RESEARCH REPORT

Literature Review of Shared Equity Housing Models in Canada and the US
Final Report

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Literature Review of Shared Equity Housing Models in Canada and the US

Final Report

Submitted to
Canada Mortgage and Housing Corporation

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Résumé

La notion de participation (à l'avoir propre foncier ou à la plus-value de la propriété) a été définie en 2004 par le National Housing Institute (NHI) des États-Unis, pour décrire un mode hybride d'accès à la propriété à l'intention des ménages à revenu faible ou moyen. Ce mode de propriété diffère du mode habituel, à savoir qu'un groupe de parrainage participe à l'avoir propre foncier et bénéficie aussi de l'augmentation de la valeur marchande de la propriété. Les groupes de parrainage sont généralement des organismes sans but lucratif. Parmi la vaste diversité des modèles d'habitation avec participation au Canada et aux États-Unis, la présente revue a porté sur trois modèles présents au Canada : la location viagère de logements pour personnes âgées, la fiducie foncière collective et la cohabitation. L'examen de chaque modèle inclut une description des caractéristiques clés, quelques exemples ainsi qu'une analyse des avantages et des défis. Les avantages des modèles d'habitation avec participation comprennent la plus grande abordabilité de l'accès à la propriété, la capacité d'accroître son patrimoine, notamment son avoir propre foncier, le renforcement du droit au maintien dans les lieux et la capacité des acheteurs à se procurer un logement plus cher, plus grand, etc. Tous ces avantages, à l'exception du dernier, s'appliquent aussi bien aux personnes âgées. Les principales barrières aux modèles d'habitation avec participation sont l'absence d'un cadre de réglementation uniforme d'une province à l'autre, le manque de connaissance des consommateurs au sujet de ces modèles et les charges de fonctionnement éventuellement plus élevées d'un ensemble ou d'une propriété avec participation.

Executive Summary

The term 'shared equity' was coined in 2004 by the US National Housing Institute (NHI) to describe a hybrid form of home-ownership for lower- to moderate-income households. It differs from regular ownership tenure in that some of the equity in the property is owned by a project sponsor and any house price appreciation from rising market values is also shared. For the most part, housing sponsors are non-profit organizations. From the wide variety of shared equity models in Canada and the US, this review examined three Canadian types: Life Leases for Seniors Housing, Community Land Trusts, and Co-housing. The examination of each type included a description of key characteristics, some example projects, and discussion of advantages and challenges. Benefits of shared equity models include: improved affordability of home ownership, ability to accumulate "wealth" through housing, improved security of tenure, more predictable housing costs, and the ability of buyers to move "up the housing ladder". All but the last benefit relate equally well to seniors. Major barriers to shared equity housing are identified as a lack of consistent regulatory frameworks from province to province, lack of clear understanding of these arrangements among consumers, and a possibly greater administrative costs in the operation of shared equity housing.

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1. Introduction

This report summarizes literature on shared equity housing models in Canada and the US, to assess potential benefits and barriers as well as their relevance to seniors' housing. The study was exploratory and considered next steps for future research.

Purpose of the Study: Four key research questions were considered:

1. What are the main types of shared equity models in Canada and the US?
2. To what extent are these models applicable to housing for seniors?
3. What are the benefits of the models in general and for seniors?
4. What major barriers and success factors were identified?

Scope of the Study: The objective of the literature review was to provide an overview of the approaches used and the information available to assess the benefits and success factors in shared equity models. The review aimed to summarize the key criteria for the models identified and to provide an annotated bibliography of useful information sources. The study did not include detailed case studies of examples of shared equity housing.

2. Definitions & Types of Shared Equity Models

The term 'shared equity' was coined in 2004 by the US National Housing Institute (NHI). In effect, this was a re-branding of a previous term, 'limited equity housing', that was best known in Canada as it related to some forms of housing co-operatives.

The literature shows that 'shared equity housing' is difficult to define in part because of the wide variation of models and mechanisms used to provide and finance the housing.

2.1 DEFINITIONS OF SHARED EQUITY

Shared equity housing is most often defined as a hybrid form of home-ownership for lower- to moderate-income households. However, it differs from regular ownership tenure in that some of the equity in the property is owned by a project sponsor and the house price appreciation from rising market values is also shared. Therefore, some literature describes shared equity as an 'alternate tenure' and distinct from conventional ownership and rental tenures. For the most part, housing sponsors are non-profit organizations.

Davis (2010) defined shared equity housing as:

- *"a generic term for various forms of resale-restricted, owner-occupied housing in which the rights, responsibilities, risks and rewards are shared between an income eligible household who buys the home for a below-market price and an organizational steward who protects the affordability, quality, and security of that home long after it is purchased." (Davis, 2010:265)*

Lubell (2013) provides clarification on the status of equity in the housing and defined shared equity as:

- *"a tenure choice that provides most of the benefits of homeownership at a lower price point, facilitating access to homeownership by low- and moderate-income households. Under shared equity housing, home price appreciation is shared between the homebuyer and the program sponsor to achieve a balance between the individual's interest in building wealth and the community's interest in ensuring long-term affordability." (Lubell, 2013:2)*

The US literature focuses on the objective of improved access to affordable ownership housing for lower-income families as a means of wealth generation and does not discuss shared equity as a policy tool for seniors housing. The extent of equity returns to individuals (that is, the homeowners) affects achievement of policy objectives for wealth generation and poverty reduction as well as the ability of owners to move on and purchase other homes in the housing market. Therefore, the balance of individual interests with the goal of maintaining longer term affordability is a key challenge in designing shared equity approaches.

2.2 TYPES OF SHARED EQUITY HOUSING

In the US, the NHI rubric of 'shared equity' includes three types or models of shared equity (Davis, 2006):

- Deed Restricted Homes;
- Community Land Trusts; and
- Limited-Equity Co-operatives.

While the detailed designs vary, much of the US literature considers these models as a way of providing and maintaining housing affordability over the longer term. There has been debate in the US literature about how the models maintain affordability. Lubell (2013) makes a distinction between two types of shared equity models, namely: 'subsidy retention' and 'shared appreciation':

- 'Subsidy retention' refers to programs where the price reduction attributable to a subsidy is retained by a 'sponsor' or steward so as to ensure longer-term affordability by keeping house values below market levels; and
- 'Shared appreciation' approaches distribute the increased house values (asset growth or market appreciation in value) among partners but house prices are 'permitted' to increase.

Lubell argues that both are forms of shared equity whereas Davis (2006, 2010) argues that only 'subsidy retention' by a steward (such as a non-profit) ensures the on-going affordability of homes for subsequent owner households, ideally in perpetuity. Therefore, in-line with concepts developed by Davis, there could be a continuum of models from the pure market model of homeownership to fully-fledged share-equity homeownership under a non-profit steward.

Canada has a wide variety of models to improve accessibility to affordable ownership that are different from regular market ownership and incorporate elements of 'shared equity'. Examples include:

- Options For Homes (non-profit condominiums)
- Habitat for Humanity Canada (homeownership for lower and moderate income buyers with zero down payments, sweat equity and zero interest rate mortgages; Habitat uses subsidy retention to keep house values below market)
- INHOUSE Calgary (equity partnership condominium housing)
- Rent-to-Own programs (provincial)
- Down payment assistance for lower income buyers (provincial or municipal)
- Community Land Trusts (CLTs) such as the CHLTF and others in BC, Calgary and Edmonton Land Trusts (provide sites for housing development under leases and retain land ownership)
- Co-housing (Collaborative/co-care housing, including seniors housing, with shared common facilities provided under condominium ownership regulations)
- Life lease equity programs for seniors retirement communities (seniors purchase long term interest in housing with upfront, lump sum payment and pay monthly operating fees to the housing sponsor)

With the exception of the co-housing model, these types of housing are provided by non-profit organizations. CLTs are also community-based non-profits that can lease land to other non-profits that provide shared equity housing.

Some of the models provide types of individual (freehold) home-ownership whereas others operate under condominium regulations. They involve varying amounts of equity or investments by households, and different mechanisms to determine the amount of equity returned to households at resale or when they move out of the housing. In some models, the non-profit sponsor charges administration fees to cover on-going control of the housing while other models capture part of equity appreciation or recapture assistance provided.

In contrast, the co-housing approach is largely a private market, ownership model with elements of common ownership similar to condominium housing. At the same time, co-housing communities are based on a principle of 'co-care' or types of mutual support that are relevant for seniors housing and also share some similarities with housing co-operatives in Canada. However, as with market condominium ownership, each registered owner sells their unit at market price to recover their equity and any appreciation in value.

2.3 SUMMARY MATRIX OF SHARED EQUITY MODELS

This literature review develops an overall summary of the types of shared equity approaches based on key design criteria and objectives of the various types of programs. The summary matrix shown in Figure 1 is based on information available from reports and website sources identified in the *Bibliography* (Appendix A)

Key Criteria for Shared Equity Housing (based on the US NHI models (Davis 2006, 2010) are as follows:

- Owners own and live in their homes (have title to the home but may have restrictions on title, and may be restrictions on leasing or who is eligible to buy the home).
- Owners' equity on resale is limited (such as repayment of any subsidy and/or sharing value appreciation with sponsor sometimes with sponsor buy-back arrangements).
- Rights and responsibilities shared with sponsors and society (community) (specific property rights may be regulated under freehold or condominium legislation and/or under tenancies acts and may vary by jurisdiction and/or be subject to purchaser-sponsor agreements).
- Affordability of homes maintained for many years (may be in perpetuity such as though land trusts or for specified numbers of years).

Key Goals and Objectives for Shared Equity Housing may vary but generally include most of the following:

- Improving access to (attainment of) home ownership for lower- to moderate-income households who otherwise have difficulty purchasing a home or obtaining financing;
- Improving the affordability of home ownership to enable households to build savings through housing expenditures and reduce poverty;
- Sustaining longer-term housing affordability to enable subsequent purchasers to benefit from home ownership; and
- Providing supportive residential communities particularly for seniors housing with forms of mutual support or co-care as an alternative to institutional-type options.

As shown in the matrix chart (Figure 1), the three basic models identified by Davis (2006) meet all of these criteria and most of the objectives. It should be noted that any of the three models could be applied to develop seniors housing. For example, community land trusts have been used in Canada to provide seniors housing. Limited equity co-operatives have also been developed in Canada.

The chart also identifies specific other Canadian examples of approaches that meet some of the criteria and objectives to varying extents. Further, most of these examples (with the exception of co-housing) are delivered by non-profit sponsor organizations.

The information compiled in this review demonstrates an increasing diversity of arrangements and provisions for types of shared equity in Canadian housing. While some types (such as INHOUSE in Calgary) have been developed in specific localities, others (such as Options for Homes, Habitat. Co-housing and life leases for seniors) are somewhat more widely used across Canada. Some of the Canadian examples (such as Habitat and down-payment assistance programs) are types of deed restricted ownership housing. It is noted that regulatory frameworks for all of these alternatives vary considerably across the provinces.

Figure 1: Matrix of Criteria & Objectives for Shared Equity Housing Approaches

CRITERIA[1]	Models from NHI Definition			Other Examples used in Canada						
	Deed Restricted Homes	Community Land Trusts[2] (CLTs)	Limited Equity Cooperatives (LECs)	Shared Appreciation	Options for Homes	Habitat for Humanity	INHOUSE Calgary	Rent-Own & Downpay-ment Grants/ Loans	Life Lease for Seniors Housing	Co-housing (incl. Seniors Co-housing)
1. Owners own & live in homes (have title to home)	X	X [3]	X	X	X	X[5]	X	(X)[6]	(X)[7]	X[8]
2. Limits on owners' equity appreciation and resale restrictions										
- owner repays any equity owing to sponsor	X	X	X	X	X	N	X	X	X	N
- owner shares value appreciation with sponsor	X	X	X	X	X		X			N
3. Rights, responsibilities & benefits shared with broader society[9]	X	X	X		X	X	X		X	N
4. Affordability of homes maintained for a number of years	X	X	X	N	(X)[4]	N	X	N	X	N
OBJECTIVES										
Improve Access to Home Ownership(Attainment)	X	X	X	X	X	X	X	X		
Improve Affordability& Generate Wealth	X	X	X		X	X	X			
Long-term Affordability	X	X								
Support/Co-care for Seniors		X							X	X

1. Based on Davis (2006) and Lubell (2013).
2. CLTs are also used in development of rental and co-operative tenures.
3. Owners own title to building/unit but title to land held by Trust.
4. Sponsor share of value appreciation used to develop additional affordable housing.
5. Deed to property remains with HFH sponsor until mortgage fully repaid. Then title transferred to homeowner.
6. In Rent-to-Own, tile remains with sponsor until debt discharged; in downpayment assistance title in owner's name with lien registered against title until discharged.
7. Buyer does not own title to a unit but purchases life interest with right to occupancy. "Interest" can be sold at market or other value depending on the type of lease. Occupants pay monthly housing charges similar to a monthly 'rent'.
8. Owners have title to their homes and own a share of common interest in communal property.
9. Sponsor organizations (generally non-profits) have specified rights and responsibilities that can include some of those usually assigned to individual owners. In this way, sponsor plays a role to ensure that the benefits (such as access to improved housing affordability) are shared with broader society (e.g. future owners, the general public and all taxpayers).

