BUILD UP

What if you could unlock the hidden potential of a property — not based on what it's worth today, but on what it could become?

With interest rates up and cashflow down, more and more investors are stuck with properties that are hurting their finances as opposed to helping. Whether you're living in the home or holding it as a rental, the math isn't adding up. **That's where BUILD UP comes in.**

Imagine a program that helps you finance the creation of new units — basement suites, laneway homes, full rebuilds — so you can increase rental income, offset rising mortgage payments, and finally get your portfolio growing again.

BUILD UP

We know how it goes...

You mapped it out. You ran the numbers. You brought it to your bank or a mortgage broker...

And they shut you down. Because they don't finance potential — they finance the past.

And when they do offer something, it's overcomplicated, and out of reach and at higher interest rates.

Build Up flips the script.

We say yes.
And we do it at big-bank rates — without the big-bank BS.

Key Points

- The mortgage is based on the **as-complete future** value of the property
- Completed renovation/build cannot exceed **4** units in total
- All units must be **FULLY** residential
- **Interest-only** payments while construction is being done
- Financing for owner occupied, second homes, and rental properties
- **No maximum** renovation amount
- Can be used for as little as simple renovations, or as much as complete demo and re-build
- Borrower must have a **minimum of 15%** of the renovation funds on hand (can be from borrowed funds, personal funds, gift, etc.)
- Allowed on **BOTH** purchases and refinances
- Qualification is based on total mortgage amount owing at the end of the project purchases and refinances
- Construction must be completed in **6 to 12 months** of closing date

LET'S EXPLORE SOME SCENARIOS

With **Build Up**, construction and renovation financing is re-imagined; giving you the opportunity to build more units, increase cashflow, and watch your portfolio grow.

We've gathered some examples to show how **Build Up** can make a difference for you. Read along and contact our team to get started!

Contact us:

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Scenario 1

Adding a Garden Suite/Additional Unit *Refinance + Owner Occupied

John and Tara currently own a home valued at **$625,000** with an existing **$440,000** mortgage. They plan to add a **$300,000** garden suite, expected to generate **$2,300** per month in rental income.

An **as-complete** appraisal valued the property at **$925,000**, allowing for a new total mortgage of **$740,000 (80% loan-to-value).**

They first received **$440,000** to pay off their existing mortgage. To begin construction, they contributed their required 15% (**$45,000**). After those funds were used, they received construction draws until the project was complete.

Once the renovations were finished, the mortgage converted from interest-only to a **normal mortgage** at their previously locked-in interest rates (or potentially lower, if now available).

Let's break down the numbers...
(Scenario 1):

Initial Loan:
$440,000 = $2,233/month (interest only)

Draw 1 - $75,000 = $381/month (interest only)
Draw 2 - $75,000 = $381/month (interest only)
Draw 3 - $75,000 = $381/month (interest only)
Draw 4 - $75,000 = $381/month (interest only)

Once the work on the home is fully completed, the mortgage gets automatically converted into:

- **$740,000** total mortgage amount
- 5-year fixed rate at **4.19%** = **$3,599** per month
- 30-year amortization

Numbers breakdown cont.
(Scenario 1):

Before vs. After Renovation: The BUILD UP Advantage

Pre-renovation

Property Value	**$625,000**
Current Mortgage	**$440,000**
Monthly Payment	**$2,683**
Rental Income	**N/A**
Effective Payment	**$2,683/mo**

Post-renovation

Property Value	**$925,000**
Current Mortgage	**$740,000**
Monthly Payment	**$3,599**
Rental Income	**$2,300**
Effective Payment	**$1,299/mo**

***This is a savings of $1,384 per month**

Scenario 2

Adding a Garden Suite/Additional Unit
*Owner Occupied + Purchase

Boris and Ingrid are purchasing an investment home for **$500,000.** They have a 20% down payment ($100,000) and want to also add a garden suite to the property. The cost to build is **$250,000.**

After running their application, we provided them with an **as-complete** appraisal of **$812,500.**

Based on this, they were approved for a total mortgage of **$650,000** (80% of future value).

On the closing date of their new home, Boris and Ingrid received **$400,000** (80% of the home price) they needed to complete their purchase.

