High Finance Descends

The Nexus of Macroeconomics and Urban Design on Larry Uteck Boulevard

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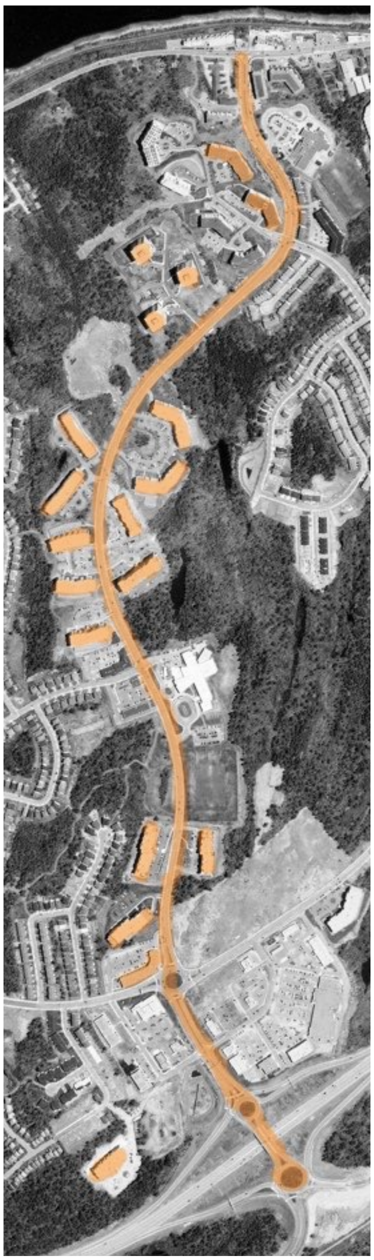

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"And I see that the time spent confused; Was the time that I spent without you"

- The Lovin' Spoonful

I love you more than more words can tell

Glossary

Commercial Mortgage:

Loans secured by a property used for business purposes. Apartment, office, retail, and industrial, and mixed use buildings are common typologies.

Commercial Mortgage Backed Security (CMBS):

A type of mortgage backed security that are backed by commercial mortgages. These are separate from residential mortgages. (Investopedia, 2016).

Fiduciary

An individual or organization that owes another a duty of trust and care. It is a high legal standard: lawyers, executors, accountants, corporate officers, and board members are considered fiduciaries. (Investopedia, 2016).

Investopedia is a website and glossary that defines and explains financial terms

Institutional Investor

An entity that pools money to purchase securities, real property, and other investment assets or originate loans. Institutional investors include insurance companies, pension funds, REITs, among others. (Investopedia, 2016).

Liquidity

Describes the degree to which an asset or security can be quickly bought or sold without affecting the asset's value. (Investopedia, 2016).

Real Estate Investment Trust (REIT):

A company that owns, in most cases operates , and in some cases finances income producing real estate. (Investopedia, 2016).

Yield:

The amount in cash, expressed as a percentage of

Acronyms

Bedford Municpal Planning Strategy:

BSPS

HRM:

Halifax Regional Municipality

NCREIF

National Council of Real Estate Investment Fiduciaries

REIT:

Real Estate Investment Trust

ROI

Return on Investment

Executive Summary

The purpose of this research is to understand the finance sector's impact on Halifax's real-estate and its influence on urban form. What are non-traditional actors building, buying, and managing? The research asks what local polices have allowed development to flourish and attract these investors by examining Larry Uteck Boulevard in the Halifax suburb of Bedford, Nova Scotia.

This research employed a mixed methods approach. Media analysis yielded a list of buildings owned by financial firms. Examining building attributes such as material fenestration, height, and setback all contribute to the streetscape and were documented through photography, site visits, and satellite imagery analysis. The buildings can be characterized as large and low and are given traditional or modern "personality" through cladding and names. Working with a group of students under supervision of Dr. Jill Grant, semi-structured interviews with an array of field professionals, provided insight and opinion into development trends in Halifax. The group of professionals included brokers, a developer, planners, and an architect. Lastly, analysis of HRM planning documents outlined the regulatory framework this development occurs within. Both interviews and planning documents were analyzed for keyword and common themes.

High finance has found it's way to Larry Uteck Boulevard. The following will detail the extent, through ownership, of institutional investment on the street. The findings chronicle the appeal of Larry Uteck for developers and institutional investors, outlining the financial and market incentives affecting these actors. Urban design is the result of financial realties and planning policy, this research will outline their relationship, and how their interplay affects the streetscape of this suburban main street.

The research raises questions about the appropriate amount of urban form regulation, finance's impact of the streetscape, and how design is not incentivized in master planned communities. This research shows that lowering complexity and cost for both private and public sector actors can have a dilutive impact on urban design because design has diminishing returns, if planners choose not to advocate for it.

Background

The skyline of Halifax is rapidly changing. The year 2015 was the busiest in residential apartment construction since the early 1970s with approximately 2500 apartment units under construction (CMHC, 2015). Several factors have combined to form the current real-estate development environment. Relaxed commercial underwriting standards and low interest rates mean that developers can have more debt with less equity (Weber, 2010). These factors lower the cost of construction loans and mortgages, which makes projects financially viable that previously were not. Commercial property became an attractive investment after the stock market crash of 2001, as investors were wary of stocks (Ip and Waterhouse, 2001).

Insurance companies, pension funds, and property holding companies have purchased property in Halifax (Rutland, 2010). After buying prime property in large cities, financial firms had too much money chasing too few assets, which raised price and lowered returns (Wong, 2007). To increase yields, smaller centres, like Halifax, become attractive; the investment poses more risk but higher profitability (Rutland, 2010). There is plenty of liquidity in Canadian commercial property markets but few high quality assets to buy, pushing investors to examine second tier cities, like Halifax (PWC/ULI, 2016).

The purpose of this research is to understand the finance sector's impact on Halifax's real-estate its impact on urban form. What are non-traditional actors building, buying, and managing? The research asks what local policy shifts have allowed development to flourish and attract these investors by examining Larry Uteck Boulevard in the Halifax suburb of Bedford, Nova Scotia.

Halifax's four municipal units, Halifax, Dartmouth, Bedford, and the County of Halifax were incorporated in 1996 to form Halifax Regional Municipality (HRM or "The Municipality"). HRM then undertook a master planning study to identify areas that could accommodate new growth and strengthen links between existing communities (Bedford MPS, 2015). The study identified 625 acres of undeveloped land bounded by Royale Hemlocks subdivision, The Bedford and Bicentennial Highways, and Crestview on the Basin Subdivision (Bedford MPS, 2015).

Larry Uteck Boulevard is the area's major collector road, connecting the Bedford and Bicentennial Highways. After the completion of the master plan, Larry Uteck Blvd was assigned population density allocations and zoning regulations (Bedford MPS, 2015). The civic vision seemed to be for a neighbourhood main street. The street has experienced a rapid pace of change, as shown by satellite images (Figure 1).

Figure 1: Left to Right Larry Uteck Boulevard 2003-2017 (Google Earth, 2017)

Literature Review

Public goods are transformed by the way they are financed (Weber, 2010). Infrastructure and housing, for example, are expected to become financially productive to attract private investment (Weber, 2010). Institutional investors, such as pension funds, insurers, and Real Estate Investment Trusts (REITs), have developed a fondness for urban real estate investments to balance their investment portfolios (Weber, 2010). Many of these investments are in multi-family housing. Fields and Uffer (2016) identify a lack of scholarly work about the financialization of rental housing. Hall establishes that finance is moving into mundane assets and geographies: Halifax, Nova Scotia is one such geography (2012).

The process of financialization integrates high finance into mundane assets (Hall, 2012). Financiers are continually searching for fixed assets with a return (Hall, 2010). This explains how finance has crept into infrastructure, car loans, credit card debt, and commercial property, creating a secondary market for each product (Hall, 2012). Global capital can be locally invested through direct asset purchases or through derivatives.

