



CMLS Financial[®]

CANADA'S MORTGAGE COMPANY

2017 Saskatchewan Real Estate Forum
Presented By: Paul Herra

“Sterling Manor I” – Overview

- 📍 Location: Regina, SK
- 📍 Property: 160-Unit Apartment Complex
- 📍 Loan Type: CMBS Conventional First Mortgage
- 📍 Purpose: To Refinance Existing Construction Loan
- 📍 Loan Amount: Approx. \$19 Million
- 📍 Term: 5 Years
- 📍 Amortization: 30 Years



“Sterling Manor I” – Transaction Details

Request: Borrower wanted to place permanent financing prior to full lease-up/stabilization and lock rate immediately to take advantage of low interest rates.

Challenges:

Approx. 22% Vacancy at Application.

<1.0x DSCR.

Dated Environmental (7 Years Old).

Solutions/Outcomes:

CMLS allowed the Borrower to fix the rate upon issuance of the commitment based on confidence that the updated ESA would be clean and the Borrower would achieve minimum occupancy and a 1.20x DSCR within 30 days.

Borrower achieved projected lease-up and no holdback was required.



“Market Mall” – Overview

- Location: Saskatoon, SK
- Property: 300,000+ SF Regional Shopping Mall
- Loan Type: First Mortgage/Acquisition Loan
- Purpose: To Acquire the Property and Undergo Renovation/Lease-Up Plan
- Loan Amount: Approx. \$22 Million
- Term : 3 Years
- Amortization: N/A – Interest Only



“Market Mall” – Transaction Details

Request: Borrower wanted to obtain acquisition financing while having the flexibility to self-fund all renovation/reconfiguration costs to reposition the asset.

Challenges:

Major vacancy following *Zellers* Departure.

Significant capex required to execute business plan (re: renovation/re-configuration).

Reliance on non-traditional income (i.e. percentage rent, game rent (i.e. mini-golf), storage, kiosks, temporary tenants, etc.).

Solutions/Outcomes:

CMLS recognized the Borrower’s well-thought-out asset plan and was confident that renovations could be completed with excess cash flow from the property and the Borrower’s own resources (i.e. no holdback).

The property features high-quality anchor tenants (i.e. *Safeway*, *Shoppers Drug Mart*, *Dollarama*, *Liquor Store*, etc.) which provide a stable existing income stream.

