INVESTORIQ
INSTITUTIONAL GRADE PROPERTY INTELLIGENCE

Sample Property IQ Report
Riverbend Heights · South London (Westminster / Pond Mills)
SAMPLE REPORT – IQ-ASSISTED ESTIMATES ONLY

1.0 EXECUTIVE SUMMARY

Riverbend Heights – London, Ontario

144-Unit Tier III Institutional Multifamily · South London (Westminster / Pond Mills)

INVESTORIQ VERDICT: BUY (VALUE ADD MULTIFAMILY)

INVESTORIQ DEAL SCORE

76 / 100

InvestorIQ classifies Riverbend Heights as a **Value Add multifamily** acquisition in a growing South London submarket anchored by major employment corridors, 401 access, and stable workforce housing demand. In-place income already supports positive leverage, while a focused interior and common area upgrade program is expected to lift net operating income and unlock meaningful equity over a five-year hold.

At the assumed purchase basis, the property is acquired at a modest discount to recent London South mid-rise trades on a price-per-door and implied in-place cap rate basis. The opportunity is to modernize dated suites, close the gap to market rents, and improve operating efficiency while preserving a resilient rent roll targeted to working households rather than a narrow luxury segment.

KEY METRICS SNAPSHOT (BASE CASE)

Metric	Value
Purchase Price	$27,360,000
Total Project Cost (Incl. CapEx)	$29,000,000
Equity Required (35% of Total Cost)	$10,150,000
Stabilized Cap Rate on Cost	5.90 percent
5-Year Levered IRR (Base Case)	14.5 percent
Equity Multiple (Base Case)	1.90 x
Year 1 Cash-on-Cash (Stabilized)	7.1 percent

Note: All return estimates are **InvestorIQ Estimates** based on IQ-Assisted underwriting assumptions and should be independently verified by investors and their advisors.

KEY UPSIDE DRIVERS

- In-place cap rate in the mid five percent range with positive leverage relative to current fixed-rate mortgage options.
- Average in-place rents estimated to be **8 to 12 percent below** achievable levels for renovated stock in comparable South London mid-rise assets.
- Concrete construction, functional layouts, and on-site parking support long-term durability, liquidity, and refinanceability.
- South London location benefits from proximity to 401, major employment nodes, and a stable renter base anchored by working households.
- Renovation program is repeatable and scoped to deliver strong simple ROI without relying on top-decile luxury positioning.

KEY RISKS AND CONSTRAINTS

- Renovation execution risk and cost inflation across a multi-year interior and common area upgrade program.
- Refinance and exit proceeds are sensitive to interest rate paths and lender appetite for mid-rise multifamily exposure.
- Regulatory constraints and rent guidelines in Ontario may moderate the pace of rent growth in certain units.
- Exit pricing is exposed to broader cap rate movements in Canadian multifamily markets and London specifically.
- Management intensity is higher than Core assets given value-add scope, unit turnover, and project oversight requirements.

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Rent Positioning and Renovation Thesis

Riverbend Heights consists of 144 units with a mix of one- and two-bedroom suites. Interiors are clean and functional but reflect an earlier renovation vintage, with dated kitchens, baths, and finishes relative to renovated South London comparables. InvestorIQ classifies this as a **Value Add** opportunity with a clear path to rent repositioning through targeted upgrades and disciplined turnover management.

