HOUZING

A MULTIFAMILY INVESTMENT COMPANY

# THE CALGARY MULTIFAMILY INVESTOR GUIDE

How Investors Are Using CMHC MLI Select to Acquire 5+ Unit Rental Properties


PRESENTED BY

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CALGARY MULTIFAMILY OPPORTUNITIES | INVESTOR REPRESENTATION | MLI SELECT

ONE PROPERTY. MULTIPLE INCOME STREAMS.

# Why Multifamily?

Multifamily real estate allows investors to own several rental units within a single property. A well-selected asset can consolidate financing, management and long-term growth into one investment.

### 01 Multiple Income Streams

Revenue is diversified across several rental units rather than depending on one tenant.

### 02 Economies of Scale

Management, maintenance and financing can be more efficient at the property level.

### 03 Professional Financing

Qualifying properties may access commercial and CMHC-insured lending structures.

### 04 Long-Term Equity

Investors may benefit from principal reduction, rental growth and property appreciation.

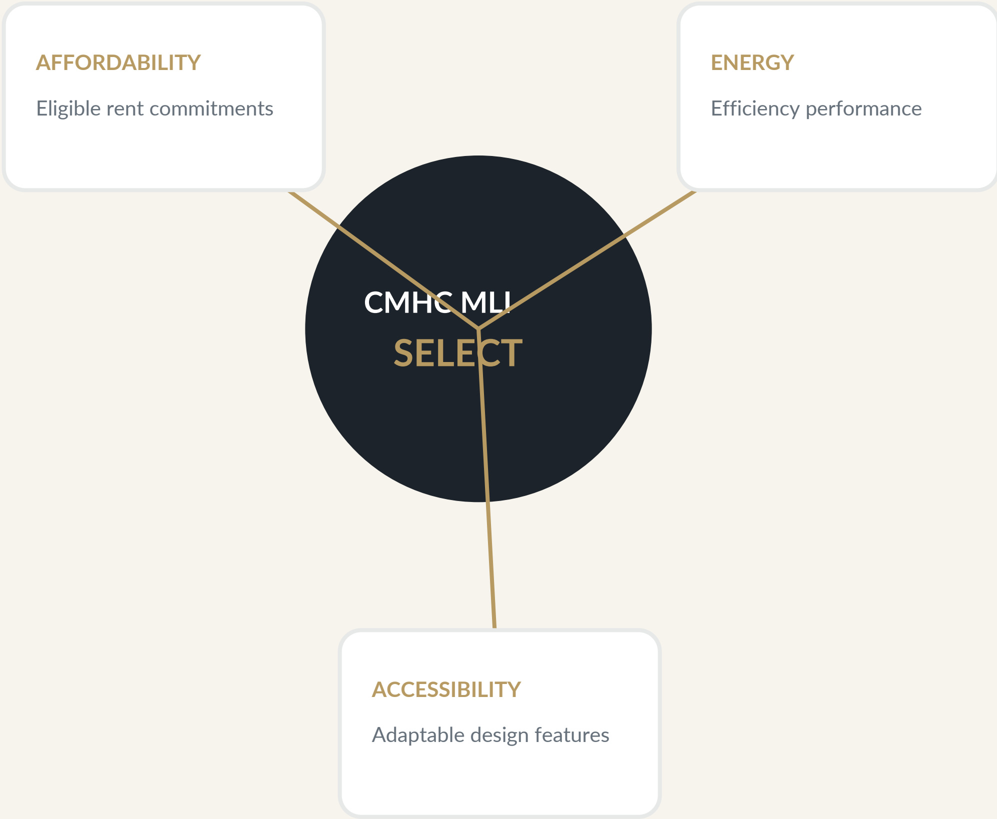
INVESTMENT PRINCIPLE

The opportunity is not simply the number of units. It is the relationship between income, expenses, financing, location and the exit strategy.

SPECIALIZED FINANCING FOR MULTI-UNIT RENTAL PROPERTIES

# What Is CMHC MLI Select?

CMHC MLI Select is a mortgage loan insurance product for qualifying Canadian multi-unit rental properties. It uses a points system that rewards outcomes in three areas.




| UP TO | UP TO | MINIMUM | INSURED |
|---|---|---|---|
| **95%** | **50** | **1.10** | **LOWER** |
| LTV | YEARS | DSCR | RATES |

Maximum terms are subject to property, borrower, lender and CMHC approval.

THREE PATHWAYS TO QUALIFICATION

# How the Points System Works

## 01

### AFFORDABILITY

Commit a qualifying percentage of units to rents meeting applicable affordability criteria.

## 02

### ENERGY EFFICIENCY

Meet eligible performance standards or achieve qualifying reductions in energy use and emissions.

