



You take the lead:

Expand housing options in your community

A project manual for community groups and organizations
looking to increase community housing options



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Introduction

Rural communities often find it hard to provide housing options for area residents and newcomers. When vacancy rates are really low, as they often are in small communities, housing becomes a major challenge. Right now, there are few homes for sale or rent in rural Manitoba. And the rentals tend to be for older, one and two bedroom units that are often in poor condition.

The demand for quality housing of all kinds in rural communities is growing because:

- baby boomers are retiring back to their home communities
- more seniors want to stay in their own communities
- immigration is increasing across the province

Lack of housing options and rising demand are putting pressure on rural community leaders to come up with housing solutions. While the federal and provincial governments have programs and resources to support housing options for rural communities, the demand most often outweighs the supply. This means that rural communities must take the lead to find affordable, quality housing options for area residents and find creative ways to do it.

This guide will help proactive community leaders:

- clearly identify the local housing supply and demand
- develop a step by step plan to improve housing options

A list of sources used to write this handbook is in Appendix D at the back of this guide.

Take the Lead

To develop a successful housing plan, a group of people or an organization in the community must take the lead. This can be the role of the community economic development (CED) organization or corporation, a service club, a faith based group or a group of committed community volunteers.

The first step in creating a housing plan is to find any other organizations or partners who may have resources – people, programs and finances. Investors, developers and builders are more likely to help fund or invest in housing projects that have obvious community support and commitment. They are also more likely to invest in housing projects that are financed through partnerships so the responsibilities are shared.

Your community group or organization doesn't have to shoulder the whole housing project alone. Your chances for success are greatly increased if you bring your local municipal council into the planning process early and look for partners in the project as soon as possible.

Step 1: Identify the Housing Supply and Demand

To successfully plan for improved housing, you need to know:

- who needs housing (now and future)
- what kind of housing they need
- what's already available
- where are the gaps that need filling

The best way to get this information is to do a community survey. See Appendix A for a sample.

These resources may also help you assess the housing situation in your community.

- Canada Mortgage and Housing Corporation (CMHC) – Assessing Housing Need and Demand
www.cmhc.ca/en/inpr/afhoce/tore/lere/upload/housing_needs_EN.pdf
- CMHC Checklist
www.cmhc.ca/en/inpr/afhoce/tore/lere/upload/Need-and-Demand-Checklist.pdf
- Lethbridge Housing Needs Assessment Survey Example
www.uleth.ca/dspace/bitstream/10133/702/1/LethbridgeHousingFinalReport2007.pdf

Step 2: Identify Programs and Resources

Once the supply and demand have been assessed, you then identify any programs and resources that might be available to support your project. For example, many successful housing projects in rural Manitoba have involved private investors or developers and a partnership approach. You might want to look for some private investors or developers who can see the potential, community-wide benefits of your housing project.

There may also be people in your community with experience in project management and financing who can help you with the proposals and business plans you'll need to finance your project. Ask local developers and builders to advise you on some options.

Some successful housing projects have had support from financial institutions and programs (ex: bank or credit union financing) and from municipal government (ex: free land, re-zoning, etc.).

There are government agencies that provide a variety of housing programs, support and advice, including:

- Canada Mortgage and Housing Corporation (CMHC)
- Manitoba Housing and Community Development (MHCD)
- Manitoba Agriculture, Food and Rural Initiatives (MAFRI) GO Team Staff.

Some of these resources may be a good fit for your project.

Canada Mortgage and Housing Corporation (CMHC)
www.cmhc-schl.gc.ca

CMHC Seed Funding Program Details
www.cmhc-schl.gc.ca/en/inpr/afhoce/fias/fias_001.cfm

CMHC Affordable Housing Centre
www.cmhc-schl.gc.ca/en/inpr/afhoce/index.cfm

Manitoba Housing and Community Development (MHCD)
www.gov.mb.ca/housing/creatingmore.html

MHCD Co-operative Funding program: see Appendix C

Manitoba Agriculture, Food and Rural Initiatives (MAFRI)
Contact your local MAFRI Growing Opportunities (GO) Office and ask for help with your project. To find the nearest office, go to: www.manitoba.ca/agriculture/contact/agoffices

Municipal governments

Your local government can be a key support in any housing project. Talk to your local council and get their support. Current research shows there are numerous ways municipalities can support local housing projects:

- Zone for affordability to permit smaller lots, smaller setbacks and road allowances.
- Zone to allow for suites above businesses (mixed residential and commercial use).

- Zone to allow for manufactured homes.
- Allow secondary suites, conversion of garages to suites, etc. (See Manitoba Housing and Community Development's website for information on funding for secondary suites at: www.manitoba.ca/housing/ssp.html.)
- Streamline development approval process for developers who are building affordable housing units.
- Provide inclusionary zoning (allow for mix of housing prices and types).
- Make municipal land available to developers who are building affordable housing.
- Develop a housing reserve for affordable homes.
- Support a local community housing committee or authority and work with them to develop a housing strategy or plan.
- Use bylaws to take over abandoned, derelict or property in tax arrears. Convert units or lots to affordable housing.