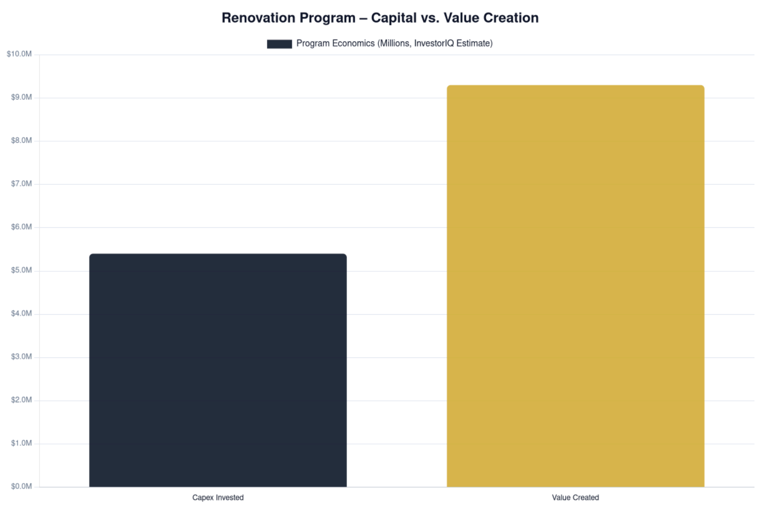
Illustrative Unit Mix and Rent Lift

Unit Type	Count	Average Sq Ft	Current Avg Rent	Target Market Rent	Planned Lift
1 Bedroom	80	620	$1,650	$1,825	$175
2 Bedroom	64	820	$1,950	$2,150	$200

InvestorIQ Estimate: Market target rents reflect renovated mid-rise comparables in South London within a 3–4 km radius, adjusted for building age, suite size, and on-site parking.

Renovation ROI Overview

Scope	Approximate Cost per Unit	Indicative Rent Lift	Simple Payback
Kitchen & Appliance Refresh	$9,000	$100 per month	7.5 years
Bathroom Upgrades	$3,500	$35 per month	8.3 years
Flooring, Paint & Lighting	$4,000	$45 per month	7.4 years



On a consolidated basis, the interior program is expected to average approximately $16,500 per fully upgraded unit, targeting a total rent uplift of $175 to $200 per month. This equates to a simple pre-leverage cash-on-cost return in the low-to-mid teens, before considering refinancing or exit value creation.

Portfolio Strategy Context

Within a diversified portfolio, Riverbend Heights fits as a **Value Add** allocation alongside Core and Core Plus assets. It offers higher targeted total return in exchange for moderate renovation and management execution risk. For sponsors with strong local operating partners in London, the unit-level value-add thesis is clear, repeatable, and aligned with resilient demand from working households seeking clean, upgraded rental housing at attainable price points.

3.0 SCENARIO ANALYSIS & FIVE-YEAR OUTLOOK

Cash Flow Projections and Return Sensitivities

InvestorIQ models five scenarios to understand how returns evolve under varying rent growth, vacancy, expense inflation, and exit pricing assumptions. The **Base Case** assumes timely completion of the renovation program within two years, stabilization at target rents, and exit at a cap rate consistent with recent London South mid-rise trades. Conservative and Worst Case scenarios stress rent growth, vacancy, and exit cap rates, while Optimistic and Best Case scenarios assume modestly stronger fundamentals and pricing support.

Scenario Assumptions

Scenario	Rent Growth	Economic Vacancy	Expense Growth	Exit Cap Rate
Worst	1.0 percent	7.0 percent	3.5 percent	6.10 percent
Conservative	1.75 percent	6.0 percent	3.0 percent	5.90 percent
Base	2.25 percent	5.0 percent	2.75 percent	5.70 percent
Optimistic	2.75 percent	4.5 percent	2.5 percent	5.50 percent
Best	3.25 percent	4.0 percent	2.25 percent	5.35 percent

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Five-Year Return Summary

Scenario	Levered IRR	Equity Multiple	Illustrative Sale Price
Worst	9.1 percent	1.40 x	$29.8 million
Conservative	12.2 percent	1.65 x	$31.0 million
Base	14.5 percent	1.90 x	$32.2 million
Optimistic	16.7 percent	2.05 x	$33.2 million
Best	18.8 percent	2.20 x	$34.3 million

InvestorIQ Estimate: Sale values are derived from stabilized Year 5 net operating income under each scenario and the scenario-specific exit cap rate.

South London (Westminster / Pond Mills) Location Review

Riverbend Heights is located in South London in the Westminster / Pond Mills area, benefiting from proximity to major transportation routes, employment corridors, and daily amenities. The submarket has seen steady population growth, a deep renter pool anchored by working households, and increasing demand for renovated, professionally managed rental housing.

