

PLN Webinar #7: The Cold Hard Truths About Housing Development and the Art of the Possible

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Unlock potential. Create value. Transform communities.

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Annelise van der Veen

Purpose Driven Development
Manager, Strategic Projects & Operations

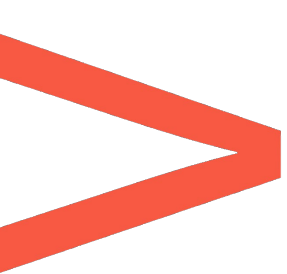
PURPOSE
DRIVEN
DEVELOPMENT

As the Manager of Strategic Projects at Purpose Driven Development, Annelise expertly secures project financing, developing and nurturing key relationships with lenders and partners.

She aligns financing strategies with project goals and oversees project compliance with legal and regulatory authorities. Annelise also oversees all corporate operational activities - driving process improvements and ensuring seamless execution at every level.

With a strong focus on team and people management, Annelise inspires high performance and operational success. Her strategic vision and operational acumen are instrumental in advancing Purpose Driven's organization's goals and achieving project excellence.

- Member of the CMHC Expert Community on Housing
- Candidate Member of the Planning Institute of BC



We Are Purpose Driven Development

We are a conscientious,
experienced team of
real estate development
professionals.

We are a leading
authority on mixed-use
mixed-income
development.

Our mission is to create
successful mixed-use, mixed-
income developments and
communities where we can
all thrive.

Our Goal: Inclusive Prosperity

Our Accomplishments

60 years

of combined real estate development experience to help clients realize and achieve full redevelopment potential.

\$2 Billion

in real estate development, while unlocking over \$180 million in project financing.

2,250

mixed-income affordable rental homes underway.



The Art of Possible: Delivering Non-market Housing



Pulling the Levers of Non-Market Housing

- Creating a financially viable non-market project that can successfully secure financing is a balancing act.
- There are 5 critical levers of non-market housing.
 - Non-Profit Ownership
 - Land
 - Policy
 - Cross Subsidization
 - Financing
- **ALL levers need to be in place** to successfully achieve financial viability for these projects.

> Non-Profit Ownership Lever

- **No profit margin** is incorporated in non-market projects, reducing total project costs
- **Cost savings are re-invested** back into the project since the bottom line is delivering affordability
- Lenders providing favourable terms will support projects with aligned purposes (affordability, sustainability, accessibility) and a **commitment to re-invest into affordability over the short AND long term.**



> Land Lever

- **Non-profits bring land they own** to deliver non-market housing development
- No land costs = reduced project costs
- Land is the basis which enables leveraging financing



Policy Lever

- **Municipal policy has a significant role** as a core lever in making these project work.
- What is required is policy leniency in the form of:
 - Density Bonusing
 - Significant Fee Waivers (DCCs & CACs)
 - Expedited Approvals
 - Parking Reductions
 - Other Policy Exemptions

EXAMPLE: City of Vancouver's incentive programs for Social Housing, offers expedited approvals and fee waivers.



Cross Subsidization Lever

- Identifying the right affordability and market rent mix within projects is key to achieving project financial viability.
- **Mixed-income rent structures enables flexibility** to weather changes in interest rates and financing terms, and changes to policies.

EXAMPLE: Maintaining several potential rent structures within project financial models early on ensures that a change to a financing program does not shelve a project.



> Financing Lever

- We take **creative approaches to financial viability**, bringing a range of lenders around the table on projects and stacking financing together.
- These groups sometimes bring grants to the project to **deepen affordability**.
- Land + Aligned Values & Purpose = Favourable Financing





Case Studies: Delivering Nonmarket Housing

Soroptimist House:

Housing for Women by Women

Owner:

Soroptimist International of Vancouver, B.C.
(Non-Profit)

Delivery Model:

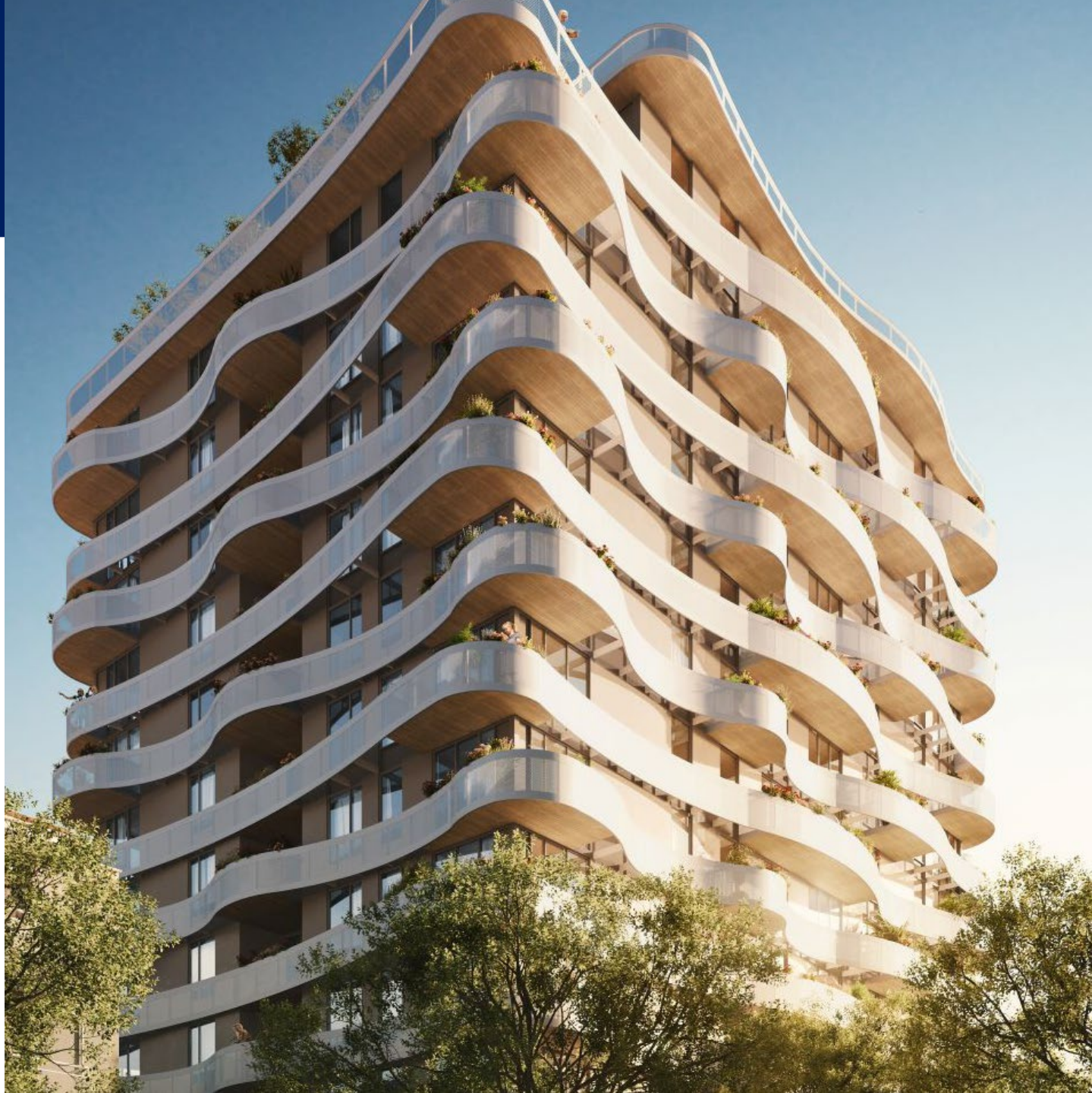
Non-Profit with Development Consultant as Project Lead

Location:

13th & Cambie, Vancouver

Key Population:

Senior women, women-led families & workforce women



All Women Project Team

Delivering this project with experienced team of women professionals, building capacity in the development, design, engineering and construction industries.





