

# RENOVATING YOUR HOME

## BEFORE THE WORK BEGINS

Before you launch a project, it's important to have a plan.  
The following steps will help you organize your work.

### WHAT YOU NEED TO PLAN:

- 1  **Determine your budget**
  - Confirm your borrowing power.
  - Verify your available cash for the downpayment and renovation expenses.
- 2  **If you are buying a new home**
  - Have the home inspected to make sure no other major work is needed; unexpected expenses could break your budget!
- 3  **Select a general contractor**
  - Research contractors before hiring them; ask for references and examples of projects they have completed.
- 4  **Draw up a renovation plan**
  - Have qualified professionals produce the plans and specifications.
  - Make sure the construction complies with municipal regulations (if applicable).
- 5  **Obtain the necessary renovation permits**
- 6  **Contact your home insurance representative**
  - Take out general insurance for the duration of the project.
  - Contact your insurance company to modify your coverage once the work is complete.



#### WHAT YOU NEED TO KNOW:

- 1** **Have your plans assessed**
  - Have a chartered appraiser approved by the Bank or the mortgage insurance provider assess your plans.
- 2** **Schedule the progress advances**
  - Schedule a progress advance once work is complete.
  - Keep in mind the holdback for liens applied to each progress advance. This holdback will be released at the end of the period specified for your province, after the work is complete.

Visit

[nbc.ca/new-home](http://nbc.ca/new-home)

to learn more on how to finance your project.

## DURING CONSTRUCTION

Monitor the progress of the work and check that the budget is being followed in accordance with the detailed plan. Make sure the progress advances authorized by the Bank are granted as scheduled at each stage, and communicate with your advisor to request an inspection.

Funds will be disbursed directly to the legal professional after the inspection is verified. The legal professional will apply the holdback, which will be released 35-60 days (depending on your province) after the work is 100% complete. Remember to set aside an amount to cover the legal professional's fees.

If a service provider requires a payment that exceeds the amount of the advance, the client is responsible for paying the difference out of his own funds.

## AFTER CONSTRUCTION

During the last inspection, an inspector from the Bank or the mortgage insurance provider must certify that work is 100% complete and the home is ready for occupancy.

Your principal and interest payments will then apply, according to the terms and conditions of your financing.

## NOTES

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