

THE BLUEPRINT BUILD PLAN

THE LISTING THAT ONLY WORKS ONCE IT'S BUILT.

Some houses sit because buyers can see the potential and their lender can't. This mortgage finances the purchase on what the property will be worth once the work is finished, with the build paid for inside the same mortgage.

WHERE IT FITS

Room for a garden suite

Deep lots and wide lots where a second dwelling changes the numbers.

A basement with potential

A separate entrance, the ceiling height or the layout for a legal second unit.

Priced for its condition

Dated homes buyers walk away from because they can't fund the work.

Teardowns

Demolish and rebuild, up to four residential units in the finished property.

Investor conversions

A single-family house becoming a duplex, triplex or fourplex.

Buyers who need the rent

A suite income that helps the purchase make sense for a first or second buyer.

AN EXAMPLE BUYER ILLUSTRATIVE

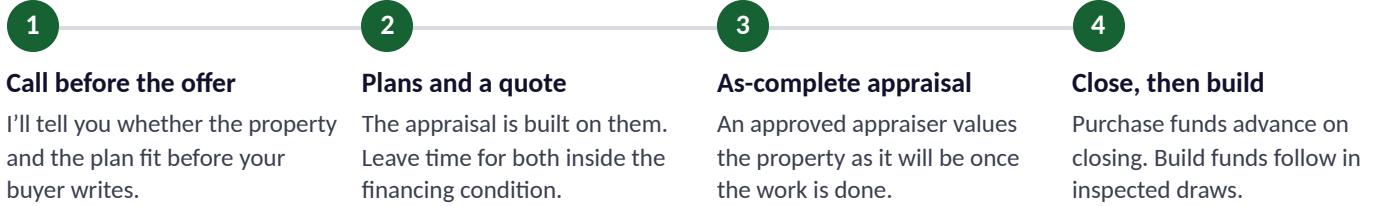
Purchase price	\$500,000
Down payment (20%)	\$100,000
Garden suite build	\$250,000
As-complete appraisal	\$812,500
Mortgage approved (80%)	\$650,000
Advanced on closing	\$400,000
Paid to the buyer in draws	\$212,500
Held back until completion (15%)	\$37,500
Finished payment, 5-year fixed at 4.39%, 30 years	\$3,236/mo

Figures are examples only. Canadian semi-annual compounding.

AT A GLANCE

- ◆ Up to 80% of the as-complete value
- ◆ Purchases and refinances
- ◆ Owner-occupied, second home or rental
- ◆ Up to four units finished, all residential
- ◆ Interest-only during the build
- ◆ Work finished 6 to 12 months after closing
- ◆ No cap on the build budget

GETTING THE OFFER RIGHT



WHAT YOUR BUYER NEEDS

- ◆ A down payment on the purchase price
- ◆ 15% of the build budget to carry the lender's holdback. Savings, a gift or borrowed funds all count
- ◆ Drawings and an itemised contractor quote
- ◆ Zoning that allows the units they plan to add
- ◆ A timeline that finishes within 12 months of closing

WHERE IT STOPS

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

Worth telling buyers early: payments are interest-only during the build, on a short term that usually costs more, and the lender keeps 15% of the build money until the work is finished.

WHICH ONE FITS THE HOUSE

	PURCHASE PLUS IMPROVEMENTS	THE BLUEPRINT BUILD PLAN
Best for	Kitchens, flooring, a roof, updates	New units, additions, full rebuilds
Build budget	A share of the purchase price, set by the lender	No cap
When the money arrives	After the work is done and verified	In draws during the build, less a 15% holdback
Payments during the work	Regular mortgage payments	Interest-only on what's been advanced
Refinance available	No, it attaches to a purchase	Yes

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.



SEND ME THE LISTING. I'LL TELL YOU WHETHER IT FITS.

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

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