LAND DEVELOPMENT ASSESSMENT PORTFOLIO - MCCULLOCH

APPL 5210, SPRING 2026

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Contents

EXECUTIVE SUMMARY

This report evaluates the feasibility of a residential subdivision on Site C, a 33-acre site located in the North Grandview Heights (NGH) neighbourhood of South Surrey. The analysis considers site characteristics, planning and regulatory context, market conditions, and servicing requirements, to inform a proposed subdivision layout, and financial performance to determine a development recommendation.

Site C is currently primarily large acreage residential lots and is designated for suburban use under the current Official Community Plan (OCP). While existing zoning permits low-density development of one-acre residential (RA), the site presents a strong opportunity for rezoning to quarter-acre residential (R2), supported by nearby development application approvals and updates to the land use designation in the 2050 OCP draft. The proposed development aligns with municipal objectives to increase density in established suburban areas while preserving environmental features, particularly the Green Infrastructure Network Corridor that runs through the site. This corridor, which occupies approximately one-third of the site, represents the primary physical constraint but also provides a key amenity that enhances lot value and contributes to required parkland dedication.

The surrounding area is characterized by low-density single-family homes, though there is a gradual shift toward smaller lot subdivisions. The proposed plan reflects this transition, delivering 97 single-family lots with sizes ranging from 800sqm to 1200sqm. The layout balances efficient land use with market preferences for privacy, outdoor space, and compatibility with the existing neighbourhood. Design considerations include tree retention, environmental protection, and appropriate density buffer transitions to adjacent properties.

From a servicing perspective, water and drainage infrastructure are largely in place or can be extended with manageable costs. The primary infrastructure requirement is the extension of the sanitary main to replace existing septic systems, representing the most significant servicing investment. Transportation access will be supported through internal road development and planned network extensions. The area remains primarily vehicle-oriented with limited transit accessibility.

Market analysis indicates current soft conditions, including declining sales, rising inventory, and reduced absorption rates across the Greater Vancouver region. However, stabilizing interest rates point to a positive outlook. The target market consists primarily of higher-income households, including retirees looking to downsize and families seeking lower-density living with access to amenities. The proposed lot sizes are well-positioned to meet this demand while offering a more attainable entry point into the market.

Financial analysis demonstrates that the project is viable under all pro forma scenarios. Estimated profits range from approximately $4.2 million in a pessimistic case to $45.8 million in an optimistic case, with returns on cost between 3.3% and 43.0%. The realistic scenario yields a profit of approximately $30.9 million and a 27.0% return. Key sensitivities include land acquisition cost, lot sale prices, and time on the market. Risk can be mitigated through phased development, early engagement with the City, securing financing and construction costs, and potential cost-sharing through a joint venture.

Overall, Site C represents a strong opportunity for residential infill development that aligns with municipal policy, responds to market demand, and outweighs potential risk. Despite regulatory and physical constraints, these can be effectively managed through the applied planning and design principles. Based on the findings of this report, proceeding with the development is recommended.

1.0 INTRODUCTION

Site C is a residential development opportunity located in the South Surrey neighbourhood of North Grandview Heights (NGH). Site characteristics, regulatory context, market conditions, physical constraints, servicing requirements, and community context were assessed to inform the development strategy. Appropriate planning principles were applied to mitigate impacts of site constraints and the proposed subdivision layout of quarter acre residential. Finally, a financial evaluation informed by these considerations and financial assumptions (costs, market assumptions, timing etc.) was completed to determine project viability and support a development recommendation.

2.0 SITE CONTEXT

2.1 Site Description

Site C is an irregular L shape with varying dimensions as can be seen in the attached site context base plan. The site consists of 13 lots totaling ~33.3 acres of privately owned land accessible from 30A Avenue (North), 168th Street (West), and 28th Avenue (South). The East side of the site is not currently accessible by road. Neighbouring properties are like the site in terms of activity and land use designation per the table below:

Surrounding Properties Description			
Direction	Existing Use	OCP/NCP Designation	Existing Zone
Subject site	Agricultural, single-family homes on acreage lots	OCP: Suburban NCP: Proposed one acre residential, proposed open space/linear open space, Proposed road, Existing one acre and half acre lots	RA A2
North	Single-family homes on acreage lots	OCP: Suburban NCP: Existing one acre and half acre lots	RA
East	Vacant (heavily treed)	OCP: Suburban NCP: Proposed one acre residential, proposed open space/linear open space	RA
South	Single-family homes on acreage lots	OCP: Suburban, Suburban-Urban Reserve NCP: Existing one acre and half acre lots, N/A	RA

West	Single-family homes on acreage lots	OCP: Suburban NCP: Single-detached (2.u.p.a), Existing one acre and half acre lots	CD, RA
Source: Surrey Cosmos			

In general, the North Grandview Heights neighbourhood is characterized by suburban single-detached homes, large open green space areas, and some agricultural use. The West of the site generally consists of higher density single-family homes on comprehensive development zoned lots, while the site and East of it are primarily single-family homes on one acre or half acre lots (Appendix 2.1.1). The character of homes varies though most contain elements of craftsman, traditional, and neo-traditional homes which are common to the area.

2.2 Site Physical Features and Amenities

The western and central portions of the site are at a slope of approximately 8.8%, and the eastern side of the site has a slope of approximately 7.2% providing adequate slope for proper drainage. Some grading will be necessary, particularly in the North-Rastern corner. There are no other apparent geo-technical issues related to slope stability or soil conditions according to a nearby development application just East of the site.[1]

There are relatively few other environmental physical features. A small water course lines the North of the site but is primarily used as drainage. It is not fish bearing, or likely to be, nor has a DPA. The site has a high tree canopy coverage with about 66% of the site covered (Appendix 2.2.2). There is not a significant view to maintain due to the site being located on the North side of a hill, impacting the sun exposure due to the sun rising/setting from the South.

The Green Infrastructure Network Corridor is the primary feature located on Site C. It is located in the center of the site, effectively splitting it into two. The part of the corridor running through Site C is classified as having moderate value and has the following recommendations:

- 'Fragmented natural areas through area that is planned for development.'2
- Follows planned greenways.
- Provides limited connectivity through developed neighbourhood.
- Naturalize edges of planned greenway.
- Traffic calming and signage at road crossings.

The Development Permit Area (DPA) for the corridor covers approximately 11.02 acres, or about ⅓ of the site. Development is likely to be approved if the target width of 30m is maintained. Currently, the layout design adheres to the recommendations and general guidelines set out in the DPA by maintaining a 30m width, ample area for landscaping to buffer between the boundary and development, and follows the planned greenways identified in the NCP. Given that the area would be otherwise developable; by designating the area as park/open space and giving it to the city we meet the 5% parkland requirement and 15% dedication for open space.