Once it was time to start the construction, the clients used their own **$37,500.00** (15% of the project cost), to get the construction started.

Once this was used, it was time for the construction draws - which the borrowers kept receiving until the work was completed.

As soon as the renovations were complete, the borrowers' mortgage transitioned from an interest-only mortgage to a **normal amortized mortgage** at bank interest rates.

Let's break down the numbers... (Scenario 2):

Initial Loan:

$400,000 = $2,030/month (interest only)

Draw 1 - $62,500 = $317/month (interest only)
Draw 2 - $62,500 = $317/month (interest only)
Draw 3 - $62,500 = $317/month (interest only)
Draw 4 - $62,500 = $317/month (interest only)

The work was now complete, and the mortgage automatically converted into:

- **$650,000** total mortgage amount
- 5-year fixed rate at **4.39% = $3,236** per month
- 30-year amortization

Numbers breakdown cont.
(Scenario 2):

Pre-renovation

Category	Amount
Purchase Price	$500,000
Mortgage Amount	$400,000
Monthly Rental Income	$2,100
Mortgage Payment	-$1,991
Property Taxes	-$291
Insurance	-$120
Total Monthly Expenses	-$2,402
Net Monthly Cash Flow	**-$302**

Post-renovation

Category	Amount ($)
Property Value	$812,000
Mortgage Amount	$650,000
Monthly Rental Income	$4,500
Mortgage Payment	-$3,236
Property Taxes	-$291
Insurance	-$150
Total Monthly Expenses	-$3,677
Net Monthly Cash Flow	**+$823**

Scenario 3

Adding a Garden Suite/Additional Unit *Rental + Refinance

James and Sarah own a single-family rental property worth **$600,000** that was creating negative cash flow and straining their finances. Through **Build Up**, they financed the addition of a new unit to improve cash flow.

The home had a **$420,000** mortgage, and the new unit cost **$200,000** to build. We got them an **as-complete** appraisal which valued the property at $800,000, allowing approval for a **$640,000 mortgage (80% of future value).**

They first received **$420,000** to pay off the existing mortgage, then contributed their required 15% (**$30,000**) to begin construction. After those funds were used, they accessed construction draws until the project was finished.

Once renovations were complete, the mortgage converted from interest-only to a **traditional mortgage** at their locked-in (or lower) rate.

Let's break down the numbers... (Scenario 3):

Initial Loan:

$420,000 = $2,131/month (interest only)

Draw 1 - $50,000 = $175/month (interest only)

Draw 2 - $50,000 = $175/month (interest only)

Draw 3 - $50,000 = $175/month (interest only)

Draw 4 - $50,000 = $175/month (interest only)

Once the work on the home is complete, the mortgage automatically converts into:

- **$640,000** total mortgage amount
- 5-year fixed rate at **4.19% = $3,113** per month
- 30-year amortization

Numbers breakdown cont.
(Scenario 3):

Before vs. After Renovation: The BUILD UP Advantage

Description	Amount ($)
New Mortgage	$640,000.00
Less: Existing Mortgage	($420,000.00)
Less: Renovation Costs	($200,000.00)
Net to Client	**$20,000.00**

Pre-renovation

Category	Amount
Property Value...........	**$600,000**
Mortgage Amount.....	**$420,000**
Monthly Rental Income......................	**$2,300**
Mortgage Payment...	**-$2,229**
Property Taxes..........	**-$300**
Insurance..................	**-$120**
Total Monthly Expenses...................	**-$2,649**
Net Monthly Cashflow....................	**-$349**

Post-renovation

Category	Amount
Property Value...........	**$800,000**
Mortgage Amount.....	**$640,000**
Monthly Rental Income......................	**$4,350**
Mortgage Payment...	**-$3,113**
Property Taxes..........	**-$350**
Insurance..................	**-$150**
Total Monthly Expenses...................	**-$3,613**
Net Monthly Cashflow....................	**+$737**

With Build Up, we boosted James and Sarah's cash flow, increased their property value, and put an extra $20,000 in their hands to reinvest.

