



# REGION OF WATERLOO

## Ontario Renovates Program

### Fact Sheet for Secondary Suites



**Note:** The information in this Fact Sheet is subject to change from time to time at the discretion of the Region of Waterloo and pursuant to the requirements of the Ministry of Housing. Be sure to check back regularly for updates.

Ontario Renovates (O.R.) is a component of the Investment in Affordable Housing for Ontario program and is being delivered by the Region of Waterloo on behalf of the Federal and Provincial governments.

The program has limited funding available to assist eligible households to create or legalize an existing secondary suite. To be eligible for this program, the applicants must reside in the home and meet specific eligibility requirements.

Please note that annual funding is limited. Eligible households will be contacted to arrange a home inspection. If funding for the current year has been depleted, eligible households will be placed on the O.R. wait list on a first come first serve basis for the following year.

Recipients of the loan can receive up to a maximum of \$25,000 per property. The loan amount includes a grant portion for accessibility modifications, if required, of up to \$5,000 that does not need to be repaid. Please note the maximum funding limits may be subject to change.

The loan is interest-free and forgivable after 15 years, provided there has been no default under the terms of the loan. If the home is sold before 15 years, the applicant will have to pay back the outstanding amount of the loan they received. The loan decreases in amount at an equal value over the 15 years.

#### **What is a secondary suite?**

A secondary suite is defined as a self contained, separate unit with sleeping area, full kitchen, and full bathroom with a separate entrance. The unit (new or to be legalized) must meet applicable zoning, building, fire, and property standards and codes.

#### **Are you eligible to apply?**

If you are interested in participating in the O.R. Secondary Suites Program, applicants must meet the following criteria:

- At least one member of the household must be at least 16 years of age or older
- Own a single family home in Waterloo Region as a sole and principal residence (cannot own other property; including a cottage or have partial ownership of another property)
- The property is zoned to allow for secondary suites
- The home must be valued at or below the Province's Maximum House value of \$600,000 (a copy of the latest property tax assessment or tax bill must be provided)
- Property tax and mortgage payments are up-to-date
- Insurance coverage is in place for the full value of the home
- Not be in the process of applying for bankruptcy or have an active bankruptcy file
- Have not received a loan under the Region's Affordable Home Ownership Program

- Total of all property mortgages and any other financing registered on title, plus the O.R. funding, cannot exceed 90% of the market value of the home, as determined by the assessed value of your property as shown on your latest property tax assessment

## How to get an application

If you are interested in applying for the O.R. Program, you can print an application from the [Region website](http://www.regionofwaterloo.ca) (www.regionofwaterloo.ca). You can also call the Region at 519-575-4821 or e-mail [Ontario Renovates](mailto:OntarioRenovates@regionofwaterloo.ca) (OntarioRenovates@regionofwaterloo.ca) and ask us to fax, email, or mail you an application package.

Please drop off, mail, fax or email your completed application to:

### Region of Waterloo, Housing Services,

Attn: Ontario Renovates Program

99 Regina Street South, 4<sup>th</sup> Floor

Waterloo, ON, N2J 4V6

Fax: 519-575-4026

E-mail: [Ontario Renovates](mailto:OntarioRenovates@regionofwaterloo.ca) (OntarioRenovates@regionofwaterloo.ca)

**PLEASE NOTE: DEADLINE TO SUBMIT APPLICATIONS THIS YEAR IS DECEMBER 1, 2026**

## Documents you must include with your application (Checklist):

- \_\_\_ **Proper Zoning:** The applicant is required to obtain written confirmation from their municipal planning or building department that their property is zoned to allow for a secondary suite.
- \_\_\_ **Photo Identification:** For each home owner, attach a photocopy of one piece of photo ID (e.g. driver's licence, passport).
- \_\_\_ **Status in Canada:** For each home owner, attach copies of birth certificate, citizenship document, Native Status card, permanent resident card, record of landing, convention refugee documentation, and/or refugee claimant form.
- \_\_\_ **Proof of Age:** For each home owner, attach copies of proof of birth date (if birth date is not listed on the documentation provided as proof of your status in Canada).
- \_\_\_ **Property Assessment Notice or Tax Bill:** A copy of your latest Tax Bill if available from the Municipality or Property Assessment Notice from the Municipal Property Assessment Corporation (MPAC).
- \_\_\_ **Insurance, Property Tax and Mortgage Payments:** Provide written confirmation from the institution that your mortgage, property taxes and home insurance are with indicating that payments are paid up-to date and in good standing.
- \_\_\_ **Mortgage Balance:** Provide a current statement(s) showing the outstanding balance of all property mortgages and any other financing registered on title as well as written confirmation from the institution your mortgage is with that they do not have any restrictions on secondary financing and that they would permit a second mortgage to be registered on the property, in favour of the Region of Waterloo if the approved project will exceed \$ 25,000.

