

Bloomberg Associates

Development Feasibility Analysis: Updated Methodology and Baseline Findings

April 2026

1. Overview and Executive Summary

Background on our approach

Over the past year, Bloomberg Associates (BA) has been engaging with the City of Ottawa and the Housing Task Force and has tailored its development feasibility methodology to the Ottawa market. This methodology is used by BA to inform client cities about the current baseline in their real estate markets, and to help them understand the potential impact of policy and other types of interventions on residential development and housing affordability broadly.

BA's methodology leverages the logic of a simplified pro forma to capture the economics of residential development. We analyze historic building data and the development pipeline to define six standard residential building typologies, each with distinct assumptions about construction methods, timeframes, costs, and revenues. Each typology in effect represents a "typical" project for its category, analogous to a statistical average across recent and active developments. We then evaluate each typology within five submarkets identified across the city, producing a matrix of 30 development scenarios.

Each scenario is modeled as both a for-sale and a build-to-rent (BTR) development and evaluated using three standard feasibility metrics: Yield on Cost (YOC), Development Margin, and Internal Rate of Return (IRR). All assumptions and results were validated with developers and practitioners on the Housing Innovation Task Force and City staff. Additionally, the feasibility thresholds we apply reflect industry standards for institutional capital. This matters because most developers do not self-finance their projects and depend on third-party sources of equity and debt to proceed. Projects that do not meet these return thresholds generally cannot secure financing and, in practice, do not get built.

Key findings

This document reflects our latest analyses, based on Q1 2026 market conditions and reflecting assumptions and data gathered and validated over the past year. The document also reflects market changes driven by the implementation of Ottawa's Housing Acceleration Plan (HAP) in October 2025.

Our overall findings are stark. Almost no typical development scenarios currently pencil out, with no scenarios in our "most feasible" category and only one for-sale and two build-to-rent scenarios in our "potentially feasible" category. Of course, not every project is "typical." Experienced developers routinely identify projects with favorable circumstances, such as land acquired at lower

historical costs, in-house capabilities that reduce costs, access to favorable financing, or expectations of above-market revenues. Because we are modeling averages, there will by definition always be projects that deviate favorably and proceed, even in a difficult market. Section 4 discusses these dynamics in more detail.

At the same time, while the HAP recommendations that have been implemented are already incorporated into our updated baseline assumptions and modeling, we analyzed the combined financial impact of Development Charge (DC) deferrals and Cash-in-lieu of Parkland (CILP)/Community Benefit Charge (CBC) reductions on "typical" scenarios. Together, these changes improved unlevered IRR returns by up to 50 basis points (0.5 percentage points) for BTR scenarios and by up to 160 basis points (1.6 percentage points) for for-sale scenarios. Over half of these improvements were driven by the deferral of DC payments, although the CILP and CBC reductions also resulted in meaningful gains. With leverage, these improvements are larger still. While in our model only one "typical" development scenario (for-sale mid-rise in downtown areas) shifted from infeasible to potentially feasible, these changes have likely resulted in several projects in the current development pipeline proceeding that previously may not have. For projects with above-average revenue potential or below-average cost structures that are already near the tipping point of feasibility, policy changes of this magnitude can be the difference between proceeding and not.

Detailed overview of the rest of this document

The rest of this document is organized as follows, with each Section providing significant additional detail. Section 2 walks through our latest Ottawa-specific research findings across four analytical components: building typologies, submarket differentiation, cost analysis, and revenue analysis. Section 3 describes the financial metrics we derive from these inputs. Section 4 presents current feasibility results across typologies and submarkets, including sensitivity to macroeconomic conditions. Section 5 evaluates how the City's Housing Acceleration Plan maps to specific feasibility levers and models the potential impact of key policy interventions.

As a reminder, our development feasibility methodology uses comprehensive research to develop a nuanced understanding of a local real estate market. It is built on four key analytical components:

- **Building Typology Assessment**
- **Submarket Differentiation**
- **Comprehensive Cost Analysis**
- **Comprehensive Revenue Opportunity Analysis**

These components are detailed, with Ottawa-specific findings, in the sections that follow. For background on Bloomberg Associates and the foundational assumptions underlying our methodology, see Appendix 1 of this document.

2. Summary of Research Findings, Specific to Ottawa







This section presents our research findings for each of the four methodology components, updated to reflect Ottawa market conditions as of Q1 2026, including changes to the amount and timing of municipal fees and charges implemented as part of the HAP. The [December 2025 memo to Council](#) described the general analytical approach; here, we present the Ottawa-specific inputs and highlight where we have adapted that approach to address local dynamics, such as the structure of municipal fees and the treatment of the Harmonized Sales Tax (HST).

- **Building Typology Assessment**

Our analysis focuses on the building types that are actively being constructed in the Ottawa market, rather than on the full stock of existing housing. For each typology, we document standard characteristics including typical unit sizes, construction methods, and common variations such as the presence of elevators or underground parking. We model each typology in both for-sale and build-to-rent configurations, as developers in Ottawa’s market evaluate both product types depending on submarket conditions and projected returns.

We have focused on six main typologies, ranging from single-family and semi-detached homes at the low-density end, through stacked townhomes and low-rise apartments, to mid-rise and high-rise multifamily buildings at the higher-density end. The table below summarizes the key characteristics of each typology.

Figure 1: building typologies

Typology		# Floors	Avg. Unit	Construction type	Parking	Typical development project	
						Site Size	# of units
High-rise Urban		10+	~700-800 sq ft	Primarily concrete (with Wood and Steel)	Underground, ~0.5 spots/unit	~1-2 acres	~200+
Mid-Rise Urban		5-9	~700-850 sq ft	Primarily concrete (with Wood and Steel)	Underground, ~0.75 spots/unit	~1-2 acres	~120
Low-rise Urban		3-4	~850-1,100 sq ft	Wood-frame (stick)	Surface or above ground ~0.9 spots/unit	~1-6 acres	~80-120
Stacked townhouse		3-4	~1400-1700 sq. ft	Wood-frame (stick)	Surface or above ground ~1 spots/unit	~1-6 acres	~30-110
Townhouse (Suburban)		2-3	~1400-2000 sq. ft	Wood and brick	Surface or above ground ~1 spots/unit	~5-12 acres	~75-150
Single Family (Suburban)		1-2	~1800-2200 sq. ft	Wood and brick	Surface, ~1 spot per unit	~5-12 acres	~50-90

It is worth noting that these typologies represent typical units within a typical larger development project. While individual units can of course be highly customized, our model

