WHAT WORKS

ATTAINABLE
HOMEOWNERSHIP

FINAL REPORT

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Project: Nightingale 1
Source: Breathe

SCARP School of Community And Regional Planning

metrovancouver SERVICES AND SOLUTIONS FOR A LIVABLE REGION

ACKNOWLEDGEMENT

The team would like to acknowledge that this report was completed on the traditional, ancestral, and unceded territories of the Musqueam, Squamish and Tsleil-Waututh people.

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This report was prepared by Sophie Belzil, Winter Pinzandawatc, and Andrea Barriga Guerra.

Source: Shutterstock

EXECUTIVE SUMMARY

Homeownership is considered a desirable goal for many Canadian households. However, in recognizing that affordable homeownership is an increasing challenge in Canadian cities due to market forces, governments are looking to more actively examine and pursue initiatives that might help entry-level homebuyers enter the homeownership market.

To do so, it is integral that existing best practices and mechanisms are explored to understand how attainable homeownership models can be effectively implemented in Canada's high-priced cities.

Accordingly, Metro Vancouver is looking to conduct evaluative research exploring the various tools and models that can support attainable homeownership, and how they might apply in the region's member jurisdictions.

The following primary research objectives have been identified:

- Understanding the trade-offs around general approaches to attainable homeownership.
- Exploring existing homeownership models to find:
  1. Best Practices/Success Factors;
  2. Challenges;
  3. Key considerations;
  4. Findings for unconventional or innovative solutions.

This report has been produced to assist in the development of a Metro Vancouver What Works resource guide that identifies policies, programs and measures that its member jurisdictions might employ to implement future attainable homeownership projects. The report takes into consideration the variances in local planning and development patterns across the region, as well as income and demographic data, to determine what homeownership initiatives are applicable in Metro Vancouver's member jurisdictions.

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01 INTRODUCTION

The purpose of this report is to assist in developing a What Works guide exploring existing mechanisms and methods that aim to make homeownership more attainable in Metro Vancouver.

In conducting exploratory and evaluative research, key themes will be extracted from the information gathered to help inform a scenario based on best practices. The report will contribute to a larger preliminary research process that aims to understand how attainable homeownership programs might be implemented in Metro Vancouver to best assist entry-level buyers.

In defining existing models and programs contextually to Metro Vancouver, this report aims to identify the success factors that make a given homeownership program viable, as well as to identify the benefits they pose to entry-level homebuyers. This is done through the collection of qualitative information from a variety of sources including interviews with stakeholders and case studies of local and international projects.

The objectives are as follows:

1) Conduct interviews with planners, developers and housing experts to evaluate the performance of existing models and programs and to gain additional perspective on the Metro Vancouver housing context.

2) Review existing quantitative data to produce a Market Scan showing the context of Metro Vancouver's housing markets.

3) Indexing affordability per member jurisdictions.

4) Represent homeownership attainability geospatially.

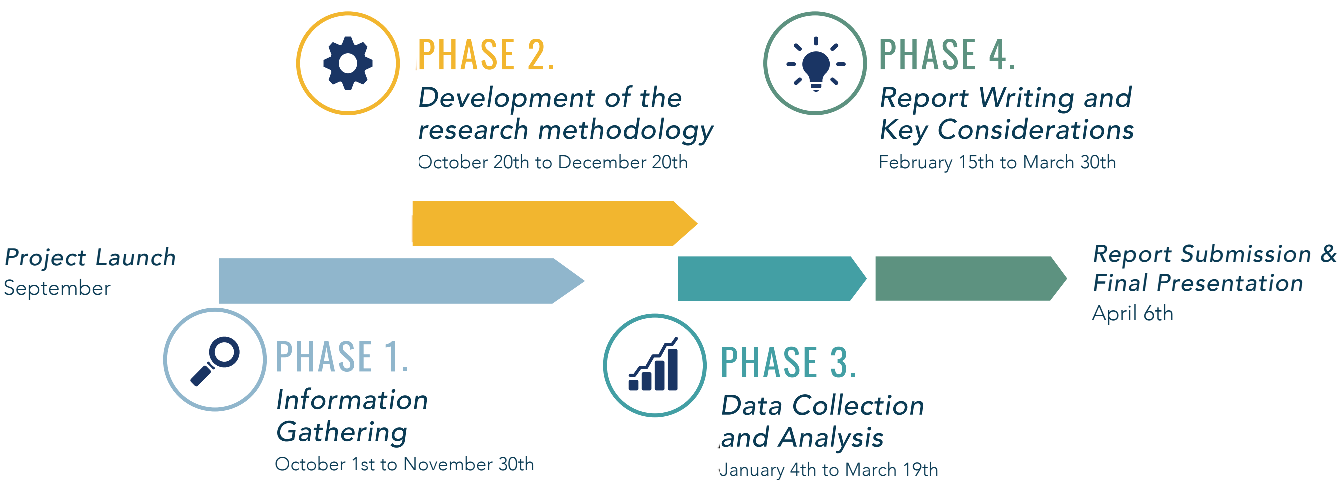
5) Produce a Model Analysis of existing homeownership mechanisms that address both the cost of housing and access to a down payment by:

- Reviewing existing models and programs.
- Analysing their impact on homeownership attainability.
- Extracting key considerations and challenges to inform a 'best practice' scenario.

1.1 METHODOLOGY

A mixture of literature review, case studies, model analysis and key interviews informed the findings of this report. This was done by dividing the project into four phases (figure 1) and using an iterative approach, meaning that the team continuously adapted the steps throughout the phases. An engagement plan was prepared (see Appendix I) to help identify interviewees and outreach strategies which resulted in a total of eighteen interviews.

Figure 1: Phases of the project



1.2 PROJECT LIMITATIONS

Several limitations are worth noting that were impactful and unique to each phase of the report's development.

- Attainable homeownership is a novel subject so information gathering required substantive outreach.
- An iterative methodology required constant re-adaptation of the research approaches.
- Data available limited the market scan and analysis to 17 of 24 Metro Vancouver member jurisdictions.
- Data used in the report can be inconsistent so the findings should be accepted as estimates.
- COVID-19 posed as a significant barrier to collecting qualitative information from buyers and residents.

02 BACKGROUND INFORMATION

The benefits of homeownership on a household level are well documented. In 2019, Canadian homeowners had a median net worth amounting to 29 times greater than renters (1). It is not surprising then, that results from multiple local and country-wide surveys point to homeownership as being both an important life milestone and considered highly desirable. For instance, a CIBC Study found that 94% of renters or those living with family members plan to buy (2). Additionally, a study conducted by the City of Toronto found that 78% of assisted homeowners were satisfied with their transition from renting to homeownership (3). The majority of households who do purchase are content with their decision, having cited higher levels of optimism about their future and an improvement in personal privacy, feelings of safety, physical health, ability to work from home, and their children's performance in school (4).

There are also considerable benefits that homeownership poses to the greater local housing market. Demand pressure on rent can be alleviated when those who can afford the costs of homeownership enter the market as buyers. The benefits of homeownership are therefore twofold: households benefit from the gains in equity over time, helping them build capital for retirement and intergenerational wealth. At the same time, the shift out of the rental market into homeownership increases the rental vacancy rate, opening up space for households in need of more appropriate rental housing. Homeownership initiatives are therefore attractive policies that cities can pursue as they strive to improve their economic prosperity and competitiveness (5).

Across Metro Vancouver, the high cost of housing continues to be a major concern for both residents and local governments and is posing as a significant barrier to entry-level homeownership. Entry-level homebuyers, who constitute half of all homebuyers, have been effectively priced out of homeownership in approximately 90% of the region's housing stock (6). Such market dynamics keep tenants in rental housing for longer, meaning that vacancy rates remain artificially low and nearing 0% (7). The region is now estimated to require $2 billion in investment per year to deliver enough market housing going forward (8).

As demand for housing continues to outpace the number of constructed units, placing considerable pressure on both land value and the price of housing, Metro Vancouver is faced with significant challenges in tackling the issue due to financial limitations and political complexities. The end of direct federal intervention in the 1990s and gradual elimination of federal tax incentives for housing has resulted in the bulk of housing provision being delegated to provinces, regions and municipalities. Now, it is often the private market developers that the region's housing markets rely on.

As the region's largest non-profit housing provider, Metro Vancouver continues to actively serve its member municipalities by assisting in the development of policy tools and best practices for housing-specific mandates, such as the *Regional Affordable Housing Strategy*. It aims to address challenges such as expanding housing stock, meeting the demand for housing for below-average income earners, and increasing the diversity of housing to meet a variety of resident needs. As part of Metro Vancouver's what works resource guide, the district is now placing importance on innovative and alternative solutions to entry-level homeownership to alleviate pressure on local rental markets while also ensuring that purchasing a home remains a tenable goal for households striving to become homeowners.

03 HOUSING MARKET CONTEXT

Canadian Mortgage Policy

Mortgage regulation in Canada reduces the risk and exposure posed to lending institutions from high loan to value (LTV) and shelter cost to income (STIR) ratios. The federal government is mostly concerned about creditor solvency and high household indebtedness that might precipitate a substantial loss in capital rising from a possible housing crisis. Regulations are therefore imposed to limit mortgage access and market demand for housing. Upon purchasing a home with a traditional lender, buyers are guided by the following rules:

01. Buyers are subject to a stress test as part of the qualifying mortgage criteria: The stress test is the higher rate of the two:

- **I.** The standing mortgage rate (2.45%) plus 2%.
- **II.** Canada's 5-year mortgage benchmark rate (4.79%).

02. Buyers must provide their own down payment. This can be sourced from a non-refundable gift, a government grant, and from registered savings accounts for first-time homebuyers.

03. Buyers cannot allocate more than 35% of their gross qualifying income towards housing-related expenses, including mortgage payments.

04. Buyers are subject to minimum down payment requirements showcased in table 1.

Table 1: Minimum Down Payment Requirements

PURCHASE PRICE OF YOUR HOME	DOWN PAYMENT MINIMUM
$500,000 or less	5% of the purchase price
$5000,000 to $999,999	5% of the first $500,000, 10% of the remaining
$1 million-plus	20% of the purchase price

Additionally, mortgage loan insurance is a requirement for any purchase with a down payment less than 20% (considered a high ratio mortgage), and not available for homes valued at $1 million or higher (an estimated 40% of all dwellings in Metro Vancouver(9)). High ratio default insurance is designed to ensure that lenders are not over-exposed in the case of financial insolvency, but it poses an additional expense to buyers. CMHC claims that the insurance premiums are more than fully offset by the savings achieved from avoiding higher mortgage rates and additional administrative fees charged by traditional lenders for non-insured mortgages (10). According to a CMHC report, a third of buyers put down 20% or more to avoid paying mortgage loan insurance (11).

3.1 METRO VANCOUVER MARKET SCAN

There are two primary factors that determine whether homeownership is attainable in a given area:

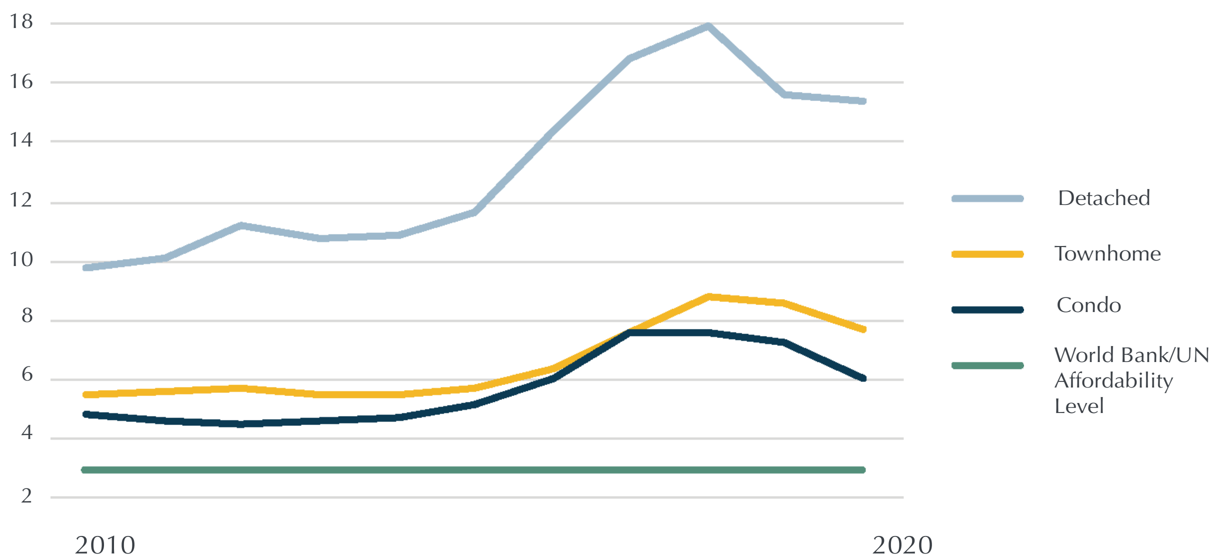
- The price-to-income ratio
- Mortgage policy

Both housing prices and income are independent and uncontrollable variables that are generally manipulated by market economics. Mortgage policy, on the other hand, is prescribed through policy and value judgments based on forecasting and the pursuit of favorable market conditions.