2.3 Existing and Required Area Amenities/Facilities

Surrey is home to numerous parks from biodiversity preserve and habitat corridors (B.P.H.C) to regional level parks. Parks near the site fall into B.P.H.C, neighbourhood, or community park categories (Appendix 2.3.1). The standard the city has set is 4.2ha of park per 1,000 residents.[3] As of 2022, the city has 5.2 ha of park per thousand people, well above its target.[4] The neighbourhood of North Grandview Heights reflects a similar ratio. Given that the DPA for Green Infrastructure Area/Green Infrastructure Network Corridor is required to be incorporated, the parkland dedication would maintain the current standard. This site falls into the catchment area for Pacific Heights Elementary, Grandview Heights Secondary and is close to the private Southridge School.

- Grandview Heights has a capacity of 1,500 students, with 1,850 enrolled
- Pacific Heights has a capacity of 630 students with 536 enrolled.[5]
- Current plans to expand Grandview Heights capacity to 2,000
- Current plans build a new elementary school for the Pacific/Sunnyside Heights area for an additional 900 student capacity
- Current plans to build a second Grandview Heights secondary, adding an additional 2,000 student capacity.[6]

The number of children generated by development is approximately 0.72 per single-detached home and an extra 0.09 for additional suites including coach houses (Appendix 2.3.2).

There are some community facilities near the site that offer few services. The closest are the Kensington Prairie Community Centre, which offers childcare services and a family resource centre, and Grandview Heights Aquatic Centre which provides a pool, weight room, and sauna.[7] Other facilities can be seen in Appendix 2.3.3, though they are significantly further away. The area lacks a diverse range of community facilities to meet resident needs within walking distance. Long-term plans for new facilities primarily focus in the City Centre, Newton, and Cloverdale areas.[8] New developments would likely put a strain on existing facilities. Similarly, there is limited public transit access. The closest bus route is 531, an 18min walk or 1.2km away, which runs into White Rock Centre.

In terms of emergency services, the site is covered by Surrey Fire Service Hall 14, Surrey Police Service - District 5, and Peach Arch Hospital.[9] These services cover a large area and are generally operating at or over capacity, Peace Arch Hospital in particular. A new hospital is being opened in Cloverdale which will reduce strain. Additionally, 4 clinics/doctor offices are located nearby in Morgan Crossing, approximately a 37-minute walk or 2.6km away. This area is also home to the closest shopping area including stores such as Walmart, Superstore, Winners, Home Depot, London Drugs, restaurants, and various clothing stores. Realistically, residents need to drive to access these stores.

2.4 Municipal Objectives

Current zoning is mostly consistent with the NGH Neighbourhood Concept Plan (NCP) designation of RA, originally created in 1999, except for the agricultural lots currently zoned A2 but are designated for RA.[iii] The Official Community Plan (OCP) has a general land use designation of suburban, and is from 2013. This designation supports low-density residential uses, with a maximum of 2 units per acre that may increase to 4 units per acre. The draft for the new OCP, Surrey 2050, has the land use designation as Suburban 2 on the site allowing for R1, R2, and C-4.[10]

Other important designations in the NCP include a proposed open space running East to West on the North side of the site, coinciding with a proposed greenway network. These designations fall under the Development Permit area for green infrastructure and are subject to the accompanying development permit application. Finally, there is a proposed road through the center of the site connecting the East side to the arterial street of 168 Street located to the West.

The most pertinent high-level themes of the OCP are growth management, city structure, and the housing needs report. Under the growth management theme, there are objectives to 'fill in' underutilized development within established neighbourhoods while contributing positively to an established neighbourhood context. The proposed land use designation calls for a higher density than what is currently in effect on the site, signaling further residential development is in line with municipal objectives. Additionally, given the dense tree coverage and proposed open space, it is important to consider the emphasis on preservation of the environment under city structure. In particular, objectives to retain and enhance memorable natural and built features.

2.5 Site Assessment: Opportunities and Constraints

The largest factor to consider on this site is the DPA - Sensitive Ecosystem Area for the green infrastructure network and the accompanying development permit application. This would reduce net development by about 12.6 acres and restrict development on the North side of the site. A second impact to consider is the high level of tree coverage on the site. The zoning bylaw requires retention of mature trees and it is likely many of these trees will fall under this category as seen in the development application East of the site.[11]

Current zoning allows for a minimum lot size of one acre lot and 2 dwellings per lot, with amenity contributions of $22,278.48 per dwelling unit. To gain a higher density an NCP amendment and a rezoning application is required. An OCP amendment should not be required as half acre or quarter acre lots is covered under the suburban land use category.

Constraints to the site are primarily related to the current zoning and land use designations. Another factor is the requirement for mature tree retention. An arborist analysis would likely be needed to understand which trees are mature and to maximize tree retention which in turn would impact where development may take place. The DPA for the sensitive ecosystem area and the proposed greenway will constrain development in the Northern end of the site.

Opportunities for this site include complementing the character already established in the neighbourhood which has slowly been shifting to higher density of single-detached homes. Development would 'infill' the area and align it more closely to the community needs and municipal objectives outlined in the OCP. Additionally, while the proposed greenway/greenway corridor restricts development, it provides opportunity for added greenery/privacy for lots backed onto it. Consumers may be willing to pay a premium for this. Further, the greenway corridor is part of a network to connect the city, another OCP objective. Retaining mature trees could further improve landscaping for privacy and control noise. Should the developers seek to re-zone the lots, it is possible the city will ask for a community amenity contribution. Since there is a lack of diverse community amenities in the area, developers could offer to expand Kensington Prairie Community Centre to offer a wider range of services, meeting community needs.

