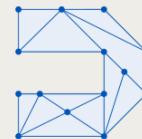


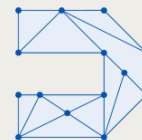
The City of Brampton Homeownership Access Fund

May 2024

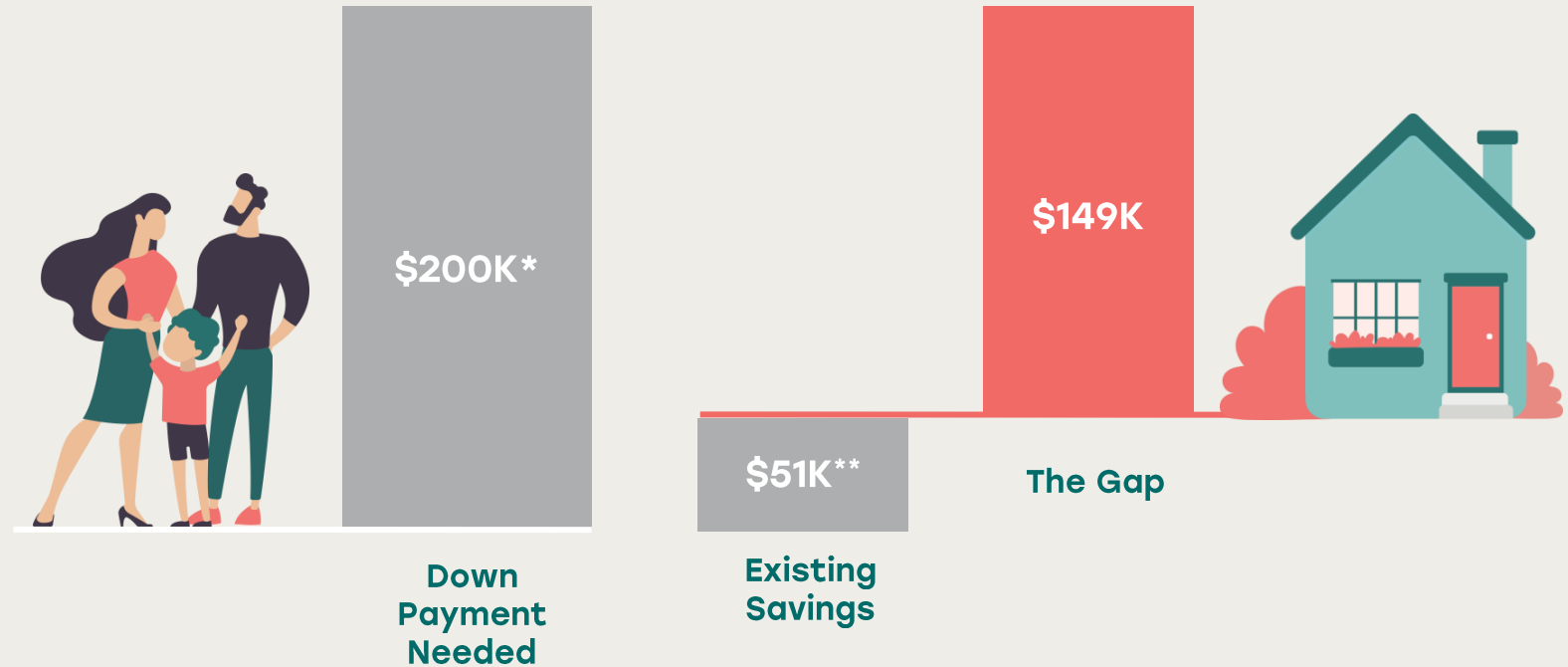


Executive Summary

- Rising home prices have made it impossible for Bramptonians without access to intergenerational wealth to break into homeownership
- By bringing together mission-aligned stakeholders, we can eliminate the primary issue faced by buyers: the down payment gap
- Through a shared equity program, the partnership will invest into a home through the down payment in exchange for a share in the future value of the home
- The proposed grant to DUCA Impact Lab Social Finance Corp. will be used to guarantee a credit facility to Ourboro to be recycled toward new families when properties are sold.
- The impact on the quality of life for homeowners is significant – material wealth creation, better health outcomes, and more engaged communities



Rising prices are pushing buyers out of the market



* The average home price in Brampton as of June 2024 was \$1M (per Zolo). \$200K represents a 20% deposit, the minimum for homes >\$1M.

