



Whistler 2020 Development Corporation

Project Plan: Lot 3 – 1600 Mount Fee Road July 22, 2025 – Rev.2



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1. Background

Lot 3 in Cheakamus Phase 2 was zoned in 2020 for three storey townhome buildings with a site Gross Floor Area (GFA) of 4,300 sq.m and a maximum Floor Space Ratio (FSR) of 0.50. Subsequent to rezoning, several alternate site options were investigated, including options for higher density with underground parking. Based on these concepts a DP and associated Site Alteration permit to permit site grading were issued in 2022. The site was previously cleared and partially graded for an earlier concept with underground parking.

To kick off the most recent design phase, Siegrist Architecture was retained to develop preliminary site design concepts. Siegrist is also the project architect for the Lot 5 project currently under construction. The focus was on maximizing the site density and number of units, while being sensitive to the interface with the adjacent single-family/duplex lots and Park. Several concepts were shared with RMOW Planning Staff in March 2024. These site concepts included:

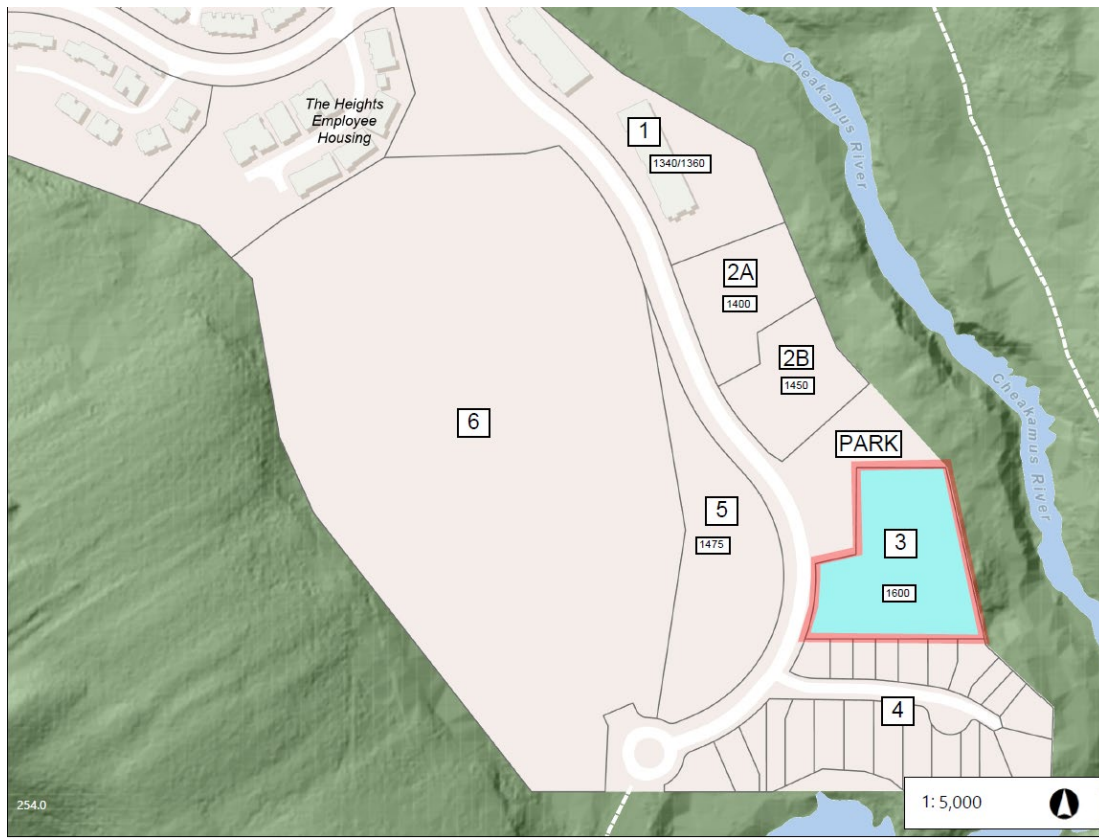
- 5 Storey and 3 Storey Apartment Buildings (152 Units)
- Hybrid – 5 Storey Apartment (95 Units) + 30/37 Townhomes (Stacked)

Based on feedback received, WDC advanced the hybrid design option with a 5-storey apartment building and 4 townhome buildings. All buildings are located on top of a common parkade structure that will provide parking for all apartment and townhome units. WHA input was received to optimize the unit mix for the apartment building to align with waitlist demand. Using standard unit plans developed on previous rental projects, an apartment building design was developed that included 105 units in a 5-storey building, stepped to 3 storeys at the south end.

The initial townhome buildings were presented as 3-storey, 6 plex buildings (with 24 3-bedroom units). Based on feedback from the WDC Planning and Development Committee the townhomes were revised to 2-storey, 5 plex buildings. This created a more efficient, 2 level/3-bedroom floorplan which is simpler to construct and more cost-effective.

A zoning amendment application to increase the permitted density and a Development Permit application were submitted in late 2024. The rezoning was adopted and a Development Permit approved at the Jun.10.2025 RMOW Council meeting. Issued for Construction (IFC) drawings were issued in May 2025. A foundation permit was issued on Jun.18.2025. The February 2025 – Rev.1 version of

the project plan was endorsed by RMOW Council on Feb.25.2025, subject to confirmation of funding from other levels of government.



Lot 3 – Location Context Plan

2. Project Summary (July 2025)

Project Description

Lot 3 is proposed to be a five-building WHA operated rental development. Building 1 (apartment) includes 105 units with a gross floor area of 73,995 sq.ft. Buildings 2 through 5 (townhomes) include 20 units with a gross floor area of 25,963 sq.ft. Unit types include:

Apartment Units

- 14 - Studio (1 bath) – Standard & Accessible
- 75 - 1 bed (1 bath) - Standard
- 8 - 2 bed (1 bath) – Standard & Accessible
- 8 - 2 bed (2 bath) - Standard

Townhome Units (2 level)

- 20 - 3 bed (2 bath)

Final (IFC) floorplans and site plans are included in Appendix V.

The buildings will be constructed over a combined one-storey parking structure. The apartment building offers a range of unit types, focused on providing studio and one bed units to meet the strong demand for this unit type from the WHA Rental Waitlist. A total of 13 accessible units are provided. The townhome units will be suitable for families and groups of unrelated adults/roommates. The unit designs are influenced by feedback from the WHA on recent employee housing buildings and the WDC Planning & Development Committee.

| | | | | | | |
|---|------------------------|------|--------------------|-------------------|----------|-----------|
| Cheakamus Crossing Phase 2 - Lot 3 - 1600 Mount Fee Road | | | | | | |
| IFC Drawings May.2025 | | | | | | |
| Current Zoning: RM-CD2 | | | | | | |
| GFA = 4,300 sq.m. / FSR = 0.50 / Site Area = 8,480 sq.m. | | | | | | |
| | | | Floor Area | | Total | |
| Unit | Type | Qty. | sq.m. | sq.ft | sq.m. | sq.ft |
| Buildings 2 through 5 - Townhomes | | | | | | |
| D1-A | 2 Level - 3 Bed - Mid. | 12 | 120.16 | 1,293.54 | 1,441.94 | 15,522.48 |
| D1-B | 2 Level - 3 Bed - End | 3 | 121.20 | 1,304.69 | 363.59 | 3,914.07 |
| D1-C | 2 Level - 3 Bed - End | 4 | 121.27 | 1,305.50 | 485.09 | 5,222.00 |
| D1-D | 2 Level - 3 Bed - End | 1 | 121.20 | 1,304.69 | 121.20 | 1,304.69 |
| Total | Townhomes | 20 | | | 2,411.83 | 25,963.24 |
| Building 1 - Apartments | | | Efficiency: | 83.40% | | |
| A1-A | Studio | 4 | 38.34 | 412.70 | 153.35 | 1,650.80 |
| A1-B | Studio - Accessible | 3 | 38.32 | 412.50 | 114.96 | 1,237.50 |
| A1-C | Studio - Accessible | 4 | 38.53 | 414.81 | 154.13 | 1,659.24 |
| A1-D | Studio - Accessible | 2 | 38.61 | 415.65 | 77.22 | 831.30 |
| A1-E | Studio - Accessible | 1 | 38.34 | 412.76 | 38.34 | 412.76 |
| B1-A | 1 Bed | 55 | 53.22 | 572.92 | 2,927.14 | 31,510.60 |
| B1-B | 1 Bed | 5 | 53.24 | 573.11 | 266.19 | 2,865.55 |
| B1-C | 1 Bed | 5 | 53.34 | 574.21 | 266.70 | 2,871.05 |
| B1-D | 1 Bed | 5 | 53.23 | 573.00 | 266.14 | 2,865.00 |
| B2-A | 1 Bed | 5 | 52.84 | 568.82 | 264.20 | 2,844.10 |
| C1-A | 2 Bed / 2 Bath | 5 | 77.08 | 829.79 | 385.41 | 4,148.95 |
| C1-B | 2 Bed / 2 Bath | 3 | 77.12 | 830.18 | 231.36 | 2,490.54 |
| C2-A | 2 Bed / 1 Bath | 5 | 73.38 | 789.90 | 366.88 | 3,949.50 |
| C2-B | 2 Bed / 1 Bath - Acc. | 3 | 73.47 | 790.88 | 220.40 | 2,372.64 |
| Total | Apartments | 105 | | | 5,732.44 | 61,709.53 |
| | Total Units | 125 | | | | |
| Unit Mix - Summary | | | | | | |
| | Apartments - Studio | 14 | | Common (Apt.Bldg) | 1,141.24 | 12,285.40 |
| | Apartments - 1 Bed | 75 | | Total (Apt.Bldg.) | 6,873.68 | 73,994.93 |
| | Apartments - 2 Bed | 16 | | | | |
| | Townhomes - 3 Bed | 20 | | Total Project | | 99,958.17 |

Lot 3 – Project Statistics Table

Project Specifications

Project specifications have been finalized in the May 2025 IFC drawing set and they generally follow the standards set for recent WHA projects.