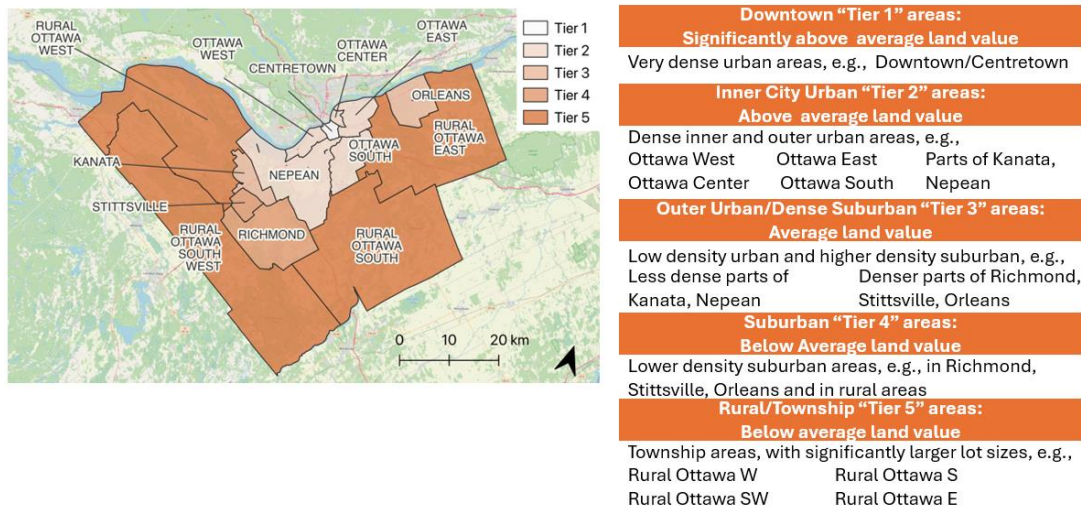
operates at a higher level, capturing standard unit characteristics and incorporating project-level costs (such as site preparation and structured parking) that are then allocated across individual units. Our model assumes developments of at least 30 units and uses an "average" unit for each typology rather than modeling each unit size individually; these and other simplifying assumptions are detailed in Appendix 3.

- **Submarket Differentiation**

To capture how costs and revenues vary across the city, we characterize distinct neighborhoods and submarkets by their predominant building typologies, land values, and achievable rents and sales prices. These areas are grouped into broader “Tiers” that allow us to vary assumptions systematically rather than starting from scratch for each potential project location.

In Ottawa, we identified five distinct submarkets, or “land tiers,” within the city. These tiers are represented visually below:

Figure 2: land tiers (submarkets)



It is important to note that this is a general categorization that allows us to vary assumptions about land costs, rents, and sales prices across different areas of the city. It is not a deterministic assessment of every development in every neighborhood. For example, while the Ottawa Centre and Nepean neighborhoods are categorized as “Tier 2,” certain blocks or properties within those neighborhoods may be particularly desirable and therefore behave more like “Tier 1” areas with higher land values and achievable prices. By capturing broader submarket trends rather than parcel-level variations, we can analyze development feasibility city-wide and assess how policies might impact multiple project types across different contexts.

- **Comprehensive Cost Analysis**

Development feasibility is driven by a range of cost components, each of which we have researched and calibrated for the Ottawa market. We have organized these into the following categories:

Hard Costs. Hard costs are the direct construction expenses, including materials, labor, and site preparation. They represent the largest cost category in any real estate development project. In our Ottawa model, we capture general residential construction costs along with separate line items for site preparation and structured parking, producing an all-in per-unit hard cost for each building typology. The table below summarizes our per-square-foot cost estimates and the resulting typical per-unit costs. These reflect assumptions about average unit sizes and standard construction; actual costs could vary significantly for highly customized or unusually sized units, which would in turn affect project returns. Detailed assumptions by typology are provided in Appendix 3.

Figure 3: hard and soft costs by typology

Typology	PSF Avg. Hard Costs		All in cost/unit (hard & soft)
	Units only	Incl. parking & site prep	
High-rise Urban 	~\$320	~\$420-\$460	~\$405k - \$420k
Mid-Rise Urban 	~\$290	~\$400-\$480	~\$425k - \$440k
Low-rise Urban 	~\$280	~\$400-\$480	~\$500k - \$530K
Stacked townhouse 	~\$250	~\$300-\$400	~\$600k - \$700k
Townhouse (Suburban) 	~\$215	~\$250-\$400	~\$550k-\$650k
Single Family (Suburban) 	~\$205	~\$250-\$400	~\$600k - \$800k

Soft Costs – Consulting Fees. These are costs incurred for professional services such as architecture, engineering, design, and project management, as well as insurance. They vary by project type and developer (some firms handle portions of this work in-house, while others outsource everything), but all developers account for them in their pro formas. In our model, consultant soft costs are expressed as a percentage of hard costs; our baseline assumption for Ottawa is approximately 13.5 per cent.

Soft Costs – Municipal Fees. We capture municipal fees as a separate cost category because of their significant magnitude in Ottawa and because they represent a direct lever that the City can use to influence the housing market. These costs include development charges (DCs), cash-in-lieu-of-parkland fees, site plan application fees, and engineering

design review costs, among others. Some are assessed per unit and others per project; where fees are assessed at the project level, we allocate them per unit based on assumptions about typical project sizes. In total, per-unit municipal fees range from approximately \$35,000 to \$60,000 per unit depending on building typology and submarket, with per-project fees contributing an additional approximately \$1,000 to \$6,000 per unit depending on typology and project size.

Given recent changes through the HAP, DC and cash-in-lieu of parkland (CILP) payments are now due at the issuance of the first occupancy permit (subsequently implemented through provincial Bill 17), and CILP fees are capped at 10 per cent of land value for sites under five hectares.

Appendix 3 provides a full breakdown of fee categories and amounts.

Land Costs. Land costs represent the estimated purchase price or market value of land. These costs vary by submarket and reflect entitlements, meaning what can legally be built on a given parcel. Our model captures the average price of land for each building typology in each submarket tier. In many cases, developers already own the land they intend to develop; however, they will still reflect its market value in their pro formas to justify the project's returns. In Ottawa, we express land costs per buildable square foot and derive a per-unit land cost for each typology and tier, ranging from approximately \$20,000 to \$50,000 per unit. Full details are provided in Appendix 3.

Development Timeline. Time is one of the most significant cost drivers in real estate development, because developers use various forms of financing to cover pre-development and construction expenditures, and these loans generate substantial interest payments. The longer a project's pre-development or construction phase takes, the higher the carrying costs. In our model, the pre-development phase covers all entitlement, zoning, planning, and permitting processes, and ranges from 18 to 60 months. For consistency, our timelines assume land is purchased before it has been entitled; where land is already rezoned and master-planned, the purchase price would generally be higher to reflect that reduced risk, but the pre-development timeline would be shorter. The construction phase covers the full duration of construction through issuance of a certificate of occupancy, and ranges from 12 to 36 months. These timelines can vary widely from project to project, and we can run sensitivity tests to understand their impact. Timeline assumptions affect only our Internal Rate of Return (IRR) calculations; Development Margin and Yield on Cost (YOC) are static metrics that do not incorporate timing. Baseline timeline assumptions by typology are provided in Appendix 3.

