

Planning for Affordable Home Ownership
Project Report
March 2021

Activities undertaken:

- KDO conducted a housing ownership and rental survey in September 2020. The survey served to update need and demand for both rental and ownership housing, and to understand some of the housing market trends as compared to 2017. This information has been shared widely, and is currently on our website: [2020 Housing Rental and Ownership Demand Survey Results](#)
- KDO conducted market research interviews with seniors and with tiny home owners to learn more about their particular needs and interests.
- KDO scanned for potential development opportunities in the Dawson area to test affordable home ownership initiatives
- KDO prepared proposals including financial plans for submission to Yukon Housing for combination rental and ownership pilot projects on two sites- one on property for sale on the market, and the other on the old Korbo apartments site (supplemental to this report)
- KDO consulted with a local contractor and a BC development company that are preparing plans for condominium home ownership on newly acquired property in the historic townsite.
- KDO prepared a proposal for a pilot project involving a tiny or small home pocket neighbourhood to the City of Dawson for zoning review and for potential submission to the Dawson Community Investment Co-op and developer partners.
- KDO has prepared this report outlining the combined learning from these various activities, as well as sourcing/referencing Yukon Bureau of Statistics population data and projections.

Introduction

As a fundamental human need, housing availability works to shape the economic and social stability of a community. Without sufficient quantity and range of housing options, our community will struggle to be an open, welcoming and fluid place that attracts the kind of labour force and businesses that a growing population requires. 'Soul of the Community' research from the Gallup and Knight Foundations in 2012 indicates that people are no longer choosing where they live based on a job as priority, but rather they are choosing appealing places. The top three values were identified as:

- social offerings such as entertainment venues and places to meet
- aesthetics and greenspace, and
- being open and welcoming

Zero vacancy rental rates and near-zero homes or properties for sale are a housing situation that makes an attractive, colourful and friendly community like Dawson seem closed to talented workers considering relocating here or remaining and putting down roots.



CMHC's graphic of the housing continuum

Shortages of all housing types are a long-standing challenge for Dawson City (as shown in economic surveys since 2011 and confirmed in our 2020 survey), and while governments, community organizations and businesses have been working to increase our rental housing stock, home ownership remains a surprisingly hard-to-attain goal for many residents.

What are the challenges to home ownership in Dawson City?

In June/July 2020 KDO conducted a Housing Rental and Ownership Demand Survey. In it, 36 respondents indicated they were experiencing barriers to home ownership. 7 different barriers were cited.

Barriers to home ownership cited	# people citing this barrier
Low availability or no desirable homes for sale (type, condition, location)	10
Low availability or no desirable land for sale (type, size, location, value)	6
No homes in my price range for sale	5
Price of homes too high for their quality and/or age	5
No land for sale in my price range	4
Not able to save money while renting, have debt, or not in a financial position to get a mortgage	4
Unsure if ready to commit to Dawson	2

Of the 36 respondents citing barriers, general low availability was cited by 16, price of homes/land made up 10, and perceived low value for price came in at 4. The latter is a common complaint in 'seller's markets', where scarcity results in high prices.

In the current Dawson context, the biggest barrier to home ownership is lack of availability of homes or land to buy.

Affordability issues come second to simple lack of supply.

Why is there low availability of homes and land to buy?

Dawson's population is following the same upward trend as the Yukon as a whole, where population has been steadily increasing over the last decade. Comparing September 30, 2020 to September 30, 2010, Yukon's population increased by 21.4%. The population of the Whitehorse area increased by 23.5%; and Dawson City's increased by 18.5% (Yukon Bureau of Statistics Q3 2020). Dawson is a town of 2269 today as compared with 1914 people in 2010. A difference of 355 people signifies a relatively dramatic change for such a small town. It is unsurprising then that we are experiencing pressures on housing and land, as well as services such as schools and daycares.