After the buildup and meltdown of global markets in 2007, much research was conducted about financialization (Weber, 2010). Financialization encompasses many narratives and approaches to research (French et al, 2011). Perspectives of analysis differ; all center around the finance sector's growing influence since the 1970s (Pike and Pollard, 2010). French, Leyshon, and Wainwright (2011) identify three major schools of thought: regulation theory (Marxist-economic theory; function), critical social accountancy (political economy), and "financialization of everyday life" (sociology). Pike and Pollard (2010) provide four major research themes that inform explanations of financialization: function, power, interest, and legitimacy. Financial grounds calls attention to a "particular sector (the financial industry) and to a specific set of rationales, techniques and practices rooted in market finance." (Guironnet et al, 2016, p.1446).

Institutional investors are not traditional managers or owners of real estate and real estate is the largest alternative asset class to traditional stocks and bonds (Van Loon and Aalbers, 2017). These entities pool money from various sources. Pension funds pool the retirement savings of households. Insurance firms aggregate funds from policyholders. REITs sell units on the stock market to raise funds for property acquisition. These financial entities have acted in conjunction with changing norms of real estate finance which further embed housing into global capital markets (Rutland, 2010).

Rutland cites three major changes in the way real estate is financed. Firstly, insurance companies and pension funds have taken ownership positions in real estate; previously, they provided debt financing only (Rutland 2010). The globalization of commercial banking and the advent of commercial mortgage backed securities (C.M.B.S) increases the amount of capital in the sector requiring deployment by providing debt financing for property purchase and development (Rutland, 2010). Lastly, the advent of REITs and other property holding companies provide investments in commercial real estate at low cost. (Rutland, 2010). These changes have allowed commercial property to be treated as a stock or bond.

Fundamental to pension funds investment model is Modern Portfolio Theory which aims to match future liabilities, asset performance, and risk minimization (Markowitz, 1952). Quantification techniques translate qualitative information about an asset into numbers, the preferred language of finance, so assets can be compared and benchmarked (van Loon and Aalbers, 2017). Transforming physically embedded investments into a financial asset within dynamic economic and geographic contexts does not make risk disappear, as the global financial crisis proved (van Loon and Aalbers, 2017). This means that a building's value is based on the perceived ability to sell the building itself rather than its particular: the built environment (van Loon and Aalbers, 2017). The decoupling of a building from its civic address is essential in the financialization of real estate.

Real estate will never behave as "just another asset" because it is fixed in time and place. Realty stocks and derivatives may trade quickly but physical real estate transactions are slow processes (Weber, 2015). Institutional ownership of commercial real estate does not conform to the simple assumption of Markowitz's modern portfolio theory (Riddiough, 2002). Institutional investors have transformed "unique, idiosyncratic spaces and projects into a fungible financial product," which increases exposure to high levels of debt and the risk of devaluation (Kirkpatrick, 2016, p. 66; van Loon and Aalbers, 2017).

An underlying assumption of portfolio management is that risk is a calculable probability. "With the primary purpose of value extraction, those who deal in the alchemy of finance attempt to manipulate time and space, seeking to distance themselves as far as possible from the ever-present spectre of risk by means of their expert knowledge." (Pani and Holman, 2014, p.215) Institutional investors have invested billions on commercial property trying to maximize return and minimize risk, partially, by spatially and temporally separating themselves from the individual cities where the properties sit. The financial crisis revealed that problems pass, like infections, from one country to another (Pani and Holman, 2014). Poor residential lending practices in the United States caused a widespread drop in commercial property values worldwide (Lizeri and Pain, 2014).

Portfolio diversification is an important strategy of institutional investors to minimize risk. This is accomplished in two ways: geography and property type (Cheng and Roulac, 2007). Geographic diversification means varying the geographic locations of property investment (Cheng and Roulac, 2007). In Canada, institutional investors are searching outside of the largest centres for acquisitions. Portfolio diversification via property type is acquiring properties in multifamily, hotel, industrial, office, or retail sectors and perhaps sub sectors of these broad categories. Apartment and retail properties are the best property types to decrease risk for institutional investors (Cheng and Roulac, 2007). The proportion of multi-family housing in American pension fund real estate portfolios has risen from 10.8% in 1997 to 24.3% in 2016, representing a 125% increase in investment (Cheng and Roulac, 2007; NCREIF, 2016). This helps to explain the large amount of institutional investment in multi-family and retail properties in smaller centres like Halifax.

Housing is an economically important sector of industrialized economies. Residential mortgage markets represent a large portion of GDP (Rolnik, 2013). After the financial crisis of 2007, a significant amount of public money was deployed to stabilize banks and insurers to keep the mortgage market functioning (Rolling, 2013). The new political economy of housing has shifted from a social good to value creation (Rolink, 2013). “The intensity of this change can be described as a movement which transformed a ‘sleeping beauty’ — an asset owned by traditional means — into a ‘fantastic ballet’, with assets changing hands through constant and rapid transactions (Rolink, 2013, 1058). This explains the transition of housing to a financial product that can be traded, packaged, sold, and resold from various locations on the markets.

Multi-family housing is an important sector of urban realty markets, but historically difficult to treat as a financial asset (Fields and Uffer, 2016). After the stock market crash of 2001 several factors made rental housing a new financial asset class. The amount of money available to finance transactions increased after central banks drastically cut interest rates and commercial banks relaxed commercial underwriting standards (Fields and Uffer, 2016; Weber, 2010). The historical issue of data is solved by technological advances and the finance industry’s global integration (Fields and Uffer, 2016). These innovations have closed the information gap and enabled accurate pricing, which eases the buying and selling of commercial property. Investors now have information about rents, loan performance, management costs, and an expanded secondary mortgage market deepened the financial industry’s ties to housing.

Local governments have been an integral part of the financialization of local real estate. Municipal governments write zoning codes, issue building permits, deploy subsidies, and can create special tax districts (Weber, 2010). Municipal governments benefit from additional tax revenue because of increased property assessment values (Weber, 2010). Local governments are the conduit that turns international finance into a local investment. Cities can attract or dissuade capital’s arrival through policy.

Land use planning, how local governments regulate the development of land, is an essential tool of financialization. Urban planners seek economic growth and opportunity for property development when crafting land use policy (Salvini and Aalbers, 2010). Local planning departments now have to balance the needs of citizens with global investors’ need for returns.

This balancing act can be seen in municipalities' methods of recognizing revenue from development projects.

Use of complex financial instruments to increase revenue or encourage investment further intertwines local communities with global capital markets (Pacewicz, 2010). Cities use complex financial tools to attract investment. The most widely deployed in North America is tax increment financing (TIF) (Weber, 2010). TIF defers future tax revenue in return for investment in a property or district in a municipality (Pacewicz, 2010). Another is value capture, used to realize public benefit from private development projects (Salvini and Aalbers, 2010). Municipal governments can issue project-bound bonds with a guaranteed yield to attract investment or realize "value capture" (Salvini and Aalbers, 2010). Project specific bonds are called "revenue bonds" because they are backed by an income stream, these are common when developing former industrial lands (Kirkpatrick, 2016).These methods serve to make planning departments more entrepreneurial to attract investment and increase tax revenue, which can decontextualize land use, easing capital's deployment.

Liberalization of urban development goes beyond the interplay of finance and local governments. Jane Jacobs, a legendary urban intellectual, championed an "organic", laissez-fair style of neighbourhood development (Trotcherman, 2012). She advocated a limited role for the state in urban (re)development and contributed to the tarnishing of government housing programs (Trotcherman, 2012). Her ideas were repackaged for a new generation by Richard Florida who continued Jacobs' anti-statist urban development arguments. Florida and Jacobs provided the intellectual foundation for land use policies that constrain housing supply and elevate real estate prices (Trotcherman, 2012). Financial investment in real estate is done by both individuals and corporations. Both advocate for a regulatory environment that maximizes the value of their holdings, whether it be a private residence or multi-family housing.