Financing and Carrying Costs. Our model incorporates typical financing structures for development projects in Ottawa, including assumptions about equity requirements, loan-to-value ratios, loan origination fees, and the cost of debt at each stage of development. For for-sale projects, we assume a two-stage financing structure: a pre-development loan

and a construction loan. For build-to-rent projects, we add a third stage: a permanent refinancing facility after developments are fully leased up. As with timeline assumptions, financing costs are reflected only in our IRR calculations; Development Margin and YOC do not incorporate financing. It is important to note that our model assumes standard market financing rates, but actual costs will vary from developer to developer based on factors such as scale, track record, and access to internal or alternative capital sources. We can run sensitivity tests on key financing assumptions to account for this variation. Specific interest rate assumptions and loan terms are detailed in Section 3 and Appendix 3.

Taxes. In Ottawa, land transfer taxes are built into our cost-of-land assumptions. Harmonized Sales Tax (HST) applies to most construction costs but is largely recoverable. For for-sale projects, HST paid on eligible expenses is recovered through Input Tax Credits (ITCs) and treated as a net-zero item. For build-to-rent (BTR) projects, the federal Purpose-Built Rental Housing (PBRH) rebate provides a full rebate of both federal and provincial HST for all qualifying rental typologies. The one exception is single-family BTR, which does not qualify for the PBRH rebate; in those scenarios, unrecovered HST is modeled as an additional project cost. We also model property taxes as a component of operating costs for all BTR developments. Full details of our tax treatment, including PBRH eligibility criteria and single-family HST assumptions, are provided in Appendix 3.

Note: We are not yet reflecting any of the HST changes announced on March 30, 2026 in our model.

- **Comprehensive Revenue Opportunity Analysis**

In addition to capturing all cost components, we also research the revenue side of the ledger: achievable sales prices and rental rates across the Ottawa market. For sales prices, we gather market-rate pricing by unit type and building typology, adjusted for location premiums or discounts by submarket tier. For rental pricing, we gather achievable rents by unit type and typology, similarly adjusted for submarket dynamics. In both cases, prices are expressed per square foot to allow for normalization and comparative analysis across units of different sizes. Sales prices are adjusted to exclude HST and a buyer's HST credit, and reflect the sales revenue that developers would see.

We also capture costs that directly reduce per-unit revenue. For for-sale developments, these include sales commissions and marketing expenses, which we model at approximately 4 per cent of sales price. For build-to-rent developments, we make assumptions about operating and maintenance costs, including property management, maintenance, repairs, utilities, and property taxes, all of which are subtracted from gross rental revenue to determine net operating income (NOI). In general, our model assumes that NOI corresponds to approximately 65 per cent of gross income, which is itself adjusted for an assumed vacancy rate. Specific revenue and operating cost assumptions by typology and submarket are provided in Appendix 3.

3. Financial Feasibility Modeling

Once we have assembled all the cost and revenue inputs described in Section 2, we use them to calculate standard real estate industry financial metrics to determine the viability of a “typical” project for each building typology in each submarket. It is important to note that these metrics can be calculated in different ways, and our feasibility assessments may therefore differ slightly from those of individual developers or lenders. However, our goal is not to assess specific projects but rather to inform typical development scenarios. We prioritize consistent application of our methodology across all typologies and submarkets to enable effective comparison.

The metrics we calculate are as follows:

A. Yield on Cost or YOC (Simplest metric for cross-project comparisons for BTR projects)

For build-to-rent projects, we calculate Yield on Cost (YOC), which measures the annual yield of a potential project relative to total development costs. YOC is calculated by dividing stabilized net operating income (NOI) by total development costs, including land acquisition costs aggregated at the project level. Importantly, our YOC calculation does not consider the impact of pre-development or development timelines or any financing costs; it is a simplified metric that compares stabilized income to total invested capital.

This metric matters because it allows developers and investors to assess whether the stabilized return justifies the development risk, and because it can be compared directly to prevailing market capitalization rates to determine whether a project will create value upon completion. Developers and their financing partners generally require a YOC that exceeds prevailing market interest rates or cap rates to justify taking on development risk rather than simply acquiring existing stabilized assets. In Ottawa's current market, this typically translates to an ideal YOC of approximately 6.5 per cent or higher.

B. Development Margin (Profit on cost, simplest metric for cross-project comparisons for for-sale projects)

For for-sale developments, we calculate Development Margin (profit on cost): total project revenue minus total costs, expressed as a percentage of total costs. Our calculation includes all development costs (land, hard construction costs, consultant soft costs, and municipal fees) aggregated at the project level. Development Margin is an unlevered metric; it does not incorporate financing costs, interest, or the timing of cash flows.

Development Margin provides a direct, static measure of profitability and indicates a project's ability to absorb cost overruns or market softening without becoming unprofitable. It represents the cushion protecting lender and equity partner investments against downside scenarios. In Ottawa's challenging market, developers and financing partners typically require a development profit above 20 per cent for true feasibility. Projects with profits of 10 per cent to

20 per cent may proceed under certain circumstances but face heightened scrutiny, while projects below 10 per cent are generally considered too risky to attract financing.

C. Internal Rate of Return (More complex metric, used to capture the impact of timing on returns)

Internal Rate of Return (IRR) represents the annualized rate of return over the entire project lifecycle, accounting for the timing of all cash inflows and outflows from initial investment through project completion and eventual exit. Unlike Development Margin and YOC, IRR captures the time value of money: longer development periods and delayed revenue realization reduce returns, while faster execution improves them. It should be noted that for projects with poor unlevered YOC or Development margin metrics, IRR calculations are often superfluous; IRR metrics are generally used as a secondary metric to evaluate development potential after either YOC or margin.

Our primary IRR calculation is levered, meaning it measures the return on equity invested by the developer after accounting for debt financing. This reflects what a developer earns on their own invested capital, which is the primary driver of investment decisions.

For for-sale developments, we assume a two-stage financing structure: a pre-development loan (at prime plus two per cent) and a construction loan (at prime plus one per cent). Loan origination fees of 0.8 per cent are applied at the closing of each facility. Our methodology treats land costs as an upfront cost and sequences development costs over the project lifetime based on typical construction timelines. Development charges, which have been deferred to first occupancy as part of the HAP and subsequently through provincial Bill 17 are modeled as payable at construction completion as a simplifying assumption. We assume that units are sold at an even pace following construction completion, over an absorption period that varies by typology. Sales prices are modeled to strip out their HST components, so that they reflect developer revenue (and offset developer costs, which we model as HST-exclusive).

For build-to-rent developments, cost assumptions and timing are consistent with the for-sale approach, and the pre-development and construction loan terms are the same. However, BTR projects add a third financing stage: a permanent refinancing loan (at prime) sized to the lesser of an 80 per cent loan-to-value ratio or a 1.25 times debt service coverage ratio (DSCR) once the project is stabilized (e.g., fully leased up). The revenue model also differs: we assume rental cash flow ramps linearly during a lease-up period and then stabilizes. Net operating income (NOI) grows at two per cent annually after construction is complete to reflect market rent appreciation. Our model assumes an exit event 36 months after stabilization, with the property sold at a capitalization rate (which is varied by typology) based on terminal NOI. The unrecouped portion of HST (for single-family projects only) is treated as an additional project cost.

