

MAJOR RESIDENTIAL RENOVATION PROGRAM

December 2019



Montréal 

*Société
d'habitation*

Québec 

The Major Residential Renovation financial aid program supports housing cooperatives' and non-profit housing organizations' social mission. Are you considering submitting an application for a housing cooperative or non-profit housing organization? Contact the Service de l'habitation at 514 872-4630 for more information on the specific conditions that apply.

The Major Residential Renovation program, whose goal is the complete renovation of a residential building, provides financial assistance to owners:

- for the renovation of all components of their building in need of repair;
- in certain cases, for the demolition and reconstruction of their building.

What are the objectives of this program?

The program has the following objectives:

- To **renovate** all building components in need of repair (mandatory) and to upgrade the building in accordance with the applicable codes and by-laws. As a result, the building should not require any further work for 20 years, other than normal maintenance.
- To **improve the quality** of the units—once the above upgrades are completed—so they better meet the needs of their occupants and the market, for example, by updating kitchens and bathrooms, reconfiguring rooms or improving heat or sound insulation.
- To **revitalize** the most deteriorated areas of the city and to eliminate vacant, dilapidated buildings in all neighbourhoods.

In addition, the program is aimed at helping families settle in Montréal, at promoting the use of energy-efficient products and materials and at fighting insalubrity.

The cost of the work to renovate the building and to upgrade it in compliance with applicable codes and by-laws must total at least \$15,000 on average per unit. The amount of financial assistance and authorized rent increases follow a fee schedule for the cost of work determined by the Ville de Montréal, which reflects fair market value.

Please note that owners of residential buildings planning to renovate only specific components of their building should check if they are eligible for financial assistance under Renovation à la carte program. Specific terms and conditions apply to rooming houses and to buildings belonging to non-profit organizations and housing cooperatives. Details are available at the Service de l'habitation (housing department) at 514 872-4630.

Who is eligible for financial assistance?

Any individual or legal entity with a right of ownership over a building that meets the following requirements is eligible (provided all other program conditions are met):

- The building was constructed or converted into a residential building at least 20 years ago.
- The building is rundown, i.e. it includes at least one important component requiring substantial renovation.
- The cost of the work required on the building exceeds the amounts fixed by the program.
- The average property value per unit (land and building) does not exceed the amounts fixed by the program (see chart "Building Eligibility"). **Please note that beginning on January 1, 2020, the reference values for property will remain the same as those those in the 2017-2019 property assessment roll, even though the 2020-2022 assessment roll will be in force. This is an exceptional measure due to the fact that renovation programs are currently being reviewed.**

Special assistance to families and for sustainable development

Families with at least one child under 18 who are resident landlords of a building with one, two or three above-ground dwellings are eligible for financial assistance regardless of the value of their property, if it is located in specific sectors designated by the program.

In addition, families who were granted financial assistance under the Ville de Montréal Home Ownership program for an existing building with one, two or three above-ground dwellings are eligible for financial assistance regardless of the value of their property or its location on the territory, if they apply within five years of its purchase.

In all cases, the building must meet all other program requirements.

Under an agreement between Hydro-Québec and Ville de Montréal, additional financial aid to owners of residential buildings situated in designated sectors could be available if the work includes measures to increase the building's energy efficiency. Additional information will be given to the applicant once their file is being reviewed.

What types of work are eligible?

For renovation projects:

The work must include the substantial renovation of at least one of the following components of the building: structure, foundation, electrical system, plumbing, cladding or doors and windows. Work in one of these key areas is required to make the building eligible for financial assistance; however, work to correct any non-compliance with applicable by-laws and to rehabilitate the various components of the building is mandatory. When such work is completed, financial assistance can then be granted for work to upgrade and improve the units.

The work must result in the rehabilitation of a building and its compliance with all applicable by-laws.

For demolition-reconstruction projects:

For the most rundown buildings that must be demolished, the demolition work and reconstruction of a new rental residential building are eligible for financial assistance up to a floor area equivalent to twice the floor area of the demolished building. The following conditions apply:

- Only rental residential buildings are eligible;
- The building to be demolished must have been completely vacant for at least one year at the time of the application for financial assistance or it must be subject to a demolition order issued by the borough;
- The established cost of work must exceed by at least 25% the maximum eligible amounts (see chart "Maximum Eligible Amounts").

Following the demolition of a rundown building, the non-residential section of a new mixed-use building may also be eligible for financial assistance if it accounts for less than 50% of the building's total floor area. For all projects, the owner cannot receive financial assistance from other sources for the same work unless it is to improve the building's energy efficiency or to replace a heating system.