Despite population increase, and further consistent population growth projected by Yukon Bureau of Statistics, only a handful of building lots have been developed in recent memory. Government of Yukon has developed no new residential lots since 1999. City of Dawson developed a handful of rural lots on the dome, and another 16 lots in the north end via a partnership with a private company, however all of these have sold, and homes have been built on them leaving the growing demand unsatisfied.

There have been no condominium ownership development projects in Dawson to date. However, this is something that KDO has been considering piloting, and we have just learned that there is private sector interest in this ownership model, so we may see change in this regard soon.

What is the lot demand?

Analysis of the socio-economic context and official Bureau of Statistics demographic projections quantifies a 2030 forecast:

Land needs for Home Ownership to 2030 = Total 105 lots
70 Urban Serviced
35 Country Residential

Yukon Bureau of Statistics population and demographic information forecasts suggest a total Dawson estimated home ownership need by 2030 of 250 bedrooms through 125 new homes:

- 30 One-bedroom homes (25%)
- 65 Two-bedroom homes (50%)
- 30 Three-bedroom homes (25%)

Tr'ondëk Hwëch'in has been working towards a program enabling 99-year land leases for Citizen home ownership on a parcel of land along the Klondike River, within walking distance to town (Tr'ondëk Subdivision). 24 homes can be accommodated on this site, and as of a land lottery for Citizens in June 2020, 9 lots have been allocated for residential lease agreements. This is an exciting development towards Citizen home ownership that offers tax benefits to the First Nation government that can help support their initiatives. If it is successful, TH could potentially, if desired, expand on this, using other land resources for residential development.

Further progress for our community's land supply is anticipated if the following land development projects are realized:

Anticipated summer 2021 or 2022:

- the City and Yukon collaborating to develop and install water and sewer infrastructure for 12 urban serviced lots in the north end of Dawson's townsite this summer.

Anticipated within next 5 years:

- discussions are taking place between the City and Yukon for a rural residential subdivision in the Klondike Valley (Dredge Pond Phase 2). Water delivery and septic systems required to be provided by individual property purchasers.

Anticipated within next 5 years if rural residential versus 20-year future project if piped water and sewer services are pursued for the development:

- City has engaged a consulting company to undertake a planning and infrastructure cost estimating process for a development on the Dome Road (former Slinky gold mine site).

Dawson essentially needs all of the above developments to proceed if we are to achieve a hundred new lots by 2030. Small additions of new land or homes to the market will always help our supply issues, but they won't solve them unless they are completed consistently, for example 10 lots each year for 10 years.

A huge hurdle to delivering on the lot needs identified above, specifically the 70 urban serviced lots is the extremely high cost of adding new water and sewer piped infrastructure in Dawson City. Beyond just adding some pipes, servicing new subdivisions will require additional engineering, including pump and 'lift stations' to push water uphill (as for the dome) or kilometres out the highway (as for Klondike Valley), as well as O&M costs of additional energy heating our water supply during the winter months to prevent buried service lines from freezing, man hours conducting maintenance, etc. Urban serviced is by far the preferred lot type for its ease and simplicity on the consumer end (according to surveys), but whether or not our community can actually provide this in number remains to be seen.

Ways to reduce supply barriers include:

1. Expedite the development of residential land (both 'urban' and rural)
 - Try new development models, devolve responsibility for development the municipality, or to contracts with private or non-profit sector
 - Make it someone's job to focus on Dawson land development (instead of folks at the City and YG doing it off the side of their desk as one of many tasks)
 - Develop rural lots as soon as possible and as close to town as possible. The absence of piped water and sewer services offers lower complexity and up-front building steps for the development. Proximity to town is a preference for the vast majority of respondents in Dawson housing surveys.
2. Find ways to maximize the land resources that are already developed, such as:
 - Provide downsizing housing options
 - At present, there are no townhomes or other condominium/strata title ownership housing in Dawson. Low-maintenance and accessible condo options could encourage seniors to move out of their larger family homes into smaller and simpler housing, bringing existing family homes to the market.
 - Continue to develop rental housing with accessibility features and close proximity to downtown as another senior downsizer option
 - Subdivide existing vacant lots into smaller lots so that Dawson's limited land resources are maximized

