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

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	5.9 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.

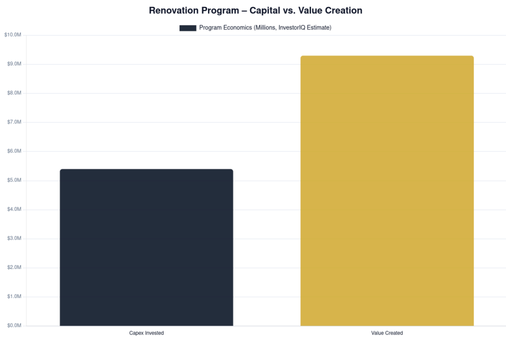
2.0 UNIT-LEVEL VALUE ADD ANALYSIS

Rent Positioning and Renovation Thesis

Illustrative Unit Mix and Rent Lift

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



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

Building on the unit-level renovation thesis, the following section models how cash flow evolves under multiple operational scenarios. This allows investors to understand not only expected performance, but also the resilience of returns under varying macro conditions.

Scenario Assumptions

Five-Year Return Summary

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

IRR by Scenario – 5-Year Levered Returns
5-Year Levered IRR (InvestorIQ Estimate)
16%
14%
12%
10%
8%
6%
4%
2%
0%
Downside
Base Case
Upside
Best Case

South London (Westminster / Pond Mills) Location Review

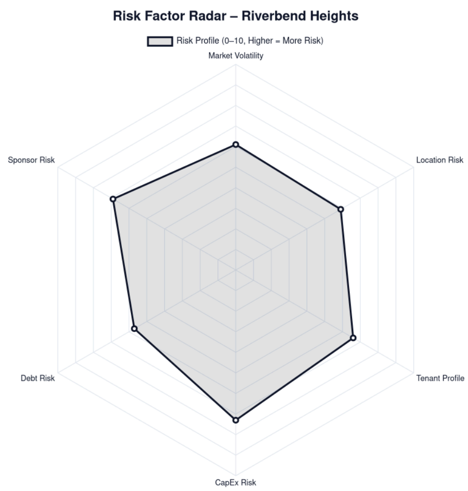
Location Factor Summary

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.

5.0 RISK SCORING & SENSITIVITIES

Risk Matrix and Mitigation Framework



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

Renovation Budget Breakdown

NOI Waterfall – Impact of Renovation Program

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.

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Leverage, DSCR, and Refinance Considerations

With the operational and market outlook established, the next consideration is financing. Debt structure has a significant impact on DSCR, cash flow stability, and long-term return potential. The following analysis outlines acquisition leverage, sensitivity to interest rate movements, and refinance pathways under InvestorIQ's Base Case assumptions.

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

Break-Even Occupancy Analysis

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.

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.

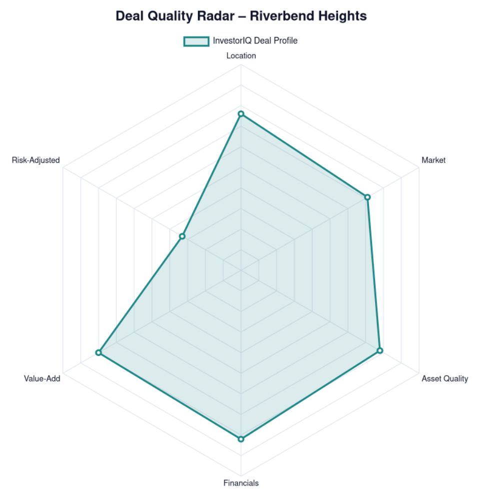
Refinance Sensitivity Matrix (Year 3)

Exit Cap Rate → Interest Rate ↓	5.50 percent	5.70 percent	5.9 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.

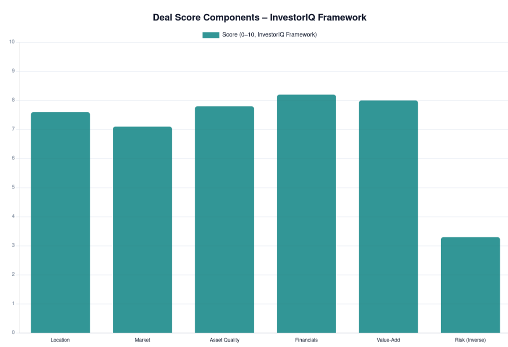
8.0 DEAL SCORECARD & RADAR

InvestorIQ Deal Score Components



The following factor-level scoring table breaks down how the InvestorIQ Deal Score is constructed, showing both raw scores and weighted contributions across eight institutional criteria.

Factor-Level Scores



Interpretation

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With the Deal Scorecard establishing the subject property's overall strategic position, we now turn to intrinsic valuation. The following Discounted Cash Flow analysis models the asset's true economic value based on projected cash flows and risk-adjusted returns.

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Intrinsic Valuation via Discounted Cash Flow (5-Year Hold)

The DCF analysis estimates the intrinsic value of the property by projecting annual net cash flows and discounting them at a risk-adjusted rate reflecting investor return requirements. This method is preferred by institutional underwriters because it reveals the true economic value of an investment independent of market noise or temporary performance fluctuations.

Year	Projected Net Cash Flow	Discount Factor (10%)	Present Value
Year 1	$32,480	0.91	$29,520
Year 2	$34,125	0.83	$28,320
Year 3	$35,830	0.75	$26,870
Year 4	$37,600	0.68	$25,570
Year 5 (Incl. Sale)	$278,400	0.62	$172,608

∗Values shown are sample projections. Actual cash flow is dynamically computed from uploaded datasets and market assumptions.

