

# PACIFIC HOUSE

899 EQUIMALT Rd.



# Background

- In June 2017, Pacific House initial application for OCP Amendment and Rezoning from mix of 'Neighbourhood Commercial Mixed-Use' and 'Townhouse Residential' to 'Commercial / Commercial Mixed-Use' (up to 12 storeys) including townhouses facing Wollaston St.
- On January 20, 2020, the Council of the Corporation of the Township of Esquimalt adopted Official Community Plan Amendment Bylaw No. 2962, and Zoning Bylaw Amendment Bylaw No. 2963 for PID 030-151-562, Lot A, Section 11, Esquimalt District, Plan EPP69557, 899 Esquimalt Road.
- A Development Permit DP000135 and Building Permit BP014376 were approved on March 15, 2020, and July 25, 2022, respectively.
- Construction commenced in Summer-Fall 2022

# World after Pandemic

- The real estate industry is facing significant challenges in bringing new housing supply to market. With interest rates rising at their fastest pace in over forty-years and construction costs soaring 51% since the start of the pandemic;
- The viability of many projects has been severely limited. This has prompted many builders to reassess and modify their construction plans, often requiring increased density to offset rising costs;
- Without necessary redesigns, developers are often forced to pause their projects, waiting instead for improved market conditions.
- These delays contribute to the severe shortage in housing supply already faced in the current market, eroding affordability, and making housing increasingly inaccessible.

# Proposed Increase

- Consideration of increasing the number of units by sixteen which will increase number of floors by two.
- This approach could potentially address the financial burdens
- Will enable us to produce sixteen homes within almost the same construction lifespan of the Pacific House
- This could be considered as a rare situation since Pacific House's structure allows for the additional floors however though, since the construction is progressing, it puts the project in a unique situation in terms of time and when to make the changes.
- Form and character stay intact and change parking ratio from 1.3 to 1.05 which is in line with recent traffic study and staff recommendation
- The Pacific House original proposal was consisting of 12 story building however during the rezoning process, the building height reduced by 10.2 meters (34 ft.) or 29.1% from the previous height.
- In addition, we previously undertook a professional shadow analysis based on Township requirements which had minimal shadowing impact on neighbors and Ecole Victor Brodeur School.
- The recent increase in in number of floors will only increase the highest building from 34.99 to 40.77 meters which represent only 14% increase in height.

# Proposed Amenity

- Although, all previously agreed covenant items will remain the same, the OCP, in accordance with the Local Government Act, provides for consideration of an increase in the permitted number of dwelling units or floor area in return for the provision of certain amenities in a robust package.
- In keeping with the intent of providing a high-quality density bonusing package, in good faith and without prejudice, we will be voluntarily offering to provide a complimentary unit to the Township of Esquimalt with an interior living space of up to 999 square feet to the betterment of the community needs for the provision of any housing needs to be decided under Council's discretion.

# Conclusion

- Considering the recent rezoning applications along Esquimalt Road and some up to 26-stories, the proposed addition of two-stories to Pacific House is underpinned by its unit mix, which is predominately larger family-orientated homes.
- By authorizing an increase in Pacific House's density, the Township can play a crucial role in addressing the need for housing supply in a manner that aligns with the community's' needs and values
- The merits for increasing density at Pacific House is enhanced by its location. Nestled at the intersection of Esquimalt Rd and Head St, it offers residents proximity to diverse public and commercial amenities. This includes École Victor-Brodeur, a French first language school just a 3-minute walk away, alongside a variety of dining, shopping, health, and wellness facilities. Moreover, a conveniently located bus stop provides direct and efficient transportation to Downtown Victoria



