

THE ROLE OF GOVERNMENT POLICY
IN FACILITATING CONDOMINIUM OWNERSHIP
BY LOW INCOME HOUSEHOLDS: A CASE STUDY OF WINNIPEG

A Thesis

Submitted to the Faculty of Graduate Studies
in Partial Fulfillment of the Requirements for the Degree of
Master of City Planning

Fatine Emel Derbentli

Department of City Planning

University of Manitoba

March, 1979

THE ROLE OF GOVERNMENT POLICY
IN FACILITATING CONDOMINIUM OWNERSHIP
BY LOW INCOME HOUSEHOLDS: A CASE STUDY OF WINNIPEG

BY

FATINE EMEL DERBENTLI

A dissertation submitted to the Faculty of Graduate Studies of
the University of Manitoba in partial fulfillment of the requirements
of the degree of

MASTER OF CITY PLANNING

© 1979

Permission has been granted to the LIBRARY OF THE UNIVER-
SITY OF MANITOBA to lend or sell copies of this dissertation, to
the NATIONAL LIBRARY OF CANADA to microfilm this
dissertation and to lend or sell copies of the film, and UNIVERSITY
MICROFILMS to publish an abstract of this dissertation.

The author reserves other publication rights, and neither the
dissertation nor extensive extracts from it may be printed or other-
wise reproduced without the author's written permission.

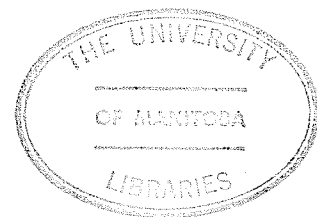


TABLE OF CONTENTS

ACKNOWLEDGEMENTS		vii
ABSTRACT		ix
LIST OF TABLES		iii
LIST OF GRAPHS		v
LIST OF MAPS		vi
CHAPTER		
I	THE CONTEXT	
	Introduction	1
	Hypothesis	2
	Objectives	3
	Outline	3
	Housing in Canada and Winnipeg: An Overview ...	7
	Contradictions Within the Current Market	13
	Condominium: An Overview	14
II	CONDOMINIUM DEVELOPMENT AND LEGISLATION	
	History	18
	Condominium Activity in Winnipeg	
	- Quantitative Trends	20
	- Qualitative Trends	27
	The Legal Framework in Winnipeg	
	- Federal Legislation	32
	- Provincial Legislation	33
	- Municipal Legislation.....	37
	- Procedures in the Creation of Condominium Corporations	48
III	ACTORS IN THE MARKET	
	Consumers	
	- Demographic Characteristics	48
	- Occupancy Characteristics	57
	Developers	69
	Lenders	69

CHAPTER

IV	THE BEHAVIOUR OF MARKET PARTICIPANTS	
	Consumers	
	- Reasons for Involvement	77
	- Reasons for Limited or Non-involvement ..	80
	Developers	
	- Reasons for Involvement	87
	- Reasons for Limited or Non-involvement ..	89
	Lenders	
	- Reasons for Involvement	96
	- Reasons for Limited or Non-involvement ..	97
V	ECONOMIC COSTS AND BENEFITS OF CONDOMINIUM DEVELOPMENT AND OWNERSHIP	
	Pre-purchase Phase.....	108
	During Ownership Phase	121
	Post Ownership Phase	141
VI	SYNTHESIS AND POLICY PROPOSALS	
	Synthesis	144
	Policies Affecting Demand	151
	Policies Affecting Supply	158
	Supplementary Proposals for Condominium	
	Development in General	164
	APPENDICES	
I	Occupants' Survey and Interviewers' Instructions ..	168
II	Developers' Survey	187
III	Lenders' Survey	199
IV	Tabulation of Occupants' Survey Results	209
V	List of Developers and Lenders Interviewed	211
	BIBLIOGRAPHY	212

LIST OF TABLES

<u>TABLE</u>		<u>PAGE</u>
I.1	Condominium Development in Major Canadian Urban Centres	11
II.1	Nature and Amount of Condominium Activity: Winnipeg -- 1970 to Oct. 15, 1978	21
II.2	Total Number of Registered Condominium Projects and Units As of Oct. 15, 1978	25
III.1	Sampling Procedure	47
III.2	Age-Sex Distribution in Condominium Sub-Groups	50
III.3	Age-Sex Of Income Earners	51
III.3(a)	Occupations of Owners	53
III.4	Total Household Incomes	54
III.5	Strength of Current Demand As Perceived by Developers	56
III.6	Number of Dwellers in Units	58
III.7	Number of Unit Resales	62
III.8	Developers and Lenders Involved in the Registered Condominiums	70
III.9	Amount and Number of NHA Mortgage Loans Under Condominium Tenure Made by Approved Lenders and CMHC	75
IV.1	Importance of Factors Influencing Success of Condominium Marketability as Perceived by Developers	93
V.1	Cost Factors As A Percentage of Total Costs	110
V.2	Gross Profits in Conversions	111
V.3	Prices of Condominiums vs Semi-Detached and Single Family Dwelling Units -- 1978, 1977, 1976, 1975	114
V.4	Percentage of Owners in Various Monthly Cost Categories	122
V.5	Highest and Lowest Current Monthly Costs in Condominiums Sampled	124

<u>TABLE</u>		<u>PAGE</u>
V.6	Current Monthly Principal and Interest	125
V.7	Current Monthly Taxes	126
V.8	Current Monthly Management and Maintenance Fees	127
V.9	Current Monthly Utility Costs	128
V.10	Current Monthly Other Costs	129
V.11	A Summary Table of Monthly Cost Factors	130
V.12	Current Average Monthly Costs	131
V.13	Annual Incomes Required To Cover Current Average Monthly Costs	134
V.14	Current Average Incomes of Owners and the Total Monthly Payment That Can Be Made with These Incomes	135
V.15	Actual Percentage of Incomes Paid for the Highest and Average Monthly Costs	137
V.16	Difference Between Monthly Rental and Ownership Costs	139
I (App. IV)	Total Household Income in Individual Condominiums	209
II (App. IV)	Total Current Monthly Costs in Individual Condominiums	210

LIST OF GRAPHS

GRAPH

I.1	Percentage Share of Starts For All Types of Dwellings: Canada, 1960 - 1977	9
I.2	Percentage Share of Starts For All Types of Dwellings: Winnipeg, 1960 - 1977	10
II.1	Growth Trends In Types of Condominiums Registered, 1970 - 1978	26

LIST OF MAPS

MAP

II.1 Locations of Condominium Corporations 29

ACKNOWLEDGEMENTS

I would like to express my sincere appreciation to the many individuals, who assisted me in numerous ways, in the completion of this work.

My advisor, Dr. Gregory Mason, who provided me with the necessary intellectual guidance, technical advice, encouragement and unfailing support throughout all stages of the study, giving his time generously whenever required.

My readers, Dr. Kent Gerecke and Professor Mario Carvalho, whose valuable comments aided in the clarification and enrichment of the document.

Professor Barry Trute, for his technical advice on the design, administration and analysis of the survey questionnaires.

Mr. Karl Falk of Central Mortgage and Housing Corporation, who initially introduced me to the area of my research and made available to me the required data and literature as well as the financial assistance for the administration of the occupants' survey.

Mr. Harold Chorney and Mr. Les Mundwiler of Manitoba Housing and Renewal Corporation, for their time and efforts in generating a computer tape of some necessary data.

Mrs. Sheila Murphy and Mrs. Margaret McTavish, for an excellent job in carrying out a great many of the interviews with the condominium occupants.

All of the condominium occupants, developers and lenders interviewed, who provided much valuable information; and whose co-operation enabled me to carry out the research as originally designed.

Carlito, whose presence was always a source of inspiration.

Trish, for patiently and willingly carrying out the tedious task of proofreading the final draft.

Mrs. Jeanne Hawrysh, for her efforts in transforming an untidy draft into a neatly typed document.

Last but not least, my deepest gratitude is due to my parents, who gave me constant financial and moral support throughout the duration of this endeavour as well as all others in the past.

ABSTRACT

Using Winnipeg as a case study, this thesis examined the extent to which condominiums currently provide housing for lower income consumers in the Winnipeg market, and investigated the viability of this form of residential development in a policy of encouraging homeownership for greater numbers of low income Canadians.

The primary objectives of the investigation were: (1) to identify the forces affecting the rate and costs of condominium development and ownership; (2) to determine the income sectors currently provided for by condominiums in the market; and (3) to propose a development policy framework which primarily aims to encourage and promote the utilization of the condominium as a vehicle to homeownership by lower income consumers.

In general, the study revealed the divergence between condominium theory which asserts that the condominium form of housing holds the potential of providing land based equity growth at a lower cost than the usual form of fee simple ownership (thus being particularly suitable for lower income classes); and condominium practice which indicates that this potential has not been and cannot be realized within the current development framework.

Specifically, the major findings included the following:

(1) Condominiums, as a prominent element of the near future housing stock in Winnipeg, could play a major role in providing housing for lower income consumers.

(2) Although variation exists in the current registered stock, the supply is limited in terms of the effective demand it can generate from

lower income consumers.

(3) There is limited government (federal, provincial and municipal) intervention into the condominium market (either through the legislative, procedural, or active government policy channels) and as a result, the supply and demand characteristics are determined mainly by private market forces.

(4) Although there is a great variety in the characteristics of condominium occupants; the elderly, households with children, the middle aged and lower income consumers in general have minimal involvement or are totally excluded from the market. However, indications are that latent demand is strongest for the lowest priced units presumably by lower income groups, who are currently unable to enter into the market.

(5) The larger developers and lenders have the greatest involvement in the market. The minimal involvement or total exclusion of small developers, small investors and all levels of government from the market indicate that the developers and lenders currently involved, possess a great deal of power in terms of the prices they can charge for the units and the consumers they can select for lending.

(6) There are currently three major obstacles to the entry of lower income consumers into the Winnipeg condominium market, namely: (i) prices of units, in general, are not low enough to enable lower income consumers to enter the market; (ii) even when the units are marketed at relatively low prices, the total monthly costs of ownership are not low enough to enable lower income consumers to keep up with monthly payments; and (iii) units that can be afforded, both in terms of the initial acquisition price and total monthly costs, by certain income groups, are nevertheless

marketed to buyers with relatively higher incomes.

(7) The numerous reasons underlying these obstacles can be grouped into four major categories, namely: limited involvement by consumers; limited involvement by developers (high levels of profit); limited involvement by lenders; and finally, the characteristics of condominium structures and the nature of condominium ownership.

By illustrating the results of private market activity in an atmosphere of relative freedom from government intervention, the study identified the need for active government participation into the condominium market in order for lower income groups to benefit from the potentials of condominium ownership. The proposals which provided some amount of guidance for undertaking this active role consisted of measures affecting the demand for and supply of condominium units. Specifically, they included: (i) policies relating to correcting market imperfections (education); (ii) policies to remove capital market discrimination (subsidized loans); and (iii) policies to remove uncertainty (inspection).

CHAPTER I
THE CONTEXT

INTRODUCTION

Using Winnipeg as a case study, this thesis examines the extent to which condominiums¹ currently provide housing for lower income consumers² in the Winnipeg market, and investigates the viability of this form of residential development in a policy of encouraging homeownership³ for greater numbers of low income Canadians. The condominium form of development, in view of its far reaching beneficial economic and social implications, holds great potential in being a particularly viable form of development in meeting lower income consumer housing

1. Ownership of condominium housing consists of full ownership of a unit (individual suite) and shared ownership and responsibility of "common elements" (all property outside of the individual unit boundaries); such as land, halls, elevators, recreational facilities and parking areas. It is important to recognize that the distinction is established as a result of legal definition of ownership rather than structural differentiation of the dwelling unit. Because of this, the Manitoba Condominium Act does not provide any structural definitions of "condominiums". Rather, the developer is flexible in the type of condominium project he creates; providing units either in apartment buildings, town houses, detached or semi-detached housing. Although all condominiums are thus governed by the same legal framework, the social and economic implications of the four most common structure and construction types; that is to say, converted apartments, converted town houses, new apartments and new town houses; may nevertheless differ for the various actors involved in the market. The fact that a unique legal definition of ownership applies to all types of condominiums has made it possible as well as essential, in some sections of this thesis, to speak of condominiums in an aggregate form -- as a unique sector of the housing market -- regardless of the type of structure and construction of the various projects. However, where social and economic implications have differed for the various types, the condominium phenomenon has also been disaggregated in other sections of the thesis in order to bring out these differences.

2. Lower income consumers are defined in this thesis as those consumers who desire homeownership but are not in a financial position to acquire single family dwelling units or condominiums at the existing market prices.

3. This thesis encourages facilitating homeownership rather than the provision of rental tenure in view of advantages of homeownership to consumers such as control over management and use of property, greater stability in monthly payments and building of equity.

needs. In consideration of the fact that housing is a most basic necessity and the increasing difficulties in affording the financial costs of required housing by lower income consumers, it is imperative than any option which presents itself as a viable one in fulfilling this need, be thoroughly explored.

HYPOTHESES

This thesis takes part in this exploration by examining two basic hypotheses:

(1) Condominiums in the Winnipeg market currently provide "substitutes"⁴ and "alternatives"⁵ to consumers in the middle, higher-middle and high income categories, thereby excluding from the market, consumers in the lower income brackets;

(2) The condominium form of residential development, in theory offers an excellent opportunity for providing ownership to lower income consumers, due to potential cost savings in construction. However, due to inherent cost characteristics of condominium structures and ownership and to the nature of existing market demand and supply forces, condominiums cannot fulfill this role in the absence of substantive

4. Condominiums as a "substitute": replacement for detached single family dwelling or rental tenure, either temporarily or permanently, where it is perceived by the consumer, that the ownership of a condominium is economically more feasible in the short run (initial acquisition terms) as well as in the long run (total monthly payments and building of equity).

5. Condominiums as an "alternative": preference for the condominium lifestyle rather than the detached single family dwelling or rental tenure in order to be free from the responsibilities that would normally be associated with the single family dwelling ownership and/or benefit from the advantages of private ownership such as the building of equity in property, flexibility and security of tenure.

government intervention. It is therefore necessary to formulate a policy framework addressed specifically to condominium development, within which governments may opportunely act to facilitate the participation of a greater number of low income consumers in the home-ownership market.

OBJECTIVES

Hence, the objectives of this thesis are:

- (1) To examine the supply and demand characteristics of condominiums in Winnipeg, thereby identifying the forces affecting the rate and costs of condominium development and ownership;
- (2) To determine the resulting role of condominiums in the market, that is, to determine which income sectors of the housing market are presently served; and
- (3) To propose a development policy framework directed towards encouraging and promoting the utilization of the condominium as a vehicle to homeownership by lower income consumers.

OUTLINE

The study will attempt to achieve the above stated objectives in the following sequence.

Chapter II will examine condominium development and legislation. Firstly, a brief history with a focus on Canada will be presented. This will illustrate the lengthy existence and world-wide use of the concept as well as the necessary framework within which developments in Canada can take place. Secondly, in order to provide an understanding of the supply side of the market, the condominium growth trends in Winnipeg will be examined and various characteristics of the projects

will be described. Growth patterns will illustrate that there is a marked change in the rate of condominium growth since 1975 and that the current rate of growth indicates condominiums will play a significant role in the Winnipeg housing market of the near future. The characteristics of supply will indicate great variations in the structure and construction types, in the location, size and design of projects and units in condominiums currently on the market. An important finding will be that this supply, although on the increase and exhibiting great variations, is limited in terms of the effective demand that it can generate from the lower income sector of the market. Thirdly, the legal and procedural framework for condominium development in Manitoba will be discussed through an examination of the federal, provincial and municipal legislation, the existing active government policies and the procedures followed in the creation of condominium corporations. The discussion will attempt to illuminate the existing deficiencies in these government avenues for intervention with respect to their limitations in promoting the utilization of the condominium concept for the benefit of lower income housing consumers. This procedure for analysis will thereby illustrate the overall lack of government direction and initiative in pursuing this objective.

Chapter III will identify the "actors"⁶ in the Winnipeg condominium market. Since the characteristics of supply are partially dependent upon who the suppliers and the buyers are; this chapter, by identifying the actors, will attempt to explore the underlying reasons as to the

6. "Actors" in the condominium market: individuals or groups of individuals whose actions, in one way or another, have an impact on the characteristics of demand and supply in the market.

role condominiums currently play in the market and the potentials for change in that role in view of existing demand and supply characteristics. Included will be an examination of the demographic and occupancy characteristics of consumers and the identification of "developers"⁷ and lenders active in the market. This discussion will indicate the heterogeneity of effective demand and of the suppliers. However, an important finding will be that this variety in effective demand and suppliers is limited in that there are clearly certain groups such as the low income consumers, single parents, the elderly, small developers and investors, who are either totally excluded or have very limited involvement in the market.

Chapter IV will examine the behaviour of market participants thereby identifying the nature and degree of actors' involvement in the condominium market. This discussion will illuminate the numerous reasons for involvement and limited or non-involvement by consumers, developers and lenders. This then will further clarify the factors affecting the rate of growth as well as the nature of developments (hence the role of condominiums) in the Winnipeg market. Several behavioral obstacles which are currently preventing the participation of lower income consumers in the condominium market will emerge from this chapter. These obstacles, related to purchasing, managing, constructing, marketing and lending in the condominium field, will clearly indicate the need for government intervention and the channels through which such intervention should proceed.

7. "Developers": owners of the property at the time it first becomes identified as a condominium.

Chapter V will examine the "economic costs"⁸ and benefits of condominium development and ownership during the pre-purchase, occupancy and post ownership phases in order to provide an understanding of their nature and extent and hence determine the economic obstacles to condominium ownership by lower income consumers. These obstacles related to the monthly costs of condominium ownership, inherent costs of condominium development and conversion and the nature of private market activity as a result of the profit motive, will indicate additional channels through which government intervention should proceed.

Chapter VI will synthesize the findings of the previous chapters with the objective of bringing into focus the major obstacles and their underlying reasons which deter lower income consumers from participating in the market. This synthesis will illustrate the actual divergence between the theory of condominium utilization which indicates a potential for entry of lower income consumers into the ownership market and the current practice of condominium development which prevents the realization of this potential. Concurrently, in addressing these obstacles a development policy framework, containing directives to make condominiums a vehicle to homeownership for consumers who are currently excluded from the market, will be proposed. Included will be policies related to the correction of market imperfection (education), the removal of capital market discrimination (subsidized loans) and the removal of uncertainty (inspection).

Prior to proceeding with the investigation, it is necessary to

8. "Economic costs": pecuniary costs incurred in the various phases of condominium development and ownership. Hence, the thesis excludes a discussion of opportunity and social costs.

gain a clear understanding of the reasons as to why the above proposed inquiry is significant. Hence, the remainder of this chapter will attempt to provide a general background against which the study can be placed in perspective. Firstly, an overview of housing in Canada and Winnipeg will reveal trends in the housing markets of urban centres leading to a discussion of possible explanations to these trends. This overview will illuminate a number of contradictions within the current housing markets which particularly affect lower income consumers, thus indicating the need for exploring different means for matching the demand for housing by this group of dwellers with its supply. Following will be a discussion of the condominium concept, indicating the feasibility of this form of ownership as an option for the lower income brackets and hence, the necessity of exploring its potentials.

HOUSING IN CANADA AND WINNIPEG: AN OVERVIEW

In the past, the greater proportion of new construction dwelling starts in metropolitan areas has been single detached units; a trend which indicates high levels of demand for this form of dwelling and ownership tenure.⁹ However, housing market activities in Canadian urban centres during the 1960's and 1970's have been characterized by new trends, as illustrated in Graphs I.1 and I.2 and in Table I.1.

The following observations can be made:

- (a) The number of starts for single detached dwellings still

9. The Task Force on Housing and Urban Development, at its public meetings with various groups, found that at least 80% of those present wanted to own their own home; the same figure Professor Michaelson of Toronto obtained in a more scientific sampling. (The Task Force on Housing and Urban Development, "Impression -- Home Ownership" in K. S. Sayegh, ed., Canadian Housing: A Reader (University of Waterloo, 1972)).

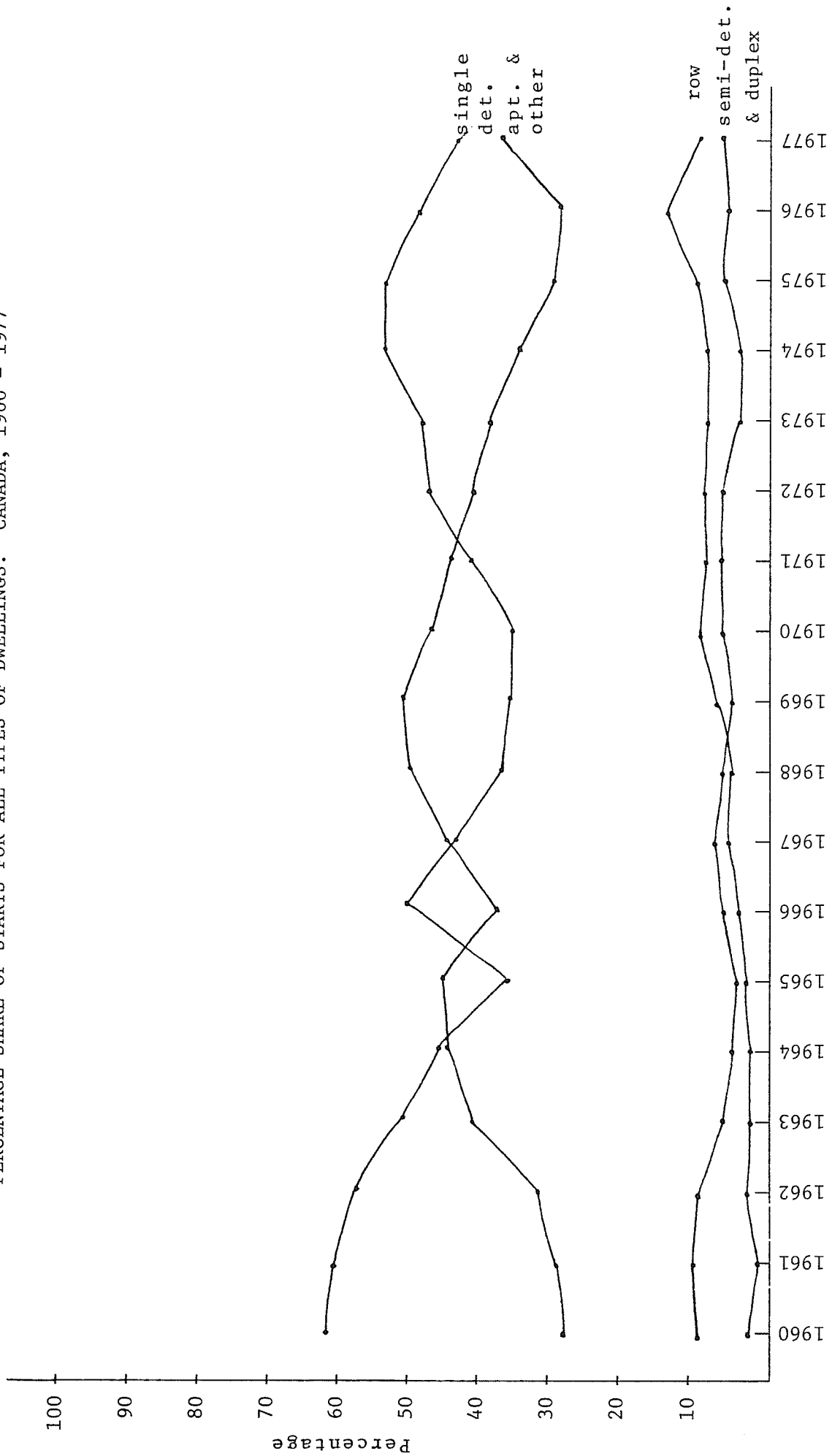
remains significant despite the fact that, as a proportion of the total number of dwelling starts, it has either been decreasing, remaining constant or increasing at a slower rate than in the past.

(b) The number of starts for multiple family units (apartments as well as row houses and duplexes), as a proportion of the total number of dwelling starts, has been increasing.

(c) A new form of homeownership, "condominium" has emerged and the number of newly constructed and converted condominium units has been increasing. In general, condominiums have developed relatively more rapidly in centres experiencing growth pressures.

GRAPH I.1

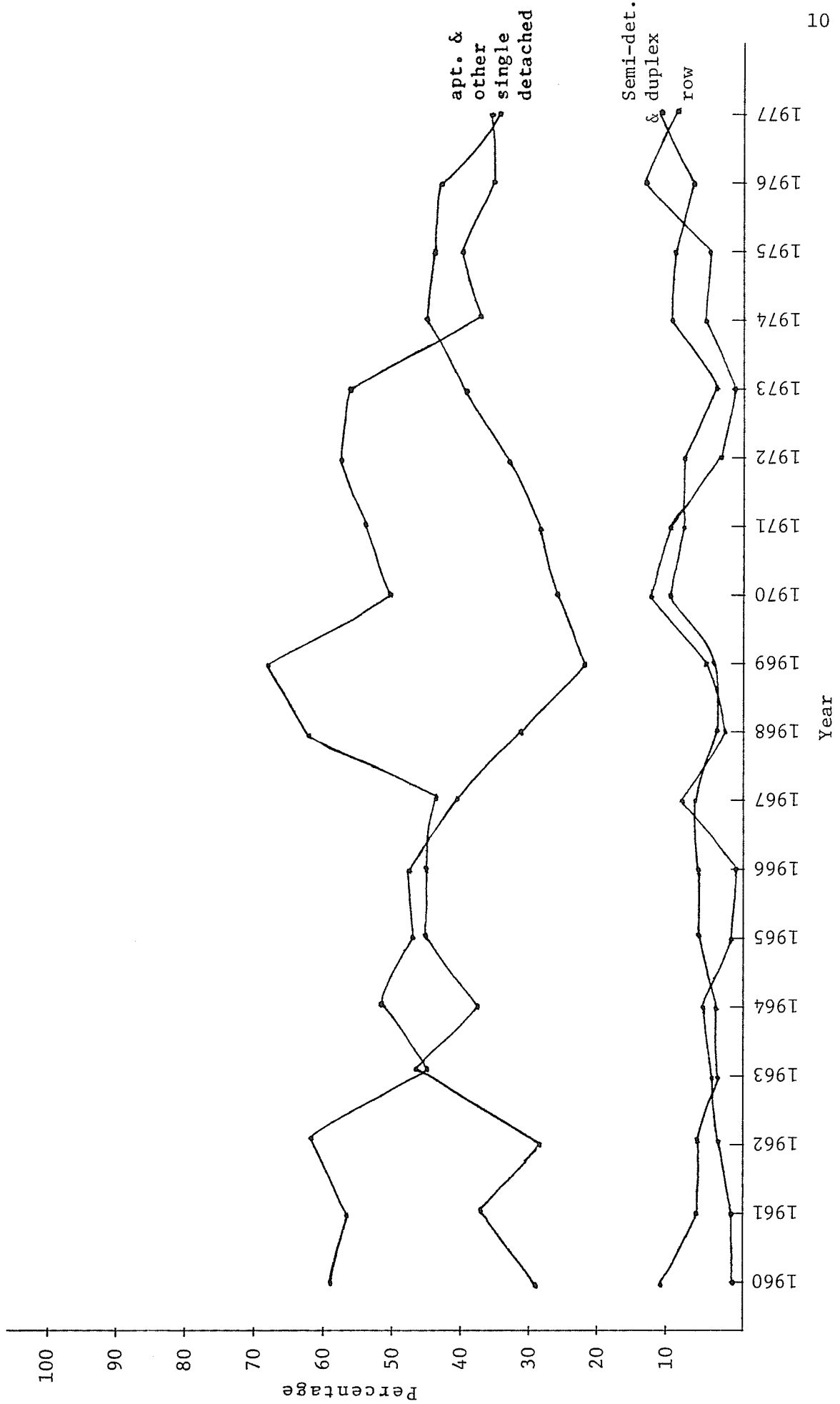
PERCENTAGE SHARE OF STARTS FOR ALL TYPES OF DWELLINGS: CANADA, 1960 - 1977



Source: Canadian Housing Statistics, Table 9, 1977.

GRAPH I.2

PERCENTAGE SHARE OF STARTS FOR ALL TYPES OF DWELLINGS: WINNIPEG, 1960 - 1977



Source: Canadian Housing Statistics, Tables 6 and 12, 1964 - 1977.

TABLE I.1
 CONDOMINIUM DEVELOPMENT IN MAJOR CANADIAN URBAN CENTRES ¹

CITY	NUMBER OF PROJECTS/UNITS
Victoria	134/2413 (as of June 1978)
Edmonton	224/10785 (as of June 1978)
Saskatoon	6/515 (as of June 1978)
Toronto	--/29020 (as of December 1976)
Ottawa	38/6213 (Jan. 21/73 to Apr. 7/75)
Montreal	--/2171 (as of December 1974)
Quebec	8/721 (as of June 1978)
St. John's	Nil
Fredericton	Nil
Charlottetown	Nil
Halifax	18/-- (as of June 1978)
Winnipeg	31/2670 (as of Oct. 15/78)

Source: Planning Departments/CMHC Offices of the above cities.

1. Since up to date information in all cities contacted could not be obtained, figures are necessarily limited to those years for which information was provided. As well, since respondents did not provide figures in a uniform manner, some of the information in the chart is missing and the available information is based either on the number of registered units (Victoria, Edmonton, Saskatoon, Toronto, Quebec, Halifax, Winnipeg), the number of applications (Ottawa) or the number of units on which owners were holding mortgages (Montreal).

An examination of the underlying reasons for the equally strong demand for ownership and rental tenure provide possible explanations for the above described trends.¹⁰ Reasons for ownership demand include: increases in the house buying population and elderly; inflationary trends within the economy as a whole and the land market in particular; the relative absence of suitable alternatives to the single family detached dwelling as an environment for family living; the existence of a "philosophy of homeownership" among the Canadian people; rapidly increasing rental costs in the absence of rent controls; and finally, the diversion of building activity from the rental to the ownership sector of the market as a result of rent controls.

Reasons for demand of rental tenure include: higher percentages of young families, of retired, and of non-family households, coupled with lower birth rates, in total creating smaller family sizes; changes in lifestyles as a result of greater need, desire and affordability of mobility; and finally, escalating costs of land, construction and borrowing increasing the price of single family dwelling ownership beyond the purchasing power of increasing numbers of consumers.

10. For detailed discussions of urban housing markets see the following references: K. S. Sayegh, ed., Canadian Housing: A Reader (University of Waterloo, 1972); M. Dennis and S. Fish, Programs in Search of A Policy: Low Income Housing In Canada (Toronto: Hakkert, 1972); P. Spurr, Land and Urban Development (Toronto: J. Lorimer, 1976); T. Muller, Fiscal Impact of Land Development - A Critique of Methods and Review of Issues (Washington, D.C.: The Urban Institute, 1974); T. Muller, Economic Impacts of Land Development: Employment, Housing and Property Values (Washington, D.C.: The Urban Institute, 1976); J. R. Markusen and D.T. Sheffman, Speculation and Monopoly in Urban Development: Analytical Foundations with Evidence for Toronto (University of Toronto Press, 1977).

CONTRADICTIONS WITHIN THE CURRENT MARKET

Two very important observations, applicable to the present socio-economic environments of urban housing markets, emerge from the above trends and their underlying reasons. First, the demand for housing accommodation is heterogeneous and is dependent upon such variables as income, age, marital status, family size and lifestyle. Second, a number of opposing forces which create conflicting situations currently operate within the housing markets. The conflicting forces are:

(a) The desire of certain segments of the population for home-ownership versus the inability of increasing proportions of this segment to undertake its costs coupled with the unwillingness of builders to lower profit levels when faced with higher construction costs.¹¹

(b) The desire of certain segments of the population for the life-style offered in rental tenure versus firstly, the inability of increasing proportions of this segment to undertake its financial as well as "psychological costs"¹² in the absence of rent controls, and secondly, the unwillingness of builders to lower profit levels when faced with higher construction and maintenance costs and thirdly, the unwillingness of builders to engage in apartment construction when faced with lower profit levels (particularly over the duration of rent

11. Incomes that have risen at least at the same rate of inflation among limited sectors of the population, have enabled sellers in the real estate market to anticipate future buying power on the part of the public. As a result, builders have been able to maintain high profit levels in spite of the high construction costs and the proportionately lower level of building activity in the single family dwelling sector.

12. "Psychological costs" refers to psychological discomfort caused by financial insecurity as a result of continuously increasing rents.

controls).

The coexistence of the individualized demand for housing and the conflicting forces within current housing markets imply that consumers when faced with the above mentioned type of conflicts are inevitably forced to resolve them in the following ways. Those wanting to own are forced to rent or own lower quality units or maintain the quality of their owned housing accommodation and lower demands for other goods and services. Those wanting to rent are forced to rent lower quality accommodation or buy lower quality homes or maintain the quality of their rental housing and lower demands for other goods and services. It can then be concluded that the supply of housing, for those consumers who are unable to meet the current financial costs of required ownership or rental accommodation, can not provide for the fulfillment of individualized demand according to the particular mix of variables underlying it.

CONDOMINIUM: AN OVERVIEW

An examination of the concept of condominium ownership indicates that this form of development can provide for individualized housing demand, thereby benefitting in particular, those lower income consumers who are most likely to be faced with financial constraints in meeting required housing needs. The concept of condominium and the range of its applicability clearly have the following economic and social implications:

(a) Greater economic use of land can be attained hence making it possible to offer ownership at lower costs to lower income consumers. As well, the costs of urban expansion to governments and society as a whole can be reduced; firstly, by making it possible to provide lower

cost residential accommodation in the central city (thereby also assisting in the revival of the core area) and secondly, by curtailing the costs of suburban expansion through higher density developments. Such savings in costs by government can then be channelled into additional subsidization of condominium housing for the lower income brackets;

(b) Greater functional use of land at lower costs can be attained, hence making it possible to offer more amenities in the way of additional open space and recreational facilities in lower priced projects than would otherwise be possible under forms of ownership and rental developments currently practiced by developers;

(c) Lower income consumers can benefit from a number of advantages of private ownership unavailable through the rental form of tenure. These include the building of equity in property and any capital appreciation accruing to it; the greater financial as well as psychological security of tenure as a result of more stable monthly payments; pride of ownership and control over management of property;

(d) Lower income consumers can simultaneously benefit from advantages of rental tenure. These advantages include relative freedom from maintenance responsibilities, possibly increased flexibility/mobility and greater opportunities for social interaction; and

(e) Since each unit is a potential mortgage investment for small individual investors, funds which were previously not available to the building industry, nor to lower income consumers, may be released, resulting in increased building of lower priced units.

These implications clearly indicate that there is great potential for the condominium market to supply land based equity growth at a

lower cost than the usual form of fee simple ownership. The role of condominiums is thus unquestionably an extremely significant one, particularly in the midst of presently existing conflicts in housing markets. The following chapters proceed with the above proposed investigation.

