



dHKarchitects
500 PPN

dHKarchitects

500 Park Place North

Option Analysis

Package Updated
07.28.2025

Prepared for

Township of Esquimalt

1229 Esquimalt Road. Esquimalt. V9A 3P1

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Photo taken in front of 500 Park Place North in the early 70s -
Community member on Esquimalt Community Connection,
Facebook.

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Photo of 500 Park Place North Video Network building in 2009 - Google Maps.

03. 500 Park Place North Overview

1. Site Plan and Project Information for 500 Park Place North

Zoning Information

Current Zone Designation: Zoning Bylaw, 1992,
No.2050, Amendment Bylaw, 2021, No. 3031

A rezoning application is anticipated, as the current zoning permits only a limited range of uses and may not accommodate the envisioned options and development. Depending on the finalized concept, rezoning will be necessary to support the proposed use. Additionally, the existing zoning restricts building height to a maximum of 15 meters, effectively limiting development to approximately four storeys.

Downtown Esquimalt Figure Ground Study





Currently Permitted Uses Under Existing Zoning:

- a) Art gallery
- b) Arts/crafts studios excluding wood/ metal
- c) Arts and wellness teaching centre
- d) Assembly use
- e) Business and professional office
- f) Counseling services
- g) Educational interpretive centre
- h) Fire hall
- i) Fitness centre
- j) Government office
- k) Police station
- l) Restaurant
- m) Personal service establishment
- n) Recreation centre
- o) Retail store

Parcel size: 2,800 sqm

Number of buildings:

Not more than 1 principal building

Lot coverage:

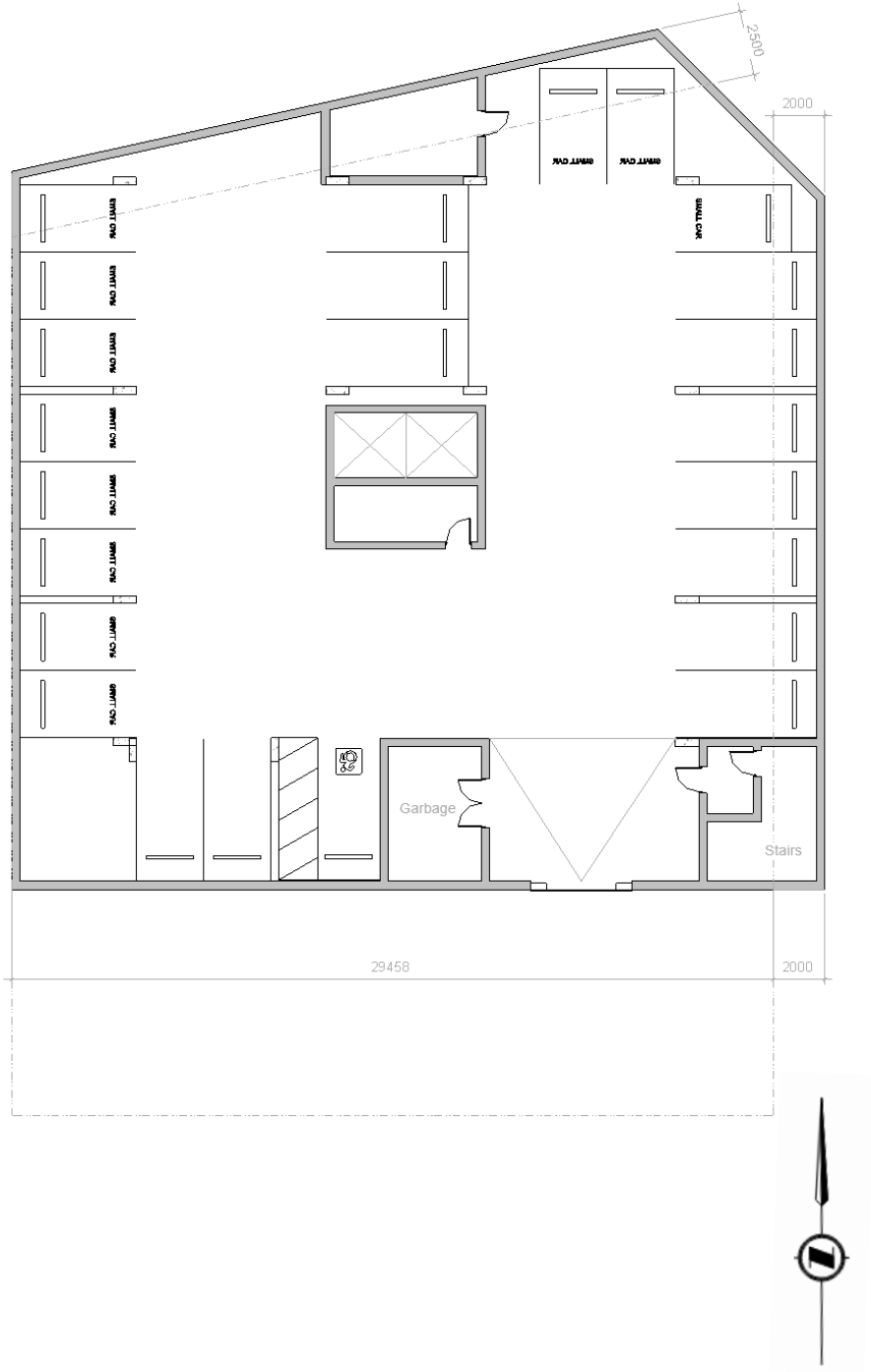
- a) principal building shall not cover more than 100% of the area of the parcel
- b) that portion of the principal building constructed at the first storey shall not cover more than 73% of the area of the parcel
- c) that portion of the principal building constructed at or above the second storey shall not cover more than 50% of the area of the parcel

Off street parking:

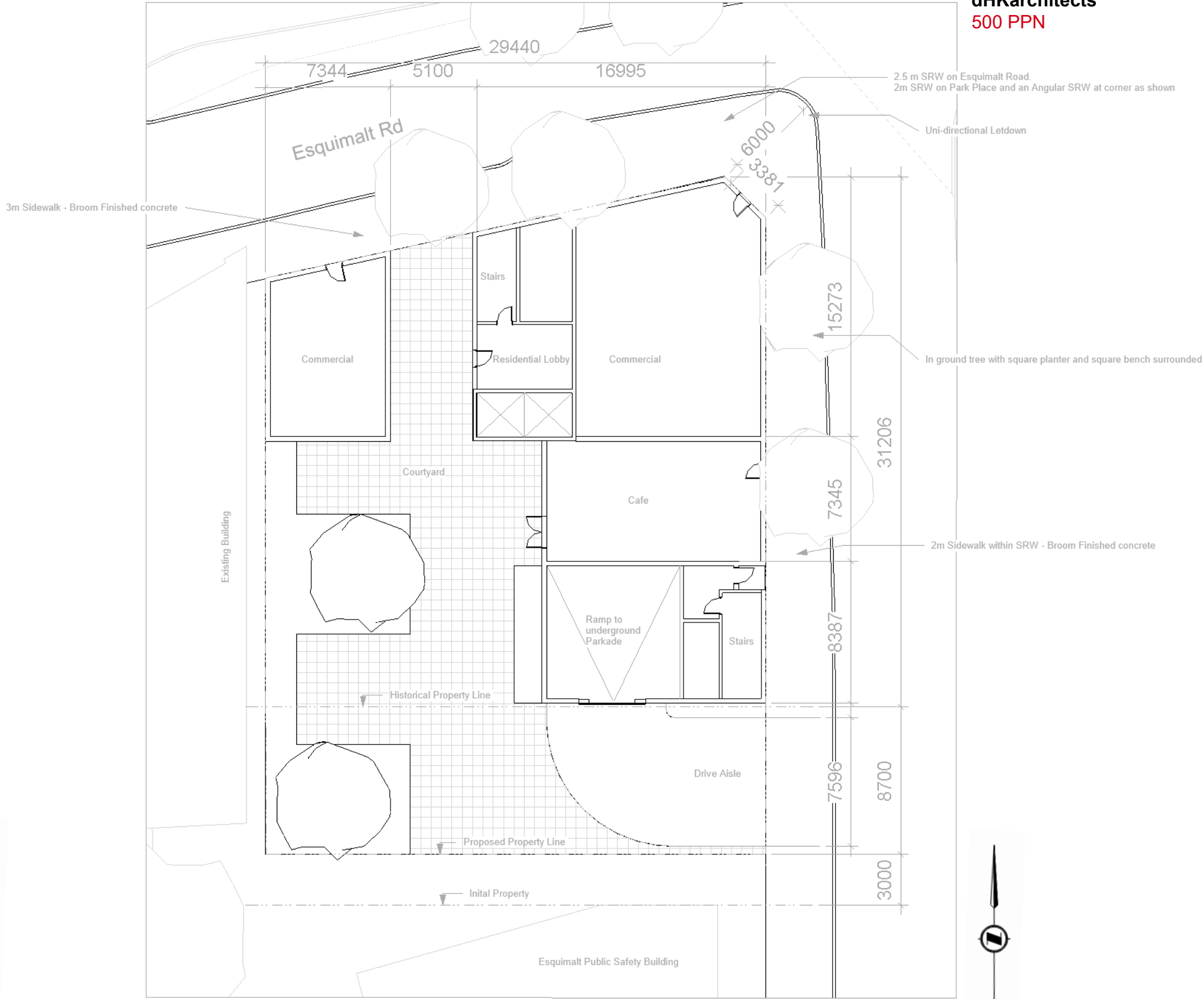
- a) 41 underground parking stalls are proposed, notwithstanding Section 13 of Parking Bylaw No. 2011- subject to change
- b) Commercial portions of the building shall be exempt from off-street parking requirements
- c) Affordable Hopusing requirements shall be exempt from off-street parking requirements







