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REAL-ASSET-BACKED YIELD
by PCM

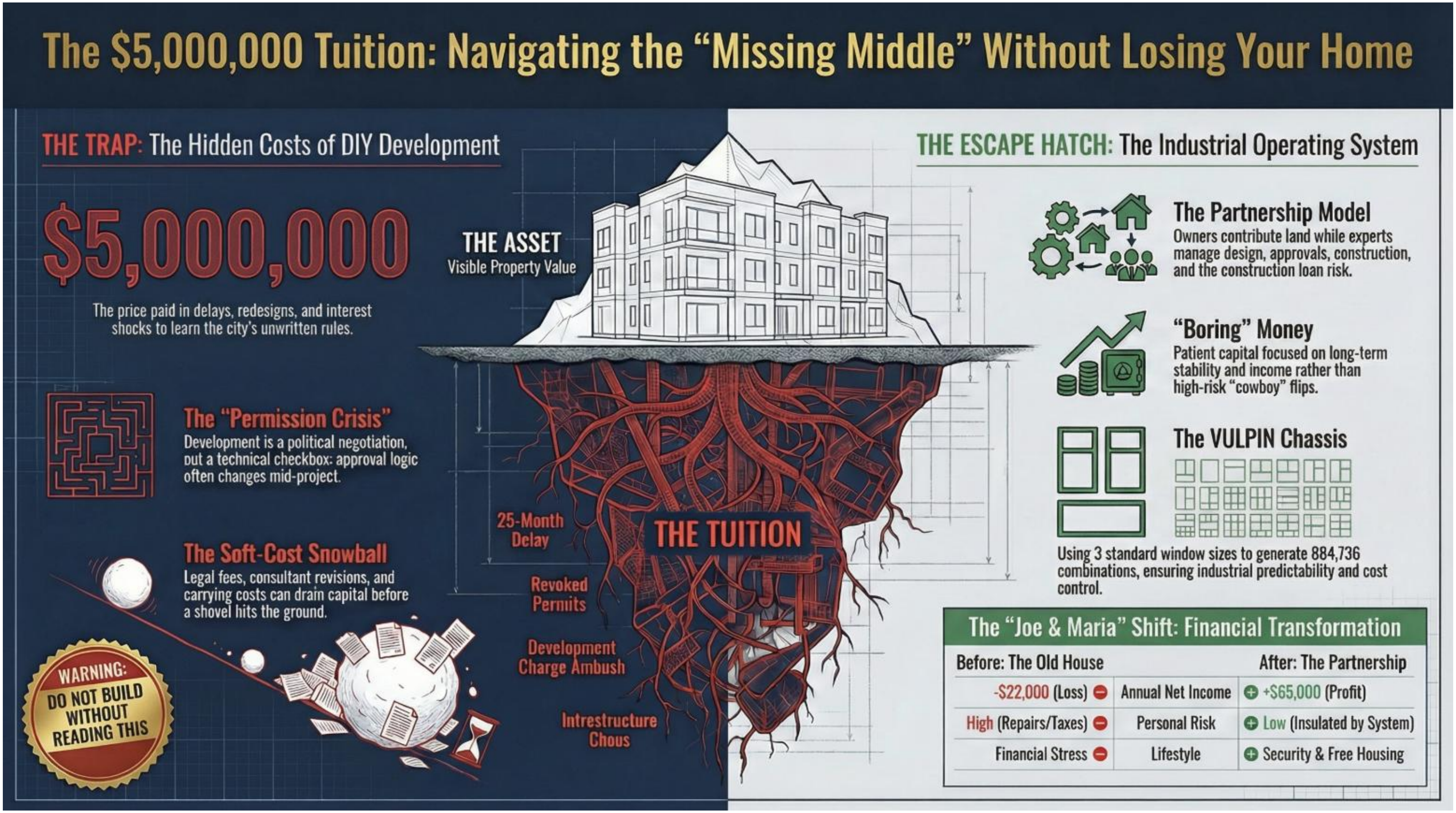
THE $5,000,000 TUITION BOOK

MISSING MIDDLE, NO BULLSHIT

AND A SAFER PATH FOR YOUR HOME

Don't learn construction finance with your own retirement fund.

CARLOS JARDINO
Engineer, Builder, Founder, Refugee turned architect of freedom.


The $5,000,000 Tuition: Navigating the "Missing Middle" Without Losing Your Home
THE TRAP: The Hidden Costs of DIY Development
$5,000,000
The price paid in delays, redesigns, and interest shocks to learn the city's unwritten rules.
The "Permission Crisis"
Development is a political negotiation, but a technical checkbox: approval logic often changes mid-project.
The Soft-Cost Snowball
Legal fees, consultant revisions, and carrying costs can drain capital before a shovel hits the ground.
WARNING: DO NOT BUILD WITHOUT READING THIS
THE ASSET
Visible Property Value
THE TUITION
25-Month Delay
Revoked Permits
Development Charge Ambush
Intrestructure Chous
THE ESCAPE HATCH: The Industrial Operating System
The Partnership Model
Owners contribute land while experts manage design, approvals, construction, and the construction loan risk.
"Boring" Money
Patient capital focused on long-term stability and income rather than high-risk "cowboy" flips.
The VULPIN Chassis
Using 3 standard window sizes to generate 884,736 combinations, ensuring industrial predictability and cost control.
The "Joe & Maria" Shift: Financial Transformation
Before: The Old House
After: The Partnership
-$22,000 (Loss)
Annual Net Income
+$65,000 (Profit)
High (Repairs/Taxes)
Personal Risk
Low (Insulated by System)
Financial Stress
Lifestyle
Security & Free Housing

ABOUT THE AUTHOR

Carlos Jardino is the founder of PCM (Project Construction Management) and the architect behind the VULPIN Industrial System. With formal training in Engineering (South Africa) and Corporate Finance (Swedish Institute of Management; Darden School of Business, University of Virginia), Carlos does not approach real estate as a speculator, but as an engineer solving a logistics equation.

His track record exceeds $1 billion in completed construction value, spanning industrial-scale execution and some of the most scrutinized residential builds in Canada. This includes 17 Princess Margaret Grand Prize Homes in Oakville and a portfolio of ultra-luxury private estates ranging from $6 million to $30 million. These were not concept projects; they were built, audited, occupied, and handed over under real-world pressure.

Carlos led the 2346 Weston Road senior-focused affordable housing initiative, approved under Toronto's Open-Door program with $4.403M in fee/charge exemptions and $2.178M (NPV) in property-tax relief, supported by CMHC through a $35M low-cost construction and take-out loan together with $250K in Seed Funding.

In parallel, Carlos secured early federal validation for non-traditional housing formats. In 2017, CMHC issued a Letter of Intent for up to $4.0 million under the Affordable Rental Housing Innovation Fund to support an 80-unit modular/container-based affordable rental project, structured as subordinate, long-term capital at a 0.5% fixed rate, explicitly restricted to post-construction refinancing. The approval reinforced CMHC's willingness to support innovative housing delivery models after execution risk had already been absorbed by the sponsor, consistent with Carlos's "build first, institutional capital later" approach.

Beyond construction, Carlos has been a persistent force in zoning reform and planning law. His work includes complex rezoning files such as 2346 Weston Road and sustained advocacy since 2018 aligned with Ontario's housing reform direction, including "Changing Lanes" and Bill 23. He did not simply adapt to the new rules; he operated inside them while they were still being written.

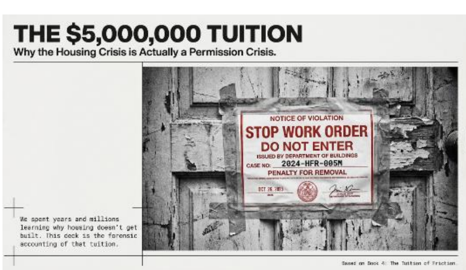
Beyond Business: Carlos approaches philanthropy with the same efficiency-of-capital mindset he applies to business, seeking the highest possible return on human outcomes. This is exemplified by his long-standing support of Bethany Kids in Kenya, a medical mission chosen for its exceptional operational efficiency, where relatively small surgical interventions can permanently alter a child's life trajectory. Domestically, he has personally pledged $2 million to the Princess Margaret Cancer Foundation (with $1.8 million already paid) to fund the "Magic Castle," a sanctuary designed to give children emotional safety while their parents undergo treatment. These are not donations; they are investments in happy endings.

The Strategic Pivot: In recent years, Carlos made a deliberate strategic pivot. He exited conventional multifamily development to focus on two high-friction sectors: the Luxury Enclave (Book 3) and the Missing Middle — housing for working families priced out of detached homes yet underserved by large developers. He identified the paradox that kills most Missing Middle builders: mid-rise complexity on micro-cap budgets, where a single sequencing error, permit delay, or financing mismatch can wipe out a project and a family's net worth.

To eliminate that risk, Carlos and two partners invested over $20 million of unencumbered capital to prove the system under live conditions. This was not a pilot or a white paper; it was a full-scale stress test. They paid the tuition, so investors do not have to.

Cash First. Pride Later.

Web: www.CarlosJardino.com



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DEDICATION

For Bud and Dan – partners, not spectators.

You trusted the scars, put real skin on the line, and kept pushing when it would have been easier to tap out.

Together we made it happen.

What This Book Is - And Is Not

EDUCATIONAL ONLY · NOT AN OFFER

This document is provided for educational and illustrative purposes only. It reflects personal experience, observed outcomes, and structural lessons learned in real estate development and capital management.

This document does not constitute an offer, solicitation, recommendation, or invitation to invest, partner, co-develop, or participate in any transaction or financial product.

Any references to capital structures, returns, financing methods, or governance systems are descriptive only and apply solely where documented in separately executed legal agreements.

Documents govern.

The $5,000,000 Tuition Book

Missing Middle, No Bullshit, and a Safer Path for Your Home

by Carlos Jardino

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A WARNING, NOT AN INVITATION

This book is not here to inspire you. It is here to stop you.

The failures described in these pages did not come from bad intentions or lack of intelligence. They came from uncontrolled transitions — moments where people committed capital, signed contracts, or broke ground without proof that the next step was survivable.

That pattern is not unique to housing. It appears wherever construction is irreversible, capital is borrowed, time is underestimated, and optimism fills gaps that should have been filled with documents.

Over decades, I learned that most people do not lose money because they work poorly. They lose money because they move too early.

This book documents those moments. It sits downstream of a rule-based engineering doctrine that now governs how PCM and VULPIN operate. What you are seeing here is what happened before that doctrine was fully enforced — the mud, the lawyers, the delays, and the stress that made the rules unavoidable.

If you read this book and think, “I can handle that,” you are exactly the person most likely to get hurt.

If you read this book and think, “I never want to be responsible for those transitions,” then this book has done its job.

This is not a how-to manual. It is a boundary.

The safest decision in construction is often not to proceed. This book explains why.

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INTRODUCTION

Why This Book Exists

If you're holding this, you're probably staring at a house that looks expensive on paper and feels expensive to carry.

You've seen the headlines: "Add units." "Gentle density." "Turn your home into an income property."

On the surface, it sounds simple: draw a fourplex, hire a builder, sign a construction loan, and let "equity" do the work.

That is not how it went for us.

Before we found a repeatable way to do Missing Middle properly, we paid roughly $5,000,000 in tuition - in shoring, redesigns, interest rate shocks, and "surprises" that arrived at 3 a.m. and on city letterhead.

A Note on the Numbers

This book is titled The $5,000,000 Tuition. Elsewhere — including in the About the Author section and in the Series A materials — we reference $20,000,000+ in total capital deployed. These are not conflicting numbers. They measure different things.

The $5,000,000 is the friction cost: *soft costs, carrying charges, redesigns, legal fees, regulatory delay, shoring rework, interest rate shocks, and supply chain waste accumulated across five Toronto sites before the system stabilized. This is the tuition — money spent learning what doesn't work, paid in cash and time so that no future investor or homeowner has to.*

The $20,000,000+ is the total capital deployed: *land acquisition, construction, working capital, and operational investment across the full portfolio. The tuition sits inside that number. It is the cost of building the machine. The $20M+ is the cost of proving the machine works under live conditions, with real land, real permits, and real consequences.*

Both numbers are auditable. Both are documented in the case files that follow. The distinction matters because it is the difference between what we lost in friction and what we chose to risk, and a serious allocator should be able to trace every dollar of each.

This book is that tuition, written down so you don't have to pay it.

It is not a brochure. It is the part nobody tells you when they want your signature on a construction loan.

In Part I, you'll see the scars up close - the early fights, the real costs, the emotional toll.

In Part II, you'll see the evidence no one publishes — forensic case files from every site we touched, with permits, timelines, and dollar damage laid bare. This is where the City's behaviour stops being "process" and starts looking like a pattern.

In Part III, you'll see the system we built from that wreckage - how we choose sites, run builds, and avoid the traps that kill projects.

In Part IV, you'll see why VULPIN had to exist - and why Joe & Maria, the couple on every good street in every growing city, should never be in the cockpit of a Missing Middle build.

The doctrine referenced throughout this book is formally codified in BOOK ZERO - The Jardino Logic™.

PART I

THE TUITION

What $5,000,000 Bought Us

In Part I, we talked about scars.

Batavia, Castleton, Dovercourt, the City Hall circus, the $5,000,000 tuition – all of that was the "before" picture. That's what it looks like when you're smart, determined, and still basically building a new system from scratch.

In Part II, we go deeper. We open the case files — the actual permits, timelines, and contradictions that prove this isn't bad luck. It's a pattern.

CHAPTER 1: How a "Simple" House Turned Into a War

Every bad idea in real estate starts with the same sentence: "How hard can it be?"

On Batavia and Castleton, I said it too. I've been in construction for decades, I understand big industrial projects, I know how to run a site. Missing Middle sounded like a smaller, friendlier version of what I already knew.

One lot. One house. A good street. We draw something smart, get it approved, build it, rent it, refinance it. Done, right?

What actually happened is we enrolled ourselves in a very expensive course called: "How to Teach a City Its Own Rules While Bleeding Cash."

We didn't just build projects. We pushed into a space where the by-laws were unclear, the planners weren't sure what they wanted, and neighbours thought anything above two units was a crime.

If you've ever tried to build anything in a growing city, you already know the pattern.

Step 1: The Optimism Phase. The architect sends beautiful massing diagrams. The planner says, "This is exactly what the city wants." Everyone talks about "gentle density" and "complete communities." You start to believe it might actually be smooth.

Step 2: The Resistance Shows Up. A neighbour hears about the project. Someone calls the councillor. Planning staff decide they're "not comfortable" with something that, last week, was apparently the future of housing. Conditions appear. So do delays.

Step 3: Time Starts Costing Real Money. While everyone is "reviewing" and "circulating" and "seeking internal feedback," your interest clock is ticking. Your consultants need to be paid. The world doesn't stop billing you while you wait.

Step 4: You Realize You are the Test Case. Eventually it becomes clear: no one's really done this exact version before. You're the guinea pig. If it works, it becomes "precedent." If it doesn't, you just paid to prove what not to do.

Batavia and Castleton were exactly that. We weren't just putting extra units on a lot; we were helping the city figure out what Missing Middle meant in practice. That's flattering in theory and expensive in reality.

Then came Dovercourt. On paper, Dovercourt was a dream: amazing location, real transit, a street where more units actually make sense. We bought it, thinking: OK, now we know what we're doing. This one will be easier. It wasn't. We've held that property for over three years now.

While all this was happening, the asset itself kept growing in value, but that doesn't change the fact that we were carrying it, month after month, while burning time and fees to get to the right form.

If you're thinking about doing a Missing Middle deal on your own lot, this is the part I don't want you to underestimate. The by-law is not the whole story. The planner's first smile is not the whole story. The neighbours' silence is not the whole story. The whole story is how many cycles of drawings you can afford, how many months of interest you can carry, and how many times you can hear "we'll bring this back next month" without losing momentum.

We could afford to learn this because we have a construction background, we have other assets, and we went in expecting pain. Most Joe and Maria couples don't have any of that.

In Part II, I'll show you exactly what happened on each of these sites — with permits, timelines, and dollar damage. For now, know this: we didn't just learn lessons. We paid for them in cash, time, and decay.

In the next chapter, I'll put a rough price tag on that bleeding.

CHAPTER 2: Paying to Learn the Rules

If you want to know whether someone is serious about real estate, don't ask them what they own.

Ask them what they've **lost** and what they learned.

On paper, our Missing Middle story looks neat:

- We took a few tired houses.
- Turned them into more and better homes.
- Fought the City a bit.
- Came out with nice buildings and good numbers.

In reality, if you stack the invoices, interest, soft costs, delays, and "that's not included" surprises from Batavia, Castleton, Dovercourt, plus the laneway and variance battles, you end up with a number in the **$5,000,000 range.**

Call it **tuition.**

We didn't set out to spend $5,000,000 learning how to do Missing Middle in Toronto. We set out to do good projects. But when you're early in a new category, that's how it works: you're not just building for yourself, you're also teaching everyone around you how this is supposed to go.

In the end, that $5,000,000 bought us something most people don't have:

- A working product.
- A working approvals playbook.
- A working condo-conversion template.
- A very clear list of what not to do again.

Let me break it into pieces.

1. The Soft-Cost Snowball

The first silent killer on these jobs wasn't concrete or brick.

It was **soft cost creep**.

If you've never done one of these, "soft costs" sound harmless. They're just paper, right? Drawings, consultants, emails. You can't stub your toe on a planning report.

On the ground, this is what "soft costs" actually look like over time:

- Architect: base drawings → revisions → revisions to revisions.
- Planner: initial opinion → updated opinion when staff changes → prep for Committee → attendance at Committee → maybe appeal work.
- Engineers: structural, mechanical, electrical, civil – all with questions, RFIs, and revisions that ripple back into the drawings.
- Legal: agreements, easements, neighbour issues, zoning interpretations.

- Surveys: existing conditions, updated surveys, as-builts.

Every time the City asks for a small change, that change passes through multiple hands. Each pair of hands sends an invoice.

On one of the early sites, we watched a "simple" request – shift something slightly, change a stair, adjust a setback – cascade into:

- New drawings.
- New calculations.
- Another round of comments.
- Weeks of delay while everyone "had a look."

No one on their own was gouging us. The system itself just **eats time and money** if you're not forcing clarity.

After a while you realize:

- The by-law is vague.
- Staff interpretation is inconsistent.
- If you don't push for a clear written position early, you'll pay for it later in soft-cost noise.

That's one slice of the $5,000,000.

And then there's the legal bill. Across the entire tuition period, we have documented proof of spending over one million dollars on lawyers alone — real estate, corporate, and municipal law. That is not a misprint. Over a million dollars in legal fees, on Missing Middle housing projects. In many cases, we were retaining counsel at over $1,000 per hour — some of the most experienced land-use and municipal lawyers in Ontario — so that they could sit in meetings and educate planning staff on how their own rules work. Think about that for a moment: we paid private-sector lawyers, at private-sector rates, to teach public-sector employees the law those employees are paid to administer. The City did not reimburse us. The Province did not reimburse us. Nobody reimburses you for R&D when the product you're developing is "how to get a building permit in Toronto." That million-plus in legal spend is, dollar for dollar, the most expensive regulatory education program in Canadian housing — and we funded it entirely out of pocket.

We paid to learn:

- Which consultants are worth their fee.
- What information you must pin down early.
- How to cut off "nice to have" redesigns before they metastasize.

2. Shoring, Dirt, and Everything Under Your Feet

If you ask most non-builders what they worry about, they say things like:

- "Will the units rent?"
- "Will construction costs go up?"

- "Will the neighbourhood complain?"

All fair questions.

The realities that actually smacked us in the face were less glamorous:

- **Shoring** – holding the neighbour's house up while you dig.
- **Soil conditions** – the difference between "decent" and "this is a swamp."
- **Services** – sewers, water, hydro, gas, all of which have opinions on your schedule.

On a spreadsheet, shoring is a line item.

On site, shoring is:

- Steel, labour, engineering, inspections, and risk.
- The thing that gets very expensive if someone misjudges how close you can dig to the neighbour's foundation.

We learned the hard way which kinds of sites:

- Need relatively simple, predictable shoring.
- Turn into horror stories where you are basically paying to rebuild your neighbour's property.

Same thing with services:

- "Oh, you thought that existing sewer was fine? It isn't."
- "You assumed enough power? You don't have it."
- "You expected the city to upgrade on their dime? They disagree."

The cost isn't just the invoice for the work. It's:

- The **delay** while everyone argues and re-designs.
- The **interest** while you're waiting.
- The **opportunity cost** of having your capital locked in a hole in the ground.

We paid those costs a few times.

Now we have a much harsher filter on:

- Which lots are worth it.
- Which ones you walk away from, even if the "idea" looks cool.

That filter is part of the $5,000,000 asset.

3. City Hall: Politics, Not Just Policy

Everyone likes to say "it's all in the by-law."

That's cute.

In practice, the by-law is the starting point. After that you're in a room with:

- A planner who has their own bias.

- Neighbours who have their own fears.
- A councillor who has their own agenda.
- Committee members who have their own interpretations.

On one file we heard, in one way or another:

- “We want more housing.”
- “We don’t want more cars.”
- “We’d like more family units.”
- “We’re worried about height.”
- “We like gentle density, but not here.”

Same people. Same project.

What we learned:

- **Pre-consultation actually matters** – getting a real read before you spend heavy on drawings.
- **Who needs to be in the loop when** – councillor support, staff alignment, neighbours who can be brought onside.
- **Where the City will bend and where it absolutely won’t.**

We also learned that if you’re early, you are effectively:

- Writing a part of the unwritten rulebook with your own money.

That’s how we ended up not just building projects, but helping shape:

- How Missing Middle is treated under Bill 23.
- How staff think about small multi-unit on certain streets.

No one reimburses you for that work. Your “reward” is that, next time, you know how to route the file so you don’t waste six months.

Again: tuition.

4. Material Lead Times, Prices, and the Supply Chain Murder

If soft costs bleed you slowly, supply chain issues in Canada stab you right in the schedule – and the wallet. Early on, we treated materials like an afterthought: source locally, assume the quotes hold, and pray the lead times don't derail the whole timeline. Big mistake. Canada’s market for key A-items (windows, doors, cabinetry, facades, countertops) is uncompetitive as hell – quality is inconsistent, prices are outrageously high, and lead times? They're murder. We're talking 16 weeks for a basic window package that shows up overpriced and underperforming.

This wasn't just annoying; it was expensive. Delays from waiting on materials compounded interest carry, site downtime, and rework. On Batavia and Castleton, we burned cash holding sites idle while suppliers dragged their feet, or paid premiums to rush orders that still arrived late. Add in price volatility – quotes jumping mid-project due to "supply issues" – and you're looking at another hefty chunk of that $5M tuition.

We learned the hard way: if your system relies on slow, expensive inputs, your "repeatable machine" grinds to a halt before it even starts.

But here's where the tuition paid off: we turned that pain into a global edge. Part of the journey was scouting and onboarding international suppliers to bypass Canada's bottlenecks. Today, we run a buying office in Tbilisi, Georgia – leveraging local manufacturing talent and our networks there (I've lived part-time in Tbilisi for years). We source cabinetry, windows, doors, exterior facade materials, and even cost-efficient granite countertops from white-label producers who meet or exceed North American standards. Visit www.FoxyHome.ge for additional information.

Take windows as a prime example: Our triple-glazed vinyl and aluminum tilt-and-turn units, manufactured under the FoxyHome.GE brand in Georgia, match the quality of top European or American lines – argon-filled, triple glazed, energy-efficient, with U-factors as low as 0.17 (vinyl) or 0.22 (aluminum), SHGC around 0.23-0.46, and visual transmittance of 0.37-0.57. They've passed full CSA A440.2-19 certification, conform to AAMA/WDMA/CSA standards, and are rated for extreme performance (e.g., DP +/- 3360Pa, water test 720Pa, fixed air infiltration). See the below Energy Star label for an example – these are certified for use across the USA and Canada, no compromises.

The kicker? Manufacturing lead time is just two weeks, plus four weeks for sea freight from Tbilisi to Toronto (door-to-site). Total: six weeks max. In Canada? You'd wait 16 weeks for something inferior at double or triple the price. We get better product (eco-friendly, durable, high-performance), lower costs (a fraction of local quotes), and faster service – all while building resilience into the system. No more "murder" delays killing our velocity.

This wasn't cheap to set up – scouting partners, testing certifications, dialing in logistics – but it's now a core asset in the Missing-Middle Machine. It lets us scale without being hostage to local monopolies, keeps costs predictable for Joe & Maria deals, and turns what was a tuition sinkhole into a competitive moat.

5. The Long Carry

Another piece of that $5,000,000 isn't any specific mistake.

It's the **time between steps**.

Every month:

- Property taxes.
- Interest or carry costs.
- Insurance.
- Professional fees.

While you're "waiting for a report," you're paying for the privilege of owning a problem that isn't producing income.

Dovercourt is the clearest example:

- Over three years, while we moved from 5 → 6 → 11 dwellings and lined up the variance, the property didn't sit still.

- The **value climbed**, but so did the carrying cost.
- On paper, it looks like a patient, smart hold.
- On the P&L, it looks like a lot of small monthly cuts until the value inflects.

This is where a lot of would-be developers quietly fold. It's not that the project is bad; it's that their reserves weren't built for the **real** timeline.

We didn't fold.

We simply learned:

- What a realistic buffer looks like.
- How valuable it is to have a **repeatable system** instead of white-knuckling each new file.

6. So What Did $5,000,000 Actually Buy Us?

If all we had at the end of this was "some nice buildings," I'd call it a bad deal.

We got more than that.

That $5,000,000 bought us:

1. **A Product**
    - Layouts, specs, and details that work for **tenants**, not just approval drawings.
    - Real numbers on cost per unit, rent per door, and what happens if things slip.
2. **An Approvals Playbook**
    - How to frame these projects to staff, Committee, and councillors.
    - Where to push and where not to waste breath.
3. **A Condo Template**
    - After working with a highly respected condo lawyer—who was frustrated to be teaching municipal staff what they should have already known—we now know how to set up small condo corporations while keeping our future options open.
    - We also know what it actually costs, which is **less than we first thought** when done right.
4. **A Site Filter**
    - A real "yes/no" screen for sites that will kill you on shoring/soil/services, versus ones that support a clean project.
5. **An Internal Operating System**
    - Checkpoints, timelines, safety, reporting, cost and cashflow tracking – all the unglamorous pieces that keep a project from drifting.

Most importantly, it bought us this:

The conviction that **normal owners** should not be trying to recreate any of this on their own.

That's not an insult. It's respect.

I wouldn't ask Joe & Maria to rebuild an engine in their driveway before they drive to work. I'm not going to tell them to take on a multi-million dollar construction project with a lender, a contractor, and the City all in the mix.

They don't need to.

7. From "A Few Projects" to "A Machine"

At some point in this process, I stopped seeing Batavia, Castleton and Dovercourt as three separate stories.

Instead, I started seeing:

- A **pattern** in the problems.
- A **pattern** in the solutions.
- And a very clear opportunity to stop reinventing the wheel on every address.

That shift is important.

As long as you see each project as a one-off, you will always:

- Overpay in time and stress.
- Be trapped in the highs and lows of that single file.

Once you see it as a **system**, you can:

- Standardize the parts that should be standard.
- Focus your energy on the few things that are truly unique.
- Scale intelligently.

The $5,000,000 tuition is, in that sense, not a sunk cost. It's the **equity we put into the system**.

The next logical step, once we had that system, was to ask:

- How do we **plug owners** into this without asking them to take on construction risk?
- How do we **plug investors** into this without asking them to trust hand-waving?
- How do we **fund the pipeline** in a way that matches the discipline of the system?

That's where **VULPIN** comes in.

But before we get to that, we need to talk about the other half of the pain: **City Hall**, and why even good projects can feel like a full-time job in politics. That's next.

Back to TOC

CHAPTER 3: Fighting City Hall (Without Losing Your Mind)

There is a polite myth in planning world that goes like this:

"If your project fits the policy and you follow the process, you'll be fine."

Anyone who has actually tried to build something meaningful in a big city knows how funny that is.

In theory, the rules are written down in the by-law and the Official Plan.
In practice, a Missing Middle project lives in the gap between:

- What the **policy documents** say,
- What the **staff** are comfortable with,
- What the **councillor** is willing to defend, and
- What the **neighbours** can tolerate.

You don't learn that from reading PDFs.
You learn it from being in the room when someone says:

"We fully support more housing… just not like this, and not here."

This chapter is about that room.

1. The Illusion of the "Right Answer"

When we first started, I treated planning like engineering.

There had to be a **"right answer."**

- Setbacks: there is a number.
- Height: there is a number.
- Density: there is a number.

If you stayed inside the lines, it should be fine.

What actually happens:

- You come in **inside** the lines.
- Staff say, "We'd still like to see changes."
- You go back to the architect.
- You come in again, "more compliant."
- Someone else in the chain has a different concern.

After a few cycles of this, you realize:

- The by-law is **necessary**, but not **sufficient**.
- You are negotiating with humans, not a calculator.

On one file, we brought what the planner had literally called "a textbook Missing Middle project" at pre-consultation.

By the time the neighbours, transportation, urban design, and a few other internal voices had weighed in, we had:

- Two suggested height tweaks
- A request for fewer units
- A push for more "family" layouts
- And a recommendation to move a stair that would have blown the budget

None of those were in the by-law.
All of them were "strongly encouraged."

We had two options:

- Say yes to everything and kill the economics, or
- Push back, carefully, and end up in front of Committee anyway.

We pushed.

That's tuition.

2. The Cast of Characters

You don't deal with "the City." You deal with people, each with a narrow lens:

- **File Planner**
    - Your day-to-day contact. They can help, stall, or quietly kill your momentum.
    - They are juggling too many files and don't control everything.
- **Urban Design / Heritage / Transportation / Trees / Parks**
    - Each one can add conditions and ask for adjustments.
    - None of them are thinking about your budget.
- **Neighbours**
    - They show up at Community meetings and at Committee.
    - They are not reading the Official Plan; they are looking at shadows on their backyard.
- **Councillor**
    - Has to answer to all of the above.
    - Can support you, ignore you, or oppose you. All three options are on the table.
- **Committee of Adjustment / LPAT / OLT (whatever acronym is in fashion)**

  - A panel that tries to interpret "minor" and "in keeping with the neighbourhood" while everyone in the room tells them what those words should mean.

If you walk into this expecting logic, you will be disappointed.

If you walk in understanding you're in a **political process**, it makes a lot more sense.

3. How a "Minor Variance" Becomes a Major Problem

Missing Middle projects almost always touch something close to the line:

- Height
- Setbacks
- Unit count
- Parking

The City calls these "minor variances."

Neighbours hear "minor variances" and think "major disaster."

On one project, we needed what, on paper, was truly minor:

- Slight height increase compared to the traditional peaked roof.
- Small adjustment to the rear setback to make the units liveable.

From a planning perspective:

- The planner agreed.
- The Official Plan supported more units.
- The built form was reasonable.

From the neighbours' perspective:

- "You're blocking my sun."
- "You're parking on my street."
- "You're bringing transient renters."

At Committee, we heard all of that, plus one of my personal favourites:

"We moved here because this was a single-family neighbourhood. This changes the character."

They were standing in a city that has a housing crisis. But their street, in their mind, was a museum.

In that moment, your beautiful pro forma and the hours of consultant work boil down to:

- How clearly you can show that you are **not** wrecking the street,
- How much the planner supports your file, and
- How willing the Committee is to say "this is reasonable" in the face of discomfort.

That's not engineering. That's politics.

4. The Reality of Being First (or Early)

One of the reasons our "tuition" bill is so high is because we weren't doing version 27 of a well-understood typology.

We were often doing **version 1** in that area.

When you're early:

- Staff are more cautious – they don't want to set "bad precedent."
- Neighbours are more nervous – they've never seen this type of building on their block.
- Committees are unsure – there isn't a stack of approvals like yours to point to.

The upside is that, once approved:

- Your project becomes the example.
- The next person gets to say, "We're doing something like *that*."

The downside is obvious:

- You pay to create that example.

In Missing Middle, we weren't just building units. We were:

- Forcing the City to clarify how it wants to treat these buildings.
- Providing test cases that lawyers and planners now reference.

That's good for the market.
It's not automatically good for your wallet—unless you treat the cost of those fights as an **investment into a system**, not just a one-off project.

That's the shift we made.

5. Staying Sane While the Clock Is Ticking

There's an emotional side to this that no pro forma captures.

You will have days where:

- Your architect emails revised drawings at 11:30 PM.
- The planner asks for "one more small thing" that is not small.
- A neighbour writes a letter that reads like you're proposing a toxic waste plant.
- Your lender asks, "So, when exactly are you starting?"

Meanwhile:

- Your carrying costs are not hypothetical.
- Your trades are asking for start dates.
- Your own life is still happening: family, health, other businesses.

The temptation is to either:

- Get angry and blow up relationships, or
- Become passive and just "wait to see" what happens.

We did neither.

We learned to:

- **Pick our battles.**
- **Prepare the file properly**, so we weren't improvising at Committee.
- **Accept that some delays are the price of doing this kind of work.**

That doesn't make it fun.
It makes it survivable.

6. What We Now Do Differently (So You Don't Have To)

Here's what changed in our approach after a few rounds in the ring with City Hall:

1. **Better Pre-Consultation**
   - We push harder up front: "If not this, then what?"
   - We avoid spending serious money on drawings until we have a clear written position.
2. **Sharper Site Selection**
   - We now know which zones, streets, and contexts the City will accept with less drama.
   - We skip the "romantic but doomed" sites.
3. **Clear Messaging**
   - We frame projects in language that planners and councillors can defend: family-sized units, gentle density, better use of infrastructure, etc.
   - That's not manipulation; it's alignment.
4. **Stronger Files at Committee**
   - We don't go to Committee hoping. We go with:
     - Planner support, where possible.
     - Clean drawings.
     - A narrative that makes sense to normal people.
5. **Realistic Timelines and Buffers**
   - We no longer pretend approvals will be done in "X months" because "the process says so."
   - Our budgets now assume a more honest timeline.

The point of all this isn't to brag. It's to underline something simple:

You don't want to be learning this stuff for the first time with your own house on the line.

Which brings us to the other half of the story: even if you had the patience for this political circus, you still have to **build the thing** and **finance it**.

That's where most civilians go from "this is interesting" to "absolutely not."

In the next part of this book, we'll walk through the **system** we built from all of this – the checkpoints, filters, and processes that keep us from reinventing the wheel – and I'll show you just enough of it that you understand why:

- Doing this **once** as a personal experiment is risky, and
- Doing this **properly** as a program requires a factory (Foxy/PCM) and a bank (VULPIN), not a brave couple with a hopeful spreadsheet.

CHAPTER 4: The Day I Realized I Didn't Want Civilians Doing This

There's a moment, somewhere between your third surprise invoice and your fourth "we'll have to bring this back next month" at Committee, when you stop and think:

"Why on earth would anyone do this if they didn't have to?"

I'd been asking myself that quietly for a while.

The day it really clicked that **normal people should not be doing this alone** came when I sat across from a couple who looked a lot like the "good side" of Missing Middle theory.

Let's call them **Joe and Maria**.

- They'd owned their house for decades.
- Their street had become a perfect Missing Middle street: transit, shops, schools.
- Their kids were gone, the house was too big, and the land was suddenly worth more than they ever imagined.

On paper, they were the poster couple for the "gentle density" speeches:

- Unlock equity.
- Add units.
- Age in place.
- Contribute to the city's housing stock.