As a rental property all specifications are geared to consider initial costs as well as long term durability and maintenance costs.

Interior (Apartment Units)

- Appliances - Each unit includes a standard appliance package – 30” Fridge, 30” Range, Dishwasher, Hood Fan. Accessible units will be provided with a modified appliance package.
- Millwork – Durable finishes on millwork surfaces, laminate countertops. Double sink (single in Studios) in kitchens with space for garbage/recycling under the sink.
- Bathrooms will include vanity/sink, toilet and combo tub/showers. Accessible studio units will replace the tub/shower with an accessible shower.
- Flooring – Vinyl Plank
- In suite storage will include bedroom closets. Some units will also include a linen/pantry closet. All units, except accessible units, will include an in-suite storage room ranging from 30 to 45 sq.ft. As the accessible units require additional circulation space under the updated BC Building Code, they will be provided with a storage locker in the parkade.

Interior (Townhome Units)

- Appliances - Each unit includes a standard appliance package – 30” Fridge, 30” Range, Dishwasher, Microwave/Hood Fan. Townhome units will also include a stacked washer/dryer unit.
- Millwork – Durable finishes on millwork surfaces, laminate countertops. Double sink in kitchens with space for garbage/recycling under the sink.
- Bathrooms will include vanity/sink, toilet and combo tub/showers.
- Flooring – Vinyl Plank on ground floor and carpet on second floor.
- In suite storage will include bedroom closets. All units will include an exterior accessed storage room, approximately 80 sq.ft. in size. Each unit will also have a storage locker in the parkade.

Exterior

- Exterior finishes will primarily be Hardie Panel material for durability, ease of maintenance and fire resistance.

- Profiled metal siding panels will also be used to provide texture and relief to the façade with low long term maintenance costs and fire resistance. Stone accents will be used at the townhome entrances to help define the entries.

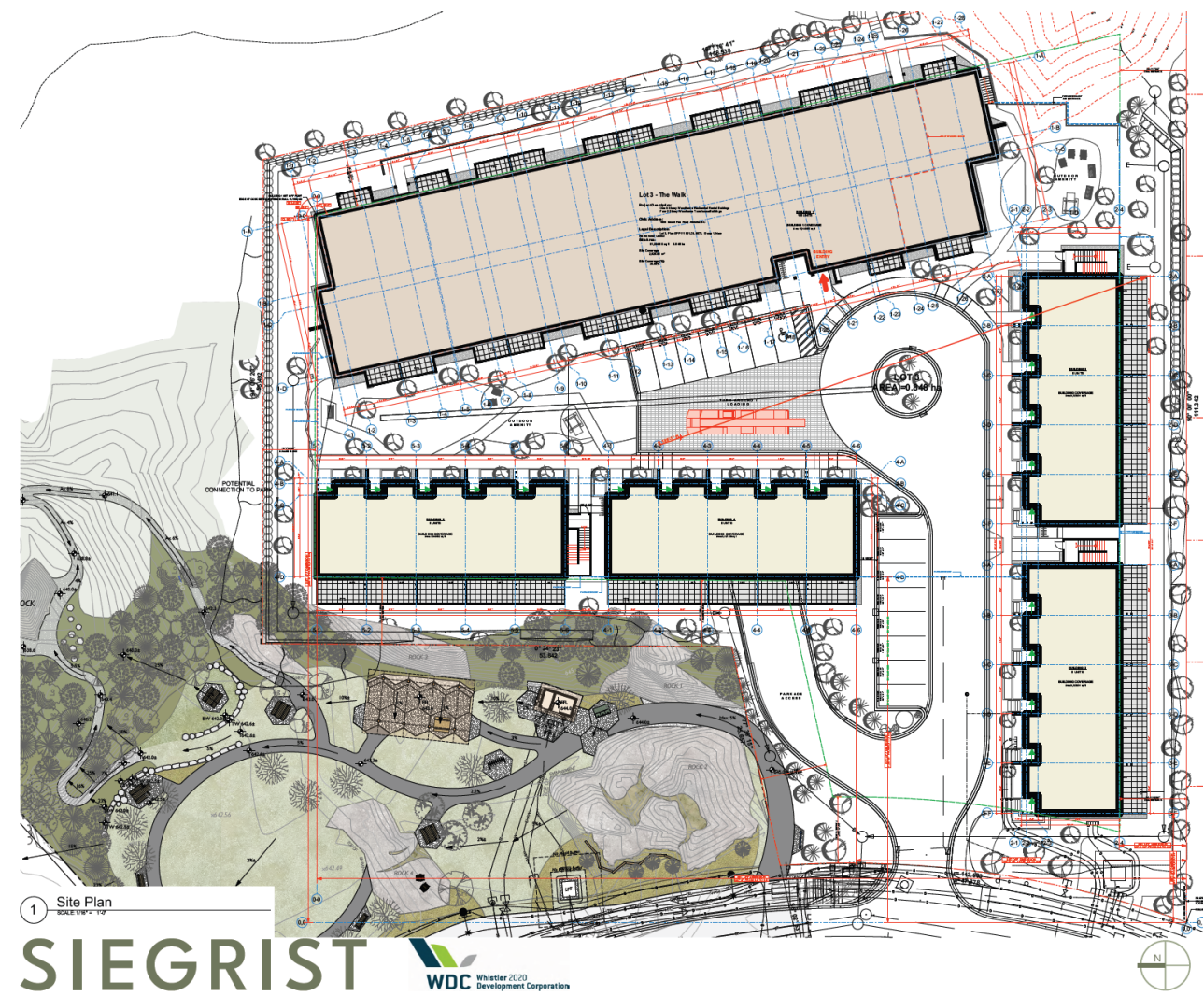
Common Facilities

- A common laundry room for the apartment building will be located on the ground floor, adjacent to the main entrance lobby.
- A Canada Post mailroom/parcel room to service the apartment building will be located on the ground floor, adjacent to the main entrance lobby. The townhomes will be serviced by a Canada Post mailbox unit located near the property entrance from Mount Fee Road. (Subject to Canada Post review).
- Parking – A total of 160 parking stalls will be provided for residents (1 per apartment unit and 2 per townhome unit) and 15 stalls for visitors. Resident parking is located in a single level parkade with visitor stalls at the surface. All residential stalls will be pre-ducted for a managed EV charging system. 3 visitor stalls will be provided with a level 2 EV charger. Low profile curbs on the main driveway will permit short term drop off/unloading for the townhome units.
- The apartment building will be serviced by two elevators connecting to all levels and the parkade. Access to the townhomes from the parkade will be provided by three enclosed stairwells located adjacent to the townhome blocks.
- A central Garbage/Recycling Room for all residents is located in the parkade adjacent to the entrance.
- A bike storage room is located in the parkade with approximately 128 spots. Electrical outlets will be provided to allow for e-bike charging. A bike wash/repair station is located at the entrance to the parkade.
- A landscaped courtyard will be provided with pathways, lawn and seating areas. Plant material will be selected to ensure long term performance of the suspended slab membrane. Path connections will be provided to the adjacent trail network.

Mechanical Systems & Energy

- Domestic Hot Water (DHW) will be provided by the DES with electric back-up for the apartments. Townhomes are proposed to utilize individual heat pump hot water tanks (covenant modification required).
- Heating will be provided in units using electric baseboard heaters.

- Cooling
 - The updated BC Building Code (2024) requires that all multi-family units have one room capable of being maintained at a temperature of 26 deg.C. or less. The mechanical consultant has advised that this cannot be achieved without a mechanical cooling system. For the apartments, a single Packaged Terminal Heat Pumps (PTAC – e.g. Innova) will be provided in the primary living area. For the townhomes, split cooling units will be used to provide cooling to the upper floor bedrooms.
- The buildings will be designed to Step 4 per the covenant registered on title at rezoning (requiring current Step Code for Part 3 Buildings +1).



Lot 3 –Site Plan (May.2025 IFC Drawings)

Current Site Status

Lot 3 has all required underground service connections to the property line, ready for construction. The site is currently cleared and substantially graded. Concrete foundations/footings and columns are in progress.



Lot 3 – Current Site Conditions

3. Project Financials

Project Budget

The current project budget is based on received contractor budget pricing based on IFT/IFC drawings. Allowances have been made for any items not fully priced or where the scope is not fully defined. An overall contingency allowance of 10% is included.

Based on this, our current forecast for total project costs, including land and finance, is **\$62.9M**.

| | | | | |
|--|----------------------|---|--|--|
| <u>Lot 3 Project Cost Summary</u> | | | | |
| Project Costs | \$ 51,910,493 | <i>Includes Construction, Soft Costs, Permit Fees</i> | | |
| Contingency | \$ 5,191,049 | | | |
| Sub-Total | \$ 57,101,542 | | | |
| Land/Infrastructure Allocation | \$ 3,200,530 | | | |
| Land Transfer Costs (PTT) | \$ 78,000 | | | |
| Const'n Monitoring & Interest | \$ 2,551,841 | <i>Per WHA Funding Applications</i> | | |
| Total Project Costs | \$ 62,931,913 | | | |

Table 3.1 - Lot 3 Project Costs

WHA Rental Waitlist and Demand

The WHA Rental Waitlist continues to exceed the available supply across all housing types. Additionally, WHA has expanded eligibility to include qualified employees who had applied for Permanent Residency. The delivery of 48 WHA rental units at Lot 2B (The Hemlocks) in Fall 2024 and 104 units at Lot 5 in 2026 (Q2/Q3) will help to address demand. Despite the addition of these units it is expected that demand will continue to exceed supply. This is due to both projected population growth and the continued decline in affordable, private rental housing options.

