



# Tofino Housing Corporation

## Purpose:

- Peterson Drive Duplexes
- Eligibility and Application Requirements
- Resale Process
- Questions / Review the Building Plans

September 8<sup>th</sup>/9<sup>th</sup> , 2022



# Tofino Housing Corporation

## Unit 1 and Unit 2, 346-356 Peterson Drive

- Developed by the Tofino Housing Corporation with Saywell Contracting
- Being sold below cost - some public money to achieve better affordability
- 346 Peterson Drive – Lot 4
  - Main 3 bedroom unit – 1398 sq f
  - 560 sq ft 1 bedroom suite
- 356 Peterson Drive – Lot 3
  - Main 3 bedroom unit – 1370 sq ft
  - 595 sq ft 1 bedroom suite
- Small shed on each property
- Gravel parking area – 2 stalls per side
- Lightly landscaped lots – re-naturalized, degree of tree protection TBD, but both lots will have some existing trees retained.

September 8<sup>th</sup>/9<sup>th</sup> , 2022



# Tofino Housing Corporation

## Details

- Purchase price \$699,000 plus GST (\$733,950)
- Purchasers need to be meet eligibility requirements
- Purchasers to sign pre-sale contract and put down 2.5% deposit (\$17,475), held in trust with Reed Pope
- At closing, if financing falls through deposit returned minus any legal costs incurred by THC
- \$4000 purchase fee payable to THC at time of closing
- Rental suite can be market priced (no short term – AirBnB rentals).
- 1 unit in Strata Duplex – there will be Strata Corporation with bylaws and reserve fund (strata fees TBD, for shared insurance and repairs to things like roof, driveway, other shared elements)

September 8<sup>th</sup>/9<sup>th</sup> , 2022



# Tofino Housing Corporation

## Eligibility

- *Purpose: For people living and working in Tofino*
- Lived 2 out of last 3 years in Alberni Clayoquot Regional District
- Working full-time (26 hours per week on average) for at least a year in Tofino or with Parks Canada or with BC Parks or with Island Health; self-employed if minimum of 90% of income from Tofino-licensed business (or equivalent combination)
- Do not own other real estate anywhere in the world, same for your spouse or common-law partner

September 8<sup>th</sup>/9<sup>th</sup> , 2022



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## Purchaser Profile

- Need to get mortgage pre-approval; before or after the lottery
- Pre-approval doesn't guarantee you can get financing at closing because of changes to interest rates, lending policies or your personal financial situation
- With current stress test interest rate at about 7%, household income will need to be about \$155,000 if putting 10% down, about \$163,000 if putting 5% down
  - Depends on your other debt, credit rating and how contribution of suite income
  - Check with your bank!

September 8<sup>th</sup>/9<sup>th</sup> , 2022



# Tofino Housing Corporation

## Process

- Apply by Monday, October 3rd: **Apply early to make sure application is complete**
- \$150 refundable application fee; refunds to all applicants who do not get an opportunity to sign a pre-sale agreement or complete purchase (returned once homes are sold)
- Municipal Hall open 9am to 12pm and 1pm to 4pm, Monday to Friday.
- Lottery on October 4th
- Signing of Pre-Sale Contract and deposit by October 19<sup>th</sup>.
- Apply as a couple OR individually (but not both, cannot be switched later)
- Closing about June/July 2023

September 8<sup>th</sup>/9<sup>th</sup> , 2022



# Tofino Housing Corporation

## Lottery

- One application number for every eligible applicant; two application numbers if you participated in previous lottery
- First three applicant drawn get a chance to sign pre-sale contract and put down deposit; if any applicant do not sign pre-sale contracts we go to the next on the lottery list and so on.
- Other applicants, retained as back-ups if selected applicants cannot complete when home is finished (about June next year).

September 8<sup>th</sup>/9<sup>th</sup> , 2022



# Tofino Housing Corporation

## Representation

- Krista Prior – 460 Realty Inc. assists with the sale process for THC
- Another broker at 460 Realty Inc. to be paired with buyers  
**THANKS TO 460 REALTY FOR DOING THIS WITH NO FEES!**
- If legal advice required buyer needs to hire independently
- Buyer needs to hire lawyer for conveyance

September 8<sup>th</sup>/9<sup>th</sup> , 2022



# Tofino Housing Corporation

## Resale

- See the Seller's Guide
- Will take 8-12 weeks
- Same process with THC facilitating a sale via Purchase Lottery – may switch to waitlist in the future
- THC to get the word out; seller welcome to advertise or spread the word themselves
- Coordinate Open House or showings with the THC Resale Representative (e.g. Krista)
- Maximum selling price: Purchase Price times percent change in Core Consumer Price Index
- **Maximum selling price is not a guaranteed price**
- Seller can only reject offers that are not full price and / or include more than the the minimum subjects or any disallowed subjects.

September 8<sup>th</sup>/9<sup>th</sup> , 2022



# Tofino Housing Corporation

## Housing Agreement

- Controls Eligibility and Resale Price
- Restricts rental to 1 period of time every 5 years, not to exceed 12 months
- Rent not more than \$2500 per month, but allowed to rise with CPI (like maximum resale price)
- Requires District of Tofino to approve resale
- District of Tofino of Right of First Refusal protects integrity of process
- Daily fine “rent charge” \$600 per day (but rises with CPI) for non-compliance with the Housing Agreement

September 8<sup>th</sup>/9<sup>th</sup> , 2022



# Tofino Housing Corporation

Rent	Ownership
Per month \$3500?	Mortgage – 10% down: (\$648,600, 25 yrs, 5.5%) = \$3983 Mortgage – 5% down: (\$690,600, 25 yrs, 5.5%) = \$4241
Utilities	Utilities, plus water and sewer fees, plus garbage fees
Content insurance	Content insurance, plus fixtures insurance (higher)
	Strata Fees: TBD, building insurance, reserve fund
	Property Tax: ~ \$2900 a year, \$74 per month
	Repairs, appliance replacement
Suite Rental	\$1400?

September 8<sup>th</sup>/9<sup>th</sup>, 2022



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- 10% down: \$4000 Purchase Fee + \$26,562 mortgage insurance + legal fees
- 5% down: \$4000 Purchase Fee + \$19,502 mortgage insurance + legal fees
- Extra expenditures per month: \$500-1500 ?
- Down payment not invested elsewhere ?
  
- In 3 years
  - Maximum Resale Price = ~778,874 (average CPI of 2%) → gain of \$44,924
  - Principal gain = ~\$42,222
  - Extra expenditures = \$500-\$1500 per month → \$18,000 to \$54,000
  
- At least 3 years before financially better off

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# Tofino Housing Corporation

Questions ?

Review the building plans

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