



# ENERGY-EFFICIENT PROPERTIES

## AT-A-GLANCE

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

### LOAN PURPOSE

New construction, purchase or refinance where energy efficiency improvements are being undertaken.

### ENERGY-EFFICIENT PREMIUM REFUND

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:

- **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.
- **Existing Buildings (retrofit):** A premium reduction/refund will be limited to the lesser of
  1. the overall percentage reduction in energy consumption up to a maximum of 15%; or
  2. total eligible energy-efficient capital investment expenditures.

CMHC's website offers a wealth of energy-saving information and ideas on reducing energy and water consumption in multi-unit residential buildings.

### ENERGY-EFFICIENT CRITERIA

- **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) **OR** 5% more energy-efficient than if constructed to meet the National Energy Code for Buildings 2015 (NECB 2015).
- **Existing Buildings (retrofit):** 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.

### RECOGNITION OF ENERGY SAVINGS IN VALUATION

CMHC will continue to include the anticipated lower energy costs when calculating net operating income to determine property lending value.



## DOCUMENTATION REQUIREMENTS

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:

- 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.

## TIMING TO COMPLETE IMPROVEMENTS AND FOR PREMIUM REDUCTION/ REFUND REQUESTS

For existing buildings: The improvements must be completed within 12 months prior to the first advance or within 12 months after the first advance.

For new construction and existing buildings: 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.

*CMHC mortgage loan insurance provides access to preferred interest rates lowering borrowing costs for the construction, purchase and refinance of multi-unit residential properties and facilitates renewals throughout the life of the mortgage.*

**For additional information on fees and premiums, documentation requirements and other multi-unit products, please refer to the applicable information sheet.**

## CONTACT US

Inquiries for all of the above-mentioned activities must be sent to:

[MUIS-ICAA@cmhc-schl.gc.ca](mailto:MUIS-ICAA@cmhc-schl.gc.ca)

Assistance can also be obtained by telephone at **1-877-MULTIGO** (1-877-685-8446).

