514	$ 4,958,551	$ 5,650,667
Capitalized Affordable Rental Locker Revenue	$ 10,319	$ 14,201	$ 16,168	$ 8,214	$ 11,283	$ 12,834	$ 12,445	$ 17,158	$ 19,553
Capitalized Office Revenue	$ 72,996,387	$ 36,498,193	$ 18,249,097	$ 58,397,109	$ 29,198,555	$ 14,599,277	$ 87,595,664	$ 43,797,832	$ 21,898,916
Capitalized Office Parking Revenue	$ 9,160,710	$ 4,601,489	$ 2,306,046	$ 7,310,037	$ 3,668,504	$ 1,837,632	$ 11,020,720	$ 5,540,884	$ 2,778,105
Capitalized Retail Revenue	$ 11,007,392	$ 11,007,392	$ 11,007,392	$ 8,805,913	$ 8,805,913	$ 8,805,913	$ 13,208,996	$ 13,208,870	$ 13,208,870
Capitalized Retail Parking Revenue	$ 1,308,673	$ 1,314,711	$ 1,317,741	$ 1,044,291	$ 1,048,144	$ 1,050,076	$ 1,574,404	$ 1,583,110	$ 1,587,488
Total Revenue	**$ 286,839,087**	**$ 316,491,401**	**$ 331,455,163**	**$ 229,102,580**	**$ 252,617,055**	**$ 264,447,275**	**$ 344,721,790**	**$ 380,661,589**	**$ 398,832,194**
per market unit	$ 1,252,541	$ 1,013,484	$ 936,531	$ 1,250,528	$ 1,011,178	$ 933,999	$ 1,254,414	$ 1,015,811	$ 939,088
per sf GFA	$ 823	$ 908	$ 951	$ 822	$ 906	$ 949	$ 824	$ 910	$ 954