CHAPTER II

CONDOMINIUM DEVELOPMENT AND LEGISLATION

This chapter will examine the history of the condominium concept, the patterns of growth in Winnipeg condominium activity and the legislative framework within which the growth has taken place. The historical overview will briefly touch upon the origins of the concept, then focus on the history of legislation and developments in Canada. It will serve to indicate the global use of the concept and the potentials for its use in Canadian urban centres. The discussion on the patterns of growth in Winnipeg will include both a description of quantitative trends from the initial condominium activity to the present as well as projections for the rate of growth in the future. The qualitative trends will be studied through an examination of size of units and projects registered, their locations and common elements. This discussion on growth trends will provide some understanding of the characteristics of the existing supply and indicate the potentials for the growth of the concept in the Winnipeg market. The examination of the legal framework in Manitoba will include a discussion of the federal, provincial, and municipal legislation; the active government policies; and the procedural framework for the creation of condominium corporations. It will serve to provide an understanding of the extent and nature of government involvement and hence the "degree of freedom" within which the private sector operates in the Winnipeg condominium market. The above findings will be crucial to the thesis in that they will indicate the potential for the utilization of condominiums by lower income consumers within the existing growth conditions and legal circumstances.

HISTORY¹

The word "condominium" originated in Roman Law implying "joint dominion of a state's affairs vested in two or more others". The application of the concept as a property owning arrangement however, dates back to 2000 B.C. when shared ownership of a structure was recorded in Babylonian documents. Since then, the condominium concept has been well established and utilized in many parts of the world. It has been particularly popular to date where urban space shortages and high costs of housing have necessitated its use.

In Canada, there have been provisions for condominium ownership since the enactment of the National Housing Act (1935). However, complementary provincial enabling legislation was not enacted until quite recently. The first statutes were in Alberta and British Columbia in late 1966 and in Ontario in 1967. By November 1, 1968 Saskatchewan, Manitoba and Nova Scotia had also passed condominium statutes and bills had been introduced in the legislatures of Quebec and the Yukon Territories. Presently, all Canadian Provinces and the Yukon Territories have condominium statutes.

Condominium development in Canada however, lagged behind legislation and did not begin to gain momentum until late 1969 and early 1970.² Two main reasons were cited for the initial slow growth.³

1. For a detailed review of the history of condominium development see: Habitat, CMHC, Volume XII, Numbers 4-5, 1969, pp. 2-3 and A.B. Rosenberg, Condominium in Canada (Canada Law Book, Toronto, 1969).

2. A.B. Rosenberg, Conversion of Rental Properties to Condominium in Canada (Winnipeg: Appraisal Institute of Canada, 1976), p. 4.

3. A.B. Rosenberg, Condominium in Canada (Canada Law Book, Toronto, 1969), p. 1.

These include: (1) the complexity of the condominium concept and its legalities limited understanding and involvement; (2) 1967 and 1968 were years of extreme shortage of money for mortgage financing. As a result, lending institutions, being able to be selective, preferred to take securities with which they were familiar. However, condominium growth soon picked up. In 1973, estimates from builders indicated that from 50% to 60% of all new homes built in metropolitan centres within the next decade would be condominium units.⁴

Hence, the condominium concept, although relatively new to Canada, has been in use for many years in various parts of the world. The awareness of the need for utilization of the concept in Canadian markets has however been indicated by the enactment of condominium legislation across Canada in a relatively short period of time. Furthermore, the relatively rapid growth of condominium activity in major centres, despite the fact that the concept is a relatively novel one to Canadians, confirms the need for its utilization. The increasing significance of issues related to urban space shortages and rapidly increasing land and housing prices are strong indications that the rapid growth of condominiums will continue and that they will soon become established in Canadian markets as well. As a prominent element of future housing stocks, condominiums thus present an excellent opportunity in providing housing for lower income consumers. A discussion of developments in Winnipeg, in the following section, will illustrate these points.

4. CREA Reporter, September 1973; The Winnipeg Tribune, September 1973.

CONDOMINIUM ACTIVITY IN WINNIPEG(a) Quantitative Trends

As of October 15, 1978, approximately ten years after the Manitoba Condominium Act was enacted, Winnipeg contained 31 registered condominiums totalling 2670 units.⁵ Tables II.1 and II.2 and Graph II.1 show the nature and amount of condominium activity to date in Winnipeg. They indicate that activity, although initially slow, has been increasing particularly since 1975; with 90.6% of the total units to date being registered after 1974. The increase is especially evident when one compares the proportion of registered condominiums to the total number of dwelling starts in 1970 and 1977. In 1970, the total number of registered condominium units constituted 1.61% of the total dwelling starts (6,661) whereas in 1977, they constituted 14.02% of the total dwelling starts (6,353).⁶

5. Winnipeg Land Titles - Condominium Registry.

6. All of the registered condominiums however, are not "true condominiums" in that the units in some projects have not been sold to individual buyers but are still owned by the developers and rented out. As a result, of the 1540 units converted by October 15, 1978; at least 312 were still being rented out. A number of reasons were given by lenders and developers for this practice. In the more recently registered projects, some units have either not as yet been sold or are waiting expiry date of leases of existing tenants and hence are still being utilized as rentals. Many commented that the Winnipeg market is still not ready for condominiums and that the existing market is small. As a result, developers register projects as condominiums ahead of time in order to avoid the difficulties of converting when they feel that there is a large enough market for the units. Others register projects as condominiums and continue to rent out units in order to provide themselves with the necessary cash flow. One developer stated that the condominiumized tax shelter program was also a reason for this practice. He commented that behind some condominiums being rented out, there is a syndicate of doctors and lawyers who do not want to be identified as "real estate developers". Hence, the individual units are sold to them only in order to provide a tax shelter for their savings and as a result are available for the rental market.

TABLE II.1

NATURE AND AMOUNT OF CONDOMINIUM ACTIVITY:

WINNIPEG¹ - 1970 to Oct. 15, 1978.

CONDO- MINIUM CORPO- RATION NO.	NAME AND ADDRESS OF PROJECT	DATE OF REGISTRATION	NO. OF UNITS	CONSTRUCTION TYPE	STRUCTURE TYPE
1	LAKWOOD VILLAGE 1016, 1020, 1024, 1028, 1032, 1036, 1040, 1044, 1048, 1052, 1056, Buchanan Blvd. 240, 250, 260, 270, Lumsden Ave.	Sept. 17/70	107	New	Town houses
2	THAWANI TOWERS 1975 Corydon Ave.	June 5/73	120	New	Apartment
3	DORSET HOUSE 151 Roslyn Rd.	Oct. 18/74	24	Conversion	Apartment
4	SOUTHWOOD GREEN 1 Snow St.	Sept. 12/75	95	Conversion	Town houses
5*	NO. 1 EVERGREEN PLACE, 1 Ever- green Place	Dec. 22/75	221	Conversion	Apartment
6	PINEWOOD VILLAGE 2825 Ness Ave.	Jan. 29/76	28	Conversion	Town houses
7	EXECUTIVE HOUSE 390 Wellington Cres.	May 14/76	12	Conversion	Apartment
8	SANSOME & WEST- WOOD DR., 17 Jolliet Cres. 302 Westwood Dr. 308 Sansome Dr.	June 16/76	30	Conversion	Town houses

SOURCE: Winnipeg Condominium Registry

1. Those condominiums marked with an asterisk are total rentals.

TABLE II.1 Continued

CONDO-MINIUM CORPORATION NO.	NAME AND ADDRESS OF PROJECT	DATE OF REGISTRATION	NO. OF UNITS	CONSTRUCTION TYPE	STRUCTURE TYPE
10*	BERTRAND HOUSE 254-256 Bert- rand St.	Aug. 26/76	6	Conversion	Apartment
11*	CAMBRIDGE SOUTH 870 Cambridge St.	Aug. 27/76	81	Conversion	Apartment
12	411 CUMBERLAND 411 Cumberland Ave.	Mar. 10/77	407	Conversion	Apartment
13*	LAKESHORE 3000 Pembina Highway	June 21/77	150	New	Apartment
14*	DALHOUSIE SQUARE Corner of Ulster St. & Silver- stone Ave.	Aug. 12/77	12	New	Town houses
15	NESS SQUARE 2859 Ness Ave.	Aug. 17/77	14	Conversion	Town houses
16	CHIMNEY RIDGE 3040, 3050, 3060, 3070, 3080 Pembina Highway	Aug. 29/77	98	New	Town houses
17*	GARDENTREE VILLAGE Corner of Watson St. & Jefferson Ave.	Sept. 1/77	96	New	Apartment
18	CRESCENTWOOD GARDENS 1120 Dorch- ester Ave.	Sept. 20/77	22	Conversion	Town houses
21	TUXEDO ESTATES 65 Swindon Way	Nov. 29/77	72	New	Apartment

TABLE II.1 Continued

CONDO-MINIUM CORPORATION NO.	NAME AND ADDRESS OF PROJECT	DATE OF REGISTRATION	NO. OF UNITS	CONSTRUCTION TYPE	STRUCTURE TYPE
22*	LAMONT APTS. 380 St. Anne's Rd.	Dec. 14/77	4	Conversion	Apartment
23	SPANISH COURTS 40 St. Mary's Rd.	Dec. 23/77	16	Conversion	Town houses
24	STRATFORD SQUARE Corner of Watson St. & Jefferson Ave.	Jan. 9/78	144	New	Town houses
25	TWIN LAKES-Corner of Waverley St., Lakecrest Rd. & Chancellor Drive	Mar. 13/78	96	Conversion	Town houses
26	880 CORYDON AVE.	Apr. 12/78	9	Conversion	Apartment
27	SOUTH BAY-Corner of Renfrew Bay & Taylor Ave.	Apr. 26/78	81	New	Apartment
28	CHAPMAN SQUARE Corner of Hamilton Ave. & Chapman Rd.	May 1/78	9	New	Town houses
29	WELLINGTON PARK NORTH - Corner of Mandalay Dr. Adsum Dr. & Ashmore Dr.	May 5/78	66	New	Town houses
30	55 NASSAU	June 14/78	297	Conversion	Apartment
31	HEARTSTONE ESTATES-Corner of Bramble Dr., Grant Ave. & Haney St.	July 5/78	46	New	Town houses

TABLE II.1 Continued

CONDO- MINIUM CORPO- RATION NO.	NAME AND ADDRESS OF PROJECT	DATE OF REGISTRATION	NO. OF UNITS	CONSTRUCTION TYPE	STRUCTURE TYPE
32	WOODRIDGE GARDENS-Corner of Beaverhill Blvd. & Marlene St.	July 13/78	72	Conversion	Apartment
33	WINNIPEG CONDO- MINIUM CORPORA- TION NO. 33 175 Pulberry St.	May 31/78	106	Conversion	Apartment
34	COUNTRY KNOLL Corner of Pembina Highway & DeVos Rd.	Sept. 15/78	129	New	Town houses

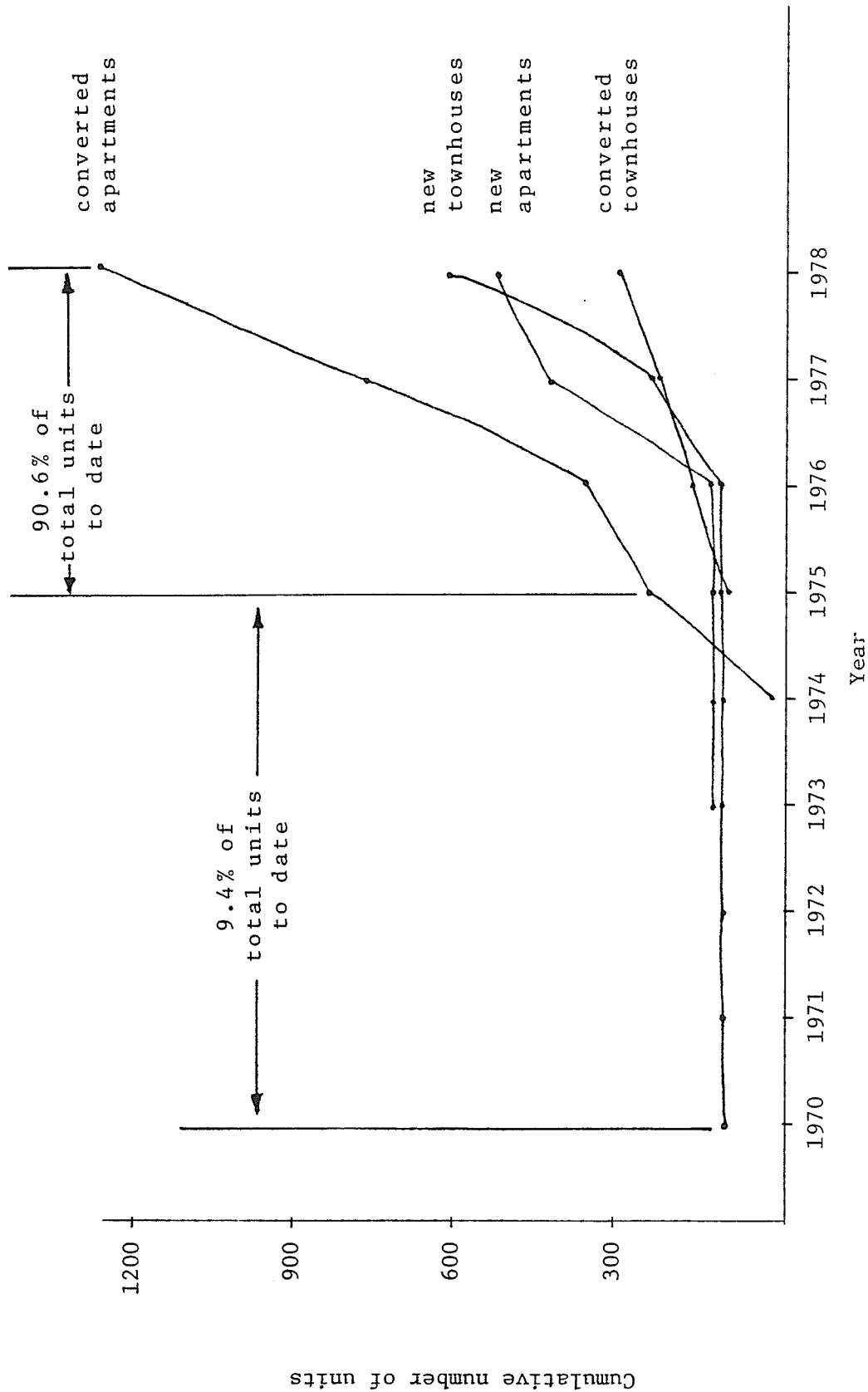
TABLE II.2

TOTAL NUMBER OF REGISTERED CONDOMINIUM
PROJECTS AND UNITS - AS OF Oct. 15, 1978

TYPE YEAR	CONVERSION		NEW CONSTRUCTION		TOTAL		CUMUL- ATIVE TOTAL	% CHANGE IN NO. OF UNITS/YR.	% OF TOTAL TO DATE
	APT.	T.H.	APT.	T.H.	APT. & T.H.	APT. T.H.			
1970	--	--	--	1/107	1/107	--	107	100	4.01
1971	--	--	--	--	--	--	107	0	0
1972	--	--	--	--	--	--	107	0	0
1973	--	--	1/120	--	1/120	1/120	227	112.15	4.49
1974	1/24	--	--	--	1/24	1/24	251	10.57	.9
1975	1/221	1/95	--	--	2/316	1/221	567	125.9	11.84
1976	3/99	2/58	--	--	5/157	3/99	724	27.69	5.88
1977	2/411	3/52	3/318	2/110	10/891	5/729	1615	123.07	33.37
1978 (to Oct. 15)	4/484	1/96	1/81	5/394	11/1055	5/565	2670	65.33	39.51
TOTAL	11/1239	7/301	5/519	8/611	31/2670	16/1758	2670		100
% OF TOTAL UNITS	46.4	11.27	19.44	22.88	100	65.84			

SOURCE: Winnipeg Condominium Registry

GRAPH II.1
 GROWTH TRENDS IN TYPES OF CONDOMINIUMS REGISTERED, 1970 to 1978



SOURCE: Winnipeg Condominium Registry

The views of lenders, developers and market analysts with respect to the future of condominium growth in Winnipeg revealed that these growth trends will continue. 9 of the 13 lenders and 14 of the 15 developers interviewed thought that the supply of condominiums, as a proportion of the total Winnipeg housing stock, will increase significantly in the next 15 years. Many perceived a growing demand for this form of ownership and commented that Winnipeggers are now beginning to accept and become familiarized with the concept. Market analysts stated early in 1977, that condominiums will likely account for 15% to 40% of all new home construction within the next 3 to 5 years.⁷

Although the graph in Chapter I on the percentage share of starts for different types of dwellings in Winnipeg indicates that single family dwelling still make up a significant portion of starts; the above review of condominium trends, particularly in the last few years, indicate that the condominium concept is becoming increasingly acceptable in the Winnipeg market. Hence, condominiums, in terms of providing housing for lower income consumers could play a major role in the near future for Winnipeg. The following section, by describing the qualitative aspects of condominium growth, will provide some indication of the probability of this form of housing serving the lower income market, in view of existing supply characteristics.

(b) Qualitative Trends

An examination of the characteristics of the registered supply, with respect to the construction and structure types, the size of the

7. Adams, H. Lennox

units and projects, the locations and the design features, reveals the following aspects.

CONSTRUCTION AND STRUCTURE TYPES OF PROJECTS

Table II.2 and the graph showing the growth trends in the types of condominiums registered indicate that converted apartment and town house units constitute a greater proportion (57.7%) of the current stock than newly constructed apartments and town houses (42.3%). As well, there are almost twice as many (65.84%) apartment units (converted and newly constructed) as there are town house units (34.16%). Disaggregation into the four existing construction and structure types indicates converted apartments as constituting the greater proportion (46.4%) of the registered supply, followed by new town houses (22.88%) and then new apartments (19.44%). Converted town houses constitute the smallest proportion (11.27%) of the registered supply.

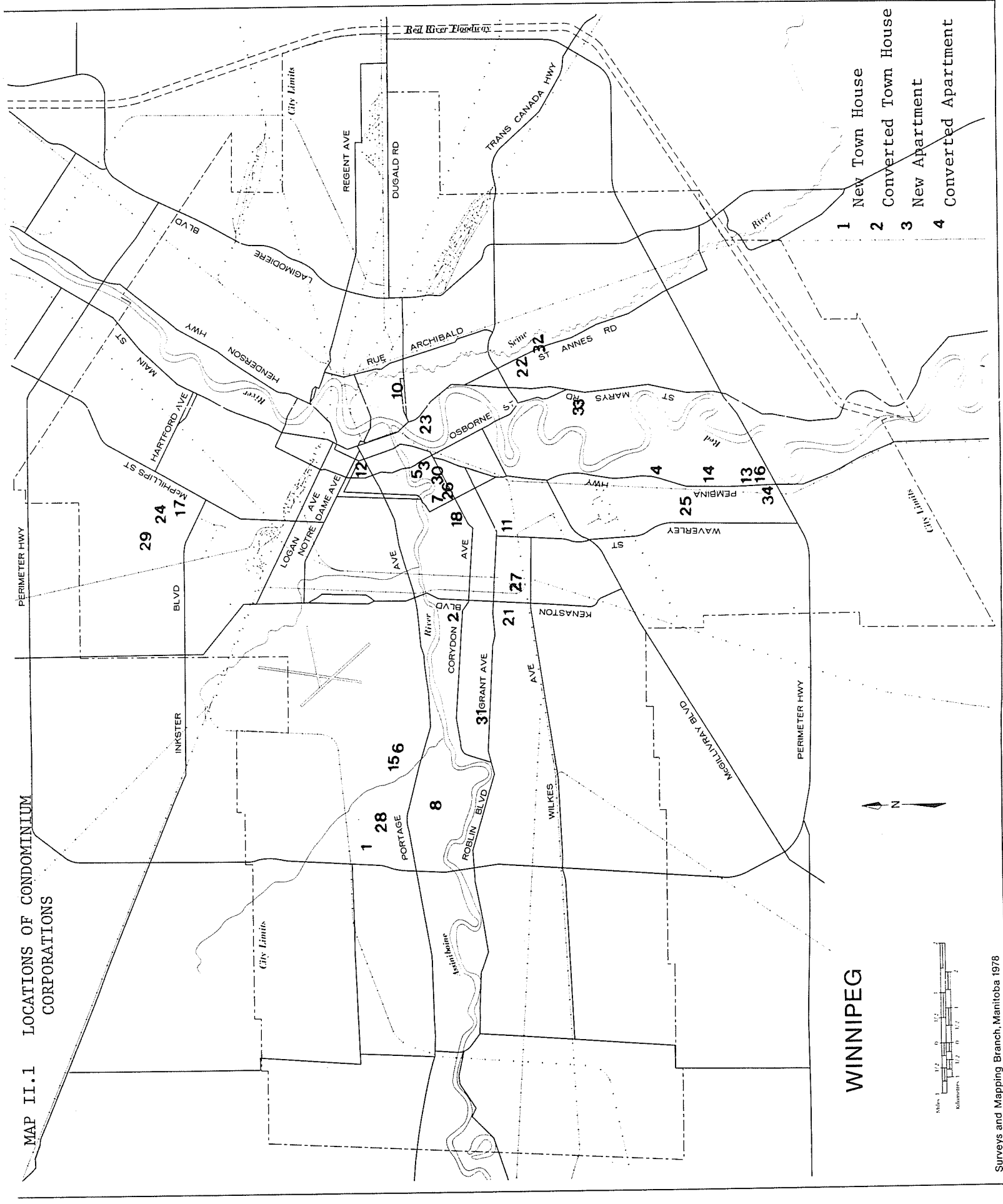
SIZE OF UNITS AND PROJECTS

Projects registered to date have been of varying sizes, ranging from a minimum of 4 units (Lamont Apts.) to a maximum of 407 units (411 Cumberland). There is also a great range in the size of individual units between the various condominiums. Units range from a minimum of 500 square feet in 411 Cumberland to a maximum of 1800 square feet in Southwood Green.

LOCATIONS OF PROJECTS

As indicated on the location map, on the following page, condominiums are located in various areas throughout the city including St. James-Assiniboia (5 projects/188 units), Charleswood (1/46), Tuxedo (3/273), River Heights (1/81), Fort Rouge (3/542), Crescentwood (3/43),

MAP II.1.1 LOCATIONS OF CONDOMINIUM CORPORATIONS



1. Lakewood Village 1
2. Thawani Towers 3
3. Dorset House 4
4. Southwood Green 2
5. No. 1 Evergreen Place 4
6. Pinewood Village 2
7. Executive House 4
8. Sansome & Westwood Drive 2
10. Bertrand House 4
11. Cambridge South 4
12. 411 Cumberland 4
13. Lakeshore 3
14. Dalhousie Square 1
15. Ness Square 2
16. Chimney Ridge 1
17. Gardentree Village 3
18. Crescentwood Gardens 2
21. Tuxedo Estates 3
22. Lamont Apts. 4
23. Spanish Courts 2
24. Stratford Square 1
25. Twin Lakes 2
26. 880 Corydon Ave. 4
27. South Bay 3
28. Chapman Square 1
29. Wellington Park North 1
30. 55 Nassau 4
31. Hearthstone Estates 1
32. Woodridge Gardens 4
33. Wpg. Condo. Corporation #33 4
34. Country Knoll 1

Fort Richmond (4/389), Fort Garry (2/191), St. Boniface (2/22), St. Vital (3/182), West Kildonan (3/306) and the inner city (1/407).

Town house as well as new condominiums tend to be located in the suburban areas that are opening up for new developments. 13 of the 15 town house projects and all (13) of the new constructions are located in St. James-Assiniboia, Tuxedo, River Heights, West Kildonan, Fort Garry, Fort Richmond and Charleswood. Apartments and conversions are also located in the suburbs as there are 6 apartments and 6 conversions in these areas. In total, these areas contain 55.21% of the registered units. Apartment condominiums and conversions tend to be located in the older, developed areas of the city. 10 of the 16 apartments and 12 of the 18 conversions are located in St. Boniface, Fort Rouge, Crescentwood, St. Vital and the inner city. There are no new constructions and only 2 town house condominiums in these areas. In total, 44.79% of the registered units are located in these areas.

COMMON ELEMENTS IN PROJECTS

In 9 of the 13 condominiums in which occupants were interviewed, the common elements consisted of the land, and if apartments, the halls and the elevators were included as well.⁸

The above review of the qualitative aspects of supply indicates that developments include a variety of construction and structure types, size of projects and units, common elements and are located in various

8. The only exceptions are Thawani Towers which has a pool, a party room and a health club; Southwood Green which has a pool, underground parking and a park atmosphere; 411 Cumberland which has a pool and a party room and Tuxedo Estates which has a clubhouse, a swimming pool, tennis courts, sauna, gym, social room, pool room and a table tennis room.

parts of the city. However, although variation exists in the population as a whole, certain segments of the condominium stock which would be suitable for lower income people, are either in limited supply or non-existent. For example, there is only one condominium in the inner city, whereas this would be an ideal location for the lower income elderly as well as lower income consumers working in the downtown area. Converted apartment projects could present greater opportunities for entry of lower income consumers since costs would be less than in new projects. However, even such projects (which in fact do constitute the greater proportion of the registered stock) require relatively high acquisition prices. Although there are some bachelor units available, these are limited and exist only in 411 Cumberland. Such small size units would be particularly suitable for lower income single elderly and lower income single people in general. Converted apartments make up the greater proportion of registered units. However, town house condominiums would be particularly suitable for lower income families with children. Apartments are usually highrise, with limited open space. Walk up apartments and town house units would be more suitable especially for the elderly lower income and lower income families with children. Although the Manitoba Condominium Act contains provisions for condominiums on leased land which present an excellent opportunity for lowering the costs of units for lower income dwellers, there are currently no leasehold regimes in Winnipeg. Hence, the existent supply is limited in terms of the effective demand it can generate from lower income consumers. The following section, by examining the legislative framework within which condominium developments take shape, will illuminate some of the underlying reasons for these limitations in supply.

THE LEGAL FRAMEWORK IN WINNIPEG

(a) Federal Legislation⁹

The National Housing Act provides for the making of a loan by Central Mortgage and Housing Corporation (CMHC) for the purpose of either assisting in the construction of a condominium project by a builder who intends to sell the units to "qualified purchasers" and/or for the acquisition of condominium units by prospective qualified owners. Loan conditions are the same as those for any other type of residential construction financed by CMHC.¹⁰

In addition to making direct loans, CMHC also insures loans made by approved lenders. A loan is insurable if it is made for purposes of assisting in the construction of a condominium project, of assisting in the purchase of an existing condominium unit by any person, or for discharging a loan secured by a mortgage on a condominium unit. Again, conditions for insuring loans are the same as those insured for any other type of residential construction.¹¹

9. National Housing Act -- Sections 6, 34.15, 34.16, 34.17.

10. Conditions under which the loans are made include the following: the interest rate on the loan has to be determined by the corporation; the loan cannot exceed the lending value of the condominium unit or project as prescribed by regulations; the loan cannot exceed a term of 40 years from the date of completion of the project or acquisition of the condominium unit; the loan has to be secured by a first mortgage upon the unit; costs of the units for which loans are made cannot exceed costs prescribed by the corporation; standards of appraisal, construction and inspection as the corporation may prescribe have to be met; and an insurance fee in the same amount as an approved lender would collect from the borrower if the loan were made by an approved lender, has to be paid.

11. In order to be insured, the loan has to be made for the percentage of the lending value as prescribed by regulations or lesser amount as is requested by the borrower and the amount of insurance fee has to be paid in respect of the loan. In addition, the loan has to be secured by a first mortgage in favor of the approved lender, has to be for a term of 25 to 40 years or for a term of less than 25 years if the borrower so requested and has to be advanced on the completion of the construction as determined by CMHC.

Besides the federal legislation with respect to loans made and insured by CMHC, there does not exist an active federal government policy for condominium development.

Hence, the federal legislation merely specifies the terms of NHA loans and conditions for insurance of loans made by approved lenders to builders and purchasers of condominium units. The legislation is limited in scope in that condominium developments are not given special consideration by being subject to differing loan terms, when loans are either made direct or insured. In addition, the absence of any active federal government policy with respect to condominium development reinforces the limited utility of the legislation in terms of its assistance to lower income consumers in the ownership of condominiums.

(b) Provincial Legislation¹²

In Manitoba, the Condominium Act passed in 1968¹³ provides a structure for the creation, use and management of condominium corporations. Specifically, the Act includes the following: meanings of expressions related to condominium development;¹⁴ specification for the registration, contents and amendments of declarations and plans;¹⁵ ownership and use

12. Chapter C170 of the Statutes of Manitoba - The Condominium Act; Bill 5 - An Act to Amend the Condominium Act; Bill 21 - An Act to Amend the Condominium Act (2).

13. The Act was the result of a study of condominium legislation in Australia, United States, British Columbia, Alberta and Ontario. (The Winnipeg Tribune, May 14, 1968).

14. The Condominium Act - Section 1.

15. The Condominium Act - Sections 4(2), 4(3), 5(1), 5(2), 5(3), 5(4), 5(5), 6(1), 6(2), 6(3), 6(4).

of units and common elements;¹⁶ enforcement of and discharge of encumbrances;¹⁷ taxation;¹⁸ easements;¹⁹ creation, responsibilities, liabilities and control of the corporation;²⁰ management of the corporation by a board of directors;²¹ registration and function of by-laws;²² common expenses;²³ voting;²⁴ alterations;²⁵ insurance;²⁶ repair and maintenance;²⁷ termination;²⁸ and performance of duties.²⁹

Because the condominium is unique solely in terms of its legal definition, the Act provides flexibility with respect to the structure of the project the builder desires to erect or convert. Unique to Can-

16. The Condominium Act - Sections 7(1), 7(2), 7(3), 7(4), 8(1), 8(2), 8(3), 8(4), 8(5).

17. The Condominium Act - Sections 8(6), 8(7), 8(8), 8(9).

18. The Condominium Act - Section 8(10).

19. The Condominium Act - Sections 9(1), 9(2), 9(3).

20. The Condominium Act - Sections 10(1), 10(2), 10(3), 10(4), 10(5), 10(6), 10(7), 10(8), 10(9), 10(10), 10(11), 10(12), 13(3).

21. The Condominium Act - Sections 11(1), 11(2), 11(3).

22. The Condominium Act - Sections 12(1), 12(2), 12(3), 12(4), 12(5), 13(1), 13(2).

23. The Condominium Act - Sections 14(1), 14(2), 14(3), 14(4).

24. The Condominium Act - Sections 15(1), 15(2), 15(3), 15(4), 15(5).

25. The Condominium Act - Sections 16(1), 16(2), 16(3), 16(4).

26. The Condominium Act - Sections 17(1), 17(2), 17(3), 17(4), 17(5), 17(6).

27. The Condominium Act - Sections 18(1), 18(2), 18(3), 18(4), 18(5), 18(6), 18(7), 19(1), 19(2).

28. The Condominium Act - Sections 20(1), 20(2), 20(3), 21(1), 21(2), 21(3), 21(4), 21(5), 21(6), 21(7), 21(8), 22(1), 22(2), 22(3), 23(1), 23(2), 23(3).

29. The Condominium Act - Sections 24(1), 24(2), 24(3), 24(4).

adian legislation, the Manitoba Act provides for the condominium to be erected on leasehold land and for the issue of leasehold titles to the unit owners; hence presenting the opportunity for marketing lower cost units to the lower income sector.³⁰

In the case of conversions, Bill 21 - An Act to Amend the Condominium Act (2), in force on September 1, 1976 and amendments to section 5 of the Act; provide the tenants with additional rights. The legislation, introduced to parliament by Liberal MLA, Lloyd Axworthy (Fort Rouge),³¹ specifies that the declaration indicate whether the property to be registered includes buildings that are leased to tenants under written leases; that the declaration be accompanied by written consents of at least 50% of the tenants with written leases; that tenants with written leases have an option to purchase within three months of registration at that price at which the unit would be offered to the public; that the rights and duties of tenants with leases be continued in accordance with the Landlord and Tenant Act; and that there is greater disclosure of costs involved in condominium operations.

In addition to this legislative framework, there is currently no active provincial government policy directing the nature and rate of condominium growth.

30. The Condominium Act - Section 1-n.

31. Mr. Axworthy had argued that the amendments would be needed to complement the province's Rent Stabilization Act stating that controls would convince many landlords to convert their apartments to condominiums and sell them instead of renting them. He stated that ten apartment blocks in his riding would be converted into condominium if there were no legislative restraints, adding that the conversion of one or two large apartment buildings in Fort Rouge would totally ruin the housing market. (The Winnipeg Tribune, May 6, 1976).

Although the original intention in the introduction of the Condominium Bill to parliament in Manitoba was to aid the lower income consumers in acquiring housing through condominium ownership,³² it is questionable whether such an intention can be realized within the above described existent legislative framework. The Manitoba Condominium Act is extremely limited in scope, merely providing a structure for the creation and administration of condominiums. Although it includes a number of provisions for the protection of the owners' interests, it greatly lacks (with the exception of the amendments which provide protection for tenants) in safeguarding the interests of consumers who have not as yet entered the market. Due to the great deal of flexibility afforded to the developers in the legislation, and the absence of any policy guidelines for the determination of the characteristics of supply, there are no opportunities provided for the entry of lower income housing consumers to the condominium market and no attempts have been made to promote the utilization of condominiums as an integral part of urban growth policy. Hence, the condominium remains "just another form of ownership" in the absence of any policy guidelines which recognize its potential benefits to lower income consumers and to governments.

32. At the time of the enactment of the Manitoba Condominium Act; then NDP leader Russ Paulley, stated such legislation was necessary because "the little man has been priced out of the housing market by both land speculators and constantly rising interest rates on mortgages". (The Winnipeg Tribune, May 14, 1968). Liberal MLA, S. Patrick, who initially introduced the bill to parliament, had similar visions for the condominium in Manitoba stating that condominium legislation would aid low income families and in most cases those with incomes of \$4,000 and \$6,000 could afford to own, via condominium, their own dwelling. (The Winnipeg Tribune, January 6, 1968).

(c) Municipal Legislation³³

All legislation applying to any type of constructions and conversions also apply to condominiums. Currently there is no legislation or active government policy at the municipal level that is directed to condominium development per se.

Legislation and government policy at the municipal level are the most deficient, particularly when one recognizes the important role of urban governments under the existing growth and development trends. However, where no housing policy of any kind exists in the City of Winnipeg, it is not surprising that the condominium "innovation" has also failed in capturing the attention and imagination of policy makers.

As a result, without any legislative and active government policy guidelines by any level of government directed specifically to condominium development; the realization of condominium ownership by lower income consumers is, (with respect to these channels of intervention) left to be governed entirely by market forces. Such government withdrawal continues even though the private sector has proven, by the nature of its activities, that it has no intention of fulfilling such an objective, one seen as being essential to the qualitative development of urban centres. The next section, by examining the procedures for the creation of condominium corporations, will determine to what extent governments currently exercise control over the nature and rate of units placed on the market through this last resort for intervention.

33. The City of Winnipeg Act, The Planning Act.

(d) Procedures in the Creation of Condominium Corporations

(I) Subdivision and Rezoning Approval³⁴

All new constructions and conversions where rezoning or renovations requiring further subdivision are involved, are subject to the same subdivision and rezoning approval process applicable to any construction in the City of Winnipeg. The subdivision and rezoning approval process does not proceed with the knowledge that the intent of the applicant is to specifically construct a condominium project rather than a property owned in fee simple or that the applicant is carrying out renovations or alterations specifically for the purpose of conversion to condominium.