Generic Parking Plan



Generic L1 Plan

2. Stakeholder Feedback - Meeting Notes Summary :

Holly Courtright, President of Esquimalt Chamber of Commerce

Date: May 1, 2025

- Expressed interest in seeing development concepts such as:
 - A food truck village, similar to Cook Street or “Eat Street.”
 - Emphasized the perceived need for additional parking infrastructure in the area and suggested a public parkade to support area traffic (noting that the existing underground parkade at Park Place across the street cannot be considered for this project).

Barb Desjardins, Mayor of Township of Esquimalt

Date: May 1, 2025

- Expressed support for a tower-style development, seeing it as an opportunity to increase density and strengthen Esquimalt’s community core.
- Does not support surface parking lot proposals, preferring more efficient land use.
- Strongly supports the creation of a walkable, vibrant urban core.

Meeting with Esquimalt Chamber of Commerce

Date: May 13, 2025

Discussion: Potential Development Options for the Site

- Chamber expressed interest in exploring several ideas with various mixed-use development options, including:
 - Opportunity for using this space to highlight the need for revenue-generating developments.
 - A boutique hotel model, featuring:
 - Ground-floor restaurant
 - Second-floor co-working space
 - Hotel rooms on levels 3–6
 - The sale of the property could be leveraged to fund alternative uses, such as:
 - A boutique hotel , similar to models like APA Hotels (Japan) or the Public Hotel (New York City)
 - Commercial space
 - A semi-private gym
 - A mix of private residences and hotel suites
 - Arts and cultural spaces
 - Walkway and pedestrian-friendly areas
 - Family-style restaurants

- Event venue spaces (May not be revenue-positive as a standalone use- more viable when paired with a hotel or residential component above)
- Small business/co-working hub
- Community amenity spaces (excluding pools) Example ideas include:
 - Climbing walls
 - Bowling alleys
 - Batting cages
- Parkade
- ESL education facilities
- Medical or wellness clinics
- Retail units

Additional Considerations

- Strong interest in establishing a business corridor along Esquimalt Road
- Parking must be addressed thoughtfully in any development proposal
- Noise from the adjacent fire hall was flagged as a concern
- Councillors expressed a preference for community-supporting amenities over additional affordable housing
- Reflects a shift toward developments that serve the broader population now and in the future

Jeremy Loveday, Executive Director Public Affairs, Destination Stewardship and Sustainability, Destination Greater Victoria

Date: June 2, 2025

- Victoria needs an estimated 2,000 new hotel rooms over the next 10 years.
- Despite current low occupancy, there is strong demand for affordable, mid-range hotels, especially as Esquimalt grows its tourism appeal.
- A hotel at 500 PPN is a strong opportunity, particularly if parking across the street at the Esquimalt Town Square Underground Parkade can be used.
- It could bring 60–100 regular visitors, boosting local businesses.
- A hotel that includes event spaces, a café, a restaurant, and a gym could serve as a valuable community asset and a strategic investment for both local developers and potential brand partners

3. Indenture:

This section of the document summarizes the legality of the indenture that pertains to one of the three original parcels that make up the northern block.

The indenture is a legal document from 1913.

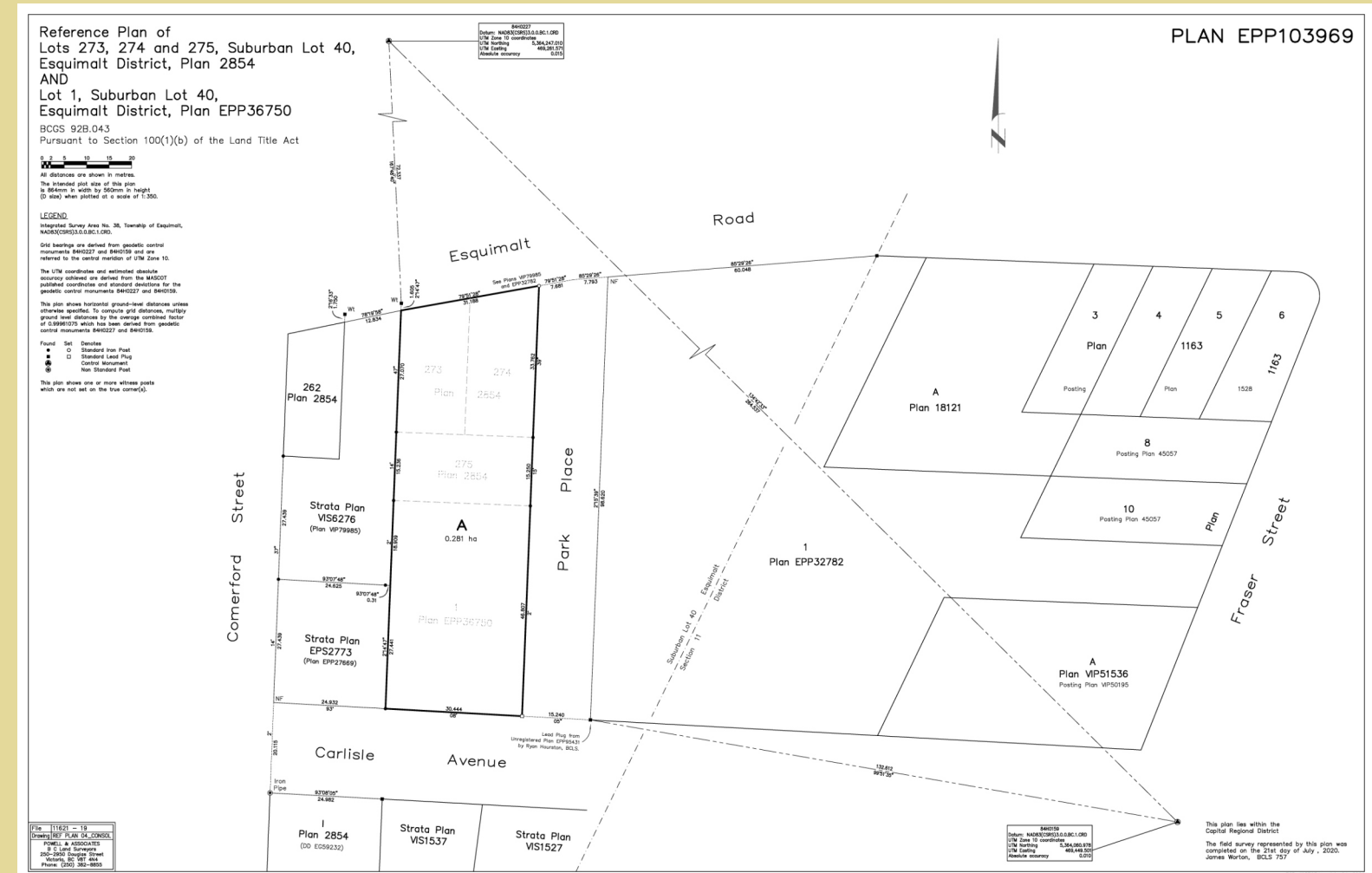
The indenture only applies to lot 275 of the property as a whole. This includes any part of the proposed building that would encroach the lot 275 property line. Considering that there will be a 6 m setback from the fire hall building, this will leave roughly 5 m of build-able area on lot 275.