They'd read articles. They'd seen diagrams. They'd heard that laneway suites and multi-unit conversions were "the future."

What no one had told them is how it actually feels to be in the middle of one.

1. The House That Became Homework

We sat at their dining table with a neat stack of papers:

- Architect's preliminary sketches.
- A planner's optimistic note.
- A banker's "subject to" letter.

They were excited. They also had no idea what they were signing up for.

I asked a few basic questions:

- "What are you assuming for construction cost per square foot?"
- "What happens if the City takes six months longer than this schedule?"
- "How are you planning to handle change orders?"
- "Who is managing the site week-to-week?"

They looked at each other.

They had numbers from the architect. They had a nice pro forma one of their kids had helped build in Excel. They had a builder who said, "We've done lots of these."

What they didn't have was:

- Any lived experience of a project stalling while interest kept running.
- Any sense of how easily a "fixed-price" contract can become "fixed, plus, plus, plus."
- Any comfort with the idea that they might have to say no to the City or to a neighbour.

We walked through a few real scenarios from our own files:

- The extra reports no one had budgeted for.
- The shoring change that wasn't really optional.
- The sewer issue that required more than a polite phone call.
- The two-month delay because a single piece of paper wasn't in the right format.

You could see their faces change.

They weren't stupid. They were actually very sharp. They just hadn't seen what happens after the "concept" stage.

That's when it hit me:

"If they go into this as their own developer, there is a non-trivial chance this project turns into the worst financial decision of their lives."

Not because Missing Middle is bad.

Because learning **this** on **your own one asset** is a bad idea.

2. The Construction Loan Reality Check

Then we talked about the **construction loan**.

Their banker had given them a friendly sheet:

- Indicative rate.
- Maximum amount.
- "Interest during construction."

In their minds, it was a bigger mortgage with a fancier name.

In reality, here's what that loan meant:

- The bank would fund in **draws**, based on progress.
- Each draw would require inspections, reports, and paperwork.
- If costs went up or timing slipped, they would be the ones topping up.
- If something went seriously wrong, they wouldn't have a portfolio to spread the damage across. This project was the portfolio.

I asked:

- “What happens if your builder is late?”
- “What if the City adds a condition that pushes you into winter for key work?”
- “Do you have the appetite to argue with the lender about progress claims if they see things differently?”

There was a long silence.

They were courageous enough to be honest:

“We thought this was more… plug-and-play.”

Of course they did. That’s how it’s sold in most public conversations: “Just add units. Easy.”

This was the moment I understood I had zero interest in turning every Joe & Maria into a mini-developer with a personal guarantee and a crash course in construction risk.

They shouldn’t be learning about:

- Shoring contracts.
- Delay clauses.
- Holdback rules.
- Weather extensions.

They should be living their lives.

3. The Emotional Cost No Spreadsheet Shows

There’s another layer to this that doesn’t show up in the pro forma.

For Joe and Maria, this house wasn’t “a site.”

It was:

- The place they raised their kids.
- The centre of their social life.
- Their main financial asset.

Now imagine:

- The house is half-demolished.
- The yard is a construction zone.
- Strangers are coming and going.
- The City is sending letters.
- The lender is sending emails.

And one of them is waking up at 3 a.m. thinking:

“What have we done?”

When **we** take on a project, there is stress. But:

- We have context.
- We have other assets.
- We have scars to remind us what normal turbulence looks like.

Someone doing their **first and only** Missing Middle project doesn't have that.

The same event that, for us, is "annoying but manageable" can feel like a crisis to them.

I've had enough 3 a.m. wake-ups of my own. I don't need to create more for other people as a business model.

4. The Decision: We Need a Different Role for Owners

After a few conversations like that, the pattern was clear:

- The **idea** of Missing Middle is perfect for owners like Joe & Maria.
- The **execution** risk of being the developer is not.

So, we changed the question we were answering.

Instead of:

"How can Joe & Maria become mini-developers?"

we asked:

"How can Joe & Maria share in the upside **without** having to become developers at all?"

That's a different product.

It means structuring deals where:

- We are responsible for:
  - Design, approvals, and all the push-and-pull with the City.
  - Construction, site management, trades, sequencing, safety.
  - Financing, including the messy, boring parts lenders care about.
- Joe & Maria:
  - Contribute the land or a stake.
  - Keep or improve their position in the finished building.
  - Do not personally carry the construction and political risk.

When we started treating them not as "trainee developers" but as **critical partners** who should be protected from the worst of the process, everything got cleaner.

That shift is where the **Joe & Maria model** came from.

5. Why We Needed VULPIN on Top of FoxyHome

Once we made that decision, another one followed:

If we're going to do this properly, we can't finance it like a hobby.

Foxy/PCM is built to:

- Design.
- Build.
- Run projects.

It is not built to:

- Raise money from a wider pool of investors.
- Hold multiple first liens and manage covenants.
- Run a diversified loan book with proper rules.

Trying to do all of that inside the same entity is like asking a mechanic to also be your bank. Possible, but messy.

That's where **VULPIN** comes in.

We needed:

- A **separate, clean engine** that would:
  - Take in investor capital.
  - Lend it out in a disciplined way to projects we control and understand.
  - Protect investors with first liens, reserves, and real reporting.
- A structure that would:
  - Allow Joe & Maria-type owners to get good deals without being exposed to developer risk.
  - Allow investors to get secure income plus upside, without having to learn construction.
  - Allow us to scale the system without begging for a new one-off loan on every file.

Foxy/PCM remains the **Factory**.
VULPIN is the **Bank** that sits beside it, not on top of it.

Joe & Maria plug into that combination.

That's the only way I'm interested in doing this at scale.

6. The Line I Drew for Myself

After those early years, I drew a private line:

- **I will build Missing Middle.**
- **I will not train civilians to be developers on their one asset.**

If someone insists on doing it alone, I'll respect the ambition, but I won't pretend it's simple. It isn't. You've seen enough by now to understand that.

What I am interested in is:

- Giving normal owners a **clean way in** – where they can participate in the value of what's built on their land without taking on roles they're not equipped for.

- Giving investors a **clean way in** – where they finance disciplined projects through a structure built for that purpose, not as a side hustle.
- Running the messy middle through a system that we already know works, because we paid for it with our own scars and capital.

The rest of this book is about that system.

In **Part II**, I'll show you the outline:

- How we choose sites.
- How we move from sketch to "yes."
- How we think about financing, construction, lease-up, and exit.

You'll see enough of the wiring to understand why we do things a certain way, and why this is not "just add units and hope."

Then, in **Part III**, we come back to Joe & Maria and VULPIN:

- How the deals are actually structured.
- What owners get.
- What investors get.
- And why that combination, to me, is the most honest way to do Missing Middle at scale without sacrificing people in the process.

PART II

THE CASE FILES

The Evidence No One Publishes

In Part I, we talked about scars in the aggregate: the $5,000,000 tuition, the soft-cost snowball, the political circus.

Now we're going to show you the evidence.

What follows are the forensic case files from every site we touched — 12 Batavia, 21 Batavia, 50 Castleton, 975 Dovercourt, and 5 Knight Street. These are not complaints. They are pattern recognition.

Once is a mistake. Five times is a system.

You will see permits, timelines, contradictions, and outcomes. You will see the City's own records convicting its own process. You will see why the Missing Middle is not being blocked by bad intentions — it is being strangled by institutional incoherence.

And at the end, you will see why the only rational response is not anger, but engineering.

CHAPTER 5: 12 Batavia - The $4,000,000 Toronto Refused to Turn Into Homes

Toronto does not have a housing crisis.

Toronto has a permission crisis.

At 12 Batavia, we had over $4,000,000 in unencumbered capital sitting idle. Not pledged. Not levered. Not dependent on banks, CMHC, or capital markets. Cash. In the account. Ready to build.

And the City stopped it. Twice.

THE SCENE OF THE CRIME

On our street, a neighbour received approval for two dwelling units in a laneway. The permit was issued in October 2020, during the early window of Toronto's laneway pilot era. It was treated as a straightforward Small Residential project. No Committee of Adjustment circus. No existential planning debate. Construction proceeded.

Meanwhile, we were blocked — twice — attempting to build housing that was code-compliant, fire-separated, professionally designed, fully serviced, safer than the neighbour's accessory structure, and actually scalable.

Same city. Same regulators. Same policy era. Different outcome.

This is not a mistake. This is how the system works.

THE NUMBER THAT TELLS THE WHOLE STORY

The City of Toronto's own permit system logged 477 entries on 12 Batavia.

Not 477 units. Not 477 doors. Four hundred and seventy-seven bureaucratic transactions — on a small residential project.

Those 477 entries span at least six different application numbers, cycling through building permits, mechanical permits, plumbing permits, and drain permits from March 2021 through July 2023. The statuses bounce between "Not Started," "Under Review," "Revision Issued," "Issuance Pending," "Response Received," and "Inspection." The first revision for underpinning hit November 17, 2021.

Our neighbour got two laneway units with one permit application.

We got 477 bureaucratic transactions.

That asymmetry is the entire story of Missing Middle in Toronto.

WHAT TORONTO ACTUALLY REGULATES

Toronto does not regulate outcomes. It regulates optics.

Accessory housing — laneway suites, garden suites, secondary units tucked behind existing houses — is tolerated because it is hidden. It does not change streets. It does not create precedent. It can be politically denied later.

Primary housing density — multi-unit dwellings that are visible, scalable, and replicable — is resisted because it is visible. It proves the slogans were empty. It exposes that “gentle density” was never meant to scale. It forces planners to defend decisions in public.

So the City quietly prefers inefficient, boutique, non-replicable housing over real, repeatable supply.

That is not planning. That is cowardice disguised as policy.

WHY WE WERE TURNED DOWN TWICE

The first rejection: We were early. Missing Middle policy existed on paper, but staff interpretation was unsettled. We were a test case, not a follower. No one had done this exact version before, and the City was not prepared to create precedent.

The second rejection: We became dangerous. A multi-unit principal dwelling plus laneway suite looked like something that could be replicated. Staff feared creating a replicable pathway. So instead of saying “This fits policy,” they said the only thing the system is designed to say: “We’re not comfortable.”

That word — comfortable — is the death sentence in Toronto planning.

Comfort is not a planning standard. Discomfort is not a legal test. And feelings are not housing policy. Yet feelings stopped housing anyway.

Back to TOC

THE RETREAT

We ended up with a four-bedroom single dwelling. Not because that was the best use of the site. Not because it served the housing crisis. But because it was the only thing the City could bring itself to approve without risking precedent.

This was not a design failure. It was forced regulatory retreat. We did what experienced operators do when the City walls up: we collapsed density internally, kept massing and envelope, preserved economic value, and avoided another eighteen to twenty-four months of appeals.

A civilian would have kept fighting, burned capital, lost financing, and potentially lost the site.

THE ECONOMIC CRIME NO ONE TALKS ABOUT

While regulators delayed, deferred, and contradicted themselves, $4,000,000 sat idle. Trades were not hired. Materials were not ordered. Homes were not built. Renters stayed renters. Inflation kept compounding.

No regulator was fired. No planner missed a pension contribution. No department lost funding.

But the damage was real: years of lost housing supply, millions in idle capital, trades pushed elsewhere, a project forced into regulatory retreat, and a scalable solution collapsed into a single dwelling.

This is the part politicians never model: regulatory delay is not neutral. It destroys real economic activity.

Capital has a time value. Construction has sequencing. Labour has windows. When you delay approvals, you don't "pause" housing. You kill it. Quietly. Slowly. Bureaucratically.

THE MOST DAMAGING MYTH

Let's dismantle the "developers are the problem" narrative properly.

At 12 Batavia, we did not need financing. We did not need subsidies. We did not need zoning favours. We did not ask for public money.

We asked for permission to build homes with our own capital.

Back to TOC

And the answer — twice — was effectively: “We’re not comfortable.”

That single sentence should be engraved on City Hall.

THE LINE THAT ENDS THE ARGUMENT

The housing crisis is not caused by lack of money. It is caused by a system that punishes anyone who tries to use it.

$4,000,000 sat idle while regulators debated feelings.

That is not a market failure. That is a moral failure.

AND THEN THE FEDERAL GOVERNMENT SHOWED UP

If the City of Toronto’s behaviour represented a local failure of planning courage, what happened next proved the dysfunction runs deeper than any single municipality. It runs all the way to Ottawa.

In September 2023, the federal government announced the Enhanced GST/HST New Residential Rental Property Rebate — a policy specifically designed to incentivize purpose-built rental housing. The message was clear: if you build new rental units after September 13, 2023, the government will return a substantially larger portion of the HST you paid on construction. The enhanced rebate was meant to close the gap that makes rental construction uneconomic in most Canadian cities. It was, on paper, exactly the kind of policy signal that should reward builders who do exactly what 12 Batavia represents: private capital, purpose-built rental, no subsidies required.

We qualified. The New Development — five purpose-built rental units, all long-term residential, each with private kitchen, bath, and living area — was designed from scratch under new building permits issued in July and December 2023. New architects. New site plans. New drawings. A new Notice of Project filed with the Ministry of Labour with a start date of December 11, 2023. Physical construction commenced December 20, 2023. Every document, every permit, every contract, every regulatory filing confirmed the same thing: this project began after the September 13, 2023 threshold.

On June 4, 2024, we submitted the enhanced rebate application: $562,250.

On July 2, 2025, the Canada Revenue Agency denied it. Their reason? They "determined construction began prior to September 13, 2023."

Read that again. The City of Toronto forced us to abandon the original project. Their own Notice of Decision in June 2022 made it illegal to continue the Initial Development. They told us to demolish the site to rubble. We complied. We hired new architects, submitted new plans, obtained entirely new permits, filed new regulatory notices, signed new construction contracts, and started an entirely new project. The site sat as an uninhabitable shell — no residential units, no occupancy, no livable space — for over a year before the New Development commenced. Courts have been clear on this point: a partially constructed, non-inhabitable structure that does not contain residential units is not a "residential complex" under the Excise Tax Act.

None of that mattered to CRA. They looked at the address, saw activity before September 2023, and denied the enhanced rebate. They reduced the claim from $562,250 to $120,000 — a $442,250 difference — and issued a reassessment on July 8, 2025.

And then came the insult that proved the system is not merely broken but actively hostile.

Fifteen days after the reassessment — fifteen days — the CRA's Revenue Collections division sent a legal warning demanding $412,061.18, threatening to garnish income, seize bank accounts, sell assets, and take "any other legal means to collect the amount you owe." The letter was dated July 23, 2025. The reassessment was dated July 8, 2025. CRA's own collection policy provides 30 days before aggressive enforcement. They did not wait. They came for a purpose-built rental housing builder before the ink on the reassessment was dry.

KPMG filed the Notice of Objection on August 1, 2025. The objection is thorough, well-argued, and supported by case law. It will almost certainly succeed. That is not the point.

The point is this: the same country that announced a policy to encourage rental housing construction then punished a builder for doing exactly that. The City of Toronto forced the project to restart. The federal government then denied the rebate because the project had a history before the restart. And when the builder objected, as is his legal right, the collections arm of the same government sent threatening letters before the objection window had even closed.

This is not a Toronto problem. This is a Canada problem. Every level of government claims to want housing. Every level of government then builds machinery that punishes anyone who tries to deliver it. Municipal planning blocks permits. Provincial regulation adds cost and delay. Federal tax policy announces incentives and then deploys auditors to deny them on technicalities that contradict the facts.

At 12 Batavia, $4,000,000 in private capital sat idle while the City debated feelings. Then, when we finally got the project moving with our own money, on our own timeline, under new permits, building exactly the kind of housing every politician in the country says they want — the federal government tried to claw back $442,250 and sent collections after us within two weeks.

The housing crisis is not a mystery. It is a machine. And 12 Batavia is Exhibit A: proof that every layer of Canadian government, from the local planning desk to the federal tax authority, is optimized to prevent housing rather than produce it.

CHAPTER 6: 21 Batavia & 50 Castleton — What Regulatory Delay Looks Like in Real Life

By the time you've read the 12 Batavia story, you might be thinking: "Bad luck. One tough file."

It wasn't one file.

21 Batavia and 50 Castleton repeated the exact same pattern. Different addresses, same pathology. And at 50 Castleton, the City produced something it would rather you never see: photographic evidence of what regulatory delay actually does to housing.

21 BATAVIA: THE THIRD DATA POINT

21 Batavia shares the same fundamental characteristics as 12 Batavia: deep urban lot, functional laneway access, a rear structure with a buildable laneway envelope, sufficient massing and separation for more than a token unit, and clear market demand for family-sized rental housing.

From a physical and urban design standpoint, the laneway was never the constraint. Policy was.

Toronto's laneway framework pretends that laneways are small, secondary, marginal, "accessory" by nature. That fiction collapses at 21 Batavia, just as it did at 12 Batavia and 50 Castleton. The laneway envelope could comfortably support more than one substantial dwelling. The resulting homes would have been fully livable, code-compliant, and desirable. Nothing about safety, servicing, or urban form prevented that outcome.

Yet the City's posture was the same: allow the minimum, never test the maximum.

At 21 Batavia, the approvals logic followed the exact same defective sequence: acknowledge the laneway as buildable, refuse to acknowledge its true capacity, force a single-unit framing regardless of size, avoid any honest discussion of multiple dwellings, and hide behind "policy consistency" instead of housing outcomes.

The City was not mistaken. It was deliberately incurious.

They did not ask: "How many real homes could this laneway safely deliver?" They asked: "How do we avoid setting a precedent?"

The laneway structure is materially oversized relative to what the City ultimately allowed. By footprint, volume, and envelope, it was fully capable of supporting two large two-bedroom dwellings, each with proper light, separation, and services. That outcome was never tested on its merits.

The laneway wasn't small. The policy response was.

Now stack all three Batavia-area sites:

Three different properties. Same street typology. Same laneway capacity. Same refusal to engage with reality. That's no longer a planning decision. That's institutionalized underbuilding.

50 CASTLETON: WHAT IDLE CAPITAL LOOKS LIKE

If 12 Batavia is the smoking gun, 50 Castleton is the crime scene photo.

The City of Toronto's own Committee of Adjustment records show 50 Castleton cycling through multiple CoA file numbers across multiple years: A0607/19EYK was scheduled for hearing in January 2020. A year later, it appears as DEFERRED on the January 2021 agenda. A separate file, A0048/20EYK, was also deferred from March 2020. Then in 2023, two more files appeared: A0616/22EYK in February 2023 and A0174/23EYK in May 2023.

That is not "one application that got approved." It is a stack of tries spanning 2020 through 2023, with deferrals and re-files. Different file numbers, different hearings, new interpretations, more time burned. The City doesn't approve. It cycles you.

And while the City cycled, the building decayed.

WHAT THESE WALLS LOOKED LIKE

While approvals dragged across years and file numbers, 50 Castleton sat legally frozen — neither allowed to proceed nor allowed to recover.

We had the money. We had the intent. We had the plans.

What we did not have was permission.

So the building decayed. Walls opened. Ceilings failed. Kitchens became unusable. The structure sat through winters without remediation. Exposed insulation. Water intrusion staining. Ceiling collapse and delamination. Bare subfloors and debris.

This was not a renovation in progress. There was no sequencing. No trade continuity. No safe interim condition.

This is what happens when capital is ready but permission is frozen.

We did not leave this property in that condition because we lacked money. We left it because we could not legally proceed, we could not legally re-occupy, we could not legally invest incrementally, and we could not legally stabilize without triggering further compliance traps.

The only rational move was: stop, wait, do nothing, preserve capital.

And that decision — forced by the City — produced exactly what politicians claim to hate: a visibly decaying house, no housing supply, no trades employed, no tax uplift, no safety improvement, no dignity for the site or the street.

THE MECHANISM

The City blocks execution through discretionary delay. Capital cannot deploy without legal certainty. Partial repairs are irrational because they risk rework. Occupancy is impossible. Time passes. Buildings rot.

This decay is not neglect. It is regulatory paralysis made visible. The City created the blight it later pretends to oppose.

THE BUILDING THE CITY ALMOST KILLED

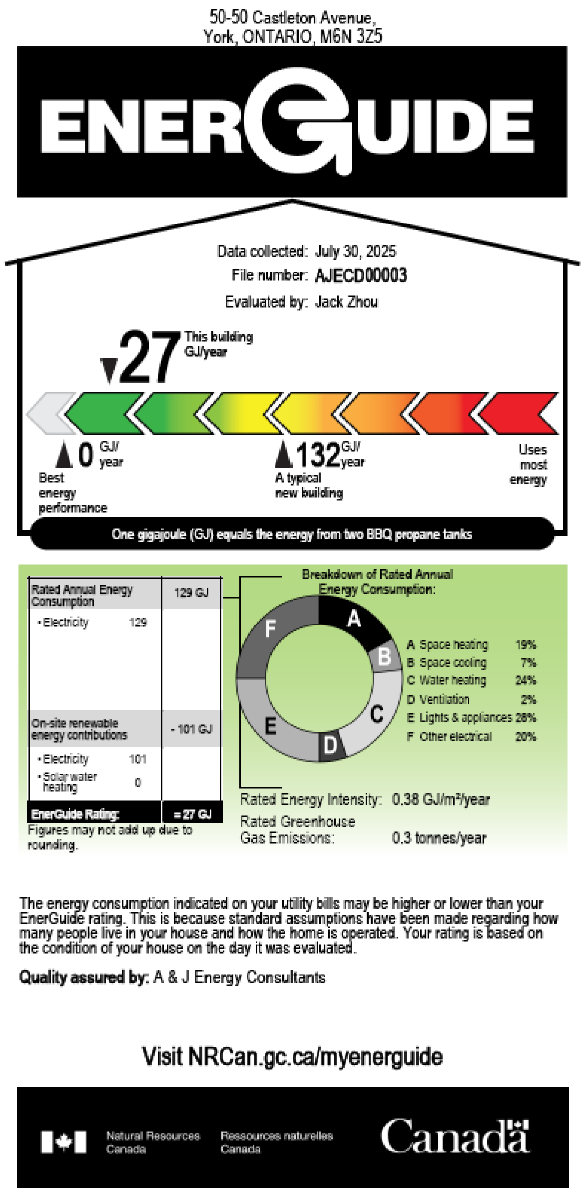
Here's the part that makes the story unavoidable.

After all those years of churn, we built anyway. And the finished building at 50 Castleton is not just housing. It is some of the highest-performing housing in the country.

Natural Resources Canada's own Ener-Guide evaluation, conducted July 30, 2025, rates 50 Castleton at 27 GJ per year. A typical new building uses 132 GJ per year. That means 50 Castleton performs nearly five times better than standard.

All-electric. 101 GJ of on-site renewable energy generation. 0.3 tonnes of greenhouse gas emissions per year. Rated energy intensity of 0.38 GJ per square metre per year.

The City didn't just delay housing. It delayed the future of housing.



This is the building that sat decaying for years while permits looped and file numbers multiplied. And now it's a near-net-zero, all-electric, solar-generating home that sets the standard for what Missing Middle should be.

When politicians later talk about "eyesores," "unsafe homes," or "dilapidated properties," they never mention the part where their own system forced owners to stand still while buildings fell apart.

This building didn't decay because of greed. It decayed because permission took longer than wood can survive.

CHAPTER 7: 975 Dovercourt - Iteration Hell and the Rules That Aren't Rules

If Batavia and Castleton were the bruises, Dovercourt was the long illness.

On paper, 975 Dovercourt was a dream: amazing location, real transit, a street where more units actually make sense. We bought it thinking we knew what we were doing. This one would be easier.

It wasn't.

We've held that property for over three years. We started with five dwellings, then six, and now eleven, heading into a variance in early 2026.

Every iteration taught us something. And every iteration cost us time, money, and patience.

THE CITY'S OWN RECORD

The Committee of Adjustment records tell the story plainly. In 2021, file A0072/21TEY for 975 Dovercourt Road appeared on the Toronto and East York hearing agenda. In 2025, a new file — A0047/25TEY — appeared for a March 2025 hearing.

Different file numbers. Different hearings. Same property. Same friction.

This matters because it supports a claim the City would rather not acknowledge: the approval system doesn't resolve files, it recycles them. Each new hearing, each new file number, each new "interpretation" resets the clock. And the clock is not free.

WHAT "ITERATION HELL" COSTS

Every cycle through the system means new drawings, new consultant fees, new legal opinions, new months of carrying costs. The architecture evolves not because the architect found something better, but because the rules shifted under our feet.

We moved from five dwellings to six because staff suggested it. Then to eleven because the policy framework expanded. Then back to a variance because the new framework still wasn't clear enough to avoid discretionary review.

At no point did the City say: "This is what we want. Build this."

Back to TOC

At every point, the City said a version of: “Bring it back next month.”

This is the hallmark of Toronto’s Missing Middle problem: the rules are not the rules. They are suggestions that change depending on who reads them, when they read them, and how comfortable they feel that day.

THE REAL COST OF “PROCESS”

While 975 Dovercourt cycled through iterations, the carrying costs accumulated: property taxes, insurance, opportunity cost of capital deployed but unproductive, consultant fees for each new design iteration, and the invisible cost of management attention diverted from productive work.

The property itself kept growing in value. That’s the painful irony: the asset appreciates while the approvals system prevents you from unlocking that appreciation into real housing.

On paper, it looks like a patient, smart hold. On the profit-and-loss statement, it looks like a lot of small monthly cuts until the value inflects.

Our Series A materials explicitly treat 975 Dovercourt as a permit-triggered asset: funding flows when the permit issues. If the City delays the permit, capital sits idle or is forced into second-best deployment. Time is the risk variable the City controls and the City abuses.

WHY THIS PROVES THE MISSING MIDDLE IS A DEAD ZONE

What the City has effectively created is a category of housing that carries the regulatory burden of a fifteen-storey building with the economics of a handful of units, and none of the institutional support that large projects receive.

Too complicated for the small builder: multi-layered approvals, professional-grade design requirements, fire, servicing, envelope, and zoning complexity that rivals mid-rise work, carry costs that small operators cannot absorb, and zero tolerance for sequencing mistakes.

Too small for the large builder: too few units, too fragmented by site, too slow in approvals, too bespoke in execution. A large developer looks at a six-to-twelve-unit Missing Middle site and sees all the risk of a mid-rise and none of the scale.

The project keeps moving because we can afford the tuition. Most people can't.

That's not a sob story. That's the nature of being early. And it's the reason 975 Dovercourt, despite the frustration, remains in the VULPIN pipeline: because the fundamentals are excellent, the location is excellent, and the only scarce input was never capital or design. It was bureaucratic throughput.

CHAPTER 8: 5 Knight Street - Proof the Machine Holds

After Batavia, Castleton, and Dovercourt, the reader has every right to ask: "Did you ever actually win?"

Yes. And 5 Knight Street is where the winning became repeatable.

By the time we reached 5 Knight, the system was no longer theoretical. The approvals were clean. The design was compliant. The six-plex was permitted under the new framework. And yet, the City still tried to manufacture Development Charges where they did not belong.

The difference this time: we saw it coming. And we neutralized it without breaking stride.

THE CITY'S MOVE

Here's what happened, in sequence.

We had a permitted garden suite application in play. We advanced a six-plex on the main site. The City attempted to treat the combination as Development Charge-eligible, despite clear exemptions under the evolving Missing Middle framework. The interpretation was inconsistent, opportunistic, and legally fragile.

The City was not applying a rule. It was testing whether we would push back.

THE COUNTER-MOVE

Because we could afford proper counsel — and because we'd been through this before — we did not argue emotionally. We re-sequenced the approvals.

We cancelled the garden suite permit. We proceeded with the six-plex only, structured so that no Development Charges were payable and only Catholic school board fees applied, which are statutory and undisputed. Once the six-plex was locked in, we re-applied for the garden suite separately. The garden suite was then approved without Development Charges.

Same site. Same buildings. Same density. Same outcome.

Different order.

WHY THIS IS DAMNING

Nothing about the physical project changed. Same density. Same massing. Same services. Same impact.

Only the paper choreography changed.

That tells you everything you need to know. If outcomes depend on sequencing instead of substance, the system is broken.

If Development Charges can be switched on or off by choreography, they are not being applied as an impact-based tool. They are being applied as a test of sophistication. Only those with capital, counsel, and systems survive.

THE DOCUMENTARY PROOF

The demolition permit, issued February 2, 2026, shows the City treating the work as a straightforward teardown under a defined scope — not a Development Charge-triggering intensification event. The six-plex drawings clearly label the garden suite as a separate application, explicitly noted as “FOR INFORMATION PURPOSES ONLY — GARDEN SUITE PERMIT TO BE A PART OF A SEPARATE PERMIT APPLICATION.” The zoning statistics confirm compliance under the new by-law envelope, without triggering additional density beyond what is already permitted.

This was not a grey project. It was a grey interpretation.

WHAT MAKES 5 KNIGHT A UNICORN

Most projects are judged by what they need from the City. 5 Knight is judged by what it doesn’t need: no Development Charge deferral, no appeals, no exemptions, no discretionary forgiveness.

That makes it a reference asset, not just a successful build. It proves the learning curve is complete, the rules can be navigated cleanly, and the friction is survivable — if you know exactly what you’re doing.

THE PROOF THE TUITION IS PAID

After Batavia and Castleton, we stopped treating Missing Middle like "construction with extra steps" and started treating it like industrial production: gated checkpoints, proof-before-commitment, and trustee-style release discipline.

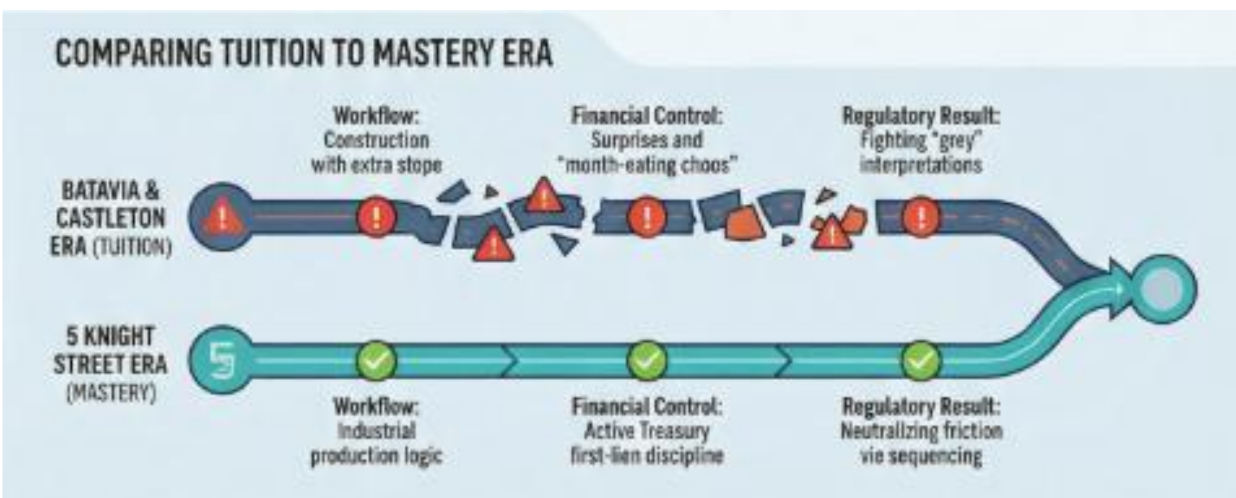
Under VULPIN, 5 Knight is not a speculative development bet. It's an Active Treasury first-lien loan that can be deployed immediately, with funds-flow controlled by documentation rather than optimism.

The corrected method is explicit: CP0 through CP6 gates, "no proof, no gate passed," and "no gate passed, no payment." The draw control requires a four-way match: Bank, Invoice, Certificate, and Lien Waiver. Money only moves when paperwork matches the wall.

That's the opposite of the Batavia and Castleton era, where small surprises metastasized into month-eating chaos. This is what it looks like when the machine holds.

5 Knight didn't need a Development Charge deferral. It needed the City to follow its own rules. That's why it's a unicorn.

And that's the difference between tuition and mastery.



CHAPTER 9: Development Charges by Ambush - The One Constant Across Every File

Across every project discussed in this book — 12 Batavia, 21 Batavia, 50 Castleton, 975 Dovercourt, and 5 Knight Street — there was one consistent feature of the City's behaviour.

Development Charges were never applied consistently.

Not by site. Not by scale. Not by impact.

But by interpretation, timing, and sequencing.

THE PATTERN

Across all of these properties, the same pattern repeated. A project enters the approvals stream. Density is discussed, revised, or re-framed. Development Charges suddenly appear as a risk. The rationale shifts depending on whether units are "primary" or "accessory," whether applications are concurrent or sequential, and whether staff treat intensification as "new" or "replacement."

The same physical outcome can be DC-exempt or DC-payable, depending purely on paperwork order.

That is not policy. That is discretionary taxation.

Once is a mistake. Five times is a system.

WHAT MAKES THIS SO DAMAGING

Nothing about Development Charges is small. They can change a project from viable to dead overnight. They are front-loaded and non-recoverable. They hit Missing Middle projects disproportionately hard. And they are survivable only by operators with capital buffers, legal counsel, and time.

In other words, they punish exactly the kind of housing Toronto claims it wants.

Back to TOC

THE MYTH OF "DC DEFERRALS"

City Hall often responds to criticism with a familiar refrain: "Development Charges can be deferred." That line sounds generous. It is largely irrelevant.

Across the projects discussed in this book, on two of them we did not even require a deferral of Development Charges — because, under any coherent reading of the rules, no Development Charges were triggered at all. And yet, confusion, pressure, and attempted extraction still appeared.

If a project does not require a DC deferral, does not require a DC exemption, and does not require a policy favour — but still gets pulled into DC ambiguity — then the issue is not cash flow timing. It is institutional inconsistency. Deferrals don't fix that. They only postpone the fight.

WHY MOST BUILDERS NEVER FIND THIS OUT

Most small builders don't know this is possible. They can't afford to test it. They can't afford lawyers. They can't afford delay. They can't afford to be wrong once.

So, they either pay charges they may not actually owe, or walk away from the project entirely.

Large builders avoid the problem by building towers. The Missing Middle gets crushed in between.

THE AGGREGATE EFFECT

Across the projects discussed, capital sat idle, projects were paused or redesigned, housing was delayed, legal costs replaced construction costs, and complexity replaced clarity.

None of this improved safety, infrastructure, or outcomes. It only increased friction.

THE AGGREGATE DIAGNOSIS

The City does not consistently know when Development Charges apply — so it tests the boundary on everyone. Only those with capital, counsel, and systems survive.

When Development Charges depend on interpretation instead of impact, housing becomes a legal puzzle instead of a construction problem.

You are not saying “we shouldn’t pay.” You are saying: “We should know what we’re paying before we build.” That is an entirely reasonable standard. And the City cannot meet it.

CHAPTER 10: The Final Irony - Every Unknown Is Priced In, and Paid by the People Who Vote

There is a misconception that needs to die.

When regulators add friction, developers do not absorb it as lost profit. They price it.

Across every project discussed — Batavia, Castleton, Dovercourt, 5 Knight — we assumed from day one that rules would be re-interpreted, Development Charges might appear or disappear, permits could stall, sequencing would matter more than substance, legal intervention might be required, and time would be weaponized.

So we did the only rational thing. We budgeted all of it.

WHAT GETS BUDGETED

In our financial models, we explicitly include: approval delays, re-applications and redesigns, legal fees for DC disputes, carry costs during municipal indecision, contingency for permit sequencing risk, and capital sitting idle while permission catches up.