(II) Issuance of a Building Permit³⁵

All new constructions and conversions where alterations are involved are subject to the same requirements as applications for any other types of construction in the issuance of a building permit. At this stage, in the case of new constructions, the project is not identified as a condominium but rather is given an overall structural description such as "apartment" or "town house". Hence, the issuance of the building permit does not depend on the feasibility of the project as a condominium with regard to the specific design features, or the income sector the project is geared for, or its location, but rather, on the conformity of the plans to the building and zoning regulations applicable to the structure type of construction. In the case of conversions, the type of alterations are identified on the

34. City of Winnipeg -- Environmental Planning Department.

35. City of Winnipeg -- Building Permits Division.

permit; however, it is not stated that the conversion is taking place for the purpose of utilizing the structure as a condominium. Hence, the dislocation of tenants who are usually lower income and hence, the vacancy rates in other sectors of the market are completely overlooked.

(III) Acquisition of Mortgage³⁶

Where new constructions and conversions are not self-financed, a loan application together with condominium plans, declarations, by-laws and any other relevant agreement or documents, are submitted to the mortgagee who will require that they meet certain regulations.³⁷ This is the first stage in which application for newly constructing or converting a condominium undergoes close scrutiny with respect to its feasibility as a condominium per se. However, consideration for its feasibility is limited, since the sole concern of the lender is whether

36. Central Mortgage and Housing Corporation - Lending Operations.

37. The mortgagee will require that the project meet the applicable by-laws and regulations of governmental authorities, that the building permit has been issued and that all other restrictions affecting the project have been complied with. Once a loan has been approved, no alterations can be made without prior consent of the mortgagee. The lender could be a chartered bank, a trust company, a life insurance company, a loan company, a credit union, MHRC or CMHC. However, both MHRC's and CMHC's involvement are limited. The only condominium project financed by MHRC was Thawani Towers. As for CMHC, it does not participate in the financing of conversions because of the possible detrimental effects of conversions on the rental market. Presently CMHC's major role in the Manitoba condominium lending field is to insure loans given out by approved lenders to new constructions. However, in order to be eligible for NHA loans on individual units, the project must have an NHA loan in the first instance. The projects CMHC has financed to date are:

Direct Loans:

Lakewood Village (Partial)
Thawani Towers (Partial)

Insured Only:

Lakewood Village	South Bay
Thawani Towers	Wellington Park North
Chimney Ridge	Country Knoll
Tuxedo Estates	

or not his/her investment will be secure in terms of the marketability of units, the resale values and the income sector of the market from which it will generate demand, and hence the probability of default on mortgages.

(IV) Acquisition of Approval for Loan Insurance by CMHC³⁸

All new constructions where the mortgagee requires the insurance of the loan by CMHC, must receive approval by CMHC.³⁹ Hence, unless the lender is CMHC or MHRC, this is the first stage in which applications for newly constructed condominiums undergo close scrutiny by governmental authorities. However, this scrutiny is limited to loans on new construction, which private lenders require to be insured. The focus of the examinations is again on the feasibility of the project as a condominium with respect to whether or not it will be marketable. As a safeguard against the possibility that not enough units will be sold, initially the amount of the total advance is calculated on the basis of the costs of the project as a rental. Additional advances on the basis of the costs of the projects as a condominium are only made subsequent to the satisfaction of the "sales performance condition" which requires the developer to prove his project's marketability by committing 60% of the units to sale before changing to the condominium

38. CMHC - Lending Operations.

39. Steps in the approval for loan insurance by CMHC include: submission of application along with all relevant plans and documents; examination of site development plans, by-laws and declaration; completion of an appraisal report in consideration of an assessment of land and buildings; estimates of effective annual income and anticipated annual expenses; feasibility study; declarations and by-laws of the condominium corporation; and estimates of the common expenses of the corporation and authorization for first advance.

title. This requirement however presents difficulties in marketing units, since buyers are hesitant to buy in unregistered projects, hence presenting cash flow problems to the builder.

(V) Attainment of Architect's and Land Surveyor's Approval of the Constructed Structure(s)⁴⁰

All new constructions and conversions must have the architect's and land surveyor's approval after being constructed or having undergone renovations. The focus of these inspections is however, on the accuracy of the surveying and architectural and structural drawings in accordance with the developer's original plans rather than a critique of the feasibility of the design for condominium use from a public cost/benefit viewpoint.

(VI) Attainment of Approval from the Examiner of Surveys⁴¹

All new constructions and conversions must receive approval from the examiner of surveys.⁴² Approval is given on the grounds that the structure(s) can be reconstructed on the basis of the boundaries shown on the plans. This requirement guarantees the ownership of individual parcels to the individual owners in case of reconstruction. Again,

40. Land Surveys and the Manitoba Condominium Act -- Section 6(1). If the owner intends to utilize the structure(s) as a condominium and self-financing had not previously necessitated the creation of a declaration, he/she must at this stage engage a lawyer to draw up the declaration.

41. Land Surveys and the Manitoba Condominium Act -- Section 6(1).

42. Three plans containing structural diagrams of the building(s); specification of each unit's boundaries by reference to the building(s); and diagrams showing the shape and dimensions of each unit in relation to other units and building(s), must be submitted. The declaration and description of any interest appurtenant to the land included in the property are also submitted and certificates of the architect, surveyor, owner are submitted to the examiner of surveys.

the focus of the examination by the examiner of surveys is on aspects other than the feasibility of the design for condominium use.

(VII) Registration of the Structure(s) as a Condominium Corporation⁴³

The declaration, by-laws, plans, notices of termination and other instruments respecting the land covered by the Condominium Act are registered at the Land Titles Office.⁴⁴

(VIII) Issuance of Certificates of Title⁴⁵

A Certificate of Title is issued in the name of the Condominium Corporation. In addition, separate certificates of title in the name of each owner for each unit described in the plan, indicating the proportion of common interest appurtenant to the unit, are issued. Subsequently, the unit and the common interest appurtenant to it are dealt with in the same manner as any land that is registered under the Real Property Act.

(IX) Formation of a "Board of Directors"⁴⁶

Once the condominium corporation has been created, it is responsible, through a Board of Directors, for the management of the property of the owners, and for any assets of the corporation, as well as for control and administration of the common elements in accordance with the declaration and the by-laws. The Board of Directors are elected

43. General Registry, Land Titles and the Manitoba Condominium Act.

44. See Sections 4(3), 5(1) and 5(2) of the Manitoba Condominium Act for other conditions to be met before the declaration can be registered.

45. Land Titles, Manitoba Condominium Act -- Sections 4(3), 7(2).

46. Manitoba Condominium Act -- Sections 11(1) and 11(2).



from among the owners, by the owners. However, since initially not all units may be owned by individuals, it may take some time before a Board of Directors is established. Until then, management of the corporation is usually carried out by the developer. In some cases, even when a Board of Directors is established, a professional management company is also engaged to provide professional advice in managing the affairs of the corporation.

The above review of the procedures involved in the creation of condominium corporations, indicates that regulation with respect to the nature of units provided, generally follows the same requirements for approval as any other type of construction or conversion. In these approval processes, condominium structures do not receive special or differing consideration in view of the particular economic and social impacts of the developments. As a result, developments proceed in the absence of any government regulations with respect to the suitability of the design for condominium use, the kind of market they will be catering to, their age, consideration as to the availability of rental accommodation or vacancy rates in the case of conversions, and the feasibility of their locations. The only exceptions to this state of affairs are the requirement in Bill 21, that approval to the proposed conversion be given by at least 50% of the tenants who have written leases in units in the project to be converted and in the case of new condominiums, some amount of inspection by CMHC where the loan is either being made or insured by the corporation.

Discussion on the characteristics of existing supply and the legal framework within which condominiums are developed has indicated limited government intervention into the market and hence the deter-

mination of the supply and demand characteristics mainly by private market forces. The following chapter will begin the examination of the private market in order to determine the forces which operate within it, and which shape the demand and supply of condominiums. This examination will thereby indicate the potentials for provision of lower priced units for lower income consumers within the existing market structure.

CHAPTER III

ACTORS IN THE MARKET

This chapter will identify who the consumers, developers and lenders in the Winnipeg condominium market are. The discussion will include a description of both the demographic and occupancy characteristics of condominium dwellers as obtained from the occupants' survey, and the characteristics of developers and lenders and the nature of their activities as obtained from the developers' and lenders' questionnaires.¹ This examination of the actors currently active in the market will provide important insight into the dynamics of condominium activity in Winnipeg; since depending upon who the actors are, the impact of their actions on the characteristics of demand and supply in the market will differ. Specifically, the identification of who the consumers are will reveal to what extent lower income consumers are currently excluded from the effective demand and how the existing effective demand possibly affects the characteristics of the supply placed on the market. The identification of who the developers and lenders are will reveal the relative sellers' power each group holds in the market and hence the potentials for their determination of the characteristics of supply and demand. A monopolistic or oligopolistic market structure, characterized by the dominance of a few large firms

1. In reading the results of the survey questionnaires (of condominium occupants, developers as well as lenders) it must be kept in mind that survey research is biased to a certain extent in that the obtained responses with respect to close-ended questions are inevitably limited and "pre-determined" in accordance with the form and content of the questions posed. In order to compensate for this source of bias, a number of open-ended questions were also included in the questionnaires, thus allowing respondents to express views which may not necessarily have emerged in responses to close-ended questions. The results of the questionnaires were then incorporated into the thesis not only through a tabulation of responses to close-ended questions but also with the objective of reflecting the views that were expressed in open-ended questions. It is hoped that the inevitable bias has, as a result, been somewhat reduced.

and the exclusion of relatively small developers and lenders, will indicate the increased potential for relatively higher profits through the provision of relatively higher priced units in view of existing consumer demand from higher income brackets and lack of government intervention into the market.

CONSUMERS

The characteristics of consumers (owners as well as renters) in the condominium market were identified through the condominium occupants' survey,² with the exception of occupations of owners which were obtained from the certificates of title for 8 of the condominiums. Thirteen condominium corporations which were registered prior to January 1, 1978 and had units sold to individual buyers, were selected for the occupants' survey.³ A total of 167 units, representing 16% of the total population, was chosen from these corporations. From the 13 projects, the percentage of the sample selected was below 20% for 2 and 20% or above for 11. Table III.1 on the following page, summarizes the sampling procedure. Strictly speaking, a random sample of all units is the appropriate statistical procedure. However, such a sampling technique could not be fully followed for several reasons. First; several projects, in unique areas and of unique structure type,

2. See Appendix I for questionnaire used in interviews with consumers.

3. Even though some projects are registered as condominiums, they are total rentals. From those condominiums registered prior to December 31, 1978; these projects include: No. 1 Evergreen Place, Bertrand House, Cambridge South, Lakeshore, Gardentree Village, Dalhousie Square and Lamont Apts. Projects registered after December 31, 1977 in which units were sold to individual buyers were excluded in order to get as great a percentage as possible, of occupants residing in their units at least six months.

TABLE III.1
SAMPLING PROCEDURE

NAME OF CONDOMINIUM	CONSTRUCTION and STRUCTURE TYPE	TOTAL NO. OF UNITS IN CONDOMINIUM	TOTAL NO. OF UNITS IN SAMPLE	% OF SAMPLE
LAKWOOD VILLAGE	New Town house	107	21	20
THAWANI TOWERS	New Apartment	120	24	20
DORSET HOUSE	Converted Apartment	24	12	50
SOUTHWOOD GREEN	Converted Town house	99	19	20
PINEWOOD VILLAGE	Converted Town house	28	7	25
EXECUTIVE HOUSE	Converted Apartment	12	5	42
SANSOME & WESTWOOD DRIVE	Converted Town house	24	6	25
411 CUMBERLAND	Converted Apartment	407	30	7.3
NESS SQUARE	Converted Town house	14	4	29
CHIMNEY RIDGE	New town house	98	20	20
CRESCENTWOOD GARDENS	Converted Town house	22	5	23
TUXEDO ESTATES	New Apartment	72	10	14
SPANISH COURTS	Converted Town house	16	4	25

The sample included: 41 new town house units
45 converted town house units
34 new apartment units
47 converted apartment units

have a smaller number of units. Consequently there was a good chance that these structures would not be represented at all in any random draw. As a result, an amended sampling procedure was used to ensure at least minimal representation of these small, spatially unique projects. Second; in one condominium, the total number of units was large, hence a relatively smaller sample was picked to insure adequate representation from the other condominiums.⁴ Third; not all units were sold in one condominium, hence the sample was selected only from those units that were sold to ensure that vacant units were not included in the sample. As a result, the sample was necessarily smaller relative to other projects.⁵ The limitation of time and resources necessitated this procedure which does contribute some bias to the results, but these are thought not to be excessive.

(a) Demographic Characteristics of Occupants

This section will present a profile of the demographic characteristics of current condominium occupants, including their age and sex, employment status, age and sex of income earners, occupations of owners, education and total household incomes of occupants. These variables will serve to determine the socio-economic classes that constitute the effective demand for condominium units and the classes which are currently excluded from the market. Hence, the question of whether and to what extent low income groups presently participate in the market will be explored.

4. Although only a 7.3% sample was selected from 411 Cumberland, this represented 30% of the units sold.

5. Although the sample was 14% of the total units in Tuxedo Estates, it represented at least 20% of the units sold.

Ages And Sex Of Occupants

The age and sex of occupants have been tabulated by structure subgroup of condominiums in Table III.2 on the following page. The chart indicates that there was a great variety of age groups represented in the condominium population as a whole. The greater proportion of the dwellers (68%) was however, between the ages of 19 and 65 while only 21% of the population was under the age of 20 and 11% of the population over the age of 64.⁶ Central Mortgage and Housing (CMHC) statistics indicate that the average age of borrowers of condominium loans is in fact 32.⁷ As for the sex of occupants, out of a total number of 353 dwellers in the sample population, 45.9% were males and 54.39% were females.⁸

Examination of individual condominiums indicated that, in general, the younger population is concentrated in town house condominiums whereas the older population is concentrated in apartment condominiums.

Employment Status Of Income Earners

There were a total of 225 income earners in the 167 units, hence an average of 1.35 income earner per unit. 64.1% of the units had only one income earner, 33.5% of the units had two income earners, 1.2%

6. A comparison of these figures with the population statistics for Winnipeg, indicates that there is a greater percentage of children (under 20 years - 35.89%), a slightly smaller percentage of elderly (over 64 - 9.49%) and a smaller percentage of people between the ages of 19 and 65 (54.63%) in the Winnipeg population. (Statistics Canada, 1971 Census, 95-723).

7. CMHC, Canadian Housing Statistics (1977), Table 93.

8. This compares with a 48.82% male and 51.13% female population in Winnipeg indicating that condominiums have proportionately greater number of females. (Statistics Canada, 1971 Census, 95-723).

TABLE III.2
AGE-SEX DISTRIBUTION IN CONDOMINIUM SUB-GROUPS

AGE & SEX SUB-GROUP	0 - 19		20 - 34		35 - 44		45 - 64		65 and OVER			TOTAL			
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
NEW TOWN HOUSES	16.37	16.36	14.55	23.63	1.82	1.82	3.64	9.09	10.0	19.09	3.64	2.73	6.37	45.47	54.54
CONVERTED TOWN HOUSES	13.21	11.33	14.15	20.11	2.83	5.66	8.49	10.38	17.93	28.31	3.78	.94	4.72	44.35	55.97
NEW APARTMENTS	4.47	5.97	11.94	5.98	4.48	5.97	10.45	14.93	23.88	38.81	10.45	11.94	22.39	46.27	53.74
CONVERTED APARTMENTS	1.43	5.72	20.0	18.57	7.14	1.43	8.57	14.29	17.14	31.43	5.72	8.57	14.29	48.58	51.43
TOTAL SAMPLE POPULATION	10.2	10.77	15.01	18.13	3.68	3.68	7.36	11.62	16.43	28.05	5.39	5.38	10.77	45.9	54.39

SOURCE: Survey of Occupants

of the units had 3 income earners and 1.2% of the units had no income earners.

From a total of 223 principal income earners in 165 units responding, 13% were pensioners, the greater proportion of whom were residing in apartment condominiums.

Ages And Sex Of Income Earners

The following Table III.3 tabulates the ages and sex of income earners. The chart indicates that of the total population, the greater proportions of the income earners were in the 20 - 34 and 45 - 64 age categories (77%). Of the 225 income earners, the number of males exceeded the number of females by 10.66%.⁹

TABLE III.3

Age - Sex of Income Earners

AGE SEX	0 - 19	20 - 34	35 - 44	45 - 64	65 and OVER	TOTAL
MALE	1.33	21.78	5.78	17.78	8.44	55.11
FEMALE	--	20.89	3.56	16.0	4.0	44.45
TOTAL	1.33	42.67	9.34	33.78	12.44	100

SOURCE: Survey of Occupants.

9. The proportion of male income earners in the Winnipeg population on the other hand is slightly higher, exceeding the number of female income earners by 22.6%. In Winnipeg, male income earners were 61.3% and female income earners 38.7% of the total income earners in 1971. (Statistics Canada, 1971 Census, 95-753). This is possible due to the occupancy of condominium units by female single parents and by young childless couples where both husband and wife are working.

Occupation Of Owners

Chart III.3(a) tabulates the occupations of owners in eight of the condominiums. This data indicates that representation in all of the condominiums is particularly strong in the managerial, administrative and related occupations; the natural sciences, engineering and maths; social sciences and related fields; teaching and related fields; medicine and health; clerical and related fields, and sales and services.

Education Of Occupants

The population as a whole reflected a great variation in the educational levels of the principal income earners, ranging from elementary to the postgraduate level. The highest level of education completed for 45.3% of the principal income earners was senior high while 26.46% had obtained at least one university degree and 28.25% had a technical vocational degree or some university.

Total Household Incomes¹⁰

The total household income distribution in the condominium population as a whole, is indicated in Table III.4 on the following page. The table indicates that the income range in the population was wide; from \$5,000 to \$70,000. However, the number of occupants falling into the lower income brackets were fewer with the greater proportion of the occupants falling into the middle, upper middle and higher income classes. The majority of the occupants (68%) received

10. Occupants in 165 of the 167 units responded to the income question. See Table I in Appendix IV for tabulation of responses in individual condominiums.

TABLE III.3(a)

Occupation	OCCUPATIONS OF OWNERS							(SOURCE: Certificates of Title)				
	Lakewood Village	Thawani Towers	Dorset House	Southwood Green	No. 1 Ever-Green Place	Pinewood Village	Executive House	Sansome & Westwood Dr.				
11. Managerial, Administrative & Related	15.0	14.0	3.7	38.2	7.1	34.4	50.0	24.0				
21. Natural Sciences, Engineering, Maths.	9.4	6.6	18.5	8.2	21.4	--	12.5	8.0				
23. Social Sciences & Related Fields	1.2	5.1	14.8	4.5	14.3	3.4	--	12.0				
25. Religion	1.5	--	--	--	--	--	--	--				
27. Teaching & Related	5.8	10.7	22.2	16.4	--	10.3	--	8.0				
31. Medicine & Health	5.0	5.0	3.7	9.1	42.9	3.4	--	12.0				
33. Artistic, Literary, Recreational & Related	3.0	3.0	0.0	.9	--	3.4	--	8.0				
41. Clerical and Related	9.1	17.5	11.1	7.2	--	10.3	--	8.0				
51. Sales	13.9	13.3	11.1	10.0	14.3	17.2	37.5	12.0				
61. Services	12.4	5.1	--	--	--	6.9	--	4.0				
71. Farming, Horticultural Animal Husbandry	--	--	3.7	--	--	--	--	--				
73. Fishing, Hunting, Trapping & Related	--	--	--	--	--	--	--	--				
75. Forestry & Logging	--	--	--	--	--	--	--	--				
77. Mining, Quarrying Incl. Oil & Gas Fields	.4	--	--	--	--	--	--	--				
81/82. Processing	.4	--	--	--	--	--	--	--				
83. Machining & Related	1.6	--	--	--	--	--	--	--				
85. Product Fabricating, Assembling, Repairing	6.6	1.5	--	--	--	10.3	--	--				
87. Construction Trades	3.0	6.0	--	--	--	--	--	--				
91. Transport, Equipment Operation	2.0	2.2	--	1.8	--	--	--	4.0				
93. Materials Handling & Related N.E.C.	.4	.0	--	--	--	--	--	--				
95. Other Crafts & Equipment Operating	3.1	2.2	3.7	1.8	--	--	--	--				53
99. Occupations, N.E.C.	5.4	8.1	7.4	1.8	--	--	--	--				--
TOTAL	99.2	100.3	100.0	100.0	100.0	99.6	100.0	100.0				

TABLE III.4

Total Household Incomes

INCOME (\$)	% OF TOTAL POPULATION	% OF OWNER POPULATION	% OF RENTER POPULATION
UNDER 5,000	1.21	.73	3.57
5,000 - 9,999	9.09	8.03	14.29
10,000 - 14,999	21.82	20.44	28.57
SUB-TOTAL	32.12	29.2	46.43
15,000 - 19,999	19.39	17.52	28.57
20,000 - 24,999	21.82	22.63	17.86
SUB-TOTAL	41.21	40.15	46.43
25,000 - 29,999	8.48	10.22	--
30,000 - 34,999	8.48	10.22	--
35,000 and OVER	9.7	10.22	7.14
SUB-TOTAL	26.66	30.66	7.14
TOTAL	100	100	100

SOURCE: Survey of Occupants.

at least \$15,000 annual incomes, while 91% received at least \$10,000.¹¹ Figures also indicate that the owner population generally had higher incomes than the renter population. Whereas only 29.2% of the owner population have incomes of less than \$15,000, 46.43% of the renter population fall into this category. On the other hand, whereas 30.66%

11. Incomes of condominium occupants are relatively higher than average incomes of Winnipeg households; as in 1971 only 40.94% of the household incomes were at least \$10,000, while only 13.4% were at least \$15,000. The average total income per family was \$9,989 (Statistics Canada, 1971 Census, 95-753), while in condominiums it is currently \$20,876.

of the owner population have incomes of \$25,000 and over, only 7.14% of the renters fall into this group. These differences indicate that relatively higher incomes may be required to pay the monthly costs of condominium ownership, higher than those required to pay the costs of renting similar accommodation.

The great variation in incomes existed not only in the population as a whole but to a certain extent also within the individual condominiums. However, certain income groups were more strongly represented than others in most of the condominiums with the average income ranging from \$12,500 in Ness Square and Crescentwood Gardens to \$31,250 in Tuxedo Estates.¹²

The above review of the demographic characteristics of condominium occupants indicates that they include younger and older childless couples, families with few children, singles, single parents with a child and pensioners. There is a slightly greater percentage of females than males. Most occupants are non-pension income earners, with an average of 1.35 income earner per unit. More than half of the owners have a university or technical degree, and hence belong to occupational groups with relatively high socio-economic status and middle, higher-middle and higher income categories. Although there seems to be a great deal of variation in characteristics of current occupants, it is evident that certain segments of consumers have, either by choice or prohibition, minimal involvement or else they are totally excluded from

12. The average incomes in the remaining condominiums were as follows: Lakewood Village - \$19,079; Thawani Towers - \$22,000; Dorset House - \$20,000; Southwood Green - \$28,250; Pinewood Village - \$23,333; Executive House - \$25,000; Sansome & Westwood Drive - \$27,083; 411 Cumberland - \$16,333; Chimney Ridge - \$19,000; Spanish Courts - \$23,125.

the market. Specifically, these segments include consumers in the low income brackets with low level education, occupational groups with lower socio-economic status, elderly, households with children and middle aged consumers. These results indicate that although condominiums may presently be providing substitutes for those consumers who are not financially capable of undertaking the costs of single family ownership, generally this substitution role only applies to consumers in the middle and higher-middle income classes who aspire to relatively higher priced single family dwelling ownership.

However, although the effective demand is currently in the middle, higher middle and higher income classes, indications are that latent demand is strongest for the lowest priced units presumably by lower income groups who are currently unable to enter the market. When developers were asked about the strength of present demand for the various price ranges of units in the market, their responses yielded the following results:

TABLE III.5
Strength of Current Demand as
Perceived by Developers

(\$)	NO. OF RESPON- DENTS	VERY HIGH - MOD. HIGH	MODERATE	VERY LOW - MOD. LOW
LESS THAN 30,000	15	73.3	6.7	20.0
30,000 - 39,999	13	85.0	7.7	7.7
40,000 - 49,999	12	50.0	33.3	17.0
50,000 - 59,999	13	7.69	23.08	69.0
60,000 - 69,999	13	--	23.08	77.0
70,000 and OVER	13	15.4	31.0	53.9

SOURCE: Developers' Questionnaire.

The figures in Table III.5 indicate that the most in demand are felt to be units in the \$30,000 to \$39,000 followed by the less than \$30,000 price range. A description of the occupancy characteristics in the following section will further clarify component segments of effective and latent demand for condominium units.

(b) Occupancy Characteristics of Occupants

This section, by presenting a profile of occupancy characteristics, will examine several variables including: the number of occupants in the units, the proportion of owners and renters, the length of ownership, the proportion of owners who were previously tenants in conversions, the previous dwelling and tenure of occupants, the other types of dwelling and tenure considered prior to the purchase of a condominium and the next dwelling and tenure desired. These variables will be examined in order to gain further insight into the social and economic characteristics of condominium dwellers, hence indicating which segments of consumers are currently not included in the effective demand.

Number in Dwelling

The number of occupants in units will indicate whether household units such as single elderly, single parents and families with more than one or two children who are most likely to be financially less secure, are currently excluded from the effective demand.

The sample population consisted of 353 occupants. Since the total number of units in the sample was 167, on the average, there were 2.11 persons residing in each unit. The units contained a

minimum of one to a maximum of six people. Singles resided in one third of the units, while 2 people or less resided in 72.4% of the units. The following table tabulates the distribution within the various subgroups.

TABLE III.6

Number of Dwellers in Units

CONDOMINIUM SUB-GROUP	SINGLES (%)	2 PERSONS OR LESS (%)	3 OR MORE PERSONS (%)	AVE. NO. OF PERSONS/UNIT (%)
New Town houses	22.0	48.8	51.3	2.68
Converted Town houses	20.0	64.4	35.6	2.36
New Apartments	23.5	82.3	17.6	1.97
Converted Apartments	61.7	93.6	6.4	1.49

SOURCE: Survey of Occupants

The above figures indicate that the same pattern as in the population as a whole, generally existed in the different subgroups. The only exception was that apartment condominiums contained fewer units in which there were 3 or more persons residing. This indicates that multi-person households tend to favor town house condominiums to apartment condominiums.

These results indicate that singles and children make up a small proportion of the population, hence the number of single elderly, single parents and families with more than one or two children is small.

Other Owners

Consumers of condominium units are not only families, couples or single people but also include a number of investment and development

companies. The units are acquired either for the purposes of investment, as a result of foreclosure or as a result of not being sold to individuals. These units are then available as rental units until they are put on the market for sale. A search of titles for seven condominiums revealed the identity of those other than individuals who were involved in the purchase of units. These are:

Lakewood Village:

First Owners: Keystone Management (1 unit).

Second Owners: Qualico Developments Ltd. (21), CMHC (4),
Keystone Management (1), Checkerboard Ltd. (1), N.B. McLeod
and Assn. (1), Westminster Investments (1).

Third Owners: Keystone Management (2), Ribot Holdings Ltd. (1),
CMHC (1), Astra Credit Union (1), Dijohn (1974) Ltd. (1),
Winnipeg Condominium Corporation No. 1 (1).

Fourth Owners: Qualico (2), CMHC (2).

Fifth Owners: CMHC (1).

Thawani Towers:

First Owners: Manitoba Housing and Renewal Corporation (MHRC)
(27).

Dorset House:

Second Owners: Winnipeg Condominium Corporation No. 3 (1).

No. 1 Evergreen Place:

First Owners: 315644 Ontario Ltd. (221).

Second Owners: 331563 Ontario Ltd. (80).

Third Owners: 315644 Ontario Ltd. (6).

Pinewood Village:

Second Owners: A.E. LePage, Melton Real Estate Ltd. (1).

Executive House:

First Owners: R.S.M. & A. Ltd. (1).

Bertrand House:

First Owners: Nordevco Assn. Ltd. (6).

The next section provides the proportion of units that are held by investors such as above.

Proportion of Owners and Renters¹³

The proportion of owners and renters will serve to indicate the proportion of buyers whose sole intention in buying is for investment purposes. As well, the proportion of buyers who actually live in their units will indicate the buyers' purchasing power, not only in the short run (downpayment), but also in the long run (monthly payments).

Occupants in 83.2% of the units were owners while in 16.8% of the units they were renters. This relatively small proportion of renters in the population as a whole indicates that most of the tenants who were living in the converted projects, at the time of conversion, have moved out and that condominium buyers usually live in their units instead of renting them out. In response to the probability of renting their units within the next 3 years, only 7.19% of owners in fact, felt that would probably rent.

These results indicate that the percentage of "pure investors" in the owner population is relatively small. Furthermore, since majority of the owners live in their units, indications are that they can afford not only the initial costs but also the subsequent monthly costs

13. There were 5 condominiums (Executive House, Sansome & Westwood Drive, Chimney Ridge, Tuxedo Estates and Spanish Courts) in which there were no renters.

of condominium ownership.

Length of Ownership

The length of ownership will reveal the amount of transiency in the condominium owner population and hence possibly the extent condominiums serve as a stepping stone to single family dwelling ownership. Relatively short term owner occupation will indicate condominiums provide transitional rather than relatively permanent homes and hence are occupied by owners of relatively higher incomes to whom other ownership options are available.

The majority of owners had owned their units for a relatively short period of time. 66.2% owned their unit for two years or less while only 10.1% had owned for over five years.¹⁴

The following Table III.7, shows the actual number of resales in the condominium population and the average number of sales per unit. The figures indicate that there has been some amount of reselling in the condominiums. However, since the average number of sales/unit is only 1.05, transiency in the condominium population as a whole, seems to be minimal.¹⁵ Survey results also indicate relative stability

14. This relatively short period of ownership is partially due to the fact that almost half of the units in which occupants are presently owners, have been registered, for at the most two years. (It is assumed here that owners take possession of their units at time of condominium registration. However, it is possible that some owners have owned their units for a longer period of time than the registration period of the condominium). An examination of the length of registration indicates that 28.78% have been registered for less than one year, 48.2% for less than two years, 64.03% for less than 3 years, 22.3% for 3 to 5 years and 13.67% for more than 5 years.

15. The low rate of turnover could be due to the fact that owners have occupied their units for relatively short periods of time as well as to the presence in the unit population of a relatively large portion of unsold units (33.4%).

TABLE III.7

NUMBER OF UNIT RESALES

NO. OF TIMES UNITS HAVE BEEN SOLD	% OF UNITS
None	33.4
1	45.36
2	12.44
3	4.02
4	2.58
5	1.24
6	.67
7	.19
8	0.0
9	.10
AVERAGE NO. OF SALES PER UNIT	1.05 (No. of Sales=1098) (No. of Units=1045)

SOURCE: Condominium Plan Book

in the turnover rate.¹⁶

The relative stability of the condominium population indicates that condominiums are utilized by some portions of the occupants as "permanent" homes rather than merely as a transient step. However the higher number of resales particularly evident in the older condominiums also indicates that condominiums serve as a temporary substitute to other segments of the occupants who are able to afford other ownership options.

Proportion of Owners Who Were Previously Tenants in Conversions

The proportion of owners who were previously tenants in conversions will give an indication of the proportion of tenants who are able to afford the monthly costs of condominium ownership.

9 of the 13 condominiums (55.09% of the total units) sampled were conversions.¹⁷ Occupants in only 26.09% of the converted units (9.35% of the owned units) were previous tenants in the projects. The demographic characteristics of these owners indicates that they vary in terms of marital status, employment status, household size and age; however, they are usually in the upper income brackets.¹⁸

Such a small proportion of owners who were previously tenants indicates that most tenants have moved out, possibly because they

16. 52.51% of owners stated they would probably or definitely not sell their units within the next 3 years, whereas only 20.86% stated they would probably or definitely sell. (26.62% were undecided).

17. The converted condominiums were: Dorset House, Southwood Green, Pinewood Village, Executive House, Sansome and Westwood Drive, 411 Cumberland, Ness Square, Crescentwood Gardens and Spanish Courts.

18. 7 of the 13 owners have incomes of at least \$20,000; 1 is in the \$15,000 to \$19,999 income category, while 2 are in the \$10,000 to \$14,999; 1 is in the \$5,000 to \$9,999 and 1 is under \$5,000 income category.

could not afford the units as condominiums.

Previous Dwellings and Tenure of Occupants

The previous dwellings and tenure of occupants will indicate the proportion of owners who are possibly first time buyers and hence the probability of the condominium being utilized as a substitute rather than as an alternative form of housing.

Occupants in 36.5% of the units had previously owned whereas occupants in 63.5% of the units had previously rented. Hence, the majority of the condominium occupants are quite possibly first home owners. A breakdown of the type of units owned and rented indicated that only .6% of the occupants had previously owned a condominium town house and only 1.2% had previously owned a condominium apartment. Hence, for the majority of the occupants, condominium living was a novel experience.¹⁹ There were more occupants who were previous owners moving into town house condominiums as opposed to apartment condominiums (40.7% vs 32.1%) and more occupants who were previous tenants, moving into apartment condominiums as opposed to town house condominiums, (67.9% and 59.3% respectively).

The previous dwellings and tenure of occupants indicates that roughly one third of the occupants were previous owners, thereby indicating that this group may be utilizing condominiums as alternatives, while the two thirds who were previously renters may be utilizing condominiums as substitutes.

19. It is assumed here that occupants had not been living in a condominium prior to the dwelling they were living in immediately before they occupied their condominium units.

Other Types of Dwelling and Tenure Considered Prior to Purchase of a
Condominium Unit

Other types of dwelling and tenure considered prior to the purchase of a condominium will indicate the original intention of buyers which will further infer possible reasons for the choice of a condominium.

From the total population of owners, 48.2% considered other types of dwelling units and tenure before they bought their condominiums. From these owners, 70% seriously considered the ownership option while 30% seriously considered renting. The most seriously considered type of dwellings were the single family dwellings for ownership (56.72%) and apartment units for rental accommodation (25.37%). Relatively few of the owners considered either owning (1.49%) or renting (2.99%) a condominium town house. Only 4.48% considered owning an apartment condominium. When the units were grouped into town houses and apartments, figures indicated that owners living in condominium town houses had more seriously considered the ownership option (76.74%) than owners living in apartment condominiums (53.09%).

Other types of dwelling and tenure considered prior to the purchase of a condominium indicates that more than half of the owners considered owning a single family dwelling. This implies therefore that they may have had to opt for a condominium instead, because of financial restraints.

Next Dwelling and Tenure Desired²⁰

The next dwelling and tenure desired will indicate the aspirations of the buyers and whether the condominium is being utilized as an alternative or a substitute.

Of the 155 unit owners that responded, a significant proportion (83.23%) felt that if they were to move from their units, they would buy their next dwelling. More than half of these owners felt they would buy a single family dwelling (44.52%), while 19.35% felt they would buy a condominium town house and 16.13% felt they would buy a condominium apartment. Examination of preferences of town house condominiums versus apartment condominiums indicated that town house occupants tend to favor the ownership option (90.7% ownership vs 9.3% rental) more than apartment occupants (74.07% ownership vs 25.93% rental).²¹

The aspirations of buyers, strongly favoring the ownership of a single family unit, confirms the belief that at least half of the occupants are currently not in a position to buy a single family dwelling and have chosen condominiums as a second choice of ownership.

The following findings have emerged from the above review of occupancy characteristics. The majority of units are occupied by 2 people or less who are mostly owners having occupied their units for a relatively short period of time. In conversions, a very small percentage of previous tenants (generally with relatively high incomes

20. Occupants in only 92.81% of the units sampled responded to this question. The remaining occupants stated that they had either never thought about the idea of moving or that they had no intentions of moving.