For a project to be considered feasible, developers and their equity partners typically target levered IRRs of at least 15 per cent, though specific thresholds vary based on market conditions and project risk profile.

Because leverage can amplify returns (particularly for for-sale projects where the hold period is short), we also calculate an unlevered IRR as a secondary check. Unlevered IRR measures the return on total project capital, excluding all financing costs, loan mechanics, and equity structure assumptions. It answers a more fundamental question: does the project generate adequate returns on total invested capital for the time involved, independent of how it is financed? A project that shows a strong levered IRR but weak Development Margin or YOC results would warrant scrutiny. The unlevered IRR helps diagnose whether the apparent returns are being driven by underlying project economics or simply by the amplifying effect of leverage.

For typical scenarios, we will often show only YOC and margin, but for more detailed scenarios, or where we are testing the implications of timing or financing changes, we will also show IRR metrics.

4. Ottawa-Specific Findings and Results

A. Feasibility Assessment Summary

We assess the feasibility of each typology in each submarket using a grid format, as illustrated below:

Figure 4: Feasibility assessment format

Typology	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
High-rise Urban				N/A	N/A
Mid-Rise Urban				N/A	N/A
Low-rise Urban					
Stacked townhouse					
Townhouse (Suburban)	N/A	N/A			
Single Family (Suburban)	N/A	N/A			

	Most feasible
	Potentially feasible
	Least feasible

Each cell in the grid represents a typology and submarket combination showing the calculated metric for that scenario. Some combinations are marked 'N/A' because they represent unrealistic development patterns not worth modeling (e.g., a 10 plus story high-rise in a rural area, or a single-family home in the downtown core).

As described in Section 3, we use Development Margin and Yield on Cost (YOC) as initial screening metrics for for-sale and BTR developments, respectively. These are simpler calculations that do not account for timing or financing. If a development fails these screens, the project generally does not pencil out regardless of how it is financed. If a development scenario warrants further scrutiny, or where we are testing the implications of timing or financing changes, we will also show IRR metrics. This allows the City to see the full picture: where projects fail on basic economics and where they pass but depend on favorable timing or financing.

The figures below present Development Margin and YOC for the current baseline Ottawa market, color-coded to indicate which typology and submarket combinations are most feasible (green), potentially feasible (yellow), or least feasible (red).

Figure 5: Current for-sale development feasibility (Development Margin)

Development Margin (For Sale)	Tier 1:	Tier 2:	Tier 3:	Tier 4:	Tier 5:
	Downtown	Inner City Urban	Outer Urban	Suburban	Rural/Township
High-Rise Urban	9.4%	2.9%	<0%	--	--
Mid-Rise Urban	10.4%	6.6%	<0%	--	--
Low-Rise Urban	0.2%	<0%	<0%	<0%	<0%
Stacked townhouse	<0%	<0%	<0%	<0%	<0%
Townhouse	--	--	<0%	<0%	<0%
Single Family	--	--	<0%	<0%	<0%

■ >20%: Most feasible
■ 10%-20%: Maybe feasible
■ <10%: Least feasible

Figure 6: Current BTR development feasibility (YOC)

Yield on Cost (BTR)	Tier 1:	Tier 2:	Tier 3:	Tier 4:	Tier 5:
	Downtown	Inner City Urban	Outer Urban	Suburban	Rural/Township
High-Rise Urban	4.7%	4.4%	4.0%	--	--
Mid-Rise Urban	4.6%	4.1%	3.8%	--	--
Low-Rise Urban	4.4%	3.7%	3.7%	3.7%	3.3%
Stacked townhouse	4.4%	3.9%	3.7%	3.6%	3.3%
Townhouse	--	--	3.8%	4.2%	3.8%
Single Family	--	--	2.7%	3.0%	2.8%

■ >6.5%: Most feasible
■ 4.5%-6.5%: Maybe feasible
■ <4.5%: Least feasible

As these grids demonstrate, virtually no "typical" development scenarios currently pencil out in Ottawa. This creates what can be described as a "frozen market." **While some projects continue to move forward, they typically rely on specific circumstances that deviate from what has been modeled as "typical."** These circumstances vary but commonly include: land acquired at lower historical costs or banked by developers, in-house capabilities or vertical integration that reduce hard or soft costs, willingness to accept reduced or zero margins, access to favorable financing terms or self-financing capacity, expectations of above-market revenues, significant public subsidies, other favorable cost conditions, or some combination of these factors. Because we are modeling averages, there will by definition always be projects that deviate favorably and proceed.

However, the broader reality remains one of widespread infeasibility across typologies and submarkets. A challenging market is not one in which no development happens at all. It is one in which projects proceed conservatively, risk appetite narrows, and the total growth in housing stock slows significantly.

B. Key Feasibility Drivers, Macroeconomic Sensitivity, and other scenarios

Several major factors driving current market dynamics are fundamentally outside the City of Ottawa's control. These include construction costs (particularly materials like concrete, which increased significantly following pandemic-related supply chain disruptions), interest rates (which directly affect required developer returns), and broader macroeconomic conditions, including the availability of equity and debt capital willing to invest in housing development both nationally and in the Ottawa market specifically.

History reinforces this point: outside of a few calamitous events (such as the 2008-2011 U.S. housing crisis, Japan's lost decade, or the collapse of construction bubbles in Spain and Ireland), construction costs have rarely declined by more than five per cent in a sustained way, and in those cases housing values tended to collapse as well, meaning lower costs did not translate into improved feasibility. A more realistic positive scenario is one in which materials costs continue to moderate from their pandemic highs while labor costs grow roughly in line with sales and rental price appreciation.

Two macroeconomic sensitivity scenarios may be illustrative:

Scenario A: Favorable Macro Shift. This scenario assumes construction hard costs are five per cent lower, rents and sales prices increase by 10 per cent, and interest rates decrease by one percentage point. While individually plausible, these shifts would represent a more favorable development environment, with several development scenarios penciling out in both for-sale and BTR developments.

Figure 7: Scenario A feasibility results

Development Margin (For Sale)	Development Tier				
	Tier 1: Downtown	Tier 2: Inner City Urban	Tier 3: Outer Urban	Tier 4: Suburban	Tier 5: Rural/Township
High-Rise Urban	25.5%	18.1%	5.4%	--	--
Mid-Rise Urban	26.6%	22.3%	3.6%	--	--
Low-Rise Urban	15.1%	10.2%	10.8%	5.2%	<0%
Stacked townhouse	2.3%	2.4%	4.5%	6.6%	6.6%
Townhouse	--	--	<0%	6.0%	<0%
Single Family	--	--	<0%	12.3%	14.3%

■ >20%: Most feasible
■ 10%-20%: Maybe feasible
■ <10%: Least feasible

Levered IRR (For Sale)						
	Tier 1:	Tier 2:	Tier 3:	Tier 4:	Tier 5:	
	Downtown	Inner City Urban	Outer Urban	Suburban	Rural/Township	
High-Rise Urban	21.1%	19.5%	9.7%	--	--	
Mid-Rise Urban	31.5%	27.3%	10.4%	--	--	
Low-Rise Urban	21.6%	16.5%	17.2%	10.2%	<0%	
Stacked townhouse	10.4%	10.0%	12.7%	12.6%	12.7%	
Townhouse	--	--	4.9%	15.4%	8.6%	
Single Family	--	--	19.0%	23.2%	24.2%	