Potential local investors

You may want to set your housing project up in such a way that investors can become shareholders in the building project. Some communities have held housing meetings where people come to hear about the potential housing project which helped them later to make a decision about whether or not to invest in it. Also, public meetings can be a good place to start word-of-mouth information circulating to potential local investors.

Community groups must get professional advice (lawyers, developers, etc.) on how to set up a project that can legally sell shares and accept investment. The Manitoba Securities Commission regulates real estate investments in Manitoba and you must comply with its regulations. For more information, go to the commission's website at: www.msc.gov.mb.ca/securities

Community housing investment clubs

You may want to set up a community housing investment club. Members in these clubs pay dues, share information and as a group, they bring in guest speakers with expertise in real estate investments, managing and selling properties. The club members help each other learn about real estate investing, building, etc.

These resources will help you set one up.

About.com is an internet company that publishes information on a variety of subjects including Real Estate investment clubs. realestate.about.com/od/realestateinvesting/qt/invest_clubs_do.htm
Canada Real Estate Investors Club website: www.canadareic.com

Local builders and developers

Talk to local builders and developers for advice and insight into the local housing market. Find out if they're interested in participating in a local housing project. Check with your local chamber of commerce, websites, local phone book or directories to find local builders and developers.

Financial institutions and programs

Banks, credit unions and financiers may provide financing for local housing projects if they are well planned out and have viable financial and management plans. Talk to your bank or credit union manager and find out if there are financing options for your project.

These sites can also be useful when you're doing financial planning:

- Canada Mortgage and Housing Corporation (CMHC)
CMHC website: www.cmhc-schl.gc.ca
CMHC Seed Funding Program Details website:
www.cmhc-schl.gc.ca/en/inpr/afhoce/fias/fias_001.cfm
- Manitoba Housing and Community Development (MHCD)
MHCD website: www.gov.mb.ca/housing/creatingmore.html
MHCD Co-operative Funding Program: See Appendix C, page 34

Step 3:

Do Pre-Feasibility Study

When a community group takes the lead on a housing project, they need to start with the basics – which is the survey of what's available and what is needed. Once you have identified the gaps and what's needed to fill them, you can start looking at options.

Consider these points to get a clear picture of what your housing project will entail. For example:

- options for ownership structures (ex: private developer, investor group, co-operative)
- options for tenancy (ex: condominiums, rentals, life leases)
- characteristics of the people who will live in the housing (ex: seniors who want ground level access, mid-life couples, families buying their first homes)
- possible locations, development needs (ex: land clearing, demolition), zoning regulations for each location
- cost estimates for a variety of locations and sizes of buildings (ex: land, architect, engineer, contractors, building material)

Once you have information on all these options, consider the risks and benefits of each option. Then draft a concept paper that clearly outlines the characteristics of the project. This concept paper can also be used to tell other people about the project and begin the feasibility study. At this stage, you should already have an idea if there is an interested developer, enough potential investors or a combination.

The concept paper will answer two important questions:

- who will own the housing unit or units
- who will live in the housing unit or units

Some ownership options include:

- A private developer puts up the money to build the housing unit and is the owner.
- A group of investors pool their resources to build and then collectively own the unit(s). The amount each investor provides would indicate his/her level of ownership and (in some cases) control in the group.
- A non-profit organization (ex: Lion’s Club, community development corporation) could fundraise or get financing to build and own the unit(s). If the building is sold, the organization retains profits, but not individual members.
- A group of people (ex: investor group, non-profit or local public organization) could set up a co-operative corporation. The group would secure financing to build the unit(s) and would collectively own the housing unit(s). Each investor in the project would have equal voting rights, no matter how large his/her share of the corporation is.

Some occupancy options include:

- renting a housing unit (ex: apartment, townhouse)
- buying and living in a housing unit (ex: single family dwelling, condominium)
- life lease where tenants pay the owner(s) of the housing project a percentage of the building costs, as well as a monthly fee, and get their initial payment back when they leave

Potential Ownership and Occupancy Combinations

Owner →	Private Developer	Investor Group	Non Profit Organization	Community Development Corporation	Co-op
Occupancy ↓					
Rental					
Ownership					
Life Lease					

These links have information on drafting the concept for your housing development:

- CMHC- Affordable Housing Project Viability Assessment
www.cmhc-schl.gc.ca/en/inpr/afhoce/tore/into/into_001.cfm
- Affordable Housing Organizational Chart – from *Building Affordable Housing: An Organizer’s Guide*, Valparaiso University, Indiana
www.oup.org/files/pubs/valpo_guide.pdf

Step 4: Do Feasibility Study

The feasibility study focuses on the options the project group feel are most viable. The feasibility study will more closely examine the preferred housing option to see if it can be done successfully and profitably. It should be done before anyone invests money or other resources into a housing project.

A feasibility study can include:

- a survey of potential tenants and/or investors to verify the degree of demand for this kind of housing
- assessment on final ownership and occupancy options
- more detailed estimates for development and operating costs
- preliminary drafts of site plan, design information, cost estimates, list of public approvals, permits, licences, etc. required
- draft financial plan
- choice of lawyer, architect, engineer, contractor, development team
- detailed project schedule and construction plan

At the end of this process, you will have a more detailed package of information to help with things like financing, zoning, etc.