- Re-zone some commercial or institutional lots to residential or enable more flexibility and innovation within commercial zones (there are currently several commercial lots on the market in town, but no residential).
- Build condominium apartments and detached home with condo-ed land to enable housing development in commercial zones (in most cases strata ownership is permitted in these zones whereas single detached ownership is not)
- Facilitate and/or incentivize development of vacant (especially heritage) buildings into condominium or mixed commercial/residential developments with strata ownership or mixed rental and ownership models
- Pilot alternative models for ownership such as a bare land condominium, where an individual buys a parcel of land in a neighbourhood where a portion of the lands have been set aside and are commonly owned in order to provide services or access.

What about affordability?

Prices in any market are determined jointly by demand and supply. Until we catch up to the demand, new land won't immediately improve affordability, but it will create some opportunities for more individuals and families to build homes and add not only to Dawson's total housing stock, but to the flourishing economy we enjoy. A little is not enough, but a little is still better than nothing.

Ways our community can reduce affordability barriers:

- Subdivide existing lots into smaller lots so that up-front land costs are lower
- Incorporate a mix of lot sizes to diversify lot prices in any new land developments
- Increase the overall density of rural subdivisions, and mitigate density concerns through use of conscientious planning that incorporates local knowledge about existing trail networks and other values
- Build modest, affordable spec homes to add entry-level homes to the market. Most first-time home buyers seek a home mortgage rather than buying land to later build because financing a land purchase is more difficult than buying a home and requires a larger down payment.
- Trial rent-to-own homes
- Trial rent-to-own property
- Enable tiny homes within the municipality (amend zoning bylaws around minimum home size)
- Trial a tiny home village using strata title to minimize land and infrastructure costs
- Develop a mobile home park outside of the historic townsite. Such parks serve a useful affordable home ownership role in most locations in Canada.
- Explore possibilities for KDO or other non-profits to build home ownership units using affordable housing funds, where this equity is passed on to subsequent owners.

- Explore possibilities for Land Trust model in the Dawson region as another way of passing on present investments in affordability to all subsequent property owners

While looking at how to make lots and homes affordable we realized that who is paying for the infrastructure and land development costs and when can affect overall pricing over time. One reason for this is that individual home buyers can borrow money at under 2%, whereas a developer would be looking at commercial loan rates of closer to 5%. These interest rates do make a difference over a typical 20-year term. The developer passes on their costs of borrowing to the land/home buyer, and in so doing makes the home less affordable. So, for example in a lease to own situation, the home buyer would be paying off a 5% interest rate because the developer has to carry that debt, but in a development turned around to immediate sales, the timeliness of the return on investment means the home buyer could save 3%.

Exploration of Select Strategies

In Canada and in other parts of the world, home ownership affordability is addressed by governments through various programs, and some are in place in Yukon and Dawson City. We do not list these here, but rather have focused on actions that could be taken at the community level.

Community Land Trusts (CLTs)

In some places, especially locations with expensive land costs, Community Land Trusts are used as a mechanism to improve home ownership affordability in the following ways:

- Providing non-profit status and democratic control
- Giving usage rights to third parties through long-term leasehold agreements, allowing the CLT to retain control over who has access to the land while removing the land cost from the housing equation to improve affordability.

CLTs ensure that housing remains affordable by limiting the resale value of the homes, maintaining control of all housing transactions, and retaining a portion of any appreciation on the house itself. These formulas are written into the leasehold agreements.

There are three main types of Community Land Trust (Reference: Critical Success Factors for Community Land Trusts in Canada, (2005)):

- Lease-to-own CLTs are a means of using affordable housing to promote community development and neighbourhood revitalization. The Edmonton and Winnipeg CLTs

use a combination of grants and subsidies, donated skills, labour and materials to renovate substandard homes in the inner-city to house their members.

