

# CHALLENGE ACCEPTED!



*Closing the Difficult Deals  
with Creativity & Experience*



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# The Rock Advisors Difference

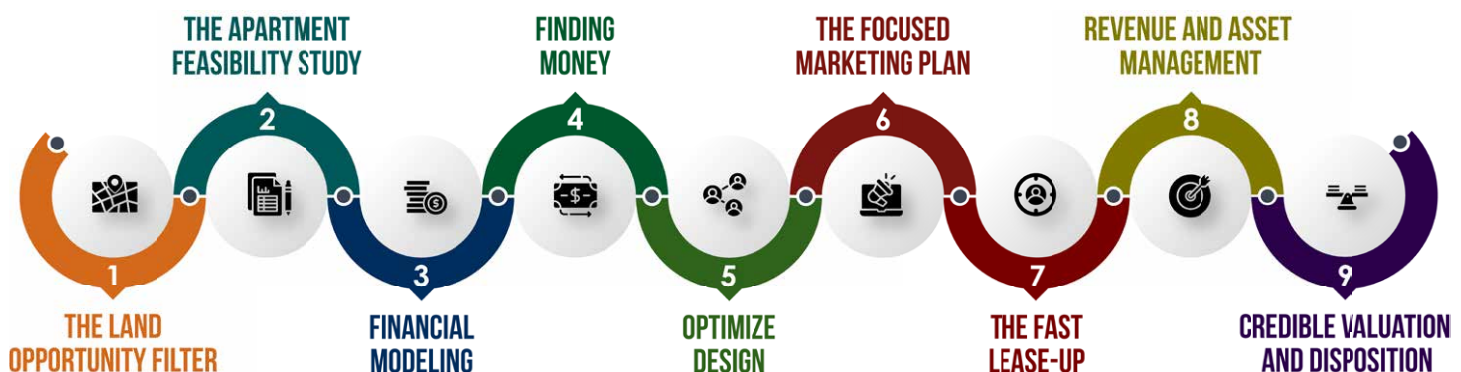
## We transact apartments and much more...

SVN Rock Advisors Inc. is a boutique commercial real estate and consulting company specializing in the multi-residential industry—apartments, affordable housing, student housing, and intergenerational family real estate.

With a laser focus on the apartment industry, we have developed world-class systems, processes, and relationships which allow us to handle every type of apartment project with efficiency.

SVN Rock Advisors approaches the apartment brokerage business with a Unique Team Model—an experienced multi-person unit collectively working on every project and transaction. From Sales, Underwriting, Marketing, to Transaction Management, our talented team members work in a structure where each facet of a transaction is given specific attention and detailed focus. Our **Apartment Development FULL Service Experience™**, allows for efficiencies and results that the typical broker cannot produce, which delivers tremendous value for our clients.

## Apartment Development FULL Service Experience™



This document is a collection of real-world stories illustrating the value we place on relationships, and the challenges we have overcome on behalf of our clients. We pride ourselves on delivering the industry's best investment real estate research, advisory, and transactional services.

Our success is measured by our clients' satisfaction. A satisfaction that validates the value we deliver by helping them reach their goals. Our clients' feedback speaks for itself.

for Broker information visit:  
[svnrock.ca/our-advisors](https://svnrock.ca/our-advisors)

# Cherryhill Village

Cherryhill Blvd, London, Ontario



☐ New Apartment Development  
☒ Purpose-Built Apartments

☐ Affordable Housing  
☐ Student Housing

☒ Intergenerational Family Real Estate  
☐ Office Conversions to Rental

☐ Mid Market  
☐ SFR / BFR

## CHALLENGE

In 2011 SVN Rock Advisors brokered the largest apartment transaction in Canadian history when we sold the family built, intergenerationally owned **CherryHill Village** to three institutional buyers (Minto Group, Kingsett Capital, and HOOPP).

A decade later, in 2021, **CherryHill Village** was valued at over 500 million dollars. The buyers were ready to sell, but no one we had worked with on the 2011 deal remained at any of the three companies.

TD Securities was selected as the lead broker on the deal. **However, deals of such a large size have a limited pool of potential buyers. Additionally, these buyers must be thoroughly educated on the complexities of making such a large acquisition.**

## ACTION

In 2021, SVN Rock Advisors sent thank you cards to Minto Group, Kingsett Capital, and HOOPP in order to commemorate the ten-year anniversary of their initial purchase of **CherryHill Village**. In response, they informed us that they were selling, and had already hired TD Securities to broker the sale.

**However, due to the size and complexity of the deal, paired with our amortized knowledge and history with the property, we were invited to participate as strategic advisors.**

TD Securities' lead broker brought a heightened level of sophistication to the deal and we were honoured to work with them. Their analysts and brokers produced a significant package to thoroughly describe a property of such size and value.