B) Projected Costs

Hard Costs	S2	S2A	S2B	S2-8x	S2A-8x	S2B	S2-12x	S2A-12x	S2B-12x	
Above Grade Construction Cost	$ 138,024,785	$ 139,295,102	$ 139,934,638	$ 109,864,844	$ 110,673,019	$ 111,079,333	$ 166,466,423	$ 168,306,608	$ 169,234,315	
Parking Construction Cost	$ 20,118,433	$ 15,908,378	$ 13,773,719	$ 16,013,852	$ 12,639,556	$ 10,933,501	$ 24,264,093	$ 19,221,674	$ 16,657,676	
Demolition and Site Prep	$ 938,772	$ 947,412	$ 951,761	$ 934,053	$ 940,924	$ 944,379	$ 943,514	$ 953,944	$ 959,202	
Site Servicing	$ 751,017	$ 757,929	$ 761,409	$ 597,794	$ 602,191	$ 604,402	$ 905,773	$ 915,786	$ 920,834	
Landscaping & Hardscaping	$ 793,050	$ 800,348	$ 804,023	$ 628,134	$ 632,754	$ 635,077	$ 961,214	$ 971,839	$ 977,196	
Contingency	$ 16,062,606	$ 15,770,917	$ 15,622,555	$ 12,803,868	$ 12,548,844	$ 12,419,669	$ 19,354,102	$ 19,036,985	$ 18,874,922	
Total Hard Cost	**$ 176,688,662**	**$ 173,480,086**	**$ 171,848,106**	**$ 140,842,545**	**$ 138,037,289**	**$ 136,616,362**	**$ 212,895,118**	**$ 209,406,836**	**$ 207,624,145**	
per market unit	$ 771,547	$ 555,526	$ 485,559	$ 768,772	$ 552,537	$ 482,514	$ 774,708	$ 558,810	$ 488,871	
per sf GFA	$ 507	$ 498	$ 493	$ 505	$ 495	$ 490	$ 509	$ 501	$ 496	
Soft Costs										
Planning Application Fees	$ 509,088	$ 509,088	$ 509,088	$ 430,944	$ 430,944	$ 430,944	$ 587,232	$ 587,232	$ 587,232	
Plan of Condominium Approval	$ 14,359	$ 14,491	$ 14,558	$ 14,216	$ 14,321	$ 14,374	$ 14,503	$ 14,664	$ 14,744	
Building Permit Fees - Residential	$ 375,015	$ 514,256	$ 584,824	$ 299,499	$ 409,590	$ 465,236	$ 451,287	$ 620,346	$ 706,253	*Assumes 50 Hours of Labour*
Building Permit Fees - Non-Residential	$ 392,591	$ 223,908	$ 138,392	$ 313,489	$ 178,902	$ 110,861	$ 472,484	$ 269,526	$ 166,347	*Assumes 50 Hours of Labour*
Development Charges	$ 16,574,920	$ 22,127,937	$ 24,904,445	$ 13,259,936	$ 17,702,349	$ 19,923,556	$ 19,889,919	$ 26,553,524	$ 29,885,334	*No Inflation Re: Bill 17 Int. DC Def. to Occup./ No Aff. Rental*
Education Development Charges	$ 1,153,402	$ 1,361,199	$ 1,465,097	$ 922,722	$ 1,088,959	$ 1,172,078	$ 1,384,083	$ 1,633,439	$ 1,758,117	*No Inflation Re: Bill 17 Int. DC Def. to Occup./ No Aff. Rental*
Cash-in-Lieu of Parkland Dedication	$ 265,969	$ 1,329,183	$ 1,845,505	$ 275,367	$ 1,163,515	$ 1,597,533	$ 222,957	$ 1,445,047	$ 2,035,012	
Community Benefits Charge	$ 106,388	$ 531,673	$ 738,202	$ 110,147	$ 465,406	$ 639,013	$ 89,183	$ 578,019	$ 814,005	
Architects	$ 3,533,773	$ 3,469,602	$ 3,436,962	$ 2,816,851	$ 2,760,746	$ 2,732,327	$ 4,257,902	$ 4,188,137	$ 4,152,483	
Consultants	$ 3,533,773	$ 3,469,602	$ 3,436,962	$ 2,816,851	$ 2,760,746	$ 2,732,327	$ 4,257,902	$ 4,188,137	$ 4,152,483	
Construction Management	$ 5,300,660	$ 5,204,403	$ 5,155,443	$ 4,225,276	$ 4,141,119	$ 4,098,491	$ 6,386,854	$ 6,282,205	$ 6,228,724	
Development Management	$ 7,067,546	$ 6,939,203	$ 6,873,924	$ 5,633,702	$ 5,521,492	$ 5,464,654	$ 8,515,805	$ 8,376,273	$ 8,304,966	
Insurance	$ 1,766,887	$ 1,734,801	$ 1,718,481	$ 1,408,425	$ 1,380,373	$ 1,366,164	$ 2,128,951	$ 2,094,068	$ 2,076,241	
Legal	$ 563,263	$ 568,447	$ 571,057	$ 448,346	$ 451,644	$ 453,302	$ 679,330	$ 686,839	$ 690,625	
Marketing	$ 2,650,330	$ 2,602,201	$ 2,577,722	$ 2,112,638	$ 2,070,559	$ 2,049,245	$ 3,193,427	$ 3,141,103	$ 3,114,362	
Property Tax	$ 565,903	$ 770,056	$ 881,250	$ 414,209	$ 563,787	$ 644,412	$ 736,854	$ 1,002,453	$ 1,148,382	
Provincial Land Transfer Tax	$ 106,388	$ 531,673	$ 738,202	$ 110,147	$ 465,406	$ 639,013	$ 89,183	$ 578,019	$ 814,005	
Residential Sales Commission	$ 8,077,237	$ 11,046,194	$ 12,537,153	$ 6,448,169	$ 8,813,141	$ 9,999,727	$ 9,713,272	$ 13,291,486	$ 15,090,032	
Tarion Enrolment Fee	$ 421,069	$ 579,470	$ 659,748	$ 305,521	$ 458,128	$ 521,118	$ 510,356	$ 703,633	$ 801,846	
HCRA Regulatory Oversight Fee	$ 33,206	$ 45,281	$ 51,318	$ 26,565	$ 36,225	$ 41,054	$ 39,847	$ 54,337	$ 61,582	
Total Soft Cost	**$ 53,011,768**	**$ 63,572,668**	**$ 68,838,333**	**$ 42,393,019**	**$ 50,877,351**	**$ 55,095,429**	**$ 63,621,330**	**$ 76,288,487**	**$ 82,602,777**	
per market unit	$ 231,487	$ 203,575	$ 194,504	$ 231,397	$ 203,652	$ 194,591	$ 231,513	$ 203,579	$ 194,496	
per sf GFA	$ 152	$ 182	$ 198	$ 152	$ 182	$ 198	$ 152	$ 182	$ 198	
Total Costs Before Financing	**$ 211,972,107**	**$ 213,563,618**	**$ 214,316,897**	**$ 169,052,906**	**$ 170,123,332**	**$ 170,616,157**	**$ 255,242,445**	**$ 257,508,360**	**$ 258,583,471**	*Net of Development Charges*
Financing Costs										
Lender's Administrative Fee	$ 1,695,777	$ 1,708,509	$ 1,714,535	$ 1,352,423	$ 1,360,987	$ 1,364,929	$ 2,041,940	$ 2,060,067	$ 2,068,668	
Construction Loan Financing Costs	$ 8,139,697	$ 8,200,811	$ 8,229,736	$ 5,869,343	$ 5,906,507	$ 5,923,618	$ 10,745,053	$ 10,840,442	$ 10,885,701	*Assumes 70% LTC*
Financing Costs	**$ 9,835,474**	**$ 9,909,320**	**$ 9,944,272**	**$ 7,221,767**	**$ 7,267,494**	**$ 7,288,547**	**$ 12,786,992**	**$ 12,900,509**	**$ 12,954,369**	
Total Development Costs w/ Financing	**$ 239,535,904**	**$ 246,962,073**	**$ 250,630,710**	**$ 190,457,331**	**$ 196,182,135**	**$ 199,000,338**	**$ 289,303,440**	**$ 298,595,832**	**$ 303,181,290**	*Inclusive of Development Charges*
per unit	$ 1,045,982	$ 790,834	$ 708,160	$ 1,039,588	$ 785,280	$ 702,847	$ 1,052,751	$ 796,815	$ 713,869	
per sf GFA	$ 687	$ 709	$ 719	$ 683	$ 704	$ 714	$ 692	$ 714	$ 725	

