

The usual options of a mortgage, second mortgage, and reverse mortgage are one group of alternatives.

Funding sources that may be less well known include deferred municipal taxes and a line of credit as well as assistance provided to owners through a line of credit or bank loan taken out by the Strata. Each of these is briefly discussed below.

1. Municipal taxes can be deferred by qualified owners over the age of 55 for any length of time up to the day on which the property is sold. The interest rate is fixed by the provincial government at 2 percentage points below prime. At this time, the fixed rate is .7%. The rate is adjusted, if necessary, every six months. More detail can be found by googling “deferred municipal tax BC”. In the case of 701-Phase 3 in 2017-8, for example, \$4,616 dollars of tax could be deferred per year at an annual interest cost of \$31.
2. Many owners can qualify for a line of credit with their condo as collateral and interest rates as low as prime are a possibility. Depending on your circumstances, it is also possible to arrange a line of credit that does not require regular payment of either interest or principle. Check with your bank for details.
3. It is also possible for the Strata to take out a bank loan, or establish a line of credit, and thereby reduce the monthly payments from owners. A memo about a loan program available to Stratas was prepared after attending the Canadian Condominium Institute/Canadian Western Bank Bank Seminar on Financing Large Projects, March 28, 2017

I personally would recommend that Council appoint a Financial Planning Committee for such things as advising Council about funding options, monitoring and managing the funding of capital projects, collecting data about financing capital projects, informing owners about financing options, and offering owners a confidential consulting service about funding alternatives.