# Proposed Two Floors

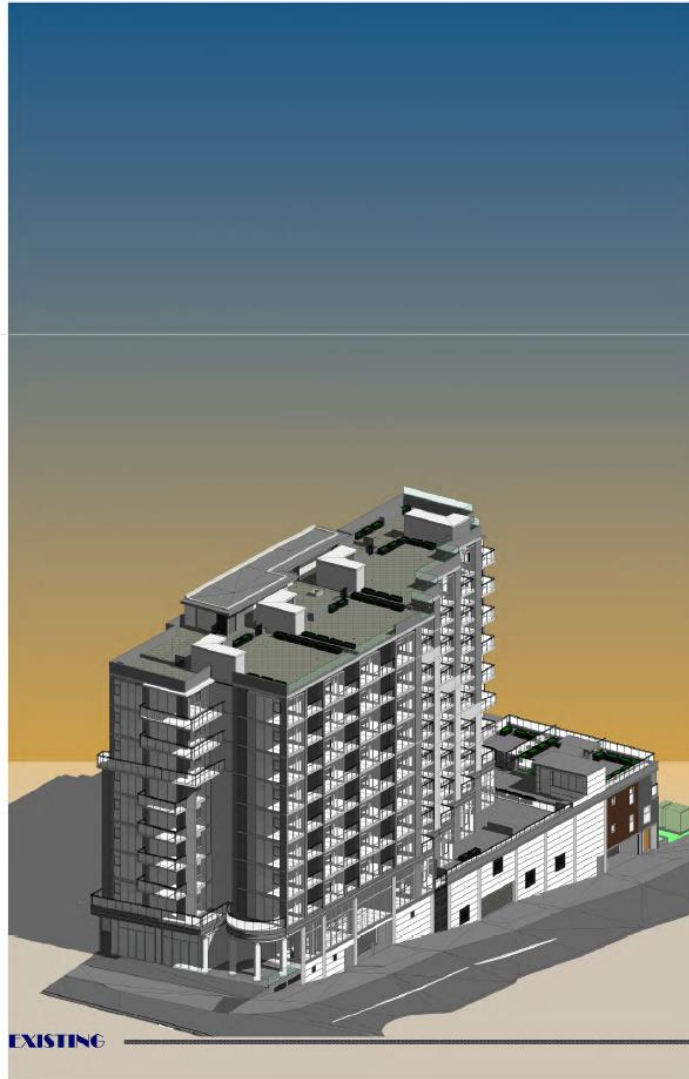




