

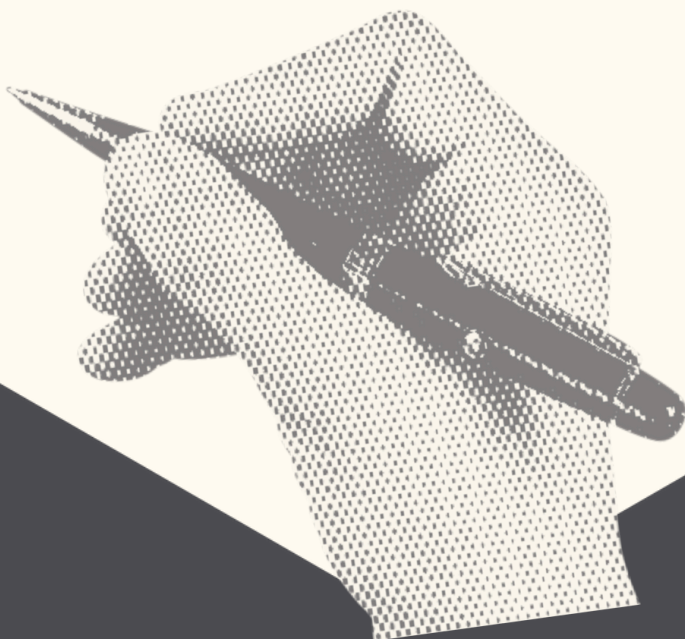


**Canadian  
Network of  
Community  
Land Trusts**

# **Making the First Acquisition:**

A Case Study of the Ottawa  
Community Land Trust

Published January 2025



# Project at a Glance

Location: 887 Kirkwood Avenue, Ottawa, Ontario

Year of acquisition: 2023

Units: 6 residential units (1 and 2 bedrooms)

Sale price: \$1,435,000

Total acquisition cost: \$1,723,295 (*includes funding for urgent capital repairs*)

Closing period: 150 days

Previous owner: Private owner

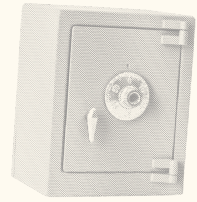
Operating model: Property management company

Rent level: Capped at 80% CMHC's Average Market Rent (AMR)



Image: the building at 887 Kirkwood Avenue in Ottawa, OCLT's first acquisition. Photo credit: Benjamin Lopez Steven

# Funding Stack



Municipal grant: **\$800,000**  
 Anonymous gift: **\$250,000**  
 Year 1 - line-of-credit from VCIB: **\$1,000,000**  
*(initial loan, paid off as other sources came in)*  
 Post-year 1 - Mortgage: **\$181,000 (TBD)**  
 Post-year 1 - Community bonds: **\$492,295 (TBD)**

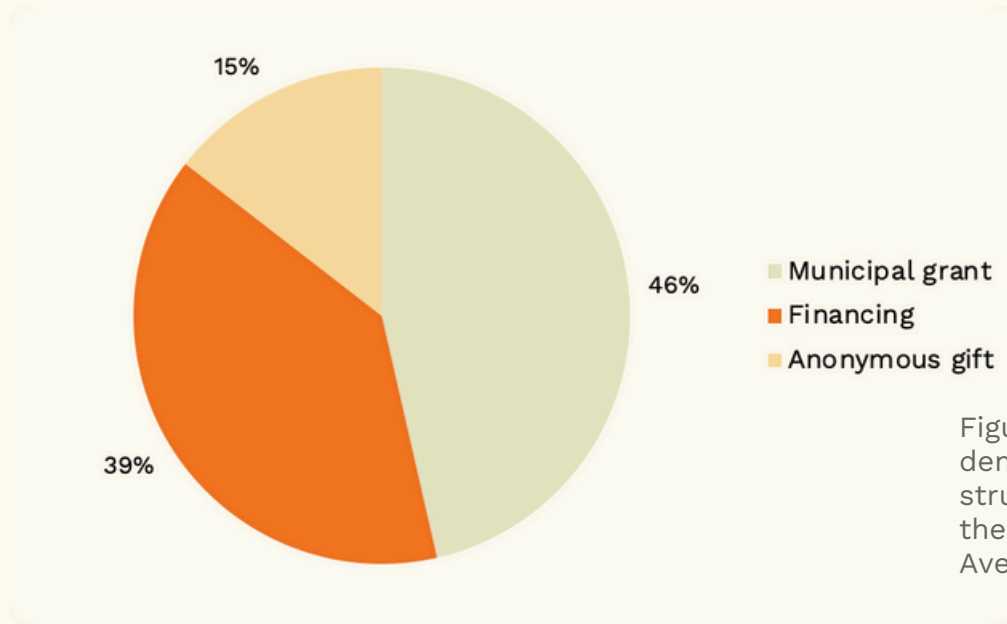


Figure 1: This chart demonstrates the funding structure used to acquire the building at 887 Kirkwood Avenue in Ottawa, Ontario.