3.0 MARKET TRENDS

The Canadian economy has slowed down in the last year. It is anticipated this slowdown will continue into 2026 with a further 0.2% drop in GDP growth. B.C. is expected to experience a similar decline with 1.6% GDP growth, and the forestry industry especially suffering with 45% tariffs. Wage growth is slowing, unemployment is rising, and concerns over trade negotiations lead to high uncertainty among investors and consumers. The real estate market has shown a similar slowdown with falling sales, increased listings, and lower absorption rates for Greater Vancouver area down to South Surrey. However, the Bank of Canada easing cycle has ended, stabilizing interest and mortgage rates which have dropped to approximately 4% to 4.5% signaling a possible shift.[12]

3.1 Market Geographic Boundary / Target Market Buyers

The geographic boundary is focused on South Surrey/White Rock due to data availability and the similarity between South Surrey and the White Rock market. With this geographic boundary in mind, figure 1 displays the average resident of South Surrey. This profile is a general description of previous target buyers for this area. From this information, we can deduce that consumers in this market are

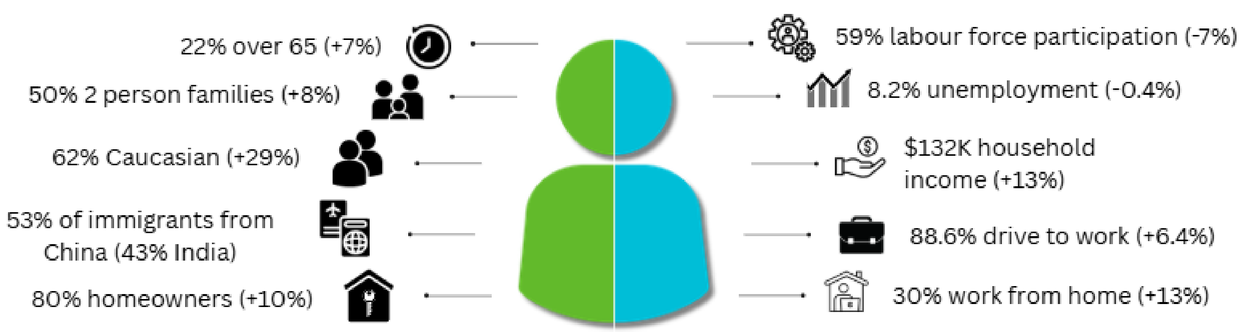


Figure 1 Source: City of Surrey, Community Profiles

relatively older, high-income, 2-person households closer to or in retirement due to the lower labour participation rate but below average unemployment rates. Generally, these attributes have remained relatively steady over the last 20 years. There has been a small decrease of 4% between 2016 to 2021 of 2 person households. About 43% of those who moved to the area in 2020 came from another municipality.[13] Given the average home price is ~$2M, to afford a single-detached house in the area a household salary of $400K assuming a 20% down payment would be needed.[14]

Census characteristic	2006 (White Rock)	2011 (South Surrey / White Rock)	2016 (South Surrey / White Rock)	2021 (South Surrey)
Average age	51	46	46	44
% over 65	28%	22%	25%	22%

2 person families	n/a	55%	54%	50%
Couple no children at home	30%	46%	46%	44%
Labour participation	59.70%	n/a	58.30%	59%
Unemployment rate	4.60%	n/a	5.10%	8.20%
Household income	n/a	n/a	$ 110,072	$ 132,400
Source: Statistics Canada, Census of Population 2021				

Though economic conditions are less than ideal, consumers are still drawn to this area for the quiet and private lifestyle. Preferences of the identified consumer profile include:

- possible downsizing
- office space
- secondary unit additions
- space for vehicles
- room for hobbies

Potential development could help fill this market gap for smaller, denser housing in the area while accommodating these preferences. While this demographic trend appears to be holding, it is important to consider factors drawing other demographics to the area. Smaller, more affordable lots could draw families to the area as well as the nearby family-orientated amenities such as the Kensington Prairie Community Centre, Pacific Heights Elementary, and Grandview Heights Secondary School. Other amenities attractive to all consumers include the nearby Grandview Heights Aquatic Centre, Surrey Pickleball Club, and the Morgan Crossing Shopping Plaza. Future development should consider the overlap of preferences to not inadvertently dissuade interest from a wider consumer audience.

3.2 Real Estate Market – Demand

Current economic conditions have put a strain on development in the lower mainland. Canadian GDP is forecast to further slow from 1.7% in 2025 to 1.5% for 2026.[15] Uncertainty, including the upcoming CUSMA negotiations, and rate cuts from the Bank of Canada is impacting speculation and causing some pullback from investors and consumers alike.[16] This aligns with other trends including a rising unemployment rate up 2.6% in the past year for Vancouver CMA and only a 1.6% projected economic growth for B.C. in 2026.[17] [18]

Real estate in the Greater Vancouver (GVR) and Fraser Valley region (FVR) is experiencing a similar slowdown.

- GVR had the lowest total annual sales in the last decade in 2025, down an average of 10.4%.
- FVR is down 16% in total annual sales from 2024 to 2025.[19] [20]
- New listings are increasing with GVR listings 13.1% above the 10-year annual average.[21]
- Absorption rates declined from 45% to 18.9% between 2001 and 2025.[22]

Similarly, in South Surrey/White Rock sales are falling and listings are rising as shown in figure 2. The margin between sales and new listings has widened from 2020 to 2025 with sales steadily declining since 2020 and new listings rising since 2022.

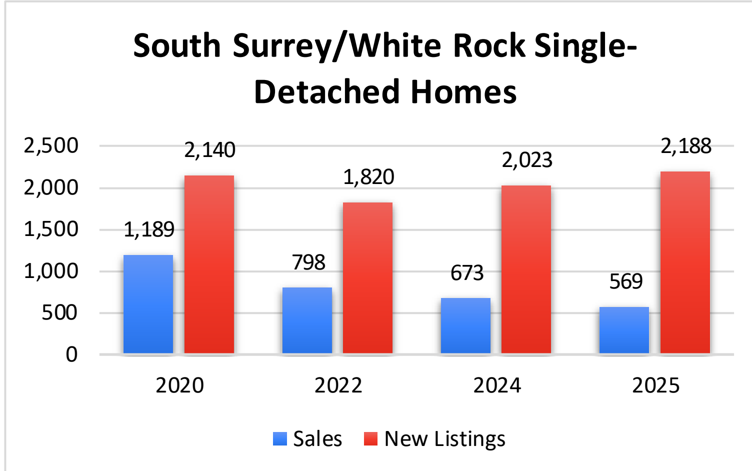


Figure 2, Source: Fraser Valley Real Estate Board

The downward trend continues with home sale prices falling. The 2025 median house value in South Surrey/White Rock of a single detached home was $1.775 million, a 0.2% drop from 2024 and a 7.8% drop from 2022.[23] The general softening market is partially attributed to falling immigration rates due to recent legislation, economic uncertainty, and high construction costs.[24] While South Surrey's population grew 15% between 2016 to 2021, current projections show a slight decline in acceleration.[25] Other possible factors include falling property values, which saw a decline of 6% for both the City of Surrey and City of White Rock.[26] Site lots have experienced an even more intense fall with the median property value dropping 12% (Appendix 2.1.1).

3.3 Real Estate Market – Supply

A large portion of South Surrey's housing stock is single-family dwelling units (49%) and row/townhomes (34%).[27] The area in which the site is located primarily consists of larger single-family homes on acre lots, with smaller lots to the West of the site, found in the amendment portion of the NCP for higher density. Homes closest, and within the site, are typically around 5,000 SQFT. Newer builds tend to be on the larger side, while older homes tend to be smaller, closer to the 2,000 SQFT area.