	S2	S2A	S2B	S2-8x	S2A-8x	S2B	S2-12x	S2A-12x	S2B-12x	
C) Profit Calculations										
Total Profit	**$ 43,025,863**	**$ 47,473,710**	**$ 49,718,274**	**$ 34,365,387**	**$ 37,892,558**	**$ 39,667,091**	**$ 51,708,268**	**$ 57,099,238**	**$ 59,824,829**	
per unit	$ 187,881	$ 152,023	$ 140,480	$ 187,579	$ 151,677	$ 140,100	$ 188,162	$ 152,372	$ 140,863	
per sf GFA	$ 123	$ 136	$ 143	$ 123	$ 136	$ 142	$ 124	$ 137	$ 143	
D) Residual Land Value										
Total Revenue	$ 286,839,087	$ 316,491,401	$ 331,455,163	$ 229,102,580	$ 252,617,055	$ 264,447,275	$ 344,721,790	$ 380,661,589	$ 398,832,194	
Less: Total Development Costs	$ 239,535,904	$ 246,962,073	$ 250,630,710	$ 190,457,331	$ 196,182,135	$ 199,000,338	$ 289,303,440	$ 298,595,832	$ 303,181,290	
Less: Profit	$ 43,025,863	$ 47,473,710	$ 49,718,274	$ 34,365,387	$ 37,892,558	$ 39,667,091	$ 51,708,268	$ 57,099,238	$ 59,824,829	
Total Residual Land Value (FV)	**$ 4,277,320**	**$ 22,055,617**	**$ 31,106,178**	**$ 4,279,862**	**$ 18,542,362**	**$ 25,779,847**	**$ 3,710,081**	**$ 24,966,518**	**$ 35,826,075**	
Time from Permit to Completion	3.3	3.3	3.3	3.0	3.0	3.0	3.5	3.5	3.5	*Years*
Total Residual Land Value at Time of Permit (FV)	**$ 3,433,005**	**$ 17,701,984**	**$ 24,966,024**	**$ 3,493,642**	**$ 15,136,091**	**$ 21,044,034**	**$ 2,927,792**	**$ 19,702,202**	**$ 28,271,966**	
per unit	$ 14,991	$ 56,686	$ 70,542	$ 19,070	$ 60,587	$ 74,325	$ 10,654	$ 52,576	$ 66,569	
per sf GFA	$ 10	$ 51	$ 72	$ 13	$ 54	$ 75	$ 7	$ 47	$ 68	
Total Time from Sales Start to Completion	4.5	5.0	5.2	4.0	4.4	4.6	5.0	5.6	5.9	*Years*
Total Residual Land Value at Time of Approval (FV	**$ 3,149,857**	**$ 15,741,432**	**$ 21,856,200**	**$ 3,261,155**	**$ 13,779,440**	**$ 18,919,481**	**$ 2,640,462**	**$ 17,113,606**	**$ 24,100,516**	
per unit	$ 13,754	$ 50,408	$ 61,755	$ 17,801	$ 55,156	$ 66,822	$ 9,608	$ 45,668	$ 56,747	
per sf GFA	$ 9	$ 45	$ 63	$ 12	$ 49	$ 68	$ 6	$ 41	$ 58	
Total Time to Completion	7.0	7.5	7.7	6.5	6.9	7.1	7.5	8.1	8.4	*Years*
Total Residual Land Value (PV)	**$ 2,659,692**	**$ 13,291,830**	**$ 18,455,049**	**$ 2,753,671**	**$ 11,635,153**	**$ 15,975,328**	**$ 2,229,566**	**$ 14,450,473**	**$ 20,350,116**	
per unit	$ 11,614	$ 42,564	$ 52,145	$ 15,031	$ 46,573	$ 56,423	$ 8,113	$ 38,562	$ 47,916	
per sf GFA	$ 8	$ 38	$ 53	$ 10	$ 42	$ 57	$ 5	$ 35	$ 49	

Appendix ‘B’ – Scenario 1 (PBR) – RLV Model

nblc

City of Toronto

Liberty Employment Stratagy
Rental RLV - Current Market

	Base Density Scenario (10x FSI) - PBR			Base Density Scenario (8x FSI) - PBR			Base Density Scenario (12x FSI) - PBR		
	S1	S1A	S1B	S1-8x	S1A-8x	S1B-8x	S1-12x	S1A-12x	S1B-12x
	PBR + 45% NR	PBR + 25% NR	PBR + 15% NR	PBR + 45% NR	PBR + 25% NR	PBR + 15% NR	PBR + 45% NR	PBR + 25% NR	PBR + 15% NR
SUMMARY OF RESIDUAL LAND VALUE RESULTS									
Future Value:	$ 10,599,456	$ 20,592,455	$ 25,602,604	$ 8,367,175	$ 16,155,754	$ 20,058,736	$ 12,772,715	$ 25,075,175	$ 31,246,162
Present Value:	**$ 6,942,616**	**$ 13,158,972**	**$ 16,159,768**	**$ 5,650,195**	**$ 10,696,244**	**$ 13,149,745**	**$ 8,114,797**	**$ 15,465,629**	**$ 18,988,248**
Per Unit:	$ 27,377	$ 38,053	$ 41,233	$ 27,851	$ 38,664	$ 41,940	$ 26,666	$ 37,269	$ 40,375
PSF GFA:	$ 20	$ 38	$ 46	$ 20	$ 38	$ 47	$ 19	$ 37	$ 45
ASSUMPTIONS									
Site and Project Statistics									*Notes/Comments/Units:*
Site Area (sf)	34,848	34,848	34,848	34,848	34,848	34,848	34,848	34,848	34,848	*City of Toronto*
Building Height	30	30	30	30	30	30	30	30	30	*City of Toronto*
FSI	10.00	10.00	10.00	8.00	8.00	8.00	12.00	12.00	12.00	*Calculated*
Above Grade Gross Construction Area (sf)	376,735	376,735	376,735	301,388	301,388	301,388	452,082	452,082	452,082	*Calculated - Assumes GFA = 92.5% of GCA*
Total Parking GCA	72,730	52,086	41,764	58,184	41,669	33,411	87,276	62,503	50,117	*Calculated - Assumes GFA = 92.5% of GCA*
Total Gross Floor Area (sf)	348,480	348,480	348,480	278,784	278,784	278,784	418,176	418,176	418,176	*City of Toronto*
Residential GFA	191,664	261,360	296,208	153,331	209,088	236,966	229,997	313,632	355,450	*NBLC Assumption*
Non-Residential GFA	156,816	87,120	52,272	125,453	69,696	41,818	188,179	104,544	62,726	*Calculated*
Office GFA	139,392	69,696	34,848	111,514	55,757	27,878	167,270	83,635	41,818	*Calculated*
Retail GFA	17,424	17,424	17,424	13,939	13,939	13,939	20,909	20,909	20,909	
GFA/GCA Ratio	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	*NBLC Assumption*
Residential GCA (sf)	207,204	282,551	320,225	165,763	226,041	256,180	248,645	339,062	384,270	*Calculated - Assumes GFA is 92.5% of GCA*
Office GCA (sf)	150,694	75,347	37,674	120,555	60,278	30,139	180,833	90,416	45,208	*Calculated - Assumes GFA is 92.5% of GCA*
Retail GCA (sf)	18,837	18,837	18,837	15,069	15,069	15,069	22,604	22,604	22,604	*Calculated - Assumes GFA is 92.5% of GCA*
Net Residential Floor Area	169,908	231,692	262,584	135,926	185,354	210,068	203,889	278,031	315,101	*Calculated*
Net Rental Apartment Floor Area	161,412	220,108	249,455	129,130	176,086	199,564	193,695	264,129	299,346	*Calculated*
Net Affordable Rental Floor Area	8,495	11,585	13,129	6,796	9,268	10,503	10,194	13,902	15,755	*Calculated*
Net Office Floor Area	135,625	67,812	33,906	108,500	54,250	27,125	162,750	81,375	40,687	*Calculated*
Net Retail Floor Area	16,953	16,953	16,953	13,562	13,562	13,562	20,344	20,344	20,344	*Calculated*
Non-Residential Efficiency Ratio	90%	90%	90%	90%	90%	90%	90%	90%	90%	*NBLC Assumption*
Residential Efficiency Ratio	82%	82%	82%	82%	82%	82%	82%	82%	82%	*NBLC Assumption*
Residential Parking Ratio	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	*NBLC Assumption*
Visitor Parking Ratio	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	*NBLC Assumption*
Office Parking Ratio (Spaces per 100 sqm of GFA)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	*NBLC Assumption*
Retail Parking Ratio (Spaces per 100 sqm of GFA)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	*NBLC Assumption*
Total Parking Spaces	182	130	104	145	104	84	218	156	125	*Calculated*
Residential Spaces	24	33	37	19	26	30	29	39	45	*Calculated*
Office Spaces	129	65	32	104	52	26	155	78	39	*Calculated*
Retail Spaces	16	16	16	13	13	13	19	19	19	*Calculated*
Visitor Spaces	12	16	19	10	13	15	14	20	22	*Calculated*
Estimated Area per Parking Stall (sf)	400	400	400	400	400	400	400	400	400	*NBLC Assumption*
Average Unit Size (sf)	670	670	670	670	670	670	670	670	670	*NBLC Assumption*
Total Units	254	346	392	203	277	314	304	415	470	*Calculated*
Total Market Rental Units	241	329	372	193	263	298	289	394	447	*Calculated*
Total Affordable Rental Units	13	17	20	10	14	16	15	21	24	*Calculated*
Suite Mix										
Single Unit: Studio/One Bedroom (%)	60%	60%	60%	60%	60%	60%	60%	60%	60%	*NBLC Assumption*
Multi Unit: Two Bedroom/Three Bedroom (%)	40%	40%	40%	40%	40%	40%	40%	40%	40%	*NBLC Assumption*
Storage Locker Ratio	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	*NBLC Assumption*
Total Storage Lockers for Rent	181	246	279	145	197	223	217	296	335	*Calculated*