BUILDING ELIGIBILITY					
Buildings		Maximum property value per unit (land and building)	Designated sectors	Outside designated sectors	
				Occupied building	Vacant building
Residential building with 1 dwelling unit ¹	Occupied	\$397,000	Yes	No	Yes
	Vacant ³	\$457,000			
Residential building with 2 dwelling units ¹	Occupied	\$231,000			
	Vacant ³	\$266,000			
Residential building with 3 dwelling units ¹	Occupied	\$186,000			
	Vacant ³	\$214,000			
Residential building with 4 dwelling units ¹	Occupied	\$150,000			
	Vacant ³	\$173,000			
Residential building with 5 dwelling units ¹	Occupied	\$143,000			
	Vacant ³	\$165,000			
Residential building with 6 to 8 dwelling units	Occupied	\$110,000			
	Vacant ³	\$127,000			
Residential building with 9 dwelling units or more ²	Occupied	\$109,000			
	Vacant ³	\$126,000			
Mixed-use building with 1 to 8 dwelling units	Occupied	\$110,000			
	Vacant ³	\$127,000			
Mixed-use building with 9 dwelling units or more ²	Occupied	\$109,000			
	Vacant ³	\$126,000			
Apartment building with 12 dwelling units or more	Occupied	\$85,000		Yes	
	Vacant ³	\$98,000			
Building that is part of a real-estate complex	Occupied	\$85,000			
	Vacant ³	\$98,000			

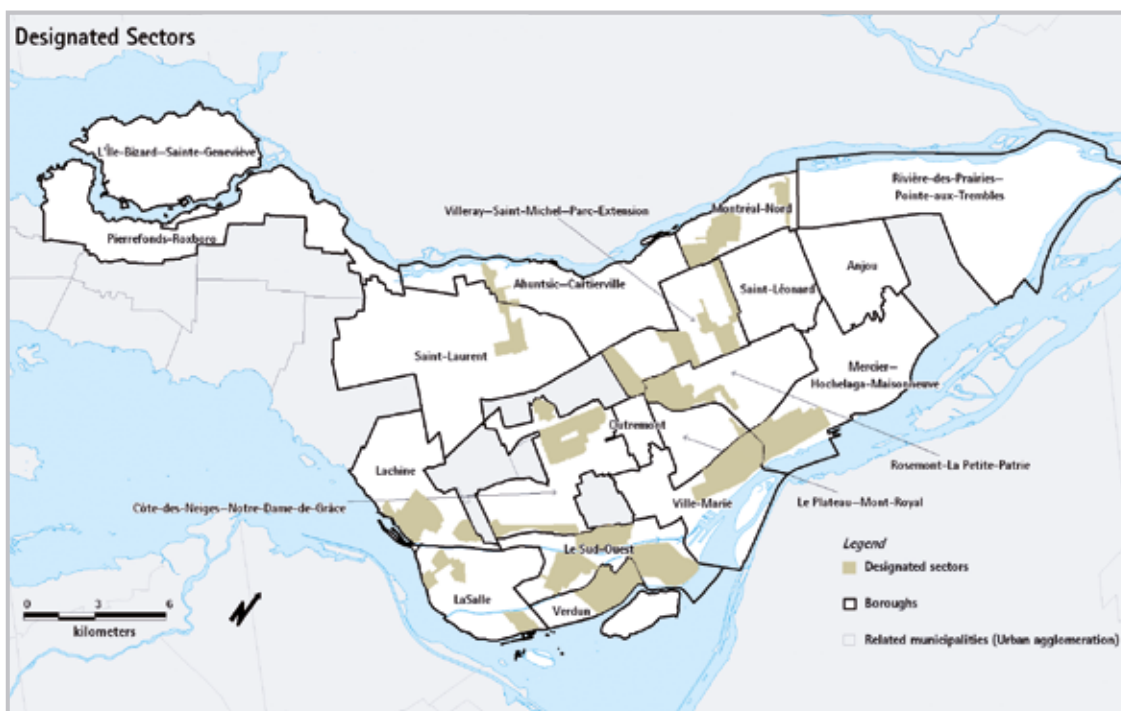
¹ For this type of building, basement dwellings are not considered in the calculation of the number of units or of the average property value per dwelling.

² Excluding apartment buildings and buildings that are part of a real-estate complex. An apartment building is a building constructed between 1950 and 1980, with four residential levels or less, a common entrance and no elevator. An apartment building can also have a commercial use in addition to its residential use. A real-estate complex is a group of apartment buildings that are part of the same unit of assessment on the property assessment roll and includes at least 90 dwelling units.

³ A vacant building is eligible if it is entirely vacant at the time of the application for financial assistance. In addition, the cost of work required to upgrade the building in accordance with the applicable codes and by-laws as well as market conditions must exceed the maximum eligible cost considered for the calculation of the financial assistance.

What territory does the program cover?

Designated sectors are shown on the map below. To find out if a building is located in a designated sector, check with borough offices, the Service de l'habitation at 514 872-4630 or ville.montreal.qc.ca/habitation under the "Territory" heading.



What is the amount of financial assistance?

Owners are granted a percentage of the cost of work as established by the Ville de Montréal, up to the maximum eligible amount per unit, which varies according to the type of dwelling.

