

CONFIDENTIAL LENDER SUBMISSION PACKAGE

Edmonton 8-Unit Acquisition

Borrower / Sponsor: To be completed | Acquisition financing request

105 points | Top Tier | 95% LTV | 50-year amortization

CAPSHARK RECOMMENDATION

Proceed with conditions

Purchase Price	Loan Amount	Cash Required
\$2,200,000	\$2,198,262	\$154,000
Annual Cash Flow	DSCR	Cap Rate
\$19,704	1.19x	5.72%

Primary risk: Interest-rate sensitivity. A 1.0% rate increase reduces debt coverage materially, although the base case remains cash-flow positive.

Prepared August 27, 2026
Sample report generated from the current CapShark calculator defaults

01 / EXECUTIVE SUMMARY

Investment Verdict

The property produces positive leverage and clears CMHC's 1.10x minimum debt-coverage threshold at the proposed program-max leverage. The 105-point score unlocks the strongest MLI Select terms modeled by CapShark.

Signal	Result	CapShark reading
MLI points	105 / Top Tier	Maximum modeled amortization and discount
Debt coverage	1.19x	Pass - but monitor renewal-rate exposure
Annual cash flow	\$19,704	\$1,642 per month after debt service
Leverage spread	0.89%	Positive leverage
Local rent position	\$1,979/unit/mo	Above Edmonton CMHC 2BR benchmark; document unit mix
Vacancy	4.0%	Near Edmonton 2025 market vacancy of 3.8%

Recommended next steps

1. Validate the rent roll and bedroom mix against local comparables.
2. Obtain lender pricing and rerun the +1% rate case.
3. Confirm energy and affordability evidence supporting the 105-point pathway.
4. Verify replacement-reserve, borrower liquidity and experience requirements.

02 / UNDERWRITING SNAPSHOT

Income, Debt and Cash

Income	Amount / ratio
Gross annual rent	\$190,000
Effective gross income	\$182,400
Operating expenses	\$56,544
Net operating income	\$125,856
Cap rate	5.72%
Debt	
Insured loan amount	\$2,198,262
Annual debt service	\$106,152
Debt constant	4.83%
Debt yield	5.73%
DSCR	1.19x
Cash	
Down payment	\$110,000
Purchase costs	\$44,000
Total cash required	\$154,000
Annual cash flow	\$19,704
Cash-on-cash return	12.79%
Break-even ratio	85.63%

NOI is the income available before mortgage payments. DSCR divides NOI by annual debt service; CMHC's modeled minimum is 1.10x. Cash-on-cash compares annual after-debt cash flow with estimated closing equity and purchase costs.

03 / FINANCING STRATEGY

Why the 105-Point Tier Matters

Tier	50 points	70 points	100+ points
Max LTV (existing)	85%	95%	95%
Amortization	40 years	45 years	50 years
Premium discount	10%	20%	30%
This deal			105 points

The top tier does not increase leverage beyond the 70-point tier for this existing property; its key advantages are the longer amortization and larger premium discount. Those improve DSCR and cash flow while reducing the financed insurance premium.

Points strategy

Affordability contributes 70 points and energy efficiency contributes 35 points in the current model. Before relying on these terms, the lender package should include the required energy analysis, affordability commitments, rent limits and supporting documentation.

04 / SENSITIVITY

What Breaks the Deal?

Scenario	DSCR	Cash Flow	Status
Base	1.19x	\$19,704	PASS
Rate +1%	1.01x	\$1,378	FAIL
Rent -5%	1.13x	\$13,411	PASS
Expenses +10%	1.13x	\$14,050	PASS

Primary risk: interest rates. The +1% case produces the lowest debt coverage of the selected scenarios. Rate quotes, renewal assumptions and any interest-only period should therefore be validated before the acquisition price is treated as supportable.

Break-even observations

The base case has a 7.78% DSCR margin above the modeled minimum. Cash flow is positive, but the margin is not large enough to ignore rate and rent execution risk.

05 / LOCAL MARKET INTELLIGENCE

Edmonton Rental Context

Market indicator	Deal / CMHC context	Reading
Average rent per unit	\$1,979/mo vs \$1,603 CMHC 2BR	Premium - verify bedroom mix and finishes
Vacancy assumption	4.0% vs 3.8% market	Broadly aligned
2028 CMHC avg 2BR	\$1,680/mo	Moderate baseline rent growth
2028 vacancy outlook	5.1%	Lease-up should remain conservative
Overall market support	REVIEW	Core assumptions need property-level evidence

Market conclusion

The vacancy assumption is supportable relative to current Edmonton conditions. The average portfolio rent sits above the citywide two-bedroom benchmark, which may be justified by unit mix, renovation level, location and utilities - but those factors should be documented rather than assumed.

Source note: CMHC 2025 Rental Market Survey and Summer 2026 Housing Market Outlook. The comparison is directional because this sample does not include a bedroom-by-bedroom rent roll.