Every reasonable effort has been taken to ensure that the information, analysis, conclusions, and recommendations in this report are accurate and timely. No responsibility for the information, analysis, conclusions, or recommendations is assumed by N. Barry Lyon Consultants Limited or any of its employees or associates.

Revenue Inputs	S1	S1A	S1B	S1-8x	S1A-8x	S1B-8x	S1-12x	S1A-12x	S1B-12x	
Rental Inputs										
Index Price	$ 4.25	$ 4.25	$ 4.25	$ 4.25	$ 4.25	$ 4.25	$ 4.25	$ 4.25	$ 4.25	*NBLC Assumption*
Market Starting Rent	$ 2,848	$ 2,848	$ 2,848	$ 2,848	$ 2,848	$ 2,848	$ 2,848	$ 2,848	$ 2,848	*Calculated*
Parking Monthly Rent	$ 225	$ 225	$ 225	$ 225	$ 225	$ 225	$ 225	$ 225	$ 225	*NBLC Assumption*
Storage Monthly Rent	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	*NBLC Assumption*
Market Rent Inflator	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	*NBLC Assumption*
Market Vacancy and Bad Debt	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	*NBLC Assumption*
Operating Expense Ratio	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	*NBLC Assumption*
Market Cap Rate	4.30%	4.30%	4.30%	4.30%	4.30%	4.30%	4.30%	4.30%	4.30%	*Midpoint CBRE Q4 2025 Cap Rate Report*
Market Rental Valuation at Stabilized Occupancy										
Average Rent at Stabilization	$ 3,159	$ 3,159	$ 3,159	$ 3,144	$ 3,144	$ 3,144	$ 3,175	$ 3,175	$ 3,175	*Calculated*
Gross Potential Income	$ 9,133,923	$ 12,455,350	$ 14,116,063	$ 7,271,053	$ 9,915,072	$ 11,237,081	$ 11,015,105	$ 15,020,598	$ 17,023,344	*Calculated*
Gross Parking & Storage	$ 16,038	$ 21,871	$ 24,787	$ 12,767	$ 17,410	$ 19,731	$ 19,342	$ 26,375	$ 29,892	*Calculated*
Total Gross Potential Income	$ 9,149,962	$ 12,477,220	$ 14,140,850	$ 7,283,820	$ 9,932,482	$ 11,256,813	$ 11,034,447	$ 15,046,973	$ 17,053,236	*Calculated*
Less: Vacancy and Bad Debt	$ 594,748	$ 811,019	$ 919,155	$ 473,448	$ 645,611	$ 731,693	$ 717,239	$ 978,053	$ 1,108,460	*Calculated*
Gross Effective Income	$ 8,555,214	$ 11,666,201	$ 13,221,694	$ 6,810,372	$ 9,286,871	$ 10,525,120	$ 10,317,208	$ 14,068,919	$ 15,944,775	*Calculated*
Less: Operating Expenses	$ 2,737,669	$ 3,733,184	$ 4,230,942	$ 2,179,319	$ 2,971,799	$ 3,368,038	$ 3,301,506	$ 4,502,054	$ 5,102,328	*Calculated*
Net Operating Income	$ 5,817,546	$ 7,933,017	$ 8,990,752	$ 4,631,053	$ 6,315,072	$ 7,157,082	$ 7,015,701	$ 9,566,865	$ 10,842,447	*Calculated*
Affordable Rental Inputs										
Index Price	$ 2.25	$ 2.25	$ 2.25	$ 2.25	$ 2.25	$ 2.25	$ 2.25	$ 2.25	$ 2.25	*NBLC Assumption*
Market Starting Rent	$ 1,552	$ 1,552	$ 1,552	$ 1,552	$ 1,552	$ 1,552	$ 1,552	$ 1,552	$ 1,552	*Calculated*
Affordable Rent Inflator	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	*NBLC Assumption*
Market Vacancy and Bad Debt	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	*NBLC Assumption*
Operating Expense Ratio	61.2%	61.2%	61.2%	61.2%	61.2%	61.2%	61.2%	61.2%	61.2%	*NBLC Assumption*
Market Cap Rate	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	*Midpoint CBRE Q4 2025 Cap Rate + 20 bps*
Affordable Rental Valuation at Stabilized Occupancy										
Average Rent at Stabilization	$ 1,721	$ 1,721	$ 1,721	$ 1,713	$ 1,713	$ 1,713	$ 1,730	$ 1,730	$ 1,730	*Calculated*
Gross Potential Income	$ 261,934	$ 357,183	$ 404,807	$ 208,512	$ 284,335	$ 322,246	$ 315,881	$ 430,746	$ 488,179	*Calculated*
Total Gross Potential Income	$ 263,655	$ 358,904	$ 406,529	$ 210,225	$ 286,048	$ 323,959	$ 317,611	$ 432,476	$ 489,909	*Calculated*
Less: Vacancy and Bad Debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*Calculated*
Gross Effective Income	$ 263,655	$ 358,904	$ 406,529	$ 210,225	$ 286,048	$ 323,959	$ 317,611	$ 432,476	$ 489,909	*Calculated*
Less: Operating Expenses	$ 161,344	$ 219,631	$ 248,775	$ 128,647	$ 175,047	$ 198,247	$ 194,362	$ 264,654	$ 299,800	*Calculated*
Net Operating Income	$ 102,312	$ 139,273	$ 157,753	$ 81,578	$ 111,001	$ 125,712	$ 123,249	$ 167,823	$ 190,109	*Calculated*
Non-Residential										
Office - Net Rent psf	$ 35	$ 35	$ 35	$ 35	$ 35	$ 35	$ 35	$ 35	$ 35	*NBLC Assumption*
Office Vacancy Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	*NBLC Assumption*
Net Annual Office Rent at Marketing	$ 4,379,783	$ 2,189,892	$ 1,094,946	$ 3,503,827	$ 1,751,913	$ 875,957	$ 5,255,740	$ 2,627,870	$ 1,313,935	*Calculated*
Office Cap Rate	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	*Midpoint CBRE Q4 2025 Cap Rate Report*
Retail - Net Rent psf	$ 35	$ 35	$ 35	$ 35	$ 35	$ 35	$ 35	$ 35	$ 35	*NBLC Assumption*
Retail Vacancy Rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	*NBLC Assumption*
Net Annual Retail Rent at Marketing	$ 577,888	$ 577,888	$ 577,888	$ 462,310	$ 462,310	$ 462,310	$ 693,466	$ 693,466	$ 693,466	*Calculated*
Non-Residential Market Inflator	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	*NBLC Assumption*
Retail Cap Rate	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	*Midpoint CBRE Q4 2025 Cap Rate Report*