The highest waitlist demand continues to be for studio and one-bedroom units. ***WHA waitlist data is shown in Appendix I.*** The demand for one bed units was reinforced during the tenant selection process for the recently completed Hemlocks project. Based on this high demand the unit mix for the Lot 3 apartment building was weighted towards one bed units (over 70%).

The 20 townhome units present an opportunity to add an alternate housing type to the WHA rental inventory. Although the economics of larger townhome units are challenging, the WHA expects that there will be sufficient rental demand for these units at a rate that can support the proposed model. Final rental rates will be established that align with any requirements under RMOW or project funding requirements (e.g. B.C. Housing or CMHC).

Rental Rate Assumptions for Equity Modelling

Apartment Units

The rental rates in the February 2025 project plan were based on an assessment of projected rents under the RMOW's K-01 with input from WHA Staff. The K-01 rental policy establishes a minimum and maximum rent by project and unit type with actual rents based on verified income, per Rent Geared to Income (RGI) standards. Under K-01, actual rents will not be below the minimum or above the maximum. For this update, rental rate assumptions have been adjusted to align with funding applications. The current proposed rates are as follows:

| Rentable Area | 61,731 | sf | Projected | Gross Rent |
|----------------------|---------------|---------------|------------------------|-------------------|
| | Qty. | Avg.sf | Rent \$/month | \$/month |
| Studio | 14 | 414 | 1,900.00 | 26,600.00 |
| 1 Bed - Prem. Rent | 20 | 573 | 2,500.00 | 50,000.00 |
| 1 Bed - Reg. Rent | 55 | 573 | 2,000.00 | 110,000.00 |
| 2 Bed/1 Bath | 8 | 790 | 2,560.00 | 20,480.00 |
| 2 Bed/2 Bath | 8 | 830 | 3,400.00 | 27,200.00 |
| | | | | 234,280.00 |
| | | | Avg.Rent per sf | 3.80 |

Table 3.3 – Lot 3 Rental Rates – Apartments (Projected to 2028)

These rates are in line with forecasted 2028 rents on other recently completed WHA projects. Final rental rates will be established in the Housing Agreement, as endorsed by the WHA Board and approved by RMOW Council.

Townhome Units

The rental rate assumption for the townhomes is based on feedback on allowable rents under potential funding programs. For the purposes of equity modelling, a rate of \$4,600.00/month was established. For comparison, the WHA tracks advertised rents from print and online sources. (refer to Appendix II). For 2025 to date, advertised rents for 3 – bedroom units were \$6,366/month (average) and \$6,200/month (median).

Project Funding and Financing/Equity Requirements

Financing for the construction and operation phases of the Lot 3 project will require a combination of equity (cash, grants, etc.) and third-party debt from either a government loan program (CMHC, BC Housing) or a conventional lender. As a rental project, Lot 3 qualifies for several government loan programs. These programs offer significantly better terms than conventional financing and would be the preferred path. These programs provide financing for both construction and takeout (operations phase). Identification of the project equity requirements and sources is critical to ensure that sufficient funds are available to proceed with the project. Recent WHA projects utilized both CMHC (ACLP for Lot 2B) and BC Housing (BC Builds for Lot 5). The WHA and RMOW have initiated funding applications for Lot 3 which has provided guidance on expected rates, terms, etc. These applications remain under review.

Construction Phase

For the CMHC Apartment Construction Loan Program (ACLP) there is typically a single loan for both construction and take out with the interest rate set at the first payment draw. For B.C Housing there is a different interest rate for construction and takeout. For the purposes of the model, we have assumed a B.C. Housing lending program. Construction Phase interest costs are calculated based on a detailed cash flow using a rate of 3.65% (per B.C. Housing 2025 forecast). An allowance has been included to cover construction monitoring/QS costs and fees. Progress draws will start after available WHA/RMOW equity (\$8.9M) has been invested (land value included), with the first draw expected by year end 2025.

Operational Phase

For the Operational Phase the available takeout mortgage amount will be based on the project's Net Operating Income (NOI). NOI is calculated using projected rental revenue and operating costs. Operating cost projections have been reviewed with WHA staff and are based on similar projects. Terms (Interest Rate, DSR) are per B.C. Housing and WHA input. Revenue projections are based on two scenarios:

- 1) Economic Rent – This is the minimum required rental rate for the project to be viable with typical financing standards.
- 2) Projected Rent per Table 3.3 applied to the apartments, plus townhome rent at \$4,600/month.

The projected mortgage amount and equity requirement at completion are included in Table 3.4 below for the two NOI/rental revenue scenarios:

| Lot 3 - 1600 Mount Fee Road - Apartments + Townhomes | | | | Rev.J |
|--|-----------------|-------------------|-----------------|-------|
| Number of Units: | 125 | | | |
| Gross sf | 99,958 | | | |
| Net sf | 87,673 | Efficiency | 87.7% | |
| Total Project Cost (Excl. GST): | \$ 62,931,913 | \$ 718 | Per Net sq.ft. | |
| Apt. Average Economic Rent | \$ 4.10 | per sq.ft | | |
| Apt. Projected Avg. K-01 Policy | \$ 3.80 | per sq.ft | | |
| TH Rent (Monthly) | \$ 4,600.00 | per month | Unit - 1,300sf | |
| Interest Rate* | 4.52% | | | |
| Amortization Period | 35.00 | years | | |
| | Net Op. Income† | Calc. Mortgage †† | Equity Required | |
| Apt. at Econ. Rent + TH | \$ 3,257,968 | \$ 52,016,393 | \$ 10,915,520 | |
| Apt. at K-01 + TH | \$ 3,035,814 | \$ 48,469,499 | \$ 14,462,414 | |
| | | | | |
| | | Equity Difference | \$ 3,546,894 | |
| * Interest Rate per B.C. Housing (2028 Projection) | | | | |
| † Includes Ancillary Income - Parking & Laundry + 1% Vacancy Allow. | | | | |
| †† Mortgage assumptions - 1.1 DSR, Rate and Amortization Period as noted | | | | |

Table 3.4 - Lot 3 Take Out Financing - Equity Requirements

(See Appendix III for Details)

With the assumptions outlined above it is expected that the project will require equity of approximately **\$14.5M**. These assumptions are subject to further refinement and confirmation per funding application terms and parameters.

Initial equity totaling \$8.9M will be provided from WHA and RMOW as follows:

WHA: \$3.0M
 RMOW – CCAEH Fund: \$3.8M
 RMOW – EH Reserve Fund: \$2.1M

The balance of the equity requirement is expected to be provided through the selected funding program.

The economic rent scenario is provided to demonstrate the additional equity required to achieve the proposed rental rates (assumed to be within K-01). WDC will continue to work with WHA and the RMOW to refine these assumptions and confirm the equity requirements and source(s) of equity. If sufficient equity is not available alternative options to proceed are outlined in the Project Risks & Risk Mitigation section of this Project Plan.

WDC Funding Requirements

As with previous projects delivered to the WHA, WDC will enter into a Development and Construction Services Agreement (DCSA) with the WHA. WDC will require access to sufficient funds to meet its contractual obligations under the DCSA. Funds are proposed to be provided through funding agreements between the RMOW and WDC and will be sourced from the Cheakamus Crossing Affordable Employee Housing Reserve Fund (CCAERH). Funds advanced under any agreements would be transferred back to the CCAERH at project completion or earlier, per the agreement terms.

Based on forecasted project cashflow, the existing capacity under the May 2025 Credit Line Agreement, and assuming the following:

- Financing Facility Confirmation by Sept.2025
- WHA closes on the land in Oct. 2025
- WHA makes an initial draw payment (approx. \$5.6M) in Oct. 2025
- WHA makes the first draw payment under the finance facility by Mar.2026

WDC would require access to an additional \$3.0M through a funding agreement(s), to be determined by RMOW. Access to these funds would be required in September 2025.

Once confirmation of the finance facility is confirmed and draw payments are stabilized a project funding agreement will be requested. This agreement would provide funds to cover statutory lien holdback receivable amounts on each progress draw (10%) under the DCSA. Based on the project costs (Table 3.1) the DCSA value would be approximately \$57.0M. A project funding agreement for \$5.7M would cover the lien holdback receivable amount. This is similar to the funding agreement for the Lot 5 project, currently in progress.

If the financing facility confirmation is delayed beyond Sept.2025 additional funding would be required to continue construction. Alternatively, construction could be paused to defer the requirement for additional funding. Refer to the Project Risks and Mitigation Section of this document for further discussion.

Project Cashflow

Based on the proposed schedule and current preliminary budget for project costs (including construction, contingency, soft costs, land and finance) of \$62.9M the cashflow projection/WHA payments are as follows:

| Category | Prior Years | 2025 | | 2026 | | 2027 | | 2028 |
|---|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | Q1/Q2 | Q3/Q4* | Q1/Q2 | Q3/Q4 | Q1/Q2 | Q3/Q4 | Q1/Q2 |
| Project Costs | \$1,262,456 | \$4,028,646 | \$8,718,000 | \$9,700,000 | \$10,730,595 | \$12,024,224 | \$10,637,621 | \$0 |
| Land | | | \$3,278,530 | | | | | |
| Finance Costs | | | | \$191,523 | \$566,417 | \$768,254 | \$1,025,647 | \$0 |
| Cumulative | \$1,262,456 | \$5,291,102 | \$17,287,632 | \$27,179,155 | \$38,476,167 | \$51,268,645 | \$62,931,913 | \$62,931,913 |
| WHA Land and Draw Payments | | | | | | | | |
| Land | | | \$3,278,530 | | | | | |
| Construction | | | \$5,621,470 | \$18,087,632 | \$10,730,595 | \$12,024,224 | \$10,637,621 | |
| *WHA/RMOW Equity Contribution (\$8.9M) applied to Land and First (Partial) Draw Payment - 2025-Q3/Q4 | | | | | | | | |

Table 3.5 - Lot 3 Cashflow/WHA Payments

Subject to final financing program and terms it is expected that equity requirements will be satisfied by Q4-2025.

