



Zelinka Priamo Ltd.

LAND USE PLANNERS

August 2, 2024

sent via email

Mayor Ganann and Members of West Lincoln Council
Township of West Lincoln
318 Canborough St.
Box 400
Smithville, Ontario
L0R 2A0

Dear Mayor Ganann and Council,

**Re: Draft Plan of Condominium 2000-086-17 CDM
Request for Draft Plan Extension
Brantwood Homes Inc.
167 St. Catharines Street
Smithville, ON**

Our File: TSR/SMT/24-01

Zelinka Priamo Ltd. is the land use planning firm retained by Brantwood Homes Incorporated (2424568 Ontario Inc.) to assist with the necessary Planning Act approvals and development planning for the above-noted property (the “subject lands”). Our client has requested an extension of draft plan approval for the draft-approved condominium affecting the lands, being condo file number 2000-086-12 CDM.

The Plan of Condominium received draft approval in 2018, prior to our client purchasing the lands on March 1, 2021. An extension to the draft approval has already been provided by the Township of West Lincoln, resulting in a new lapse date of August 25, 2024.

We have reviewed both the conditions for final approval and the Development Agreement conditions. The vast majority of condominium conditions relate to the satisfaction of conditions through the Development Agreement; there is significant overlap between the two documents. Of note, the Development Agreement requires that our client post a security payment of approximately \$1.3 million. This is *in addition* to all other costs associated with the development of the site.

We understand that our client has already advised staff of the detrimental economic conditions which prevent execution of the development itself. In short, the current interest rates set out by the Bank of Canada have a significant impact on the salability of the townhouse condominium units, to the point where our client is not confident that the townhouse units would sell at a price point that makes the project economically feasible. The carrying costs of a constructed, but unsold, townhouse development are untenable to our client.

As our client purchased the draft-approved lands in 2021, they were not anticipating a large interest rate increase. This increase has had a significant impact on the affordability of new homes across the Province. We can advise that our firm works with other homebuilder clients in a variety of jurisdictions that have experienced a significant decline in new home sales due to the interest rate increase, with one homebuilder advising they have not sold a new home in approximately six months. The past several years have demonstrated a significant slowdown in low-density housing.

We note that residential development is proceeding with haste in other sectors, predominantly the mid- and high-density residential categories which include back-to-back stacked townhouses and apartment buildings. This change in housing types is working to fulfill housing needs, but at the expense of lower-density housing, such as our client's project, as it has become less affordable.

Notwithstanding the above, our client remains committed to constructing this project once favourable economic conditions return. Recent interest rate reductions by the Bank of Canada suggest that such conditions are on the horizon. Meanwhile, we can advise that our client is presently working through dedicating the required road widening along St. Catherines Street to Niagara Region, and is working on tendering the required sanitary service line re-location. Remaining conditions require significant monetary contributions which, as previously noted, are not possible at this time.

However, even if we and our client applied all our collective resources into satisfying all conditions, they would not be able to be cleared by August 25th 2024. Major conditions such as the construction of roads, detailed engineering, and construction tendering cannot be completed in that timeframe.

We also note that our client has not yet been provided with a draft Condominium Agreement, which is required in order to satisfy all draft approval conditions. Typically, the municipal jurisdiction that will be party to the agreement provides a draft to the landowner.

Therefore, for both economic and practical reasons, **we request an extension to the Draft Plan of Condominium lapse date for the subject lands.** The Planning Act permits an extension of up to three years if Council sees fit to approve such a timeline. Should Council approve an extension, we are advised that our client will proceed with development when it is economically feasible.

The consequences of refusing an extension, while not detrimental, are problematic. Should the Draft Plan of Condominium lapse, our client will be required to submit a new application, which itself carries significant application fees and will require the use of valuable municipal resources. Such resources include staff time which has already been spent on the initial approval. In essence, municipal staff would be performing the same work twice, a considerable inefficiency, or waste, of staff resources.

Extension of the existing draft approval will allow time for economic conditions to return to a favourable state, at which time the development can proceed as planned. While we understand this is not the ideal scenario for development, our current economic realities, and those of our client, dictate that construction could not have proceeded in a comparatively high interest rate environment.

We thank you for the opportunity to consider the above request on behalf of our client and we look forward to your favourable consideration. If we can be of any assistance, please do not hesitate to contact the undersigned.

Sincerely,
ZELINKA PRIAMO LTD.



Matt Campbell, BA, CPT
Partner

cc. Chris Tsiropoulos, Brantwood Homes Inc.
Gerrit Boerema, Manager of Planning, Township of West Lincoln
Brian Treble, Director of Planning and Building, Township of West Lincoln