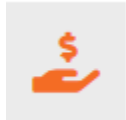


## Apartment Developer University Course Outline

### Introduction:

Throughout the 8 sessions, we're going to build a 100-unit rental apartment building in a suburban-urban location near a major North American market. We're going to take this building from concept to disposition by the numbers. Focusing on a specific example will teach you practical, real-life skills that you can apply to your own specific project. This is not a philosophical course – it's hands-on, by the numbers, by presenters who do this every day.



### Session 1: The Future Apartment Developer: The Blueprint for Building Rental Apartments and Inter-Generational Wealth

**Tuesday, October 13, 2020**

#### Speakers:

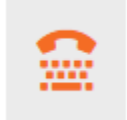
- Derek Lobo, CEO, SVN Rock Advisors

#### Description:

The need for purpose-built rental apartment development is constant because communities, technology, and resident tastes never stop changing. New generations, new lifestyle choices, and revolving immigrant groups, coupled with the evolution of the apartment industry, create continual demand for new purpose-built rental stock. In this session, we will cover the following:

- How to structure your portfolio now for inter-generational wealth transfer in the future.
- Which developers have had success in this asset class, how they had that success and what the success looks like?
- A high-level overview of the major components of apartment development.
- Where are the development opportunities? With so many opportunities, how do you select a site and what do you build on that site?
- Practices and standards for assessing a site have improved in recent years, but the difficulty of locating buildable sites has increased markedly. How do you assess these trickier deals?

- How do you re-structure your existing development company to become a merchant apartment builder?
- How are buyers and sellers thinking? Sellers need to proactively identify potential deal obstacles and develop sales strategies.



## **Session 2: How to Acquire and Entitle Land for Apartment Development: A field guide to finding the right land, at the right price, at the right time.**

**Thursday, October 15, 2020**

### **Speakers:**

- Derek Lobo, CEO, SVN Rock Advisors
- Ashley Bloom, SVN Southland Commercial

### **Description:**

We're going to take you from finding the land, to putting a shovel in the ground.

How and where do you find suitable land for development? And if you can find land, what makes a good rental site? While finding a site that will be appealing to renters is a vital component to a successful rental development, it has to be the right land, at the right price, at the right time. How much should you be paying for development land suitable for new multi-residential projects, and what are some of the obstacles you need to factor into whether your site is truly the 'right' land at the right price, at the right time.

We'll take you step by step through the land acquisition process, and identify potential roadblocks (zoning, servicing, community opposition....) that you need to consider to know if you've found the right piece of dirt to get going in the rental industry. In this session we'll cover the following:

- How do you take a piece of land from an opportunity to buy, through to a shovel in the ground?
- What are the differences between permitting a greenfield, brownfield, intensification, and other types of land sites?
- What obstacles do different types of land pose to move from an opportunity to construction permit?
- How do you underwrite a land deal?
- How do you negotiate on land deals?



### **Session 3: The Apartment Building of the Future, Placemaking and Conversions (Office, Hotel) and Intensification**

**Tuesday, October 20, 2020**

**Speakers:**

- Walter Hughes, Humphreys & Partners Architects
- Dustin Watson, Founding Principal – inPLACE design
- Mansoor Kazerouni – IBI Group

**Description:**

From the outside there are rarely many differences between a rental building that has been built to keep versus to sell. Inside the bones of the building however, there are subtle but important differences to unit mix and sizing, amenity spaces, parking, unit finishes and features, and importantly – building systems – that require design decisions early on in the planning stages.

In this session we'll walk you through the design considerations and building systems decisions that need to be made if you're a keeper or a seller. We'll examine when and how to incorporate mixed uses into your development and discuss the value of submetering not just to your proforma but ultimate profitability whether you're keeping or selling.



### **Session 4: Merchant Building Apartments, Structuring Joint Ventures, and Timing of Disposition**

**Thursday, October 22, 2020**

**Speakers:**

- Derek Lobo, CEO, SVN Rock Advisors
- Reid Bennett, Senior Vice President – National Chair of Multi Family: SVN Chicago Commercial
- Darryl McCollough, CCIM SEC, Royal LePage and Crescent Equity Management Inc
- Steve Fithian, CCIM, SVN Trinity Advisors

**Description:**

Building the right foundation for your merchant apartment development business can be replicated on an exponential scale when don't right. What do some of these merchant developer models look like, and how can you find the right one for your business?

Early on in becoming a merchant apartment builder, you might be considering joint venture structures. We'll show you how the structure of a joint-venture partnership is the consequence of the relationship. We will examine the consequences of different risk tolerance, age cycle, expansion or divestiture plans, and long-term business projects on a variety of joint-venture structures to apply to your merchant apartment developer business.

Timing of disposition is critical. We'll talk about when and if you should sell, as well as give you an overview of new apartment construction transactions and metrics. In this session, we'll explore:

- What are the 3 questions every joint venture partner asks?
- How do you think through mezzanine financing versus a joint venture partner, or both?
- A review of new apartment construction transactions.
- What's the best time to sell your asset?
- A high-level review of new apartment construction transactions across North America.



