

THE BLUEPRINT BUILD PLAN

FINANCE THE HOME IT'S ABOUT TO BECOME.

Most lenders value a property as it stands today. This mortgage is based on what it will be worth once your suite, garden home or rebuild is finished, and the build is paid for inside that one mortgage as the work gets done.

WHO IT'S FOR

- ◆ Homeowners adding a basement apartment or garden suite to help carry the mortgage
- ◆ Investors adding units to a rental they already hold
- ◆ Buyers of a house that only works once it's extended or rebuilt
- ◆ Owners of a tired property ready for a full rebuild, up to four units

WHY IT'S DIFFERENT

- ◆ Lent on the **finished** value, so the new unit counts from the start
- ◆ Build money is paid to you in stages as the work is inspected
- ◆ Interest-only while you build, then one regular mortgage
- ◆ Priced as a mortgage. You aren't paying for a construction loan or a line of credit on top

THE PROGRAM AT A GLANCE

UP TO 80%

of the as-complete value, meaning what the property will be worth when the work is done

BUY OR REFINANCE

for a purchase, or on a home you already own

ANY OCCUPANCY

your own home, a second home or a rental

UP TO 4 UNITS

in the finished property, all residential

INTEREST-ONLY

payments while the work is under way

NO BUDGET CAP

from a renovation to a full demolition and rebuild

6 TO 12 MONTHS

to finish the work after closing

15% HOLDBACK

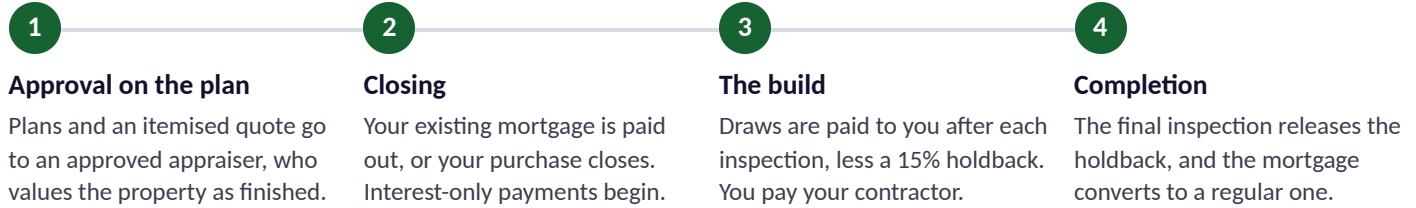
kept by the lender until the work is finished. You carry it, from savings, a gift or borrowed funds

ONE MORTGAGE

qualified on the full amount owing once the project is finished

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.

HOW THE MONEY MOVES



AN EXAMPLE ILLUSTRATIVE, NOT A CLIENT

Home value today	\$625,000
Existing mortgage	\$440,000
Garden suite build	\$300,000
As-complete appraisal	\$925,000
Mortgage approved (80%)	\$740,000
Paid in draws during the build	\$255,000
Held back until completion (15%)	\$45,000

WHILE YOU BUILD · 6-MONTH TERM AT 6.15%

Interest-only at closing on \$440,000	\$2,227/mo
With every draw paid, on \$695,000	\$3,517/mo

FINISHED · 5-YEAR FIXED AT 4.19%, 30 YEARS

Regular payment on \$740,000	\$3,599/mo
Estimated rent from the new suite	-\$2,300/mo
Left to carry, before landlord costs	\$1,299/mo

Payments use Canadian semi-annual compounding. The percentages are examples only.

BEFORE YOU COMMIT

- ◆ Interest-only isn't cheap. The build-stage term is short and usually costs more: here, \$3,517 a month near the end of the build against \$3,599 once finished.
- ◆ You carry the 15% holdback until completion. Keep money beyond it for timing gaps and surprises.
- ◆ Rent is an estimate. Vacancy, tax on rental income, insurance and upkeep all come off it.
- ◆ A new unit changes your home insurance and property tax. Call both before you build.

WHAT TO HAVE READY

- ◆ Drawings or plans, and where your permit stands
- ◆ An itemised contractor quote
- ◆ Where your 15% is coming from
- ◆ Expected rent for the new unit
- ◆ The usual income and ID documents



BRING THE PLAN. I'LL SHOW YOU WHAT IT SUPPORTS.

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

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