The subject of the trust states that lot 275 is to be used “for public purpose and to be used as a road or lane”.

- All earned income from any portion of the building on the indenture states that the funds must go back to the trust fund
- The development on the portion of the indenture could be used for affordable housing, public space, library, museum, archives etc.
- Parking can go underground however it must be used for the purpose of the trust “i.e. public or charitable”
- Lane with paving creating a courtyard public space
- Lane with cantilevered building over top beginning on L3 that is dedicated

to public use or affordable housing.

- No lane with affordable housing built on L1 - L6
- No lane with public building above L1
- No lane and only for profit market housing built on L1 - L6



04. Option A: Boutique Hotel

The development of a six-storey mixed-use building combining a small scale hotel which we are calling a boutique hotel, a co-working space, and a ground-floor retail presents both opportunities and financial challenges for the site. With a total gross floor area of 40,863 sq. ft. and a proposed Floor Area Ratio (FAR) of 3.0, the proposed project includes 135 compact hotel rooms (175 sq. ft. each), 12,259 sq. ft. of commercial space, and 101 underground parking stalls. Financial modeling based on current market data suggests a first-year net operating income of \$2.6 million and a blended cap rate of 7.75%. However, while operating profitably (prior to debt payment), the project has an estimated stabilized value of \$33.6 million which falls short of the projected \$35.4 million development cost. Therefore, if the project were to be sold following construction, the owner/vendor would realize a loss of approximately \$1.77

million and a negative development margin of -4.99%. While the concept aligns with demand for boutique accommodations and flexible workspaces, the financial shortfall raises concerns about feasibility of the development of a boutique hotel without cost-saving measures or additional revenue streams. Notably, a reduction of 60 parking stalls could yield savings of \$4.8 million, potentially making the project more viable, however less effective at addressing the concerns for overall parking supply in downtown Esquimalt. Overall, while the proposed program offers a compelling mix of uses that supports urban vibrancy, adjustments to the development strategy or financial model will be necessary to ensure long-term economic sustainability.

Site Plan



Site Data and Precedents

USES: Mixed Commercial, Public space, Co-work and Hospitality on L1 to L2 and Market Rental on L3 - L6

EXISTING ZONE: CD-138

PARCEL AREA: 2800 sqm

AREA OF LOT 273 + 274: 927.833 sqm

AREA OF LOT 275: 462.844 sqm

DEDICATION: UNKNOWN

NUMBER OF STOREYS: 6

SETBACKS:

FRONT (Esquimalt Rd): 2.5 m

SIDE (Park Place): 2.0 m

BACK (Carlisle): 13.0 m

SIDE: 0 m

FAR: 3.00

GFA: 3774

Commercial: 487.15 sqm (5 244 sq ft) and 127.09 sqm (1368 sq ft)

Public Space: 73 sqm (786 sq ft)

Co-work: 11 sqm (118 sq ft)

Hospitality: 548 sqm (5900 sq ft)

Residential: 2204 sqm (23720 sq ft)

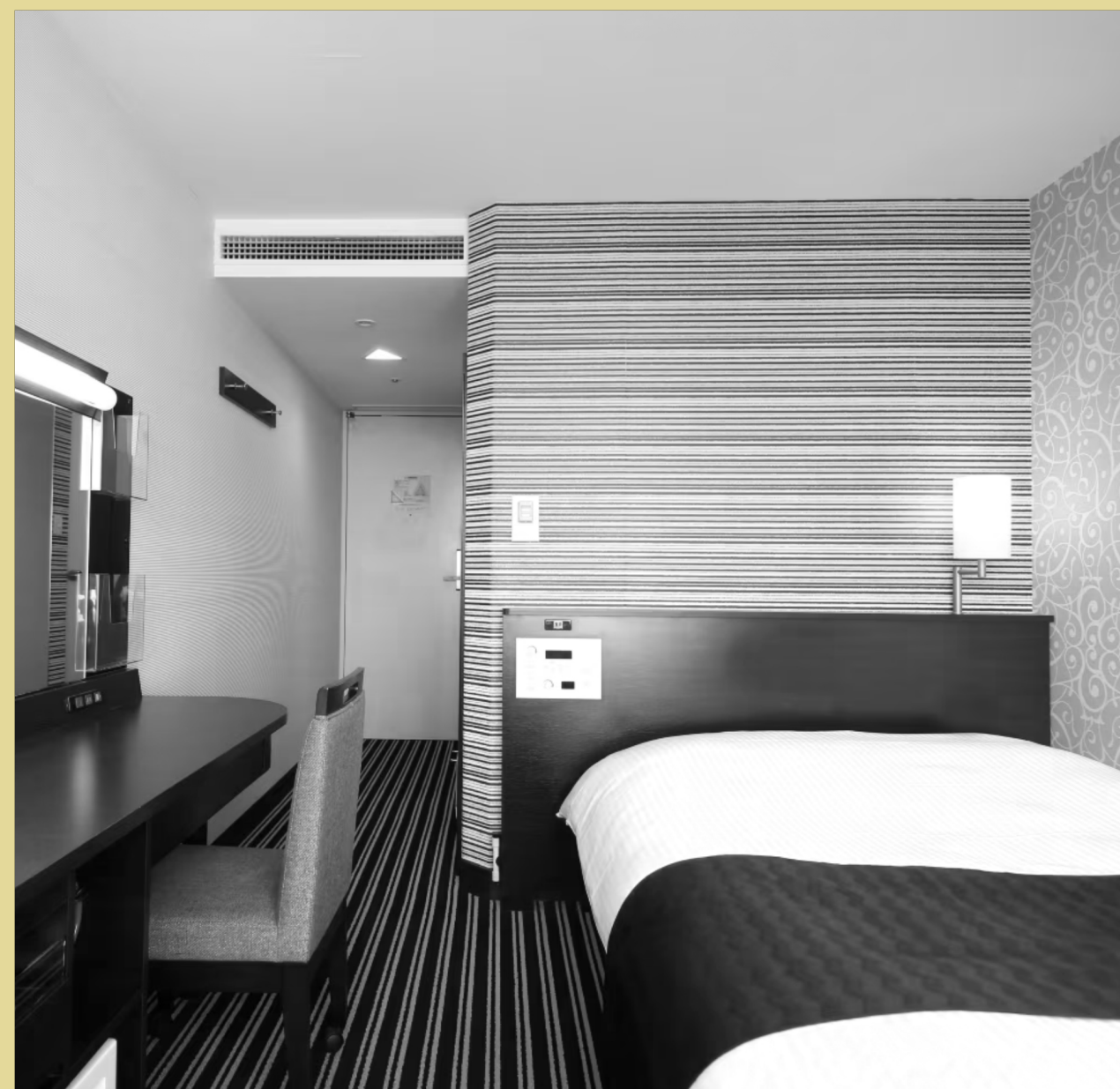
Precedents:

1. APA Hotel operated by the APA group located in Tokyo, Japan

2. Hotel 115 operated by The Sebel Kew and Designed by Sir George Gilbert Scott, located in New Zealand

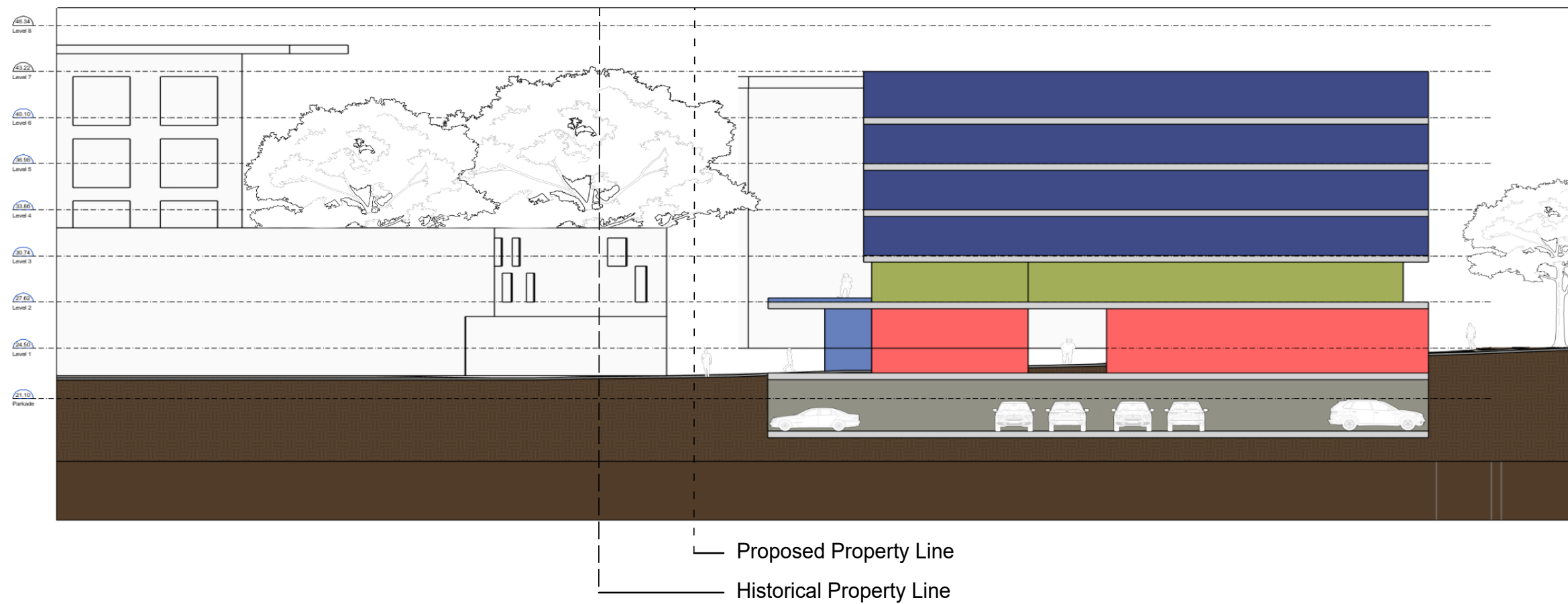
3. The Magnolia Hotel owned and operated by the Young Family in Victoria, BC

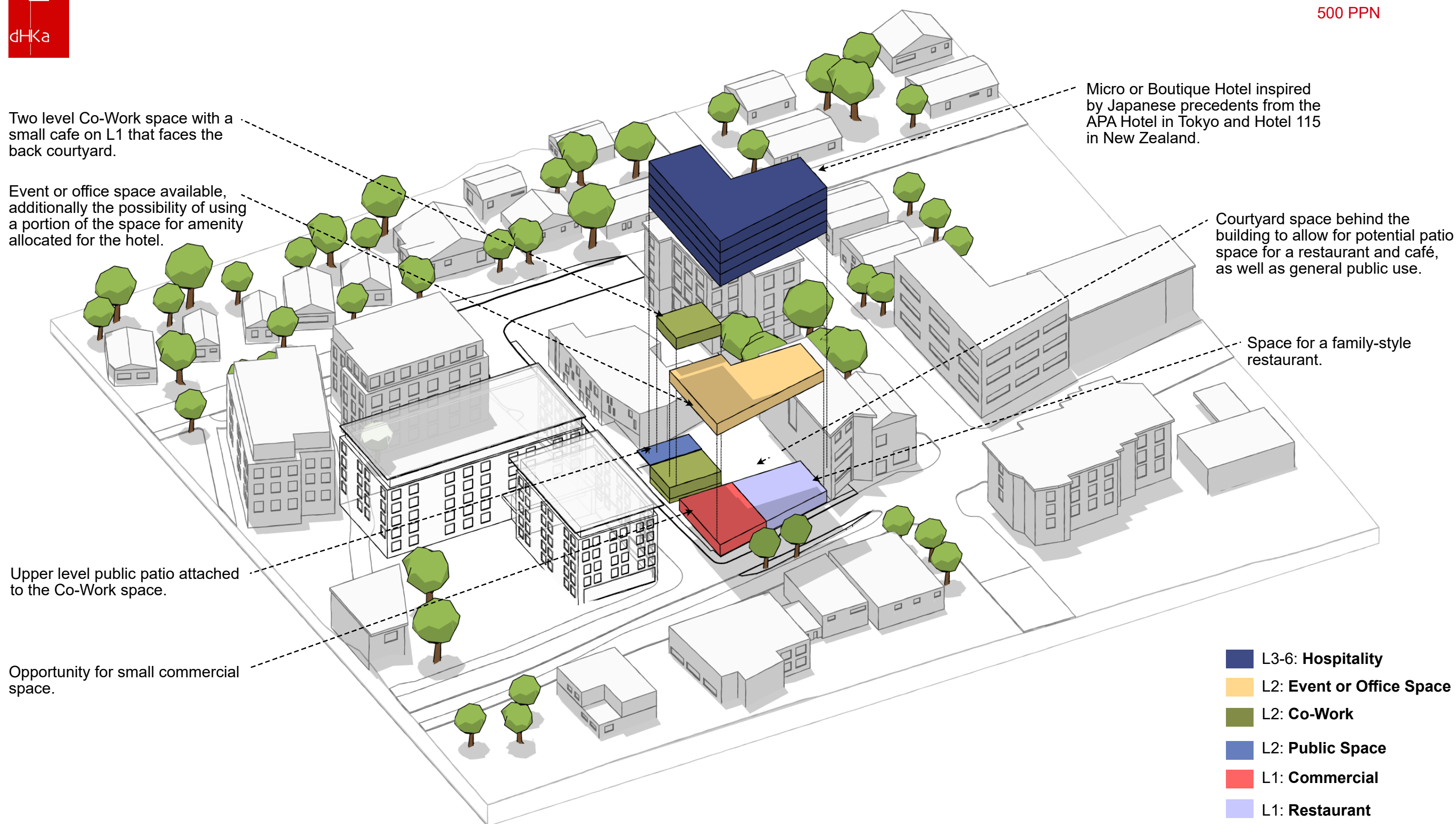
4. The Public Hotel owned by Ian Schrager Company in New York, New York



Precedents: APA Hotel, Tokyo

Site Section





Axo Diagram

05. Option B: Mixed Use Residential

The proposed six-storey mixed-use development, featuring residential units above ground-floor commercial space, offers a modest and community-oriented approach to site activation, though it presents limited financial upside under current conditions. With a total gross floor area of 40,920 sq. ft. and a Floor Area Ratio (FAR) of 3.0, the project includes 42 residential units averaging 608 sq. ft. each, and 10,230 sq. ft. of commercial space divided across eight bays.

The residential component is projected to generate \$973,339 in annual net income, complemented by \$297,629 from the commercial lease areas, for a combined Year 1 Net Operating Income (NOI) of approximately \$1.27 million.

Despite its relatively lower total project cost of \$26.6 million and reduced construction costs at \$405 per sq. ft., the development still results in a small

loss of \$394,474 and a development margin of -1.48%. The blended cap rate of 4.85% reflects the stability of residential income but also contributes to a lower estimated stabilized value of \$26.2 million, just below the cost to build.

With only 31 parking stalls (21 reserved for residents), parking is kept to a minimum, supporting a more walkable urban form. While the project aligns with planning goals related to housing supply and local-serving commercial space, its financial viability is marginal.

To move forward, the project may require minor cost reductions, increased rents, or incentive programs (such as density bonuses or tax relief) to reach break-even or achieve a positive return.