06 / FORWARD OUTLOOK

Today, Year 5 and Year 10

Metric	Today / Year 1	Year 5	Year 10
NOI	\$125,856	\$131,943	\$139,795
Cash flow	\$19,704	\$25,791	\$33,643
DSCR	1.19x	1.24x	1.32x
Property value	\$2,255,000	\$2,489,098	\$2,816,186
Equity	\$69,715	\$361,592	\$776,155
Loan balance	\$2,185,285	\$2,127,506	\$2,040,031

Outlook: improving

Under the base assumptions, income growth and loan amortization strengthen coverage and equity over time. This projection is not a guarantee; rent, expense, value and refinancing assumptions should be replaced with lender-supported figures.

07 / PRO FORMA

10-Year Operating Projection

Year	Gross Rent	NOI	Cash Flow	DSCR	Equity
1	\$190,000	\$125,856	\$19,704	1.19x	\$69,715
2	\$193,040	\$127,361	\$21,209	1.20x	\$139,628
3	\$196,129	\$128,877	\$22,725	1.21x	\$211,539
4	\$199,267	\$130,404	\$24,252	1.23x	\$285,505
5	\$202,455	\$131,943	\$25,791	1.24x	\$361,592
6	\$205,694	\$133,492	\$27,340	1.26x	\$439,862
7	\$208,985	\$135,052	\$28,900	1.27x	\$520,383
8	\$212,329	\$136,623	\$30,471	1.29x	\$603,225
9	\$215,726	\$138,204	\$32,052	1.30x	\$688,457
10	\$219,178	\$139,795	\$33,643	1.32x	\$776,155

Assumptions: rent growth 1.6% annually, expense growth 2.5%, value appreciation 2.5%, fixed payment at the modeled acquisition rate, and no refinance. Figures are rounded.

08 / EQUITY AND EXIT

Hold-Period Value Creation

Year 5

Projected value	Loan balance	Gross equity
\$2,489,098	\$2,127,506	\$361,592

Year 10

Projected value	Loan balance	Gross equity
\$2,816,186	\$2,040,031	\$776,155

Year 20

Projected value	Loan balance	Gross equity
\$3,604,956	\$1,798,185	\$1,806,772

Year 30

Projected value	Loan balance	Gross equity
\$4,614,649	\$1,428,536	\$3,186,113

Gross equity excludes selling costs, taxes, capital expenditures and refinance costs. A real exit analysis should use a defensible terminal cap rate and building-specific capital plan rather than appreciation alone.

09 / LENDER SUBMISSION SUMMARY

Proposed Financing Request

Request item	Proposed
Purchase price	\$2,200,000
Units	8
Property type	Existing multi-unit rental
MLI Select points	105 / Top Tier
Requested LTV	95%
Requested amortization	50 years
Estimated insured loan	\$2,198,262
Net operating income	\$125,856
DSCR	1.19x
Borrower cash required	\$154,000
Primary risk	Interest-rate sensitivity

Credit rationale

The modeled property cash flow clears the 1.10x DSCR floor and the points pathway supports the requested amortization and premium discount. Approval remains conditional on property-level income verification, appraisal, borrower strength and program eligibility.

10 / SUBMISSION CONDITIONS

Sources, Uses and Closing Requirements

Uses	Amount
Purchase price	\$2,200,000
Estimated purchase costs	\$44,000
Total uses	\$2,244,000
Sources	
Base mortgage advance	\$2,090,000
Borrower down payment	\$110,000
Borrower-funded purchase costs	\$44,000

Conditions before reliance

1. Approved-lender confirmation of MLI Select eligibility, points, premium, amortization and recourse.
2. Appraisal supporting value, market rent, capitalization rate and remaining economic life.
3. Current rent roll, leases, arrears, concessions and unit-by-unit bedroom/rent schedule.
4. Trailing operating statements reconciled to taxes, insurance, utilities and payroll.
5. Building condition, environmental and capital-replacement review.
6. Borrower net worth, liquidity, experience, ownership structure and source of equity.
7. Energy and affordability evidence supporting the selected points pathway.

Lender decision fields

Decision item	Lender completion
Approved loan amount	_____
Approved rate / term	_____
Conditions outstanding	_____
Lender / underwriter	_____
Decision date	_____

11 / METHODOLOGY AND LIMITATIONS

How to Use This Report

CapShark is an early-stage underwriting aid. This sample applies the calculator inputs mechanically and provides directional analysis. It is not an appraisal, commitment, credit decision, legal opinion, tax advice or assurance of CMHC eligibility.

Key assumptions

Purchase price \$2.20M; annual rent \$190K; vacancy 4.0%; operating expense ratio 31%; interest rate 4.25%; purchase costs 2.0%; rent growth 1.6%; expense growth 2.5%; appreciation 2.5%; and modeled MLI Select Top Tier terms.

Required professional review

Have an approved lender validate program terms, insurance premium, loan sizing, recourse, reserves, borrower qualifications and fees. Have qualified legal, accounting, engineering, environmental and valuation professionals review the transaction before relying on this analysis.

CAPSHARK

Know whether the deal works before sending it to a lender.