21. These results may be due to the fact that there are a greater proportion of renters presently residing in apartment condominiums who presently prefer the rental tenure to the ownership option.

but varying demographic characteristics) have bought units. Most owners are previous renters and possibly first time buyers. Ownership of a single family dwelling and rental of an apartment unit are the most seriously considered types of dwelling and tenure prior to the purchase of the condominium unit. Ownership of a single family dwelling on the other hand, is the next most desired type of dwelling and tenure. The owner population is relatively transient with only half of the owners definite about not selling their units within the next three years.

The review of occupants' demographic and occupancy characteristics has indicated that the effective demand is heterogeneous. The variation that exists in the effective demand suggest that condominiums currently play a triple role in the Winnipeg housing market by performing the following functions:

(a) They provide alternatives to other types of tenure. Demand is generally by older couples and young married couples with no children and single people all with relatively high incomes desiring condominium living mainly for convenience and the type of lifestyle it offers;

(b) They provide substitutes to other types of tenure. Demand for town houses is generally by families with children, demand for apartment units is generally by young marrieds with few or no children and older couples with no children, mainly in order to gain financial and psychological security with respect to costs of their housing accommodation; and

(c) They provide a mixture of alternatives and substitutes to other types of tenure. Demand is for apartment units generally by

older and younger couples usually without children, single parents and pensioners and for town houses by families with children who can't afford single family ownership and purchase condominiums in view of their lower acquisition prices and convenience.

Most of the lenders (10 out of 13) and developers (9 out of 15) also thought that condominiums in Winnipeg, have generally provided both substitutes and alternatives to consumers. Only one lender and three developers thought they had only provided substitutes while two lenders and three developers thought they had only provided alternatives.

The income sector of the market, lenders most often selected as provided for by condominiums, was the middle income sector (\$12,000 to \$17,999 - 35.7% of responses) followed by the high income (\$25,000 and over - 28.6% of responses) then the higher-middle class (\$18,000 to \$24,999) and the lower-middle class (\$7,000 to \$11,999) - equally 17.9% of responses each. The low income class (less than \$7,000), was not picked by any lender.

The income sector of the market developers most often selected as provided by condominiums was also the middle income sector (31.58% of responses) followed by the higher-middle income (26.32% of responses), the high income (21.05% of responses), the lower-middle (18.42% of responses) and the lower income (2.86% of responses).

Hence the above review of the condominium occupants' demographic and occupancy characteristics as well as opinions of developers and lenders strongly indicate the exclusion of lower income consumers from the current condominium market. In order to determine to what extent lower income groups constitute the actual latent demand (that is, demand

by those low income consumers who desire to buy condominiums but are nonetheless excluded from the market), it is necessary to conduct a supplementary survey of the lower income population that currently do not own condominium units. Unfortunately, time constraints did not permit this undertaking. However, their mere exclusion from the current market indicates that lower income consumers may very well be part of the latent demand. The belief on the part of developers that demand for condominium ownership is strongest for the lower priced units presumably by lower income groups, does in fact consolidate this supposition.

The following section, by looking into the characteristics of actors on the supply side -- developers and lenders, will provide possible reasons for the above cited characteristics of consumers who constitute the effective demand.

DEVELOPERS AND LENDERS

The developers and lenders who were involved in the registered condominiums are indicated in the following Table III.8 and the subsequent list of lenders to individual owners. These lists indicate that the developers and lenders involved in the Winnipeg condominium market are diverse.

Developers include large development corporations, management companies, partnerships and individuals. Since the number of registered condominiums to date are still relatively few and the number of developers many, no one developer is dominant in the field. However, Qualico Developments, S.C.G. Management and Investments Ltd., Aronovitch and Leipsic, Cambridge/Imperial Developments Ltd., Daon

TABLE III.8

DEVELOPERS AND LENDERS INVOLVED IN THE REGISTERED CONDOMINIUMS¹

CONDOMINIUM	DEVELOPER(S)	LENDER(S) (BLANKET)
LAKEWOOD VILLAGE	Qualico Developments Ltd.	CMHC
THAWANI TOWERS	Sargent Construction (Mr. Thawani)	MHRC
DORSET HOUSE*	Donley Estates Ltd. & Oades Agencies (undivided 1/2 interest)	No Blanket Mortgage
SOUTHWOOD GREEN*	S.C.G. Management & Investments Ltd.	No Blanket Mortgage
NO. 1 EVERGREEN*	Central Apartments Ltd.	Investors Group Trust Co., Investors Syndicate Ltd.
PINEWOOD VILLAGE*	S.C.G. Management & Investments Ltd.	No Blanket Mortgage
EXECUTIVE HOUSE*	Wilton Holdings Ltd.	Prudential Insurance Co. of America
SANSOME & WESTWOOD DRIVE*	Hanford Development Ltd.	Prudential Insurance Co. of America, Assiniboine Credit Union Ltd.
BERTRAND HOUSE*	Paul Deprez	No Blanket Mortgage
CAMBRIDGE SOUTH*	Cambridge/Imperial Developments Ltd.	Canada Trust Co.
411 CUMBERLAND*	Daon Development Corporation	Great West Life, Northwest Trust Co., N.M. Skalbaina Ltd.
LAKESHORE	Cambridge/Imperial Developments Ltd.	National Trust Co.
DALHOUSIE SQUARE	Black & Armstrong Ltd., et. al.	I.J.L. Mortgage Ltd. et. al.
NESS SQUARE*	The Edwin Group Ltd.	Assiniboine Credit Union Ltd.
CHIMNEY RIDGE	Qualico Developments Ltd.	Fidelity Trust

SOURCE: Winnipeg Condominium Registry

1. Those Condominiums marked with an asterisk are conversion.

TABLE III.8 Continued

CONDOMINIUM	DEVELOPERS(S)	LENDER(S) (BLANKET)
GARDENTREE VILLAGE	Imperial Developments	Royal Trust Corporation of Canada
CRESCENTWOOD GARDENS*	Ken Berthiaume	The Assiniboine Credit Union Ltd.
TUXEDO ESTATES	Tuxedo Estates Co. Ltd.	Canadian Imperial Bank of Commerce, Morguard Trust Co., Alterra Developments.
LAMONT APTS.**	John S. Lamont, Robert S. Ball	Royal Bank of Canada
SPANISH COURTS*	Maxlor Enterprises	Maxlor Enterprises
STRATFORD SQUARE	Cambridge/Imperial Properties Ltd.	Victoria & Grey Trust Co., C.M.H.C.
TWIN LAKES*	Twin Lake Gardens Ltd.	Montrose Mortgage Corporation, CMHC
880 CORYDON AVE.**	Raymond Massey Construction Ltd.	Fort Garry Trust Co., Mutual Life Assurance Co. of Canada
SOUTH BAY	Taylor Group Corporation Ltd.	Royal Bank of Canada
CHAPMAN SQUARE	George J. Lis Realty Ltd.	Royal Trust Co., Boady Construction Ltd.
WELLINGTON PARK NORTH	Hanford Homes Ltd.	Montrose Mortgage Corporation, B.A.C.M. Ltd.
55 NASSAU*	Daon Development Corporation	Laurentide Financial Corporation Ltd.
HEARTHSTONE ESTATES	Hearthstone Estates	National Trust Co. Ltd.
WOODRIDGE GARDENS*	Greentree Homes Ltd.	Investors Syndicate Ltd., Kinross Mortgage Corp'n.
WINNIPEG CONDOMINIUM CORPORATION NO. 33*	Richard Gruss Ltd. & Interstructure Ltd.	Silver Birch Homes Ltd., General Mortgage Co. Ltd.
COUNTRY KNOLL	Qualico Developments	Canada Permanent Trust Co.

Lenders to Individual Owners:

Lakewood Village:

Central Mortgage and Housing Corporation (CMHC)
Sun Investments Ltd.
N.B. McLeod & Associates Ltd.
Aircrafters Credit Union Ltd.
Astra Credit Union Ltd.
Beneficial Realty Ltd.
Pacific Finance Acceptance Co. Ltd.
Avco Financial Services Realty
Dovercliffe Mortgage Co.
C.A.C. Realty Ltd.
Bank of Nova Scotia
Keystone Management Ltd.
Canada Permanent Trust Co.
Federal Employees of Manitoba Credit Union Ltd.
Robbje Holdings Ltd.
Kinross Mortgage Corporation (Canadian Imperial Bank of Commerce)
Assiniboine Credit Union Ltd.
Fort Garry Trust Co.
Anna Lee Investments Ltd.
Investors Syndicate Ltd.
Royal Trust Co.
Manitoba Teachers Credit Union Ltd.
Fidelity Trust Co.
Co-operative Trust Co. of Canada
Riverton Realty Services
Royal Bank of Canada
Bank of Montreal
A & M Investments Ltd.
Chimo Investments Ltd.

Thawani Towers:

CMHC
New Townhouse Owners Ltd.
Fidelity Trust Co.
Bank of Montreal
Manitoba Teachers Credit Union
Huron Investments Ltd.
Great West Life Assurance Co.

Dorset House:

Cufs Loan Corporation Ltd.
Kinross Mortgage Corporation (Canadian Imperial Bank of Commerce)
Steinback Credit Union Ltd.

Southwood Green:

National Trust Co. Ltd.
Korfam Finance Ltd.
Bank of Montreal
Lark Mortgage Holdings Ltd.
Assiniboine Credit Union Ltd.
Manitoba Teachers Credit Union

Pinewood Village:

Montrose Mortgage Corporation Ltd.
St. Alphonsus Credit Union Ltd.
Canada Permanent Trust

Executive House:

Teachers Investment & Housing Co-operative
Holy Spirit Credit Union Ltd.
Kinross Mortgage Corporation (Canadian Imperial Bank of Commerce)
Investors Group Trust Co.

Sansome & Westwood Drive:

Assiniboine Credit Union
Hanford Development Ltd.

Development Corporation and Hanford Development Ltd. have been relatively more involved than the rest of the developers in Winnipeg.

Most of the developers in the market engage in a variety of production functions. Survey results indicate that of the 15 developers, 8 are involved in assembling, servicing and selling land; 3 engage in engineering functions; 1 in surveying; 6 in planning; 5 in architectural design; 2 in the production of building and construction materials; 1 in prefabrication; none are involved in landscaping; 6 are involved in construction; 9 in marketing; 5 in mortgaging and 8 in property management.

The lenders (blanket as well as individual) include Central Mortgage and Housing Corporation, Manitoba Housing and Renewal Corporation, trust companies, chartered banks, life insurance companies, credit unions, development companies, loan companies, construction companies and realty investment firms.

Most of the lenders interviewed had supplied construction loans as well as in some cases individual loans to developers and consumers of condominiums.²² They were of different types of lending institutions including 5 trust companies, 2 chartered banks, 2 mortgage co-ops, 1 credit union, 2 government agencies and 2 life insurance companies.

The most common types of financing provided by these lenders were construction loans and long term unit first mortgages to first owners (each provided by 61.5% of the lenders interviewed). The next most common type of financing provided was long term unit first mortgages on re-finances (provided by 46% of the lenders). Bridge financing was provided by 23% of the lenders. The least common types of

22. Two of the lenders: Prudential Life and Canada Trust, had not made any loans for condominiums in Winnipeg.

lending were long term unit second mortgages to first owners and long term unit second mortgages on re-finances, made only by one of the lenders.

CMHC's involvement in the Winnipeg condominium field is indicated in Table III.9 below.

TABLE III.9

Amount and Number of NHA Mortgage Loans Under Condominium Tenure Made by Approved Lenders and CMHC

YEAR	TOTAL NO. OF NHA APPROVED LOANS	TOTAL NO. OF UNITS WITH APPROVED LOANS	TOTAL AMOUNT OF LOANS (\$)	% OF LOANS BY APPROVED LENDERS	% OF LOANS BY CMHC
1967 to 1976	308	308	5,395,000	39.94	60.06
1977	421	421	16,550,000	100	0

SOURCE: CMHC Statistics (1977), Table 74.

The above figures indicate that CMHC's involvement has been minimal to date and its role in direct lending is diminishing. CMHC has, in general, limited its involvement to the insurance of loans by approved lenders and to the making of direct loans (on new construction only).

The above discussion of who the developers and lenders in the Winnipeg condominium field are, reveals that the suppliers of constructed units and financing are varied. There does seem to be some evidence of an oligopolistic market structure. Due to the fact that the total number of registered units in the market is relatively small, the dominance of some firms, is not always obvious. Nevertheless,

what is quite obvious is that those with the greatest involvement in the market tend to be the bigger developers and investors. Hence, those totally excluded or with limited involvement in the market tend to be small developers, small investors in the private sector and all levels of government. The exclusion of these groups and the dominance of the market by the larger firms indicate that the developers and lenders currently involved in the market possess a great deal of market power in terms of the prices they can charge for the units and the consumers they can select for lending. The following chapter will further the examination of the private sector operations by looking into the behaviour of market participants, thereby outlining the underlying reasons for the nature and degree of their involvement.

CHAPTER IV

THE BEHAVIOUR OF MARKET PARTICIPANTS

This chapter will examine the factors influencing the nature and the degree of actors' involvement in the market. Reasons for involvement, limited or non-involvement on the part of consumers, developers and lenders as obtained through interviews with the actors, will be discussed. This chapter by presenting the views of market participants with respect to buying, constructing and/or converting and lending for condominium units in Winnipeg will serve to provide an understanding of the nature of the past and current growth patterns and indicate the potential for future growth. In particular, reasons for limited or non-participation of lower income groups as a result of developers' and lenders' practices and attitudes toward construction for and lending to this group of consumers, will be highlighted. These findings will be essential to the thesis in that they will reveal the underlying behavioral obstacles preventing the participation of lower income groups in the condominium market, hence providing the grounds upon which policy proposals will subsequently be made.

CONSUMERS

(1) Reasons for Involvement

Reasons for consumer involvement in the condominium market were obtained from answers to questions with respect to reasons for purchasing units, the type of dwelling and tenure the occupants would next want to move to and the amount of influence various factors had on consumer demand for condominiums.

(a) Reasons for Purchase

A great variety of reasons was given for purchasing units.¹ The three reasons indicated to be the most important were: firstly, ease of maintenance (57.55%); secondly, to build equity (46.04%); and thirdly, to lower the acquisition price (34.53%). Other reasons indicated as being one of the three most important reasons, in descending order of importance were: "like the area" (28.06%), proximity to work and shopping facilities (18.71%), need for more space (10.79%), lower mortgage payments (10.07%), lower downpayment (8.63%), proximity to friends and relatives (7.19%), use of recreational facilities (6.47%), tax benefits (4.32%) and need for less space (3.6%).

The variation in responses was also reflected within the individual condominiums examined. Within all condominiums however, the reasons to build equity and ease of maintenance were two of the three most important reasons in the decision to purchase. This was not the case with lower acquisition price as this reason did not seem to be very important in the decision of the greater proportion of buyers in Dorset House, Executive House, Crescentwood Gardens and Tuxedo Estates.

Other reasons given for purchasing units included: lower interest rates, design and size of the project and unit, preference for apartment living, freedom to decorate own unit, preference for ownership, protection from rent increases (stability of monthly payments), security,

1. Many of the reasons given for purchasing condominium units might very well apply to any other type of owned housing. Those reasons which would be particularly applicable to the purchase of a condominium per se include: ease of maintenance, lower acquisition price (depending on the project), availability of recreational facilities in the project, tax benefits, preference for apartment/town house living and physical security.

inability to move because of physical handicap (in conversions), appliances, fireplace, fewer children and animals.

(b) Reasons for Next Dwelling and Tenure

Inquiry into the type of dwelling and tenure owners desire in their next move indicated that a significant portion of respondents want to own a condominium unit. Reasons given included the following:

(1) Financial: rapidly increasing costs of rental accommodation; stability in monthly payments; security of investment; tax shelter provided by re-investment of capital gain from sale of previous home; high costs of single family dwelling ownership and hedge against inflation.

(2) Preference for what the condominium has to offer -- (lifestyle as well as physical amenities): privacy; freedom from maintenance and responsibilities; freedom of mobility; security; small yard; recreational facilities; proximity to outdoors; ownership and greater freedom with control over property; a less transient population than in rental units; better maintenance and upkeep; better neighbors, that is, no drifters and greater social interaction.

(c) Influence of Factors on Consumer Demand

The developers' response to the question on the amount of influence various factors had on consumer demand for condominiums gave similar results. Freedom from maintenance, lower prices than single family dwellings and good investment were felt to be the factors having the greatest influence. One developer stated that another factor which was quite influential on demand by the older couples was the ability of the spouse to remain in the unit, in the event of death.

(2) Reasons for Limited or Non-Involvement

Although reasons for consumer involvement in the condominium market appear to be numerous, at least as many reasons were given by lenders, developers and consumers for their limited involvement in the market. They are as follows.

(a) Financial

Lenders and developers indicated that the lower income groups² are automatically excluded from owning a condominium since they are not able to afford the financial costs of condominium ownership such as the downpayment, the mortgage payments and the increase in monthly management and maintenance fees.

The results of the question with respect to the income level of those consumers not purchasing units in converted projects and the reasons for not purchasing also indicate the financial costs to be a significant barrier to condominium ownership. 10 out of the 15 developers interviewed were involved in conversions in the Winnipeg market. 7 of the 10 developers stated that less than 10% of the existing rental tenants purchased units in the projects. The greatest percentage of tenants reported to have purchased units was 30.39% in only one of the projects. Hence a very small percentage of existing tenants, if any at all, purchase units in projects which are converting to condominium. Although a variety of reasons were given for tenants not purchasing units, almost half of these reasons were financial -- tenants either could not afford the down payment or the monthly payments. One developer commented that tenants would definitely want to buy if their

2. Consumers whose incomes are less than \$12,000.

monthly costs did not differ from their rents.

All of the tenants not purchasing units were reported to be receiving annual incomes of less than \$17,999. 67% of these were receiving incomes of less than \$11,999. Hence, a significant portion of tenants are forced to move out and do not buy units because they are not in a financial position to afford the units as condominiums even though they may be able to afford them as rentals.

(b) Preference for Rental Tenure

The next most frequently given reason for tenants not purchasing units was the preference for rental tenure. For example, in one of the projects, the developer stated that under 10% of the tenants bought a unit even though the downpayment was only \$500 and monthly payments were relatively low because of the low acquisition price. He added that those who did not buy units merely perceived themselves as tenants and did not want to be tied down with ownership.

(c) Preference for Single Family Dwelling Ownership

When asked what type of dwelling and tenure they would next want to move to, a significant portion of the respondents (44.52%) indicated preference for single family dwelling units. This response implies that one reason for consumers not buying condominiums is that they prefer to buy single family dwellings and as well, that some of the owners presently living in condominiums are using this form of ownership as a transient step to the ownership of a single family dwelling. In fact, a number of these consumers stated that their ultimate goal was for ownership of a single family dwelling and that condominiums

were merely a transition to that goal.³ One occupant's comment sums up their feelings: "a single family dwelling is considered a step up and an improvement".

(d) Psychological

The general opinion among the lenders and developers was that the condominium concept is still a relatively new one and that it is particularly difficult for Winnipeg consumers, who are "relatively conservative" compared to consumers in other major centers, to accept it as a form of ownership. One lender felt that presently there is a psychological block to consumers accepting the condominium as a form of housing for people other than those in the lower income brackets. He added that only the success of luxury condominiums will enable people to accept this form of ownership. Another developer commented that housing consumption behaviour among some renters was based on a "renters' psychology", that is, the inability to adjust to the idea of ownership.

(e) Unsuitability of Units for Home Ownership

Occupants indicated, that since condominiums were to provide ownership rather than rental tenure, they would give consideration to a number of aspects with regard to the project and/or unit in exercising

3. Specific reasons given for preferring single family dwelling ownership as opposed to condominium ownership included the following: more suitable for family life; provides greater internal as well as external space (yard, parking, basement); provides for greater control over property -- independence in decision making, management, alterations to structures; provides for greater privacy, non-involvement with others' problems; provides greater financial security because of the greater significance of the land element in investment; in order to have pets; in order to have a garden and finally the desire to do one's own maintenance rather than pay for it.

their decision to purchase. Variables which were mentioned as affecting the suitability of a condominium in providing owned accommodation were:

(1) structure type of building: A number of respondents stated that they would not desire to own a unit in a high rise apartment although they may be willing to rent one. Smaller projects including low rise apartments, town house and garden type condominiums were indicated as being more desirable for ownership since, in such projects it is easier for owners to reach concensus on decisions and to identify themselves as part of a "mini-community"; interaction between occupants is facilitated and owners have easier access to outdoor space. One of the lenders commented that the town house or garden apartments are particularly attractive to purchasers since they are much more like semi-detached or single family units.

(2) location: Some occupants felt that units located in the downtown area were ideal for ownership since they provided the convenience of easy access to work and other central facilities, while others preferred to be in locations other than downtown when considering the ownership option.

(3) space in units: Most occupants felt that if they were to invest in ownership, the units should provide ample space.

(4) facilities in units and projects: Some occupants felt that units to be owned should include washers and dryers, lots of closet space, air conditioning, balconies, ample parking and recreational space.

In general, the occupants felt that units offered for sale should be designed in such a way that they offer features consumers would want to have when making a "relatively permanent" investment. A number of tenants interviewed in a condominium that was in the process

of conversion, felt that as the project was originally designed for rental accommodation, it was not suited to condominium ownership. One developer commented that a major error condominium developers have made is to take a plan for rental units and try to market it as a condominium. He stated that the inherent economics and the design criteria for rental projects (town house or high rise) are not the same for the condominium market where people expect more in several important respects such as good location and good design. Good design is expected in terms of parking, landscaping, unit size and amenities.

The above review of factors indicate many reasons influencing the nature and degree of consumer involvement. Ease of maintenance, to build equity and lower acquisition price stand out as the three greatest attractions of condominium units. On the other hand, reasons such as financial costs of condominium ownership, preference for rental tenure, preference for single family dwellings, psychological block to accepting the condominium as a form of ownership and unsuitability of units for ownership stand out as important factors depressing demand for condominium units.

These results indicate some important aspects of demand for condominiums. First, the demand is heterogeneous in terms of the reasons for consumers buying units; hence this form of ownership serves a wide cross section of the population displaying differing needs and expectations. As a result, condominiums currently provide both substitutes and alternatives to differing segments of the market. Second, there currently exist strong forces, related to the attitudes of consumers towards condominium ownership, that simultaneously depress as well as intensify the overall demand for condominiums. As a result, indications

are that while those who have chosen condominiums as alternatives have accepted them as a suitable form of housing; those utilizing them as substitutes accept them as suitable housing until the time they can afford single family dwellings. In addition, some of those who have not yet entered the market do not accept them at all as providing feasible ownership options.

These findings once more indicate that the potential for the condominium in serving large segments of the population is great. In order to increase the demand however, it is evident that the attitudes of certain segments of consumers towards condominium ownership has to be altered. It is most important that there is an increase in demand for condominiums as a suitable permanent substitute from the consumer population in general. Condominiums can then serve the lower income brackets by presenting savings to government, which can be directed to the subsidization of condominium housing for this particular group of consumers.

DEVELOPERS AND LENDERS

All of the developers and construction lenders who were involved in the condominiums that were registered prior to January 1, 1978 were interviewed.⁴ A separate questionnaire was formulated for each group.⁵ Three major difficulties were encountered in the formulation of the

4. Time constraints prohibited interviewing developers and lenders who were not involved in the market. Lenders interviewed included only those that had provided construction loans for the 13 projects. However, some of these lenders had also provided individual unit mortgages.

5. See Appendix II, III, and V for questionnaires used in the interviews with developers and lenders and list of developers and lenders interviewed.

questions as well as in the attempts to answer them. These difficulties were related to the following factors:

(1) Inherent characteristics of the condominium market: A literature review indicated that apart from the common legal definition of condominium, "the condominium market" itself was segmented into a number of sub-markets. The developments differed from one another in terms of costs, registration process, marketing and ownership experiences depending upon whether they were apartments or town houses, whether they were newly constructed or converted, their location, size and design, the income market they were geared to, the familiarity of the developers involved with the condominium concept as well as their general level of expertise in the house building industry and their power in terms of obtaining financing, approval and quick marketing. The existence of a great deal of segmentation in the market presented many difficulties in formulating questions. As well, a great deal of difficulty was encountered by the respondents as they felt it was very difficult if not inappropriate to generalize about the condominium market.

(2) Growth and development characteristics of condominiums in Winnipeg: Although the Manitoba Condominium Act was passed in 1968, the condominium concept, even after a period of ten years appears to be a relatively new one to lenders, developers and consumers involved in the Winnipeg market. Such lack of experience necessarily led to a response which reflected upon isolated individual experiences rather than placing any one individual development in the perspective of the rest of the market experience. The interpretation of responses was carried out in consideration of this fact.

(3) Biases - Subjective Opinions: In a market characterized by

competition and success dependent upon public opinion, responses in an interview will inevitably be biased and subjective rather than objective. This fact was also taken into consideration and an attempt was made to present an objective analysis in the light of a variety of information gathered from various sources.

Since the nature of the data is qualitative, responses could not be tabulated with any precision in most cases and are hence presented below without tabulation.

DEVELOPERS

(1) Reasons for Involvement

(a) High Costs of and Limited Returns on Rental Development

A number of developers indicated that a very significant reason for their and other developers' involvement in the condominium market is the high costs and limited returns in rental housing development. As one North Vancouver Architect, Leo Lund, comments: "After all, you can only charge so much for rental housing without pricing yourself out of the market. On the other hand, people must have accommodation of some kind, and they don't seem to balk at buying -- even at inflated prices".⁶ Inflated prices for land, (which has in particular influenced involvement in conversion), high costs of construction, smaller loan amounts⁷ and limited returns as a result of rent controls

6. Canadian Building, October 1972.

7. The difference between lenders' assessment of a building as a rental and condominium is about 20%.

have made building for rental a "risky business".⁸

A number of developers stated that rent controls were particularly influential in the growth of the condominium market. One commented that before rent controls there was an 8% to 10% return. However, after rent controls and the increases in the costs for utilities, management and construction; returns decreased to 4% to 6% making involvement in rental accommodation no longer viable and resulting in the diversion of activity to constructing and converting existing rental buildings to condominium form of housing.

(b) 50% Tenant Approval Legislation

A number of developers tried to convert before this bill was passed in order to avoid the difficulties of converting at a later date; if and when it became necessary.

(c) Cash Returns

Since there is no cash return on investment in a rental apartment block, for those developers who desire to cash out, converting to condominium has been the only means.

(d) Desire to Get Involved in Condominium New Construction and Conversion

7 of the 9 developers who built new condominiums in Winnipeg in the past, stated they would get involved in condominium new construction again. Reasons included: perception of a strong demand particularly

8. A Winnipeg lender's comments exemplifies the increase in the costs of providing rental accommodation. He stated that a developer, 7 years ago, could build a standard 10 storey apartment building for roughly \$10,000/2 B.R. suite. A recent estimate for a new 80 unit building being considered for a Pembina Highway site was \$33,000/suite -- a cost that would have required a monthly rent of \$485.

for well designed, well located projects; potential for high profits; specialization in condominium development and the desire to increase involvement in a new concept. 7 of the 10 developers that were involved in conversions in Winnipeg in the past, stated that they would again get involved in condominium conversion. The most frequent reason given was for profits.

Developers in general felt that condominiums were a challenging form of real estate development and that they would get involved as long as the circumstances in the market provide a profitable return on investment.

(2) Reasons for Limited or Non-Involvement

As challenging as the involvement in the condominium market may be, as one developer stated: "Condominiums are a wonderful concept but present certain difficulties all the way". As a result, there are numerous reasons for the developers' limited or non-involvement in the market. Winnipeg lenders and developers have indicated the following:

(a) Complexity of the Condominium Concept

The legal framework of condominium development and management is a complex one existing within the structure of the relatively simplistic housing industry. As a result, it requires expertise that developers are currently not in a position to provide.

(b) Marketing of Units

Many problems have been faced in the marketing of condominium units. They are as follows:

(i) A very frequently mentioned problem was the unfamiliarity on the part of consumers, as well as lawyers, developers and lenders with the concept of condominium ownership; hence preventing its acceptability.

It was stated that consumers in general still prefer the single family dwelling and are not conscious of the fact that condominiums can be excellent, good, bad, or horrible depending on the project and the needs of the individual family. As a result, it was stated that the market in Winnipeg for condominiums is small and developers find they cannot market units fast enough. This problem creates the need to rent out units in order to provide the necessary cash flow.

(ii) Another frequently mentioned problem in marketing units was their selling price. It was stated that owners wish to sell at prices that prohibit sales. One developer commented that one reason for the high prices of condominiums was the high profit requirements as a result of the inherent high risks that are involved in developing and marketing units in a market such as that of Winnipeg, where the concept has not yet been fully accepted and understood, making the viability of the project as a condominium questionable. Another reason stated was that condominium construction and development has a number of inherent costs that prevent the selling of units at prices which would incur monthly costs similar to what tenants would be paying as rent for similar accommodation.

As a result, the involvement of developers is limited to markets other than the lower income market. In fact, 73.33% of the developers felt that it is not economically feasible to develop condominiums for all levels of income.⁹ All developers which fell into this category chose the less than \$7,000 income bracket as being economically infeasible to develop for. 63.64% also chose the \$7,000 to \$11,999 category

9. It was assumed that all consumers will be paying 25% of their income for total monthly payments including maintenance and utility fees.

and 18.18% chose the \$12,000 to \$17,999 bracket.

Most of the objections stated in developing for these income groups were financial rather than practical. With respect to financial objections, it was believed that due to high construction costs, high building standards and much bureaucratic red tape, prices of units are too high prohibiting the lower income classes from being able to afford the carrying and operating costs of new condominiums.¹⁰ One developer stated that since the condominium is a form of ownership rather than merely a form of housing, it costs 50% to 100% more than renting similar space. In general, it was felt that it was more likely for developers to go into conversions for the provision of lower priced units rather than new constructions, since the costs are too high requiring an income of at least \$15,000. One developer stated, that because of the high costs of development, "people who are supposed to benefit will get stuck".

Practical objections such as the following were given: damages seem to occur more frequently in units owned by lower income people, lower income consumers do not have knowledge of or experience in management and that in Winnipeg there is a large inventory of older houses (value \$30,000 and below), available for lower income consumers.

(iii) Location was mentioned as being an extremely important factor in determining the success of marketability. It was stated

10. The problems faced in the low income condominium market and the reactions of the developers were exemplified in Vancouver. Here, the first condominiums were aimed at the low-income families. However, many developers since found that building for low income owners was a risky business because of purchasers defaulting payments and problems of re-possession. As a result, builders then aimed at the middle income or high income groups.

that the unavailability of suitably located land which was either zoned or potentially zoned, prevented developers from meeting this criteria. Other developers have not been involved in conversions primarily because of the unsuitable locations of the projects.

(iv) Poorly designed units were also mentioned as hindering the success of sales. It was stated that consumers, when buying housing accommodation, generally desire and require greater amenities than they do as tenants.

The respondents rated the importance of factors influencing the success of condominium marketability. This is indicated in the following Table IV.1.

The acquisition price and location of projects were two factors felt to be either crucial or at least very important in influencing the success of condominium marketability in Winnipeg, by most (86.7%) of the developers. The remaining factors, in order of importance were: financial arrangements, size of units, cost of rental units, acquisition price of other ownership options, size of projects, structure type, availability of other ownership options, availability of other rental options, whether the project was a conversion or new construction and financial arrangements for other options. Four factors which were felt to be at least moderately important by all developers were: acquisition price, financial arrangements, location of projects and size of units.

(c) Difficulties with Financing and Lenders' Policies

Of the 15 developers, 9 felt that the lenders restricted them in their involvement with condominiums. The following restrictions were mentioned:

TABLE IV.1

Importance of Factors Influencing Success of
Condominium Marketability as Perceived by Developers

	NO. OF RESPON- DENTS	CRUCIAL - VERY IMPORTANT (%)	MODERATELY IMPORTANT (%)	OF LITTLE IMPORTANCE - NOT AT ALL IMPORTANT (%)
Acquisition price	15	86.7	13.3	--
Financial arrangements	15	80.0	20.0	--
Location of projects	15	86.7	13.3	--
Size of units	15	60.0	40.0	--
Size of projects	15	46.7	40.0	13.3
Structure type	14	42.9	42.9	14.3
Whether conversion or new construction	13	53.9	7.7	38.5
Acquisition price of other options	15	60	33.3	6.7
Financial arrangements of other options	15	26.7	53.3	20.0
Availability of other options for ownership	15	40.0	46.7	13.3
Availability of rental units	15	20.0	60.0	20.0
Cost of rental units	15	66.7	26.7	6.7

SOURCE: Developers' Questionnaire

(i) Traditional financial intermediaries are reluctant to finance condominiums at normal rates, if at all.

(ii) Bad experiences in Toronto, where many lenders' head offices are located, have resulted in a limitation of their participation in Winnipeg. As a result, there are numerous building checks, strong emphasis on critique of design, age and condition of buildings, plans, marketing and management; preventing developers from involvement particularly in conversions.¹¹ Even when projects are approved, the lending ratios are too low to cover the costs of the expected high quality.

(iii) Lenders are reluctant to finance lower priced units.

(iv) Lenders require 50% or more sales before allowing registration. On the other hand, smart buyers do not buy until a project is registered, hence creating a hold back situation in marketing units.

(v) In general, around 65% sales are required before a mortgage is committed.¹² However, again buyers are reluctant to buy because of the uncertainty of the project becoming a condominium.

(vi) Restricted loan amounts of Central Mortgage and Housing Corporation dictates the prices of condominium developments (47.5 thousand maximum unit price).

11. This is either as a result of developers voluntarily withdrawing from the conversion market in view of foreseeable difficulties in obtaining financing or lenders' refusal to finance some or all conversions.

12. There are two major reasons for the sales requirement: (1) uncertainty as to whether the project is a rental or a condominium project if only a few of the units are sold and the rest are rented; (2) if some of the units are sold, the developer is responsible for maintenance and operating costs for the remaining units. He could be hard pressed financially, perhaps go bankrupt, carrying these expenses. As a result, 'till the sales performance level is reached, the loan amount is based on rental value.

(vii) It is particularly the smaller developers who have a difficult time in acquiring financing for construction and arranging for carrying costs since lenders perceive higher risks in lending to them. One developer stated that as a result, interest rates on loans for small developers could go up to 21%.

Problems in financing are of particular importance since liquid money is scarce. Most developers do not have the available cash and thus rely heavily on financing.

(d) 50% Tenant Approval in conversions.

(e) There is too much red tape in the zoning, approval and registration procedures; decreasing the certainty of registration, hence presenting problems in marketing units.

The above discussion on the factors influencing the degree and nature of developers' involvement reveals two important findings. First, a very influential factor encouraging involvement in the condominium field is the rent controls program. This implies, particularly when one considers the numerous reasons limiting involvement, that once rent controls are no longer in effect, that developers may direct their activity once more to the rental market if sufficient demand in the rental sector is existent. However, if greater demand for condominiums is to be encouraged (as indicated in the last section), it is essential that there be a concurrent increase in the supply of units in order to prevent price increases resulting from an imbalance between demand and supply. The second important finding is that developers will not get involved in the provision of units for lower income consumers, when there is already an existent demand in the middle and higher-

middle income classes, where investment is relatively more "secure" in terms of the amount of profits it will generate.