Site Plan



Site Data and Precedents

USES: Mixed Commercial and Residential

EXISTING ZONE: CD-138

PARCEL AREA: 2800 sqm

AREA OF LOT 273 + 274: 927.833 sqm

AREA OF LOT 275: 462.844 sqm

DEDICATION: UNKNOWN

NUMBER OF STOREYS: 6

SETBACKS:

FRONT (Esquimalt Rd): 2.5 m

SIDE (Park Place): 2.0 m

BACK (Carlisle): 13.0 m

SIDE: 0 m

FAR: 3.00

GFA: 3551

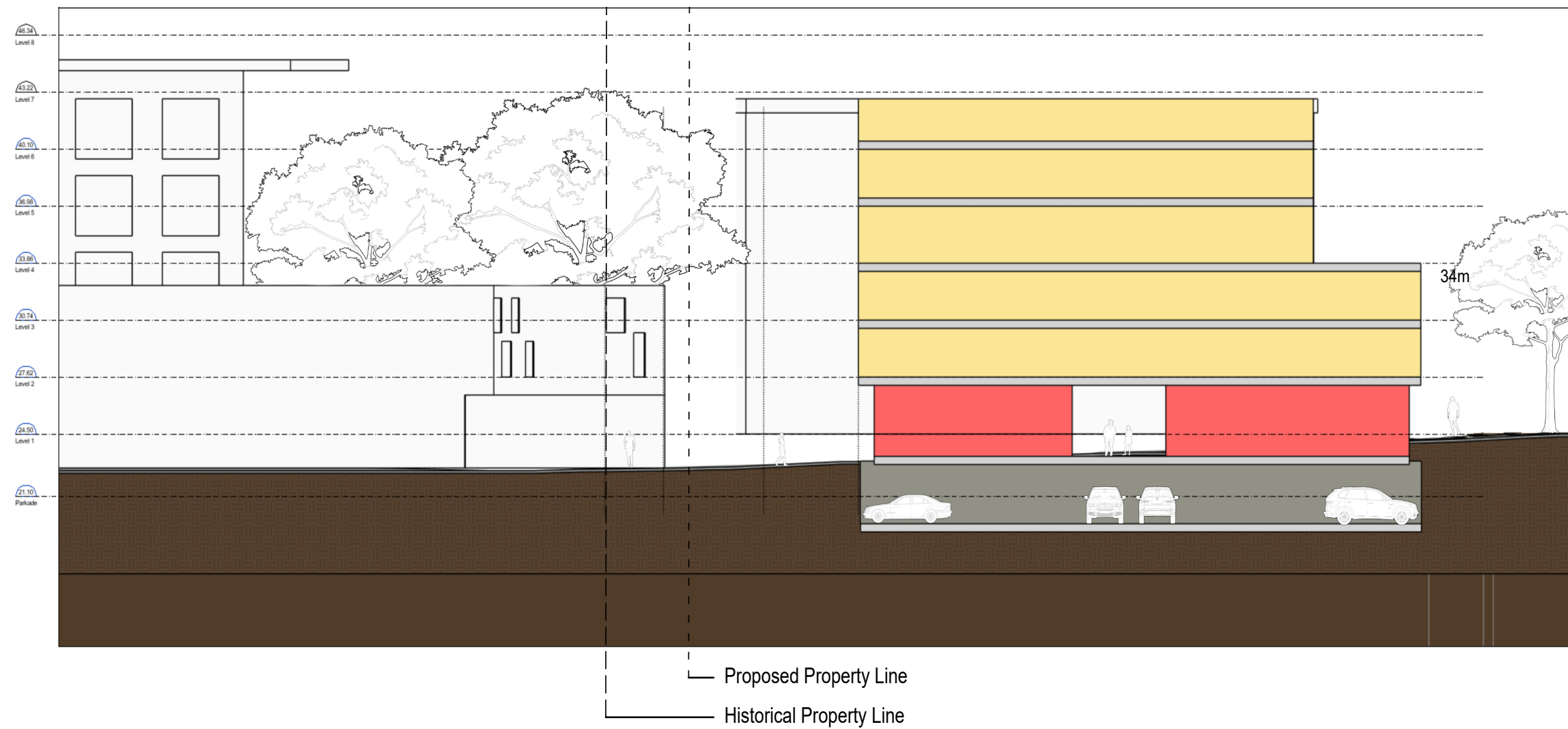
Commercial: 361 sqm, 318 sqm and 422 sqm

Residential: 713 sqm and 1037 sqm



Precedents: LYRA by dHKarchitects

Site Section





Axo Diagram

06. Option C: Affordable Family Housing

A six-storey mixed-use strata development, featuring residential condominiums above ground-floor commercial units, demonstrates modest profitability and a balanced risk profile under current market conditions. With a total gross floor area of 40,920 sq. ft. and a Floor Area Ratio (FAR) of 3.0, the project includes 42 residential units averaging 608 sq. ft. each and 10,230 sq. ft. of commercial space.

Residential units are priced at an average of \$900 per sq. ft., with individual prices ranging from \$400,000 to \$900,000, generating total strata sales revenue of \$23 million. The commercial component, priced at an average of \$600 per sq. ft., contributes an additional \$6.2 million in sales revenue, bringing total project revenue to \$29.2 million. With total project costs estimated at \$28.35 million—including hard construction costs of \$425 per sq. ft.—the project achieves a modest profit of \$850,000, equating to a 3.0% return on cost.

The inclusion of 31 parking stalls (21 allocated to residents) keeps construction costs in check and supports a more compact, transit-oriented form. Compared

to rental-based models, the strata approach benefits from up-front revenue recovery, reducing long-term financial risk and exposure to fluctuating rental markets. Although the profit margin is relatively slim, the project is financially viable and aligns well with market demand for home ownership and small-format commercial space. To enhance returns, further value engineering, presales strategies, or density incentives could be explored.

Site Plan



Site Data and Precedents

USES: Mixed Affordable Residential
with Commercial on L1

EXISTING ZONE: CD-138

PARCEL AREA: 2800 sqm

AREA OF LOT 273 + 274: 927.833
sqm

AREA OF LOT 275: 462.844 sqm

DEDICATION: UNKNOWN

NUMBER OF STOREYS: 6

SETBACKS:

FRONT (Esquimalt Rd): 2.5 m

SIDE (Park Place): 2.0 m

BACK (Carlisle): 13.0 m

SIDE: 0 m

FAR: 3.00

GFA: 3473

Affordable Housing: 1320.39 sqm

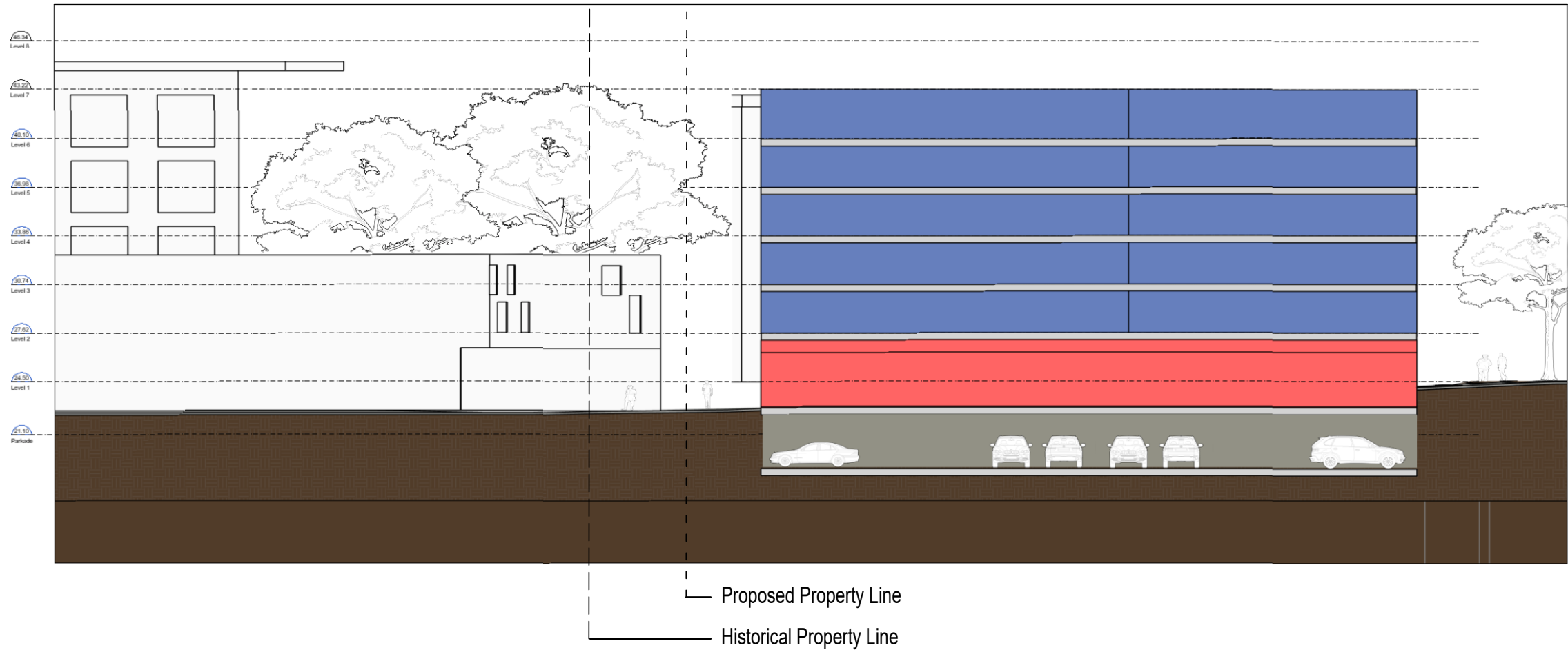
Commercial: 430.83 sqm

Residential: 1723.34 sqm



Precedents: 953 Balmoral Rd by dHKarchitects

Site Section



Five storeys of affordable family housing.