Scenario 4

Adding a Garden Suite/Additional Unit *Rental + Purchase

Amir and Christine had been searching for a rental property for months, but struggled to find a cash-flowing deal.

Through **Build Up**, they expanded their search and purchased a duplex in the Golden Horseshoe for **$550,000**. They planned to add a **$250,000** garden suite, projected to generate **$2,300/month** in rental income.

We got them **an as-complete appraisal** which valued the property at **$865,000**, allowing approval for a **$690,000** total mortgage.

They first received **$440,000** to close on the purchase with a 20% down payment.

When construction began, they contributed their required 15% (**$75,000**) to start the project. After those funds were used, they accessed construction draws until the work was complete. Once finished, the mortgage converted from interest-only to a **traditional mortgage** at their locked-in (or lower) rate.

Let's break down the numbers...
(Scenario 4):

Initial Loan:

$440,000 = $2,233/month (interest only)

Draw 1 - $75,000 = $381/month (interest only)
Draw 2 - $75,000 = $381/month (interest only)
Draw 3 - $75,000 = $381/month (interest only)
Draw 4 - $75,000 = $381/month (interest only)

Once the work on the home is complete, the mortgage automatically converts into:

- **$690,000** total mortgage amount
- 5-year fixed rate at **4.19% = $3,356** per month
- 30-year amortization

Numbers breakdown cont.
(Scenario 4):

Pre-renovation

Category	Amount
Purchase Price	$550,000
Mortgage Amount	$440,000
Monthly Rental Income	$3,200
Mortgage Payment	-$2,140
Property Taxes	-$300
Insurance	-$150
Total Monthly Expenses	-$2,590
Net Monthly Cash Flow	**+$610**

Post-renovation

Category	Amount ($)
Property Value	$865,000
Mortgage Amount	$690,000
Monthly Rental Income	$4,900
Mortgage Payment	-$3,356
Property Taxes	-$400
Insurance	-$180
Total Monthly Expenses	-$3,936
Net Monthly Cash Flow	**+$964**

With Build Up, we boosted Amir and Christine's cash flow, increased their property value, and turned a good purchase into a great one—unlocking 100% of the property's potential from day one.

Scenario 5

Building a Custom Home
*Refinance

Jason and Sylvia own a home worth **$900,000** with an existing **$600,000** mortgage, and plan to tear it down to build a $1M custom home.

We got them an **as-complete appraisal** which valued the new build at **$2.6M**, allowing for a total mortgage of up to $**1.69M** (65% of value) — *final LTV subject to change based on client strength and property location.

They first received $600,000 to pay off their existing mortgage, then contributed 15% ($150,000) to start construction. After those funds were used, they accessed construction draws until the build was complete.

Once finished, the mortgage converted from interest-only to a traditional mortgage at their locked-in (or lower) rate.

Let's break down their numbers...
(Scenario 5):

Initial Loan:

$600,000 = $3,045/month (interest only)

Draw 1 - $250,000 = $1,269/month (interest only)
Draw 2 - $250,000 = $1,269/month (interest only)
Draw 3 - $250,000 = $1,269/month (interest only)
Draw 4 - $250,000 = $1,269/month (interest only)

Once the work on the home is complete, the mortgage automatically converts into:

- **$1.6M** total mortgage amount
- 5-year fixed rate at **3.99% = $7,599** per month
- 30-year amortization

Traditional Construction Financing vs. Build Up (Scenario 5):

Feature	Traditional Construction Financing	Build Up by BM Select
Loan Amount	$1,600,000	$1,600,000
Interest Rate	10.99%	6.09% (all rates subject to change)
Monthly Payment	$14,653	$8,120
Lender Fee	2% to 3% ($32,000 to $48,000)	$0
Payment Terms	Interest only	Interest only
Exit Strategy Determined Upfront?	NO	YES

Scenario 6

Traditional Home Renovation
*Refinance

Michael owns a home worth **$1.1M** with a **$780,000** mortgage and wanted to complete a **$500,000** renovation, but lacked accessible equity.

With B**uild Up**, the project became possible. We got Michael an **as-complete appraisal** which valued the home at **$1.6M**, allowing for a new total mortgage of **$1.28M** (80% of value).