3. Review of Selected Canadian Examples

Canada's approaches related to shared equity includes examples relevant to meeting seniors housing needs such as life leases and co-housing. This section summarizes information compiled on these and other recent initiatives, including:

- Life Leases for Seniors Housing;
- Community Land Trusts; and,
- Co-Housing.

The research also includes consideration of the Habitat for Humanity Canada (HFH-Canada) approach. HFH-Canada utilizes a type of deed-restriction on title that restricts equity appreciation for buyers as a means of ensuring on-going affordability of homes. However, HFH targets younger home-buyers and has not been used for seniors housing. Therefore, HFH-Canada information is included in Annex C.

3.1 LIFE LEASES FOR SENIORS HOUSING

Life leases for seniors housing can be considered as a type of shared equity housing as they require an upfront 'investment' of consumer equity and some recovery of the capital on resale.

Considerable information is available on the use of life leases in Canada, particularly as it relates to seniors' housing. Although the exact number of life lease projects is not known, a 2014 report prepared by the Ontario Ministry of Municipal Affairs and Housing (MMAH) estimated that there are more than 300 projects in Canada, including about 135 in Ontario alone.[1] The first life lease projects were developed in the late 1970s and early 1980s.

Definition: The commonly used definition of 'life lease' is as follows:

> *"A life lease is a legal agreement that permits purchasers to occupy a home for life (or until they are no longer capable of living there) in exchange for a lump sum payment and subsequent monthly payments to cover the ongoing project management fees and maintenance and operating expenses."*
> *(CMHC, 2007, Page 1)*

The term 'life lease' is somewhat a misnomer in that the purchaser is not guaranteed a place to live for the rest of their lives. The terms of 'leases' clearly identify that occupants are required to live 'independently' since the sponsors are not able to provide residential care services.

Although life leases can be inherited in estates, the right of occupancy in the housing cannot be inherited. While a senior's family could have the right to the proceeds from a lease, the family members could not move in and live in the project unless they meet the project eligibility criteria. In this respect, the rights differ from a condominium or freehold ownership interest.

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[1] Ontario Ministry of Municipal Affairs and Housing (MMAH), *Life Lease Housing Resource Guide. Questions and Answers for People Considering Life Lease Housing*, Page 3.

Key Characteristics: Although there are several models for these types of housing developments, the key characteristics of life lease housing for seniors are as follows:

- **Non-profit/charitable sponsors:** Life lease housing is generally developed and operated by non-profit organizations.
- **Target market:** The housing is geared towards seniors or older adults who are able to live independently but who may wish to reduce home maintenance responsibilities and isolation. Projects offer services (such as lawn care, snow shoveling, and home maintenance).
- **Affordability:** Life lease seniors housing may be more affordable than condominiums in the area. They offer the purchase of an 'interest' in the project rather than direct ownership. However, as in condominiums, the occupants pay monthly fees for maintenance and property taxes in addition to the purchase price.
- **Levels of services:** Projects can offer a wide range of services (such as laundry, housekeeping, meals, help with personal care, and transportation). Services may be optional or included in monthly fees.
- **Communities:** Some projects have been developed for people of certain religions or nationalities, and offer a sense of community.

Development Model: With the life lease approach, seniors pay a lump sum to purchase a 'life interest' in the housing project and enter into an agreement to pay the required monthly fees. The purchaser does not own the title to a specific property but is able to 'sell' their interest if they leave (such as moving to a residential facility with care). In the event of death, the life lease becomes part of the estate and can be sold to another buyer.

From the sponsor's perspective, the equity for development is obtained from the purchasers, similar to condominium development. Therefore, the primary market for life leases is senior home-owners who have sufficient equity from sales to invest in life lease project.

Some sponsors and researchers have suggested that the tenure status is more closely akin to rental in that the occupants do not have a right of occupancy in a specific unit.

Other issues arise in more comprehensive projects that include a range of residential options. For example, some projects also include residential care facilities and may appear to offer the ability for seniors to relocate to the care facility when needed. This is thought to offer a more 'seamless' transition in later life and less disruptive when life leasers are obliged to move again. However, it has been noted that there is no binding 'guarantee' that suitable space will be available when it is needed.

Canadian Examples:

There are various types of ‘life leases’. The MMAH Guide (2014) outlines 5 models.[2] However, it notes that, in Ontario, almost all projects are based on “Market Value” leases:

- **Market Value Lease Model:** The lease-holder (or their estate) sells their ‘lease interest’ subject to the market price at the time of sale. Therefore, the profit (or the loss) compared to the original purchase price is earned by the lease-holder. It can also be the responsibility of the leaseholder to ‘sell’ their interest. It is worth noting that the lease-holder continues to be responsible for the monthly fees until such time as the lease interest is sold to a new buyer.

- **Other Models:** In some other models, the original purchase price is treated as a ‘fixed’ equity contribution (without any market value appreciation) that is ‘refundable’ to the purchaser at the time of resale (minus some transaction costs). Under these arrangements, any profit (or loss) accrues to the project sponsor. In some models, the sponsors assume the responsibility for marketing and selling the ‘interest’ to a new buyer. One advantage of this model is that the leaseholder knows the value of their interest should they move (or to be paid to their estate).

- **“Manitoba Model”:** This approach allows for a minimum investment of much less than the full purchase price. However, if consumers pay the full purchase price their monthly payments are substantially reduced:

  “In Manitoba, only the interest earned on investments over the minimum is used to reduce monthly payments. The minimum entrance fees are used to pay constructions costs and to fund a trust account called the Entrance Fee Refund Fund …..Interest earned on the Refund Fund is used to offset monthly operating costs.” (BCNPHA, 2008:13)

  The BC Report notes that projects in other provinces (Alberta and BC) were also introducing the partial payment model. In one project, purchasers may pay 33%, 66% or 100% of the value of their unit.

Therefore, there are many variations on the ‘equity’ contribution and the ‘recovery’ amounts on resale of life leases. Although these provide considerable flexibility in financing for both the consumers (seniors) and the sponsors, the complexity of the life lease agreements pose problems for purchasers in understanding their rights and financial position. The lack of consistent regulations governing the ‘products’ adds to concerns for consumer protection, especially given the marketing to seniors.

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[2] For more details on the five lease models, see MMAH, 2014, Appendix B.

Potential and Challenges

There are many pros and cons associated with the life lease model. Various reports, including CMHC Research Highlights (2003 and 2007) and a BC Non-Profit Housing Association Report (BCNPHA, 2008) have identified numerous issues and concerns related to the life lease approach. For example:

- The 2008 BCNPHA Report notes that life leases in BC have had a 'checkered history'.

  "At one point in the late 1990s, there were about 20 life leases in the Province – today [2008] there are 14. In some parts of the province, life leases have struggled while, in others, they have been a success." [3]

  The Report notes that almost all life leases on Vancouver Island failed and were converted to strata title projects, and another project on the mainland failed and was converted to rental. Failures led to suspicion about the model in BC, which, the report suggests is one of the reasons there so few of them in BC compared with Manitoba and Ontario. This is despite other successes such as: Maple Ridge Legion, Elim Housing Society, the Good Samaritan Society (Kelowna and Vernon), and Abbotsford.

- Part of the issue has been the lack of legislation on life leases outside of Manitoba.[4] Although Ontario was reportedly conducting consultations on legislation in 2008, the 2014 MMAH Report states that:

  "*unlike rental housing (which is governed by the Residential Tenancy Act, 2006) and condominiums (which are covered by the Condominium Act, 1998), there is no legislation in Ontario that specifically regulates life lease housing."*[5]

  Therefore, although some life leases in facilities that provide meals and personal care services may be covered under the Retirement Homes Act, the bottom line is that 'the life lease arrangement is a binding legal document' that can be enforced in court. As a result, as the 2007 CMHC Research Highlight states: "life lease projects raise a variety of consumer protection issues as well as issues faced by sponsors of life lease development and lenders."[6]

- Although Manitoba has life lease legislation it should be noted that life lease is considered to be a form of rental tenure in this Province. In part this relates to the options for lower initial equity payments coupled with monthly 'rents'. With respect to affordability, the lower entry equity amounts potentially improve access (for seniors without considerable savings) while the high monthly 'rent' amounts may be challenging for seniors with lower pension incomes. In BC, some projects have rented units to lower income seniors at the amounts of the provincial shelter allowances (SAFER Program) so as to provide affordable housing. All of these variations further blur the tenure status and rights of the occupants.

Despite the lack of specific legislation in Ontario, the life lease arrangement appears to have become an accepted alternative in seniors housing policy. One of the main advantages may be the ability to attract 'resident' equity as a source of financing for housing developments which reduces dependency on governments to provide capital financing assistance.

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3 BC Non-Profit Housing Association, Financing Seniors' Housing Projects Using Resident Equity, Final Report, October 2008, Page 10.

4 Manitoba passed its Life Lease Act in December 1999 and it was amended in June 2005 (CMHC, 2007).

5 MMAH, 2014, Page 7.

6 CMHC Research Highlight, An Examination of Life Lease Housing Issues, Socio-economic Series 07-006, April 2007, Page 1.

There is considerable information available on-line on the websites of life lease seniors' developments. These illustrate some variations in the specific terms of agreements as well as the types of housing and other services available through these organizations. Further research would be required to assess the variations in costs associated with the housing and the arrangements for 'sales' of life lease units.

3.2 COMMUNITY LAND TRUSTS FOR HOUSING (CLTS)

Land trusts for housing are still relatively rare in Canada compared to the US. Although land trusts have been used for a variety of other purposes (such as nature conservation and agricultural lands), CLTs have not often been used for housing development in Canada.

Definition: A CLT is a:

> *"non-profit corporation created to acquire and hold land for the benefit of a community and provide secure affordable access to land and housing for community residents." (US Institute for Community Economics, cited in CMHC 2005, Page 1)*

Key Characteristics: Although the characteristics of land trusts may be vary, the key main features are as follows:

- **Non-profit/charitable sponsors:** CLTs are typically non-profit and charitable organizations. Though they may be involved with all types of non-profit housing, some are more closely tied to co-operative housing development.
- **Target market:** The specific target groups are typically defined in the objectives of the land trust and generally relate to households requiring access to affordable housing. Therefore, the target can include lower- or moderate-income seniors as well as other younger households.
- **Affordability:** Housing developed on sites provided through land trusts is expected to be more affordable in the short- and longer-term since the capital cost of land is not included in the mortgage financing for the housing projects. In some instances, land may be donated to the trust for housing purposes, and the price of the land to housing developers covers only the administrative costs to the trust.
- **Land Ownership:** Long-term ownership of land (i.e. sites for housing developments) is vested in the land trust separately from the ownership of the 'buildings' on the sites (which rests with the housing developer organization). Long-term (99 year) leases are typically used as the basis for the arrangements between the trust and the housing developer.

Development Model: With the land trust model, the trust is responsible for 'acquisition' of land (i.e. sites for development of housing). This may include donations of sites directly to the trust and the land becomes part of the assets of the trust. Donated land often includes restrictions on the use and/or disposition of the land.

Where a land trust acquires and owns land or building sites, it has responsibilities for the regulatory and planning requirements related to housing development. At the same time, when a parcel of land is leased to a housing developer for construction of housing project, the developer has responsibilities for all site plan approvals under local planning, building and code requirements. The developer does not have to finance the purchase and carrying costs for land acquisition which represents some cost savings for housing developed. .

Canadian Examples:

There are numerous Community Land Trust examples in Canada. A 2005 CMHC Research Highlight[7] includes results from a CMHC research project on 8 case studies in Canada under 3 types of CLT models used for housing, as shown in Figure 2.

Figure 2: Examples of CLT in Canada.