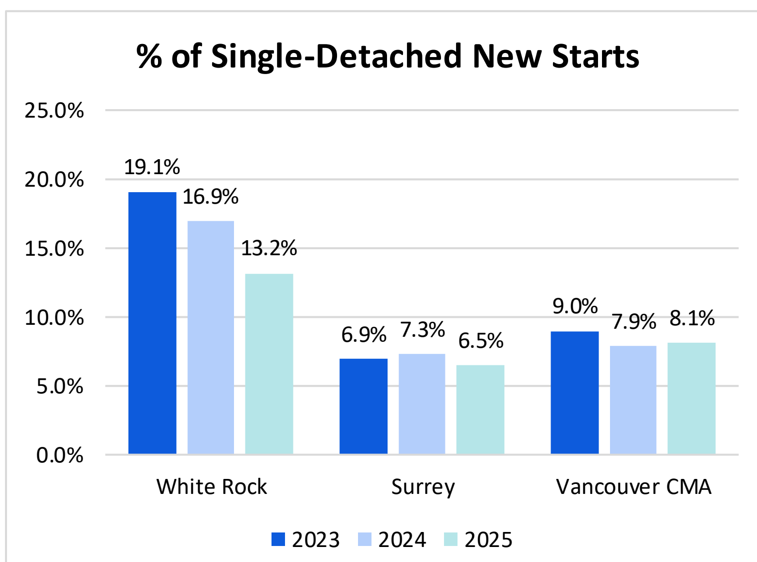


Figure 3, Source: CMHC

Construction information for South Surrey is not available at this time, however White Rock does. Due to a similar market this report will use those stats to analyze trends. The proportion for new starts of single-detached dwellings are down in White Rock relative to Surrey and the Greater Vancouver region (figure 3). This trend aligns with falling rates of 'under construction' and 'completions' of single-detached units in White Rock and the greater area (Appendix 3.3.1). Given recent legislation from the province to shift towards denser housing under the small-scale, multi-unit housing initiative, this shift is expected to continue. Further, this can be seen in the decreasing permits issued by the City of Surrey for single-detached dwellings and an uptick in permits for secondary units (Appendix 3.3.2). Recent development activity in the area has been relatively limited. Only one development application with the same land use designation was approved in the last 10 years, just North of the site, from one acre residential to quarter acre residential pointing to the possibility of rezoning for higher density (Appendix 3.3.3). Other applications are either closed or have gone dormant for unknown factors.

3.4 Developer Objectives

As previously mentioned, there is some market uncertainty that is likely to shift consumer behaviour to a more conservative mindset and be unlikely to deviate from past behaviour. Development should focus on meeting the needs of consumers who are already drawn to the area. There are plenty of larger single-detached homes, but there are fewer small ones that would be appealing for older couples looking to downsize, or young families looking for their first home. Additionally, the popularity of secondary units is increasing and provides passive income. Other preferences to consider include the car-centered nature of the area, and 30% of residents work from home requiring office space. Lastly, quiet and privacy are draws for the neighbourhood, so lots should remain large enough to accommodate this while increasing density for higher profitability.

4.0 REGULATORY REQUIREMENTS

4.1 Regulations and Guidelines

The City of Surrey has several regulations and guidelines outlined in the OCP, Zoning Bylaw, Subdivision Bylaw, and Tree Protection Bylaw. Applicable regulations to this site can be summarized as follows:

Development Permit Area for Green Infrastructure Network[28]

- Provide landscaping as buffer between development and corridor
- Qualified Environmental Professional required to do ecosystem development plan and monitor conditions prior to and during construction
- 4.5m rear yard setback and 3.0m side yard setback for lots built adjacent to corridor
- Link tree retention areas
- Minimum restrictive covenant for the land

Subdivision bylaw[29]

- Provide 5% Parkland or cash-in-lieu of the size/value of site
- Provide servicing to connect lots to municipal infrastructure

Tree protection bylaw[30]

- Replace 5 trees per lot for lot sizes 701sqm to 820sqm, larger lot sizes tree replacement number to be determined by General Manager

NCP Amendment Application

- Amendment of the North Grandview Heights NCP to Quarter Acre Residential

Rezoning Application

- Apply to subdivide the 13 parents lots into identified lots identified in subdivision layout

Rezoning Application

- Apply to rezone the subdivided lots from One Acre residential (RA) to Quarter Acre residential (R2)

4.2 Zoning Requirements

To achieve the necessary density, this proposal will focus on the zoning requirements for the quarter-acre/R2 zoning. There are no current legal charges on the site.

As mentioned, the subdivision layout includes 29,249sqm dedicated to Park/Open Space/GIN which reduces the minimum requirement to those highlighted in the table below.

R2 – Lot Requirements			
Lot Requirement	Min. requirement	Min. requirement with amenity contributions	Amenity contributions + 15% open space provided of subdivided land
Area	8,094sqm	930sqm	775sqm
Width	50	24	20
Depth	60	30	30
Permitted Density	2.5 per hectare (1.0 per acre)	10 lots per gross hectare (4 per acre)	10 lots per gross hectare (4 per acre)
Source: City of Surrey, Zoning Bylaw 12000			

Lot coverage maximums vary depending on the lot size. As outlined in the zoning bylaw, lots that are greater than 560sqm have a maximum coverage of 40% with a reduced rate of 2% for each additional 93sqm in lot area (maximum 25%) up to 1262sqm.[31] For example, a lot that is 816sqm would have a maximum lot coverage of about 34%. The building setbacks are shown below, single-family dwellings are the focus as they are the desired building type for future development.

R2 – Building Setback Requirements, Single-family dwelling			
Front Yard	Rear Yard	Side Yard	Street Side Yard
7.5m	7.5m	2.4m	3.6m
Source: City of Surrey, Zoning Bylaw 12000			

5.0 SERVICING REQUIREMENTS

5.1 Existing Servicing

Currently, structures on the lot do not have access to the municipal/regional sanitary network. Existing lots are operating via septic tanks to service dwellings. The closest sanitary main is Northwest of the site, West of 168 Street, on McNair Drive. However, there is a proposed expansion as part of the 10-Year Servicing Plan for 2025-2034.[32]

The site drainage network is gravity dependent and drains from South to North following the grade towards 30A Avenue. There are several access points including an open drain channel on 30A Avenue, drainage main/laterals/service connections on 168th and 169th Street, and a drainage main extending from 168 Street into the one acre lots South of the site (see servicing baseplan). The size/capacity of the drainage mains are in the table below.

