



CANADA MORTGAGE AND HOUSING CORPORATION

PROJECT PROFILE

Cedar Valley Manor

Mission, British Columbia



Highlights

Cedar Valley Manor is an affordable 42-unit residential development for seniors in Mission, British Columbia, and features an innovative life-lease arrangement that allows residents to own their properties, with the assurance of getting 95 per cent of its value back when they move out.

Client group: Seniors

Developer: Mission Association for Seniors Housing

Number of units: 42

Tenure: Ownership

Who was involved? Government of Canada (CMHC), Terra Lumina Life Lease Housing

After living 29 years in their house in Hope, British Columbia, Don and Joyce Olds were looking to scale back. But a lot of their options weren't appealing. "We could sell the house and move into an apartment, but we'd have no control over a lease or the maintenance," said Don. Similar restrictions applied to condos.

When a friend alerted them to the Cedar Valley Manor "life lease" development in nearby Mission, B.C., they took an interest—and eventually one of the units.

Life leases are an increasingly popular form of homeownership, especially among seniors who want to downsize but remain independent. A life lease involves the purchase of a unit, with an agreement that the owner will sell it back to the property manager at the same price, less a small percentage that is used to refurbish the unit for its next owner. In this way, life leasing stabilizes the price of the unit and takes a lot of the worry out of homeownership.

For many seniors, who tend to have assets, this is ideal. In British Columbia's Fraser Valley, the average household income of seniors is about half that of the general population, but almost 70 per cent have paid off their mortgages. Many can afford to sell their homes and purchase a smaller apartment, putting any difference in funds toward a more secure and enjoyable retirement.

Don describes it as "worry free housing" for him and his wife, who like to travel

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to visit their children or grandchildren. “If you’re in a single home, someone has to check in every few days,” he said. “Here, I just lock up and send a key to a neighbour. That takes such a burden off us.”

The Affordable Housing Solution

As a non-profit association of local churches and seniors’ organizations, the Mission Association for Seniors Housing (MASH) has been providing affordable rental options to seniors since 1999. In 2010, MASH partnered with a private sector enterprise, Terra Lumina Life Lease Housing, to develop Cedar Valley Manor, a four-storey, 42-unit building with one- and two-bedroom units, balconies, a secure entrance and private gardens. All units have wide doorways, and there are grab bars in the bathrooms to assist those with mobility issues.

While regional prices of single homes average about \$450,000, the average unit at Cedar Valley Manor is \$230,000. Unit owners do pay a modest fee for the maintenance of common areas, but per unit maintenance costs on the new building are much lower than for an aging single home. Utility costs and property taxes are also lower.

CMHC Contact

Contact a representative of CMHC’s Affordable Housing Centre
www.cmhc.ca/contactahc

MASH and Terra Lumina secured \$65,000 in Proposal Development Funding from CMHC, which helped get the project off the ground. “It was very valuable as pre-development funding. We needed the land rezoned, development permit, pre-sales, and to meet all the terms of the construction lender,” said Simon Davie, Principal at Terra Housing Consultants, which manages the property.

Terra Lumina and MASH contributed about \$600,000 each, and MASH contributed the property, valued at \$1.3 million. The municipality of Mission waived community amenity contributions for rezoning the project and donated a strip of land that allows residents to walk directly to a nearby park. The property was developed with an \$8.3 million construction loan.

For resident Gail Brunsch, downsizing does not mean downgrading. Everything she needs is nearby, including parking for her car, her own garden, an attractive

park—and a close friend, whom she can now visit just by walking upstairs. “I love the character, layout and comfort of this little home,” she said.

Just as important to Gail is the worry-free aspect of the property—which starts with having a maintenance person available to do repairs, but which also extends to the secure entrance and outdoor lighting. More deeply, though, Gail knows that her investment is secure: “If I need to sell, I will get what I paid for my place, less a small percentage, and within an assured time frame.”

When selling, the owner gets 95 per cent of the original value. If the unit’s value has gone up, then the seller receives up to half of the difference—the exact amount depends on the length of ownership. MASH re-markets the unit. “MASH also agreed only to increase the resale prices by no more than half of the market index. Over the long term, this helps build in more affordability,” added Davie.