None of that improves a building. None of that improves safety. None of that improves quality. It only increases cost.

WHO ACTUALLY PAYS

Not us.

Every dollar of regulatory friction raises rent, raises purchase prices, raises operating costs, and lowers affordability.

The irony is brutal: the costs created by regulators are paid by the very people who elect them.

Tenants don't see a line item called "Municipal Incoherence Surcharge." But it's there — baked into every lease.

WHY THIS DOESN'T SHOW UP IN CITY REPORTS

Cities publish construction cost indexes, land value studies, and developer "profit" narratives. They do not publish the cost of delay, the cost of inconsistency, the cost of discretionary interpretation, or the cost of legal uncertainty.

Because those costs are invisible — until someone builds at scale and shows the math.

THE MOST IMPORTANT TRUTH IN THIS BOOK

We don't win when regulation is chaotic. We survive it. Our margins are not inflated by friction. They are defended from it.

The friction is passed through — exactly like any other input cost — to the end user.

That is not greed. That is accounting.

WHY THE REGULATORY POSTURE IS SO DAMAGING

When a City adds one more review, one more interpretation, one more fee risk, one more delay, it tells itself it is being "careful." In reality, it is quietly voting to make housing more expensive — for everyone.

And it does so without accountability, because the bill doesn't arrive at City Hall. It arrives in rent cheques.

THE THREE LEVERS

If cities want cheaper housing, there are only three levers: lower construction costs, lower financing costs, and lower uncertainty.

They control only one of those directly. And it's the one they keep making worse.

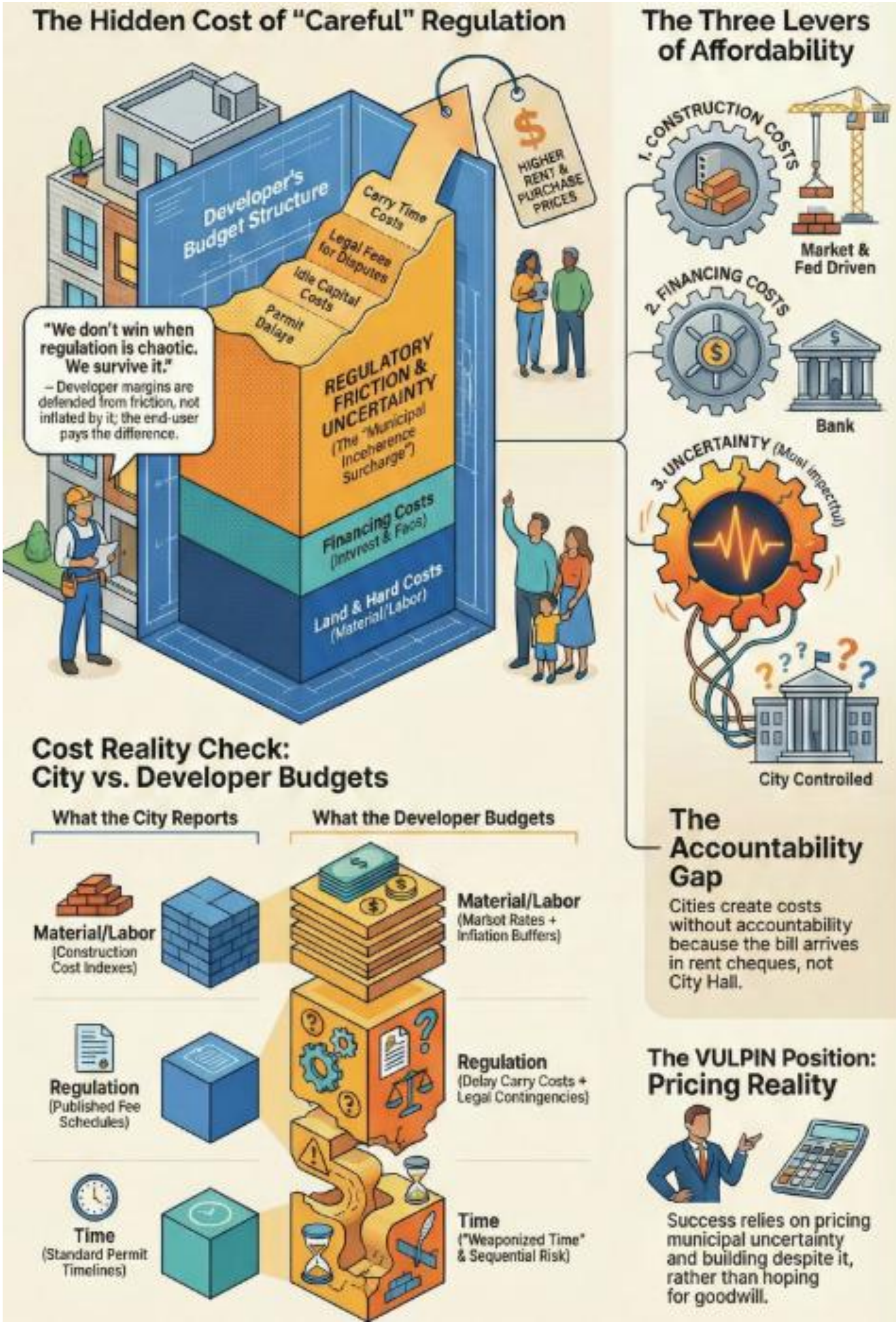
THE VULPIN POSITION

VULPIN does not ask for favours. It does not rely on exemptions. It does not gamble on goodwill. It prices reality. And then it builds anyway.

That is why our projects work. That is why others don't. And that is why the cost of housing keeps rising — even when everyone claims to want it lower.

We budget municipal uncertainty the same way we budget steel or labour — and the people who pay for it are the ones who vote.

Regulatory friction is the most regressive housing tax in the city.


The Hidden Cost of "Careful" Regulation
Developer's Budget Structure
Carry Time Costs
Legal Fees for Disputes
Idle Capital Costs
Permit Dalaye
HIGHER RENT & PURCHASE PRICES
"We don't win when regulation is chaotic. We survive it."
– Developer margins are defended from friction, not inflated by it; the end-user pays the difference.
REGULATORY FRICTION & UNCERTAINTY
(The "Municipal Inceherence Surcharge")
Financing Costs (Interest & Fees)
Land & Hard Costs (Material/Labor)
The Three Levers of Affordability
1. CONSTRUCTION COSTS
Market & Fed Driven
2. FINANCING COSTS
Bank
3. UNCERTAINTY (Most impactful)
City Controlled
The Accountability Gap
Cities create costs without accountability because the bill arrives in rent cheques, not City Hall.
Cost Reality Check: City vs. Developer Budgets
What the City Reports
What the Developer Budgets
Material/Labor (Construction Cost Indexes)
Material/Labor (Marsot Rates + Inflation Buffers)
Regulation (Published Fee Schedules)
Regulation (Delay Carry Costs + Legal Contingencies)
Time (Standard Permit Timelines)
Time ("Weaponized Time" & Sequential Risk)
The VULPIN Position: Pricing Reality
Success relies on pricing municipal uncertainty and building despite it, rather than hoping for goodwill.

PART III

THE SYSTEM

How We Build Without Bleeding

In Part II, we laid out the evidence: five sites, one diagnosis, and a system that manufactures friction instead of housing.

Now we're going to talk about what came after that.

We didn't keep doing projects the same way. That would be idiotic. We took the pain, sat with it, and turned it into a system: a site filter so we don't fall in love with the wrong dirt, a sequence so we don't guess the order of operations every time, a financing logic that lines up with how the construction actually behaves, and a set of checkpoints so we know when to move money, when to pause, and when to walk away.

You're going to see the "shape" of that system – enough to understand why it works and where the dangers are – but not every spreadsheet and template. The point is to give you respect for the process, not to hand out a crash course in "How to Blow Yourself Up as a First-Time Developer."

We start where every bad project starts and every good project is saved: the dirt.

CHAPTER 11: What a Good Site Looks Like (and What Will Kill You)

Most people start Missing Middle with a Pinterest board in their head:

- "What if we did a cool fourplex with balconies and green roofs?"
- "What if we kept the old brick front and added something modern in the back?"

None of that matters if the **site itself** is wrong.

You can fix bad design.
You can't fix a site that wants to eat your budget.

Over the years, I stopped thinking of sites as "opportunities" and started thinking of them as **personalities**:

- Friendly but boring
- High-maintenance but worth it
- Attractive and absolutely toxic

The job of a system is simple:

Don't marry the toxic ones, no matter how good they look in the renderings.

Let's walk through what we learned.

1. The Street vs. the Lot

People fall in love with **streets**.

- "This is such a beautiful block."
- "Transit is great."
- "Shops and cafés, great school, everything."

All true, and all irrelevant if the **lot** is wrong.

When I look at a potential Missing Middle site now, the first questions are not:

- "Would I want to live here?"
- "Do I like the neighbours?"

The first questions are:

- **What's under it?**
- **What's beside it?**
- **What can I actually build without creating a structural horror story?**

Some red flags that look harmless if you don't know what you're looking at:

- A deep, narrow lot with houses tight on both sides
- A big mature tree exactly where you'd like to put foundation

- A pretty existing house that people will scream about if you touch it
- A steep grade change between the front and back

All of those can be managed. They just **cost money and time**.

If you're doing one project in your life, on your own house, you'll be tempted to rationalize:

"We'll figure it out."

What we've learned is:

"Figure it out" usually means "spend more than you think and wait longer than you like."

So we built a filter that starts at the lot, not the romance.

2. Shoring: The Quiet Budget Killer

Let's talk about shoring.

If you're not in construction, shoring is what you do to **stop the neighbour's house from falling into your hole** while you dig.

On a Missing Middle project, you often need:

- Deeper basements
- New foundations
- New services

That usually means digging close to someone else's foundation.

In a spreadsheet, shoring is a tidy number.
On site, it's a mixture of:

- Engineering
- Steel, wood, labour
- Vibration, noise, neighbour nerves
- Risk

We've had sites where shoring was:

- Straightforward, planned, and behaved exactly as expected.
- A problem, because the soil was worse than expected or the neighbour's house wasn't what the old drawings said it was.

What we learned:

- Some sites need **light** shoring with predictable cost.
- Some sites imply **heavy** shoring with real risk and potential scope creep.
- A few sites whisper, "I want you to re-build half the block at your own expense."

We try not to buy the last category anymore.

If you don't have a system and you're excited about your first Missing Middle deal, it's easy to underprice shoring because it "feels optional" or "temporary."

It's not. It's structural. And omnivorous.

3. Services: The Invisible Constraints

You can't rent a unit that can't flush a toilet or turn on the lights.

Simple, but you'd be amazed how many people underplay **services**:

- Sewer capacity
- Water supply and pressure
- Hydro
- Gas (if you're using it)

On paper, upgrading services is just another line.
In practice, it can be:

- Digging up more of the street than you planned.
- Coordinating with utilities that run on their own timelines, not yours.
- Paying for upgrades you assumed the city or utility would share.

We've had to adjust projects because:

- The assumed sewer wasn't where it was supposed to be.
- The existing water line wasn't remotely adequate.
- Hydro needed a different point of entry, triggering new design consequences.

The lesson is boring and crucial:

A "great site" that is impossible or expensive to serve is not a great site.

So our system forces service questions **early**, not as an afterthought.

4. Geometry: Don't Fight the Lot

Some lots are honest.

- Clean rectangle
- Reasonable frontage
- Manageable depth
- Decent access

Others are… creative:

- Tapered, dog-leg, or "L" shaped
- Shared driveways
- Awkward easements
- Strange angles you discover when the survey shows up

Creative lots make creative drawings.
Creative drawings make creative cost overruns.

We learned to ask early:

- Can we get **clean unit layouts** on this geometry without burning money on custom everything?
- Can we meet fire access, parking/loading (where needed), and garbage/recycling without a circus?
- Does the building "want" to sit here, or are we forcing it?

Our rule of thumb now:

If the architect has to do acrobatics just to make the plan work, the site is probably wrong for Missing Middle.

That doesn't mean you can't build anything. It just means you might be trying to do the wrong type of project on the wrong shape of land.

5. Context: Where the City Will Say Yes Faster

Context matters.

You can propose the same building on two different streets and get two very different reactions:

- On a street that already has a mix of forms – duplexes, triplexes, small apartments – a Missing Middle project feels like evolution.
- On a street that is all single-family, never touched, with neighbours who have lived there 40 years, it feels like revolution.

We don't run away from tough streets, but we choose our battles:

- Certain zones, lot patterns, and corners are naturally friendlier.
- Others can be done, but you're signing up for extra rounds at Committee and in the court of public opinion.

When you're building a system – not chasing one Instagram-worthy project – you start to prefer streets where:

- The Official Plan, the zoning, and the **actual built form** are aligned or close.
- You are not the only multi-unit building on a street of single-family museums.

That's not cowardice. It's efficiency.

6. The Emotional Trap: "But I Love This House"

This one is big with owner-occupiers and first-time developers.

They find:

- A house they love.
- On a street they love.
- In a neighbourhood they love.

So they decide:

"We'll just do the project here. How bad can it be?"

Everything is now emotional:

- They don't want to walk away.
- They don't want to hear the site is wrong.
- They look at every warning as negativity.

We've had to say, out loud, a version of:

"I understand why you love it.
I don't think it's a sensible site for this type of project."

Our system is there precisely to **protect us from our own enthusiasm**.

If a project fails the site filter, we move on, no matter how romantic the idea is.

No Bullshit Checklist – Sites

This is the simplified version we keep in our heads. It's not exhaustive, but it will save you from obvious landmines.

1. Dirt & Structure

- Do we understand the soil conditions, not just guess?
- Is shoring straightforward, or is there a real risk of major shoring costs?
- Are there existing foundations next door that make excavation tricky or dangerous?

2. Services

- Can existing sewers, water, and hydro support the extra units?
- If they need upgrading, do we have a clear scope and who pays?
- Have we talked to the right people at the city/utilities, or are we assuming?

3. Geometry & Access

- Can we get efficient, livable units on this shape without circus-level design?
- Is there clear access for fire, deliveries, garbage, and maybe parking if needed?
- Are we forcing the building onto the lot, or does it naturally fit?

4. Context

- Does the street already have a mix of forms, or are we the first "alien"?
- Do the Official Plan and zoning broadly support what we're trying to do here?
- Are we adding something that people can understand, or something they will instinctively resist?

5. Owner Reality Check

- If this is an owner's only major asset, is it fair to test new tricks on this site?

- If the site fails on shoring, services, or context, are we prepared to walk away?
- Are we excited about the idea or clear on the numbers?

If you can't honestly tick most of those boxes "yes" with real information (not hope), that's not a Missing Middle opportunity.

It's a lesson waiting to be paid for.

CHAPTER 12: From Sketch to Yes - Design and Entitlements

Once you've found a site that isn't trying to kill you, the next trap is design.

Most people think of "design" as:

- Picking a style
- Choosing finishes
- Making it "look nice"

That's dessert.

In Missing Middle, design and entitlements are the **same fight**:

- If you design without understanding approval risk, you create beautiful drawings the City will quietly bury.
- If you chase approvals without thinking about how real humans will live there, you end up with units no one actually wants.

The job is to get from **idea** → **drawing** → **approval** with a building that:

1. The **City can defend**,
2. The **neighbours can tolerate**, and
3. **Tenants will pay for**.

Do that wrong, and you pay for redesigns, extra consultants, and months of delay.
Do it right, and you make everyone's life easier: planner, lender, builder, future tenant.

This chapter is about what we learned between the napkin sketch and the first real "yes."

1. Pretty Pictures vs. Permission

Every Missing Middle project starts with the same visual drug:

- A nice rendering: sun, trees, happy people, warm light in the windows.

Architects are trained to give you that early because:

- It sells the idea.
- It gets everyone excited.

Nothing wrong with that, as long as everyone remembers:

Renderings don't move dirt. **Permissions** move dirt.

We had early projects where:

- The first concepts were gorgeous.
- Everyone at the table loved the look.
- The massing, setbacks, and height were completely misaligned with what staff or Committee would accept.

The result:

- Redesigns.
- Fights.
- Soft-cost burn.
- Confusion: "But I thought they liked it?"

We adjusted our sequence:

- **Quick massing and test-fit first** – no fancy rendering.
- Run that test against:
    - zoning,
    - what's on the street,
    - what we've seen staff accept before.
- Only once we see a path through approvals do we bother with pretty images.

The point isn't to kill creativity. It's to make sure you're not falling in love with a building the City will never approve in that location.

2. Designing for Humans, Not Just Diagrams

On the other side, it's easy to overcorrect and design only for:

- Setbacks
- Angular planes
- Light angles
- Staff comments

You end up with units that technically "work" on paper but are miserable in reality:

- Long, skinny, dark spaces.
- Bedrooms that feel like upgraded closets.
- Kitchens that make no sense for how people cook and live.

We had a few early layouts that met:

- All the planning rules,
- All the unit-count targets,

...but would have been a nightmare to actually furnish.

That's when we started asking:

- "Would I actually want to live in this unit for a year?"
- "Where does the couch go? The bed? The table?"
- "Where is the light coming from?"

We discovered that:

- A slightly "less efficient" plan on paper often **rents faster** and for better money because it feels like a real home.
- Tenants don't care that you won a 2% gain in GFA if the space feels awkward.

So the design process became a three-way negotiation between:

- The **planner's brain**,
- The **architect's eye**, and
- The **tenant's lived experience**.

If any one of those three dominates, you lose.

3. Pre-Consultation: The Most Boring, Most Important Meeting

Pre-consultation is the meeting nobody gets excited about.

- No one posts about it on Instagram.
- There are no ribbons to cut.
- You're basically asking the City: "If we do this, how upset will you be?"

Early on, we underused this step. We showed up, got some comments, left, and went straight to detailed design.

Now, our mindset is different:

- Pre-consult is where you cash in some of your **$5,000,000 tuition**.
- We push harder and ask clearer questions:
    - "If you don't like this, what *would* you support?"
    - "Is the issue height, massing, unit count, or something else?"
    - "Are there any absolute no-go items we should know now?"

We're also listening for tone:

- Are they fundamentally open to more units on this lot?
- Are they trapped by a policy line they're scared to cross?
- Are they overworked and likely to default to "no" to make their life easier?

Pre-consult will never remove all risk, but done properly it:

- Surfaces early objections while it's still cheap to adjust.
- Gives you a paper trail: "Based on our discussion on [date], we understood X…"

That trail matters when someone tries to move the goalposts later.

4. Neighbours: Ignore, Appease, or Engage?

There are three basic neighbour strategies:

1. **Ignore them and hope for the best.**

2. **Try to appease everyone.**
3. **Engage selectively and realistically.**

We've watched all three. We've tried variants of them ourselves.

What we've learned:

- Total avoidance is fantasy in Missing Middle. People notice.
- Trying to make everyone happy is a guarantee that **no one** is happy and your project dies or becomes a Frankenstein.
- Selective engagement – listening, adjusting where it makes sense, but not handing them a veto – is the only grown-up option.

We've had:

- Cases where a single, clear concession (an extra tree, a privacy screen, a slight tweak to a window) turned an opponent into a neutral.
- Cases where nothing would have satisfied an opponent because the real issue was "I don't want any change here, ever."

Part of the system is knowing how to spot the difference.

- If someone is raising **specific, solvable** concerns, it's worth working with them.
- If someone is objecting to the **idea of more people existing near them**, you don't try to negotiate reality. You prepare a strong file for Committee and move on.

We no longer expect every neighbour to become a fan. We do expect:

- That we will be able to demonstrate, in simple terms, that we're not wrecking their lives.
- That the project contributes real housing value, not just profit.

That also plays at Committee, where optics matter.

5. Entitlements as a Design Constraint, Not an Afterthought

Most non-developers think:

- "We design what we want, then we ask permission."

We now treat it the other way:

- **We design inside a permission-shaped box.**

That doesn't mean we aim low. It means we:

- Understand what the **Official Plan** calls for.
- Understand the **by-law envelope**.
- Understand the **Committee's** historic comfort level on that street / area.

Then we ask:

- "Within that box, what is the smartest, most liveable, most valuable building we can create?"

This does three things:

1. Reduces waste on drawings that never had a chance.
2. Speeds up planner review: you're speaking their language.
3. Gives you a much clearer risk picture for the variance package you *do* choose to take forward.

It's the difference between showing up as a surprise and showing up as a coherent next step in the evolution of the street.

6. Lender-Friendly Design (The Part Architects Don't Always Love)

You're not just designing for planners and tenants.

You're designing for the **lender's risk committee**, whether you like it or not.

We've had enough conversations with lenders to know the quiet questions they're asking when they look at drawings:

- "If we have to take this back, is it rentable and saleable?"
- "Are these units normal enough that people understand them?"
- "Are there any obvious weird design features that could hurt value?"

That's why we avoid:

- Hyper-niche layouts that only work for one type of tenant.
- Clever design moves that look good in magazines but add no rent.
- Overly complex structures that make construction and future maintenance harder.

It doesn't mean you build boring boxes. It means:

"Interesting" is allowed as long as it doesn't compromise **rentability, buildability, and finance-ability**.

That's the triangle we're always balancing.

No Bullshit Checklist – Design & Entitlements

You don't need a degree in planning. You do need to be honest with yourself about these questions.

1. Reality Check on Concept

- Does the massing roughly fit the **by-law envelope** and Official Plan direction?
- Have you done at least one **test-fit** before paying for sexy renderings?
- Are you designing for approvals **and** humans, or just one of the two?

2. Pre-Consult & Paper Trail

- Have you had a real **pre-consultation** with the City, not just an informal chat?
- Do you have **written notes** on what staff said they could support and what they couldn't?
- Are you adjusting your design to that feedback, or pretending you didn't hear it?

3. Liveability

- Would you personally live in one of these units for a year?
- Do the layouts make sense for real furniture, real cooking, real life?
- Is there decent light, storage, and privacy, or are you just chasing unit count?

4. Neighbour Strategy

- Do you know who the likely opponents will be and why?
- Are you prepared to make **small, smart** concessions that don't kill the project?
- Are you clear on the difference between solvable concerns and permanent resistance?

5. Committee Optics

- If you put your main rendering on a screen at Committee, can you explain it in:
  - one sentence for **housing need**,
  - one sentence for **neighbourhood fit**, and
  - one sentence for **reasonableness**?
- Does your package look like a responsible evolution of the street, or a stunt?

6. Lender Lens

- If the lender ends up owning this building in a worst-case scenario, can they rent and refinance it without drama?
- Are there any design "flourishes" that add cost but no return?
- Would a conservative credit person see this as "normal enough" to fund?

If you can't answer most of those with a straight face, you don't have a design and entitlement strategy.

You have a wish.

CHAPTER 13: The Construction Loan - Where People Quietly Blow Up

If Missing Middle projects had a warning label, it would be stuck on the construction loan.

You can survive a sloppy drawing.
You can survive an annoying neighbour.
You can even survive a slower-than-ideal lease-up.

What you often **can't** survive is a construction loan you don't fully understand.

This is where a lot of people who look good on paper end up in trouble. They walk into the bank with equity, a concept, and a nice Excel pro forma. The bank hands them a term sheet. Everyone shakes hands. And somewhere between the first shovel and the last inspection, the reality gap shows up:

- Draws are slower than expected.
- Costs are higher than expected.
- Time is longer than expected.

The loan doesn't care what you "planned."
It cares about covenants, timelines, and whether you're still a good risk.

This chapter is about what we learned watching that play out in real life.

1. It's Not "Just a Bigger Mortgage"

Most owners, and a lot of first-time developers, think:

"A construction loan is just a bigger, fancier mortgage while I build. I pay interest during construction, then refinance."

That's… the brochure version.

In practice, a construction loan is a **controlled drip of money** tied to:

- A budget the lender has blessed,
- A schedule they've seen, and
- Conditions you agreed to (often faster than you should have).

Key differences from a normal mortgage:

- **Money comes in draws**, not as a lump sum.
- Each draw requires **proof**: inspections, reports, sometimes QS sign-offs.
- If anything looks off – budget, schedule, scope – the lender can slow down, ask questions, or say "no" to your next draw until they're comfortable.

Meanwhile:

- Trades want to be paid on **their** schedule, not the bank's.

- The City does not care about your draw timing.
- Interest is ticking, whether the draw landed or not.

If you don't have reserves, experience, and patience, this is where the project turns from "ambitious" to "sleepless."

2. The Budget That Lives in the Lender's Head

When you send in your pro forma, the lender isn't just reading the bottom line.

They are building their own internal story:

- "Is this cost per square foot realistic?"
- "Is this contingency enough?"
- "Is this sponsor experienced?"
- "What happens if we have to take this project back?"

Even if they say yes, understand:

They have their own **mental budget** for your job.

If costs start to rise and you try to expand the budget mid-stream, you're not just asking for money. You're asking them to admit they misjudged you the first time.

Not their favourite feeling.

On some of our own projects, we watched this dance up close:

- Early estimate looks fine.
- Shoring, services, or market conditions push costs up.
- You go back with a revised budget.
- The lender essentially asks: "So, what went wrong?"

If you can't explain it calmly, with **data** and **mitigation**, they start to see you as more risk than they signed up for.

Experienced developers expect this and build it into the capital stack. They:

- Carry real contingency.
- Have dry powder from other sources.
- Know how to talk to lenders.

Joe & Maria do not.

That's a big reason I don't want them anywhere near this part of the game.

3. Draws: The Cashflow Squeeze No One Mentions

On paper, the draw schedule looks simple:

- Complete X% of work → submit → get X% of loan.

In practice, the sequence usually looks more like:

1. Trades do work.

2. You pay trades (or they start shouting).
3. You compile invoices, updated budgets, inspections.
4. Lender's inspector or QS comes out.
5. Lender processes draw.
6. Money arrives.

There is always a **gap** between when you spend and when the lender reimburses.

If you're running tight:

- That gap is a heart attack.
- That's where people start robbing Peter to pay Paul: shuffling money from other projects, personal lines, anything with a pulse.

We've had moments where:

- Work was complete,
- The inspector had visited,
- Everyone agreed on the amount,
- And the draw was still sitting "in process" for days.

In corporate life, that's annoying.
In a thinly capitalized development, that's existential.

A system built on experience will:

- Assume delay,
- Carry buffers,
- Sequence work with draw timing in mind.

A one-off owner who has never done this before will just… be surprised.

Surprise and construction loans are a bad combination.

4. Covenants: The Quiet Traps in the Fine Print

Construction loans come with **covenants** – promises you make about:

- How much cash you'll keep in the project.
- How fast you'll build.
- How you'll handle cost overruns.
- Sometimes: pre-sales, pre-leasing, or other milestones.

When things go smoothly, you forget these exist.

When things get bumpy, the covenants become real:

- A delay can trigger a conversation about whether you're still in compliance.
- A cost overrun can trigger a requirement for you to add more equity.

- A dispute with a trade can trigger concern about schedule risk.

We've had perfectly good projects where the lender's question wasn't:

- "Is this project viable?"

It was:

- "Is this sponsor still organized and in control?"

If the answer feels like "maybe not," they will tighten, not loosen, their approach.

Again: experienced developers know this. They:

- Over-communicate early.
- Don't pretend everything is fine when it isn't.
- Bring solutions, not just problems.

This is not how most civilians are wired. They tend to:

- Hide the problem until it's big, or
- Panic and say too much in the wrong way.

Neither plays well with a risk committee.

5. When the Loan and the Build Get Out of Sync

Almost every project has a phase where:

- The schedule slips,
- The budget is tight,
- The lender is nervous,
- And the trades are impatient.

At that point, you're juggling:

- The **physical reality** (weather, labour, material availability).
- The **paper reality** (permits, inspections, reports).
- The **financial reality** (loan size, interest, covenants).

We've been through enough of these to have a playbook:

- Where to slow the burn.
- Where to push the lender.
- Where to push the team.
- When to change course and admit Plan A is dead.

Most first-timers have none of that. They only see:

- Late trades.
- Frustrated neighbours.
- An inbox full of "per our last conversation..." emails.

- A lender who is suddenly not as friendly as they were on day one.

This is the part of the movie you rarely see in glossy before-and-after stories.

It's also where a lot of projects either **get rescued by experience** or **quietly blow up**.

6. Why VULPIN Takes This Piece Seriously

You can probably see where this is going.

If we know that:

- The construction loan is the most dangerous part of this whole process, and
- Normal owners are not equipped to manage it, and
- Even experienced people need systems and discipline,

then it follows that:

The capital engine – **VULPIN** – cannot be casual money.

VULPIN has to be the opposite of "we'll figure it out":

- Clear rules for when and how it funds a project.
- Clear criteria on sponsor experience (in our case, that's us).
- Reserves and structure built in, so one project wobbling doesn't destabilize everything.

From an owner's perspective (Joe & Maria):

- They should never be talking to a bank about shoring overruns and draw schedules.
- They should never be signing covenants they don't fully understand.
- They should never wake up thinking, "If this goes wrong, we lose the house."

From an investor's perspective:

- They should be funding a **portfolio of disciplined loans**, not some guy's first rodeo.
- They should know there is **tuition already paid**, not experiments funded with their capital.
- They should see a **machine** managing these loans, not a one-man show.

That's why in our world:

- Foxy/PCM is the factory that knows how to build Missing Middle projects.
- VULPIN is the bank that finances them in a structured way.
- Joe & Maria are partners in the value we create, not collateral damage learning how a draw schedule works.

No Bullshit Checklist – Construction Loans

If you remember nothing else from this chapter, remember this checklist. If you can't answer these honestly, you shouldn't be the one taking the loan.

1. Experience

- Have you (or your core team) actually delivered a project of similar size before?
- Do you have scars from a real construction loan, not just something you read about?
- Is there someone on your side who has sat across from lenders in a bad month and survived?

2. Buffer

- Do you have **real contingency** (both in the budget and in cash) for overruns and delays?
- Can you survive 3–6 months of slower draws without going into panic mode?
- If the lender asks for more equity, do you have a way to provide it?

3. Draw Mechanics

- Do you clearly understand:
  - How often you can draw?
  - What documentation is needed each time?
  - How long it typically takes from request to cash?
- Have you mapped your **trade payment schedule** against your draw schedule?
- Do you know what happens if the inspector or QS disagrees with your view of "complete"?

4. Covenants

- Have you actually read the covenants line by line (or had someone you trust explain them)?
- Do you know what would trigger a breach?
- Do you have a plan for what you'd do if a covenant is at risk of being tripped?

5. Worst-Case Scenario

- If the project ran over on time and budget, can you see a path to finish that doesn't wreck you?
- If the lender got tougher (or even swapped out), do you know who to call and how to negotiate?
- If you got hit by a bus, does someone else know what to do with this loan and this site?

6. Joe & Maria Lens

- If Joe & Maria were your parents, would you be comfortable having them personally sign this construction loan?

 Back to TOC

- If the answer is "no," why are you comfortable asking other people to do it?

If you can't tick most of those boxes honestly, the answer is simple:

You shouldn't be the one holding the construction risk.

That doesn't mean you shouldn't participate in Missing Middle. It means you should do it through **structures that separate your role (owner or investor) from the developer/constructor role**.

That's exactly why we built the Joe & Maria model and VULPIN:

- Owners stay in their lane and still share in the upside.
- Investors stay in their lane and still get secured returns plus upside.
- We stay in our lane: building and managing projects, with the scars and systems to back it up.

In the next chapter, we'll talk about **running the build itself** – how the checkpoints work, why "schedule" is more than a Gantt chart, and how we keep a Missing Middle project from drifting into the never-ending build from hell.

CHAPTER 14: Running the Build Without Losing the Plot

By the time you hit construction, you've already:

- Bought the dirt,
- Fought the drawings,
- Survived the City,
- Signed the loan.

A lot of people think this is the point where you can relax and "let the builder handle it."

That's how projects drift.

On a Missing Middle job, the construction phase is where:

- Small problems become expensive ones,
- Good systems save months,
- Or lack of systems quietly kills your returns.

The goal during the build is simple to say and hard to do:

Get from "hole in the ground" to "people living here" **without** losing money, time, or your mind.

We learned the hard way that you can't just point at the contract and hope. You need **checkpoints** – clear moments where you stop, look around, and ask: "Are we actually where we think we are?"

This chapter is about those checkpoints and the stuff that never shows up on the glossy "after" photos.

1. The Myth of "The Builder Will Handle It"

There's a belief that floats around owners and even some small developers:

"Once we hire a good builder, they'll just… take care of everything."

A good builder is essential. But they are not:

- Your scheduler,
- Your lender liaison,
- Your city therapist,
- Your risk manager.

They are there to:

- Build what's on the drawings,
- Within the scope of the contract,
- Under constraints you provide.

If you don't give them:

- Clear decisions,
- Timely approvals,
- Realistic expectations,

you force them into one of two modes:

- Guessing (expensive), or
- Waiting (also expensive).

On one early job, we watched a good builder slowly grind to a halt because:

- The owner-side decision-making was slow,
- Changes were being made informally,
- The lender was asking questions no one had prepared for.

The builder didn't implode. The **project controls** did.

We took that lesson and built a simple principle:

"Builder builds. System runs the project."

We stopped trying to outsource project control to a single company and started treating it as its own discipline.

2. The Checkpoint Spine

We eventually boiled the build phase down to a series of checkpoints that matter more than all the daily noise:

1. **Pre-Start** – are we genuinely ready to start, or are we rushing for optics?
2. **Groundworks** – excavation, shoring, services, foundations.
3. **Structure** – framing/structure complete, major penetrations coordinated.
4. **Envelope** – building is weather-tight.
5. **Rough-Ins** – mechanical, electrical, plumbing in place and inspected.
6. **Finishes** – interiors coming together, big ticket items installed.
7. **Pre-Occupancy** – inspections, deficiencies, commissioning.
8. **Hand-Over & Stabilization** – people move in, the building starts behaving like a real asset.