Existing Drainage Mains					
Location	Direction	Pipe Size	Pipe Year	Pipe Age	Type
168 St	West	525mm	1982	44	Gravity
Lots below site	South	525mm	1993	33	Gravity
Lots below site	South	250mm	1993	33	Gravity
169 St	South	250mm	1993	33	Gravity
Source: Surrey Cosmos					

The site is well serviced for accessing water with water mains located North, West, and South. Few current lots appear to have a service connection along 30A Avenue, implying they are serviced by a private well, likely due to the water main on 30A Avenue being installed in 2016, per the table below.

Existing Water Mains				
Location	Direction	Pipe Size	Pipe Year	Pipe Age
30A Ave	North	200mm	2016	10
168 St	West	250m	1983	43
169 St	South	200mm	1993	33
Source: Surrey Cosmos				

Generally, the water and drainage pipes are in good condition when considering the age of the pipes. The mains along 168 Street are closer to the 50-to-100-year lifespan but do not need to be replaced during the timeline of this development. Access to the electrical grid is ample, along 168 Street.

5.2 Major Servicing Needs / Impacts on Development

Under current subdivision bylaw regulations, proposed development that increases density must connect lots to the City of Surrey servicing infrastructure.[33] Considerations for this development are as follows:

Sanitary considerations:

- No current access to the sanitary main, municipal or regional network
- Need to extend sanitary main to 30A Avenue, along 168 Street, and access to South side of site along proposed road
- 10-Year Servicing Plan Project to extend sanitary main on site
- Provide servicing connections to individual lots
- Remove existing septic tanks

Water considerations:

- North side of the site has adequate water main access
- Water main extension required for South side of the site
- Service connections for individual lots on North and South sides will need to be provided
- Water system is pressurized so flexible in location

Drainage considerations:

- Higher density will increase surface impermeability and strain the open channel
- South side of the site will require drainage main, lateral, and service connections
- Constricted by gravity, will need to build pipes running South to North to follow slope
- Need to assess runoff impact to ensure pre-and-post development runoff consistency
- Right-of-ways will be required for any lateral or service connections located on lots

Given these considerations, location of the current servicing infrastructure, and the ~8% slope running South to North towards 30A Avenue, anticipated infrastructure can be extended through the proposed road to provide service to new lots. Placing the needed servicing along this road will reduce the amount of rights-of-way access on developed lots and connect services to existing infrastructure on 169 Street and 168 Street. The need to extend the sanitary main is likely the most expensive and laborious servicing consideration. Service connections for lots will cost between $5K-$20K.[34] A more precise estimate is provided with the servicing application.

5.3 Existing Transportation

The site is located along the eastern side of 168 Street and connected to various smaller local roads as seen in the table below and in the transportation baseplan. Access to the site will likely be along 30A Avenue for the North side and 169 Street for the South side of the site. Given that 168 Street is an arterial road, it is not optimal for stopping due to heavy traffic.

Road classifications			
Street	Direction	Classification	Other transportation classification
30A Ave	North	Limited local (low density)	Greenway
168 St	West	Arterial	Bikeway, greenway
169 St	South	Limited local (low density)	n/a
28 Ave	Southeast	Through local (low density)	n/a
Northview Cr	West	Through local (low density)	n/a
Source: City of Surrey			

The site is primarily accessible by vehicle. There are limited sidewalks surrounding the site, no walkways on or near the site, and the closest public transit route is 531 to White Rock centre is a ~20 minute or 1.2km walk.

5.4 Road Network Dedication and Requirements

A road dedication will be required to provide access to the South side of the site. The proposed road dedication in the NCP is an extension of Northview Crescent and provides a logical location, with the exception of the cul-de-sac which would need to be moved further East to be within site boundaries. It provides enough developable land around the corridor and aligns with current service infrastructure. Additionally, given that 168 Street is an arterial, per the OCP, driveways on this road classifications are prohibited, and local roads will be needed to provide street access. Given the development will increase density, a traffic impact report would be beneficial, but not required as it is less than 150 lots.

Road dedications are required to provide access to the site for all lots. Roads longer than 200m are classified as through local and require an 18m width.[35] Given roads on the site are mostly longer than 200m or are connected to roads that already have a width of 18m, all roads have the required 18m width. Other requirements include:[36]

- Road length is no longer than 220m, measured from highway intersection to another intersection, center of cul-de-sac bulb, or end of pavement
- Curb-to-curb width of 8.5m with 9m radius curb return
- 2 sidewalks (each side) with 0.5m offset from property line
- 3x3 corner cuts for arterial to local and local to local intersections
- Curves in road no greater than 30-degree angle
- 12% max longitudinal grade

5.5 Area Development and Ongoing Infrastructure Needs

As noted, the 10-Year Servicing Plan lays out sanitary upgrade projects which will impact the site. Another infrastructure upgrade to note is the upgrade to the drainage relief and trunk system on 168 Street between 30A Avenue and 32nd Avenue. This project's planned construction start year is 2033. This project is not on the site but will impact the drainage servicing. It will likely be beneficial as it will allow the area to handle a higher capacity of drainage and thus density. As part of the development, it could be undertaken to ensure adequate drainage and opportunity to receive financial remuneration from the city to help reduce project costs.

6.0 SUBDIVISION LAYOUT

6.1 Proposed Layout Description

Lots in the proposed subdivision primarily have a rectangular shape and are similar in size to nearby developments to remain competitive. The lots that share a property line with the GIN dedication have a unique selling point that increases the value. Additionally, the large open space dedication is one of the biggest in the area and offers natural green space for the nearby residents to enjoy.

- Total Gross Area: 13 ha / 33.3 acres / 134,551sqm
- Total Net Area: 8.4 ha / 20.7 acres / 83,626sqm
- F.A.R: 0.6 for first 560sqm of lot area, 0.35 for remaining
- Max. floor area of 465sqm
- Min. ground floor area of 63 sqm

- Total Green Space/Park: 29,249sqm
- U.P.A: 3.0
- Total Lot Yield: 97
- Min. building width of 7m
- Max lot coverage for lots > 560sqm is 40% + reduced rate of 2% for each additional 92sqm up to 25%

Site C Area Breakdown			
Designation	Yield	Area in sqm	Net %
Road: 1207m + 467m	1 (1674m length)*	21,676	16.1%
Park	3	29,249	21.7%
Type A – 800sqm to 820sqm	53	43,047	31.9%
Type B – 840smq to 899sqm	16	14,498	10.8%
Type C – 900sqm to 920sqm	18	16,313	12.1%
Type D – 935sqm to 955sqm	3	1,896	1.4%
Type E – 995sqm to 1100sqm	3	3,041	2.3%
Type F – 1157sqm to 1286sqm	4	4,831	3.6%

*New road length is 1207m but the 467m road on 30A Avenue will require servicing essentially having the cost of a new road

The park designation is to adhere to the Green Infrastructure Network Corridor identified in the OCP. This dedication provides the necessary 5% parkland dedication and makes the development eligible for reduced requirements as identified in the previous sections. All lots adhere to these minimum requirements, except for lot 62 which will require a development permit variance for a 0.74m reduction in the minimum width. Given the lot has ample depth and 892sqm area, it is well within other requirements and reasonably likely to be approved.