Hence, in order to first of all, prevent the diversion of activity from the condominium to the rental market, secondly, to encourage an increase in the supply of units in general and thirdly, to encourage participation by developers in the lower priced end of the market; it becomes most necessary for governments to address the problems which currently confront developers in their involvement in the market. The above review has indicated that these include the complexity of the condominium phenomenon, various issues with respect to marketing of units such as the unfamiliarity of consumers with the condominium concept, the relatively high selling prices, infeasible locations, poor designs, difficulties with financing and lenders' policies, the inability to increase the supply of units on the market as a result of the 50% tenant approval and bureaucratic red tape.

The following section will review factors influencing lenders' activity and hence reveal additional obstacles to the participation of lower income consumers in the market.

LENDERS

(1) Reasons for Involvement

Some lenders stated that there were no risks or costs that were specific to the condominium market or unusual to the real estate market in general. Factors such as marketability of the product, ability of the borrower to repay, excess supply, diminishing demand, downturn in the economy, and construction strikes, were felt to be more important than the type of loans made. In general, it was felt that lenders today are not as concerned with whether the loan they are making

is a condominium loan or not, as they were a few years ago since "the condominium concept is now being accepted by a greater number of home purchasers".

Specific reasons given for involvement in condominium funding included the following: existent and growing market demand, interest in condominium financing as part of overall mortgage policy, in order to assist the public to purchase owner occupied accommodation, preference to lend in high volumes, to retain the general banking business of established customers and to attract new customers.

(2) Reasons for Limited or Non-Involvement

Although some lenders do not differentiate condominium lending from other types of residential lending, a great many lenders are reluctant to get involved in the field. When asked to state their preference for the type of loans when lending for construction or on an individual basis, most lenders indicated their order of preference as: single family detached, semi-detached, non-condominium town house, rental low rise, rental high rise, condominium town house, condominium low rise and condominium high rise. Hence, condominium loans were the least preferred. Lending for single family and semi-detached dwellings is particularly popular among lenders since they perceive these types of dwellings to be the most marketable, most likely to appreciate the most in value, least difficult to process and as including larger equity from the borrower.

The lenders' numerous concerns with respect to condominium lending on the other hand, relate to: (a) the novelty of the condominium phenomenon; (b) the nature of condominium ownership; (c) the nature

(characteristics) of the project and the project developer.

(a) Concerns Arising Out of the Novelty of the Condominium Phenomenon

The novelty of the concept has created uncertainties as to whether the condominium concept or life style will become accepted in a particular city. Lenders have been particularly concerned with the actual completion date of condominiums running over expected completion dates and with the failure to achieve the sales performance level by a specific date. A general lack of inexperience in this type of investment has aggravated the lenders' concerns. However, a number of lenders indicated their willingness to enter the market or increase their involvement in it as the concept becomes better known and accepted.

(b) Concerns Arising Out of the Nature of Condominium Ownership

The fact that condominium ownership is unique in that the condominium unit is not isolated but is within a group of units having an affect on the other units and being affected by them has led to the following types of concerns.

(i) Monthly assessments: Failure to pay monthly assessments when due can interfere with the proper management of the corporation, damaging both the marketability and the value of units. As a result, lenders are income selective and have placed minimum income requirements on loans.¹³

(ii) Common charges: If common charges increase rapidly, the security of the loan decreases as some owners are not able to afford the increases and it becomes necessary to use reserve funds. As a

13. One lender stated that the minimum income requirement, anywhere in Canada is presently \$10,000 in addition to taking other debts into account; with the gross debt ratio being 30% - 40% (27% on CMHC loans).

result, foreclosures may be necessary and the common costs become a burden to the lender.

(iii) Reserve funds: Insufficient reserve funds can lead to neglect of necessary repairs damaging the marketability and resale value of units.

(iv) Project governance and maintenance: All lenders felt that the success of a condominium is strongly dependent on the quality of its management. Many problems were reported as being generated with respect to this aspect. Particular difficulties occur at the initial period when the project management is transferred from the developer to the condominium corporation. Difficulties also arise as a result of the type of management. Self-management is regarded to be a viable option in the relatively small, low-density projects, but more difficult in the high rises. Even in the smaller projects however, there have been problems experienced in regards to generating involvement, developing shared-owner attitudes, shedding tenant sentiments and locating skilled individuals to assume leadership.¹⁴ Problems in self-management can also arise as a result of vocal minorities pushing through assessments for extras that other owners might find excessive. Conversely, they may hold down assessments to a point where the property begins to deteriorate. Conflicts of interest also arise when developers choose to manage their own projects. In view of these potential difficulties, lenders have preferred professional management; at least during the initial stages of the corporation's formation.

(v) Phased developments: In a phased project, the lender financing sales in the first phase must also give attention to subsequent

14. Business Week, September 1972.

phases and consider the impact that problems in these later phases will have on loans in the first phase. For example, if a developer of a second phase building runs into financial difficulties which force him to stop work, the partially completed building will have an adverse affect on the appeal of the successfully developed first building. If the construction lender for the second building steps in to complete and to stimulate sales by decreasing prices or offers below market interest rates, units in the second building may decrease the value of units in the first building. Another problem occurs when subsequent buildings are not built because of an insufficient market, yet the need remains to complete an amenity package in accordance with an approved site plan. If they are not built, the units in the first building may lose value and/or not be able to compete in the resale market with other units where amenities are present. However, if amenities are completed, operating costs will be spread among smaller number of units making units less competitive, possibly decreasing their values and presenting unexpected increases in the common elements fee to the owners.

(vi) Relationship between construction lender and permanent lender: If the permanent lender is different than the construction lender, than certain agreements are necessary between them prior to the advancement of loans. For example, the permanent lender has to be assured that the developer can meet his obligation to contribute to his share of monthly assessments until all units are sold; that there are sufficient funds remaining in the construction loan to complete the project and that construction is complete at least for the unit to which the loan is being made.

(vii) High administrative costs: Administrative costs on condominium loans are much higher than for loans on commercial, industrial, retail properties, residential rental and other types of housing because of the lenders' involvement in attending the affairs of the condominium corporation and the numerous accounts as opposed to large single loans.

(viii) Delays in registration and mortgage transfers: Such delays require longer term investment commitment compared to other forms of housing investment.

(ix) Mix of renters and owners: Lack of interest in maintaining or appreciating the value of the property by renters has turned both lenders and owners against their acceptance of condominium projects.

(c) Concerns Arising Out of the Nature (Characteristics) of Project and Project Developer

(i) Project design and location: The acceptability of condominiums to lenders and their marketability is heavily dependent upon such factors as the construction, structure type of the condominium as a whole, its location, individual unit designs and density.

When asked to state their preferences for different types of loans when lending for condominium construction or individual units, most lenders indicated their order of preference as: new town houses, new low rise apartments, converted town houses, new high rise apartments, converted low rise apartments and converted high rise apartments. Newly constructed units were preferred since conversions are too involved and in many cases do not meet the standards of ownership. As well, conversions require additional checks with respect to interest in common area facilities and the initial lender.

Large scale and high rise projects have been a particular concern to lenders because of uncertainties in regard to their long term viability, difficulties in their financing, staging of registration, relatively long marketing periods, limited market, potential problems with management, high costs of processing loans, feasibility of design for condominium use and the growing public resistance to their existence. One lender also commented that in high rise condominiums, people usually pay cash, therefore the problem is that there is not enough committment. However, another lender stated they prefer to lend for a large number of units by providing the construction funding, then taking over all units since this gives greater representation to the lender in the corporation. Town house units were most popular since lenders believed they sold better than apartment units, costs could be better controlled, common area costs are lower and less management is required.

Location remains a prime factor in the choice of a particular condominium. A number of lenders stated that location is the key to a successful condominium development.

Lenders also hold the view that the condominium unit must have special design features and in general be of higher quality construction.

Many lenders won't loan on high density developments as the probability of these projects turning into a slum are believed to be high.

(ii) Developer: Lenders prefer to deal with big, experienced developers since they present less risks.

(iii) Price: Price is a major consideration since condominiums properly priced will more likely be successful. Lenders commented that some condominiums are overpriced since the developer is trying to make

a killing on them, hence presenting difficulties in marketing. Lenders are also concerned with the number of units supplied on the market since an oversupply may weaken demand and lead to a decrease in the price of units.

(iv) Calibre of development: Low cost units are felt to be more risky. It was stated that, for example, Assisted Home Ownership Plan (AHOP) units are not successful and have a potential of turning into slums. One lender commented that since most AHOP applicants are very marginal, that is, in deep debt, it is difficult for them to afford even a \$2 increase in maintenance charges.

In addition to the nature of their own policies on condominium lending, lenders' involvement in the Winnipeg market has also been influenced by a number of "external" factors including the following:

(a) Affects of CMHC Policies

Lenders stated that where CMHC happens to be insuring the loan, their policies are dictated by CMHC regulations in a number of ways.

(i) It was commented that the NHA is "very sticky, with lots of requirements". Initially, CMHC must approve the architectural schematic plans and site location. Then, from the construction stage to the completion of the building, CMHC provides the lender with inspection reports during the construction stages and loan amounts are approved only after the inspection of the buildings. Both the lender and CMHC have to give approval before each advance is made.

(ii) CMHC requires that advances be made on the basis of individual units and not the project as a whole. Lenders stated that this involves a lot of paperwork.

(iii) NHA loans have a maximum ceiling of \$47.5 thousand/unit,

hence limiting the projects that can be financed to lower priced units.

(iv) CMHC will not insure loans for re-financing units that have been converted even when they are already registered and exist as condominiums.

(v) AHOP requires that two people, 18 years of age and over take title to the property. However, one lender stated that a lot of people don't want both names down on the title.

(vi) The sales performance level set by CMHC presents high costs to mortgage lenders.

(b) Legal Position of Lenders

Lenders are in a precarious legal position in the case of foreclosures as a result of faulty condominiums or owners defaulting on their mortgages.¹⁵ Foreclosures are first of all costly, since during the redemption period the unit sits empty and the lender has to cover the costs. Secondly, lenders feel that the courts are unsympathetic to them in the case of foreclosure.

(c) Bad Early Experiences

The early experiences in Winnipeg with Lakewood Village and Thawani

15. The precarious position of the lenders was illustrated in the spring of this year in metropolitan Toronto, where an official of the Ontario Mortgage Brokers Association said a lawsuit filed by about 265 condominium owners might mean the end of condominiums as a viable residential alternative. About 265 condominium owners in the Borough of North York are seeking damages for alleged leaky walls, defective heating systems, leaky garages and windows built contrary to the projects' plans. Collectively, the pending suits seek damages of about \$40 million. The repair expenses have forced many of the condominium owners to default on mortgages. Howard Stulberg, Ontario Mortgage Brokers' vice-president, has stated that if mortgage builders are held responsible for damages, it would be a precedent setting case and would cause "an immediate exodus of lenders from the condominium mortgage market". The result he said would be more costly housing. (Sunday Star, March 12, 1978).

Towers have hindered the involvement of lenders in the condominium market and particularly in the earlier years, led them to question condominium viability and security of investment in Winnipeg. It was commented that these experiences were crucial in influencing involvement since the "bad experiences are very visible and easily remembered whereas good experiences are not taken as seriously as people think it only normal if things turn out good".

As well, bad experiences in Toronto and Vancouver have affected involvement of lenders in the Winnipeg market. In these cities, condominiums have not been selling well, forcing lenders to own a lot of units they did not want. Lenders have lost money particularly with AHOP units in Vancouver, where many owners have defaulted on their payments.

(d) Head Office Approval

Projects have to be approved individually by the head office with approval being based on their viability and availability of funds. In some instances, head office policy is to provide funds for single and semi-detached units as the public desires they choose single family dwelling.

(e) Type of Loan

(i) Long term loans are preferred for two reasons: they decrease processing costs and the lender doesn't have to worry about finding sources of investment all the time. They are particularly popular in life insurance companies where there is no drastic quick increases in funds as there are in banks and trust companies.

(ii) Large loan amounts are preferred to small loan amounts since they keep the administrative load at lower levels. Some lending comp-
=

anies are not staffed to administer large number of loans but can handle large dollar volumes.

(iii) Individual loans are preferred to construction loans as individual units are more easily evaluated and there are less risks involved with respect to marketability when the end product is known. Construction loans also present higher administrative costs and hence less profits since they take too long to advance. Some lenders make construction loans to obtain take out loans.

(iv) One lender commented that it is a lot easier to sell NHA approved loans than any other type, since loans seem more secure if government insured.¹⁶

The above review of factors influencing the nature and degree of lender involvement indicates that as with developers, reasons for limited or non-involvement of lenders far outnumber the reasons for involvement. They are related to the novelty of the condominium concept, the nature of condominium ownership, the nature of the project and developer, the nature of CMHC policies, the legal position of lenders in case of lawsuits, defaults and foreclosure, bad early experiences, head office policies and preference for certain types of loans. These factors present various types of risks and require a greater amount of resources in terms of time and manpower; hence making the condominium option less attractive than other types of residential investment.

16. The conventional loans as opposed to NHA loans are made directly with the company and there is no guarantee on them. However, they are attractive to lenders since there is no limit on their amounts.

As a result, although perceived demand might be one encouraging factor to participate, the existence of these numerous reasons for limited or non-involvement prevent the lenders from fulfilling all or part of the latent demand. In Winnipeg, as a result of existent demand on the part of middle and higher-middle income classes, lenders have chosen to be selective in their lending and in place of lending to lower income classes in view of greater apparent risks, have limited their involvement in the market and restricted their lending to the higher income groups. Hence, the important finding which emerges from this chapter is that even though some lower income consumers may be able to afford the downpayment and monthly payments of the lower priced units, they have not been able to obtain financing.¹⁷

The following chapter, by examining the economic costs and benefits of condominium development, will reveal the economic obstacles to the entrance of lower income consumers' into the market.

17. A case in point is that of Chimney Ridge. Qualico applied to CMHC as if building AHOP units, built at the AHOP ceiling and then sold units for relatively low prices with favorable mortgage terms for customers. By so doing, it increased the probability of success in marketing the units and in fact did not lose any from its profits as a result of vacancies since units were marketed very quickly. However, although the units were built under AHOP, presumably to be providing consumers of relatively lower incomes, the consumers who actually bought the units are far from belonging to the lower income brackets. Included in this group of consumers are: 5 doctors, 6 nurses, 2 attorneys, 7 chartered accountants, 1 veterinarian, 1 dentist, 1 surgeon and 15 school teachers. Apparently only 1 of the owners did not have a university degree at the time when units were originally marketed. The current average income of owners at the time of the survey was \$19,000 enabling them to make monthly payments of \$396, \$428, and \$475 on 25%, 27% and 30% gross debt ratios respectively. The highest and the average monthly costs were \$498 and \$449 requiring 31.45% and 28.35% of incomes respectively.

CHAPTER V

ECONOMIC COSTS AND BENEFITS

OF

CONDOMINIUM DEVELOPMENT AND OWNERSHIP

This chapter will examine the economic costs and benefits of condominium development and ownership within three time periods: pre-purchase, during and post ownership. The findings which will emerge from the discussion will provide a greater understanding of the reasons as to why the lower income consumers might be excluded from the market. The illumination of the financial obstacles will provide further grounds upon which policy proposals will be made.

PRE-PURCHASE PHASE

The pre-purchase phase will include an examination of the factors contributing to the costs of condominium development, the selling prices of condominium units as compared to the selling prices of single family dwellings in the same locations and the terms of loans on condominium units. Factors contributing to the costs of development will be examined in order to determine the minimal costs that are involved and hence the percentage of profits included in the total costs. The determination of minimal costs is important since it provides an indication of the lowest price range at which condominiums on the market could be provided. The determination of the amount of profits is important, since it is an indication of the extent of sellers' power in the market and hence their role in determining the nature of supply. The comparison between the selling prices of condominiums and the selling prices of single family dwellings will be carried out in order to determine whether condominiums have in fact provided substitutes to the single family dwelling home, in terms of offering an initially lower cost option. This comparison will also determine to what extent the initial acquisition price bars the lower income consumers from entering the market. A discussion of the terms of loans will indicate

to what extent, if any, terms on condominium loans differ depending upon the types of structure as well as from terms of loans on single family dwellings. This discussion will serve to indicate whether differential loan terms, applicable to condominiums in general or any specific structure type of condominiums, could present additional financial difficulties in the entry of lower income consumers to the market.

(a) Factors Contributing to the Costs of Condominium Development

In order to determine the minimal costs of condominium development and the amount of profits made on the projects, an attempt was made to approximate the proportion of the various cost factors such as land, labor, materials, architectural fees, legal fees, survey fees, advertisement, holding costs until units are sold and bonus costs in the total costs of condominiums developed. Unfortunately, as important as this question was, the results obtained were not very conclusive. First of all, some of the developers refused to answer this question or parts of it, while others stated that it would be extremely difficult since cost factors would differ greatly from one project to another. This great variation is evident in the results indicated in the following Table V.1.

As the responses to the question on the costs of development were incomplete as well as widely varied, it was not possible to determine the minimal costs of development or to use this information in the calculation of profits. However, it was possible to calculate

TABLE V.1
COST FACTORS AS A PERCENTAGE OF TOTAL COSTS

COST FACTOR	% OF TOTAL COSTS	
	LOW	HIGH
LAND	3.0 (Dorset House)	40.0 (Dalhousie Square)
MATERIALS	1.3 (Dorset House)	60.0 (Ness Square)
ARCHITECTURAL FEES	1.0 (Lamont Apts., Dalhousie Square)	5.0 (Crescentwood Gar- dens, Tuxedo Estates)
LEGAL FEES	1.0 (Tuxedo Estates)	5.0 (Sansome and West- wood Drive)
SURVEY FEES	.5 (Tuxedo Estates)	20.0 (Spanish Courts)
ADVERTISEMENT COSTS	.5 (Dalhousie Square)	10.0 (Crescentwood Gardens)
HOLDING COSTS	3.0 (Dorset House)	20.0 (Crescentwood Gardens)
BONUS COSTS	1.0 (Dalhousie Square)	1.0 (Dalhousie Square)

SOURCE: Developers' Questionnaire

the gross profits for most of the conversions.¹ Profits on these condominiums are indicated in the following table.

TABLE V.2
Gross Profits in Conversions

CONDOMINIUM	DATE OF PURCHASE	ORIGINAL PURCHASE PRICE (\$)	TOTAL INCOME FROM SALE OF UNITS (\$)	GROSS PROFITS (MINIMUM) (%)
EXECUTIVE HOUSE	May 12, 1976	230,000	500,000	117
NESS SQUARE	May 23, 1976	245,000	370,000	51
411 CUMBERLAND	Nov. 5, 1976	4,860,000	9,350,450	92
CRESCENTWOOD GARDENS	Oct. 10, 1975	525,000	984,000	87
DORSET HOUSE	Oct. 24, 1974	350,000	512,910	47

SOURCES: Digest, Business and Law Journals, Developers' Questionnaire

The above figures indicate that profits made on the five conversions are tremendous. Such high profits indicate that the sellers have a great deal of power in the market in terms of control over prices of units supplied. Existent demand and supply conditions in the Winnipeg condominium market have been particularly conducive to the realization of such high levels of profits. There has been relatively high consumer demand in the middle, higher-middle and higher income sectors of the

1. Gross profits = original purchase price of the properties by the developer prior to conversion - total income acquired through the sale of all units at their initial acquisition prices. Original purchase prices of the properties were obtained from the Digest, Business and Law Journals. The initial acquisition prices of units were obtained from developers' questionnaire.

market. Faced with an existent market which is relatively more secure in terms of yielding greater amounts of profits as well as presenting the least difficulties in the financial management of the corporations, developers have been able to achieve high profit margins by marketing units to these income groups.

The case of Thawani Towers (1972), a project which was supposed to have provided accommodation for the lower income brackets, illustrates these points.² Critics were initially skeptical on the potential of the project in serving the lower income groups.³ Their skepticism was supported when it was later discovered that Mr. Thawani had made a profit of at least \$100,000 on this "non-profit" venture into providing home ownership for the lower income brackets. As a result, it is not surprising that the objectives of the project in providing for the lower income groups were not realized. The current average income of owners in Thawani Towers, at the time of the survey was in fact \$22,000; enabling them to make monthly payments of \$458, \$495 and \$550 on 25%, 27% and 30% gross debt ratios respectively. The highest and the average monthly costs were \$474 and \$329 requiring 25.85% and 18.22% of incomes respectively.

The next section discusses the actual prices of the units

2. Thawani Towers was to be a non-profit venture with 95% of the loans provided by CMHC on a 40 year term and built on a 3 acre site provided at cost by MHRC. Although the federal government initially approved the project, it later refused to advance construction money until more potential owners signed up. The provincial government then agreed to advance the initial funds. MHRC agreed later to put up the entire 1.5 million needed for land and construction costs. Payments to cover all expenses in promoting the project were also received from the provincial government.

3. Winnipeg Tribune, October 29, 1970; September 24, 1971; November 12, 1970; December 2, 1970.

in order to determine to what extent they exclude lower income consumers.

(b) Selling Prices of Condominiums and Single Family Dwellings in the Same Locations⁴

In order to carry out this comparison, twelve neighborhoods, each with the condominiums as their centre, were defined.⁵ The prices of condominium units during the various years in which they were sold, as well as prices of single family dwellings sold in the same years and within the same neighborhood, then had to be obtained. Each neighborhood included approximately 5 blocks to the east, west, north and south of each condominium. The selling prices were obtained from a computer printout list which was requested from the Winnipeg Housing Analysis Package (WHAP).⁶ Condominium sales were obtained separately through the weekly issues of the Digest, Business and Law Journals. Table V.3, on the following pages indicates the lowest, highest and average prices, for those years in which data was available.

These tables indicate that there was great variations in the prices of condominium units sold in the various projects. In 1978, prices ranged from \$12,800 in 411 Cumberland to \$65,000 in Southwood

4. This comparison is not really precise since the structures are quite different; however, it does provide a rough idea of the differences in average selling prices.

5. Although the number of condominiums examined was 13, the total number of neighborhoods was 12 since Ness Square and Pinewood Village condominiums were adjacent to one another.

6. WHAP is an ongoing computerized inventory of new single family and semi-detached units constructed in Winnipeg since January 1, 1973. The sales information it contains is obtained from Digest, Business and Law Journal. Although the WHAP package includes sales since January 1, 1973; only sales since 1975 could be obtained from the neighborhood printout.

TABLE V.3

PRICES OF CONDOMINIUM vs SEMI-DETACHED & SINGLE FAMILY DWELLING UNITS - 1978

PRICES CONDOMINIUM	CONDOMINIUM UNITS		SEMI-DETACHED & SINGLE FAMILY DWELLING UNITS		% DIFFERENCE BETWEEN (1) & (2)
	RANGE (\$)	AVERAGE (\$) (1)	RANGE (\$)	AVERAGE (\$) (2)	
LAKWOOD VILLAGE	27,000 to 36,000	32,075 ^{4*1}	38,000 to 58,500	51,187 ²³	37 ^{*2}
THAWANI TOWERS	31,500 to 35,500	33,850 ⁴	64,000 to 130,000	97,929 ⁷	65
DORSET HOUSE	35,500 to 40,500	38,667 ³	23,000 to 63,000	39,414 ¹⁸	2
SOUTHWOOD GREEN	45,500 to 65,000	53,688 ⁸	38,866 to 63,000	52,885 ²⁶	-2
PINEWOOD VILLAGE	38,500 to 41,900	40,200 ²	26,000 to 87,000	67,357 ⁷	40
EXECUTIVE HOUSE	46,000	46,000 ¹	26,000 to 138,500	53,247 ¹⁷	14
SANSOME & WESTWOOD DR.	46,500 to 49,000	47,750 ²	41,000 to 73,000	57,650 ¹⁰	17
411 CUMBERLAND	12,800 to 32,500	24,870 ¹⁵	24,500 to 76,100	40,990 ¹⁰	39
NESS SQUARE		NO SALES			
CHIMNEY RIDGE	37,131 to 43,110	39,910 ⁴	27,500 to 85,900	62,199 ²⁰	36
CRESCENTWOOD GARDENS	46,900 to 49,900	48,400 ²	25,000 to 96,000	55,069 ²⁶	12
TUXEDO ESTATES		NO SALES			
SPANISH COURTS	20,000 to 24,000	22,036 ⁷	22,000 to 128,000	56,923 ¹³	61

*1 Subscripts after average prices indicate the number of sales averages were calculated from.

*2 That is, the average price of a condominium unit was 37% lower than the average price of a SF and SD unit.
Correlation Co-efficient between (1) and (2) = -.011597.

TABLE V.3 - 1977

PRICES CONDOMINIUM	CONDOMINIUM UNITS		SEMI-DETACHED & SINGLE FAMILY DWELLING UNITS		% DIFFERENCE BETWEEN (1) & (2)
	RANGE (\$)	(1) AVERAGE (\$)	RANGE (\$)	(2) AVERAGE (\$)	
LAKESWOOD VILLAGE	29,000 to 39,900	33,175 ¹⁶	33,746 to 65,000	48,394 ¹⁰³	31
THAWANI TOWERS	21,789 to 41,000	30,623 ¹⁸	34,000 to 139,000	76,256 ⁴⁴	60
DORSET HOUSE	30,000	30,000 ¹	21,500 to 100,000	44,232 ⁴⁷	32
SOUTHWOOD GREEN	39,500 to 58,500	47,839 ¹⁹	23,500 to 105,000	55,379 ¹²¹	14
PINEWOOD VILLAGE	31,500 to 37,000	34,225 ⁸	23,000 to 96,725	59,466 ²⁹	42
EXECUTIVE HOUSE	38,500 to 45,000	41,457 ⁷	30,900 to 105,000	50,587 ³⁵	18
SANSOME & WESTWOOD DR.	35,424 to 56,237	48,969 ¹⁵	42,500 to 82,900	58,707 ⁴⁴	17
411 CUMBERLAND		NO	SALES		
NESS SQUARE	25,000 to 30,000	26,615 ¹³	23,000 to 96,725	59,466 ²⁹	55
CHIMNEY RIDGE		NO	SALES		
CRESCENTWOOD GARDENS	43,500 to 52,400	47,950 ²	26,500 to 98,500	49,934 ⁷⁴	4
TUXEDO ESTATES	65,000 to 85,000	75,000 ⁷²	26,000 to 128,000	55,942 ¹⁵	-34
SPANISH COURTS		NO	SALES		

Correlation Co-efficient between (1) and (2) = -.1075496.

TABLE V.3 - 1976

PRICES CONDOMINIUM	CONDOMINIUM UNITS		SEMI-DETACHED & SINGLE FAMILY DWELLING UNITS		% DIFFERENCE BETWEEN (1) & (2)
	RANGE (\$)	(1) AVERAGE (\$)	RANGE (\$)	(2) AVERAGE (\$)	
LAKWOOD VILLAGE	23,500 to 33,500	28,865 ²⁷	32,000 to 70,000	45,381 ¹³⁸	36
THAWANI TOWERS	20,273 to 36,000	24,421 ³⁸	29,100 to 120,000	62,668 ³³	61
DORSET HOUSE	22,400 to 26,700	24,700 ³	20,000 to 75,000	34,346 ²⁴	28
SOUTHWOOD GREEN	33,575 to 59,000	44,615 ⁴²	22,500 to 468,000	55,866 ¹²³	20
PINEWOOD VILLAGE	25,000 to 37,400	31,913 ²³	31,500 to 91,000	64,184 ²²	50

Correlation Co-efficient between (1) and (2) = +.2866642.

TABLE V.3 - 1975

PRICES CONDOMINIUM	CONDOMINIUM UNITS		SEMI-DETACHED & SINGLE FAMILY DWELLING UNITS		% DIFFERENCE BETWEEN (1) & (2)
	RANGE (\$)	(1) AVERAGE (\$)	RANGE (\$)	(2) AVERAGE (\$)	
LAKWOOD VILLAGE	21,750 to 28,500	25,484 ¹⁶	29,000 to 56,972	39,278 ⁷	35
THAWANI TOWERS	21,000 to 30,500	26,244 ¹⁶	72,000	72,000 ¹	64
SOUTHWOOD GREEN	30,067 to 52,000	39,186 ⁴⁹	28,500 to 56,483	35,491 ³¹	-10

Correlation Co-efficient between (1) and (2) = -.538534.

Green. In 1977, units were sold from a low of \$21,789 in Thawani Towers to a high of \$85,000 in Tuxedo Estates. In 1976, the price range was from \$20,273 in Thawani Towers to \$59,000 in Southwood Green and in 1975, it was \$21,000 in Thawani Towers to \$52,000 in Southwood Green. Although there was this wide range in the condominium sale prices, most of the condominium units sold nevertheless had lower average selling prices than the semi and single detached units in the same areas.⁷ The only exceptions were units sold in Southwood Green in 1975 and units sold in Tuxedo Estates in 1977.

The selling prices of condominium units, that is, prices quoted by the developer or seller however, were not necessarily the total cost of acquisition to purchasers. The survey results indicated that there were a total of 94 units (67.63% of owned units) in which the total acquisition price did not include some or all of the "extras".⁸ In these purchases, the buyers incurred additional costs in order to include the extras they desired. From the owners of these units, 63.16% stated they paid for extras individually and 36.84% stated they did not pay anything in addition to the purchase price to include extras. In 7 of the condominium, the majority of the owners paid for

7. In many cases however, this comparison is not strictly valid, since for example, a 2 bedroom apartment clearly would sell less than a 2 bedroom house.

8. The "extras" which were included in the selling price of units for which consumers had to pay individually depending upon the extras they wanted as well as the extras consumers paid for in addition to the total purchase price included the following: air conditioning, dishwasher, wallpapering, carpeting, drapery, fixtures, appliances, fireplace, decorating, indoor and extra parking, washer, dryer, recreation rooms, garburator and extra shelving.

extras in addition to the selling price quoted by the developer.⁹ In three of the condominiums, the majority of owners did not pay anything more than the initial acquisition price.¹⁰

Hence, the initial acquisition prices of some condominium units currently on the market, particularly when the costs of extras which are incurred voluntarily by the consumer are excluded, are substantially lower than the prices of single family dwellings in the same locations. This indicates that some condominiums have provided substitutes to the single family dwelling home in terms of offering an initially lower cost option. Some units such as those in 411 Cumberland and Spanish Courts have had particularly low initial acquisition prices, hence initially presenting suitable housing for lower income families. The next section investigates whether the terms on condominium loans have excluded the lower income consumers from entering the market.

(c) Terms on Loans

Lenders and developers generally stated that there was no difference in the term of loans (that is, interest rates, amortization period, lending values, downpayment, and deposit), to individual owners of condominium town houses, condominium apartments and detached single

9. They were in: Lakewood Village (63.6%), Thawani Towers (80.0%), Southwood Green (69.2%), Executive House (80.0%), Sansome and Westwood Drive (100%), Chimney Ridge (70.6%), Tuxedo Estates (100%).

10. These were: Pinewood Village, 411 Cumberland and Spanish Courts.

family dwellings.¹¹

In 1977, interest rates on NHA mortgages were 10% to 10 1/2% (compounded semi-annually), while on conventional first mortgages they were 10 1/2% and on conventional second mortgages they varied between 10 1/4% and 13 1/2%. The amortization period on NHA loans ranged from a minimum of 20 years to a maximum of 40 years; whereas on conventional loans, the range was from a minimum of 25 years to a maximum of 30 years. The percentage of lending value on NHA loans was 90% to 95% while for conventional loans it ranged from 75% to 90%. 12 developers stated the percentage of the selling price of condominium units they normally require for downpayment on condominium units. The amount varied from 5% to 20%. 11 developers stated the percentage required for a deposit. It varied from 1% to 5%.

Hence, terms on condominium loans generally have not differed depending on the type of structure, or from loans on single family dwellings. As a result, the relatively low initial acquisition prices requiring relatively smaller amounts of downpayments and deposit coupled with no differences in terms of loans provided indicates that these units may initially be providing a substitute option in the pre-purchase phase. However, in order to determine whether condominiums

11. In lending values, the only exception was one lender who stated that there was a difference with condominiums, the reason being that condominiums had suffered from much adverse construction and walk-aways in other markets. Therefore, the percentage loaned on condominium units was lowered. One developer mentioned that the percentage of lending value is mainly based upon the type of loan, that is, whether NHA or conventional, rather than the type of unit. If the loan was NHA insured, the percentage of lending value was increased. It was stated that interest rates generally differ between new construction loans and existing housing. Rather than the type of dwelling, the amortization period depends upon such factors as the age of the property and the borrower's request.

provide substitutes on a long term basis, it is necessary to look at the monthly costs of ownership and the amount of incomes such costs require.

DURING OWNERSHIP PHASE

This section will examine the various monthly cost factors of condominium ownership such as principal and interest, taxes, management and maintenance fees, utility and miscellaneous costs.¹² The highest and the average total current monthly costs for each condominium will be calculated. As well, the differences between monthly rental costs prior to conversion and total monthly costs after conversion will be discussed. This examination of monthly costs is important since it will indicate to what extent and why the long term costs of condominium ownership excludes the lower income consumers from the market. Findings with respect to the inherent costs of condominium ownership, development and conversion will indicate the potentials of condominium utilization by lower income households in view of existing circumstances in the market.

(a) Ownership Cost Factors

The following paragraphs examine the total and the breakdown of current monthly costs of ownership in the population as a whole as well as the individual condominiums.¹³ Table V.4 on the following page,

12. Miscellaneous costs include phone, cable, extra parking space.

13. The total current monthly costs could be calculated for 95.6% of the respondents. The remaining owners were not able to answer one or more factors of total costs, hence their total current monthly costs could not be calculated. See Table II in Appendix IV for tabulation of responses in individual condominiums.

TABLE V.4
 PERCENTAGE OF OWNERS IN
 VARIOUS MONTHLY COST CATEGORIES

TOTAL CURRENT MONTHLY COSTS (\$)	% OF OWNERS
Less than 150	10.53
150 - 199	14.29
200 - 249	5.26
SUB-TOTAL	30.08
250 - 299	9.02
300 - 349	15.04
350 - 399	6.02
400 - 449	11.28
450 - 499	18.8
SUB-TOTAL	60.16
500 - 549	3.01
550 - 599	3.76
600 - 649	.75
650 - 699	2.26
SUB-TOTAL	9.78
TOTAL	100

SOURCE: Survey of Occupants

indicates the percentage of owners in the various cost categories for the population as a whole. The figures indicate that there is a wide range in monthly costs with costs ranging from less than \$150 to between \$650 and \$699. However, the majority (70%) of owners have monthly costs of at least \$250 and as Table V.12 indicates, the current average monthly cost is \$424 (excluding owners with no mortgages) and \$351 (including owners with no mortgages). Table V.5 indicates the range in each condominium and shows that there is a large variation in monthly costs paid by owners in any one particular condominium as well, with the average high being \$505 and the average low \$214.¹⁴

The total monthly costs, when broken down into principal and interest, taxes, management and maintenance fees, utilities and other miscellaneous costs, are indicated in Tables V.6 to V.11 on the following pages.

These charts indicate that 23.02% of the owners have no mortgage payments since they have either paid cash for their units, or their mortgages have matured. As for the remainder of the owners, the principal and interest payment in all units claimed by far the higher proportion of average total monthly costs, being on the average approximately \$268. This cost factor also exhibited the greatest variation among owners of units in different condominiums, ranging from an average of \$164 in 411 Cumberland to \$450 in Tuxedo Estates.