Exterior views of Cherryhill Village

## RESULT

After a thorough canvassing of the marketplace a number of offers were received. The final buyer was a private German family who had been investing in Canada for many years. This further reinforced Canada's strength as a stable, safe place for apartment investments.

**The stability of both Canada and apartments resulted in SVN Rock Advisors playing a key role in the largest apartment transaction in Canadian history... for the second time.**

In our role as strategic advisors, SVN Rock Advisors learned a great deal about how large institutions work from our collaboration with TD Securities. The relationships that we built with Jamie Ziegler and David Blumestone were invaluable and we anticipate doing deals with them in the future.

This deal highlighted the value and importance of maintaining relationships with past clients. Had we not reached out to commemorate the 2011 sale of **CherryHill Village**, we would not have been included in as strategic advisors

## TESTIMONIAL

**Howard Katz – Property Manager, ESAM Construction**

***"Derek did an excellent job. He was experienced, he had a lot of wisdom, and he really helped guide us through the process, and it was much appreciated."***

**Alan Greenberg – President, Minto Apartments Ltd.**

***"Derek Lobo played a great part in it, keeping in constant communication with ourselves and our team."***



# William's Court

1203 Maritime Way, Kanata, Ontario



☐ New Apartment Development  
☒ Purpose-Built Apartments

☐ Affordable Housing  
☐ Student Housing

☐ Intergenerational Family Real Estate  
☐ Office Conversions to Rental

☐ Mid Market  
☐ SFR / BFR

## CHALLENGE

The William's Court at Kanata Lakes development was, at the time, the largest new apartment transaction in Canadian history. **The project was the largest purpose-built multifamily housing development to be built in 40 years.**

Long before its conception, the developer, Francis Lépine, became fascinated with apartment building as a young man while sweeping out the Olympic Village in Montreal. His father, René Lépine, long considered the largest and most influential developer in Quebec, gave Francis the opportunity to realize his own apartment-development dreams.

Though now successful in his own right, Francis yearned for a pioneering project to fulfill his own visions. This turned out to be the William's Court at Kanata Lakes project. However, due to the massive scale of the development—741 units spread over 4 buildings—it required capital that most developers couldn't get access to.

**The solution was to construct the buildings in phases and develop a joint venture partnership with the commitment to buy the buildings as they were being built, thus providing capital for the next phase.**

## ACTION

To complement Lépine's vision, we needed buyers who would share in it. To make this work, trust and transparency between the parties over the seven years needed to complete this project was essential.

We assembled a group of buyers—the lead being Killam REIT, and two investors: Kuwait Finance House (KFH) and Aimco. The first two buildings, A and B, were then sold. Unexpectedly, KFH exited the deal, leaving the project underfunded. However, the value proposition and opportunity available enabled us to bring in KingSett Capital to fill the gap.

**When Building B began to lease, Building A had already stabilized—with up to 30% of Building A's apartments turning over. Thus, the buildings were in direct competition.** We also knew that when Building C, and D, became available to occupy, that same scenario would repeat with an even greater level of competition. We had to do something to minimize the consequences.

Part One of our solution was to sell Building A to Killam REIT—and have them manage it as well—while Francis Lépine continued to lease Building B. Part Two was to have all stakeholders agree to maintain rent consistency in order to lessen competition within the community.



Aerial view of William's Court



Derek Lobo and Francis Lépine

## RESULT

In brokering the forward sales of these four buildings with multiple entities, it was agreed that no written agreement could anticipate all of the issues that could possibly arise over its seven-year lifespan. Thus, we got the parties to agree to remain flexible if a difficult situation arose. Together, they would hammer out a solution with the aim to keep the project on course while still satisfying each group's core investment goals.

**The agreement turned out to be relatively short, especially for a project of this magnitude.** But the parties knew that challenges could be successfully met and solved as a single entity. When issues did surface, they were quickly addressed so the project could move forward as intended.

Also, to cement his reputation as a trusted and competent developer, Francis Lépine actually included attractive features in Building B not present in Building A, proving to the investors that their commitment to buy Buildings C and D was not misplaced.

**As a result, the sale of those two buildings went incredibly smoothly as trust had been established between buyer and seller.**

## TESTIMONIAL

### Francis Lépine – Lépine Apartments

*"Derek is not your typical broker. In addition to his core competency of making a deal work, his ability to create and maintain trusting relationships between the partners is exceptional. He's not going to come into a deal and go home when the deal is done. Working with him is an ongoing relationship—and a rewarding one."*

*He and I have had a 15-year relationship. When we have worked together, his desire and focus to keep open communication between the parties has amazed me, as is his ability to structure deals creatively and fairly.*

***His exceptional abilities go a long way in keeping relationships functional and productive, fostering trust on all sides, and letting the buyer and seller work together profitably and amicably."***

# The Taunton Apartments

2333 Taunton Road, Oakville, Ontario



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| <input type="checkbox"/> Purpose-Built Apartments             | <input type="checkbox"/> Student Housing    | <input type="checkbox"/> Office Conversions to Rental         | <input type="checkbox"/> SFR / BFR  |

## CHALLENGE

Experienced developers, Steven Stipsits of Branthaven Homes and Dr. Michael Shih, of Emshih Developments, wanted to enter the apartment development space.

