

SHAWN SELANDERS

Property Types Explained

Condo vs bare land condo vs villa vs freehold.

What you own, what you pay, and how it affects your mortgage.

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Not All Properties Are Created Equal

When you buy a property, the type of ownership structure directly affects your mortgage qualification, your monthly costs, and your long-term flexibility. Many buyers don't understand the differences until they're already in the process — and by then, it can be a costly surprise.

This guide explains the major property types you'll encounter in Alberta and how each one impacts your mortgage.

Freehold (Traditional House)

You own the land and the structure. No condo corporation. No condo fees. You're responsible for all maintenance, insurance, landscaping, snow removal, and repairs. This is the most common property type in Alberta.

Mortgage impact: Straightforward qualification. No condo fees in GDS/TDS. Easiest to finance.

Conventional Condominium

You own your individual unit. The condo corporation owns the common areas (hallways, parking, amenities, building exterior). You pay monthly condo fees that cover building maintenance, reserve fund contributions, insurance on common areas, and shared utilities.

Mortgage impact: 50% of condo fees are added to your GDS and TDS. Lenders also review the condo corporation's financial health — reserve fund, special assessments, litigation, and insurance. A condo with a weak reserve fund or pending special assessment may be harder to finance.

Condo fees vary dramatically — from \$200/month for a small building to \$800+/month for luxury high-rises with pools, gyms, and concierge. Always factor the full condo fee into your monthly budget, even though only 50% hits your qualification ratios.

Bare Land Condominium

This is a hybrid. You own the structure AND the land underneath it — but the property is still registered as a condominium. A bare land condo corporation manages shared elements like roads, sidewalks, landscaping, and sometimes snow removal. You still pay condo fees, but they're typically much lower than a conventional condo because you're not sharing a building.

Common in newer Alberta developments — townhome communities, row housing, and some detached home developments where shared infrastructure exists.

Mortgage impact: Same as conventional condo — 50% of fees are added to GDS/TDS. Lenders treat bare land condos the same as conventional condos for qualification purposes, even though you own the land.

Villa / Adult Community / Freehold with HOA

This is NOT a condo. You own the land and the structure outright — it's freehold property. But the community has a Home Owners Association (HOA) that charges monthly fees for shared services like snow removal, landscaping, underground sprinkler maintenance, and exterior upkeep.

Example: A villa community in High River where homeowners pay \$125/month for snow removal, lawn care, and underground sprinkler watering. No condo corporation. No condo board. Full ownership of land and building. But there is a monthly HOA obligation.

Mortgage impact: 100% of HOA fees are added to your GDS and TDS — not 50% like condo fees. This is a critical distinction. A \$125/month HOA fee hits your qualification harder than a \$125/month condo fee because the full amount counts.

⚠ Many buyers (and even some realtors) confuse villas with condos. They are NOT the same. The ownership structure, the fee treatment for mortgage qualification, and the legal framework are all different. Confirm the property type with your realtor and mortgage broker.

Lake Community / Resort Community

Properties in lake communities (like D'Arcy in Okotoks, Mahogany in Calgary, or various communities around Sylvan Lake and Chestermere) often have HOA or community association fees for lake access, park maintenance, beach facilities, and shared amenities.

Mortgage impact: These fees are treated like HOA fees — 100% is included in GDS/TDS. They can be significant — \$200 to \$500+/month in some communities.

Leasehold Property

You own the structure but NOT the land. You lease the land from the landowner (often a municipality, First Nation, or private entity) and pay a land lease fee. When the lease expires, the arrangement must be renegotiated.

Mortgage impact: More difficult to finance. Not all lenders will offer mortgages on leasehold properties. Those that do may require higher down payments and charge higher rates. The land lease fee is included in your debt servicing.

Mobile / Manufactured Home

A factory-built home transported to a site. If permanently affixed to a foundation on owned land, it may qualify for traditional mortgage financing. If on leased land in a mobile home park, financing options are more limited and may require specialty lenders.

Mortgage impact: Varies enormously. Permanently affixed on owned land with CSA certification = standard mortgage possible. On leased pad = much harder, higher rates, shorter amortization.

Quick Reference Chart

- Freehold house: You own everything. No fees in GDS/TDS (except property tax and heat).
- Conventional condo: Own the unit. 50% of condo fees in GDS/TDS.
- Bare land condo: Own land + structure. Still 50% of condo fees in GDS/TDS.
- Villa / HOA community: Own everything. 100% of HOA fees in GDS/TDS.
- Lake community: Own everything. 100% of community fees in GDS/TDS.
- Leasehold: Own structure only. Land lease + limited lender options.

⚠ Always confirm the property type and any associated fees BEFORE making an offer. The fee structure directly affects your mortgage qualification and monthly costs. Ask your realtor for the condo documents or HOA agreement, and share them with your mortgage broker.

Important Disclaimers

This guide provides general information only and is not a commitment to lend, rate guarantee, or pre-approval. All figures are approximate and must be verified with your mortgage broker and realtor before making any decisions. Lender guidelines, insurer policies, and government programs change frequently. Support payments (child support, spousal support, alimony) affect qualification. 50% of condo fees and 100% of HOA fees are included in debt servicing. Canadian semi-annual compounding applies to all mortgage calculations. Information compiled as of March 2026. OAC. E.&O.E.

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