

Leveraging the bench strength  
of our team to give our clients  
the freedom to grow.



**CANADA ICI**

Leaders in Capital



# Table of Contents

04 President and CEO

26 Multi-Family Condo

06 25 Years of History

30 Hospitality

08 Office

34 Mixed-Use

14 Retail

38 Senior Care Facilities

18 Industrial

42 Asset Management Group

22 Multi-Family Rental

# President and CEO



Over almost 25 years, Canada ICI has financed every type of asset. A lot has changed in the finance industry during this time, but Canada ICI has remained unchanged in our commitment to provide “best in class”, expert service to our clients.

Canada ICI has a continual pipeline of market specific underwritings that enable us to present structures we know will work. We know that Lenders have varied needs on top of the common fundamentals that exists country wide for specific asset classes. Our record of success in analyzing and presenting specific, customized financing solutions for individual projects sets us apart.

Our track record, based on transactions with the country’s most respected Lenders, affords our clients an endorsement of

their loan request. We understand your real estate and the issues surrounding development, leasing, property management, and construction. All of which is expertly bundled to offer our clients a market-leading advisory service.

“Perhaps most simply,  
we match a borrower’s  
needs with the needs of  
our capital partner.”

The combination of direct access to exclusive funds, brokerage, and our asset management platform gives us the latitude to provide our clients with a full spectrum of options. That is why we are proud to call ourselves ‘Leaders in Capital’.

*Dale Klein*  
*President & CEO, Canada ICI*  
*Capital Corporation*

1990

1992

1996

1998

2000

2004

2008

2012

2018

2020

# 25 Years of History

## 1994-1997

Establishes itself as one of Canada's leading independent mortgage origination offices, growing its presence to include offices across Canada.

## 2002

Purchased by MCAP through its partnership with one of Canada's largest pension funds.

## 2010

Opens its Calgary office.

## 2011

Reaches \$1 Billion in funds originated annually.

## 2014

Arranged one of the largest commercial mortgages funded in Edmonton's history.

## 2016

Develops CMS, Canada ICI's Commercial Loan Servicing, Accounting, and Reporting System.

## 2006

Canada ICI becomes a fully independent third party originator in the marketplace.

## 2013

Opens its Winnipeg office.

Committed capital for Calgary's largest multi-family rental building.

## 2015

Opens its Toronto office.

Reaches \$2 Billion in funds originated annually.

## 1993

Born from an institutional trust company made up of some of Canada's top-producing brokers.

## 1999

Acquires ICI Mortgage Managers to include third party mortgage servicing for its institutional clients.

## 2009

Develops its "deal finder" software program—a comprehensive database of commercial properties with real-time updates through Land Titles.

## 2012

Reaches a milestone of 50 employees within the organization.

## 2017

Asset Management Group reaches \$1 Billion in Assets Under Administration.

Over 70 employees within the organization.

1990

1992

1994

1996

1998

2000

2002

2004

2006

2008

2010

2014

2016

2018

2020

**Doug Milne,  
Managing Partner**

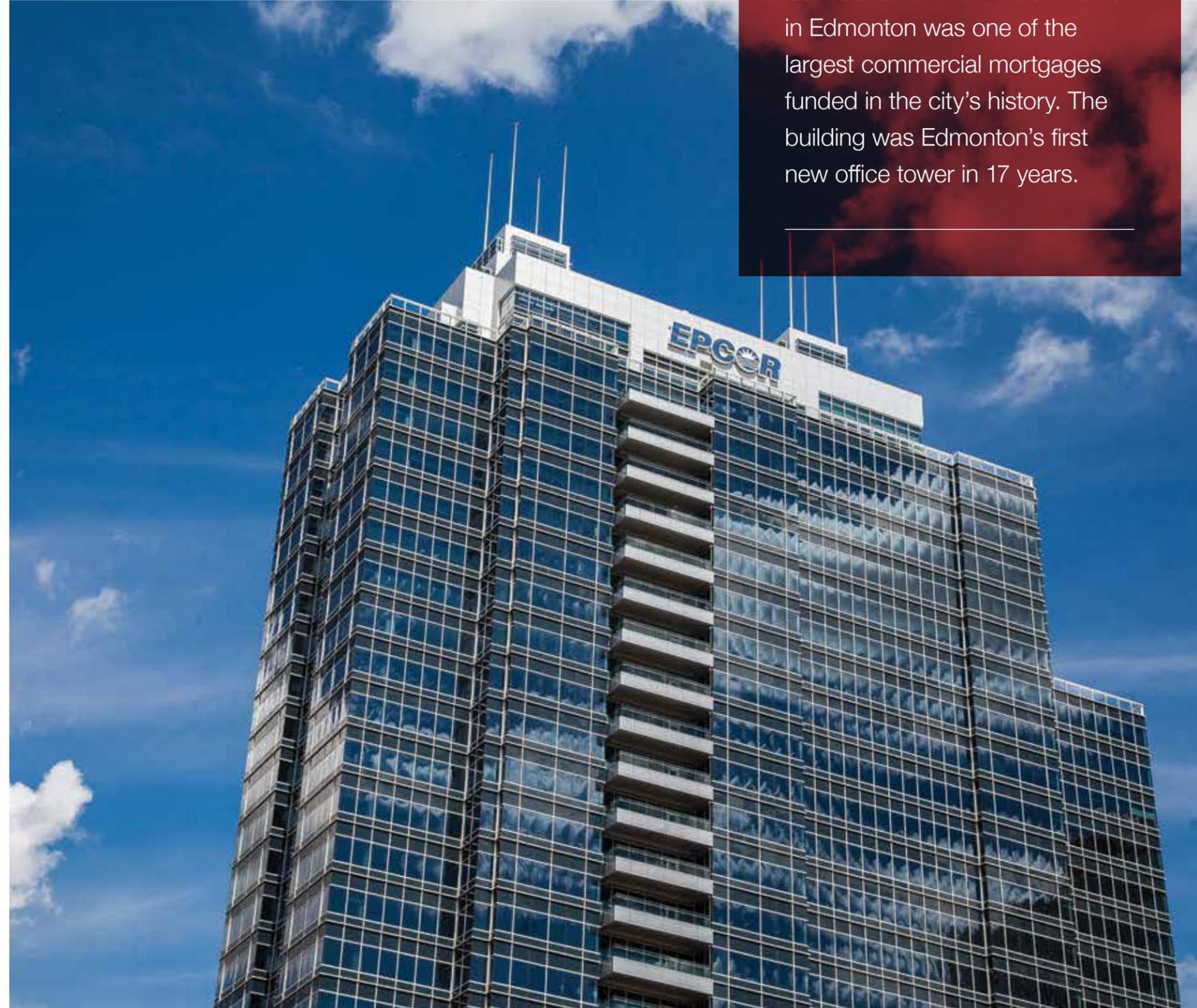
Working to arrange financing within the Canadian office market can be challenging, given its sensitivity to changes in the economy and regional sensitivity to any number of economic factors. Tenant mix becomes an important evaluation for the stability of the cash flow. Office assets can be subject to wider swings in Net Operating Income than other asset classes, which may require a deeper understanding of your tenant roster. In addition, income can be disproportionately allocated to one or two tenancies, which requires a more in depth review or tenant specific financial reporting.

