Housing Us All

Derek Ballantyne
Canada Mortgage and Housing Corporation
@DBallant

Ger Baron
City of Amsterdam
@GerBaron

Rashiq Fataar
Our Future Cities
@RashiqFataar

LoriAnn Girvan
Toronto Artscape Inc.
@LoriAnnGirvan

Hadley Nelles
New Market Funds & New Commons Development
@hadleynelles
THIS IS A TRANSFER SLIDE
PLEASE DO NOT REMOVE
Pricing

15% increase Y/Y (2015,16,17,18)
1. Data driven strategy
2. Layers of change
3. Distributed development
4. Star and web networks

Incomplete City 5.
Human Centred participation 6.
Dark matter prototypes 7.
Starting by doing 8.
Reclaiming Civic Assets to House Us All
Future Cities Summit 2018
LoriAnn Girvan, Chief Operating Officer
Artscape is a not-for-profit urban development organization that makes space for creativity and transforms communities.
Artscape Properties

In Operation
1. Artscape West Queen West
2. Parkdale Arts & Cultural Centre
3. Artscape Gibraltar Point
4. Artscape Distillery Studios
5. Artscape Wychwood Barns
6. Artscape Triangle Lofts
7. Daniels Spectrum
8. Artscape Youngplace
9. Artscape Lofts at 210 Simcoe
10. Artscape Sandbox
11. Artscape Lofts at PACE

In Development
12. Artscape Bayside Lofts
13. Artscape Hub at Weston Common
14. Artscape Daniels Launchpad
15. Artscape Lofts at Waterworks
## Innovations in Affordability

<table>
<thead>
<tr>
<th>Space Types</th>
<th>COMMERCIAL (studios, offices, retail)</th>
<th>RESIDENTIAL (live/work)</th>
<th>PUBLIC VENUES*</th>
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</thead>
<tbody>
<tr>
<td>Affordability Type</td>
<td>Below Market &amp; Affordable</td>
<td>Market</td>
<td>RGI</td>
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<tr>
<td>Term</td>
<td>Hourly</td>
<td>Short</td>
<td>Long</td>
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<tr>
<td>PROPERTIES IN OPERATION</td>
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<tr>
<td>Artscape Distillery Studios</td>
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<td>Artscape Wychwood Barns</td>
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<td>Daniels Spectrum</td>
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<td>Parkdale Arts &amp; Cultural Centre</td>
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<td>Theatre Passe Muraille</td>
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<td>Artscape Daniels Launchpad</td>
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<td>Artscape Sandbox</td>
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<td>PROPERTIES IN DEVELOPMENT</td>
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<td>Artscape Weston Village</td>
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<tr>
<td>Bayside Lofts</td>
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</tbody>
</table>

■ RENTED  ○ OWNED  ▲ ARTSCAPE-RUN  T TENANT-RUN  RGI: Rent geared to income  *Public venues are spaces for performances, exhibitions and/or events
Repurposing Civic Assets to End Homelessness: New York

The Times Square
Completed 1994
652 units

The Prince George
Completed 1999
416 units

The Christopher
Completed 2004
207 units
Regent Park Revitalization: Daniels Spectrum
THE 80:20 MODEL

TOWARDS INCLUSIONARY HOUSING MODELS IN CAPE TOWN, SOUTH AFRICA

FUTURE CITIES SUMMIT CANADA, 2018

RASHIQ FATAAR
THE WORLD’S LARGEST HOUSING PROGRAMME BUT A DIVIDED CITY, AN UNEQUAL SOCIETY & UNSUSTAINABLE URBAN FORM.
Racial self-identification in Cape Town in 2011

Each dot represents 10 people:
- Black African
- Coloured
- Indian or Asian
- White
- Other
The challenge

Despite discussion and frameworks, national planning laws have not legislated any requirements or incentives for private property developers to deliver more-affordable housing in well-located areas. A major gap in policy and city planning.
The challenge

No substantial amount of affordable housing has been delivered by the public or private sector in well-located areas (formerly white areas central to the economy) in 20+ years in Cape Town. Major South African cities currently working on Inclusionary Housing policies.
What role can the private developer play?

How can the resources, energy, expertise of the private sector and in particular already planned developments be leveraged to deliver to a more diverse income group?
THE 80:20 MODEL

WORKING WITH A PROGRESSIVE PRIVATE DEVELOPER TO SHIFT AWARENESS AND PERSPECTIVE
CHALLENGE: INCLUSIONARY HOUSING IN WELL LOCATED AREAS

- Dialogue
- Do!
  - Building Design
  - Finance
- Knowledge Building
  - Workshops
  - Meetings
  - Additional Research
- Model 80:20
- Development
- Policy Change
- Future Housing

Communication
OUTCOMES

DEVELOPING A PILOT MODEL
PILOT PROJECT:
FORTYON L

- 55 open market units within the allowable building rights
- a departure (additional right to deliver more affordable units)
  - 11 more affordable units
  - For every additional % of bulk or sqm allocated to affordable housing units, the developer can build the same % for more open market units
- in an integrated medium-density development
LESSONS

REFLECTING ON FIVE LEARNINGS AREAS
Learning Areas

1. **Understanding the developer business model**: How to deliver a diversity of product to suit multiple target markets within an integrated development

2. **Sharing amenities and spaces**: How amenities can be shared in mixed residential developments

3. **Allocating more-affordable units**: How the allocation process for well-located apartments should work

4. **Ensuring affordability over time**: How to determine sale management and restriction

5. **Managing the building**: How to streamline the management and operation of the building
Lesson 1

Understand the financial model of housing development, the particular developers business model, and share knowledge of the zoning scheme. Work within it, to understand what can be delivered.
VAT accounts for 25% of the total costs after developer profit.