15 years earlier, Dr. Shih had accompanied us on a developer trip to Chicago. We have stayed in touch ever since. Dr. Shih then introduced us to Steven Stipsits, a master homebuilder and condo developer.

Together, they retained us for a feasibility study for a 284-unit building in Oakville. This is an example of developers with a strong vision—one of the things that makes them remarkable individuals. **The challenge at hand was that, in those individuals, we had two extraordinarily experienced developers who had never built an apartment building before.**

The most frequent question they asked was, did the Oakville market have the demand needed to support their vision?

**Oakville is one of the richest cities in Canada, but had not seen a new apartment built since the 1970s. In our view, demand was extreme—but they didn't know it.** Our job was to convince them that the demand was actually there. For experienced apartment developers, this would have been easy to see, but they were new to this business, and very apprehensive.

## ACTION

**We completed our feasibility study.**

Then, over a series of meetings, we attempted to transfer the enthusiasm and confidence we had in that product to the developers, their architect, interior designers, development staff, and their marketing group.

But they were experienced in condo development. They had to be convinced that bigger units would work better than the smaller units, which condo developers prefer. The solution was to fly them to the US so we could show them what that apartment market, and their future, looked like.

**Very quickly, they understood how that market functioned and what was missing in Oakville.**





*Lower street view of The Taunton*



*Derek Lobo presenting painting to Steven Stipsits*

## RESULT

### Condo ≠ Apartment

The people they worked with were smart condo developers who had to adapt their way of thinking to build an apartment.

**They did not have a property management division, so we interviewed the best-in-class property managers.** They selected Greenwin. SVN Rock Advisors worked closely with Greenwin to do the lease-up.

This required a great deal of cooperation between the property manager and an outside entity—us. Normally, Greenwin would have leased the building themselves. We convinced the developers that we should handle lease-up and Greenwin should manage.

**We worked out a cooperative process with Greenwin and the developers. So, instead of two parties during lease-up, there were three.**

**As a result, we achieved the highest rents ever in Halton Region.** The building was the best designed building in Halton because the developers took the time and spent the money in the appropriate areas to differentiate between a condo and an apartment building.

## TESTIMONIAL

### Kevin Green – Greenwin Corp.

*"We're one of the largest apartment owners, developers, and property managers in the country. We were managing and leasing one of the biggest, newest, and most expensive apartments in the city. We've known Derek and his team for their lease-up abilities and our companies worked very closely together to ensure a strong, fast-paced lease-up while still achieving the highest rents.*

***It was a great experience for everyone. Our thanks to Emshih Developments, Branthaven Homes, Fengate, and SVN Rock Advisors."***

# Collegeview Commons

200 Old Carriage Drive, Kitchener, Ontario



☐ New Apartment Development  
☐ Purpose-Built Apartments

☐ Affordable Housing  
☒ Student Housing

☐ Intergenerational Family Real Estate  
☐ Office Conversions to Rental

☐ Mid Market  
☐ SFR / BFR

## CHALLENGE

Our client, Drewlo Holdings, the single largest private apartment developer in Canada, had over the decades built a development machine that produces two to three apartments a year in southwestern Ontario.

**Their goal was to diversify into student housing, a subset of apartments. To that end, they retained us to acclimatize them to this asset class.**

## ACTION

Since Canadian student housing was still in its early stages, we took Eugene Drewlo and his son Allan to East Lansing, Michigan, to tour several cutting-edge student housing buildings at the University of Michigan.

What the Drewlos saw amazed them. It was like a view into the future. There, student housing is a primary industry in a functioning investment marketplace, with financiers, merchant student housing developers, and institutions all doing business together in a mature market.

**We introduced the Drewlos to the important players and consultants in the marketplace so they would know how to replicate this model in Canada.**

The trip inspired the Drewlos.

*Collegeview Commons lobby**Exterior view of Collegeview Commons*

## RESULT

Drewlo Holdings had purchased a site near Conestoga College in Kitchener. Fresh from their experience at the University of Michigan, they boldly built a 250-unit, two-tower apartment community with 1,000 beds. It was amazing to see a developer in their first foray into student housing build the largest student housing facility in Canada.

After a number of years of successful ownership, they decided that they didn't want to be in the student housing business any longer. Drewlo Holdings listed the building for sale with SVN Rock Advisors and we transacted in May, 2019.