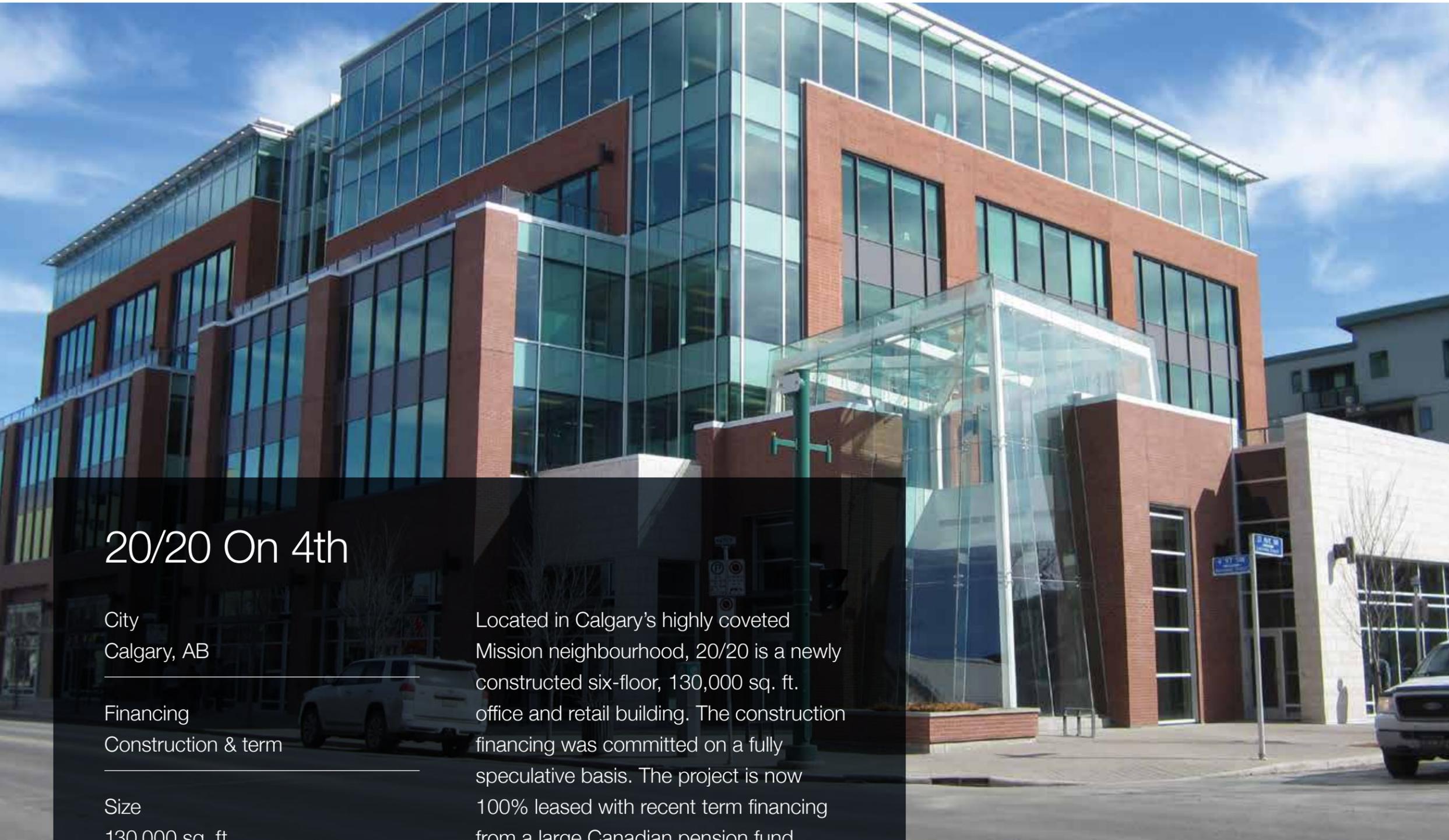
**Things to consider:**

- » *What is the loan request per square foot?*
- » *What is the tenant roll over?*
- » *Do the lease expiries represent above or below market rates?*
- » *Are the leases fully net?*
- » *How are operating expenses recovered?*
- » *What tenant improvements are expected?*
- » *How does parking impact your tenancy offering?*
- » *How does tenant profile impact your financing?*

Understanding each of these issues in every office project we underwrite allows us to customize our financing solution to unlock the maximum value for our clients.

The financing arranged by Canada ICI for the EPCOR Tower in Edmonton was one of the largest commercial mortgages funded in the city's history. The building was Edmonton's first new office tower in 17 years.





## 20/20 On 4th

City  
Calgary, AB

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Financing  
Construction & term

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Size  
130,000 sq. ft.

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Located in Calgary's highly coveted Mission neighbourhood, 20/20 is a newly constructed six-floor, 130,000 sq. ft. office and retail building. The construction financing was committed on a fully speculative basis. The project is now 100% leased with recent term financing from a large Canadian pension fund.

Office

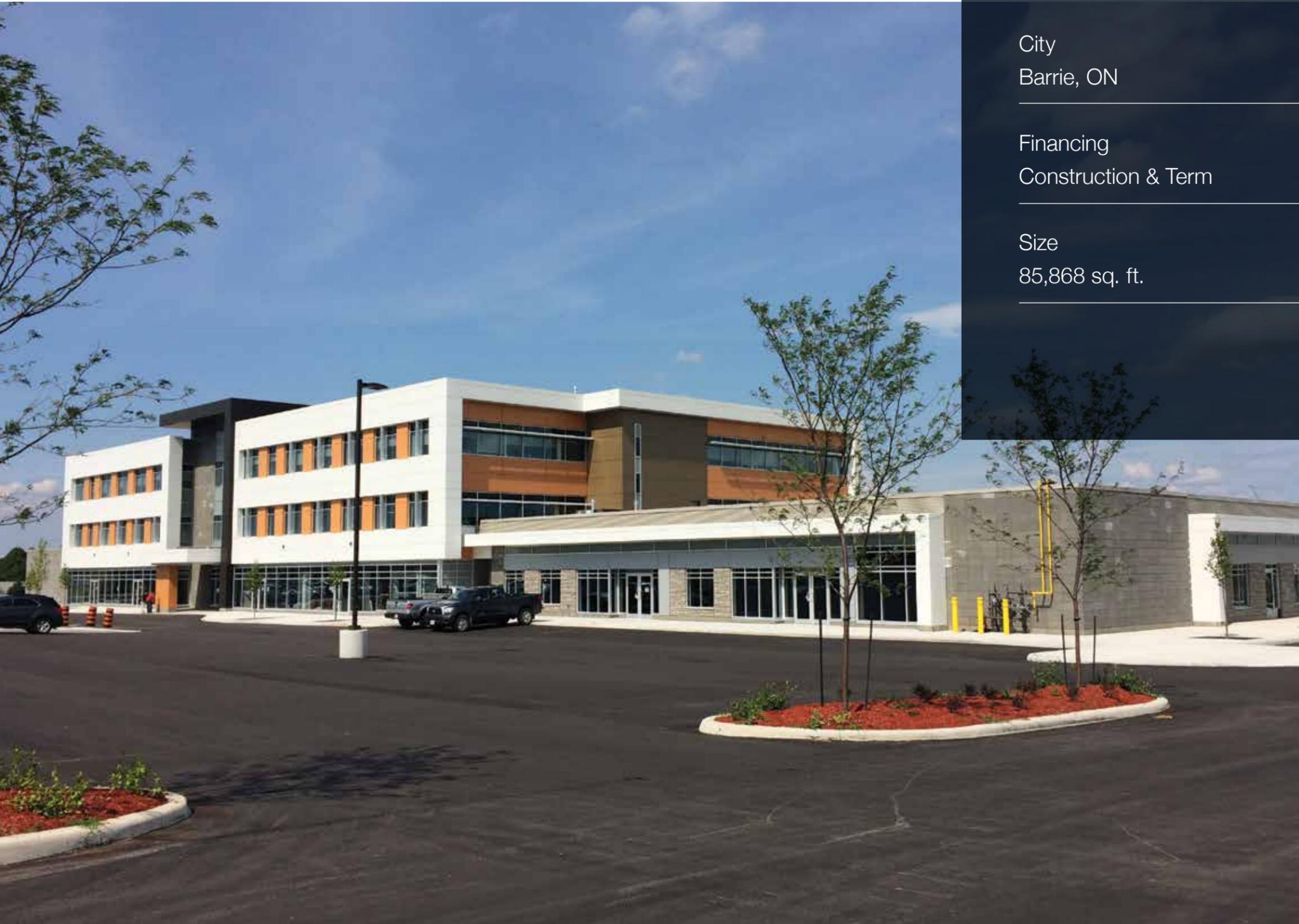
## Barrie Primary Care Campus

City  
Barrie, ON

Financing  
Construction & Term

Size  
85,868 sq. ft.

Located in South Barrie, a bedroom community for Toronto, the newly constructed property consists of three storeys of office space alongside a 392 stall surface parking lot. Finished in the spring of 2016, the property is currently in the lease up phase with occupancy near 70%. The tenant mix is primarily medical offices and healthcare professionals. Currently, the Borrower is pursuing takeout financing on this property.



The financing arranged by Canada ICI for the Northgate Shopping Centre in Winnipeg, MB allowed for extensive renovations throughout the entire property which features the market's first Save on Foods grocery store.



**Chase Allen,  
Managing Director**

Retail is generally seen as a stable asset class in Canada. However, this attitude can vary wildly based on the tenancy profile and the proportion of income associated with “national” and “local” tenancy. Often times, understanding tenant covenant issues on corporate management versus franchisees can be the difference in securing a favourable outcome.