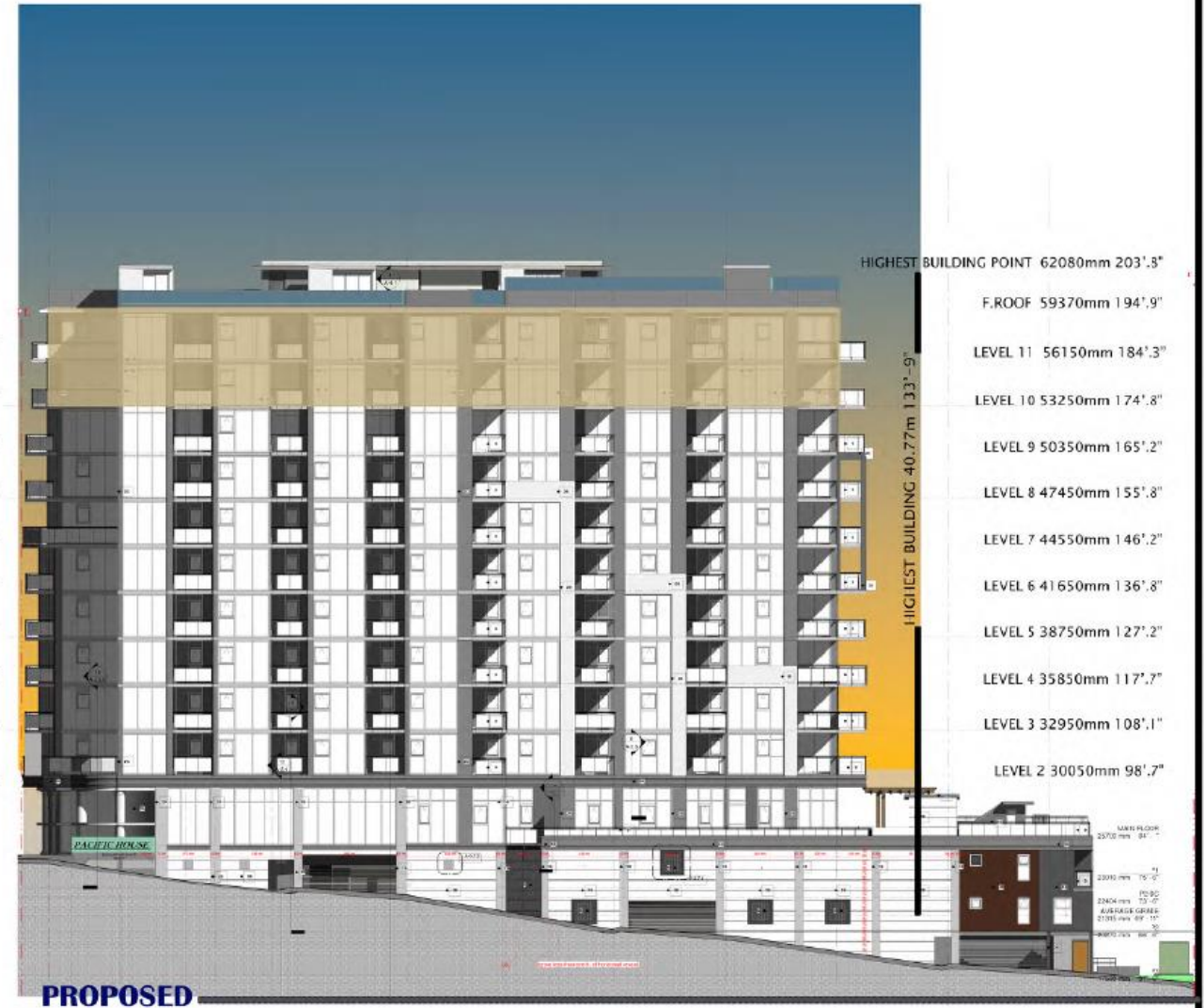
