



Montreal Real Estate Forum
April 4th 2013

Equitable Trust – Sample Transaction #1



Property

Existing 2-storey, 30,000sf retail building

Location

Montreal, Qc

Loan Amount

\$3,800,000

65% loan to cost

Term

18 months

Purpose

Re-development project including addition of ±10,000sf

Equitable Trust – Sample Transaction #1

Challenges

- Entirely vacant
- Expansion capacity
- Height of 2nd floor
- Valuable rooftop income restricting expansion
- Limited pre-leasing

Considerations

- Excellent location with high visibility
- Retail leasing commitments
- Experienced developer in similar type re-developments
- Strong sponsorship

Conclusion

- Initial advance to repay existing debt and commence work considering equity in the property
- Subsequent draws upon progress of development
- Existing income was considered



Equitable Trust – Sample Transaction #2



Property

Existing 4-storey, 41,000sf mixed use commercial building

Location

Montreal, Qc

Loan Amount

\$3,500,000

65% Loan to purchase

70% Loan to cost

Term

18 months

Purpose

Acquisition and re-development with possible expansion



Equitable Trust – Sample Transaction #2

Challenges

- Neglected property
- Off-market transaction with quick close
- Considerable vacancy and several month to month tenants
- Virtually no income

Considerations

- Good location; proximity to subway and highway network
- Interior parking in an area where parking is scarce
- Experienced developer in similar type re-developments
- Strong sponsorship
- Multiple options being considered :
 - expansion
 - alternate use
 - commercial condo

Conclusion

- Initial advance for the acquisition allowed for the borrower to close acquisition and consider the options for the re-development;
- Option for subsequent draws upon re-development of the site;
- Over 75% of the property is now under lease with a new tenant for use as office
- Renovations on the property to commence shortly