Lots generally range from 800sqm to 900sqm, with some larger exceptions due to the physical constraints of the site. Though there is some variation in size, lots located in proximity share a similar distribution of width and shape to maintain consistency. While the minimum lot size was 775sqm, lots are no smaller than 800sqm to fit the current market demand as identified in similar development proposals, such as 15-0352-00, to be competitive for future buyers.[37] This approved application includes lots of similar areas and shapes.

Due to the location of the green infrastructure network corridor, there were limited options for road placement to preserve the corridor and maintain the 30m target width and buffer. Presently, there are 4 roads on the site requiring an achieved 18m width. One exception is the continuation of 169 Street, that has a width of 20.00m to be consistent with the existing road. The highest road grade (North to South) is 7%, well below the 12% maximum.

6.2 Planning and Design Principles

Several planning and design principles have been applied to ensure the subdivision fits the needs of future residents while co-existing with existing uses such as:

- Preserving open space and environmental areas as seen in the Park/Green Infrastructure Network Area dedication

- An efficient and effective use of land to maximize lot yields while ensuring lot sizes fit the market demand and areas of similar lots with the same zoning
- Increasing density to form a compact neighbourhood and efficiently utilize services
- An equal distribution of lot widths and areas, as possible while incorporating slightly large widths/areas where appropriate such as for lots with street side yard lines
- Considering the transition in densities with neighbouring lots that have a lower density by providing extra lot depth to create a buffer

6.3 Project Phasing

Phasing for the project can be broken down into four phases which follow a general guide based on the necessary servicing upgrades (figure 4). It begins with Phase One as it has the closest access to existing water, sanitary, and drainage mains as seen in the servicing base plan. Phases Two marks the next extension of servicing down along 168 Street into the internal road on the site. Phase Three and Four again, follow the necessary road dedications and servicing requirements.

By phasing development, it prevents over-saturation of the market and minimizes cash outlays until a higher cash inflow is achieved as lots are sold through the previous phases.

Figure 4

7.0 FINANCIAL ANALYSIS

7.1 Assumptions

Marketing assumptions (selling period + price)

- Selling period is the most difficult to ascertain. Based on current listing times a range has been created to account for changing market conditions
- Lot prices are based on current listing of vacant lots in the area of approximately $1,900 per sqm. [38] A 7-lot subdivision with similarly sized lots has sold 4 of the 7 lots with this approximate pricing. [39] To be conservative with estimation, recent sales of similar sized lots through B.C. property assessment have been considered, which are selling slightly higher than the assessed property value (16685 31 AVE, Surrey[40]).

Construction Assumptions

- Off-site cost is the necessary sewer main extension outlined in the 10-year servicing plan with a cost of $1.7 million[41]
- On-site costs (per lot): Based on service connections cost outlined in the Administrative Cost and Services Bylaw (14577)[42] and the Waterworks Regulations and Charges Bylaw (16337)[43]

    - The waterworks regulation and charges did not include construction cost so it was assumed that the cost for sanitary and drainage would be similar and used that plus the water charge from that bylaw
- On-site costs (per metre new road): Based on Altus Group 2025 Canadian Guide Cost of $4100 for the Vancouver region[44]
- Planning/approval period: A low of 240 days and a high of 365 days for Surrey identified in the 26th regional industrial cost of business survey[45]
- Construction period: Range between scenarios based on potential delays such as findings from QEP assessment and arborist report

Financial assumptions

- Land Loan Cost Ratio: 65% based on current offerings from MCAP, a reputable firm[46]
- Construction Loan Cost Ratio: 65% based on current estimates from Cedar Commercial[47]
- Interest rates: prime (4.45%) +2.55%, higher end of range identified by Cedar Commercial[48]
    - B.O.C holding key rate of 2.25% since October suggesting interests' rate will be steady for duration of financing[49]
- Land Costs: Cost of 13 parent parcels based on the land value listed on B.C. property assessment of $70 million
- Property transfer tax[50]: ~4.8%
    - 2%: $200K to $2M
    - 3%: > $2M
    - Further 2%: Values over $3M on portion over $3M

Development Cost Charge/Fees

- Surrey DCCs: 50,741 per lot[51]
- Surrey CACs: 26,515.29 per lot[52]
- Metro Vancouver DCCs: $30,218 per lot[53]
- Translink DCC: $3,416 per single-family unit[54]
- SSAC: 1000 per lot
- Various applications/permits: $220,642[55] [56]

7.2 Scenario Comparison

Overall, the project is profitable in all scenarios. The key differences between the scenarios are land costs, lot prices, selling period, development approval timeframe, construction timeframe, and on-site construction costs per metre of road. The range between total cost and total loans have some impact on the total profit, more significantly between the pessimistic scenario and realistic.

Site C Scenario Comparison

Scenario	Net Revenue	Total Cost	Total Profit	Profit % of Cost	Total Loans
Realistic	140,747,000	114,207,016	30,892,984	27.0%	74,234,561
Optimistic	147,784,350	106,539,553	45,815,447	43.0%	69,250,709
Pessimistic	126,672,300	126,388,341	4,201,659	3.3%	82,152,421

7.3 Sensitivity Analysis

The following key variables were adjusted to account for changing market conditions that are difficult to predict, if previously identified sources warrant variation, and the overall impact on profitability. The two factors with the biggest impact are land purchase cost and lot selling price. A conservative estimate of lot prices has been established with the realistic scenario representing an estimate of ~$1,800 per square meter, optimistic increase by 5%, and pessimistic reduced by 10%. Land purchase costs have also been adjusted by a 5% reduction in the optimistic scenario and a 10% increase in the pessimistic scenario.

Site C Factor Sensitivity Changes			
Scenario	Realistic	Optimistic	Pessimistic
Land Purchase Cost	$70M	$66.5M	$77M
Lot sell price	$1.4M-$1.9M	$1.54M-$2.1M	$1.26M-$1.71M
Selling period	18 months	12 months	24 months
Development approval timeframe	10.08 months	9 months	12 months
Construction timeframe	18 months	12 months	24 months
On-site construction costs (per m of road)	$3,900	$3,700	$4,100

7.4 Profitability & Risk

There is low risk of the necessary zoning and amendments being approved as the OCP Draft has the area designated as R2, meaning the project is in-line with municipal goals and provides open space/park land in line with the biodiversity strategy. Scenarios have provided leeway to account for other risks such as land costs, lot price, selling period, construction period, etc. While the subdivision is below allowed density, it just meets the necessary open space dedication area to achieve the lot requirements which would allow for the project to be more profitable without the dedication.