**Because they trusted us when they were constructing the building, we had earned the right to sell it for them.**

## TESTIMONIAL

### Allan Drewlo – Drewlo Holdings

*"We knew Derek very well since my family had been working with him for 30 years. He had carved out a great reputation in student housing and new apartment construction. So, when we thought of moving into the student housing asset class, he was our natural first call.*

*After he'd given us his opinion of the sector and the advantages it offered, we proceeded to build Collegeview Commons, in Kitchener.*

*As you know, student housing is a viable asset class for apartment developers but it requires a different management platform. In this case, Derek helped us retain a platform manager that did a wonderful job until the decision was made to sell the asset in 2019.*

***At that point, Derek was our first choice to serve as broker, successfully selling the building for us."***



# Foundry Princess

655 Princess Street, Kingston, Ontario



☐ New Apartment Development  
☐ Purpose-Built Apartments

☐ Affordable Housing  
☒ Student Housing

☐ Intergenerational Family Real Estate  
☐ Office Conversions to Rental

☐ Mid Market  
☐ SFR / BFR

## CHALLENGE

Yukon born developer, Jay Patry, made his first investment running hockey card trading sessions at the age of 14. A natural entrepreneur, he eventually found his way into the development industry and undertook construction of the largest wooden building in Canadian history. His chosen market was the newly emerging luxury student housing class.

However, midway through construction, the entire building burnt to the ground. The event made the world's newscasts because of the intensity of the blaze and concerns surrounding large wooden structures.

Patry was not deterred. He rebuilt. But he knew the eventual challenge would be to sell a building that, in its first iteration, had made the news so spectacularly.

**The building was rebuilt to the latest safety standards, with all parties ensuring the building was rigorously inspected and certified by Kingston officials Patry also fulfilled his own vision of providing luxury student housing.**

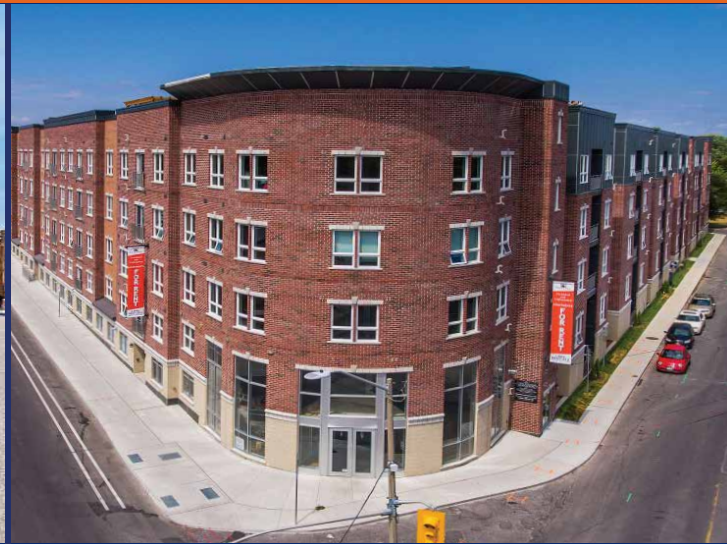
The result was Foundry Princess, one of the most luxurious student housing buildings in Canada.

After completion, the building was fully leased. Like most developers, Patry wanted to keep his money working for him. After lease-up, he chose our firm to list the building. That choice was largely based on a trip we had taken to Dallas, Texas, years earlier, to view student housing developments in that market.

**When it came time to sell, we were the logical choice.**



Rooftop patio



External view of Foundry Princess

## ACTION

### We completed our feasibility study.

How do you sell a building that was the scene of the most publicized fire in Canadian history? You would think that such an event would taint the sale.

Our solution was to make its history an advantage.

We declared the fire up front. This was a extremely well-built building because of what had happened. We repositioned the building from one that had burnt to the ground to one that was the safest and best student housing building available.

**The lesson learned here is that, if you have a problem with a building, declare it up front and provide lots of information so prospective buyers see the past problems as a strength.**

## RESULT

In the end, the building was successfully sold.

## TESTIMONIAL

### Jay Patry – Patry Inc. Developments

*"I don't think we would have got this deal across the finish line, at this price, with any other broker. **Selling a 500-bed student housing community in a tertiary market not only requires knowledge of the asset but also of the buyers and their motivation—something Derek excels at.***

*Derek and I continue to do business today. For me, this is who I call to get the job done right."*

# Foresite Suites

65 Times Avenue, Thornhill, Ontario



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## CHALLENGE

Buy-side brokerage is a vehicle to create more transactions: find a qualified buyer and have him pay you and transact the building. In this case, the broker works for the buyer, not the seller.

Entrepreneur Alan Greenberg was **searching to find a suitable boutique apartment building to buy, with the intention to convert it to a suite hotel.** Alan retained SVN Rock Advisors to find a suitable investment property for conversion. By chance, we came across such a property—we thought it was the perfect building.

## ACTION

The conversion of a conventional apartment building to a suite hotel is, in a sense, a non-economic sale. The buyer doesn't want the building for its intended purpose, hence is more concerned with how much the building will ultimately be worth.

**The buyer was looking at it through different eyes: looking at the business from the eyes of a hotel owner.**

This was a new experience for us. It was an interesting education for us to think about conversion to a different use.





