Purchase Plus Improvements – Renovation Mortgages

A few things to know!

- Our lending rules allow you to borrow up to 10-20% of the purchase price, up to a maximum amount of $40,000.00
- We will need the professional quotes for the work being completed upfront to accompany your offer to get lenders approval/review for the purchase and the upgrades.
- You'll need to have the funds to pay for the full work to be completed up front, as the money is not released until everything is 100% completed and paid.
- Once the renovations are complete, the lender requests an inspection to confirm, that report is sent to them and myself.
- Once receipt of that completion plus paid invoices are received, they instruct the lawyer to release the funds back to you (who have been holding them in trust since your closing day)
- The funds must be released all at once. Once the job is completed in full, you will receive your full renovation funds back.
- You will not receive funds for the different stages of your renovations.
- Your Renovations must be completed within 120 days (please chat with me if you are planning a larger renovation that will take longer – we do have options for longer timelines)

Here are some Frequently Asked Questions:

1) What can I include in these quotes for renovations?

- Furnace, roof, garage build, basement completions, bathrooms, kitchens doors, trim, paint et etc so basically all of the cosmetic upgrades that add value to your home

2) Is there anything I cannot include in the quote?

- Appliances are not accepted as value can be changed by removing them
- Landscaping is generally not included (unless a brand new home) as value is subject to opinion
- Work outside of the home such as sewer lines etc is case by case

3) Can you do the work myself?

- Yes - However, the Lender will require to know what experience you have with Renovations.
- You will still need to provide quotes for the materials and supplied required

4) Can you use more than one contactor?

- Yes! You can use as many contractors as you would like. Feel free to gather several quotes to find who is the most cost effective.
- We only require the one you plan to use for our submission to the lenders.
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5) What if I change my mind on the work being done after we start renovations?

- This is VERY important to note!
- The scope of work cannot change… if you get a bathroom renovation quoted that bathroom must be renovated to the scope it notes in the quote
- Changing things such as color of paint or flooring etc is zero issue but if you note floor replacement it needs to be replaced

6) What if I change my mind?? What happens?

- Lenders have approved that original scope of work and will only release funds based on what is completed from that quote
- If you change your mind, which can happen, that is no issue but please understand that it means that the work you did not complete will NOT be released to you and will be returning to the lender as a credit to your mortgage balance.

7) What are the requirements for a Purchase Plus Mortgage and what renovations I add?

- The renovations that you are wanting to complete must increase the value of the home.

If you have a specific item you want to add into the renovation or have a question about, please reach out to us directly

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