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City of Barrie
70 Collier St.
Barrie, ON L4M 4T5

Attn: Michael Jermey, Deputy Treasurer

**Re: 2014 Development Charges By-Law and Background Study
Development Charges for Rental Units**

We are the landlords of a 4 unit building located in downtown Barrie. We live in one of the units.

We understand that the City of Barrie is one of Ontario's "Places to Grow" and is slated for big changes in the near future. Thus, rental accommodations should certainly be a significant piece of that story given the historically low vacancy rates here. Based on that fact, you'd think we'd be happy.

But just recently, it has come to our attention that the City's portion of the Development Charges for creating a new rental unit here is increasing in a range of 32-41% depending on what type of unit is being developed.

Quite frankly, both the previous *and* proposed amounts are exorbitant charges for creating a rental unit in an existing building.

Not including **any** of the DC's, the average cost to add a one bedroom unit in an existing residential home would range from \$20,000 (on the very low end for a basement conversion) to \$35,000 (for renovating an older home). Therefore a collective DC of +/- \$24,000 represents between **63% and 110% of the cost to create a unit!** Even if it were to cost \$50,000 to create a unit, the DCs would still represent 50% of that cost.

If these kinds of percentages relative to the construction costs of new condominiums, homes and townhomes were used, you would see new development cease immediately.

We are not disputing the existence of DC's and certainly understand their usefulness, but a clear distinction between (small) landlords and developers needs to be illustrated and addressed:

1. Given market rental rates, (even at the healthy levels that they are) there still is a ceiling rental rate that one can charge, regardless of what one spends to create the unit.
2. Landlords cannot build (these kind of) DC costs into the 'sale' of their units, since we do not technically 'sell' our accommodations.

3. Most landlords are small business operators, many with only a handful of units and with very limited financial resources. We are generally forced to amortize the construction and development costs over very long periods, which in the long run, make them even costlier. Developers, on the other hand, sell their “products” and are able to off-load 100% of these costs onto the individual buyer. Their carrying costs for the DC’s are short-term liabilities by comparison. Further, developers generally have much more significant financial resources than your average small landlord. This is blatant **financial discrimination**.
4. Based on this punitive DC schedule it therefore shouldn’t come as a surprise that few rental units are being built, and those that are, are illegal. And given the current DC proposal, this trend will continue.

So why, in a climate of low vacancy rates and the City’s own policies of encouraging all types of growth, is the City building-in a **legislated discouragement to create rental units?**

We believe a much more realistic DC schedule needs to be considered for rental units, perhaps something tied in with the cost of construction. We very strongly urge you to take this into consideration as part of a progressive and effective rental accommodation strategy for the City.

We have appended both 2012 and 2013 breakdowns of our own income versus expenses for your reference. We would expect these numbers to be reflective of most small landlord operations, particularly if they live in part of the dwelling.

We also plan on making a deputation at the upcoming Council meeting August 25th in this regard.

Thank you for taking the time to hear to our concerns.

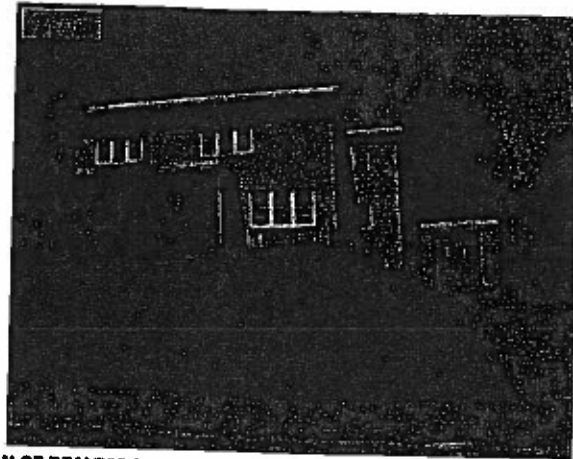
Sincerely,



Steve Dearlove

J. Mark Duncan

- cc. Lynn Strachan – Councilor Ward 2
Kathy Katayko – Director, Social Housing – County of Simcoe
Jeff Lehman – Mayor
Bonnie Ainsworth – Councilor Ward 1 – via e-mail
Doug Shipley – Councilor Ward 3 – via e-mail
Barry Ward – Councilor Ward 4 – via e-mail
Peter Silveira – Councilor Ward 5 – via e-mail
Michael Prowse – Councilor Ward 6 – via e-mail
John Brassard – Councilor Ward 7 – via e-mail
Arif Khan – Councilor Ward 8 – via e-mail
Brian Jackson – Councilor Ward 9 – via e-mail
Alex Nuttall – Councilor Ward 10 – via e-mail



BARRIE & DISTRICT ASSOCIATION OF REALTORS INC.