The decontextualization of land use, the loss of local design character, has built form impacts. Buildings are used as collateral to secure future loans, meaning developers and managers must ensure the highest possible appraisal value (Crosby and Henneberry, 2016). Financial requirements thus take a physical form in buildings. Decisions about layout, fenestration, ceiling height, material, and parking become about maximizing resale value (Crosby and Henneberry, 2016). The determination of market value is done by comparison; any building that differs from market specifications may not receive development funding or is a less valuable asset (Crosby and Henneberry, 2016). Market specifications regarding design have led to homogenization of built form in London (Crosby and Henneberry, 2016).

The need to maximize asset value and share price (for REITs) is the major driver of design choices, leading to standardization of the public realm. Because commercial property can be traded like any other financial asset, the balancing of investor risk, return, and liquidity has woven its way into the urban fabric (Guironnet et al, 2016). Risk, return, and liquidity are balanced by making choices about location, building type, and occupancy. This balancing act can oppose the goals of local governments attempting to achieve specific urban design objectives; the mixing of uses, decreasing parking requirements, and height (to name a few) can contravene market specifications for valuation or sale purposes (Guironnet et al, 2016).

The size of development projects has significant public realm impacts. The City of Toronto approved high rise development in the downtown, and then became dependent upon development charges for the provision of public infrastructure (Rosen and Walks, 2014). Delegating the provision of public infrastructure to developers shows the infiltration of neoliberal ideals, entrepreneurial approaches, and a global city agenda within Toronto's planning department (Rosen and Walks, 2014). The result has been significant podium and glass tower construction (Rosen and Walks, 2014).

Financialization of built form has been prevalent since the Post-WWI era in the UK and similar economies, as in institutional investors have provided capital and been enthusiastic purchasers of commercial property (Crosby and Henneberry, 2016). Global cities are adopting a standardized public realm, designed by globally active architectural firms, to make them recognizable to multi-national tenants; this erodes local design vernacular (Salvini and Aalbers, 2016). Financial interests shape contemporary urban development projects via real estate markets, which leads to construction and occupancy trends that align with finance's expectations (Guironnet et al, 2016).

A building is a singular object and also part of a broader environment: the street, the neighbourhood, and the city. There is tension between a building as a revenue stream and urban built form. This tension can be seen in suburban design approaches. Contemporary suburban design offers urban amenity at higher densities than previous iterations of suburbia (Garde, 2008).

There is much written about traditional suburban design, much of it focuses on criticism of new urbanism and sprawl (Garde, 2008). After interviewing and surveying planning professionals in southern California, Garde found that an increasing number of suburban development projects incorporated urban aspects like multi-family housing, mixed-use, and retail components (2008). These are a counterpoint to traditional low-density, cul-de-sac centred designs found outside cities across North Americ through much of the 20th century.

The current planning convention is to locate multi-family housing near arterial roads in suburban development (Larco et al, 2013). The apartment buildings buffer enclaves of detached homes from the arterial road or commercial plazas. Buffering negates the potential of integration with commercial properties and multi-family buildings because of the lack of connectivity in traditional suburban design approaches (Larco et al, 2013). These design choices result in car deference and a lower degree of walkability.

"During the last quarter of the 20th century, the forces of decentralization engulfed the spatial structure of cities and led to a revolution in the pattern of land use. " (Jones, 2009, p. 2364) The result of the land-use revolution yielded cities that are no longer uni-nodal. Schiller (1986) found that during the 1970s, retail decentralization occurred in three phases: grocery, followed by warehoused goods, and finally, comparison and quality goods. Retail decentralization mimics the spatial dynamics of the population and employment (Jones, 2009). The drivers of the dynamics were easy highway access to facilitate efficient logistics, widespread car ownership, and a plentiful supply of land (Jones, 2009)

Public investment in comprehensive highways combined with zoning regulations conducive to the automobile created a dispersed urban form (Filion et al, 2016). This form is characterized by scattered nodes of employment, retailing, institutional, and professional services. Dispersion provided a spatial fix for accumulation of capital in the form of subdivision construction (Filion, 2013; Harvey, 2001). Built form is the result of economic conditions and the regulatory environment. Dispersed urban form of many North American cities is the product of this interplay. However, the planning profession has embraced the concept of recentralization (Filion et al, 2016).

Filion et al (2013) defines recentralization as an urban development model that embraces high densities, transit use, and walkability as an antithesis to the dispersed urban form that dominated cities in the years following the Second World War. Recentralization can happen different at scales from the regional centre to transit oriented development (Filion et al, 2016).

Larry Uteck Boulevard provides a microcosm for common themes throughout the literature: financialization is an insidious force that influences local government policy, planning regulations, and built form. The interplay of these forces deserves further examination in small centres, like Halifax, that do not attract the same level of scholarly attention as Canada's gateway cities. Bedford South, was approved at an infill development in the late 1990s because Halifax was sprawling and the cost of servicing the dispersion would be unsustainable. Local government approved a suburb with a mix of uses, housing types, and transit service. The street shows elements Fillion's recentralization theory and the findings will show how finance has tunnelled its way into the urban form of Larry Uteck Boulevard.

Methods & Limitations

This research focuses on the financialization of planning policy, the resultant real estate, and urban form. It employed a mixed methods approach to answer the research questions. Analyzing the Bedford Secondary Planning Strategy and HRM's Municipal Planning Strategy provided site history and policies that shape development of the area. These documents outline Municipal Government's vision for development of Bedford South and the guidelines for built form. Details regarding building ownership, development, and possible sale is obtained from media analysis. Site visits, photography, and satellite imagery provided documentation of the built form and the streetscape. Examining building attributes such as material fenestration, height, and setback all contribute to the streetscape and were documented.

Interviews with an array of field professionals gives informed opinion about the current environment that affects real estate development, transactions, and urban planning. Discourse analysis allows for a thematic and keyword analysis of professional opinion. Working with a group of students under the same supervisor, we interviewed eleven field professionals. The group is comprised of one developer, three planners, three brokers, three councillors, and an architect. The interviews were completed in January and February 2017. The questions were about development trends and answered the guiding question: what is getting built, by whom, where, and why.

There are limitations when conducting this research. Firstly, the age of components of HRM's corporate data set are 15 years old which makes analysis of civil intention versus the final building difficult. Secondly, the sample size of the interview is small. Because of the specificity of the research, only a few respondents were able to speak authoritatively on the subject. Lastly, development along Larry Uteck is still occurring: this is a long-term, multi-phase development, that is not yet complete.

Figure 2: Interview Respondents by Profession and Sex

	Broker (BR)	Planner (P)	Developer (D)	Architect (A)	Councillor (C)
Female	0	1	0	0	1
Male	3	2	1	1	2
Total	**3**	**3**	**1**	**1**	**3**

The code is derived from the respondent's profession, sex, and interview number. For example, PF-3 means that she is a female planner and the third planner interviewed. These semi-structured interviews received approval from the Dalhousie Research Ethics Board in early January, 2017. A copy of the questions and consent form is found in Appendix I.

Site Description

Figure 3: Larry Uteck Boulevard (Bing Maps, 2017)

Larry Uteck Boulevard connects the Bedford (east) and Bicentennial (west) Highways. It extends beyond this air photo section, this segment is the spine of Bedford South. Many of the roads that connect to Larry Uteck are named lanes: Bedros, Jacob, Arminia Drive, for example, but all function as driveways for the apartment buildings. The interior roads in the neighbourhood are not yet complete. The form of these buildings is large and low, with the exception of buildings on Jacob Lane, which are 12 storeys. The buildings are clad in different materials from modern industrial cladding to combinations of faux brick and siding. Some have decorative pitched roofs on the top storey. There is not a unifying architectural style, many of the buildings evoke “traditional,” while two are very angular and can be characterized as contemporary. These buildings are a similar box but wrapped differently.

Larry Uteck is a mixed use street comprised of single uses buildings and plazas serviced by transit. With banks, pharmacy, two schools, retail, and professional services, it is the primary transportation and commercial street of the area. The land use intensifies moving west, where the largest commercial plaza is anchored national grocer. The eastern side, along the Bedford Highway, is residential with duplexes on the south side of street.