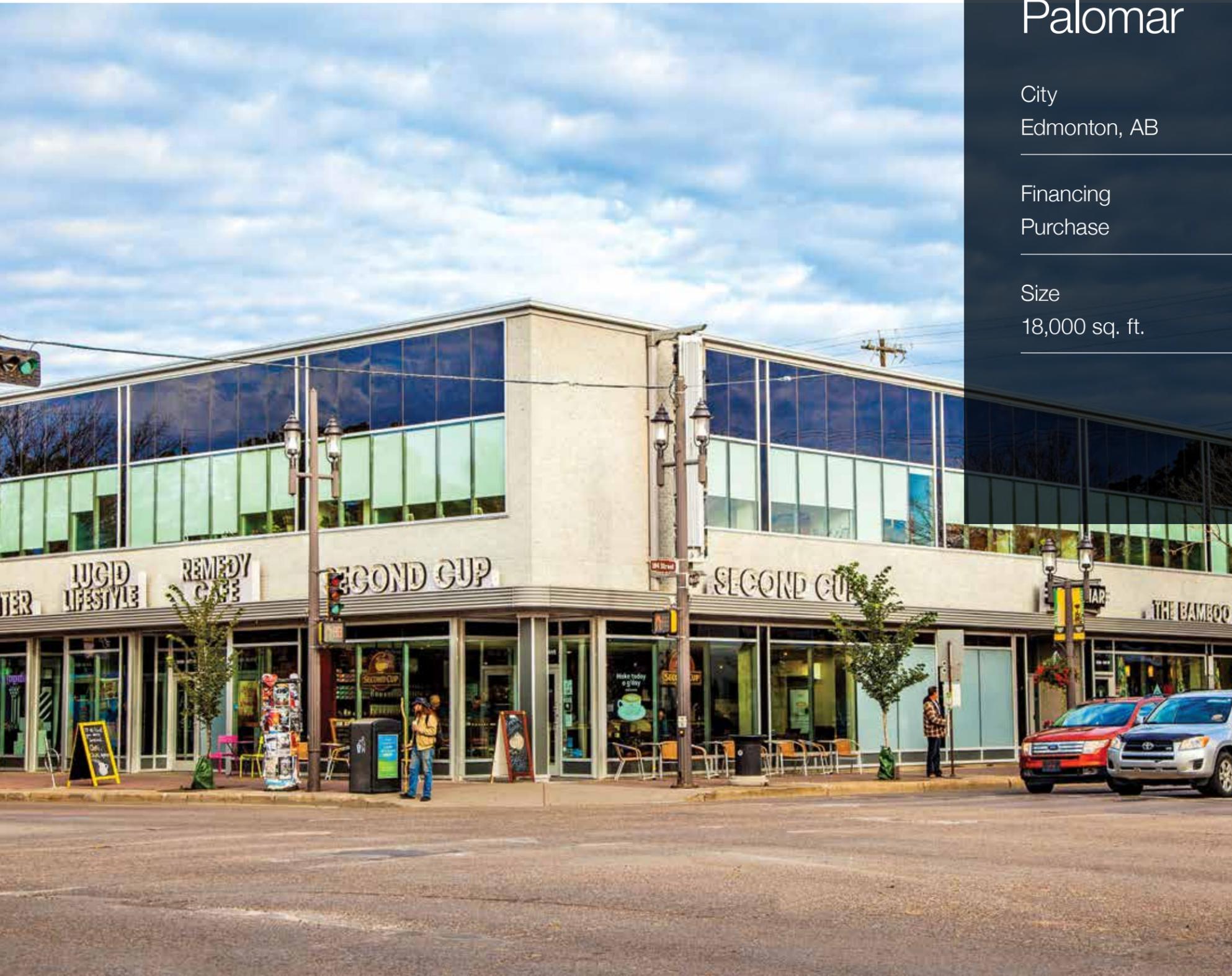
Financing retail assets in the Canadian marketplace depends on a number of factors specific to the Retail Industry. Not simply a “loan per foot” exercise, underwriting the fundamentals of the revenue stream is key, but perhaps more importantly is an understanding and reconciliation of an asset’s recovery income.

Similar to many asset classes, the tenant mix is incredibly important to gauge the strength and stability of the cash flow and operating performance of the asset.

**Things to consider:**

- » *Who are the major tenants?*
- » *On a percentage basis, what level of occupancy in the asset is comprised by national or large regional tenants?*
- » *How does tenant profile impact your financing?*
- » *What is the loan request per square foot?*
- » *What is the tenant roll over?*
- » *Do the lease expiries represent above or below market rates?*
- » *Are the leases fully net?*
- » *How are operating expenses recovered?*
- » *How does parking impact your tenancy offering?*

# Retail



## Palomar

City  
Edmonton, AB

Financing  
Purchase

Size  
18,000 sq. ft.

Palomar is a retail/office space located on one of the busiest intersections on Whyte Avenue, Edmonton's premier entertainment strip. The building has been completely renovated to give the space a new, modern aesthetic. The financing, completed with a life insurance company, was structured as an interest only facility initially and converted to principal and interest payments, once the maturing leases were renegotiated to maximize the loan amount at purchase.

# Retail

**Brandon Kot,  
Managing Partner**

Industrial real estate is typically a good barometer of the health of a regional market and can be an excellent indicator of the direction of a market's performance. When financing this asset class, it is critical to understand the nuances that drive tenancy for this sector such as the functionality of the real estate, ceiling height, usable yard space, loading, and access to transportation arterials. The availability of capital for this asset class is directly correlated to the quality of the tenancies, as the income stream is generally concentrated to a smaller group of tenants when compared to other asset classes. Financing industrial real estate requires a deep understanding of the market drivers within a specific location and is sometimes characterized as a defensive asset class.

**Things to consider:**

- » *How special-use is the real estate?*
- » *Are there any unusual costs to re-tenant the space? What is the office component?*
- » *Is there any excess land for future development or expansion?*
- » *Does the area offer fully serviced utilities?*
- » *What is the power capacity?*
- » *Can the space be easily demised? What are the access and loading flexibilities?*
- » *What is the financial health of the tenants? Are there tenant financial statements available?*
- » *Do the tenant's operations pose any risk to the environmental condition of the property?*
- » *What are the synergies amongst tenants within a particular area?*
- » *What is the yard component? Is it compacted? Fenced?*

The Rampart Business Centre is an industrial building located in the Rampart Business Park in northwest Edmonton. The building contains 12 industrial office and warehouse condominiums with over 55,000 sq. ft. of saleable space.



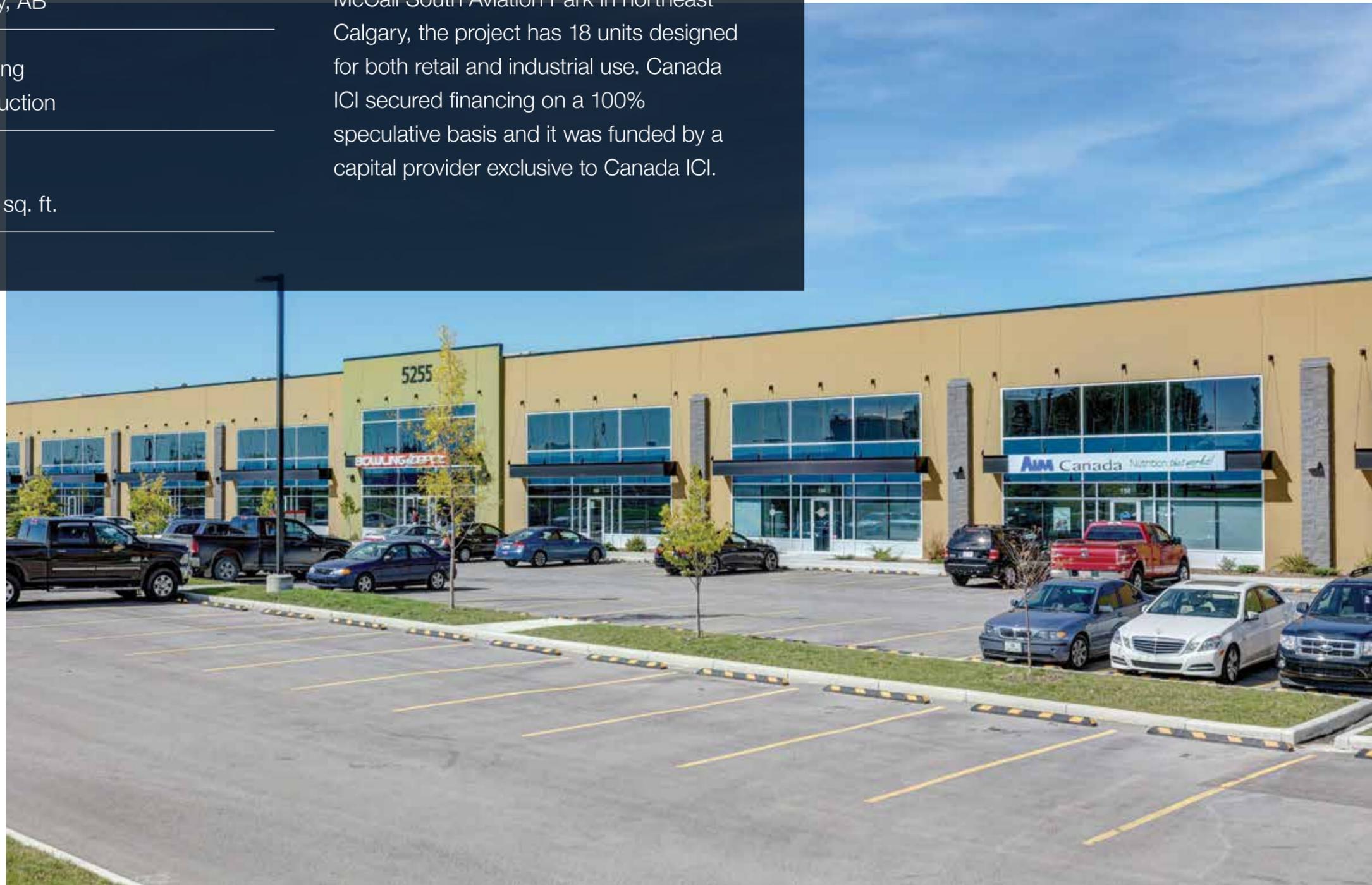
## Airways Crossings

City  
Calgary, AB

Financing  
Construction

Size  
87,000 sq. ft.