Co-operative Housing CLTs	Lease-to-Own CLTs	Facilitative CLTs
Colando Cooperative Homes Inc., Toronto, ON	Central Edmonton CLT, Edmonton, AB	Calgary CLT Society, Calgary, AB
Communauté Milron Parc, Montreal, QC	West Broadway CLT, Winnipeg, MB	Fond Foncier Communautive Benny Farm, Montréal, QC (See note below table)
Community Housing Land Trust Foundation (CHLTF). Vancouver, BC	Salt Spring Community Housing & Land Trust Society, Salt Spring Island, BC	

Source: Critical Success Factors for Community Land Trusts in Canada, CMHC Research Highlight, Socio-Economic Series 05-010, CMHC, April 2005.

> Note: The Benny Farm CLT was not successful and the land was transferred to Canada Lands Corporation (CLC) for the development with public, co-op, non-profit and private partners using *land leases, later* converted to a *'horizontal condominium'* corporation (Benny Farm Condominium Corporation). Land title is owned by the condominium (i.e., individual parcels of land were not sold to individual housing developers) and there was no equity release to finance site development costs.[8]

With the lack of new funding for co-operative and non-profit housing in Canada since the late 1990s, the take-up of CLTs has been limited. There are limited benefits for existing co-ops and non-profits to transfer their land holdings (their largest asset) to a land trust. Therefore, it is important to consider how CLTs can be useful for development of new affordable housing.

Three more contemporary Canadian examples of CLTs are worth considering:

- CHLTF initiative for affordable housing in Vancouver;
- Denman Community Land Trust, BC; and
- Vernon & District Land Trust, BC.

[7] Critical Success Factors for Community Land Trusts in Canada, CMHC Research Highlight, Socio-Economic Series 05-010, CMHC, April 2005.

[8] See: CMHC, "Case Study Research on Social Housing Redevelopment and Regeneration," Research Report, prepared by SPR Associates Inc., October 2011.

Community Housing Land Trust Foundation (CHLTF): New Initiative to Develop Affordable Housing in 2013:

The CHLTF (also known as The Land Trust) was created by the Cooperative Housing Federation of BC in 1993 to hold land for affordable housing. The CHLTF is a non-profit and registered charity and is CHF-BC's charitable arm. The only purpose of the Land Trust is to develop and preserve affordable housing. Any assets and surpluses generate can only be used for that purpose.

Under a new initiative in 2013, the CHLTF is playing a new role as trustee for four City of Vancouver owned sites leased to Land Trust for 99 years less a day at a nominal pre-paid rent (essentially free). This initiative takes a portfolio approach to development of City owned land (rather than site by site development). A key advantage of this portfolio approach is the ability to 'pool' (i.e., transfer) surplus revenues through the Land Trust across sites to improve affordability.

In May 2013, *the CHLTF was approved by Vancouver City Council to lead a partnership of cooperative and non-profit organizations to develop new affordable housing on four sites owned by the City of Vancouver.* These partner organizations will enter into leases (99 years one day) with the Land Trust for the sites they will develop.

- According to a May 9, 2013 Press Release from CHF-BC, 'this partnership … led by the CHF of BC is bringing four City-owned sites under one roof to build new affordable housing." The objective is to deliver 355 affordable homes at an average rent below 80% of market rent for families, seniors and people with mental illness.
- Thom Armstrong, Executive Director of CHF-BC notes that this is a unique approach of bringing together multiple properties and reputable partners. One of the properties includes ground level commercial space that the Land Trust will lease and use revenues to reduce the amount it needs to borrow for construction. Another property will generate surplus revenues that will be transferred (via the Land Trust) to other properties to increase affordability in other properties.
- The co-op and non-profit partners will invest almost $4 million of their own equity, and the City will not be providing ongoing subsidies.

Armstrong notes that "this is a first for British Columbia" and notes another advantage of the Land Trust model is the reduction in oversight and administrative costs to the City, which only has to deal with one organization rather than multiple partners.[9]The Land Trust has established a formidable team of partners for this project including CHF BC, the Housing Foundation of BC, and Vancity as well as housing societies.

Using long-term land leases held in a non-profit trust has added long-term benefits in that the 'land' will not be owned and sold by individual non-profit organizations and that value appreciation is not built into future housing development costs. Therefore, this model meets the objective of helping assure longer-term housing affordability. In effect, the CLT takes the land out of the land market. Michael Lewis of the Canadian Centre for Community Renewal (author of the Resilience Imperative) describes this as "locking in affordability". (http://communityrenewal.ca)

[9] CHF BC, Press Release, May 9, 2013, "Innovative partnership brings four City sites under one roof to build affordable housing."

Denman Community Land Trust Association (DCLTA) in BC:[10]

Denman Island in BC (located in Georgia Strait with a population of about 800 households) formed a registered, non-profit society for the CLT in August 2008 and became a registered charity in 2009. Denman Island had seen a recent influx of more affluent new residents that resulted in rising property values and loss of housing access for long-term residents with limited means. The purpose of the CLT is to obtain and hold land on behalf of the community for the creation of affordability in perpetuity. DCLTA is a registered non-profit, community-based organization and a registered charity. It seeks to develop 'Island-based' ways to address needs. Denman Island based its CLT on successes of Salish Sea (to the south in San Juan Islands),[11] Vernon & District CLT (see below) and Calgary CLT.

Key features of the DCLTA based on information on its website:

- **Mandate:** DCLTA's mandate is to provide affordable housing for residents of Denman Island below Low-Income Cut-Offs (LICOs) who are homeless or at risk of being homeless and in need of secure housing.

  To this end, DCLTA's constitution pledged to make lands available to other non-profit and/or charitable organizations for development as affordable housing.

- **Goals:** To maintain rental rates no greater than 30% of tenant income (i.e., CMHC core need affordability cut-off), and to create partnerships with other non-profits and charitable organizations.

- **Financing:** Generous island donations, in-kind contributions, funding by DCLTA partners, volunteers hours.

- **Projects to-date:** The website identified two projects:
  (i) Rural Affordable Housing Project (June 2012-June 2013); and
  (ii) Greywater Recycling : Project II (May 2013-February 2014).

DCLTA has worked on the Ridge Project. DCLTA received an offer of donated land in 2010 for creation of one affordable housing dwelling. DCLTA was added to title of property in 2014 and signed a lease with its first tenant in May 2014. [A detailed chronology of steps is on their website.]

DCLTA signed a MOU with a landowner for 8-unit Seniors' Affordable Housing. In 2013, DCLTA signed an agreement to develop a proposal for seniors' housing. In 2015, this MOU was revised to add a provision for strata title on the site. The project proposal is under discussion with municipal authority and DCLTA is working toward the purchase of land and obtaining approvals for Phase 1 of its Seniors' Affordable Housing Project.

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10 See www.denmanaffordablehousing.org

11 Islands Trust Fund in Salish Sea is a conversation trust created to protect the islands, ecology and shorelines, including private and public lands.

Vernon & District Community Land Trust (known as The Land Trust]:[12]

The Land Trust is a non-profit society working to provide affordable housing in the North Okanagan for individual with low to moderate incomes, especially those with minimum wage and entry level working people. The society is also open to providing housing for seniors.

The Trust's vision is 'a permanent supply of affordable housing to meet the needs of the North Okanagan. It solicits land and other assets to help provide affordable housing.

Based on the website, two projects have been undertaken to-date:

- Ukrainian Village: A 74-unit low-income seniors' housing project. The Land Trust took over the project in 2012 to manage a $2.1M renovation (funded by BC Housing); and,
- Under One Roof: Six-plex for persons and families with disabilities. The Land Trust partnered with Kindale Development Association and Habitat for Humanity to build four three-bedroom units for families and two one-bedroom units for individuals in one new building. The first residents moved into the building in 2010.

Potential and Challenges:
On-line research showed that various other communities have considered the usefulness of 'land trusts' as a means of achieving affordable housing objects. These include Hamilton (ON) and Kelowna (BC) among many others.

After consideration of the experience in CLTs elsewhere, some cities (such as Kelowna) have determined that municipalities already have tools that are more advantageous than non-profit land trusts such as:[13]

- Long term credibility;
- Ability to issue income tax receipts for donations of land and money;
- Expertise (and administrative capacity) to acquire and lease land;
- Existing financial structures.

Even the use of the CHLTF in Vancouver's newest development is not without its critics. Some have noted that the housing developed will not be affordable to the lowest income groups, especially those in greatest need (such as people receiving welfare benefits and those who are homeless). Advocates point out that without some form of financial assistance (from the City), the housing will still not be affordable enough. Concerns have also been raised about the actual rent levels once the projects are developed on the four sites.[14]

Other critiques have pointed out that 'land trusts' *per se* are not often sufficient for developing affordable housing without some public financing to reduce the rents. While putting land into a non-profit trust achieves the goal of 'removing' the land from the for-profit market often under long-term leases or in perpetuity, even nominal lease payments are not sufficient to ensure even short-term affordability of housing developed.[15]

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[12] www.communitylandtrust.ca

[13] See: City of Kelowna, Memorandum to City Manager from Community Planning Manager, Community Land Trusts and Housing Reserve Funds, March 14, 2007.

[14] See: http://thetyree/News/2013/05/12/Vancouver-Community-Land-Trust.

[15] See, for example: Community Housing Land Trust Foundation, Linking Affordable Housing Policies to Usage: Case Studies of Municipalities in BC, November 2001.

In some smaller communities (such as in BC), some land trusts have evolved as a means to 'protect' or conserve land for the benefit of the community or to moderate escalating land and property values. Under these conditions, land trusts can play a role in achieving some balance in community development. However, as noted above, the scale of smaller land trusts to-date has been modest and those examined were focused on small numbers of housing developments over many years. Therefore, 'scalability' becomes an important issue in assessing their effectiveness.

3.3 CO-HOUSING IN CANADA

The Canadian Co-housing Network website provides details on the co-housing approach and how it relates to seniors housing.[16]The Canadian Senior Cohousing Society was established in 2011, and the first seniors project, Wolf Willow Co-housing in Saskatoon, was developed and opened in 2012.

The co-housing concept was developed in Denmark in the 1960s, and came to North America in 1991. Since that time, almost 127 co-housing projects have been completed and others are under development.

Many co-housing projects are multigenerational, and there are rationales for the mutual benefits to all age groups in these communities. More recently, groups emerged to consider creation of seniors-only co-housing based on a concept of 'co-care'. The impetus was to provide communities where older persons could age in place for as long as possible without the need to move into institutional settings. The benefits are seen as providing a positive, supportive community and reducing the social isolation for seniors living alone in single family homes. Wolf Willow was the first to be completed.

Definition: Co-housing is:

> *Privately owned, self- contained housing units financed by the purchasers centered around shared facilities (usually with a kitchen, dining room and other common rooms) where meals and activities are shared regularly. It is also an alternate development model whereby prospective owned participate in the design and development process. Owners also participate in management and decision-making once the project is completed.*

"The Seniors Cohousing Handbook" by Charles Durrett provides a guide for developers of co-housing specifically for seniors.

Key Characteristics: The general features of co-housing in general are as follows:

- **Private condominium ownership:** Occupants of co-housing developments own their own dwelling units and have title to their unit which they can sell at market value. They also own a shared interest in common facilities (such as a common kitchen and dining area). Co-housing developments have adopted the condominium registration model since there is currently no separate legislative framework for co-housing.
- **Private financing:** to-date, co-housing developments in Canada have been privately financed and basically rely on participant (buyer) equity with a private market model.
- **Co-care, community model:** Co-housing is based on mutual support principles with which residents participate in community activities and may provide assistance to each other when needed.

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[16] See:www.cohousing.ca/seniorscoho.html

In the case of seniors' co-housing, seniors live independently but may provide support and assistance to each other if needed. Resident seniors may access other services in the wider community if required. However, there are no on-site services such as may be provided in seniors' life lease developments.

Development Model: Co-housing projects are developed by groups of households that are interested in residing in this type of housing. Key features of these developments to-date are as follows:

- Potential residents form a planning committee to acquire a site and participate in developing the project designs.
- Interested households contribute initial investments under the structure of a non-profit corporation to provide the equity portion for project development. Land for the development is purchased and held by the non-profit until construction is completed.
- Each purchaser provides or obtains their own financing to purchase their dwelling unit on completion.
- When the project is completed, the non-profit corporation is dissolved and the housing is registered as a condominium corporation.

Since individual owners hold the title for their shares in the condominium they are able to sell their share to interested buyers at the market rate. In the case of a seniors co-housing development, the units would be marketed to other older individuals with an interest in living in a co-housing community.

Canadian Examples:

Wolf Willow, Saskatoon Seniors' Co-Housing:[17]After a 3-year development phase, Wolf Willow officially opened in 2012. The group of people came together to design the type of housing communities they wanted, and worked together to see the project come to reality. The residents are actively involved in the management of the housing.

The project was developed with contributions of equity from prospective owners plus financing from a credit union. During the development phase the group was incorporated as a non-profit, and on completion it was registered as a condominium (under condominium legislation).

