

Financing is provided to acquire 26-unit apartment rental building for possible future condominium conversion.

10%

annual return

26 Unit Apartment Building
Edmonton, Alberta

Mortgage Amount 1.8 Million	Proposed Maturity Date March, 2008
Minimum Investment \$75,000	Appraised Value \$2,500,000 (based on rental use)
Investor Interest Rate 10.00 %	Loan to Value 72% (based on rental use)
Term 13 months with option to renew	Borrower's Equity 28% (based on rental use)
Funding Date March, 2007	



The Project

26 Unit Apartment Building

The property consists of 26 residential units: (15) 1-bedrooms, (7) 2-bedrooms, and (4) 3-bedrooms. These units are expected to be renovated, condominiumized, and marketed to individual owners. The site includes a 26-vehicle paved surface parking lot and mature treed landscaping.

The Location

Edmonton, Alberta

The property is located in the North Central zone on 81st Street in the neighbourhood of Eastwood. This zone had an apartment vacancy rate of 2.5% last year, down 4.7% from 2005. The property is in the middle of the district, mid-block, on the east side of 81st Street between 119th and 120th Streets, and features good access to public transportation, the Northern Alberta Institute of Technology campus, shopping and amenities.

Security

First mortgage on Edmonton, Alberta property; general security agreement; assignment of material documents; specific assignments of leases and rents; assignment of offers of purchase and sale; trustee for condominium insurance; borrower's personal guarantee; title insurance.

The Borrower

The principal's educational background includes post-graduate study in the field of urban planning. The principal has extensive field work experience in urban and logistical planning world wide, and over the last three years, has successfully completed three condominium conversions in Calgary, Alberta.

Feasibility

Appraisal reports indicate the multi-family market has improved substantially in recent years, with greatest activity in condominium developments. The Eastwood area is primarily residential and commercial and should continue to meet the specific demand for mid-cost inner city housing.

