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Construction Mortgage Fund

BCI finances construction mortgages on Canadian commercial and multi-family residential properties through our Construction Mortgage Fund. The risk factors that are evaluated include: location; structure quality; pre-leasing/pre-sales; green building features; borrower and covenantor’s financial strength; loan-to-value level; debt servicing ability; borrower’s experience. Mortgage security may also include additional provisions such as, personal guarantees, corporate guarantees, letters of credit, and the pledging of additional collateral.

CONTACT BCI FOR COMMERCIAL MORTGAGE LENDING

SECURITY

First and second mortgages

ASSET TYPES

- Hotels
- Industrial
- Multi-family residential (including condominium projects)
- Office
- Raw land (tied to a credible development plan)
- Retail
- Seniors housing

TERMS

- Typically one to five years

INTEREST RATES

Construction mortgages have “floating” interest rates. Interest rates for these loans are typically determined by adding a credit and liquidity premium to the three-month CDOR rate. The size of risk premium varies based on factors specific to each development project. BCI’s portfolio managers utilize a multi-factor risk rating model to assess risk levels of individual investment opportunities. The risk factors that are evaluated include: location; structure quality; tenant financial strength (preleasing levels) and/or pre-sale amount; borrower and covenantor’s financial strength; loan-to-value level; loan-to-cost level; debt servicing ability; developer’s experience.

LOAN-TO-VALUE

Maximum 75 percent loan-to-value

ADDITIONAL SECURITY

Mortgage agreements may also include additional security provisions such as: personal guarantees; corporate guarantees; letters of credit; pledging of additional collateral.

LOAN SIZE

Typical range \$5,000,000 and higher.

PRE-FUNDING CONDITIONS

The Construction Fund only provides construction financing to experienced developers and utilizes qualified quantity surveyors to oversee development progress. The Construction Fund also requires significant pre-sales and/or pre-leasing levels, as well as sufficient profit margin levels. No mortgages will be funded without a property inspection, current market appraisal, geotechnical inspection report and environmental audit.

RETURN TO MORTGAGES



MANAGING RISK

Risk management is integral to our fiduciary role. It’s the process in which we identify, evaluate, control, monitor and communicate risks and opportunities.



PERFORMANCE

We work in our clients’ best financial interests and are committed to delivering investment returns that help our clients build a financially secure future.



PORTFOLIO OVERVIEW

We manage \$135.5 billion on behalf of our clients. Our global, diversified portfolio spans the asset classes.

WHO WE ARE

Our Clients

Governance

Board of Directors

Executive Management

OUR APPROACH

Investment Beliefs

Responsible Investing

Proxy Voting Record

Advocacy

INVESTMENTS

Performance

Portfolio [+]

Pooled Funds

PUBLICATIONS

2016-2017 Corporate Annual Report

2016 Responsible Investing Annual Report

Media

Publications Archive