FSRA MORTGAGE AGENT · LEVEL 2 · ONTARIO

Unlocking Ontario's Multiplex Opportunity

Investor, builder & realtor guide to the new federal mortgage insurance rules for 3–4 unit and 5–50 unit properties

KEY POLICY DATE

Feb 1, 2027

FOCUS MARKET

GTA & Ontario

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STRATEGIC OVERVIEW

Two programs unlock missing-middle housing

3–4 UNITS · INSURED

90%

LTV on new triplexes & fourplexes

The $1.5M price ceiling and owner-occupancy rule are removed. All units can be rented.

5–50 UNITS · PRIVATE INSURANCE

50 yrs

amortization on new construction

Private insurers cover multi-unit residential buildings, up to 90% LTV on new builds.

ONTARIO CATALYST

4 units

as-of-right in Toronto

Pairs with municipal density bylaws in Toronto, Mississauga, Brampton and Vaughan.

3–4 UNIT INSURED PROGRAM

Residential-style rules for small multiplexes

Feature	Program parameter
Maximum LTV	90%
Maximum property price	No ceiling (removed)
Maximum amortization	30 years
Owner occupancy	Not required, 100% rental allowed
Minimum credit score	600 (at least 1 borrower or guarantor)
Debt ratios	GDS 39% max · TDS 44% max

Eligible projects

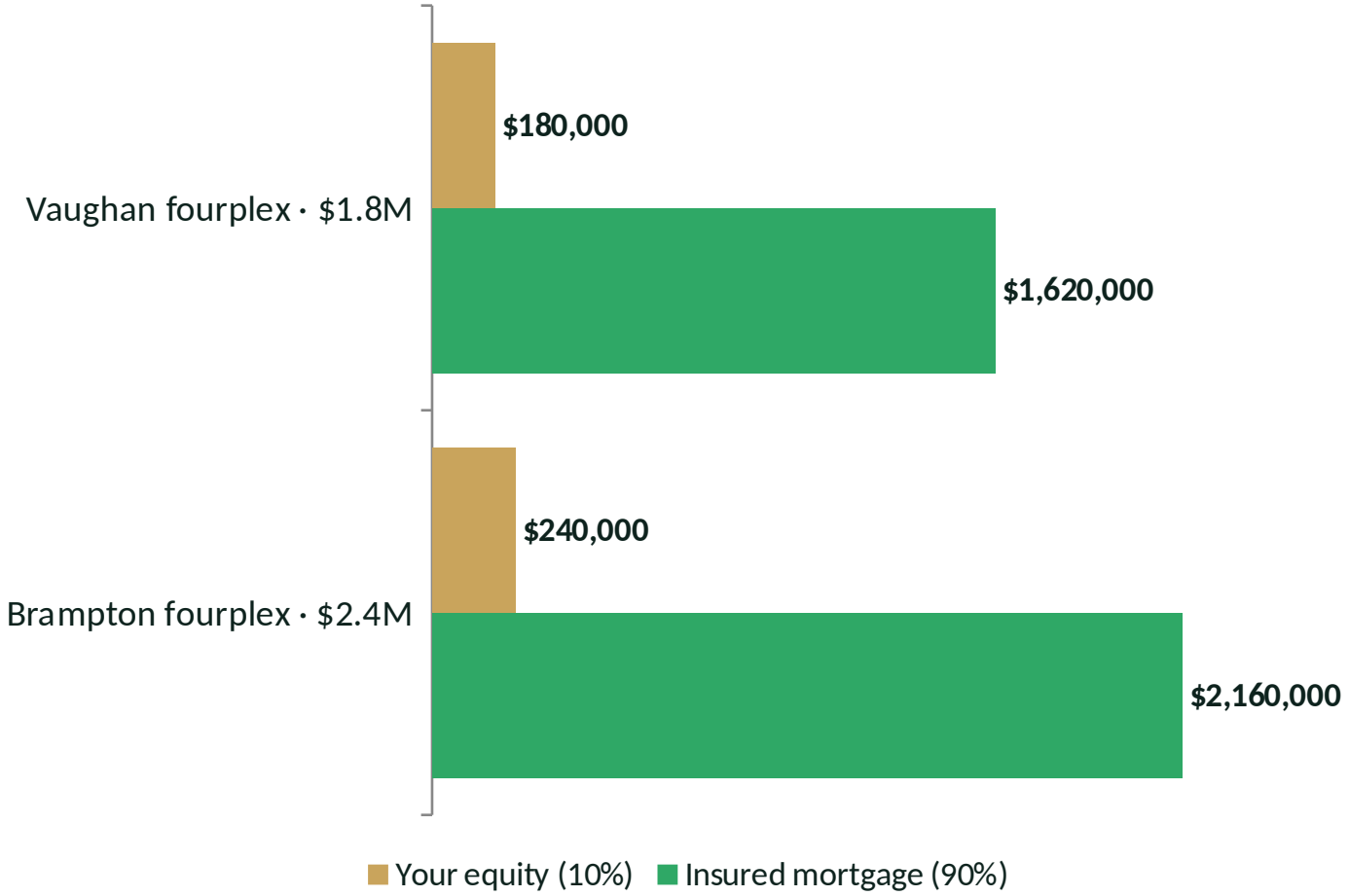
Ground-up construction
New 3- or 4-unit multiplexes

