

It is possible.

# OPTIONS CAN HELP SOLVE THE AFFORDABILITY PROBLEM

### As Outlined in 8.3 Big Move Three – Attainable Home Ownership

- Households with moderate incomes, representing 30% of all households in Peel Region, find it challenging to find an affordable home as only 10% of the total supply of ownership homes is affordable to households with incomes in the 4th to 6th income deciles.
- Brampton aims to create frameworks that expand ownership options for moderate households, and to an extent, households within the upper end of the low-income category



# WHO WE ARE

Options for Homes is a non-profit social enterprise that was incorporated over 25 years ago to facilitate home ownership for moderate to middle-income households in the Greater Toronto Area.

Working with our funding, building, and community partners, we have completed 13 projects, enabled 3,139 households to achieve home ownership, and built a \$95 million equity fund.

# WHY WE DO IT

**VISION:** We will create a more equitable society where people have greater financial security through home ownership.



# WHO WE HELP

People in Brampton need access to all types of housing. While there are many organizations and agencies in the city who work tirelessly to help people experiencing homelessness, people in need of supportive housing and people of the lowest income deciles, that is not Options for Homes' area of focus.

We help make housing more affordable for families, young professionals, new Canadians and essential workers who can't access the ownership market on their own but can afford the carrying costs of ownership. In doing so we free up units in the rental market. Through our model, we can help households in the middle-income deciles own their own home.



# HOW WE DO IT



# THE OPTIONS MODEL

#### **The Options Model** 5<sup>yrs</sup> ---------\$ INCREASE IN VALUE \$138,142 RESALE VALUE **ORIGINAL PURCHASE** YOU HOME PURCHASE YOUR 5% \$638,142 PRICE \$500,000 PRICE \$500,000 DOWN PAYMENT \$25,000 INCREASE IN YOUR EQUITY **OPTIONS DOWN** MONTHLY MONTHLY REPAY REMAINING BANK REPAY OPTIONS LOAN BANK MORTGAGE PAYMENT LOAN OF 15% \$400,000 MORTGAGE CARRYING COST \$2,485 MORTGAGE \$341,555 15% OF SALE PRICE AFTER REAL ESTATE FEES OF THE PURCHASE PRICE **PAYMENT \$1,886** (\$95.721) \$168,959 (\$75.000)

#### Assuming:

5-year fixed rate mortgage with 25 yr amortization, at \$2.95% interest A 675 sq.ft. unit Common Exp. of \$344 (at \$0.495c per sq.ft.) Prop. Taxes of \$265 (at 0.6355054% mill rate)

#### Assuming:

5% increase in price of home every year for 5 years Real Estate fees of 5% of resale price (in this case \$31,907) Rates calculated as of February 2021



# THE OPTIONS MODEL

\$500,000 purchase price with Options down payment loan + additional funding\*

MARKET	DOWN PAYMENT	OPTIONS + GOV'T	
PURCHASE	LOAN	LOAN	
5% Down Payment	5% Down Payment	5% Down Payment	
\$25,000	\$25,000	\$25,000	
Mortgage required	Options 15%	Options 15%	
\$475,000	\$75,000	\$75,000	
Required HHI: Approx \$112,000*	Mortgage required: \$400,000 Required HHI:	Additional 10% \$25,000 Mortgage required: \$375,000	Total Down Payment Support:
	Approx \$96,000*		\$125,000

\* Additional funding varies by development. Qualification depends on eligibility, including income thresholds as set out by the City.

There are no income thresholds related to receiving down payment support available through Options.



\*Dependent on bank lending requirements

Required HHI: Approx \$86,000\*

# **OUR SITES**

From our first community in The Distillery to our largest in The Junction, Options for Homes has built homes for over 6,000 people in 13 completed communities since 1994. Here are a few highlights



## HEINTZMAN PLACE 2010 Dundas Ave & Keele St. 643 homes



# CRANBROOKE VILLAGE 2014

Lawrence Ave. W & Bathurst Ave. **341 homes** 



## DANFORTH VILLAGE ESTATE, 2018 Danforth Rd & Eglinton Ave. E 250 homes



VILLAGE BY MAIN STATION, 2019 Main St. & Danforth Ave. 275 homes



- Options for Homes supports the new Brampton Housing Strategy
- Specifically, we support staff's recommendation to encourage shared equity developers to invest in Brampton and urge Council to endorse the Brampton Housing Strategy.

# THANKYOU!