- Facilitative CLTs partner with groups and/or businesses with the organizational expertise and resources to develop and manage housing projects. They separate the cost of land from the cost of the home, making the housing more affordable and accessible to low- and moderate-income households. An example of this model is Calgary Community Land Trust Society, and it looks like there is a similar model being developed for Whitehorse with Northern Community Land Trust and a site at 5th and Rogers.
- Co-operative CLTs promote the long-term affordability of co-op housing and help individual co-ops maintain their non-profit status.

Challenges with the CLT model include complexity, requirement for buy-in from government, capacity, etc. Additionally, the CLT is a long-term solution. The benefit builds slowly over time, it is by no means an instant affordability solution.

For Dawson City, a Land Trust model could be used for a portion of land that becomes developed, however, it is not clear that such organization is currently required as much as simply making land available.

Densification

'Greater densification is essential to solving housing affordability challenges in supply-constrained markets.'
- 2019 address of President and CEO of CMHC, National Housing Innovation Event Series

While Dawson City Yukon is probably not the kind of (urban) supply-constrained market the President of CMHC had in mind at the time, and even though we are surrounded by empty-looking land on the outskirts of Dawson City, we are supply-constrained here due to:

- Two decades of insufficient development of residential subdivisions to meet the demands of a growing population
- High cost of infrastructure development/expansion in a small tax-base, permafrost northern context
- Restriction of land availability and tenure complications involving mining claims in the Klondike Valley
- Geographic constraints including the Yukon River to the west (with no bridge to take electricity and other services to this area), and steep hillsides constraining expansion of the townsite to the north and east

'Buy Local' Land Development

A 'buy local first' approach to developing roads and other infrastructure required for a new residential subdivision could bring costs down on lot development by eliminating:

- High mobilization/demobilization costs for equipment
- Travel and accommodation costs for workers

A local business driven procurement model for construction could also:

- Maximize small business development and local employment opportunities
- Minimize energy use
- Minimize environmental impacts
- Minimize community health risks from travel/import of labour

Facilitating locally driven development may require parsing the tenders into smaller contracts, or even completing developments in more of a phased approach so that projects are of a size that fits the capacities of Dawson's smaller local companies, including First Nation owned companies. However, this is an innovation to current large-scale development and procurement practices that could benefit lot affordability while supporting our local economy.

Tiny homes or micro-housing

While cost-per-square foot of living space can be high for a tiny home, and while the purchase cost varies widely (Currently on Tiny House Listings Canada listed homes range from \$20,000 to as much as \$120,000-) still, the overall cost of one is on average significantly lower than a house and can be a valid affordable home ownership option. Dawson City possesses a handful of tiny homes that are mobile, however this remains a limited option for some of the same reasons that challenge tiny homers elsewhere:

- Access to and cost of land
- Financing: you cannot mortgage a tiny home- personal line of credit or personal loans are small and expensive interest options
- Bylaws: most municipalities have a minimum habitable structure definition which almost always exclude Tiny Houses from being considered a legal dwelling
- Services
- Building codes

But additional challenges exist for tiny homers in Dawson City, including:

- City bylaws do not accept tiny homes in the townsite, so they either occur illegally or must locate outside of City limits. City of Dawson minimum primary dwelling size is 256 square feet, which is smaller than many municipalities, but nevertheless larger than most tiny homes.
- There is no residential land available for a person to buy to place a tiny home on
- There are no trailer parks or other land-lease options for tiny homers

- City of Dawson's heritage bylaws are quite strict, whereas many tiny homes are not built to look like heritage structures, or if they could be, are nevertheless challenged to look heritage while being on wheels.

Interviews with four tiny homers indicate that there is a strong interest in renting or buying properties on which to securely place a tiny home, with services. These properties can be significantly smaller than a standard lot (typical is 50x100') at one half or even one third of that size.