The design built in longer term accessibility (wider corridors and doors to accommodate wheelchairs, reinforcing bathrooms walls to accommodate grab bars, etc.). Residents were committed to providing a mutually supportive living environment, not to provide 'intensive care' on a long-term basis.

[17] www.wolfwillow.ca

Other Co-housing Projects: Based on the information on the Coho website:

- There are 7 completed co-housing projects in BC, one in Calgary, one in Ontario and one in Saskatoon;
- Vancouver's first co-housing projects (31-unit project with a range of studios to 4-bedroom units) began construction in Fall 2014 with 28 units sold. Land has been secured for another project in Vancouver;
- In an article dated October 24, 2014, the Globe and Mail states that: *"BC is leading the way in the cohousing movement. Outside of BC, there are only 10 co-housing projects [including projects under development] in Canada."*[18]

Potential and Challenges:

Co-housing ownership is still relatively new in Canada. There is no information available on the experience with the resale of units. Turnover of units can be expected to be low or similar to other types of ownership housing. From discussions with some members of a co-housing group it appears that owners will be able to sell their unit along with the share of the 'common interest' at whatever market price can be achieved, and that the owners will earn any increase in value. There have been discussions about restrictions on resale (such as ensuring that buyers will be suitable for the community co-care model). However, it appears that it could be difficult to apply restrictions and they are unlikely to be used. However, for seniors co-housing it would be expected that resales would be made to other older adults interested in the concept of co-care. Where a unit is inherited through an estate, the heirs would be responsible for the sale of the units. Whether or not the co-housing group would play a role in the sale could not be determined.

Co-housing, as it currently being provided, does not have a mechanism to limit equity or to ensure on-going affordability of the housing. Therefore, it does meet all the criteria for shared equity housing. However, there are other models of non-profit condominium development (such as those provided by Options for Homes) that could bring co-housing closer to a limited equity model.

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[18] Note that the article includes a detailed history of the development process for the project at 1733 E.33rd Ave, Vancouver: "Vancouver cohousing movement gains traction" by Kerry Gold, Vancouver – Special to the Globe and Mail.

4. Summary of Findings

Based on the literature and on-line information reviewed, key findings on four research questions are summarized below, followed by an overview of policy issues.

4.1 MAJOR SHARED EQUITY MODELS

The literature shows that 'shared equity housing' is difficult to define. The term 'shared equity' was coined in 2004 by the US National Housing Institute (NHI). In effect, this was a re-branding of a previous term, 'limited equity housing', that was best known in Canada as it related to some forms of housing co-operatives.

The NHI rubric of 'shared equity' includes three basic mechanisms or models: Deed Restricted Homes, Community Land Trusts and Limited-Equity Co-operatives. While the detailed designs vary, much of the US literature considers these models as a means of providing access to affordable home-ownership for lower-income households. These shared equity housing approaches have generally been delivered through non-profit organizations, and the programs generally seek to maintain longer-term affordability for subsequent purchasers.

Canada has a wide range of approaches and examples of shared equity housing including: Options for Homes, Habitat for Humanity, down payment assistance and rent-to-own programs, community land trusts, INHOUSE Calgary, life leases for seniors housing, and co-housing. These include some attributes of US models and address similar objectives. There is a lack of clarity in terminology with respect to the tenure status of residents, and there are no consistent regulatory frameworks across Canada. Therefore, there are variations in the mechanisms from province-to-province.

There was limited literature on the relationship of shared equity to seniors housing. A notable exception is the use of 'life leases' for seniors' projects. Although there are recent evaluations of US programs, no research on the benefits of shared equity versus other models was identified in this review.

4.2 APPLICABILITY TO SENIORS' HOUSING

While senior households may be able to participate in some types of shared equity arrangements, many of the homeownership programs in the US target first-time buyers or families.

In Canada, some mechanisms have been used for provision of housing for seniors, for example:

- **Community Land Trusts:** CLTs that retain ownership of land and provide sites on a land lease basis provide a mechanism for provision of seniors housing for ownership or rental. Since CLTs are non-profit organizations, their land holdings provide some assurance of long-term affordability of housing. There are some examples of CLTs being used for seniors housing in BC.
- **Life Leases:** In some provinces, the use of resident equity under 'life leases' has seen development of seniors' residences. This model is a hybrid of condominium tenure with which the seniors purchase an 'interest' in a housing development that can be 'sold'. Various models exist although there is a lack of a clear regulatory framework in almost all provinces.

- **Co-housing:** Recent years have seen an increased interest in 'co-housing' models that can serve seniors as well as all other types of households. These developments are typically based on market models under which the buyers/owners have title to their units but also share part of the 'common' facilities, similar to forms of condominium ownership. However, co-housing provides for an additional element of 'mutual support' that can provide added benefits beyond those in private condo development. To-date, the co-housing approach has not been based on a 'non-profit' model to ensure continuing affordability of the housing.

Depending on the price levels and the amounts of equity required, use of shared equity for seniors housing may not be accessible for lower income retirees. Where there are additional 'monthly' charges for residency, affordability for seniors may pose a challenge. Therefore, the potential for use of shared equity approaches for seniors is by no means clear based on the information available.

4.3 BENEFITS OF SHARED EQUITY MODELS IN GENERAL AND FOR SENIORS

The US literature identifies numerous potential benefits of shared equity housing, including:

- Improved access to home-ownership, particularly for first-time buyers and younger families;
- Ability for buyers to accumulate 'wealth' through housing;
- Improved stability and security of tenure as compared with rental tenure;
- More affordable housing through predictable housing costs;
- Ability of buyers to move 'up the housing ladder' and buy more adequate homes; and
- Improved affordability of housing over the long term (or in perpetuity) by restricting the increase in house values at time of re-sales.

Most of the benefits identified relate to younger households, and may be less relevant to seniors. The potential benefits for seniors depend to some extent on their wealth and income levels. Seniors with equity from previous home investment have a variety of options in the market place such as private condominiums and retirement communities. The added benefits of types shared equity (such as life leases) or co-housing may include more supportive communities that could meet changing needs over time or ensuring some stability in housing costs over time (although housing with monthly charges does not guarantee sustained affordability).

The 'expected' benefits are discussed widely in the literature. However, there is limited evidence on realizing these benefits. More in-depth research is required to better understand the short- and long-term benefits of these approaches for seniors housing.

4.4 MAJOR BARRIERS AND SUCCESS FACTORS IN SHARED EQUITY HOUSING FOR SENIORS

Numerous CMHC research reports and some US literature have discussed the barriers and limitations of approaches using shared equity. Most of the literature notes that these mechanisms have not been widely used, although there are more examples in the US than in Canada.

Some key barriers in both countries include:

- **Lack of consistent regulatory frameworks** (among US states and across Canadian provinces). In the US, the ability to 'restrict' individual property rights (particularly in perpetuity) is a legal issue. With the absence of specific regulations, the rights of individual owners have been challenged in the courts in some states. In Canada, only the Province of Manitoba has legislation governing life leases. The purchasers of life leases enter into a 'contract' (called an agreement) that specify the terms and conditions. When disputes arise (such as at the time of sale or if leases become part of an estate), the only recourse is to take the issue to court. Even though many participants in these alternative housing arrangements tend to be non-profit or charitable organizations, the lack of consumer protection has been noted as a concern in various studies and reports.
- **Lack of clear understanding of these alternative housing equity arrangements** has been noted as an obstacle to implementation. Information provided by government agencies stress the importance of consumers obtaining experienced, professional advice before entering into contracts and agreements. However, lawyers are more experienced with freehold or condominium ownership and rental than with these other types of arrangements which may make it more difficult to obtain legal advice.
- **Costs and capacity:** In the US, questions have been raised about what is described as 'stewardship' capacity for administering equity restrictions. Some have noted added administrative costs to operate shared equity measures. There is some evidence that the methods are more expensive to operate than other tenures and consumers may face added 'administrative' charges. This has been noted with respect to life lease plans that involve the 'operators' in resales.

Scalability of shared equity delivery models is a barrier that inhibits economies of scale. As noted above, the majority of organizations involved tend to be non-profits or local charitable groups. Further, many of the housing developments themselves are small 'projects'. As well, some small, local land trusts and life lease equity projects have encountered difficulties resulting in conversions to other forms of tenure.

With the limited use of innovative approaches and the short length of time they have been in use, it is difficult to determine the 'success' of specific models. Most of the research and information available to-date has been case study based, and the ability to generalize from these studies is not clear. One promising development is the formal evaluation of certain approaches in the US by the Urban Institute, a reputable, arms-length research organization. To-date, there is a lack of similar research in Canada.

Therefore, at this time, most of the potential benefits of these models remain to be determined.

4.5 POLICY ISSUES

In the US, rationales for shared equity approaches have been based on improving access to homeownership and/or measures that reduce the risks to lower-income buyers (Lubell (2013), Davis (2010), Temkin et al. (2103), and others). Lubell (2013) argues for providing an alternative between traditional homeownership and rental to address risk of owning (such as the risk of losses in declining markets, tying up all assets in a home, reduced mobility, and inability to afford a home in a desirable neighbourhood). Davis (2010) notes the failure of US homeownership programs for lower-income buyers since nearly half of the buyers fall back into renting within five years, and high foreclosure rates also produce negative impacts on neighbourhoods. Lubell (2013) suggests that shared equity ownership can provide most of the benefits of ownership with a lower risk profile.

The US literature raises a range of interrelated policy issues about shared equity approaches as follows:

- Generating savings or wealth for lower-income buyers of shared equity housing;
- Sustaining housing affordability over the longer-term and inter-generational wealth sharing;
- Equity issues between shared equity buyers who relinquish part of the economic gains accruing to their property versus other homebuyers;
- Efficiency in use of public or other (implicit) subsidy dollars to reach more households; and
- Achieving a balance between individual and community rights.

Wealth Generation: The 2010 Urban Institute evaluation of household benefits from shared equity homeownership found that the programs were successful in allowing purchasers to create assets while simultaneously creating a stock of affordable housing for subsequent lower-income buyers. However, the policy concern is with the lower rate of wealth generation for these homebuyers as compared with other homebuyers. A related concern relates to the effectiveness of this mechanism as a financial investment.

Mallach and Davis (2006) acknowledge the criticisms that shared equity owners have a lower return than other owners but argue that the reduced wealth generation attainable with shared equity approaches is reasonable given that participants make only a minimal equity contribution and have less risk, plus they have the ability to move up in the housing market. They also note that these owners may not have been able to participate at all in the ownership markets due to lack of access to financing. Further, in some programs, the sponsors may assume most of the risk of losses and, under sponsor buy-back arrangements, the program participants have more mobility in the housing market.

On the financial effectiveness, Temkin et al. (2013) found that shared equity owners earned similar returns from their homes as they would have done from investment in stocks or bond markets. However, Mendelson (2006) examined 12 Canadian low-income, home-ownership models and concluded that buying a home may not be the best way for low income households to acquire wealth, although with a lower risk profile in some shared equity programs it could be a better investment strategy. Based on financial analysis and considering various assumptions about private housing market price trends, he concluded that:

> *"From a strictly financial perspective, buying a house is not likely the best way for low income households to acquire wealth. …. Analyzed purely as an investment strategy, buying a house has many of the characteristics of a poor investment. "*
> (Mendelson 2006, Page 34)

In particular, he notes the high transaction costs, the illiquidity of the investment, and unpredictability (and risk) of the return. He also notes the failure rate of US programs for low-income homeownership, ranging from 13% to 52%. At the same time, there may be non-financial benefits of homeownership (such as, pride, security of tenure, etc.). From a public policy perspective, the relative merits of different designs depend on the extent of public subsidy required and/or the efficiency of implicit subsidies in self-financing models.

Sustainable Affordability Versus Equity Gain: Given the controls in most shared equity programs, there is some assurance that housing would remain affordable over time. Temkin et.al. (2013) found that homes remained affordable to lower-income buyers over time as homes were resold. The key issue is whether or not buyers benefit from the equity appreciation on market prices. Some programs include sharing of the market equity gains whereas other programs ensure that any such gain accrues to the sponsor which is generally a non-profit entity. When owners do not receive any part of equity gains, the benefits of wealth generation are limited to their contributions to equity in the homes. The ensuing issue is whether or not these are sufficient to enable them to participate in conventional market based ownership.

Alternate Tenure: There is agreement in the literature that shared equity creates an alternate to rental and ownership tenure. However, blurring the distinction has created some challenges with respect to the rights and responsibilities of the occupants. The lack of regulatory frameworks for shared equity has resulted in use of condominium regulations in some Canadian models (such as Options for Homes and co-housing), and he use of life leases in seniors housing depends on contract law to resolve disputes about agreements with sponsor organizations in most jurisdictions.

