

DIFFERENCE MAKER

Experienced broker navigates complex mortgages

Financing a cottage purchase can be a complicated matter, whether you're navigating a complex island property or refinancing your primary residence to access the down payment.

One of the main hurdles is keeping your cashflow liquid while you set about achieving your cottage goals. The last thing you want is to have financing run out in the middle of a build, or to dip into your portfolio when the market is down just because the property of your dreams came on the market.

"When you're financing a seasonal residence, things can quickly get complex," says mortgage broker Drew Charles

Donaldson. "There are even more factors at play when working with an island property, be it a straight mortgage or construction financing."

Building or buying

If you're building in Muskoka, timelines can be quickly shattered. An early winter, delays in building permits, blasting, and even ice conditions can have an impact.

But there are solutions to address cashflow flexibility. The most accommodating scenario involves releasing funds in stages: funds are advanced as each stage of the process is finished.

Another strategy involves drawing on investor funds to reach 98 per cent completion

of the build, and then conventional funds are secured for the remainder at the best rates available.

No matter the approach, Drew helps align his clients with lenders who understand that building a cottage in Muskoka is not the same thing as building a house in the GTA, and that construction stages can be farther apart.

If you're buying an existing property, other strategies may come in to play. One that the Donaldson Capital team has used when a client was buying new and selling their old property is to arrange for an interest-only secured line of credit on their old property, giving them the liquidity to

purchase the new property and prepare it for moving in.

Drew specializes in drawing on a range of options, including flexible investors and an array of lending institutions to help finance multi-million-dollar, luxury cottage builds. His family history (they have cottaged on Lake Rosseau since 1958) and deep roots in Muskoka (Port Carling is named after his great-great grandfather)

give him an in-depth understanding of construction financing in the area.

"I develop a strategy to meet each client's capital requirements while allowing their cash flow to remain fluid," says Drew. "We know how important it is for families to be together at the cottage, especially during these uncertain times."

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PHOTOS SCOTT TURNBULL

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