Piloting Tiny Home Site Lease for Owners of Tiny Homes

As part of a separate project in which KDO intends to renovate a heritage building for commercial and residential rental, there is an opportunity on the second 50' x 90' lot in the package for a combination of yard/garden space for tenants and an area installed with services for tiny home 'pad lease'. A tiny home owner would lease 25' x 45' of land with water/sewer and electrical services already installed, while bringing their own dwelling unit.

Price point for renting must consider that many tiny homers are carrying a personal loan or have used a line of credit to purchase the home itself. For example, one tiny homeowner has personal loan payments of \$600/month for the home purchase (for 5 years) plus pays a pad rental of \$500/month in addition to telephone, internet, electricity and heat costs. They are making this work but finding that they are at their maximum and have money for little else. A pad rental or even rent to own situation for the property would ideally aim to keep monthly rent or rent-to-own costs at or near \$500 (not more) for affordability reasons.

For the property that we were looking at (in combination with the heritage building reno) we could not make the project financially feasible unless rent was pitched at \$600/month. This would work for someone who has already paid off the cost of their tiny home, but would be too expensive for someone also paying significant loan fees.

While non-traditional, and while the land would be leased not owned, tiny homes are a kind of home ownership, and we see this as an opportunity to pilot what can be a steppingstone towards standard home ownership. (See proposal to Yukon Housing, submitted as additional to this report).

Piloting Tiny Home & Land Ownership

Given affordability was low for the above rental scenario, KDO also explored the idea of developing a pair of lots as a tiny home village. Such things exist in various forms elsewhere

(several Cities in the USA including Las Vegas, Portland, there's one near Terrace, BC and Okotoks Ontario became the first municipality in Canada to develop one in town limits).

The concept illustrated below subdivides 2 lots into 6, providing at this site, 30' wide by 44' long lots that could accommodate tiny or small homes. The division of the lots into 6 necessitates however some 'innovations or compromises'- in this example, we make a 12' wide laneway between the lots so that the interior areas can be accessed by vehicles, and even more importantly to enable the installation of water and sewer services under the ground. This orange strip of land would then be owned in condominium by all of the lot owners of the pocket neighbourhood.

Development budget- Tiny Homes Pocket Neighbourhood

Land purchase (2 lots)	175,000	Price of lots currently for sale
Water, sewer services install	18,000	Estimate from City
Electricity install	10,000	New power pole on condo + 6 connection lines
Soft costs	37,000	Legal, survey, subdivision, permits, mgt, etc.
Total land and dev costs	240,000	
Total land cost per property	40,000	As divided by 6
Cost for a tiny home	72,000	Land + 8x16 @\$250/s.f.
Cost for a small home	136,000	Land + 16x24 @\$250/s.f.

Operational Expenses for homeowners in this pocket neighbourhood

Loan for a tiny home	420/month	25 years @ 5% for 100% loan
Loan for a small home	790/month	25 years @ 5% for 100% loan
Operational costs		
Garbage	1,200	
Water/sewer fees	6,700	
Snow clearing laneway	2,000	
Condo management	3,000	
Reserve fund	1,000	
Total	15,070	
Bare land condo fee	210/month	
Total cost tiny home	630/month	
Total cost small home	1000/month	

Selling land in combination with a tiny home enables the tiny home buyer to get a mortgage, rather than finance via a line of credit. So, the prices above imagine a buyer purchasing a pre-

built home on site. Alternatively, an individual could purchase a lot and place an existing or build their own tiny or small home on site, but we have not illustrated those financials.

KDO envisions this project as a non-profit and private sector partnership, requiring no government funding.

KDO has recently learned that a developer from Victoria BC is partnering with a local builder to do something very similar to the small/tiny home solution we have worked out above. Their plan involves 9 small homes on 3 lots plus a 4-plex of condominium apartments on a fourth lot. If they are successful in getting through the various steps of permitting, land condominium and infrastructure development, this will prove as an excellent pilot demonstrating a model of home ownership affordability via increased densification and an alternate means of servicing these lots. It will be the first condo example in Dawson City.