In Canada, the majority of homebuyers purchase their home through mortgage financing (12). To determine mortgageability in Metro Vancouver, ***several assumptions were made about entry-level homebuyers in Metro Vancouver:***

- Entry-level homebuyers are moderate income households (120% of 2016 median household income).
- Buyers have access to 20% down payment.
- Buyers qualify for a standard conventional, semi-annualized mortgage with:
  - 35% gross debt servicing (GDS) ratio;
  - 25 year amortization;
  - Monthly payment schedule;
  - 4.79% stress test rate.

Figure 2. Regional Price-to-Income Ratio per dwelling type (2010-2020)



Data was collected from Stats Can and local real estate boards to analyse the relationship between household income and benchmarked housing prices in Metro Vancouver (13). Figure 2 shows that 100% of Metro Vancouver's housing markets are considered either "seriously" or "severely" unaffordable by the World Bank and the United Nations according to the Median Multiple.

While the Median Multiple is a generally good indicator of housing affordability, it does not take into account precise values of each market observation. To accommodate for this limitation, a Median Multiple was employed for seventeen member jurisdictions to better analyse the attainability of homeownership per market. Figure 3 on page 11 compares what an entry-level homebuyer can afford given the assumptions previously listed, with the Multiple Listing Service (MLS) benchmarked House Price Index (HPI).

Figure 3. Max Affordability Index per dwelling type (2020)

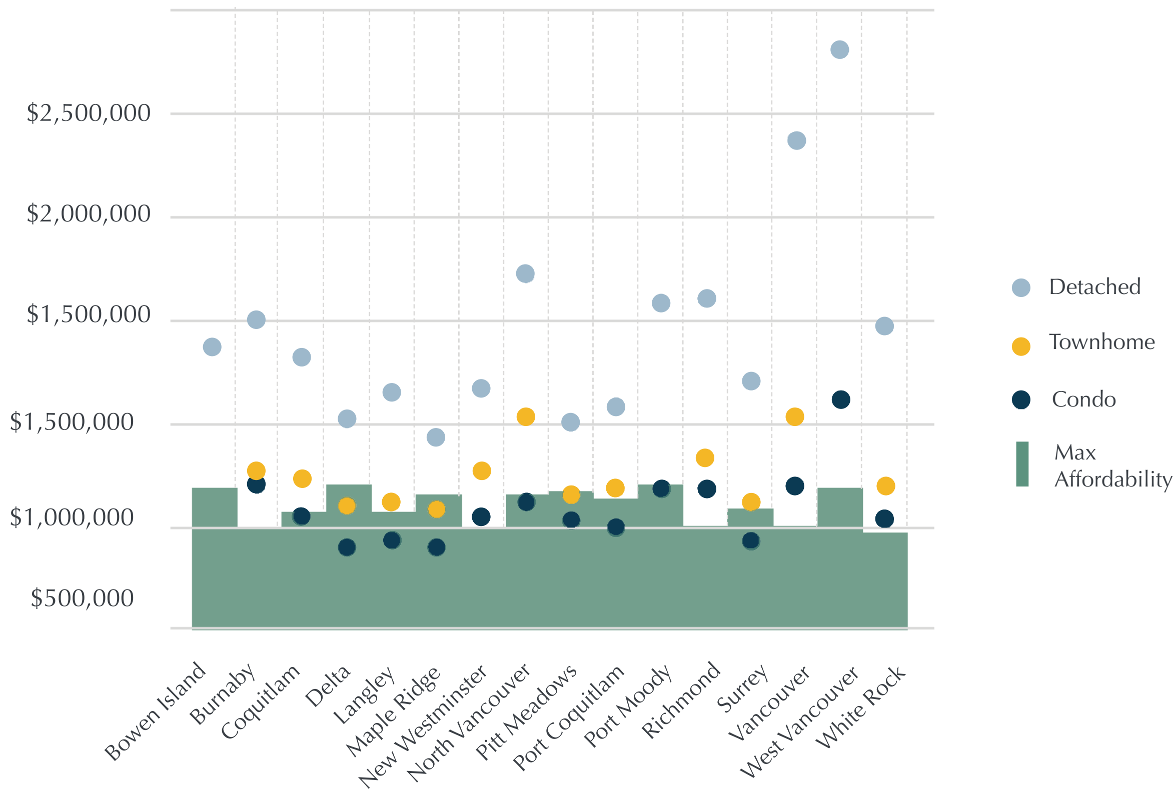


Figure 3 shows that an entry-level homebuyer would be able to purchase a condo in Langley, North Vancouver, Pitt Meadows, Port Coquitlam, and Surrey, and would be able to access both condo and townhome markets in Delta and Maple Ridge at benchmarked prices. These markets cumulatively represent approximately 20% of Metro Vancouver's total housing stock, while the other 80% remain unattainable for entry-level homebuyers. Such information is valuable to both planners and developers who want to deliver entry-level homeownership as it indicates which markets would be most responsive to an initiative.

Market dots in figure 3 that fall closer to the maximum affordability line in each member municipality represent opportunity for an initiative, while the dots lying more distant might be less elastic to variations in pricing. For example, townhomes in Vancouver and North Vancouver are indexed above $1 million, so a purchase incentive or affordability program would likely be unfeasible.

3.2 CMHC FIRST TIME HOMEBUYER INCENTIVE

The CMHC First Time Home Buyer Incentive provides financial assistance for entry-level homebuyers to help with the purchase of their first home (14). The incentive effectively reduces the qualified buyer's monthly mortgage carrying costs without adding to their financial burden. Successful applicants receive a second mortgage on a portion of the purchase price via a form of shared equity with CMHC. CMHC offers:

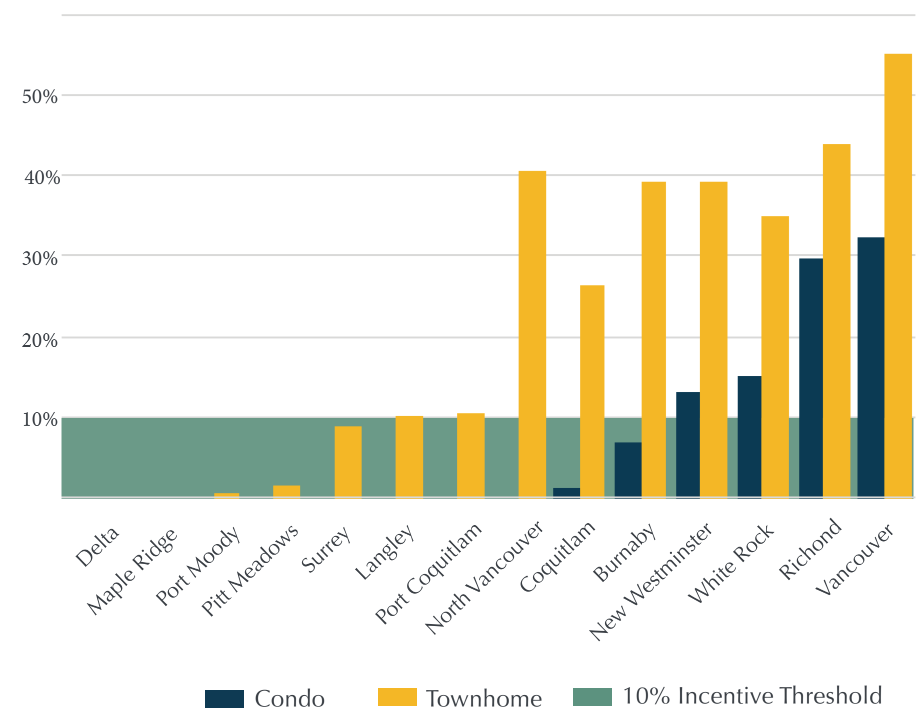
- 5% of the purchase price for the purchase of an existing home.
- 10% of the purchase price for the purchase of a new home (intended to help the construction of new homes to address housing shortages).

To qualify, homebuyers must:

- Be a first-time homebuyer.
- Have not occupied a home owned by a spouse or common-law partner in the last 4 years.
- Be purchasing a property to be owner-occupied.
- Be eligible for CMHC loan insurance (down payment on first mortgage must be greater than 20% of purchase price).
- Total borrowing does not exceed 4 times qualifying income.
- Have a total qualifying income no greater than $120,000.

Considering that the First Time Home Buyer Incentive is limited to a purchase price of $600,000, its applicability in Metro Vancouver is limited. To compare its efficacy with an incentive, a 10% purchase incentive was applied to the benchmarked price per dwelling type. Figure 4 shows that a 10% incentive effectively doubles the markets available for a median income household, while detached housing remains out of reach in all markets. A 10% incentive allows entry-level homebuyers to afford additional townhome markets in Pitt Meadows, Port Moody and Surrey, and condos in Coquitlam and Burnaby.

Figure 4. 10% Incentive Index per dwelling type (2020)



04 ATTAINABLE HOMEOWNERSHIP MODELS

The following homeownership models were identified as being viable in Metro Vancouver based on the criteria that:

1) they are intended for households that **can afford the ongoing expenses of homeownership**,
2) they **don't pose additional barriers** to homeownership, and
3) they are not **entirely reliant** on government funding.

Table 2. 10% Incentive Index per dwelling type (2020)

CATEGORIES	MODELS	DESCRIPTION
Access to down payment	Cohousing	A financial arrangement where multiple parties purchase a property through joint title ownership. Owners are typically a coalition of individuals or households.
	Rent to Own	A legal agreement between the renter and owner of a home that outlines a prospective buyer's conditions for purchase. The Rent-to-own model can be a contractual obligation or an option to purchase. In some circumstances, a portion of rent can be allocated to a down payment fund.
Overall housing cost	Sweat Equity	Programs that reduce the construction costs and sale price of housing through bootstrapping certain parts of the construction process. For example, owners can participate in building their future homes, or developers can make housing available unfinished.
	Community Land Trust	Land held through a non-profit corporation for the benefit of creating place-based communities. Land trusts are committed to developing a portfolio of housing and overseeing the management of their property. Sales are typically restricted and on a leasehold basis.
	Shared Equity	A legal agreement between a buyer and a third party allowing for a share in ownership. Potential buyers gain access to housing by reducing the financial load of saving up for a down payment. Resale agreements can include limitations on capital appreciation.

4.1 ACCESS TO DOWNPAYMENT

One of the most significant barriers facing entry-level homebuyers in Metro Vancouver is the inability to access the funding for a down payment. At a 20% savings rate, it takes a median income-earning household an average of 7 years to save enough money for a down payment for an apartment in the region (15). Access to a down payment as a barrier to homeownership can be summed up as a consequence of both stringent down payment requirements set by CMHC as well as low saving rates. The tight restrictions on mortgage approvals has been found to reduce the purchasing power of entry-level homebuyers by up to 11% (15).

Figure 5. Housing Stats Toronto

Down payment assistance significantly increases the ability for moderate income households to purchase a home. Attainable homeownership programs must be successful in assisting entry-level homebuyers with entering the housing market, without them having to solely rely on traditional mortgage funding.

Two homeownership models have been identified that assist the homebuyer in facing the down payment barrier:

4.1.1 Cohousing

4.1.2 Rent to Own

4.1.1 COHOUSING

In Canada, cohousing is most often legally structured as a strata due to their similarities via the factor of multiple owners on a single property.

Cohousing is unique in that the owners will typically form a development corporation that then assumes the project's responsibilities from proposal to construction. Cohousing residents regularly participate in the planning, design, ongoing management and maintenance of their housing that tend to focus on shared spaces and amenities. The financing of such projects ultimately requires an equity pool from the co-owners that can result in a reduced amount of equity required from each partner.

There are several benefits to cohousing as a form of homeownership:

- Participatory design.
- Stronger community and social cohesion.

On the other hand, the social and communal structure may:

- Lack in privacy.
- Lack in scalability.
- Have a more complex construction process with greater soft development costs.

Cohousing is a unique housing model in that homeowners effectively act as the developers throughout all construction phases of a new project. There are several proprietary agreements that need to be in place in order for this arrangement to function. A cohousing agreement would include:

- A development company is created and registered through BC Registry and funded by an equity pool.
- Terms of Community Living are specified.
- Eligibility requirements for future residents.
- Perpetual affordability through restrictive covenants.
- Individual purchase contracts between buyers and the cohousing corporation.
- Buyers would require conventional mortgage financing.
- A strata plan is filed at the BC Land Title Office.

CASE STUDY

Baugruppen

"Group build" in German

This cohousing model has been growing in popularity and interest for its ability to deliver high-quality, more sustainable homes designed for long-term needs rather than profit (18).

