



## PRESS RELEASE



*Canadian Mortgage News - National Archive 2005*

### **Affordable Homeownership Project Opens in Pickering**

**PICKERING, Ontario, October 3, 2005** — The Government of Canada, the Government of Ontario, the City of Pickering and the non-profit development company Options for Homes celebrated the official opening of Liberty at Discovery Place, a project that creates 219 affordable condominium units for sale to low- to moderate-income households in need of affordable housing. The project is funded in part under the Canada–Ontario Affordable Housing Program.

The Honourable Dan McTeague, Parliamentary Secretary to the Minister of Foreign Affairs and Member of Parliament for Pickering–Scarborough–East, on behalf of the Honourable Joe Fontana, Minister of Labour and Housing; the Honourable Wayne Arthurs, MPP Pickering–Ajax–Uxbridge, on behalf of Ontario Minister of Municipal Affairs and Housing John Gerretsen, and Pickering Mayor David Ryan attended the event.

The developer, Options for Homes, a private, non-profit corporation that works with Home Ownership Alternatives, is offering 219 suites at Liberty at Discovery Place at \$25,000 to \$30,000 less than comparable homes in Pickering. Because of this, many citizens of low- to moderate-incomes have been able to afford a home in this community.

Announced in November 2004, the Homeownership Alternatives Pilot Project received over \$2.2 million in funding under the homeownership component of the Canada–Ontario Affordable Housing Program for 382 eligible units in three projects located in Toronto (Scarborough), Pickering and Markham. The pilot will facilitate access to home ownership by households who may not otherwise be in a position to purchase a home.

"Thanks to the co-operative efforts between the various levels of Government and Options for Homes, the vision of an affordable home ownership project has become a reality," said MP McTeague. "The Liberty at Discovery Place project in Pickering is an excellent example of a creative way individuals with a low- to moderate-income can realize their dream of owning an affordable home, and represents a tangible demonstration of the Government of Canada's commitment to invest in affordable housing for Canadians in need."

"I am happy to be here with MP McTeague and Mayor Ryan as we welcome the newest residents of Pickering and congratulate them on the purchase of their new homes," said MPP Arthurs. "This project demonstrates the commitment of the three levels of government to work together with organizations such as Options for Homes to provide affordable housing options for low- to moderate-income residents of Ontario."

Options for Homes and Home Ownership Alternatives strive to make home ownership available to those in the Greater Toronto Area by providing affordable, quality housing. As part of the purchasing requirement, eligible families will require a down payment that will range from zero to five per cent of the purchase price of the condominiums, which will be at or lower than the market price of similar condominiums.

"I was very impressed with the courage that the Provincial and Federal governments showed in launching a pilot in the area of homeownership," said Options for Homes President Mike Labbé. "We have seen first hand how much of a

## Canadian Mortgage News - Affordable Homeownership Project Opens in Pickering

difference this has made in peoples lives. It has given them the pride and self-confidence that comes along with owning a home, something they thought was beyond their reach."

The new Canada–Ontario Affordable Housing agreement, signed on April 29, 2005, comprises a commitment of \$301 million from each of the two levels of government. With this commitment, the federal, provincial and municipal governments will have invested at least \$734 million over the life of the Canada–Ontario Affordable Housing Program, to assist some 20,000 Ontario households.

### **For more information, please contact:**

Kathie Howes  
CMHC  
(416) 218-3488

Patti Munce  
Office of Minister Gerretsen  
(416) 585-6333

### **For more information visit:**

[www.mah.gov.on.ca](http://www.mah.gov.on.ca)  
[www.cityofpickering.com](http://www.cityofpickering.com)  
[www.optionsforhomes.ca](http://www.optionsforhomes.ca)

## **Backgrounder**

### **The Canada–Ontario Affordable Housing Program — Home Ownership Component**

In November 2004, the Government of Canada and the Government of Ontario announced an agreement with Home Ownership Alternatives (HOA), a trust and non-profit corporation, to provide up to \$2.3 million in funding to build 382 affordable condominium units in three developments located in Scarborough, Pickering, and Markham for sale to modest-income families in need of affordable housing.