Sample Pocket Neighbourhood for tiny or small homes



Mobile Home Parks

In many places in Canada, mobile homes and even mobile home parks offer an affordable housing option. Mobile homes or manufactured homes are significantly less expensive to build than site-specific homes, so the house itself can offer a cost savings to the buyer. And where mobile home parks exist, additional affordability can be introduced because of increased housing density, lowering land costs. In the Dawson context, although manufactured homes are now built to meet current building codes, and 'northern' models are available that feature improved insulation and windows, this type of home is not permitted in the townsite due to heritage bylaws that aim to preserve a primarily early 1900s aesthetic. Mobile homes are however permitted outside of the 'historic core'- basically between the river and 9th avenue trail. So- you do see mobile homes in neighbourhoods outside of the core townsite- Callison, Dredge Pond, Dome, etc.

Yet, moving a mobile home park outside of the townsite would be hindered by the lack of water and sewer infrastructure in these outlying areas. Installing individual septic systems for mobile homes would not be a cost-effective solution given that the land density would necessarily be low. If piped water and sewer service investments are made in the Klondike Valley/alongside the highway at some point in the future, mobile home parks could become a valuable addition to affordable home ownership options in Dawson though. If Tr'ondëk Hwëch'in wanted to build a mobile or tiny home park on settlement land at some point in the future, it might be a good fit since the leasehold nature of the land and the mobile ownership model align.

Mortgage financing can be a hurdle for mobile/manufactured homes; however, most retailers offer financing to buyers as a way of getting around this.

Prefabrication

Other Prefabricated home types can offer benefits to home buyers once they have found land. There can be some cost savings in labour with prefabrication, however Dawson City's remote location can nullify those savings in shipping costs. Dawson has seen some homes built with structural insulated panel kits, log kits, and prefab stick-built kits. For these home buyers it was a strategy to deal with the shortage of capable carpentry contractors in our short building seasons and the affordability factor they primarily bring are that they can enable the use of more owner sweat equity. Since kits are measured and cut and designed/thought out ahead of time they make the build somewhat easier for a DIY carpenter to proceed using their own labour. As with all other ownership scenarios, lack of available land for purchase is the primary barrier to these solutions.

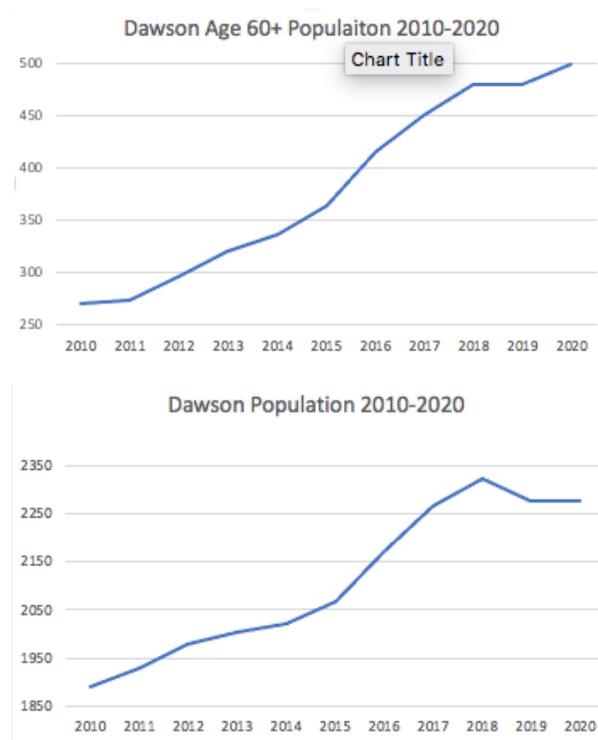
Another drawback of prefabrication that should be mentioned is that it offers less benefit to local businesses such as lumber and building material suppliers.

