
NEWS RELEASE

For Immediate Release
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Office of the Premier
Ministry of Housing
Ministry of Indigenous Relations and Reconciliation

Partnership between MST Nations, Province will help thousands own their first home in Vancouver

VANCOUVER – Thousands of first-time home buyers will have the opportunity to purchase a home at an initial 40% below market value at the Heather Lands in Vancouver, made possible through an innovative financing initiative envisioned by x^wməθk^wəyəm (Musqueam), S^kwxwú7mesh (Squamish), and səliwətał (Tseil-Waututh) (MST) Nations delivered in partnership with the Province.

“The dream of home ownership has been out of reach for too many, for too long, especially here in Vancouver,” said Premier David Eby. “This innovative initiative – delivered in partnership with MST Nations – will help thousands of middle-class people break into the housing market, while allowing government to recoup its financial contribution. This means more families living and working here can put down roots, while also addressing labour challenges and driving our economy forward.”

The Attainable Housing Initiative (AHI or Initiative) will see approximately 2,600 homes being built at the Heather Lands, an 8.5-hectare (21 acres) site located between West 33rd Avenue and West 37th Avenue at Heather Street in Vancouver. The Initiative was proposed by the MST Nations as a meaningful way for the Nations to harness economic, cultural and social benefits from their land holdings by strategically partnering with other levels of government.

“Ten years ago, Musqueam, Squamish and Tseil-Waututh signed groundbreaking agreements that led to our Nations working together to regain ownership of several properties within our shared territories,” said x^wməθk^wəyəm (Musqueam) Chief Wayne Sparrow. “This relationship has evolved, and we are proud to collectively introduce this new initiative that will ease the housing crisis faced by our members and the general public.”

The initiative will allow for studio, one-, two- and three-bedroom 99-year strata leasehold homes to be initially purchased and financed by middle-income earners at below-market prices through a 60/40 purchase financing arrangement.

The framework of the 60/40 purchase financing arrangement includes:

- A buyer owns the home, but initially finances and pays only 60% of the market price for the unit using a traditional real estate transaction (e.g., down payment and financing through a mortgage with the buyer’s financial institution).
- The Province initially finances and covers the remaining 40% of the market price with the land owner and developer.
- The 40% contribution is then repaid by the buyer to the Province either when the owner

sells an AHI unit or after 25 years, from the purchase date, whichever comes first (further details in Backgrounder 2).

- A buyer under the Initiative only needs an initial 5% deposit (at pre-sale) on 60% of the initial market purchase price.
- AHI units will be sold as 99-year strata leaseholds on MST Nations-owned land.
- The Initiative and 60/40 purchase financing arrangement applies only to the original first-time purchase of the unit and not to secondary or subsequent purchase/sale transactions.

The partnership will include MST Nations providing the land and the Government of B.C. contributing up to \$672 million, which is expected to be repaid by purchasers to the Province under the initiative, allowing the Province to reinvest returned funds into future provincial programs, which may include housing.

“This new MST collaboration is an innovative and distinctly Indigenous approach to development, that will make home ownership significantly more accessible to those who live in our shared territories,” said Sxwixwtn, Wilson Williams, Sḵw̱xwú7mesh Úxwumixw spokesperson and council member. “We are proud that the MST Nations can offer a unique solution to the affordable housing crisis now facing Vancouver.”

Since 2014, the Heather Lands site has been part of a joint venture between the MST Nations and Canada Lands Company, a self-financing, federal Crown corporation specializing in real estate and development. A comprehensive planning program of the site began in 2016, jointly overseen with the City of Vancouver's planning department.

“As the host First Nations within Vancouver, we have always welcomed people to our shared territories, and in our culture being a good host matters,” said səilwətał (Tsleil-Waututh Nation) Chief Jen Thomas. “This initiative is our way of aligning our cultural values of caring for all the people that choose to live in our territories, while also delivering economic benefits to our communities and the next seven generations. We are all in this together and I think this is the start of something very special.”

Under the plan, prospective buyers could be able to register and confirm their eligibility as early as spring 2025. First-time homebuyers and people who do not own any property will be prioritized. If there are more eligible buyers than available AHI units, a randomized selection of eligible buyers will take place, with first-time homebuyers prioritized and first in line.

There will be strict rules and screening measures in place within the AHI to stop speculators from flipping properties and exploiting the initiative, and to stop ineligible buyers from participating. This includes provisions in place to stop presale flipping and deter the resale of AHI units within the first three years of ownership. (See details in Backgrounder 2.)

Eligibility:

- Buyers must have a total annual household income less than \$131,950 (as of 2024) and net household assets less than \$150,000, to be eligible for studio and one-bedroom leasehold homes.
- Buyers must have a total annual household income less than \$191,910 (as of 2024) and net household assets less than \$250,000, to be eligible for two-bedroom, or larger leasehold homes.

- Buyers must be a citizen or permanent resident of Canada.
- One buyer must have resided in B.C. for the past 24 months consecutively.
- Buyers must be at least 18 years old.
- Buyers must not own an interest in any other property anywhere else in the world at the time of purchase closing.
- Buyers must prequalify for a mortgage and must have the minimum pre-sale deposit of at least 5% of the value equal to 60% of the market purchase price.
- Use the home as the owner's principal residence.

