

# Builder Finance Program

Builder Finance is a team of commercial real estate lenders focused on helping local builders grow their communities. The team at Coast Capital provides financing for the construction and sale of single family homes, as well as small multi-family projects (up to 4 units).

## The Builder Finance program is best suited to home builders with the following qualities:

- **Experience:** They need to have a good track record and build homes for a living. Also, have a resume of similar size projects and are familiar with the municipality in which they are building.
- **Cash Flow:** They should have meaningful net worth and access to cash outside of this project, relative to the loan request. And must be able to inject additional cash should any delays or cost overruns occur.
- **Business Skills:** They will need to provide accountant prepared financial statements and prepare a detailed budget in Excel. A company website would be an asset.

## The Construction Facility is structured as follows:

- **Maximum Loan to Cost:** 75%
- **Pricing:** Prime + 2% (subject to standard lending/qualifying criteria)
- **Set up Fee:** 1%
- **Term:** 18 months

There is an initial advance against the Land, based on the land value and equity required. We also advance the set-up fee and interest reserve from the loan at the time of the initial advance. All subsequent advances will be on a percentage complete basis, using an appraiser's progress report.

## In order to review a potential loan application we require the following documents:

1. **Purchase and Sale Agreement** (or Buyer's Statement of Adjustments where the land is already purchased).
2. **Detailed Budget** for the project broken into land, hard costs, soft costs, and contingency.
3. **Ownership Structure:** An org chart or clear summary of the ownership for the project.
4. **Personal Net Worth Statements** (template available) with any supporting documentation (bank statements, BC Assessments, etc.) for all guarantors/principals of the deal.
5. **Resume:** A summary of the builder's history (include addresses, budget, sale price, and project description).
6. **Appraisal** of the project and as-is value of the land.

The remaining documents will be required prior to submitting the full application for approval:

7. **2 years of Financial Statements** for those who build under a company name.
8. **2 years of T1 General Tax Returns** for the individual involved in the project.
9. Evidence that they are an **HPO approved builder** and **registered with WCB**.
10. **Environmental Questionnaire** (template available) completed to the satisfaction of Coast Capital.
11. **Central Securities Registrar** for the company.
12. **Other information** as required.

## Primary Lending Areas:

- Metro Vancouver
- Fraser Valley up to and including Chilliwack
- Kelowna including West Kelowna and Lake Country

Email your deal packages or inquiries to the group inbox at [BuilderFinance@coastcapitalsavings.com](mailto:BuilderFinance@coastcapitalsavings.com)