Development Cost Inputs	S1	S1A	S1B	S1-8x	S1A-8x	S1B-8x	S1-12x	S1A-12x	S1B-12x	
Hard Costs										
Above Grade Construction Cost	$ 340	$ 340	$ 340	$ 340	$ 340	$ 340	$ 340	$ 340	$ 340	*2025 Altus Construction Cost Guide - Midpoint GTA 13-39 St*
Parking Construction Cost	$ 230	$ 230	$ 230	$ 230	$ 230	$ 230	$ 230	$ 230	$ 230	*2025 Altus Construction Cost Guide - Midpoint GTA U/G Gar.*
Demolition and Site Prep	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	$ 25	*NBLC Assumption - psf of Site Area*
Site Servicing	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	*NBLC Assumption - psf*
Landscaping & Hardscaping	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	*NBLC Assumption - psf*
Contingency Factor	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	*NBLC Assumption - % of Hard Costs*
Cost Inflator	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	*NBLC Assumption*
Soft Costs										
Land Value Input for Soft Costs Based on Value ($PS	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50	*NBLC Assumption - psf*
Architect	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	*NBLC Assumption - % of Hard Costs*
Consultants	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	*NBLC Assumption - % of Hard Costs*
Construction Management	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	*NBLC Assumption - % of Hard Costs*
Development Management	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	*NBLC Assumption - % of Hard Costs*
Insurance	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	*NBLC Assumption - % of Hard Costs*
Legal	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2	*NBLC Assumption - psf*
Marketing	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	*NBLC Assumption - % of Hard Costs*
Property Tax Rate - Residential	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	*City of Toronto - 2026 - New Multi-Residential*
Property Tax Rate - Non-Residential	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	*City of Toronto - 2026 - Commercial*
Land Transfer Tax	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	*City of Toronto & Province of Ontario*
Residential Sales Commission	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	*NBLC Assumption - Three Months Rent*
Lender's Administrative Fee	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	*NBLC Assumption - % of Total Costs Before Financing*
Construction Loan Interest Rate	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	*Bank of Canada Overnight Lending Rate + 300 bps*
HST Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	*As per CRA, Waived for Rental Developments*
HST Rebate (per unit)	100%	100%	100%	100%	100%	100%	100%	100%	100%	*As per CRA, Waived for Rental Developments*
Rezoning Application Base Fee	$ 63,680	$ 63,680	$ 63,680	$ 63,680	$ 63,680	$ 63,680	$ 63,680	$ 63,680	$ 63,680	*City of Toronto - Effective January 1, 2026 - Base Fee*
Additional Fee	$ 0.58	$ 0.58	$ 0.58	$ 0.58	$ 0.58	$ 0.58	$ 0.58	$ 0.58	$ 0.58	*City of Toronto - Effective January 1, 2026 - psf*
Site Plan Control	$ 43,605	$ 43,605	$ 43,605	$ 43,605	$ 43,605	$ 43,605	$ 43,605	$ 43,605	$ 43,605	*City of Toronto - Effective January 1, 2026 - Base Fee*
Additional Fee	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	*City of Toronto - Effective January 1, 2026 - psf*
Minor Variance	$ 6,486	$ 6,486	$ 6,486	$ 6,486	$ 6,486	$ 6,486	$ 6,486	$ 6,486	$ 6,486	*City of Toronto - Effective January 1, 2026 - Base Fee*
Non-Residential Building Permit	$ 2.27	$ 2.27	$ 2.27	$ 2.27	$ 2.27	$ 2.27	$ 2.27	$ 2.27	$ 2.27	*City of Toronto - Effective January 1, 2026 - psf*
Hourly Fee	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	*City of Toronto - Effective January 1, 2026 - per hour*
Residential Building Permit	$ 56.33	$ 56.33	$ 56.33	$ 56.33	$ 56.33	$ 56.33	$ 56.33	$ 56.33	$ 56.33	*City of Toronto - Effective January 1, 2026 - per unit*
Additional Fee	$ 1.72	$ 1.72	$ 1.72	$ 1.72	$ 1.72	$ 1.72	$ 1.72	$ 1.72	$ 1.72	*City of Toronto - Effective January 1, 2026 - psf*
Hourly Fee	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	$ 92.79	*City of Toronto - Effective January 1, 2026 - per hour*
Development Charges										
Rental Residential Studio / 1 Bedroom	$ 33,497	$ 33,497	$ 33,497	$ 33,497	$ 33,497	$ 33,497	$ 33,497	$ 33,497	$ 33,497	*City of Toronto - Effective June 26, 2025 - per unit*
Rental Residential 2 Bedroom	$ 48,299	$ 48,299	$ 48,299	$ 48,299	$ 48,299	$ 48,299	$ 48,299	$ 48,299	$ 48,299	*City of Toronto - Effective June 26, 2025 - per unit*
Rental Residential 3 Bedroom	$ 45,280	$ 45,280	$ 45,280	$ 45,280	$ 45,280	$ 45,280	$ 45,280	$ 45,280	$ 45,280	*City of Toronto - Effective June 26, 2025 - per unit*
Education - Residential	$ 3,893	$ 3,893	$ 3,893	$ 3,893	$ 3,893	$ 3,893	$ 3,893	$ 3,893	$ 3,893	*TCDSB - Effective Dec. 2025 to Dec. 2026 - per unit*
Non-Residential Development Charge	$ 806	$ 806	$ 806	$ 806	$ 806	$ 806	$ 806	$ 806	$ 806	*City of Toronto - Effective June 26, 2025 - per square metre*
Non-Residential Education Development Charge	$ 1.67	$ 1.67	$ 1.67	$ 1.67	$ 1.67	$ 1.67	$ 1.67	$ 1.67	$ 1.67	*City of Toronto - Effective December, 2025 - psf*
CIL of Parkland Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	*Bill 23 Cap for Sites < 5 Ha - % of Land Value*
Community Benefits Charge	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	*Bill 23/City of Toronto - % of Land Value*