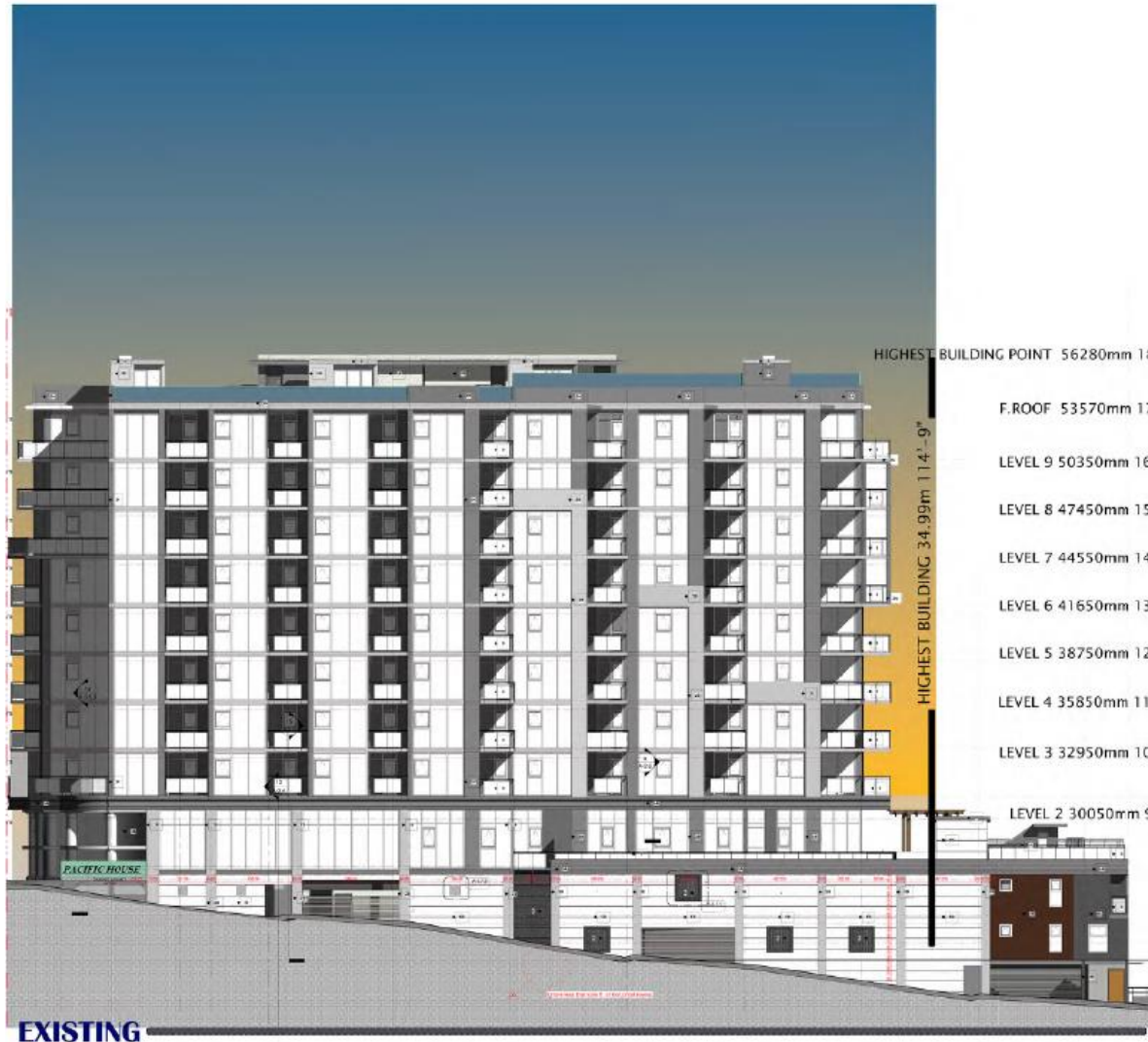
# Comparison