4. Project Schedule

Approvals

As proposed, the project has received all rezoning and development permit approvals. A foundation permit was issued in June 2025.

Construction

To date the bulk of site grading and excavation has been completed. Concrete foundation work commenced in June after BP issuance. The current schedule has concrete work substantially complete by the end of 2025. With a single crane, framing work on the apartment cannot commence until the suspended slab is complete. Townhome framing will commence when the apartment framing is well progressed. Per the below schedule, delivery of completed units would occur at the end of 2027 with tenant occupancy in Jan.2028

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------|------|---|---|---|-----------|---|---|---|----------------|---|---|---|------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|---------------------|---|---|---|------|---|---|---|---|---|---|---|---|---|---|---|------|---|---|---|---|---|
| July 2025 Update | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2024 | | | | 2025 | | | | | | | | | | | | 2026 | | | | | | | | | | | | 2027 | | | | | | | | | | | | 2028 | | | | | |
| | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J |
| Approvals | | | | | APPROVALS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Parkade | | | | | SITE PREP | | | | FOUNDATIONS/SS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apartment - Bldg.1 | | | | | | | | | | | | | FRAME+ROOF | | | | SUBTRADES & EXT. | | | | FINISHING/EXT.WORKS | | | | | | | | | | | | | | | | | | | | | | | | | |
| Townhome - Bldgs. 2 - 5 | | | | | | | | | | | | | | | | | FRAME+ROOF | | | | SUBTRADES & EXT. | | | | FINISHING/EXT.WORKS | | | | | | | | | | | | | | | | | | | | | |

Table 3.6 - Lot 3 Project Schedule

A detailed schedule is included in Appendix IV.

5. Project Risks & Risk Mitigation

At all stages of project planning and execution there are numerous risks that need to be considered. With each risk, mitigative steps should be identified to reduce the likelihood of a risk materializing. Additionally, measures should be developed to ensure that a path forward has been established should a risk materialize.

The risks to the Lot 3 project can be captured in three categories:

- Economic/Financial Viability
- Funding Delays
- Execution/Construction Phase

Economic/Financial Viability Risks

Risk 1 – Insufficient Equity Availability

Mitigation Options/Strategies (Reduce Required Equity):

- Investigate options to increase rental revenue. **Preferred Option**
- Option to sell units or a portion of the building to individual purchasers (WHA waitlist), businesses or an institution to reduce equity and debt amounts. **Not Preferred**

Risk 2 – Increase in interest rates

Mitigation Options/Strategies:

- Engage with potential lenders early in the project timeline to ensure the best interest rates and other terms can be expected and achieved.

Risk 3 – Insufficient demand for townhome rental from WHA Rental Waitlist

Mitigation Options/Strategies (subject to WHA Approval):

- Relaxations to K-01 policy to expand eligibility options (e.g. couples, roommates, local businesses and agencies, etc.). **Preferred Option**
- Consider the sale of townhomes to qualified employees on a cost recovery basis. Note that this would likely increase the equity requirement for the rental apartment building. Financing would be more complicated as ownership

townhomes would not qualify for CMHC or B.C. Housing financing. The completed project operating/legal structure would need to be considered (e.g. sectioned strata). **Not Preferred**

- Potential sale of units to qualified businesses. **Not Preferred**

Risk 4 – Insufficient demand for apartment rental from qualified employees

Mitigation Options/Strategies:

- Consider the sale of both apartments and townhomes to qualified employees. This would require some adjustments to the project specifications to meet ownership standards (e.g. in suite laundry in apartment units). Sufficient equity would need to be made available to WDC to obtain conventional construction financing to deliver the completed units. **Not Preferred**
- Potential sale of units to qualified businesses. **Not Preferred**

In order to assess the likelihood of the Economic/Financial viability risks it is critical that WHA/RMOW/WDC conclude discussions with lenders to confirm financing programs, interest rates and equity requirements and sources.

Funding Delay Risks

Based on recent experience on the Lot 5 project there is a risk of delays in finance facility/funding approvals. These delays would create cashflow constraints that could delay construction progress, resulting in completion delays and cost increases.

The nature of these delays could include;

- 1) Delays in initial Funding Approval Commitments (beyond Sept.2025)
- 2) Delays related to the completion of finance facility documentation and security/mortgage requirements.

Item 1 – Commitment Delay - Mitigation Options/Strategies:

- WHA Board Approval to approve/amend land purchase agreement/DCSA terms to allow for payments ahead of finance facility confirmation. Alternatively, the RMOW could redirect the \$5.9M of equity from the CCAEH and EH Reserve to WDC to fund ongoing construction. **(Note that this mitigation would be limited to addressing funding needs to complete foundations and parkade only, after which a pause on construction may be required).**

- Pause construction activities to reduce cashflow until financing facility (or alternate) is confirmed.

Item 2 – Financing Facility Completion - Mitigation Options/Strategies:

- Approval and implementation of requested Funding Agreements/Amendments as outlined in the WDC Funding Requirements section of this project plan (Items 1 and 2)
- Early identification of finance facility documentation requirements (using previous experience) and implementation of steps to complete/execute. Some steps may require RMOW Council, WHA Board, or WDC Board approvals.

Execution/Construction Phase Risks

Adhering to good project management principles, WDC ensures that a risk assessment and mitigation process is applied to all projects. Although each project is unique, there are typical risks for building projects like Lot 3. These include:

- Project Budget
 - Pre-Construction – Scope Creep (e.g. Building Code & Specifications)
 - Sub-Contractor/Trades Availability
 - Inability to confirm pricing for some project elements (e.g. lumber package) until after project has started.
 - Unique Risk - Impacts of Canada/USA Trade Dispute and Tariffs.
- Construction
 - Sub-Contractor & Supplier Non-Performance
 - Consultant Coordination Issues
 - Damage to Project under construction – Fire, Flood, Wind, Vandalism
 - Schedule Delays, Material and Equipment late deliveries
 - Schedule/Timing - (e.g. Winter Conditions / Wildfire - Work Curtailment)
- Post Delivery
 - Significant deficiencies/system performance issues
 - Premature failures of building components and finishes

Potential strategies that can be applied to mitigate these risks are:

- Ensure appropriate contingencies are included in budgets. Apply targeted contingencies to any higher (or lower) risk elements.
- Identify budget elements at a higher risk of tariff induced inflation and ensure alternatives are available. Given the timeline of this project it is anticipated that

supply chains will have adjusted to low/no tariff supplier at time of procurement. The current Project Costs are based on current pricing and include 10% contingency. It is anticipated that any potential impacts from trade/tariff issues will be within the contingency allowance.

- Include appropriate allowances for inflation (updated budget with IFC trade pricing accounts for this)
- Maintain a stable of reliable Consultants with previous WDC project experience.
- WDC - General Contractor Delivery Model. This facilitates close management of individual sub-trades and suppliers.
- Project Scheduling – Include Key Procurement tasks. Identify long lead time components and ensure timely procurement. Monitor progress.
- Develop & Maintain Sub-Contractor & Supplier Relationships. Monitor performance.
- Build Detailed Budgets w/Sub-Contractor input early in the budgeting process. Particularly important when analyzing options. (updated budget with IFC trade pricing accounts for this)
- Place and maintain Project Insurance coverage. Identify and ensure coverage for project specific risks. Insurance is now in place for project.
- Ensure robust processes are in place for quality assurance/consultant reviews.

WDC will continue to develop and manage a project risk register to ensure that all risks for Lot 3 are identified and that appropriate mitigation measures are developed and implemented.

6. Summary of Project Plan Updates from Feb.2025 Version

The Lot 3 Project Plan has been refined since the February 2025 version through the efforts of WDC staff working with the WHA and RMOW. Steps that have been undertaken and current status is as follows:

- Rental rates have been reviewed, refined, and confirmed. Current rental rate assumptions are outlined in this updated Project Plan. Operating cost assumptions were also subject to review and minor updates were made to align with funding applications. Equity requirements were projected to be \$16.1 million and are now projected to be slightly lower at about \$14.5 million.
- Based on current funding assumptions, the required equity from RMOW and other sources as noted above is approximately \$14.5 million. Of the total, \$8.9 million is to be sourced from municipal sources including WHA cash on hand of \$3 million and reserve funds in the amount of \$5.9 million. The balance of equity required is from senior government and other sources. WDC Funding requirements have been clarified.
- Caution was expressed in the previous plan version regarding budget allowances with particular note of potential tariff impacts and inflation pressures. At this time, contract tender pricing has been confirmed on about 90% of the subtrade scopes of work. Overall budget confirmation is tracking very closely to February 2025 estimates and the 10% contingency remains intact. In addition, site work is substantially complete and many of the variable costs in the soft cost portion of the budget have now been confirmed.
- Interest rate risk is always a consideration in project costing from both construction financing and takeout (permanent) financing perspectives. As noted in Section 3 of this amended Project Plan, interest rates are currently set in the proforma at 3.65% for the construction loan and 4.52% for the permanent mortgage loan, both rates being considered as reasonably conservative based on current and projected trends over the next 1 to 2 years.
- Identification of risks related to funding program delays and associated risk mitigation options.
- Refinement of project schedule, with foundation work starting in June 2025, resulted in an update in the completion date to Dec.2027 (previous Q1-2028).