## 03

### ACCESSIBILITY

Incorporate qualifying accessible, adaptable or universal-design features.

POINTS AND MAXIMUM AMORTIZATION

| | | |
|---|---|---|
| 50 | 70 | 100 |
| 40 YEARS | 45 YEARS | 50 YEARS |

Points may be earned through one category or through a combination. The most suitable strategy depends on the property, compliance cost and the investor's long-term objectives.

ACQUISITION FINANCING DESIGNED AROUND RENTAL INCOME

# Key Benefits of MLI Select

**01**

### Up to 95% Loan-to-Value

Potentially lower initial equity requirements on qualifying acquisitions.

**02**

### Longer Amortization

Up to 40, 45 or 50 years, depending on the points achieved.

**03**

### Minimum 1.10 DSCR

More of the property's qualifying income may support the mortgage amount.

**04**

### Competitive Insured Rates

Pricing may be based on a five- or 10-year bond benchmark plus lender spread.

**05**

### Professional Management

Structured operations help protect occupancy, income and property condition.

WHAT 1.10 DSCR MEANS

| $165,000 | ÷ | $150,000 | = 1.10 |
|---|---|---|---|
| NET OPERATING INCOME | | ANNUAL DEBT SERVICE | DEBT-COVERAGE RATIO |

A DISCIPLINED PATH FROM GOALS TO OWNERSHIP

# The Multifamily Acquisition Process

### 01 Determine Your Goals

Define short- versus long-term ownership, cash-flow targets, appreciation expectations, preferred location, property size and risk tolerance.

### 02 Review Borrower Qualification

Assess available capital, net worth, credit, experience, ownership structure, financing capacity and required guarantees.

### 03 Select and Underwrite

Evaluate rents, vacancy, expenses, capital needs, net operating income, DSCR, cash flow, price per unit and capitalization rate.

### 04 Structure MLI Select Financing

Confirm points strategy, supportable loan amount, reports, premiums, term, amortization and closing conditions.

### 05 Complete Due Diligence

Review inspections, appraisal, environmental and building reports, leases, operating statements, title, zoning and financing.

### 06 Manage and Execute the Exit

Monitor property performance and plan for long-term ownership, refinancing, sale, succession or the next acquisition.

HIGHER LEVERAGE INCREASES BOTH OPPORTUNITY AND EXPOSURE

# Risks Every Investor Should Understand

- Lower-than-projected rents or higher vacancy
- Unexpected repairs and major capital expenditures
- Rising taxes, insurance, utilities and management costs
- Interest-rate changes at mortgage renewal
- Lower-than-expected appraisal or financing proceeds
- MLI Select compliance and affordability obligations
- Environmental, building-condition or legal-use issues
- Limited liquidity compared with public investments

RISK PRINCIPLE

Higher leverage can amplify returns when a property performs well. It can also amplify losses when income falls, expenses rise or property values decline.

Longer amortization may improve monthly cash flow, but principal is repaid more slowly.

INVESTOR DISCIPLINE

Maintain appropriate operating and capital reserves. Obtain independent legal, accounting, tax, lending and property-condition advice before acquiring a property.

# About Houzing

Houzing is a Calgary-based multifamily investment company led by Anuj Kalra and Priyanka Singh.

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## ANUJ KALRA

CEO & FOUNDER

Licensed commercial real estate professional and Calgary multifamily investment specialist with more than 300 residential and multifamily doors sold.

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## PRIYANKA SINGH

SENIOR VICE PRESIDENT

Supports investor communication, property evaluation, transaction coordination, due diligence, closing preparation and ongoing client service.

### HOW HOUZING HELPS

- Off-market property opportunities
- Investor needs analysis
- Property selection and underwriting
- MLI Select transaction coordination
- Acquisition and negotiation
- Due diligence coordination
- Leasing and management planning
- Refinancing and exit strategy

### OUR APPROACH

We begin with your capital, cash-flow target, timeline, financing capacity, risk tolerance and long-term objectives - then evaluate opportunities against those criteria.

SELECTED CALGARY MULTIFAMILY PROPERTIES

# Current Off-Market Opportunities

### TUXEDO PARK

8-PLEX

**$3.00M**

### WINSTON HEIGHTS

8-PLEX

**$3.20M**

### MOUNT PLEASANT

CORNER 8-PLEX

**$3.20M**

### BOWNESS

8-PLEX

**$2.85M**

### KINGSLAND SW

10-PLEX

**$3.60M**

### PARKDALE

CORNER 8-PLEX

**$3.20M**

### OUR TEAM WILL BE IN TOUCH SHORTLY

After submitting your information, a member of the Houzing team will contact you to understand your investment goals and share the most relevant available opportunities.

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Opportunities, pricing, availability, projected rents and financing assumptions are subject to change.