A multi-tenant project situated in the McCall South Aviation Park in northeast Calgary, the project has 18 units designed for both retail and industrial use. Canada ICI secured financing on a 100% speculative basis and it was funded by a capital provider exclusive to Canada ICI.



Industrial

# Multi-family Rental

## **Brent Magnan, Managing Director**

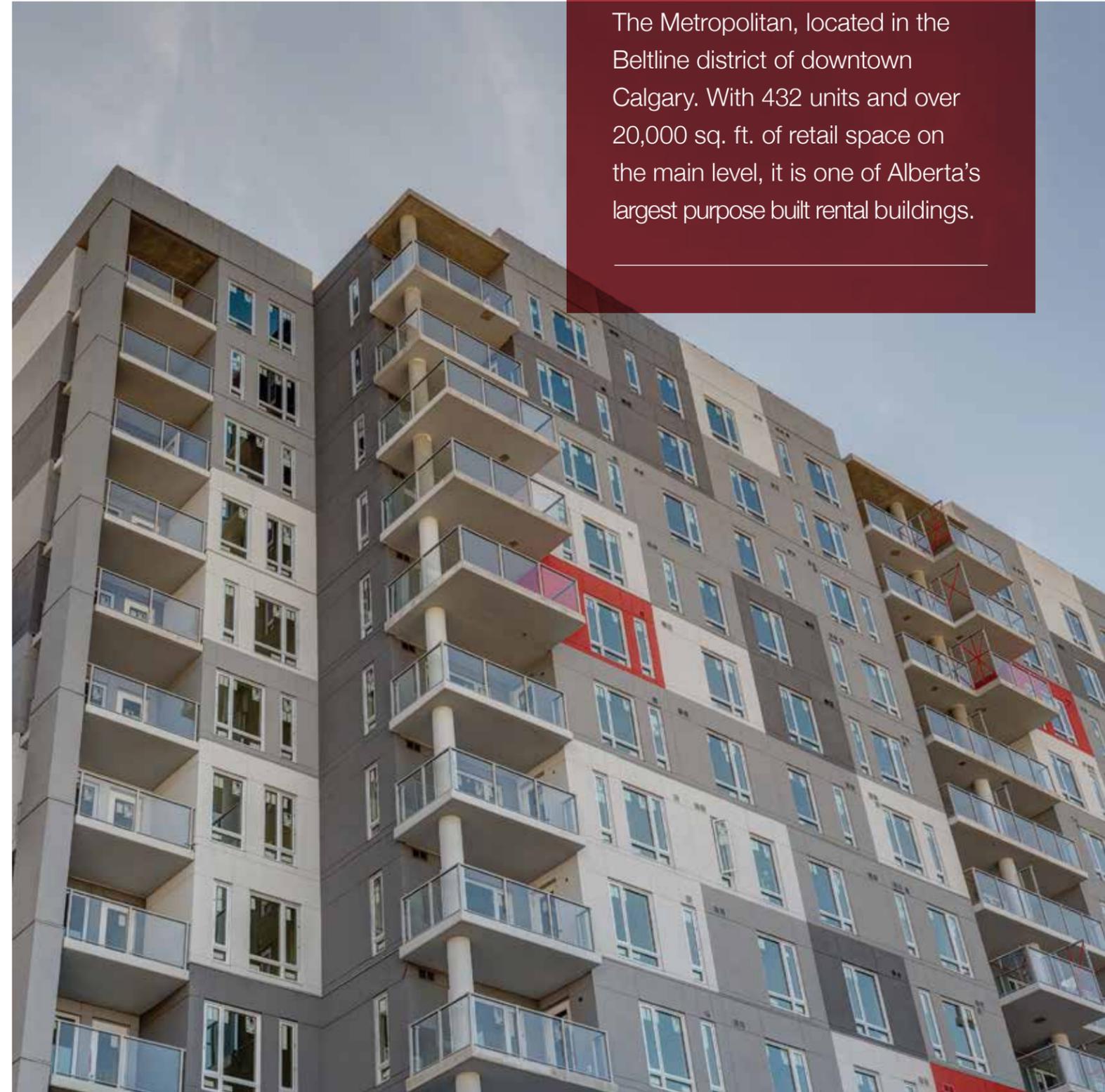
While there are a wide variety of financing options available for multi-family rental properties, determining the optimal financing strategy and obtaining the most competitive terms are highly dependent on understanding how your property is performing relative to the market. Residential rental units are often viewed as a commodity, which means they are priced efficiently and competitively, and will be scrutinized by potential renters in determining where and how they want to live. Understanding if your rents are competitive on both an absolute and a per square foot basis is just as important as the subjective factors such as quality, amenities, and locational attributes.

### **Things to consider:**

- » *What is your rent relative to competing buildings in the area?*
- » *What is your rent per square foot?*
- » *What does rent include?*
- » *Is there rent control?*
- » *Is your operating expense ratio within commonly accepted guidelines?*
- » *How is the property managed?*
- » *Is there new supply (competition) coming on or macro-economic changes that could affect demand?*
- » *How does your building compare to others in terms of condition, quality, amenities, and location?*
- » *What is the value per door, and the requested loan per door?*

It's also important to understand your needs, such as your long term plan with the property and what drives the highest return on investment. Whether it be construction, short or long term, conventional or CMHC-insured, understanding these factors will help us position the loan for maximum success.

Canada ICI arranged financing for The Metropolitan, located in the Beltline district of downtown Calgary. With 432 units and over 20,000 sq. ft. of retail space on the main level, it is one of Alberta's largest purpose built rental buildings.



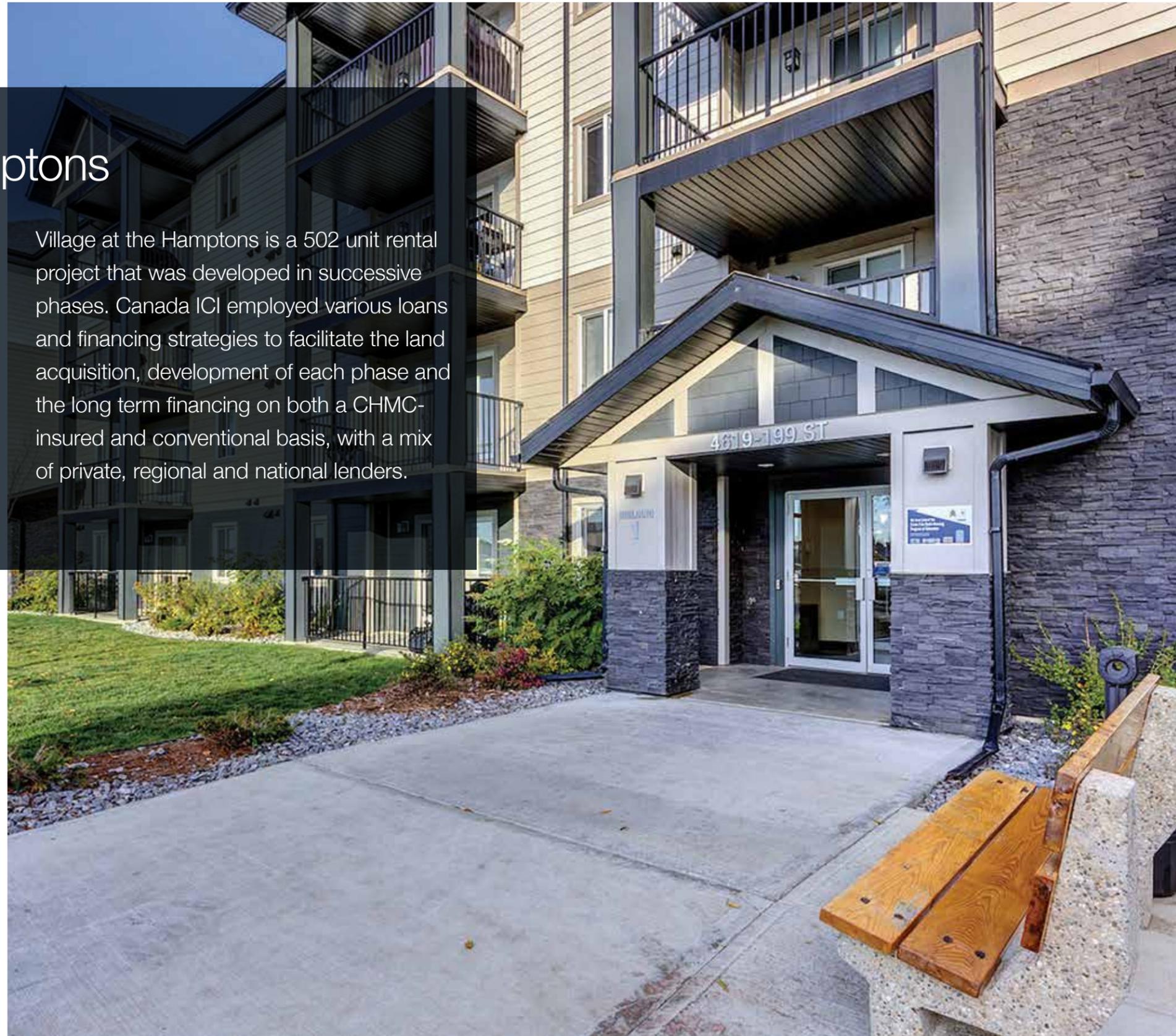
## Village at the Hamptons

City  
Edmonton, AB

Financing  
All loan types

Size  
502 units

Village at the Hamptons is a 502 unit rental project that was developed in successive phases. Canada ICI employed various loans and financing strategies to facilitate the land acquisition, development of each phase and the long term financing on both a CHMC-insured and conventional basis, with a mix of private, regional and national lenders.