14. These variations may or may not be due to the presence of a wide range of income classes in the condominium market. Those owners with low costs may very well be those that were either able to pay cash or make very large downpayments. On the other hand, the presence of owners having very high monthly costs is indicative of the "paying power" of the respondents and hence their high income class.

TABLE V.5
 HIGHEST AND LOWEST CURRENT MONTHLY
 COSTS IN CONDOMINIUMS SAMPLED

CONDOMINIUM	HIGH (\$)	LOW (\$)	RANGE (\$)
LAKEWOOD VILLAGE	499	174	325
THAWANI TOWERS	474	149	325
DORSET HOUSE	424	124	300
SOUTHWOOD GREEN	674	174	500
PINEWOOD VILLAGE	499	374	125
EXECUTIVE HOUSE	550	474	76
SANSOME & WESTWOOD DRIVE	673	149	524
411 CUMBERLAND	387	113	274
NESS SQUARE	349	324	25
CHIMNEY RIDGE	498	124	374
CRESCENTWOOD GARDENS	549	124	425
TUXEDO ESTATES	662	249	413
SPANISH COURTS	326	226	100
AVERAGE	505	214	291

SOURCE: Survey of Occupants.

TABLE V.6

CURRENT MONTHLY PRINCIPAL AND INTEREST

PRINCIPAL & INTEREST	NO. OF OWNERS	NO. OF RESPON- DENTS	AVE- RAGE (\$)	LOW- EST (\$)	HIGH- EST (\$)	RANGE (\$)	NO. OF OWNERS WITH NO MORTGAGE
CONDOMINIUM							
LAKWOOD VILLAGE	19	19	208	50	375	325	--
THAWANI TOWERS	21	21	173	50	275	225	9
DORSET HOUSE	10	10	180	50	225	175	5
SOUTHWOOD GREEN	17	16	308	125	425	300	4
PINEWOOD VILLAGE	6	6	300	225	325	100	--
EXECUTIVE HOUSE	5	4	338	325	375	50	--
SANSOME & WESTWOOD DRIVE	6	6	342	275	425	150	3
411 CUMBERLAND	15	15	164	50	275	225	1
NESS SQUARE	2	2	200	175	225	50	--
CHIMNEY RIDGE	20	20	304	275	325	50	1
CRESCENTWOOD GARDENS	4	4	325	275	375	100	2
TUXEDO ESTATES	10	10	450	450	450	0	7
SPANISH COURTS	4	4	188	125	225	100	--
AVERAGE			267.69	188	331	143	2.5
Coefficient of Variation			7144.37				
Standard Deviation			87.976				

SOURCE: Survey of Occupants.

TABLE V.7
CURRENT MONTHLY TAXES

TAXES	NO. OF OWNERS	NO. OF RESPONDENTS	AVERAGE (\$)	LOWEST (\$)	HIGHEST (\$)	RANGE (\$)
CONDOMINIUM						
LAKWOOD VILLAGE	19	19	41	37	62	25
THAWANI TOWERS	21	21	50	37	62	25
DORSET HOUSE	10	10	52	37	62	25
SOUTHWOOD GREEN	17	17	74	62	87	25
PINEWOOD VILLAGE	6	6	37	37	37	0
EXECUTIVE HOUSE	5	5	62	62	62	0
SANSOME & WESTWOOD DRIVE	6	6	58	37	62	25
411 CUMBERLAND	15	15	26	13	62	49
NESS SQUARE	2	2	37	37	37	0
CHIMNEY RIDGE	20	20	37	37	37	0
CRESCENTWOOD GARDENS	4	4	37	37	37	0
TUXEDO ESTATES	10	6	100	87	137	50
SPANISH COURTS	4	4	13	13	13	0
AVERAGE			48.00	41	58	17
Coefficient of Variation			456.77			
Standard Deviation			22.24			

SOURCE: Survey of Occupants

TABLE V.8

CURRENT MONTHLY MANAGEMENT & MAINTENANCE FEES

MANAGEMENT & MAINTENANCE FEES CONDOMINIUM	NO. OF OWNERS	NO. OF RESPON- DENTS	AVERAGE (\$)	LOWEST (\$)	HIGHEST (\$)	RANGE (\$)
LAKWOOD VILLAGE	19	19	37	37	37	0
THAWANI TOWERS	21	19	67	62	87	25
DORSET HOUSE	10	10	52	37	62	25
SOUTHWOOD GREEN	17	16	67	62	87	25
PINEWOOD VILLAGE	6	6	37	37	37	0
EXECUTIVE HOUSE	5	5	67 ¹	37	87	50
SANSOME & WESTWOOD DRIVE	6	6	37	37	37	0
411 CUMBERLAND	15	15	49 ²	13	62	49
NESS SQUARE	2	2	37	37	37	0
CHIMNEY RIDGE	20	20	37	37	37	0
CRESCENTWOOD GARDENS	4	4	37	37	37	0
TUXEDO ESTATES	10	8	93	62	112	50
SPANISH COURTS	4	4	13	13	13	0
AVERAGE			48.46	39	56	17
Coefficient of Variation			390.25			
Standard Deviation			20.56			

SOURCE: Survey of Occupants.

1. Includes costs of utilities for common areas.
2. Includes all costs of utilities.

TABLE V.9
CURRENT MONTHLY UTILITY COSTS

UTILITY COSTS CONDOMINIUM	NO. OF OWNERS	NO. OF RESPON- DENTS	AVERAGE (\$)	LOWEST (\$)	HIGHEST (\$)	RANGE (\$)
LAKWOOD VILLAGE	19	19	46	37	87	50
THAWANI TOWERS	21	21	31	13	62	49
DORSET HOUSE	10	10	52	37	62	25
SOUTHWOOD GREEN	17	16	54	37	112	75
PINEWOOD VILLAGE	6	6	62	37	87	50
EXECUTIVE HOUSE	5	5	27	13	37	24
SANSOME & WESTWOOD DRIVE	6	6	62	37	112	75
411 CUMBERLAND	15	15	N/A	N/A	N/A	N/A
NESS SQUARE	2	2	50	37	62	25
CHIMNEY RIDGE	20	20	57	37	62	25
CRESCENTWOOD GARDENS	4	4	50	37	87	50
TUXEDO ESTATES	10	9	59	37	162	125
SPANISH COURTS	4	4	56	13	87	74
AVERAGE			50.5	31	85	54
Coefficient of Variation			114.75			
Standard Deviation			11.19			

SOURCE: Survey of Occupants.

TABLE V.10
CURRENT MONTHLY OTHER COSTS

MISCELLANEOUS COSTS CONDOMINIUM	NO. OF OWNERS	NO. OF RESPONDENTS	AVERAGE (\$)	LOWEST (\$)	HIGHEST (\$)	RANGE (\$)
LAKEWOOD VILLAGE	19	19	13	13	13	0
THAWANI TOWERS	21	21	13	13	13	0
DORSET HOUSE	10	10	13	13	13	0
SOUTHWOOD GREEN	17	16	15	13	37	24
PINEWOOD VILLAGE	6	6	13	13	13	0
EXECUTIVE HOUSE	5	5	18	13	37	24
SANSOME & WESTWOOD DRIVE	6	6	13	13	13	0
411 CUMBERLAND	15	15	13	13	13	0
NESS SQUARE	2	2	13	13	13	0
CHIMNEY RIDGE	20	20	14	13	37	24
CRESCENTWOOD GARDENS	4	4	13	13	13	0
TUXEDO ESTATES	10	10	13	13	13	0
SPANISH COURTS	4	4	13	13	13	0
AVERAGE			13.62	13	19	6
Coefficient of Variation			1.93			
Standard Deviation			1.45			

SOURCE: Survey of Occupants.

TABLE V.11
A SUMMARY TABLE OF MONTHLY COST FACTORS

COST FACTOR	AVERAGE (\$)	STANDARD DEVIATION	CO-EFFICIENT OF VARIATION
Principal & Interest	267.69	87.976	7144.37
Taxes	48.00	22.24	456.77
Management & Maintenance	48.46	20.56	390.25
Utilities	50.5	11.19	114.75
Others	13.62	1.45	1.93

SOURCE: Survey of Occupants.

TABLE V.12

Current Average Monthly Costs

COSTS	AVERAGE MONTHLY COSTS (\$)	
	(A) ¹	(B) ²
CONDOMINIUM		
LAKWOOD VILLAGE	345 ^{19*3}	345 ¹⁹
THAWANI TOWERS	260 ²¹	329 ¹²
DORSET HOUSE	259 ¹⁰	364 ⁵
SOUTHWOOD GREEN	440 ¹⁶	522 ¹²
PINEWOOD VILLAGE	449 ⁶	449 ⁶
EXECUTIVE HOUSE	512 ⁴	512 ⁴
SANSOME & WESTWOOD DRIVE	349 ⁶	532 ³
411 CUMBERLAND	241 ¹⁵	248 ¹⁴
NESS SQUARE	337 ²	337 ²
CHIMNEY RIDGE	449 ²⁰	466 ¹⁹
CRESCENTWOOD GARDENS	299 ⁴	474 ²
TUXEDO ESTATES	344 ⁵	649 ¹
SPANISH COURTS	283 ⁴	283 ⁴
AVERAGE	351.31 ¹³²	423.85 ¹⁰³
VARIANCE	6885.13	12447.51
STANDARD DEVIATION	86.36	116.12

SOURCE: Survey of Occupants

1. Costs including owners with no mortgages.
2. Costs excluding owners with no mortgages.
3. Subscripts after average costs indicate the number of units from which the average was calculated.

The variation was especially evident in the older condominiums possibly as a result of the presence of owners who have owned their units for relatively longer periods of time, thereby having decreased the interest portion of their mortgage payments. Condominiums in which there was a wide range of selling prices when the units were originally sold, exhibited this variation as well.

Current monthly tax payments varied from an average of \$13 in Spanish Courts to \$100 in Tuxedo Estates being on the average approximately \$48. The variation in taxes within the condominiums is particularly evident once more in those condominiums where there was a wide range of selling prices in the units, mainly due to the difference in their sizes.

The management and maintenance fees ranged from an average of \$13 in Spanish Courts to an average of \$93 in Tuxedo Estates. In the population as a whole, the average paid toward this cost factor was \$48. The amount of such fees depended upon the kinds of common elements included in the project and hence the extent of management required.

The current monthly utility costs ranged from an average of \$31 for Thawani Towers to an average of \$62 for Pinewood Village and Sansome and Westwood Drive. The average for the population as a whole was \$51. The amount of utility costs varied depending upon the size of the complex and the common amenities included in the project.

Other miscellaneous costs remained relatively constant between condominiums as well as within the same condominium, usually averaging around \$13. The average for the population as a whole was \$14. The variance in this cost factor was usually due to having rented an extra parking space.

Table V.13 on the following page, reveals that the average current monthly costs in each of the 13 condominiums sampled, require relatively high incomes. Figures indicate that with a 25% gross debt ratio,¹⁵ at least an annual income of \$11,904 is required to cover the average monthly costs in lowest priced units; with a 27% gross debt ratio, a minimum of \$11,022 is required and with a 30% gross debt ratio, a minimum of \$9,920 is required. However, these figures apply to a very small percentage of units on the market; the greater proportion, (83%) of the units, require incomes of at least \$13,000 on a 30% gross debt ratio with the average required incomes being \$20,345; \$18,838; \$16,954 on 25%, 27% and 30% gross debt ratios respectively. As a result, even though consumers with incomes lower than the minimum required may be able to afford the downpayments on the lower priced units, they would not be able to afford the monthly payments, hence being excluded from the condominium market.

The annual incomes of condominium owners in general are in fact relatively high. CMHC statistics indicate that in 1977, the average annual family income of NHA borrowers for condominium tenure was \$20,883 with 76.9% earning at least \$15,000 and only 1.1% earning less than \$10,000. 9.9% were earning between \$10,000 and \$12,499 and 12.1% between \$12,500 and \$14,999. Table V.14 on the following page, indicates that in all condominiums except 2 (95.62% of respondents), the average annual income of owners is at least \$16,000 with the average income in the owner population being \$21,496. There are no average

15. Gross debt ratio is defined as: the ratio of total monthly costs paid towards housing accommodation, that is, principal + interest + taxes + management and maintenance fees + utility fees + miscellaneous costs to the gross annual income.

TABLE V.13
ANNUAL INCOMES REQUIRED TO COVER
CURRENT AVERAGE MONTHLY COSTS¹

INCOME	AVERAGE MONTHLY COSTS ² (\$)	REQUIRED INCOME FOR 25% G.D.R. (\$)	REQUIRED INCOME FOR 27% G.D.R. (\$)	REQUIRED INCOME FOR 30% G.D.R. (\$)
CONDOMINIUM				
LAKWOOD VILLAGE	345 ¹⁹	16,560	15,333	13,800
THAWANI TOWERS	329 ¹²	15,792	14,622	13,160
DORSET HOUSE	364 ⁵	17,472	16,178	14,560
SOUTHWOOD GREEN	522 ¹²	25,056	23,200	20,880
PINEWOOD VILLAGE	449 ⁶	21,552	19,956	17,960
EXECUTIVE HOUSE	512 ⁴	24,576	22,756	20,480
SANSOME & WESTWOOD DRIVE	532 ³	25,536	23,644	21,280
411 CUMBERLAND	248 ¹⁴	11,904	11,022	9,920
NESS SQUARE	337 ²	16,176	14,978	13,480
CHIMNEY RIDGE	466 ¹⁹	22,368	20,711	18,640
CRESCENTWOOD GARDENS	474 ²	22,752	21,067	18,960
TUXEDO ESTATES	649 ¹	31,152	28,844	25,960
SPANISH COURTS	283 ⁴	13,584	12,578	11,320
AVERAGE	424 ¹⁰³	20,345	18,838	16,954

SOURCE: Survey of Occupants.

1. The current average monthly costs in this table exclude owners with no mortgages.

2. Subscripts after average monthly costs indicate the number of units from which averages were calculated.

TABLE V.14

CURRENT AVERAGE INCOMES OF OWNERS AND THE TOTAL MONTHLY
PAYMENT THAT CAN BE MADE WITH THESE INCOMES

MONTHLY PAYMENT CONDOMINIUM	CURRENT AVERAGE INCOMES (\$)	MONTHLY PAYMENT WITH 25% G.D.R. (\$)	MONTHLY PAYMENT WITH 27% G.D.R. (\$)	MONTHLY PAYMENT WITH 30% G.D.R. (\$)
LAKWOOD VILLAGE	19,079	397	429	477
THAWANI TOWERS	22,000	458	495	550
DORSET HOUSE	20,000	417	450	500
SOUTHWOOD GREEN	28,250	589	636	706
PINEWOOD VILLAGE	23,333	486	525	583
EXECUTIVE HOUSE	25,000	521	563	625
SANSOME & WESTWOOD DRIVE	27,083	564	609	677
411 CUMBERLAND	16,333	340	367	408
NESS SQUARE	12,500	260	281	313
CHIMNEY RIDGE	19,000	396	428	475
CRESCENTWOOD GARDENS	12,500	260	281	313
TUXEDO ESTATES	31,250	651	703	781
SPANISH COURTS	23,125	482	520	578
AVERAGE	21,496.38	448	484	537
Coefficient of Variation	30258027.93			
Standard Deviation	5725.34			

SOURCE: Survey of Occupants

incomes less than \$12,500. As the chart indicates, these incomes allow for an average monthly housing cost of \$448 on a 25% gross debt ratio, \$484 on a 27% gross debt ratio and \$537 on a 30% gross debt ratio.

Table V.15 on the next page, indicates the actual percentage of incomes paid for the highest and average monthly costs. The range is from 16.92% to 33.5% and 14.69% to 32.35% respectively for 12 of the condominiums. In one condominium, the highest costs require the allotment of 52.7% of the average income and the average costs require the allotment of 44.35% of the average income to housing costs. Hence, in most cases, the relatively high monthly costs do not require an abnormally high gross debt ratio due to relatively high incomes.

The above review of the total current monthly costs of condominium ownership reveals that when all the various cost factors are taken into account, even for those projects in which units had relatively low initial acquisition prices, the monthly costs of ownership are relatively high requiring relatively large incomes. The next section will discuss some of the inherent costs of condominium conversion revealing some of the reasons for the relatively high selling prices and hence the relatively high monthly costs in converted units.

(b) Differences Between Monthly Rental Costs Prior to Conversion and Total Monthly Costs After Conversion

The monthly costs of condominium units are generally higher than their rental prices previous to conversion. This difference is created by the various cost factors involved in the process of converting. The economic costs that are incurred, are ultimately passed on to the consumer, thus creating higher unit prices than would otherwise have

TABLE V.15

ACTUAL PERCENTAGE OF INCOMES PAID FOR
THE HIGHEST AND AVERAGE MONTHLY COSTS

CODOMINIUM % OF INCOME PAID	CURRENT AVERAGE INCOME (\$)	% OF INCOME PAID TO COVER HIGHEST MONTHLY COSTS	% OF INCOME PAID TO COVER AVERAGE MONTHLY COSTS
LAKWOOD VILLAGE	19,079	31.39	21.7
THAWANI TOWERS	22,000	25.85	18.22
DORSET HOUSE	20,000	25.44	20.94
SOUTHWOOD GREEN	28,250	28.63	22.0
PINWOOD VILLAGE	23,333	25.66	23.09
EXECUTIVE HOUSE	25,000	26.4	24.58
SANSOME & WESTWOOD DRIVE	27,083	29.82	22.69
411 CUMBERLAND	16,333	28.43	18.51
NESS SQUARE	12,500	33.5	32.35
CHIMNEY RIDGE	19,000	31.45	28.36
CRESCENTWOOD GARDENS	12,500	52.7	44.35
TUXEDO ESTATES	31,250	25.42	27.46
SPANISH COURTS	23,125	16.92	14.69

SOURCE: Survey of Occupants.

been possible if the structure had not been converted. These costs include the following:¹⁶

(i) The selling prices of the units include the additional profit of the developer without which the conversion would not have taken place. The amount of profits depend upon the costs and availability of other types of potential competition and the relative demand for them. As Table V.2 indicates, gross profits in conversions in the Winnipeg market have been tremendous, ranging from 47% to 117% for the 5 conversions examined. This cost factor has thus played a significant role in inflating the prices of rental units to condominium buyers;

(ii) There is usually a loss of rental income which is variable depending upon factors such as the length of time required to sell the units after tenants have vacated them, the length of time units remain vacant while possible renovations/alterations are being carried out and possible rent "bonuses" given to tenants as inducement to give consent for the conversion;

(iii) The developer has to pay carrying charges as well as real estate taxes on the unsold units;

(iv) Renovations/alterations may be carried out either voluntarily or they may be required in order to bring the project into compliance with present building regulations or make it more feasible for condominium use;

(v) Conversions cannot be carried out under any of the provincial statutes without the consent of all encumbrances. Hence, the developer has to persuade the mortgagee to consent to the conversion. These

16. A. B. Rosenberg, Conversion of Rental Properties to Condominium in Canada, (Winnipeg: Appraisal Institute of Canada, 1976), p. 42.

negotiations incur legal expenses and possibly the cost of new financing is increased;

(vi) Legal, architectural and other procedural expenses are incurred in order to produce the required plans and documents and obtain the necessary approvals. In addition, further expenses can result from delays in registration;

(vii) A number of costs are incurred in the marketing of the units. These include the cost of special promotions, brokerage charges, model units costs, sales office set up, closing costs and common charges on unclosed units; and

(viii) Insurance costs covering all units and common elements have to be paid by the developer.

As a result of the above cost factors, it is reported that price increases of 100% to 200% following conversions are not unusual. Table V.16 below, gives examples of increases in costs of monthly payments in a few of the projects that were converted in Winnipeg.

TABLE V.16

Difference Between Monthly Rental and Ownership Costs

CONDOMINIUM	MONTHLY RENTAL COSTS PREVIOUS TO CONVERSION (\$)	MONTHLY COSTS OF UNITS AS CONDO-MINIUMS (\$)	INCREASE (%)	CURRENT AVERAGE TOTAL MONTHLY COSTS ⁶ (\$)
EXECUTIVE HOUSE ¹	200 - 280	503 ²	125	512
SPANISH COURTS ³	160	250	56	283
411 CUMBERLAND ⁴	168 - 190	281 - 303	63	252
LAMONT APARTMENTS ⁵	231	306	49	--

SOURCES: Listed on next page.

SOURCES: (For Table V.16)

1. Winnipeg Free Press, June 14, 1976.
2. This total includes principal, interest, taxes and maintenance costs, hence it excludes the costs of utilities.
3. The convertor of the project commented that previous to the conversion, rents were kept artificially low because of rent controls.
4. The Winnipeg Tribune, December 16, 1976.
5. Information was provided by the convertor. Current average total monthly costs were not available since, at the time of the survey no units had been sold.
6. Total monthly costs include principal, interest, taxes, maintenance, utilities and miscellaneous costs.

Hence, the above indicated inherent costs of condominium conversion, some of which are also applicable to new construction, play an important role in increasing the price (short term as well as long term) of condominiums beyond the purchasing power of lower income consumers. Evidence of this has been that only 10% of the tenants have purchased units in conversions mainly because they could not afford the units as condominiums. The fact that the greater proportion of tenants are not able to purchase their units is of critical importance. First of all it indicates that lower income consumers are squeezed out of the rental market when conversions take place and hence are forced to choose other rental accommodation from a diminished (either temporarily or "permanently") rental stock. Secondly, the fact that even the required price of converted units, which can presumably be placed on the market at relatively lower prices than new units, bars the lower income groups from entering the market; indicates that the potential for condominiums in providing ownership options to lower income consumers cannot possibly be realized within the existing market circumstances.

POST OWNERSHIP PHASE

This section will examine the expected selling prices and the expected rents for the units. Discussion on the expected selling prices will serve to indicate what the expectations of owners are with respect to the current resale value of the units. Hence, it will be determined to what extent the resale market, in terms of initial acquisition price, excludes the lower income consumers. Discussion on expected rents will serve to indicate what the value of the units as rentals are and hence, the approximate amount of monthly costs to prospective buyers. This will serve to determine to what extent the resale market, in terms of long term costs, prohibits the entry of lower income consumers.

(a) Expected Selling Price of Units

The expected selling price ranged from a low of less than \$15,000 in 411 Cumberland to a high of \$90,000 in Tuxedo Estates. The majority of the owners (64.75%) expected a selling price between \$30,000 and \$50,000.¹⁷ 12.24% expected less than \$30,000,¹⁸ while 15.11% expected between \$50,000 and \$65,000.¹⁹ 7.91% (11 units in 2 condominiums) expected \$65,000 and over.²⁰

17. These owners were in all condominiums except Tuxedo Estates.

18. These owners were in Thawani Towers, Dorset House, 411 Cumberland and Spanish Courts.

19. These owners were in Thawani Towers, Southwood Green, Executive House, Sansome and Westwood Drive, Crescentwood Gardens and Tuxedo Estates.

20. These owners were in Southwood Green and Tuxedo Estates.

(b) Expected Rents Including Utilities²¹

The expected rents including utilities ranged from a low of under \$150/month in 411 Cumberland to over \$650/month in Southwood Green and Tuxedo Estates. The majority of the respondents (69%) expected rents between \$250 and \$500.²² Only 8.53% expected less than \$250²³ and 15.5% expected between \$500 and \$649.²⁴ Only 6.9% expected over \$650.²⁵

The expected selling prices and expected rents also seem to indicate that the expectations of owners with respect to capital gains are relatively high, hence excluding the lower income participants from the resale market.

The above review of the costs of condominium development and ownership has indicated the various economic obstacles preventing the lower income consumers from entering the market. These include the initial acquisition prices subsequently requiring relatively high monthly mortgage principal and interest payments; relatively high taxes on condominium units and the additional costs of management and maintenance. The discussion has revealed that the relatively large profits and various inherent costs of condominium development and owner-

21. Only 92.81% of the owners were able to state the approximate amount they expected for rent. The remaining owners declined to respond stating they had never thought about it before.

22. These owners were in all condominiums except Tuxedo Estates.

23. These owners were in Lakewood Village, Dorset House, 411 Cumberland and Spanish Courts.

24. These owners were in Southwood Green, Pinewood Village, Executive House, Sansome and Westwood Drive, Chimney Ridge, Crescentwood Gardens and Tuxedo Estates.

25. These owners were in Southwood Green and Tuxedo Estates.

ship are largely responsible for prices of conominium units not being any lower than they have been. The relatively high incomes of current owners supports the belief that low income consumers currently do not participate in the market.

Responses to questions with respect to the level of satisfaction by current owners indicate that they are in fact able to financially bear the costs of condominium ownership without any difficulties. 96.8% of the respondents felt that they were satisfied with the purchase of their units.²⁶ The majority of the owners (80%) felt that the management fee was either moderate (66%), moderately low (11.68%) or very low (1.46%). 16% of the owners felt it was high while 4% felt it was very high.²⁷ With respect to rating of maintenance fees, again, the majority of the owners (76.77%) felt that they were either moderate (64.5%), moderately low (10.1%) or very low (2.17%). 19% of the owners felt the fees were high, while 4.35% felt they were very high.²⁸

The following chapter will address the obstacles which have emerged from this and the foregoing chapters, obstacles faced by lower income consumers for entry into the condominium market. The next chapter will also specify a number of proposals by way of which their entry into the market should be facilitated.

26. 99.28% of the owners were able to indicate their satisfaction with the purchase of their unit. The owner of one unit who declined to respond stated that he had not been living in his unit for a long enough period of time to be able to say whether or not he was satisfied.

27. 98.56% of the owners responded to this question.

28. 99.28% of the owners responded to this question.

CHAPTER VI

SYNTHESIS AND POLICY PROPOSALS

The opening chapter of this thesis identified the existing socio-economic trends in the housing markets of major urban centres and examined the underlying reasons for them. The examination revealed that although the demand for housing accommodation is highly individualized, a number of conflicting forces currently operating within Canadian housing markets prevent the fulfillment of individualized demand by consumers who are not able to afford the financial costs of required accommodation. It was then asserted that the unfulfillment of individualized demand was felt by ever increasing numbers of consumers in the housing markets. This assertion was made in view of current conditions characterized by inflationary trends particularly in the land and housing markets, changing demographic characteristics and life styles, strong demand for home-ownership and the limited, superficial nature of government intervention which fails to prevent the determination of the greater proportion of the housing supply solely by market forces governed by the private profit motive.

The existent conditions in housing markets clearly indicated the need for rational residential land use practices. An examination of the concept of condominium ownership and the multiple benefits that can be derived from its application, revealed that condominiums are indeed a most appropriate form of housing for expanding urban populations undergoing rapid change. It was specifically pointed out that the social and economic costs of urban growth, particularly affecting governments and the lower income sectors of society, requires an awareness and acceptance of the concept as a necessity rather than merely an option and in effect calls for the full exploitation of its potentials.

The question than arose as to whether the potentials of the concept with respect to provision of owned housing for low income consumers, evident in theory, could in fact be realized within the existing socio-economic, political and legal environments of Canadian urban housing markets. Hence, subsequent chapters examined the actual application of the concept as experienced in the City of Winnipeg, in order to determine to what extent condominiums are currently providing homeownership for the low income consumers and to identify the obstacles and their underlying reasons preventing condominiums from performing this function. The supply and demand characteristics, the social, economic, political and legal forces determining their nature and the economic costs and benefits of condominium development and ownership were looked into.

The investigation revealed that condominiums to date have not been a vehicle to low income groups (earning approximately at the most \$13,000/year) to enter the ownership market. Hence, the divergence between condominium theory which asserts that the condominium form of housing holds the potential of providing lower cost ownership options (thus being particularly feasible for lower income consumers); and the condominium practice which exposes that this potential has not been and cannot be realized within the current development framework. Three major obstacles to the realization of the potential expressed in theory, emerged from the study.

(1) Prices of units, in general, are not low enough to enable lower income consumers to enter the market.

(2) Even when the units are marketed at relatively low prices, the total monthly costs of ownership are not low enough to enable

lower income consumers to keep up with monthly payments.

(3) Units that can be afforded by certain income groups, both in terms of the initial acquisition price and the total monthly costs, are nevertheless marketed to buyers with relatively higher incomes.

The following reasons emerged as underlying these obstacles.

(a) High Levels of Profit by Developers: Developers have concentrated in the provision of units which are marketable to income sectors other than the lower income, thereby attaining relatively high profits on their developments. The high levels of profit by developers indicated a lack of competition as a result of limited or non-involvement in the market.

Factors which have emerged from the study as limiting the involvement of developers have included: (i) the complexity and the novelty of the condominium concept; (ii) problems faced in marketing units such as unfamiliarity of consumers with condominiums, high selling prices, unsuitable locations and designs; and (iii) difficulties with financing and lenders' conservative policies (such as different loan terms on condominiums, bad early experiences, refusal to finance lower priced units, 50% sales requirement before registration, 65% sales requirement before advancing loans on condominium basis and discrimination against small developers).

(b) Limited Involvement by Lenders: Many lenders who are currently involved have limited their activities to the higher income sectors of the market and larger developers and a great many lenders have not entered the market at all.

Factors which have emerged from the study as limiting the involvement of lenders have included: (i) the complexity and novelty of the

condominium concept creating uncertainties with respect to completion of developments running over expected dates and the failure to achieve sales performance levels; (ii) concerns arising out of the nature of condominium ownership such as: monthly assessments, common charges, reserve funds, project governance and maintenance, phased developments, consideration of relation between construction and permanent lender, high administration costs, delays in registration and mix of renters and owners; (iii) concerns arising out of the nature of projects such as their design and location, the developer, price and caliber of development; (iv) the nature of CMHC policies such as: numerous NHA requirements, advancement on the basis of individual loans, rather than the project as a whole, maximum ceiling on loans, non-involvement in conversions and AHOP restrictions; (v) precarious legal position of lenders in case of faulty construction and mortgage defaults; (vi) bad early experience with condominiums in Winnipeg and other centres; (vii) nature of head office loan policies stressing involvement in types of lending other than condominium and preference for certain types of loans.

(c) Limited Involvement by Consumers: Although some consumers have been attracted to the condominium option for various reasons, the greater proportion of Winnipeg housing consumers still remain uninvolved in this new form of ownership. Unfamiliarity with the condominium concept, inability to comprehend its complexities, preference for single family dwelling ownership, preference for rental tenure, rejection of common ownership and medium-high density developments, and unsuitability of condominiums on the market for ownership; have, in general, accounted for the limitation of effective demand to the

"innovator"¹ and "transient"² sectors of the market.

(d) Characteristics of Condominium Structures and the Nature of Condominium Ownership

Costs specific to condominiums have resulted in relatively high acquisition prices as well as relatively high monthly payments. Although the potential savings from land costs are high, the total monthly costs have varied depending on the type of common amenities included in the project, at times totally offsetting the savings from land.

The monthly maintenance fees have been of particular concern to lenders in all projects however, due to the mutual interest to maintain or increase the value of the buildings for capital appreciation. Such concerns have limited lenders' provision of loans exclusively to the middle, higher-middle and higher income classes. As a result, since lenders are not willing to lend to lower income consumers, even units which are relatively lower priced, have ended up being marketed to relatively higher income buyers.

As long as the current obstacles to the entry of low income consumers into the condominium market and their underlying reasons surrounding condominium activity in Winnipeg remain unchanged, condominiums in the future cannot and will not be a vehicle to low income groups to enter the market. Responses of lenders and developers to the question regarding which income sectors condominiums are likely to

1. "Innovator" sector of the market consists of those consumers who are willing to purchase a new product (the condominium) in the early stages of its existence on the market.

2. "Transient" sector of the market consists of those consumers who are utilizing the condominium as a stepping stone to the purchase of a single family home.

provide for within the next 15 years are an indication that low income groups are likely to be excluded from the market unless active government intervention is undertaken. The income sector that was most often selected by lenders was the highest (\$25,000 and over - 34.5% of the responses). The middle income and the higher-middle income classes were selected equally as many times (28% of the responses each). Only 10.3% of the responses was in the lower-middle class (\$7,000 to \$11,999) while the lowest income class, (less than \$7,000) was not picked by any lender. 74% of the developers' responses fell into the middle to high income brackets while 24% of the responses fell into the lower-middle income classes.

Governments have thus far had very little involvement in the condominium field, either through legislative and procedural channels or active policies.

At all levels of government, the legislative framework has been limited in scope. At the federal level, legislation merely specifies regulations for the making of loans which could apply to any structure that is being constructed or purchased with no special provisions for condominium loans. At the provincial level, legislation provides for the creation and administration of condominium corporations without any specific reference to the provision of lower priced units for the lower income groups. At the municipal level, there is no legislation that applies specifically to condominium development.

With respect to the procedural framework, all condominium activity has been subject to the same approval processes as any other type of construction, regardless of the wide ranging implications of this unique form of residential development. The particular cost factors

in development of condominiums, the feasibility of designs for condominium use, the income market units are geared to, the feasibility of location, vacancy rates in the rental market and dislocation of lower income tenants in conversions receive minimal if any attention by governmental authorities in the various steps of the procedures.

There have been no active government policies at any level of government specifically formulated for the guidance and promotion of condominium developments primarily aimed at lowering costs and controlling the nature and prices of the units on the market. Condominium developments to date have in fact been primarily governed by market forces.

Government involvement in the condominium market is particularly necessary in view of the nature of private sector activity which is limited in scope, goals and objectives. Since private sector involvement is based on risks; this factor governs the rate units are put on the market, their locations, nature of the supply and hence the nature of demand that becomes effective. In the involvement with a new concept such as that of the condominium, the risks involved are high requiring the attainment of very high profit levels. As a result, the supply exhibits characteristics which are most likely to provide the expected profits.

Governments can have the necessary influence on condominium development through various types of fiscal, monetary, and regulatory measures, and through educational programs, employed to affect the demand for and supply of condominium units. The remainder of this chapter will outline these measures.

(1) POLICIES AFFECTING DEMAND

In order for lower income consumers to participate in the condominium market, it is essential that the demand for condominium units by the consumer population in general and lower income consumers in particular, be increased. An increase in demand could result in greater participation by developers, lenders and other consumers. This would mean a market characterized by greater competition where it is less feasible for developers to be selective in terms of the prices of units to be marketed and for lenders to be selective in terms of the income groups to whom loans are made. As well, the increase in demand by consumers could result in diversion of building activity from traditional forms of land development to the condominium form which could present great savings to governments that could then be utilized for subsidization of condominium housing for lower income groups. Policies whose aim is to have a positive impact on demand (that is, increase it) should be directed towards (a) correcting market imperfections (consumer education) and (b) removing capital market discrimination (special mortgage assistance). Specifically, the following policies are required.

(a) Consumers Education

Findings from the study have indicated that an important obstacle to consumer demand of condominium units is the unfamiliarity of consumers with the condominium concept and the inability to comprehend its complexities. The result has been that consumers, in general, when considering the ownership option still opt for single family dwellings. This finding clearly indicates that greater consumer

understanding of condominium ownership is essential if there is to be an increase in demand.

Hence, it is necessary that consumers are informed on the various aspects of condominium development and ownership through government publications made available to them and government sponsored educational programs which particularly encourage the participation of lower income consumers. Such publications and educational programs should specifically aim to be informative in the following areas. Consumers need be made aware (1) of the fact that the level of satisfaction (economic, social, psychological), derived from condominium living may not necessarily be less than that of single family dwelling ownership and that satisfaction would depend upon the type of project and individual needs of buyers rather than the type of ownership; (2) of the advantages and disadvantages of condominium living as compared to other types of dwelling tenure; (3) of the financial requirements (short term as well as long term) of condominium ownership; (4) of the management of the condominiums; and (5) of the possible legal, financial and social problems consumers could be confronted with in the various phases of condominium acquisition, ownership and marketing.