The Manitoba government's Housing's Proposal Development Funding (PDF) program may be available to eligible applicants to help offset the costs of getting a proposal for new affordable housing to the point of project financing commitment. For more information go to www.manitoba.ca/housing/hw_pdf.html.

Canada Mortgage and Housing Corporation has several studies and research on a variety of topics including examples of feasibility studies:

www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?cat=47&itm=41&lang=en&fr=129243585187

You may want to consider some sustainable alternatives for your housing project. Maybe your community can lead the way in innovative community housing design.

Step 5:

Start the Business Plan

The business plan outlines the project in detail before the financing is in place and any building is started. It should be based on solid information from the feasibility study. Business plans are integral to getting commitments on final financing. They are also the basis for developing, designing, building and managing the project.

Included in a business plan:

- budgets (preliminary and operating) including contractors' cost estimates
- environmental assessments
- accurate pro-forma financials
 - financial sources, amounts, terms
 - pre-development funding, including land purchase, site preparation, professionals' fees, carrying costs, marketing, contingency
- detailed construction plan
- detailed management plan
- rent/purchase structures and lease, occupancy or purchasing agreements
- marketing and sales strategy or rental management plan (based on target market information from survey)

While each project will have unique needs that must be reflected in a business plan, the housing business plan template in Appendix B on page 20, can help you. Also, these links have information and ideas on writing a business plan for your housing project.

- Canada Mortgage and Housing Corporation (CMHC)
How to write a business plan:
www.cmhc.ca/en/inpr/afhoce/tore/lere/upload/How-To-Write-a-Business-Plan.pdf
- Bearspaw, Alberta - Senior Housing Project (including business plan link):
www.cfcwest.com/RuralSeniorsHousingProject.php

Step 6:

Prepare for Building

This is the final stage before you actually start to build. It includes many details that have to be carefully considered.

These are an important part of getting ready to build:

- Get a written option on the land you are going to build on.
- Get financing approvals, including financing commitment letters.
- Get all required approvals and permits from your municipality (zoning, building).
- Get environmental assessments done and get certificates and/or licences.
- Prepare final building cost estimates and closing documents for building loan(s).

- Negotiate and sign contracts with your architect and engineer.
- Create and distribute contractor bid packages.
- Choose the best contractors for site development and servicing and sign the contracts.
- Choose the best building/general contractors for your project and sign the contracts.
- Start marketing the units.

Step 7: **Start Building**

The construction stage of the project includes developing and servicing the building site and then monitoring construction until it's done. This includes:

- Set up a construction schedule.
- Set up financial management process to be used during the building and include systems to monitor construction, costs and approvals.
- Create a list of possible tenants (if not already completed).
- Finalize lease or sales agreements with tenants.
- Keep warranties and guarantees.
- Finalize financing.
- Supervise completion of construction.

Step 8: **Manage and Maintain Site**

The owner(s) of the project are ultimately responsible for the long term management and maintenance of the project. There are several things to settle to ensure the project is well managed and maintained.

- Decide if it's better to hire individual employees or a professional management company to run the site.
- Get insurance, utility and service contracts signed.
- Set and keep maintenance schedules, including record keeping on warranties, inventories, supplies, service, insurance, etc.
- Set up and maintain financial record keeping and reporting (ex: annual general meeting, board of directors, tenants association contracts).
- Set up and continue with a tenancy or sales plan for new occupants.

Community Housing Projects in Manitoba

Here's how some other communities co-ordinated local housing projects:

Question	Notre Dame de Lourdes	Notre Dame de Lourdes	Notre Dame de Lourdes	Carman
What type of housing is it?	8- unit senior housing	duplex	three apartments	27 unit multi-family (plans for 90 units total)
Who owns it?	community development corporation - Lourdeon	private investor	commercial property owner	private developer and local investors
How was it financed?	Caisse Populaire (financing)	private investment	private investment	private investment
What are the tenancy options?	life lease	rental	rental	life lease
How was need identified?	community survey/focus groups	request to investor	request to investor	developer approached community
Who championed the project?	community development corporation	investor	investor	developer/ investors
What did the project cost?	\$900,000	n/a	n/a	n/a
What is the tenancy cost?	\$40,000 + \$900/month	\$650/month without utilities	n/a	\$40,000 loan + rent based on square footage
Other	biggest challenge was firm commitment from 55+			

Question	Holland	Baldur	Carberry
What type of housing is it?	4 suites, 55+, 2 bedrooms under 1000 square feet	3 units, any age, 2 bedroom, sunroom attached garage 980 square feet	17 suites, 1,2,3 bedroom 945 to 1330 square feet common meeting room, on-site caretaker
Who owns it?	private developer	Baldur Senior Housing Life Lease Corporation (set up by Baldur CDC)	private investors (6) and private developer, land owner is one of investors
How was it financed?	local investors, credit union financing	credit union financing 4 investors signed guarantees (CU used Concentra Corp. Trust Services – Life Lease Project process)	half in cash from investors half through credit union town gave 3-year tax break
What are the tenancy options?	life lease	life lease, all units pre-sold	Life lease
How was need identified?	common knowledge, 3 units sold before building started	community housing survey, need for 2 bedroom units with garage in downtown area	seen as a need in community, Sold... Spring 2010 – 10 units Fall 2010 – 15 units
Who championed the project?	2 community people, one who donated the land	Baldur Housing Corporation board members	private investor
What did the project cost?	\$375,000	\$350,000; land donated by RM (they get \$8,000 in taxes per year)	\$2 million
Tenancy Costs?	\$45,000 down, \$800/month or \$90,000 down and \$405/month	\$60,000 down and \$800/month without utilities	\$40,000 down and \$1 per square foot rental per month
Other	commitment to occupancy is difficult and critical, information from other communities was helpful, building codes set unit size	design based on Notre Dame project step by step housing project manual would have helped	biggest challenge has been tenant recruitment