■ >20%: Most feasible
■ 15%-20%: Maybe feasible
■ <15%: Least feasible

Yield on Cost (BTR)						
	Tier 1:	Tier 2:	Tier 3:	Tier 4:	Tier 5:	
	Downtown	Inner City Urban	Outer Urban	Suburban	Rural/Township	
High-Rise Urban	5.4%	5.0%	4.6%	--	--	
Mid-Rise Urban	5.2%	4.7%	4.4%	--	--	
Low-Rise Urban	5.1%	4.2%	4.3%	4.3%	3.8%	
Stacked townhouse	5.0%	4.5%	4.3%	4.2%	3.8%	
Townhouse	--	--	4.4%	4.8%	4.3%	
Single Family	--	--	3.1%	3.4%	3.1%	

■ >6.5%: Most feasible
■ 4.5%-6.5%: Maybe feasible
■ <4.5%: Least feasible

Levered IRR (BTR)						
	Tier 1:	Tier 2:	Tier 3:	Tier 4:	Tier 5:	
	Downtown	Inner City Urban	Outer Urban	Suburban	Rural/Township	
High-Rise Urban	14.2%	12.2%	8.1%	--	--	
Mid-Rise Urban	14.2%	8.7%	5.3%	--	--	
Low-Rise Urban	12.4%	2.9%	4.0%	3.4%	<0%	
Stacked townhouse	8.6%	1.5%	<0%	<0%	<0%	
Townhouse	--	--	3.0%	7.1%	1.5%	
Single Family	--	--	<0%	<0%	<0%	

■ >15%: Most feasible
■ 10%-15%: Maybe feasible
■ <10%: Least feasible

Scenario B: Adverse Macro Shift. This scenario assumes construction hard costs increase by 10 per cent, interest rates increase by one percentage point, and rents and sales prices remain flat. This scenario is equally plausible and would make the current environment materially worse.

Figure 8: Scenario B feasibility results

Development Margin (For Sale)					
	Tier 1: Downtown	Tier 2: Inner City Urban	Tier 3: Outer Urban	Tier 4: Suburban	Tier 5: Rural/Township
High-Rise Urban	1.1%	<0%	<0%	--	--
Mid-Rise Urban	2.0%	<0%	<0%	--	--
Low-Rise Urban	<0%	<0%	<0%	<0%	<0%
Stacked townhouse	<0%	<0%	<0%	<0%	<0%
Townhouse	--	--	<0%	<0%	<0%
Single Family	--	--	<0%	<0%	<0%

■ >20%: Most feasible
■ 10%-20%: Maybe feasible
■ <10%: Least feasible

Yield on Cost (BTR)					
	Tier 1: Downtown	Tier 2: Inner City Urban	Tier 3: Outer Urban	Tier 4: Suburban	Tier 5: Rural/Township
High-Rise Urban	4.3%	4.0%	3.6%	--	--
Mid-Rise Urban	4.2%	3.8%	3.5%	--	--
Low-Rise Urban	4.1%	3.4%	3.4%	3.4%	3.0%
Stacked townhouse	4.0%	3.6%	3.4%	3.3%	3.0%
Townhouse	--	--	3.5%	3.8%	3.5%
Single Family	--	--	2.5%	2.8%	2.5%

■ >6.5%: Most feasible
■ 4.5%-6.5%: Maybe feasible
■ <4.5%: Least feasible

Both scenarios are possible, and the City has minimal control over the variables that drive them. This underscores the importance of focusing on the levers the City does control, so that when macroeconomic conditions eventually improve, development feasibility can recover quickly.

5. Evaluating the Housing Acceleration Plan Through the Feasibility Lens

Rather than focus on factors beyond its control, we recommend the City thoroughly evaluate how its own policies impact development feasibility. The City influences feasibility through three primary pathways:

1. Development Timelines and Process Predictability. The City's policies significantly impact pre-development and development timelines, which directly affect project costs through carrying costs and financing expenses. Plan review and permit approval timeframes translate directly into developer costs. Plans requiring unreasonably lengthy reviews, or review standards applied inconsistently, undermine predictability and complicate project planning. Policy changes that streamline these processes and improve timeline certainty could meaningfully improve development feasibility across all project types.

2. Direct Cost Impacts: Fees and Charges. City policies directly affect development costs, primarily through fees and charges. Development charges often exceed \$50,000 per unit and, before October 2025, had to be paid when plans were submitted, adding both a direct cost and significant carrying costs throughout the pre-development and construction periods. Deferring these charges to first occupancy permit reduced the cost burden on several projects, but the fees themselves remain significant. Other municipal fees compound these impacts. While these fees generate essential revenue for the City, and the City should clearly understand how they affect development feasibility and identify opportunities to reduce costs while maintaining fiscal sustainability.

3. Strategic Use of Public Land. The City, along with provincial and federal entities, controls significant land assets. While land represents just one cost among many in real estate development, contributing public land to projects dramatically improves feasibility and provides leverage to advance policy goals such as higher-density development, affordability requirements, or other public benefits. Each potential land contribution would require case-by-case evaluation, but there is substantial opportunity to more strategically deploy publicly controlled land to catalyze development aligned with City objectives.

These pathways are consistent with the recommendations and opportunities identified in the Housing Innovation Task Force's report and the City's Housing Acceleration Plan. Specifically, the HAP focuses on five objectives:

1. Simplify the regulatory environment and expedite approvals processes
2. Evolve City culture to be housing development friendly
3. Introduce more flexibility in fees and charges
4. Consolidate and strengthen capacity for affordable housing development
5. Unlock urban intensification and transit-oriented development

Each of the first three objectives includes actions that correspond to specific variables that we can test using our feasibility model. Below, we show the order-of-magnitude impacts that interventions in these objectives could have on development feasibility, and discuss how improvements to market-rate feasibility are a prerequisite to effective affordable housing policies (objective 4). We do not model specific scenarios for objective 5 as any interventions would only apply in urban and inner-urban locations where higher-density zoning and transit access create opportunities for development that would not be feasible elsewhere.

Objective 1 & 2: Streamlining Approvals and Evolving City Culture

The combined impact of simplifying the regulatory environment can be modeled through reductions in pre-development timelines and consultant soft costs. Shorter, more predictable approvals processes reduce carrying costs directly, and a less adversarial regulatory environment reduces the professional services expenditure required to navigate complex and lengthy review processes.

To model this, we test a scenario that reduces the pre-development timeline by 12 months in downtown, inner urban, and outer urban typologies and by 24 months in suburban and rural typologies, over the baseline assumptions of approximately 18 to 60 months (fully detailed in Appendix 3). The scenario also lowers consultant soft costs from 13.5 per cent to 10 per cent of hard costs, representing reduced expenditure on complex and protracted approvals processes. Because these changes affect both timing and cost magnitude, they have an impact on IRR, Development Margin, and Yield on Cost (YOC).