Construction of the Heather Lands AHI project is expected to begin in 2025. Unit prices will be determined at time of sale. If units were to be sold under current market conditions under this Initiative, examples of pricing using the 60/40 purchase financing arrangement could be as follows:

- Studio unit, market price \$620,000, AHI buyer's 60% private financing is \$372,000, Province initially finances \$248,000
- One bedroom, market price \$850,000, AHI buyer's 60% private financing is \$510,000, Province initially finances \$340,000
- Two bedrooms, market price \$1,300,000, AHI buyer's 60% private financing is \$780,000, Province initially finances \$520,000
- Three bedrooms, market price \$1,500,000, AHI buyer's 60% private financing is \$900,000, Province initially finances \$600,000

Working with the MST Nations on this Initiative is part of the Province's ongoing actions to tackle the housing crisis and deliver more homes for people, quicker.

Since 2017, the Province has more than 84,000 homes delivered or underway. Recent strong actions taken to fix outdated zoning laws and crack down on speculators are expected to help deliver hundreds of thousands of more homes over the next decade.

Quotes:

Ravi Kahlon, Minister of Housing –

"For too long, speculators and investors were put ahead of first-time homebuyers living and working in Vancouver. This has driven up the cost of down payments and mortgages and pushed home ownership out of reach for too many. We jumped at the opportunity to partner with the MST Nations in this Initiative, and we're going to keep working to put home ownership within reach and provide more affordable housing options for people."

Murray Rankin, Minister of Indigenous Relations and Reconciliation –

"First Nations are important partners in tackling some of the biggest issues of our time, from climate change to housing, and Musqueam, Squamish and Tsleil-Waututh Nations are showing real leadership through the Heather Lands housing development. Not only will this benefit people of British Columbia and Vancouver, but it also creates a space for Indigenous art, architecture and design in Vancouver's landscape, creating healthy communities and economic opportunities where we can all feel the benefits now and in the future."

Ken Sim, mayor of Vancouver –

“The city welcomes the opportunity to work with the Province, the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and səliłwətał (Tsleil-Waututh) Nations to explore possibilities to create vibrant, inclusive spaces that honour the past and bring positive impacts for all who call Vancouver home.”

Learn More:

More details about the history of the Heather Lands development are available in Backgrounder 1.

More details about the registration system, case examples and qualifications are available in Backgrounder 2.

For more background information, renderings and infographics, visit: <http://news.gov.bc.ca/files/AttainableHousingInitiative.pdf>

For more information about the Attainable Housing Initiative, visit: <https://www2.gov.bc.ca/AHIHeatherlands>

Two backgrounders follow.

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BACKGROUND 1

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History of the Heather Lands development

The Heather Lands are 8.5 hectares (21 acres) between West 33rd Avenue and West 37th Avenue, at Heather Street.

The Musqueam, Squamish, and Tsleil-Waututh Nations Partnership (MST) and Canada Lands Company (CLC) – a self-financing, federal Crown corporation specializing in real estate and development – entered into a partnership in 2014 (collectively MST-CLC), establishing an equal ownership interest in the Heather Lands.

In 2016, a comprehensive planning program was initiated to help create a policy statement to guide future development of the Heather Lands.

The planning program was developed at the request of the landowners, the MST-CLC partnership. The planning process offered many opportunities for residents, community members and other interested stakeholders to offer feedback and ideas.

The comprehensive planning program was overseen with the City of Vancouver's planning department and Vancouver City Council approved a policy statement for the Heather Lands in 2018 and a rezoning application in 2022.

The Heather Lands will become a new neighbourhood with homes, shops, parks, daycare and an MST Cultural Centre organized around a forest trail reminiscent of the trails travelled by Musqueam, Squamish and Tsleil-Waututh Peoples across the peninsula of Vancouver. It is anticipated there will be approximately 2,600 homes in buildings ranging from three to 28 storeys.

The MST Partnership approached the Government of British Columbia with a proposal for the Attainable Housing Initiative (AHI) at the Heather Lands, seeking the Province to become a partner. The partnership between the Province and the MST Nations will now provide an opportunity for thousands of people to become strata leasehold homeowners at the Heather Lands under the AHI.

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BACKGROUND 2

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The Attainable Housing Initiative

The Attainable Housing Initiative (AHI or Initiative) at the Heather Lands aims to provide homeownership for as many as 2,600 households with middle incomes in Vancouver. The Initiative is intended to provide strata leasehold homes that households with middle incomes can own themselves and live in.

It is not intended as an investment vehicle, to generate homes for rent, or to benefit households living outside B.C.