Courtyard space behind the building to allow for community use.

Opportunity for small commercial space and cafe.

■ L2-L6: Affordable Housing
■ L1: Commercial

Axo Diagram

07. Option D: Tower

The proposed 18-storey mixed-use condominium tower, featuring 17 levels of residential strata units above a ground-floor commercial podium, offers moderate profitability with a balanced development profile in today's urban market. Situated on a 13,621 sq. ft. site and achieving a Floor Area Ratio (FAR) of 10.05, the project delivers a Gross Floor Area (GFA) of approximately 136,900 sq. ft., comprising 178 residential units and 12,259 sq. ft. of commercial space.

Residential units average 608 sq. ft., priced at an average of \$1,000 per sq. ft., within a range of \$450,000 to \$950,000—though current market trends suggest this pricing may be too optimistic.

Total strata sales are projected at \$108.7 million, with the commercial component contributing \$7.4 million, resulting in overall revenue of \$116 million.

Total development costs are estimated at \$107.7 million, including premium hard construction costs of \$571.60 per sq. ft., driven by underground parking and

high-end condo finishes. The project yields an estimated profit of \$8.34 million, translating to a return on cost of 7.74%.

The inclusion of 99 parking stalls (89 allocated to residents) reflects the challenge of achieving market acceptance for units without parking, particularly in suburban or car-dependent locations.

While upfront sales revenue from the strata model supports early capital recovery and reduces exposure to long-term rental volatility, profitability remains sensitive to both pricing assumptions and construction costs.

To improve margins, the following strategies could be considered:

- Early presales
- Reduced parking ratios
- Pursuing density or height relaxations

Overall, this option is financially viable, but success will require disciplined execution, attention to market absorption capacity at the proposed price point, and meeting all banking conditions, including pre-sale targets and minimum profit margins required for financing.

Site Plan





Site Data and Precedents

USES: Mixed Residential with Commercial on L1

EXISTING ZONE: CD-138

PARCEL AREA: 2800 sqm

AREA OF LOT 273 + 274: 927.833 sqm

AREA OF LOT 275: 462.844 sqm

DEDICATION: UNKNOWN

NUMBER OF STOREYS: 18

SETBACKS:

FRONT (Esquimalt Rd): 2.5 m

SIDE (Park Place): 2.0 m

BACK (Carlisle): 13.0 m

SIDE: 0 m

FAR: 10.05

GFA: 136,900 sqm

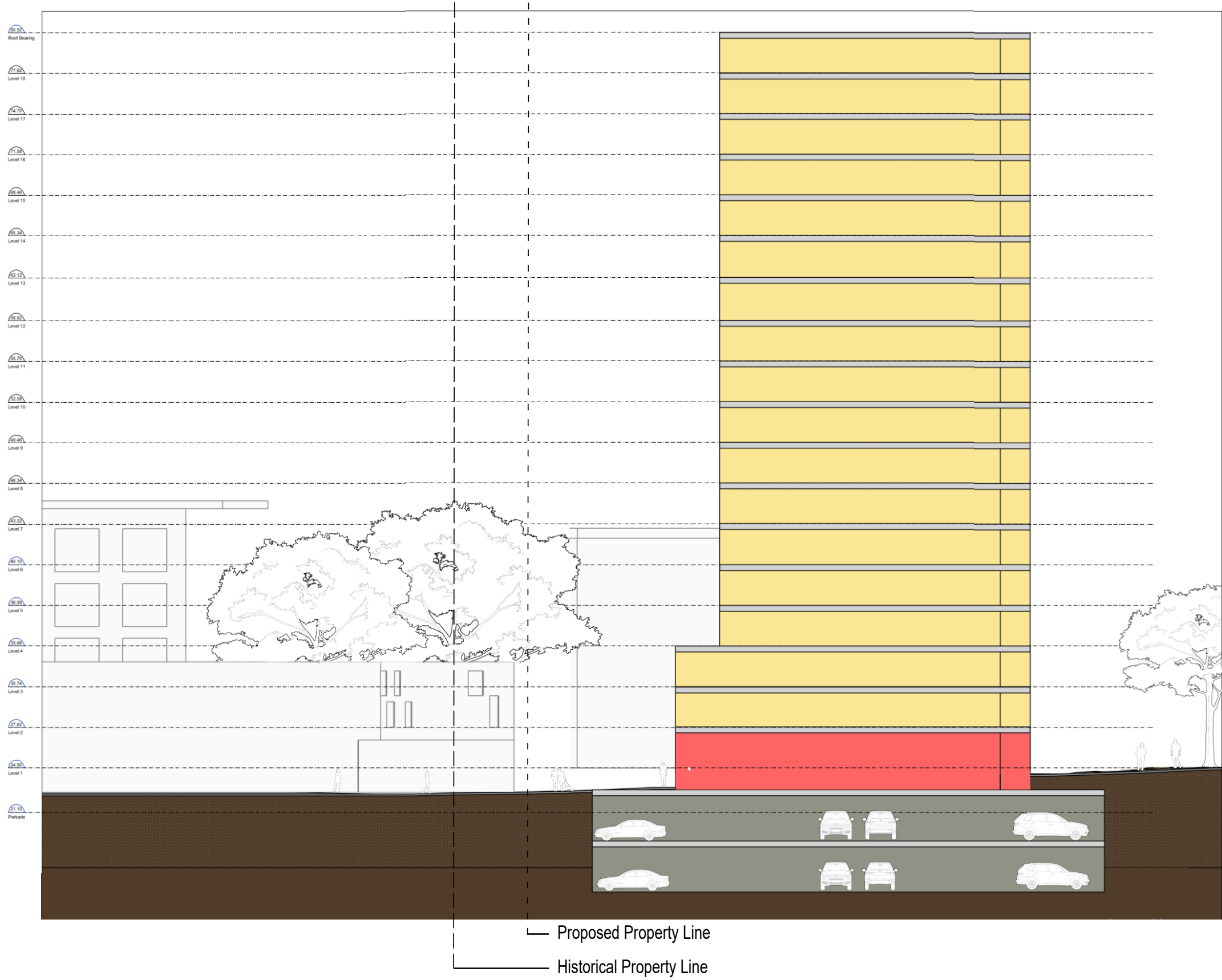
Commercial: 12,259 sqm

Residential: 108,500 sqm



Precedents: 930 Pandora by dHKA

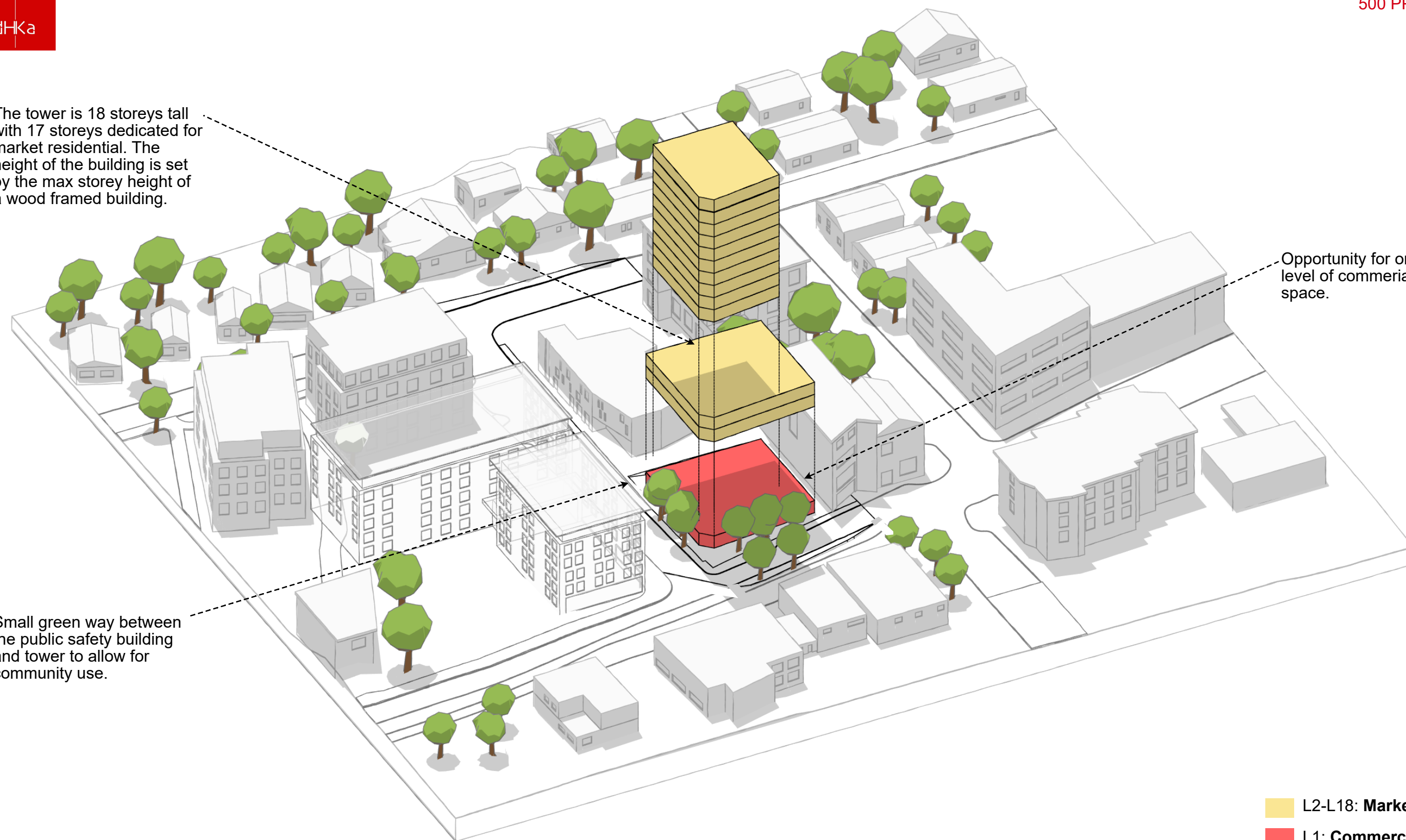
Site Section



The tower is 18 storeys tall with 17 storeys dedicated for market residential. The height of the building is set by the max storey height of a wood framed building.

Opportunity for one level of commercial space.

Small green way between the public safety building and tower to allow for community use.



L2-L18: Market Residential
 L1: Commercial

Axo Diagram

08. Option E: Amenity

The proposed multi-level commercial development at 500 Park Place in Esquimalt presents a balanced investment opportunity focused on health, dining, and entertainment uses. Situated on a 13,621 sq. ft. site and achieving a Floor Area Ratio (FAR) of 3.70, the project delivers a Gross Floor Area (GFA) of approximately 50,398 sq. ft. (plus a 10,000 sq. ft. underground parkade), comprising a main-floor fitness centre (12,599 sq. ft.) and upper-level restaurant/entertainment uses totaling 37,798 sq. ft.

With construction costs totaling \$17.37 million—driven by premium above-grade building costs of \$300 per sq. ft. and a parkade component at \$225 per sq. ft.—the project's overall development budget stands at \$28.1 million, equating to \$558 per sq. ft. of GFA. Soft costs account for 16% of total expenses, while financing and land acquisition contribute 7% and 11%, respectively. The project assumes steady rental revenue from the fitness centre (targeting 500 –1,500 members) and diversified food, beverage, and

entertainment revenue from the upper levels.

With Esquimalt's growing population and limited comparable facilities, the development is well-positioned to meet demand. However, profitability remains sensitive to leasing assumptions and tenant improvement allowance (TIA) costs, estimated at over \$1.1 million. A deeper analysis of more specific examples of these unique uses, with applicable sizing and alternate locations in the potential project (dining on first floor, fitness on second floor, for example), as well as a disciplined leasing strategy and clear market positioning—particularly for the entertainment component—will be essential to optimize returns. With controlled risk and strong local demand drivers, the project demonstrates solid viability as a lifestyle-focused urban amenity hub.

Site Plan



Site Data and Precedents

USES: Co-work and Amenity

EXISTING ZONE: CD-138

PARCEL AREA: 2800 sqm

AREA OF LOT 273 + 274: 927.833 sqm

AREA OF LOT 275: 462.844 sqm

DEDICATION: UNKNOWN

NUMBER OF STOREYS: 6

SETBACKS:

FRONT (Esquimalt Rd): 2.5 m

SIDE (Park Place): 2.0 m

BACK (Carlisle): 13.0 m

SIDE: 0 m

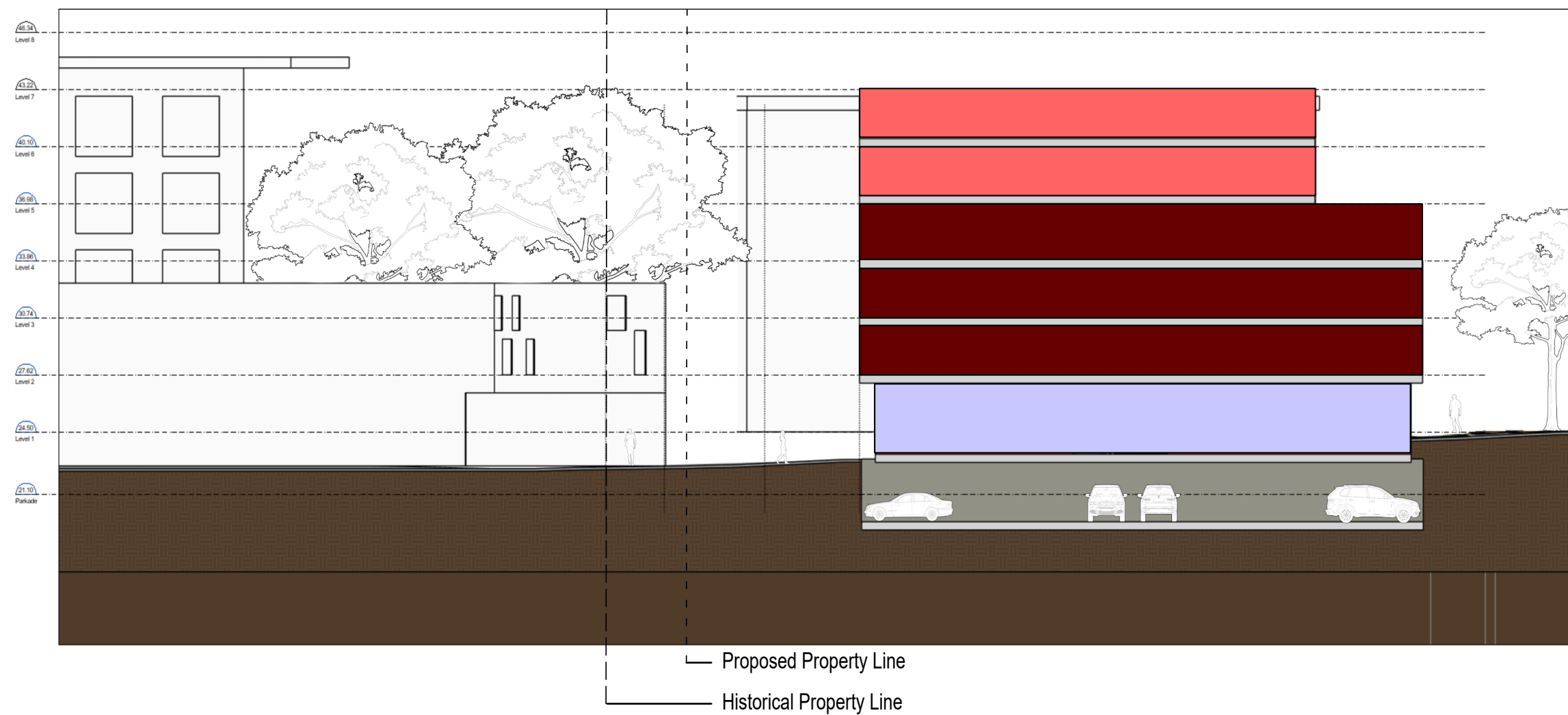
FAR: 3.70

GFA: 50 398



Precedents: IWGroup

Site Section



Following a precedent from The Candian Brewhouse and Grill in Uptown Victoria, three levels of amenity space is available.