Sample Housing Supply and Demand Assessment Survey

Housing Needs Survey for _____ (community name) _____

The _____ (name of organization doing survey) _____ is doing this survey to identify housing needs and issues in the community. The information will help us address the housing issues in our community. We thank you for taking the time to complete this survey.

Date _____ Survey ID # _____

1. What is your age group?

- 18-24 years
- 25-44 years
- 45-54 years
- 55-64 years
- 65-74 years
- 75+

2. Male

Female

3. Do you rent or own?

Rent

Own

4. What is your family living arrangement?

Married or common-law couple

Single parent

Single person living alone

Multiple-family household

5. Do you have children at home?

- Yes
- No

6. Please indicate the type of dwelling you currently live in:

- Single detached house
 - Semi-detached/ Duplex (2 units)
 - Row house (3 or more units)
 - Apartment (fewer than 5 storeys)
 - Apartment (5 or more storeys)
 - Suite within a single family home
 - Movable dwelling (ex: trailer, mobile home)
 - Other (please specify)
-

7. Are you considering moving from your current home:

- Yes
- No plans to move
- Not sure

If you do not plan to move, go to Question 17

8. If you are considering moving from your current home, when do you plan on moving:

- within 2 years
- between 2 and 5 years
- between 5 and 10 years
- more than 10 years

9. If you are considering moving from your current home, why are you considering it:

- want a newer home
- need more room
- need less room
- need special services (ex: seniors)
- other (please specify)

10. What type of dwelling would you prefer if you want to move from your current home:

- single detached house
- semi-detached/duplex (2 units)
- row house (3 or more units)
- apartment (fewer than 5 storeys)
- apartment (5 or more storeys)
- suite within a single family home
- mmovable dwelling (ex: mobile home)
- other (please specify)

11. What type of rental or ownership would you prefer:

- buying a house in the private market
- buying a condo in the private market
- renting from a private landlord
- renting an affordable unit (where shelter costs do not exceed 30 per cent of the gross household income)
- life lease
- housing co-op
- other (please explain)

12. If you wish to buy a home or condo, what price range are you interested in:

- less than \$100,000
- \$100,000 to \$150,000
- \$150,000 to \$200,000
- more than \$200,000

13. If you wish to rent a home, what price range are you interested in:

- less than \$1,000 per month
- \$1,000 to \$1,250 per month
- \$1,250 to \$1,500 per month
- more than \$1,500 per month

14. If you are under 55 years old, go to question 15. If you are 55 years or older,

What would you prefer:

- living independently in your home
- seniors' housing with some services
- seniors' housing with personal support services and access to 24 hour support and supervision (supportive housing¹)
- living in home of family (ex: a secondary suite)
- other (please explain)

15. What building design would you prefer (Check all that apply):

- 1 storey building
- 2 or more storey building (don't need elevator)
- 2 or more storey building (with elevator)
- wheel chair accessible building

¹ Tenants pay a monthly fee for their rent and a service package that includes: meals, weekly laundry, light housekeeping, and 24-hour supervision. Assessment by your local regional health authority is required.

16. What dwelling size would you prefer:

- bachelor
- 1 bedroom
- 2 bedrooms
- 3 bedrooms
- more than 3 bedrooms

17. Do you agree that this community has any of these housing problems:

	Disagree	Agree	Don't Know
not enough types of dwelling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
not enough affordable homes for sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
not enough affordable rental units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
not enough subsidized housing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
not enough housing for the elderly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
too much poor, dilapidated housing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
too much vacant/abandoned housing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

18. How difficult do you think it is for these kinds of families to find quality, affordable housing in our community (Check all that apply):

	Not difficult	Somewhat difficult	Very difficult	Don't Know
couples without children	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
couples with children	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
single parents with children	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
people with disabilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
singles under 55	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
people aged 55 to 74	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
people aged 75 or older	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. Do you have any comments or suggestions about housing in our community?

20. Would you consider investing (becoming a shareholder) in a housing development to suit your needs, if the type of housing is not currently available in our community?

If yes, may we contact you in the future?

Yes

No

If we may contact you, please provide your contact information:

Name _____

Phone number _____

Email _____

Mailing address _____

Thank you for filling in this survey. Please send your completed survey to:

(contact name and information)

If you have any questions about this survey, contact:

(contact name and information)

APPENDIX B

Business Planning Template for Community Housing Projects

Housing Project Name: _____

Contact Person: _____

Contact Mailing Address: _____

Contact Phone & Email: _____

Date prepared: _____

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Note: This template is a guide only using information from several sources, including: Community Futures Development Corporations, Canada Manitoba Business Service Centre (CMBSC), Canada Mortgage and Housing Corporation and Manitoba Agriculture, Food and Rural Initiatives.

