

CMHC MULTI-UNIT ENERGY-EFFICIENT PROPERTIES

HELPING TO MAKE ENERGY-EFFICIENT PROPERTIES MORE AFFORDABLE.

When constructing multi-unit housing, or improving the energy efficiency of existing projects, CMHC offers mortgage loan insurance premium savings of up to 15%, through a premium reduction or refund.

FEATURES

- 10% premium reduction/refund to borrower on full premium due or paid (inclusive of surcharges) for qualifying *new construction* applications.
- Up to 15% premium reduction/refund to borrower on the full premium due or paid (inclusive of surcharges) for qualifying *existing building* applications.
- Recognition of estimated energy-savings in valuation of rental properties when calculating net operating income, including anticipated consumption savings for heat, hydro and water efficiency initiatives.
- No minimum energy savings threshold for existing buildings.

BENEFITS

Instant Savings – Where applicable, a premium reduction can be received at time of origination, providing borrowers with instant premium savings.

Flexibility – Borrowers are able to use a variety of documents to demonstrate a reduction in energy consumption, reducing the cost and time involved in obtaining energy reports.

Availability – Available for new and existing multi-unit residential properties including rental buildings, student housing, retirement and long-term care facilities located from coast-to-coast-to-coast.

Investment Return - In addition to potentially increasing the life span of the structure itself, building / unit owners and tenants may benefit from reduced operating costs.

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www.cmhc.ca/multi-unit

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<p>Loan Purpose</p>	<ul style="list-style-type: none"> ▪ New Construction ▪ Refinance or Purchase where energy efficiency improvements are being undertaken (excludes CMHC-insured loans to existing condominium/strata corporations for energy efficiency improvements to common elements/property).
<p>Energy-Efficient Premium Reduction/Refund</p>	<ul style="list-style-type: none"> ▪ Based on when energy efficiency savings are demonstrated, borrowers have the option of either receiving an upfront premium reduction or a premium refund as follows: <ul style="list-style-type: none"> ▪ New Construction: 10% premium reduction/refund to the total premium due or paid, including any surcharges, will be provided for all qualified new construction projects. ▪ Retrofit: A premium reduction/refund will be limited to the lesser of i) the overall percentage reduction in energy consumption up to a maximum of 15%; or ii) total eligible energy-efficient capital investment expenditures.
<p>Energy-Efficient Criteria</p>	<ul style="list-style-type: none"> ▪ New Construction: The building is required to be the higher of 5% more energy-efficient than if constructed to meet provincial/territorial requirements (where they exist) <u>or</u> 5% more energy-efficient than if constructed to meet the National Energy Code for Buildings (NECB). ▪ Existing Buildings: No minimum threshold for the anticipated reduction in energy consumption. The reduction in energy consumption must be the result of the owner's or builder's capital investment in the structure.
<p>Recognition of Energy Savings in Valuation</p>	<ul style="list-style-type: none"> ▪ CMHC will continue to include the anticipated lower energy costs when calculating net operating income to determine property lending value.
<p>Documentation Requirements</p>	<ul style="list-style-type: none"> ▪ The anticipated or actual reduction in energy consumption is required to be demonstrated to CMHC. This can be shown through a variety of documents, but not limited to: <ul style="list-style-type: none"> ▪ Design proposals or energy retrofit plan and post commissioning reports or post retrofit reports prepared by qualified energy management professionals (in-house reports must be validated) and signed by a Licensed Professional Engineer or a Certified Engineering Technologist); or ▪ Reports from other government agencies and energy companies that provide grants; or ▪ To demonstrate a reduction in annual energy consumption, the borrower may provide invoices/bills. These are to be provided for the 12-month period prior to the improvements and the 12-month period after the improvements have been completed, for comparison. ▪ For existing buildings, all requests must include at minimum, information on energy consumption volumes (costs for the various energy sources) and the costs related to energy-efficient improvements.
<p>Timing for Premium Reduction/Refund Requests</p>	<ul style="list-style-type: none"> ▪ The Approved Lender is responsible for submitting all the required documentation to CMHC no later than 15 months after all the improvements have been completed.
<p>Additional Information</p>	<ul style="list-style-type: none"> ▪ CMHC's website offers a wealth of energy-saving information and ideas on reducing energy and water consumption in multi-unit residential buildings. Check out CMHC's website using search key words "multi-unit energy savings". ▪ See additional factsheets for more information.