01 Desired developer profit accounts for 20% of total costs after the interest on the loan repayment. Depending upon project this can range between 16%-20%.

02 VAT accounts for 25% of the total costs after developer profit.

INTEREST & COSTS FROM DEVELOPMENT FINANCE

- 2% bond/loan interest + 5% loan repayment

MANAGEMENT & DESIGN

- 14% of construction
- 18,000 dkk / m2

CONSTRUCTION

- 10,000 dkk / m2 including building rights

OTHER COSTS: Town Planner, Legal Fess, Site Surveys etc.

HOLDING PERIOD COSTS: Utilities, Management/maintenance, interest before development loan structured.
DEPARTURE

+/- 20%

ALLOWABLE BUILDING RIGHTS

+/- 800 sqm

INCLUSIONARY HOMES

ORIGINAL MODEL

REVISED MODEL

+/- 400 sqm

INCLUSIONARY HOMES

OPEN MARKET

+/- 400 sqm

OPEN MARKET
INCLUSIONARY HOMES

OPEN MARKET

REVISED MODEL

VAT

INTEREST & COSTS FROM DEVELOPMENT FINANCE

LAND

OTHER COSTS: Town Planner, Legal Fess, Site Surveys etc.

HOLDING PERIOD COSTS:
Utilities, Management/maintenance, interest before development loan structured

+/- 400 sqm

+/- 400 sqm
Lesson 2

Consider how spaces, services and amenities can be shared within the building and potentially with the community, and how affordability can be maintained in sharing these costs.
Lesson 3

The allocation process for more-affordable units should be transparent, and easily understood but also the consider the level of criteria that would be appropriate, and how trust can be built in the allocation process.
<table>
<thead>
<tr>
<th>Unit Size</th>
<th># Apts. Available</th>
<th>Household Size</th>
<th>Monthly Rent*</th>
<th>Total Annual Income Range**</th>
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<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
<td>Minimum</td>
</tr>
<tr>
<td>Studio</td>
<td>5</td>
<td>1</td>
<td>$565</td>
<td>$19,622 - $24,200</td>
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<tr>
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<td>23</td>
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<td>$929</td>
<td>$31,492 - $43,150</td>
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</table>
FIRST TIME BUYER

- TOTAL HOUSEHOLD INCOME
- HOUSEHOLD SIZE

+ ?

MORTGAGE/BOND QUALIFICATION

UNIT QUALIFIED FOR

OPEN DRAW

DATABASE OF INFORMATION

- Household structure
- Historical family wealth
- Race
- Proximity to place of work

NEW AGENCY

?
Lesson 4

How can restrictions be placed on the sale, if owner decides to sell. How can one ensure units remains affordable over the medium to long term or in perpetuity?

To mitigate this risk of immediate sale (for profit or other reasons), restrictions on the title deed are being considered as a 20 year period+ over which the apartments can only be sold at a capital growth linked to a reasonable growth factor.
Lesson 5

How can the management and operation of the building be streamlined?

- Are traditional structures like body corporates and property managements agencies equipped to engage fairly with all residents?
- How are the fees, levies, rates structured so that affordability is continued beyond the sale, ownership?
Delivering more affordable housing - which means building units over time and managing the stock, requires cooperation from all sectors and a commitment shared knowledge.
Thank you!

@futurcapetown
www.futurecapetown.com
rfataar@futurecapetown.com
+27 73 155 0282
Purposeful Performance
Investment opportunities with lasting community benefit
New Market Funds provides strong community-based non-profits and blended value businesses with access to investment capital while developing impact investment opportunities for foundations and other investors.
Affordable Rental Housing Fund

$25M from 33 investors
56% committed

Current commitments will produce 407 affordable units of housing for individuals and families, affordable on average at 59.2% of median income

New Market Funds commitment: The BRice, 1720 Kingsway St. Vancouver, BC
New Commons Development

$4M in working capital
15 active projects
1500+ units in development pipeline

New Commons Development project: WoodGreen Community Services, 1117 Gerrard St. E Toronto, ON
Ensure tools are designed to deliver the intended impact

Strengthen the capacity of the sector to shift the market

Intermediary organizations play an essential role
newmarketfunds.ca

Community lending
Co-operative enterprise investment
Affordable housing equity
Community real estate development
Thank You!
Share your thoughts

eventmobi  @FutureCitiesCA  #FCCSummit2018