## **Session 5: How to Build the Right Apartment in the Right Location for the Right Resident: The feasibility study determines the apartments you're going to build**

**Tuesday, October 27, 2020**

### **Speakers:**

- Sally Turner, Director – Research & Consultancy, SVN Rock Advisors
- Peter Mills, Co-CEO Wyse Meter Solutions

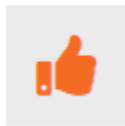
### **Description:**

Apartment development involves the cooperation of many different entities, and each must stay informed with sufficient data about the level of risk involved in a development project, whether for the project itself or the company. In this session, we examine issues related to market information – finding it, using it, and understanding its relationship to the apartment development project. We will define a holistic version of the feasibility study – the most critical decision aid and management tool in the development process. In this session, we answer the following questions and more:

- What is the appropriate target market and market position for your project? How do you determine this?
- What is the size of my target market and how is it growing? And what percentage of that market can be attracted to my project?
- What are the opportunities, gaps, or specialized niches where a need exists in the marketplace? What rents can you expect based on market and asset class?

- What types of units and unit sizes are suitable for the market you are developing in?
- What amenities and unit features should be provided to appeal to your market?
- What are obstacles to development not related to supply and demand (indirect economic constraints), such as regulatory issues, the physical site, community opposition, or other difficulties that impact feasibility?

You will learn which metrics a lender will assess your deal through, and what your proforma should be testing.



## **Session 6: Finding Money to Build Apartments: Building a detailed financial feasibility model and stress testing it**

**Thursday, October 29, 2020**

### **Speakers:**

- Noor Khan, Chief Financial Officer – SVN Rock Advisors
- Gabriel Silverstein, President – SVN Angelic Real Estate
- Mark Kay, President - CFO Capital

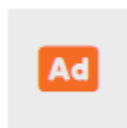
### **Description:**

Without financing (debt, equity, or some combination), no real estate development is possible, so it is critical for developers to keep up with trends in real estate finance and different sources of capital. More importantly, when you bring your project to a lender, what process are you going to be required to go through to get financing? How do you need to prepare? In this session, learn directly from the people who help you obtain financing how lenders and investors are going to view your project and how you can prepare. You'll learn the critical steps in the lending process:

- How do different lenders view a project? What financial analysis do you need?
- What does the financial process look like on different deal structures?
- What financing options are available for the various stages of development?
- What is the difference between the risks taken by a construction lender and those made by a permanent lender?
- What is hybrid financing? What sources of equity and debt financing are open to different deal structures and markets?
- What financing options are open at each stage of development?

We're going to set out a detailed multiperiod discounted cash flow analysis (DCF) analysis that provides a detailed projection of cash flows, equity and loan needs, profits, and basic return measures, including internal rates of return (IRRs). We'll walk you through several scenarios to stress test the impact of construction cost variances, changes to operating costs, municipal rebates, lease-up time, exit cap rates, financing charges.

This session will lay out all financing options available to you, to help you determine the best capital stack for your next deal. And how to be fully prepared for the financing process.



## **Session 7: Writing and Executing a Marketing Plan: When to Start, What to Do, and How Much Will It Cost?**

**Tuesday, November 3, 2020**

### **Speakers:**

- Derek Lobo, CEO, SVN Rock Advisors
- Chris vanPopta, Principal – Creative Director, Finline Perspectives

### **Description:**

How much is too much to spend on marketing? Can I lease my building up myself? And what should I look for in a property manager? The marketing and lease-up of your building is the result of years of planning, construction, and a huge investment on your part. How do you make sure you reach the finish line of a market leading, stabilized building with strong rents and a solid reputation in the market?

In this session we will review aspects of marketing analysis, strategic planning, and implementation. We will look at:

- Developing the marketing strategy and plan; Plan for success.
- The marketing and leasing budget; How much is too much?
- Advertising and measuring the marketing plan's success.
- Should I do the lease up myself? What do I need to know if I want to?
- How do I choose a leasing team, and is it the same as my property manager?



## **Session 8: Writing and Executing the Leasing Plan: Hiring, Training, Managing, And Compensating Your Leasing Staff**

**Thursday, November 5, 2020**

### **Speakers:**

- Derek Lobo, CEO, SVN Rock Advisors
- Vanessa D'Sa, Manager of Education, SVN Rock Advisors

### **Description:**

How do you lease up apartments faster, at higher rental rates while driving your marketing cost down? We understand the financial drivers behind a successful apartment project. In this session, we will delve into apartment development and rehabs to uncover today's lead edge practices and addresses the unique challenges apartment developers, investors, and owners face today. All apartment buildings deal with a unique set of circumstances. We will share our comprehensive apartment knowledge and show you how to deliver higher financial returns on apartment projects of varying size and complexity. We will identify valuable opportunities for developers, owners, and investors in development and rehab to enhance Leasing, Marketing, and Management. We'll show you:

- How to hire a rental agent
- How to compensate rental agents to maximize their performance
- The 5 most important things a rental agent needs to know