Front Lobby of Foresite Suites



Street view of Foresite Suites

## RESULT

Alan Greenberg now put together a group of investors.

Developer Neil Zaret, and his son Josh Zaret, became the managing partners for **Foresite Suites**. They successfully converted the building to a furnished suite operation that they operated for many years.

Over that time, we developed a relationship with the Zarets, so when it came time to sell the building, we were given the opportunity to bring in an institutional buyer to the table and then transacted.

### We sold to KingSett REIT.

However, after several years of ownership, KingSett decided it was time to sell and focus on larger buildings. They were very kind to come back to us to sell the building; they called it a “full ride” and listed with us.

## TESTIMONIAL

### Neil Zaret – Gemstone Developments

*“I met Derek in 2007 as part of a group that he introduced to a building. **With his help, we completed the purchase and successfully managed a combined apartment and furnished suite building.***

*Since that time, Derek and I have stayed in touch. When the group decided to sell that building, it made perfect sense to utilize him for the sale. Again, we negotiated a successful transaction. Derek and his team are a pleasure to work with.”*

# River's Edge

200 Eagle Street North, Cambridge, Ontario



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## CHALLENGE

We have great respect for developers who, not only take the risks associated with development, but have the vision to see what their projects can ultimately become.

Tricar owner and founder, Joe Carapella, drove SVN Rock Advisors CEO, Derek Lobo, to a nondescript site in Cambridge, next to the Grand River, and described the 20-story towers he envisioned. It was a shabby industrial site that he saw great things in. But Derek struggled to see his vision.

What makes developers truly great—Carapella being one of them—is their ability to take a vision, *what could be* instead of *what is*, and bet the farm to see it realized.

A few years later, there were two spectacular towers with wonderful views of the river. The whole area had evolved, becoming more gentrified, with high-end rental apartments.

## ACTION

Once their buildings are built and stabilized, developers like to keep their money moving. They make large profits, and take great risks, transforming undeveloped land into stabilized buildings. Once a building is stabilized, the yearly return drops—the profits are lower but stable, and the risks are also low.

Typically, Tricar did not sell the buildings they built. We asked them if they had an interest in selling this building—their initial response was that they wanted to hold it. Unless, they said, we could get an extraordinary price from an extraordinary buyer.

**We introduced Carapella to Philip Fraser, president of Killam REIT. Killam's goal was to have a portfolio of the newest apartments in Canada.** They had the lowest average apartment age in the country, and therefore were a good fit.

The transaction went extraordinarily well, which is often the case between a professional seller and buyer. However, several months into the deal, Fraser mentioned that there was a structural problem with a parapet wall. He was a bit perturbed that this had happened so soon after the purchase. The repair estimate was quite high—in the order of \$250,000.

Derek knew Joe Carapella well—he's proud of his products. He builds to keep, not sell—and he expects them to hold up well over time.

Derek informed Carapella of the issue. He immediately said he would fix the wall at cost: \$60,000. Carapella considered this a builder's warranty—though unspoken, unwritten, it was implicit. That's the magic of a great deal between professional buyers and sellers.



Exterior view of River's Edge



Phillip Fraser with painting presented by Derek Lobo

## RESULT

A few years later, Derek reintroduced Killam to Tricar on the sale of 1985 Richmond St, in London. Both parties remembered the wall repair and the manner in which it was resolved.

Killam was delighted to buy a building from a quality builder with upstanding character. This deal proceeded smoother than the first one.

When there's a solid relationship between two parties, it allows future deals to proceed far faster and more smoothly.

**Our role was to introduce the two and build the relationship so the deals they made could proceed smoothly. Of greater importance, after the deal was done, Derek became more than a broker, facilitating solutions to hurdles as they arose.**

The ease in which the second transaction proceeded was the result—the parapet wall issue created the second deal. When it was time for Carapella to sell, we brought in Killam, and Carapella was delighted.

## TESTIMONIAL

### Joe Carapella – Tricar Founder

*"We're typically not sellers. But in the few instances we do sell, Derek is the person we contact to get the deal across the goal line. **During our 25-year relationship with him and his company, we've come to know that he understands new construction as well, or better than anyone in the country.**"*

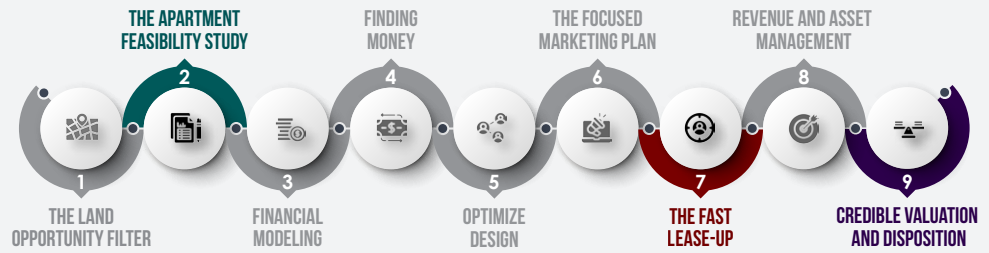
### Philip Fraser, Killam Apartment REIT