**PLEASE NOTE:** that ALL of these documents must be received in order for your application to be processed. Failure to include a piece of required documentation will result in a delay in processing of your application

## **Eligible Projects**

Creation of a new secondary suite

1. Repair/rehabilitation to an existing secondary suite to make it a legal unit
2. Repair/rehabilitation to an existing secondary suite to make it accessible

Eligible projects must:

- Comply with municipal zoning and building and Ontario Building Code requirements
- Be constructed in the applicant's home or on their property
- Have rents that remain affordable (based on Average Market Rent as determined by Canada Mortgage and Housing Corporation) for a period of 15 years

Examples of eligible accessibility modifications include, but are not limited to:

- Ramps
- Handrails
- Chair and bath lifts
- Height adjustments to counter tops
- Cues for doorbells/fire alarms
- Bathroom modifications

Other eligible costs may include labour and applicable taxes, building permits, legal fees up to \$850, certificates, appraisal fees, inspection fees, drawing and specification and any other costs that the Region of Waterloo deems reasonable and that are agreed to by the Province of Ontario.

## **Ineligible Projects**

Examples of projects that are not eligible include:

- Landscaping
- Routine maintenance
- Cosmetic renovations and repairs (for examples: driveway paving, painting, bathroom makeovers or replacing kitchen cabinets and counter tops)
- Any modifications performed prior to loan approval
- Supportive care such as nursing care and special equipment required for therapeutic purposes, whether permanently fixed or not
- Modifications or repairs to any component of properties other than those required to for the creation of a legal secondary suite
- Work not directly related to the occupant's disability or necessary to ensure safe occupancy and accessibility of the unit
- Work not necessary to ensure safe occupancy and accessibility of the unit

- Construction projects that do not have Area Municipal approval

### Who can be a tenant in the secondary suite?

Prior to move in and lease signing, the tenant(s) will be required to complete an Income Verification Form with supporting income documentation, and provide it to Region of Waterloo Housing Services to assess eligibility.

The total gross income of the tenant(s) in the newly created or renovated second suite must be at or below the following, based on the number of bedrooms in the secondary suite.

Wellesley and Wilmot Townships:

**Bachelor \$34,500   1 Bedroom: \$44,000   2 Bedroom: \$56,000   3 Bedroom: \$42,000**

Remainder of Waterloo Region:

**Bachelor \$41,500   1 Bedroom: \$56,000   2 Bedroom: \$65,500   3 Bedroom: \$71,000**

### How much rent can I charge?

Secondary suites that have received funding through this program must have rents at or below the approved Average Market Rents. For 2026 they are:

**Bachelor: \$1,009   1 Bedroom: \$1,236   2 Bedroom: \$1,466   3 Bedroom: \$1,584**

### Funding

There is a maximum of \$25,000 per secondary suite as a fully forgivable loan. Secondary suite creation or repairs and accessibility modifications up to and including \$25,000 must be secured by a promissory note. If funding exceeds \$25,000, a mortgage will be required to be registered on title.

The period of the forgivable loan for the O.R. loan is 15 years. See the Funding Process and Repayment example on page 4 for more information. The loan does not need to be repaid if the homeowner agrees to remain as the owner and live in the home without default during this 15 year forgivable period. The maximum loan amount for accessibility modifications, if required, includes a grant portion up to \$5,000 that does not require repayment.

### Previous Residential Rehabilitation Assistance Program (RRAP) Loans

Owners of properties which have received Residential Rehabilitation Assistance Program (RRAP) or O.R. loans less than 10 years ago may be eligible for reduced assistance, provided the funding is to address a need or condition of work which has not been the subject of previous assistance. The amount of the initial RRAP or O.R. loan will be deducted from the current maximum loan amount under O.R. to determine the maximum eligible for funding at this time.

For example, if a household received RRAP fund of \$10,000 eight years ago, the maximum O.R. funding they would be eligible to receive at this time would be \$15,000 (\$25,000 current maximum - \$10,000 RRAP = \$15,000).

### The Funding Process

If/when the applicant is selected to receive funding under the O.R. Program, the Region of Waterloo will provide them with a Conditional Letter of Commitment. The letter outlines the scope of work eligible for funding, the terms of the forgivable loan, and the roles and responsibilities of both the homeowner and the Region of Waterloo.

Once the applicant has obtained and submitted the required quotations from contractors, the Region will prepare a Forgivable Loan Agreement for the approved value of construction or repairs. For example, if they require \$23,000 worth of eligible repairs to their home, they will be funded for this amount and you will need to enter into an agreement with the Region of Waterloo. All repairs must

start within 90 days of approval by the Region. See the chart on page 7 for additional details on the process for accessing O.R. funding.

The forgivable loan is interest-free and forgivable after 15 years, if there is no 'Program Default' (see Page 6). This means that if the applicant lives in the home for 15 years or more, they will not have to pay back the loan. If the applicant sells the home before 15 years have passed, they will have to pay back the outstanding amount of the loan they received. The loan is forgiven at an equal rate over a 15 year period.

