



# CMHC Housing Solutions

Canada 



# Phases of development and CMHC product offerings

← Phases of development →

	Pre-development	Construction	Rent up/ stabilization
<b>Affordable Housing Solutions</b>	Seed Funding (for soft costs)		
	Co-Investment Fund		
	Innovation Fund		
	Federal Lands Initiative		
		Rental Construction Financing initiative (loan + insurance)	
		Mortgage Loan Insurance for Affordable Housing	
<b>Commercial Products</b>		Mortgage Loan Insurance for Market Rental Housing	





# CMHC Offerings



# SEED Funding

# SEED Funding

**Non-repayable  
contributions**

\_\_\_\_\_ and/or \_\_\_\_\_

**Interest free loans**

**New construction stream**

a contribution of up to \$150K and/or  
an interest-free loan of up to \$350K

**Preservation stream**

up to \$50K per community housing project  
a contribution of up to \$75K in some cases





# National Housing Co-Investment Fund

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**\$13.17 BILLION**  
NATIONAL CO-INVESTMENT FUND

**\$8.65  
BILLION**

LOW-COST REPAYABLE LOANS

**\$4.52  
BILLION**

CAPITAL CONTRIBUTIONS



## SOCIAL OUTCOMES



Borrowers must demonstrate an **affordability commitment for a minimum of 20 years** from first occupancy under the CMHC Loan.



# Example New Construction

Total project Budget            \$14,567,062 (\$285,000/unit)  
Number of units                    16 affordable (\$790/month) + 31 Low end of Market (\$1,175/month)=51 units

## Source of Funding

Equity contribution                \$3,075,000 (equity take-out from existing building)  
CMHC contribution                \$2,600,000  
CMHC loan                          \$8,779,562  
SEED funding                        \$112,500

Annual Effective Income        \$695,615  
Operating Cost                    \$302,874  
NOI                                  \$392,741

NHCF Loan Payment            \$386,292 (low interest rate amortized over 50 years)  
DCR                                  1.23

31% of the units @ %65 of  
MMR

Full universal design

31% reduction in energy  
consumption



# Example Repair

Total project Budget      \$1,841,176  
Number of units              47 units

## Source of Funding

PNB                              \$464,408  
CMHC loan                      \$1,350,503  
SEED funding                    \$26,265

Annual Effective Income      \$390,266  
Operating Cost                 \$308,658  
NOI                                \$81,608

NHCF Loan Payment          \$64,106 (25 years amortization with low interest rate)  
DCR                                1.27

31.9% of the units @ %74 of  
MMR

Exception for Accessibility

25% reduction in energy  
consumption





# Rental Construction Financing

# Rental Construction Financing initiative

**\$13.75B**

low-cost loans for the construction of 56,500 new rental housing units

**2027-28**

**CMHC**  
insured from the onset

**\$1M / 5 units**  
minimum loan amount, minimum units

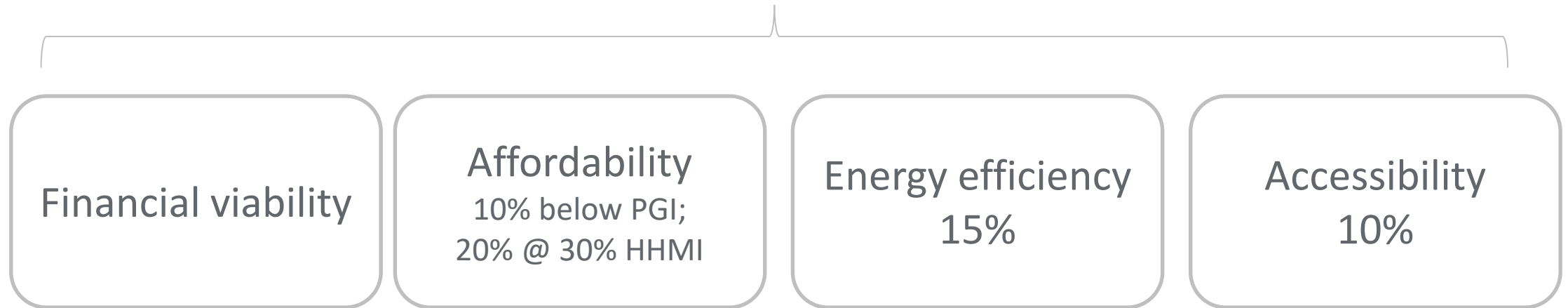


## STANDARD APARTMENTS

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Excludes niche-type housing such as retirement homes, single room occupancy and student housing

## SOCIAL OUTCOMES



Borrowers must demonstrate an **affordability commitment for a minimum of 10 years** from first occupancy under the CMHC Loan.