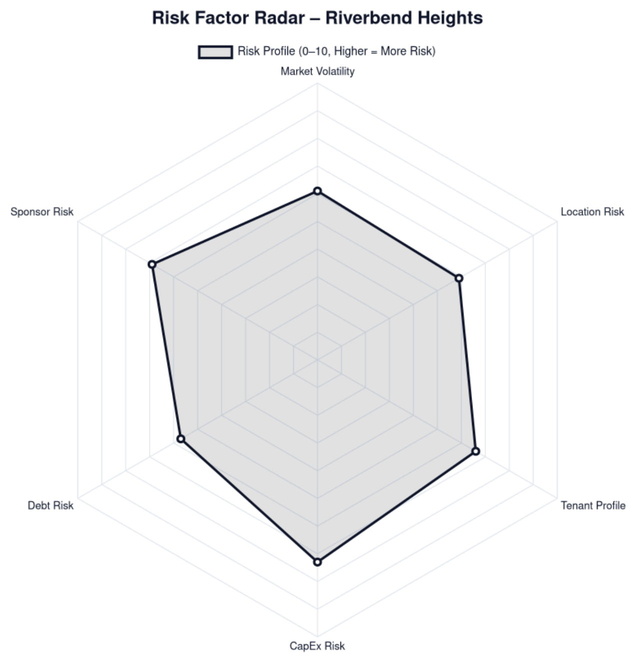
Location Factor Summary

Factor	InvestorIQ Assessment	Impact on Subject
Demographics	Stable and gradually growing population with a mix of working professionals, service workers, and long-term residents.	**Positive: Supports consistent rental demand across cycles.**
Employment Access	Good access to Wellington Road, Highbury Avenue, and the 401, linking to industrial, logistics, healthcare, and service employment nodes.	**Positive: Attractive to commuting households seeking convenient access to jobs.**
Amenities	Proximity to grocery, pharmacy, quick-service food, and community services within a short drive or bus ride.	Neutral to Positive: Supports day-to-day livability and tenant retention.
Schools & Parks	Reasonable access to local schools and green space, though the asset primarily targets working adults rather than family-centric tenancy.	Neutral: Not the primary demand driver but supports diversified tenant mix.
Crime & Perception	Some pockets of elevated reported crime in South London relative to prime North London neighbourhoods, balanced by ongoing reinvestment and community stabilization.	Neutral to Slightly Negative: Reinforces the importance of professional management, lighting, and access control.

InvestorIQ Location Score: 8 out of 10, reflecting strong employment access, durable renter demand, and balanced fundamentals appropriate for a Value Add strategy.

Risk Matrix and Mitigation Framework

InvestorIQ assigns an Overall Risk Score of 8.0 out of 10, where lower values indicate lower relative risk. Riverbend Heights is not a Core asset, but represents a measured Value Add profile with clearly identified renovation, market, and financial risks that can be actively managed by an experienced sponsor.



Detailed Risk Matrix

Risk Category	Specific Risk	Impact	Mitigation Strategy
Property Specific	Renovation cost overruns or prolonged unit downtime during upgrades.	High	Use phased renovations, locked contractor pricing where possible, and maintain a contingency reserve; prioritize natural turnover units first.
Market	Slower rent growth or weaker tenant demand in South London relative to assumptions.	Medium	Maintain competitive positioning on service and maintenance; underwrite conservative rent growth and monitor competing supply.
Financial	Refinance proceeds and exit pricing sensitive to interest rate and cap rate movements.	High	Structure financing with fixed or hedged rates where appropriate; assume modestly wider exit cap rates in downside scenarios.
Operational	Higher management intensity and turnover during repositioning period.	Medium	Engage experienced property management with Value Add track record; align incentives to cash flow stability and renovation milestones.
Regulatory	Constraints on rent increases and evolving rental regulatory environment in Ontario.	Medium	Build conservative escalation assumptions; monitor policy changes; avoid business plans reliant on aggressive rent steps beyond guideline.