The program's objective is to ease demand for rental housing by assisting rental households to purchase newly-built affordable homes. Project requirements include:

- a selling price below the average-market selling price for a given area, and not higher than what is affordable to households with low- to moderate-incomes;
- if the home is sold within a 10-year period, the full government funding must be repaid; and,
- eligible projects will be located in neighbourhood revitalization areas.

Home Ownership Alternatives, a non-profit corporation with a 15-person board, acts as a trust organization by holding the regular second mortgages on units in projects that use the Options for Homes model, and provides start-up funds for marketing.

### **Options for Homes**

Options for Homes was launched in 1992 by Mike Labbé and structured to bring low- and moderate-income people into the condominium market. The corporation has developed and built six Toronto area housing communities providing home ownership opportunities for families and individuals with gross annual incomes as low as \$40,000. Partnering with Deltera Construction Ltd., Options for Homes has a long-standing tradition of quality and cost-effectiveness in the

## Canadian Mortgage News - Affordable Homeownership Project Opens in Pickering

Greater Toronto Area. Options for Homes is a private, non-profit corporation that finds residential land and designs, develops, and pre-sells low-priced condominiums to individuals of all income levels.

The Options for Homes model increases affordability by:

- charging buyers only the cost of building the unit;
- purchasing residential land that is cheaper than land used for private condo developments;
- reducing advertising costs; and,
- eliminating amenities, model suites and sales commissions.

Buyers are offered a payment-free second "regular" mortgage representing the difference between the cost of building the home and the home's market value.

Moderate and low-income people will be offered additional payment-free financing in the form of an additional "deferred" mortgage that provides further help with the down payment.

These mortgages are to be repaid when the home is sold, or at any time the owner can afford to do so.

HOA and Options for Homes will use any proceeds from regular and deferred second mortgage to start other Options for Homes affordable housing developments.

### **How it Works**

Options for Homes coordinates the development of condominiums and town homes. Initial purchasers of condominiums and town homes form a Co-operative Housing Corporation to serve as the developer of the buildings, retaining Options as their development consultant for a fee for its services that are included in the purchase price of the homes.

For example:

- Condo unit costs Options \$100,000 to build while market value is expressed at \$110,000
- Options sells for \$100,000
- The difference of \$10,000 becomes the second mortgage. The down payment is based on the market value. So a minimum 5 per cent down based on the market value of \$110,000 is \$5,500
- The down payment is taken off the cost price (\$100,000) leaving the buyer with a mortgage of \$94,500, \$10,000 less than they would have had to pay at full market price
- As the condos appreciate, so does the second mortgage, an amount buyers must repay only if they rent or resell. This money then goes into an equity pool that is used to develop similar projects.

To buy a Options for Homes condominium, individuals:

- form a co-operative;
- retain Options for Homes to coordinate the development;
- obtain part of the financing as a bank mortgage; and,
- access the remainder of the financing from Home Ownership Alternatives.

### **Projects Under Construction**

Old Kennedy Village, Markham — expected occupancy Spring 2006

Located at 90 Old Kennedy Road in Markham, this project of 204 units is under development within blocks of the Milliken GO Station, the Pacific Mall, grocery stores, schools and banks. Units start at

## Canadian Mortgage News - Affordable Homeownership Project Opens in Pickering

\$169,546 and range from 660 to 1,335 square feet. 60 per cent are sold.

McLevin, Pickering — expected occupancy Fall 2005

Located at 1200 The Esplanade North in Pickering, this 220-unit condominium is the final phase of Discovery Place. Highway 401 and GO Transit are just minutes away. Suites range in size from 540 sq. ft. up to 1,202 sq. ft., and each comes with a dishwasher and individual climate control. Units start at \$90,332. 86 per cent are sold.

Pentland, Scarborough — expected occupancy March 2006

This new community consisting of 271 units in an apartment building at the corner of Eglinton Avenue East and Kingston Road, on the edge of the Guildwood area of Scarborough. Units range in size from 1,200 to 1,300 square feet and prices start at \$91,400. 76 per cent are sold.