High Finance Has Arrived

High finance has found it's way to Larry Uteck Boulevard. The following will detail the extent of institutional investment on the street. The findings chronicle the appeal of Larry Uteck for developers, institutional investors and the financial and market incentives affecting these actors. Urban design is the result of financial realties and planning policy, this section will outline their relationship, and how their interplay affects the streetscape of this suburban main street.

Financial firms have developed a taste for urban real estate investments (Weber, 2010). Their ability to acquire property in large markets with the desired return is becoming increasingly difficult, leading to property purchases in smaller markets, like Halifax (BRM-2, 2017). Halifax has another benefit, says a local developer: "…Halifax is still in Canadian terms a tiny little market. Like miniscule. You know, we're a blip. But there's still money that comes here for geographic diversity and for a bit of return." (DM-1, 2017). Geographic diversity is important in Canada because of the regionalized nature of the economy. Institutional investors make purchases in different cities to protect themselves from local economic conditions (Ping and Roulac, 2007). When local economic conditions deteriorate, so does asset performance. Between 2008-2017 office rents in Calgary, the hub of Canada's oil industry, declined 60% as a result of recession, oil price declines, and a large amount of office construction (CBRE, 2017). Owning property in different cities and regions of the country is an important risk aversion strategy in a property portfolio (Ping and Roulac, 2007).

Larry Uteck Boulevard is an example of property diversification. Institutional owners of buildings on the street have local investments in other categories of real estate. GWL Realty Advisors, a subsidiary of insurer Great West Life (GWL), owns an apartment at 671 Larry Uteck and an interest in Purdy's Wharf, two prominent office towers on Halifax's Waterfront, as part of a national, multi-sector portfolio (GWL, 2017; BRM-2, 2017). This approach fits Markowitz's Modern Portfolio Theory which states that investors can reap benefits and minimize risk through diversification (1952). The study area provides insight into the investment thesis of large financial firms and why they allocate assets to small centres like Halifax.

The type of development in Halifax, especially in Bedford, shifted, which attracted institutional investors. "…Bedford West, Bedford South area starting around 2012, I think.

Around there. There was almost a complete inversion in the proportion of single detached to multi units. Whereas before it was 80% single detached, 20% multis, it's now about 80% multis, 20% single detached." (P2-M, 2017). Institutional investors requires a revenue stream, which is achieved through rent collection. When the proportion of single detached home development decreased, developers responding to demand for multi-family housing, constructed new apartment buildings to meet this demand. Suburban residential projects are incorporating more medium and high density residential buildings (Garde, 2008).

Institutional investors have purchased numerous buildings on the street. What is appealing about a purchase on Larry Uteck for financial firms? The buildings are large enough to garner investment interest. Scale was a common investment criteria: "An institutional investor isn't going to buy a 3-storey brick walk-up, typically." (D1-M); "But just in general, I mean I think one of the biggest things that sort of differentiates a real-estate project as one that would be attractive is just the simple scale of it." (P2-M). These firms have a large amount of money to invest, preferring large scale investments instead of numerous small ones.

Institutional investors require investment grade property, said a local developer (D1-M, 2017). Investment grade property is new product, in prime location, with luxury amenities (Poorvu and Cruikshank, 1999). Larry Uteck Boulevard features newly constructed buildings with luxury amenities (BR2-M). "All of the new product was very, very good product. And in Halifax, rental product is as good and sometimes better than condo product," referencing Larry Uteck Boulevard (BR3-M). Institutional investors are purchasing high quality, large buildings, which fits their investment criteria.

Demand for space in Bedford South, where Larry Uteck is located, is very strong and vacancy rates are low. Rents have increased 17.5% over a 4 year period compared to HRM's 5.7%. This means that buildings owners are wringing more profit out of the same asset over time (CMHC, 2017. The appeal for institutional investors can be seen in the rent increases over time: see figure 3 below:

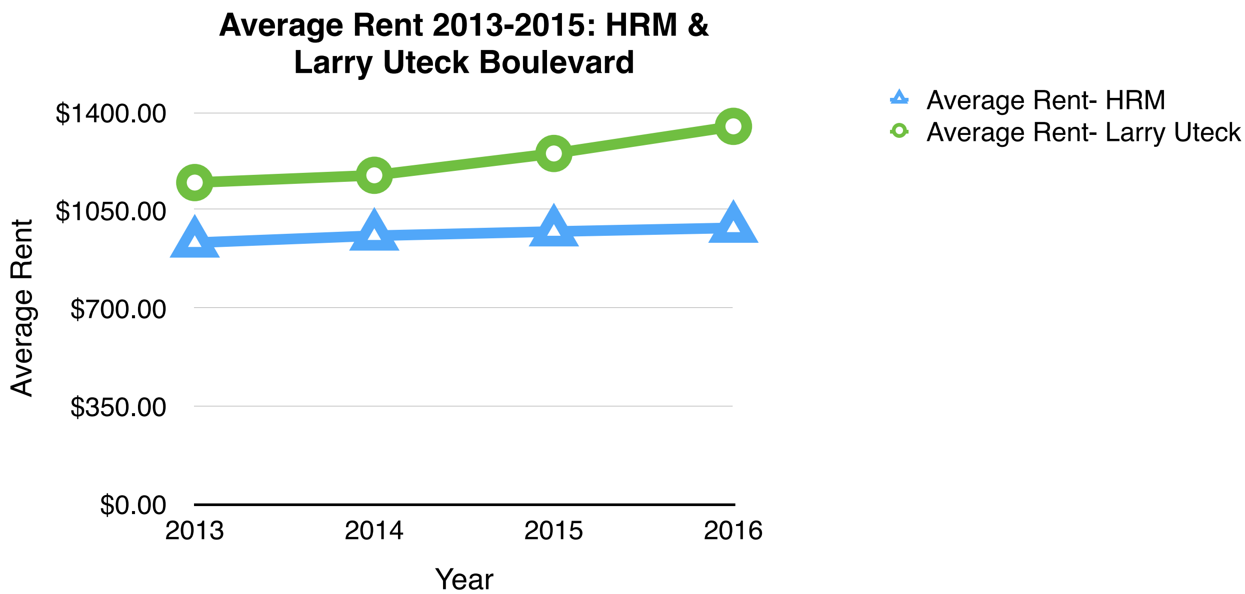


Figure 3: Average Rent 2013-2015: HRM & Larry Uteck Boulevard (CMHC, 2017)

The vacancy rate for Bedford South is 1.8%, compared to 2.6% in HRM for Q4 2016, meaning demand for apartments on Larry Uteck is stronger than the HRM as a whole (CMHC, 2017). Demand in Halifax is strong, driven by urbanization and inter and intra-provincial migration (D1-M, 2017). Larry Uteck is a very strong sub-market of Halifax. "And you know, the best quality assets, the best location are going to rent up first, and typically bring the highest rents and the lowest vacancy," is how a local developer defined investment grade property (DM-1, 2017). Brokers and planners disagreed about the quality of the location during interviews, but all agreed demand is strong.

No matter how globalized finance has become, real estate development still depends on local knowledge regarding local market factors, approval process, and potential political obstacles, to list a few (Wood, 2004). The appeal of Larry Uteck for institutional investors is strong. Investors do not develop land in Halifax, preferring to purchase a fully occupied, stabilized building (BR3-M, P2-M, 2017). Interview respondents cited protracted approval timelines, relationships with contractors and council, architects, and tenants as why financial firms buy finished buildings or partner with local developers (BR3-M, 2017; D1-M, 2017). Rutland describes three types of developers operating today (2010):

- Developer-Traders: Who develop property with the intent to sell to an institutional investor rather than maintaining it as investment;
- Mega Developers who partner with local firms on specific projects. The former provide access to capital markets and the latter provide local expertise;
- Local Developer/ Owners who develop property and maintain it as an investment.