He first received **$780,000** to pay off his existing mortgage, then contributed 15% (**$75,000**) to start construction.

After those funds were used, he accessed construction draws until completion.

Once finished, the mortgage converted from interest-only to a **traditional mortgage** at his locked-in (or lower) rate.

Let's break down the numbers...
(Scenario 6):

Initial Loan:

$780,000 = $3,958/month (interest only)

Draw 1 - $125,000 = $634/month (interest only)
Draw 2 - $125,000 = $634/month (interest only)
Draw 3 - $250,000 = $634/month (interest only)
Draw 4 - $250,000 = $634/month (interest only)

Once the work on the home is complete, the mortgage automatically converts into:

- **$1,280,000** total mortgage amount
- 5-year fixed rate at **4.19% = $6,225** per month
- 30-year amortization

***The borrower is now able to finance the reno with minimal funds upfront, knowing they have a very strong exit when the financing is completed.**

Traditional Renovation vs. Build Up (Scenario 6):

Feature	Traditional Renovation Financing	Build Up by BM Select
Funds needed upfront to complete the renovation	$500,000	$75,000
Exit strategy predetermined?	NO	YES

With this program it becomes a lot easier and more attainable for clients to complete their dream renovation.

Scenario 7

Traditional Home Renovation (Purchase)

Gale and Ryan had been searching for their principal residence for nearly a year, limited to a specific area for their kids' schooling. **The challenge:** every home was either a multi-million-dollar custom build or a 50+ year-old fixer-upper.

That's where Build Up came in.

They purchased a **$950,000** property needing renovations and received a **$400,000** quote to transform it. We got them an **as-complete appraisal,** which valued the home at **$1,350,000**, allowing for a new total mortgage of **$1,080,000** (80% LTV).

They first received **$760,000** to close, requiring only the standard 20% down payment. To begin construction, they contributed 15% (**$60,000**), then accessed construction draws until completion.

Once finished, their mortgage converted from interest-only to a **traditional mortgage** at their locked-in (or lower) rate.

Let’s break down the numbers... (Scenario 7):

Initial Loan:

$760,000 = $3,857/month (interest only)

Draw 1 - $100,000 = $507/month (interest only)
Draw 2 - $100,000 = $507/month (interest only)
Draw 3 - $100,000 = $507/month (interest only)
Draw 4 - $100,000 = $507/month (interest only)

Once the work on the home is complete, the mortgage automatically converts into:

- **$1,080,000** total mortgage amount
- 5-year fixed rate at **4.09% = $5,191** per month
- 30-year amortization

***The borrower is now able to finance the renovation with minimal funds upfront, knowing they have a very strong exit when the financing is completed.**

Traditional Renovation vs. Build Up (Scenario 7):

Feature	Traditional Renovation Financing	Build Up by BM Select
Funds needed upfront to complete the renovation	$400,000	$60,000
Exit strategy predetermined?	NO	YES

With this program it becomes a lot easier and more attainable for clients to complete their dream renovation.

The BM Select
INVESTOR EDGE: **BUILD UP**

www.bmselect.ca

Disclaimer

- The initial INTEREST ONLY payment portion during the construction period is based on a 6-month interest rate term at time of application.
- Interest rates provided are subject to change and are for illustration only.
- Clients must meet the qualification requirements.
- All appraisals must be conducted by approved, accredited appraisers.
- Programs and eligibility criteria are subject to change without notice.
- Construction draws are completed and funded based on a percentage-complete basis and are contingent on satisfactory progress inspections.
- It is strongly recommended that the borrower have additional funds available further to the required 15% to ensure that all draw completion percentages are met.
- Clients are required to have sufficient equity or down payment to meet loan-to-value (LTV) limits.
- This program may be subject to restricted loan-to-value based on loan size and location of property.
- All figures, costs, and cash flow projections are estimates and may vary depending on market conditions.
- Renovation timelines and draw schedules must adhere to the conditions specified in the approval process.
- Better Mortgage Select Ltd. is not responsible for delays, declines, or policy changes that may occur.
- Approval may be subject to a brokerage fee.
- You may be required to send in additional documentation at any part during the mortgage process up until the final closing.