The dissemination of information to consumers should be carried out by all levels of government. The federal and provincial governments should be responsible for conducting research into the condominium field and providing the public with easily understandable and obtainable literature. Such research findings should be communicated to policy makers and planners at the municipal level who should then be responsible for the creation and administration of the educational programs. These should be highly publicized and encourage the participation of

varied groups of consumers.

(b) Special Mortgage Assistance

The study has indicated that lower income consumers are confronted with various financial obstacles which prevent them from entering the condominium market and hence result in a depressed effective demand by these groups. Primarily, these obstacles were pointed out as being: the unavailability of lower priced units; the inability to afford the monthly costs of ownership of units on the market; and lenders' refusal to lend to lower income applicants.

Hence, in order to increase the effective demand by lower income consumers, it is necessary for governments as well as private lenders to channel funds to these groups in order to decrease the short term and long term costs of condominium ownership. Specifically, this objective should be achieved through the following means:

(i) grants and subsidies:

Increased grants and subsidies should be given to lower income consumers in order to decrease the downpayment and principal portion of mortgage payments. Such assistance should be provided by the federal and provincial governments through programs specifically formulated for assisting lower income consumers in buying condominiums. As well, provisions should be made within the existing assistance programs for greater lower income involvement in the condominium field. For example, AHOP³ qualifications should not require two people for condominium application, since this requirement would exclude single parents, single elderly and other single lower income consumers, for

3. Assisted Home Ownership Plan

all of whom small condominium units could provide ideal housing accommodation. AHOP qualifications should also require a limit with respect to the maximum income instead of the minimum income in order to insure that units are marketed to those consumers who are least financially capable of acquiring other units.

(ii) Increased involvement in direct financing and insurance of special term loans for lower income applicants:

Differing loan terms should be applied on all direct government loans as well as NHA loans made by private lenders to lower income consumers. Loan terms for these applicants should have the following characteristics: decreased required income, decreased carrying charges (interest rates and insurance fees), increased lending values and increased amortization periods. In order to decrease the long term total costs as well as the short term immediate costs of ownership, the above mentioned special provisions on loans for lower income consumers should be carried out in a co-ordinated manner with awareness of possible detrimental effects of one means of lowering costs upon another. For example, when increasing the length of the amortization period, interest rates should not be increased since this would greatly increase the ultimate total costs. While decreasing the down payments, the price of the unit and interest rates should also be decreased in order to decrease the total costs. The differing loan terms should be applied by federal and provincial governments on NHA loans and loans administered by MHRC, made specifically to lower income applicants.

(iii) Taxes:

Property taxes on condominium units should be decreased, particularly if they are in apartment structures.

(iv) Encouraging private lending to lower income consumers:

Federal and provincial governments should encourage private lending to lower income consumers by guaranteeing the loans made to them as well as subsidizing the difference in loan terms when loans are made by private lenders on differing terms. Findings have indicated that involvement of particularly the smaller investors is limited. As condominium developments provide an opportunity for small investors (that is, small builders as well as individuals who will provide mortgage money) to enter the market; federal and provincial governments, through provision of capital at reasonable rates to small investors, should facilitate their entry into the market in order to increase market competition and hence minimize the opportunities for selective lending practices.

In addition to the above mentioned forms of direct loan assistance, governments can attempt to deal with various obstacles preventing lenders' full participation. Findings have indicated that there are several reasons for private lenders' limited involvement in the condominium market. These reasons have in particular been responsible for their total exclusion from the lower income market since this income sector presents the greatest risks in terms of the security of the loans.

One important reason has been the complexity and novelty of the condominium concept creating many uncertainties in the minds of lenders. The conservative approach of institutional lenders to new ideas such as that of the condominium, coupled with bad early experiences has further prevented a liberal minded and inquisitive approach to the concept. If private lenders are to increase their involvement in the

lower income end of the condominium market, it is then first of all necessary that they alter their attitudes with respect to lending for this group of consumers and this form of ownership. Hence, governments should carry out educational programs for lenders which aim to increase their awareness of the potential benefits of condominiums and provide knowledge with respect to how risks can be minimized in lower priced developments thus making them an equally attractive investment option as other forms of residential development. Such programs should be carried out at the municipal level where interaction between local lenders and governments would be easiest. Particularly, efforts should be made to communicate the contents of such programs to head office members who are directly involved with the formulation of lending policies in general.

The study has indicated that other important reasons limiting involvement have related to concerns with regards to the nature of condominium ownership. Foremost in lenders' minds have been potential problems with respect to project management and maintenance and the fees and reserve funds required for this important function; since these aspects of condominium ownership are directly related to foreclosures on units as well as decline in the value of the properties. In order to prevent these concerns from limiting lending activity, a municipal government agency should be established, which monitors and assists management and maintenance activities in lower priced units where management and maintenance is more likely to be of lower quality. This agency should perform the following specific functions:

- Where professional management companies are employed, the agency should monitor their activities in order to prevent unaccountable

increases and poor quality services;

- The agency should encourage, through educational programs, the management and maintenance of the corporations by unit owners since this would greatly decrease this additional cost of condominium ownership. Such educational programs should familiarize owners with the financial operations of a condominium so that they can successfully manage their projects;

- The agency should also monitor the management of self managed condominiums in order to prevent the politicisation of the Board of Directors to meet individual needs and in order to enforce by-laws. Government assistance would particularly be useful in the initial period when owners take over management and maintenance duties from the developer.

The study has also indicated that lenders are hesitant to enter the market because of their precarious legal position with respect to lawsuits by owners. Hence, governments should take measures against faulty construction particularly in lower priced units so that lenders feel more secure with respect to the quality of the project. These measures should be carried out by CMHC through building code enforcements and warranties. The special mortgage assistance provided by governments and private lenders as outlined above would be particularly suitable for converted condominium units since, as the study has indicated, units in such a project generally have relatively lower acquisition prices. As well, in projects to be converted, a lower income potential market would be existent as most tenants would not be able to afford the units as condominiums. The special mortgage assistance would facilitate their acquisition of units, hence preventing problems of dis-

location as well as aiding the developer in quick marketing. Savings as a result of quick marketing could then aid in further decreasing the acquisition prices of converted units.

In order to facilitate the acquisition of units in converted projects, a government agency should be established to facilitate the conversion procedures. Such a corporation should deal with the administration of loans on converted units as well as prevention of enormous increases in the value of units as a result of the conversion process. With respect to preventing increases, the agency should specifically undertake the following functions: enforcing legislation with respect to limits on profits; lowering estimates of real estate taxes on unsold units in view of the fact they will be marketed to lower income consumers; subsidizing possible differences between the costs of old and new financing; subsidizing renovations and alterations; and streamlining the registration procedure to decrease the legal, architectural and other procedural expenses. These measures would assist greatly in ensuring greater success in conversions, hence preventing the inefficient and inequitable results of partially successful projects. (In partially successful condominiums, a proper Board of Directors will not be formed; hence those that own will find their investments limited).

(2) POLICIES AFFECTING SUPPLY

Utilization of measures to increase the demand for condominium units must be accompanied by measures to increase the supply of units as well as measures to regulate the nature of the increased supply. Such measures affecting supply, accompanied by increased demand, would minimize selectivity in terms of the nature of units marketed, the income groups loans are made to, the prices of existing units in the resale

market as well as prices of units in projects newly entering the market. In order to have an impact on the rate and nature of units on the market, governments must primarily employ policies to remove uncertainty (inspection). Specifically, the following policies are required.

(a) Regulating Quantity of Units

Findings from the study with respect to high levels of profits have indicated lack of competition in the market, allowing those developers who are involved a great deal of control over the quantity of units supplied. The reluctance of particularly the smaller developers to become active in the condominium market suggests the necessity of some form of assistance and legislative amendment in order to encourage greater developer participation, thereby fostering competition. The factors which have emerged from the study as inhibiting developer involvement suggest various ways through which participation can be encouraged.

A primary factor has once more been the complexity and novelty of the condominium concept. In order to familiarize developers with the concept, it is therefore essential for governments to carry out educational programs which aim to inform them with respect to the special circumstances of condominium development, that is, legalities, registration procedures, marketing, management, maintenance, etc. Such programs should specifically point out to developers that the success of condominiums should not be prejudged on the basis of bad experiences in other markets and at other times in Winnipeg, but rather that the success of projects depends as much on their individual chara-

cteristics as the specific market conditions. These programs should be administered at the municipal level where it would be relatively easier to maintain communication with local developers.

Another factor inhibiting involvement has been the high costs of construction. In order to reduce construction costs, tax incentives should be utilized. For example, taxes on building materials should be decreased for those developers who are willing to provide lower priced units for the lower income consumers.

Findings have also indicated that in Winnipeg there is a shortage of land zoned or land available for zoning for condominium use. In order to prevent such a shortage, restrictive zoning by-laws should be changed in order to facilitate zoning of land for condominium structures in all areas of the city where land is to be developed for residential purposes.

Restrictive financing procedures have also prevented involvement. The following proposals should aid in confronting these obstacles:

- Construction loans should be made available by government particularly to small developers who find it difficult to obtain financing from private lenders;

- Discriminatory loan terms against condominiums should be prohibited;

- Loans should be advanced on the basis of a condominium project without the requirement of 65% sales performance level. This would facilitate more rapid construction as well as prevent renting of units in the process of marketing as a result of cash flow problems. If after a specified period of time, sufficient units are not marketed and the project can not be registered as a condominium, the difference between

the loan on the basis of a condominium and loan on the basis of rental can be returned at minimal interest rate charges.

Lengthy and complicated registration procedures have been another inhibiting factor. Hence, procedures for the creation of condominium corporations should be streamlined. This can be achieved by standardization of required documents and by inspection of applications for condominiums at the early stages of the approval process. This would prevent certain obstacles that may arise at later stages and inform developers ahead of time as to what the legal and procedural requirements are, so that they can be taken into consideration at the early stages of project planning.

(b) Regulating Quality

Findings from the study have indicated that the qualitative aspects of the existing supply, within the current developmental framework, are not conducive to the entry of lower income consumers to the market. Hence, the characteristics of supply with respect to price, location and design (size of units and project, structure type, density) should be regulated by government in order to make condominiums more feasible for lower income consumers. Specifically, the following are required:

- Research into cost saving designs specifically feasible for condominium use should be carried out. For example, The Manitoba Condominium Act provides for the development of leasehold condominiums. In view of the fact that land costs make up increasing proportions of development costs and play an important role in inflating the price of units to consumers, it would seem that this option would greatly decrease the costs of providing units and present an opportunity for lower

income consumers to enter the market. This should be thoroughly investigated and its legal and financial implications for the Winnipeg market should be determined. The federal government, through provision of funds for a land banking program; and the provincial and municipal governments, through the administration of the program, can play a crucial role in the utilization of the leasehold regime. Lands owned by the government can be leased to lower income consumers in the purchase of a condominium unit. As well, mobile home condominium developments where consumers would only share the land, should be studied. Such developments can minimize the acquisition price of "units" as well as the amount of taxes, management and maintenance fees;

- Unnecessary common facilities increase the acquisition price. Therefore, community recreational facilities should be made available in all residential areas where condominiums are to be located, hence making it unnecessary to include these in projects;

- The "extras" option where consumers have a choice in the type of "extras" they desire in their units should be encouraged so that consumers do not end up paying for extras they don't necessarily need or desire;

- Developments should be at a density that would minimize costs. Town house condominium developments provide an excellent opportunity for providing housing at a density which could decrease costs as well as provide the owners with easy access to outdoor space and self contained units; hence being particularly feasible for families with children;

- Condominium activity in the inner city should be encouraged since this is an ideal location for lower income elderly and lower

income singles and couples working downtown;

- Projects should be designed in such a way so as to be suitable for ownership. The suitability of rental projects as condominiums should receive particular attention. The perception by developers that condominiums must be of certain structural type clearly suggests that not all units should be converted, only those which have some potential as a condominium structure;

- The design of individual projects should be such that units are marketed to consumers with relatively similar means and lifestyles in order to prevent differing needs and priorities;

- Greater number of smaller units should be provided since they are particularly feasible for low income elderly and singles.

Greater control over the qualitative characteristics of supply as outlined above can be achieved by government through amendments to procedures for approval and the Manitoba Condominium Act.

Findings with respect to deficiencies in the procedural framework for condominium creation indicate the necessity for the following changes in order that governments may attain greater control.

Projects should be specified as condominiums at the initial stages of approval. The subdivision and rezoning process should proceed with the knowledge that the intent of the developer is to construct condominiums or renovate buildings for condominium use. The project should also be identified as a condominium at the building permit stage and the issuance of the permit should depend on the feasibility of the project as a condominium. Governmental supervision and scrutiny in all subsequent stages of the approval process should be exercised. In general, the approval process should take into consid-

eration the social and economic impacts of developments with relation to: suitability of design, kind of market they'll be catering to, age of buildings; availability of rental accommodation, vacancy rates and feasibility of location.

Findings with respect to the limitations of the Manitoba Condominium Act also indicate that amendments which would result in greater control over characteristics of supply are required. Such amendments should include:

- legislation of profit limits with particular emphasis on conversions where the probability of large profits is greater;

- building codes;

- enforcement procedures for inspecting construction and conversion of condominiums;

- standards to prevent conversion of 'inappropriate' structures;

- prohibition of renting of units since renters are less likely to have an interest in maintaining or appreciating the value of the units and common elements, hence presenting increased additional costs to owners;

- prohibition of phased developments, since in such projects, owners of first phase units are confronted with a number of risks in terms of the value of their units depreciating and unexpected increased monthly common element fees.

SUPPLEMENTARY PROPOSALS FOR CONDOMINIUM DEVELOPMENT IN GENERAL

Two supplementary proposals for condominium development include:

- (1) The basic premise upon which this thesis has been based is that condominiums can provide substantial benefits to government and

society as a whole as a result of substantial savings that can be incurred from land and construction costs. This thesis has in fact demonstrated that condominiums are presently used by older middle income earners and young couples/singles prior to having children. Hence, a rationale for encouraging their growth is that it assists in the problem of older and younger couples who consume large amounts of space which they do not need. Condominiums thereby provide a method for improving the overall efficiency of the housing market. If governments and society are indeed to benefit from the multiple advantages of condominiums it is most necessary that further research be carried out in the various problem areas which have emerged from this thesis. Through greater understanding of the dynamics of the condominium market, the potentials of this form of ownership can be fully exploited and condominiums can become an integral part of urban growth policy.

(2) Policies affecting condominium development should be carried out in consideration of their effect on the rest of the housing market and should be co-ordinated with government intervention into other sectors. For example, the removal or decrease in the 50% tenant approval requirement in the case of conversion, in order to facilitate the increase in supply of condominium units placed on the market; could have detrimental effects on lower income consumers who prefer the rental tenure, particularly at times of low rental vacancy rates. Conversions should in fact require 100% tenant approval. If some tenants prefer not to buy units, developers should be required to relocate tenants in other suitable accommodation or compensate them for the costs incurred.

The above outlined proposals, aiming to facilitate the entry of

lower income consumers into the Winnipeg condominium ownership market, clearly point out the need for government intervention and assistance by way of legislative, procedural and active policy channels. The nature of intervention and assistance required indicate a particularly major role for the provincial and municipal levels of government in the pursuit of this objective. However, in recognition of the fact that the current policies and actions of the lower levels of government in Winnipeg, in an environment of economic restraint, are characterized by increasing reliance on the private sector and decreasing government intervention into the economy; it is questionable as to whether the above stated proposals can be effectuated. As a primary step towards ensuring operationalization of these proposals, it is therefore necessary to recognize these existing political constraints.

The private sector, by the nature of its operations in the housing markets, has clearly demonstrated the limitations of its goals and objectives. It is therefore imperative that policy makers be cognizant of the limited returns to society generated from heavy reliance on private enterprise in an atmosphere of relative freedom of action. In recognition of this fact, the nature and scope of government activity in the housing market need be determined. A most basic goal such as that of making available the required housing accommodation to all sectors of society must not be forsaken in the pursuit of economic restraint.

This thesis, by illustrating the results of private market activity in an atmosphere of relative freedom from government intervention, has pointed out the need for active government participation within the condominium market. This participation will allow lower income groups

to benefit from the potentials of condominium ownership. The above proposals have hopefully provided some amount of guidance for the undertaking of this active role.

APPENDIX I

Occupants' Survey

and

Interviewers' Instructions

I. DEMOGRAPHIC CHARACTERISTICS

- (1) How many people, including yourself, presently live in this household (dwelling unit)?
- (2) Please indicate the number of people presently living in this household in each age - sex category.

	Male	Female
0 - 4	<input type="text"/>	<input type="text"/>
5 - 9	<input type="text"/>	<input type="text"/>
10 - 14	<input type="text"/>	<input type="text"/>
15 - 19	<input type="text"/>	<input type="text"/>
20 - 24	<input type="text"/>	<input type="text"/>
25 - 34	<input type="text"/>	<input type="text"/>
35 - 44	<input type="text"/>	<input type="text"/>
45 - 54	<input type="text"/>	<input type="text"/>
55 - 64	<input type="text"/>	<input type="text"/>
65 - 69	<input type="text"/>	<input type="text"/>
70 and over	<input type="text"/>	<input type="text"/>

- (3) Specify the age category and sex of the respondent(s).

	Age Category	Sex
Respondent 1	_____	_____
Respondent 2	_____	_____
Others	_____	_____

- (4) Please indicate the age category and sex for each income earner presently living in this household and earning an income.

	Age Category	Sex
Income Earner 1	_____	_____
Income Earner 2	_____	_____
Income Earner 3	_____	_____
Income Earner 4	_____	_____
Others	_____	_____

- (5) Please indicate the occupation and education level of the two principal income earners who are presently living in this household and are earning an income.

Income Earner 1:

Pensioner

Non-pensioner

Occupation: _____

Education (check the highest level completed):

- (a) elementary school
- (b) junior high school
- (c) senior high school
- (d) technical/vocational college
- (e) some university
- (f) undergraduate
- (g) graduate
- (h) postgraduate

Income Earner 2:

Pensioner
Non-pensioner

Occupation: _____

Education (check the highest level completed):

- (a) elementary school
- (b) junior high school
- (c) senior high school
- (d) technical/vocational college
- (e) some university
- (f) undergraduate
- (g) graduate
- (h) postgraduate

(6) If husband is deceased, what was his occupation and education level? _____

Occupation: _____

Education (check the highest level completed):

- (a) elementary school
- (b) junior high school
- (c) senior high school
- (d) technical/vocational college
- (e) some university
- (f) undergraduate
- (g) graduate
- (h) postgraduate

(7) If wife is not an income earner at present, what is her occupation and education level? _____

Occupation: _____

Education (check the highest level completed):

- (a) elementary school
- (b) junior high school
- (c) senior high school
- (d) technical/vocational college
- (e) some university
- (f) undergraduate
- (g) graduate
- (h) postgraduate

II. UNIT AND OCCUPANCY CHARACTERISTICS

(8) How many bedrooms does this unit have? _____

(9) How many bathrooms does this unit have? _____

(10) Approximately, what is the floor area of this unit? _____ square feet

Don't know

(11) Do you own or rent this unit?

Own
Rent

(12) When did you first move into this unit?

Month _____ Year _____

(13) Immediately before living in this unit, what type of residence did you live in?

	Owned	Rented
(a) detached single family dwelling	<input type="checkbox"/>	<input type="checkbox"/>
(b) duplex or semi-detached dwelling	<input type="checkbox"/>	<input type="checkbox"/>
(c) non-condominium townhouse or rowhouse	<input type="checkbox"/>	<input type="checkbox"/>
(d) non-condominium apartment	<input type="checkbox"/>	<input type="checkbox"/>
(e) condominium townhouse	<input type="checkbox"/>	<input type="checkbox"/>
(f) condominium apartment	<input type="checkbox"/>	<input type="checkbox"/>
(g) other, (specify) _____	<input type="checkbox"/>	<input type="checkbox"/>

- (e) \$35,000 to 39,999
- (f) \$40,000 to 44,999
- (g) \$45,000 to 49,999
- (h) \$50,000 to 54,999
- (i) \$55,000 to 59,999
- (j) \$60,000 to 64,999
- (k) \$65,000 to 69,999
- (l) \$70,000 and over

(16) If you rented the dwelling you were living in immediately before you occupied this unit, what was the monthly rent at the time you moved out of it?

	Excluding utility, parking and possible management, maintenance costs	Including utility, parking and possible management, maintenance costs
(a) under \$125	<input type="checkbox"/>	<input type="checkbox"/>
(b) \$125 to 149	<input type="checkbox"/>	<input type="checkbox"/>
(c) \$150 to 174	<input type="checkbox"/>	<input type="checkbox"/>
(d) \$175 to 199	<input type="checkbox"/>	<input type="checkbox"/>
(e) \$200 to 249	<input type="checkbox"/>	<input type="checkbox"/>
(f) \$250 to 299	<input type="checkbox"/>	<input type="checkbox"/>
(g) \$300 to 349	<input type="checkbox"/>	<input type="checkbox"/>
(h) \$350 to 399	<input type="checkbox"/>	<input type="checkbox"/>
(i) \$400 to 449	<input type="checkbox"/>	<input type="checkbox"/>
(j) \$450 to 499	<input type="checkbox"/>	<input type="checkbox"/>
(k) \$500 to 549	<input type="checkbox"/>	<input type="checkbox"/>
(l) \$550 and over	<input type="checkbox"/>	<input type="checkbox"/>

(14) If you are living in an apartment or townhouse complex which has been converted to a condominium, were you tenants in the project previous to its conversion?

Yes

No

(15) If you owned the dwelling you were living in immediately before you occupied this unit, what was its approximate value at the time you moved out of it?

- (a) under \$20,000
- (b) \$20,000 to 24,999
- (c) \$25,000 to 29,999
- (d) \$30,000 to 34,999

(17) If you were to move from the unit you are living in presently, what type of home would you move to? (Check only one)

	Own	Rent
(a) detached single family dwelling	<input type="checkbox"/>	<input type="checkbox"/>
(b) duplex or semi-detached dwelling	<input type="checkbox"/>	<input type="checkbox"/>
(c) non-condominium townhouse or rowhouse	<input type="checkbox"/>	<input type="checkbox"/>
(d) non-condominium apartment	<input type="checkbox"/>	<input type="checkbox"/>
(e) condominium townhouse	<input type="checkbox"/>	<input type="checkbox"/>
(f) condominium apartment	<input type="checkbox"/>	<input type="checkbox"/>
(g) other, (specify) _____	<input type="checkbox"/>	<input type="checkbox"/>

Please explain the reasons for your choice.

Owners, please answer questions 18 to 37 inclusive, then go to question 46.
 Renters, please ~~omit~~ questions 18 to 37 inclusive and continue from question 38.

III. OPINIONS ON PURCHASE AND COSTS

(Questions 18 to 37 inclusive, owners only)

- (18) When did you buy this unit? Month _____ Year _____
- (19) Do you presently own any other homes? Yes No
- (20) Prior to purchasing this unit, did you seriously consider owning or renting other types of dwelling units? Yes No

If yes, what other type of dwelling unit and tenure did you most seriously consider? (check only one)

	Own	Rent
(a) detached single family dwelling	<input type="checkbox"/>	<input type="checkbox"/>
(b) duplex or semi-detached dwelling	<input type="checkbox"/>	<input type="checkbox"/>
(c) other townhouse	<input type="checkbox"/>	<input type="checkbox"/>
(d) other apartment unit	<input type="checkbox"/>	<input type="checkbox"/>
(e) other, (specify) _____	<input type="checkbox"/>	<input type="checkbox"/>

(21) What were the reasons for your purchasing this unit?
(Place an asterisk beside the appropriate boxes, for the three most important reasons)

- (a) lower acquisition price than other homes
- (b) lower downpayment than other homes
- (c) lower mortgage payments than other homes
- (d) tax benefits
- (e) in order to build equity
- (f) ease of maintenance
- (g) like living in this area
- (h) proximity to work, shopping and other facilities
- (i) proximity to friends and relatives
- (j) satisfied the need for more space
- (k) satisfied the need for less space
- (l) for use of recreational facilities in the project
- (m) other, (specify) _____

(22) What was the selling price of this unit at the time of your initial purchase?

- (a) less than \$15,000
- (b) \$15,000 to 19,999
- (c) \$20,000 to 24,999
- (d) \$25,000 to 29,999
- (e) \$30,000 to 34,999
- (f) \$35,000 to 39,999

- (g) \$40,000 to 44,999
- (h) \$45,000 to 49,999
- (i) \$50,000 to 54,999
- (j) \$55,000 to 59,999
- (k) \$60,000 to 64,999
- (l) \$65,000 and over

Did this price include the costs of any "extras" you desired to have in your unit, for which you had to pay individually?

- Yes
- No

If yes, state what these extras were and their approximate total cost.

Extras: _____

Approximate total cost: \$ _____

If no, did you spend any money in addition to the total purchase price, in order to include the extras you desired to have in your unit?

- Yes
- No

If yes, state what these extras were and their approximate total cost.

Extras: _____

Approximate total cost: \$ _____

(23) Taking into consideration the amenities this condominium unit and project offers, how would you rate the acquisition price of this unit?

- (a) a bargain
- (b) a good deal
- (c) a fair price
- (d) too high
- (e) much too high
- (f) other, (specify)

(24) If you were going to sell this unit today, how much would you expect to receive for it?

- (a) less than \$15,000
- (b) \$15,000 to 19,999
- (c) \$20,000 to 24,999
- (d) \$25,000 to 29,999
- (e) \$30,000 to 34,999
- (f) \$35,000 to 39,999
- (g) \$40,000 to 44,999
- (h) \$45,000 to 49,999
- (i) \$50,000 to 54,999
- (j) \$55,000 to 59,999
- (k) \$60,000 to 64,999
- (l) \$65,000 and over

If you expect to receive more than \$65,000, please state the approximate amount. \$ _____

(25) If you were going to sell this unit in the near future, do you think you would have any problems selling it?

- Yes
- No
- Don't know

If yes, please explain.

(26) If you were to rent this unit (unfurnished) today, what would be the approximate monthly rent you would expect to receive for it?

- | | Excluding utility, parking, management and maintenance costs | Including utility, parking, management and maintenance costs |
|------------------|--|--|
| (a) under \$150 | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) \$150 to 174 | <input type="checkbox"/> | <input type="checkbox"/> |
| (c) \$175 to 199 | <input type="checkbox"/> | <input type="checkbox"/> |
| (d) \$200 to 249 | <input type="checkbox"/> | <input type="checkbox"/> |
| (e) \$250 to 299 | <input type="checkbox"/> | <input type="checkbox"/> |
| (f) \$300 to 349 | <input type="checkbox"/> | <input type="checkbox"/> |

(g) \$350 to 399

(h) \$400 to 449

(i) \$450 to 499

(j) \$500 to 549

(k) \$550 to 599

(l) \$600 to 649

(m) \$650 and over

Don't know

(27) How many mortgages are there, presently, on this unit?

(a) none

(b) one

(c) two

(d) three

(e) four or more

(28) How much was the downpayment on this unit? \$

(29) How much was the deposit on this unit? \$

was the amount for the deposit included in the downpayment made?

Yes

No

(30) Please indicate the breakdown of your monthly costs for this unit when you first occupied it.

Principal and Interest	Taxes	Gross annual:
No mortgage <input type="checkbox"/>	<input type="checkbox"/>	\$ <input type="text"/>
Less than \$100 <input type="checkbox"/>	Less than \$25 <input type="checkbox"/>	<input type="checkbox"/>
\$100 to 149 <input type="checkbox"/>	\$25 to 49 <input type="checkbox"/>	<input type="checkbox"/>
\$150 to 199 <input type="checkbox"/>	\$50 to 74 <input type="checkbox"/>	<input type="checkbox"/>
\$200 to 249 <input type="checkbox"/>	\$75 to 99 <input type="checkbox"/>	<input type="checkbox"/>
\$250 to 299 <input type="checkbox"/>	\$100 to 124 <input type="checkbox"/>	<input type="checkbox"/>
\$300 to 349 <input type="checkbox"/>	\$125 to 149 <input type="checkbox"/>	<input type="checkbox"/>
\$350 to 399 <input type="checkbox"/>	\$150 to 174 <input type="checkbox"/>	<input type="checkbox"/>
\$400 to 449 <input type="checkbox"/>	\$175 to 199 <input type="checkbox"/>	<input type="checkbox"/>
\$450 and over <input type="checkbox"/>	\$200 and over <input type="checkbox"/>	<input type="checkbox"/>
Net annual: \$ <input type="text"/>		

Management and Maintenance	Utilities	Others
Less than \$25 <input type="checkbox"/>	Less than \$25 <input type="checkbox"/>	Less than \$25 <input type="checkbox"/>
\$25 to 49 <input type="checkbox"/>	\$25 to 49 <input type="checkbox"/>	\$25 to 49 <input type="checkbox"/>
\$50 to 74 <input type="checkbox"/>	\$50 to 74 <input type="checkbox"/>	\$50 to 74 <input type="checkbox"/>
\$75 to 99 <input type="checkbox"/>	\$75 to 99 <input type="checkbox"/>	\$75 to 99 <input type="checkbox"/>
\$100 to 124 <input type="checkbox"/>	\$100 to 124 <input type="checkbox"/>	\$100 to 124 <input type="checkbox"/>
\$125 to 149 <input type="checkbox"/>	\$125 to 149 <input type="checkbox"/>	\$125 to 149 <input type="checkbox"/>
\$150 to 174 <input type="checkbox"/>	\$150 to 174 <input type="checkbox"/>	\$150 to 174 <input type="checkbox"/>
\$175 to 199 <input type="checkbox"/>	\$175 to 199 <input type="checkbox"/>	\$175 to 199 <input type="checkbox"/>
\$200 and over <input type="checkbox"/>	\$200 and over <input type="checkbox"/>	\$200 and over <input type="checkbox"/>

(31) Please indicate the breakdown of your current monthly costs for this unit.

Principal and Interest		Taxes			
No mortgage	<input type="checkbox"/>	Less than \$25	<input type="checkbox"/>		
Less than \$100	<input type="checkbox"/>	\$25 to 49	<input type="checkbox"/>		
\$100 to 149	<input type="checkbox"/>	\$50 to 74	<input type="checkbox"/>		
\$150 to 199	<input type="checkbox"/>	\$75 to 99	<input type="checkbox"/>		
\$200 to 249	<input type="checkbox"/>	\$100 to 124	<input type="checkbox"/>		
\$250 to 299	<input type="checkbox"/>	\$125 to 149	<input type="checkbox"/>		
\$300 to 349	<input type="checkbox"/>	\$150 to 174	<input type="checkbox"/>		
\$350 to 399	<input type="checkbox"/>	\$175 to 199	<input type="checkbox"/>		
\$400 to 449	<input type="checkbox"/>	\$200 and over	<input type="checkbox"/>		
\$450 and over	<input type="checkbox"/>				
		Gross annual:	\$ <input type="text"/>		
		Net annual:	\$ <input type="text"/>		
Management and Maintenance		Utilities		Others	
Less than \$25	<input type="checkbox"/>	Less than \$25	<input type="checkbox"/>	Less than \$25	<input type="checkbox"/>
\$25 to 49	<input type="checkbox"/>	\$25 to 49	<input type="checkbox"/>	\$25 to 49	<input type="checkbox"/>
\$50 to 74	<input type="checkbox"/>	\$50 to 74	<input type="checkbox"/>	\$50 to 74	<input type="checkbox"/>
\$75 to 99	<input type="checkbox"/>	\$75 to 99	<input type="checkbox"/>	\$75 to 99	<input type="checkbox"/>
\$100 to 124	<input type="checkbox"/>	\$100 to 124	<input type="checkbox"/>	\$100 to 124	<input type="checkbox"/>
\$125 to 149	<input type="checkbox"/>	\$125 to 149	<input type="checkbox"/>	\$125 to 149	<input type="checkbox"/>
\$150 to 174	<input type="checkbox"/>	\$150 to 174	<input type="checkbox"/>	\$150 to 174	<input type="checkbox"/>
\$175 to 199	<input type="checkbox"/>	\$175 to 199	<input type="checkbox"/>	\$175 to 199	<input type="checkbox"/>
\$200 and over	<input type="checkbox"/>	\$200 and over	<input type="checkbox"/>	\$200 and over	<input type="checkbox"/>

(32) In relation to the services you receive, how would you rate the amount of monthly management and maintenance fees you are currently paying?

	Management Fees	Maintenance Fees
(a) very high	<input type="checkbox"/>	<input type="checkbox"/>
(b) moderately high	<input type="checkbox"/>	<input type="checkbox"/>
(c) moderate	<input type="checkbox"/>	<input type="checkbox"/>
(d) moderately low	<input type="checkbox"/>	<input type="checkbox"/>
(e) very low	<input type="checkbox"/>	<input type="checkbox"/>

(33) If you feel your current monthly management and maintenance fees are either high or low, what do you feel would be a fair monthly fee? \$ Don't know

(34) Did you spend any money in addition to the total initial acquisition price and the maintenance fees you paid, on repairs to this unit since you bought it? Yes No

If yes, please state what kinds of repairs were undertaken.

How much, in total, was spent? \$

(35) Are you generally satisfied with your decision to purchase this unit?

Yes
No

If no, please explain.

(36) Which of the following best indicates the possibility of your selling this unit within the next three years?

- (a) definitely
- (b) probably
- (c) undecided
- (d) probably not
- (e) definitely not

(37) Which of the following best indicates the possibility of your moving to another dwelling and renting this unit out within the next three years?

- (a) definitely
- (b) probably
- (c) undecided
- (d) probably not
- (e) definitely not

(Questions 38 to 45 inclusive, renters only)

(38) What were the reasons for your renting this unit? (Place an asterisk, beside the appropriate boxes, for the three most important reasons)

- (a) reasonable rent
- (b) like living in this area
- (c) proximity to work, shopping and other facilities
- (d) proximity to friends and relatives
- (e) satisfied the need for more space
- (f) satisfied the need for less space
- (g) for use of recreational facilities in the project
- (h) ease of maintenance
- (i) other, (specify)

(39) What did your total rent (including utilities) amount to when you first occupied this unit?

- (a) less than \$149
- (b) \$150 to 199
- (c) \$200 to 249
- (d) \$250 to 299
- (e) \$300 to 349
- (f) \$350 to 399
- (g) \$400 to 449
- (h) \$450 and over

How much of this rent was for utilities? \$ _____

(40) What is your current total rent (including utilities)?

- (a) less than \$150
- (b) \$150 to 199
- (c) \$200 to 249
- (d) \$250 to 299
- (e) \$300 to 349
- (f) \$350 to 399
- (g) \$400 to 449
- (h) \$450 to 499
- (i) \$500 to 549
- (j) \$550 and over

How much of this rent is for utilities? \$ _____

(41) Taking into consideration the amenities this condominium unit and project offers, how would you rate the amount of monthly rent you are currently paying?

- (a) very high
- (b) moderately high
- (c) moderate
- (d) moderately low
- (e) very low

(42) If you feel your current rent is either high or low, what do you feel would be a fair monthly rent for this unit?

Including utilities: \$ _____

Excluding utilities: \$ _____

Don't know

(43) Are you generally satisfied with your decision to rent this unit?

Yes

No

If no, please explain.

(44) Given your own choice, which of the following best indicates the possibility of your moving from this unit within the next three years?

