



Real Estate Investing Made Simple

Turnkey Investment Opportunities

Strictly private and confidential

www.PeakPropertyInvestments.ca

Future results are not guaranteed

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14-Units – Croswaithe Avenue, Hamilton

Summary

Peak Property Investments has an opportunity for investors to generate stable returns by investing in one of real estate's safest asset classes - apartment buildings.

Targeting **returns of 15%** per year over a 5-year period.

Investment highlights

- 2 X 7-unit apartment buildings
- Rents currently under-market rates by 50%
- Located in Hamilton – one of the strongest rental markets in Ontario
- Located steps away from Hamilton's future LRT
- Leverage management synergies with side-by-side assets

We manage all the details for you

Invest in real estate without dealing with tenants, property management and maintenance, and all the other time consuming activities required to maintain a strong investment. We manage it all for you!



Located at 10 and 14 Croswaithe Ave. S, Hamilton; these properties are located in a residential area with strong evidence of pride of ownership, close to transit and amenities. With a walk score of 86, these properties have a wide base of tenants to target. The new Metrolinx LRT is planned to stop steps away from the properties – further strengthening future potential. PPI plans to acquire the assets and improve their financial performance by renovating rental units and common areas, attracting a more lucrative tenant profile that will pay market rents. Currently, rents are well below market and are anticipated to increase by approximately 50% after renovations.

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14-Units – Croswaithe Avenue, Hamilton

Purchase Price (2018): \$1,700,000

Total Investment Required: \$725,000

- Includes: down payment legal, land transfer, reserve fund, phase 1 renovations

Target ROI: 15% (Scenarios between 12% to 20%)

Expected investment period: 5 years

Acquisition + Upgrade Costs

Purchase Price	\$ 1,700,000
Closing Costs + Fees	\$ 113,485
Renovations	\$ 420,000
Cost to Acquire + Upgrade	\$ 2,233,485
Investment Cap	\$ 725,000
*Includes first mortgage and VTB of \$250,000	
**Closing costs + reno of 9-units, acquisition fee	
***Funding of remaining units to come from refinancing in year 2	

Asset Value in Year 5

	Scenarios		
	Low	Conservative	High
Building Value	\$ 3,000,000	\$ 3,250,000	\$ 3,650,000
Accumulated Cash Flow	\$ 151,700	\$ 151,700	\$ 151,700
Mortgage Paydown**	\$ 101,531	\$ 101,531	\$ 101,531
Investor Profit***	\$ 869,746	\$ 1,107,246	\$ 1,487,246
	12.0%	15.3%	20.5%
*Value based on fully rented at project rents and inflation, 5% cap			
**Based on 3-years of paydown n starting in month 25 (year 3)			
***Accounts for selling costs and 50% JV structure			

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Peak Property Investments follows a 3-phase, proven business plan to elevate the value of the asset to generate strong returns.

Phase 1

Renovate to add-value and attract strong tenant profile, increased rents (0-24 months)

- Renovate 8-10 units
 - Update to open-concept living
 - New kitchen (island, quartz countertops, stainless steel appliances)
 - New bathroom
 - New floors, trim and paint
 - Installation of in-suite laundry
- Update common areas of both buildings: floor, paint, lighting
- Exterior landscaping to improve curb appeal

Phase 2

Refinance (Year 2-3)

- With rents increased due to upgraded units and common area, we will refinance the property with an A-lender (targeting month 20-22 of project)
 - Pay-back initial mortgage
 - Decrease cost of capital
 - Strengthening cash-flow
- Continue with renovation plan for remaining units

Phase 3

Stabilized management (Year 4-5)

- Stabilize property rents to market rates
- In year 4, market conditions will be evaluated to finalize a liquidation strategy. At this time a decision will be made to liquidate in year 5 to extract invested capital + profit or hold for 1-2 years if returns are deemed to be strong

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Investment Partner

- 50% equity ownership in both properties
 - Profits shared 50/50
- Hands-free investment
- Investment partners receive initial capital prior to profit sharing
- Access to annual report of financial performance

Peak Property Investments

- 50% equity ownership of both properties
- Management of commercial financing
- Management execution of acquisition and exit strategy
- Thorough due diligence process: inspection, phase environmental, financial review during acquisition
- Property management
- Renovation: design and management
- Management of the refinancing process
- Legal
- Accounting and financial performance reporting

Process and Next Steps:

Peak Property Investments works with a team of real estate professions to help facilitate the investment process from beginning to end. The following next steps will ensure for a seamless process:

1. Sign letter of commitment to invest in this project
2. PPI to provide Joint Venture / co-ownership agreement for legal review
3. Invested funds provided in draft in trust to Peak Property Investments

- Rated #3 in Ontario by the Real Estate Investment Network in their assessment of the best places to invest in Ontario through rental units and long-term holds.
- Hamilton continues to be a very strong rental market and projected to be so in the foreseeable future.
- Downtown Hamilton has been identified as an urban growth centre in the provincial government's Greater Golden Horseshoe Growth Plan.
- Hamilton has reinvented itself as a service region, particularly for health sciences and education.
 - Research-focused healthcare is now the city's biggest employer, with education continuing to be a fast growing employment opportunity.
- On February 1, 2018 Swoop Airlines (owned by WestJet) announced Hamilton as its hub.
- There continues to be an influx of Torontonians, as well as natural growth further driving the demand for housing in Hamilton
- According to the National Bank of Canada, Hamilton enjoyed the largest economic 'upswing' in all of Canada in 2017 at 5.1% (REIN Top 10 Towns in Ontario Report)
- 2017 saw excellent growth in full-time employment, with nearly 7% gains in employment overall in the Q4 of 2017
- Metrolinx planned to run through downtown core via King and Main streets.
 - **STEPS AWAY FROM 10 AND 14 CROSWAITHE**