Turnkey acquisition
Newly built, completed multiplexes

Investor retention
Completed properties held as long-term rentals

Note: construction draw financing is still subject to each insurer's progress underwriting.

10% down unlocks a full four-unit rental



Old rules

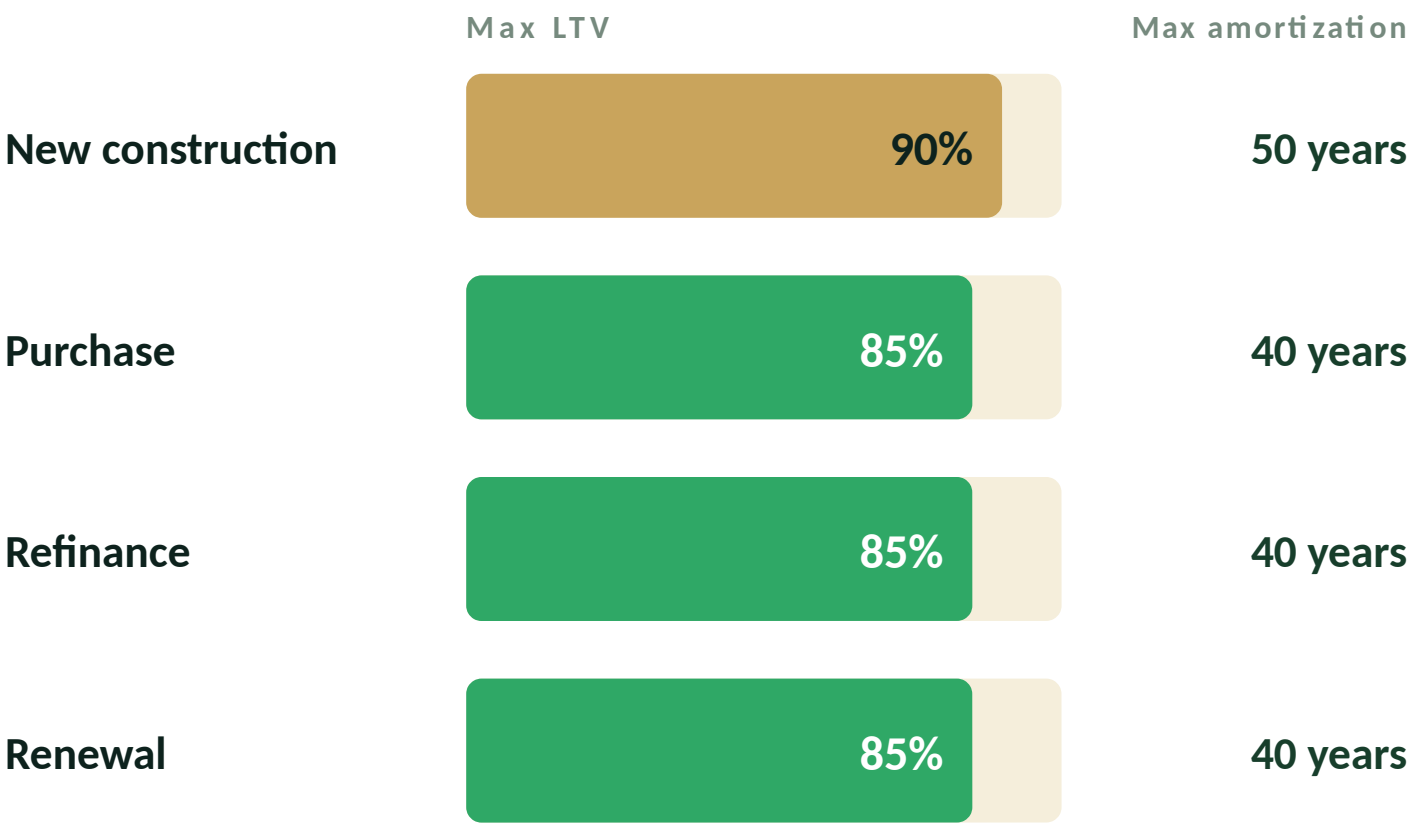
Capped at a $1.5M value and required the owner to live in one unit, so pure investor projects didn't qualify.