- (a) definitely
- (b) probably
- (c) undecided
- (d) probably not
- (e) definitely not

(45) Did you know that the apartment or townhouse complex you are presently living in is a condominium?

Yes

No

Leaf blank to correct
numbering

INSTRUCTIONS TO INTERVIEWERS

Indicate answers to all questions by filling in the appropriate blanks, or by placing a check mark in the appropriate boxes.

If more space is required use the back of the page the question is on.

If the respondent refused to answer a question, write: "refused" beside the question in the left hand margin.

If a question does not apply to the respondent, write: "N/A" beside the question in the left hand margin.

Note the name of occupant, unit number and name of condominium corporation on the back of the last page.

I. DEMOGRAPHIC CHARACTERISTICS

1. Answer should include members of the family who live in the unit part-time, e.g. sons or daughters attending university in another city but spending summers at home.
2. Place an asterisk beside the appropriate box to indicate that a member of the household is living in the unit part-time.
3. Use the age categories in question 2.
4. Include all income earners, that is, pensioners as well as other full-time and part-time workers. Use the age categories in question 2.
5. If a principal income earner is a pensioner indicate his/her occupation prior to retirement.
6. _____

7. _____

II. UNIT AND OCCUPANCY CHARACTERISTICS

8. If a room is being used as a den, include it as a bedroom.

9. _____

10. _____

11. _____

12. _____

13. _____

14. _____

15. If there is more than one response to this question (such as in the case of a couple who only begin to live together when they moved into the condominium unit), place a check mark for each answer. If the respondent(s) lived somewhere other than Winnipeg immediately before moving into the condominium unit, specify the city beside the appropriate box that is checked.

16. If there is more than one response to this question (such as in the case of a couple who only begin to live together when they moved into the condominium unit), place a check mark for each answer. If the respondent(s) lived somewhere other than Winnipeg immediately before moving into the condominium unit, specify the city beside the appropriate box that is checked.

Check for both categories - including and excluding costs.

17. Some respondents will say they have never thought about this - encourage an answer nevertheless.

III. OPINIONS ON PURCHASE AND COSTS

(Questions 18 to 37 inclusive, owners only)

18. _____

19. _____

20. _____

21. The respondents should give as many reasons as there are, place an asterisk only beside the three most important reasons.

22. "Extras" for example, can be wallpaper, shutters, French doors; the costs of which may be individually added to the initial selling price quoted by the builder, depending upon the extras the buyer desires to have the builder include in his unit.

23. _____

24. _____

25. _____

26. Utilities include heat, electricity, hydro. Check for both categories - including and excluding costs.

27. _____

28. The amount stated for the down payment should be the amount that was actually paid, not the amount that was required.
29. The deposit is the amount of money given the seller, as security that the buyer will buy the unit.
30. Principal and interest: total all mortgages if more than one.
- Gross annual taxes: does not account for provincial rebate for home ownership.
- Net annual taxes: gross annual taxes minus provincial rebate for home ownership.
- Monthly taxes: don't have to check boxes for these, can figure them out later from the annual total.
- Management and maintenance: _____
- Utilities: includes heat, electricity, hydro. Average cost of utilities over first year of occupancy.
- Others: includes such expenses as cable, phone, parking.
- Usually the occupants will not be paying for management maintenance and utility costs separately, but in one lump sum. If that is the case, indicate the total paid at the bottom of the page, but try to get them to break it down also.
31. Principal and interest: total all mortgages if more than one.
- Gross annual taxes: does not account for provincial rebate for home ownership.

Net annual taxes: gross annual taxes minus provincial rebate for home ownership.

Monthly taxes: don't have to check boxes for these, can figure them out later from the annual total.

Management and maintenance: _____

Utilities: includes heat, electricity, hydro. Average cost of utilities over last year of occupancy.

Others: includes such expenses as cable, phone, parking.

Usually the occupants will not be paying for management maintenance and utility costs separately, but in one lump sum. If that is the case, indicate the total paid at the bottom of the page, but try to get them to break it down also.

32. Be sure that the separate answers are given for management and maintenance.
33. The amount stated should refer to whatever is felt to be high -- either management or maintenance or both.
34. _____
35. _____

36. _____

37. _____

(Questions 38 to 45 inclusive, renters only)

38. The respondent should give as many reasons as there are.
Place an asterisk only beside the three most important
reasons.

39. Utilities include heat, electricity and hydro.
Average cost of utilities over first year of occupancy.

40. Utilities include heat, electricity and hydro.
Average cost of utilities over last year of occupancy.

41. _____

42. _____

43. _____

44. _____

45. _____

46. Before asking this question, tell the respondent that you
are nearing the completion of the questionnaire and that
the next question is of very great importance to the study -
that it is crucial to have an answer to it in order to
properly analyze the rest of the questionnaire. Tell them

that you would therefore appreciate it greatly if they would co-operate in answering it.

47. Encourage additional comments on any aspect the respondent feels is of importance.

48. _____

APPENDIX II

Developers' Survey

Please indicate your answers to all questions by filling in the appropriate blanks, or by placing a check mark in the appropriate boxes.

I. ROLE OF CONDOMINIUMS

(1) Do you think the supply of condominium units, as a proportion of the total Winnipeg housing supply, will increase significantly in the next 15 years?
 Yes No

(2) What role(s) do you think condominiums have, in general, played in the Winnipeg housing market? (check one)

(a) substitutes for those consumers who desire home ownership, but cannot afford detached single family dwellings at existing market prices

(b) alternatives for those consumers who can afford detached single family dwellings at existing market prices, but prefer the different life style condominiums offer

(c) both substitutes and alternatives equally

(3) What income sector(s) of the market do you think condominiums have provided for in Winnipeg? (check more than one if significant)

(a) lower income (less than \$7,000)

(b) lower-middle income (\$7,000 to 11,999)

(c) middle income (\$12,000 to 17,999)

(d) higher-middle income (\$18,000 to 24,999)

(e) high income (\$25,000 and over)

(4) What income sector(s) of the market do you think condominiums in Winnipeg are likely to provide for within the next 15 years? (check more than one if significant)

(a) lower income (less than \$7,000)

(b) lower-middle income (\$7,000 to 11,999)

(c) middle income (\$12,000 to 17,999)

(d) higher-middle income (\$18,000 to 24,999)

(e) high income (\$25,000 and over)

(5) Do you think it is economically feasible to develop condominiums for all levels of income? (Assume that all consumers will be paying 25% of their income for total monthly payments including maintenance and utility fees)

Yes No

(6) If no, what income bracket(s) would you say it is not economically feasible to develop for? (check more than one if significant)

- (a) less than \$7,000
- (b) \$7,000 to 11,999
- (c) \$12,000 to 17,999
- (d) \$18,000 to 24,999
- (e) \$25,000 and over

(7) What financial and practical objections are there to developing for these income brackets?

II. CONSUMER DEMAND

(8) To what extent would you say the following factors have influenced consumer demand for condominium units in Winnipeg?

	5 Greatly	4 Very Much	3 Moderately	2 Very Little	1 Not at All
(a) lower prices than detached single family dwellings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) freedom from maintenance responsibilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) good investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) tax deductions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) more amenities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f) scarcity of other types of housing in desired locations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(g) other, (specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(9) How would you describe the present demand for the following price range of units in the Winnipeg market?

	Very High	Moderately High	Moderate	Moderately Low	Very Low	Non-existent
(a) less than \$30,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) \$30,000 to 39,999	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) \$40,000 to 49,999	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) \$50,000 to 59,999	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) \$60,000 to 69,999	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f) \$70,000 and over	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(10) How would you describe the present demand for the following types of condominiums in the Winnipeg market?

	Very High	Moderately High	Moderate	Moderately Low	Very Low	Non-existent
(a) resale, converted apartment units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) resale, newly constructed apartment units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) resale, converted townhouse units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) resale, newly constructed townhouse units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) first sale, converted apartment units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f) first sale, newly constructed apartment units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(g) first sale, converted townhouse units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(h) first sale, newly constructed townhouse units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(11) What do you think is the relative importance of the following factors in influencing the success of condominium marketability in Winnipeg?

	5 Crucial	4 Very Important	3 Moderately Important	2 Of Little Importance	1 Not at All Important
(a) acquisition price of condominium units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) financial arrangements for condominium units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) location of condominium projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) size of individual condominium units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) size of condominium projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f) structure type of condominium projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(g) whether condominium conversion or new construction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(12) What do you think is the relative importance of the following additional factors in influencing the success of condominium marketability in Winnipeg?

	5 Crucial	4 Very Important	3 Moderately Important	2 Of Little Importance	1 Not at All Important
(a) acquisition price of other ownership options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) financial arrangements for other ownership options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) availability of other ownership options in desired locations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) availability of desirable rental units in desired locations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) costs of rental units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you were involved in conversions in the Winnipeg market, please answer questions 13 to 16 inclusive. If you were not involved in conversions in the Winnipeg market, please go to question 17.

(13) Approximately what percentage of the existing rental tenants purchased units in the project(s)?

- (a) less than 10%
- (b) 10 to 19%
- (c) 20 to 29%
- (d) 30 to 39%
- (e) 40 to 49%
- (f) greater than 50%

(14) What income bracket would you say the majority of the tenants who did not purchase fell into? (check one)

- (a) less than \$7,000
- (b) \$7,000 to 11,999
- (c) \$12,000 to 17,999
- (d) \$18,000 to 24,999
- (e) \$25,000 and over

(15) What do you think was the major reason(s) for tenants not purchasing units?

- (a) preference for rental tenure
- (b) preference for detached single family dwelling ownership
- (c) could not afford downpayment
- (d) could not afford monthly payments
- (e) other, (specify)

(16) What assistance, if any, was offered to tenants who did not purchase? (check more than one if necessary)

- (a) no assistance
- (b) cash payments
- (c) placement into other buildings
- (d) other, (specify)

III. MARKET CONDITIONS

(17) To what extent would you say the following factors have had the effect of increasing the prices of condominium units to consumers in the Winnipeg market?

	5 Greatly	4 Very Much	3 Moderately	2 Very Little	1 Not at All
(a) type of procedures for condominium registration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) time period of procedures for condominium registration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) required building standards for condominiums	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) structural components of condominiums constructed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) costs of financing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f) costs of maintenance for unsold units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(g) continued high consumer demand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(h) existent conditions in other segments of the housing market, (specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(18) Describe some of the problems you have met with in marketing units.

(19) To what extent do you think the following factors were responsible for the emergence and growth of condominiums in the Winnipeg housing market?

	Greatly	Very Much	Moderately	Very Little	Not at All
	5	4	3	2	1
(a) change in household formation and average size of household	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) increase in share of empty nesters and retired people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) increase in household incomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) change in tastes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) increase in land values	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f) increase in costs of materials	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(g) increase in costs of labor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(h) increase in costs of infrastructure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(i) potential for capital appreciation of condominium units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(j) tax deductions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Greatly	Very Much	Moderately	Very Little	Not at All
	5	4	3	2	1
(k) enabling legislation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(l) zoning bylaws	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(m) rent controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(n) tax laws	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(o) other law(s), (specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(p) lack of legislation regulating condominium developments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(q) lack of alternative housing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(20) In your view, did the lenders restrict you in any way?

Yes

No

If yes, please explain.

IV. COSTS OF DEVELOPMENT

(21) Approximate the percentage of total costs of the following, for the condominiums you have been involved in.

	Converted Apartments %	Newly Constructed Apartments %	Converted Townhouses %	Newly Constructed Townhouses %
(a) land				
(b) labor				
(c) materials				
(d) architectural fees				
(e) legal fees				
(f) survey fees				
(g) advertisement				
(h) holding costs 'till units are sold				
(i) bonuses given to consumers				

(22) What percentage of the selling price of a condominium unit do you normally require for the following?

	Townhouse %	Apartment %
(a) deposit		
(b) downpayment		

(23) For what percentage of the developments you were involved in, were the following bonuses offered to prospective buyers?

	0 %	0-24 %	25-49 %	50-74 %	75-99 %	100 %
(a) in conversions, the application of rent paid (from date of notice of conversion) towards acquisition price						
(b) in conversions, a reduction in rent for a specified period of time						
(c) in conversions, a credit for renovation of units						
(d) lower down payment than that required for single family dwellings						
(e) a reduction in the sales price of the units						

17

	0	0-24	25-49	50-74	75-99	100
	%	%	%	%	%	%
(f) offer of goods such as color T.V., etc.						
(g) other, (specify)						

(24) Who pays the assessment for unsold units?

- (a) owner occupant
- (b) developer
- (c) other, (specify)

V. REGULATORY FRAMEWORK

(25) With respect to existing legislation governing condominiums; do you think changes are necessary in order to provide lower priced condominium units for the lower income market?

- Yes
- No

What kind of amendments do you believe are necessary?

18

(26) With respect to present active government policies, (directed at condominiums) do you think changes are necessary in order to provide lower priced condominium units for the lower income market?

- Yes
- No

What kind of changes do you believe are necessary?

(27) With respect to present government policies (directed at other segments of the housing market) do you think changes are necessary in order to provide lower priced condominium units for the lower income market?

- Yes
- No

What kind of changes do you believe are necessary?

VI. CHARACTERISTICS OF SUPPLY

(28) For each registered condominium project that your firm has either newly constructed or converted, please fill in the following information:

Name of condominium corporation:

Unit Type	No. of units	No. of bedrms.	No. of sq. ft.	No. of bathrms.	Original sale price required

Common use amenities: _____

Date of construction start: month _____ year _____

Date of construction finish: month _____ year _____

Approximate proportion of investment in this project, to firm's total investment in residential construction in Winnipeg, in the year of construction start: _____ %

Number of units presently owned by individuals: _____

Number of units presently rented: _____

Number of units presently vacant: _____

Present manager of condominium corporation:

(a) developer (self)

(b) condominium corporation's Board of Directors

(c) professional management firm (state name)

(d) other, (specify)

(29) Are you presently converting or newly constructing condominium (which are not yet registered) in Winnipeg? Yes No

(30) If yes, please fill in the following information:

Whether conversion or new construction	Whether apartment or town-house	No. of units	Expected selling price
			to _____ to _____
			to _____ to _____
			to _____ to _____
			to _____ to _____

(31) If you have built new condominiums in Winnipeg in the past, would you get involved in condominium new construction again? Yes No

If yes, why? _____

If no, why?

(32) If you were involved in conversions in Winnipeg in the past, would you get involved in condominium conversion again?

Yes
No

If yes, why?

If no, why?

(33) Which of the following production functions does your firm engage in?

- (a) assembling, servicing, selling land
- (b) engineering
- (c) surveying
- (d) planning
- (e) design (architectural)
- (f) building materials
- (g) pre-fabrication
- (h) construction materials
- (i) landscaping
- (j) construction
- (k) sales
- (l) mortgaging
- (m) property management
- (n) other, (specify) _____

(34) Is your firm a subsidiary?

Yes
No

If yes, please state name of parent company:

23

(35) Would you like to make any additional comments pertaining to this questionnaire or to the subject of condominiums?

- - - - -

If you have any questions, please contact me at: 269 - 2431.

APPENDIX III

Lenders' Survey

Please indicate your answers to all questions by filling in the appropriate blanks, or by placing a check mark in the appropriate boxes.

I. ROLE OF CONDOMINIUMS

(1) Do you think the supply of condominium units, as a proportion of the total Winnipeg housing supply, will increase significantly in the next 15 years?

Yes

No

(2) What role(s) do you think condominiums have, in general, played in the Winnipeg housing market? (check one)

(a) substitutes for those consumers who desire home ownership, but cannot afford detached single family dwellings at existing market prices

(b) alternatives for those consumers who can afford detached single family dwellings at existing market prices, but prefer the different life style condominiums offer

(c) both substitutes and alternatives equally

(3) What income sector(s) of the market do you think condominiums have provided for in Winnipeg? (check more than one if significant)

- (a) lower income (less than \$7,000)
- (b) lower-middle income (\$7,000 to 11,999)
- (c) middle income (\$12,000 to 17,999)
- (d) higher-middle income (\$18,000 to 24,999)
- (e) high income (\$25,000 and over)

(4) What income sector(s) of the market do you think condominiums in Winnipeg are likely to provide for within the next 15 years? (check more than one if significant)

- (a) lower income (less than \$7,000)
- (b) lower-middle income (\$7,000 to 11,999)
- (c) middle income (\$12,000 to 17,999)
- (d) higher-middle income (\$18,000 to 24,999)
- (e) high income (\$25,000 and over)

II. OPINIONS ON AND EXPERIENCES IN CONDOMINIUM FUNDING

(5) What type of lending institution do you operate?

- (a) chartered bank
- (b) life insurance company
- (c) trust company
- (d) loan company
- (e) government agency
- (f) other, (specify)

(6) What type(s) of financing do you provide for condominiums?

- (a) bridge
- (b) construction
- (c) long term unit, first mortgages to first owners only
- (d) long term unit, second mortgages to first owners only
- (e) long term unit, first mortgages on refinances only
- (f) long term unit, second mortgages on refinances only

(7) What is the total number of condominium projects, since January 1967, for which you have provided construction loans? _____

(8) What is the total amount of condominium construction loans, if any, you have provided since January 1967? \$ _____

(9) What is the total number of condominium units, since January 1967, for which you have provided long term individual loans? _____

(10) What is the total amount of condominium long term individual loans, if any, you have provided since January 1967? \$ _____

(11) Since January 1967, what percentage of all your residential lending have been condominium construction and long term individual mortgage loans? (a) construction: _____% (b) long term individual: _____%

(12) Since January 1967, what percentage of all loans made, have been condominium construction and long term individual mortgage loans?

- (a) construction: _____%
- (b) long term individual: _____%

(13) Please rank your preferences for the following types of structures when making construction and long term individual unit loans. (Rank 1=first choice, 2=second choice..... 8=last choice)

	Construction Loans	Individual Unit Loans
(a) single family detached homes	<input type="checkbox"/>	<input type="checkbox"/>
(b) semi-detached homes (duplexes)	<input type="checkbox"/>	<input type="checkbox"/>
(c) rental high-rise apartments (more than three stories high)	<input type="checkbox"/>	<input type="checkbox"/>
(d) rental low-rise apartments (three or less stories high)	<input type="checkbox"/>	<input type="checkbox"/>
(e) townhouses, not condominium	<input type="checkbox"/>	<input type="checkbox"/>
(f) condominium high-rise apartments (more than three stories high)	<input type="checkbox"/>	<input type="checkbox"/>
(g) condominium low-rise or garden apartments (three or less stories high)	<input type="checkbox"/>	<input type="checkbox"/>
(h) condominium townhouses	<input type="checkbox"/>	<input type="checkbox"/>

(14) What are the reasons for your preferences and non-preferences?

Construction loans:

Individual unit loans:

(15) Rank your preferences for the following types of condominium structures when making construction and long term unit loans. (Rank 1 = first choice, 2 = second choice.....6 = last choice)

	Construction Loans	Individual Unit Loans
(a) newly constructed townhouses	<input type="text"/>	<input type="text"/>
(b) converted townhouses	<input type="text"/>	<input type="text"/>
(c) newly constructed high-rise apartments (more than three stories high)	<input type="text"/>	<input type="text"/>
(d) converted high-rise apartments (more than three stories high)	<input type="text"/>	<input type="text"/>
(e) newly constructed low-rise or garden apartments (three or less stories high)	<input type="text"/>	<input type="text"/>
(f) converted low-rise or garden apartments (three or less stories high)	<input type="text"/>	<input type="text"/>

(16) What are the reasons for your preferences and non-preferences?

Construction loans:

Individual unit loans:

(17) Describe the reasons for your involvement in condominium funding:

(18) What risk(s), cost(s) have you encountered in making condominium loans?

(19) What benefit(s) have you encountered in making condominium loans?

III. NATURE OF CONDOMINIUM FUNDING AS COMPARED TO DETACHED SINGLE FAMILY DWELLING FUNDING

(20) What, in general, were the terms of interest on long term unit mortgages to individual owners of condominiums and detached single family dwellings, in the following years:

	NHA		Conventional	
	Rate %	Compounded	1st mortgage Rate %	2nd mortgage Rate %
Condominium Townhouses				
1967				
1968				
1969				
1970				
1971				
1972				
1973				
1974				
1975				
1976				
1977				

	NHA		Conventional	
	Rate %	Compounded	1st mortgage Rate %	2nd mortgage Rate %
Condominium Apartments				
1967				
1968				
1969				
1970				
1971				
1972				
1973				
1974				
1975				
1976				
1977				
Detached Single Family Dwelling				
1967				
1968				
1969				
1970				
1971				
1972				
1973				
1974				
1975				
1976				
1977				

(21) If the terms of interest differed for condominium townhouses, condominium apartments, and detached single family dwellings, please explain the reasons for the differences.

(22) What, in general, was the amortization period on long term unit mortgages to individual owners of condominiums and detached single family dwellings, in the following years:

	NHA No. of years	Conventional	
		1st mortgage No. of years	2nd mortgage No. of years
Condominium Townhouses			
1967			
1968			
1969			
1970			
1971			
1972			
1973			
1974			
1975			
1976			
1977			

	NHA No. of years	Conventional	
		1st mortgage No. of years	2nd mortgage No. of years
Condominium Apartments			
1967			
1968			
1969			
1970			
1971			
1972			
1973			
1974			
1975			
1976			
1977			
Detached Single Family Dwellings			
1967			
1968			
1969			
1970			
1971			
1972			
1973			
1974			
1975			
1976			
1977			

(25) If the percentage of lending value loaned differed between condominium townhouses, condominium apartments and detached single family dwellings, please explain the reasons for the differences.

(26) Are there any special provisions or conditions required for condominium long term unit loans?

Yes
No

If yes, please explain.

(27) Are there any special provisions or conditions required for condominium construction lending?

Yes
No

If yes, please explain.

IV. REGULATORY FRAMEWORK

(28) Have your condominium policies been, in any way, dictated by CMHC regulations?

Yes
No

If yes, please explain.

(29) To what extent do you think the policies of CMHC have affected the following aspects of condominiums developed in Winnipeg?

	Greatly	Very Much	Moderately	Very Little	Not at All
(a) whether apartment or townhouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) whether new construction or conversion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) location	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) size of projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) size of individual units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f) price range of units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(30) To what extent do you think your condominium policies have affected the following aspects of condominiums, financed by you, in Winnipeg?

	Greatly	Very Much	Moderately	Very Little	Not at All
(a) whether apartment or townhouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) whether new construction or conversion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) location	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) size of projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) size of individual units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f) price range of units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(31) With respect to existing legislation governing condominiums, do you think changes are necessary in order to provide lower priced condominium units for the lower income market?

Yes No

What kind of amendments do you believe are necessary?

(32) With respect to present active government policies; (directed at condominiums) do you think changes are necessary in order to provide lower priced condominium units for the lower income market?

Yes
No

What kind of changes do you believe are necessary?

(33) With respect to present government policies (directed at other segments of the housing market) do you think changes are necessary in order to provide lower priced condominium units for the lower income market?

Yes
No

What kind of changes do you believe are necessary?

(34) Would you like to make any additional comments pertaining to this questionnaire or to the subject of condominiums?

APPENDIX IV

Tabulation of Occupants' Survey Results

TABLE I: TOTAL HOUSEHOLD INCOME IN INDIVIDUAL CONDOMINIUMS

SUB-GROUP	LAKEMOOD VILLAGE	THAMANI TOWERS	DORSET HOUSE	SOUTHWOOD GREEN	PINEMOOD VILLAGE	EXECUTIVE HOUSE	SANSOME AND WESTWOOD DRIVE	411 CUMBERLAND	NESS SQUARE	CHIMNEY RIDGE	CRESCENTWOOD GARDENS	TUXEDO ESTATES	SPANISH COURTS	WHOLE POPULATION	NEW TOWN HOUSES	CONVERTED TOWN HOUSES	NEW APARTMENTS	CONVERTED APARTMENTS
% OF UNITS FROM WHICH RESPONSE WAS RECEIVED	100	95.83	100	94.74	100	100	100	100	100	100	100	100	100	98.8	100	97.78	97.06	100
UNDER \$5,000								6.7						1.21				4.3
\$5,000-9,999	23.8	13.04	16.7	5.6			10.3				20.0			9.9	12.2	4.55	9.09	10.6
\$10,000-14,999	14.3	21.74	25.0	5.6	14.3		36.7	75.0	75.0	25.0	40.0	10.0	25.0	21.82	19.5	18.18	18.18	29.8
SUB-TOTAL	38.1	34.78	41.7	11.2	14.3		53.7	75.0	75.0	25.0	60.0	10.0	25.0	32.12	31.7	22.73	27.27	44.7
\$15,000-19,999	19.0	8.7	25.0	5.6	42.9	20.0	16.7	23.3		25.0	20.0	30.0	25.0	19.39	22.0	15.91	15.15	23.4
\$20,000-24,999	23.8	21.7	16.7	16.7		40.0	33.3	16.7	25.0	45.0		20.0		21.82	34.1	13.64	21.21	19.1
SUB-TOTAL	42.8	30.4	41.7	22.3	42.9	60.0	50.0	40.0	25.0	70.0	20.0	50.0	25.0	41.21	56.1	29.55	36.36	42.5
\$25,000-29,999	9.5	13.0		16.7	14.3	20.0		3.3		5.0		10.0	25.0	8.48	7.3	11.36	12.12	4.3
\$30,000-34,999	9.5	21.7		11.1	28.6		33.3	3.3						8.48	4.9	13.64	15.15	2.1
\$35,000 & OVER			16.7	38.9		20.0	16.7				20.0	30.0	25.0	9.7		22.73	9.09	6.4
SUB-TOTAL	19.0	34.7	16.7	66.7	42.9	40.0	50.0	6.6		5.0	20.0	40.0	50.0	26.66	12.2	47.73	36.36	12.8
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

APPENDIX V

List of Developers and Lenders Interviewed

DEVELOPERS

1. Qualico Developments Ltd.
2. Aronovitch & Leipsic Ltd.
3. Hanford Homes Ltd.
4. Maxlor Enterprises Ltd.
5. The Ed-Win Group Ltd.
6. S.C.G. Management & Investments Ltd.
7. Ken Berthiaume
8. Tuxedo Estates Ltd.
9. Daon Development Corporation
10. Donley Estates Ltd.
11. Oades Agencies Ltd.
12. Paul Deprez
13. R. Ball
14. Black & Armstrong (1977) Ltd.
15. Barry Camac

LENDERS

1. Central Mortgage and Housing Corporation
2. Fidelity Trust Co.
3. Manitoba Housing & Renewal Corporation
4. Investors Group Trust Co. Ltd.
5. Prudential Insurance Co.
6. Canada Trust Co.
7. Great West Life Assurance Co.
8. National Trust Co.
9. Assiniboine Credit Union Ltd.
10. Royal Trust Corporation of Canada
11. Canadian Imperial Bank of Commerce
12. Royal Bank of Canada
13. Montrose Mortgage Corporation Ltd.
14. Teachers Investment and Housing Co-operative.

BIBLIOGRAPHY

BOOKS

- Abrams, C. Man's Struggle for Shelter in an Urbanizing World, Cambridge, Mass.: M.I.T. Press, 1964.
- Babbie, Earl R. Survey Research Methods, Belmont, California: Wodsworth Publishing Co., Inc., 1973.
- Bryant, Rooks W. Mortgage Lending: Fundamentals and Practices, New York: McGraw-Hill, 1962.
- Clurman, D., Hebard, E.L. Condominiums and Co-operatives, New York: New York-Wiley Interscience, 1970.
- Cochran, W.G. Sampling Techniques, New York: Wiley, 1963.
- Fisher, Ernest M. Urban Real Estate Markets: Characteristics and Financing, New York: National Bureau of Economic Research, Inc., 1951.
- Fisher, E.M., Fisher, R.M. Urban Real Estate, New York: Henry Holt & Co., 1954.
- Freeman, Linton C. Elementary Applied Statistics, New York: John Wiley and Sons, Inc., 1965.
- Grigsby, William G. Housing Markets and Public Policy, Philadelphia: University of Pennsylvania Press, 1971.
- Halperin, Don A. Construction Funding - Where the Money Comes From, New York: John Wiley & Sons, Inc., 1974.
- Hubin, Vincent J. Warning: Condominium Ownership May Be Dangerous to Your Health, Wealth and Peace of Mind, Illinois: Dow Jones-Irwin, 1976.
- Krueckeberg, D.A., Silvers, A.L. Urban Planning Analysis: Methods and Models, New York: Wiley, 1974.
- MacDonald, John D. Condominium, a novel, Philadelphia: Lippincott, 1977.
- Nevitt, A.A. (ed.). The Economic Problems of Housing, Toronto: MacMillan & Co., Ltd., 1967.
- Nie, N.H.; Hull, H.C.; Jenkins, J.G.; Steinbrenner, K.; Bent, D.H. Statistical Package for the Social Sciences, (2nd ed.), New York: McGraw-Hill Book Co., 1975.
- Rapkin, C.; Blank, D.; Winnick, L. Housing Market Analysis: A Study of Theory and Methods, Washington, D.C.: HHFA, Office of the Administrator, Division of Housing Research, Dec. 1953.
- Rhyne, C.S.; Rhyne, W.S.; Wynns, P. Municipalities and Multiple Residential Housing: Condominiums and Rent Control, Copyright 1975, Washington: National Institute of Municipal Law Officers, 1975 - 1976.

- Rosenberg, A.B. Condominium in Canada, Toronto: Canada Law Book, 1969.
- Smith, Lawrence B. The Postwar Canadian Housing & Residential Mortgage Markets and the Role of Government, Toronto: University of Toronto Press, 1974.
- _____. Housing and Mortgage Markets in Canada, (Ottawa) Bank of Canada, 1970.
- Smith, Wallace F. Housing - the Social and Economic Elements, Berkeley: University of California Press, 1971.
- Steady, Richard. Steady's Practical Canadian Mortgage Guide, Willowdale, Ontario: Real Estate Press, 1976.
- The American Law Institute. The Practical Lawyer's Manual of Real Estate Practices, Philadelphia: Joint Committee on Continuing Legal Education, 1969.

ARTICLES

- Caldwell, Lloyd A. "Provincial (Condominium) Legislation", Habitat, Volume XII, Numbers 4 - 5, 1969.
- Ford, R.W.; Fowler, R.E. "The Lenders' View 2", Habitat, Volume XII, Numbers 4 - 5, 1969.
- Miasel, Sherman J. "A Theory of Fluctuations in Residential Construction Starts", American Economic Review, June, 1963.
- Ryan, R.T. "The Lenders' View 1", Habitat, Volume XII, Numbers 4 - 5, 1969.
- Smith, E.H.Q. "Old Wine in New Bottles", Habitat, Volume XII, Numbers 4 - 5, 1969.
- Snell, R.R. "The Third Alternative", Habitat, Volume XII, Numbers 4 - 5, 1969.
- "Developers Look at Condominium" (Series of Interviews), Habitat, Volume XII, Numbers 4 - 5, 1969.
- "Owners Look at Condominium", (Series of Interviews), Habitat, Volume XII, Numbers 4 - 5, 1969.

REPORTS

- "Condominium Projects: Problems and Solutions", Cartwright Consulting Associates Ltd., Toronto, July 1976.
- "Townhouses and Condominiums: Residents' Likes and Dislikes", Dr. Carl Norcross, Urban Land Institute, Washington, D.C., 1973.

- "Condominium (Housing) Ontario", Urban Development Institute of Ontario, Toronto, 1969.
- "The Condominium: A Report on the Concerns of Owners and Developers", Originating out of the proceedings of two meetings sponsored by the Borough of Scarborough (Oct. 22, 1974 -- Condominium Ownership, Nov. 5, 1974 -- Condominium Development).
- "Palo Alto -- Condominium Conversion Study", A Report to the City Council of Palo Alto, California, by the Planning Dept., City of Palo Alto, May 1, 1974.
- "Conversion of Rental Buildings to Condominium", Metro Toronto Planning Department, January 7, 1975.
- "Report on Problems in Existing Condominiums", Borough of Etobicoke -- Special Committee on Housing, November 8, 1974.
- "Financial Management of Condominium and Homeowner Associations", Urban Land Institute and Community Associations Institute, Washington, D.C., 1975.
- "FHA Techniques of Housing Market Analysis", Department of Housing and Urban Development, FHA Economic and Market Analysis Division, Washington, D.C., August, 1970.
- "200 East Delaware Condominium Market Survey", Urban Associates of Chicago, December 1972.
- "Condominium Development and Ownership", S.W. Hamilton and R. Roberts (University of British Columbia), published by Real Estate Board of Greater Vancouver, October 1973.
- "Conversion of Rental Properties to Condominium in Canada", Prepared by Alvin B. Rosenberg, Published under the auspices of the Research and Development Fund, Appraisal Institute of Canada, June 1976.
- "The Leasehold Condominium/Problems and Prospects", The Report of the Ontario Task Force on Leasehold Condominiums, Toronto, Ontario, 1977.
- Report of the Ontario Residential Condominium Study Group, Toronto, Ontario, 1977.
- "HUD Condominium/Co-operative Study", Volumes I, II, III, Department of Housing and Urban Development, Washington, D.C., July 1975.
- "National Survey of Condominium Owners" Prepared by Condominium Research Associates, Toronto, Ontario, December 1970.
- "National Survey of Condominium Lenders", Prepared by Condominium Research Associates, Toronto, Ontario, December 1970.

"Housing in Winnipeg", Mario E. Carvalho, Krishna Sahay, Derek Hum, Don Falconer, Dept. of City Planning and Dept. of Economics, University of Manitoba, 1974.

Brief presented to the Ontario Residential Condominium Study Group by the Toronto Real Estate Board, 1977.

"Report of the Condominium Study Group", Alberta Consumer and Corporate Affairs, April 1976.

Borough of Etobicoke Housing Policy Statement (draft) Etobicoke Planning Department, May 1977.

TRANSCRIPTS

"Condominiums: Concepts and Challenges", Seminar Transcript of Proceedings, March 27-28, 1974, Conference/Seminar Centre, Seneca College of Applied Arts and Technology.

Transcript of Hearing on Condominiums and Co-operatives, February 10, 11, 12, 1975, U.S. Department of the Interior Auditorium, Department of Housing and Urban Development, Washington, D.C.

Condominium Seminar Transcript, July 4, 1974, Ministry of Housing Subdivision Branch, Ontario.

"The Relationship of Residential Financing and Expenditures on Residential Construction", Proceedings of Conference on Savings and Residential Financing, U.S. Savings and Loan League, May 1965.

"The Law and Condominium Development", Proceedings of a Conference held at the Faculty of Law, Dalhousie University, October 20, 1973, Halifax.

LEGISLATION

The National Housing Act

Manitoba Condominium Act, Chapter C170

Bill 5 and Bill 21 -- Acts to Amend the Manitoba Condominium Act

The City of Winnipeg Act

The Planning Act

STATISTICAL DATA

Weekly Active List, The Winnipeg Real Estate Board, Multiple Listing Service

The Royal Trust Focus on Real Estate, Royal Trust Corporation of Canada
Canadian Housing Statistics, Central Mortgage and Housing Corporation
Statistics Canada Census Data
Digest, Business and Law Journal

NEWSPAPERS

The Winnipeg Tribune

The Winnipeg Free Press

The Condominium, publisher: James W. Carr, Toronto.

OTHER SOURCES

Certificates of Title

Transfers of Title

Building Permits

Condominium Registry

Condominium Plans

Marketing Information

Survey of Occupants

Interviews with Lenders

Interviews with Developers