Not only are the tenure arrangements blurred but Caplin (2007) argued that shared equity has blurred the lines between debt and equity. A case in point is grants for homeowner downpayments or use of sweat equity contributions (as under Habitat programs). In these examples, second mortgages are registered against the property title to provide sponsor control at time of resale. With some models, it is relatively unclear who ‘owns’ what equity portions as well as the amount of market value appreciation that accrues to the homeowner. For many programs, owners are not leveraging their investment in housing and this restricts potential for asset growth.

Shared equity also represents an alternative form of housing financing, and some models (such as life lease for seniors housing) involve use of the residents’ equity in housing development. Other models rely on non-profit sponsor or charitable contributions (such as under community land trusts) to lower the cost of housing. In general, these equity contributions are ‘protected’ and retained for future occupants. Therefore, current owners pay a ‘fee’ or rent for use of the assets without any individual share of the collective equity.

With the focus on low-income homebuyers in the US, little has been written about the usefulness of shared equity for seniors housing. However, land trusts can be effective for developing housing for all groups, and the use of life leases for seniors housing is a relatively new addition to the landscape of alternatives in some parts of Canada.

Efficient Use of Funding: Even when there are no public subsidies for shared equity programs, many involve use of charitable or other community financial support and some type of ‘implicit’ subsidy to reduce the cost of homes or the cost of financing. Under these conditions, programs that can reach more of the target groups are more efficient use of available resources. The 2010 Urban Institute evaluation found that shared equity owners tend to move at about the same rate as other owners and implies that the programs are neutral with respect to market efficiency rates. In programs with direct subsidies (such as downpayment grants), the recovery period affects the availability of subsidy dollars to assist other eligible buyers. For other programs that are based on revolving funds of financing, the efficiency depends on the rates of repayments to the funds.

Balancing Rights: A central theme of the policy debate has been the need to obtain a 'balance' between the individual and community benefits of shared equity housing. It is significant that most shared equity models have developed in the non-profit sector, delivered and managed by non-profit organizations or sponsors. As Davis notes, the capacity of this sector to provide on-going stewardship has been central to ensuring sustainability of housing affordability over time.

As new and innovative models for shared equity emerge, the landscape of options has become more diverse and complex. Given that most of these arrangements are developed in the non-profit rather than the public sector, the options are not subject to public policy debate or direct government regulation or oversight. In both Canada and the US, the regulatory framework is complicated by the constitutional distribution of powers with respect to property rights. As a result, there are varied regulations across jurisdictions (that is, among Provinces or States), and models that work well in some locations may encounter challenges in other places.

5. Conclusions& Recommendations for Future Research

The research shows that a number of innovative approaches based on shared equity principles have been developed in Canada over the past decade. While there has been some case study research on selected projects, additional research could be useful in the following areas:

- The terminology used for shared equity models in Canada may provide a clearer basis for the analysis of benefits of alternatives;
- Analysis of the financial structures for life lease housing and implications for seniors' equity is a major gap in the research to-date. The use of seniors' equity as part of the housing finance model raises different issues than programs without equity contributions from participants. Comparison of the models used in Manitoba versus Ontario could provide useful insights;
- Alternatives outside the non-profit sector such as co-housing merit further consideration. The pros and cons of non-profit stewardship have not been examined in detail, and the capacity of this sector to expand use of alternative approaches needs further consideration;
- Interesting new models for use of community land trusts are emerging in Vancouver and Calgary and more detailed research could be useful to consider broader applicability and success factors. In addition, with an aging population, the usefulness of land trust models in relation to seniors housing, particularly in smaller communities, merits further consideration; and
- Further research is needed on the comparative benefits of different types of shared equity housing as well as in relation to other models and for different types of households. Design factors (such as for subsidy recovery versus sharing of value appreciation in relation to market values) have differing effects for the beneficiaries of these programs.

  In particular, a survey of housing organizations and other experts on the benefits and effectiveness of shared equity housing could be extremely informative. The application of shared equity principles for seniors' housing also merits further research, and key informant interviews with housing providers involved with life leases and cohousing would be useful to assess the potential for broader application of these approaches.

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Government of Manitoba (Retrieved March 2015) General Information – Life Leases Residential Tenancies Branch, Government of Manitoba. (www.gov.mb.ca/cca/rtb/lifelease/geninfo.html)

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_____ (2012) Building a Better City: The Social Impact of Habitat for Humanity Homes in Toronto.

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Lazaruk, Susan (2012) "Shared Equity Housing No Fix for BC Affordability Woes: Critics", The Province, February 5.

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Mallach, Allan (2006) Preface from Shared Equity Homeownership, National Housing Institute.

Mendelson, Michael (2006) *Building Assets Through Housing*, Caledon Institute and Canadian Housing and Renewal Association, May.

Ontario Ministry of Municipal Affairs & Housing (MMAH) (2014) *Life Lease Housing Resource Guide Questions & Answers For People Considering Life Lease Housing*. (www.mah.gov.on.ca/AssetFactory)

Sherriff, Ryan (2010) "Shared equity homeownership state policy review" Journal of Affordable Housing & Community Development Law 19.3-4 (Spring-Summer 2010)279+.

SPR Associates Inc. (2012) *Building Families Futures & Opportunities Through Habitat Homeownership: A Research Report of Habitat for Humanity Homebuyers in Canada*, Report prepared for CMHC, December.

Temkin, Kenneth M., Brett Theodos& David Price (2013) "Shared Equity with Future Generations: An Evaluation of Long-Term Affordable Homeownership Programs in the USA", *Housing Studies,* 2013, Vol 28, No. 4, 553-578.

Theodos, Brett, Dina Eman, Rob Pitingolo (2010) *Performance Evaluation of the Household Benefits of Shared Equity Homeownership*, Urban Institute. (http://www.urban.org/shared equity/)

Selected Websites for Canadian Examples

Denman Community Land Trust Association, BC (www.denmanaffordablehousing.org)

Vernon & District Community Land Trust, BC (www.communitylandtrust.ca)

Canadian Cohousing Network (www.cohousing.ca)

Canadian Seniors Cohousing Network (www.cohousing.ca/seniorscoho.html)

Wolf Willow Seniors Cohousing (www.wofwillow,ca)

Canadian Centre for Community Renewal (http://communityrenewal.ca)

Community Land Trust (www.chltf.ca)

Examples of Ontario Life Lease Seniors Housing Project websites:

www.theuptown.ca/lifelease

www.comfortlife.ca/retirement

www.bayfieldmews.ca

www.aldersgatevillage.com

www.riversidelifelease.com/life

www.georgianvillage.com

Annex B:
Annotated Bibliography on Shared Equity

Title	Alternate Tenure Arrangements
Author (Source)	CMHC Research Highlight, Socio-Economic Series 65 (www.cmhc.ca)
Date	February 2007 (Revised)
Jurisdiction(s)	Canada
Scope	30 case studies of alternate tenure types (life leases, equity co-ops, leaseholds, shared equity, co-housing)
Shared Equity Models Covered	**Shared equity** defined as arrangements to make homeownership more accessible for people with low income. "There are few newly emerging shared equity arrangements in Canada." (Page 4) Two examples: Rehab of inner city homes (earn equity over time period) **Co-housing** defined as collaborative housing communities where each household owns its residence plus share common facilities. "There are only 5 occupied cohousing communities (as of 2007)" but 16 more under development. (Page 4) **Equity co-ops** are defined as co-ops financed by the members without government subsidies. "18 equity co-ops have been developed in BC, Alberta and Quebec, 12 of them for 55+ market." (Page 3) Some have been converted to strata title condo which limits liability for individual members. **Life leases** are defined as a legal purchase of the right to occupy a dwelling for life with payment of an initial lump sum plus monthly costs. Most are non-profit and for 55+ market. "There are probably 200 projects" mostly in Manitoba and Ontario. (Page 3)
Relevance to Home Ownership & Tenure Types	All types relate to forms of ownership tenure types.
Relevance to Seniors	Any of these types could apply for senior households.
Public/Private Roles	Mostly privately financed for private ownership but government subsidies can be apply to target units to make accessible to lower income groups. Community non-profits use some of these alternatives.
Other Comments	Alternate tenure arrangements in Canada have increased since 2000. However, the scale of development has been modest.

Title	Shared Equity
Author (Source)	CMHC website (retrieved February 20, 2015: www.cmhc.ca)
Date	2015
Jurisdiction(s)	Canada
Scope	Two case examples: McPherson Place, Calgary (a non-profit (INHOUSE)/private (New Urban Development) partnership for owner condo project Verdan@University, Burnaby developed by partnership of SFU Community Trust with Vancity Enterprises and reSource (for SFU faculty and staff)
Shared Equity Models Covered	Definition: "Shared equity is a strategy for promoting homeownership among lower- to moderate-income households. In this approach, the project proponent pays the entire initial down payment and receives a financial return by sharing the equity appreciation of the home with the homeowner. Some proponents may further assist homeowners by providing down payment loans with no interest or at a low interest rate."
Relevance to Home Ownership & Tenure Types	Shared ownership or equity partnership can improve access to homeownership for lower income households or those who cannot obtain mortgage financing or by providing a downpayment loan. These options are expected to contribute to longer-term affordability by reducing equity appreciation on sale by individual owners ('limited equity approach').
Relevance to Seniors	Depends on the target markets for specific types of projects
Public/Private Roles	Can be done with NP/private sector partnerships.
Other Comments	To ensure positive appreciation for the shareholders depends on positive market conditions. Restrictions can be placed on equity increase (e.g. cap on equity at 20% below market prices on resale).

Title	Critical Success Factors for Community Land Trusts in Canada, Research Report, 2005, and CMHC Research Highlight Socioeconomic Series 05-010 (**see additional CMHC sources noted below)
Author (Source)	Housing Strategies Inc.
Date	2005
Jurisdiction(s)	Canada
Scope	12 case studies (8 in Canada and 4 in US)
Shared Equity Models Covered	The research report does not address shared equity directly, but demonstrates how CLTs have been used with 'lease' arrangements in developing housing. CLT ownership of the land limits the resale value of homes by retaining a portion of any appreciation in house values. As non-profits, CLTs can contribute to maintaining affordability over time. The report identifies 3 types of CLTs: Co-operative CLTs, Lease-to-own CLTs and Facilitative CLTs.
Relevance to Home Ownership & Tenure Types	CLTs address mainly the cost of land although they can have effects on the shares of equity appreciation to owners. Lease to own CLTs can be useful in promoting home ownership. However, the ability to reach lower income homebuyers without additional assistance depends on house prices.
Relevance to Seniors	The report does not address the relevance to seniors housing.
Public/Private Roles	CLTs are generally non-profits and often work in partnership with co-operatives and other non-profits. Public sector subsidies are not required but may also be attached to improve accessibility or affordability of housing.
Other Comments	While there is more experience in the US than in Canada with CLTs, the Community Housing Land Trust Foundation in BC has been in operation since 1993 (see other reference sources). In 2013, It entered into an agreement with the City of Vancouver for four sites owned by the City to develop non-profit and co-op housing.

Additional CMHC research on Land Trusts:

- CMHC (1995) Land Trusts for Our Future: A Guide to Land Trusts and Affordable Housing in Canada.
- CMHC, Land Trusts & Self-Help: Report of a CMHC/CHRA Symposium, December 3-4, 1993.
- CMHC, Land Trusts for Non-Profit Continuing Housing Co-operatives (Prepared by Communitas Inc., May 1985).

Title	Linking Affordable Housing Policies to Usage: Case Studies of Municipalities in BC
Author (Source)	Report prepared for Community Housing Land Trust Foundation (CHLTF), by Lumina Services Inc. and Urban Aspects Consulting Group Ltd.
Date	November 2001
Jurisdiction(s)	British Columbia
Scope	Looks at planning tools related to developing affordable housing, and conducted interviews with municipal officials and housing advocates.
Shared Equity Models Covered	Nothing on shared equity models.
Relevance to Home Ownership & Tenure Types	NA
Relevance to Seniors	NA
Public/Private Roles	NA
Other Comments	NA

Title	Shared Equity Homeownership. The Changing Landscape of Resale-Restricted Owner-Occupied Housing
Author (Source)	John Emmeus Davis, National Housing Institute
Date	2006
Jurisdiction(s)	US (Includes some examples from Canada, UK and others)
Scope	Includes 9 case profiles of examples in US cities
Shared Equity Models Covered	Focus is on shared equity for home ownership. Argues that SEH is an alternate form of tenure. The NHI took the lead in developing the new terminology for SEH and change of name from limited equity (see Davis 2010). Most comprehensive discussion of the models and relationships to other types of tenures and programs. Provides overall conceptual framework. Discusses detailed rationales for the options and 3 types: - Deed-Restricted Homes; - CLTs; and - Limited Equity Co-operatives (LEC). Discusses 'risks' with different mechanisms.
Relevance to Home Ownership & Tenure Types	Report is focused only on ownership but he develops notion of a 'tenure ladder' with missing rungs. Sees shared-equity as 'third sector' (versus rental and ownership) but note that in Canada this term is used for NPs & co-ops (as distinct from public and private sector housing).
Relevance to Seniors	Not specific to seniors but could be relevant.
Public/Private Roles	Covers all forms of partnerships and roles of public, NP and private sectors.
Other Comments	Need to consider differences in Canada – but excellent source document. Does not discuss co-housing approach.