Baugruppen enables groups of potential homebuyers to fund their own housing projects. It removes developers from the process as the community of potential homebuyers collaborate directly with the architects to design their project. The absence of developer profits and marketing costs is what enables this model to produce affordable housing options. In Germany, projects using the Baugruppen approach benefit from considerable support from local governments; municipalities can give access to their land bank or offer facilitation services. In the case of facilitation services they would hire contractors (usually architecture and design firms) who are in charge of helping homebuyer groups during the following steps:

- Orientation phase.
- Planning phase.
- Purchase of land/construction process.
- Occupation/residence and ongoing maintenance.
- Legal service and management expertise (19).

Figure 6. R-50 Housing Project, Berlin

Source: Harvard Design Magazine

R-50 project (2013)

Developer: Architect led / **Model:** A form of cohousing / **Location:** Berlin, Germany / **Size:** 19 units

The idea for the R-50 building came from a group of architects who wanted to explore different ways of delivering ownership options for potential homebuyers. They gathered a group of friends and acquaintances that included architects, journalists and artists to move in the project.

The community element was central to the development of R-50. Thus future residents were very involved in decisions. The group met every other week for a year and a half to discuss design choices such as the type of amenities they wanted, the size of their unit and more (20).

The project benefited from Berlin's Senate Department for Urban Development that offers access to their land bank for housing initiatives that aren't meant for profit (21).

Both bank and project managers structured a unique financing scheme by pooling the individual mortgages for the units of future residents. Apartment sizes were designed to fit the users' needs and took into account the contribution that each household was able to make in the overall financing of the project (22).

Success Factors:

- Benefits of local governments taking initiative (through land bank, facilitation services).
- Inclusion of buyers/residents in the design stage (they were able to craft the building and their respective units according to their needs and means).
- Banks were able to offer special financing package for the needs of this project.
- Culture in Germany is prone to that type of living arrangement (apartment living is common, most people in Germany aren't homebuyers, building groups - or baugruppen is a well known and used model).

Challenges:

- No resale restrictions (however they are working on creating a manifesto for resale based on trust).
- Units and building is personalized for the first group of buyers.

Figure 7. Unit in R-50 Housing Project, Berlin

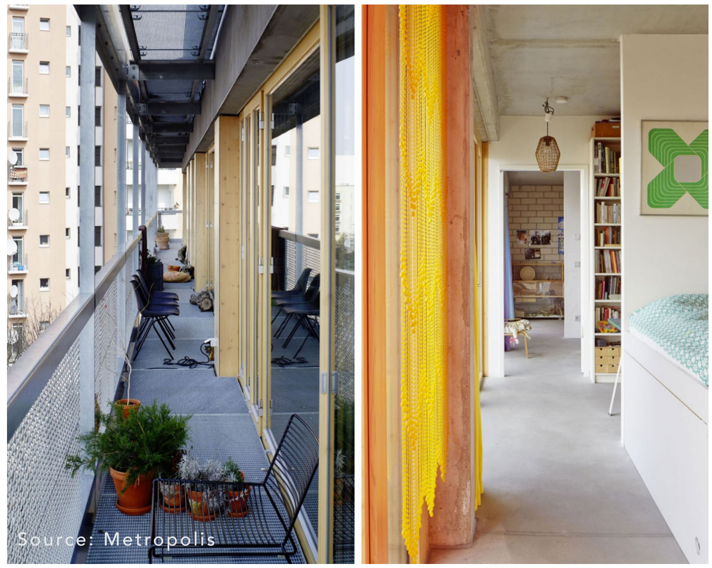


Figure 8. Common Space in R-50 Housing Project, Berlin

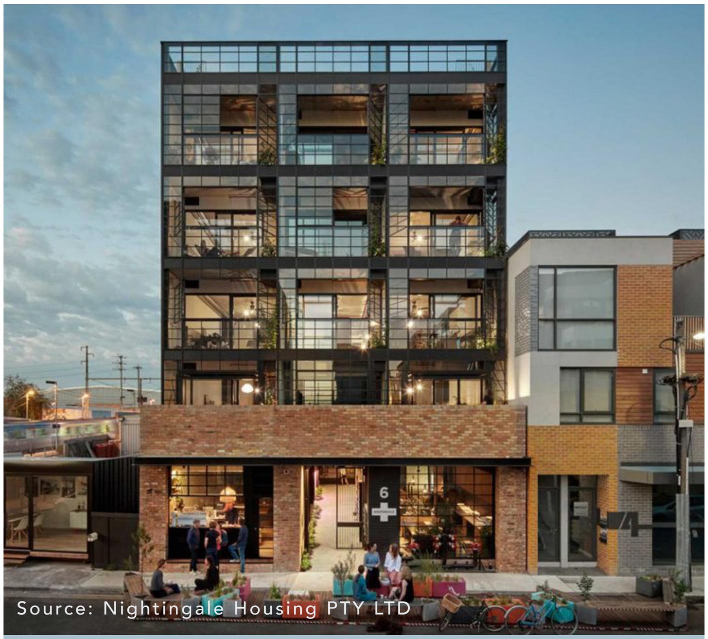
CASE STUDY

Nightingale Housing

Nightingale Housing has emerged over the past 10 years in the Melbourne region. This cohousing model was pioneered by a group of architects who shared a similar goal: to provide higher density housing which properly, and equally, addresses the triple bottom line of sustainability and affordability outcomes (23). Nightingale units are community-driven and are carefully monitored to ensure that they are sold to residents and not investors. Just like Baugruppen the model excludes the traditional role of the developer. They got inspired by the Baugruppen movement to change the financial model behind developments, including using equity investors to raise funds and placing caps on profits so that there were no corners cut in the build itself (24).

Affordability was maintained through reduced construction and living costs (e.g. through lower energy consumption). The model also works to maintain affordability in perpetuity. Concretely, there is a written requirement in a covenant that all buyers need to sign stating that they must sell their property first to those on the waiting list at a price index to the market.

Figure 9. Nightingale 1 Housing Project, Brunswick



Source: Nightingale Housing PTY LTD

Nightingale 1 (2017)

Developer: Nightingale Housing Pty LTD (architect-led non-profit) / **Model:** A form of cohousing / **Location:** Brunswick, Australia / **Size:** 20 units

Following their first project, the team of architects created Nightingale Housing Pty LTD, a non-profit organization meant to help future Nightingale housing projects and to make the model more accessible. As part of this mission, Nightingale Housing Pty LTD releases the architectural plans for each of their projects.

One of the interesting features of the model is transparency. During the design phase of their second building, Nightingale 1, the architect team disclosed all costs to future residents. This enabled a discussion which eventually led to the elimination of all 20 parking spots that were set to cost about $35 000 each. Future residents were heavily included in the design process and savings were captured through some of the following design and administrative decisions:

- no real estate agent (about $100 000);
- no second bathroom (about $200 000);
- lower construction costs ($1.1 million), etc.

The design strategy was to build more with less, adopting an honest material palette and placing emphasis on reduction (25). People and community are at the very center of this project and the design of the building is made to serve as a catalyst to unite a group with similar values.

Success Factors:

- Shared values between residents and architects;
- Savings on construction costs through:
  - collaborative design decisions such as the reduction of parking spaces or individual laundry machines;
  - Energy-efficiency with the use of top materials and design components.
- Nightingale Housing Pty LTD acting as an educator and using their projects as case studies.

Challenges:

- Land acquisition.
- Zoning ordinance complications (e.g. parking reduction).
- Access to financing.

Figure 10. Nightingale 1 Rooftop

Source: Nightingale Housing PTY LTD

Figure 11. Nightingale 1 Resident Event

Source: Nightingale Housing PTY LTD

4.1.2 RENT-TO-OWN

Rent-to-own programs present homeownership opportunities for households that can afford ongoing expenses but don't have access to a down payment.

Rent-to-own living arrangements typically don't impact overall housing cost but rather help households secure homeownership and tenure security through legal contracts. An agreement would include, but is not limited to the following aspects:

- Option fees:
  How much down payment you need to make initially?
- Monthly payment:
  How much will the renter be paying monthly?
- Rent credit:
  How much of your rent will be going to your down payment?
- Duration:
  Time frame of an Rent-to-Own agreement (usually 2-4 years).
- Property Value:
  The locked-in sale price of the property. This price stays the same despite housing market changes.
- Terms and rules:
  All other details like property taxes, insurance repairs, and more. (26)

Residents of a rent-to-own housing program will benefit from:

- Relative ease in transitioning from renting to ownership.
- Tenure security through an occupancy agreement.
- Discounted purchase price.

Rent-to-own programs may face complications arising from:

- The transfer of homeownership and liability.
- Ongoing building management requirements.
- Legal nuances complicating potential tribunals.
- High demand requiring a lottery system.

A rent-to-own agreement in British Columbia is contractual to a property deal and not a residential tenancy issue. As there is no specific legal language in either the *Residential Tenancy Act* or the *Property Law Act* around rent-to-own housing, contracts have to be highly proprietary requiring unique legal development on a case-by-case basis.

Similarly, securing funding can become complex as lenders face greater risk in the case that residents walk away from their contracts. Investors and lenders in British Columbia are still not used to working under those types of agreements.

CASE STUDY

50 Electronic Avenue

The land used for the 50 Electronic Avenue project was purchased by Panatch Group 20 years ago. It was retained as an industrial site for future development under the expectation that the Skytrain would be extended to the area. Following feedback from Port Moody's City Council around an affordability requirement, Panatch came up with the idea of offering thirty rent-to-own units. The project was initiated through a selection process of upwards of 600 applicants (27). Successful applicants were local entry-level homebuyers who signed a contract with the developer specifying early possession agreement, purchase and sale two-year commitment to rent ($1000 for one bed and $1250 for two beds). All of the rent would be committed to the purchase price which remains fixed at the 2019 price.

Figure 12. 50 Electronic Avenue, Port-Moody

50 Electronic Avenue (2019)

Developer: Panatch Group / **Model:** Rent-to-own /
Location: Port Moody, B.C. / **Size:** 30 units out of 358

Success Factors:

- Land cost was low.
- Wide reaching and positive publicity.
- Small team - everyone was on board and had a deep understanding of the project.
- Politically well received - since this was one of the first rent-to-own projects in BC, councillors were enthusiastic about having a creative project in their municipality.

Challenges:

- Legal complexities.
- Rent-to-own units were not true tenants because of the homeownership clause .
- Pilot project needed to be explained to partners and lawyers.
- There is no financial backing in the case that rent-to-own contracts are broken.
- Rent-to-own units are not asset guarantees in securing the development financing and paid for out of pocket by the developer (GST, strata fees, property taxes operating costs).

4.2 OVERALL HOUSING COST

Housing affordability is one of Metro Vancouver's most challenging and lasting issues – the region currently ranks last in regional affordability across Canada (28). Although more than 90% of Metro Vancouver's households are adequately sheltered, and 64% of households are owner-occupied, the price of housing continues to pose a primary barrier to market entry (29).

In recognition of this issue, tax incentives and rebates are offered by multiple levels of government in Canada to support entry-level households in the purchase of their first home. Each level of government has its own tax incentives and rules about who is eligible to claim certain rebates:

Table 3. Tax incentives examples

LEVEL OF GOVERNEMENT	TAX INCENTIVE/REBATES
Municipal	City of Toronto municipal land transfer tax for first-time homebuyers, up to $3,725 (property value under $525,000)
Provincial	British Columbia property transfer tax rebate, up to $8,000
Federal	CMHC homeowners' amount income tax credit, up to $750 per year

Tax incentives and rebates help to offset closing costs such as legal costs, inspections or land transfer taxes that can be unexpected for buyers. However, property tax is the only additional expense used as a metric for mortgage qualification in Canada, which entry-level homebuyers are exempt from (30). So while current tax incentives may reduce overall housing costs, they are only marginally impactful on homebuyer attainability for entry-level households. The report discusses development-side tax incentives in section 5.3.

Three models were identified as being positively impactful to the level of homeownership attainability for entry-level homebuyers:

4.2.1 Sweat Equity

4.2.2 Community Land Trusts

4.2.3 Shared Equity

4.2.1 SWEAT EQUITY

Sweat Equity reduces the construction costs and sale price of housing through bootstrapping certain parts of the construction process.

Sweat equity is the ownership interest, or increase in value, that is created as a direct result of labor by the homeowner. Homeowners benefit from the added value arising from the handywork that they commit themselves to. Sweat equity is a direct tradeoff with individual time and effort either during the construction process or after purchasing the proprety.

Sweat equity programs benefit owners through:

- Discounted purchase price.
- Opportunity for design customization.

Sweat equity programs can be more complicated due to:

- The time and energy is required from the homeowners.
- The possibility of lower quality finishing.
- Sweat equity contract committing buyers to involvement.

A sweat equity agreement typically would include:

- A minimum amount of time to put into the construction of the home (Habitat for Humanity typically requires 500 hours)

CASE STUDY

Habitat for Humanity

Figure 13. Construction of a Habitat for Humanity home

Source: Habitat for Humanity

Habitat for Humanity Canada builds affordable homes with the help of the household families through volunteer mobilization, as well as tax-deductible donations of money and building materials. Equity is granted to hsouehold families without a down payment requirement or any transfer of title, meaning that Habitat retains ownership. The building's operating expenses are financed by traditional financing where Habitat holds second priority in each household's mortgage lien position (31). Any appreciated equity is returned to the buyer upon moving out.

