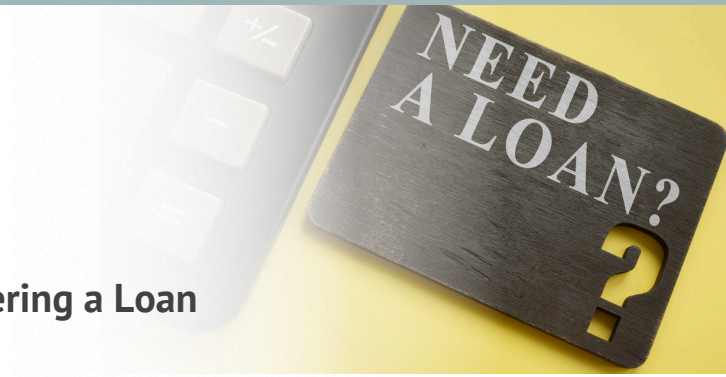


BOARD TOOLBOX: Financing Capital Projects with Confidence

Practical Tips for Condominium Boards Considering a Loan

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1. GET A CLEAR PICTURE OF THE PROJECT

Owners and Lenders need to understand the plan. Work with your engineer or project manager to confirm:

- Scope of work
- Cost estimate (*including contingency, taxes, and professional fees*)
- Timeline
- Risks of delaying the project

2. REVIEW FUNDING OPTIONS

The board and owners need a clear view of the financial impact with each path. Outline what the project would look like if paid through:

- Reserve fund
- Special levy
- Financing
- Blended funding

3. FOCUS ON COMMUNICATION

Transparency builds engagement. Owners will want to understand:

- Why the project is needed
- What the funding options are
- Financial implications including the cost of phasing or deferring

4. CHOOSE THE RIGHT LENDER

Choose a lender that understands condominium corporations, this is a specialized loan type with unique needs. A lender should:

- Understand how condos operate
- Offer flexible repayment terms
- Work directly with your condominium manager and board

5. KEEP THE RESERVE FUND HEALTHY

Using financing can preserve your reserve fund for future priorities. This reduces the chance of future shortfalls and emergency special levies. It also shows long-term financial planning, which is helpful for real estate buyers and insurers.

6. AVOID DELAYS THAT COST MORE

Financing lets you act when the building needs, not when the cash happens to be available. Postponing essential work often leads to:

- Higher repair costs
- More damage
- Safety or insurance issues



7. WORK AS A TEAM

Good project financing is a team effort and helps the board deliver a well-run, future-ready community. Coordinate early with your:

- Condominium manager
- Lender
- Engineer
- Lawyer
- Reserve fund planner