7. Conclusions & Recommendation/Next Steps

Various provisions of the February 2025 Lot 3 Project Plan have been reviewed and refined and this amended Project Plan provides an update on progress and current status. For the most part, the project is advancing forward on a very positive note. Budgets have been confirmed, approvals including rezoning, Development Permit and foundation permit have been obtained, and construction has commenced with completion targeted for late 2027. The overall cost to complete remains very close to the projected amount of \$62.9 million reported in February and a contingency of \$5.2 million has been maintained. The WDC Board has reviewed this updated Project Plan and strongly endorses the decision to proceed forward. To support this the following key steps should be taken:

- Continue to pursue Financing Facility approval and monitor related timing/key dates.
- Finalize and present requested Funding Agreements and amendments (required to fund project prior to finance facility confirmation/first facility draw) to RMOW Council for approval.
- Prepare a documentation list and prepare a plan to ensure the finance facility can be finalized as soon as possible after once approved.

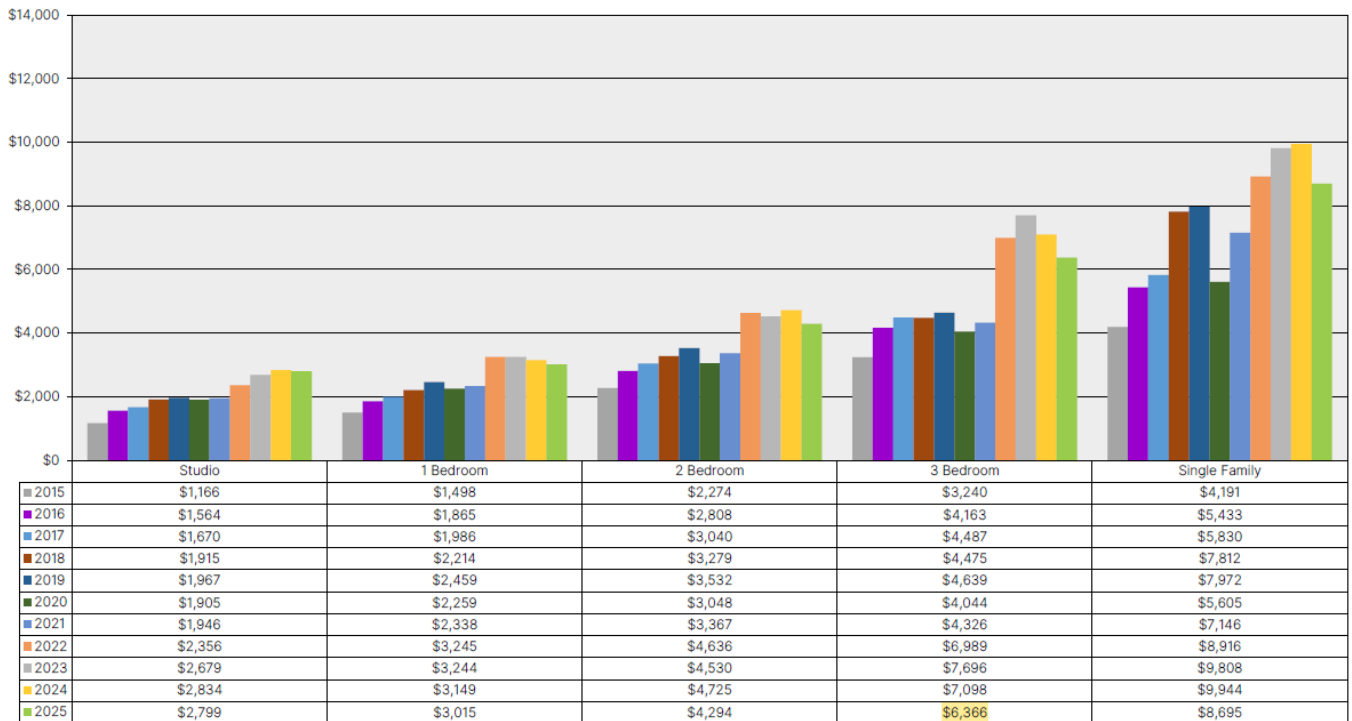
8. Appendix

- I. WHA Waitlist Data (Rental & Ownership)
- II. Advertised Rental Rates – Average & Median
- III. Equity Calculation Detail
- IV. Project Schedule – May 2025
- V. Unit Floorplans (May.2025 IFC Plans)

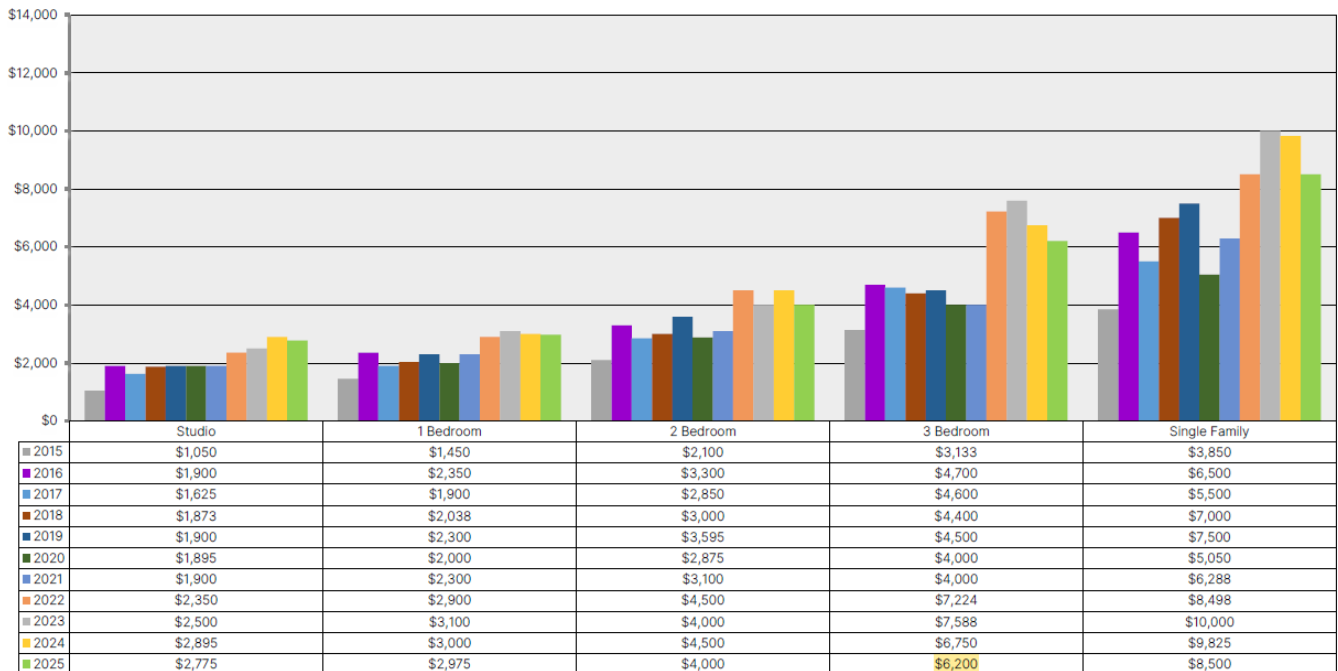
I. WHA Waitlist Data (Rental & Ownership)

| RENTAL WAITLIST | 2025 | 2024 | 2023 | 2022 |
|--|--------------|-------------|-------------|-------------|
| Total | 813 | 675 | 602 | 466 |
| Average Time on List (years) | 1.8 | 2.1 | 2.5 | 3.5 |
| <i>Waitlist Demand</i> | | | | |
| Studio | 573 | 507 | 424 | 391 |
| One Bedroom | 680 | 601 | 495 | 436 |
| Two Bedroom | 163 | 140 | 110 | 74 |
| Three Bedroom | 56 | 47 | 39 | 22 |
| For 2024 - 503 Rental Waitlist Candidates are not currently housed in WHA rental or ownership properties. Household Types for these are: | | | | |
| Singles/Couples - No Dependants* | 618 | 451 | | |
| Households with Dependants | 70 | 51 | | |
| Unrelated Adults | 9 | 2 | | |
| <i>* 27 of singles/couples are Senior Households</i> | | | | |
| OWNERSHIP WAITLIST | 2025* | 2024 | 2023 | 2022 |
| Total | 665 | 1220 | 1164 | 1095 |
| Average Time on List (years) | | | 8.2 | 3.2 |
| <i>Waitlist Demand</i> | | | | |
| One Bedroom | 614 | | 856 | 787 |
| Two Bedroom | 672 | | 1076 | 1003 |
| Three Bedroom | 617 | | 1017 | 952 |
| Duplex | 273 | | 598 | 578 |
| Detached | 287 | | 573 | 547 |
| *2025 data is the Net Waitlist (waitlist members not already housed within the program). | | | | |