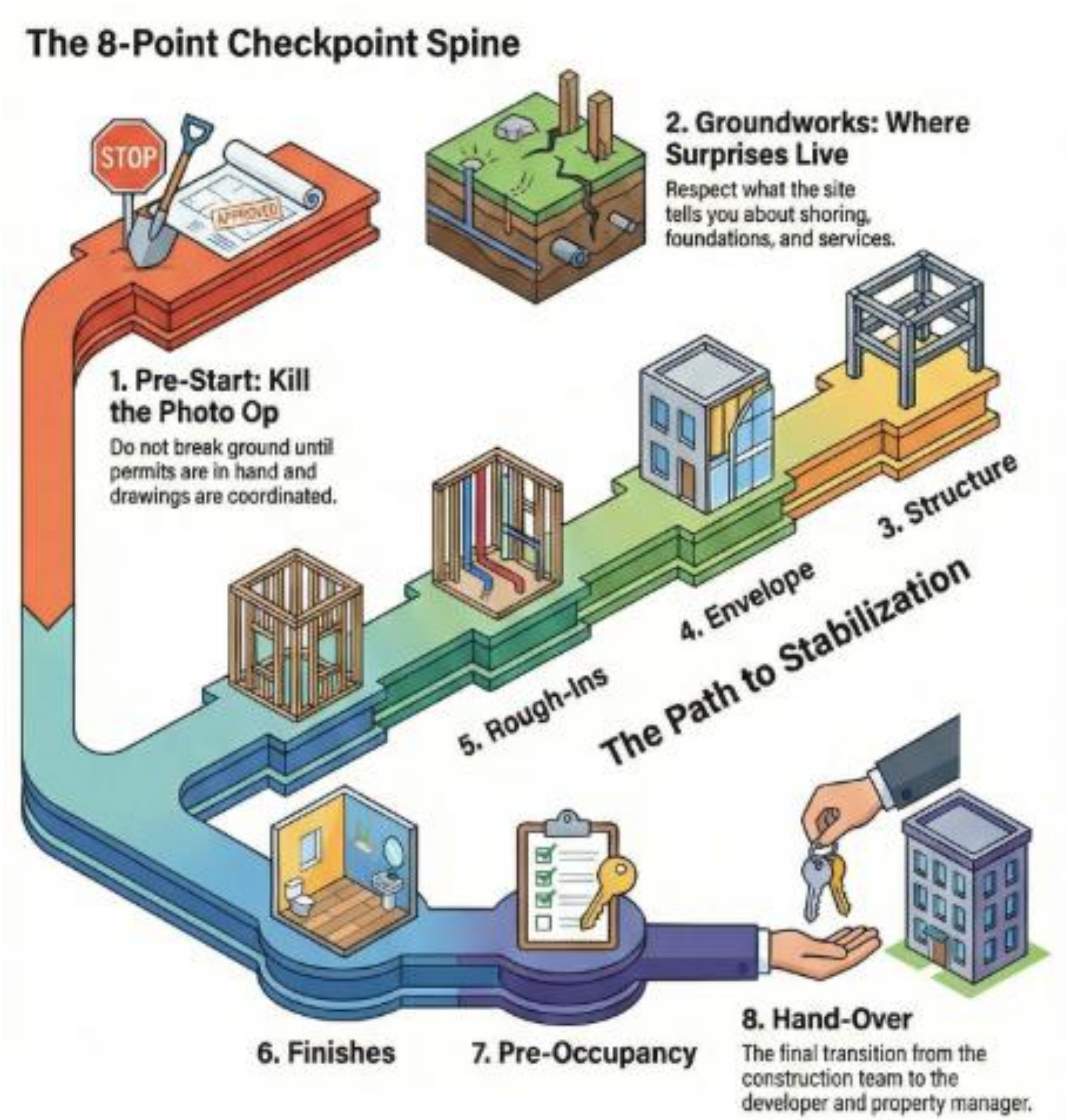
At each checkpoint, we ask:

- Are we on schedule (not the fantasy schedule, the updated one)?
- Are we on budget (with contingencies marked honestly)?
- Are there unresolved issues that will explode in the next phase if we ignore them now?

A lot of disasters you read about later ("massive cost overruns," "never-ending build") are just **ignored checkpoint failures**:

- Envelope leaks that weren't dealt with properly,
- Rough-in mistakes covered up with drywall,
- Missing inspections that lead to rework.

The system is there so you don't bluff your way past these moments.



3. Pre-Start: Don't Rush the Photo Op

Everyone loves a groundbreaking photo.

Shovel in hand, grinning, maybe a hard hat if you want to look serious.

The problem is when that photo happens **before** you're actually ready:

- Permits are incomplete.
- Final drawings aren't fully coordinated.
- Trade scopes are fuzzy.

- The lender isn't fully aligned on timing.

We've seen projects where the first week of "construction" is really just:

- Moving fences,
- Scraping the surface,
- Waiting for real green lights.

In our world, pre-start now means:

- **All critical permits in hand**, not "we think they're coming."
- **Drawings coordinated** between structural, architectural, and MEP.
- **Key trades engaged** with clear scopes and realistic start dates.
- **Pre-con with the builder and lender** done, expectations set.

If we can't tick those boxes, we don't start. No matter how good the PR would look.

4. Groundworks: Where Surprises Live

The ground phase is where:

- Shoring,
- Excavation,
- Foundations,
- Services

all come together.

This is also where:

- The most expensive surprises live, and
- The smallest documentation errors hurt the most.

We've had moments where:

- An old foundation was not where anyone thought it was.
- A pipe ran exactly where everyone assumed it couldn't be.
- Weather hit at the worst possible time.

The key at this checkpoint is ruthless honesty:

- If we've hit something that materially changes cost or risk, we stop pretending.
- We update the budget.
- We talk to the lender with a plan, not a panic.
- We adjust the schedule for real, not mentally.

Groundworks is not where you "hope it will work out." It's where you respect what the site is actually telling you.

5. Structure & Envelope: Locking in the Skeleton

Once you're out of the ground and framing/structure is coming up, there's usually a sense of relief:

"At least now people can see something."

That's good for morale. It's also a dangerous time to relax.

Structure and envelope are when you:

- Lock in floor heights, shaft locations, penetrations for services.
- Decide how well (or badly) the building will perform in real weather.

We've had jobs where a small oversight at this stage meant:

- Contorted duct runs later,
- Awkward soffits,
- Or expensive fixes to get the building properly sealed.

By the time you're closing in the envelope:

- You want all the big holes where they should be.
- You want your mechanical strategy aligned with reality, not the wish list.
- You want to know that, when it rains sideways, you're not going to discover "value engineering" that cuts through your air and water barriers.

The checkpoint here is simple:

- Has someone with real experience walked through the structure and envelope with the drawings in hand and **looked for future pain**?

If the answer is no, you're just hoping the details line up.

6. Rough-Ins & Finishes: Death by a Thousand Decisions

This is the part you never see on TV shows:

- Where exactly does this pipe go?
- Which wall can carry that unit?
- Do we really want switches and outlets there?
- How many times are we moving this light fixture?

If you don't have a clear **decision-making hierarchy**, the project stalls:

- Trades wait for answers.
- The site manager spends their life chasing approvals.
- The schedule turns into a suggestion.

We handle it by:

- Establishing **who decides what** – there is always a single point of decision on each category.

- Freezing certain decisions after a date, unless there's a code or safety reason to change.
- Accepting that chasing perfection late usually just means cost and delay, not real improvement.

Rough-ins and finishes are also where owners often start to meddle:

- "Can we just move that wall a little?"
- "What if we upgrade all the flooring now?"

On a personal reno, you can get away with more of that.

On a Missing Middle project:

- Every "just" has a cost and a ripple effect.
- You need a grown-up in the room who can say, "Not now," or "Yes, but here's the actual cost and delay."

7. Pre-Occupancy & Hand-Over: The Last 10% That Feels Like 90%

By the time you're trying to get occupancy:

- Everyone is tired.
- Everyone wants it to be over.
- Everyone thinks "we're basically done."

This is where:

- Deficiencies,
- Missing paperwork,
- Last-minute inspections

can stretch weeks into months if not handled aggressively.

We've learned to treat this phase like a mini-project:

- Dedicated push on closing deficiencies.
- Clear list of who's doing what, by when.
- Tight coordination with whatever authority is giving you occupancy.

The goal isn't "perfect." The goal is:

"Safe, compliant, and good enough to let people live here without hating us."

You can finesse the small things after.

The big thing is turning a construction site into a **functioning building** as fast as reality allows, without shortcuts that will bite you or tenants later.

8. Why This Matters for Joe & Maria (and for VULPIN)

Everything in this chapter boils down to one conclusion:

Running the build is a full-time, high-stakes job.

It's not a side project.
It's not "something to dabble in on evenings and weekends."

For Joe & Maria:

- They should not be the ones navigating shoring decisions, draw timing, change orders, or deficiency battles.
- They should not be the ones arguing with inspectors or lenders about whether a certain percentage is complete.
- They should not be carrying schedule stress on their one major asset.

For VULPIN:

- The fund is only as safe as the **disciplined execution** of the build.
- It doesn't matter how good the structure looks on paper if the builds are chaos.
- That's why VULPIN only lends into projects where **we** (or people with equivalent systems and scars) are running the build.

Owners and investors get to benefit from the end product.
We carry the mess in the middle.

That's the deal.

No Bullshit Checklist – Running the Build

Ask these questions before you tell yourself, "the builder will handle it."

1. Roles & Responsibilities

- Is it crystal clear who is:
  - Running the site day-to-day?
  - Managing the schedule?
  - Dealing with the lender?
  - Making design decisions when conflicts arise?
- Is there a documented chain of command, or is it "we'll just figure it out together"?

2. Checkpoints

- Have you defined the major checkpoints (Pre-start, Ground, Structure, Envelope, Rough-in, Finishes, Pre-Occupancy)?
- At each checkpoint, do you have a habit of asking:
  - Are we on schedule?
  - Are we on budget?
  - What's about to bite us next?

3. Documentation

- Are RFIs, change orders, site instructions, and inspection reports being properly tracked?
- Is someone actually reading them and connecting them back to budget and schedule?
- If you disappeared for a week, could someone else walk in and understand the state of play?

4. Decision Discipline

- Do you have a cut-off for "nice-to-have" changes, or is everything up for grabs all the time?
- When someone wants a change, is there a simple rule like:
    - "What does it cost?"
    - "What does it delay?"
    - "Who pays?"
- Are you willing to say "no" when a change doesn't make sense?

5. Ground & Envelope Reality Check

- Has someone competent walked the groundworks and envelope looking specifically for **future problems**?
- Are any issues being addressed now, or quietly buried?

6. Owner Sanity

- If this is an owner's only major asset, are they insulated from day-to-day construction stress?
- Or are they in every phone call, absorbing risk they're not equipped to manage?

If you can't answer those questions well, you don't have a build plan.

You have a site with people on it.

CHAPTER 15: Lease-Up & Stabilize - Turning Concrete Into Income

There's a dangerous belief in development:

"Once the building is finished, the hard part is over."

That's only true if you don't care about money.

For everyone else, there's a whole extra phase between:

- "We passed inspection" and
- "This is a calm, boring, cash-flowing asset."

That phase is **lease-up and stabilization**.

- It's where you find out if your unit mix, design, and rent assumptions were grounded in reality or wishful thinking.
- It's where lenders decide if they're comfortable with your refinance.
- It's where owners and investors either exhale… or start asking hard questions.

You can build a beautiful building and still mess this phase up. We've learned not to treat it as an afterthought.

1. The First Tenants: You're Not Just Filling Boxes

When you open a new Missing Middle building, your first tenants are not just "people paying rent."

They are:

- The ones who will test every system.
- The ones who will tell their friends (and the internet) what living there is actually like.
- The ones your lender will see on a rent roll and judge: "Is this sustainable?"

On one early building, we rushed the marketing:

- We focused on "getting units filled" rather than "getting the right tenants."
- We under-communicated how the building worked (amenities, rules, quirks).
- We treated the first wave like any other lease-up, not like a pilot.

The result:

- A few mismatches between tenants and the building's reality.
- More noise in the first six months than we wanted.
- More management time smoothing things out.

We adjusted.

Now, early tenants are handled more like **beta testers**:

- We're clear about what's done and what's still being fine-tuned.
- We look for people who can handle the slight imperfections of a brand-new building.
- We pay attention to their feedback, not just their cheques.

Because once you stabilize, the best building is the boring one – the one that just quietly works.

2. Rents: The Difference Between Target and Reality

Every pro forma has a rent line.

- "Two-bed at X."
- "One-bed at Y."
- "Average per door: Z."

That line is usually built months or years before anyone actually moves in.

Between that spreadsheet and reality, a lot can happen:

- The market can soften or tighten.
- A new building can open down the street.
- Interest rates can change how people think about moving.

In our own projects, we've seen:

- Cases where we beat our rent assumptions because the product was better than comparable stock.
- Cases where we had to adjust down slightly in the first wave to get momentum, then grow from there.
- Cases where the unit type we thought would be the star turned out to be the "slow one," and vice versa.

The key is not to:

- Panic and slash rents across the board, or
- Stubbornly cling to a number that isn't clearing the market.

You need:

- A **clear rent strategy** going in.
- A way to **test and adapt** without setting bad precedents.

That's why, when VULPIN looks at a project, it isn't just asking:

- "What's the rent per square foot?"

It's also asking:

- "Is this product positioned logically for this street and this tenant base?"

If the answer is "sort of," we're not interested.

3. Operating Kinks: The Stuff That Shows Up Once People Move In

You can commission a building, test systems, and run through all your checklists.

Then people move in, and the building tells you what you missed:

- A door closer that slams too hard at 7 a.m.
- A light sensor that doesn't behave in real use.
- A waste management routine that looked good on paper and fails on day three.
- Acoustic realities between units that feel different when there's a real human upstairs, not just assumptions.

On one project, we discovered:

- A pattern of noise transmission in a particular stack of units we hadn't anticipated.
- A garbage collection pattern that made no sense for tenant routines.
- A small design choice that created more cleaning work than expected.

None of that was fatal. But left alone, it would have:

- Hurt tenant satisfaction.
- Increased turnover.
- Created headaches for management.

So we now treat the first 3–6 months as:

"Stabilization and tuning," not just "lease and forget."

We budget some time, some money, and some attention for:

- Fixing the stupid stuff.
- Adjusting processes.
- Documenting what worked so the next building starts smarter.

4. The Lender's View at Stabilization

Lenders don't live in the building.

They live in the numbers.

When it's time to refinance out of construction into long-term debt, they're asking:

- Is the building leased to a reasonable level (e.g., 90–95%)?
- Are the **actual** rents roughly in line with the underwrite?
- Are arrears and vacancies under control?
- Are operating costs what you said they would be, or creeping?

This is where the difference between "tenants in units" and "stabilized asset" shows up.

We've seen both ends:

- Files where the lease-up was clean, rents were solid, and lenders were happy to step in with good terms.
- Files where a combination of small issues (higher costs here, a few weak leases there) made the refi conversation tighter than anyone wanted.

Because we've run this play a few times:

- We now bake **stabilization discipline** into the plan from the start.
- We know what a lender will focus on, and we manage those pieces intentionally, not reactively.

VULPIN cares a lot about this phase, because:

- This is where capital gets recycled at better terms.
- This is where the risk profile for investors drops.
- This is where the long-term performance story starts.

5. Asset Management vs. "Set and Forget"

Missing Middle buildings sit in an awkward size band:

- They're not tiny single-family homes.
- They're not giant institutional towers.

That means they can fall into a crack:

- Too small to attract big, highly systematized property managers.
- Too complex to be treated like "just another rental."

We've had enough of these to know:

- You can't just hand the keys to any random management company and hope.
- You want partners who understand:
  - The tenant mix you're aiming for,
  - The maintenance profile of new construction, and
  - The importance of clean financial reporting for lenders/investors.

At stabilization, the questions shift from:

- "Will this work?" to
- "How boring can we make this, in a good way?"

Boring is:

- Rents coming in on time.
- Few surprises on expenses.
- Reasonable, predictable turnover.

You earn that "boring" with good design, good execution, and a mature hand on the wheel during those first 12–24 months.

6. Where Joe & Maria Stand at This Point

Remember Joe & Maria?

This is where, in a well-structured deal, their life should look like this:

- They're walking into a **finished building**.
- They have a **clear understanding** of:
  - What portion they own,
  - What income they can expect, and
  - What risks remain (because risk never goes to zero, it just changes flavour).

They were not:

- Chasing trades.
- Negotiating with lenders.
- Panicking about two-month delays.
- Reading construction contracts at midnight.

Instead, they watched:

- A project they participated in go from concept to building.
- Their equity turn into a stake in a multi-unit asset.
- Someone else carry the execution risk they were never meant to hold.

For them, stabilization is not:

- The end of trauma.

It's:

- The beginning of a new, more secure financial life:
  - More doors,
  - More income,
  - More options.

That's what a Joe & Maria deal is supposed to feel like.

7. Where VULPIN Stands at This Point

For **VULPIN**, stabilization is one of the most important milestones:

- Construction risk is largely behind us.
- Income is visible and measurable.
- The asset's behaviour is no longer theoretical.

At this point:

- VULPIN's loans start to look more like **steady, secured income streams** rather than construction lines.
- The path to long-term refinancing and/or future sale is clearer.
- The project becomes part of a portfolio story, not just a single headline.

From an investor's point of view, this is where the narrative shifts from:

"We are funding a development with guardrails."

to:

"We are holding a piece of a stabilized, income-producing portfolio – with upside still attached."

That's the arc VULPIN is built around.

No Bullshit Checklist – Lease-Up & Stabilize

You can't control everything, but you can avoid obvious errors.

1. Tenant Strategy

- Do you know who your **ideal tenants** are (students, young professionals, families, etc.)?
- Is your marketing actually speaking to them, or just shouting "brand new!" at everyone?
- Are you screening for fit, not just for "can they pay"?

2. Rent Reality

- Are your asking rents grounded in:
  - current data,
  - actual competition, and
  - honest product comparison?
- Do you have a plan if you need to adjust 5–10% to get momentum, without destroying your long-term rent roll?
- Are you tracking what rents actually clear vs. what you hoped?

3. Early Operating Issues

- Who is responsible for catching the "stupid" issues in the first 3–6 months?
- Is there a process for tenants to report problems that actually gets acted on?
- Are you documenting fixes and lessons for the next building?

4. Lender Readiness

- By the time you're refinancing, can you hand your lender:
  - a clean rent roll,
  - 6–12 months of actuals, and

    - a sensible budget going forward?
- Are arrears and vacancies under control?
- Have you kept some contingency for any last-minute items they may call out?

5. Management

- Do you have the right management in place for the size and complexity of the building?
- Is there a clear reporting rhythm (monthly/quarterly) that gives owners and investors visibility without chaos?
- Is someone explicitly responsible for "making this asset boring" – in the good, cash-flowing way?

6. Owner/Investor Alignment

- Do Joe & Maria (or your equivalent owner) understand what "stabilized" means in practice?
- Do investors understand that this is a long-term income asset with upside, not a flip?
- Are expectations on cashflow and risk realistic and clearly communicated?

If you can tick most of those with confidence, you're not just finishing a construction project.

You're creating a real asset.

From here, the last big strategic question becomes:

Once we have a stabilized asset, **what do we do with it?**

That's where **hold, refinance, or sell** comes in – and where we can finally zoom out and show how a portfolio of these assets, funded through VULPIN and structured around Joe & Maria-style deals, turns into the CAD 100–150M platform we've been aiming at.

That's the next chapter.

CHAPTER 16: Hold, Refi or Sell? (And What Game You're Actually Playing)

By the time a Missing Middle project is stabilized, you've done the hard miles:

- You picked a site that didn't try to kill you.
- You fought your way through design and approvals.
- You survived the construction loan and the build.
- You leased it up and tuned the operations.

Now you're standing on the sidewalk, looking at a real building with real people living inside, and the temptation is to say:

"Okay. We're done."

You're not.

This is where you make one of the most important decisions in the whole cycle:

- **Do we hold this asset long-term?**
- **Do we refinance and pull some chips off the table?**
- **Do we sell, either as a whole or as condo units?**

Each choice has different implications for:

- Joe & Maria
- Us (Foxy/PCM)
- VULPIN and its investors

And this is where you find out what game you've really been playing:

- **Builder-for-fees**,
- **Long-term owner**,
- **Platform builder**,
or some mix.

Our answer, after enough rounds, is simple but not sentimental.

Market Validation: Independent Evidence Behind the 3.25% BRV

Before we decide whether to hold, refinance, or sell, it's worth stepping back to look at the environment we're operating in.

In 2025, the Missing Middle Initiative released the country's most comprehensive housing performance scorecard. Ontario ranked last. Toronto performed worst on almost every meaningful metric:

• Slowest approvals in Canada
• Highest development fees
• Severe rental and ownership shortages

• Failing affordability indicators
• Core-area out-migration driven by housing scarcity

This matters because it confirms, independently, what we already see in the field:

Toronto is not a "normal" market.
It is a **scarcity-regulated market**, where supply cannot respond to demand.

Under conditions like these, stabilized boutique infill assets do not trade on traditional cap-rate logic. They trade on **irreplaceability**, governance, and income durability — which is exactly why VULPIN's benchmark uses **NOI ÷ 3.25%** for valuation reference.

The HOMES Report simply documents what builders, lenders, and serious investors already know:

Toronto's dysfunction writes the bonus cheque for disciplined owners.
Scarcity isn't a headwind — it is the pricing engine.

Full report:
👉 https://www.missingmiddleinitiative.ca/reportcard2025

With that context, now we can talk sensibly about when (or if) selling ever makes sense.

1. Why Selling Too Early Is Usually Dumb

Let's start with the obvious temptation:

"We should sell now – the market's hot, we cash out, everyone feels good."

Sometimes, selling is the right move. But often, early sale is just:

Fear of risk,

Impatience, or

Pressure from partners who don't think beyond the next cheque.

We've watched people:

Grind through approvals, construction, and lease-up.

Stabilize a solid building.

Then sell to a REIT or long-term buyer who happily collects the income for decades.

What Happens to Joe & Maria If We Sell?

Short answer: **nothing dramatic.**

Their lease stays in place.

Their income share stays in place.

The new owner inherits the obligations we signed, not the other way around.

If we ever sell a VULPIN building, it is because the numbers say, "This is a good time to harvest," **not** because we are dumping people. Joe & Maria are not being "sold" to a new landlord; the building is, and their protections travel with it.

In that scenario:

- The seller gets a one-time pop.
- The buyer gets a **boring printer of money** for the next 20–30 years.

We asked ourselves:

“Which side of that trade do we want to be on?”

Our answer: **mostly the second side**.

If we’ve done all the hard work to create a high-quality Missing Middle asset in a good location, why would we:

- Take all the development risk,
- Then hand the long-term income and inflation protection to someone else?

That doesn’t mean “never sell.” It means we treat a sale as a **strategic move**, not an emotional one.

2. The Role of the Refinance

For us, and for VULPIN, the refinance is usually the key turning point:

- Construction risk is gone.
- Income is visible.
- The building qualifies for a different kind of debt – usually cheaper, longer-term, less hands-on.

At refi, you can:

- Pay off the construction loan.
- Return some or all of the original equity, depending on valuation and loan terms.
- Move into a calmer, more predictable financing structure.

For Joe & Maria, a good refi can mean:

- They keep a meaningful stake in the building.
- Their **personal risk drops** – the wild part is over.
- They start to enjoy the income without wondering if the crane will ever leave.

For VULPIN:

- It means their loan position can evolve:
    - From pure construction risk into **more secured operating risk**, or
    - Into being refinanced out by another lender, allowing capital to be redeployed into the next wave of projects.

In either case, refi is less “exit” and more “shift”:

From high-volatility, high-complexity risk
to
lower-volatility, income-focused risk.

You don't build a platform on panic exits. You build it on predictable transitions like this.

3. When Selling Does Make Sense

There *are* times where selling is rational:

- A particular building is an outlier in the portfolio.
- The capital tied up in it can do more work in a new project than sitting where it is.
- Market conditions make the exit terms genuinely **too good to ignore**.

We've had and seen situations where:

- A buyer was willing to pay at a cap rate that essentially priced in years of growth.
- A strategic buyer wanted a very specific location and was paying above what we'd consider its value as a long-term hold.

In those cases, selling:

- Unlocks capital for the next phase.
- Simplifies the portfolio.
- Can be fair to all parties if the value is shared clearly.

For Joe & Maria, this might look like:

- A fork in the road:
    - Do they want to keep a smaller position in a portfolio of multiple buildings?
    - Or take a bigger cheque on this one asset and de-risk their personal situation?

For VULPIN investors:

- They care less about *which* building is held and more about:
    - The total NAV,
    - The security of income,
    - The fairness and transparency of how realized gains are handled.

The key is that selling is:

- A **tool**,
- Not a reflex.

We don't build Missing Middle just to feed a flip machine. If that's your approach, you will eventually get wiped out when the music stops for a while.

4. The Portfolio View: One Building vs. Many

Individual buildings have stories and emotions attached.

Portfolios don't. They have:

- Yield,
- Risk,
- Correlations,
- And exit options.

The whole reason we shifted from "a few projects" to "a system" and then to **VULPIN** is that:

One building can change your life.
A portfolio can change your family's trajectory.

A stabilized portfolio of Missing Middle assets:

- Smooths out the bumps in any one project.
- Gives lenders confidence – they're not just betting on Dovercourt or Ross alone.
- Gives investors diversity – across locations, tenant mixes, and timetables.

It's also where the **real platform value** sits.

That's how you get from:

- "We have a nice building" to
- "We have a company worth CAD 100–150M."

For Joe & Maria and people like them, the question becomes:

- "Do I want to be attached only to **my one building**?" or
- "Do I want a piece of a **bigger, more stable story**, even if that means sharing more broadly?"

For us, the answer is clear:

- We build projects to **feed a portfolio**,
- The portfolio is what **feeds VULPIN**,
- VULPIN is what **feeds long-term wealth** for everyone who's aligned.

5. What Game Are You Actually Playing?

This is where we zoom out.

There are three common games people think they're playing in Missing Middle:

1. **The Quick Build-and-Flip Game**
    - Get approvals, build, sell, move on.
    - Works in a hot market. Brutal when the cycle turns.
2. **The Lone-Wolf Landlord Game**
    - Build once, hold forever, do everything yourself.
    - Fine for very small scale; risky and exhausting at Missing Middle scale.

3. **The Platform Game**
    - Build a repeatable system.
    - Use a dedicated capital engine (VULPIN) to fund it.
    - Share the value:
        - Owners like Joe & Maria,
        - Operators (us),
        - Investors.

We chose the third.

Not because it's pretty on a slide, but because:

- We already paid the tuition to know how to run the system.
- We already have the factory (Foxy/PCM).
- The only sane way to scale without blowing people up is to separate roles and align incentives.

For Joe & Maria:

- Their game is: **upgrade their position**, add income, protect their downside.
- Not: "become a developer overnight."

For investors:

- Their game is: **secured income + real upside** from a portfolio they don't have to run.
- Not: "learn how to fight with inspectors."

For us:

- Our game is: **run the factory and the system**,
- Let VULPIN run the bank,
- Build something that outlives any one address.

No Bullshit Checklist – Hold, Refi, or Sell?

When you're at stabilization, ask these questions before you make a move.

1. Asset Quality

- Is this a **good building** in a **good location**, with real demand?
- Would you be happy owning it for 10+ years?
- Or is it truly an outlier that doesn't fit the long-term story?

2. Refi Readiness

- Are rents and occupancy solid enough that a refi makes sense now?
- Is the refi freeing up capital **without** over-leveraging the asset?

- Does the new debt profile match the building's reality (interest, amortization, covenants)?

3. Sale Motive

- Are you considering a sale because:
    - You're scared,
    - You're tired,
    - Or someone is dangling a number that really just hits your ego?
- Or is the offer genuinely **strategic** – well above what the building is worth as a hold?
- If you sell, does that capital clearly have somewhere better to go?

4. Portfolio Fit

- How does this building fit into the **wider portfolio**?
- Does keeping it improve overall stability and yield?
- Does selling it simplify things or introduce new concentration risk?

5. Joe & Maria Lens

- What does each option mean for the original owners (if they're still involved)?
- Does a sale or refi meaningfully improve their real life?
- Are they being asked to take more risk, or actually being de-risked?

6. VULPIN / Investor Lens

- Are investors seeing a rational, well-explained decision, or a reactive move?
- Does this step make the fund's income and NAV **more** robust, or less?
- Is the long-term platform value (that CAD 100–150M) becoming clearer, or fuzzier?

If you can't answer those with clarity, you're not making a strategic decision.

You're just reacting.

With this chapter, the **"system" side of the story is basically drawn**:

- How we find sites,
- How we design and get to yes,
- How we finance and build,
- How we stabilize and decide what to do next.

In **Part III**, we tie it all together:

- We go back to **Joe & Maria** as the template for owners we actually want to help.
- We explain in plain language what a **"sweet deal"** looks like for them when Foxy/PCM + VULPIN are in the picture.

- We show how, taken together, these deals add up to the **platform** we outlined in your VULPIN Harvest Plan – the one that can realistically be worth CAD 100–150M, with each of your 1/3 stakes sitting comfortably in eight-figure territory.

Sidebar: Why CMHC MLI Select and Efficiency Tilt the Math

One thing I've deliberately kept out of the main story, until now, is the alphabet soup of **CMHC programs** and "green" standards.

In the real world, they matter.

Programs like **CMHC MLI Select** basically reward you for doing what we were going to do anyway:

- Build **better-performing buildings** (energy, water, envelope).
- Include **more stable, longer-term rental stock**.
- Design units that make sense for real households, not just pro formas.

If you hit their criteria – on **efficiency, accessibility, and social outcomes** – you're not just "being good citizens." You unlock:

- **Lower interest rates**
- **Higher loan amounts** (higher loan-to-value / loan-to-cost)
- **Longer amortizations**

In plain language:

The same building, built smarter, can carry more good debt at a lower cost, for longer.

For us, that changes the Missing Middle game in a few ways:

- It makes **long-term holds** more attractive, because the debt is friendlier.
- It gives **more breathing room** for Joe & Maria–type deals, where we want income and stability, not just a flip.
- It rewards all the boring discipline — insulation details, mechanical design, triple glazing, etc. — with real, permanent savings in the capital stack.

We don't build "green" because it looks good on a brochure.

We build efficient, well-performing buildings because:

- Tenants are happier and stay longer.
- Operating costs behave.
- And in the background, programs like MLI Select quietly **make the numbers better** for everyone in the deal.

It's another example of the same theme:

If you treat the building as a serious long-term asset — not a quick trade — the system quietly starts to work in your favour.

PART IV

THE MACHINE

Why VULPIN Is Infrastructure, Not a Fund

In Part II, we showed you the evidence: five sites, one pattern, years of institutional friction.

In Part III, we showed you the system we built from that wreckage: how we choose sites, run builds, and avoid the traps that kill projects.

Now we're going to show you the machine.

Not the building. The infrastructure underneath it.

VULPIN did not emerge from a business plan. It emerged from a simple question: if the Missing Middle is too complicated for small builders, too small for large builders, and too hostile for civilians — who builds it?

Someone had to turn urban housing into infrastructure. Not a bet. Not a pitch. Not a vision. A system.

This is how we did it.

CHAPTER 17: When We Ran Out of Excuses, We Ran the Engineering

By the time we had lived through Batavia, Castleton, and Weston, we stopped arguing with the City and started arguing with reality.

If there was a faster, cheaper, cleaner way to build Missing Middle housing, we wanted it. So we tested everything. Including modular construction.

WHY MODULAR FAILS IN REAL TORONTO STREETS

Modular works in brochures. It collapses in Toronto's core.

Here's why — and this is not opinion, it's physics.

Tight streets with no laydown space. Rear laneways with turning constraints. Overhead hydro wires everywhere. Zero tolerance for road closures. Small, irregular lots that cannot accept crane staging.

A modular box is not "plug and play." It is a shipping problem disguised as construction. You end up renting cranes that can't swing, paying for escorts and permits, scheduling around utility shutdowns, lifting air instead of material, and fighting neighbours, utilities, and inspectors at the same time.

In Missing Middle sites, modular doesn't reduce complexity. It concentrates it into one impossible day.

That's when we stopped asking "How do we build this faster?" and started asking "What construction logic actually fits these streets?"

THE REALIZATION

The mistake everyone makes is thinking Missing Middle housing is smaller condos, or simplified towers, or mini modular buildings. It's none of those.

Missing Middle housing is urban manufacturing under extreme constraints.

Once you see that, the answer becomes obvious. You don't fix this with boxes. You fix it with systems.

INDUSTRIALIZATION, NOT MODULAR

We didn't want to ship buildings. We wanted to ship decisions.

So we built an industrial model: standardized shells, reduced part counts, repeatable details, controlled tolerances, on-site assembly that fits narrow lots, and sequencing that works with inspectors, not against them.

Think automotive, not construction. You don't ship a car as one giant block. You ship a platform, a drivetrain logic, a supply chain, and infinite configuration on top.

THE SILK ROAD

To make that work, we needed two things simultaneously: lower cost and higher quality. Canada cannot deliver both at the same time at scale.

So we went where manufacturing has always gone when it gets serious. We established our buying office in Tbilisi, Georgia — right in the middle of the modern Silk Road.

That wasn't ideological. It was logistical.

From there, we could source high-quality components from low-cost producers, control tolerances directly, aggregate volume by project rather than shipping containers of air, ship dense and efficient loads, and hit Toronto timelines without crane theatrics.

This is the part modular advocates never explain: you don't ship value by volume. You ship it by density.

THE WINDOW EXAMPLE

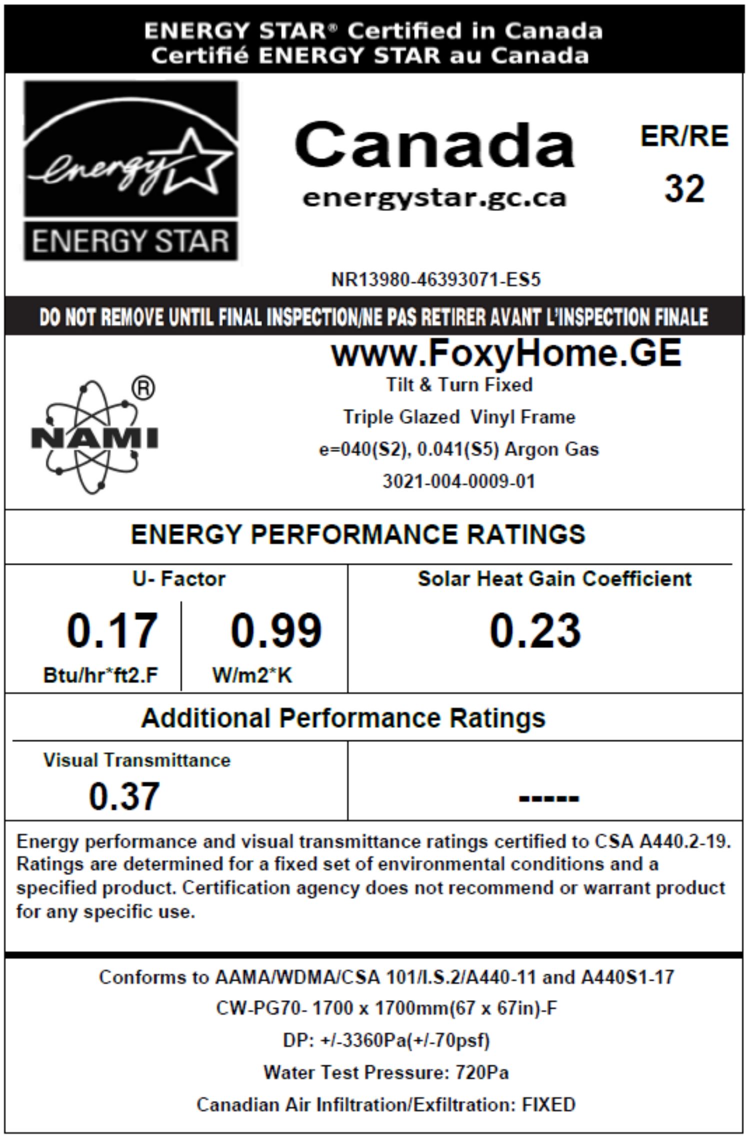
This is the whole philosophy in one example.

We didn't design hundreds of window types. We designed three.

Three standardized window sizes. From those three sizes, we can generate over 884,000 valid combinations. That's not limitation. That's control.

Our triple-glazed vinyl and aluminum tilt-and-turn units, manufactured under the FoxyHome.GE brand in Georgia, match the quality of top European or American lines. Argon-filled, triple glazed, energy-efficient, with U-factors as low as 0.17 for vinyl and

0.22 for aluminum. They've passed full CSA A440.2-19 certification and conform to AAMA/WDMA/CSA standards.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ENERGY PERFORMANCE RATINGS

U- Factor		Solar Heat Gain Coefficient
0.17 Btu/hr*ft2.F	0.99 W/m2*K	0.23

Additional Performance Ratings

Visual Transmittance	
0.37	-----

Energy performance and visual transmittance ratings certified to CSA A440.2-19. Ratings are determined for a fixed set of environmental conditions and a specified product. Certification agency does not recommend or warrant product for any specific use.