Halifax currently has all three categories of developers operating, with two types active on Larry Uteck Boulevard. D1-M's firm is a 50% partner with a pension fund aggregator on a project. The buildings on Larry Uteck that are not owned by institutional money are controlled by their original local developers. Halifax's small development community is characterized by local developer/owners who engage in development and manage the properties over time and some high net worth individuals (P2-M). No one has had a greater impact on Larry Uteck Boulevard than Victor Kielbratowski. He founded his real estate development firm, Kiel Developments, in 1974 and has developed residential and commercial projects in Bedford, Clayton Park, and Dartmouth (AllNovaScotia, 2016). He built seven apartment buildings on Larry Uteck and sold each of them to institutional investors; he developed and maintains the commercial plaza at the corner of Larry Uteck and Dellridge Lane (AllNovaScotia, 2014).

Kiel has an atypical business model in Halifax's development community. Mr. Kielbratowski is (largely) a developer-trader, who developing property, leasing the building, and selling it to an institutional investor. He sells the building, and moves on to the next project. High finance has a willing seller which is difficult to come by in Halifax's clustered development community. Mr. Kielbratowski's fortunes have improved over the years.

Kiel Developments constructed a six phase apartment project spanning 357-461 Larry Uteck Boulevard, called The Gardens, totalling 370 units. Gardens I and II sold for $26.2 million, or $192 671 per unit to a pension fund (Cushman and Wakefield, 2012). Timbercreek Asset Management purchased Gardens V for $17.4 million, or $223 076 per unit (AllNovaScotia, 2016). Mr. Kielbratowski's sale price increased by 15.7% from 2011-2013. Gardens VI sold for

$239 325 per unit in 2015, representing a 7% increase in sale price from 2013 (AllNovaScotia, 2016).

The capitalization rate, commonly referred to as “cap rate”, is the expected rate of return on a property’s net operating income (Poorvu, 1999). When investors purchase a property, they buy both the physical structure and the future income stream. Capitalization rates allow numerical comparison of different properties, akin to comparing apples to oranges, a percentage makes comparison straightforward. Applying a cap rate, standardizing for comparison, idiosyncratic buildings is part of the financialization of real estate (van Loon and Aalbers, 2017). Capitalization rates are falling in the study area.

Gardens I sold at cap rate of 5.75% in 2011, and Gardens V sold for 5.25% (Cushman and Wakefield, 2012; BR2-M, 2017). When capitalization rate falls, perceived risk also declines. Investing require the assumption of risk. Over time, perceived risk on Larry Uteck has fallen as the area has become more established. Institutional investors shield themselves from “the ever present spectre of risk,” because they hold real estate in a fiduciary capacity (Pani and Holman, 2014). The literature related themes about risk, its perception, and how much to assume as part of a broader investment portfolio.

Institutional investors seem content to hold real estate at a 5.25% return, as pension funds do, on Larry Uteck. Real estate development in larger markets is done by high net worth individuals who seek returns that outperform the stock market (PM-2, 2017). The TSX Composite Index, Canada’s stock market, has a 20-year annualized return of 7.2%, 4.7% over ten years, and 23.9% over 12 months, making real estate a middling performer compared to the market. A 5.25% return is acceptable for a risk averse institutional investors who must diversify their investment portfolios.

Pension funds, for example, investment on behalf of current and future retirees. “A fiduciary relationship…requires that the individual who serves as the fiduciary, act primarily for the benefit of his or her beneficiary in matters related to that role, even when such actions run counter to the fiduciary’s personal interests.”(Hoke, 2014, p.42). Applying this definition to real estate investment means that institutional investors must invest their funds prudently by minimizing risk. Buying newly constructed apartment, leased buildings in an established neighbourhood fits their mandate. This reality gives developers, like Mr. Kielbratwoski, a customer base. The NS Pension Services Corporation, London Life, and the Canadian Apartment

REIT have all made purchases from Kiel Developments on Larry Uteck Boulevard. (AllNovaScotia 2013;2014;2015).

Local real estate developers take the macroeconomic environment that institutional investors operate and make it micro-economic, applying it to a specific site. An institutional investor may examine immigration levels, interest rates, apartment demand at a high level, real estate developers channel these trends locally. Halifax has added 10 000 people from 2011-2016 and is constructing between 1600-1800 apartments annually (Statistics Canada, 2016; BR2-M, 2017). Strong demand coupled with low interest rates creates an appealing development environment. Local developers are taking macro trends like immigration, interest rates, urbanization, and responding to a demand for multi-family housing in Halifax and on Larry Uteck. These trends were mentioned across professional disciplines (BR2-M;C2-M; P2-M; D1-M, 2017). "…that will slow once vacancies come up to a more standard level. Like if they were sub-3, why wouldn't you keep building? (BR2-M, 2017).

Policy: Finance's Conduit

Rosen and Walks (2014) detailed how Toronto planning department approved a significant amount of podium and glass tower construction to fund public goods such as rinks and parks. Examining the Bedford South Secondary Planning Strategy shows evidence of similar thinking. Half of the objectives within the Bedford South Community Concept Plan contain language to curb municipal costs or provide a predictable development environment:

> *"minimize future demands on the Municipality's fiscal resources (capital and operating budgets) and provide fair and predictable cost-sharing of community infrastructure costs between the Municipality and individual property owners in terms of division and timing." (HRM, 2016, p.74)*

This objective contains the entrepreneurial thinking that Rosen and Walks found in Toronto's planning department. HRM has outlined that cost management is the prime concern when developing infrastructure, and that its financial commitment should be "fair." The tenor of the policy is to minimize HRM's financial contribution and to provide a predictable environment for construction. When lands become serviced, lots are sold, and homes are built, the municipality benefits from increased tax revenue (Weber, 2010).

Bedford South underwent a master planning exercise after amalgamation in 1996. The area was envisioned as six neighbourhoods, termed A through F (HRM, 2016). Each neighbourhood is treated as a separate development agreement, the local term for a negotiated development (HRM, 2015). Densities are allocated and basic development guidelines are given, with plenty of latitude left to Clayton Developments, landowner and master planner of Bedford South, and Cresco Holdings, a land developer. Limiting the role of government, in this case providing environmental protection and minimizing servicing costs, is part of an intellectual genealogy dating to Jane Jacobs,regarding urban development (Trotcherman, 2010). An example of a municipal objective for Bedford South:

" allow for design flexibility in recognition of future changes to external circumstances/market conditions;"

"maintain adequate service levels for municipal infrastructure (sanitary sewer, storm drainage, potable water and road systems) both within the area of new development and off-site while minimizing costs to all parties;" (HRM, 2015, p. 74)

Market conditions, private sector flexibility, and cost minimization are not part of traditional vernacular regarding urban planning: this is the language of real estate development. Constructing policy with the goal of municipal cost management leads to real estate market forces shaping urban form (Guironnet et al, 2016). Flexibility is an objective of the policies, which leads to demand driven urban form.

Density allocations allow the maximum permissible density. Maximum density, also equates to a developer's potential profit margin. HRM guaranteed it in the Bedford MPS, in Policies MS-1 and MS-2 (quoted blow):

"Final determination of the commercial densities shall be established by development agreement in accordance with intended land uses. In the event that the design population proposed for a residential neighbourhood or commercial designation is less than the maximum permitted, the Municipality may allow the difference to be allocated to another residential

neighbourhood or commercial designation within the applicable sub area, provided that all other policy criteria can be satisfied."

(HRM, 2015, p.87)

Clayton has sold seven lots along Larry Uteck Boulevard to Victor Kielbratowski, and he, to institutional investors (AllNovaScotia, 2016). This creates the environment for demand driven urban form, HRM has given Clayton a certain ROI if they choose to sell lots to other developers or build single detached homes. This gives the developer discretion about form and neighbourhood development, because the parcels are large as shown on figure 2 (HRM, 2015). Sub Area A is 377 acres, as long as the gross density is not exceed, form can be decided in the future. Interview respondents consistently drew on four themes: permissive regulation, strong demand for apartments, master planning, and low interest rates as factors contributing to the rapid pace of development on the street.

