

feature



By Jeffrey Kerr



Financing Options for Barrier Free Renovations

I have been speaking with a number of my clients recently about the options available to help them finance modifications to their current family home. Others want to move to smaller more accessible homes but still need to consider financing for some renovations to ensure they have barrier-free living space.

When making any financial decision it is always important to get accurate information from financial experts. This is not the time to make a decision involving the equity you have in your home, only to find out later that there were better options available to you.

A mortgage broker or your bank's financial advisor will be aware of the best products on the market. For instance, James Robinson with The Mortgage Centre said, "A significant part of our practice involves refinancing and much of that is for home improvements. Being able to take advantage of your home's value, and the equity you have built, can be a practical solution to the need for some renovations to create accessible living space."

Banks also have a variety of options to choose from, ranging from financing for small amounts of money – maybe you need to install ramps, handrails or widen a doorway, to larger amounts for bigger projects such as a barrier free kitchen and bathroom.

Carrie Bryan, a Home Financing Advisor with Scotiabank suggested you first estimate the cost of the renovations required to determine if you will need all the money up front or if the job will be done in stages – requiring cash flow as the renovations progress.

So really, before you even consider what your financing options are, finding the right renovation company to advise you is the first step. Do some research and ask for referrals. There are many excellent professionals who specialize in home renovations for barrier-free living. Once you determine the type of modifications you need, then they can advise you whether or not the renovations are possible, and provide you with an estimate on the work and costs involved. As always, it is important to engage an

accredited professional. This is not the time to be taken advantage of by a renovation scam.

A small renovation, under \$5,000 may be best suited to your credit card provided you can pay the balance off each month.

Expenses between \$10,000 and \$20,000 may be better suited to a line of credit. With some lines of credit, you only pay interest on the amount borrowed.

For projects over \$20,000 you might consider refinancing your mortgage for the amount required.

Reverse mortgages are also an option available to homeowners aged 55+. According to the experts at TheSeniorAgent.com - the real estate experts for mature and senior Canadians, a reverse mortgage is a simple way to access funds that would otherwise stay locked in the equity of your home.

"The big benefit of a reversible mortgage is that the lender pays you, instead of you paying the lender. Whether you choose to receive a portion of your home's value in monthly payments, a lump sum, or in the form of credit you can access as needed, you can improve your standard of living by turning part of your home's value into tax-free cash. The best part of a reverse mortgage is you can defer monthly payments until you sell your home."

But always do your homework and make these decisions in consultation with a professional. Look into all of the options and the costs involved now and down the road.

Plan ahead and turn your house or condo into a barrier free home so you can live there comfortably and safely for many years. A professional renovation will enhance your home's value and be appealing to the increasing number of homebuyers who are looking for barrier-free living.

For more information on buying and selling wheel friendly / barrier-free real estate, please contact:

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