Title	"Filling the Void Between Homeownership and Rental Housing: A Case for Expanding the Use of Shared Equity Homeownership." Paper presented at: Homeownership Built to Last: Lessons from the Housing Crisis on Sustaining Homeownership for Low-Income and Minority Families, A National Symposium held April 1-2, Harvard Business School, Boston, Mass.
Author (Source)	Jeffrey Lubell
Date	2013
Jurisdiction(s)	US
Scope	
Shared Equity Models Covered	**Shared Equity Homeownership (SEH)** defined as "a tenure choice that provides most of the benefits of homeownership at a lower price point, facilitating access to homeownership by low and moderate income households. Under SEH, home price appreciation is shared between the homebuyer and the program sponsor to achieve a balance between the individual's interest in building wealth and the community's interest in ensuring long-term affordability." (P.2) Lubell argues that the salient characteristic is this balance between individual and community benefits i.e., goes beyond the benefits of affordability (initial or longer term). Applies this definition to home-buying grants/incentives with recovery on resale and caps on equity recovery by buyer. He argues it reduces risk/reward profile for buyers. Refers to an evaluation of 7 programs (Urban Institute Study, 2010): found programs achieved initial affordability and TRO purchasers on resale + ROI >T-bond & stock market. (P.8) Purchasers' ROI on DP+closing costs ranged from 6.5% to 59.6%. Only empirical study. (Temkin, Theodos and Price) 2nd argument – SEH reduces risks of equity loss & foreclosure. Study by Thadder (2011) on CLTs showed lower foreclosure rates for CHT homes than in market. (Major differences in rates 0.46% v 4.63% delinquency and 1.20% v 8.57 serious delinquency.) Even more remarkable given CHT owners were low income.
Relevance to Home Ownership & Tenure Types	Notes difficulty in generalizing because SEHs are very diverse and market conditions vary a lot. Two types of models: - Subsidy retention by sponsor (to maintain long term affordability) - Shared appreciation loans Some authors say only first is SEH (not second) Davis 2006. But some programs include elements of both! Jacobson and Lubell (2007) use same 3 types at Davis 2006. BUT (Page 16) – there are not 'sharp definitional boundaries' – blurring of lines!
Relevance to Seniors	NA
Public/Private Roles	NA
Other Comments	Page 22: 'little question that SEH more complex and expensive to administer than many other homeownership programs" (e.g. HOME funded HO programs give grants/forgiveable loans). Added costs for sellers = 1-4% of sale price. Work best in strong markets! Complicated for consumers to understand, lack of standardization (problem for lenders financing mortgages), political barriers (create second class owners), scalability?

Title	Performance Evaluation of the Household Benefits of Shared Equity Homeownership
Author (Source)	Brett Theodos, Dina Eman, Rob Pitingolo Urban Institute Note: a second evaluation is underway: "Impact and Implementation Evaluation of Shared Equity Homeownership Program." (Baseline report to be issued in 2014 followed by an outcome report in 2016.)
Date	2010
Jurisdiction(s)	US
Scope	US – seven community programs across the US
Shared Equity Models Covered	2010 evaluation found: 'shared equity programs are successful in creating homeownership opportunities for lower income families that allow purchasers to accumulate assets, while simultaneously creating a stock of affordable housing that remains within reach of subsequent lower income homebuyers. Moreover, homeownership among shared equity programs is sustainable, and SE homeowners resell their homes with the same frequency and for the same reasons as other homeowners." (http://www.urban.org/shared equity/)
Relevance to Home Ownership & Tenure Types	Deal with range of SEH models for low-income homeownership and demonstrates positive benefits for homebuyers who participated. The evaluation did not use comparison groups (e.g. homeowners in traditional programs).
Relevance to Seniors	NA
Public/Private Roles	NA
Other Comments	Suggests areas for further research

Title	Preface from Shared Equity Homeownership (Davis 2006)
Author (Source)	Alan Mallach, Research Director, NHI
Date	2006
Jurisdiction(s)	US
Scope	Homeownership
Shared Equity Models Covered	Links SE to overall goal of US housing policy of 'promoting homeownership as a social good and increasing the ranks of homeowners among the nation's lower-income households." Risks (foreclosures) and uncertainties have 'brought out clearly the need for alternatives to conventional homeownership strategies." Therefore, alternative strategies to not only support access to ownership, they help mitigate some of the risks, can support sustainable affordable housing and stabilize neighbourhoods. "SE homeownership ensure that homes remain affordable to lower-income households on a long-term basis by restricting the appreciation that the owner can retain." He notes that the concept of restricting the home value appreciation that flows to the owner on resale has been criticized because it reduces opportunity for wealth generation and infringes on individual property rights. Mallach notes that these are not frivolous concern. However, this needs to balanced with the fact that public subsidies are being used to promote ownership.
Relevance to Home Ownership & Tenure Types	Arguments tied directly to policies on homeownership.
Relevance to Seniors	NA
Public/Private Roles	Makes policy link but assumes that the mechanisms (for equity recovered) can be implemented through project sponsors and that it is feasible to recover shares of equity appreciation on resale.
Other Comments	NA

Title	"Shared Equity Homeownership State Policy Review" *Journal of Affordable Housing & Community Development Law* 19.3-4 (Spring-Summer 2010), 279+ (Original report published in January 2010 by Centre for Housing Policy.)
Author (Source)	Ryan Sherriff
Date	2010
Jurisdiction(s)	US – detailed review of programs and policies in 22 states that either support or hinder the development of shared equity homeownership' units by state and local governments or nonprofit organizations. In some cases, legal and regulatory policies stand in the way of local programs, making it difficult to preserve affordable ownership.
Scope	US
Shared Equity Models Covered	Cover range of programs (state and local) to create and or sustain affordability of homeowner units. Many States do not specify hoe the value of homes should be assessed for taxation purposes. Some state constitutions and laws that do not allow long-term restrictions on private property. There are no consistent standards and guidelines. Article notes successful court challenges to 'deed restrictions'. Some States leave these restrictions up to local discretion. Tax fairness issues arise – some argue that it is unreasonable to tax owners on the market value of a property when price-restricted owners cannot fully realize the value on selling the home. (This affects CLTs). Owners have successfully challenged appraisals in courts. Other states have special statutes that exempt price restricted land holdings or apply special tax rates.
Relevance to Home Ownership & Tenure Types	The report identifies the need for consistent state-wide provisions (rather than local discretion). States have multiple programs that may encourage or require long-term affordability. The most common types of programs are downpayment assistance/second-loan programs and State housing trust funds. These can provide financing for affordable ownership. However, some states favour use of trusts for rental programs or target the lowest income groups. The federal HOME program is more commonly used by States to fund downpayment assistance program. Some States give flexibility to localities on whether or not these HOME down payment are repayable Land use an d planning requirements also affect development of sustainable affordable housing. The author notes the impacts of mechanisms such as density bonusing and inclusionary zoning. Other example include Smart Growth requirements. These are 'incentive-type' provisions. Stewardship and capacity to regulate and enforce equity restrictions is a major obstacle. Some States have assistance measures to improve capacity.
Relevance to Seniors	NA
Public/Private Roles	Mainly deals with State and local regulations.
Other Comments	Although the report deals in details with State statutes, the lack of consistency across jurisdictions could be a similar issue in Canada where regulations vary across municipalities.

Title	"Shared Equity with Future Generations: An Evaluation of Long-Term Affordable Homeownership Programs in the USA." *Housing Studies*, 2013, Vol. 28, No. 4, 553-578
Author (Source)	Kenneth Mark Temkin, Brett Theodos& David Price
Date	2013
Jurisdiction(s)	US
Scope	Urban Institute evaluation covering 7 shared equity programs across the US
Shared Equity Models Covered	*"Shared equity initiatives provide homeownership opportunities to low- and moderate-income families who buy homes at below market prices. The appreciation that can be earned by resellers is limited to preserve the homes' affordability at resale." (Page 553)* *As noted in the article " Any SE program has two competing objectives: provide homebuyers with a means to accumulate wealth while at the same time keeping the units affordable for subsequent homebuyers." (Page564)* *"Shared equity programs have been promoted as a cost-effective method to help low-income families build wealth through sustainable homeownership, while at the same time providing a permanent supply of units that remain affordable over time." (Page 574) The results support this claim.* The article review findings of the evaluation of 7 programs targeted to low and moderate income buyers.
Relevance to Home Ownership & Tenure Types	Relates to low-income homeownership. Article reviews rationales for ownership and SEHs. Suggests that SEHs reduce risks for buyers (e.g. by buying ay below market prices reduces risk of negative equity if prices fall). Empirical results from evaluation showed: - homebuyers earned returns that were competitive with investing in stocks or bonds - homes remained affordable to lower income buyers over time as homes were resold - homeownership was sustainable – very low delinquency rates and foreclosures - many owners who sold were able to use proceeds to buy market priced homes - no evidence that owners were locked in place and moved to new homes at rates near the national average
Relevance to Seniors	NA
Public/Private Roles	NA
Other Comments	Comparisons across programs showed that formulas vary and affect the long-term affordability of house prices, i.e., increasing amount of equity appreciation to sellers notably reduces long-term affordability. (Trade-off between equity and affordability). But changes in taxes and insurance costs also affect affordability levels (Exogeneous factors). **Results:** "Outcomes were not clearly related to the type of SE model" (Page 575), i.e., no significant differences in outcomes by type of SEH. **Conclusion:** If so successful – why so small? - Niche market (subset of low-income families who want to buy) - Constraints on supply – need on-going stewardship, higher admin. costs - Lack of lender understanding of product (& provide financing)

Title	"More Than Money: What is Shared in Shared Equity Homeownership?" *Journal of Affordable Housing & Community Development Law,* 19.3/4 (Spring 2010) 259-277.
Author (Source)	John Emmeus Davis
Date	2010
Jurisdiction(s)	US
Scope	Low income homeownership SE models
Shared Equity Models Covered	In this paper Davis argues that "SEH is a sector in flux with new models or new permutations of older models appearing every year.' (Page 259) He suggests that these models have shown resiliency. It discusses the focus on managing and minimizing risks and protecting homeowners from foreclosure. However, he notes that no plans are immune to failure and introduces the notion of 'gentle failure'. The paper explains the shift in terminology from limited equity to shared equity. Proposes a working definition of SEH (Page 265): "SEH is a generic term for various forms of resale-restricted, owner-occupied housing in which the rights, responsibilities, risks and rewards are shared between an income eligible household who buys the home for a below-market price and an organizational steward who protects the affordability, quality, and security of that home long after it is purchased."
Relevance to Home Ownership & Tenure Types	Discusses some of the issues in designs for SEHs such as - Length of terms. E.g. the gold standard is 'forever' but to-date programs have used 30 yrs as a rule of thumb in deciding which models count as SEHs. However, the intent is for covenants to be 'reallocated' (extended) multigenerationally, spanning multiple resales. (If the 30 year time is reset at every resale, this can ensure permanent restrictions and affordability.) - Governments have turned to the non-profit sector for stewardship – and requires long term stewards. Article cites another argument in favour of SEHs – higher failure rates for low-income buying under traditional home-owner programs. Argues that 'attainability' (as policy goal for homeownership) sets the bar too low) – 'sustainability' of affordable homeownership over time is a higher goal.
Relevance to Seniors	NA
Public/Private Roles	NA
Other Comments	Engineering concept of 'graceful failure' interesting notion – no such thing as absolute failure proof.

