

Regina unveils “attainable” housing

BY TERENCE MCEACHERN, LEADER-POST MAY 25, 2012



Cam Ens, president of New Rock Developments at the Eastgate Villas community located at 3810 E. Dewdney Avenue East in Regina on May 24, 2012.

Photograph by: Don Healy, Leader-Post

REGINA — Regina’s housing woes may have a new solution after 126 so-called “attainable” condominium units were unveiled on Thursday in the city’s east end.

“This is our mandate as a company. We believe that home ownership is very important. We do know we don’t have to do it, but it is what we choose to do,” said Cam Ens, president of the Alberta-based NewRock Developments.

The units, Eastgate Villas, located at 3810 Dewdney Ave. East near Prince of Wales Drive, have a purchase price of between \$241,000 and \$265,000, depending on the model. The value of the housing project, which began last summer, is about \$31 million, he said.

To make the units attainable for prospective buyers, NewRock provides financial assistance under its CCL Mortgage Assistance Program.

Ens explained the program begins with selling the units for \$1,000 below the appraisal price.

“That ensures that you are getting value and we’re not overcharging,” he said.

NewRock then provides homeowners with \$35,260 in financial assistance, comprising \$8,500 for the down payment for the 30-year mortgage at an estimated 3.5-per-cent interest rate over a five-year term.

“What we do is we have our costs, then we have our profit, and then whatever is left, we give back,” said Ens.

Included in the \$36,260 is a possible contribution of \$10,000 from the City of Regina under its Neighbourhood Building Blocks program. Homeowners qualify as long as they do not earn \$52,000 or more for individual buyers or \$60,000 or more for household incomes.

If a potential homeowner doesn't qualify for the city program, NewRock still provides the full amount of financial assistance, said Ens.

The program also potentially lowers the mortgage qualifying annual income to \$36,500.

Monthly payments, which would normally be between \$1,100 and \$1,200 on a property in that price range, could be as low as \$650-\$750 including condo fees in the first year.

If the homeowner sells the unit before 10 years, the \$8,500 is transferred to the next homeowner. The \$26,760 is never repaid, said Ens, but is also transferred to the next homeowner if the property is sold before 10 years.

After nine years, the financial assistance is expected to run dry, leaving homeowners responsible for the full mortgage payments for the remaining 21 years and monthly condo fees of \$121-\$134.

Ens said homeowners are assumed to have incomes that increase over the initial nine years and beyond in order to cover their mortgage payments.

Mortgages are ultimately approved by the bank and the mortgage insurer. In order to qualify at the low-end income of \$36,500, a prospective buyer would need “great credit and no debt,” he said.

So far, 102 units have been sold with one of the units being set aside to show prospective buyers.

The remaining units have people on a waiting list to see if they qualify for a mortgage.

Mayor Pat Fiocco said the new development is going to help Regina “fill the need” for housing units in Regina and help residents purchase their first home.

“We create a bit of an incentive, but it takes a developer to come forward and actually do the job,” he said.

In June, NewRock is expected to be before Regina City Council discussing Rosemont Court, a new 73-unit development offering the same financial assistance program, located at the former St. Patrick elementary school site on Grey Street.

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