

Union Co-operative buys residential & commercial properties in Waterloo Region for permanent affordability through community ownership.



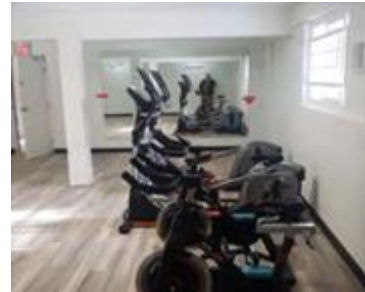
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# FIRST PROPERTY



58

Apartments

\$16,560,000

Purchase Price

\$700,000

Tenant Savings  
Relative to Market

0

Above Guideline  
Rent Increases

3

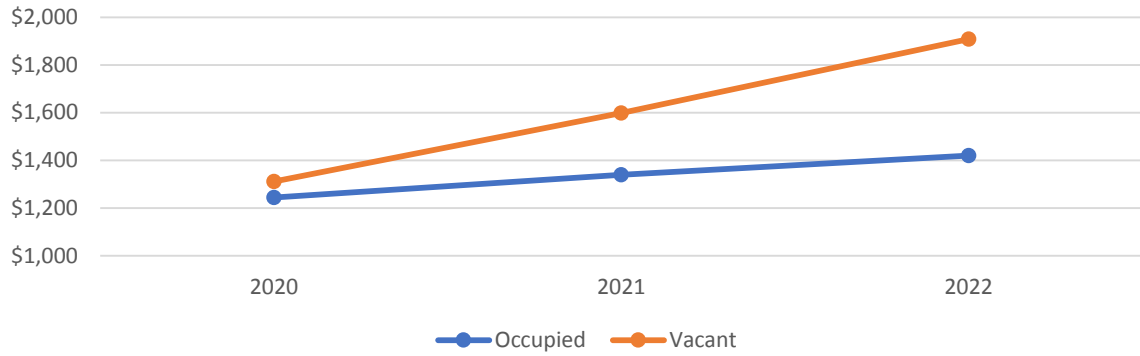
Tenants Referred by Charities

0

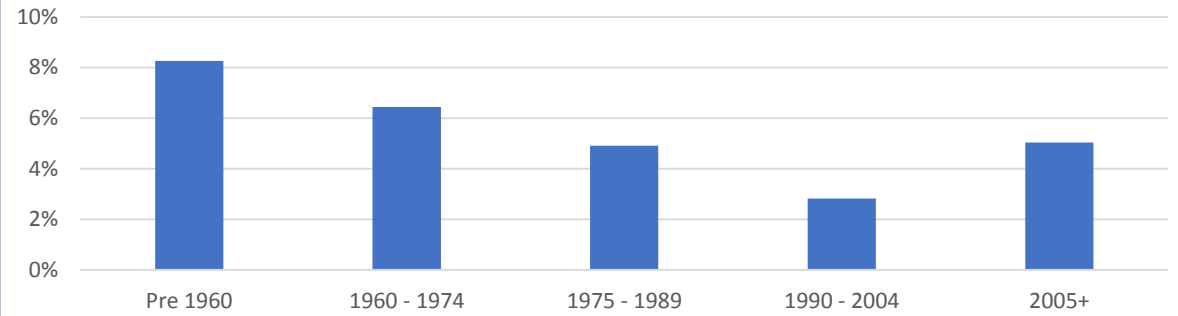
Number of Evictions

# LOSS OF LOW RENT APARTMENTS

**Change in Average Rent by Occupancy [1]**



**% Change in Average Rents by Year of Construction [1]**  
(Average % Change from 2020 - 2022)



**Rent for Vacant Apartment**  
(September 2023 – Rentals.ca)

**Annual Income Required**

**% of Households Below Required Income**  
(2020)

**1 Bedroom**

\$1,935

\$77,400

39%

**2 Bedroom**

\$2,365

\$94,600

52%

# PROPERTY TAX

475-477 Lancaster has a 2023 property tax bill of \$146,110.

- 36% of operating expenses
- \$210 per tenant, per month
- For apartments designated affordable, property taxes represent 17% of rent.

## OPERATING EXPENSES

			\$ / Unit	\$ / M	% OE
Insurance	\$	21,749.04	\$ 374.98	\$ 1,812.42	5.4%
Management	\$	37,789.54	\$ 651.54	\$ 3,149.13	9.4%
Maintenance & Repairs	\$	63,800.00	\$ 1,100.00	\$ 5,316.67	15.9%
Property Taxes	\$	146,109.92	\$ 2,519.14	\$ 12,175.83	36.4%
Snow & Landscaping	\$	11,526.00	\$ 198.72	\$ 960.50	2.9%
Superintendent	\$	36,250.00	\$ 625.00	\$ 3,020.83	9.0%
Utilities	\$	80,641.53	\$ 1,390.37	\$ 6,720.13	20.1%
Waste	\$	4,051.46	\$ 69.85	\$ 337.62	1.0%
Operating Expenses	\$	401,917.49	\$ 6,929.61	\$ 33,493.12	100.0%

# PROPERTY TAX

<b>Class</b>	<b>Ratio</b>	<b>Rate (2023)</b>
(RT) Residential	1.00	1.212054%
(MT) Multi-Residential	1.95	2.218156%
(NT) New Multi-Residential	1.00	1.212054%
<a href="#">(City of Kitchener, 2023)</a>		

<b>Property Tax Scenario</b>	<b>Maximum Loan Amount</b>	<b>Equity Required</b>
Multi-Residential Class (Current)	\$10,739,579 (65% LTV)	\$6,321,908 (109K / unit)
New Multi-Residential Class	\$11,866,838 (72% LTV)	\$5,177,074 (89K / unit)
No Property Tax	\$13,239,529 (80% LTV)	\$3,783,845 (65K / unit)

# OPPORTUNITY

There are currently hundreds of low rent apartments on the market for sale and at a considerably lower cost per unit (\$185K - \$260K) than building new affordable units. In the table below, equity required uses the LTV scenarios from previous slide.

# of Apartments	Property Cost	Cost / Unit	Equity Required / Unit		
			Full Tax (65% LTV)	Partial Tax (72% LTV)	No Tax (80% LTV)
9	\$2,250,000	\$250,000	\$87,500	\$70,000	\$50,000
11	\$2,090,000	\$190,000	\$66,500	\$53,200	\$38,000
17	\$3,400,000	\$200,000	\$70,000	\$56,000	\$40,000
17	\$3,230,000	\$190,000	\$66,500	\$53,200	\$38,000
23	\$5,050,000	\$219,565	\$76,848	\$61,478	\$43,913
24	\$4,440,000	\$185,000	\$64,750	\$51,800	\$37,000
24	\$5,250,000	\$218,750	\$76,563	\$61,250	\$43,750
40	\$11,500,000	\$287,500	\$100,625	\$80,500	\$57,500
122	\$31,720,000	\$260,000	\$91,000	\$72,800	\$52,000
279	\$63,375,588	\$227,153	\$79,503	\$63,603	\$45,431

# Thank you!

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