Two levels of office commercial space would be available on L5 and L6.

Courtyard space behind the building that could be used by the restaurants for outdoor patio use or public community use.

One level of restaurant space with access to the rear courtyard for patio use.

 L5-L6: Commercial/Office
 L2-L4: Amenity
 L1: Restaurants

09. Appendix

Option A. Boutique Hotel - Budget

Boutique Hotel + Main Floor Retail		
Land Size		13,621
Building Height		6 storeys
FAR		3.0
Total GFA		40,863
# of Hotel Rooms (at 175 sf each)		135
Hotel Leasable Area (sf)		23,701
Commercial Leasable Area (sf)		12,259
Hotel Net Income	\$	2,250,000
Commercial Net Income	\$	356,700
Total Net Operating Income (Year 1)	\$	2,606,700
Cap Rate (Blended 8.0% hotel and 6.5% commercial)		7.75%
Total Project Cost	\$	35,400,000
Estimated Value Upon Stabilization	\$	33,634,839
Profit	\$	(1,765,161)
Development Margin		-4.99%

Assumptions:

Land valued at \$60 per buildable sf	\$	2,450,000.00
Hard cost (per square foot)	\$	598.00
Note: Hard costs calculated as \$300 psf above grade and \$225 below grade.		
Includes 101 parking stalls		
If reduce by 60 stalls save ~\$80,000 per stall	\$	4,800,000.00
Gross Office rents in Victoria Q4 2024 Colliers (psf)	\$	38.00
Gross Floor Area of building assumed		
Assumed room rate per night for hotel	\$	200.00
Assumed hotel occupancy		75%
Assumed hotel operating costs		70% of Revenue
Assumed commercial vacancy of 12% and 5% reserve/op costs		
Hotel numbers generated by CoStar and Cushman 2025 Canadian Lodging Industry Overview		

Option B. (1) Mixed Use Residential - Budget

Strata/Condo + Main Floor Commercial		
Land Size		13,621
Building Height		6 storeys
FAR		3.0
Total GFA		40,920
# of Residences		42
Residential Leasable Area (sf)		25,530
Commercial Leasable Area (sf)		10,230
Strata sales revenue	\$	23,000,000
Commercial sales revenue	\$	6,200,000
Total Sales Revenue	\$	29,200,000
Total Project Cost	\$	28,350,000
Profit	\$	850,000
Profit % of Cost		3.00%

Assumptions:

Hard cost (per square foot)	\$	425.00
Note: Hard costs of \$350 psf above grade and \$225 psf below grade.		
Include 31 parking stalls (21 for residents)		
Average suite size		608 sf
Average condo price (per square foot)	\$	900.00
Condo price range (from Jr1 up to 3B)		\$400,000.00 to \$900,000.00
Average commercial space sale price (per square foot)	\$	600.00

Option B. (2) Mixed Use Residential Budget

Market Rental + Main Floor Commercial		
Land Size		13,621
Building Height		6 storeys
FAR		3.0
Total GFA		40,920
# of Residences		42
Residential Leasable Area (sf)		25,530
Commercial Leasable Area (sf)		10,230
Residential Net Income	\$	973,339
Commercial Net Income	\$	297,629
Total Net Operating Income (Year 1)	\$	1,270,968
Cap Rate (Blended 4.5% residential and 6.5% commercial)		4.85%
Total Project Cost	\$	26,600,000
Estimated Value Upon Stabilization	\$	26,205,526
Profit	\$	(394,474)
Development Margin		-1.48%

Assumptions:

Hard cost per square foot	\$	405.00
Note: Hard costs calculated as \$330 psf above grade and \$225 psf below grade.		
Includes 31 parking stalls (21 for residents)		
Average suite size (square feet)		608
Average residential rent (per month)	\$	2,500.00
Average commercial bay size (per square foot) 8 bays in total		1,279
Average commercial rent (per square foot per year)	\$	35.00



Option C. Affordable Housing

Option C, which explores the potential for affordable housing on the 500 Park Place North site, has not been accompanied by a financial analysis at this stage. This is due to the complex and variable nature of affordable housing models, which depend heavily on evolving market conditions, partnership structures, and available senior government funding programs. Determining financial viability will require a more in-depth assessment, including pro forma modeling, land valuation scenarios, and analysis of potential development incentives. Further exploration is recommended to ensure that any future affordable housing proposal aligns with both community needs and fiscal sustainability.



Option D. (2) Tower

17 Floors of Condo + Main Floor Commercial		
Land Size		13,621
Building Height		18 storeys
FAR		12.22
Total GFA		166,477
# of Residences		182
Residential Saleable Area (sf)		138,218
Commercial Saleable Area (sf)		8,500
Condo sales revenue	\$	112,072,200
Commercial sales revenue	\$	5,950,000
Total Sales Revenue	\$	118,022,200
Total Project Cost	\$	119,568,191
Profit	\$	(1,545,991)
Profit % of Cost		-1.29%

Assumptions:

Land price is below rezoned value (less than \$20 psf buildable)	\$	3,050,000.00
Hard cost per square foot (should be higher for condo finish)	\$	510.06
Note: Hard costs calculated as \$450 psf above grade and \$225 psf below grade		
Includes 99 parking stalls (89 for residents). Very challenging to sell condos without parking		
Floor plates are ~8,500 sf on L1, L2 and L3, and 7,500 sf on each of L4-18		
Average suite size (square feet)		759
Average condo price psf	\$	810.00
Condo price range (from Jr1 up to 3B)		\$312,000.00 - \$875,000.00
Average commercial bay size in square feet (7 bays total)		1,214
Average commercial space sale price (per square foot)	\$	700.00

Option D. (1) Tower

17 Floors Rental Residential + Main Floor Commercial		
Land Size		13,621
Building Height		18 storeys
FAR		12.22
Total GFA		166,477
# of Residences		182
Residential Leasable Area (sf)		138,218
Commercial Leasable Area (sf)		8,500
Residential Net Income	\$	4,942,328
Commercial Net Income	\$	242,250
Total Net Operating Income (Year 1)	\$	5,184,578
Cap Rate (Blended 4.5% residential and 6.5% commercial)		4.57%
Total Project Cost	\$	119,568,191
Estimated Value Upon Stabilization	\$	113,448,096
Profit	\$	(6,120,095)
Development Margin		-5.12%

Assumptions:

Land price is below rezoned value (less than \$20 psf buildable)	\$	3,050,000.00
Hard cost per square foot	\$	510.06
Note: Hard costs calculated as \$450 psf above grade and \$225 psf below grade		
Includes 99 parking stalls (89 for residents)		
Floor plates are ~8,500 sf on L1, L2 and L3, and 7,500 sf on each of L4-18		
Average suite size		759
Average residential rent (per month)	\$	2,650.00
Average commercial bay size in square feet (7 bays total)		1,214
Average commercial rent per square foot per year	\$	35.00

Option E. Amenity Building

Boutique Hotel + Main Floor Retail		
Land Size		13,621
Building Height		6 storeys
FAR		3.0
Total GFA		40,863
# of Hotel Rooms (at 175 sf each)		135
Hotel Leasable Area (sf)		23,701
Commercial Leasable Area (sf)		12,259
Hotel Net Income	\$	2,250,000
Commercial Net Income	\$	356,700
Total Net Operating Income (Year 1)	\$	2,606,700
Cap Rate (Blended 8.0% hotel and 6.5% commercial)		7.75%
Total Project Cost	\$	35,400,000
Estimated Value Upon Stabilization	\$	33,634,839
Profit	\$	(1,765,161)
Development Margin		-4.99%

Assumptions:

Land valued at \$60 per buildable sf	\$	2,450,000.00
Hard cost (per square foot)	\$	598.00
Note: Hard costs calculated as \$300 psf above grade and \$225 below grade.		
Includes 101 parking stalls		
If reduce by 60 stalls save ~\$80,000 per stall	\$	4,800,000.00
Gross Office rents in Victoria Q4 2024 Colliers (psf)	\$	38.00
Gross Floor Area of building assumed		
Assumed room rate per night for hotel	\$	200.00
Assumed hotel occupancy		75%
Assumed hotel operating costs		70% of Revenue
Assumed commercial vacancy of 12% and 5% reserve/op costs		
Hotel numbers generated by CoStar and Cushman 2025 Canadian Lodging Industry Overview		