Development Rates & Timing	S1	S1A	S1B	S1-8x	S1A-8x	S1B-8x	S1-12x	S1A-12x	S1B-12x	
Profit Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	*NBLC Assumption*
Discount Rate	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	*NBLC Assumption*
Absorption Rate	20	20	20	20	20	20	20	20	20	*NBLC Assumption*
Timing										
Predevelopment Timeline	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	*Years - NBLC Assumption*
Time for Premarketing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	*Years - NBLC Assumption*
Total Time Prior to Construction	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	*Calculated*
Construction Period	2.8	2.8	2.8	2.5	2.5	2.5	3.0	3.0	3.0	*Years - NBLC Assumption*
Lease Up Period	1.0	1.4	1.6	0.8	1.1	1.2	1.2	1.6	1.9	*Years - NBLC Assumption*
Total Time to Completion from Today	6.3	6.6	6.8	5.8	6.1	6.2	6.7	7.1	7.4	*Calculated*
Key Dates										
Project Start Date	March 2026	March 2026	March 2026	March 2026	March 2026	March 2026	March 2026	March 2026	March 2026	
Construction Start Date	October 2028	October 2028	October 2028	October 2028	October 2028	October 2028	October 2028	October 2028	October 2028	
Occupancy Date	July 2032	October 2032	December 2032	December 2031	May 2032	May 2032	December 2032	May 2033	July 2033	
Completion Date	July 2032	October 2032	December 2032	December 2031	May 2032	May 2032	December 2032	May 2033	July 2033	

A) Projected Revenues

Capitalized Market Rental Revenue	$ 135,291,758	$ 184,488,760	$ 209,087,262	$ 107,698,904	$ 146,862,141	$ 166,443,760	$ 163,155,842	$ 222,485,238	$ 252,149,937
Capitalized Below Market Rental Revenue	$ 2,273,590	$ 3,094,952	$ 3,505,633	$ 1,812,844	$ 2,466,689	$ 2,793,611	$ 2,738,865	$ 3,729,391	$ 4,224,654
Capitalized Office Revenue	$ 72,996,387	$ 36,498,193	$ 18,249,097	$ 58,397,109	$ 29,198,555	$ 14,599,277	$ 87,595,664	$ 43,797,832	$ 21,898,916
Capitalizd Office Parking Revenue	$ 9,045,473	$ 4,522,736	$ 2,261,368	$ 7,236,378	$ 3,618,189	$ 1,809,095	$ 10,854,567	$ 5,427,284	$ 2,713,642
Capitalized Retail Revenue	$ 11,007,392	$ 11,007,392	$ 11,007,392	$ 8,805,913	$ 8,805,913	$ 8,805,913	$ 13,208,870	$ 13,208,870	$ 13,208,870
Capitalized Retail Parking Revenue	$ 1,292,210	$ 1,292,210	$ 1,292,210	$ 1,033,768	$ 1,033,768	$ 1,033,768	$ 1,550,652	$ 1,550,652	$ 1,550,652
HST	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
HST Rebate	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenue	**$ 231,906,809**	**$ 240,904,244**	**$ 245,402,962**	**$ 184,984,917**	**$ 191,985,256**	**$ 195,485,425**	**$ 279,104,460**	**$ 290,199,268**	**$ 295,746,671**

