

APPENDIX A

Impact of Vacancy Threshold on Conversions Between Cities

Many municipalities govern when applications for conversion are permissible by using a vacancy threshold. A city with a vacancy rate threshold of 3 percent will disallow conversion when the vacancy rate is under this threshold. As the vacancy rate fluctuates from one year to another, many municipalities restrict or approve conversions based on their policy thresholds.

An analysis of five municipalities, beginning in 2002 and ending in 2012, demonstrates which cities would have allowed conversions based on their respective thresholds. The following table lists a city's vacancy rate per year, with a possibility for conversion indicated in red. A white cell indicates a vacancy rate threshold restriction. As stated previously, Calgary, Edmonton and Winnipeg defer to provincial policy and as a result allow conversions regardless of the vacancy rate. For this reason, they have been omitted from this analysis.

Year/ City's Vacancy Rate	02	03	04	05	06	07	08	09	10	11	12
Prince Albert (3%)	7	5.4	7.8	7.8	2.9	7.1	1	2.2	4.7	2.7	3.9
Regina (prop. 3%)	1.9	1.9	2.8	3.2	3.2	1.7	0.5	0.6	1	0.6	0.9
Saskatoon (1.5%)	3.7	4.4	6.4	4.6	3	0.7	1.9	1.8	2.5	2.6	2.5
Toronto (2.5%)	2.5	3.8	4.4	3.8	3.2	3.2	2	3.1	2.1	1.4	1.7
Vancouver (4%)	1.4	2	1.3	1.4	0.8	0.8	0.6	2.2	1.9	1.4	1.8

With the exception of Vancouver, each city would have allowed conversions to take place to some degree. If the City of Regina were to consider a vacancy threshold of three percent, conversions would have been possible in two of the past 11 years (18% of the time). Regina's existing vacancy rate threshold of two percent would have allowed conversion during the years 2004 – 2006, or 27 percent of the time.

The City of Saskatoon, with a threshold of 1.5 percent would have considered applications every year with the exception of 2007 (91 percent of the time). Prince Albert's 3 percent and Toronto's 2.5 percent thresholds would have allowed conversions in all but four of the past 11 years, resulting in conversion opportunities 64 percent of the time.

In the case of Regina, this review suggests that a vacancy rate adjustment from two to three percent would have a slight impact on conversions over the last eleven years, given that the vacancy rate has mostly been lower than two percent.

Expanding this analysis to include the years 1992 through 2012, the three percent threshold would result in conversion opportunities during 5 of the past 21 years (24 percent of the time). A two percent threshold over this same time period would allow conversion in eight of the past 21 years (38 percent of the time) resulting in a 14 percent difference between two and three percent thresholds. At no point during the past 21 years has the vacancy rate been greater than 3.7 percent, meaning that for the City of Regina, anything over 3.7 percent would result in a conversion moratorium. Based on historical data any threshold greater than 3 percent would result in a technical moratorium similar to the City of Vancouver where conversion has not been considered in the past 11 years.