



Building strength, stability and independence.

FAQs About Habitat Homeownership

1. What is the difference between renting and homeownership?

Homeowners build equity in their homes. Equity is built through monthly payments that go towards paying your mortgage. As the mortgage is paid down, you own more and more of the home's value until; the mortgage reaches its term and you own the home fully.

A mortgage is the amount loaned to purchase the home; and equity is the sum of all monthly payments made towards the mortgage plus the increase the home value over the original price, if there is an increase in price.

If you choose to move before the mortgage is completely paid, you are entitled to your equity in the property. This equals the sum of all mortgage payments you have made and a portion of any increase or decrease in value since you purchased the property."

Homeownership is also different than renting because the homeowner is responsible for maintaining the home – examples of which include such things such as hot water heater, furnace, interior repairs and maintenance. Properly maintaining a home ensures the home's value will be preserved so that you are able to maximize the equity returned in the event you choose to sell the home back to Habitat.

2. What is Habitat Homeownership?

Habitat offers families who are unable to save up a down payment for a home a "hand up" to qualify for a mortgage. Habitat homes do not require a down payment and mortgages are offered interest free over terms of up to 45 years to enable a family to be able to enter home ownership. Interest free means that you will only ever owe the amount originally loaned to you for the mortgage. Banks and conventional lenders require a percentage of the loan over and above the total loan be charged monthly as the cost of borrowing the funds.

Habitat for Humanity is a non-profit organization supporting families to achieve affordable home ownership.

3. How do I find out if I'm eligible?

An easy on-line questionnaire (approx. 5 minutes) that asks about your family and employment status as well as income and how long you've lived in Calgary will tell you whether you will make a



Building strength, stability and independence.

good applicant for our program. You can complete the questionnaire at:
www.habitatsouthernab.ca/apply

Broadly – the qualifications are:

- 1) At least one member of the household employed 35 hours/week
- 2) Minimum income of \$38,000 to a maximum income of \$80,000
- 3) Children under the age of 18

Check out the online questionnaire to see if you qualify!

4. Is there a waitlist for Habitat?

No. Habitat continuously reviews applications for a match to the homes available. When a family meets the application criteria and a home is available (or scheduled to be constructed) to meet that family's needs, the family is approved and the partnership agreement with Habitat is signed.

5. What does it mean to be in partnership with Habitat?

Future homeowners are required to complete 500 hours of mandatory volunteering with Habitat. Each adult in the household must complete 200 hours and the rest may be donated by family and friends (400 for 2 parent household with 100 eligible for donation by family/friends and 200 for single parent household with 300 eligible for donation by family/friends).

Kids over the age of 16 are also able to contribute to the volunteer hours.

Types of volunteer work include things like:

- Helping with construction
- Public speaking events at things like a Habitat Fundraiser!
- Working at the Re-Store

Future homeowners also need to complete a series of homeownership education classes that provide information on budgeting, home maintenance, mortgages and conflict resolution. These classes are intended to set future homeowners up for success. There are normally about seven classes that are about 1.5 hours long.

6. How long does it take to complete the volunteer hours and move into the home?



Building strength, stability and independence.

On average it takes families about 8 to 12 months to complete the volunteer hours. Some families have been able to complete this in less time. For new homes, we attempt to finish the home by the time your hours are completed or shortly thereafter.

7. How long does the application and approval process take?

The selection process can take up two to three months and has four stages:

- 1) Attend an information session
- 2) Submit your application
- 3) Family Selection Committee interview (at your home) - timeline also dependent upon your family's availability to complete the in-home interview.
- 4) Final approval

8. Do I get to choose my home?

You can specify a preferred location but, as Habitat only builds where we have land available, we are not able to accommodate specific requests. We attempt to match families with homes that are suitable for the size of the family and consider other factors such as transportation, school, etc.

9. Where are Habitat Homes located?

Within the City of Calgary, newly constructed homes are located in Bowness, Pineridge and will be under development in 2018-19 in Silver Creek. There are homes available from time to time in other neighbourhoods as Habitat families sell their homes back to Habitat. There is often availability in both Dover and Capitol Hill.

10. How much does the home cost?

Habitat sells homes to families at Fair Market Value (FMV). The average FMV of a habitat home is about \$270,000. Fair Market Value means the price the home would sell for to home buyers even if Habitat were not involved.

11. How big are the homes?

Habitat homes are on average 1100 square feet, 3 Bedrooms and 1 to 1.5 baths. We develop the basements for larger families if required and at our discretion. Habitat's policy is that 2 children of the same sex may share a bedroom.



Building strength, stability and independence.

12. What costs are associated with homeownership?

Besides the monthly mortgage payment, homeowners are responsible and must budget for costs associated with home maintenance, property taxes, condo fees and utilities. Property taxes, condo fees and mortgage payments are calculated to be no more than 25% of your monthly income.

13. How much are condo fees?

Condo fees average about \$250 per month, depending on the property. Condo fees include the cost of routine maintenance like lawn care, snow removal, pathways and the exterior of the building. Each month homeowners also contribute to a reserve fund that saves for the cost of major repairs and replacements over time like roofs and siding.

14. How much will the monthly mortgage payment be?

Habitat charges 25% of your family's combined annual gross (before taxes) income for mortgage payments.

Example: If your combined family income is \$50,000 per year, we can charge you up to \$1041.00 per month for your mortgage payment. We include your property taxes and condo fees in this amount.

Habitat requires annual proof of income verification (Notice of Assessment) to determine household income and adjusts the monthly mortgage payment annually as household income rises. This means as your income increases you will own your home quicker.

15. Will my income ever reach a point where I will cease to be eligible for my Habitat home?

No. As income rises, Habitat adjusts the mortgage payment thereby shortening the term of the mortgage and the family will own their home sooner.

16. If we decide to move out, does Habitat purchase the home back at the same price?

If your family decides to move out of your Habitat home, then Habitat will have the right of first refusal to buy the home at a price based on the Fair Market Value at the time of sale as established by an independent appraisal. You are responsible for the cost of returning the home to resalable condition if the cost is for repairs considered more than normal wear-and-tear. You are also responsible for the costs of all outstanding utilities, taxes and other encumbrances related to the property.



Building strength, stability and independence.

At the discretion of Habitat, you may be required to pay Habitat 5% of the Fair Market Value at the time of buy-back in lieu of real estate commissions. Equity established through mortgage payments and any increase or decrease in the Fair Market Value since the home was purchased by the homeowner, would be shared according to the number of years that homeowner has owned the home.

In 2009, Calgary Housing Tenants Abdel and Sannia moved with their three children ages 10, 8 and 7 into a Habitat home. After eight years in their home, the family build \$42,000 in equity. If they had remained as renters, their equity after this same period of time would have been \$0.

17. Who is the Condominium Board in a Habitat complex?

A Condominium Board is required under Province of Alberta legislation for Habitat's multi-family dwellings. The Condo Board oversees the business of the Condominium Corporation which means they approve the annual budget and oversee property management to ensure the complex is maintained. The Condo Board also enforces (or ensures Property Management enforces) the By-laws which are rules in place to ensure homeowners respect the property and one another. The Condominium Board is made up of homeowners. All the condominium corporations have a professional property manager to ensure maintenance and repairs are completed according to the yearly plan and budget and that homeowners respect the by-laws of the corporation thereby ensuring the community is safe and enjoyable for all.

If you are wondering if you are eligible, complete the quick pre-screen here:

www.habitatsouthernab.ca/apply

Once you complete the online pre-screen, you will be invited to an in-person information session to learn more!

You can also speak to your Calgary Housing Company Property Manager or Tenant Liaison to learn more.