# Multi-family Rental

Canada ICI arranged financing for Fontaine Bleu, a contemporary condo building with interior designs unique to the Regina marketplace.



# Multi-family Condo

**Marg Sebzda,  
Senior Director, Mortgage Origination**

Multi-family condominium construction financing can be facilitated by way of project financing or a revolving loan, depending on the type of product being offered. The coverage of the loan amount from presales, the residual loan per door and residual loan to value are key metrics. Ideally, the presale level is adequate to generate a self-liquidating loan, however, as this is not always the case, the Borrower's or Guarantor's financial strength, experience, equity injection and the project's overall market feasibility may have an increased importance or focus.

**Things to consider:**

- » *What is the building structure (concrete, steel, stick frame, townhomes, duplexes)?*
- » *What are the specifications and amenities available?*
- » *What is the suite mix?*
- » *What is the structure of presale agreements and deposit requirements?*
- » *What is their marketing plan?*
- » *Who is the new home warranty provider?*
- » *What are the condominium bylaws?*
- » *What is the budget (land, soft costs, hard costs, contingencies)?*
- » *What type of construction contract is in place?*
- » *Are deposits being used in construction or held in trust?*
- » *What is the loan to cost requirement?*
- » *What is the sales value per unit?*
- » *What is the loan coverage from presales?*
- » *What is the liquidity of the developer?*

Canada ICI prepares a package that addresses any concerns the lender may have by receiving the above noted information in advance and therefore smoothing the underwriting, approval and funding process.

# Symphony Tower

City  
Edmonton, AB

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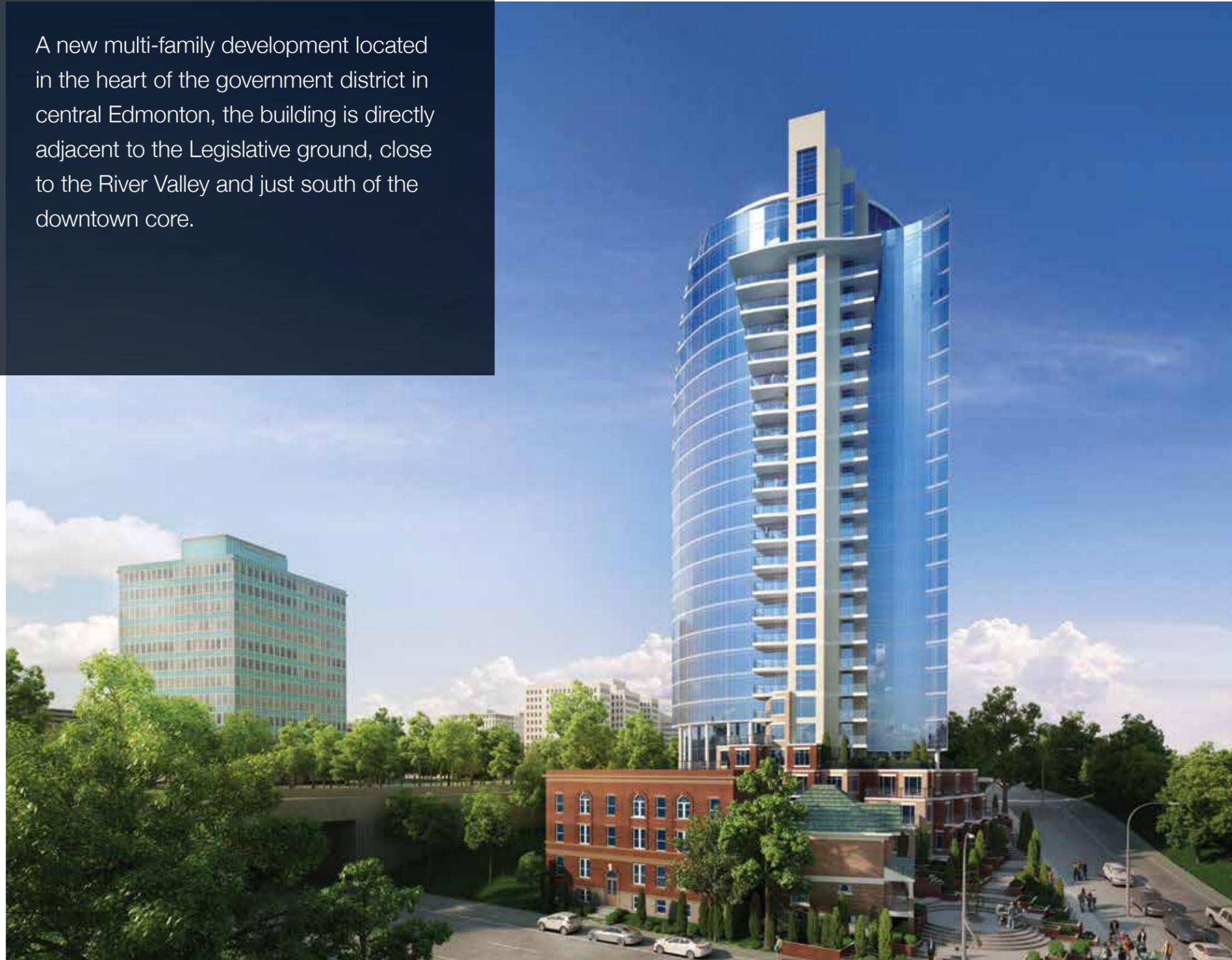
Financing  
Construction

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Size  
21 storeys, 143 units

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A new multi-family development located in the heart of the government district in central Edmonton, the building is directly adjacent to the Legislative ground, close to the River Valley and just south of the downtown core.



**Multi-family  
Condo**

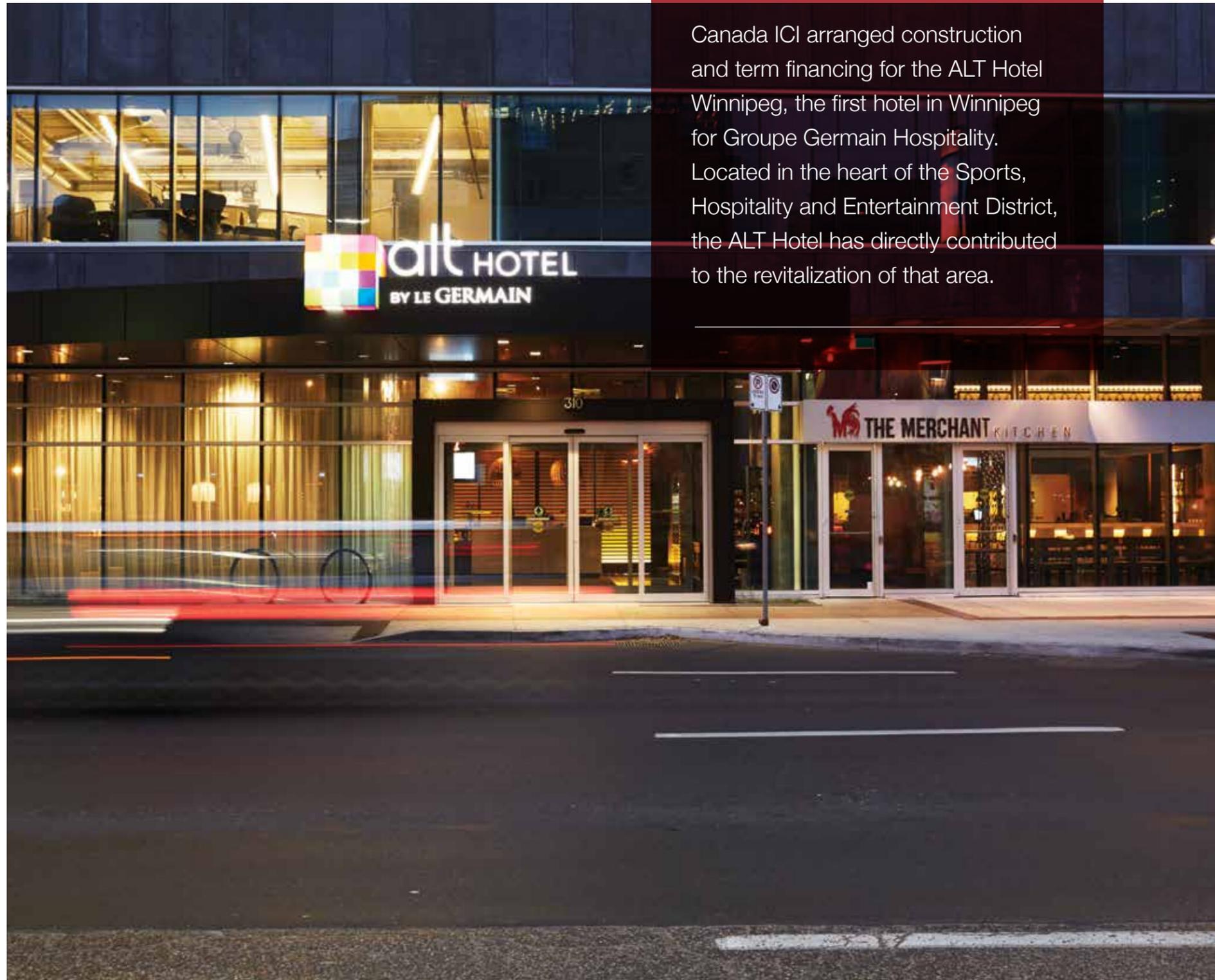
**Tye Reidie,  
Director, Mortgage Origination**