# Benefits

- ✓ Offers low-cost loans during the riskiest phases of financing development (construction and stabilization/rent-up)
- ✓ Delivers financing features not available in the private market, such as fixed-rate construction/stabilization loans and mortgage loan insurance from the onset
- ✓ Stimulates rental housing construction sector
- ✓ Complements and is compatible with local affordable housing initiatives
- ✓ Incentivizes projects for great social outcomes

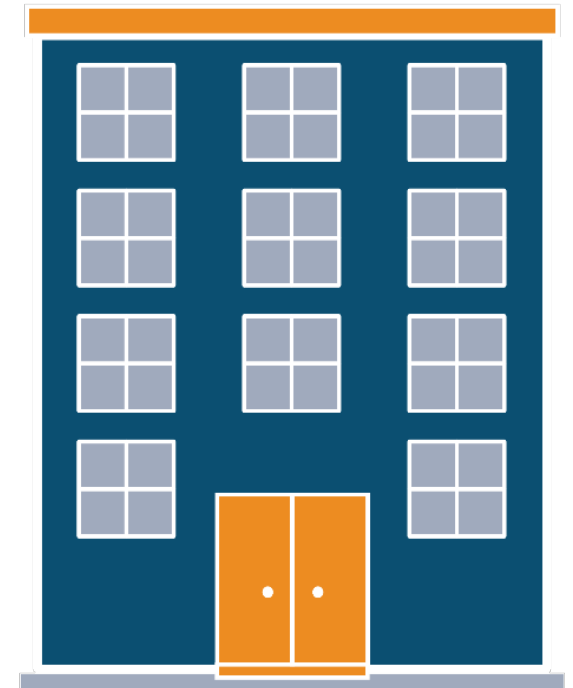
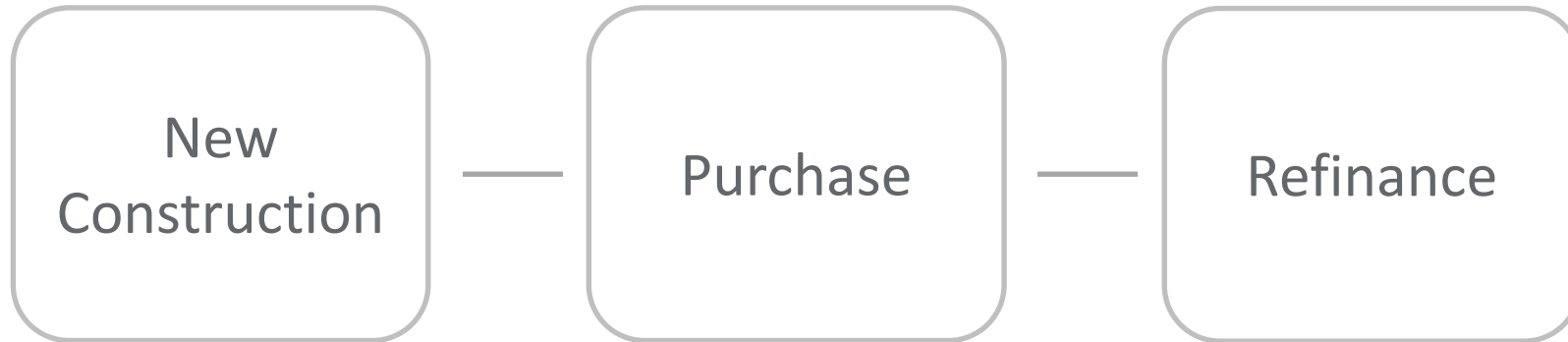




# Mortgage Loan Insurance



# Mortgage Loan Insurance for Multi-Unit properties



# Advantages for borrowers

## Flexibility in Financing

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Borrowers can obtain mortgage financing with a higher loan-to-value (LTV)

## Lower Interest Rates

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CMHC insured financing provides buyers access to competitive interest rates

## Reduced Renewal Risk

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Facilitates reduced renewal risk for the entire amortization period of the loan

Thanks

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***By 2030, everyone in Canada  
will have a home that they can afford  
and that meets their needs***

***We will achieve this winning aspiration through delivering  
National Housing Strategy programs and CMHC's core product  
offerings for affordable housing, insurance, and housing research.***