

Attachment C - ASP00002 - Housing Agreement Comparison

Program	BC Housing Affordable Home Ownership Program * ON HOLD	Applicant's Buyer Assistance Program
Funding Mechanism	<ul style="list-style-type: none"> • BC Housing 	<ul style="list-style-type: none"> • Developer
Affordability Period	<ul style="list-style-type: none"> • 5-year restriction period of sale or renting • Once AHOP mortgage paid (10%), owner cleared to rent if permitted by strata 	<ul style="list-style-type: none"> • 2 years • Second mortgage provided at 10%
Unit Set Aside	<ul style="list-style-type: none"> • Entire project 	<ul style="list-style-type: none"> • 20% of total development (8 units possibly)
Eligibility	<ul style="list-style-type: none"> • Canadian Citizen or Permanent Resident • Resided in BC for past 12+ months • Not own in real estate anywhere in world and currently live in rental housing or non-ownership tenure 	<ul style="list-style-type: none"> • Not described; terms would be required in Housing Agreement on Title
Income Levels	<ul style="list-style-type: none"> • Two or More Bedrooms: Gross household income not exceeding 75th income percentile for families with children • Less than 2 Bedrooms: Gross household income does not exceed the 75th income percentile for families without children 	<ul style="list-style-type: none"> • Not described; terms would be required in Housing Agreement
2nd Mortgage Repayment Timeline	<ul style="list-style-type: none"> • 25 years 	<ul style="list-style-type: none"> • Minimum 5 years, with evaluation on case-by-case basis by developer
Housing Cost Analysis	<ul style="list-style-type: none"> • Assumes purchase price of \$500,000 and mortgage financing % • AHOP Mortgage allows 15% down payment therefore reduced CMHC insurance premium. • If buyer increases deposit from 5% to 10% there is no CMHC insurance premium. For a \$500,000 home, this saves ~ \$15,000 over the life of the mortgage. • As down payment is now high enough, the primary mortgage can be extended from 25 to 30 years. • With a lower primary mortgage amount and by extending the amortization, monthly mortgage payments are about \$500 less. • Results in homeownership costing \$6,000 less per year (\$30,000 less over the 5-year mortgage term) 	<ul style="list-style-type: none"> • Although there is a buyer assisted mortgage of 10% provided, the repayment period is significantly shorter than that of BC Housing's 25-year period. • By 5 years, 2nd mortgage of 10% must be repaid; case-by-case extension which then turns into interest bearing to owner • Monthly mortgage costs are likely higher than BC Housing as a result