Conforms to AAMA/WDMA/CSA 101/I.S.2/A440-11 and A440S1-17
CW-PG70- 1700 x 1700mm(67 x 67in)-F
DP: +/-3360Pa(+/-70psf)
Water Test Pressure: 720Pa
Canadian Air Infiltration/Exfiltration: FIXED

Manufacturing lead time: two weeks. Sea freight from Tbilisi to Toronto: four weeks. Total door-to-site: six weeks maximum.

In Canada, you'd wait sixteen weeks for something inferior at double or triple the price.

The 50 Castleton building — the one the City delayed for years, the one that now scores 27 GJ per year on its EnerGuide rating, nearly five times better than a typical new build — those are the windows in it.

THE AUTOMOTIVE ANALOGY

Like automotive platforms, we design one system with controlled variation. One shell. Multiple outcomes. Think of the same basic platform producing a taxi, an executive sedan, a luxury model, a family vehicle, and a student rental. Same bones. Different finishes. Different economics.

This is why we can use three window sizes to generate hundreds of valid layouts without breaking procurement, inspection, or cost certainty.

That's not architectural compromise. That's industrial discipline.

WHY THIS SOLVES WHAT THE CITY CANNOT

The City tried to fix Missing Middle housing with policy. Policy without execution is just text.

We fixed it with industrial logic, supply chains, reduced entropy, capital discipline, and systems that work inside tight streets, tight lots, and hostile approvals.

Modular failed because it tried to ship buildings. We succeeded because we shipped systems.

CHAPTER 18: The McDonald's of the Missing Middle.

Why VULPIN Is Infrastructure, not just a simple Fund.

At a certain point, the problem became obvious.

Toronto wasn't unique. Batavia wasn't unique. Castleton wasn't unique.

The failure pattern repeated because the inputs repeat across North America: tight urban lots, narrow streets, overhead utilities, fragmented zoning, discretionary approvals, high labour costs, volatile materials pricing.

The mistake everyone makes is trying to solve this one site at a time. That will never scale.

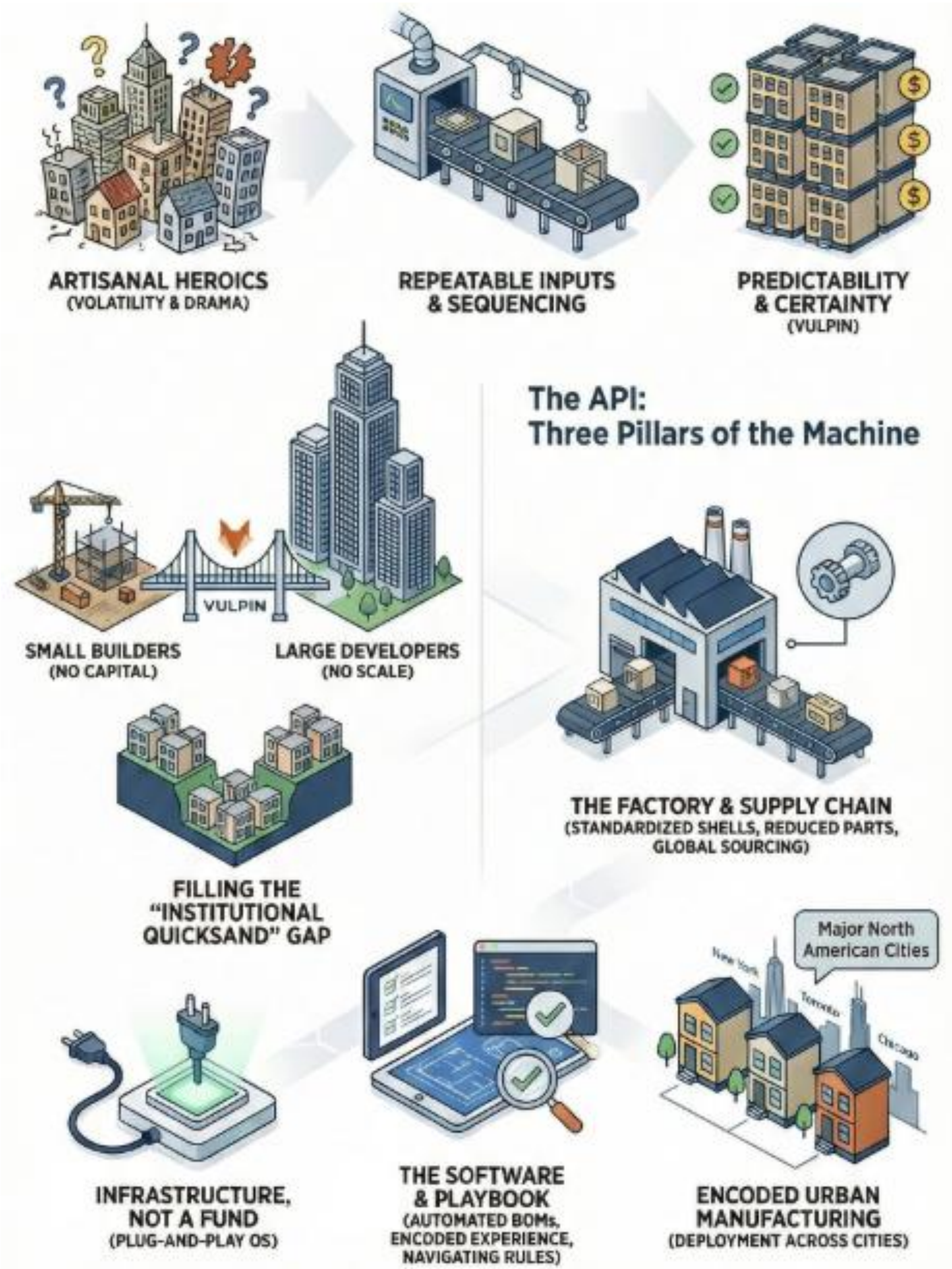
So we stopped building projects. And started building a system.

WHAT PEOPLE GET WRONG ABOUT "McDONALD'S"

McDonald's is not successful because it sells burgers. It's successful because it sells certainty. Same inputs. Same outputs. Same tolerances. Same training. Same sequencing. Same economics. Anywhere.

VULPIN applies that exact logic to Missing Middle housing. Not prefab boxes. Not bespoke architecture. Not artisanal heroics. Repeatable urban manufacturing.

VULPIN is the McDonald's of the Missing Middle - not because it's cheap, but because it's predictable.


ARTISANAL HEROICS
(VOLATILITY & DRAMA)
REPEATABLE INPUTS
& SEQUENCING
PREDICTABILITY
& CERTAINTY
(VULPIN)
The API:
Three Pillars of the Machine
VULPIN
SMALL BUILDERS
(NO CAPITAL)
LARGE DEVELOPERS
(NO SCALE)
FILLING THE
"INSTITUTIONAL
QUICKSAND" GAP
THE FACTORY & SUPPLY CHAIN
(STANDARDIZED SHELLS, REDUCED PARTS,
GLOBAL SOURCING)
Major North
American Cities
INFRASTRUCTURE,
NOT A FUND
(PLUG-AND-PLAY OS)
THE SOFTWARE
& PLAYBOOK
(AUTOMATED BOMs,
ENCODED EXPERIENCE,
NAVIGATING RULES)
ENCODED URBAN
MANUFACTURING
(DEPLOYMENT ACROSS CITIES)

THE PLATFORM, NOT THE PROJECT

VULPIN is designed as a plug-and-play operating system for Family Offices. Think of it as an API, not a fund.

A Family Office does not need to learn zoning, manage trades, fight planners, build factories, source materials globally, carry execution risk, or debug mistakes in public.

They plug in.

WHAT THE API ACTUALLY DOES

When an institutional allocator connects to VULPIN — whether a Family Office, a pension fund, a sovereign wealth vehicle, or a government housing agency like Build Canada Homes — they are accessing four things simultaneously.

First, The Factory: standardized shells, reduced part counts, proven assemblies, repeatable details, known tolerances.

Second, The Supply Chain: global sourcing from low-cost, high-quality regions, buying offices embedded in manufacturing hubs, project-level aggregation, predictable lead times.

Third, The Software: site qualification logic, design selection rules, bill-of-materials automation, cost certainty bands, sequencing logic that matches inspectors rather than theory.

Fourth, The Playbook: what to build, what not to touch, what cities tolerate, where discretion kills projects, and how to retreat without losing capital.

This is not development intuition. It's encoded experience.

WHY THIS WORKS IN MOST NORTH AMERICAN CITIES

The dirty secret of urban housing is this: cities pretend they're different. Their constraints are identical.

Same fire code logic. Same utility conflicts. Same NIMBY dynamics. Same planner incentives. Same under-resourced departments.

Once you design for Toronto, New York, Vancouver, Boston, Chicago, and Seattle, you've designed for all of them. The streets change names. The politics change accents. The bottlenecks stay the same.

WHY THE GAP EXISTS

Here is the uncomfortable truth the current system created.

Too complicated for the small builder: multi-layered approvals, professional-grade design requirements, fire and servicing complexity that rivals mid-rise work, carry costs that small operators cannot absorb, and zero tolerance for sequencing mistakes. For a small builder, this is institutional quicksand. They don't fail because they lack skill. They fail because they lack time, capital buffer, and political stamina.

Too small for the large builder: too few units, too fragmented by site, too slow in approvals, too bespoke in execution. A large developer sees all the risk of a mid-rise and none of the scale. They walk away.

What the City has effectively created is a category of housing that carries the regulatory burden of a fifteen-storey building, with the economics of a handful of units, and none of the institutional support that large projects receive.

VULPIN exists precisely in that gap. Not because it's clever, but because it is sized, capitalized, and disciplined enough to operate where others cannot.

WE HELPED CHANGE THE RULES

While our sites were trapped in regulatory limbo, something else was happening in parallel. We weren't just navigating the system. We were actively trying to fix it.

At the same time we were fighting for permission on small, deeply constrained sites, we were already engaged with the City through 2346 Weston Road — a far more complex file that forced Toronto to confront the reality of Missing Middle housing at scale.

That work mattered. It helped push the City toward broader acceptance of gentle density, more permissive language around multiplexes, and a formal acknowledgment that single-family zoning was incompatible with housing reality.

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The rules did change. But here is the uncomfortable truth: the new rules are still unusable for the people they claim to help.

We helped change the rules. Now we're building the system the rules forgot to create.

WHY THIS IS THE END OF THE ARGUMENT

Governments can't build housing. Small builders can't scale it. Large developers won't touch it.

VULPIN exists because someone had to turn urban housing into infrastructure. Not a bet. Not a pitch. Not a vision. A system.

CHAPTER 19: Joe & Maria - The Owners Everyone Knows

Joe and Maria aren't one specific couple.

They're a composite of the people Missing Middle is always talking about but almost never really protecting.

They're in their late 50s or 60s.
They bought their house decades ago when the street was normal, not "prime."
Their kids grew up, moved out, and now the house is too big for two people and a dog.

On paper, they're wealthy:

- The house that once cost a few hundred thousand is now "worth" millions.
- Realtors would love to list it.
- Developers would love to tear it down and build something bigger.

In their actual day-to-day life:

- Property taxes have climbed.
- Groceries and everything else are more expensive.
- Their income is steady or falling, not doubling every few years.

They're not poor. But they're stuck:

"We know this house is valuable. We just don't know how to turn that into a better life without doing something crazy."

They've read about Missing Middle. They've seen articles and videos about turning a single house into multiple homes, about adding units in the backyard, about helping solve the housing crisis.

They like the idea in theory.

They don't like the idea of betting their retirement on a process they don't understand.

1. What Joe & Maria Hear vs. What They Feel

When Joe & Maria start asking people for advice, they get a predictable mix of answers:

- "Just sell. Cash out and go somewhere cheaper."
- "You should build a laneway suite / fourplex / eight-plex."
- "Refinance, use the equity, and do a project."

On the surface, all three options make sense.

Underneath, they feel:

- Selling means leaving their street, their friends, their routines.
- Becoming "small developers" means taking on debt and risk they don't understand.

- Doing nothing means slowly getting squeezed by rising costs while sitting on an asset they can't fully use.

No one sits down and says, in plain language:

"Here's what it actually means to run a Missing Middle project on your land, and here's what can go wrong."

Most of what they hear is either:

- Overly simple ("just add units"), or
- So technical they tune out ("interest reserves, progress draws, holdbacks…").

So they feel what most normal people feel when they're pitched something complex:

- A mix of curiosity and fear.
- A strong instinct not to risk the one big asset they have.

They're not being "difficult." They're being sane.

2. Why I Don't Want Them in the Cockpit

By the time this book gets to Joe & Maria, we've walked through:

- How sites can quietly destroy budgets.
- How City Hall can add months and soft costs for fun.
- How construction loans really work when things go sideways.
- How messy a build can get if you don't have systems.
- How lease-up and stabilization can help or hurt a refi.

Now take that entire mess and imagine handing it to:

- A retired teacher,
- A small business owner,
- Or any normal professional couple with **zero** construction or development background.

The idea that they should "learn by doing" on a multi-million-dollar project tied to their only home is, frankly, insane.

Yes, some people survive doing it once. But for every "we did a fourplex and it worked" story, there are quiet, miserable stories of:

- Budgets blown,
- Marriages strained,
- Projects half-finished and then sold under pressure,
- "We will never do anything like that again."

I've seen enough of the inside of this business to know:

I do **not** want civilians like Joe & Maria holding the construction risk on their own house.

They shouldn't be:

- Signing a construction loan they barely understand.
- Negotiating change orders with trades.
- Taking calls from a lender about delays and cost overruns.
- Reading inspection reports at midnight.

They're not built for that. And they shouldn't have to be.

3. What They Actually Want (In Real Words)

When you strip away the noise, Joe & Maria's real goals are simple:

1. **Stay connected to the place they love.**
    - Ideally stay in the neighbourhood.
    - If possible, stay on the property in some form.
2. **Turn their "paper wealth" into reliable income.**
    - Enough to breathe.
    - Enough to help family without stress.
    - Enough that they're not counting every supermarket bill.
3. **Avoid blowing themselves up.**
    - No catastrophic downside.
    - No risk of "we lost the house" because a project went wrong.
    - No sudden need to go back to work in their 70s.
4. **Have someone competent driving.**
    - Someone who has done this multiple times.
    - Someone who has their own money in the game.
    - Someone whose success is tied to the project working, not just collecting a fee.

Now compare those goals to the three common pieces of advice:

- "Just sell and move away."
    - Keeps them safe, but uproots their entire life.
- "Just do a project yourself."
    - The exact opposite of avoiding catastrophic risk.
- "Just refinance and invest."
    - Without real guidance, that can be another version of "guess and hope."

None of those, by themselves, answer what Joe & Maria actually want.

4. How We Want Joe & Maria to Show Up in a Deal

After enough conversations like this, we drew a line:

Joe & Maria **should be part of the story**.
But they **should not be developers**.

In a FoxyHome + VULPIN world, a Joe & Maria–type owner shows up like this:

- They bring:
    - The land / property.
    - Their long-term presence in the neighbourhood.
    - Their willingness to let the property evolve.
- They do **not**:
    - Run the development.
    - Hold the construction loan.
    - Manage trades or approvals.
    - Spend their retirement learning permit codes.
- They do:
    - Stay informed.
    - Ask questions.
    - Understand how their share of the new building works (income, equity, future options).

On the other side:

- We (through Foxy/PCM) take on:
    - The practical responsibility of design, approvals, construction, and stabilization.
    - The reality of dealing with the City, the lender, and the builder day to day.
- VULPIN takes on:
    - The responsibility to fund the project in a **structured, governed way**.
    - The duty to keep investors protected with first liens, reserves, and serious oversight.

In that structure, Joe & Maria are **central** – but they're not in the cockpit.

They're in a comfortable, properly bolted-down seat, with a clear view of where the plane is going and what's in it for them.

5. The Kids: The Hidden Investment Committee

In almost every real-world Joe & Maria scenario, there's an invisible third party:

- The adult kids.

They are:

- Protective.
- Skeptical.
- The unofficial "risk officers" for their parents.

They've seen enough stories of:

- Bad investments,
- Shady deals,
- Contractors gone wrong,
  to be deeply suspicious of anything that sounds too clever.

If you show up with a loose, hand-wavy pitch, they will (rightly) say:

"Mom, Dad, don't sign anything."

If you show up with:

- A coherent structure,
- Clear separation of roles,
- Real governance around VULPIN,
- A story that matches what's promised on the FoxyHome side ("we do the work, you share the benefit, you're not taking blind risk"),

then the conversation changes.

They may still have questions. They should. But they can see:

- Their parents are not being sold a fantasy.
- The developer/operator is not "winging it."
- The capital stack (with VULPIN) is not some informal handshake; it's an actual framework.

The kids are the best bullshit detectors in the room. We design deals assuming they're going to be reading the documents.

6. The Emotional Temperature Test

One of the ways I test whether a Joe & Maria structure is honest is to run this mental exercise:

Scenario A – DIY Path

- House partially demolished.
- Joe & Maria living in an Airbnb or basement rental they don't like.
- Every delay comes straight through to them as stress.
- They're in every meeting they don't understand.
- They're waking up at 3 a.m. thinking about the loan.

Scenario B – Foxy + VULPIN Path

- Joe & Maria understand the plan:
    - What's being built.
    - Where they'll live.
    - How they'll get paid.
- They are updated, not overwhelmed.
- There is a clear, documented structure for:
    - Who runs the project,
    - Who pays for what,
    - How risk is shared or absorbed.
- Their worst-case scenario is limited and defined.
- Their best-case scenario is a modern building they partly own or benefit from, in a neighbourhood they already love.

If the deal we're proposing doesn't clearly fall into Scenario B, we aren't done structuring it.

7. Why Joe & Maria Are the North Star for VULPIN Too

You could build VULPIN around pure investor logic:

- Best risk-adjusted returns.
- Highest yield.
- Cleanest collateral.

We certainly care about all of that.

But we also care that:

- The **assets** VULPIN holds are not just numbers on a spreadsheet, they're homes.
- The **people** whose land we're building on aren't disposable "sellers", they're partners.

Anchoring the whole thing on Joe & Maria forces discipline:

- If a structure wouldn't feel right explaining it to a couple like them, we're probably drifting.
- If a project only works by pushing too much risk on them, it's not the kind of asset we want in the VULPIN portfolio.
- If a deal ignores their long-term wellbeing in favour of a short-term gain, it's not aligned with what we say publicly on FoxyHome.

This isn't sentimentality. It's **design**:

- Deals built around real people with real limits tend to be more robust.
- They survive more cycles.
- They attract better capital.

Investors like the Joe & Maria test too, even if they don't know that's what we're doing.

8. From Story to Structure

Up to now in Part III, we've told the human story:

- Who Joe & Maria are.
- What they care about.
- Why we don't want them carrying developer risk.
- Why FoxyHome and VULPIN exist as separate but linked engines.

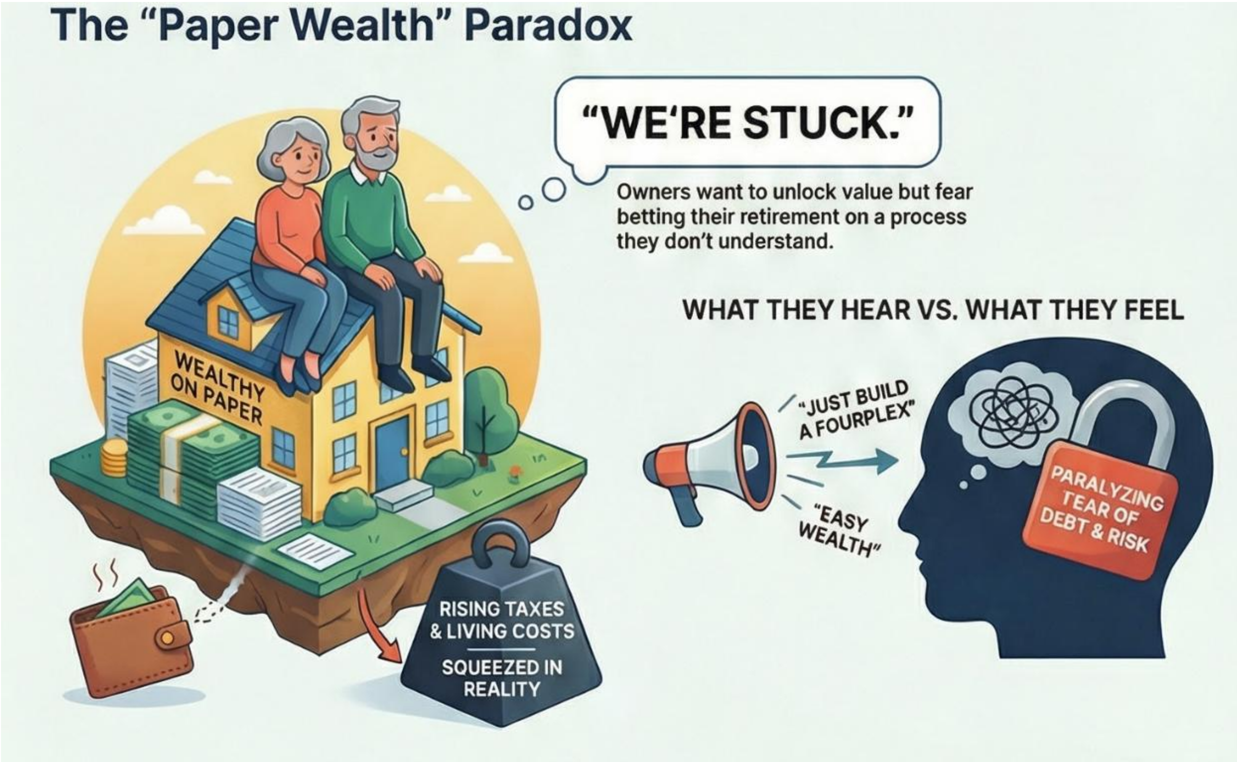
In the next chapter, we move from story to structure:

- How a **"sweet deal"** is actually put together, at a high level:
    - Who brings what,
    - Who risks what,
    - Who gets what.
- How the roles line up so that:
    - Joe & Maria stay safe and do well.
    - Foxy/PCM and our team are rewarded **for execution**, not just participation.
    - VULPIN investors get the kind of **secured income + upside** profile they're looking for.

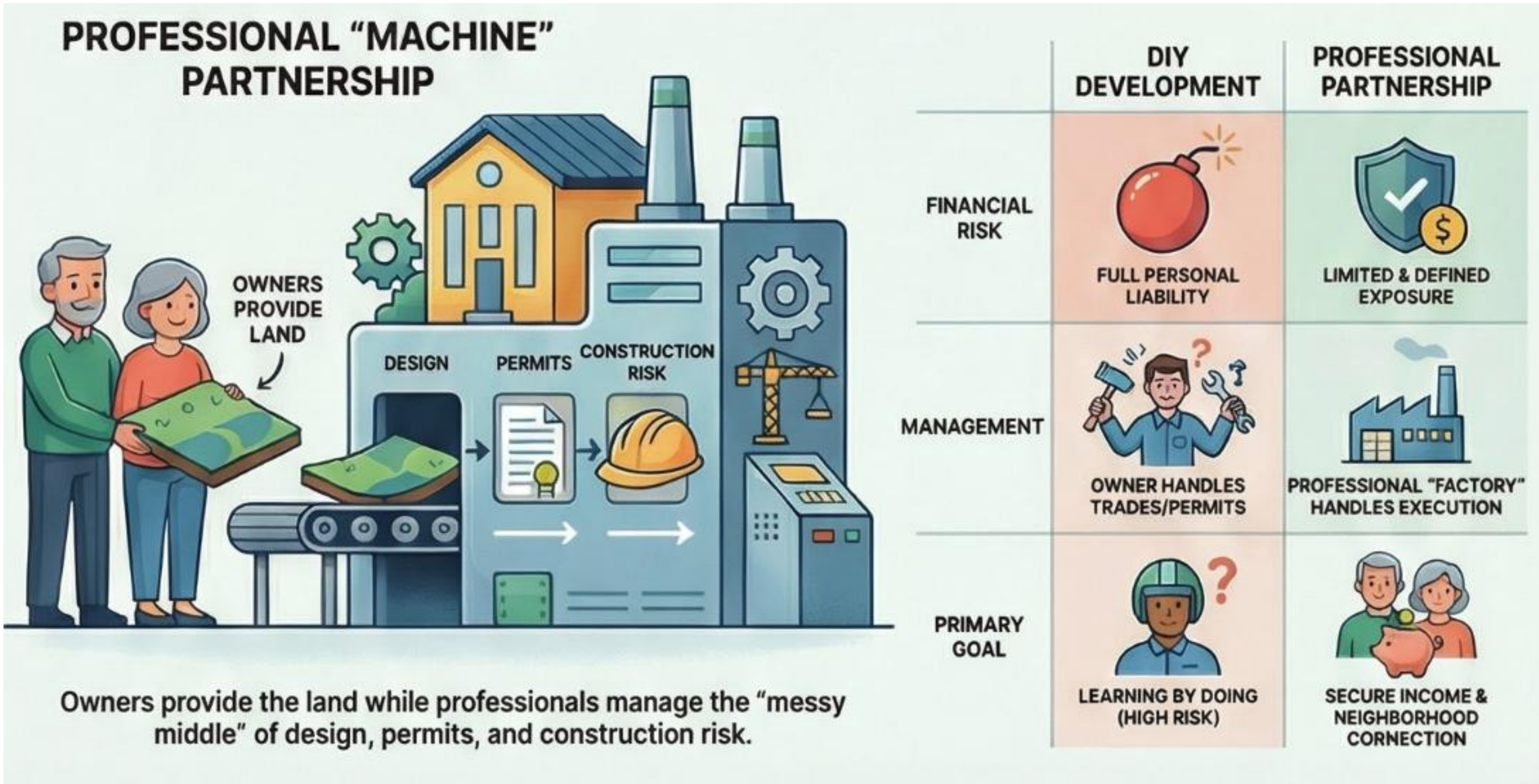
That's where we show how the Missing Middle system, Joe & Maria's situation, and the VULPIN Harvest Plan all sit on the same spine.

It's not theory anymore. It's the actual way we do deals.

One more quiet but important point: in a Joe & Maria deal, VULPIN never becomes their long-term partner or co-owner. VULPIN's job is to sit in the background as the **construction lender only** – it funds the build against a first lien and steps out the day the CMHC / MLI Select take-out loan funds. After that, Joe & Maria's ongoing relationship is with **Foxy/PCM and the local ownership LP**, not with VULPIN's investors.


The "Paper Wealth" Paradox
"WE'RE STUCK."
Owners want to unlock value but fear betting their retirement on a process they don't understand.
WHAT THEY HEAR VS. WHAT THEY FEEL
"JUST BUILD A FOURPLEX"
"EASY WEALTH"
PARALYZING FEAR OF DEBT & RISK
WEALTHY ON PAPER
RISING TAXES & LIVING COSTS
SQUEEZED IN REALITY


The Safety-First Partnership Path
WHY OWNERS SHOULDN'T BE IN THE "COCKPIT"
CONSTRUCTION LOANS
TRADE NEGOTIATIONS
CITY HALL SOFT COSTS
Civilians lack the systems to manage construction loans, trade negotiations, and City Hall's "soft cost" surprises.
THE FOUR REAL GOALS OF HOMEOWNERS
STAYING CONNECTED TO NEIGHBORHOOD
GENERATING RELIABLE INCOME
AVOIDING CATASTROPHIC FINANCIAL DOWNSIDE
SECURE RETIREMENT


PROFESSIONAL "MACHINE" PARTNERSHIP
OWNERS PROVIDE LAND
DESIGN
PERMITS
CONSTRUCTION RISK
Owners provide the land while professionals manage the "messy middle" of design, permits, and construction risk.
DIY DEVELOPMENT
PROFESSIONAL PARTNERSHIP
FINANCIAL RISK
FULL PERSONAL LIABILITY
LIMITED & DEFINED EXPOSURE
MANAGEMENT
OWNER HANDLES TRADES/PERMITS
PROFESSIONAL "FACTORY" HANDLES EXECUTION
PRIMARY GOAL
LEARNING BY DOING (HIGH RISK)
SECURE INCOME & NEIGHBORHOOD CORNECTION

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CHAPTER 20: The "Sweet Deal" Version of Missing Middle

If Part II was "here's how the machine works under the hood," this chapter is:

"Here's what it looks like when someone like Joe & Maria actually plug into it."

Up to now, Joe & Maria have been standing on the sidelines of this book:

- They own the kind of house Missing Middle is designed for.
- They like their street.
- They're not interested in being developers.
- They don't want to sell and leave, but they can feel the city getting more expensive around them.

They've seen the same headlines you have:

- Housing crisis.
- Missing Middle.
- Gentle density.
- "Unlock your equity."

They've also seen enough of our scars in the earlier chapters to know they don't want to be in the cockpit.

So what does a **"sweet deal"** actually look like for them?

Not a fairy tale.
A grown-up, structured deal where:

- They **keep their home** (or a serious stake in what replaces it).
- They **grow their wealth** with new, stable income.
- They **don't** spend three years learning construction financing in real time.

Let's walk through it.

1. Step 1: From "We Should Do Something" to "Here's the Plan"

It usually starts with a version of the same conversation:

"We know this house could be more. We just don't know how to do it without risking everything."

They've heard about us through a neighbour, a realtor, or one of the FoxyHome materials:

- "Keep your home, grow your wealth."
- "Turn your home into an income-generating asset." FoxyHome by PCMNow

They book a call.

The first meeting with people like Joe & Maria is not about floor plans and rent per door. It's simpler:

- What's your life like right now?
- What do you actually want?
    - Stay on the property?
    - Move nearby but keep ownership?
    - Maximize income?
    - Balance income and simplicity?

We're listening for:

- How much disruption they can realistically handle.
- How much risk they're actually willing to take (not the number in their head after reading an article).
- What "success" looks like for them personally, not just on a spreadsheet.

Then we look at the site:

- Does their lot pass our **No Bullshit site filter**?
- Can it sensibly support a Missing Middle project without insane shoring or service issues?
- Does the City's policy on that street support what we'd want to build?

If the site is wrong, we tell them that and walk away.

If the site is right, we move to the next question:

"Are you the right fit for this kind of deal?"

Most of the time, the answer is yes. Sometimes, it isn't – if someone secretly wants to be their own developer, they shouldn't be in a FoxyHome + VULPIN structure. That's a different story.

2. Step 2: Who Brings What

Assuming we're moving forward, the deal, at a high level, looks like this.

Joe & Maria bring:

- The **land** – the single most important ingredient.
- Their **history and anchor** in the neighbourhood.
- The **decision** to let this land evolve into something more than a single expensive house.

We (Foxy/PCM) bring:

- The **system** described in Part II:
    - Site analysis
    - Design and approvals

    - Construction management
    - Lease-up and stabilization
- The **execution risk** – if something goes wrong in the build, it hits us first.

VULPIN brings:

- The **capital**, raised from investors who want secured income plus upside.
- The **discipline**:
    - First-lien positions.
    - Reserves.
    - Covenants.
    - Independent oversight.
- A structure where Joe & Maria and investors are not betting on one guy's optimism; they're plugging into a governed, repeatable process.

Underneath that, the legal and financial structure is more complex – debentures, equity interests, profit splits – but from Joe & Maria's seat, it boils down to:

- "We're not alone. We're not on the hook for the construction loan. We're not guessing."

3. Step 3: What Happens to the House?

Emotionally, this is the hardest part for them:

"What happens to our actual house?"

There are a few models, but the pattern is generally:

1. We design a Missing Middle building that:
    - Fits the lot.
    - Respects the street.
    - Meets the City and lender's requirements.
2. If the existing house has to be demolished or substantially rebuilt, we plan:
    - Where Joe & Maria will live during construction (could be off-site or in a phased project).
    - Whether they'll have a **dedicated unit** in the final building, or
    - A defined share of the income from all units.
3. Once the new building is complete, Joe & Maria are no longer "owners of a detached house." They are:
    - Co-owners or beneficiaries of a **multi-unit income property** in a top-tier location, with professional management.

They've traded:

- One underused, ageing house,
  for
- A modern, efficient building with multiple income streams.

They didn't have to:

- Draw the plans,
- Fight at Committee,
- Run the build, or
- Negotiate the refinance.

They were guided through the process and plugged into a structure where other people carried those roles.

4. Step 4: How Joe & Maria Get Paid (Conceptually)

The specific numbers vary by deal, but the **logic** is always the same:

1. **They get credit for the land.**
    - The land is valued fairly.
    - That value is treated as their "equity contribution" into the project.
    - They don't have to write a cheque; their dirt is their capital.
2. **They get a share of the income.**
    - Once the building is stabilized and the financing is in long-term mode, the net income (after expenses and debt service) is split according to the deal structure.
    - Their share reflects:
        - The value of their land, and
        - The fact they are not the operating brains of the project (we are).
3. **They share in the long-term appreciation.**
    - If the building is held, they benefit from rising rents and values.
    - If, one day, the asset or a piece of it is sold, they get their share of the net proceeds.
4. **They are insulated from catastrophic downside.**
    - They're not personally guaranteeing the construction loan.
    - They're not expected to bail the project out if something goes wrong – that's a sponsor and capital-structure question, not "sell your retirement savings."

So their **economic life** looks more like:

- Lower personal risk than if they'd tried to be developers.

- Higher, more stable income than if they'd just stayed in a single house.
- A better asset to hand to their kids.

That's the "sweet" in the sweet deal. It's not magic; it's alignment.

SIDEBAR: The "Joe & Maria" Spreadsheet (Before vs. After)

It is easy to talk about "unlocking equity" in the abstract. It is harder to visualize what that actually means for a retired couple's bank account.

Let's look at a hypothetical, simplified example based on a real Toronto typology.

The "Before" Scenario: The Cash-Eating House Joe and Maria own a detached home on a double-wide lot near a subway station. They are technically millionaires, but they feel broke.

- **Asset Value:** CAD $2,500,000 (The House)
- **Debt:** $0 (Mortgage paid off)
- **Annual Costs:** -$22,000/year (Property taxes, insurance, heating a drafty old house, repairs).
- **Net Income: Negative $22,000/year.**
- **Lifestyle:** They are dipping into savings just to pay property tax. They worry about the roof leaking because they can't afford a $15k repair.

The "After" Scenario: The Foxy/VULPIN Partnership Joe and Maria partner with us. We demolish the old house and build an 8-unit, high-performance rental building. They contribute the land (valued at $2.5M). We handle the funding and construction.

Once built and stabilized, they own a defined equity share of the new building.

- **New Asset Value (Total Building):** ~$8,000,000 (Based on income valuation).
- **Joe & Maria's Position:**
    - They get one brand-new, accessible 2-bedroom unit to live in (value: ~$4,000/month rent-free).
    - They own a roughly 35% equity stake in the cash-flowing building.*
- **Annual Distributions (Their Share):** +$65,000/year (after debt service, management fees, and reserves).
- **Net Income: Positive $65,000/year + Free Housing.**
- **Lifestyle:** The "house poor" stress is gone. They have a modern home with no maintenance headaches. They have a passive income stream to travel or help grandkids.

The Difference: They didn't have to become developers. They didn't have to sign a $4M construction loan personally. They simply traded a rotting, expensive asset for a modern, income-producing one.