Total profit ranges from $4,201,659 (pessimistic) to $45,815,447 (optimistic) and returns on profit of the total cost of the project ranges from 3.3% to 43.0%.

Site C Profit Breakdown			
Scenario	Realistic	Optimistic	Pessimistic
Profit (Total $)	$30,892,984	$45,815,447	$4,201,659
Profit (% of Cost)	27.0%	43.0%	3.3%
Equity (Total $)	$39,972,456	$37,228,844	$44,235,919
Equity (% on R.O.I)	77.3%	122.9%	9.5%

To reduce risk further, the developer could seek partners for a joint venture, phase development targeting areas with the lowest construction cost, contact the city early, lock-in current financing rates, and/or set a cost cap to purchase the required land. To increase profit, developers could apply for a works and services agreement which would reduce DCC costs per lot.

7.5 Recommendation

Based on the financial analysis in this report, it is recommended to proceed with the purchase and development of lots located on Site C. While the pessimistic scenario produces a low return, utilizing risk reduction and profit increase measures can help to mitigate impacts of key factors identified in the sensitivity analysis. The project is financially viable, and the realistic profit outweighs the potential risk. A clear timeline should be established to ensure construction approval is secured and completed within 2 to 3 years to maintain profitability.

8.0 CONCLUSION

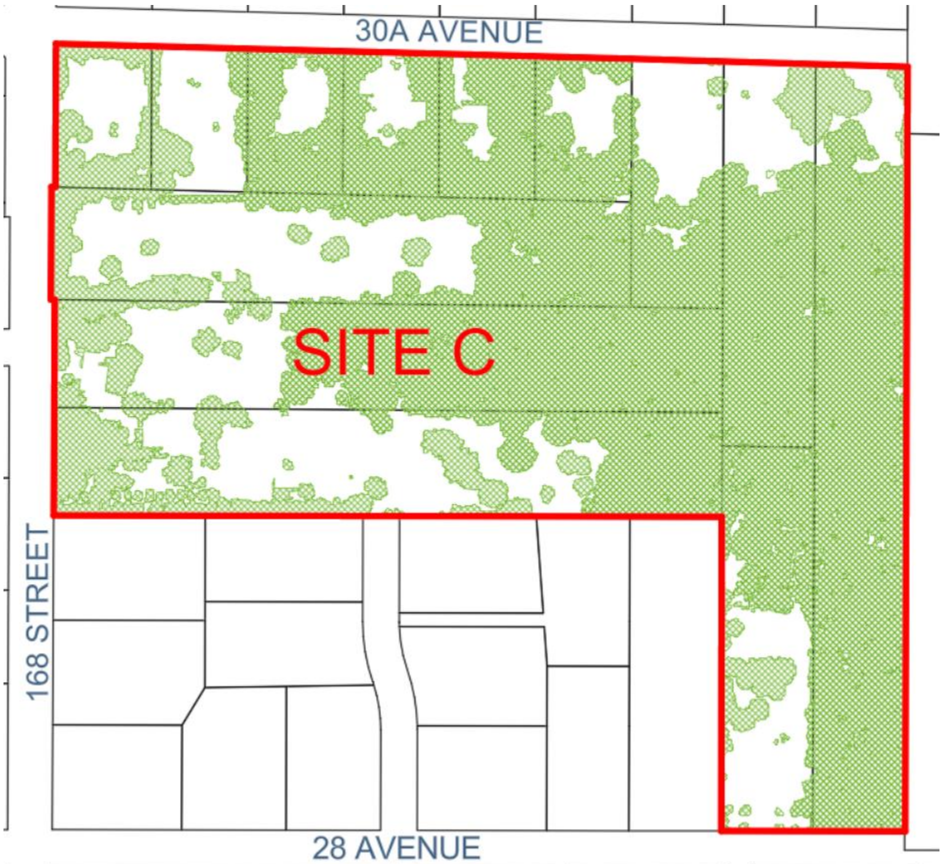
Site C is suitable for a higher-density, quarter acre residential development supported by municipal documents and nearby development approval applications with similar context. Reduced lot sizes have been achieved while maintaining slightly larger parcels to align with consumer needs, neighbourhood context, and achieving optimal density/yield of lots. The proposed subdivision layout addresses the physical and regulatory constraints impacting the site and emphasizes the opportunities as seen in the park dedications, servicing requirements, proposed road network, and appropriate setback standards. Planning principles, including environmental preservation, density transitions, and efficient use of land have guided the layout design to achieve balance between natural features, municipal requirements/objectives and developer objectives. Overall, the site has financial viability across the realistic, optimistic, and pessimistic scenarios which provide conservative estimates and consider variations in key factors. The development remains profitable with project profits ranging from $4.2M to $45.8M and a return on cost between 3.3% and 43.0%. Risk mitigation strategies have been identified to align the project with the realistic scenario, outweighing the potential risk. Proceeding with development is recommended.

APPENDIX

2.1.1

Address	Lot size (acre)	Property value 2026	Land Value 2026	Change in property value from 2025	Current Zoning	NCP Land Use Designation
16814 30A ave	1.015	$2,591,000.00	$2,491,000.00	-12%	RA	RA POS
16848 30A ave	1.015	$2,960,000.00	$2,622,000.00	-11%	RA	RA POS
16870 30A ave	1.015	$2,658,200.00	$2,622,000.00	-12%	RA	RA POS
16900 30A ave	1.015	$2,657,700.00	$2,622,000.00	-12%	RA	RA POS
16920 30A ave	1.015	$2,652,400.00	$2,622,000.00	-12%	RA	RA POS
16952 30A ave	1.022	$2,723,000.00	$2,635,000.00	-12%	RA	RA POS
16988 30A ave	1.679	$7,432,000.00	$3,737,000.00	-9%	RA	RA POS
17004 30A ave	2.611	$3,910,000.00	$3,764,000.00	-4%	RA	RA POS PR
17030 30A ave	5.191	$9,845,400.00	$9,803,000.00	-20%	RA	RA POS
2970 168 St	4.633	$10,719,000.00	$10,536,000.00	229%	RA	RA POS
2938 168 St	5.23	$66,917.00	$8,817.00	-11%	A2	RA PR
2910 168 St	5.225	$50,797.00	$9,097.00	-12%	A2	RA PR
17007 28 Ave	2.61	$6,096,000.00	$5,094,000.00	22%	RA	RA PR