** Based on a survey by BMO on the average amount of savings buyers have accumulated for their home purchase.



Solution: Shared Equity

Invest in owner-occupied residential properties for Bramptonians by deploying equity capital alongside them to meet the down payment requirement, enabling families to buy a home **today**.

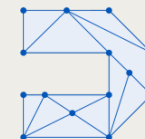
Homebuyer

(wants to own and occupy a home)



Partners

(want to invest in owner-occupied residential real estate)



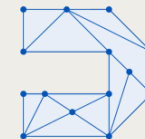
welcome homeownership

Co-owns alongside buyers, for up to 30 years, by contributing towards their down payment in exchange for a share of the future appreciation.

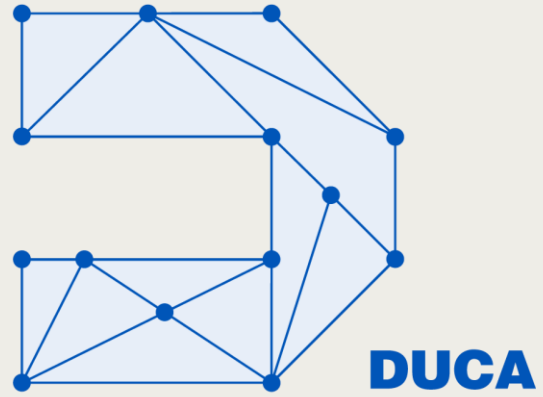
Capital is deployed within the boundaries of the City of Brampton, specifically to first-time homebuyers.

There are no fees or interest payments. Homebuyers enjoy full use of their home.

Co-owners can sell the home anytime during the co-ownership period.



The Partners



impact lab

Building banking that benefits all

DUCA Impact Highlights

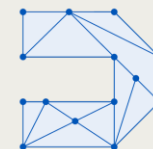
About DUCA Credit Union

- DUCA Credit Union has been operating in Ontario for 70 years, including Brampton
- Strength in real estate finance in Commercial lending and retail businesses, with over \$5.2 billion in residential mortgages
- Co-operatively owned banking institution offering a suite of retail and commercial banking products and services

About DUCA Impact Lab - Established To Develop, Test And Scale New Ideas:

What would banking look like if it's primary focus was solving problems and creating opportunities?

- DUCA Impact Lab is a non-profit hub where we explore solutions to inequities in today's financial system.
- We bring together innovators, experts and stakeholders from the community to identify, test and champion catalytic solutions that provide fair financial services for all.
- Features two arms length, but connected entities: The DUCA Impact Lab registered charity and the DUCA Impact Lab Social Finance Corporation





ourboro

Shared equity traction

2000+

applications
received from
qualified
homebuyers

\$100M+

mortgage value
committed to
our buyers

\$20M+

total deployed
alongside
families across
Ontario

\$5M

deployed
in service of
CMHC's Shared
Equity Fund

54%

of homebuyers
able to
purchase home
in their
neighbourhood

A Fund for Bramptonians

Shared Equity Fund

Problem

Hardworking Bramptonians who can afford to carry a mortgage cannot save up enough for a down payment.

Solution

The City of Brampton contributes to a fund designated for residents to buy homes.

When a resident sells their home, a portion of the proceeds from the sale are re-invested back into the fund to support future Bramptonians to meet their home ownership goal.



Inputs and Outcomes

\$5M grant to DUCA Impact Lab Social Enterprise Corp., used to guarantee a credit facility to Ourboro Inc.

Ourboro will use the funds to invest alongside first-time homebuyers in the City of Brampton.

A portion of funds will be recycled for future first-time homebuyers



Minimum 30+ New Homeowners in first cohort¹

Potential for \$250k+ of equity growth per household over 10 years²

Minimum \$6 MM of equity generated to redeploy with second cohort homebuyers³

1. Assuming an average purchase price of \$985,000, the median price in Brampton in April 2024, and buyers contribute 5% of the purchase price for a 25% equity interest.
2. Assumes annual property price appreciation of 7% and a 10-year hold period.
3. Assumes the \$5 MM loan carries an interest rate of 2% per annum, accruing interest until year 10, at which time the principal and interest is repaid.