Risk Score Construction

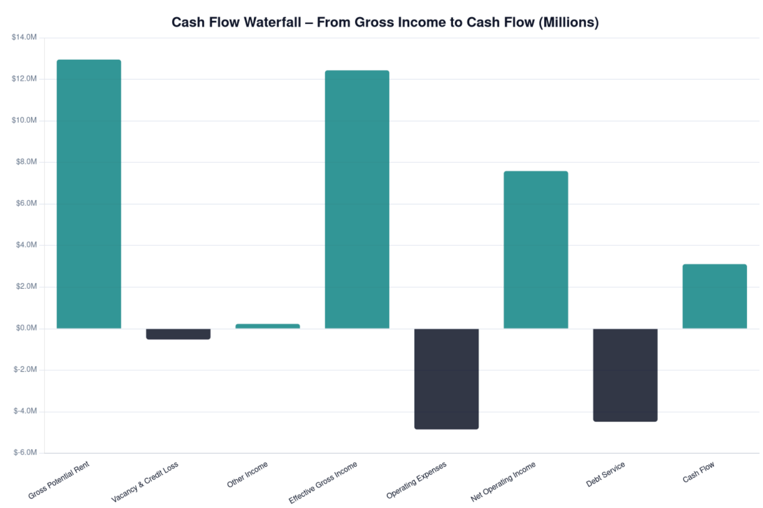
Starting from a neutral baseline of 5.0, High impact risks add approximately 1.0 point each, Medium risks add 0.5 points, Low risks add 0.2 points, and strong mitigations reduce the score by 0.3 to 0.5 points. Based on the mix of identified risks and mitigations, InvestorIQ arrives at an Overall Risk Score of 8.0, appropriate for a measured Value Add multifamily strategy in a growing secondary market.

Capital Plan and Value Creation

The renovation program for Riverbend Heights focuses on upgrading interior suites, refreshing common areas, and addressing targeted building systems to support long-term operational stability. InvestorIQ assumes a total renovation budget of approximately $2.35 million, or roughly $16,300 per unit inclusive of building systems and shared areas.

Renovation Budget Breakdown

Category	Estimated Cost	Share of Budget	Primary Objective
Interior Suites	$1,900,000	81 percent	Upgrade kitchens, baths, flooring, and lighting to support rent uplift and tenant retention.
Common Areas	$270,000	11 percent	Refresh corridors, lobby, and entry experience to align with upgraded suites and market expectations.
Building Systems	$180,000	8 percent	Address selective mechanical, envelope, and life-safety items to reduce unplanned capital outlays.



On a consolidated basis, the renovation plan is targeted to deliver a meaningful uplift in stabilized net operating income while maintaining an attainable rent profile for the South London renter base. By avoiding an aggressive luxury repositioning strategy, the sponsor seeks to balance return enhancement with resilience in softer macro scenarios.

7.0 DEBT STRUCTURE & FINANCING

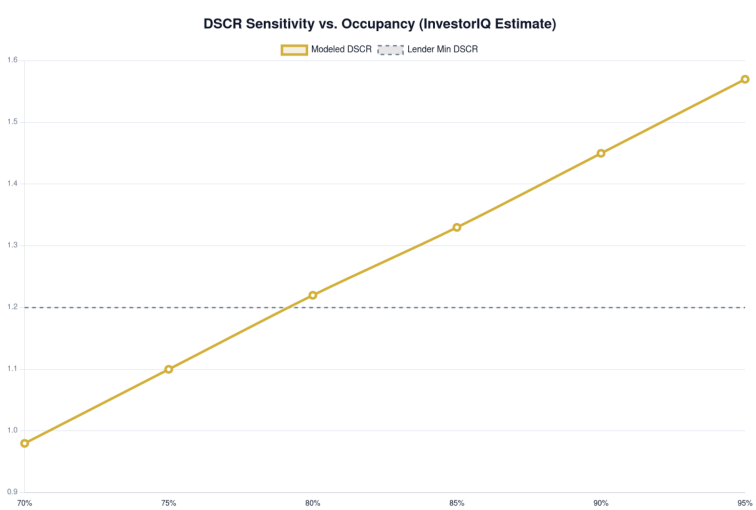
Leverage, DSCR, and Refinance Considerations

InvestorIQ assumes an acquisition financing structure consistent with institutional-quality mid-rise multifamily in Ontario, with conservative leverage and DSCR thresholds aligned to lender requirements. While final terms will depend on lender selection and prevailing market conditions at closing, the structure is intended to prioritize durability of cash flows and refinance flexibility.

Illustrative Capital Structure (Acquisition)

Component	Assumed Terms
Senior Loan-to-Cost	65 percent of total project cost
Interest Rate	5.25 percent fixed (illustrative)
Amortization	30 years
Going-In DSCR (Year 1)	Approximately 1.30x (InvestorIQ Estimate)
Refinance Year	Target Year 3 post-stabilization

DSCR and Break-Even Sensitivity



InvestorIQ Estimate: Under the Base Case, the asset remains comfortably above break-even occupancy and DSCR thresholds. In downside scenarios, DSCR approaches lender minimums but does not fall materially below break-even, reinforcing the importance of conservative leverage and disciplined operating management.