*"Derek is an excellent multi-residential broker. **We have bought more newly-constructed buildings from him than any other broker in Canada. His understanding of the sector allows him to connect with the right developers, and transact deals faster and more smoothly than most brokers.**"*



# 151 Greenbank Road

## Ottawa, Ontario



- ☒ New Apartment Development
- ☒ Purpose-Built Apartments

- ☐ Affordable Housing
- ☐ Student Housing

- ☐ Intergenerational Family Real Estate
- ☐ Office Conversions to Rental

- ☐ Mid Market
- ☐ SFR / BFR

## CHALLENGE

Phoenix Developments President, Cuckoo Kochar, an experienced financial individual, was now one of Ottawa's largest developers. **He hired us to do a feasibility study on one of his first apartment buildings—151 Greenbank Road.**

We got the listing early in the construction phase. Traditionally, it's quite difficult for a buyer to purchase an apartment that's not yet completed and has unproven rents. A buyer wants stability, which the developer can not guarantee at this early stage.

Developers want to make profit (high profit with high risk) over a short period of time; buyers want steady income over a long period of time. In the transition, there's uncertainty.

**What was needed was an understanding between developer and buyer of what the conditions were.** Yet, the timing made it more difficult because of the uncertainty around the value of the building.

**To dissipate that uncertainty, the buyer must be shown that the building is being leased at the proper rate (say, without incentives) and with the right closing ratio.** Our role is to transfer to the buyer the confidence that the building will get fully leased, and help the seller get the building fully leased at the highest achievable rent. Because we are leasing experts, we can credibly accomplish this.

## ACTION

We had a number of qualified buyers come through the building but, were unable to complete a transaction. **Once the leasing began, we brought in a proven buyer, Killam REIT.**

**Killam REIT understood the new construction business. They had purchased several buildings from us before and were developers themselves.** This gave them an added edge because they understood what a developer goes through.



Interior View



Street view of 151 Greenbank Road

## RESULT

Early in the lease-up phase, Killam REIT put in an offer. As they continued through their due diligence process, leasing continued.

**The leasing success indicated a good rental trend and revealed the actual state of the market. Killam REIT was comfortable, going firm before the building was fully stabilized.**

The deal was structured so both parties were rewarded for getting the leasing completed quickly and achieving high rents.

## TESTIMONIAL

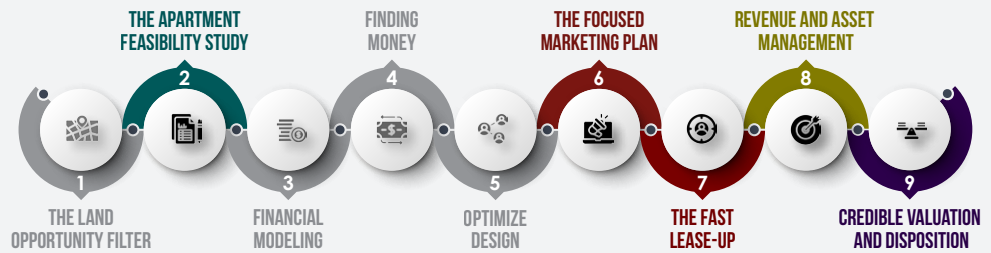
### Cuckoo Kochar – Phoenix Developments

*"Our plan is to enter the apartment development business this decade in a significant way. Fortunately, we had been introduced to Derek by another developer. So, we knew of him and his company, and reputation, long before this transaction."*

***We retained Derek to do several feasibility studies for us, including the feasibility study for 151 Greenbank Road, Ottawa. He is the natural broker for the buildings we build, part of an ongoing relationship we have with him, utilizing his professional teams from feasibility, design, construction, to lease-up and finally brokerage."***

# Ferndale Gardens

Barrie, Ontario



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## CHALLENGE

Prior to this project, we had met Eli Turk of Pinemount Developments and worked with him in various capacities. Pinemount Developments is a second-generation real estate company with holdings in many asset classes. 430 Ferndale was their first major apartment construction project.

**Turk had bought a piece of land, then went to the city to increase the density, creating real value for the project.** We were impressed with the amount of research they had done and the time they took to get the first building right.

We find that if a developer doesn't execute optimally the first time, it impacts what could be a significant development pipeline. **It's important to get the first project completed properly and make a good profit to set a precedent, thus setting a solid foundation for their future development business.**

We stayed in touch with Pinemount throughout the development process, touring the property and updating market comparables. The building's design and amenity space fit well with the demographic they targeted.