# Comparison

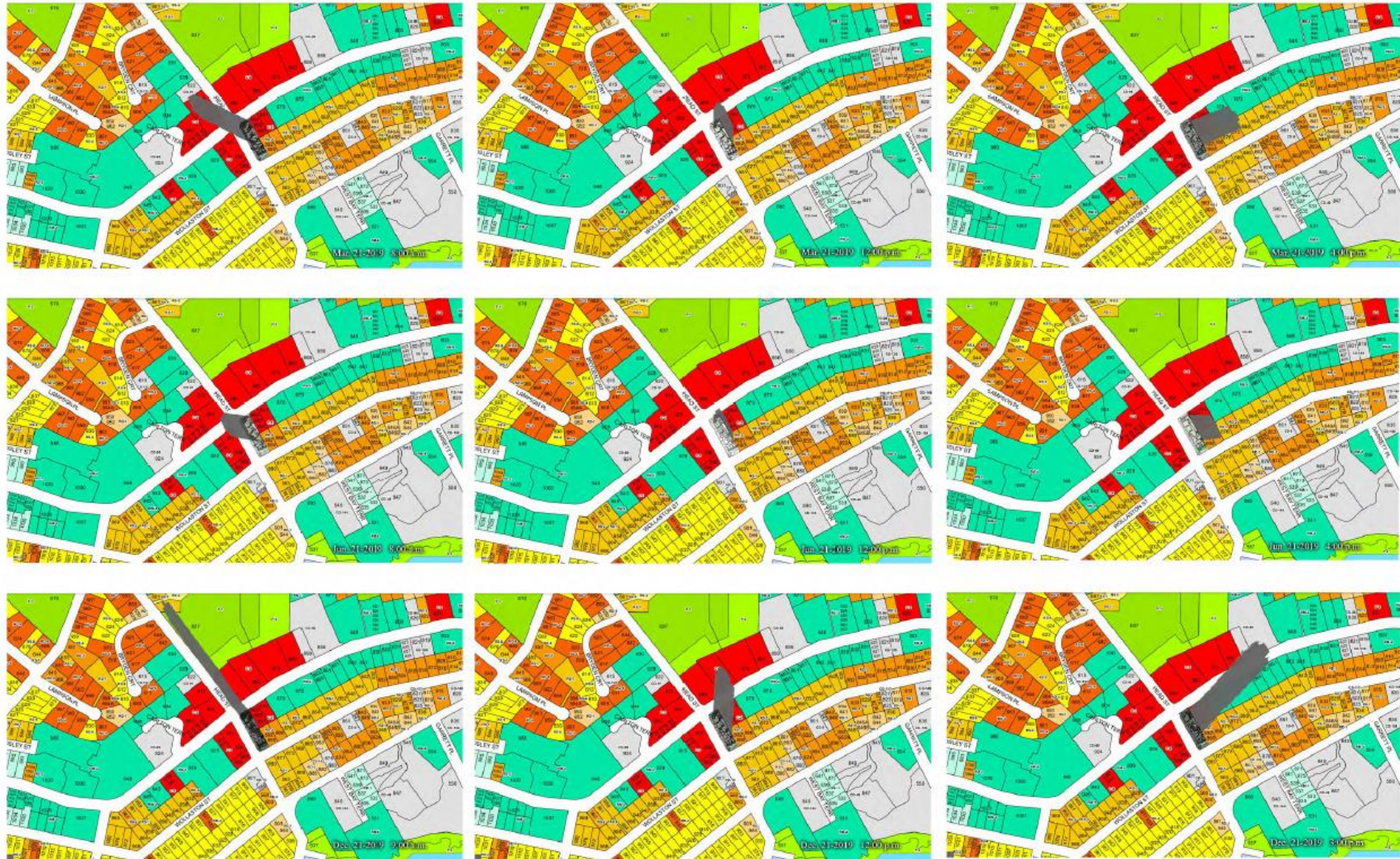


# Comparison

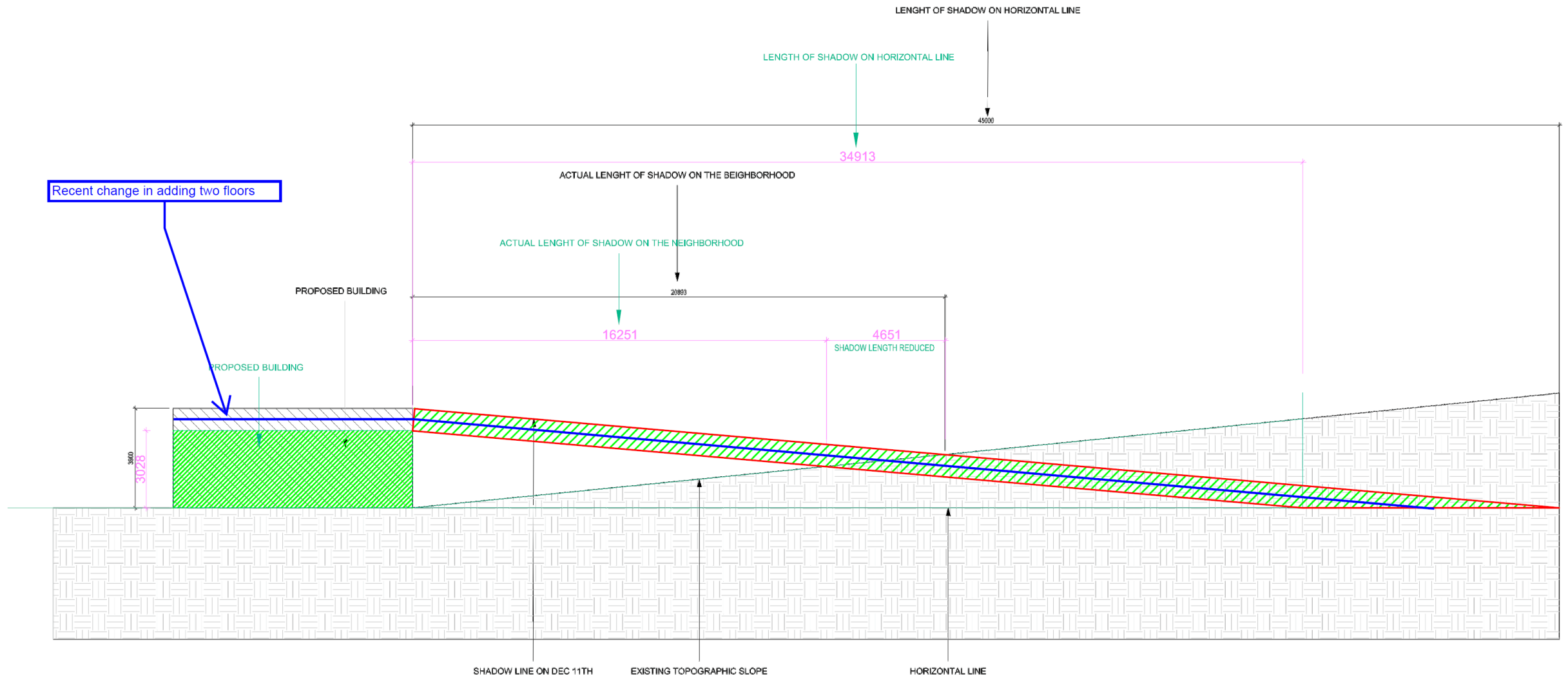




# Shadow Analysis



# Shadow Analysis





## Question And Answer



# Thank You

# Design Amendment Rational

- Some highlights of OCP context and policy that the project is fulfilling are as follows:
- Quickly growing population; Percentage of population 65+ is increasing; Predicted need for housing to accommodate families with young kids; Esquimalt is anticipated to be the focus of renewed growth and redevelopment; Trend is toward multi-family dwellings (away from single detached dwellings); Encourages redevelopment in Head Street/Esquimalt Road; Provides for Council consideration of proposals with densities greater than that height and density through a density bonus of floor-space, provided that the additional density results in the provision of a robust package of community amenities deemed appropriate by Council for the benefit of the community; Encourages electrical vehicle charging; Section 3.3: Esquimalt Road as an area for residential densification; Section 5.1: Support a variety of housing types: meet needs of young/multi-generational families, the local workforce, middle and high income households; Section 5.6: Address the shortage of family and child friendly housing; Encourage the provision of medium and high density commercial mixed-use developments designed for families with children. Draft Strategic Priorities and Goals: "Work with developers to incorporate health and wellness facilities in new developments".

# Design Amendment Rational

- **Density vs Green House Gas Emissions (GHG)**

- “Already, 70 percent of the world’s cities are dealing with the impact of a changing climate; Urban areas generate 70 percent of the world’s carbon dioxide, that also makes them a good place to start making a difference; Research suggests that simply increasing density could be a place to start and get cities much of the way toward their carbon emission reduction goals; More density also means more housing, especially along transit corridors and downtown near jobs; Increased density means more opportunities for walkable neighborhoods and car-free transit, which would cut pollution; In high-income countries, residents of denser settlements are likely to have lower per capita emissions than residents of surrounding areas as a result of smaller housing units and greater use of public transportation systems; The consensus of the scientific community is that human activity has contributed substantially to climate change through increased greenhouse gas (GHG) emissions. Given the potential impacts of a continuation of these trends, this conclusion suggests that significant action is warranted to reduce GHG emissions to avoid the worst possible consequences. One proposed course of action is to increase residential density, primarily on the grounds that it will reduce vehicle miles traveled, a measure that is closely related to the GHG emissions from driving; Higher density development gives people better access to jobs, improves quality of life by reducing commute times, and enhances affordability and health by enabling people to give up their cars and walk and bike more;