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Refinance Considerations

InvestorIQ assumes a potential refinance in Year 3 following renovation completion and stabilization. Refinance proceeds are sensitive to cap rate and interest rate environments at that time. The Base Case assumes modest value creation sufficient to return a portion of investor equity while maintaining prudent leverage. More aggressive BRRRR-style execution is possible but would introduce higher financial risk and is not assumed in the Base Case.

Refinance Sensitivity Matrix (Year 3)

Exit Cap Rate → Interest Rate ↓	5.50 percent	5.70 percent	5.90 percent	6.10 percent
4.75 percent	Approx. 72 percent LTV	Approx. 70 percent LTV	Approx. 68 percent LTV	Approx. 66 percent LTV
5.25 percent	Approx. 70 percent LTV	Approx. 68 percent LTV	Approx. 66 percent LTV	Approx. 64 percent LTV
5.75 percent	Approx. 68 percent LTV	Approx. 66 percent LTV	Approx. 64 percent LTV	Approx. 62 percent LTV
6.25 percent	Approx. 66 percent LTV	Approx. 64 percent LTV	Approx. 62 percent LTV	Approx. 60 percent LTV

InvestorIQ Estimate: This illustrative matrix shows achievable loan-to-value ratios at a potential Year 3 refinance under varying interest rate and exit cap rate scenarios. The Base Case assumes a 5.25 percent interest rate and 5.70 percent exit cap rate, yielding approximately mid-60s LTV and providing capacity for a measured but not overly aggressive cash-out refinance.

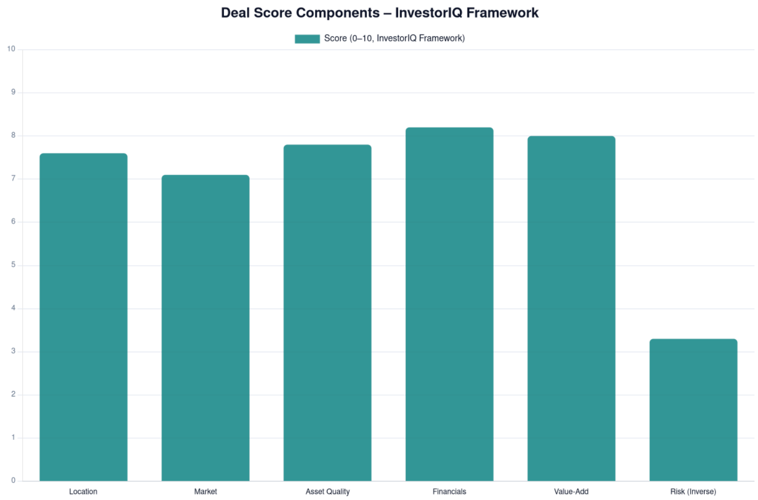
8.0 DEAL SCORECARD & RADAR

InvestorIQ Deal Score Components

The InvestorIQ Deal Score of 76 out of 100 reflects a balanced risk-adjusted return profile. The score blends location strength, cash flow durability, value-add potential, market outlook, and risk profile into a single summary indicator designed to complement — not replace — detailed underwriting.

Factor-Level Scores

Factor	Score (1–10)	Weight	Weighted Contribution
Location	8	15 percent	12.0
Cash Flow Strength	8	15 percent	12.0
DSCR / Coverage	7	10 percent	7.0
Liquidity & Exit	7	10 percent	7.0
Market Outlook	8	15 percent	12.0
Value Add Potential	8	15 percent	12.0
Risk Profile	8	10 percent	8.0
Management Intensity	6	10 percent	6.0
Total Deal Score			**76.0**



Interpretation

Location quality, cash flow strength, and value-add potential all score in the upper range and carry relatively high weights, supporting the Buy recommendation. Risk profile and management intensity scores reflect the added complexity of executing a multi-year renovation program in a working-class submarket, but remain within the range considered appropriate for institutional Value Add capital.