(Note: These numbers are illustrative. Every deal depends on specific zoning, build costs, and interest rates. But the directional shift—from negative cashflow to positive income—is the goal of every deal we structure.)

5. Step 5: How We Get Paid (And Why That's Fair)

For this to work, we're not pretending we're doing charity. We're building a system that works because everyone's incentives line up.

We (Foxy/PCM):

- Earn **fees and margin** on design, construction, and development management.
- Keep a meaningful **sponsor stake** in the building.
- Share in the long-term upside we created by doing the hard work.

VULPIN and its investors:

- Earn **secured, treaty-clean interest** on debentures (the "Bank" piece).
- Get a defined share of the **profit at exit**, once everyone has been paid what they're owed.
- Have their risk managed through:
  - First liens on the real estate,
  - Debt Service Reserve Accounts,
  - Proper governance.

The important point for Joe & Maria is this:

- We do better **when the building does better**.
- We don't get paid "no matter what" while they sit with the risk.

If a project isn't viable, VULPIN shouldn't fund it, and we shouldn't be doing it.

6. Why This Matches What FoxyHome Says in Public

If you look at FoxyHome's public face, you'll see phrases like:

- "Keep your home, grow your wealth."
- "Turn your home from a liability into an income-generating asset."
- "We handle everything from design and construction to rental management." FoxyHome by PCMNow

This chapter is the **behind-the-scenes version** of that promise.

We're not saying:

- "Trust us, it'll be fine."

We're saying:

- We've paid the tuition.
- We've built the system.

- We've built the capital engine.
- Now you can plug into it without having to become a developer.

The Joe & Maria video is the simplified story. This book is the director's cut.

7. Why This Is Better Than the Alternatives

Let's compare:

Option 1 – Sell and Move Away

- Pros:
  - Simple.
  - Clean break.
- Cons:
  - You lose the location.
  - You pay taxes on the sale.
  - You move into a market that's also getting more expensive.
  - You cut your tie to the upside of the city you helped build.

Option 2 – DIY Developer

- Pros:
  - Maximum control.
  - Maximum theoretical upside.
- Cons:
  - Maximum stress.
  - Maximum risk of ruin.
  - Minimum sleep.
  - Massive asymmetry between what you know and what you're signing.

Option 3 – FoxyHome + VULPIN "Sweet Deal"

- Pros:
  - You keep or upgrade your position in the location.
  - You get professional execution.
  - You share in income and appreciation.
  - Your downside is managed by structure, not luck.
- Cons:
  - You share the upside with partners.
  - You have to accept that you are *not* the developer – which is exactly the point.

From where I sit, for 95% of Joe & Marias, Option 3 is the only sane way to play this game.

8. The Quiet Impact on Gentrification

There's one more piece that matters.

When you do Missing Middle the wrong way:

- Owners sell to a developer.
- The developer builds.
- The original family leaves.
- New people come in.
- The neighbourhood changes, and the equity gains go with the new capital.

When you do it our way:

- Joe & Maria **stay in the story**.
- Their land is part of the solution, not collateral damage.
- They benefit from the new building instead of being pushed out by it.

That doesn't solve every aspect of gentrification. But it does:

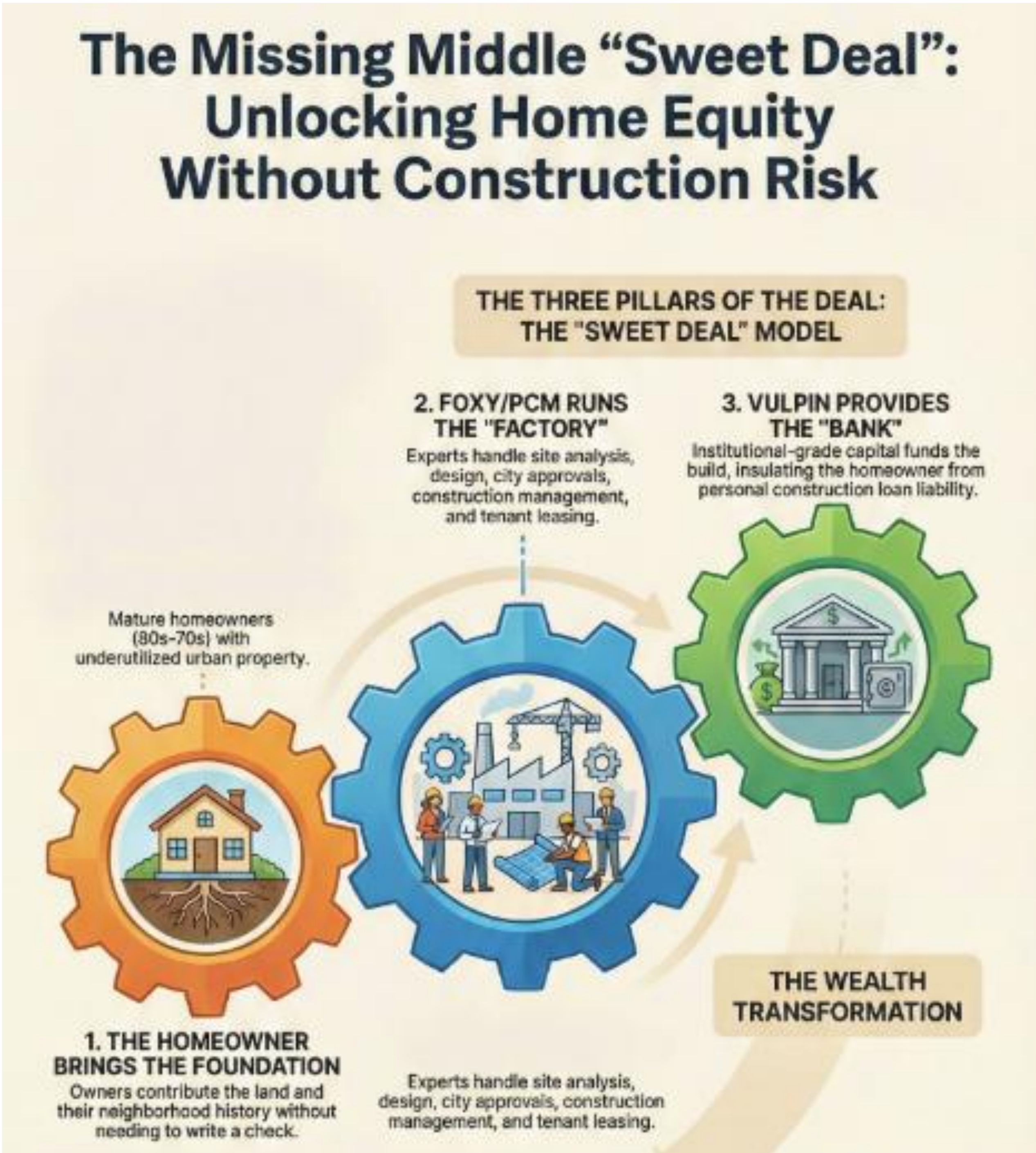
- Keep more original owners anchored in place.
- Let new people in without automatically expelling the old.
- Spread the benefits of better housing more widely.

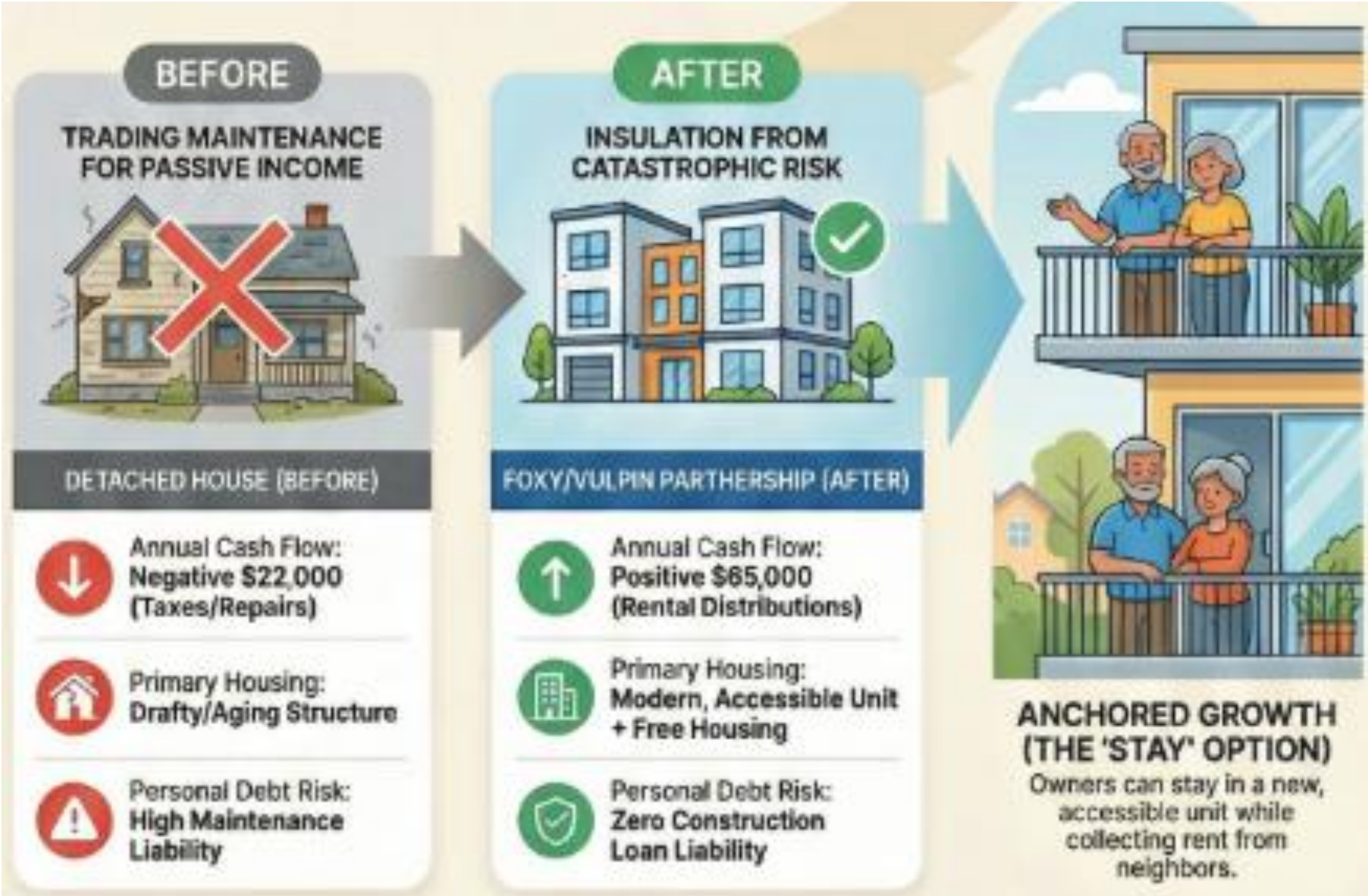
For a city, that's not a small thing.

In the next chapter, we flip the lens and talk **directly about VULPIN**:

- Why it had to be a separate entity beside FoxyHome,
- What it actually does for Joe & Maria and for investors,
- And how, when you stack enough of these "sweet deals" together, you don't just have a few nice buildings –

You have a **platform**.


The Missing Middle "Sweet Deal":
Unlocking Home Equity
Without Construction Risk
THE THREE PILLARS OF THE DEAL:
THE "SWEET DEAL" MODEL
2. FOXY/PCM RUNS THE "FACTORY"
Experts handle site analysis, design, city approvals, construction management, and tenant leasing.
3. VULPIN PROVIDES THE "BANK"
Institutional-grade capital funds the build, insulating the homeowner from personal construction loan liability.
Mature homeowners (80s-70s) with underutilized urban property.
THE WEALTH TRANSFORMATION
1. THE HOMEOWNER BRINGS THE FOUNDATION
Owners contribute the land and their neighborhood history without needing to write a check.
Experts handle site analysis, design, city approvals, construction management, and tenant leasing.


BEFORE
TRADING MAINTENANCE FOR PASSIVE INCOME
DETACHED HOUSE (BEFORE)
Annual Cash Flow: Negative $22,000 (Taxes/Repairs)
Primary Housing: Drafty/Aging Structure
Personal Debt Risk: High Maintenance Liability
AFTER
INSULATION FROM CATASTROPHIC RISK
FOXY/VULPIN PARTHERSHIP (AFTER)
Annual Cash Flow: Positive $65,000 (Rental Distributions)
Primary Housing: Modern, Accessible Unit + Free Housing
Personal Debt Risk: Zero Construction Loan Liability
ANCHORED GROWTH (THE 'STAY' OPTION)
Owners can stay in a new, accessible unit while collecting rent from neighbors.

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CHAPTER 21: Why You Want Boring Money Behind Your Project

By now you've seen the ugly bits:

- Sites that can quietly kill a budget.
- City Hall turning "policy" into a moving target.
- Construction loans that don't behave like normal mortgages.
- Builds that need constant grown-up supervision not to drift.

Now imagine one more layer of chaos on top of all that:

The money behind your project is impatient, trigger-happy, and hungry for drama.

That's the difference between cowboy money and boring money.

If you remember nothing else from this chapter, remember this:

You do *not* want cowboy money behind your house.
You want boring money that is paid to be patient.

This is the part almost no one explains to couples like Joe & Maria. They get sold drawings, visions, "gentle density," "unlock your equity" … and somewhere in the background, someone quietly wires in the wrong kind of capital.

That's how good projects wreck real people.

1. Cowboy Money vs. Boring Money (In Human Language)

Let's strip the jargon.

Cowboy money looks like this:

- Wants double-digit returns, fast.
- Gets nervous the moment something slips a month.
- Has very little tolerance for delays, politics, or "we need more time."
- Starts asking, "So when are we selling?" before the building has a roof.

Cowboy money pushes everyone toward:

- Cutting corners,
- Forcing sales at the wrong time,
- And shoving stress onto whoever can't push back – usually the owner.

If cowboy money is behind your project and something goes wrong, the conversation starts sounding like:

"We need to sell *now* to protect the investors."

Translation: *Your life gets rearranged so their spreadsheet feels safer.*

Boring money is different.

Boring money:

- Likes clear rules.
- Wants to be secured against real assets.
- Is happy with a sane, steady yield instead of lotto tickets.
- Understands that real estate is slow, political, and cyclical.

Boring money says:

"We're here for years. Show us discipline and guardrails. Don't panic-sell a good building just to make this quarter look pretty."

That's the kind of money you want behind your project.

2. Why the Wrong Money Puts Joe & Maria at Risk

Put yourself back in Joe & Maria's house.

They've:

- Lived there 25+ years.
- Watched the neighbourhood become "prime" while their bills climbed.
- Started to wonder how long they can keep carrying taxes and maintenance on a single expensive house.

They meet someone with a "great idea":

"We'll help you unlock your equity. Do a project on your lot. Add units. You'll be fine."

If the money behind that idea is cowboy money, here's what's really happening:

- The lender or investor wants out in 2–3 years, max.
- They want high returns *and* quick exits.
- If approvals drag, or the market dips, or rents take longer to climb, they start leaning hard on the project.

Cowboy money doesn't care that this is Joe & Maria's only house. It cares about:

- IRR,
- Exit timing,
- And not looking bad in their own reporting.

That's how you end up with:

- Owners being pushed to sell a building before it's really stabilized,
- Or pushed into a refinance they don't understand,
- Or living in a half-finished plan because someone upstairs decided "it's time to move on."

None of that shows up in the glossy pitch.

All Joe & Maria hear at the start is:

"Don't worry, the money is there."

They never get told:

"...and that money has its own fear, its own timeline, and its own appetite that might not match your life."

3. What "Boring Money" Actually Looks Like in Our World

In our world, boring money is what VULPIN is built to be. In the Joe & Maria version of this story, that "boring money" shows up strictly as a **construction loan in the background**: it funds the build, then gets repaid by the government-insured take-out and **has no ongoing claim on their building.**

From Joe & Maria's seat, they don't need to memorize the terms "debenture" or "equity interest." What they need to understand is the behaviour:

- VULPIN's investors are paid to be patient, not to flip.
- Their first claim is a fixed, secured income stream, not a demand to sell your building next Tuesday.
- Their upside comes from sharing in the long-term growth, not from forcing short-term drama.

That's why the structure is so fussy:

- First-lien security on real buildings, not just "we'll figure it out."
- Reserves so a slow month doesn't instantly smash the income.
- Rules around leverage and exits so we don't wake up one day and say "let's just dump it."

From the investor's point of view, it's a clean deal:

- They get a boring, contractual return on the debt piece.
- They get a slice of the upside on the equity piece.
- They're exposed to a portfolio, not just one random address.

From Joe & Maria's point of view, it means:

- The people funding their project are not panicking every time a planner is late by three weeks.
- The capital stack is not going to blow up their life if we need an extra season to lease properly.
- They are not living at the mercy of some private lender's mood swings.

4. Why the Coupons Are "Boring" on Purpose

When people see a VULPIN summary for the first time, they often focus on one thing:

"2% starting coupon? Why so low?"

That's the Wayne-type question. It makes sense if you're used to looking only at yield tables.

From Joe & Maria's perspective, that 2% is not the whole story. It's part of the safety system.

Here's what that "boring" 2% + make-whole to ~4% actually does:

- It keeps early-year cash strain low on the projects, so we don't have to squeeze tenants or owners just to pay flashy coupons.
- It still gives investors a respectable total return over the life of the deal – because the make-whole tops them up, and they share in the exit gains.
- It buys time – time to hold through a soft market, time to lease properly, time to pick an exit window that isn't suicidal.

That "boring" profile is what lets us say to Joe & Maria:

"We're not going to fire-sale your building because someone promised investors 9% cash every year, no matter what."

Boring coupons = boring decisions.

And boring decisions are exactly what you want when your home is involved.

5. How Boring Money Protects Joe & Maria When Things Go Wrong

Let's run the ugly scenario, because that's where character shows.

Say we have:

- A good building,
- In a good spot,
- But the world is temporarily stupid – interest rates bite, headlines are loud, buyers are nervous.

In a cowboy money structure:

- The investors start shouting for exits.
- The operator starts pushing to sell into a bad market "to protect the downside."
- The owner (Joe & Maria) get told, "Look, it's not ideal, but we have to."

Someone's spreadsheet gets saved. Joe & Maria's long-term story doesn't.

In a boring money structure like VULPIN:

- Coupons are still paid from income and reserves.
- There is no promise to sell on a specific date at any price just to "be done."
- The default response to a bad market is: hold, operate, and wait it out.

The building:

- Keeps housing people.
- Keeps generating income.
- Keeps amortizing any debt.

Joe & Maria:

- Keep living there (if that's the deal).
- Keep getting their share of the improved income versus the old single house.
- Aren't forced into a "sell now or else" decision in their 60s or 70s because some investor wants to rotate into another fund.

Is there still risk? Of course.

But the shape of the risk is different:

- It's mostly time risk – we might be in a longer hold than we'd like.
- It's portfolio risk – the platform might adjust which buildings it eventually sells and which it keeps.

What it's *not* is:

- "We lost the house because the lender pulled the plug."
- "We had to dump the building at a terrible price because the money was nervous."

That's the difference boring money makes.

6. Why Joe & Maria Should Care What Investors Get

Here's the quiet truth:

Joe & Maria never meet most of the investors behind VULPIN. They don't see the subscription docs. They don't sit in those meetings.

So why should they care what those investors get?

Because the deal investors get is the reason we can give Joe & Maria a clean, sane deal.

If investors were getting:

- A vague promise,
- No security,
- No clear upside,

then every time something wobbled, they'd panic and try to claw value out of the only people they can reach: owners and tenants.

Instead, VULPIN is built so that:

- Investors know exactly what they're buying: secured income + upside.
- Their downside is managed by *structure*, not by squeezing Joe & Maria.
- Their upside comes from good buildings in good locations, built and run by people who've already paid their own tuition.

When investors are treated like adults and given a real structure, they behave like adults.

That's good for them.

It's good for us.

And it's crucial for owners like Joe & Maria, who should never have to wake up at 3 a.m. wondering what some faceless "fund" is going to decide about their street.

7. The Line in the Sand

Somewhere along the way, after enough bruises, I drew a line for myself:

- We will build Missing Middle.
- We will raise capital to do it properly.
- We will not put cowboy money behind civilian homes.

If that means:

- Saying no to certain investors,
- Saying no to certain deals,
- Growing slower than we theoretically could,

so be it.

I'd rather be able to look Joe & Maria in the eye and say:

"The money behind your project is boring on purpose. It wants this building to run well for a long time, not to use your life as a lottery ticket."

There are easier ways to make a living than threading this needle.

But if we get this right:

- Owners like Joe & Maria don't have to leave the neighbourhood.
- Tenants get decent, well-run homes.
- Investors get paid fairly for taking real but shaped risk.
- And the city gets the Missing Middle it keeps talking about, without chewing people up to get there.

That's what boring money makes possible.

CHAPTER 22: From One House to a City of Joe & Marias

Up to now, we've mostly been zoomed in:

- One site.
- One set of owners.
- One project going from idea to building.

That's the right place to start, because if you can't do it right once, you shouldn't do it at all.

But if you stop there, Missing Middle is just a series of cute anecdotes:

- "We helped this one couple unlock their equity."
- "We built this one nice infill building."
- "We added a few units over here."

That's not a system. That's a craft hobby.

The whole point of building FoxyHome, Foxy/PCM and VULPIN the way we have is to **move from anecdotes to architecture**:

From "we did something cool on that street"
to
"this is how we transform a whole city of Joe & Marias without wrecking anyone in the process."

Let's talk about what that actually looks like.

1. If We Only Did One Joe & Maria Deal…

If we only did one Joe & Maria deal, the story is simple:

- They win:
    - Better housing on their land,
    - More secure income,
    - A stronger position for their family.
- We win:
    - We get paid for doing what we're good at.
    - We add one high-quality building to our track record.
- Investors win:
    - They get a sensible secured return.
    - They see their money attached to a real, visible project.

That's fine. But it's not why we built all this.

We built the system to answer a much bigger question:

"What happens if we do this **over and over again**, in a disciplined way, in the parts of the city that actually need it?"

That's where it gets interesting.

2. A Neighbourhood with Ten Joe & Maria Deals

Picture one neighbourhood.

Not the downtown core. Not the outer fringe. One of those "mature" parts of the city where:

- The houses are big for the number of people actually living in them.
- The infrastructure (transit, schools, shops) is solid.
- The pressure is on: prices up, rents up, families pushed further out.

Now imagine, over ten years, **ten Joe & Maria deals** in that neighbourhood.

Ten properties where:

- The original owners didn't just sell and disappear.
- Their lots were redeveloped into well-designed Missing Middle buildings: 4–10 homes each.
- The buildings fit the street, rather than bulldozing its character.
- The owners kept a stake and a connection.

What changes?

- The **rental stock** is better:
    - More units that aren't just basement apartments.
    - Real, well-built homes for students, young families, professionals.
- The **original owners**:
    - Are not forced out by rising taxes and living costs.
    - Have more income and more options.
    - Hand their kids something more meaningful than "we had to sell because we couldn't afford to stay."
- The **neighbourhood**:
    - Evolves instead of fossilizing.
    - Welcomes new people without becoming unrecognizable overnight.
    - Has more eyes on the street, more economic life, more real community.

From a selfish perspective, it also means:

- We're not hunting for "unicorn sites" all the time.
- We're working in areas where our product actually belongs.

- We can run multiple projects through the same local knowledge and systems.

That's what scaling looks like on the ground.

3. A City with Hundreds of Joe & Maria Deals

Now blow that lens out to the city level.

Is every lot suitable? Of course not.

But there are thousands of oversized, under-used properties in any big metro that could:

- Handle more homes if done properly.
- Support owners like Joe & Maria to stay and thrive.
- Add real density without waiting for a 60-storey tower and a ten-year planning war.

If, over time, a few hundred of those lots go through the **FoxyHome + VULPIN + Joe & Maria** pattern, you get:

- **Thousands of new homes** created without:
    - Mega-tower displacement, or
    - "Drive-until-you-qualify" sprawl.
- A **healthier base of owners**:
    - More people holding onto intergenerational assets.
    - Fewer forced sales.
    - More people with real stakes in the long-term health of their neighbourhoods.
- A **different political conversation**:
    - Missing Middle stops being a buzzword in planning reports.
    - It becomes something people can point to on their block and say, "That worked."

For the platform (us and our investors), it means:

- We're no longer tied to the fate of one project or one cycle.
- We're building a portfolio across time and locations.
- We're earning our money by running a system that has proven itself, not by spinning stories.

This is the version of Missing Middle that actually moves the needle.

4. What Changes for Tenants

It's easy to talk about owners and investors and forget the people who actually live in these buildings.

For tenants, a city full of this kind of Missing Middle looks different too:

- There are more **normal, decent units** in real neighbourhoods, not just condos on main arteries.
- They're dealing with:
  - Buildings that were designed to be rentals,
  - Professional management,
  - Landlords who see the asset as long-term, not a flip.

You don't fix the rental crisis with one product type.

But a steady supply of:

- Well-designed,
- Energy-efficient,
- Properly managed Missing Middle apartments

takes pressure off the lower end (basement units, bad houses chopped up illegally) and gives people more choice.

And because these projects are tied back to:

- Owners like Joe & Maria, and
- A platform like VULPIN,

they are less likely to be:

- One-off experiments that fall apart at the first sign of trouble, or
- Overleveraged monsters that need to squeeze every tenant to make the math work.

Tenants feel that difference, even if they don't know why.

5. What Changes for Us

For us, building a city of Joe & Maria deals changes the nature of our own work.

With a handful of projects:

- Every problem is a drama.
- Every surprise feels existential.
- Every delay is personal.

With a proper platform:

- Problems are **managed**, not dramatic.
- Surprises are **expected** and priced in.
- Delays are **annoying**, not fatal.

We still care about each building and each owner. But we're not:

- Emotionally strapped to the mast of one address.
- Forced into short-term decisions that damage long-term value.

- In a constant state of "all or nothing."

Instead, we're:

- Running a system,
- Improving it with every project,
- And getting paid to be disciplined, not just optimistic.

That's the only way this stays sane for us and fair for everyone involved.

6. What Changes for Investors

For investors, a one-off deal is always partly a gamble on:

- A specific project,
- A specific moment in the cycle,
- A specific set of unknowns.

A platform built on dozens of Joe & Maria–type projects is different:

- The **risk** is spread across:
  - Multiple locations,
  - Multiple timelines,
  - Multiple tenant bases.
- The **story** is no longer:
  - "Here's one infill project, hope it goes well."

It's:

  - "Here's how this machine performs over time, in good years and bad ones."

- The **governance** becomes:
  - More standard,
  - More transparent,
  - Easier to evaluate.

Investors can look at:

- The pipeline,
- The stabilized assets,
- The realized exits,

and say:

"This is not a one-time trick. This is what they do."

That's what serious capital wants.

7. What Doesn't Change (On Purpose)

Scaling up can make people stupid.

They start:

- Cutting corners to hit growth targets.
- Accepting weaker sites because "we'll make it work."
- Treating owners and tenants as interchangeable.

If that happens, the system eats itself.

So there are a few things that **must never change** in this model:

- **The site filters.**
    - If a lot doesn't make sense, we walk. No matter how big the pipeline target is.
- **The respect for owners like Joe & Maria.**
    - If a structure feels wrong explaining it at their kitchen table, it's wrong.
    - That's true even if it looks good in Excel.
- **The separation between Factory and Bank.**
    - Foxy/PCM and VULPIN stay in their lanes.
    - Governance doesn't get "relaxed" because we're on a roll.
- **The willingness to say "no."**
    - To bad deals.
    - To bad capital.
    - To growth for its own sake.

If we keep those non-negotiables intact, the scale becomes a strength, not a corruption.

8. What This Book Has Really Been About

On the surface, this book is about Missing Middle housing.

Underneath, it's about something else:

- How you take something messy, political, risky, and essential – like housing – and build a system around it that:
    - Doesn't lie about the difficulty,
    - Doesn't pretend risk can be eliminated,
    - Does treat every participant like an adult.

For **owners** like Joe & Maria:

- It's about having a **third option** beyond:
    - Doing nothing, and
    - Selling and leaving.

For **tenants**:

- It's about living in real neighbourhoods, in real homes, not just whatever's left over.

For **us**:

- It's about turning painful lessons into a repeatable method that can actually be handed down, not just "Carlos' war stories."

For **investors**:

- It's about getting paid fairly for taking risk, in a structure that has discipline built into it, not just charm and PowerPoints.

For the **city**:

- It's about quietly, steadily building the stuff between towers and detached houses that everyone talks about and almost no one actually delivers.

We'll end this with a short epilogue.

Because if you've read this far and you still think you might want to do all of this alone, I have one last thing to say to you.

EPILOGUE: If You Still Want to Be a Developer After This…

If you've made it all the way here and you still feel a pull to do this yourself, two things are probably true: you're not easily scared, and you're probably the kind of person who's going to do something big anyway.

So let me finish with something honest.

This book was not written to recruit more amateur developers. It was written to show how hard this actually is, explain why owners like Joe and Maria should not be used as crash-test dummies, lay out why we built Foxy/PCM and VULPIN the way we did, and — in Part II — present the forensic evidence that makes all of it unavoidable.

THE TWO TYPES

When people say "I want to do what you do," they usually mean one of two things.

Type A wants the result — more income, the idea of property, the feeling of owning projects. But they don't actually want to read loan documents, argue with planners, or solve problems in the mud in February.

Type B wants the work — they are genuinely curious about the process, can handle long timelines and delayed gratification, and are willing to be wrong in public and fix things.

Type A should not be developers. Type B might be. This book is a filter.

If you're Type A, the honest answer is: you're better off being a Joe and Maria, or an investor through something like VULPIN, than trying to run jobs yourself.

WHAT I'D TELL YOU IF WE WERE HAVING COFFEE

Get close to the work before you raise a dollar. Spend real time on sites. Sit in on planning meetings. Watch what actually derails projects.

Start smaller than your ego wants. Don't let your first experiment be your family's only house. Don't use friends-and-family money on something you haven't done before.

Respect the lenders. They are not the enemy. If they are nervous, pay attention — they've seen more failures than you have.

Find people who have scars and listen more than you talk. You can avoid half their mistakes if you actually take them seriously.

Be clear on what kind of risk you can live with. Financially. Emotionally. In terms of time and relationships.

WHERE YOU ACTUALLY FIT

Not everyone belongs in the same place. After reading all this, you might see yourself more clearly in one of these roles.

The Owner — like Joe and Maria. You have land, or a house, or a property. You don't want to be in the weeds. You want a smart way to turn what you have into a stronger, safer future.

The Operator. You like the mud and the meetings. You are willing to sign on the dotted line. You want to build a system, not just a one-off.

The Investor. You're not going to run sites. You have capital and a brain. You're looking for a risk-return profile that is honest, governed, and grounded.

The point of this whole structure is that you don't have to pretend to be all three. Joe and Maria don't have to pretend to be developers. Operators don't have to pretend to be banks. Investors don't have to pretend to understand shoring details. Everyone can stand where they're strongest and still share the same story.

WHY VULPIN EXISTS

VULPIN was not born from ambition. It was born from the conclusion that became unavoidable after five sites, $5,000,000 in tuition, 477 permit entries on a single address, years of buildings decaying while permission looped, and a housing crisis that everyone talks about and almost no one is structured to solve.

We built a system that removes discretionary exposure, bypasses planner mood swings, does not depend on political courage, keeps capital productive even when City Hall freezes, and shields homeowners from bureaucratic roulette.

VULPIN is not a protest. It is not anti-regulation. It is post-illusion.

It exists because someone had to build housing despite the system — not with its blessing.

THE ONLY PROMISE I'M WILLING TO MAKE

It's fashionable to end books like this with big promises: "We will fix the housing crisis." "We will change the city." "We will democratize development."

That's not my style.

Here's the only promise I'm willing to make: we will keep running this system with our eyes open, our own capital at risk, and our discipline intact.

If the rules change, we'll adapt. If projects go sideways, we'll say so and deal with it. If some deal doesn't feel right for Joe and Maria, or for investors, we'll walk away from it.

We built Foxy/PCM and VULPIN because we wanted a way to do Missing Middle that doesn't chew people up, a way to treat owners and investors like adults, and a way to turn our own scars into something that actually works beyond a few lucky projects.

Whatever you decide, remember: Missing Middle is not a slogan. It's design, law, politics, money, concrete, and people. Treat it with the respect it deserves, and it can feed you for decades. Treat it like a quick hack, and it will take more than it gives.

THE THROUGH-LINE

The housing crisis is not a capital problem. It is a permission problem. And delay is the weapon that kills housing quietly.

Toronto does not lack housing capital. It lacks the courage to let it work.

Cash first. Pride later.

