

Rental Income Guidelines

1. Conventional Revenue Properties Maximum LTV:

Maximum LTVR

Detached Single family dwellings or strata up to 4 units:

80% of the 1st \$2,000,000 and 60% of the remaining value for residence located in Metro Vancouver. Revolving HELOC portion cannot exceed 65% LTV

80% of the 1st \$1,500,000 and 60% of the remaining value for residence located in Greater Victoria, Fraser Valley, and Central Okanagan. Revolving HELOC portion cannot exceed 65% LTV

All other areas: 80% of the first \$1,000,000 and 65% of the balance. Revolving HELOC portion cannot exceed 65% LTV

2. Conventional Subject Rental Income Calculations:

In Metro Vancouver, Greater Victoria, Fraser Valley and Central Okanagan we can add up to 90% of the gross rental income to gross employment income

All other areas up to 85%. Must include heating cost in TDS when the tenant does not pay for the heating cost.

3. Non Subject Rental Income:

We will now be using a **Cash Flow Calculation** for subject revenue properties based on the following:

Net Rental Income = Gross Rental Income - Expenses [Payment + Property Taxes + 50% of Strata + Vacancy Allowance (5%) + Property Maintenance (15%)]

Example:

Client is purchasing a new revenue property and the appraisal confirms the economic rent to be \$3500 a month with property taxes of \$3000 a year.

Mortgage Payment is \$3000

Property taxes is \$250

Vacancy Allowance would be $\$3500 \times 5\% = \175

Property Maintenance would be $\$3500 \times 15\% = \525

Net Rental Income = $3500 - \text{Expenses } [3000 + 250 + 175 + 525]$

Net Rental Income = (450) to be added to TDS

This works out to be very close to an 80% offset.

4. Conventional Owner Occupied Property with a Suite:

100% add back to income including taxes and heat for suite income (up to 2 suites).

Suites must be self-contained and have the following minimum amenities:

- Kitchen with a fridge and stove
- Bathroom
- Private entrance

5. Insurable Property with a Suite:

- For borrowers with a beacon of 680 and higher, 100% of the rental income can be added to the borrower's income for all suites that meet our own internal criteria
- Taxes and heat to be included
- For borrowers with a beacon below 680, only 50% of the rental income can be added to the borrowers income
- Coast Capital Savings will consider rent from a maximum of two suites

Suites must be self-contained and have the following minimum amenities:

- Kitchen with a fridge and stove
- Bathroom
- Private entrance

6. Sagen and CHMC Insured Property with a Suite:

We would follow the insurers guidelines.