Because Bedford South was master planned, the development timeline for Kiel and other developers is short, because Clayton has guided the area through a preliminary planning process, all a developer has to do is produce detailed design drawings and commence construction. This arrangement has fuelled the apartment production line. Capital will flow where there is the least friction and the fast development timeline and permissive regulation greatly decreases the friction. A local broker elaborated on why this is important to developers: "if I could do something in the suburbs which is much faster and I can meet the market, I would argue that it's a lot more profitable to me for me to be spending my time in the suburbs than it is downtown." (BR3-M, 2017).

The policy governing development in the area allows for flexibility, the Community Commercial/Institutional Zone is an example of the level of prescription. The zone allows for a school, commercial,and residential uses. Larry Uteck has two schools on the street: L'École Beaubassin and École Secondaire du Sommet (CBC, 2008). A site was reserved for the construction of two schools, which is the institutional component, the zone allows for:

"envisions a built form of human scale with a diverse range of commercial, civic and residential activities"

"the windows, exterior features and materials and signs employed in any building create a sense of interest from public streets"

"no building height exceeds six stories in height and no residential uses are permitted on the ground floor of any building within fifty (50) feet of a public street;"

"the proposal conforms with all applicable provisions and requirements adopted under this Secondary Planning Strategy regarding environmental protection, the community transportation system and municipal services." (HRM, 2015, p.82)

This zone has some of the most perspective guidelines for development, compared to Downtown HRM, where regulation is much more stringent. The Design Manual, which governs development in downtown, concerns itself with glazing percentage, floor area ratio, mandates mixed-use, among many other requirements (HRM, 2009). On Larry Uteck, residential uses are permitted on the ground floor if buildings are more than 50 feet off a public street which renders single use buildings. Tenants live on the ground floor because of the large setbacks from the street (BRM-3, 2017).

This policy has, arguably, been the driver of the demand driven urban form. Single use buildings easily conform to market specifications for speedy sale and easier financing (Crosby and Henneberry, 2016). "So the banks would really like to have pure play residential if they can. So every time you add another component like office or retail or hotel, you're discounting the amount of money that the banks are willing to offer. So from a financing perspective, pure play residential is golden." (BR3-M). If a building is sited within 50 feet of a public street, policy mandates non-residential uses on the ground floor. Non-Residential uses, such as retail, service, or office tenants require visibility on the street. This would require rethinking how the buildings are sites along Larry Uteck and the sideways orientation would be unfeasible.

Policy in Bedford South shows elements of financialization and neoliberalism. Deference to the developer is a thematic constant through out the Bedford South Secondary Planning Strategy. This deference allows the developer to meet market specifications regarding use and form (Crosby and Henneberry, 2016; Guironnet et al, 2016). As long as proposals conform to provisions of the planning strategy,the developer has significant latitude. The second major theme is municipal cost management regarding service delivery. Policy desires a mixed use streetscape; however, finance delivers single use buildings more than 50 feet from the street.

Urban Design: Neighbourhood Level

Larry Uteck is the “main street” of the larger Bedford South area and currently developing Bedford West (See Appendix 2). Bedford South was an appealing development from HRM’s standpoint because it was, at the time, an infill project: “The goal of the strategy [BSPS] is to enable residential and commercial development which is cost effective for the municipality to service.” (HRM, 2001, 2011, p.2) These lands were developed because this was an appealing site for HRM to run roads, sewer, and water. Infrastructure is a major driver of urban development (EY/ULI, 2014). The adage “development follows the roads” applies to the study area.

The completion of the interchange node at the Bicentennial Highway finished the street from an infrastructure standpoint. Intense commercial uses occur moving east to west toward Highway 102 were envisioned by HRM in the Bedford South Secondary Planning Strategy in the Community Commercial and General Commercial zones. The interchange and highway is the dividing line between Bedford South and Bedford West,another Clayton and Cresco project. HRM treats the lands abutting the highway and interchange as one area, to facilitate comprehensive planning (HRM, 2009). Clayton applied to move 118 residential units of density from Bedford West to the Bedford South side of the interchange (HRM, 2013).

The permissive regulatory environment has been meaningful contributor to the urban form. The neighbourhood housing form descriptions are vague and allow for latitude for construction and market demands:

- Neighbourhood A: Allows for single unit dwellings and townhouses, and apartments up to five storeys (HRM, 2015).
- Neighbourhood B: Primarily for apartment buildings and townhouses with lower density housing forms considered (HRM, 2015).
- Neighbourhood C: Restricted to single detached homes (HRM, 2015).
- Neighbourhood D: Semi-attached, townhouses and single detached, no apartment buildings (HRM, 2015).
- Neighbourhood E: Lower density housing forms with apartment buildings considered at the Bicentennial Highway (HRM, 2015).

Bedford South's zoning policies are permissive. Neighbourhoods A and B, which have frontage along Larry Uteck, all allow for higher density residential (HRM, 2015). The balance of the zoning is Community Commercial/ Institutional and General Commercial, which are mixed use zones that allow for various uses, including apartment buildings (HRM, 2015). Policy in the area outlines the painting and leaves the brush strokes up to the developer.

The neighbourhood is characterized by significant buffer zones between apartment buildings and detached homes. The most specificity is found when detailing the separation multi-unit buildings from single detached lots, the following is an example from Neighbourhood A:

" Any apartment building development shall be limited to five storeys above grade and shall maintain a minimum fifty foot non-disturbance area from any existing single unit dwelling lot abutting Glenmount Avenue." (HRM, 2015, p.80)

Separation of uses and housing types is typical in traditional suburban design (Larco et al, 2013). Wide buffers decrease the number of connections between commercial, multi-family, and single family uses, this decreases walkability to and high quality integration of all uses (Larco, 2013). These design choices lead to more driving. This was confirmed by local brokers and planners, who spoke of "car based living." (Larco et al, 2013; BR1-M, BR2-M, BR3-M, P2-M, 2017) This can is found in satellite photos (figure 4):

Figure 4: Separation between apartment buildings on Larry Uteck and single homes on Worthington Place (left) and separation between a commercial plaza and detached homes (right) on Southgate Drive (Bing Maps, 2017)

Integrating commercial, mixed-use, and multi-family housing into a contemporary suburban design is becoming more common (Garde, 2008). The idea is to offer housing options and to create a neighbourhood centre. Planning departments are embracing recentralization, in part, to mitigate municipal obligations after the dispersed urban development of the Second World War (Fillion, 2016). Recentralization features higher densities, mixed-uses, transit friendliness.

The area is well serviced by Metro Transit with a half dozen routes connecting street to other parts of the HRM. Staff's wish was for transit friendliness, especially around the interchange node (HRM, 2015). However, this area is not particularly walkable. The street is two lanes until the Nine Mile Drive roundabout, before switching to 4 lanes (two in each direction) moving west towards the Bicentennial Highway (figure 5):

Figure 5: Larry Uteck Boulevard at the Nine Mile Drive Roundabout (Source: Bing Maps, 2017)

The Bedford South Secondary Planning Strategy contains zoning policies about residential bicycle storage, and has a vision of bicycle-friendliness. There are no bike lanes. The Bedford Highway has a bike lane, however, cycling is not allowed on the Bicentennial Highway, and there is a steep hill on the eastern side of the street, making cycling challenging. These factors make it difficult to connect to Halifax's broader bike network.

At a bird's-eye view, HRM's vision came to fruition. Larry Uteck Boulevard is a mixed use street with retail, schools, professional services, and a highway interchange. Reactions about the form varied from respondents: a counsellor commented "ugh. It's the worst," to "its a quality place [laughs]", said a planner, to "it's good product," from a broker (C2-M, P3-F, BR3-M, 2017). From HRM's perspective, a suburb that is efficient to service exists. People just did not notice the development because happened where few were looking (P3-F, 2017). "But there is a lot of density in one place. And probably not the ideal place at all." (P1-M, 2017)

Larry Uteck is an example of why the planning profession needs to consider suburban design carefully. Much of the development has gone "unnoticed" because it didn't happen downtown and the building design and urban form would not be allowed in the CBD (P2-M, P3-F, 2017). Considering there are schools, retail, and clinics, there should have been more thought to the connections between them. Encouraging car based living in a dense place squanders the benefits of density.