Unfortunately, they hired a third-party manager with very little new-apartment experience. **Leasing got off to a slow start, with the renters cherry-picking the smallest units. So, instead of leasing like a checkerboard, they had mostly leased the small units.** Please refer to *Writing and Executing a Sales and Leasing Plan*, Book 10 in the *Apartment Development University* series for more information about sales and leasing plans.

Partway through the process we were called in to take over the leasing process.





Exterior view of Ferndale Gardens



Typical unit interior

## ACTION

**We immediately reset the rents upwards, though it was in a difficult leasing environment, and stepped up the sales and marketing profiles.**

Given the seriousness of the situation, and the developer's desire to sell, we moved one of our trained rental agents into the building and they leased continuously.

It's not typical to move an agent into a building, but when there is an emergency situation and every effort has to be made, it's a good way to get things on track.

**To boost walk-in traffic, we decided to supplement our online marketing efforts with some old-fashioned tactics—outdoor signage.** The property sat on one of Barrie's major arteries. By adding A-frame signage on the street, with balloons, it sent a message to anyone driving by that our leasing office was open and to *please come in*. It was simple but effective.

**Having our agent in the building at all times made opening hours unimportant. This allowed prospects to show up at any time and be well served.**

## RESULT

When we reached about 70% occupancy, we brought in an offer from an institutional buyer who went firm. We continued leasing successfully. **At closing, the building was 90% occupied.**

## TESTIMONIAL

**Eli Turk – Pinemount Developments Ltd.**

*"We built a long-term relationship with Derek and his team, relying on them on this project, 430 Ferndale, and other projects, for rent setting, joint venture structuring, brokerage, and marketing.*

***Their company provides complete services for apartment developers; this was particularly useful to us in our business.*** We had good development and construction skills, but they brought us the apartment intelligence we needed to pivot into this asset class.

*We value their performance consulting, paying based on results."*

# Ironstone Townhouses

London, Ontario



- |   |   |   |                                     |
|---|---|---|-------------------------------------|
| <input checked="" type="checkbox"/> New Apartment Development | <input type="checkbox"/> Affordable Housing | <input type="checkbox"/> Intergenerational Family Real Estate | <input type="checkbox"/> Mid Market |
| <input type="checkbox"/> Purpose-Built Apartments             | <input type="checkbox"/> Student Housing    | <input type="checkbox"/> Office Conversions to Rental         | <input type="checkbox"/> SFR / BFR  |

## CHALLENGE

Allan Drewlo grew up in the apartment business. SVN Rock Advisors' CEO, Derek Lobo, recalls first meeting him while doing some work for his family. At that time, Allan was still in high school.

Today, Allan has taken over the family business and continues with the tradition of building high-quality apartments. His company is an apartment machine. For example, when his company buys kitchens, they buy 1,000 at a time. They usually buy in bulk and don't customize their individual units. Asking him to customize one kitchen, never mind all of them, is frowned upon.

**With such a successful machine, why change it and potentially put it at risk—Drewlo would never let anyone alter his winning formula.**

**However, Drewlo wanted to build his own brand.** With long-time business partner Dave Stimac, they formed Ironstone Building Company to build for-sale rental products. Ironstone would build apartments similar to the parent company but with the intent to sell instead of holding.

## ACTION

Over the years, we had discussed with the partners the building-for-sale concept.

**The advice we give all new merchant builders, and to Ironstone at the time, is to build what they're comfortable with when moving into a new asset class.** One challenge (going from keeping to selling the buildings) is enough.

Ironstone wisely chose an efficient form that they had built many times before, repurposing it as a for-sale rental project.

**However, they were still apprehensive about the sale of this project. They wanted surety of closing without any hiccups.**



Street view of double-garage townhouse



Interior view of living room

## RESULT

**In response, we brought in the largest buyer in Canada.**

Mark Kenney, CAP REIT (Canadian Apartment REIT), the largest REIT in Canada, is known for his no-nonsense business approach. CAP REIT will value a building at a fair price and close. In this case, they did just that. Ironstone Housing was pleased with the result.

## TESTIMONIAL

**Mark Kenney, President – CAP REIT**

*"CAP REIT has purchased over 1,000 units with Derek and his team, and all of the transactions have come from deep relationships with the apartment owner and developer.*

***It's those relationships that makes Derek one of the top brokers in Canada."***

**Dave Stimac – Ironstone Building Company**

*"I'm relatively new to the apartment business, but my partner and Derek are highly experienced. We relied on Derek for marketing know-how and his relationships with the strongest buyers in the country.*

***Our first foray into the apartment business was highly successful, the transaction going very smoothly. As a result, we anticipate more for-sale apartment projects in addition to our core single-family home and condo business."***



# Les Terrasses Gabrielle

411 N River Road, Vanier, Ontario



- ☒ New Apartment Development
- ☒ Purpose-Built Apartments

- ☐ Affordable Housing
- ☐ Student Housing

- ☐ Intergenerational Family Real Estate
- ☐ Office Conversions to Rental

- ☐ Mid Market
- ☐ SFR / BFR

## CHALLENGE

Second generation developers, Francis Lépine and Francesca Lépine-Willson, had a vision to build a large apartment business. With their family's firm, they had already built 25 buildings. **However, they wanted to go out on their own and prove that the concept of building purpose-built luxury apartments in Canada's capital region was a viable one.**

## ACTION

**When you have a grand vision to build a repeatable model of the apartment of the future, start with one building as a model.**

Lépine's model building was **Les Terrasses Gabrielle** at 411 North River Road, built in a country-casual luxury style. This 117-unit building featured an indoor pool—unusual for such a small apartment building. After completion, and a successful lease-up, SVN Rock Advisors sold the building.