Structuring and arranging financing for hotels entails specialized analysis that is unique from other asset classes of commercial real estate. Lenders often describe hotel financing as operating financing with real estate collateral. Hotel loans are analyzed and risk adjusted based on the market demand, but even more so on the operator's expertise in managing the asset and operational history.

**Things to consider:**

- » *Is the hotel flagged?*
- » *Does your hotel have stable operating history?*
- » *Who Is the operator? Owner Operated? Third Party Management Company? Corporately managed?*
- » *What is the "loan per key"?*
- » *Has the borrower completed a market feasibility study?*
- » *How does the ADR, OCC% and Rev Par compare to that of its competitors?*
- » *Are STR Reports available?*
- » *What is the Royalty and Management Fee Structure?*
- » *Have you accounted for stabilized FF&E reserves?*
- » *Is the food and beverage income via a lease or operations?*
- » *Room Revenue versus Food and Beverage?*

Capital for hotel loans is in limited supply compared to other asset classes. The understanding on how to present and structure these types of loan is imperative to ensuring success in attracting the right sources of capital.



Canada ICI arranged construction and term financing for the ALT Hotel Winnipeg, the first hotel in Winnipeg for Groupe Germain Hospitality. Located in the heart of the Sports, Hospitality and Entertainment District, the ALT Hotel has directly contributed to the revitalization of that area.

# Hospitality

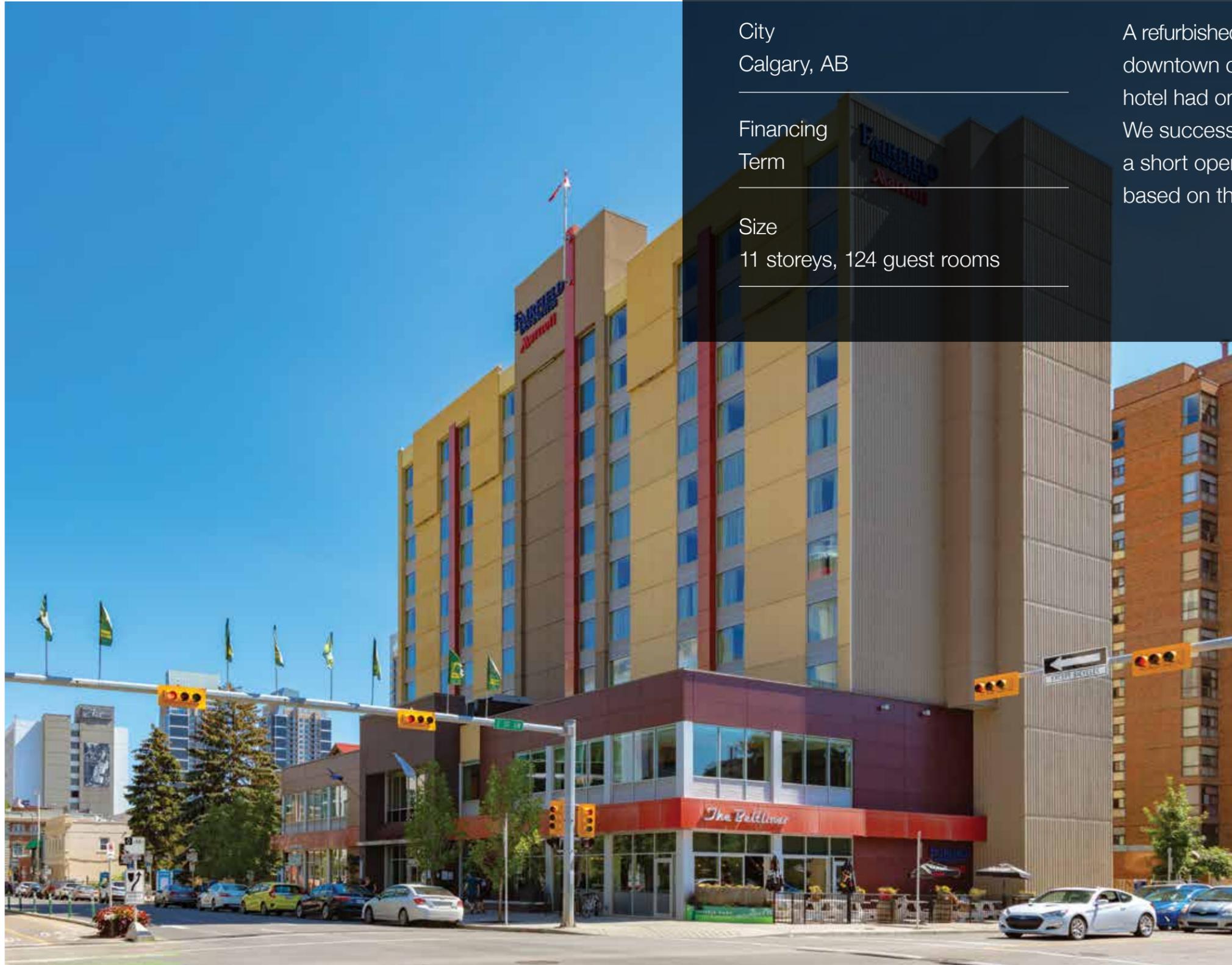
## Fairfield Marriott

City  
Calgary, AB

Financing  
Term

Size  
11 storeys, 124 guest rooms

A refurbished hotel located just south of Calgary's downtown core. At the time of commitment, the hotel had only been operating for seven months. We successfully negotiated a loan based on a short operating history and utilized valuation based on three year stabilized value.