II. Advertised Rental Rates Average & Median (WHA Monitoring)



AVERAGE Advertised Rents

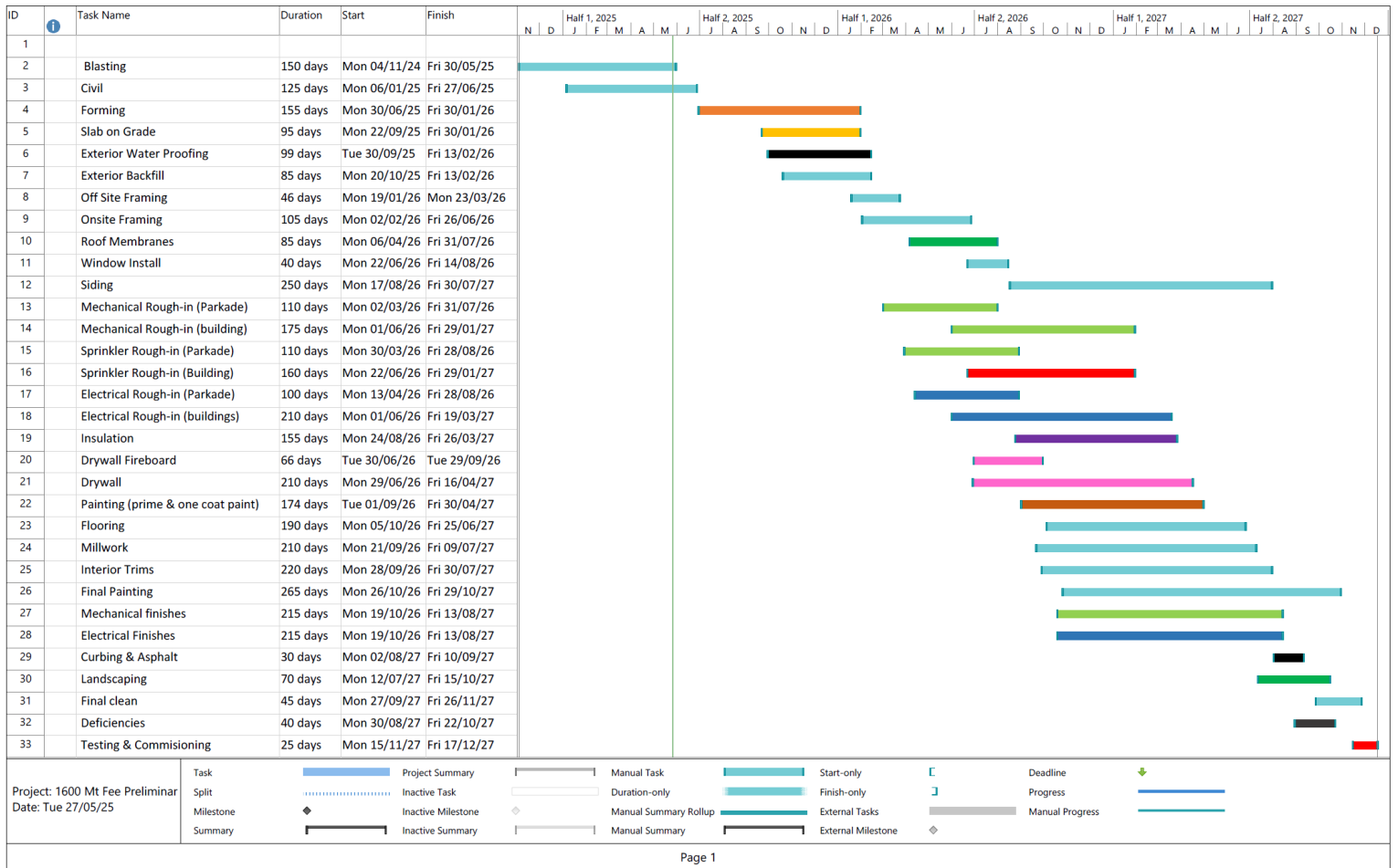


MEDIAN Advertised Rents

III. Equity Calculation Detail

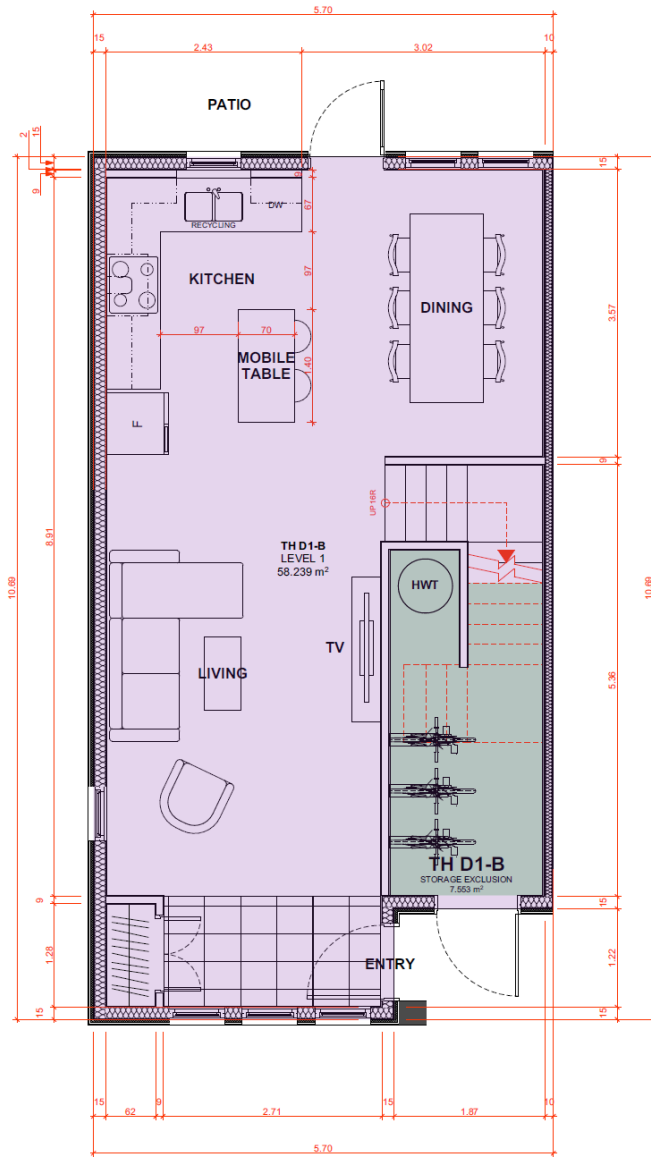
| Construction Year Start | | 2025 | 2025 | | | | |
|--|------------|----------------------|--------------------------|--|--|---|--|
| Project | | Lot 3 - Econ. | Lot 3 - K-01 + TH | | | | |
| Apartments | | | | | | | |
| Number of Units | | 105 | 105 | | | | |
| Gross SqFt | | 73,995 | 73,995 | | | | |
| Net SqFt | | 61,710 | 61,710 | | | | |
| Efficiency | | 83.4% | 83.4% | | | | |
| Townhomes | | | | | | | |
| Number of Units | | 20 | 20 | | | | |
| Gross SqFt | | 25,963 | 25,963 | | | | |
| Net SqFt | | 25,963 | 25,963 | | | | |
| Efficiency | | 100.0% | 100.0% | | | | |
| Land Cost, Transfer Value* | | \$ 3,200,530 | \$ 3,200,530 | | | | |
| Land Transfer Cost - PTT | | \$ 78,000 | \$ 78,000 | | | | |
| Project Costs (Const., Contingency, Soft Costs) | | \$ 57,101,542 | \$ 57,101,542 | | | | |
| Construction term, months | | 26 | 26 | | | | |
| Construction loan Interest Rate* | 3.65% | 3.65% | 3.65% | | | Interest Rate per B.C. Housing (2025 Interim) | |
| Const'n Monitoring & Interest | | \$ 2,551,841 | \$ 2,551,841 | | | Per WHA Funding Application | |
| TOTAL PROJECT COST | | \$ 62,931,913 | \$ 62,931,913 | | | | |
| Cost/Gross Sq.ft | | \$ 718 | \$ 718 | | | | |
| Apartments | | | | | | | |
| Proforma Average Economic Rent \$/SqFt | | \$ 4.10 | | | | Lot 5 PP + 3 years at 2% | |
| WHA Lot 5 Comparable Rent\$/SqFt | | | \$ 3.80 | | | Per WHA Funding Application | |
| Gross Annual Rent - Apartments | | \$ 3,036,109 | \$ 2,813,955 | | | | |
| Townhomes | | | | | | | |
| Rent - Monthly per Unit | | \$ 4,600 | \$ 4,600 | | | Per WHA Funding Application | |
| Gross Annual Rent - Townhomes | | \$ 1,104,000 | \$ 1,104,000 | | | | |
| Ancillary Revenues - Parking (\$65/mo.) 105 Stalls | | \$ 81,900 | \$ 81,900 | | | Assume that TH Rent includes Parking | |
| Ancillary Revenues - Laundry | | \$ 28,800 | \$ 28,800 | | | | |
| Total Annual Revenue | | \$ 4,250,809 | \$ 4,028,655 | | | | |
| Vacancy Allowance (1%) | | \$ (40,121) | \$ (40,121) | | | | |
| Estimated Operating Cost | | \$ 952,720 | \$ 952,720 | | | Per WHA Funding Application | |
| Net Income for Debt Service | | \$ 3,257,968 | \$ 3,035,814 | | | | |
| Assumed Interest Rate | 4.52% | 4.52% | 4.52% | | | Interest Rate per B.C. Housing (2028 Projection for Take Out) | |
| Calculated Mortgage † | 35.00 yrs. | \$ 52,016,393 | \$ 48,469,499 | | | | |
| Equity Required, Economic Rent / TH Rent | | \$ 10,915,520 | | | | | |
| Equity Required, WHA K-01/TH Rent | | | \$ 14,462,414 | | | | |