Success Factors:

- Land acquired at a deeply discounted price.
- Access to government grants and fundraising.
- Trilateral partnerships with municipality and provincial government.

Challenges:

- Capacity for resident volunteer time.
- Administrative responsibilities and stewardship.

4.2.2 SHARED EQUITY

Shared equity is defined as a legal agreement between the homebuyer and the property owner allowing for a split in equity ownership.

There are two shared equity categories: deed-restricted homeownership and limited equity cooperatives (32).

Deed-restricted

The lender contributes a part of the home purchase price in return for a stake in the homeownership. Through this agreement, potential buyers can afford to buy what would otherwise be out of reach by boosting their down payment. Divided into two major categories: resale restricted and resale unrestricted. It is more costly to establish and administer a restricted agreement, but it ensures ongoing affordability.

Limited equity cooperative

Families purchase a share in the cooperative rather than a standard property interest in the home. Limited equity cooperatives are, but not exclusively, applied in the context of an apartment or townhouse community, or other multifamily developments. Share prices are set by a formula contained in the co-op's bylaws, subscription agreement, and stock certificates.

A shared equity agreement typically would include:

- A contractual agreement between parties specifying ownership.
- Resale terms.
- Subscription agreements.

Some of the benefits are:

- Both owners benefit from capital appreciation.
- Reductions in overall mortgage costs.

Some of the limitations towards shared equity are:

- Both parties face risk in capital depreciation.
- Subject to extra costs if selling or refinancing early.
- Monitoring and stewardship creates administrative complexity and additional expenses.

CASE STUDY

Heintzman Place

Established in 1998, Options for Home (OFH) together with its funding Homeownership Alternatives (HOA) is a non-profit organization dedicated to providing affordable homeownership housing to low-and moderate-income households throughout the GTA. The model is based on offering purchasers a loan that is recognized by banks as equity, in addition to the client's 5% down payment (33). This loan is the difference between the cost to build and the market price (usually 10% - 15%) of a unit. No payments of interest or principal are required on this "Options Contribution" until the client decides to sell. However, it can be repaid at any time.

Although Options for Homes has developed around 15 buildings using this model, their biggest development to date has been the Heintzman Place.

Success Factors:

- Acquired land at market value
- Access to lower interest rates from the government as a nonprofit co-operative.
- Marketing costs are minimal and brokers are paid a flat 1k per home.

Challenges:

- Affordability in perpetuity is not secured.

Figure 14. Heintzman Place, Toronto

Source: Options for Homes

Heintzman Place (2011)

Developer: Options for Homes / **Model:** Shared Equity/ **Location:** Toronto, Ontario / **Size:** 643 units

4.2.3 COMMUNITY LAND TRUSTS

Community land trusts are typically operated by non-profit organizations that acquire and hold land for the benefit of creating place-based communities.

Land trusts are committed to developing a portfolio and managing the assets built on its landbase, offering the opportunity for the trust to provide housing affordability in perpetuity and tenure security.

Ground leases are the key legal component allowing for legal provisions on its landbase. The trust has the legal capacity to apply certain restrictions on its land, which can be used to establish limitations such as resale price of its leasehold property.

Land trust agreements would include:

- A nonprofit organization to operate the trust.
- A strata plan for residential buildings to set responsibility for overseeing any covenants.
- A ground lease agreement with the land owners, typically with a level of government.
- Traditional mortgage financing and purchasing restrictions for buyers.

Benefits:

- Ability to secure land in for a reduced or no amount.
- Creates the ability for an arm's length management through an organization, thereby protecting the land and its housing from changes in legislation.

Limitations:

- Land trusts are not necessary for a local government as it can enter into a lease directly with a nonprofit or developer with the express purpose of creating affordable housing.
- Trusts are found to require a portfolio of at least 300 units to generate sufficient revenue to cover annual operating expenses (34).

In British Columbia, land trusts operate within provincial jurisdiction (with the exception of *Vancouver's City Charter*) and are subject to municipal bylaws such as zoning ordinances. Land Trusts have general constitutive requirements that include the need for general meetings, board members and voting constituents.

CASE STUDY

Verdant UniverCity

Simon Fraser University's community trust is a land trust located in Burnaby. It is a public development initiative operated by SFU's non-profit organization Univercity responsible for planning the zoning and development of its on-campus, 99-year ground lease land. The leasehold land which Verdant is located on is not expedited under a traditional business model, so specific covenants can be imposed. Units in Verdant are offered through a restrictive covenant limiting the sale and resale of units to SFU staff and faculty. These units are appraised at fair market value and then sold at 20 percent below market value in perpetuity. Owners benefit from any appreciation in value, but the units must remain at a below-market price upon resale (35).

The Verdant building was constructed as a traditional development project with the exception that the land was previously obtained through the University's trust. Vancity Enterprises, the development arm of Vancity Credit Union, partnered with SFU as the developer with a "social mission" to provide high-quality and energy efficient housing for the University's staff and faculty.

Units could be sold below market value because:

a) They are non-competitive and non-market housing.
b) Development costs are lower due to the absence of marketing and land costs.

Figure 15. Verdant Univercity Rendering

Verdant UniverCity (2019)
Developer: VanCity / **Model:** Community land trusts / **Location:** Burnaby, B.C.. / **Size:** 90 units

Success Factors:

- The involvement of a purpose driven developer.
- Low cost of land allowing for below market prices.
- The University being motivated to create land value through development for additional revenue.

Challenges:

- Buyers must be educated on the complications of purchasing leasehold property.
- Ongoing administrative responsibilities to manage covenants in place.
- Large waiting list for housing and low turnover rate.

4.3 MODEL ANALYSIS

Figure 16. Model analysis

Figure 16 is a generalized breakdown of development aspects that contribute to the overall cost and expense of a unit in a new project. All analysed models display cost-cutting methods that a typical market development would not have access to, resulting in lower construction costs and therefore a lower purchase price for homebuyers.

It should be noted that while figure 15 provides an overview of how various financial components impact the turn-key price, there are project-specific characteristics that might affect these distributions. Similarly, the chosen categories are broad and might not encompass all relevant development costs.

INSIGHTS:

- Community Land Trusts generally have access to free land.
- Shared Equity projects are discounted via lower mortgage costs and, in some cases, reduced soft costs.
- The rent-to-own model typically only impact units prices by reducing the upfront costs of the mortgage financing.
- Sweat Equity is able to reduce their overall cost through lower building costs as future owners contribute to the construction of their own home.
- Developer profit and marketing costs are generally reduced or, in some cases, completely eliminated in cohousing projects since they tend to be owner initiated.

4.4 CASE STUDY ANALYSIS

The case studies employed in section 4 are tangible examples of each homeownership model that act as representations displaying comparable characteristics. Case study characteristics compiled in figure 9 represent some of the various requirements for scalability that have been identified for future projects based on the Metro Vancouver context.

Table 4. Case Study Characteristics

	MUNICIPALITY INVOLVEMENT			DEVELOPER AGREEMENT CHARACTERISTICS		
Projects	Access to free or discounted land	Bylaw Relaxation (parking, density, etc)	Housing Agreement (resale restrictions, affordability,etc.).	Ongoing Developer Involvement	Proprietary Legal Agreement	Community-Driven*
Heintzman Place By: Options for Home (non-profit) ***Shared Equity***	However, they gain access to lower interest rates from the government as a nonprofit co-operative.				***In BC:*** *Falls under BC Land Title Act as common ownership*	
50 Electronic Avenue By: Panatch Group (for-profit) ***Rent-to-Own***					No current legislation under the Residential Tenancy Act and the BC Property Law Act.	
Verdant UniverCity By: VanCity (non-profit) ***Community Land Trust***			The units are appraised at fair market value and then sold at 20% below market value in perpetuity.			
City of Coquitlam By: Habitat for Humanity (non-profit) ***Sweat Equity***					Operates outside of the BC Residential Tenancy Act	
Project: R-50 Baugruppen model By: Group of architect ***Cohousing***	The architects had access to the city of Berlin's land bank at a fixed-price.			No traditional developer - Owners and or architects take on that role.	***In BC:*** *Cohousing falls under the Property Law Act.*	
(Baugruppen model) Project: Nightingale 1 By: Nightingale (non-profit) ***Cohousing***				No traditional developer - Owners and or architects take on that role.		

*Community-driven means having the homebuyer participate in the decision making and/or building of the house

4.4.1 SCALABILITY-SPECIFIC INSIGHTS

The following learnings were identified from Table 4 on page 29:

Every case study would benefit from access to free or discounted land.

Bylaw relaxation is a missed opportunity - case studies did not take advantage of incentives.

Ongoing developer involvement increases the success in securing affordability through:

- Administrative stewardship.
- Set objectives.

Only two projects (Nightingale 1 and Verdant) include resale restrictions for affordability in perpetuity as part of their agreement:

- Resale restrictions are necessary for municipal involvement going forward as it presents a social commitment to affordability in perpetuity, rather than a one time assistance measure.
- Community land trusts are the only model that offer affordability in perpetuity intrinsically.
- All other models require a housing agreement with the municipality to ensure affordability in perpetuity.

Proprietary agreements can be complex and present additional legal costs for developers.

Community driven projects allowed for significant cost savings throughout the construction process by avoiding:

- Development profit.
- Marketing costs.
- Expensive design & amenities.

05 KEY CONSIDERATIONS

The report's key considerations were collected and categorized based on common characteristics extracted from the model analysis. This section is inteded to provide detail on the primary factors that must be considered upon delivering attainable homeownership in Metro Vancouver.

Figure 17. Pathway to Attainable Homeownership in Metro Vancouver

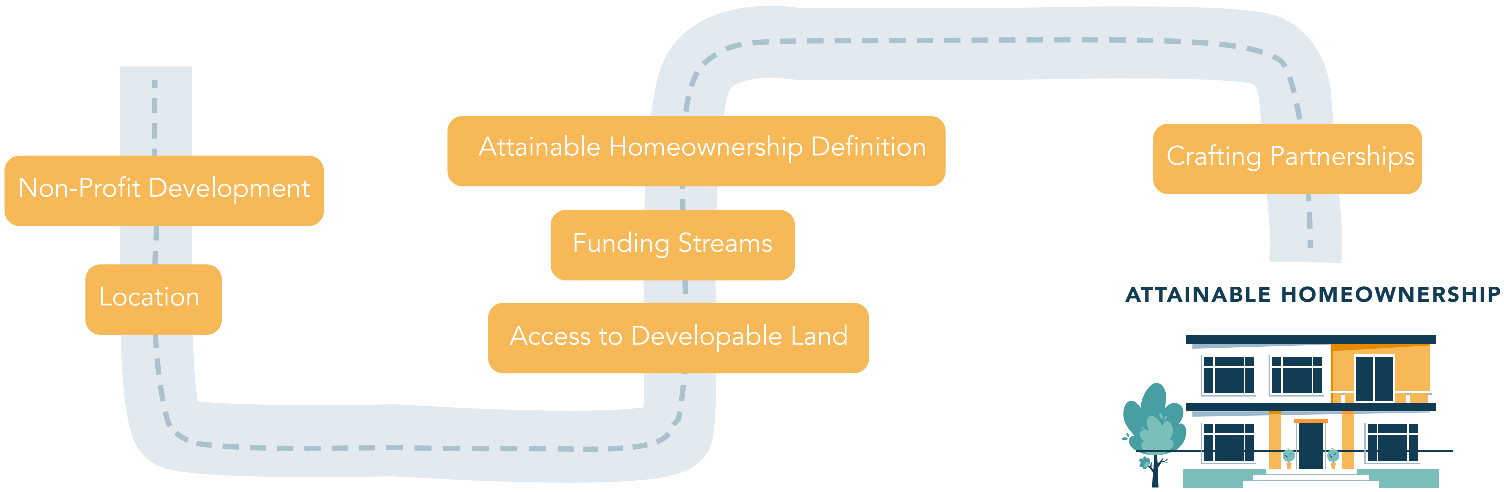


Figure 17 summarizes the pathway to attainable homeownership in Metro Vancouver, in accordance with the British Columbia Non-Profit Housing Association's guide for non-profit housing providers:

1. Project Management
2. Municipal Regulatory Approval
3. BC Housing Approval
4. Other Funder/ Partner Approval

5.1 NON-PROFIT DEVELOPMENT

Building attainable homeownership housing is most efficient when development is allocated to the nonprofit sector. Since nonprofits are organized and operate exclusively for a social purpose, they have access to perks that are extremely useful in creating housing supply. Preferential treatment and regulatory flexibility for non-profit developers increase their ability to build at low cost.