Community Housing Business Plan Template

Canada Mortgage and Housing Corporation (CMHC) recommends using these resources to write a community housing project business plan. For details, go to: www.cmhc-schl.gc.ca/en/inpr/afhoce/tore/lere/lere_005.cfm.

1. Executive summary

The executive summary is a brief overview of the business plan. It should briefly note project highlights. This section is often not written until all the other topics in the template have been completed.

Topics to include in the executive summary:

- name of the housing project
- physical description of the facility, ownership, financing (ex: 12- unit assisted- living residential facility for rural seniors, financed by local investors and private developer)
- organization's legal structure (ex: sole proprietorship, partnership, corporation, co-operative)
- name(s) of owner(s)/shareholder(s) (include each person's title and percentage ownership)
- target market and trading area – demographics and trends (ex: 55+ active seniors)
- key project objectives and financial goals (ex: six-unit, 55+ housing unit – CDC will raise \$200,000 in private investment and co-ordinate financing with local credit union for the rest)
- marketing goals (ex: sell all units and/or rent any unsold units at \$____/month)
- financing requirements (ex: total project cost = \$1 million; initial capital from six investors at \$50,000 each; design/build contractor at \$100,000 (\$400,000), with \$600,000 balance to be paid with loan from credit union over 20 years at six per cent – a monthly payment of ____)
- summary of financial projections (from cash flow forecast)

2. Housing concept, organization structure and governance

- Provide more detail on proposed housing project concept. For example, include physical description of the housing structure and more details on ownership and tenancy.
- Outline the legal structure of your project. State who the key shareholders are and who will manage the project.
- Describe the products and services that will be offered within the project. For example, you may include housekeeping, maintenance, shared transportation, garden plots, common recreation area.

- State who is managing the housing project. If it's an organization, name:
 - the key people who are actively working on the project
 - the background of the organization
 - the background and experience of the key people

For example: The Happytown Community Development Corporation is managing this project. Corporation members have 20 years' experience in managing successful community projects. Joe Black is a retired bank manager who has 15 years' experience in the financial industry and will help co-ordinate this project.

3. Marketing Plan

a. Supply and demand analysis

- Describe your research to analyze the current housing supply and the market for the proposed housing units (ex: housing needs survey, buyer and renter demand, land availability, builder and developer availability, results of meetings with interested community stakeholders, etc.)
- Identify the number of people who are willing to pay the proposed rent or price of the housing units, the number who are willing to move in one or two years and are interested in living in the proposed housing project.

b. Target market and selection

- Who your target consumers are (ex: age, gender, income, description of housing trends within this target).
- What type of units will be built (ex: affordable, market rent, owned, rented, bedroom number and size, appliances, modifications for disabled, etc.).
- How tenants will be chosen (ex: first come/first served, priority based on need, referrals) and who will choose.
- What the maximum household size will be.

c. Community relations and competition

- Identify partner organizations and groups who will help with the project in any way, including marketing.
- List competitors (direct and indirect) within your market, including other private and non-private housing options available in the region for your target consumer. Note their strengths and weaknesses as competitors. For example, compare a Brandon housing option to your housing option. Brandon might have more housing options and better medical facilities, but retired farmers might not want to live in the city.

Competitor	Price	Strength	Weakness

- List your advantages over your competition. For example: in the Brandon comparison above, your advantage might be that you offer housing alternatives so that seniors can stay in the rural community they have very strong ties to.
- List your disadvantages.
- Research if this type of housing project may be affected by any current trends (ex: increase in active seniors who do not want to do home maintenance/repairs).
- Research the size of your primary (main trading area) and secondary markets. List towns and municipalities within each area. Information is available on Statistics Canada’s web site or from your local town or municipal office.

Primary Market (towns and RMs)	Population in target age group
Secondary Market (towns and RMs)	Population in target age group

d. Marketing – advertising and promotion

- Describe what kind of ads and promotion will attract your target investors and tenants/ buyers to the project. For example, use some or all of these options: local information meetings, newsletters, promotion events, business cards, signs, Internet or newspaper ads.
- Get some advice from marketing professionals to set an ad and promotions budget before the project is complete. Your description can also include additional money to continue marketing in the first year if you haven't filled all the units.
- Set up a marketing schedule. To be most effective, start marketing once construction starts.

e. Pricing

- Set your pricing strategy – the way cost and/or rental rates will be decided.
- Research extra costs that need to be factored in.
- Calculate how many units you need to sell and/or rent to cover costs and/or provide profit or contingency (ex: total building cost divided by the number of units, or cost per square foot, plus markup, service charges for utilities, maintenance, upkeep, condo fees, etc.).
- Note if you need to make any allowance in your pricing for warranty/servicing costs (ex: replace appliances in rentals, additional parking for condo units).
- Compare your pricing with other housing options in your community or region. For example, are there any other housing units like this to compare pricing in your community or region? If you build rentals, compare your rent to similar choices in the community or region.

f. Support Services

- Describe what types of support services will be provided, including things such as housekeeping, personal care, congregate meals, etc.