IV. Project Schedule

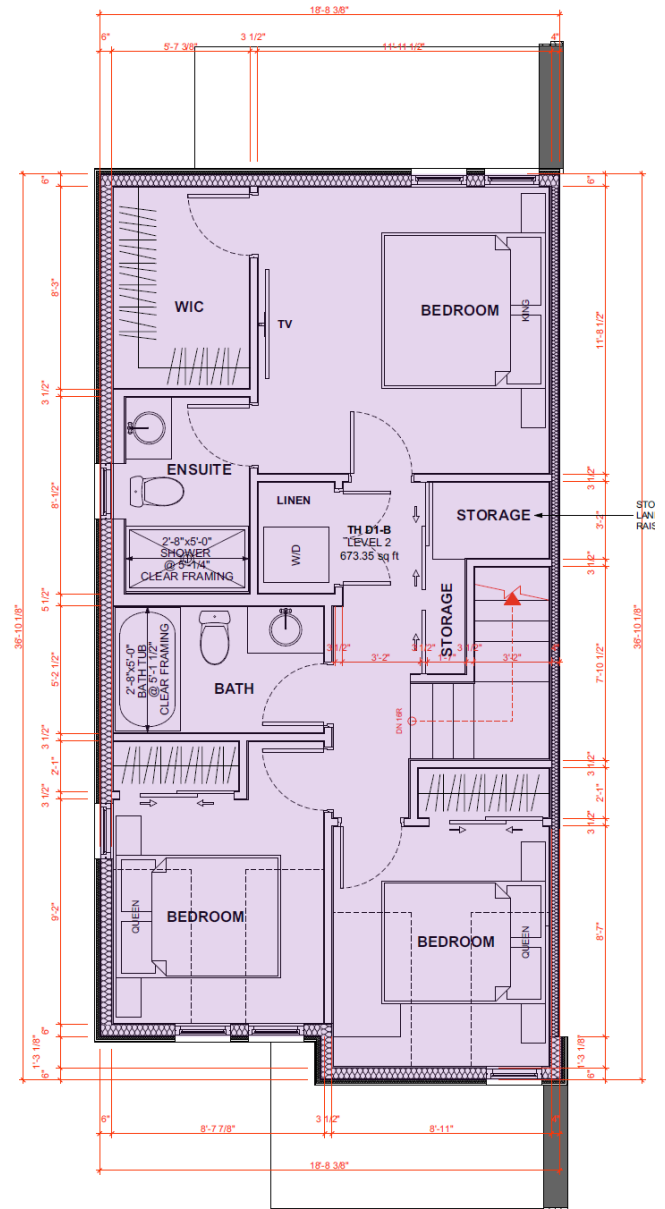


V. **Unit Floorplans (May 2025 IFC Plans)**

Townhome (Typical)

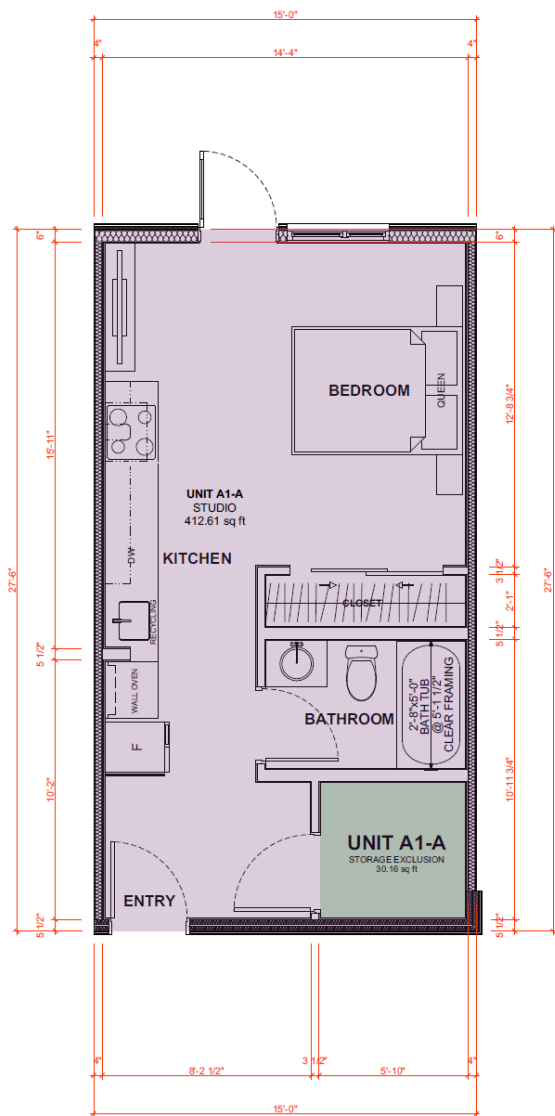


1 Unit TH D1-B - Level 1
SCALE: 1/4" = 1'-0"

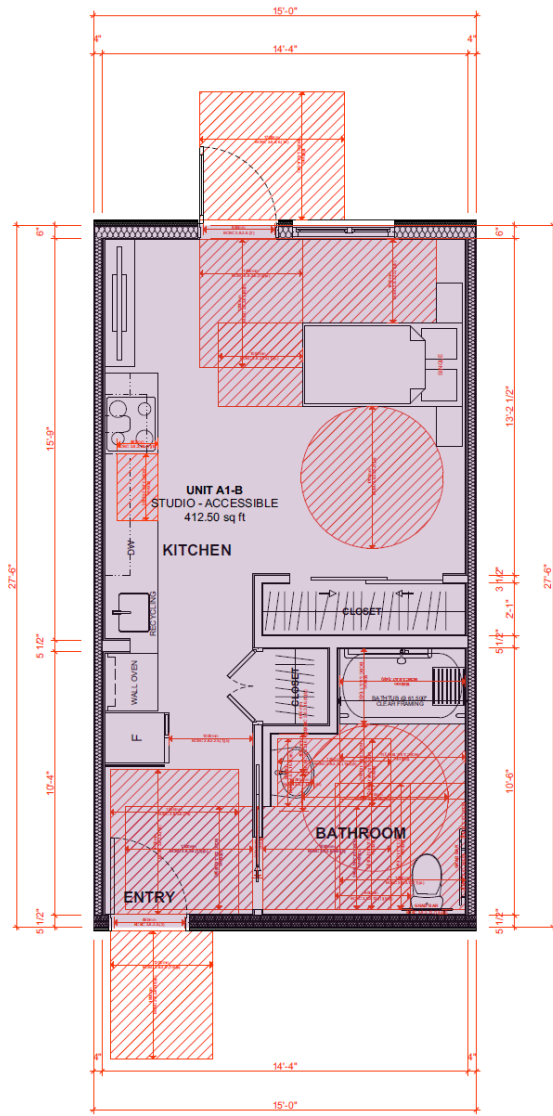


2 Unit TH D1-B - Level 2
SCALE: 1/4" = 1'-0"

Studio (Standard & Accessible)

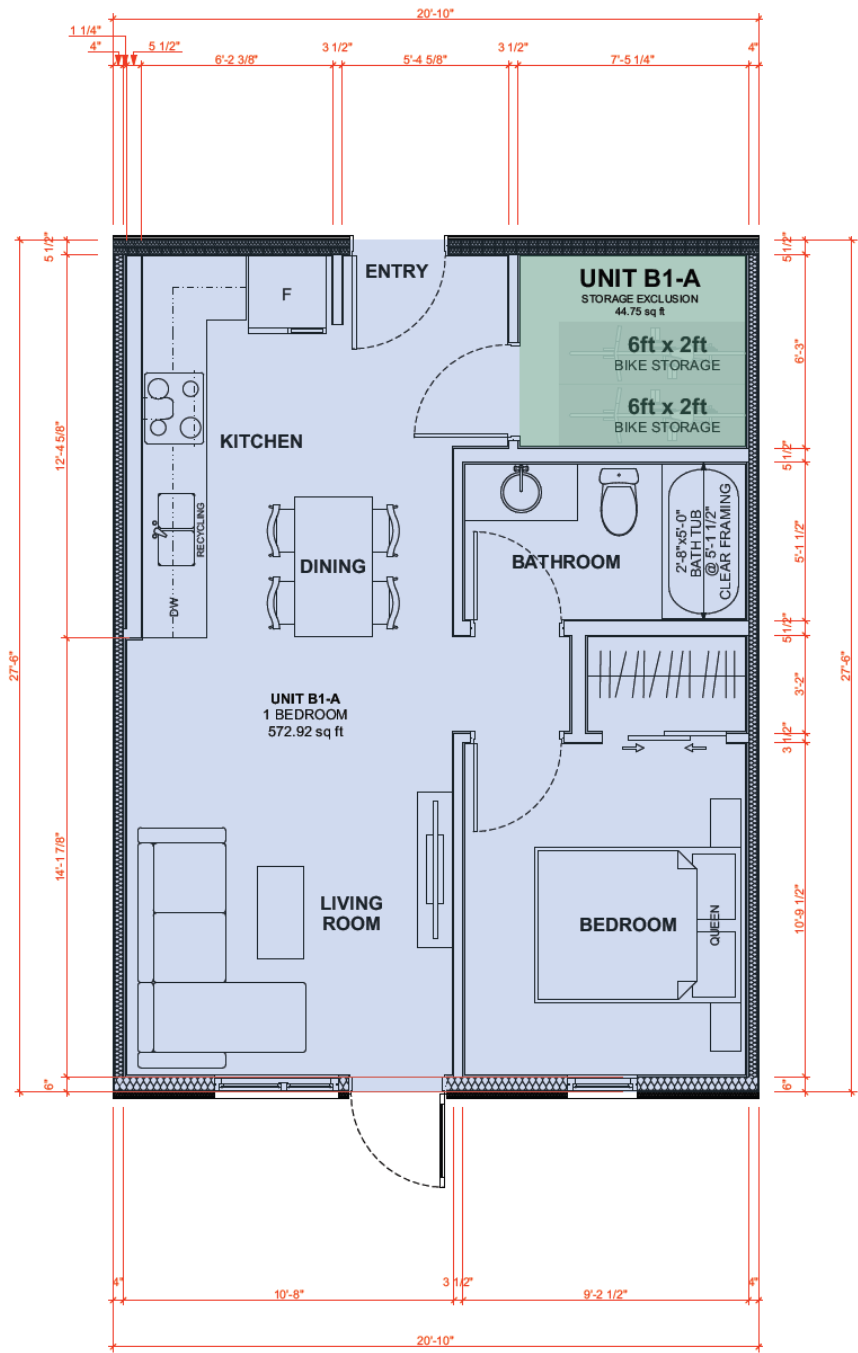


1 Unit A1-A
SCALE: 1/4" = 1'-0"



2 Unit A1-B - Accessible With Clearances
SCALE: 1/4" = 1'-0"

One Bedroom (Typical)