MAXIMUM ELIGIBLE AMOUNTS		
Type of dwelling	Area	Maximum eligible cost of work
Studio	< 46,5 m ² (< 501 ft ²)	\$30,000
3 1/2	46,6 m ² to 65 m ² (502 ft ² to 700 ft ²)	\$40,000
4 1/2	65,1 m ² to 84 m ² (701 ft ² to 904 ft ²)	\$50,000
5 1/2	84,1 m ² to 102 m ² (905 ft ² to 1 098 ft ²)	\$56,250
6 1/2	> 102,1 m ² (> 1 099 ft ²)	\$63,500
Non-residential section		\$456 / m ² (\$42,36 / ft ²)

The maximum eligible cost of work may be increased, under certain conditions, when the project includes one or more of the following items:

- The demolition of an accessory building;
- The consolidation of foundations affected by subsidence (replacement of foundations, installation of piles);
- The improvement of security in certain types of buildings (apartment buildings with 12 units or more, a building that is part of a real-estate complex and rooming houses).

Related expenses are also considered in the calculation of financial assistance, up to a maximum of 15% of the established cost of work. The percentage of financial assistance varies according to several factors:

PERCENTAGE OF FINANCIAL ASSISTANCE			
Types of buildings, work and applicants	Percentage of financial assistance	Type of project	
		Renovation of a rental building ¹	Demolition-reconstruction of a rental building
Work on the owner's dwelling unit in a residential building with 2 to 5 units	40%	Yes	Yes
Work on units in a building where pre-renovation rents are lower than a maximum established by by-law	30%		
Work on other rental dwelling units	25%		

¹ It is also possible to renovate building without rental units if it is a single-unit building (single-family home). The percentage of financial assistance is then 25%.

The financial assistance is paid in four equal instalments as the work progresses; the last instalment is paid at the end of the project. Conditions apply to each payment.

For renovation projects, the maximum amount of financial assistance is \$500,000 per building. For demolition-reconstruction projects, the maximum amount granted may be higher.

The program ends when the funds earmarked for it are exhausted.

Are there any specific program requirements?

- Owners must prove their ability to finance their share of the project's costs.
- The work must be performed under the complete responsibility of a general contractor duly licensed by the Régie du bâtiment du Québec. An owner-builder license is not acceptable.
- In some cases, the work must be supervised by an architect and an engineer.
- Only work to completely upgrade the dwellings and to make them compliant with all applicable by-laws is considered in the cost of work used to determine the eligibility of the project.
- When a rental building is occupied, the landlord must sign an agreement with a majority of the tenants specifying the conditions under which renovations will take place (nature of work, compensation, tenant relocation period, rent to be charged once work is completed, etc.). Without such an agreement, the procedure of the Régie du logement applies.
- The work must begin within 3 months of the city's approval and be completed within 12 months.
- The work must be carried out in accordance with the Construction Code and relevant by-laws.

N.B. No work should be undertaken before financial assistance is approved and required permits are issued, otherwise financial assistance will be cancelled. After the application is submitted and before financial assistance is approved, urgent work to correct conditions posing a safety hazard to occupants must first be authorized by the Service de l'habitation.

What are the owner's obligations?

- For a period of five years from the last financial assistance payment, the owner must maintain the residential nature of the building or of the section of the building for which financial assistance was granted.
- The resident landlord must continue to occupy the dwelling for at least three years following the payment of the financial assistance.
- The landlord agrees to respect certain rent control measures after the work has been completed.

These obligations will be included in the Land register for the benefit of any potential buyer. Owners who fail to respect their obligations will have to reimburse part or all of the financial assistance.

What is the procedure to apply?

The application must be submitted in person at a borough office or at the reception desk of the Service de l'habitation of the **Ville de Montréal, 303, rue Notre-Dame Est, 4th floor, 514 872-4630.**

Applicants planning on taking advantage of the special assistance available to families should include a birth or adoption certificate for a child under 18 or a document issued by a doctor stating the expected date of birth. If the child lives in shared custody, a document stating that the applicant has legal custody of the child at least 40% of the time should be provided (court judgment, letter signed by both parents or recent fiscal document from the gouvernement du Québec or the government of Canada).

The applicant will be asked to provide other documents later in the process.

How much does it cost to apply?

Non-reimbursable application review fees of \$451 plus \$64 a dwelling, for a maximum of \$4,481, including taxes, are required once the project is considered eligible (after an inspection visit). A cheque to cover half of the cost is required when the work program is submitted. A second cheque to cover the other half of the cost is required when the project is approved. Permit fees must also be considered.

There are fees of \$35 to recover a cheque refused by a financial institution.

This document summarizes the By-law concerning municipal subsidies for residential renovation and demolition-reconstruction [14-036]. Other conditions may apply.

This program is jointly funded by the Société d'habitation du Québec (SHQ) and the Ville de Montréal under the Agreement regarding the transfer of budgets and housing responsibility, as part of the Réflexe Montréal Agreement recognizing the special status of the metropolis. For details on other financial assistance programs, please refer to the documents available in borough offices or consult **ville.montreal.qc.ca/housing**.

The version of the program terms and conditions found on the **ville.montreal.qc.ca/housing** web site is the most up-to-date. In case of discrepancy between the version on the web site and another version, whether electronic or printed, the version on the web site will prevail. Furthermore, in case of discrepancy between the present document, the web site or the By-law concerning municipal subsidies for residential renovation and demolition-reconstruction [14-036], the by-law will prevail.