4. Development and construction management

a. Site characteristics

- Describe the site plan and include a drawing. Note the nearest intersection, the name of the municipality and surrounding amenities and services.

b. Approvals

- Describe any environmental concerns that have been identified as part of your completed environmental assessment.
- Find out about all government regulations, approvals and environmental legislation that will affect your housing project. Note what is needed to ensure compliance with zoning, building codes, bylaws and get all required building permits, development and site plan approvals, etc.

c. Site Services

- Describe the services that exist on the property and those that are needed or have to be developed (ex: gas, hydro, water, sewer, cable).

d. Preparation Details

- Describe how the development and construction of the project will be managed.
- Note who will be in charge of each of these areas of development and construction. Note any areas where training will be required and how it will be done. For example, Joe Black is a retired banker and is volunteering to be the project manager. He feels he needs more knowledge in project management. He is planning to take a course at the local community college.

Skills	Name	Adequate Knowledge	Training or support needed	Training source
Overall project management and co-ordination				
Book keeping				
Financial management				
Marketing				
Human resource management				
Other:				

e. Purchasing options

- Describe how you will purchase materials and service for your project and how it will work. For example:
 - It could be a turnkey operation where the developer designs and builds within a set budget and covers any cost overruns.
 - It could be a pre-qualified tender where a general contractor is hired and the project leaders/managers cover any cost overruns
 - It could be construction management where a construction manager is hired to hire sub trades people and building costs are unknown until trades bids are known.
- If you have access to professional services, provide the name and contact information.

Accountant:

Lawyer:

Business advisor:

- List all important tasks that must be done before the housing opens:

Task	Person responsible	Target date

5. Property Management Plan

The property management plan focuses on the operation of the building after occupancy.

- Describe the physical location, and list the facilities and equipment within the physical building(s) (ex: underground parking, air conditioning and heating systems, lawn care equipment).
- Decide what inventories must be kept on hand and list suppliers for the various types of inventories (ex: heating unit filters, grass seed).
- Describe the role of any employees and how they are hired and managed (ex: salary, hourly, contract).
- If you're not hiring an experienced property manager, describe what experience the project leaders have in managing other housing projects.
- Describe your operations policies (ex: managing waiting list, tenant selection, rent collection, rent increases, pets, maintenance schedules, repairs, security, financial management).

6. Financial Plan

Capital Plan Project Costs:

Building, equipment, tools, etc. (please specify)	
	\$
	\$
Working Capital Requirements (please specify)	
Inventory	\$
Advertising, promotion	\$
Professional – accountant, lawyer	\$
Utility hook-ups, etc.	\$
Miscellaneous costs	
Total project costs (Start-up budget)	\$

Source of Funds:

Investor contributions (please specify):	
Cash	\$
Equipment	\$
Vehicle	\$
Financial institution loan(s)	\$
	\$
Other sources (please specify)	\$
Total source of funds	\$

Financing information:

Provide specifics on any loans for this project. Include the source of financing, amount, term of loan, interest rate, monthly payment and security.

Source:	Source:
Amount:	Amount:
Term:	Term:
Interest Rate:	Interest Rate:
Monthly Payment:	Monthly Payment:
Security:	Security:

Note if you will need access to an operating line of credit. (Completing the cash flow forecasts on the following pages will help you with this answer.)

Operating plan:

An operating plan includes the projected expenses and revenue needed to operate the building once it is operating fully. This plan should include detailed financial statements such as cash flow projections, an income statement and balance sheet.

Completing a cash flow forecast:

A cash flow forecast is a critical part of any successful business plan. Based on your research, you must make a reasonable, conservative estimate of monthly revenue and expenses. There are basically four steps to forecasting:

- Step 1: Estimate monthly sales
 - Record all projected income by month.
- Step 2: Estimate monthly cash receipts
 - Total them and then allocate the cash when it will be received.
- Step 3: Estimate monthly cash disbursements
 - Record all expenses that must be paid monthly.
- Step 4: Estimate cash balance
 - Calculate your monthly net cash – surplus or deficit – by subtracting your total cash expenses from your total cash received. The cumulative cash flow, to date, shows the estimated amount that should be in your bank account each month and helps determine whether you will need access to a line of credit.

A critical part of preparing a cash flow forecast is the reasoning for your estimated numbers. These reasons can be listed on the bottom of your cash flow or on a separate page. A couple of examples:

- Income – is based on condo fees assuming 75 per cent of the units are sold
- Loan payment – monthly payments of \$2,000, based on \$100,000 loan over five years at 6.25 per cent interest

Cash flow forecast for first year (year 1)

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
Estimated Sales													
Cash receipts													
Sales													
Accounts receivables collected													
Cash equity contribution													
(A) Total cash in													
Cash disbursements (expenses)													
Advertising and promotion													
Automobile													
Bank charges													
Insurance													
Line of credit interest													
Loan payment (P & I)													
Management draw (salary)													
Maintenance and repairs													
Materials and inventory													
Office													
Professional fees													
Rent													
Taxes													
Travel													
Utilities													
Wages													
(B) Total cash out													
Net Cash: Total Cash Receipts (A), Less Total Cash Disbursements (B)													
Monthly net cash surplus (deficit)													
Cumulative cash flow to date													

Cash flow forecast for second year (year 2)