Seniors Housing

Given the population projections for seniors in our community, we looked at some seniors-specific condo models.

Need and Demand

The COVID-19 crisis has further highlighted housing deficits everywhere and especially for seniors (over 60). This is the fastest growing group in Dawson City and has already nearly tripled in the last 15 years from 185 to 533 people. Over 60s are expected to increase by more than another 300 over the next 10 years to 2030 (Yukon Bureau of Statistics).



Most seniors live in small 1-2 person households and often alone. Increasingly, this demographic, while on reduced incomes, may be house asset rich and living in larger 3- to 4-bedroom family homes and essentially 'over-housed'. These homes can be older and expensive to operate with high heating, taxation and maintenance costs. They are typically further from amenities and services in the centre of the community, making seniors reliant on vehicle use, and vulnerable to becoming isolated if they are not able to maintain a driving license.

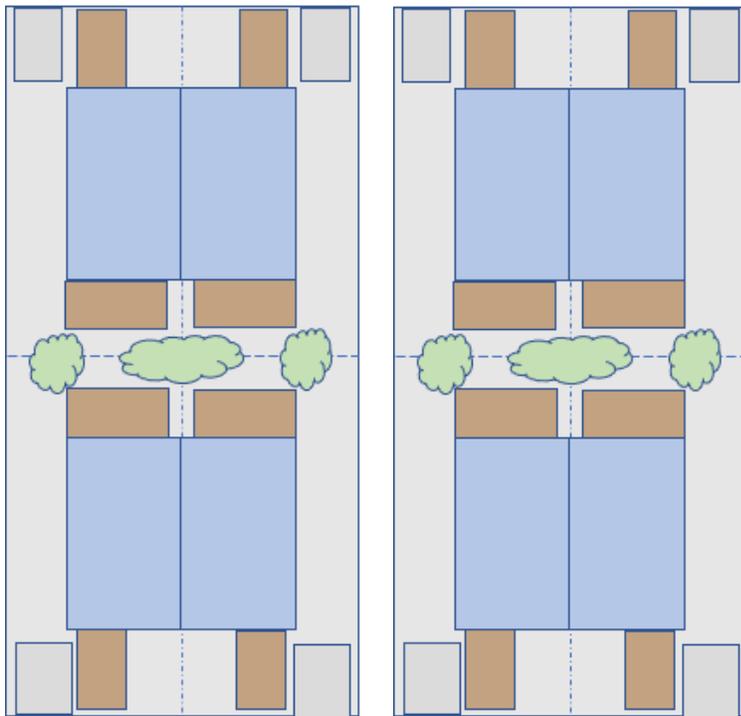
There is need and demand for high-quality, small, centrally located 1- to 2- bedroom accessible homes that can provide new independent living home ownership options to this

group. These homes will add diversity to the community housing stock and free up larger homes that are in short supply for growing families.

Site options

Land for sale in Dawson, especially residential is a rarity. Earlier this year there were 4 commercial lots along 5th avenue for sale, where zoning would permit condo/townhome development.

KDO looked at a seniors' condominium development concept including eight one-bedroom (600 ft²) independent single-storey and accessible homes on two lots. The concept shown below requires there to be an alley access for the back side units.



Objectives

1. Provide high-quality and affordable, but independent housing to the fastest growing population need;
2. Indirectly expand family housing supply by facilitating a 'downsizing' option;
3. Placemaking revitalization of vacant property and increased taxation & fee revenues to City of Dawson;
4. Economic stimulus activity;
5. Capacity building, education and awareness of condominium structures not yet used in Dawson

Why Ownership?

Foremost, ownership provides security of tenure to the resident(s). It also retains a sense of independence, self-reliance and personal pride. Crucially, for the scenario presented here, it is also significantly cheaper to the resident than rental options.

If this were a rental development, KDO would need to charge an estimated monthly rent of \$1,264 for these units to cover expenses even after a very significant 50% capital funding grant of almost \$1 million. The tenant would additionally still be responsible for all electric heating and hot water costs.

