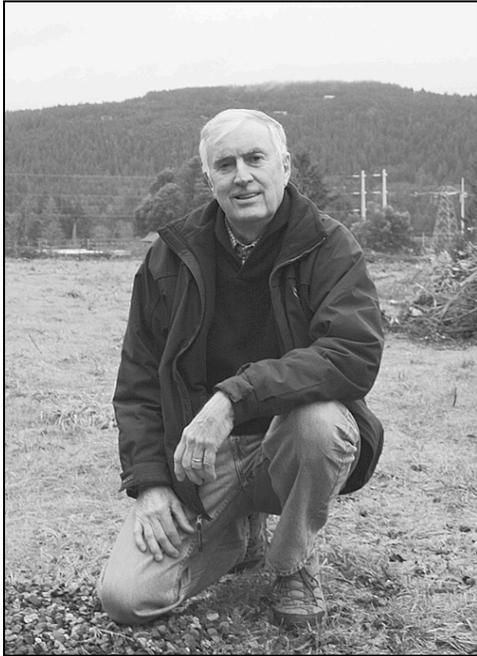




210 Norton Road

Salt Spring Island, BC



Background

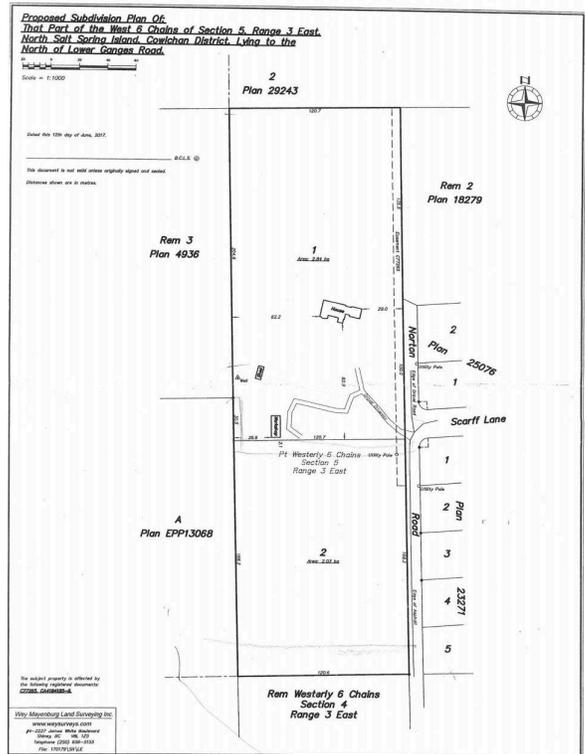
Entrepreneur Norm Elliott, driven by philanthropic sentiments, started an affordable housing project on Salt Spring Island in 2003, overcoming many bureaucratic and practical obstacles. In the end, when most of the permits had been approved, his health declined and the project was abandoned.

Today (December 2019), the entire 12-acre property is up for sale and is zoned for affordable housing. A subdivision (which is already nearly complete) could free up the northern 7 acres, which include a nice home and garden, and put them back onto the market. This would cover most of the acquisition investment.

The remaining 5 acres are approved for 26 affordable units.

Project Status

Rezoning	✓
Development Permit	✓
Development Variance Permit	✓
Preliminary Layout Approval	✓
Preliminary Storm Water Design	✓
Preliminary Study-Potable Water Supply	✓
Site Plan	✓
Subdivision (if so desired)	Nearly
Funding	✗
Housing Design	✗





Folio ID 764-00653.002

MLS # [R2389034](#) [2]

Parcel ID 004-443-489

Lot 11.7966 Acres

[House](#)

Built 2003

Bedrooms 3

Office 1

Bathrooms 2

Garage? Yes

Floor Space 2,257 square feet

Site Acquisition

The listing price has dropped significantly:

Between September 2016 and November 2017	\$2,995,000
July 2018	\$1,850,000
Presently (December 2019)	\$1,650,000

Housing Needs on Salt Spring Island

Affordable housing is [one of the Islands Trust's top seven priorities](#). Various housing needs assessments have been written by JG Consulting Services. The most recent one that covers Salt Spring Island specifically was published [in December 2015](#). Its executive summary reads:

There is an ongoing critical need for almost all types of affordable housing for low to moderate income households. Entry level homeownership remains difficult for even median income households. Salt Spring's low income tenant households have the fewest choices and struggle with both affordability and condition. Indications are that homelessness is increasing. While absolute numbers may be relatively low, the need for supported housing for more vulnerable populations that require supports should be considered an urgent priority. Salt Spring's high number and rapidly growing number of seniors indicates an increasing urgency for more affordable and supported options.