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
Estimated Sales													
Cash receipts													
Sales													
Accounts receivables collected													
Cash equity contribution													
(A) Total cash in													
Cash disbursements (expenses)													
Advertising and promotion													
Automobile													
Bank charges													
Insurance													
Line of credit interest													
Loan payment (P & I)													
Management draw (salary)													
Maintenance and repairs													
Materials and inventory													
Office													
Professional fees													
Rent													
Taxes													
Travel													
Utilities													
Wages													
(B) Total cash out													
Net Cash: Total Cash Receipts (A), Less Total Cash Disbursements (B)													
Monthly net cash surplus (deficit)													
Cumulative cash flow to date													

Pro-forma income statement	Year - 1	Year - 2	Year - 3
Revenue:	\$	\$	\$
Sales	\$	\$	\$
Other income	\$	\$	\$
Total revenue	\$	\$	\$
Cost of goods/services sold	\$	\$	\$
Gross profit	\$	\$	\$
Expenses:	\$	\$	\$
Advertising and promotion	\$	\$	\$
Automobile expense	\$	\$	\$
Bank service charges	\$	\$	\$
Insurance	\$	\$	\$
Loan interest (without principal)	\$	\$	\$
Maintenance and repairs	\$	\$	\$
Office	\$	\$	\$
Professional fees (accountant, lawyer)	\$	\$	\$
Property taxes	\$	\$	\$
Rent	\$	\$	\$
Travel	\$	\$	\$
Utilities	\$	\$	\$
Wages and salaries (include employee benefits)	\$	\$	\$
Depreciation	\$	\$	\$
Other	\$	\$	\$
Total expenses	\$	\$	\$
Net income (before taxes)	\$	\$	\$

Pro-formal balance sheet	Opening Balance	Year-end 1	Year-end 2
Assets:	\$	\$	\$
Current	\$	\$	\$
Cash	\$	\$	\$
Accounts receivable	\$	\$	\$
Inventory	\$	\$	\$
Total current assets	\$	\$	\$
Fixed assets:	\$	\$	\$
Equipment (less depreciation)	\$	\$	\$
Buildings (less depreciation)	\$	\$	\$
Land	\$	\$	\$
Total fixed assets	\$	\$	\$
Total assets	\$	\$	\$
Liabilities and owner equity	\$	\$	\$
Current	\$	\$	\$
Accounts payable	\$	\$	\$
Loans payable (within 1 year)	\$	\$	\$
Total current liabilities	\$	\$	\$
Long-term liabilities	\$	\$	\$
Loans payable	\$	\$	\$
Mortgage payable	\$	\$	\$
Total long-term liabilities	\$	\$	\$
Total liabilities			
Owner equity	\$	\$	\$
Paid-in capital	\$	\$	\$
Retained earnings	\$	\$	\$
Total liabilities and owner equity	\$	\$	\$

7. Other information

Other information that is valuable to include in a business plan includes:

- Resumes for owner and key personnel (if required).
- Copy of business name registration confirmation from Companies Office.
- Copy of partnership agreement or articles of incorporation as applicable.
- Copy of lease agreement or purchase agreement.
- Detailed equipment listing.
- Floor plan of housing project.
- Confirmation of financing (if already approved).
- Marketing Studies.
- Photographs of other similar developments.
- Contracts or other legal agreements.
- Any other relevant information.

APPENDIX C

Co-operative Housing Assistance

Cooperative Development Services

Cooperative Development Services of Manitoba Housing and Community Development provide assistance to community groups including direction with business planning, feasibility study, sourcing funding, by-law and Articles development, group development, board governance information, and other services.

Co-operative Assistance Fund

This fund is provided by Manitoba Housing and Community Development to help cover the cost of the development or expansion of a co-op. Co-ops may apply for up to \$2,000 to pay for costs related to capital expenses, infrastructure and environmental initiatives.

Co-operative Tax Credit Fund

This fund is provided by Manitoba Housing and Community Development to support the development of emerging and expanding co-ops. Funding is available to eligible applicants for technical assistance to develop feasibility studies, business and marketing plans, offering statements and for technical help.

The Co-operative Development Fund

This fund is part of the Co-operative Development Initiative of the Federal Government for Advisory Services. It provides small grants to start-up co-ops. Funds of up to \$2,000 per applicant are available for recruitment, workshops, meetings, incorporation costs etc. during the applicant's research and exploration of a co-op model.

Contact information:

Manitoba Housing and Community Development

Co-operative Development Services

Phone: 204-945-4546 in Winnipeg

Email: co-ops@gov.mb.ca

Manitoba Co-operative Association

Phone: 204-989-5930 in Winnipeg

Email: info@manitoba.coop

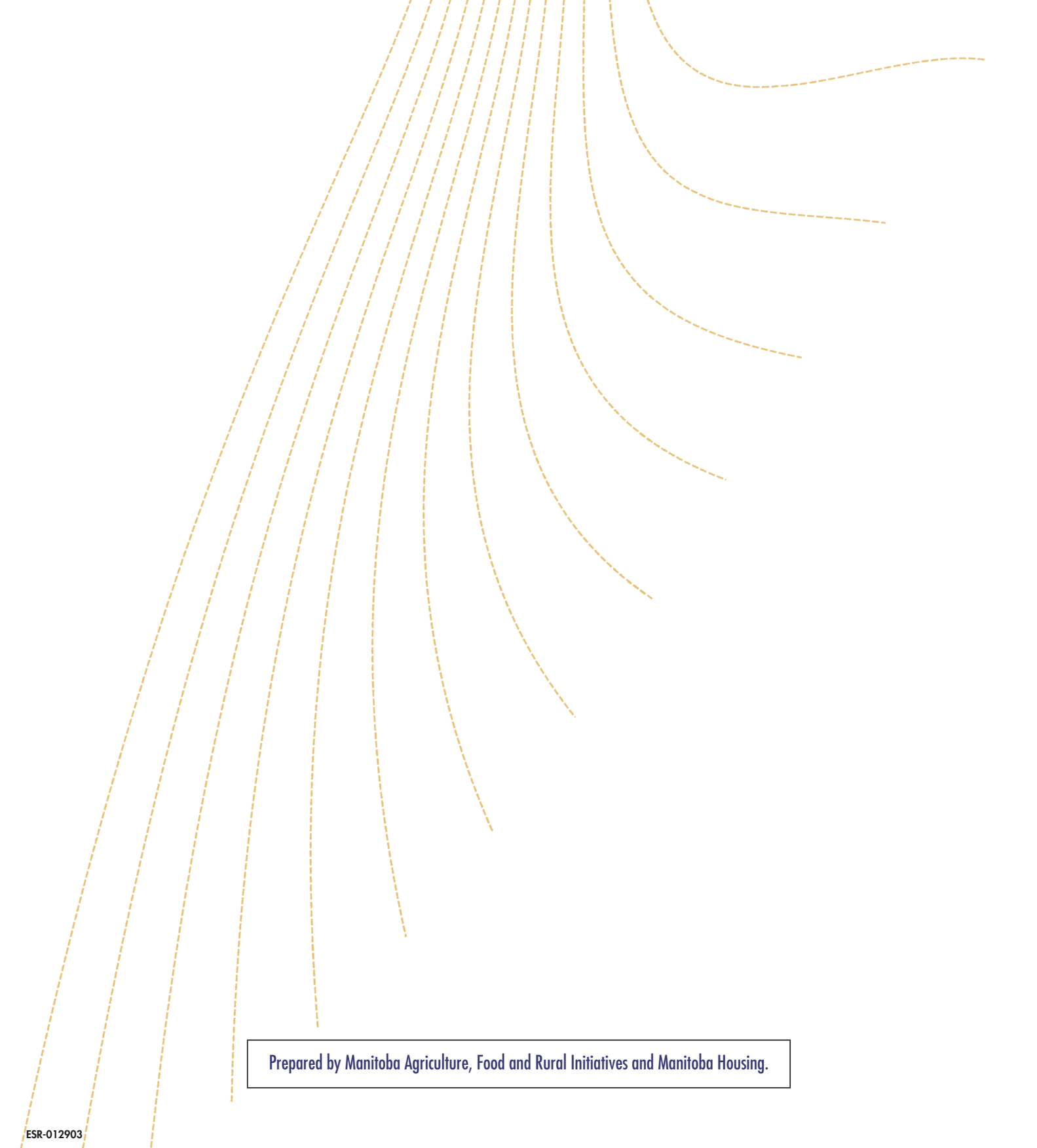
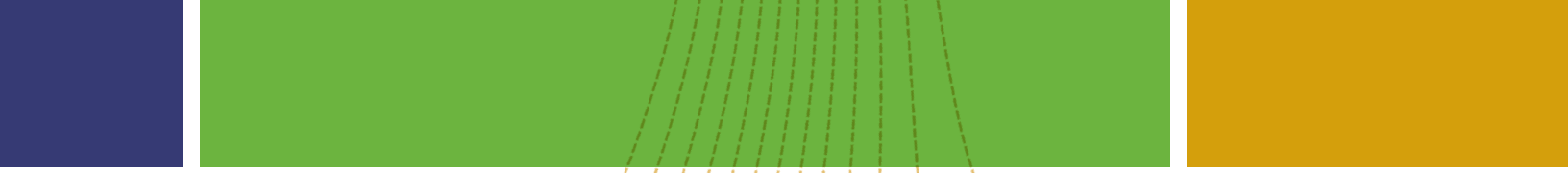
APPENDIX D

Additional Resources

- *Housing for Manitobans: A Long Term Plan*
http://www.gov.mb.ca/housing/pubs/tom_carter_report.pdf
- *HomeWorks! A Housing Strategy and Policy Framework for Manitoba*
http://www.gov.mb.ca/housing/pubs/homeworks_booklet.pdf
- St. Albert Community Housing Plan
www.stalbert.ca/uploads/files/our_government/administration/planning_engineering/Community_Housing_Plan-St.Albert.pdf
- *The Municipal Role in Meeting Ontario's Affordable Housing Need: A Handbook for Preparing a Community Strategy for Affordable Housing*
www.ontarioplanners.on.ca/pdf/Handbook_022801.pdf

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2. Cosgrove, C., "Addressing Accommodation," Brandon Sun, August 1, 2010
3. Sumner, K., 2005, "Volume 1, Designing a Housing Needs Assessment," Masters of City Planning Thesis, University of Manitoba. 354 p.
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