

Program Overview

The Secondary and Basement Suite Incentive Program aims to grow the availability of affordable housing options throughout Newfoundland and Labrador. The program will provide funding to help homeowners create a new, self-contained secondary or basement suite within their home that is to be rented at below market rates.

Homeowners who qualify will receive up to 50 per cent of the cost of renovations, up to a maximum of \$40,000. The program will provide a rebate in the form of a forgivable loan, which does not need to be repaid if the homeowner follows the terms of the program.

For the loan to be forgiven, the new unit must be located on the same property where the homeowner lives and must be rented out at below market rates, as established by Newfoundland and Labrador Housing Corporation (NLHC), for at least five years.

Who is eligible?

- Applicant:
 - Current homeowners who reside in the home as their primary residence
 - Canadian citizens or permanent residents
- Property:
 - Must meet health and life-safety standards
- Basement Suite:
 - The new unit must be registered (where applicable), self-contained and provide living, sleeping, eating, food preparation and sanitary facilities for the exclusive use of the household occupying the unit
 - Received municipal building permit after January 1, 2024
- Renter:
 - Cannot be a sibling or child of the homeowner/applicant, but may be a parent or parents aged 65 or older
 - Must have a household income below \$42,000

What do I need to apply?

- Completed application form;
- Proof of residency in the home to be modified (e.g., driver's license, utility bill);
- Proof of home ownership for the home to be modified (deed and survey);
- Approved Building Permit from your municipality (where applicable);
- Confirmation of assets or private financing in place for the balance of funds required to complete the renovation, and;
- A contractor quote to complete the secondary or basement suite.

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SECONDARY AND BASEMENT SUITE INCENTIVE PROGRAM FACT SHEET



Additional Program Information:

- The program budget is \$4 million, with qualified applications to be approved on a first-come, first-served basis.
- Applicants may only receive assistance to create one additional unit.
- Suites may be developed through an extension to the home, conversion of existing living space or development of a currently undeveloped section of the home.
- The maximum monthly rental rates are established by NLHC, based upon the rental market reports developed annually by the Canada Mortgage and Housing Corporation.

The following rates are applicable as of January 2023:

Secondary and Basement Suites Incentive Program				
Community/Bedroom	Bachelor	1 BR	2 BR	3 BR
St. John's CMA	\$665	\$730	\$880	\$840
Island Communities	\$650	\$700	\$795	\$820
Labrador	\$665	\$730	\$880	\$840

- The following is a list of costs which are eligible and not eligible under the Program:

What costs are eligible?	What costs are not eligible?
<ul style="list-style-type: none"> • Architectural and design fees • Inspection fees (where applicable) • Structural modification • Electrical work • Fixtures • Appliances (50% of actual cost to a maximum of \$2,500) • Building and trade permit fees • Costs to obtain certificates, drawings and specifications directly related to eligible scope of work • Materials related to the approved construction • Contractor labour (not including work done by Applicant or any member of the Household) • HST 	<ul style="list-style-type: none"> • Repair of existing rental units • Labour costs for work completed by the homeowner • Landscaping costs

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- New secondary or basement suites must meet all applicable building and life-safety codes and be issued an occupancy permit by the authority with jurisdiction upon completion. In areas where occupancy permits are not provided, completion of the basement suite shall be verified by a third-party inspector (See FAQ document).
- Program funding is released only after an occupancy permit or qualified inspection form has been provided along with proof of payment of eligible costs.
- NLHC will secure the forgivable loan with a registered mortgage, amortized over five years during which the homeowner must rent the unit under the terms and conditions of the loan agreement.
- For more information, please see the [Frequently Asked Questions Page](#).

How to apply?

Applications are available on the [Secondary Basement Suite Incentive](#) website and may be submitted online or through:

Mail	Email	Fax
Program Delivery Department Newfoundland and Labrador Housing Corporation 2 Canada Drive, P. O. Box 220 St. John's, NL A1C 5J2	sbsi@nlhc.nl.ca	(709) 724-3149