B) Projected Costs

Hard Costs	S1	S1A	S1B	S1-8x	S1A-8x	S1B-8x	S1-12x	S1A-12x	S1B-12x	
Above Grade Construction Cost	$ 134,590,830	$ 134,590,830	$ 134,590,830	$ 107,672,664	$ 107,672,664	$ 107,672,664	$ 161,508,996	$ 161,508,996	$ 161,508,996	
Parking Construction Cost	$ 17,576,788	$ 12,587,784	$ 10,093,282	$ 14,061,431	$ 10,070,227	$ 8,074,626	$ 21,092,146	$ 15,105,341	$ 12,111,939	
Demolition and Site Prep	$ 915,416	$ 915,416	$ 915,416	$ 915,416	$ 915,416	$ 915,416	$ 915,416	$ 915,416	$ 915,416	
Site Servicing	$ 732,332	$ 732,332	$ 732,332	$ 585,866	$ 585,866	$ 585,866	$ 878,799	$ 878,799	$ 878,799	
Landscaping & Hardscaping	$ 773,319	$ 773,319	$ 773,319	$ 615,600	$ 615,600	$ 615,600	$ 932,588	$ 932,588	$ 932,588	
Contingency	$ 15,458,869	$ 14,959,968	$ 14,710,518	$ 12,385,098	$ 11,985,977	$ 11,786,417	$ 18,532,795	$ 17,934,114	$ 17,634,774	
Total Hard Cost	**$ 170,047,554**	**$ 164,559,650**	**$ 161,815,697**	**$ 136,236,074**	**$ 131,845,751**	**$ 129,650,589**	**$ 203,860,740**	**$ 197,275,254**	**$ 193,982,512**	
per unit	$ 670,552	$ 475,868	$ 412,883	$ 671,528	$ 476,584	$ 413,514	$ 669,907	$ 475,395	$ 412,465	
per sf GFA	$ 488	$ 472	$ 464	$ 489	$ 473	$ 465	$ 487	$ 472	$ 464	
Soft Costs										
Planning Application Fees	$ 514,598	$ 514,598	$ 514,598	$ 435,587	$ 435,587	$ 435,587	$ 593,608	$ 593,608	$ 593,608	
Residential Building Permit Fees	$ 367,141	$ 498,873	$ 564,740	$ 294,687	$ 400,074	$ 452,767	$ 439,594	$ 597,673	$ 676,713	*Assumes 50 Hours of Labour*
Non-Residential Building Permit Fees	$ 378,914	$ 212,674	$ 129,555	$ 304,106	$ 171,114	$ 104,619	$ 453,722	$ 254,234	$ 154,490	*Assumes 50 Hours of Labour*
Residential Development Charges	$ 9,423,556	$ 12,850,303	$ 14,563,677	$ 7,538,844	$ 10,280,242	$ 11,650,941	$ 11,308,267	$ 15,420,364	$ 17,476,412	*No Inflation Re: Bill 17 Int. DC Def. to Occup./ No Aff. Rental*
Non-Residential Development Charges	$ 1,370,300	$ 1,370,300	$ 1,370,300	$ 1,096,240	$ 1,096,240	$ 1,096,240	$ 1,644,360	$ 1,644,360	$ 1,644,360	
Education Development Charges	$ 1,213,051	$ 1,431,798	$ 1,541,171	$ 970,441	$ 1,145,438	$ 1,232,937	$ 1,455,661	$ 1,718,157	$ 1,849,405	*No Inflation Re: Bill 17 Int. DC Def. to Occup./ No Aff. Rental*
Cash-in-Lieu of Parkland Dedication	$ 743,051	$ 1,443,588	$ 1,794,813	$ 596,568	$ 1,151,883	$ 1,430,160	$ 880,385	$ 1,728,356	$ 2,153,703	
Community Benefits Charge	$ 297,220	$ 577,435	$ 717,925	$ 238,627	$ 460,753	$ 572,064	$ 352,154	$ 691,342	$ 861,481	
Architects	$ 3,400,951	$ 3,291,193	$ 3,236,314	$ 2,724,721	$ 2,636,915	$ 2,593,012	$ 4,077,215	$ 3,945,505	$ 3,879,650	
Consultants	$ 3,400,951	$ 3,291,193	$ 3,236,314	$ 2,724,721	$ 2,636,915	$ 2,593,012	$ 4,077,215	$ 3,945,505	$ 3,879,650	
Construction Management	$ 5,101,427	$ 4,936,789	$ 4,854,471	$ 4,087,082	$ 3,955,373	$ 3,889,518	$ 6,115,822	$ 5,918,258	$ 5,819,475	
Development Management	$ 6,801,902	$ 6,582,386	$ 6,472,628	$ 5,449,443	$ 5,273,830	$ 5,186,024	$ 8,154,430	$ 7,891,010	$ 7,759,300	
Insurance	$ 1,700,476	$ 1,645,596	$ 1,618,157	$ 1,362,361	$ 1,318,458	$ 1,296,506	$ 2,038,607	$ 1,972,753	$ 1,939,825	
Legal	$ 549,249	$ 549,249	$ 549,249	$ 439,399	$ 439,399	$ 439,399	$ 659,099	$ 659,099	$ 659,099	
Marketing	$ 2,550,713	$ 2,468,395	$ 2,427,235	$ 2,043,541	$ 1,977,686	$ 1,944,759	$ 3,057,911	$ 2,959,129	$ 2,909,738	
Property Tax - Residential	$ 451,936	$ 652,246	$ 759,596	$ 335,489	$ 480,506	$ 557,619	$ 581,412	$ 844,632	$ 986,602	
Property Tax - Non-Residential	$ 1,128,775	$ 663,700	$ 409,201	$ 837,932	$ 488,944	$ 300,394	$ 1,452,162	$ 859,464	$ 531,491	
Provincial Land Transfer Tax	$ 297,220	$ 577,435	$ 717,925	$ 238,627	$ 460,753	$ 572,064	$ 352,154	$ 691,342	$ 861,481	
Residential Commission	$ 2,287,490	$ 3,119,305	$ 3,535,212	$ 1,820,955	$ 2,483,121	$ 2,814,203	$ 2,758,612	$ 3,761,743	$ 4,263,309	
Total Soft Cost	**$ 41,978,921**	**$ 46,677,058**	**$ 49,013,081**	**$ 33,539,374**	**$ 37,293,231**	**$ 39,161,824**	**$ 50,452,388**	**$ 56,096,535**	**$ 58,899,795**	
per unit	$ 165,536	$ 134,979	$ 125,060	$ 165,321	$ 134,804	$ 124,905	$ 165,792	$ 135,182	$ 125,239	
per sf GFA	$ 120	$ 134	$ 141	$ 120	$ 134	$ 140	$ 121	$ 134	$ 141	
Total Costs Before Financing	**$ 212,026,475**	**$ 211,236,707**	**$ 210,828,779**	**$ 169,775,448**	**$ 169,138,981**	**$ 168,812,412**	**$ 254,313,128**	**$ 253,371,790**	**$ 252,882,306**	
Total Costs Before Financing (Without DC's)	**$ 200,019,569**	**$ 195,584,307**	**$ 193,353,631**	**$ 160,169,923**	**$ 156,617,061**	**$ 154,832,294**	**$ 239,904,840**	**$ 234,588,909**	**$ 231,912,129**	*Net of Development Charges*
Financing Costs										
Lender's Administrative Fee	$ 1,600,157	$ 1,564,674	$ 1,546,829	$ 1,281,359	$ 1,252,936	$ 1,238,658	$ 1,919,239	$ 1,876,711	$ 1,855,297	
Construction Loan Financing Costs	$ 7,680,721	$ 7,510,408	$ 7,424,750	$ 5,560,935	$ 5,437,584	$ 5,375,618	$ 10,099,379	$ 9,875,592	$ 9,762,906	*Assumes 70% LTC*
Financing Costs	**$ 9,280,878**	**$ 9,075,082**	**$ 8,971,579**	**$ 6,842,295**	**$ 6,690,520**	**$ 6,614,277**	**$ 12,018,618**	**$ 11,752,303**	**$ 11,618,203**	
Total Development Costs w/ Financing	**$ 221,307,353**	**$ 220,311,790**	**$ 219,800,358**	**$ 176,617,743**	**$ 175,829,501**	**$ 175,426,689**	**$ 266,331,746**	**$ 265,124,093**	**$ 264,500,510**	*Inclusive of Development Charges*
per unit	$ 872,686	$ 637,091	$ 560,834	$ 870,576	$ 635,573	$ 559,515	$ 875,193	$ 638,898	$ 562,408	
per sf GFA	$ 635	$ 632	$ 631	$ 634	$ 631	$ 629	$ 637	$ 634	$ 633	

