Gross Floor Area (GFA) Definitions

1. **GZA** Gross Zoning Area
   - Equals City By-Law definition
   - Excludes stairs, elevators, mech/elec, etc.
   - Between 5-12% less than GCA
   - Land purchased based on GZA psf

2. **GCA** Gross Construction Area above grade
   - Measured outside face of exterior wall
   - Excludes balconies
   - Construction costs based on GCA psf
## SALES

<table>
<thead>
<tr>
<th></th>
<th>High Rise</th>
<th>Low Rise</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2016</strong></td>
<td>29,186</td>
<td>17,975</td>
<td>47,161</td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td>34,666</td>
<td>9,477</td>
<td>44,143</td>
</tr>
<tr>
<td><strong>2018</strong></td>
<td>21,330</td>
<td>3,831</td>
<td>25,161</td>
</tr>
<tr>
<td><strong>Annualized 2019 YTD</strong></td>
<td>24,274</td>
<td>9,924</td>
<td>34,198</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>27,364</td>
<td>10,302</td>
<td>37,666</td>
</tr>
<tr>
<td><strong>2018 vs 2017</strong></td>
<td>-38%</td>
<td>-60%</td>
<td>-43%</td>
</tr>
<tr>
<td><strong>2018 vs 2016</strong></td>
<td>-27%</td>
<td></td>
<td>-47%</td>
</tr>
</tbody>
</table>

**2016 vs 2017**: 
- High Rise: -38%
- Low Rise: -60%
- Total: -43%

**2018 vs 2016**: 
- High Rise: -27%

**Annualized 2019 YTD**: 
- High Rise: 71%
- Low Rise: 29%
- Total: 100%

**Average**: 
- High Rise: 73%
- Low Rise: 27%
- Total: 100%
Construction Costs

• Overall increase in the last 3.5 years 35-40% *Compounded
  • 2016 - ± 8.0%
  • 2017 - ± 10.0%
  • 2018 - ± 10.0%
  • 2019 YTD - ± 6%

• Certain Trades are driving these cost increases.

• Some trades are up as high as ± 80% in the past 24 months.

• Other trades are up just ± 3% in the past 24 months.

• Avoid using a Cost psf budget. Do detail.
• High Rise specific trades show the largest increases as inter-changeable trades involved in both high rise/ low rise shows little increase.

• Some previously agreed contracts being re-negotiated higher.

• Supply/Demand unbalanced & major reasons for increase.

• Low rise construction cost down 15-20% in reaction to lower sales volume and shorter period between sales & construction.
## Soft Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 City Levies (DC, Parkland, Section 37, LTT, etc...)</td>
<td>42%</td>
</tr>
<tr>
<td>2 HST on Deemed Disposition</td>
<td>22%</td>
</tr>
<tr>
<td>3 Finance</td>
<td>15%</td>
</tr>
<tr>
<td>4 Management</td>
<td>6%</td>
</tr>
<tr>
<td>5 Design Consultants</td>
<td>5%</td>
</tr>
<tr>
<td>6 Contingency</td>
<td>5%</td>
</tr>
<tr>
<td>7 Op Costs to Break Even</td>
<td>3%</td>
</tr>
<tr>
<td>8 Miscellaneous (Legal, Insurance, etc...)</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>
Soft Costs

- 1985 – Soft Cost made up ± 25% of Construction Costs
- 2016 – Soft Cost made up ± 50% of Construction Costs
- 2018 – Soft Cost made up ± 70% of Construction Costs and rising.

Why??

- Municipal Fees
  - Development Charges
  - Parkland
  - Educational Devel. Charges
  - Section 37
  - Land Transfer Tax
  - Public Art
  - Lane Occupancy
- HST on Deemed Dispositions
- Bill 108

IGNORE SOFT COST DETAIL AT YOUR PERIL!!
Land Costs

- Increase of up to **150-200%** over the past 3 years.
- Lack of approved sites to meet demand.
- Residential Rental Developers.
- Institutionalization of Residential High Rise Development.
Thank you!