

Saskatchewan Real Estate Forum

Prepared by: Steven Hart, Managing Director, Prairies



CMLS Financial®

Case Study 1



Loan Amount: **\$20,000,000**

Property Type: **7 Apartment Buildings Portfolio**

**Occupancy at
Funding:** **96%**

Location: **Saskatoon**

Challenges:

- 🏠 Purchase date closing - in 30 days, timing too tight to arrange CMHC financing
- 🏠 Client required financing of 83% of purchase price at closing, well beyond the normal scope of a conventional lender (65-75% LTV)
- 🏠 Client required flexibility to payout a portion of loan in future, from proceeds of an unrelated sale in 18 months

Solution:

- 🏠 CMLS provided an A/B structure conventional mortgage to get to 83% of cost. \$15,000,000 “A” portion, and \$5,000,000 “B” portion.
- 🏠 5 year term for both pieces, 25 year amortization, total DSC at 1.10X
- 🏠 One lender, one set of mortgage documents, one approval, one funding, one lender fee, one rate, etc.
- 🏠 “B” piece ability to payout in full after 12 months
- 🏠 Pricing competitive on a blended basis
- 🏠 Total loan amount exceeded what CMHC program dictated at the time

Case Study 2



**Loan
Amount:**

\$25,000,000

**Property
Type:**

**92,800 s.f. Office / Institutional Property Built as a
Public / Private Partnership Project Sponsored by a
Provincial Government Health Authority**

**Occupancy
at Funding:**

Preleased 100%

Location:

Winnipeg



CANADA'S MORTGAGE COMPANY

Challenges:

- 📌 Borrower's equity consisted of the existing land and base building
- 📌 Borrower required interest rate certainty, and needed the ability to lock the interest rate for the entire construction and permanent term early in the process
- 📌 Successful completion required the cooperation of the Provincial Government tenant

Solution:

- 📌 CMLS provided 100% of the construction costs under a Fixed Rate Draw Mortgage Program. The 32 year mortgage term included a two year interest-only construction component, followed by a permanent component co-terminus with the 30 year Provincial Government lease.
- 📌 CMLS recognized appraisal surplus from land and buildings in lieu of cash equity
- 📌 CMLS structure allowed the Borrower to arrange construction and permanent facility in a single approval, minimizing documentation, fees, and legal work.
- 📌 The structure also allowed the Borrower to lock in the interest rate for the entire 32 year construction and permanent term prior to the first advance