Seller's Use of Information Consent: N
MLS No.: 0905285 **Curr Price:** \$579,900.00
Address: 15 PARKSIDE DRIVE **L4N 1W7**
Lot Size: 23M X 40M (75 X 132 IRREG)
Legal: PLAN 129 PT LOT 12 S PT LOT 13 CITY OF BARRIE
Dir: DUNLOP ST TO PARKSIDE # 15
Roll #: 434203100905700
Area: 3,315 SqFt. **Area Fin.:** 4,004 SqFt. **PIN #:** 587980133
Zoning: RM2 **Poss:** NEG **Taxes:** \$5,125.00
Cap Chrgs: N **Survey:** N **Sd/Rd:** East
Use: Apartment **Property Disclosure:** Y
Water: Municipal/Community **Sewer:** Municipal/Community **Title:** Freehold
Esmnt/Res: **No. of Units:** 4
Site Inff: Fully Landscaped, Shopping Nearby, Park Nearby, Public Trans. Nearby, Quiet Area, High Speed Internet Access
Area Inff: Lake/Pond/River, Park, Public Transportation **Ceiling:** 8 ft. **Elevator:** N **Occupants:** Tenant
Tot. Avail Area: 462 SqFt. **Off Area:** **Whse Area:**
Const: Concrete Block **Heat/Air:** Radiators **Sprinkler:** No
Whse Heat/Air: **Fuel:** Natural Gas **Agreement:** STAND
Loading: None **How Shown:** Lock Box
Features: Cable TV

Type Lease: **Tenant Pays:** Hydro
MIT\$: **CAM\$:** **Gross Income:** \$46,866.00 **Net Income:** \$33,206.00
Waterfront: **Frontage:** **Mortgage:** No Mortgage
Body/Water: **Exclusions:** N

Remarks: GREAT INVESTMENT- WELL LOCATED AND CARED FOR TRIPLEX WITH 4TH UNIT IN WALKOUT BASEMENT. SITUATED ON A LARGE L SHAPED LOT WITH LOTS OF PARKING, GARAGE AND 2 DRIVEWAYS. MAIN FLOOR 3 BEDROOM WITH SEP DINING, OFFICE/SUNROOM. SEPARATE ENTRANCE LEADS UPSTAIRS WITH 2 LOVELY -1 BEDROOM APTS. THIS HOME FEATURS HARDWOOD FLOORS, TRIM, BUILT-INS AND LOTS OF WINDOWS. SOLID CONSTRUCTION CALL FOR INCOME/EXPENSES DETAILS.

Seller(s):
List Off.: AIM REALTY LTD., BROKERAGE **705-722-1770** **S.C.:** 2.5
List Rep 1: BETSY PROSSER **705-734-4941** **Fax:** 705-722-9655
List Rep 2: **Email:** prosser9877@rogers.com
Sale Price: **Sale Date:**
Sell Off.:
Sell Rep 1:
Sell Rep 2:

*** ERRORS AND OMISSIONS EXCEPTED *** ALL MEASUREMENTS APPROXIMATE ***

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 CM Full (Imperial Desc)

SUE MACINTYRE
 705-722-7100

VENDOR'S UNDERTAKINGS & BILL OF SALE

TO: Steven Leonard Dearlove and Jonathan Mark Duncan
(hereinafter called the "Purchaser")

AND TO: Greening & Bucknam
Barristers and Solicitors

FROM: ..
(hereinafter called the "Vendor")

RE: .. to Dearlove, Steven and Duncan, Jonathan
15 Parkside Drive, Barrie

In consideration of and notwithstanding the closing of the above-noted transaction, **THE UNDERSIGNED** hereby: **Transfers and Undertakes** as follows:

1) **BILL OF SALE**

Transfers, assigns and sets over unto the Purchaser all right, title and interest of the undersigned in and to the chattels and fixtures set out in the Agreement of Purchase and Sale between the Parties relating to the above-noted Real Property free and clear of all liens, security interest, demands, claims or encumbrances of any kind whatsoever.

2) **UNDERTAKINGS**

Undertakes as follows:

- a) to deliver up (vacant) possession, subject to any tenancies to be assumed, of the Real Property on closing together with all keys thereto; and
- b) to pay all ~~electric~~ sewer, water and gas charges, if any, to the date of closing; and
- c) to pay all arrears of realty taxes and penalties and all other items added to the tax rolls including local improvements for the current year; and
- d) to readjust any items adjusted for in the Statement of Adjustments;

DATED: October 30, 2009.