Construction Costs

A recent study by the C.D Howe Institute examined the overall costs of barriers to building single-detached homes in Canada. While the study focuses on single-detached homes, it provides an overview of Metro Vancouver's building costs compared to other Canadian regions. The results suggest that regulatory burdens such as development charges make up around 50% of the cost of housing in the Vancouver region, making it the highest in the country (36).

However, nonprofits have access to government support in the development process in the form of incentives and preferential treatment that help to reduce development charges:

- Additional density.
- Tax deferment including property taxes and development cost charges.
- Fast-tracking applications to limit delays.

As a result, nonprofit developers only require, on average, approximately 43-49% of the rent that a private developer would require to cover the costs to finance a development project, according to Coriolis consulting group (37).

Profit

Developers will accept higher or lower returns based on their business plan. For example, developers with a greater social objective might accept to build a housing project with a lower profit margin. In Metro Vancouver, typical profit for capital project investors is estimated at between 10-13% of project revenue (38). This additional cost is assumed by the buyer through a proportionate increase in a unit's sales price.

Nonprofit developers with a social purpose can afford to sell housing at a reduced cost because they are not driven by profit. For example, Options for Homes was able to provide affordable homeownership because it was:

- Not burdened with a rigid profit structure.
- Could build at a lower cost than market developers.
- Had access to preferential construction financing and low government rates.

Tax Incentives and Rebates

Property and development taxes serve as a significant revenue stream for local governments in British Columbia. Developers building and implementing any attainable homeownership model will typically face the following taxes:

- Goods and sales tax (GST) on each unit sold.
- Development cost charges or Community amenity contributions.
- Building permit fees.
- Annual property tax on land.
- Speculation tax.

In British Columbia, municipalities are granted the ability to exempt, reduce, and defer taxes through the *Municipal Charter* and the *Local Government Act* (39). In Metro Vancouver, a comparative analysis of the Municipal Measures for Housing Affordability and Diversity indicated that tax incentives specifically for affordable housing are implemented in many member jurisdictions, but not uniformly. For example, property tax exemptions for non-supportive affordable housing are currently only used in the City of West Vancouver, while eight member jurisdictions can waive development fees (40).

Since attainable homeownership programs rest on government support through public-private partnerships with nonprofit developers, projects are better located where local tax incentive measures are in place. It should be noted that tax incentives alone are unable to solely aid attainable homeownership initiatives into fruition, but are rather a component complimentary to a broader suite of measures.

RECOMMENDED ACTIONS

01. Relaxed BC Assessment valuation for non-market/below market housing.

02. GST/HST rebates for developers building attainable homeownership projects.

03. Create a regional tax incentive policy for nonprofit developers building affordable housing, including attainable homeownership.

5.2 LOCATION

An attainable homeownership project should be located according to local household income demographics. Affordability per member jurisdiction is best measured on a per square footage basis as it indicates what sort of dwelling type is most suitable for developers to build and where. To understand affordability as a function of square footage, benchmark prices per square foot were collected from local real estate boards and compared with average dwelling size and 120% median household income.

Figure 18. Reduction in ft2 for housing affordability per dwelling type - 25% threshold

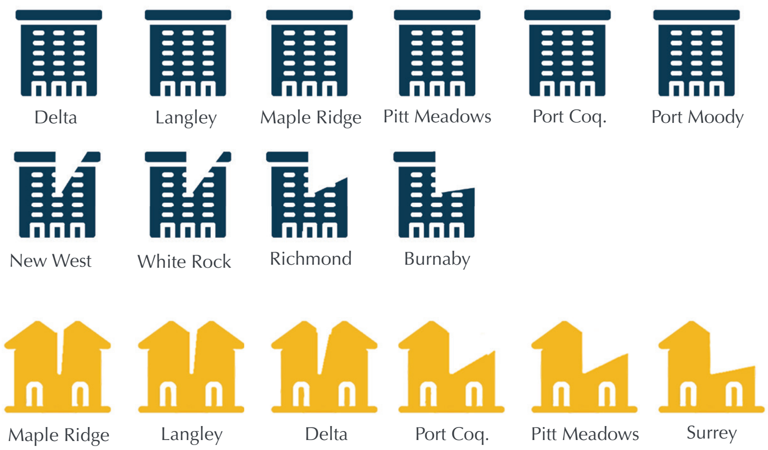
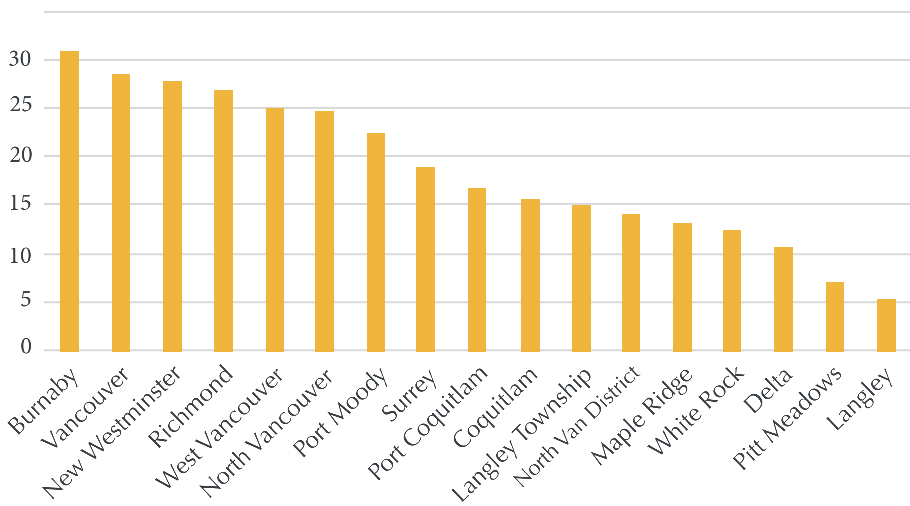


Figure 18 shows which member jurisdictions have the greatest opportunity to create affordable housing on a square footage basis while employing a 10% purchase incentive single family detached 120% of census median household income 32% for GDS guidelines max mortgage max affordability prices max affordability with 10% purchase incentive difference between max affordability with 10% incentive and benchmark incentive required for affordability. Entry-level homebuyers can afford a condo in Delta and Langley at average current sizes. For example, while purchasing a townhome in Surrey is only affordable at 22% below average floorspace. The member jurisdictions excluded from figure 10 would require entry-level homebuyers to purchase a home 25% smaller than the local average.

It is also vital that curent municipal measures are considered in determining where an attainable homeownsership project should be located. 32 measures were considered that were deemed impactful to a homeownership project (found in appendix xyz) and weighed on the following basis:

Figure 19. Municipal Measures Score - Housing Affordability (2019)



1 point:
Implemented measure
0.5 point:
Pending measure
0.25 point:
Implemented on a case by case basis

Figure 19 shows that Burnaby and Vancouver rank the highest in municipal measures in Metro Vancouver, while Pitt Meadows and Langley fall below a score of 10 (41). A comparison between the municipal measures score index and a housing affordability index does not display a significant correlation, meaning that more measures in place is not indicative of a member jurisdiction's level of affordability.

5.3 ACCESS TO DEVELOPABLE LAND

In Metro Vancouver, it is estimated that access to land remains a major challenge even when lower construction costs and favourable financing are available and factored into development costs (42). Land must be available at less than market value through local government partnerships in order for successful affordable housing delivery:

- Municipalities can borrow through the BC municipal finance authority to take advantage of low borrowing rates to acquire land.
- Land can be re-zoned for additional density offering a greater margin for developers.

There are several ways an attainable homeownership project can access discounted land, depending on what kind of program it chooses to administer:

Municipalities can sell land at token value to nonprofit organizations looking to develop social-purpose housing.

The transfer of ownership of land also transfers responsibility to the beneficiary under the commitment that it is used in the guise of public benefit perpetually. This process is incredibly political as municipally-owned land can be considered as belonging to the constituents paying taxes. A reduction in the municipal land base can be seen as a net loss, so extensive public engagement is required prior to the sale. Nonprofits have to acquire land by submitting a Request for Proposal (RFP) outlining homeownership, management, consultation and design principles through a competitive bidding process.

Local governments may dispose of properties for contribution to community development objectives.

This must be balanced against a local government's duty to provide stewardship of the public asset. Disposal of land should be considered in the context of the overall policies including OCPs, financial plans, municipal reports, regional growth strategies. A local government must provide notice if it proposes to dispose of land below market value to non-profit organizations (*Community Charter, Local Government Act*)

Municipalities can offer ground leases in trust to developers with fixed, renewable terms under the premise that any development falls within the city's land-use strategy.

Temporary allocation ensures that municipalities retain control and ownership, representing the lasting potential for resilient urban development. By managing ownership, the municipality has the capacity to deal with changing needs over time. Ground leases, however, add complexity to construction financing as it limits the developer's borrowing. Without a lien on the property, lenders consider projects without a backstop higher risk which can impact both capitalization and borrowing rates.

A complete scan of all Official Community Plans in Metro Vancouver show only nine municipalities in having city-owned land appropriate for non-profit leasing to develop affordable housing. Out of these municipalities, only four (New Westminster, Port Moody, Richmond, and Vancouver) have policies in place allowing for the donation of publicly owned land to facilitate affordable housing.

VERMONT, USA

The Vermont Housing & Conservation Board (VHCB) in the United States, founded in 1987, is considered a pioneer for establishing a comprehensive approach to affordable housing and community development by combining it with land conservation and historic preservation. Since being funded VHCB has awarded $370 million into nonprofit housing and land conservative organizations, creating 13,420 affordable homes (43).

Figure 20. Wilder Block. Windham & Windsor Housing Trust

SEATTLE, USA

In 2018, the Washington state legislature passed a bill allowing cities to sell or lease surplus land at no or low cost, thereby eliminating regulations that forced cities to seek fair-market value for land (44). In response, the Seattle City Council passed a resolution requiring city departments to make affordable housing a priority when disposing of public land. The city has also been looking further into the use of public land by exploring opportunities at smaller-scale properties and through partnerships.

Figure 21. Judkins Park. Homestead Land Trust

RECOMMENDED ACTIONS

01. Create a regional database available to the public showcasing municipally owned land

02. Standardize low rate financing for the purchase of land for affordable housing

03. Explore the creation of a land bank available to project offering innovative housing options (see Baugruppen case study)

5.4 FUNDING STREAMS

There are many provincial and federal funding streams available for affordable housing development. However, in the current system, they are not accessible to all in an equitable manner. The non-profit sector has a greater capacity to leverage these incentives. Current partnership and funding opportunities for non-profit developers include the following:

CMHC National Housing Co-Investment Fund

Nonprofit developers can access low-cost funding for the construction of both new and revitalized housing projects as long as they are supported by a local or provincial government. There is over $7 billion in loan financing available for projects with more than 5 beds through the co-investment fund, being offered at 10-year terms with up to a 50-year amortization period. Funding is dependent on the extent to which the project satisfies criteria set by the National Housing Strategy outcomes.

CMHC Shared Equity Mortgage

Nonprofit developers can access pre-construction financing of up to $4 million with a 5-year term. Financing through the SEMP must be used exclusively for pre-construction activities that include land purchase, development permits and zoning fees, and design costs. Qualified projects must administer a shared equity mortgage program such as the First Time Home Buyer Incentive to residents who satisfy a minimum 5% down payment.

BC Housing Community Housing Fund

Projects that offer 30% affordable housing, 50% rent geared to income, and 20% deep subsidy housing can access funding from a pool totalling $1.9 billion.

Infrastructure BC

Infrastructure BC has participated in 64 project procurements, completed with a value of approximately $23 billion. Financing is available for the undertaking of public capital projects under various partnership models. Infrastructure BC's 2020/21 mandate specifies providing support for government priorities including affordable housing.

Affordable Home Ownership Program (AHOP)

Available to nonprofit and for-profit via the Housing Hub which seeks partnership with levels of government to:

- Increase the supply of affordable rental housing.
- Improve the ability of renters to move into homeownership thus freeing up rental stock.

They applied learning from a previous pilot project under the Liberal government called the BC Home Owner Mortgage and Equity Partnership. What creates affordability in the context of the AHOP project is their low interest construction financing and equity contribution of project partner (developper and municipality partner). To date, no projects have been completed under the AHOP program, however, they are working on completing two projects in Victoria.

RECOMMENDED ACTIONS

01. Foster stronger relationships between nonprofit organizations to support the creation of development coalitions.

02. Educate market developers on the social purpose of supplying attainable homeownership.

03. Focus resources to shift the narrative around why housing is being built and who these units are for, by means of public.

04. Public resources and portals for business to business communications (example, BCNPHA).

05. Increase exposure and the use of business-to-business portals for more effective communication.

5.5 ATTAINABLE HOMEOWNERSHIP DEFINITION

One of the first fundamental steps to build the case for attainable homeownership is to provide locally-rooted definitions of what "attainable homeownership" entails in the Metro Vancouver context. This definition should also be frequently updated to ensure that eligible households are properly identified through price inflation.