C) Profit Calculations

Total Profit	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
per unit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
per sf GFA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

D) Residual Land Value

Total Revenue	$ 231,906,809	$ 240,904,244	$ 245,402,962	$ 184,984,917	$ 191,985,256	$ 195,485,425	$ 279,104,460	$ 290,199,268	$ 295,746,671		
Less: Total Development Costs	$ 221,307,353	$ 220,311,790	$ 219,800,358	$ 176,617,743	$ 175,829,501	$ 175,426,689	$ 266,331,746	$ 265,124,093	$ 264,500,510		
Less: Profit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
Total Residual Land Value (FV)	**$ 10,599,456**	**$ 20,592,455**	**$ 25,602,604**	**$ 8,367,175**	**$ 16,155,754**	**$ 20,058,736**	**$ 12,772,715**	**$ 25,075,175**	**$ 31,246,162**		
Time from Permit to Completion	3.8	4.1	4.3	3.3	3.6	3.7	4.2	4.6	4.9	*Years*	
Total Residual Land Value at Time of Permit (F	**$ 8,222,096**	**$ 15,584,088**	**$ 19,137,913**	**$ 6,691,491**	**$ 12,667,495**	**$ 15,573,161**	**$ 9,610,304**	**$ 18,315,849**	**$ 22,487,663**		
per unit	$ 32,422	$ 45,066	$ 48,832	$ 32,983	$ 45,789	$ 49,670	$ 31,580	$ 44,138	$ 47,816		
per sf GFA	$ 24	$ 45	$ 55	$ 24	$ 45	$ 56	$ 23	$ 44	$ 54		
Time from Start to Construction Completion	5.3	5.3	5.3	5.0	5.0	5.0	5.5	5.5	5.5		
Total Residual Land Value at Completion (FV)	**$ 7,430,512**	**$ 14,435,881**	**$ 17,948,134**	**$ 5,965,680**	**$ 11,518,830**	**$ 14,301,602**	**$ 8,803,846**	**$ 17,283,560**	**$ 21,537,034**		
per unit	$ 29,301	$ 41,745	$ 45,796	$ 29,406	$ 41,637	$ 45,614	$ 28,930	$ 41,650	$ 45,794		
per sf GFA	$ 21	$ 41	$ 52	$ 21	$ 41	$ 51	$ 21	$ 41	$ 52		
Total Time to Completion	6.3	6.6	6.8	5.8	6.1	6.2	6.7	7.1	7.4	*Years*	
Total Residual Land Value (PV)	**$ 6,942,616**	**$ 13,158,972**	**$ 16,159,768**	**$ 5,650,195**	**$ 10,696,244**	**$ 13,149,745**	**$ 8,114,797**	**$ 15,465,629**	**$ 18,988,248**		
per unit	$ 27,377	$ 38,053	$ 41,233	$ 27,851	$ 38,664	$ 41,940	$ 26,666	$ 37,269	$ 40,375		
per sf GFA	$ 20	$ 38	$ 46	$ 20	$ 38	$ 47	$ 19	$ 37	$ 45		

Trusted advisors since 1976.