Title	"Shared Equity Mortgages, Housing Affordability, and Homeownership" Housing Policy Debate, Volume 8 Issue 1, 209-242.
Author (Source)	Andrew Caplin, James Carr, Frederick Pollock, Kheng Mei Tan, Trivikraman Thnampy
Date	2007 Fannie Mae Foundation
Jurisdiction(s)	US
Scope	US financial markets for the new mortgage products
Shared Equity Models Covered	This article presents results of financial simulations on an alternative mortgage product that could provide reduced risks to borrowers and investors. Investors receive part of their return on investment from a share of the equity appreciation at resale. This article argues that new shared-equity mortgages would increase US homeownership rate by 1-1.5%. Suggest that households would prefer SEMs to interest-only mortgages and other current products and securitized SEMs would provide value to investors. Therefore, financial markets would value shares in individual housing returns more highly than prospective homeowners. (Page 209)
Relevance to Home Ownership & Tenure Types	While the simulations show positive results, there are a number of issues with the proposed alternate mortgage product. The authors discuss the issue of length of tenure and self-selection by owners who plan long-term residence. In addition, the novel mortgage instrument 'would require major overhauls of the regulatory, legislative and fiscal structures relating to US mortgages'. (Page 239) The feasibility of these overhauls is not assessed in the article. The paper does not discuss SE models or how this might relate to mortgage financing under US programs for low-income buyers.
Relevance to Seniors	NA
Public/Private Roles	Private lenders would need to develop well-design mortgage products with consumers and investors. There would be a major role for regulatory bodies to reform the structure.
Other Comments	

Title	INHOUSE, Calgary (On-line information)
Author (Source)	INHOUSE Society
Date	2009
Jurisdiction(s)	Calgary, AB
Scope	Program provided through INHOUSE, a non-profit society – McPherson Place project (see case study on CMHC website)
Shared Equity Models Covered	Shared equity housing finance model: - Shares cost of home purchase - City of Calgary partnered with INHOUSE – provided long-term loan for land acquisition. The City purchased 58 units in the project for tenants of Calgary Housing Corporation. - Qualified low to moderate earners purchase without a downpayment with a reduced mortgage of 60-80% (avg. 65%) of the homes full market value. Purchasers must qualify for 5-year CMHC-insured mortgage and net worth cannot exceed 25% of the mortgage. - The remaining amount of purchase price is contributed through a partnership with the developer and land owners i.e. deferred land value and developer's equity - SELF = Shared Equity Lender Financing - Lower initial purchase price and makes mortgage payments more affordable - Homebuyers begin accumulating equity through mortgage payments to build wealth. - Operates as condominium – owners pay condo fees, their hydro, Internet, cable) - 10 year control period – restrictions i.e. sales are managed by INHOUSE (suites cannot be rented or sold on the open market and must be owner-occupied). (Within 10 yrs, owners can move and sell their units back to INHOUSE) - Homeowners own a % of equity in the suite. They receive that % of the new market price when they move. - After 10 years, the shared-equity partnership is dissolved. They work with owners to refinance their mortgages for 100% of the equity or to sell at market value. You can sell to anyone. - Owners do not have to repay downpayment at resale. But they forfeit part of the equity appreciation.
Relevance to Home Ownership & Tenure Types	Provides access to homeownership without downpayments and with more affordable mortgage payments. Project includes mix of tenures – and over time the owners may move OUT of shared-equity plan to full equity ownership with freedom to sell units for full market value. Therefore, impacts for long-term affordability unclear.
Relevance to Seniors	NA
Public/Private Roles	Partners include: City, developer, non-profit .
Other Comments	Provide mix of tenure in project because City purchased some units for low-income rental (RGI).

Title	Options For Homes
Author (Sources)	"Options for Homes Non-Profit Corporation: A Model for Creating Affordable Housing" Presentation by Michel Labbe, President. (see website for Option for Homes) Also see: CMHC website (www.cmhc-schl.ca.ca)
Date	Former in 1992, Toronto-based NP to develop ownership housing for moderate income HHs without subsidies. Has developed 9 projects in Ontario (approx 900 homes).
Jurisdiction(s)	Canada
Scope	Options for Homes is a non-profit corporation that develops ownership housing projects – variously described as condos or 'co-ops'.
Shared Equity Models Covered	Units sold at cost. Buyers pay % down payment. (Moderate units, no frills, minimal marketing costs, etc.) Options hold second mortgage (called value-added Alternative Mortgage) equivalent to 15% less than market value. Owners make no payments on 2nd mortgage but it is paid to Options on resale. Therefore, Options shares in market value appreciation. Options uses proceeds to develop more affordable projects but takes a long time (20+yrs) to build equity and achieve a larger scale. . Private non-profit model but has received some fee waiver + F/P grants and some land was publicly owned to reach lower income HHs. Target is lower-moderate income HHs.
Relevance to Home Ownership & Tenure Types	Target group is former renters who cannot afford entry into ownership market.
Relevance to Seniors	Not specified – but could be multi-generational.
Public/Private Roles	Works with groups in other cities (as separate NP providers) to expand to national scope.
Other Comments	Options is sharing in any windfall (increased value). But owners have their original 5% equity down payment + their share of equity growth. Since owners sell at market price, there seems to be no mechanism for long-term affordability. However, projects are modest (no frills) which may keep prices low end of market.

Title	Attainable Housing Calgary Corporation INHOUSE Calgary and includes McPherson Place.
Author (Source)	Article in The Province, Feb 5, 2012 "Shared Equity Housing No Fix for BC Affordability Woes: Critics" by Susan Lazaruk See: www.ahcc.ca
Date	2009-2015
Jurisdiction(s)	Attainable Housing Calgary Corp (AHCC) is a city owned non-profit corporation formed in 2009.
Scope	Work with developers to get units for sale. (Sold about 100/units a year over past 5 years.) Objective to give moderate income/working people a step onto the ladder.
Shared Equity Models Covered	Deed-restricted home-ownership – receive a 5% forgivable down payment loan id owners can put down $2,000. (Incomes $53-80,000) In exchange, when they seek, owners forfeit .25 to .75 of earned equity to Attainable Homes. Attainable Homes uses proceeds to fund downpayments for other buyers. (Appears to have no controls on selling prices to maintain affordability.)
Relevance to Home Ownership & Tenure Types	Improves access into ownership and buyers earn some equity when they sell.
Relevance to Seniors	Not clear.
Public/Private Roles	Publicly funded but recoverable subsidy. (Call it a 'gifted' downpayment – but in effect the subsidy is more than recovered at resale.)
Other Comments	

Title	CoHousing
Sources	Canadian CoHousing Network (www.cohousing.ca) [See website for more resources for groups.] Wolf Willow, Saskatoon (www.wolfwillow.ca) Charles Durrett, *The Senior Cohousing Handbook*, 2nd ed., A Community Approach to Independent Living, 2009 "Vancouver co-housing movement gains traction" by Kerry Gold, Special to Globe and Mail, October 24, 2014
Date	Post 1990s
Jurisdiction(s)	North America – In Canada, BC is leading the way with project but are some in ON, AB, SASK.
Scope	Multi-generational, families or seniors projects
Background & Models Covered	Relatively new concept in Canada. Active network of groups involved in forming groups or developing co-housing Durrett brought idea to NAM and wife Kathryn McCamant work extensively (Creating Cohousing Building Sustainable Communities)
Relevance to Home Ownership & Tenure Types	Co-housing projects use private ownership of units with condominium model. Individual owners own their own units plus a share of common spaces and facilities. Concept originated in Denmark in 1964. Introduced in NAM in 1990s. Currently >130 projects completed – more in development. Different from co-ops and condos. Includes collaboration as a community to develop projects, run by board of residents, includes collaborative activities. Privately financed (by owner equity and private mortgages) i.e. does not require subsidies. Generally begin as a 'non-profit' to hold land and develop project. On occupancy transferred into registered condominium (Condominium Act). Owners free to sell their units at market prices (as in other condo projects). No controls or sharing of equity.
Relevance to Seniors	Most projects multigenerational. First Canadian Seniors co-housing project (Wolf Willow, Saskatoon) opened in 2012. For seniors projects, cohousing uses co-care idea to help other residents who need assistance.
Public/Private Roles	To-date seems mostly private (self-directed).
Other Comments	No information about equity sharing or deed restrictions. Some groups tried to influence who buys units and moves in but that was not found to work too well. Owners free to sell to any interested buyers on the assumption that they will not stay if it is not a good fit for them. New ideas emerging: Can be a stand alone project but could also be a 'part' of a larger housing development (e.g. with a private builder or a section of a condo project such as a floor or two). Model depends of buyers with sufficient resources to buy/finance a unit. Not that accessible to lower-income households.

<table>
<tr><td>Type</td><td>UK Shared Ownership Approaches</td></tr>
<tr><td>Sources</td><td>On-line research & press articles. For example:
“Hidden Dangers of Shared Ownership” – The Guardian, 2013, and
“Shared ownership: why is it not working for first-time buyers?”, 2014 (www.theguardian.com)
Report by Gateway Housing Association, 2014.
Study by University of Cambridge, 2012.
Report by Shelter (2014?)</td></tr>
<tr><td>Programs to support ownership</td><td>There are 2 types of programs:
Publicly –supported equity sharing (types of down payment loans or rent to own where buyers gradually buy shares) [Called HomeBuy] They pay rent on the rental portion. Various schemes:
New Build HomeBuy
HomeBuy Direct
Open Market HomeBuy
Social HomeBuy
FirstBuy (first-time buyers launched in 2011. Tops up equity between 5% down and 75% mortgage with funding equally from the Housing and Communities agency and the developers’ equity. Only available on select new builds.)
Private/investor shared equity - no subsidies. Buyers take 75% mortgages and investors cover difference between owner down payment and the mortgage. Typically runs for 5 or 10 years and then owners can buy out the investor at the share of market value. Owners pay rent on the investor’s share.
Target different income groups. But all seem to be aimed to get people on to the ownership ladder.</td></tr>
<tr><td>Assessments</td><td>Critical articles (The Guardian) in media about ‘risks,’ e.g. when owners fall into arrears on ‘rents’ payable they can lose their homes even when mortgage payment are made. Recovery of owner equity under these conditions is legally complex because they are both owners and tenants. This seems to be happening in high priced markets (e.g. London). Suggests that few first-time buyers move on from their part-owned home (i.e., fall into negative equity). Reports show many (4/5) still unable to buy and pay all the fees and costs.</td></tr>
<tr><td>Applicability to Canada</td><td>Markets are very different in UK.
Some parts of Canada (e.g. Ontario) experimented with sale of public units to tenants several decades ago. These pilots did not go well. There were some tenure conversions (e.g. public housing to co-op, or LDs to NP/co-op) and these seemed to be more successful.</td></tr>
</table>

Topic	Community Land Trust – Vancouver, 2013 (CHLTF)
	In May 2013, the City of Vancouver leased four City-owned sites to the CHLTF with 99 years at a nominal rent for development of affordable housing. The CHLTF is working with non-profits and co-ops to develop projects for low-income people (355 units).
	The NP/co-op partners are investing about $4M of their own equity. The City will not be providing any ongoing subsidy to partners or residents. The Land Trust is leasing commercial space on one site and using the proceeds to reduce costs of other development plus revenues from a townhouse projects will increase affordability at other properties.
Ownership	There is no indication of mixed tenures in this development, i.e., no homeowner component. The land equity is retained by the City of Vancouver and the equity in the buildings will be owned by the NP/Co-ops participating. The main advantage of using the CHLTF lies in the increased efficiency of administration of several sites through one Land Trust.

Title	Financing Seniors' Housing Projects Using Resident Equity, Final Report
Sources	BC Non-Profit Housing Association
Date	October 2008
Jurisdiction(s)	British Columbia and other parts of Canada
Scope	Covers life lease projects in BC and examples from other provinces.
Background & Models Covered	Life Lease Case Studies of Projects in BC Outlines success factors from case studies
Relevance to Home Ownership & Tenure Types	Addresses use of seniors' equity for development of seniors housing by non-profit societies.
Relevance to Seniors	Yes – focus on seniors.
Public/Private Roles	Focus on role of non-profits. Also discusses application of some BC Housing programs and the provincial SAFER program for seniors.
Other Comments	Excellent report and includes annexes with sample leases and *pro formas.* Designed to provide information for non-profit societies interested in developing life lease housing.