2.2.2



2.3.1

Park Amenities in Surrounding Area					
Park Name	Park Type	Attached to school/facility	Linear/multi -use	Amenity Class	Distance
Edgewood park	Neighbourhood	Yes	Multi-use	Active	2.0km 30 minute walk
Morgan Heights linear park	Biodiversity Preserve and Habitat Corridors	Yes	Linear	Passive	2.2km 31 min walk
Oliver Park	Neighbourhood	No	Multi-use	Active	2.1km 29 minute walk
Oak Meadows Park	Neighbourhood	No	Multi-use	Active	2.8km 39 min walk
Orchard Grove	Neighbourhood	No	Multi-use	Active	1.3km 19 min
Grandview community park	Community	Yes	Multi-use	Passive	1.3km 19 min walk

Grandview Heights Linear Park	Neighbourhood - natural area	No	Linear	Passive	1.8km 25 min walk
116 - Greenbelt	Community	No	N/A	Unimproved	260m 5 min walk
Wills Brook park	Biodiversity Preserve and Habitat Corridors	Yes	Multi-use	Active	2.3km 31 min walk
Mountain view	Biodiversity Preserve and Habitat Corridors	No	N/A	Active	2.6km 35 min walk
Greenridge	Biodiversity Preserve and Habitat Corridors	No	N/A	Natural area only	2.6km 35 min walk

Source: Surrey Cosmos

2.3.2

Estimated Average Student Yield Rate From New Housing (2026)					
Housing Type	Single-Detached	Suites (Including Coach Houses)	Townhouses and Row House	Low Rise Apartment	High Rise Apartment
Yield	0.72	0.09	0.41	0.13	0.07

Source: City of Surrey, Corporate Report 'Surrey School District Eligible School Sites Proposals for 2026/2027'

2.3.3

Facility Name	Type	facilities/amenities	Distance
Kensington Prairie Community Centre	Community Centre	$10/day child-care Alex House Child's Centre (0-5), Semiahmoo Family Place (family resource centre)	1.3Km, 15 min walk
Grandview Heights Aquatic Centre	Recreation	Pool, Weight Room, Sauna, Steam room	1.2Km, 18 min walk
Surrey Libraries - Semiahmoo branch	Library	Computer, Scanners, printing /copying, Quiet study room, Meeting rooms	5.5km, 1 hour & 20 min walk
South Surrey Recreation and Arts Centre	Community centre	Weight room, Three gymnasiums, Fitness studio, Pottery studio, Art space, Child minding services, Tennis courts, Multipurpose rooms, Youth to senior programs	6.1km, 1 hour & 30 min walk
South Surrey Indoor Pool	Recreation	Pool, Weight room, Two saunas	6.7km, 1 hour & 35 min walk
South Surrey Arena	Recreation	Ice rink, Multi-purpose room	5.9km, 1 hour & 25 min walk

Source: Recreation Facilities - City of Surrey

3.3.1

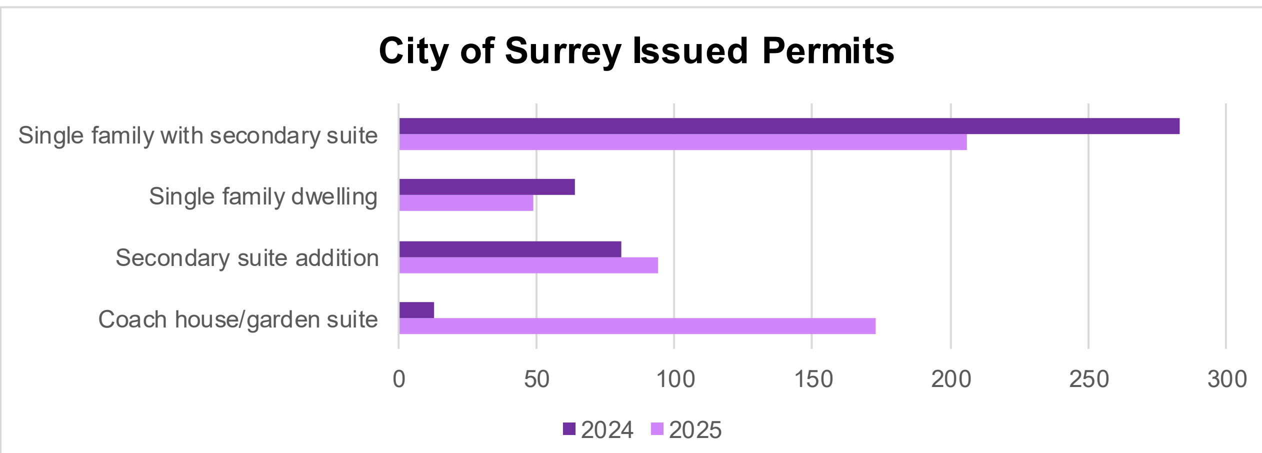
White Rock Construction						
	Single-Detached			Total Housing		
Year	2023	2024	2025	2023	2024	2025
New Starts	29	31	22	152	183	167
Under Construction (November Only)	46	47	42	362	310	336
Completed	32	35	31	57	244	159

Source: Fraser Valley Real Estate Board

Vancouver CMA Construction						
	Single-Detached			Total Housing		
Year	2023	2024	2025	2023	2024	2025
New Starts	2,678	2,020	1,979	29,882	25,722	24,384
Under Construction (November Only)	3,900	3,092	2,900	59,555	65,624	60,934
Completed	2,706	2,611	2,012	19,465	21,342	27,331

Source: Fraser Valley Real Estate Board

3.3.2



Source: City of Surrey, Development Statistics

3.3.3

Development Applications in Surrounding Area			
Application	Address	Details	Status
17-0230	2970 168 st	Rezone one acre residential (RA) to single detached 4-6 u.p.a (CD) to develop 13 single-family gross density lots	In process - 2018 last update

25-0044	17030 30A Ave	Subdivide 1 acre residential, to 2 acre residential	Approved on condition of PLA
19-0068	16755 Northview Cr, 2959 168 St	NCP Amendment from Existing One Acre & Half Acre Lots to Single Detached (2 u.p.a.); Rezoning from RA to RH; Development Permit to allow subdivision into 4 half-acre residential lots.	In process - 2021 last update
16-0228	17018 32 Ave, 17032 32 Ave, 17048 32 Ave	Rezoning from RA to quarter acre residential (RQ) / Development Permit to allow subdivision into 25 single-family lots	Conditional approval, PLA issued
16-0370	16979 28 Ave, 17004 30A Ave, 17007 28 Ave, 17030 30A Ave	Development application for 3 of the lots from RA to CD for single-family homes Subdivision of 4 lots into 30 lots	Closed

Source: Surrey Cosmos

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