**Brent Magnan,  
Managing Director**

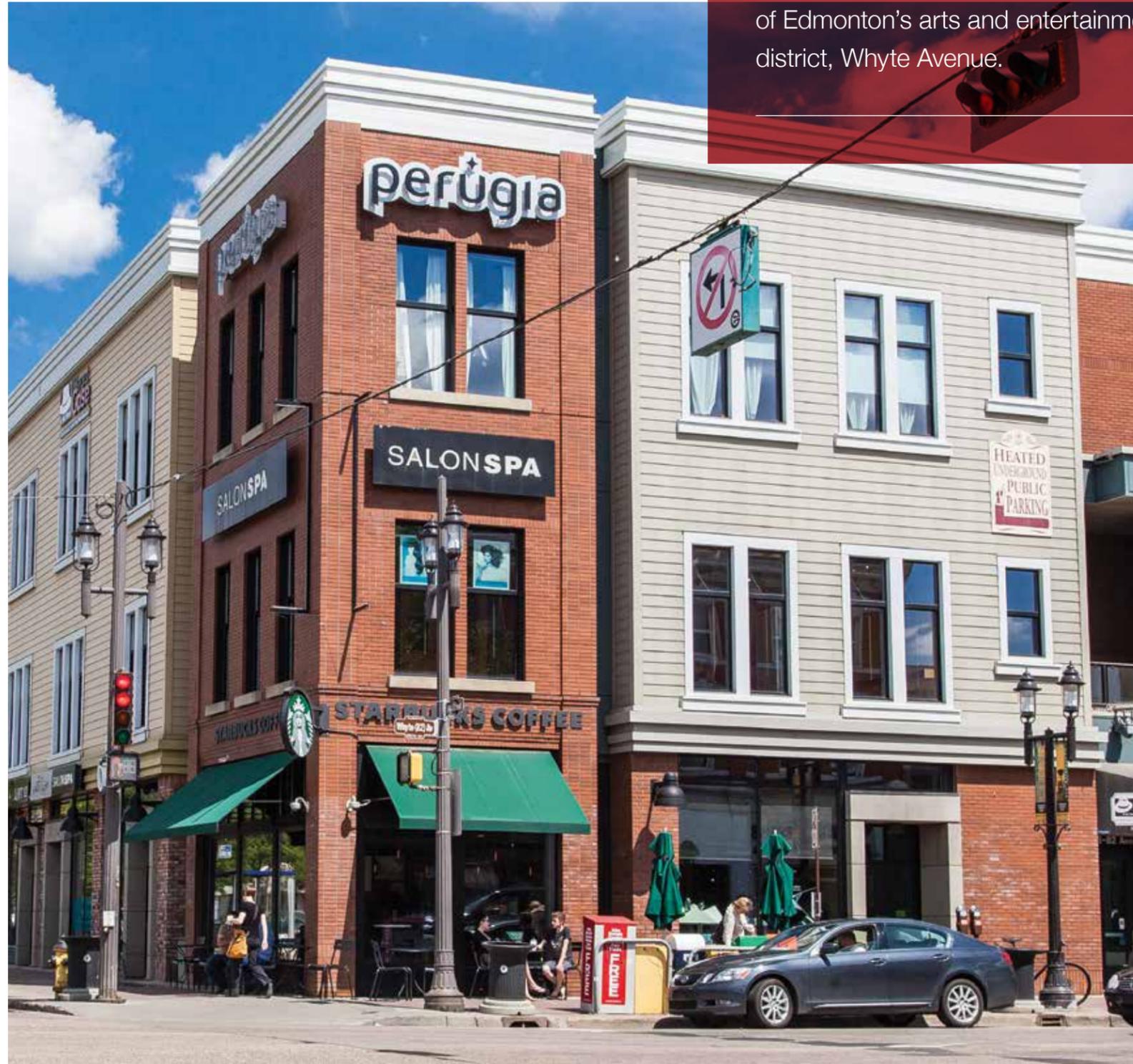
Financing a mixed-use building requires thoughtful consideration towards each asset class housed within a single structure and how they interact in both physical and abstract terms. Explaining how each use adds to the whole, as well as the long-term plan for the asset, is key to structuring a financing plan. Title structure will also play an important role, as the strategy for single title properties differs greatly from several title properties. These nuances add complexities which must be carefully navigated.

**Things to consider:**

- » How is the ownership structured between the different assets?
- » How is the title structured? Are the components on one title or is there a Strata Plan in place? Is it common ownership?
- » If there is a Strata Plan in place, is there a different long term strategy or motivation amongst the components?
- » How are joint services, such as parking or amenities, handled?
- » Is there a joint use agreement in place?
- » Is there separate access to each component?
- » How are recoveries structured?
- » Does one use within the structure negatively (or positively) affect the performance of other uses within the structure?
- » How does the percentage of revenue from one component relative to another impact financing?

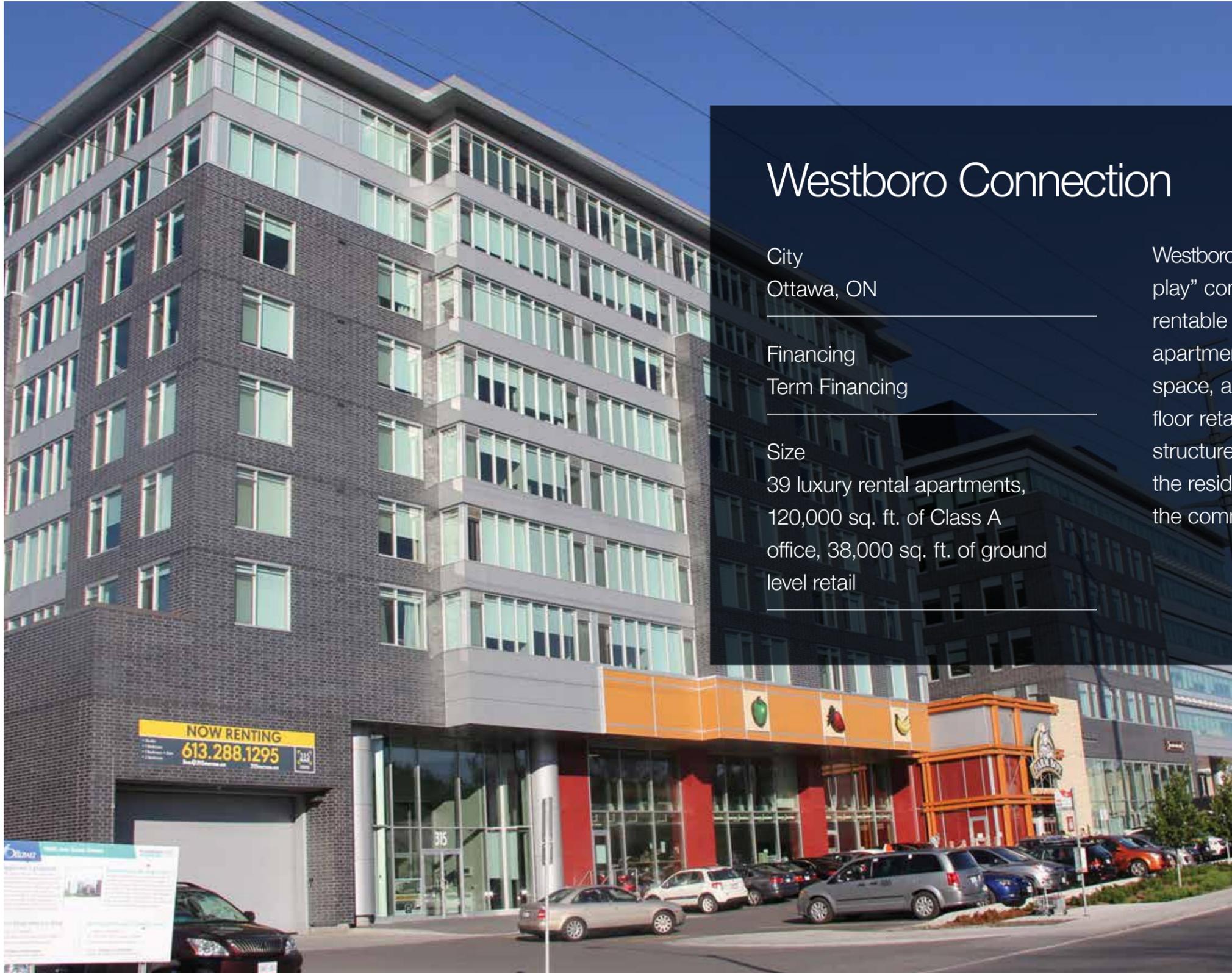
Mixed-use buildings can vary wildly in the consideration of the positives and negatives of various structures. More than most, a mixed-use development has specific questions to be answered when considering financing structures. It is in understanding these distinctions which allows us to align the owner's goals with the best possible financing solutions.

Main on Whyte is a 26,000 sq. ft. mixed-use building located in the heart of Edmonton's arts and entertainment district, Whyte Avenue.



**Mixed-Use**

# Mixed-Use



## Westboro Connection

City  
Ottawa, ON

Financing  
Term Financing

Size  
39 luxury rental apartments,  
120,000 sq. ft. of Class A  
office, 38,000 sq. ft. of ground  
level retail

Westboro Connection is a mixed-use “live/work/play” community totaling 256,909 sq. ft. of rentable real estate. This includes 139 luxury apartments, 120,000 sq. ft. of Class A office space, and 38,000 sq. ft. of premium ground floor retail. Sharing a common podium, we structured a CMHC-insured first mortgage for the residential aspect and a first mortgage on the commercial component.

# Seniors Care Facilities

Located in beautiful St. Albert, Citadel Village is a high-quality seniors facility providing 140 fully private independent living units, 66 care units with commercial ground floor retail.



**Kyle Edwards,  
Director, Mortgage Origination**

The ability to arrange the financing for senior facilities is very much tied to the strength of the operator. Lenders consider loans on this asset type very similar to an operating loan and the ability of the operator is as important as the real estate fundamentals. Strong operators will operate their facilities with zero vacancies and large waiting lists while weaker operators may have occupancy levels with notable annual vacancy. There are two types of financial revenue models for seniors facilities: private pay and publicly subsidized facilities. There are also several different levels of care available for seniors developments which makes underwriting the income stream and performance of this asset class very service specific.

**Things to consider:**

- » *What is the level of care provided at the facility? Is there a meal plan? What levels of healthcare are available?*
- » *How experienced is the operator?*
- » *Does the operator also own an interest in the real estate?*
- » *What are the operating expenses as a percentage of revenue?*
- » *What is the historical vacancy rate?*
- » *Do residents have an ability to increase their levels of care as they age in place?*
- » *Does the revenue have any attributable level of government assistance?*
- » *What is the loan request per door?*

With the wide variety in care and different levels of government assistance, financing senior facilities is a complex process and takes a higher level of expertise compared to other asset classes. Canada ICI has strong track record in financing this type of asset class in all major Canadian markets. As a result, we have developed expertise in both private pay and government subsidized facilities and each level of care, from independent living to memory care.