The results are meaningful. Development Margins improve by approximately two to three percentage points, YOC by approximately 0.1 percentage points, and IRR impacts are larger still: BTR levered IRRs improve by at least one percentage point in every scenario, and for-sale levered IRRs improve by at least three percentage points (with some of this amplified by the effect of leverage on equity returns; unlevered IRRs also improve). For example, a mid-rise project downtown sees an uplift of 1.6 percentage points to BTR IRR and 5.8 percentage points to for-sale IRR, though the for-sale figure is amplified by leverage. While this alone is not enough to shift infeasible scenarios to feasible, it represents a significant benefit to projects that are currently on the margin, and it stacks with other interventions modeled below. It also means that if and when macroeconomic conditions improve, the benefits compound: markets and typologies that are currently infeasible would cross into feasibility sooner than they otherwise would.

Objective 3: Flexibility in Fees and Charges

The impact of fee and charge flexibility can be modeled through changes to the timing or magnitude of development charges and other municipal fees. In October 2025, the City implemented a set of significant policy changes through the HAP. This included deferring payment of Development Charges (DCs) to first occupancy permit, reducing Community Benefits Charges (CBCs) from four per cent to two per cent in most cases, and capping Cash-in-lieu of Parkland (CILP) fees at 10 per cent of land value while also deferring their payment to occupancy. While these changes only

shifted one "typical" typology and submarket combination (for-sale mid-rise in downtown) from infeasible to possibly feasible, they did materially improve unlevered IRR returns across the board: by up to 50 basis points (0.5 percentage points) for BTR scenarios and by up to 160 basis points (1.6 percentage points) for for-sale scenarios. With leverage, the improvements were greater still.

As discussed in Section 4, not every project is "typical," and many active developments benefit from cost or revenue advantages that place them closer to the feasibility threshold than our modeled scenarios suggest. For these projects, policy improvements of this magnitude can be the difference between proceeding and not, and it is likely that the HAP changes have already pushed a number of near-feasible projects into the territory where they can secure financing and move forward.

The HAP changes represent a clear improvement, but municipal fees and development charges still have to be paid and continue to exert a substantial drag on feasibility. Any additional changes to fee structures would need to be carefully considered for their fiscal and other impacts beyond development feasibility. That said, the City could use targeted reductions or exemptions to incentivize specific types of growth, for example, reducing or eliminating development charges in areas targeted for intensification, or linking fee relief to density or affordability objectives.

Objective 4: Strengthening Capacity for Affordable Housing

Affordable housing development is inherently project-specific. More detailed policy parameters and project-level pro formas would be required to fully evaluate specific scenarios. However, affordable housing policies are most effective when the underlying market-rate housing market is healthy. This means that the more successful the improvements in objectives 1, 2, and 3 are, the more likely the City will see additional housing built as a result of any incentives or policies it puts in place (for example, leveraging city-owned land).

For example, in a scenario that combines the benefits of interventions in objectives 1, 2, and 3 and assumes a contribution of city-owned land, numerous developments that are not feasible in the baseline become possibly or likely feasible. These improvements would not simply flow to developer profit; rather, they represent the financial headroom that the City could redeploy to require affordability conditions or other public benefits. In other words, stronger development economics would strengthen the City's capacity for affordable housing.

Objective 5: Urban Intensification and Transit-Oriented Development

As stated above, we do not model specific scenarios in this category. This is because any interventions would only apply in urban and inner-urban locations where higher-density zoning and transit access create opportunities for development that would not be feasible elsewhere. However, defining the specific policy interventions aimed at unlocking intensification would allow us to build project- or submarket-specific scenarios and assess their potential impact. This next step will be completed as part of a separate analysis.

Conclusion

The methodology described in this document enables market-informed evaluation of specific policy recommendations, helping ensure that potential interventions are calibrated to meaningfully improve development economics and achieve the City's housing goals. As the HAP continues to be implemented, this model can continue to serve as a tool for testing proposed policies before they are enacted, monitoring their impact after implementation, and identifying where further adjustments may be needed.

Appendix 1: Background on Bloomberg Associates

Bloomberg Associates (BA) is the pro-bono consulting arm of Bloomberg Philanthropies. BA works with cities around the world across nine different practice areas. Bloomberg Associates began working with the City of Ottawa in August 2024. In May 2025, the housing practice, led by Namon Freeman, began supporting the City’s Housing Innovation Task Force (HITF) by providing bespoke advisory services and leading the development of a feasibility model.

Bloomberg Associates leverages staff expertise in development finance, planning, and housing policy to undertake development feasibility studies for many of its municipal clients. This work consists of creating development scenarios to better understand the types of housing that are built within the current market. We then adjust micro-economic, macro-economic, and policy variables to observe how development scenarios respond. The result of this work ultimately informs policy recommendations and decisions. BA has completed these types of studies in other markets such as Charleston, South Carolina, Tampa, Florida, and other cities across the United States of America.

Our methodology for assessing real estate project feasibility is built on several foundational assumptions about housing market dynamics:

- Market conditions, pricing trends, and development costs can be reliably researched and quantified. Doing so underpins our approach to housing policy in any city that we work with.
- Real estate developers operate as rational, profit-maximizing entities, driven by financial returns and risk assessment.
- Projects must “pencil out,” or demonstrate sufficient financial returns to justify investment, for developers to choose to proceed with them and to be able to obtain necessary financing.
- Real estate developers generally do not self-finance their projects and are dependent on third parties for equity contributions and/or debt financing; these partners and lenders are driven by their own financial return targets and risk assessment metrics.
- Developers can choose between build-to-rent (BTR) and for-sale product types based on prevailing market conditions and projected returns.
- While there is no substitute for a detailed pro forma analysis conducted by a developer to determine the financial feasibility of a given project, assumptions about “typical” development projects can inform assessments about the broader real estate market. A “typical” project represents a development with average characteristics, construction methods, costs, and pricing for its building typology and submarket location.

All of these assumptions are incorporated into our modelling approach, which aims to understand local property market dynamics and real estate developer decision-making to inform policy.

Appendix 2: Data Sources and Consultation

Our analysis draws upon multiple authoritative sources to ensure accuracy and credibility of our assumptions on the local market. These sources fall into three categories.

First, we gather perspectives and input from local government staff—in this case, City of Ottawa staff focused on housing. This includes general observations on market dynamics, a review of fee schedules and related documents, and an overview of previous studies and reports prepared by or for the City.

Second, we leverage industry and market data. We scan publicly available data (e.g., listings and advertisements) to understand sales and rental market dynamics. We also analyze proprietary data from companies such as the Altus Group and estimating databases such as RSMeans. These proprietary sources capture significant detail around construction costs, which are critical inputs to our model.

Finally, we capture input from the local developer and institutional finance community directly. This serves both to validate our initial findings and to obtain additional insights on current market conditions and underwriting standards. In the case of Ottawa, we consulted regularly with active developers serving on the Housing Innovation Task Force.

