

Land deferral process:

Applicants must qualify and gain pre-approved financing for the property as per usual market purchase (house and land). However, the lender will only advance the amount required for the unit upon ownership transfer as the City of Edmonton has deferred the land portion of the mortgage for five years at no interest. The purchaser, at a minimum, will be required to make mortgage payments on the unit only for the first five years. This means a lower annual mortgage payments of \$1,700 to \$2,600 per year for the first five years.

The purchaser may choose to apply this annual amount directly against payments on the principal amount borrowed. At the end of five years, the financial institution will advance the payment for the land portion of the mortgage directly to the City of Edmonton. Buyers working with the financial institutions affiliated with the First Place Program (see link) qualify for a lower CMHC mortgage insurance premium, at 2.75%. In total, these provisions create an overall savings to the buyer of between \$6,900 and \$9,000.