# Design Amendment Rational

- **Housing Crisis and Inflation**

- “The Bank of Canada recent increases of the overnight policy rate to five percent, is its highest level since March 2001. Never before has a policy action been so widely expected. Still, the Bank's detailed outlook in the July Monetary Policy Report (MPR) suggests stronger growth and a longer trajectory to reach the two percent inflation target. The Bank of Canada believes the economy is still in excess demand and that growth will continue stronger than expected, supported by tight labour markets, the high level of accumulated household savings, and rapid population growth. Newcomers to Canada are entering the labour force, easing the labour shortage. But at the same time, they add to consumer spending and demand for housing. The faster-than-expected pickup in housing resales, combined with a lack of supply, has pushed house prices higher than anticipated by the Bank of Canada in January. According to the MPR, the previously unforeseen strength in house prices is likely to persist and boost inflation by as much as 0.3 percentage points by the end of 2023, compared with the January outlook.”

- Recent changes to federal immigration policy, which would see Canadian immigration increase to over 350,000 people annually. Net international migration to the Lower Mainland is expected to increase from 33,000 people in 2016 to a peak of 46,000 by 2023. Given the current and expected lifecycle patterns of housing occupancy, demographic change will see to it that the rate of growth in housing occupancy demand will outpace that of population (at 44% versus 38%). As a result, the region will need to add an average of almost 21,000 homes on a net basis each year for the next two and a half decades (500,000 new homes to be added by 2041) to accommodate average population additions of almost 46,000 per year (1.10 million additional residents).”

# Design Amendment Rational

- “A gauge of residential construction prices has risen 51 percent since the first quarter of 2020, outpacing the 13 percent gain for the consumer price index, Royal Bank of Canada economists said in a report published June 2023. Surging construction costs in Canada are putting new pressure on home prices, worsening a severe affordability crunch, according to the nation’s largest lender. The increase in building costs comes as Canada grapples with high home prices and rents, an immigration-driven population boom, and shortages of workers and raw materials — all of which are adding to homebuying challenges. The elevated costs have contributed to a decline in new home construction in the past two quarters. That’s a problem because population growth is accelerating. Inflation could be tamed by increasing the supply of skilled workers, the report’s co-author, Rachel Battaglia, said in an interview. She suggested Canada lean on a federal government program designed to attract skilled immigrants to ease the construction industry’s labor shortages. Significantly ramping up homebuilding over the medium to longer term will keep costs elevated, the economists said.”
- “Canada Mortgage and Housing Corporation says the annual pace of housing starts in June posted its largest month-over-month increase in a decade powered by work beginning on new multi-unit projects. The national housing agency says the seasonally adjusted annual rate of housing starts in Canada totalled 281,373 units in June, up from 200,018 in May. The increase came as the annual pace of urban starts increased 46 percent to 262,815 units in June. The rate of multi-unit urban starts rose 59 percent to 219,914, while the rate of starts for single-detached urban homes increased three percent to 42,901.”

# Design Amendment Rational

- “The development industry is navigating a higher-interest-rate environment, but one that is unique compared to 2008-09, due to the compounding impact of rapidly rising rates colliding with high construction costs, permitting delays and increasing government fees, taxes and levies. These factors combined result in a slowdown of activity, which has caused developers to think strategically about the projects in which they choose to invest money and time, according to those who spoke to BIV. Some pain in the market was seen in early 2023 when Coromandel Properties Ltd., a major Vancouver developer, filed for creditor protection with \$700 million of debt tied to 16 active residential real estate projects. “The Canadian real estate market is so well capitalized that when conditions are not ideal for development, what tends to happen is things just go slower and projects go on hold and wait for a more favorable climate,” said Jon Stovell, president, and CEO of Reliance Properties. It is no secret that the real challenge is getting projects off the ground that used to “easily pencil out” when it comes to profitability requirements and qualifying for financing, Stovell said. Those who are struggling in the current environment are most likely new entrants to the development industry who are still in the process of establishing themselves, he said. “You’ll see a lot of those quietly fade away because they just can’t execute. They don’t have sufficient holding assets and financial statements to work in this climate. But most of the bigger developers ... they’ll still be plugging away”.”