Affordable housing in BC is defined as tenure that requires less than 30 percent of household gross income committed to paying for housing costs. In terms of local housing delivery, it is up to municipalities to define affordable housing with existing planning and policy targets. If a local government wants to increase entry-level homeownership in its jurisdiction, affordable housing as a term must extend to affordable homeownership arrangements. By defining attainable homeownership as a subset term falling within the umbrella of affordable housing, projects that incorporate homeownership would find it easier to access political backing as well as financial support. A regional scan shows that only five member jurisdictions in Metro Vancouver currently mention «attainable homeownership» in their Official Community Plan.

Municipalities have the capacity to include affordability in perpetuity to their definition of attainable homeownership. Housing agreements can be negotiated between the local government and a housing operator as per section 483 of the *Local Government Act* to put in place positive obligations and tenure restrictions that maintain the supply of affordable housing in perpetuity.

RECOMMENDED ACTIONS

01. Attainable homeownership needs to be clearly defined and specified at a regional level

02. Housing agreements specific to affordability in perpetuity

5.6 CRAFTING PARTNERSHIPS

In the lower mainland, homeownership is not currently a priority. Municipal governments have been focusing efforts and resources on targeting homelessness and supportive housing for low-income households. As a result, provincial-led homeownership initiatives have been relatively unsuccessful in partnering with local governments due to lack of local political interest. This is a barrier considering that attainable homeownership projects require strong intergovernmental partnerships. For example, project savings that are integral to attainable home ownership are highly dependent on municipal partnerships since they are responsible for:

- Reducing development fees.
- Allowing further density.
- Fast-tracking approval processes.

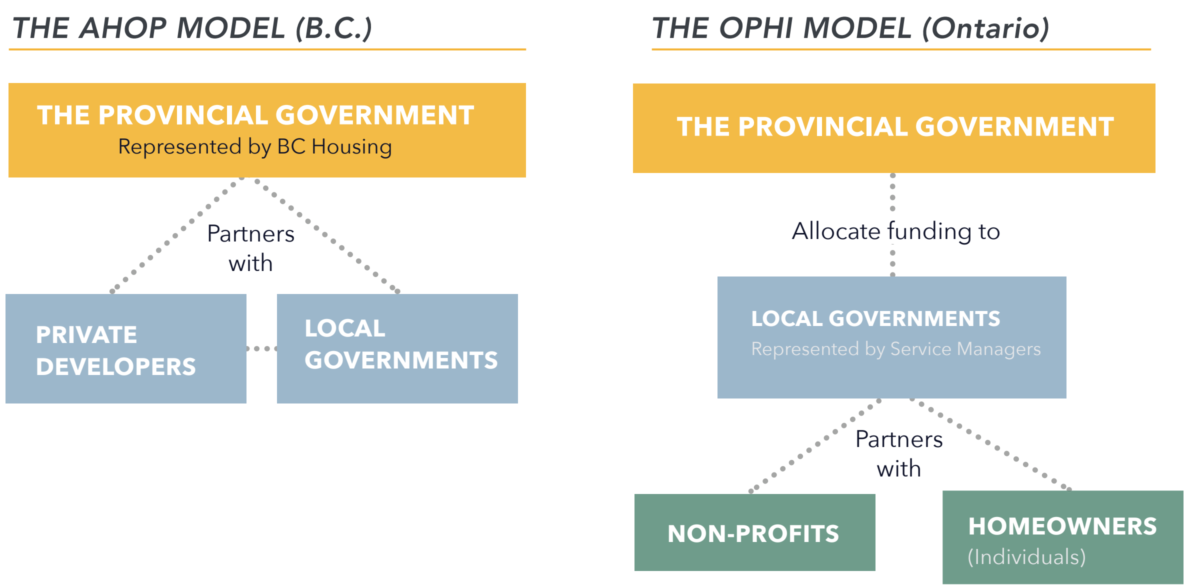
Agreement structure and administration

In exploring current mechanisms to secure funding and create partnerships for attainable homeownership projects, creating partnerships between senior levels of government, local governments and non-profit or for-profit developers on a case-by-case basis was found to be an arduous and time-consuming task. It requires that all parties share a similar vision and can work under agreed-upon terms and timelines.

For example, BC's Affordable Homeownership Program (AHOP) requires agreements between the province, the developer and the municipality, meaning all parties must be fully committed and willing to operate on agreed-upon conditions under a shared timeline. AHOP's structure was compared with the homeownership component of the Ontario Priorities Housing Initiative (OPHI). A few learnings can be retained from the Ontario model especially with regards to "how funding is acquired" and who "administers the process."

OPHIs homeownership component commits funding to the province's regional districts through provincial-municipal agreements around the delivery of a homeownership program. The associated per unit funding is then provided to eligible homebuyers as down payment assistance at the time of closing of the purchase of the unit. The local governments who agree to participate are in charge of establishing the amount of down payment assistance for eligible purchasers to a maximum of $50 000 per eligible unit (45).

Figure 22. AHOP and OPHI Comparison



What really differentiates this program from AHOP is the agreement structure (figure 22). In Ontario, regional district managers act as facilitators between the municipality and the province. The managers oversee affordable housing in their respective municipalities and decide how best to use provincial funding to meet the local housing needs. Having a clear actor in charge of the funding of housing-related projects makes the process more efficient and guarantees that an experienced municipal representative can take on those projects. This organization facilitates the process, especially for provincial officials who only have to enter into agreements with service managers rather than municipalities and developers in the case of BC funding through AHOP (46).

RECOMMENDED ACTIONS

01. Identify what agencies should bear administrative responsibility

02. Partnering with developers to oversee development process

03. Adopt a more streamlined approach to crafting trilateral agreements between developers, local governments and funding agents (provinces, crown corporations)

06 SCENARIO

The following scenario is a portrayal of some of the report's findings and key considerations designed as an innovative hypothetical development project, which displays success factors and best practices to be employed for a future attainable homeownership project.

Figure 23. Maple Ridge Hypothetical Development

MAPLE RIDGE DEVELOPMENT

Apartments (600-1100 sq. ft)

Ground floor townhomes (1100-1400 sq.ft)

"The answer to financial stability is equity, not ownership"

The non-profit developer wants to provide a creative and alternative solution to entry-level homeownership for moderate income households through 'stakeholdership,' a housing approach that applies the equity component of homeownership to a rental arrangement. The building will be entirely owned by the non-profit organization who will administer the housing according to their affordability agenda.

- Resident equity is accumulated through an "additional service" account for each tenant in which their balance is equal to their accumulated equity (contributions plus/minus their share of the market change since occupancy).
- The non-profit is responsible for holding the tenant's equity funds, secured through a contract and held in trust. The equity funds would be used to pay down the nonprofit's construction mortgage which, over time, would yield greater rental income. The nonprofit would be responsible for retaining a certain minimum balance that would cover tenant equity payouts upon vacancy.
- A minimum two year, obligatory tenant's contract similar to a rent to own contract is essential to ensure low tenant rollover rates so the nonprofit's cash holdings are not overly fluctuant.
- Upon vacating the unit, residents are returned their equity in relation to their individual unit's current market value.

Table 5. Scenario Characteristics Table

COMPONENT	DESCRIPTION
Stakeholdership	• A small down payment is required to move in, proportionate to dwelling type. • The remainder is paid through a shareholder program similar to rent-to-own residents who buy into the equity without a transfer of ownership through a services account. • Residents will have the flexibility to pay into the equity on their own schedule, effectively reducing their living costs through additional payments.
Financials	• Standard, conventional mortgage borrowing is not necessary. • Legal/administrative costs of ownership are circumvented. • The tenancy contract will specify capital appreciation payouts upon release of tenancy. • Units will not be eligible for first time homebuyer's incentives because of lack of ownership
Ownership	• The residents own shares of the unit, similar to a co-operative housing arrangement. Shares increase in proportion to property assessment and valuation.
Tenancy Agreement	• A prescribed agreement between residents and the nonprofit will specify terms of living and eligibility requirements, with a minimum 24 month agreement. • Housing agreements will not be required as the nonprofit organization has full control of building management. • The building will operate outside of the residential tenancy act to prioritize the affordability/ownership initiative, to have administrative control over tenancy parameters, and to prevent nesting. • Reserve fund for incidentals and to ensure that sellers are returned their share in equity plus a portion of the capital appreciation when their tenancy agreement ends.
Cost Reduction Efforts	• Minimal markets and sales commission. • Optional sweat equity units for residents that want to bootstrap minor renovations to cut costs. • Less shared space and amenities, parking spot reductions. • Non-profit funding streams, low rate construction financing.
Policy Amendments	• GST exemption. • BC assessment at below-market valuation. • Development costs and taxes deferred.

07 CONCLUSION

This report explored and assessed the different types of attainable homeownership models and initiatives. This guide provides key considerations needed to break down the barriers and the trade-offs between different models through combined use of literature review, case studies, model analysis, and key informant interviews.

Further research opportunities include:

- Expanding the analysis to understand each mechanism's costs, benefits and trade-offs, to understand these models and initiatives' full impact.
- Greater exploration of attainable homeownership in perpetuity as it represents a major opportunity to expand the efficacy of future projects.
- Survey examining the experience and overall impact of attainable homeownership projects on residents well-being.

As part of this research process, a resident survey was created and can be use as a resource for future research to help gather resident perspective. The complete survey questionaire is located in Appendix 3. A preliminary interview with one of the future resident of 50 Electronic Avenue highlighted the success of the initiative (figure 24).

Moving forward, attainable homeownership continues to be a highly regarded goal for many Canadians. It should continue to be an important goal cities should strive for while also working to achieve affordable rental housing. Furthermore, a culture shift is necessary among buyers and developers to re-imagine what to goal of homeownership looks like. Innovative projects like Nightingale 1 and r-50 in Australia and Berlin were possible and successful due to the willingness to look at homeownership in a different light.

Figure 24. Quotes from the interview with a future resident of 50 Electronic Avenue

"The process was very easy and helpful. VanCity was great. Other banks typically expect us to understand how banking works, but VanCity was very non judgmental and explained each step very well."

"The development is very exciting, it is very nice, they have good amenities and it is a great location near Rocky Point. It is very exciting!"

GLOSSARY

BC Housing - BC Housing is the Crown corporation that develops, manages and administers subsidized housing in the province.

Canada Mortgage and Housing Corporation (CMHC) - A federal Crown corporation that functions as Canada's national housing agency. CMHC's mandate is to facilitate access to housing and to contribute to financial stability in order to help Canadians meet their housing needs. CMHC is a leading source of housing data and market information.

Community Amenity Contribution (CAC) - A voluntary in-kind or cash contribution provided by a developer when additional development rights are granted through a rezoning. CACs can help address the increased demands new residents and/or employees may have on city facilities.

Covenant - A covenant can guide or restrain how a homeowner builds or alters a property. As such, a covenant can be either positive or negative. A positive covenant includes a requirement by the owner to do something; whereas a negative one restricts or prohibits an owner from certain activities.

Density - The size of a building (measured as the amount of floor area in square metres or feet), relative to the size of the lot on which it is located.

Density Bonuses - Density bonusing permits developers to build at higher densities than current zoning allows in exchange for community amenity contributions such as affordable housing.

Down Payment - A down payment is the amount of money, including deposit, the buyer put towards the purchase price of a property. Minimum down payments vary from 5% to 20%, depending on location.

Entry Level Homebuyers - An individual who has not owned a principal residence ever before or at least in the past five years.

Equity - Equity is usually defined as the amount of cash required to get the project up and running, and until it begins to cash flow positively on its own.

Home Price Index (HPI) - This is a measure of real estate prices that provides a clearer picture of market trends over traditional tools such as mean or median average prices.

Housing Agreements - Housing agreements are a regulatory tool that takes the form of contractual arrangements between local governments and property owners or housing providers that govern the tenure, occupancy, rent levels and resale restrictions of affordable housing units. When in place, these agreements help ensure the long-term affordability of housing units and are typically used in combination with the leasing of municipally-owned land and municipal capital grants (from housing funds).

GLOSSARY

Land Bank - A governmental entity created by municipalities to effectively manage and repurpose an inventory of underused, abandoned, or foreclosed property.

Median Multiple - This is the rate of the median house price by the median gross (before tax) annual household income.

Metro Vancouver Regional District - Metro Vancouver is a federation of 21 municipalities, one Electoral Area and one Treaty First Nation that collaboratively plans for and delivers regional-scale services. The regional district is governed by a Board of Directors of elected officials from each local authority.

Mortgage - A mortgage is a loan secured by a lien or lender registered on title to the home or other real estate. The buyer repays the loan according to specific terms that include interest rate, payment amount and timeline.

Nesting - This refers to when homebuyers' circumstances have changed (i.g. increase household income, etc) but stay put despite the tenancy agreement.

Official Community Plan - An official community plan addresses a broad range of issues including land use, urban design, transportation, housing, parks and open space, community facilities, local economy, heritage, culture, environment and public safety. Official community plans are adopted by city council to guide growth and change in a city over time.

Price-to-Income Ratio - The ratio between the median household income and median home price in a particular area that is used to measure housing affordability.