Owner Monthly Costs	
Mortgage	\$766
Utilities	\$70
Insurance	\$68
Management Fees	<u>\$60</u>
Monthly Payment	\$964

As an owner, the estimated monthly costs would be as shown below, a total of \$964. However, a large piece of this is mortgage repayment into owner equity so the true cost to the owner is lower, at just \$598, including the property management fees.

- Mortgage Principal	<u>(\$366)</u>
True Cost	<u>\$598</u>

Costs are lower in part because a senior owner is entitled to multiple discounts on utility fees, taxes, insurance and mortgage fees that a business renting the units could not access.

The owner would of course be responsible for all maintenance of their home and electric heating and hot water costs. But, seniors get discounts on water & sewer services fees:

Regular Dawson residential water/sewer fees are \$1,117.41/year + garbage collection \$195 = \$1312.41/year or \$109.37/month

Senior rates = \$650.54/year + garbage \$195 = \$70.46/mth

Senior annual savings = \$466.87 + \$100 extra tax grant (not applicable to rental housing) = \$566.87 seniors' savings + would frequently get some discounts on insurance etc. too
= an estimated \$750 of annual savings for a senior in a 'downsizer' dwelling.

Consider this cost against that of a senior retaining the operation of a large, detached home. In addition, the cost above is for a 100% mortgage, but a senior 'downsizer' may have enough equity to buy the home outright and still free significant wealth to support other living costs. With no mortgage, the monthly cost of these homes drops as low as \$198 before utilities.

Capital Summary

- COST: Cost to build is \$1.94 Million being:
 Eight 600 square foot condominium apartments
 \$300/ft² + \$100K soft costs + \$200K site development and \$225K for land
- FUNDING: Total of \$660,000 (34%) from YHC & CMHC
- SALES: Each of the homes would be sold for an estimated price of \$160,000.

Financing Breakdown

YHC (Housing Initiatives) Grant	\$640,000
CMHC (SEED Funding) Grant	\$20,000
Home Sales	\$1,280,000
TOTAL	\$1,940,000

Affordable home ownership is eligible for the Yukon Housing Initiatives Fund at up to \$80,000 per unit and rural Yukon, seniors and accessible projects are priorities. CMHC offers SEED funding for planning & soft costs.

Following the example of British Columbia, KDO would register the \$80,000 value of the affordable home ownership funding as a second mortgage on the home. Whenever the home is sold to a new eligible senior, this amount would be repayable to KDO, or assumed by the new owner. It is otherwise non-repayable and bears no interest. So, while the owner enjoys all the normal benefits, security and responsibilities of home ownership for the reduced price, this funding amount does not accrue to the owner – the community social benefits are passed on and stay with building for its lifetime.

This condominium model would work for an owner of any age, but the highest affordability benefits would apply to seniors (because of municipal service and tax breaks described above).

Conclusion

From a Community Economic Development perspective, the inability to buy or build a home is identified as a deterrent to attracting and retaining talented workers, and greatly reducing our community's otherwise open and welcoming character.

Affordable home ownership in Dawson City is hindered primarily by lack of available residential land to build individual homes on. Low availability of land is contributing to scarcity in the single detached home real estate market. Compounding the land/house demand is that as yet no developers are diving into the condominium market that could transition vacant commercial land to home ownership. There are no strata title homes in Dawson, nor mobile home parks. The only home ownership option currently available is single detached. While this situation is poised to change, perhaps with private sector leading the way to condos, there is still a great need to commence development of new residential lots within and outside of the townsite to catch up to demand. Affordability will not follow immediately if a 'business as usual' approach is taken to land development. Dawson will need to see quantity plus innovation and flexibility in land development, processes, tenure models, density and zoning in order to achieve improved lot and home affordability. This report has explored some options that could be piloted in future by non-profits, private businesses or governments.