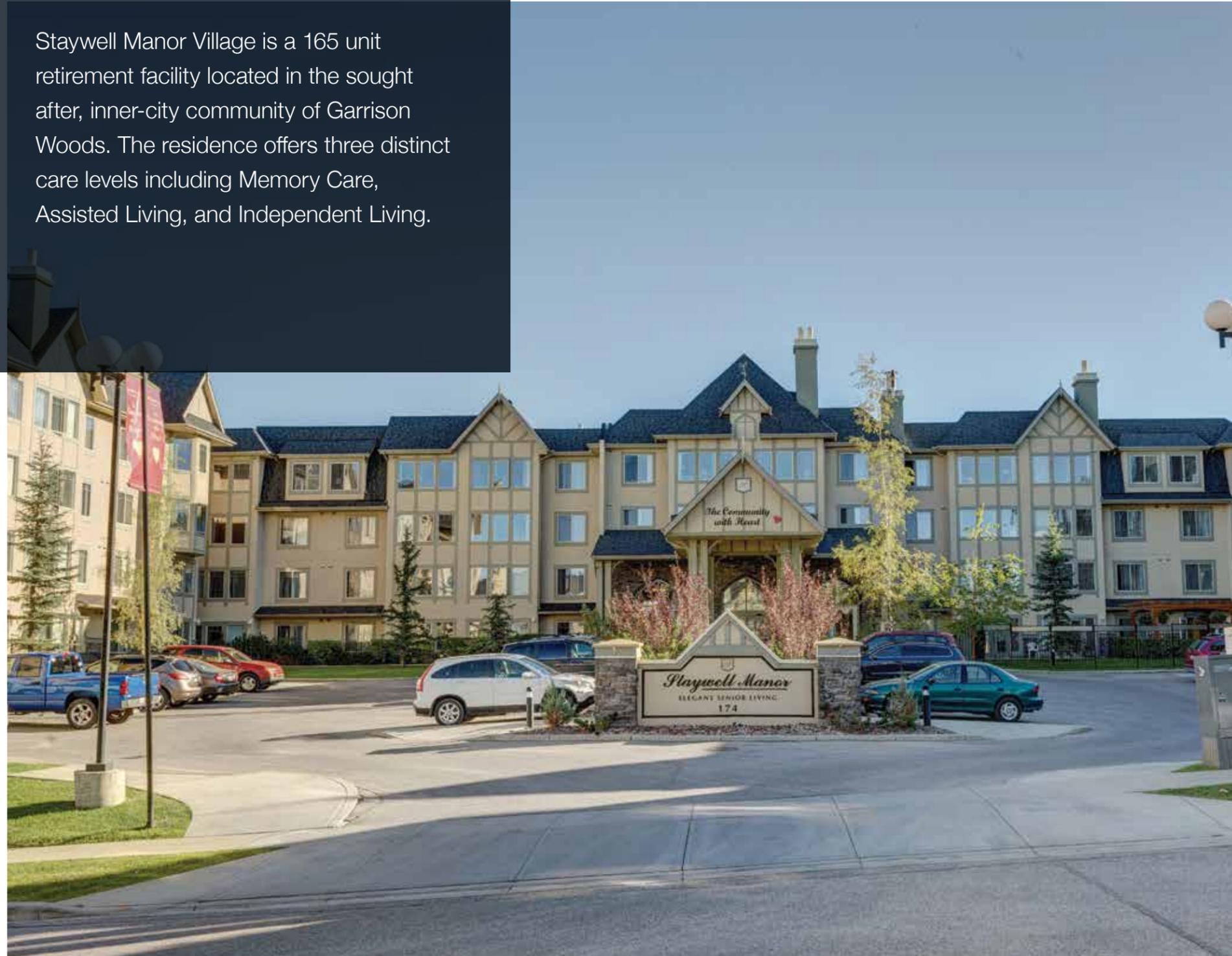
## Staywell Manor Village

City  
Calgary, AB

Financing  
Purchase

Size  
165 units

Staywell Manor Village is a 165 unit retirement facility located in the sought after, inner-city community of Garrison Woods. The residence offers three distinct care levels including Memory Care, Assisted Living, and Independent Living.



# Seniors Care Facilities

# Asset Management Group

As a complement to our Brokerage and Advisory Services, Canada ICI has more than 80 years of combined experience in funding, mortgage administration and portfolio management. Canada ICI manages capital for a wide variety of investors including: Pension Funds, Life Companies, Conventional Banks, Trusts, Credit Unions and Private Capital Pools. Our suite of managed loans include construction, interim, and term loan structures which require management and remittance for virtually any type of funding structure.

Our portfolio of loans is diversified across Canada, and includes asset classes such as:

- » *Multi-family Residential*
- » *Retail*
- » *Office*
- » *Industrial*
- » *Hospitality*
- » *Mixed Use*
- » *Land*

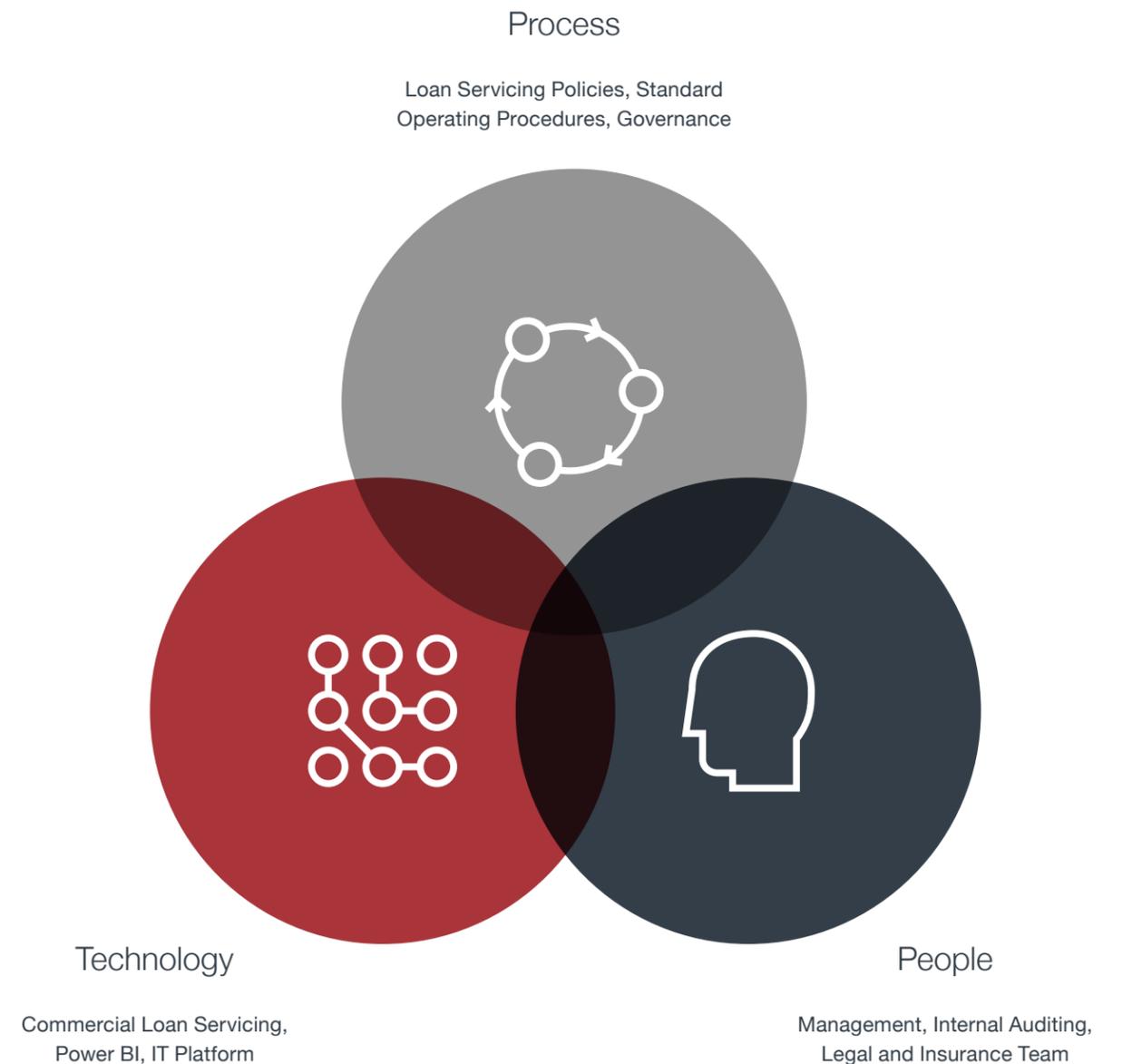
As finance experts, Canada ICI continues to grow its pool of managed capital in concert with its unwavering commitment to the industry's highest standards of people, processes and technology.



**CMS**  
Canada ICI Commercial Loan Servicing, Accounting and Reporting System

## Nearly \$1.5 Billion in Mortgage Capital

Canada ICI Asset Management Group has been active in this capacity for over 10 years and has grown to manage nearly \$1.5 Billion in mortgage capital using three key components:



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