Mortgage Hub Canada
MELISSA HARNEY · LICENSED MORTGAGE BROKER

FREE CHECKLIST

Rental Suite Buyer's Checklist

What to check before you buy a home with a basement apartment or second unit, so the rent helps you qualify.

1. Before you make an offer

- [ ] Ask whether the unit is legal and registered with the municipality. Lenders usually count rent only from a legal unit.
- [ ] Have your real estate lawyer confirm the unit's status
- [ ] Check for a separate entrance, fire separation and working smoke and CO alarms, and that the unit meets building and fire code
- [ ] Get a copy of any existing lease, including rent, deposit and term
- [ ] Compare the rent with similar units nearby

2. Financing

> If you live in a two-unit home, CMHC lets lenders add up to 100% of the second unit's rent to your income. For three- and four-unit homes, it's typically up to 50%, or the net rent after expenses.

- [ ] Get pre-approved with the rent included
- [ ] Know your minimum down payment: from 5% (1–2 units) or 10% (3–4 units) if you live there; 20% or more if you don't
- [ ] Make sure your financing condition gives you time to confirm the suite

3. Budget for being a landlord

Expected monthly rent	
Vacancy allowance (e.g. one month a year)	
Maintenance and repairs	
Landlord insurance	
Utilities you'll cover	

4. Ontario landlord basics

- [ ] Use Ontario's Standard Lease for most residential tenancies
- [ ] Learn the rent increase rules that apply to your unit
- [ ] Keep records of rent received for your tax return

Questions? Book a free 15-minute call at **mortgagehubcanada.ca**, call **416-909-0560** or email **info@mortgagehubcanada.ca**.

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General information based on rules and lender programs as of November 2026. Programs change, and approval depends on the lender and your full application. O.A.C.