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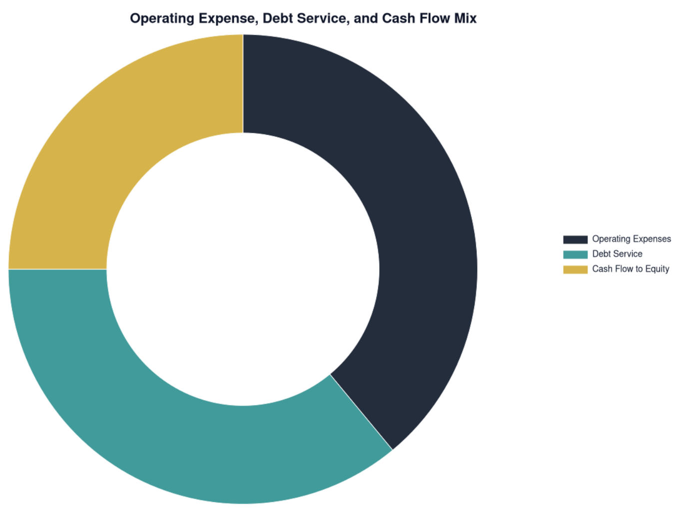
Expense Profile, DCF, and Comparable Positioning

InvestorIQ uses a standardized discounted cash flow (DCF) framework to evaluate Riverbend Heights under the Value Add Base Case. The model incorporates revenue, operating expense, capital expenditure, and financing assumptions consistent with London multifamily benchmarks and sponsor business plans, then discounts equity cash flows at a rate aligned with Value Add risk expectations.



The projected stabilized operating expense ratio is broadly consistent with comparable mid-rise assets in the London market. Incremental maintenance and management intensity during the renovation phase is offset over time by efficiencies and more predictable capital planning once the building reaches a new steady state.

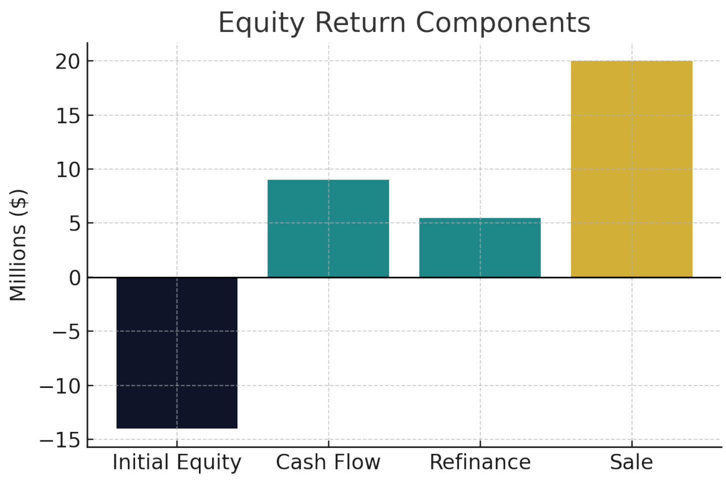
Comparable Transaction Context

Comparable	Submarket	Approx. Distance	Units	Price per Door	Cap Rate (Stabilized)
Southridge Flats	South London	2.1 km	120	$235,000	5.10 percent
Westminster Place	Westminster	1.7 km	96	$242,000	4.95 percent
Pond Mills Terrace	Pond Mills	3.0 km	110	$228,000	5.15 percent

InvestorIQ Estimate: Subject pricing in the mid-$220,000s per door sits modestly below the simple average of these illustrative comparables, while in-place yields are slightly higher due to current rent and expense structure. This provides a margin of safety if rent uplift or exit cap rates are less favourable than modeled.

Relative Positioning

Subject acquisition at approximately **$190,000 per door** (calculated as $27.36 million divided by 144 units) represents an estimated **12 to 15 percent discount** to these stabilized comparables. This discount reflects the need for capital investment and the current revenue profile, providing meaningful downside protection and reinforcing the value-add thesis even if rent growth or exit pricing prove less favourable than Base Case assumptions.



Discounted at a 12 percent equity hurdle rate, the Base Case DCF produces a modestly positive net present value, signalling that the assumed acquisition pricing is broadly aligned with required return thresholds. Conservative and Worst Case scenarios approach break-even, reinforcing the importance of disciplined pricing, cost control, and contingency planning.