Appendix 3: Detailed Model Assumptions

This appendix provides the specific assumptions used in our development feasibility model, organized to mirror the categories described in Section 2.

Building Typology Assessment

Scope and simplifying assumptions. Our model assumes developments of at least 30 units, which excludes smaller infill projects that tend to have highly variable cost structures and that may be exempt from certain municipal requirements such as site plan control. Such projects could be modeled individually but would not be representative of the typical development economics we aim to capture here. Additionally, while larger developments will commonly include a mix of unit sizes (for example, studios, one-bedroom, two-bedroom, and three-bedroom units in a high-rise building), our model uses an "average" unit for each typology rather than modeling each unit size individually. This simplification allows for more efficient cross-typology and cross-submarket comparison while still reflecting the overall economics of a typical project.

Parking assumptions by typology

Typology	Downtown	Inner City Urban	Outer Urban / Dense Suburban	Suburban	Rural/ Township	Size per parking spot (SF)	Parking spots per unit
High-Rise Urban	Below	Below	Below	Above	Above	400	0.50
Mid-Rise Urban	Below	Below	Below	Above	Above	400	0.75
Low-Rise Urban	Below	Below	Above	Above	Above	400	0.90
Stacked townhouse	Below	Below	Above	Above	Above	400	1.00
Townhouse	Below	Above	Above	Surface	Surface	400	1.00
Single Family	Below	Above	Above	Surface	Surface	400	1.50

Site size assumptions by typology (acres per site)

Typology	Downtown	Inner City Urban	Outer Urban / Dense Suburban	Suburban	Rural/ Township
High-Rise Urban	1	1	2	3	4
Mid-Rise Urban	1	1	2	3	4
Low-Rise Urban	1	2	4	6	8
Stacked townhouse	1	1	2	4	6
Townhouse	1	1	5	8	12
Single Family	1	1	5	10	12

Number of Units per development assumptions

Typology	Downtown	Inner City Urban	Outer Urban / Dense Suburban	Suburban	Rural/ Township
High-Rise Urban	400	219	219	300	320
Mid-Rise Urban	120	120	120	300	320
Low-Rise Urban	80	80	120	180	200
Stacked townhouse	32	32	50	80	108
Townhouse	20	20	75	120	150
Single Family	12	12	50	80	90

Comprehensive Cost Analysis

Hard Costs (PSF, per square foot)

Typology	PSF Construction cost- average	Residential Efficiency
High-Rise Urban	\$320	80%
Mid-Rise Urban	\$290	85%
Low-Rise Urban	\$280	85%
Stacked townhouse	\$250	95%
Townhouse	\$215	95%
Single Family	\$205	100%

Site Prep Cost per Unit

Typology	Downtown	Inner City Urban	Outer Urban / Dense Suburban	Suburban	Rural/ Township
High-Rise Urban	~\$8k	~\$12k	~\$8k	~\$7k	~\$8k
Mid-Rise Urban	~\$27k	~\$22k	~\$15k	~\$7k	~\$8k
Low-Rise Urban	~\$41k	~\$65k	~\$29k	~\$22k	~\$26k
Stacked townhouse	~\$102k	~\$82k	~\$35k	~\$33k	~\$36k
Townhouse	~\$163k	~\$131k	~\$58k	~\$44k	~\$52k
Single Family	~\$272k	~\$218k	~\$87k	~\$82k	~\$87k

Soft costs- consulting fees

Our basic assumption is that soft costs for professional services (not municipal fees or financing charges) equate to 13.5 per cent of all project hard costs. This assumption can be varied, as exact soft costs will vary depending on the developer and the project, but these costs are generally in line with industry standards and have been validated by Ottawa developers.

Soft costs- municipal fees

Our model accounts for two categories of municipal charges: per-development fees and per-unit charges.

- Per-Development Fees are fixed costs assessed at the project level, which we then allocate across units. Our current assumptions are:
 - Zoning Bylaw Amendment: approximately \$36,000
 - Site Plan Control: approximately \$50,000 to \$84,000 per development, plus approximately four per cent of site preparation costs

- Engineering Design Review: five per cent of site prep hard costs, 2.5 per cent of site prep soft costs
- Plan of Condominium: approximately \$31,000
- When distributed across units, these fees generally translate to approximately \$1,000–\$5,000 per unit, depending on project size.
- Per-Unit Charges represent the more significant cost component, assessed directly on a per-unit basis. Our current assumptions are:
 - Development Charges: approximately \$21,000 (one bedroom/studio), approximately \$30,000 (two bedroom, plus), approximately \$43,000 (townhouse), approximately \$55,000 (single family home)
 - Education Development Charges: approximately \$4,000 per unit
 - Cash-in-Lieu of Parkland: assessed as a percentage of land value — ten per cent cap for all sites under five hectares (which is true of all sites modelled here), five per cent for single family home sites (reflecting recent HAP changes)
 - Community Benefits Charge: assessed as a percentage of land value: two per cent for high-rise and mid-rise urban, zero per cent for all other typologies. The HAP lowered the CBC to one per cent for developments in Protected Major Transit Station (PMTS) areas, but eligibility is site-specific, so we use two per cent as our baseline assumption.
 - In total, per-unit charges range from approximately \$30,000–\$60,000 per unit depending on building typology and submarket.

Land costs

Total per door land cost

Typology	Downtown	Inner City Urban	Outer Urban / Dense Suburban	Suburban	Rural/Township
High-Rise Urban	~\$29k	~\$27k	~\$24k	~\$20k	~\$18k
Mid-Rise Urban	~\$29k	~\$27k	~\$26k	~\$22k	~\$20k
Low-Rise Urban	~\$26k	~\$24k	~\$23k	~\$20k	~\$18k
Stacked townhouse	~\$46k	~\$43k	~\$39k	~\$33k	~\$30k
Townhouse	~\$51k	~\$48k	~\$44k	~\$40k	~\$40k
Single Family	~\$73k	~\$64k	~\$55k	~\$49k	~\$48k

Development timelines (in months)

Pre-Development Timeline (incl. entitlements and permitting processes)

Typology	Downtown	Inner City Urban	Outer Urban / Dense Suburban	Suburban	Rural/Township
High-Rise Urban	18	21	21	60	60
Mid-Rise Urban	18	21	21	60	60
Low-Rise Urban	18	21	21	60	60
Stacked townhouse	18	21	21	60	60
Townhouse	18	21	21	60	60
Single Family	18	21	21	60	60

Construction Timeline

Typology	Downtown	Inner City Urban	Outer Urban / Dense Suburban	Suburban	Rural/Township
High-Rise Urban	36	30	30	30	30
Mid-Rise Urban	24	24	24	24	24
Low-Rise Urban	24	24	24	18	18
Stacked townhouse	18	18	18	12	12
Townhouse	9	9	9	9	9
Single Family	9	9	9	9	9

Note: The pre-development timelines shown above reflect elapsed time (in months) from land acquisition through receipt of all required approvals. They include time attributable to both City processes (reviews, approvals, permitting) and developer activities (application preparation, design iteration, responding to comments). They do not isolate the City's portion of elapsed time from the developer's, and a detailed evaluation of City process timelines is outside the scope of this analysis.