> What Project Delivered

Key Program Details

- 135 new rental homes (3 different rent levels)
- 100% below market rental housing
- 13 storey building
- Indoor and Outdoor Amenities:
 - shared laundry room
 - amenity room
 - large entry “living room”
 - outdoor amenity space
 - shared rooftop patio

Achieved

- Expedited approvals from City of Vancouver to achieve **rezoning in 7.5 months**
- Municipal and regional **fee waivers of \$3m**



Financing Achieved

- Total project cost =\$83m
- Key Project Partners:
 - **Development Lead:** Purpose Driven Development
 - **Lenders:** BC Housing, City of Vancouver, CMHC, Vancity, and FCM



Southwynd Place:

Transit Oriented Large Scale Social Housing Development

Owner:
Nonprofit

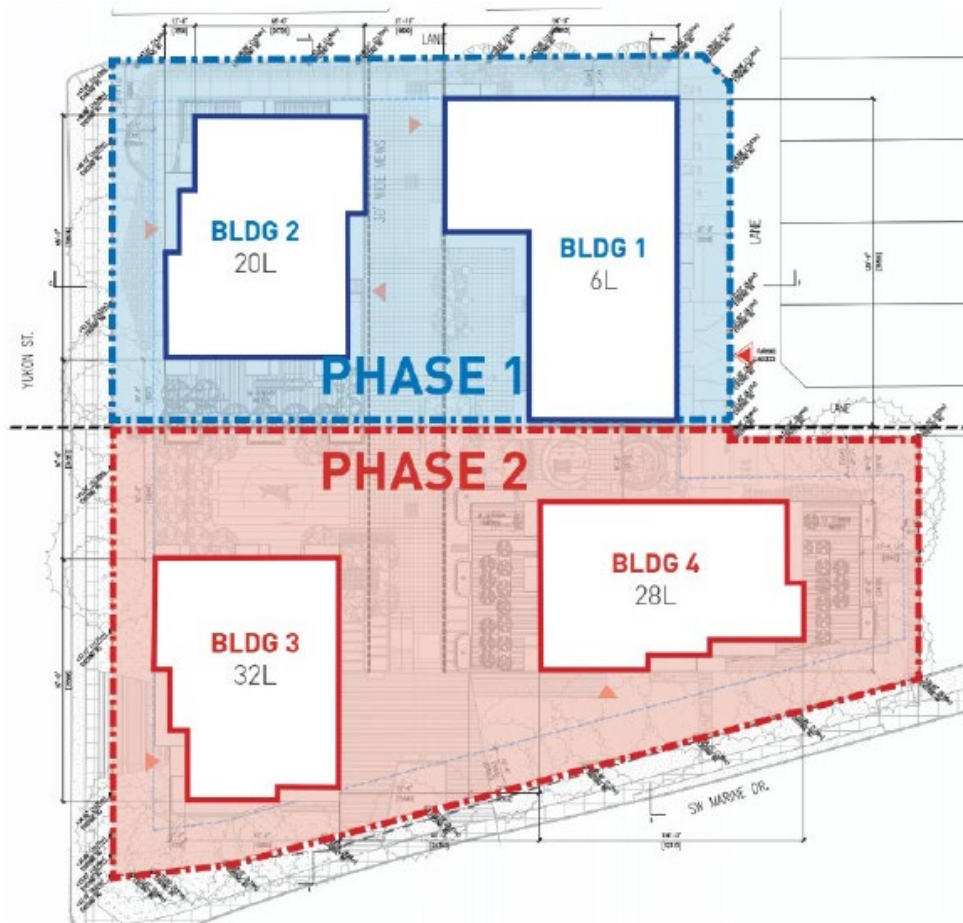
Delivery Model:
Nonprofit with Development
Consultant as Project Lead

Location:
Yukon & Marine Drive

Key Population:
Intergenerational: seniors, families,
students, young adults, and
newcomers.



What Project is Delivering



Key Program Details

- 850 new rental homes
- 4 buildings
- 2 phases of build out
- Transit-oriented community with a focus on health, wellness, and longevity

Mixed-Income Community

- 30% Below-market rental housing
- 70% Market rental housing

Achieving:

- Largest Social Housing project delivered by a nonprofit in Vancouver
- Creative Financing Strategy



Current Challenges

- Some **municipalities do not have non-market prioritized policies or streams** in place that treat non-market/non-profit housing development differently from market.
- **Political changes can erode financing programs.**
CMHC provides favourable interest rates and amortization that significantly help projects achieve viability.
- **Construction cost increases and tariff impacts** pose a risk to our ability to achieve financial viability.



Thank You

Get in touch.

Annelise van der Veen
Manager Strategic Projects
annelise@purposedrivenroi.com