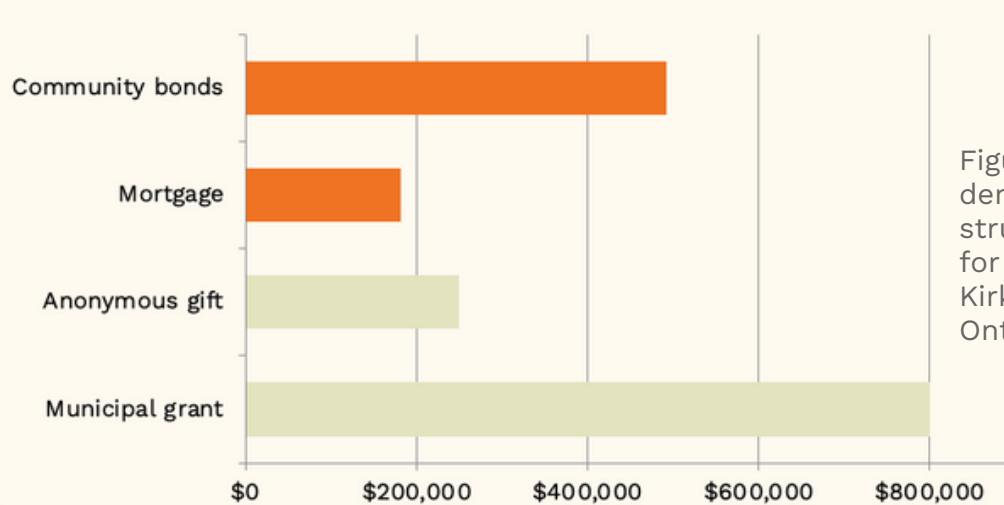


Figure 2: This chart demonstrates the fund structure by funding source for the building at 887 Kirkwood Avenue in Ottawa, Ontario.

*Note: This is the expected breakdown after converting the one-year short-term loan from VCIB.*

## Background & Context

The Ottawa Community Land Trust (OCLT) was created in part as a vehicle to raise capital in order to acquire and protect “naturally occurring” affordable housing across Ottawa. Having hired their first member of staff in 2022, OCLT began scanning the city for potential at-risk apartment buildings, prioritizing fiscal prudence (targeting 65-75% loan-to-value).

OCLT received an anonymous gift of \$250,000, as well as \$800,000 in ward-based affordable housing funds towards the purchase from their city councillor. This equity enabled them to secure a 12-month line of credit with Vancity Community Investment Bank (VCIB) through the Preserve and Protect Guarantee Program. With all those pieces coming together, in October 2023 OCLT closed on a six-unit apartment building in the Carlington neighbourhood.

Having successfully launched a community investment (community bond) campaign in 2024, the OCLT repaid the line-of-credit with bond proceeds in October 2024. In 2025, OCLT will purchase a first mortgage - likely approximately \$181,000 - and retain additional low-interest financing through the community bonds. The specific breakdown will be determined based upon the rate environment at time of purchase.

## Challenges

OCLT was initially expecting an alternative source of equity for the project, which was not ultimately secured. The City of Ottawa originally offered \$400,000 in funds to support the acquisition; but as a condition of funding from the City of Ottawa, OCLT needed to keep rents at 80% AMR, which changed their initial pro forma calculations and restricted revenues. As such, the City subsequently offered an additional \$400,000.

While affordability is a priority for OCLT, covering operating costs and loan payments is very difficult when rent revenue is low. Average Market Rent is already well below what landlords are actually charging in most cases, making the acquisition of buildings priced for the highest rents possible challenging.

## Factors for Success

Formed with the support of Ottawa’s community housing sector, OCLT has a very knowledgeable board and asset management committee, with experience in property, management, real estate, and investment. Having this expertise in-house helped guide the acquisition through the creation of clear policies, and it also gave OCLT credibility as a newer organization.

OCLT’s success was also enabled by strong relationships with a committed real estate broker and a supportive city councillor, who helped OCLT receive a municipal grant that they leveraged to access financing. The OCLT was able to take advantage of VCIB’s Preserve and Protect Guarantee Program, first developed through a partnership between Parkdale’s Neighbourhood Land Trust and VCIB, demonstrating the value of an interconnected CLT movement.

“People don't necessarily understand that it's not a magic wand. If there's a building that's scheduled for teardown and it makes a headline, sure, we'd love to jump in there and say we're gonna save it. But it has to be viable.”

Mike Bulthuis, Executive Director, OCLT

## [Learn more about OCLT’s work here!](#)

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