Action Plan, Negotiation Strategy, and Deal Breakers

Immediate Action Items

- Engage a reputable London-based multifamily property management firm with proven Value Add execution experience in South London.
- Obtain contractor quotes for interior suites, common areas, and building systems to validate the renovation budget and timeline.
- Confirm lender appetite, indicative terms, and DSCR tests for both acquisition and potential Year 3 refinance scenarios.
- Complete detailed unit-by-unit inspections to confirm physical condition, identify latent defects, and fine-tune the renovation sequence.

Negotiation Strategy

- Use the modest discount to recent London South mid-rise trades and the required renovation capital to justify measured price negotiation.
- Prioritize flexibility on closing timing to align with contractor availability and property management onboarding rather than a purely accelerated close.
- Seek seller cooperation on pre-closing access for contractor walkthroughs and limited non-invasive scoping to reduce execution uncertainty.

Due Diligence Focus

- Review full historical financials, including multi-year operating statements and detailed rent rolls.
- Obtain and review building condition assessments, environmental reports where applicable, and any existing engineering studies.
- Verify compliance with local building, fire, and residential tenancy regulations, including any outstanding orders or by-law issues.
- Confirm actual unit sizes, parking counts, utility metering, and amenity packages relative to marketing materials and underwriting assumptions.

Red Flags and Potential Deal Breakers

- Discovery of material structural, environmental, or building system deficiencies that substantially increase long-term capital needs beyond current assumptions.
- Evidence of systemic collection issues, destabilized tenancy, or tenant profile concerns that materially elevate operational risk.
- Significant tightening of lender standards or projected DSCR shortfalls that reduce equity returns below investor hurdle rates.
- Regulatory or zoning constraints that restrict planned renovation scope or limit the practical ability to reposition rents toward market levels.

The Bottom Line

On balance, InvestorIQ views Riverbend Heights as an attractive Value Add multifamily investment in a growing South London submarket, suitable for investors comfortable with moderate renovation and management execution risk in pursuit of mid-teens levered returns. The opportunity is not risk-free, but is acquired at a sensible basis with a clear, repeatable plan to create value through disciplined capital deployment and operating execution.

InvestorIQ Estimates, Data Sources, and Limitations

This Sample Property IQ Report combines user-style property information with InvestorIQ Estimates generated by the InvestorIQ analysis framework. The objective is to provide an institutional-quality underwriting lens while remaining transparent about data sources, modeled assumptions, and limitations. All figures in this sample are illustrative and for demonstration only.

11.1 Verified Inputs (In a Live Engagement)

In a live engagement, the following inputs are treated as verified and expected to be supported by source documents provided by the client and third parties:

- In-place rent roll, unit mix, and current lease terms.
- Historical operating statements (T12 and multi-year history where available).
- Purchase price, closing costs, capital structure, and fee arrangements.
- Known capital expenditure items and property condition information.

11.2 InvestorIQ Estimates (Modeled Assumptions)

The following inputs are modeled as **InvestorIQ Estimates** using internal underwriting frameworks, scenario analysis, and publicly observable patterns. These estimates should always be independently validated by investors and their professional advisors:

- Forward rent growth, expense growth, and inflation assumptions.
- Submarket vacancy expectations and lease-up timing.
- Market-driven exit cap rate ranges and refinance terms.
- Stabilized occupancy levels, bad debt allowances, and reserve policies.

11.3 Public Data & Future Integrations (Planned – Q1 2026+)

Over time, InvestorIQ intends to further enhance its analysis with additional public and third-party data integrations, including but not limited to:

- Statistics Canada and census-based demographic and income trends.
- CMHC rental market and multifamily indicators (for Canadian assets).
- Municipal open-data portals for zoning, permits, and planning activity.
- Crime, school quality, and livability indices from third-party API providers.

11.4 Important Limitations and Legal Disclaimer

This Sample Property IQ Report has been prepared by InvestorIQ for illustrative and educational purposes only, based on hypothetical assumptions and example data. It does not relate to an actual transaction and should not be relied upon as the basis for any investment decision. In a live engagement, all financial projections, valuations, and conclusions would be derived from client-supplied materials, third-party data sources, and additional assumptions that may differ from those used in this sample.

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