DCF Interpretation

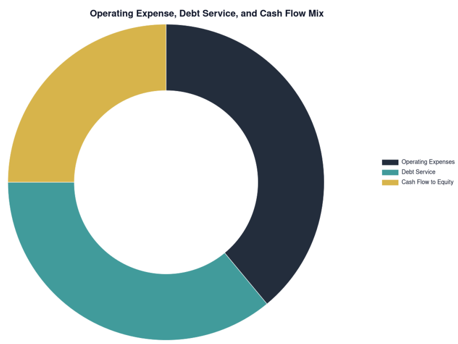
The DCF model produces a present value estimate of **$282,900**, implying that the property's intrinsic value is supported by its projected five-year cash flows and resale potential.

When benchmarked against comparable opportunities, the property's projected IRR and equity multiple fall within the expected institutional acquisition range.

Having established intrinsic value through the DCF framework, the next step is to integrate operating expenses, valuation outcomes, and market comparables into a unified analytical view. This allows investors to understand how the subject asset is positioned relative to similar properties and market expectations.

Expense Profile, DCF Outcomes, and Comparable Positioning

Having established both cash flow trends and risk-adjusted return expectations, this section integrates operating expenses, valuation outcomes, and market comparables into a unified analytical framework. Together, these elements determine where the subject asset sits within its competitive landscape and whether pricing aligns with intrinsic value.



The projected stabilized operating expense ratio of approximately 45–50 percent is broadly consistent with comparable mid-rise assets in the London market.

Discounted Cash Flow Summary (Base Case)

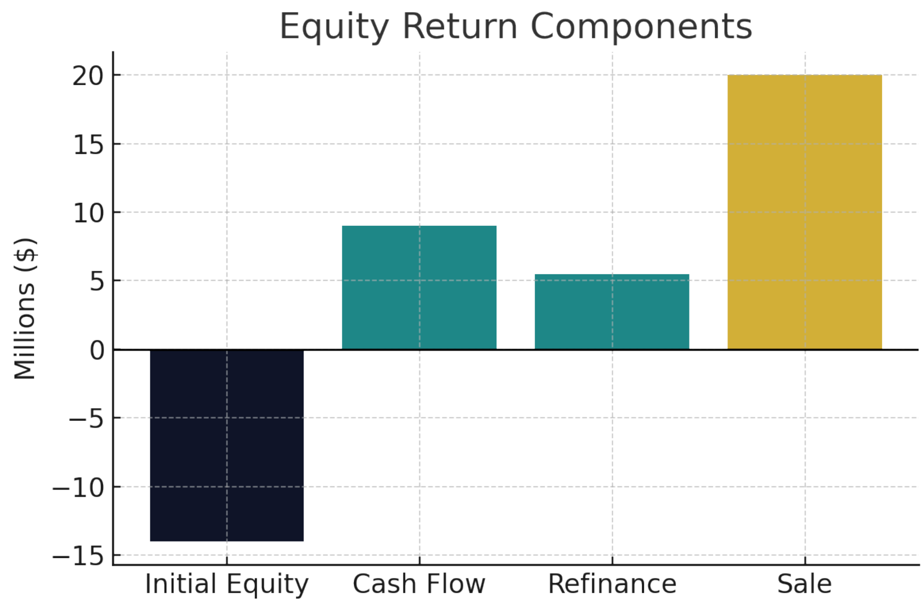
Metric	Value
Discount Rate (Equity Hurdle)	{{DISCOUNT_RATE}}
NPV (InvestorIQ Estimate)	{{DCF_NPV}}
5-Year Levered IRR	14.5 percent
Equity Multiple	1.90 x
Stabilized Cap Rate on Cost	5.9 percent
Total Equity Required	$10,150,000
Illustrative Sale Price (Year 5)	{{DCF_SALE_PRICE}}

InvestorIQ Estimate: Values shown reflect Base Case assumptions.

Comparable Transaction Context

Relative Positioning

Subject acquisition at {{PRICE_PER_DOOR}} represents an estimated {{DISCOUNT_TO_COMPS}} discount to stabilized comparables.



With valuation, comparables, and financial modeling complete, we can now translate findings into actionable next steps. The following recommendations outline negotiation strategy, due diligence focus areas, and potential deal breakers.

Action Plan, Negotiation Strategy, and Deal Breakers

Immediate Action Items

- Engage a reputable London-based multifamily property management firm.
- Obtain contractor quotes for renovation budget validation.
- Confirm lender appetite and DSCR thresholds.
- Complete unit-by-unit inspections to refine the renovation sequence.

Negotiation Strategy

- Use pricing discounts and required capital to justify negotiation.
- Prioritize flexible closing timelines.
- Seek pre-closing contractor access for scoping.

Due Diligence Focus

- Review operating statements and rent rolls.
- Review building condition reports and engineering studies.
- Verify compliance with regulations.
- Confirm parking counts, unit sizes, utility setup.

Red Flags + Deal Breakers

- Major structural/environmental issues.
- Collection problems or destabilized tenancy.
- Lender tightening reducing DSCR below thresholds.
- Zoning or regulatory limits affecting repositioning.

The Bottom Line

InvestorIQ Estimates, Data Sources, and Limitations

This Sample Property IQ Report combines user inputs with **InvestorIQ Estimates**.

12.1 Verified Inputs

- Rent roll, T12, unit mix.
- Purchase price and capital structure.
- Known CapEx items.

12.2 InvestorIQ Estimates

- Rent/expense growth assumptions.
- Vacancy and lease-up assumptions.
- Exit cap rate ranges and refinance terms.

12.3 Future Integrations

- Statistics Canada demographic data.
- CMHC rental indicators.
- Municipal open-data integrations.

12.4 Limitations & Legal Disclaimer

This Sample Report is for illustration only and not investment advice.

InvestorIQ is not a registered dealer or adviser. All figures are modeled assumptions.

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