Title	Life Lease Housing Resource Guide Questions & Answers For People Considering Life Lease Housing
Sources	Ontario Ministry of Municipal Affairs & Housing (MMAH) www.mah.gov.on.ca/AssetFactory
Date	2014
Jurisdiction(s)	Ontario
Scope	Guide for seniors considering purchasing life lease housing. Provides definitions of all types of life lease plans.
Background & Models Covered	Cover many of the issues, pros and cons that consumers need to be aware of before purchasing a life lease. Useful for government agency to provide clear information to help consumers to interpret information provided on websites for life lease projects.
Relevance to Home Ownership & Tenure Types	Clarifies the status of a life lease in comparison to rental, ownership, and condominium housing. Also include good table on different types of life lease models. Discusses sale of life leases and the costs (charges) by the housing sponsor. Notes that project sponsors promote themselves as 'affordable' due to the non-profit sponsors that may have had donated land etc..
Relevance to Seniors	YES – specifically for seniors. Should be noted that more project have age restrictions. The sponsors do not allow a younger family member to move in with the seniors (but most allow a caregiver to move in). Also, if a younger family member inherits the unit they would not be allowed to live there. However, someone who inherits the life lease in an estate is also responsible for paying monthly charges until the unit life lease is sold.
Public/Private Roles	Specifies that there are no government life lease regulations. Does note that this housing is subject to other regulations on building standards, planning regulations, fire codes, etc.
Other Comments	Excellent guide with clear explanations of the concepts and terms applying to life lease seniors housing. Also includes useful information for family members who may inherit a life lease.

Examples of Ontario Life Lease Seniors Housing Project websites:

www.theuptown.ca/lifelease

www.comfortlife.ca/retirement

www.bayfieldmews.ca

www.aldersgatevillage.com

www.riversidelifelease.com/life

www.georgianvillage.com

Title	General Information – Life Leases Residential Tenancies Branch, Government of Manitoba
Sources	www.gov.mb.ca/cca/rtb/lifelease/geninfo.html
Date	Retrieved March 14, 2015
Jurisdiction(s)	Province of Manitoba
Scope	Public information
Background & Models Covered	Outlines definition, terms and conditions based on Manitoba's Life Leases Act.
Relevance to Home Ownership & Tenure Types	Clearly defined life lease as 'a specific kind of written tenancy agreement. Under a life lease, a tenant pays an entrance fee for a rental unit. Therefore, Manitoba has defined in legislation that a life lease is a form of rental housing – with a upfront lump sum payment that is a fee rather than an investment of equity. It notes the lease may be for life or a specific term. It states specifically that a life lease tenant does NOT own their unit. This clearly defines the sponsor organization as a landlord. This is distinct from Ontario's life lease projects that are generally based on market value land lease.
Relevance to Seniors	YES – specific to seniors
Public/Private Roles	The roles and responsibilities of the government are clearly defined. The Residential Tenancies Branch administers the Life Lease Act and provides advice to landlords and tenants and makes decision on the tenants` rights to end leases, how much the landlord can increase rents, whether a tenant has to move out, whether the landlord can keep any part of the entrance fee, etc. This provides some form of oversight and protection of the rights of the tenants (similar to any rental housing). Landlords have to register that there are life leases in a building against the title to the property.
Other Comments	Manitoba program is different from life lease in other provinces. It includes choices of up-front entrance fees which can make housing more accessible to seniors with less equity. However, the larger the initial fees can result in lower monthly rents, making the carrying costs of the units more affordable.

Title	An Examination of Life Lease Housing Issues
Sources	CMHC Research Highlight, Socio-economic Series 07-006
Date	April 2007
Jurisdiction(s)	Canada
Scope	The research included case studies of 15 life lease development and focus groups and focus groups. The report was to provide useful information to all stakeholders and also provided recommendations.
Background & Models Covered	Included various types/models of life leases. Case studies from BC to Ontario.
Relevance to Home Ownership & Tenure Types	Deals with range of issues associated with residence in life lease housing (management, financing, lease documents, legislation, etc.
Relevance to Seniors	Yes
Public/Private Roles	Deals with the need for legislation.
Other Comments	Provides some information for new sponsors.

Title	Life Lease Housing in Canada: A Preliminary Exploration of Some Consumer Protection Issues
Sources	CMHC Research Highlight, Socio-economic Series 03-013 August 2003 (Based on a CMHC External Research Program report.)
Date	2003
Jurisdiction(s)	Canada (all provinces west of Quebec)
Scope	Discusses how life lease works in Canada and considers the issues from a regulatory perspective. Based on survey of sponsors, interviews, provinces.
Background & Models Covered	Covers four life-lease models. Reviews provincial legislation in each province west of Quebec. Examines various consumer protection issues.
Relevance to Home Ownership & Tenure Types	Provides suggestions for coverage in legislation.
Relevance to Seniors	Yes
Public/Private Roles	Deal with regulatory roles of provinces related to tenure.
Other Comments	Copies of the full Research Report available from CMHC.

Title	Habitat for Humanity Canada
Sources	www.habitat.ca CMHC (2013) Building Families Futures and Opportunities Through Habitat Homeownership, May. CMHC (2004) Assessment of the Outcomes for Habitat for Humanity Homebuyers SPR (2013) Building Families Futures & Opportunities Through habitat Homeownership: A Research Report of Habitat for Humanity Homebuyers in Canada, Report prepared for CMHC, December.
Date	2013, 2004
Jurisdiction(s)	Canada
Scope	Studies of Habitat home buyers
Background & Models Covered	Studies focused on the outcomes for Habitat buyers. Previous studies have shown positive outcomes and social benefits to Habitat buyers and their families.
Relevance to Home Ownership & Tenure Types	Habitat model is targeted to lower and moderate income, working families and provides access to home buyers without a financial downpayment and with monthly mortgage payments based on 25-20% of household incomes. In exchange, buyers contribute 500 hours of volunteer time (sweat equity). Habitat provides the first mortgages at no interest based on the cost price of the home. In addition, buyers are required to enter into a second mortgage that is registered against the title. The second mortgage is equivalent to the difference between the original market value and the cost price of the home. No payments are made on the second mortgage but the value is recovered by Habitat at the time of sale.
Relevance to Seniors	Habitat is focused on younger families and first-time home buying. Therefore, it has not focused on seniors housing.
Public/Private Roles	Habitat is a non-profit charitable organization that uses donations of labour and materials to build homes. It finances mortgages for buyers through a revolving trust fund.
Other Comments	Since HFH Canada was founded in 1985 it has grown to 69 affiliates across Canada and enabled over 2,200 families to purchase a home. Its goal is: Breaking the Cycle of Poverty. Habitat also delivers an urban Aboriginal housing program for home buyers.

Title	Building Assets Through Housing
Sources	Michael Mendelson Caledon Institute for Social Policy & SHRA
Date	May 2006
Jurisdiction(s)	Canada
Scope	Assesses homeownership for low income households as a financial investment
Background & Models Covered	Uses a financial model to assess home buying versus renting and investing an equivalent amount. Examines 12 Canadian program models. These include: - Various types of shared equity - Rent to own - Grants and loans to purchasers - Land trusts
Relevance to Home Ownership & Tenure Types	Relevant to financial benefits of ownership as a means to increase savings for low income households. The financial model examines trends in house price values in differing markets and uses 3 scenarios to estimate the growth in assets.
Relevance to Seniors	Does not address seniors housing.
Public/Private Roles	Some programs involve public subsidy assistance.
Other Comments	From a strictly financial perspective, the report concludes that buying a house is not likely the best way for low income households to acquire wealth. This conclusion is based on the attributes of an owned house, and does not take account of other potential benefits of owning.

Annex C - Habitat for Humanity Canada

Since Habitat for Humanity Canada (HFH) was formed in 1985 it has "grown to 69 affiliates across Canada and enabled over 2,200 low- and moderate-income families to purchase a home. Of these, over 1,400 families have purchased their homes through Habitat affiliates since 2000." (CMHC, 2013) According to its website, HFH goals go beyond providing access to affordable home-buying and focus on "Breaking the Cycle of Poverty".

HFH model: HFH provides access to affordable home-buying for families who could not afford a down-payment and qualify for a mortgage with average mortgage payments. The development model reduces home prices (by use of donated materials and labour), and HFH provides homebuyers with no down-payment, interest-free first mortgages with monthly payments based on 25% to 30% of gross household income. Homebuyers are responsible for the other operating costs of their homes (including taxes, utilities and maintenance). Therefore, total shelter costs average 30-35% of buyers incomes at the time of purchase.

HFH buyers are typically one- or two-parent families with children and Habitat homes are generally modest 3-bedroom homes (generally about 1,200 square feet). The actual costs depend on the cost of land and how much of the construction cost is covered by donated materials and labour as well as the built form (that is, single family versus multiple units).

In exchange, buyers are expected to contribute 500 hours of 'sweat equity' toward the purchase of their homes. HFH homebuying is targeted to working families with sufficient income to afford the mortgage and operating costs of home-ownership. (More details of eligibility criteria are available from the HFH website at: www.habitat.ca.)

Under the HFH financial model, mortgage payments from homebuyers are paid into an HFH revolving fund which can then be used to fund additional homes for other buyers. The revolving fund is an HFH equity 'pool' that enables Habitat to provide access to ownership without buyer down-payments and mortgage interest costs.

Assessment: The HFH model is different from *'shared equity models'* as defined by the NHI (Davis, 2006). However, it does share the objective of some US and other Canadian programs namely to enable moderate-income buyers to accumulate 'savings' or equity from mortgage payments so as to build 'wealth'. Data from a 2012 survey of HFH buyers showed that about two-thirds saw the ability to build equity through their homes was a major benefit of their Habitat home. (CMHC 2013, Page 4)

Differences: HFH homebuyers do not provide an equity down-payment to purchase a home. However, they are expected to make an 'in-kind' contribution in the form of their own time and labour. The owner sweat equity may be for their own home or to assist in development of homes for other buyers. The title to HFH homes is held by HFH until such time as the homebuyer has repaid the first mortgage from HFH and HFH retains the right to buy back the house if the owner decides to move or sell the house.

HFH also registers a second mortgage to the title of the property. The amount of the second mortgage is equal to the difference between the original cost of the house (i.e., the first mortgage) and the market value of the property at the time of the purchase. The buyer is not required to make any payments on the second mortgage, but is required to pay back the second mortgage amount from the selling price at the time of a sale. This mechanism prevents 'windfall profits' to homebuyers from donated materials and labour to build the home.

Similarities: Over time, HFH homebuyers do contribute and accumulate owner equity through their mortgage payments and their sweat equity. Since mortgage loans are provided by HFH at a zero interest rate, the owners' full mortgage payments are to pay 'principal' and therefore build up equity at a faster rate than with regular mortgages.

At the time of a sale, the owner is required to pay off any balance on the first mortgage and to repay the second mortgage amount to HFH. Assuming that the house was sold at current market price and the house value had appreciated at market rates, the equity recovered by the owner would include the amount of their first mortgage repayments (essentially their 'savings') plus the amount of any increased market value (i.e., value appreciation). This could include recovery of the 'sweat equity' contributed by the purchaser in lieu of a down payment. For a regular mortgage on a $200,000 home, owners require a minimum of 5% down payment or $10,000, and can expect to recover their initial equity at the time of resale. In the case of HFH, buyers contribute 500 hours of volunteer time that could have an imputed value of $10,000 at a rate of $20/hour.[19] Any excess amount at the time of sale could be considered as a return on the owner's equity contributions.

If HFH exercises its right to buy back Habitat homes from sellers (or repossesses homes through foreclosures), it has the opportunity to resell to a 'new' owner with a second mortgage to ensure that the spread between 'cost price' and market value is protected from windfall profits.

Previous Research: Past research on HFH housing has shown positive housing and social outcomes for HFH homebuyers and their families (SPR (2013), CMHC (2013 and 2004), and HFH (2011)).

However, there is little information about the financial benefits and impacts of the HFH equity model for initial buyers or at time of resale. A detailed financial analysis would be required to determine the return on equity to homebuyers. Assuming positive market conditions, it appears that homebuyers could accumulate savings (wealth) from buying a Habitat home, but the extent of this benefit would depend on the rates of house value increase in specific housing markets. However, in many cases, it seems likely that the rate of 'wealth generation' for HFH buyers would be quite modest.

For the HFH financial model, more financial information is required to assess the cost-efficiency of the HFH capital pool. Some information from HFH websites suggests that Habitat needs to finance about nine homes in order to generate sufficient revenues (from mortgage repayments) to finance the costs of one additional home. Since mortgages are provided at zero interest rates, mortgage payments include only the repayment of capital which limits the rate of growth of the fund (i.e., HFH is not earning interest on its mortgage loans to buyers which would provide a faster growth rate in the fund). Furthermore, contributions to the capital fund from 'recapture' of the second mortgage values only occur at the time of 'sale'. Given that most sales are to younger families, and unless households experience above-average income growth, the turnover rates of Habitat homes could be even lower than in the broader homeownership market.

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[19] The imputed value of volunteer time can be computed in various ways based on the opportunity cost of activities forgone. In the case of lower-income, employed individuals one basis is some estimate of minimum earnings rates.

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