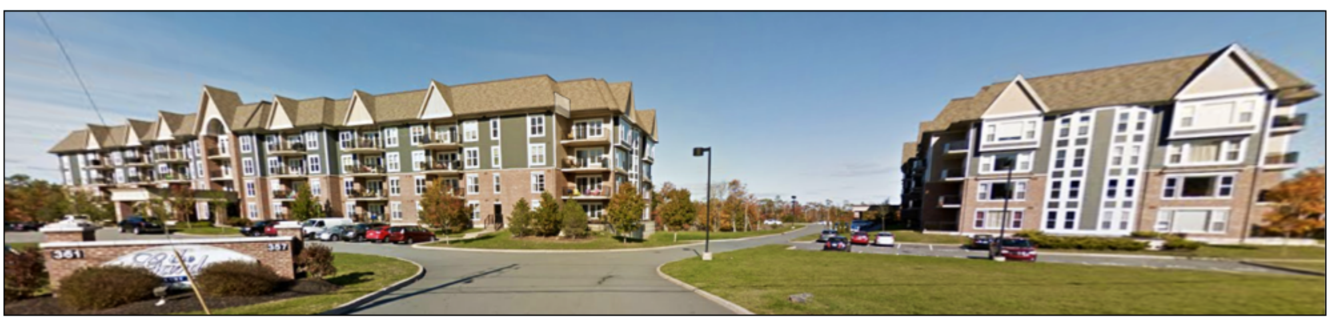
Urban Design: Street Level

The street is characterized by the large setbacks of the apartment buildings which allow for ground floor apartments. Because Larry Uteck Boulevard is an arterial road, traffic volumes are high, and the setbacks provide relief from the road noise for the tenants. Buildings have their civic address on Larry Uteck, typically do not face the street; the sides of buildings are visible. This is reasonable for buildings that are on the eastern portion of the street, because of the potential for views of the Bedford Basin. Siting the buildings in this fashion negates the "main street" feeling HRM was trying to achieve. If these buildings were closer to the street, and had ground floor commercial uses, these businesses would need visibility, which would totally change te streetscape and how the buildings are sited on the lot.

The buildings are characterized by horizontal construction, resulting in rectangular buildings. There are economic reasons for this, outlined by a local planner ".... built form of the apartment buildings themselves – sort of very large and low, and the units are large, right, because they can afford to give everyone more land per unit" (P2-M, 2017). Building "out" is far less expensive than building up, so developers would require additional return to do so (P2-M, 2017). The lots are large because of the required buffers, there is no need for vertical construction. Policy mandates heights, depending on the location of the lot on the master plan, only five storeys maybe allowed, for example. These buildings have a large footprint, however, Mr. Kielbratowski's projects range between 68-89 units, this would not meet the scale requirements for institutional investment, showing the importance of geographic diversity.

However, the apartment buildings on Jacob Lane, reach twelve storeys, and an outlier. This is a five building project, three of which are complete, totalling 480 units, approved by development agreement (Zaccagna, 2011). These are the only buildings beyond 6 storeys on Larry Uteck. (figure 6).

Figure 6: Jacob Lane (Nick Willwerth, 2017)



The architectural sensibility is “off-the-shelf.” Many of the buildings are identical with different civic addresses. For example, the Gardens I and II are clones. (figure 7).

Figure 7: 357 & 361 Larry Uteck Boulevard (Source: Google Maps, 2017)

The buildings are given an identity with cladding and names. Some buildings feature modern material, evoking contemporary luxury or conventional suburban notions (figure 8).

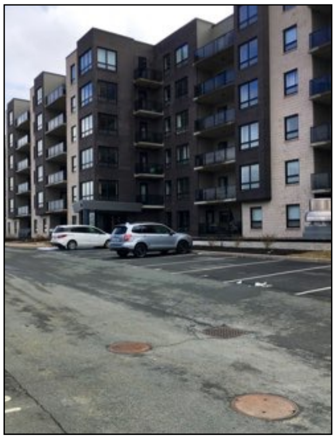


Figure 8: 630 Larry Uteck Boulevard (The Luxor) and 421 Larry Uteck (Gardens IV) (Nick WIllwerth, 2017)

The Larry Uteck Boulevard offers an important lesson for the planning profession: be careful what you wish for because it may come true. Neoliberalism favours free-market capitalism and financialization emphasizes the growing influence of the financial sector within the free-market (Guironnet et al, 2016). When municipal cost containment, growing private sector influence on public policy, and a torrent of capital meet, fuelled by loose monetary policy; the result is a austere urbanism. Because HRM's policy focus was on cost management, there are no "main street" attributes. The setbacks are large, uses separated, and the bike lanes never arrived. A local private sector planner described the results regarding Larry Uteck and nearby Mount Royal: "It does go to show you what developers can do, you know, if they're just given their head. They had a plan and they proceeded." (P1-M, 2017)

There a robust debate to be had about the appropriate level of urban form regulation. A local example is the requirements in the downtown design manual being applied in areas away from downtown. A councillor formed the problem like this: "…people are possibly inappropriately applying the design guidelines for downtown to projects on the Peninsula." (C2-M) The downtown design manual is the most prescriptive set of regulations in HRM. This issue illustrates the constant friction between regulation and capital in planning: policy application can cause similar issues to the amount of policy that developers must conform with.

This work shows the influence of finance on development and the urban form. Banks prefer to lend to completely residential building because adding other uses is perceived to increase the risk, increasing the cost of the debt, and project delivery (BR3-M, 2017). Because finance and development are deeply embedded, municipal governments decide what their role is: regulating the use of land or ensuring there are sufficient profits to be made form development (C2-M, 2017). Municipal planning departments may want to better educate themselves about the relationship between development, finance, and planning policy to better understand the tradeoffs and implications.

The literature outlines a growing relationship between finance and urban form. Respondents confirmed the strong level of demand for rental apartments, especially in the suburbs. These single use typologies are easier for mega-investors, like insurers, to integrate into a portfolio because there is less complexity, and the advent of REITS and pension funds gives a customer base that is keen on less complexity, because complexity adds management cost.

Lowering costs is a tenet of effective management in both private and public sectors. Institutional investors, like pension funds, manage real estate internally, dealing with property, asset, and portfolio management in-house, using their scale to decrease costs (Andonov et al, 2013) . How does this relate to property in suburban Halifax? Buildings managed at a lower cost, with consistent rental income, and desirable locations sell more easily. This is D1-M's definition of investment grade property, urban form or building design is nowhere to be found in this line of thinking.

"I guess the talk, nowadays, in planning, is about the importance of design. (PM-1, 2017) Design has traditionally been a concern of the planning profession, advocating for beauty and function. The Garden City and City Beautiful movements wishes for natural and aesthetically pleasing cities and suburbs, however, planning decisions on Larry Uteck mirror changes in the profession. As planners gained legal authority to regulate the use of land, concerns regarding design became secondary to functionality questions (Teitz, 1996). The master planing process made Clayton the urban designer of Bedford South, so the landowner is the representative of the planning profession. Clayton is in the business of selling lots, Kiel Developments sells buildings, and institutions investors buy a revenue stream. No company needs to deliver more than the minimum standard of design for financial success. Larry Uteck Boulevard raises an important question about the minimum standards and their results. More research is needed to understand the diminishing return on design in suburban development.

This research shows the interplay between finance, planning policy, and urban design. More research is required to further understand the incentives of master planning, design, and institutional investment. Institutional investors are very active on Larry Uteck, have a local builder, and the municipal policies does not set out design standards. This is creates an environment for a minimum standard for project delivery. This design component of the research shows that planning practitioners are reviving urban design in professional discourse, which bodes well for the future of suburbia.

Appendix I: Consent Form & Questions

By signing this consent form, you are not waiving your legal rights or releasing the investigator(s) or involved institution(s) from their legal and professional responsibilities.

____

I have read the information presented in the information letter about a study being conducted by Ben Abbott, AJ Taylor, and Nick Willwerth, and Qianqiao Zhu supervised by Jill Grant of the School of Planning at Dalhousie University. I have had the opportunity to ask any questions related to this study, to receive satisfactory answers to my questions, and any additional details I wanted.

