THE CANMORE MODEL

Affordable Homeownership Workshop

City of Victoria

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CONTEXT

- Located 25km east of the Town of Banff
- Population of 13,000
- Median income, couple families: $110,970 (2014)
- Tourism cornerstone of economy
- 65% of housing occupied as a primary residence
- 70% of households own their homes
- Secondary rental market, low vacancy- high rents
- High costs of home ownership

CONTEXT

Source: Canmore & Banff Real Estate Blog, Sotheby's International, January 4, 2017

WHY

- To create opportunities for the workforce to establish themselves in the community on a permanent basis
- Primary focus: retain and attract 'essential' workers
- Secondary focus: retain families

HOW

Canmore Community Housing Corporation

- Non-profit housing corporation established and wholly owned by the municipality.
- Mission to bridge the housing affordability gap through long-term housing options for Canmore's resident workers.
- Mandate:
  - Planning & Development
  - Perpetually Affordable Housing Programs
  - Research & Advice

HOW

Community Investment in Housing Infrastructure

- Create and retain units below market value
  - 1- 4 bedroom townhouse and apartment style condos and co-op housing
  - 676 to 1,856 sf
  - 100% affordable and mixed market-affordable housing developments
  - Initial sales price target of$250/sf in 2015
  - Resale homes priced from $190,000 to $450,000

HOW

Community Investment in Housing Infrastructure

- Contributions:
  - Property taxes (PAH mill rate, surpluses)
  - Developers (units, land, or cash in lieu)
  - Municipal land transfers
  - Provincial land transfers
- Resources used to:
  - Acquire and develop land and property
  - Acquire units offered by developers
  - Fund CCHC operations

WHAT

Affordable Homeownership Models

- Limited or Shared Appreciation?
  - Maintain affordability by limiting appreciation gain
  - Build equity through shared market appreciation
- Locked-in or Reinvested Equity?
  - Properties sold in perpetuity to eligible purchasers at affordable price with equity locked-in
  - Properties released to the market after a period of time with equity reinvested

WHAT

Limited Appreciation

- Resale Formula:

Max Resale Price =
Purchase Price x CPI factor, compounded annually

CPI Factor = 1.1 x annual average change in national all items CPI

EXAMPLE: PURCHASE PRICE: $250,000
TOTAL CHANGE, 5 YRS: $26,010, 2.08% average annual change

	CPI Factor	Increase	Max Price
2010	1.98%	$ 4,950	$ 254,950
2011	3.19%	$ 8,132	$ 263,082
2012	1.65%	$ 4,340	$ 267,422
2013	0.99%	$ 2,647	$ 270,069
2014	2.20%	$ 5,941	$ 276,010

WHAT

Locked-in Equity

- Resale Terms and Conditions
  - Must be sold at a resale restricted price
  - Must be sold to an eligible person
  - Must be used as a permanent primary residence

WHO

Eligibility Criteria

✓Citizenship/Permanent Residency
✓Employment (type, location, duration)
✓Residency (location, duration)
✓Income limits (up to 120% median income)
✓Asset limit (up to $100,000)
✓Mortgage pre-approval
x First-time homebuyer restrictions
x Homebuyer education course requirements

CONSIDERATIONS

Why?
- What specifically are you trying to achieve? What is the need?

How?
- How do you create a supply of units? What type of units? How will it be funded? Who will administer the program?

What?
- Which model? Limited or shared appreciation? Locked-in or reinvested equity?

Who?
- What would the criteria be?