Financing Costs

Assumption	Baseline	Comments/Source/Rationale
Federal Overnight Rate	2.25%	Baseline assumption is as of February 2026
Prime interest rate over overnight	2.20%	https://www.nesto.ca/mortgage-basics/prime-rate-in-canada/
Prime Rate	4.45%	
Pre-Dev Loan % above prime	2.0%	Industry research
Construction Loan % above prime	1.0%	Industry research
Re-finance Loan % above prime	0.0%	Industry research
Pre-Dev Loan %	6.45%	Calculated
Construction Loan %	5.45%	Calculated
Re-finance Loan %	4.45%	Calculated
Pre-dev Loan-to-Cost	65.00%	Industry research
Construction Loan-to-Cost	75.00%	Industry research
Re-finance Loan-to-value	80.00%	Industry research
Re-finance loan DSCR	1.25	Industry research
Re-finance loan period (months)	360	
Loan origination fee	0.80%	

Assumptions around financing costs are based on industry research and conversations with developers. We take into account that many, but not all, developments would qualify for Canada Mortgage and Housing Corporation (CMHC) Mortgage Loan Insurance (MLI) and reflect reasonable midpoints in our baseline assumptions. These can be varied to test specific scenarios.

Operating Costs and property taxes

For BTR developments, we assume two components to operating costs- general operating costs, and property taxes. Property taxes, based on city staff input, are modelled using 2016 rental assumptions (discounted by a factor of 1.8 from 2026 figures), with 60 per cent of gross revenue capitalized at a 4.5 per cent cap rate to get to property values, which in turn are taxed at a listed tax rate of 1.2 per cent and a ratio of one. In addition to property taxes, we assume approximately 27 per cent of gross income for all other operating costs, for a total of approximately 35 per cent, which is in line with industry standards. Of course, exact operating costs will vary based on specific property types and amenities.

HST

HST Treatment. HST in Ontario is 13 per cent, composed of a five per cent federal (Goods and Services Tax, or GST) component and an eight per cent provincial component. HST applies to land acquisition costs (where the transaction is a taxable supply, which is generally the case for

development land), hard construction costs, and professional soft costs. HST does not apply to most municipal charges such as development charges or cash-in-lieu of parkland.

All cost and revenue inputs in our model are expressed on an HST-exclusive basis. Developers who are GST/HST registrants recover HST paid on eligible expenses through Input Tax Credits (ITCs), which are claimed on regular monthly GST/HST returns throughout the predevelopment and construction periods. Because recovery is near-immediate, HST does not represent a meaningful carrying cost and is treated as a net-zero item for feasibility purposes.

For for-sale developments, our revenue inputs are derived from marketed sales prices, which in standard industry practice are quoted inclusive of HST but net of the buyer's New Housing Rebate (assigned back to the builder at closing). We convert these to HST-exclusive base prices using the formula: $\text{Base Price} = (\text{Marketed Price} + \$24,000) / 1.13$, where \$24,000 represents the capped Ontario provincial rebate applicable to units above roughly \$400,000 in base price. This yields the developer's actual net revenue.

For build-to-rent (BTR) developments, the Purpose-Built Rental Housing (PBRH) rebate provides a 100 per cent rebate of both federal and provincial HST for qualifying projects (four or more self-contained units, more than 90 per cent as long-term rentals, construction started before 2031 and completed before 2036, not registered as a condominium). All BTR typologies in our model except single-family housing meet these criteria, resulting in zero net HST cost.

Single-family BTR does not qualify for the PBRH rebate and instead falls under the older New Residential Rental Property (NRRP) rebate, which provides a provincial rebate capped at \$24,000 per unit and no federal rebate for units with fair market values above \$450,000 (which includes all new single-family construction in Ottawa). The unrecovered HST, calculated as 13 per cent of the completed property's fair market value less the \$24,000 provincial rebate, is carried as an additional project cost in those scenarios.

Comprehensive Revenue Opportunity Analysis

For-sales assumptions per square foot (SF)

For Sales Prices - Price per SF (Residential)

Typology	Downtown	Inner City Urban	Outer Urban / Dense Suburban	Suburban	Rural/ Township
High-Rise Urban	\$750	\$700	\$600	\$550	\$550
Mid-Rise Urban	\$750	\$700	\$550	\$500	\$500
Low-Rise Urban	\$650	\$650	\$550	\$500	\$450
Stacked townhouse	\$500	\$475	\$400	\$400	\$400
Townhouse	\$500	\$450	\$350	\$350	\$325
Single Family	\$500	\$450	\$375	\$375	\$375

For Sales- Median Developer Revenue per Unit (incl parking, adjusted for HST)

Typology	Downtown	Inner City Urban	Outer Urban / Dense Suburban	Suburban	Rural/ Township
High-Rise Urban	~\$509k	~\$504k	~\$462k	~\$420k	~\$418k
Mid-Rise Urban	~\$518k	~\$512k	~\$458k	~\$432k	~\$429k
Low-Rise Urban	~\$549k	~\$570k	~\$523k	~\$519k	~\$470k
Stacked townhouse	~\$683k	~\$686k	~\$604k	~\$635k	~\$635k
Townhouse	~\$683k	~\$652k	~\$520k	~\$582k	~\$599k
Single Family	~\$880k	~\$787k	~\$621k	~\$688k	~\$754k

BTR assumptions per square foot (SF)

Market Rents - Price per SF per month

Typology	Downtown	Inner City Urban	Outer Urban / Dense Suburban	Suburban	Rural/ Township
High-Rise Urban	\$3.90	\$3.60	\$3.20	\$3.04	\$2.74
Mid-Rise Urban	\$3.75	\$3.25	\$2.90	\$2.76	\$2.48
Low-Rise Urban	\$3.50	\$3.00	\$2.60	\$2.47	\$2.22
Stacked townhouse	\$3.00	\$2.50	\$2.00	\$1.90	\$1.71
Townhouse	\$2.60	\$2.50	\$2.00	\$1.90	\$1.71
Single Family	\$2.60	\$2.50	\$1.50	\$1.43	\$1.28

Gross revenue per unit per year (assuming 5% vacancy rate, incl. parking)

Typology	Downtown	Inner City Urban	Outer Urban / Dense Suburban	Suburban	Rural/ Township
High-Rise Urban	~\$32k	~\$32k	~\$30k	~\$28k	~\$26k
Mid-Rise Urban	~\$32k	~\$29k	~\$29k	~\$29k	~\$26k
Low-Rise Urban	~\$36k	~\$32k	~\$30k	~\$31k	~\$28k
Stacked townhouse	~\$50k	~\$45k	~\$37k	~\$37k	~\$33k
Townhouse	~\$41k	~\$43k	~\$36k	~\$39k	~\$39k
Single Family	~\$53k	~\$51k	~\$31k	~\$32k	~\$32k