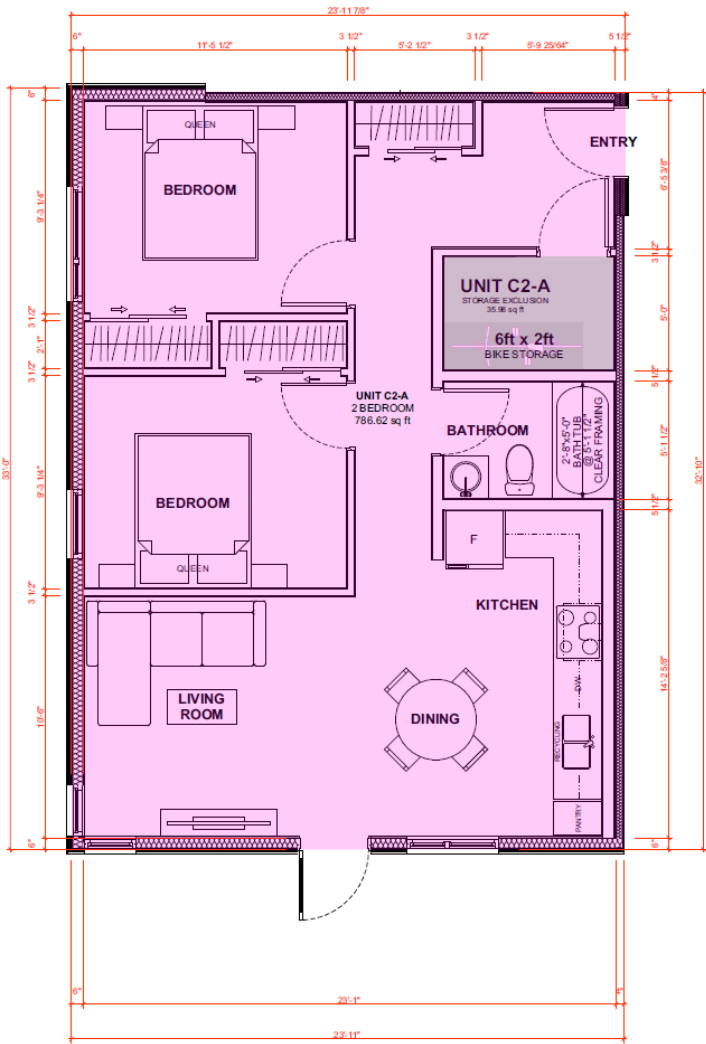
6 Unit B1-A
SCALE: 1/4" = 1'-0"
0 2' 4' 8'

Two Bedroom (Type C1)

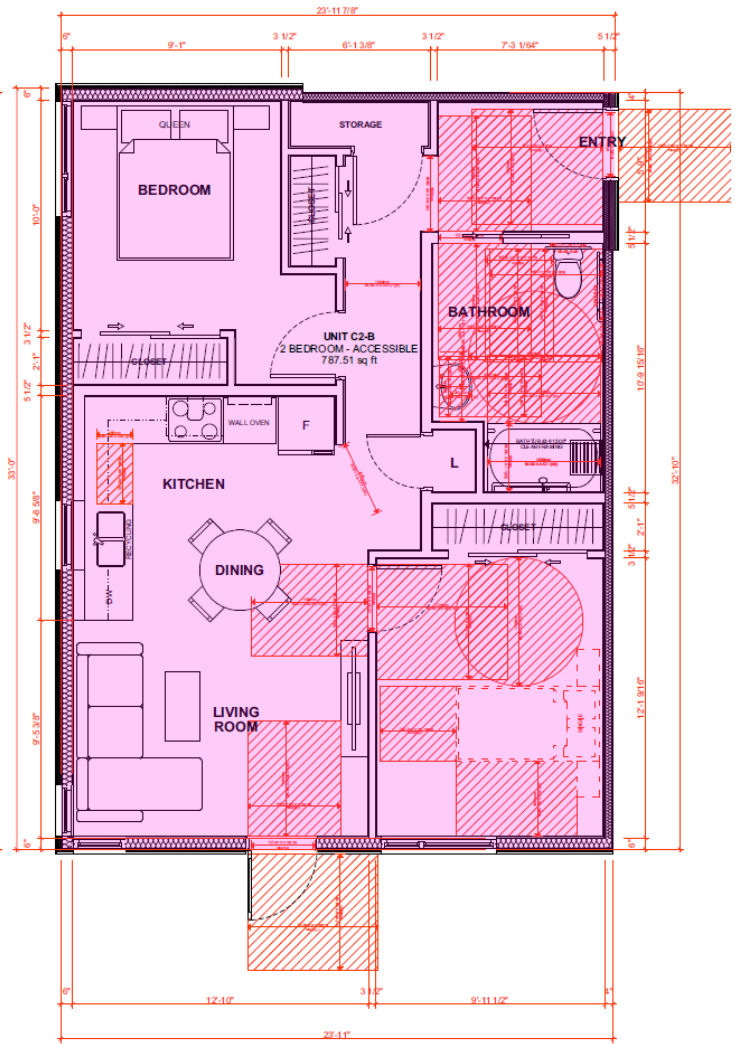


12 Unit C1-A
SCALE: 1/4" = 1'-0"
0 2 4 8

Two Bedroom (Type C2) and Accessible



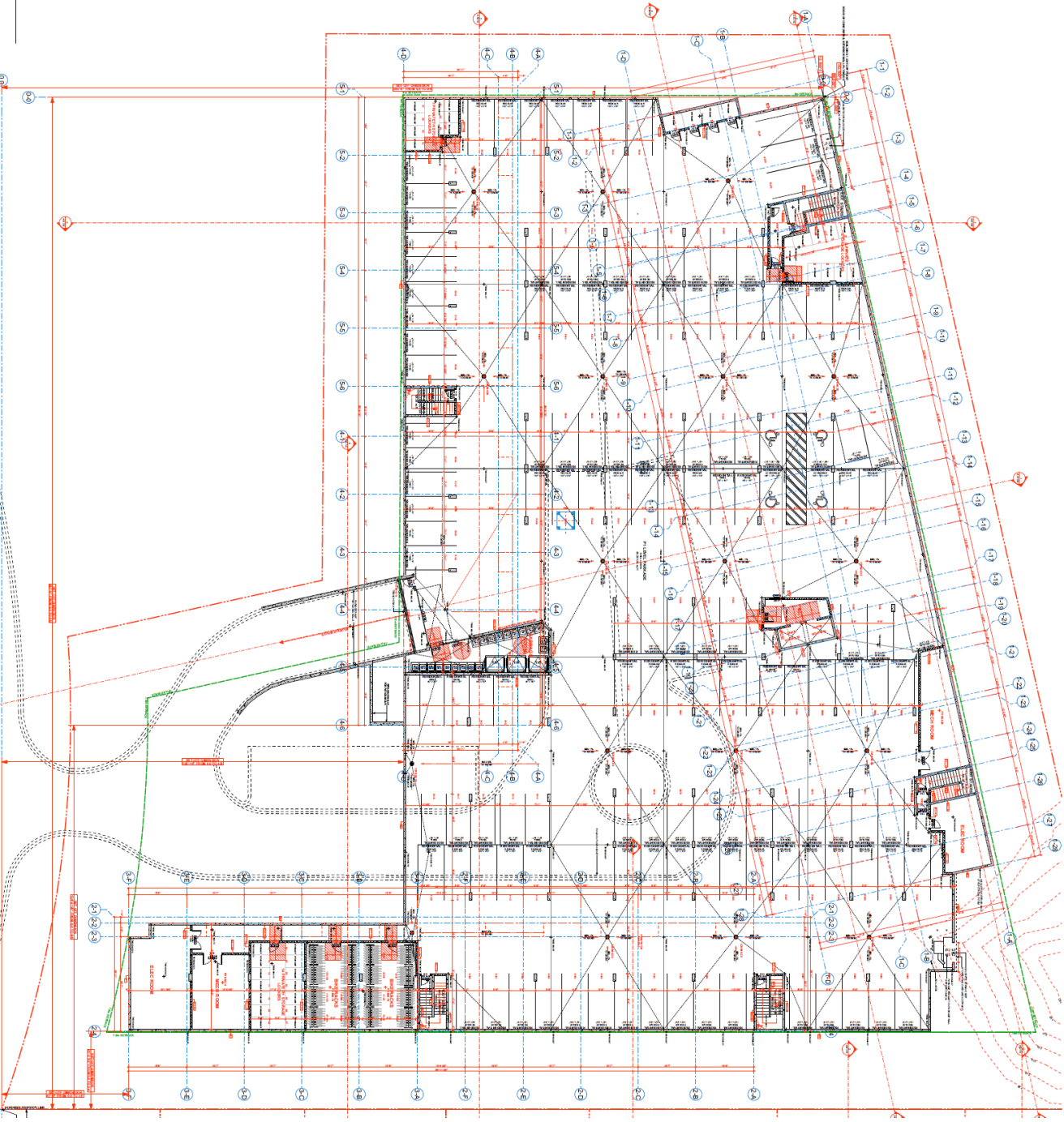
14 Unit C2-A
SCALE: 1/4" = 1'-0"



15 Unit C2-B - Accessible With Clearances
SCALE: 1/4" = 1'-0"

Level P1 (Parkade) Plan

1 Level P1 Parking Plan
SCALE 1/8" = 1'-0"



Level 1 Plan (Ground Floor)