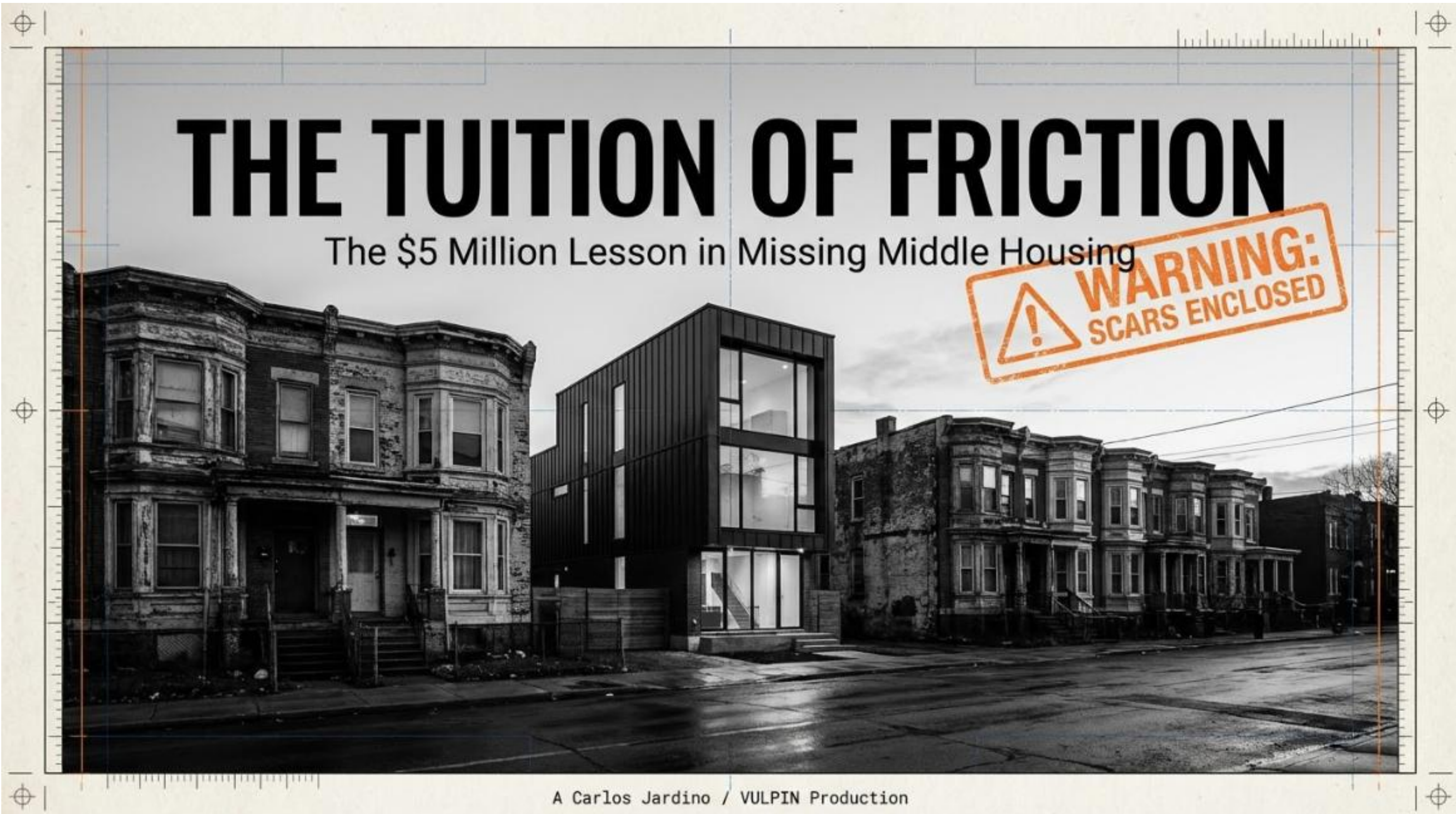
THE TUITION OF FRICTION
The $5 Million Lesson in Missing Middle Housing
WARNING:
SCARS ENCLOSED
A Carlos Jardino / VULPIN Production

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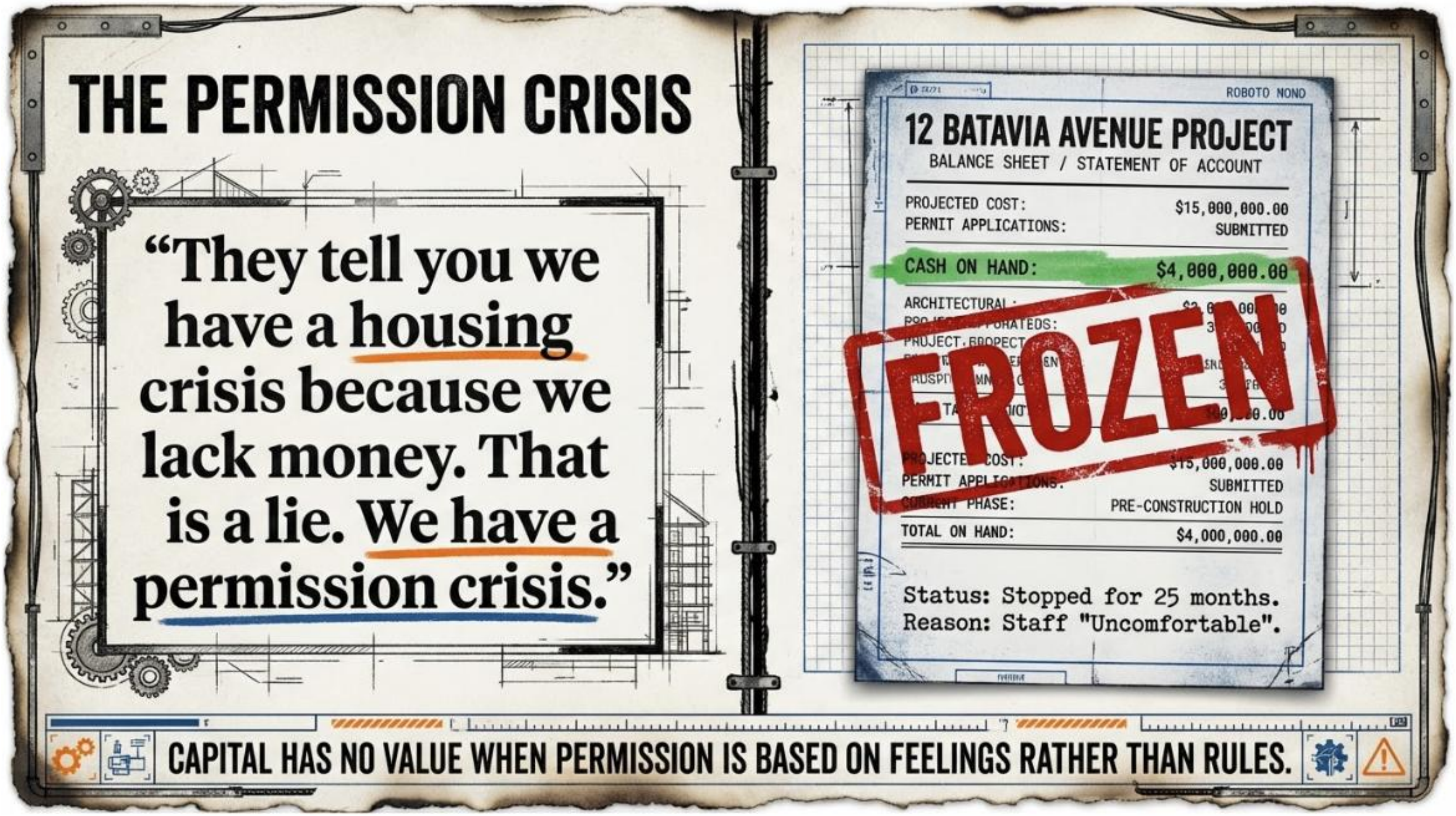
FIGURE 1.1: IMPACT ANALYSIS - CONTROLLED FAILURE SIMULATION

A WARNING, NOT AN INVITATION.

"This book is not here to inspire you. It is here to stop you... If you read this and think 'I can handle that,' you are exactly the person most likely to get hurt."

The failures described herein came from uncontrolled transitions. Most people lose money not because they work poorly, but because they move too early. This is a boundary, not a how-to manual.

WARNING LABEL - REF: DOC-2024-NL-001


THE PERMISSION CRISIS
"They tell you we have a housing crisis because we lack money. That is a lie. We have a permission crisis."
ROBOTO MONO
12 BATAVIA AVENUE PROJECT
BALANCE SHEET / STATEMENT OF ACCOUNT
PROJECTED COST: $15,000,000.00
PERMIT APPLICATIONS: SUBMITTED
CASH ON HAND: $4,000,000.00
FROZEN
CURRENT PHASE: PRE-CONSTRUCTION HOLD
TOTAL ON HAND: $4,000,000.00
Status: Stopped for 25 months.
Reason: Staff "Uncomfortable".
CAPITAL HAS NO VALUE WHEN PERMISSION IS BASED ON FEELINGS RATHER THAN RULES.

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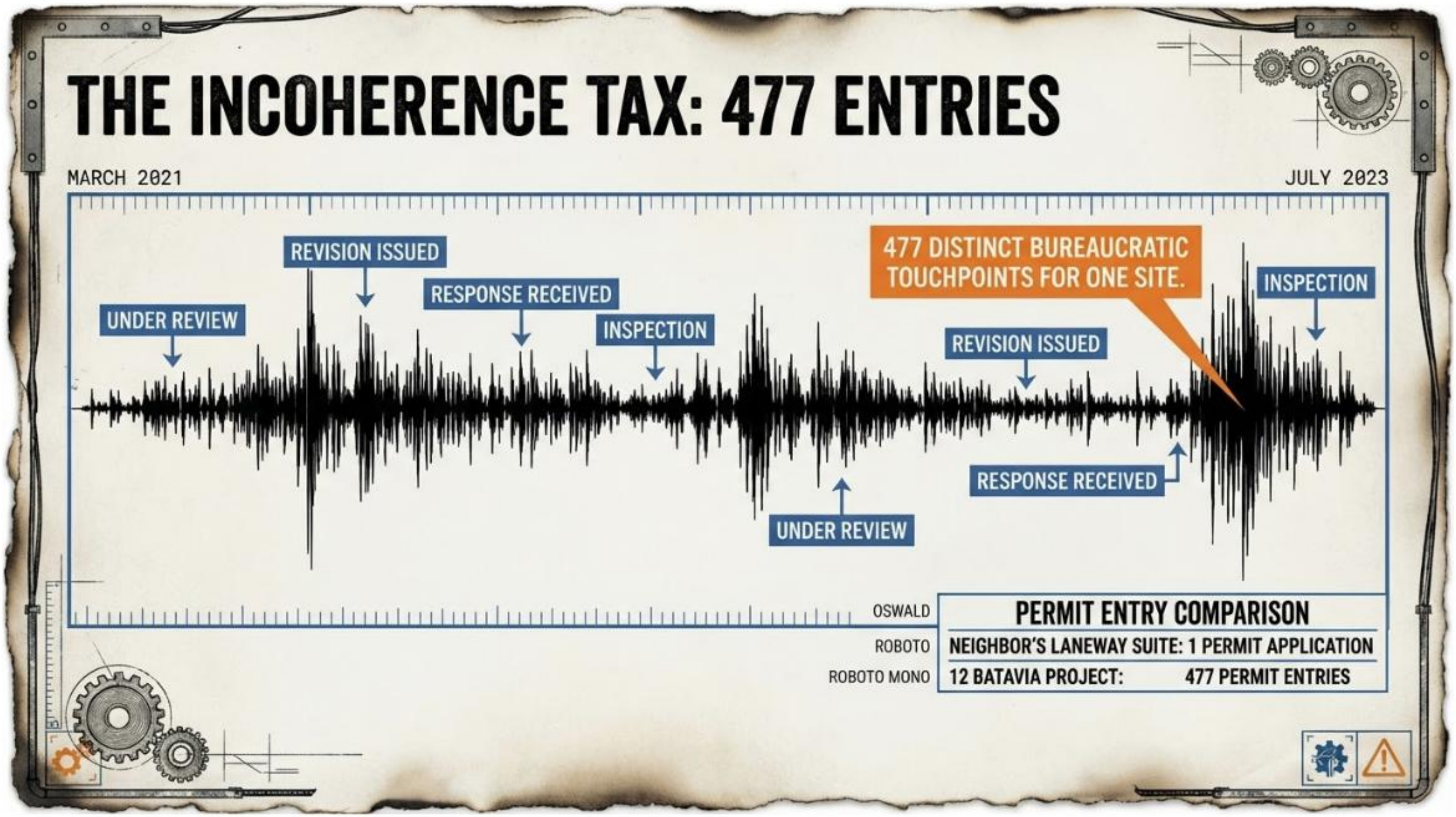
THE INCOHERENCE TAX: 477 ENTRIES
MARCH 2021
JULY 2023
UNDER REVIEW
REVISION ISSUED
RESPONSE RECEIVED
INSPECTION
UNDER REVIEW
REVISION ISSUED
RESPONSE RECEIVED
477 DISTINCT BUREAUCRATIC TOUCHPOINTS FOR ONE SITE.
INSPECTION
PERMIT ENTRY COMPARISON
NEIGHBOR'S LANEWAY SUITE: 1 PERMIT APPLICATION
12 BATAVIA PROJECT: 477 PERMIT ENTRIES
OSWALD
ROBOTO
ROBOTO MONO

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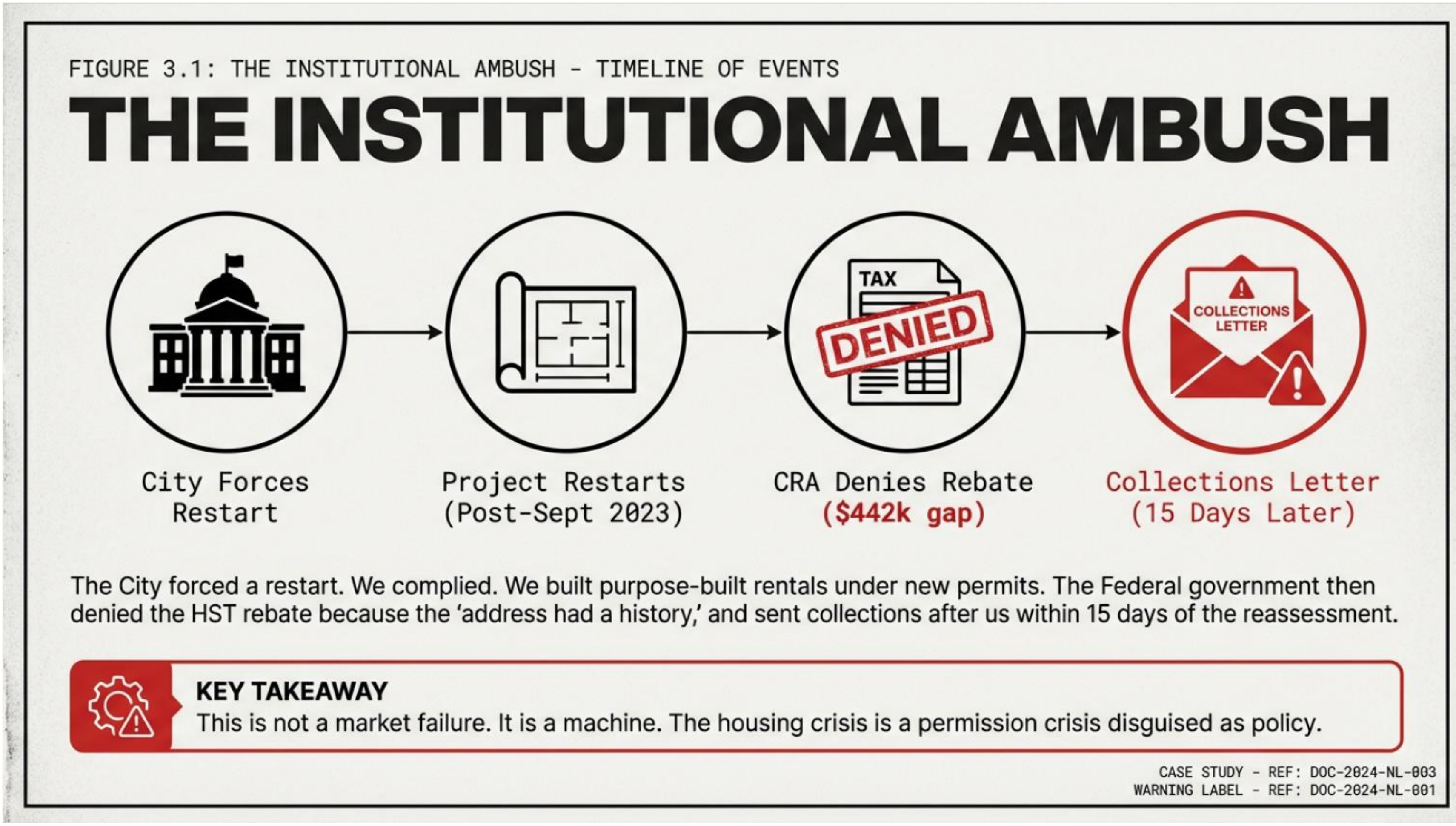
FIGURE 3.1: THE INSTITUTIONAL AMBUSH - TIMELINE OF EVENTS
THE INSTITUTIONAL AMBUSH
TAX
DENIED
COLLECTIONS LETTER
City Forces Restart
Project Restarts (Post-Sept 2023)
CRA Denies Rebate ($442k gap)
Collections Letter (15 Days Later)
The City forced a restart. We complied. We built purpose-built rentals under new permits. The Federal government then denied the HST rebate because the 'address had a history,' and sent collections after us within 15 days of the reassessment.
KEY TAKEAWAY
This is not a market failure. It is a machine. The housing crisis is a permission crisis disguised as policy.
CASE STUDY - REF: DOC-2024-NL-003
WARNING LABEL - REF: DOC-2024-NL-001

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MANUFACTURED BLIGHT (CASE FILE: 50 CASTLETON)

DURING APPROVALS

FROZEN PERMIT = ROT

FINAL RESULT

NET ZERO (27 GJ/year)

This building didn't decay because of neglect. It decayed because of compliance. When the City freezes a permit, you aren't allowed to fix the roof. You watch your asset rot.

THE IRONY

The City delayed the future of housing. This is now an all-electric, solar-generating home performing 5× better than standard, yet it was forced to rot for years.

CASE STUDY – REF: DOC-2024-NL-004
WARNING LABEL – REF: DOC-2024-NL-001

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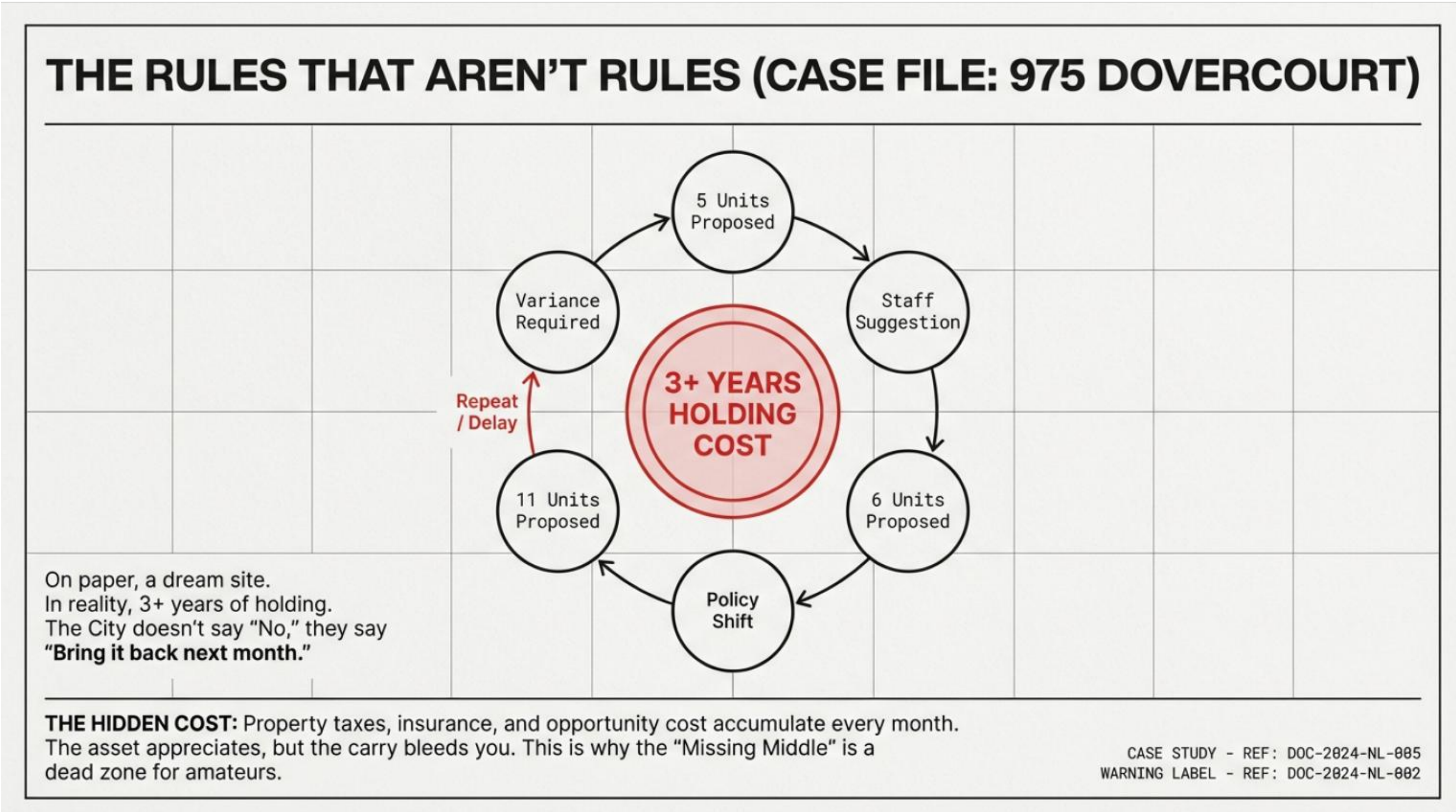
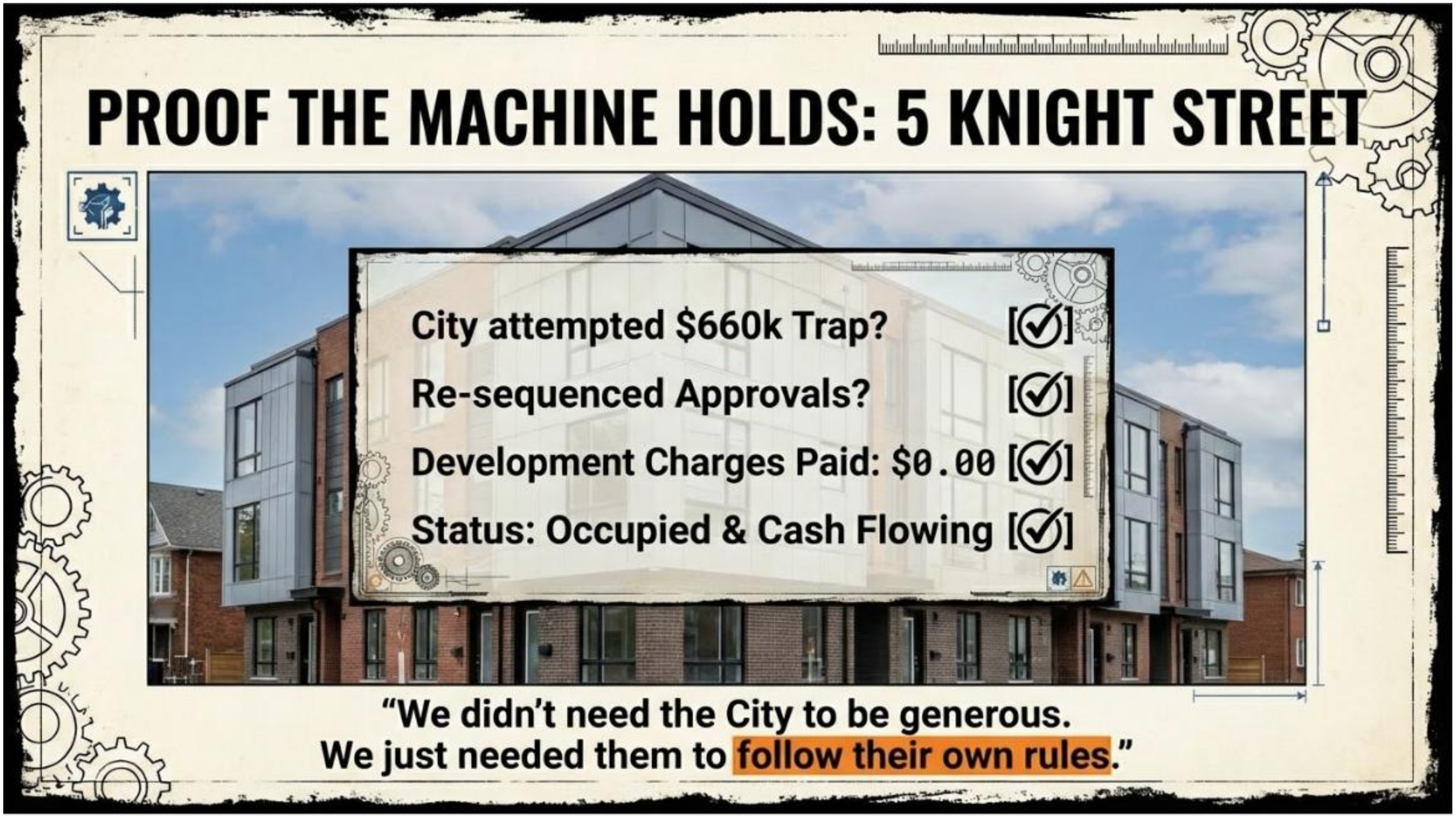

THE RULES THAT AREN'T RULES (CASE FILE: 975 DOVERCOURT)
5 Units Proposed
Staff Suggestion
6 Units Proposed
Policy Shift
11 Units Proposed
Repeat / Delay
Variance Required
3+ YEARS HOLDING COST
On paper, a dream site.
In reality, 3+ years of holding.
The City doesn't say "No," they say
"Bring it back next month."
THE HIDDEN COST: Property taxes, insurance, and opportunity cost accumulate every month. The asset appreciates, but the carry bleeds you. This is why the "Missing Middle" is a dead zone for amateurs.
CASE STUDY - REF: DOC-2024-NL-005
WARNING LABEL - REF: DOC-2024-NL-002


PROOF THE MACHINE HOLDS: 5 KNIGHT STREET
City attempted $660k Trap? [✓]
Re-sequenced Approvals? [✓]
Development Charges Paid: $0.00 [✓]
Status: Occupied & Cash Flowing [✓]
"We didn't need the City to be generous.
We just needed them to follow their own rules."

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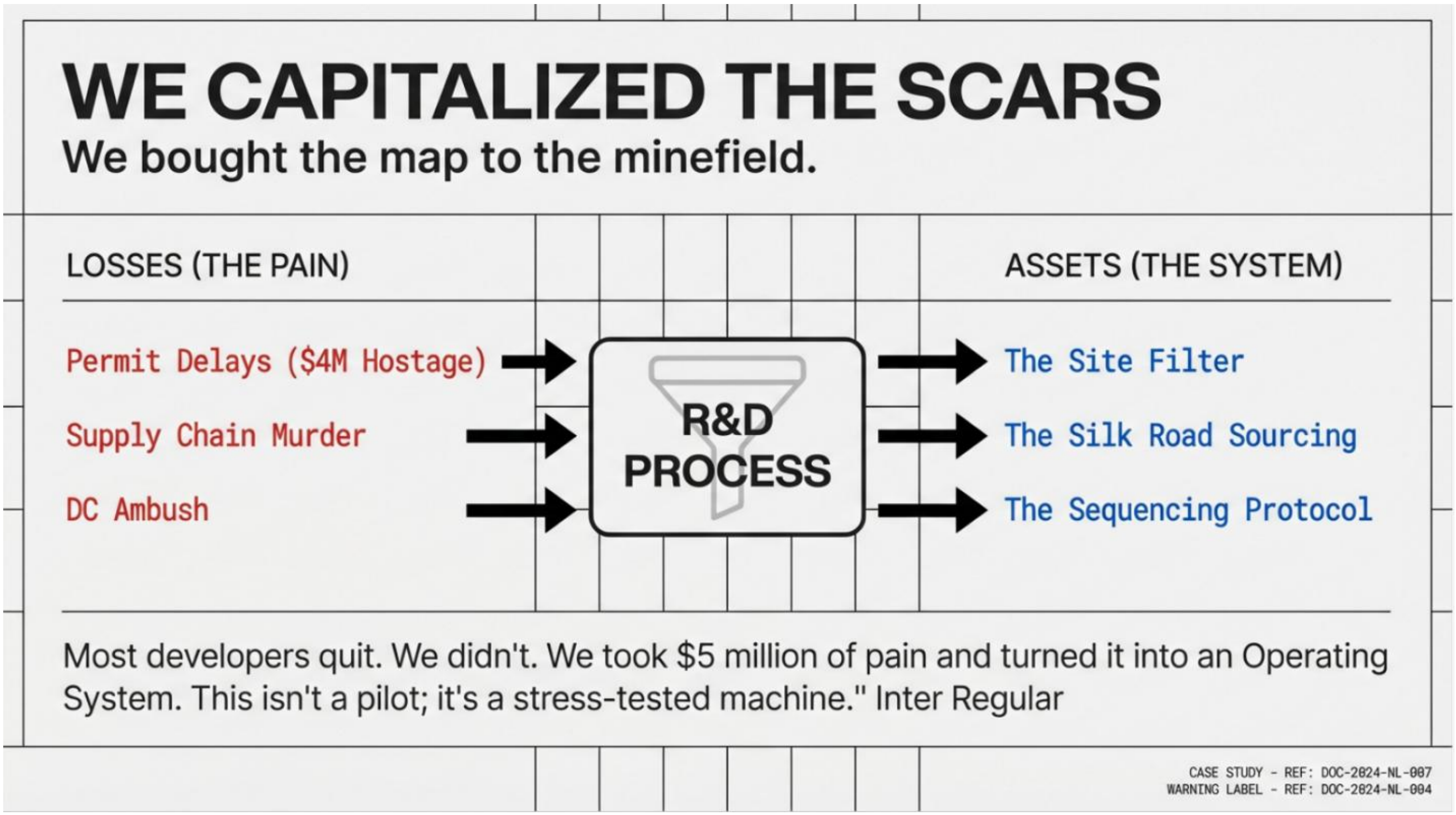
WE CAPITALIZED THE SCARS
We bought the map to the minefield.
LOSSES (THE PAIN)
ASSETS (THE SYSTEM)
Permit Delays ($4M Hostage)
Supply Chain Murder
DC Ambush
R&D PROCESS
The Site Filter
The Silk Road Sourcing
The Sequencing Protocol
Most developers quit. We didn't. We took $5 million of pain and turned it into an Operating System. This isn't a pilot; it's a stress-tested machine." Inter Regular
CASE STUDY - REF: DOC-2024-NL-007
WARNING LABEL - REF: DOC-2024-NL-004

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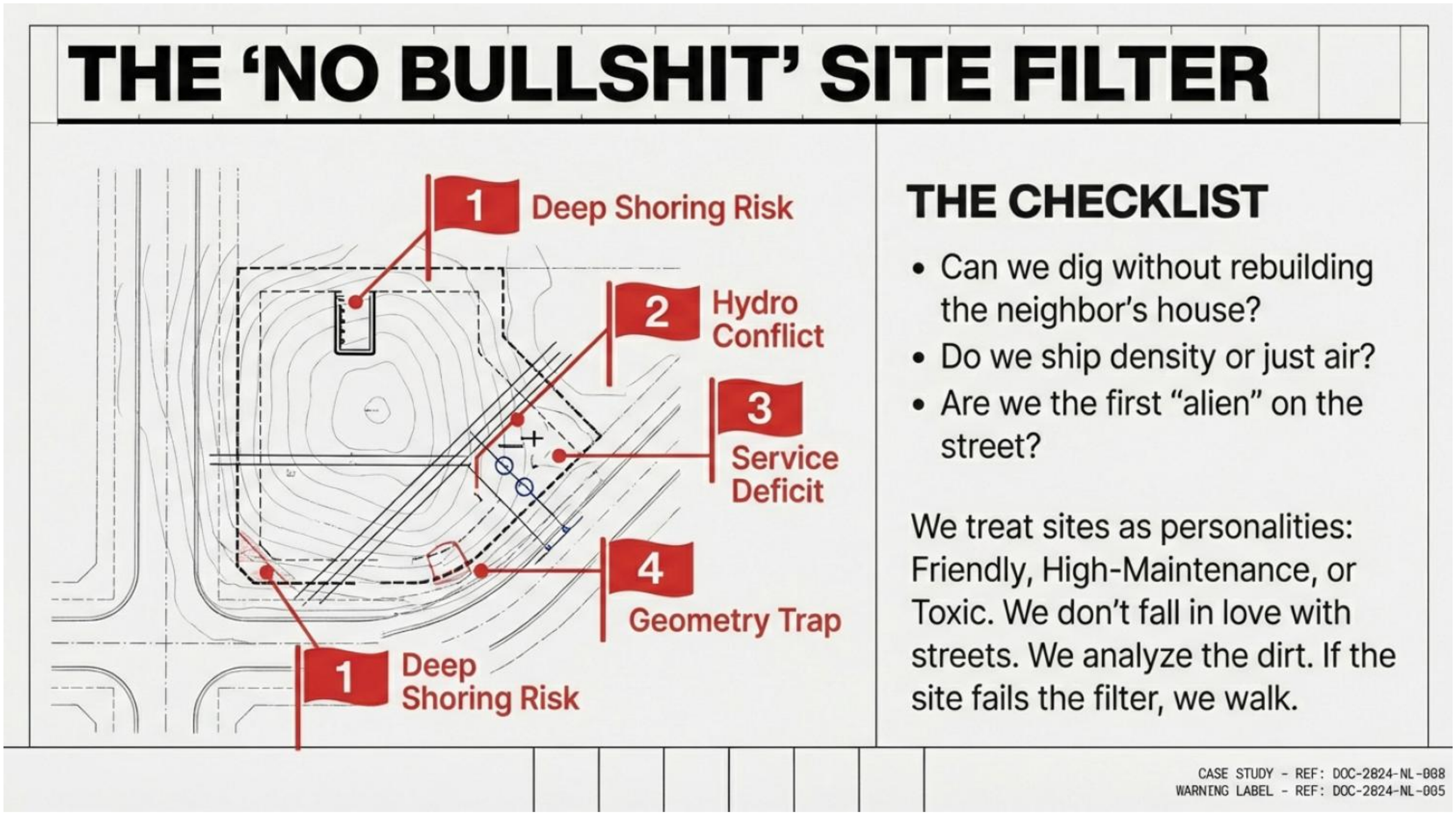
THE 'NO BULLSHIT' SITE FILTER
1 Deep Shoring Risk
2 Hydro Conflict
3 Service Deficit
4 Geometry Trap
1 Deep Shoring Risk
THE CHECKLIST
• Can we dig without rebuilding the neighbor's house?
• Do we ship density or just air?
• Are we the first "alien" on the street?
We treat sites as personalities: Friendly, High-Maintenance, or Toxic. We don't fall in love with streets. We analyze the dirt. If the site fails the filter, we walk.
CASE STUDY - REF: DOC-2024-NL-008
WARNING LABEL - REF: DOC-2024-NL-005

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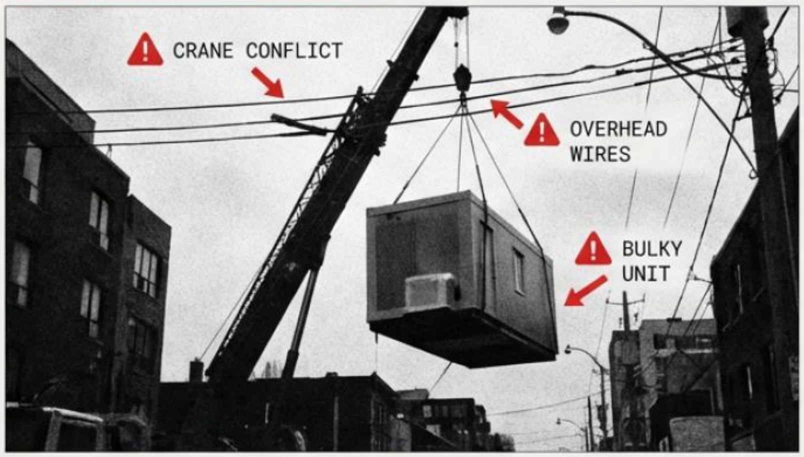
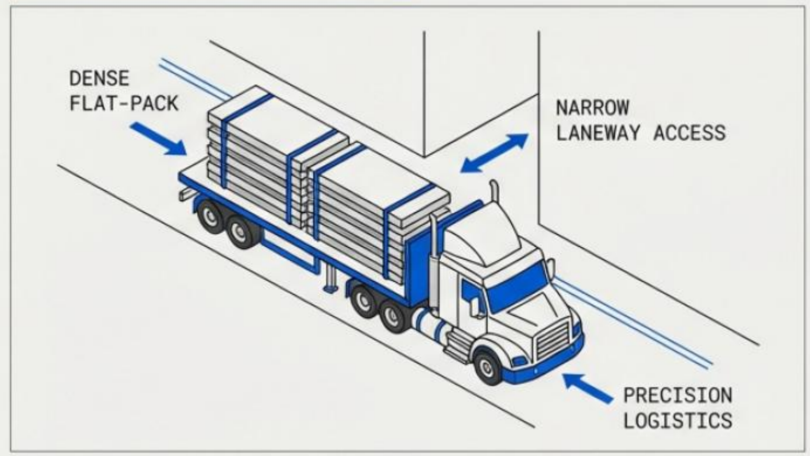
STOP SHIPPING AIR. SHIP DENSITY.

