



COMPLETE GUIDE TO MULTIFAMILY FINANCING

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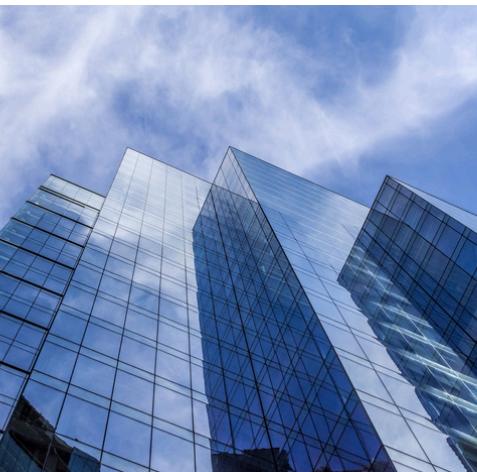
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Strong multifamily projects don't come together by accident. They're shaped by practical insight from people who've done this before. Having experienced advisors involved—across financing, construction, and long-term planning—helps keep deals grounded, decisions realistic, and projects moving in the right direction from day one.

Laying the Foundation

Imagine towering apartment buildings, bustling with life - something you can point to as the result of your vision and persistence. In real estate, multifamily financing stands apart. It allows you to build real communities, improve neighborhoods, and create steady, long-term returns. But transforming ambition into brick and mortar requires a crucial ingredient: *financing*.



This guide is designed to help you navigate the exciting—and often complex—world of multifamily construction loans. We break down the terminology, explore funding options, and give you the clarity needed to lay a strong financial foundation for your next project.

Demystifying the Alphabet Soup:

Before moving forward, it's essential to understand the core mechanics lenders use to evaluate multifamily projects:

- Loan Types: From CMHC-insured construction loans to conventional financing through bridge loans, and construction-to-stabilization, each option offers different benefits, timelines, and cost considerations.
- Loan-to-Value (LTV): The percentage of total project cost financed by debt. Higher LTV can improve leverage and returns, but it also affects risk, pricing, and lender scrutiny.
- Amortization: The length of time over which your loan is repaid. Longer amortizations, often available through CMHC-insured loans, can significantly improve cash flow by reducing monthly debt service.
- CMB Rates: For CMHC-insured projects, Canada Mortgage Bond (CMB) rates form the foundation of your interest rate. Understanding how these rates move helps you time financing and manage interest-rate risk effectively.

Knowing how these elements work together allows you to structure financing that supports both construction and long-term performance.

The CMHC Advantage

CMHC-insured financing is one of the most powerful tools available for multifamily development in Canada. With higher allowable LTVs, longer amortization periods, and access to lower, bond-based interest rates, CMHC programs can materially improve project viability and returns. When used correctly, CMHC financing creates stability during construction and efficiency once the project is complete.

Demystifying the Alphabet Soup:

Positioning Yourself for Approval

Lenders want confidence in your vision. They'll scrutinize your:

- Developer Experience:
 - Proven track record or a compelling roadmap for success?

Credit Score:

- A reflection of your financial responsibility.

Project Feasibility:

- Market demand, construction plan, and realistic financial projections.

Net worth:

- A minimum of 25% is required.

This isn't about checking boxes, it's about presenting a cohesive, bankable story. A strong financing package builds lender confidence, improves terms, and transforms your vision into a fully funded reality.

Financing isn't a magic spell. It thrives on meticulous planning. That means having a clear handle on costs, knowing the market you're building for, and planning for the unexpected. Accurate budgets help prevent surprises, market research confirms demand, and contingency planning gives you room to adjust when conditions change.

The next section breaks down the loan types, from traditional structures to more specialized solutions, and explains how CMHC and institutional lenders fit into the picture.



NAVIGATING THE FINANCING MAZE

Multifamily construction financing comes in many forms, each designed for different project needs. Some of the most common and reliable options include:

- CMHC Apartment Construction Loan Program (ACLP): Ideal for new rental developments, ACLP offers higher leverage and long amortizations, making it easier to get projects off the ground.
- CMHC MLI (Multi-Unit Lending Initiative) Select: Focused on affordability, energy efficiency, and accessibility, MLI provides favorable terms for projects that meet specific social or environmental goals.



- CMHC Standard Loans: These provide long-term stability and predictable payments for conventional rental projects, even if they don't qualify for specialized programs.
- Conventional Financing: For projects that don't fit CMHC criteria or need faster execution, conventional lenders offer flexibility in structure, though usually with lower leverage and shorter amortization.

Demystifying the Underwriting Process: From Application to Approval

Now, imagine the chef inspecting your ingredients before crafting your loan. That's underwriting. Let's unveil its secrets:

STEP 01

Gathering Documents: Prepare your financial records, project plans, and supporting documents. Be meticulous and transparent.

STEP 02

Financial Scrutiny: Lenders will dissect your financials, assessing your creditworthiness and project feasibility.

STEP 03

Loan Approval: The culmination of your efforts, receiving the green light to build your dream.

**WE'LL EQUIP YOU WITH TIPS
TO NAVIGATE THIS CULINARY
INSPECTION, PRESENT YOUR
PROJECT IN THE BEST LIGHT,
AND INCREASE YOUR
CHANCES OF SECURING THAT
COVETED "LOAN APPROVED"
STAMP.**

Time to Build Your Vision: A Strong Finish

Securing multifamily financing is about more than bricks and mortar—it's about bringing your vision to life, step by step. You've laid the groundwork, navigated a complex landscape, and gathered the tools you need to succeed. Now it's time to turn your plans into reality, one groundbreaking ceremony at a time.

The impact of multifamily construction goes far beyond the buildings themselves. You're creating vibrant communities, revitalizing neighborhoods, and contributing to a stronger, more dynamic real estate landscape. Embrace that responsibility, seize the opportunities in front of you, and build a legacy that inspires others to aim higher.

We invite you to connect with a community of ambitious developers and forward-thinking investors. Share your experiences, learn from others, and keep growing as you move forward on this exciting journey.

Multifamily isn't just about providing housing—it's about creating opportunity, driving growth, and shaping a brighter future.

Thank you for joining this exploration of multifamily construction financing. Your path to success starts with the first step—take it today.