Regional Affordable Housing Strategy - The policy document adopted by the Greater Vancouver Regional District Board in 2016 to provide leadership on housing needs in the Metro Vancouver region, and to advance the goals of the Regional Growth Strategy, Metro Vancouver 2040: Shaping Our Future.

Resale-restricted and Unrestricted Programs - A resale-restricted mechanism is a form of shared equity homeownership that restricts the maximum price a home may be resold. In other words low- to moderate-income buyers purchase and resell the homes at prices below fair market value in order to keep the home affordable; while in a resale-unrestricted scenario, homes are sold at fair market value.

Zoning - The legal tool used to regulate how land can be developed. Each part of the city has a zoning district schedule that sets out rules for development. Zoning regulates the use of a site (retail, residential, office) and the characteristics of buildings on a site (height, density and other physical aspects of the development).

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APPENDIX 1. ENGAGEMENT PLAN

This engagement plan provides an overview of the teams' approach in engaging stakeholders, including the three case studies, for the project. Stakeholder engagement will take place between January and February 2020. During the first round of engagement, we will be conducting individual interviews and surveys with three different stakeholders : developers/program managers, local planners and residents/buyers. In the second round of the engagement plan, the team will conduct one feedback session where all three stakeholders will be able to come together and provide comments to the preliminary findings and recommendations. The following engagement plan includes an engagement framework, list of stakeholders and interview guides.

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APPENDIX 1. ENGAGEMENT PLAN

The following section outlines the team's rationale for choosing these three stakeholders and how we plan to engage them.

Type of Stakeholders	*Planner*	*Developer/ Program Manager*	*Residents and buyers*
Number of participants *(expected)*	*8-10*	*5*	*5*
Relation to Project Objectives	*Objective 3*	*Objective 3*	*Objective 4*
Rationale	*Due to the diversity of Metro Vancouver municipalities, understanding the context of affordable homeownership from the city level is essential as it provides insights into what is currently happening in the specific region. It will also help the team understand how this project was received at the city level. We are also interested in knowing if the affordable units were part of a policy requirement and if so, how that policy works.*	*Developers and program managers can provide a valuable perspective on what worked and what didn't work when implementing certain projects.*	*Understanding how the programs impact residents and buyers will be key in assessing the success and challenges of each project. The team will engage with them in order to learn about their experience using the program and their level of satisfaction.*
Engagement Strategy	*- Using partners connections, connect with key stakeholders via email and introduce studio project - Using past guest lecturers at SCARP to connect with stakeholders - If there is no movement or reply, reach out to partner for assistance*	*- Connect with case study projects via email or phone and introduce studio project - Attach a formal invitation to participate (Appendix VIII) - Use partners connection to validate our request - If there is no movement or reply, reach out to partner for assistance*	*- Use snowball sampling when talking to developers to connect with residents and buyers - Create a one-page flyer and ask building managers to post in the building - Find social media groups for the building community and post about survey opportunity - Use a gift card incentive to encourage people to participate*

APPENDIX 1. ENGAGEMENT PLAN

Stakeholder List

The stakeholder list found in Appendix IX is not meant to be all-encompassing. We intend to supplement this list with a 'snowball sampling' approach and pursue recommended contacts. Additionally, we do not intend to interview each stakeholder listed. Our objective is to interview up to 15 stakeholders.

Interview Framework

Interviews will be conducted via Zoom or via phone by at least two of our project team members and will last 30-60 minutes. Due to the sensitivity of asking individuals to record their interviews, the team will have one member facilitate the interview while another takes notes.

The project team will inform individuals and organizations that their names will not be referenced directly. Interviewees may choose at any point to end the interview or exclude specific information. The team will send the questions to interviewees beforehand in order for participants to provide more meaningful answers. The team will reach out to participants in December to schedule interviews. The interview will be scheduled for the month of January.

Survey Framework

In order to reach residents and buyers, the team has decided to use an online survey format. This was done purposefully as we take into account the ongoing COVID-19 pandemic and following the public health orders from the BC government.

The outreach approach for residents and buyers will be to make it as easy and accessible as possible for them to complete this survey. Through a multi-pronged approach, we will first target the residents and buyers by using the snowballing sampling where with the help of local planners and developers we will be able to get contacts for the residents. Secondly, we will investigate and see where these projects have social media accounts or groups where we would promote the survey online.

APPENDIX 1. ENGAGEMENT PLAN

The survey will be created and distributed using the Qualtrics survey tool provided by UBC. We will inform individuals that their names will not be referenced and will remain anonymous. The team will also create an incentive for people to complete the survey by providing a giveaway of two $100 gift cards and create another link so as to not be linked to their answers. At the end of the survey, the team will provide a space for individuals who might want to participate in a Feedback Session later on. The survey will be open for two weeks and the team will send two reminders throughout that period. The resident survey list of questions can be found in Appendix X.

Feedback Session Framework

The purpose of the focus group is to give a space for all three stakeholders to see the preliminary findings from the first round of engagements and recommendations. This discussion will help the team collect feedback from stakeholders in order to inform, improve and implement the final report. The content of these meetings will be based on results from phase 1-2-3. The team will aim to facilitate this feedback session mid to late February 2020. If individuals cannot make the session, the team will offer the option for them to provide their feedback through writing.

Foreseeable Challenges

1. Considering the **ongoing COVID-19 pandemic**, we acknowledge that engaging residents and buyers will prove to be more difficult due to social distancing and public health orders from the BC government.

PLAN TO MITIGATE:

The team will use multiple approaches, both digital and physical, to connect and incentivise residents and buyers to complete the survey as mentioned in the table above.

2. Due to the nature of the project, most of the stakeholders we want to engage with are new contacts. Thus, we have to **build these connections** from square one instead of having access to an established network. This may affect the number of people who engage in our project.

PLAN TO MITIGATE:

The team will use snowball sampling in order to connect with as many people as possible. As the team connects with people, it will be important to request their help to connect with as many people as possible.

APPENDIX 2. LIST OF INTERVIEWS

Organization	*Contact Name & Title*
Developers/ Program Managers	
Panatch Group	Esheleen Panatch
VanCity	Kira Gerwing, Senior Management of Community Investment
Options for Homes	Jeff Evenson, Mike Labbe, Founder
Habitat for Humanity	Dennis Coutts, CEO of Metro Vancouver
Planners & Industry Professionals	
City of Port Moody	Liam McLellan, Social Planner
City of Vancouver	Sarah Ellis, Social Planner Graham Anderson, Planner
City of Coquitlam	Jacint Simon, Housing Planner
City of Kingston	John Henderson, Senior Planner
City of Burnaby	Wendy Tsu, Senior Planner
BC Housing	Deborah Kraus, Research and Information Transfer Manager
SFU Community Land Trust	Dale Mikkelson
Housing Hub	Raymond Kwong, Housing Hub Provincial Director
RTA	Susan Low
	Bill Buholzer, Lawyer
Coriolis	Jay Wollenburg
BCNHA	Brian Clifford,
BC Cohousing	Kathy McGrenera
Formerly Metro Van	Ray Kan
Residents	
1 future resident of the 50 Electronic Avenue Project	

APPENDIX 3. SURVEY

This survey is being conducted as part of a research project led by Master's students at the University of British Columbia, in partnership with the Metro Vancouver Regional District. We are a team of urban planning students assisting in creating a report examining attainable and affordable homeownership programs for entry-level homebuyers in Canada. We are interested in hearing from residents who participated in a program for entry-level homeowners in order to learn about your experience and motivations for doing so. The results of this research will be used to provide recommendations on how to improve attainable homeownership programs in the region.

CONFIDENTIALITY: Your survey responses are being collected anonymously and will remain anonymous. All surveys will be identified only by code number and participants will not be identified by name in any reports of the completed study.

CONSENT: Your participation in this survey is entirely voluntary and you may refuse to answer any questions or withdraw from the survey at any point.

GIVEAWAY: At the end of the survey, you will have an opportunity to enter a draw for the chance to win one of four $50 VISAgift cards. The contest entry form is not linked to the survey responses, and your survey will remain anonymous.

By clicking continue, I understand that my participation in this questionnaire is voluntary and that I am under no obligation to respond to all questions. I understand that all information will be treated with the utmost confidentiality and that my anonymity will be respected at all times.

For any questions, comments or concerns please contact us at pbarriga@student.ubc.ca.

Please select your building:
50 Electronic Avenue, Port Moody
SFU Verdant @ UniverCity, Burnaby
Options for Homes, Toronto

Previous Living/Renting Experience
In order to better understand the impact that living in an attainable homeownership building has had for you, we want to find out more about your previous living experience.

Were you a renter before purchasing and moving into your current home?
yes;
No, please specify what your living situation was: _________

How long were you a renter before moving into your current home?
0-5 years;
6-10 years;
11-19 years;
20 + years

APPENDIX 3. SURVEY

Where did you live immediately before moving into your current home?
City of (where it's located)
Elsewhere in the Metro Vancouver region;
Elsewhere in BC;
Elsewhere in Canada;
Other:________________

What was the monthly rent payment for your previous rental home?
(Sliding bar)

What was the unit size of your previous rental home (i.e. how many bedrooms)??
Studio/Bachelor
1 bedroom
2 bedrooms
3+ bedrooms
Other:

Please indicate the percentage of your before-tax income that went toward paying the rent for your previous rental home?
Slide bar (0-35%)

Did you live with other people in your previous rental home?
Yes;
No.

If yes, please indicate your relationship with each additional household member
A. Member 1:
Relationship ________
B. Member 2:
Relationship ________
C. Member 3:
Relationship________
D. Member 4:
Relationship________

APPENDIX 3. SURVEY

Current Living Experience
In this section, we will be asking you about the attainable homeownership initiative that you participated in, and your feelings about your current home.

Why did you decide to live at {Property Name}? (Select all that apply)
Always wanted to own my own home
Could not find a suitable rental unit
Close to work, school, amenities
Other reason, please explain _______________

What were some of the challenges you experienced when looking to purchase a home? How did the opportunity to live at [Property Name] help you overcome those challenges?
____

In buying your current home, what was your biggest consideration? Rate from 1 to 5, 1 being the most important, and 5 being the least important
Location
Unit Size (i.e. the number of bedrooms, storage space, parking, etc.)
Proximity to Public Amenities
Price
Transit Access

How satisfied were you with the process of qualifying to purchase your current home?
Very Satisfied (5)
Satisfied (4)
Neutral (3)
Dissatisfied (2)
Very Dissatisfied (1)
Comments:__________________________________

What was the source of your down payment?
Savings
Registered savings plan (RRSP, etc.)
Gift
Other

Please indicate the percentage of your before-tax income that goes toward paying your mortgage?
Slide bar (0-35%)

APPENDIX 3. SURVEY

Do you live with other people in your current home?
yes;
No.

If, yes, please indicate your relationship with each additional household member
Member 1:
Relationship _________
Member 2:
Relationship _________
Member 3:
Relationship________
Member 4:
Relationship_________

How do you feel about your current home? 0 - doesn't apply / 5 - very applicable
Happy (0 to 5)
Proud (0 to 5)
Overwhelmed (0 to 5)
Optimistic (0 to 5)
Stressed (0 to 5)
Any other?___________________________________
Comments:

Are you satisfied with the quality of your home (i.e. quality of construction and finishings, building amenities, energy efficiency, etc.)?
Very Satisfied (5)
Satisfied (4)
Neutral (3)
Dissatisfied (2)
Very Dissatisfied (1)
Comments:

How would you describe the effect of your home purchase on your overall well-being? My overall well-being has:
Improved;
Stayed the Same;
Worsened
Other, please describe:__________
Comments: ___________________________________

APPENDIX 3. SURVEY

How would you describe the effect of your home purchase on your overall financial health? My financial situation has:
Improved;
Stayed the same;
Worsened
Other, please describe________
Comments:___________________________________

Would you recommend the attainable homeownership initiative at (Property Name) to others?
Yes;
No;
Don't Know
Comments:

Demographics

What is your age??
18 - 24
25 - 29
30 - 34
35 - 39
40 - 49
50 - 54
55 - 59
60 - 64
65 - 69
70 - 74
75 +
What is your marital status?
Single
Married/Common law
Divorced
Widowed

What is your annual household income?
Less than $40,000:
$40,000 to $64,999:
$65,000 to $89,999:
$90,000 to $114,999:
$115,000 to $139,999:
$140,000.

APPENDIX 3. SURVEY

Final Remarks

Is there anything else you would like us to know about your previous or current living experience, and your experience as a resident/owner in an attainable homeownership building?

