

THE BLUEPRINT BUILD PLAN

YOUR QUOTE IS READY. YOUR CLIENT NEEDS THE MONEY.

Plenty of basement suites and garden homes never start because the homeowner's bank won't lend on a project. This mortgage finances the job on the property's finished value and pays it out in stages as the work is done.

JOBS IT FUNDS

Basement apartments

Legal second units, including separate entrances and egress.

Garden suites & laneway homes

Detached additional units on the same lot.

Additions

Up, back or out, where the added space becomes a unit or adds value.

Conversions

Single-family to duplex, triplex or fourplex.

Demolition & rebuild

Up to four residential units in the finished property.

Major renovations

There's no cap on the build budget.

HOW THE DRAWS WORK

1

Approval on your quote

Your itemised quote and the plans are what the appraiser values the finished property on.

2

Inspected draws

Before each draw, an inspector confirms the percentage complete. Money follows the work, not invoices.

3

Paid to your client

Each draw goes to the owner, less a 15% holdback. Your client pays you.

4

Completion

A final inspection releases the holdback, and the mortgage converts to a regular one.

Agree your payment schedule with the owner, around the inspections. Draws are paid to your client on the percentage of work completed, and the lender keeps 15% until the end. Phases that finish cleanly and can be inspected keep money moving. Deposits and materials on site don't count toward completion.

WHAT MAKES A FILE MOVE

- ◆ An itemised quote by trade, with a contingency line
- ◆ A payment schedule that lines up with inspection stages
- ◆ Drawings, and where the permit stands
- ◆ A realistic timeline. The work must finish within 6 to 12 months of closing
- ◆ Your company details on the quote: legal name, HST number and proof of insurance

WHERE IT STOPS

- ◆ More than four units in the finished property
- ◆ Any commercial space
- ◆ Projects that run past 12 months
- ◆ Owners who can't carry the 15% holdback

Two holdbacks, and they're separate. The lender keeps 15% of the build money until completion. Separately, under Ontario's *Construction Act*, the owner holds back 10% of what is paid to you until the lien period has passed. Build both into your cash flow.

AN EXAMPLE JOB ILLUSTRATIVE

Garden suite, full build **\$300,000**

PAID TO THE OWNER AFTER EACH INSPECTION

Draw 1 · foundation and framing	\$63,750
Draw 2 · closed in, rough-ins	\$63,750
Draw 3 · drywall and finishes	\$63,750
Draw 4 · substantially complete	\$63,750
Held back, released at completion	\$45,000

- ◆ Each stage here is worth \$75,000. The lender pays 85% after inspection and keeps 15% until the end.
- ◆ The stage names are examples. The lender's inspector sets the percentage complete.
- ◆ With your client's permission, send me the quote before they sign. I'll tell them what it supports.

Ontario allows more units than most people think. Since the *More Homes Built Faster Act* (2022), most serviced residential lots in Ontario can hold up to three units as of right: the main house plus, for example, a basement suite and a garden suite. Your municipality still sets the zoning, setbacks and permits, so check those before you draw anything up.



HAND YOUR CLIENT THIS SHEET, OR CALL ME FIRST.

Stephen Green, Mortgage Broker · nearly 30 years in Canadian financial services · Waterloo Region, serving all of Ontario

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