MODULAR = CHAOS



Shipping Air

INDUSTRIAL = ORDER



Shipping Decisions

Modular is a brochure dream and a Toronto nightmare. You can't swing a 40-foot box over hydro wires on a tight urban street. We don't ship buildings. **We ship components.** We don't use cranes that can't swing; we use logistics that fit the laneway.

CASE STUDY - REF: DOC-2024-NL-009
WARNING LABEL - REF: DOC-2024-NL-006

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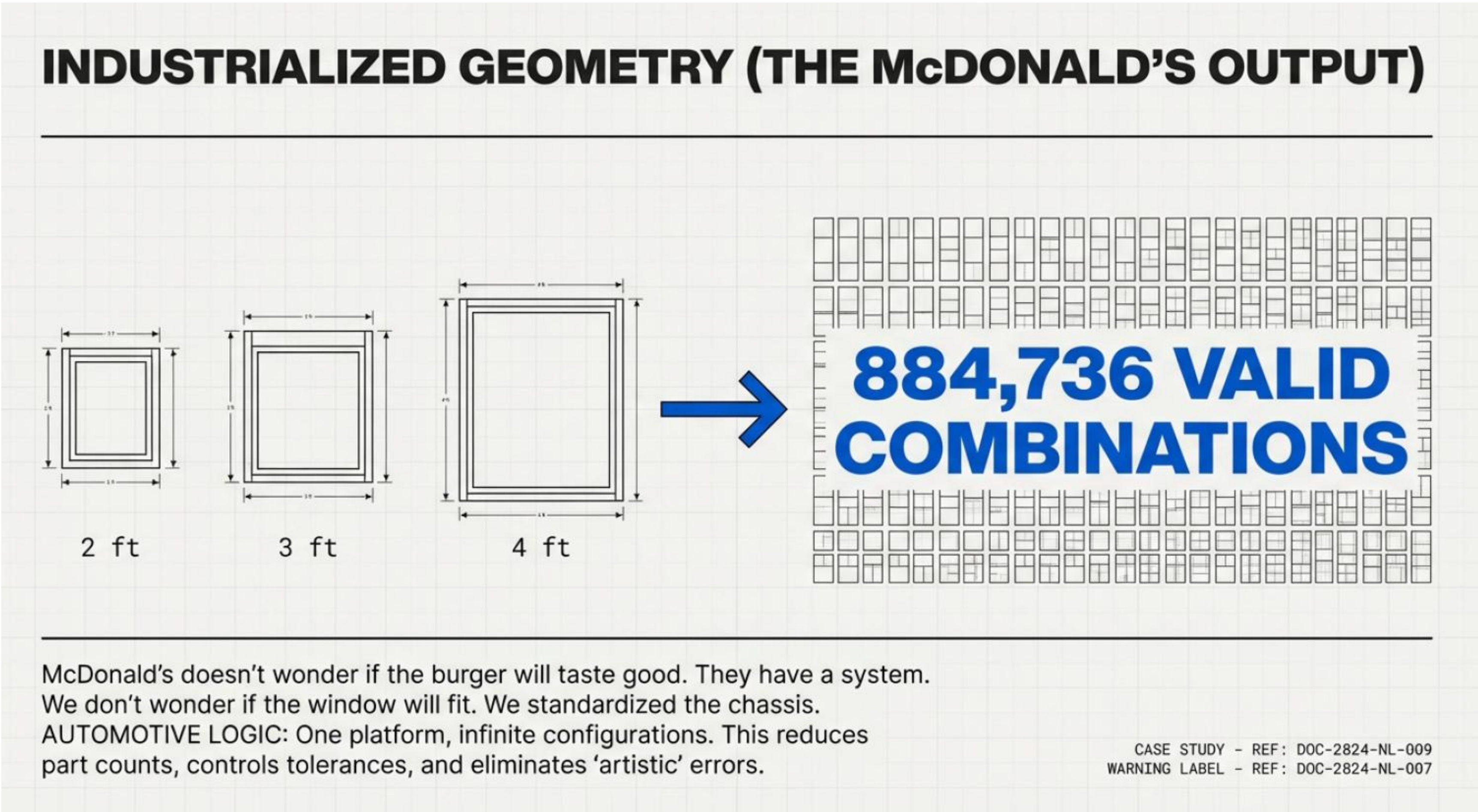
INDUSTRIALIZED GEOMETRY (THE McDONALD'S OUTPUT)
2 ft
3 ft
4 ft
884,736 VALID COMBINATIONS
McDonald's doesn't wonder if the burger will taste good. They have a system.
We don't wonder if the window will fit. We standardized the chassis.
AUTOMOTIVE LOGIC: One platform, infinite configurations. This reduces part counts, controls tolerances, and eliminates 'artistic' errors.
CASE STUDY - REF: DOC-2824-NL-009
WARNING LABEL - REF: DOC-2824-NL-007

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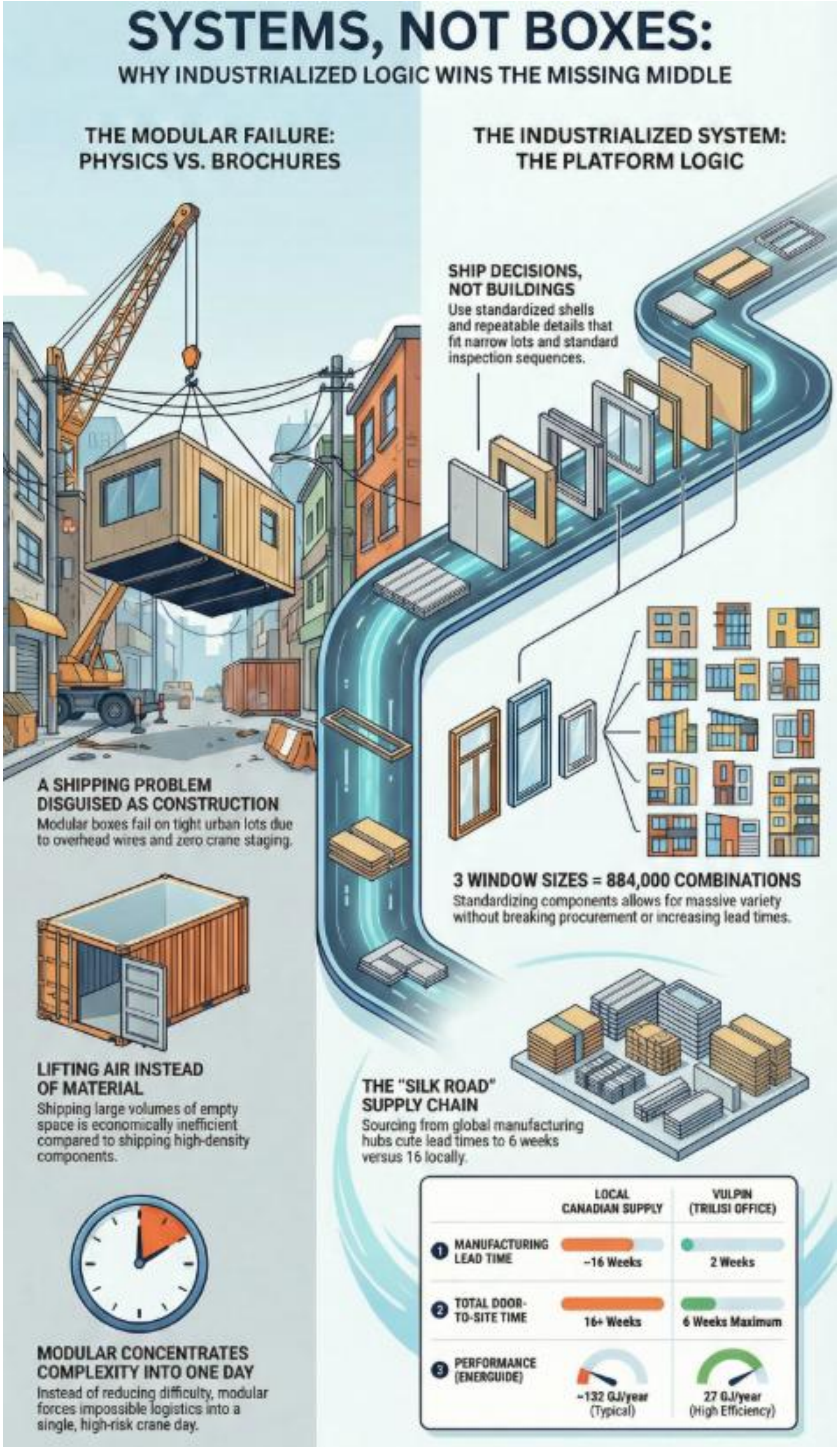
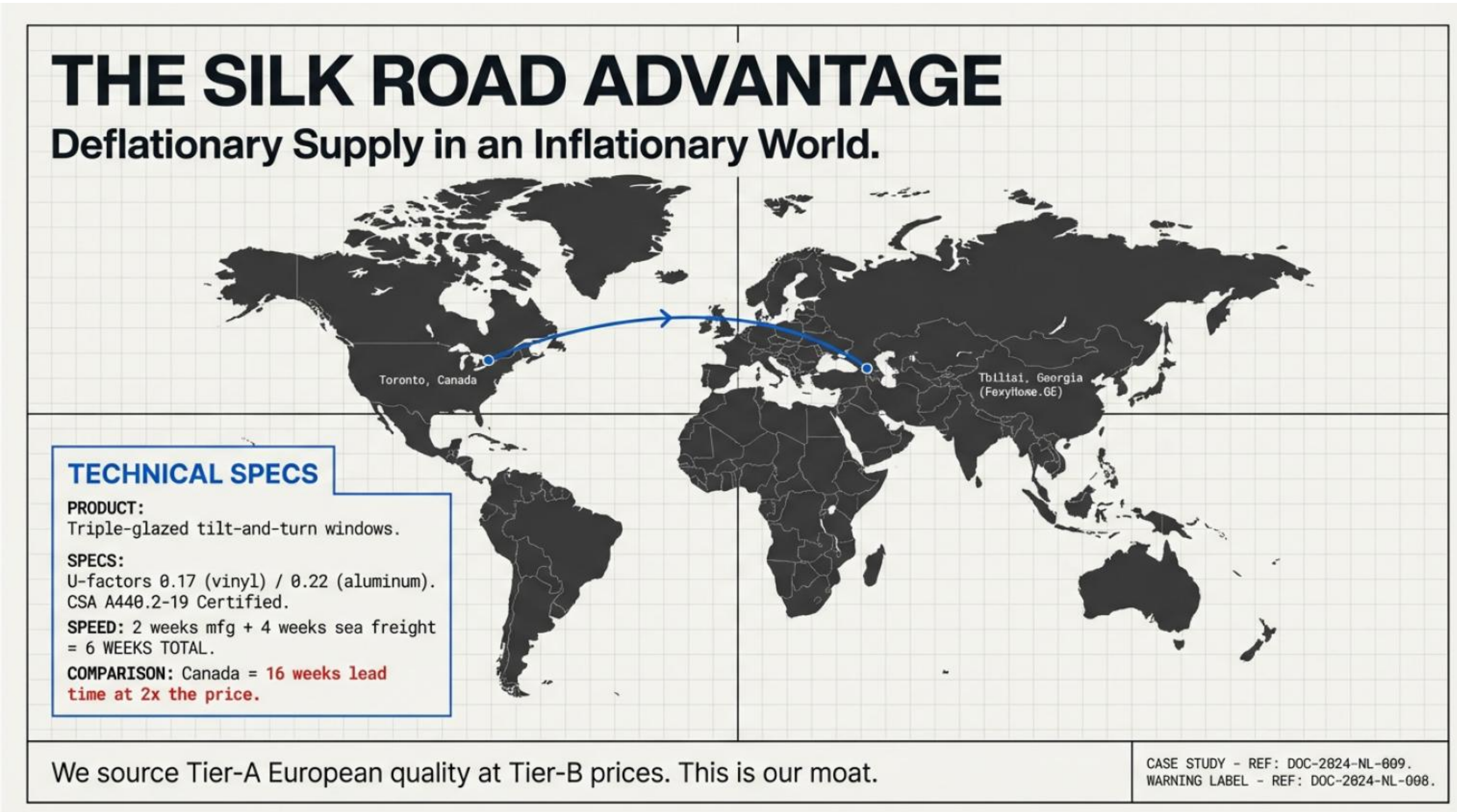

SYSTEMS, NOT BOXES:
WHY INDUSTRIALIZED LOGIC WINS THE MISSING MIDDLE
THE MODULAR FAILURE: PHYSICS VS. BROCHURES
THE INDUSTRIALIZED SYSTEM: THE PLATFORM LOGIC
SHIP DECISIONS, NOT BUILDINGS
Use standardized shells and repeatable details that fit narrow lots and standard inspection sequences.
A SHIPPING PROBLEM DISGUISED AS CONSTRUCTION
Modular boxes fail on tight urban lots due to overhead wires and zero crane staging.
3 WINDOW SIZES = 884,000 COMBINATIONS
Standardizing components allows for massive variety without breaking procurement or increasing lead times.
LIFTING AIR INSTEAD OF MATERIAL
Shipping large volumes of empty space is economically inefficient compared to shipping high-density components.
THE "SILK ROAD" SUPPLY CHAIN
Sourcing from global manufacturing hubs cuts lead times to 6 weeks versus 16 locally.
LOCAL CANADIAN SUPPLY
VULPIN (TRILISI OFFICE)
1 MANUFACTURING LEAD TIME
~16 Weeks
2 Weeks
2 TOTAL DOOR-TO-SITE TIME
16+ Weeks
6 Weeks Maximum
3 PERFORMANCE (ENERGUIDE)
~132 GJ/year (Typical)
27 GJ/year (High Efficiency)
MODULAR CONCENTRATES COMPLEXITY INTO ONE DAY
Instead of reducing difficulty, modular forces impossible logistics into a single, high-risk crane day.


THE SILK ROAD ADVANTAGE
Deflationary Supply in an Inflationary World.
Toronto, Canada
Tbiltai, Georgia
(FexyHome.GE)
TECHNICAL SPECS
PRODUCT:
Triple-glazed tilt-and-turn windows.
SPECS:
U-factors 0.17 (vinyl) / 0.22 (aluminum).
CSA A440.2-19 Certified.
SPEED: 2 weeks mfg + 4 weeks sea freight
= 6 WEEKS TOTAL.
COMPARISON: Canada = 16 weeks lead
time at 2x the price.
We source Tier-A European quality at Tier-B prices. This is our moat.
CASE STUDY - REF: DOC-2024-NL-009.
WARNING LABEL - REF: DOC-2024-NL-008.

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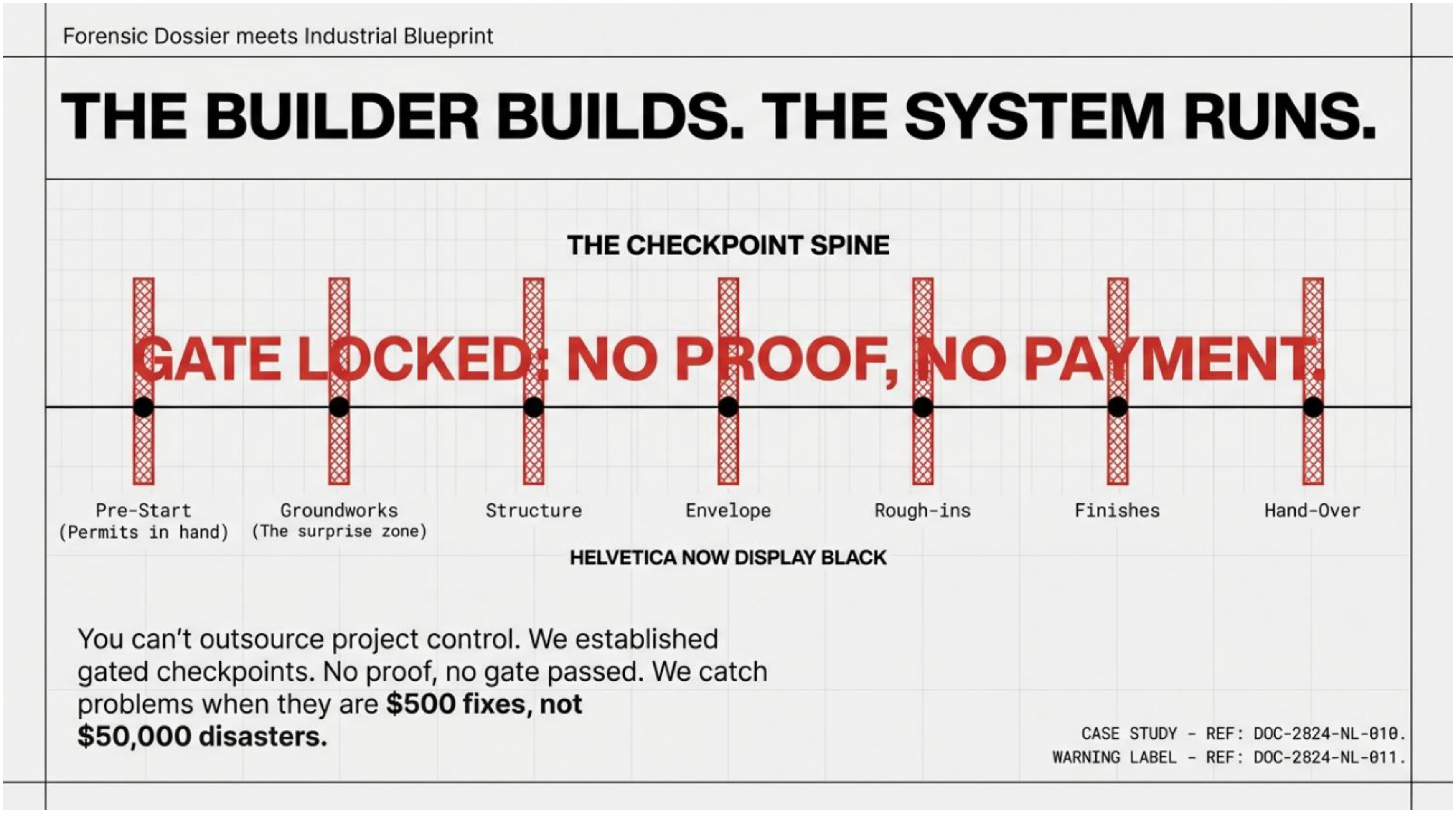
Forensic Dossier meets Industrial Blueprint
THE BUILDER BUILDS. THE SYSTEM RUNS.
THE CHECKPOINT SPINE
GATE LOCKED: NO PROOF, NO PAYMENT.
Pre-Start
(Permits in hand)
Groundworks
(The surprise zone)
Structure
Envelope
Rough-ins
Finishes
Hand-Over
HELVETICA NOW DISPLAY BLACK
You can't outsource project control. We established gated checkpoints. No proof, no gate passed. We catch problems when they are $500 fixes, not $50,000 disasters.
CASE STUDY - REF: DOC-2824-NL-010.
WARNING LABEL - REF: DOC-2824-NL-011.

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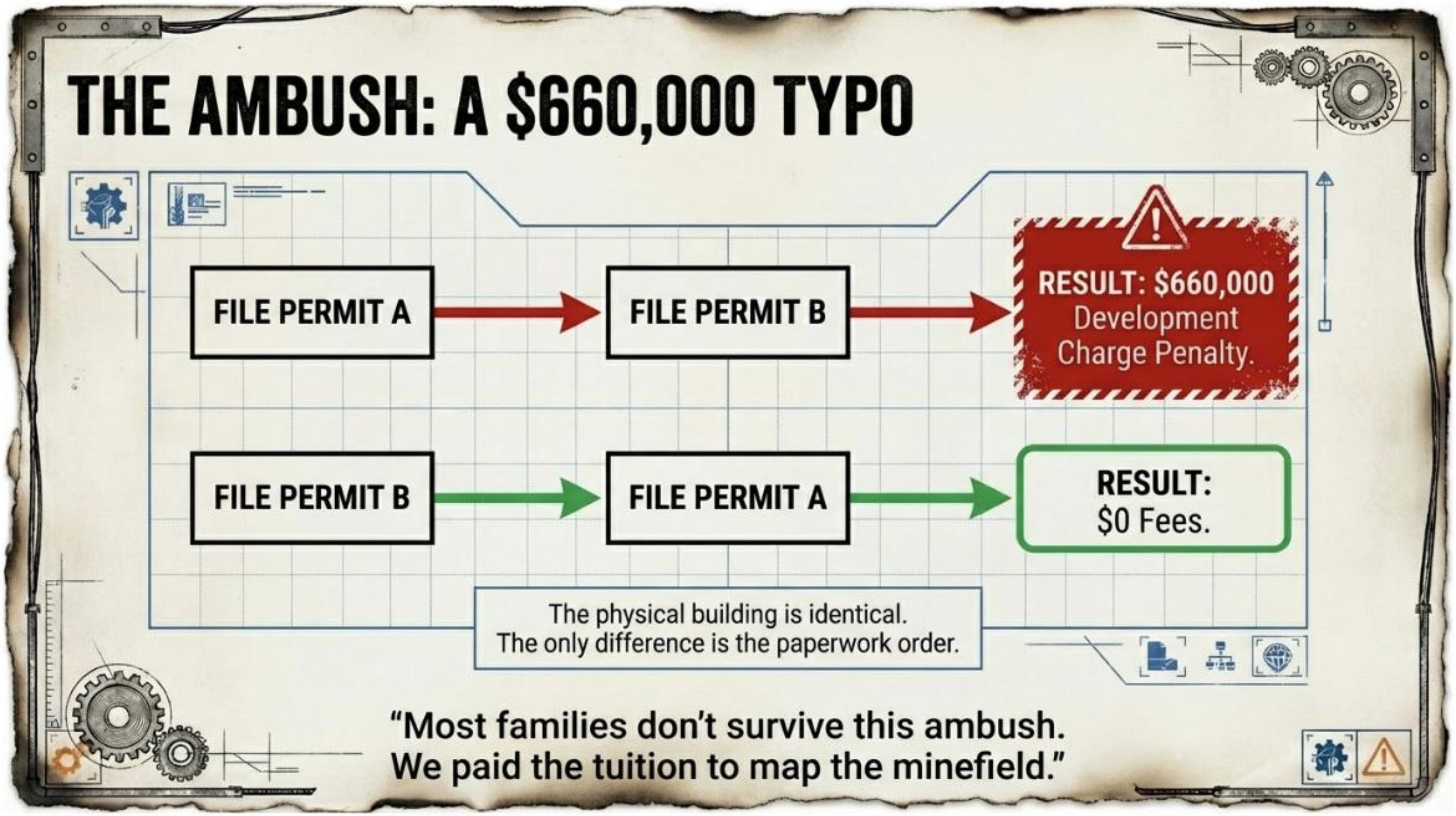
THE AMBUSH: A $660,000 TYPO
FILE PERMIT A
FILE PERMIT B
RESULT: $660,000 Development Charge Penalty.
FILE PERMIT B
FILE PERMIT A
RESULT: $0 Fees.
The physical building is identical.
The only difference is the paperwork order.
"Most families don't survive this ambush.
We paid the tuition to map the minefield."

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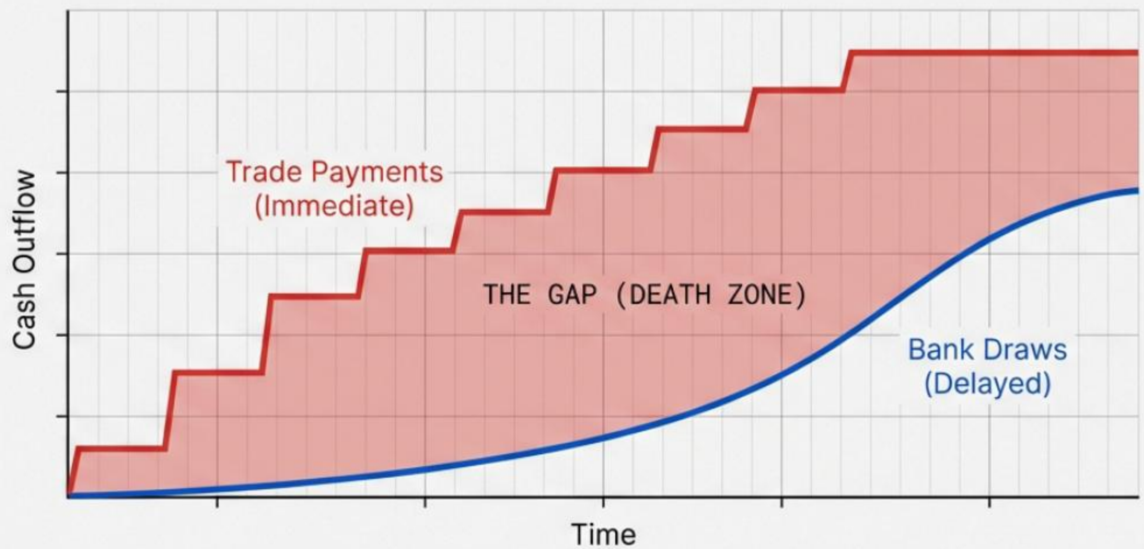
Forensic Dossier meets Industrial Blueprint

THE CONSTRUCTION LOAN TRAP



A construction **loan is not** a mortgage. It is a controlled drip of money tied to a budget the lender keeps in their head. If you don’t have reserves, this is where you blow up.

I will not train civilians to be developers on their one asset.

CASE STUDY - REF: DOC-2824-NL-014.
WARNING LABEL - REF: DOC-2824-NL-015.

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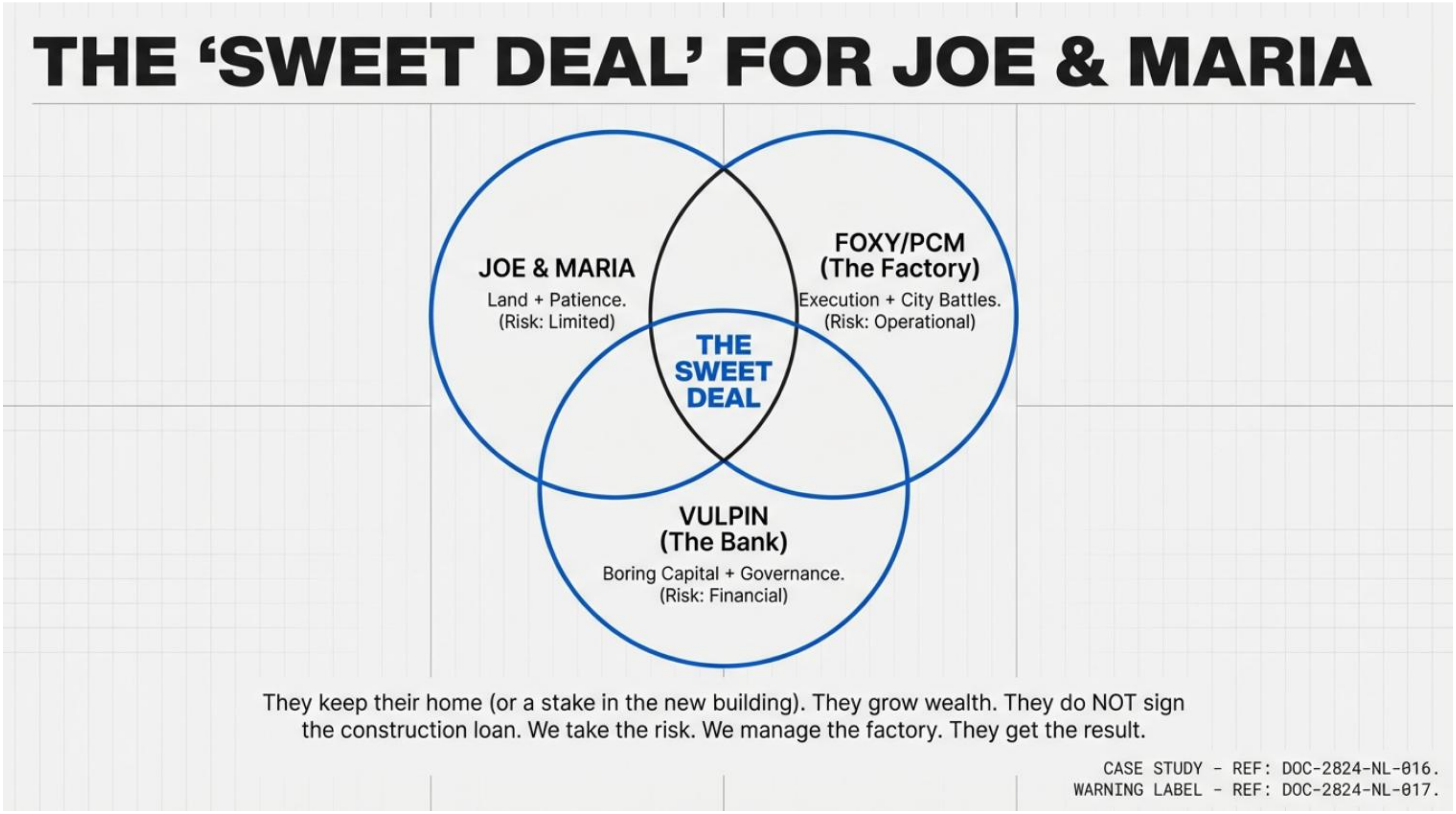
THE ‘SWEET DEAL’ FOR JOE & MARIA
JOE & MARIA
Land + Patience.
(Risk: Limited)
FOXY/PCM
(The Factory)
Execution + City Battles.
(Risk: Operational)
THE SWEET DEAL
VULPIN
(The Bank)
Boring Capital + Governance.
(Risk: Financial)
They keep their home (or a stake in the new building). They grow wealth. They do NOT sign the construction loan. We take the risk. We manage the factory. They get the result.
CASE STUDY - REF: DOC-2824-NL-016.
WARNING LABEL - REF: DOC-2824-NL-017.

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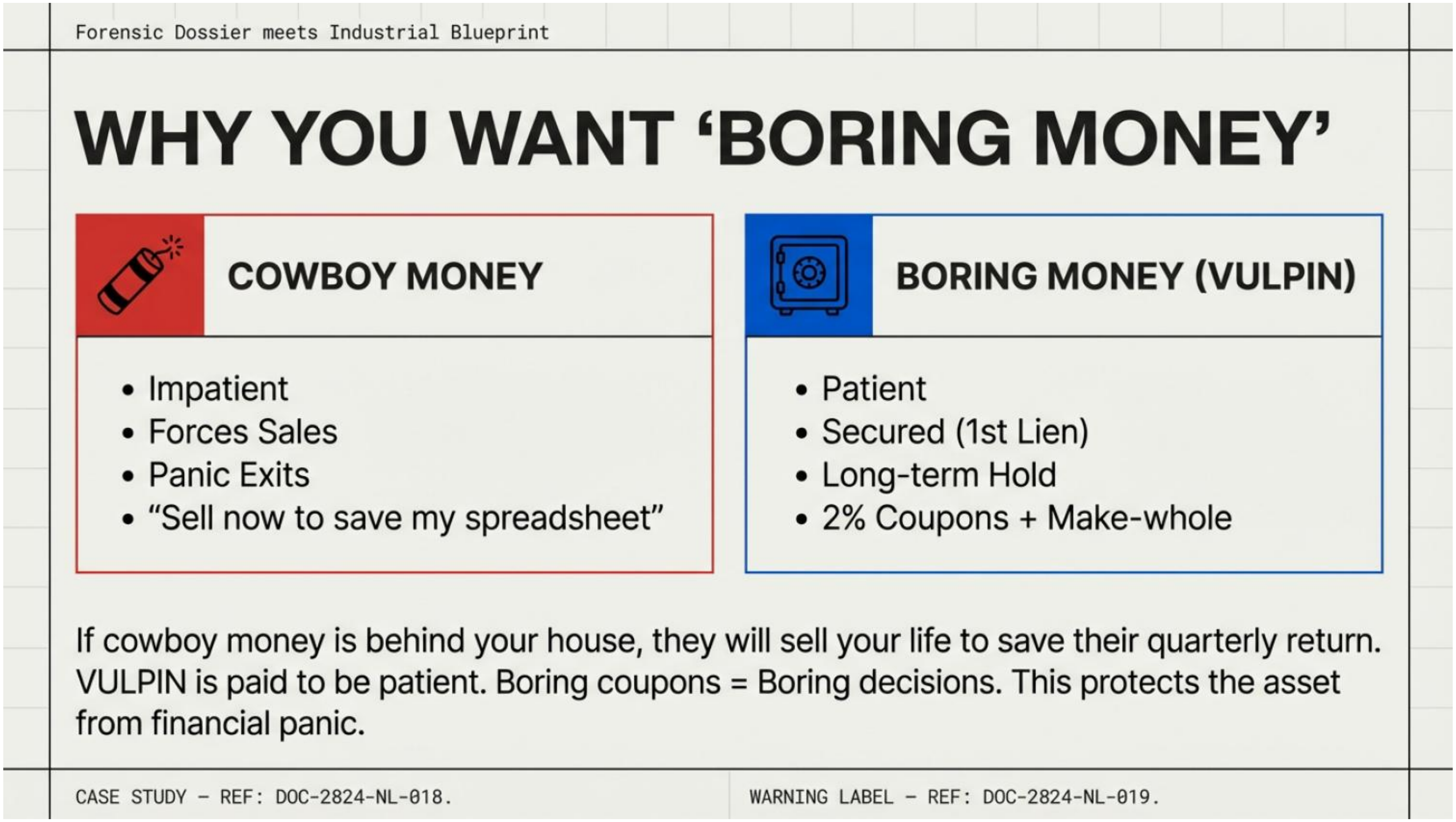
Forensic Dossier meets Industrial Blueprint
WHY YOU WANT 'BORING MONEY'
COWBOY MONEY
• Impatient
• Forces Sales
• Panic Exits
• "Sell now to save my spreadsheet"
BORING MONEY (VULPIN)
• Patient
• Secured (1st Lien)
• Long-term Hold
• 2% Coupons + Make-whole
If cowboy money is behind your house, they will sell your life to save their quarterly return. VULPIN is paid to be patient. Boring coupons = Boring decisions. This protects the asset from financial panic.
CASE STUDY – REF: DOC-2824-NL-018.
WARNING LABEL – REF: DOC-2824-NL-019.

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Forensic Dossier meets Industrial Blueprint | Roboto Mono
"CASH FIRST.
PRIDE LATER."
Carlos Jardino
We don't build for magazines. We build for assets.
The housing crisis is a machine; this is the fix.
VULPIN
FoxyHome
PCM
CASE STUDY - REF: DOC-2824-NL-024.
WARNING LABEL - REF: DOC-2824-NL-025.

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ARE YOU PLAYING THE WRONG GAME

Most homeowners think Missing Middle development is just a renovation with more zeros. That belief destroys net worth.

Read this book if:

[✔] You're sitting on a house worth millions on paper but feel cash-poor.
[✔] You're tempted to "be the developer" but have never negotiated a CCDC contract or a shoring agreement.
[✔] You want to share in the upside of your land without waking up at 3:00 a.m. in a panic.

What you'll get:

This is the operating manual for Foxy/PCM (the Factory) and VULPIN (the Bank). It lays out the system we use to filter toxic sites, survive City Hall, and stabilize assets without blowing up a family's financial future.

Book 4 Missing Middle, No Bullshit

"I wouldn't ask Joe & Maria to rebuild an engine in their driveway before work. I'm not going to tell them to take on a multi-million dollar construction project alone."
— Carlos Jardino

VULPIN by PCM

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9780733426094

Price: US $28.95, CA $39.99
Category: Memoir / Business