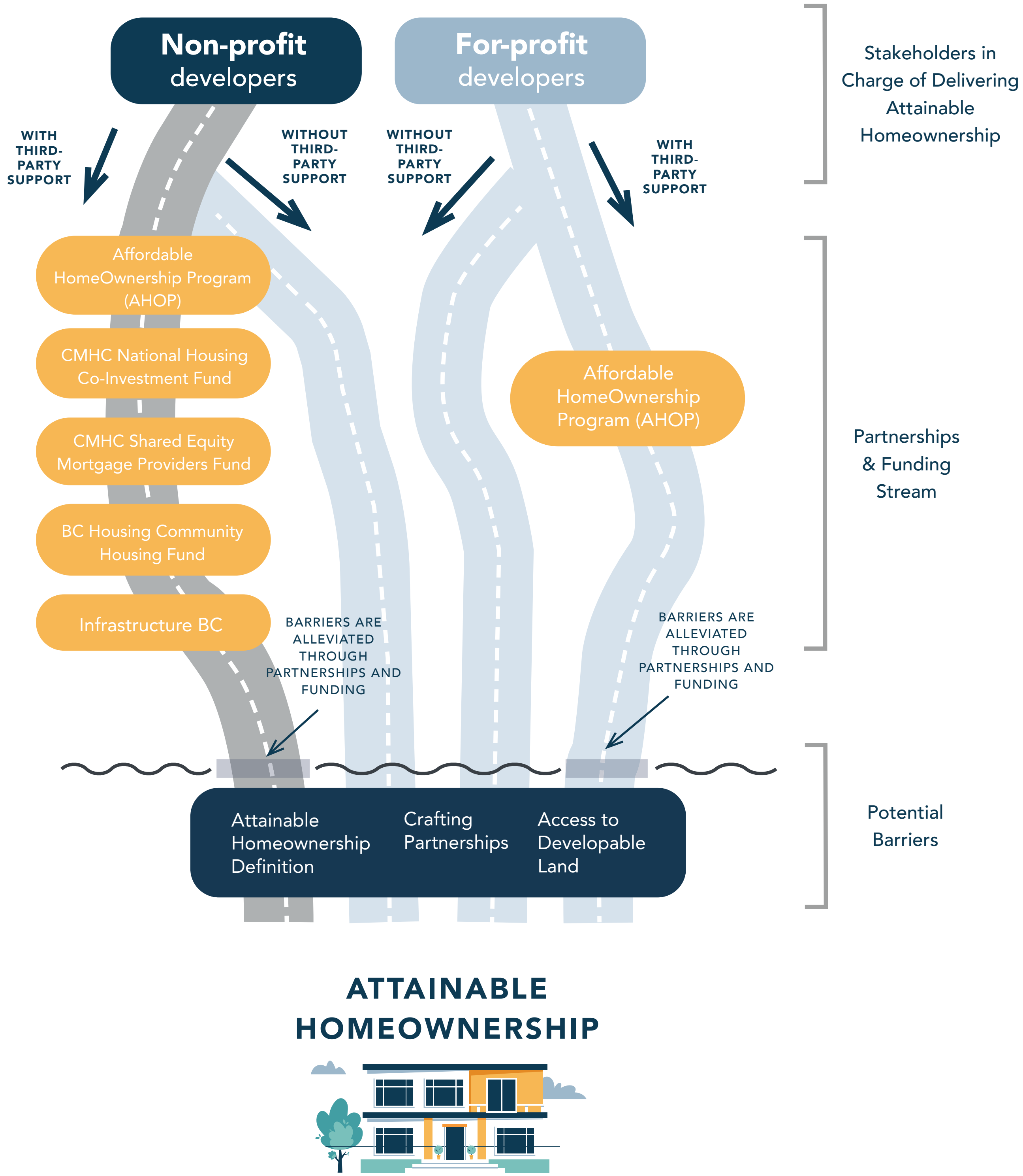
Gift Card Entry

If you would like to enter for the chance to win one of four $50 VISA gift cards please follow the link below to complete the entry form.

End of Survey

We appreciate your valuable insights and thank you for your participation in this survey. We hope to use this research to provide recommendations on how to improve homeownership programs in the region.

APPENDIX 4. PATHWAYS TO ATTAINABLE HOMEOWNERSHIP IN METRO VANCOUVER



APPENDIX 5. DATA COLLECTED

	single family detached	120% of census median household income	32% for GDS guidelines	max mortgage	max affordability prices	max affordability with 10% purchase incentive	difference between max affordability with 10% incentive and benchmark	incentive required for affordability
Bowen Island	$1,349,100	$107,800	$34,496	($504,585.44)	$630,731.80	$693,804.98	($655,295.02)	53.2%
Burnaby	$1,476,033	$77,700	$24,864	($363,694.70)	$454,618.37	$500,080.21	($975,953.12)	69.2%
Coquitlam	$1,291,800	$89,300	$28,576	($417,991.46)	$522,489.33	$574,738.26	($717,061.74)	59.6%
Delta	$991,700	$110,800	$35,456	($518,627.70)	$648,284.63	$713,113.09	($278,586.91)	34.6%
Langley	$1,136,800	$90,000	$28,800	($421,267.99)	$526,584.99	$579,243.49	($557,556.51)	53.7%
Maple Ridge	$905,300	$103,400	$33,088	($483,990.11)	$604,987.64	$665,486.41	($239,813.59)	33.2%
New Westminster	$1,147,300	$77,600	$24,832	($363,226.62)	$454,033.28	$499,436.61	($647,863.39)	60.4%
North Vancouver	$1,702,600	$102,650	$32,848	($480,479.55)	$600,599.43	$660,659.38	($1,041,940.62)	64.7%
Pitt Meadows	$973,100	$104,300	$33,376	($488,202.79)	$610,253.49	$671,278.84	($301,821.16)	37.3%
Port Coquitlam	$1,055,000	$100,900	$32,288	($472,288.23)	$590,360.28	$649,396.31	($405,603.69)	44.0%
Port Moody	$1,569,300	$111,500	$35,680	($521,904.23)	$652,380.29	$717,618.32	($851,681.68)	58.4%
Richmond	$1,584,700	$78,300	$25,056	($366,503.15)	$458,128.94	$503,941.83	($1,080,758.17)	71.1%
Surrey	$1,174,000	$93,000	$29,760	($435,310.26)	$544,137.82	$598,551.60	($575,448.40)	53.7%
Vancouver	$2,353,550	$78,400	$25,088	($366,971.23)	$458,714.03	$504,585.44	($1,848,964.56)	80.5%
West Vancouver	$2,793,400	$107,800	$34,496	($504,585.44)	$630,731.80	$693,804.98	($2,099,595.02)	77.4%
White Rock	$1,450,900	$74,800	$23,936	($350,120.51)	$437,650.63	$481,415.70	($969,484.30)	69.8%

	Townhome	120% of census median household income	32% for GDS guidelines	max mortgage	max affordability prices	max affordability with 10% purchase incentive	difference between max affordability with 10% incentive and benchmark	incentive required for affordability
Bowen Island		$107,800	$34,496	($504,585.44)	$630,731.80	$693,804.98		
Burnaby	$746,167	$77,700	$24,864	($363,694.70)	$454,618.37	$500,080.21	($246,086.46)	39.1%
Coquitlam	$708,000	$89,300	$28,576	($417,991.46)	$522,489.33	$574,738.26	($133,261.74)	26.2%
Delta	$579,700	$110,800	$35,456	($518,627.70)	$648,284.63	$713,113.09	$133,413.09	
Langley	586800	$90,000	$28,800	($421,267.99)	$526,584.99	$579,243.49	($7,556.51)	10.3%
Maple Ridge	$557,700	$103,400	$33,088	($483,990.11)	$604,987.64	$665,486.41	$107,786.41	
New Westminster	$745,400	$77,600	$24,832	($363,226.62)	$454,033.28	$499,436.61	($245,963.39)	39.1%
North Vancouver	$1,010,000	$102,650	$32,848	($480,479.55)	$600,599.43	$660,659.38	($349,340.62)	40.5%
Pitt Meadows	$620,300	$104,300	$33,376	($488,202.79)	$610,253.49	$671,278.84	$50,978.84	1.6%
Port Coquitlam	$660,600	$100,900	$32,288	($472,288.23)	$590,360.28	$649,396.31	($11,203.69)	10.6%
Port Moody	$656,000	$111,500	$35,680	($521,904.23)	$652,380.29	$717,618.32	$61,618.32	0.6%
Richmond	$817,000	$78,300	$25,056	($366,503.15)	$458,128.94	$503,941.83	($313,058.17)	43.9%
Surrey	597000	$93,000	$29,760	($435,310.26)	$544,137.82	$598,551.60	$1,551.60	8.9%
Vancouver	1019500	$78,400	$25,088	($366,971.23)	$458,714.03	$504,585.44	($514,914.56)	55.0%
West Vancouver		$107,800	$34,496	($504,585.44)	$630,731.80	$693,804.98		
White Rock	672900	$74,800	$23,936	($350,120.51)	$437,650.63	$481,415.70	($191,484.30)	35.0%

APPENDIX 5. DATA COLLECTED

	Condo	120% of census median household income	32% for GDS guidelines	max mortgage	max affordability prices	max affordability with 10% purchase incentive	difference between max affordability with 10% incentive and benchmark	incentive required for affordability
Bowen Island		$107,800	$34,496	($504,585.44)	$630,731.80	$693,804.98		
Burnaby	$746,167	$77,700	$24,864	($363,694.70)	$454,618.37	$500,080.21	($171,553.12)	32.3%
Coquitlam	$708,000	$89,300	$28,576	($417,991.46)	$522,489.33	$574,738.26	$44,838.26	1.4%
Delta	$579,700	$110,800	$35,456	($518,627.70)	$648,284.63	$713,113.09	$335,613.09	
Langley	586800	$90,000	$28,800	($421,267.99)	$526,584.99	$579,243.49	$178,943.49	
Maple Ridge	$557,700	$103,400	$33,088	($483,990.11)	$604,987.64	$665,486.41	$296,486.41	
New Westminster	$745,400	$77,600	$24,832	($363,226.62)	$454,033.28	$499,436.61	($24,063.39)	13.3%
North Vancouver	$1,010,000	$102,650	$32,848	($480,479.55)	$600,599.43	$660,659.38	$75,159.38	
Pitt Meadows	$620,300	$104,300	$33,376	($488,202.79)	$610,253.49	$671,278.84	$167,678.84	
Port Coquitlam	$660,600	$100,900	$32,288	($472,288.23)	$590,360.28	$649,396.31	$180,196.31	
Port Moody	$656,000	$111,500	$35,680	($521,904.23)	$652,380.29	$717,618.32	$61,418.32	0.6%
Richmond	$817,000	$78,300	$25,056	($366,503.15)	$458,128.94	$503,941.83	($148,658.17)	29.8%
Surrey	597000	$93,000	$29,760	($435,310.26)	$544,137.82	$598,551.60	$194,951.60	
Vancouver	1019500	$78,400	$25,088	($366,971.23)	$458,714.03	$504,585.44	($172,914.56)	32.3%
West Vancouver		$107,800	$34,496	($504,585.44)	$630,731.80	$693,804.98	($401,795.02)	42.4%
White Rock	672900	$74,800	$23,936	($350,120.51)	$437,650.63	$481,415.70	($33,184.30)	15.0%

APPENDIX 5. DATA COLLECTED

townhome sq ft	$ per sq.ft	max affordability with 10% incentive	townhome max (sq, ft)	townhome average	sq. ft difference
Bowen Island		$693,804.98			
Burnaby	585	$500,080.21	855	1930	44%
Coquitlam	497	$574,738.26	1156	1930	60%
Delta	392	$713,113.09	1819	1880	97%
Langley	396	$579,243.49	1463	1480	99%
Maple Ridge	371	$665,486.41	1794	1820	99%
New Westminster	529	$499,436.61	944	2100	45%
North Vancouver	667	$660,659.38	990	1910	52%
Pitt Meadows	421	$671,278.84	1594	1940	82%
Port Coquitlam	423	$649,396.31	1535	1840	83%
Port Moody	518	$717,618.32	1385	2300	60%
Richmond	591	$503,941.83	853	1980	43%
Surrey	393	$598,551.60	1523	1950	78%
Vancouver	874	$504,585.44	577	1490	39%
West Vancouver	619	$693,804.98	1121	2200	51%
White Rock	425	$481,415.70	1133	2400	47%

condo sq ft	$ per sq.ft	max affordability with 10% incentive	townhome max (sq, ft)	townhome average	sq. ft difference
Bowen Island		$693,804.98			
Burnaby	728	$500,080.21	687	890	23%
Coquitlam	674	$574,738.26	853	880	3%
Delta	535	$713,113.09	1333	1050	0%
Langley	470	$579,243.49	1232	940	0%
Maple Ridge	440	$665,486.41	1512	910	0%
New Westminster	590	$499,436.61	847	930	9%
North Vancouver	795	$660,659.38	831	840	1%
Pitt Meadows	480	$671,278.84	1398	970	0%
Port Coquitlam	522	$649,396.31	1244	880	0%
Port Moody	670	$717,618.32	1071	950	0%
Richmond	681	$503,941.83	740	900	18%
Surrey	410	$598,551.60	1460	870	0%
Vancouver	938.5	$504,585.44	538	850	37%
West Vancouver	904	$693,804.98	767	1210	37%
White Rock	496	$481,415.70	971	1080	10%