Eligibility for the AHI that must be met at the time of pre-sale:

- have a total annual household income below \$131,950 (as of 2024) and net household assets below \$150,000, to be eligible for studio and one-bedroom leasehold homes;
- have a total annual household income below \$191,910 (as of 2024) and net household assets below \$250,000, to be eligible for 2-bedroom, or larger leasehold homes;
- buyers must be a citizen or permanent resident of Canada;
- one buyer must have resided in B.C. for the past 24 months consecutively;
- buyers must be at least 18 years of age;
- buyers must not own an interest in any other property anywhere else in the world at the time of purchase closing;
- buyers must prequalify for a mortgage and must have the minimum pre-sale deposit of at least 5% of the value equal to 60% of the market purchase price; and
- use the home as the owner's principal residence.

Net assets include: stocks; bonds; term deposits; mutual funds; cash; real estate equity, net of debt; business equity in a private incorporated company such as cash; GICs; bonds; stocks or real estate equity.

Assets do not include personal items such as vehicles, jewelry and furniture; education-related bursaries or scholarships for current students; Registered Education Savings Plans (RESPs); Registered Retirement Saving Plans (RRSPs); or Registered Disability Savings Plans (RDSPs).

If a buyer's life circumstances change after qualifying at the pre-sale (e.g., a buyer's income increases), the buyer remains eligible. Homebuyers in the initiative must continue to keep the home purchased through this initiative as their primary residence, or else the 40% provincial financing will become due (see below).

Prioritization and selection process

Applicants who meet the above criteria and are eligible to participate in the initiative will be

tentatively prioritized by the following:

1. First-time homebuyers who live in B.C.
2. Previous homeowners who do not own property at the time of the proposed purchase
3. Current owners with minor-aged children, who will be selling their existing home before purchase closing with respect to the AHI strata leasehold unit

Any remaining unsold units through the Initiative will be sold through traditional market transaction without the 60/40 purchase financing arrangement applied.

Recovering the provincial contribution and secondary sales

Eligible middle-income households will own and live in these strata leasehold homes like any other strata owner, but buyers will only be responsible for initially qualifying for, financing (through their own financial institution) and making a downpayment on, 60% of the market value of the home at the time of purchase.

The remaining 40% of the market price will be initially financed through the Province's AHI contributions to the original owner/developers, and will be recovered through a low-interest financing arrangement (i.e., second mortgage) that will not require buyers to make regular monthly payments of principle and interest. However, the provincial financing must be repaid when any of the following events occurs:

- the owner sells or is deemed to have sold the unit;
- after 25 years from the purchase closure date; or
- the owner no longer uses the home as the owner's principal residence or is no longer meeting the ongoing requirements of the Initiative.

The original buyer through the AHI may sell the buyer's strata leasehold unit after possession, but will only be allowed to receive net sales proceeds equal to the original purchase equity interest (i.e., equivalent to 60% of the original purchase price minus costs), plus the following share of any market value appreciation realized through the first subsequent strata leasehold unit sale transaction:

- 0% if the sale occurs within the first year of occupancy;
- 20% if the sale occurs within the second year of occupancy;
- 40% if the sale occurs within the third year; or
- 60% if the sale occurs within or after the fourth year of occupancy (4-25 years).

If the original buyer has not sold the buyer's home by the end of 25 years after the original purchase date, the buyer is required to repay (or refinance privately) the original 40% market purchase price portion secured through a provincial financing arrangement (i.e., second mortgage), plus 1.5% interest compounded annually. This could be done through a replacement mortgage with a financial institution or a lump sum repayment. At this point, the original buyer has no further obligations to the AHI and may sell the strata leasehold unit and keep 100% of any market appreciation on the unit.

If a buyer wishes to leave the initiative before 25 years (e.g., through a unit sale), the buyer must repay the provincial financing with an amount equivalent to 40% of the market value of the strata leasehold unit at that time. In this situation, the AHI will require the return of the

original 40% provincial financing obligation, plus a 40% share of any market appreciation of the strata leasehold unit at the point of leaving the initiative. At this point, the original buyer will have no further requirements within the initiative and could assume 100% of any future unit market appreciation (or depreciation).

No “flipping” of pre-sold AHI units will be allowed. If a pre-sale buyer wishes to back out of a pre-sale contract, the buyer can only assign their contract back to the developer for the price it was originally purchased, not for a profit.

Recovering the provincial contribution will support the Province by making returned funds available for future provincial programs, which may include housing.

Ongoing requirements of the initiative

The owner must use the home as the owner’s principal residence. Use of the home as a secondary residence, as a short-term rental, or as a long-term rental, will trigger repayment of the provincial financing, which is 40% of the market value of the home at the time the use changed.

A buyer participating in the AHI will have full ownership of the strata leasehold home and therefore full responsibility of home ownership. Owners will be required to pay all the property transfer taxes, ongoing property taxes, utilities and strata fees/levies, plus comply with any other terms of the strata entity.

Obligations and benefits related to the Property Transfer Tax and First-Time Home Buyers Program will be calculated on the full market value of the strata leasehold unit, not on the 60% purchase share financed by the buyer and/or its financial institution. Strata fees are the responsibility of the homeowner in the initiative, not the Province.

Initiative administration

A process to verify eligible households will be conducted by an independent third-party and the process will be co-developed and approved by the Province.

BC Housing will be responsible for direct oversight of the initiative and implement safeguards to ensure qualifying purchasers meet the terms of ownership.

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