New 2027 rules

No price cap and 100% rental allowed, so all four units can generate cash flow.

Builders can take on larger GTA infill projects with far less upfront equity.

Commercial multi-unit financing by deal type



Additional underwriting criteria

Net worth
At least 25% of the loan ($100K minimum)

Minimum DCR
1.15 on 5-year terms · 1.10 on 10-year terms

Ownership
Single legal title (no separate titles)

Property value
No cap, scales with the project

COMMERCIAL CASE STUDY · MISSISSAUGA

$2.5M six-unit purchase: rent sets the loan

$2,500,000
Purchase price

$2,125,000
Approved mortgage (85%)

$375,000
Required equity

$531,250
Required net worth (25% of loan)

DCR = Net operating income ÷ Annual debt service

Even if the building qualifies for 90% of its value, the approved loan can be capped lower if the rent can't meet the 1.15 DCR.

NOI & debt service

Gross rental income	$240,000
Less operating expenses	–$60,000
Net operating income (NOI)	**$180,000**
Max annual debt service at 1.15 DCR	**$156,522**

MORTGAGE STRATEGY

Which program fits your project?

Feature	3–4 unit insured	5–50 unit insured
New construction	Eligible, up to 90% LTV	Eligible, up to 90% LTV
Existing property purchase	Not under this program	Eligible, up to 85% LTV
Refinancing	Not under this program	Eligible, up to 85% LTV
Max amortization	30 years	50 years (new) · 40 years (other)
Primary qualification	Personal GDS 39% / TDS 44%	Property DCR, 1.15 minimum
Owner occupancy	Not required	Not required

BEFORE YOU BUILD

Zoning approval is still a separate step

Due diligence checklist

- Zoning that permits the unit count
- Approved architectural plans
- Development charge estimates
- Building & Fire Code approvals
- Servicing & utility capacity
- As-completed appraisal

Toronto allows four-unit multiplexes citywide, subject to height, setback and parking rules.

Financing at every stage

1	**Land acquisition**	Land financing
2	**New construction**	Construction financing
3	**Project completion**	Insured take-out mortgage
4	**Rental investment**	Multi-unit mortgage
5	**Existing apartment building**	Commercial refinancing
6	**Financing gap**	Alternative / private lending

Let’s structure your next multiplex deal

Builders · Real estate investors · Realtors · Small-scale developers · Multi-unit property owners

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IG MORTGAGE ALLIANCE

Financing is subject to lender participation, insurer eligibility, underwriting and approval. Policy changes effective Feb 1, 2027.