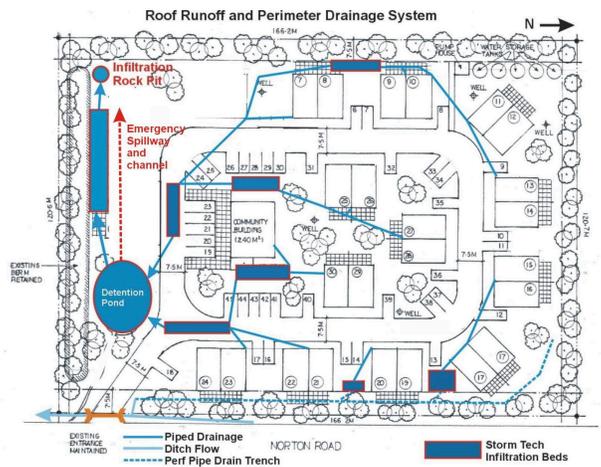
The Islands Trust itself has published a *Baseline Report* on affordable housing, with an updated version published [in January 2019](#). There was also an action plan published in [March 2011](#).



Water

The water utility on Salt Spring Island has [a moratorium](#) on new connections to its water supply. New developments now need their own source that can provide enough water that meets existing cleanliness requirements. The well at 210 Norton Road meets (and even exceeds) those requirements.

Private properties with multiple owners must have their own water utility, a practice that the government has made burdensome by requiring homeowner associations to post a \$500,000 – \$2,000,000 bond. Housing projects with only rentals circumvent these restrictions.



[The covenant in favour of the Islands Trust](#) allows only 5 of the 26 total units to be rental units. However, there are indications that the Islands Trust is open to amending that stipulation.

Sewage

Sewage disposal can occur either by means of an onsite septic tank or by a connection to the local sewage treatment plant.

Prefabricated homes

Since construction costs on Salt Spring Island are about twice as high as they are on mainland BC or Vancouver Island, prefabricated houses would be a more economical choice. Duplexes from the Muchalat Group have been proposed at roughly \$420k each. An online search, however, reveals that cheaper options exist.

Proforma (draft)

	Month 1	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30	Year 40
Rent Increase		0%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%
Annual increase of expenses		0%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%
Increase in real estate value		6%	6%	6%	6%	6%	6%	6%	6%
Income									
Rent	\$46,080	\$552,961	\$571,208	\$590,058	\$629,645	\$740,623	\$1,024,709	\$1,417,763	\$1,961,584
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$46,080	\$552,961	\$571,208	\$590,058	\$629,645	\$740,623	\$1,024,709	\$1,417,763	\$1,961,584
Expenses									
Principal & Interest	\$21,624	\$259,494	\$259,494	\$259,494	\$259,494	\$259,494	\$259,494	\$259,494	\$0
Property taxes	\$1,726	\$20,709	\$21,393	\$22,099	\$23,581	\$27,738	\$38,377	\$53,098	\$73,465
Insurance	\$1,941	\$23,298	\$24,067	\$24,861	\$26,529	\$31,205	\$43,174	\$59,735	\$82,648
Capital expenditure (units)	\$2,808	\$33,692	\$34,803	\$35,952	\$38,364	\$45,126	\$62,435	\$86,384	\$119,518
Capital expenditure (common)	\$813	\$9,750	\$10,072	\$10,404	\$11,102	\$13,059	\$18,068	\$24,998	\$34,587
Salaries	\$7,250	\$87,000	\$89,871	\$92,837	\$99,065	\$116,526	\$161,222	\$223,064	\$308,625
Utilities	\$1,075	\$12,900	\$13,326	\$13,765	\$14,689	\$17,278	\$23,905	\$33,075	\$45,762
Additional expenses	\$1,000	\$12,000	\$12,396	\$12,805	\$13,664	\$16,073	\$22,238	\$30,767	\$42,569
Total	\$38,237	\$458,843	\$465,421	\$472,217	\$486,488	\$526,497	\$628,914	\$770,614	\$707,174
Cash Flow	\$7,843	\$94,118	\$105,787	\$117,841	\$143,156	\$214,126	\$395,795	\$647,149	\$1,254,409
Assets (end of year)		\$5,487,959	\$5,817,237	\$6,166,271	\$6,928,422	\$9,271,792	\$16,604,367	\$29,735,892	\$53,252,453
Liabilities (end of year)		\$4,605,444	\$4,515,289	\$4,421,732	\$4,223,893	\$3,660,152	\$2,165,208	\$0	\$0
Balance (end of year)		\$882,515	\$1,301,948	\$1,744,539	\$2,704,529	\$5,611,639	\$14,439,158	\$29,735,892	\$53,252,453



– Prepared by –

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