**Repayment example (Capital Appreciation)**

Original Forgivable Loan Amount \$23,000  
 Homeowner sells house six years after work has been completed Year 6  
 Depreciation amount of loan (6.666667 percent per year) (6.666667% x 6 years) = 40%  
(or \$9,200 of the loan)

**Total amount repayable to the Region of Waterloo \$23,000 – \$9,200 (40%) = \$13,800**

Year	6.666667% Depreciation per year	Outstanding Amount of Loan to repay
0	0%	\$23,000
1	7%	\$21,390
2	13%	\$20,010
3	20%	\$18,400
4	27%	\$16,790
5	33%	\$15,410
<b>6</b>	<b>40%</b>	<b>\$13,800</b>
7	47%	\$12,190
8	53%	\$10,810
9	60%	\$9,200
10	67%	\$7,590
11	73%	\$6,210
12	80%	\$4,600
13	87%	\$2,990
14	93%	\$1,610
15	100%	\$0

**PLEASE NOTE:** money that is repaid to the Region of Waterloo will be reinvested into the O.R. Program. This money will help other local households with creating or repairing secondary suites.

**Legal Advice**

Since homeowners approved for a forgivable loan, under the O.R. Program, will be required to enter into a Loan Agreement with the Region of Waterloo, the Region recommends that all approved homeowners obtain independent legal advice to review and explain the terms and conditions of the loan and program requirements.

Households with forgivable loans of \$25,000 and under must be secured through a promissory note. Although you are not required to have a lawyer, if your loan is secured through a promissory note, you are encouraged to obtain independent legal advice to review the promissory note and Forgivable Loan Agreement. Legal costs are not an eligible expense of your loan if secured through a promissory note.

Loans over \$25,000 will be required to be secured through a mortgage registered on title and households will be required to retain the services of a lawyer. The Region will allow a maximum of \$850 as an eligible expense for loans secured through a mortgage, from the loan funds provided. Additional fees above this amount are at the expense of the applicant.

## **Program Default**

In the case of any of the following situations, the homeowner will be considered to be in default and any outstanding loan amount must be repaid:

- The transfer, lease or selling of the home. The applicant must have this home as their one and only residence
- The applicant is found to have misrepresented information to the Region of Waterloo at any given time during the process
- The loan is used for a purpose other than the creation or legalizing of a secondary suite outlined in the scope of work on the home
- The death of the homeowner(s) registered on title
- The owner rents the secondary suite to a tenant(s) that has/have not provided Region of Waterloo Housing Services with income verification
- The owner charges rent that is above the maximum allowable rent (to be confirmed annually)

Repayments made to the Region of Waterloo will be reinvested into the O.R. Program.

## Steps for Home Repairs

1. \_\_\_\_\_ Homeowner confirms with Area Municipality that their property is zoned to allow secondary suites and submits an O.R. Program application to the Region of Waterloo. The application must include required documentation. (See documentation checklist on page 2.)
2. \_\_\_\_\_ Region of Waterloo reviews application for eligibility.
3. \_\_\_\_\_ If eligible, Region of Waterloo “Conditionally Approves” the project and provides the homeowner with a Conditional Letter of Commitment.
4. \_\_\_\_\_ Homeowner or qualified designer applies for a building permit with the Area Municipality and provides the Region of Waterloo with a copy of the building permit and any other permits as required.
5. \_\_\_\_\_ Homeowner gets a minimum of three estimates (quotations) from contractors for the work to be done as approved by the Area Municipality and submit them for reviews along with their preferred contractor to the Region of Waterloo for review and confirmation of contractor. Approved contractor must have liability and Workplace Safety and Insurance Bureau (WSIB) insurance.
6. \_\_\_\_\_ Region of Waterloo reviews quotations for funding and approves the work based on Program Guidelines. The homeowner enters into a Forgivable Loan Agreement with the Region of Waterloo that outlines the scope of work, funding commitment, and roles and responsibilities of the homeowner and Region.
7. \_\_\_\_\_ Homeowner to arrange for legal counsel (recommended for promissory note up to \$25,000 and required for a mortgage).
8. \_\_\_\_\_ Appropriate security (promissory note or mortgage) is executed. Once security is signed and finalized, Homeowner can contact successful contractor to enter into a signed contract and start the work. Signed contract **MUST** be completed and sent back to the Region of Waterloo.
9. \_\_\_\_\_ Region of Waterloo sends the approved project information to the Ministry of Municipal Affairs and Housing for approval.
10. \_\_\_\_\_ The construction work must start within 120 days of approval and be completed within 180 of the start of construction.
11. \_\_\_\_\_ Homeowner provides the Region of Waterloo with copies of all invoices (confirming payment) and the occupancy permit from the Area Municipality once the project is completed. Region of Waterloo will verify completion of repair (site inspection).
12. \_\_\_\_\_ Region of Waterloo will arrange for payment of funds.
13. \_\_\_\_\_ Proposed tenant to move into the secondary suite must have had income verified and deemed eligible by the Region of Waterloo – a copy of the signed lease must be provided.
14. \_\_\_\_\_ Homeowner provides annual verification of compliance with program requirements.