I am aware that I have the option of allowing my interview to be audio recorded to ensure an accurate recording of my responses.

I am also aware that excerpts from the interview may be included in publications to come from this research, with the understanding that the quotations will be anonymous.

I was informed that I may withdraw my consent to participate at any time without penalty by advising the researcher. Please note that once results are compiled and analyzed on 28th of February, 2017, the information will be part of our research. This project has been reviewed by, and received ethics clearance through the School of Planning and the Research Ethics Board at Dalhousie University. I was informed that if I have any comments or concerns resulting from my participation in this study, I may contact the Director of Research Ethics at Dalhousie University at 902-494-3423.

With full knowledge of all foregoing, I agree, of my own free will, to participate in this study.

☐YES ☐NO

I agree to have my interview audio recorded.

☐YES ☐NO

I agree to the use of anonymous quotations in any report or publication that comes of this research.

☐YES ☐NO

Participant Name: ______________________________ (Please print)

Participant Signature: ______________________________

Witness Name: __________________________________ (Please print)

Witness Signature: _______________________________

Date: _____________________________

Draft Questions

Ben:

In your experience, what has been your greatest hurdle throughout the development approval process?

How has the 2009 DHSMPS influenced current development projects within downtown Halifax?

If not at all, what do you believe the driving factors are?

As a developer, how do you predict the market to best determine what uses will be most profitable on any given site?

do you feel that vacancy rates could become an issue as an influx of new construction saturates the market in upcoming years?

How has planning policy intervention since the emergence of the DHSMPS made the approval process more streamline?

In your experience with proposals, how has the inclusion of the Site Plan Approval strategy created a more streamline approval process?

Is there more opportunities for public engagement or is it simply a scheduling improvement within development approval process.

Under the assumption that historical preservation is one of the more prominent topics in the appeal process, with such an emphasis on preservation of historical sites in the 2009 DHSMPS, how has the new policy made the development approval process more streamlined, and effective?

Nick:

- At what stage is the decision to sell to an institutional investor made?
- Before construction, during construction, or before development occurs?
- What is the extent of institutional investment in Halifax's residential real estate?
- Is institutional investment increasing?
- Are there many or a few firms involved?
- What are the built form impacts of institutional investment?

- Is construction quality high?
- What are the design considerations of these investors?

Harry:

- For the mixed-use buildings you have worked with, what factors influence the building type, the location, and the inclusion of commercial space?
- Is the policy incentives and regulations a major consideration or guide?
- The reasons for choosing the location.
- The reasons for having street-level commercial.
- The factors that influencing the decision.
- For the commercial space in these buildings, how do you consider their occupancy including the use, tenancy or vacancy? Have they been working as expected?
- The use of the space from 2006 to present.
- The type of tenants renting the space. Are they restaurant? retails? health services etc.?
- What are the vacancy rates and rental prices?
- What trend has been emerged in mixed-use developments over the past 10 years?
- How are the mixed-use developments distributed throughout the Halifax Peninsula (excluding Downtown Halifax)?
- What types of tenants are most common.
- The relationships between tenancies, locations and vacancy rate.

AJ:

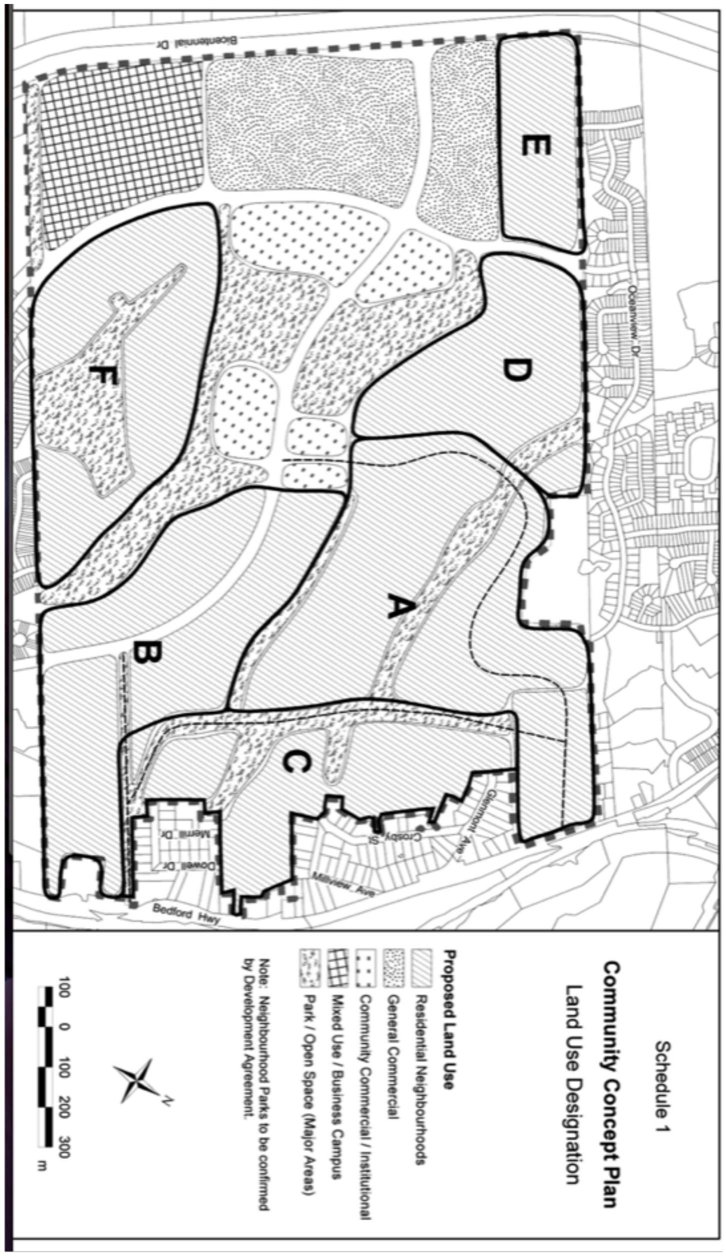
- How did the 2009 downtown plan influenced the projects with commercial spaces?
- What changes from the 2009 downtown plan have affected your projects ?
- What challenges have you encountered as a result of the 2009 DHSMPS.
- What market conditions affect the types of commercial spaces that get built in Halifax?
- How different market conditions operate differently downtown than outside downtown?
- What factors affect the kinds of tenants that are renting these commercial spaces, and what is the time frame for filling these spaces?

Appendix II

Address	Developer	Owner (2017)	Institutional (Y/N)
76 Armenia Drive (76 Place)	Kiel	CAPREIT	Yes
671 Larry Uteck (Royal Gardens)	Kiel	London Life (GWL)	Yes
461 Larry Uteck (Gardens V)	Kiel	Timbercreek	Yes
421 Larry Uteck (Gardens IV)	Kiel	NS Pension Services	Yes
405 Larry Uteck (Garden III)	Kiel	NS Pension Services	Yes
361 Larry Uteck (Gardens II)	Kiel	Roycom (Pension Fund)	Yes
357 Larry Uteck (Gardens I)	Kiel	Roycom (Pension Fund)	Yes
22 Bedros Lane	Mike Yari	Ontario Public Employees Union	Yes
40 Bedros Lane	Mike Yari	Ontario Public Employees Union	Yes
290 Larry Uteck	Cousins & Parkside	Cousins & Parkside	No
324 Larry Uteck	Cousins & Parkside	Cousins & Parkside	No
26 Jacob Lane	Universial	Universial	No
56 Jacob Lane	Universial	Universial	No
75 Jacob Lane	Universial	Universial	No
390 Larry Uteck	City Centre Properties	City Centre Properties	No
420 Larry Uteck	City Centre Properties	City Centre Properties	No
630 Larry Uteck	Luxor	Luxor	No
635 Larry Uteck	Luxor	Luxor	No

Realty Ownership on Larry Uteck Boulevard (allnovascotia.com, 2017)

Appendix III: Neighbourhood Plan



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