**The success of this project and the confirmation that his vision of the future was viable gave Lépine the confidence to go ahead with the Kanata Lakes project.**



Main lobby and entrance



Indoor swimming pool

## RESULT

Francis Lépine then embarked on the Kanata Lakes project. Knowing it was quite difficult for a potential buyer to have a clear picture of their vision during the first building's construction phase, we took the buyer for a tour of 411 North River Road so they could see what a smaller version, or prototype, of what Kanata Lakes would eventually look like.

### The buyers were very impressed.

After several years of construction, The William's Court at Kanata Lakes development was, at the time, the largest new apartment transaction in Canadian history and the largest purpose-built multifamily housing development to be built in 40 years.

## TESTIMONIAL

**Francesca Lépine-Willson**

*"Our family has built and sold a number of apartments in Ottawa, and Derek has sold them all. **Ours is a long-term and mutually trusting relationship.**"*

# 256 Rideau Street

## Ottawa, Ontario



- ☒ New Apartment Development
- ☐ Purpose-Built Apartments

- ☐ Affordable Housing
- ☒ Student Housing

- ☐ Intergenerational Family Real Estate
- ☐ Office Conversions to Rental

- ☐ Mid Market
- ☐ SFR / BFR

## CHALLENGE

**Land is generally the most difficult asset class to sell.** There are no assets on the land and there's a zoning process and approvals to worry about. In addition, land acquisition always costs a great deal, and takes a long time.

Land is even more difficult to sell when in a non-primary asset class. **This piece of land was notably close to the University of Ottawa and had been zoned for smaller apartments uniquely suited to students.** In effect, the vision had been baked in. This meant that the end product would have to be student housing—a very small market.

## ACTION

The detailed package we produced had to clearly articulate the vision to the City of Ottawa, the University of Ottawa, and potential buyers, proving that this specific location was ideal for purpose-built student housing—**we were selling a vision, not an existing building.**





Street view



Front entrance

## RESULT

Our package was successful in proving that the land was viable for purpose-built student housing. **In response, we received multiple offers, ranging from \$500,000 to about \$10M—an extreme range based on the potential buyer’s intended usage.**

Developer Ashcroft Homes bought the site.

## TESTIMONIAL

**Scott Coates – Kingsett Capital**

*“In the past, KingSett and our clients have used Derek and his company for feasibility studies, student housing projects, and land sales. When the time came for us to sell this high-density urban site, located close to a University, his firm was the logical choice to broker the deal.*

***We were happy with the sales process, the price achieved, and we transacted. Derek’s team continues to help us with many lending decisions.”***

# Les Terrasses Francesca

1425 Vanier Parkway, Ottawa, Ontario



- ☒ New Apartment Development
- ☒ Purpose-Built Apartments

- ☐ Affordable Housing
- ☐ Student Housing

- ☐ Intergenerational Family Real Estate
- ☐ Office Conversions to Rental

- ☐ Mid Market
- ☐ SFR / BFR

## CHALLENGE

Located in Ottawa, Ontario, **Les Terrasses Francesca** is an undeniable trophy asset consisting of 276 large, high-end, luxury apartment units. After having completed many successful deals for him in the past, developer, Francis Lépine, enlisted SVN Rock Advisors to sell the building.

When we launched the building into the marketplace, the economy was already slowing down due to rising interest rates and uncertain construction costs. The changing market, combined with the larger than average unit size (at 1,159 square feet) was a clear concern. We did not want the price-per-unit to scare potential buyers away.

**The decision was made to highlight the value of the building—emphasizing the large units and high-end finishes throughout our marketing process, and in communications with potential buyers.**

## ACTION

After focusing on marketing the building as a trophy asset, and being on the market for just over a month, we took the first round of bids at the end of April 2022. Climbing interest rates resulted in fewer bids than expected, and the offers weren't as high as the seller had anticipated.

We entered a second round of bidding, received higher bids, and successfully signed a deal. However, interest rates were increasing rapidly at this time resulting in the buyer getting cold feet and backing out before closing.

At this point we approached the previous bidders. While one of them lowered their offer price, the other was able to offer their original bidding price for the building.

**In order to secure the deal, we convinced the client to put forward a sellers offer to the best-suited party at the closest price. This was enough to secure the deal.**



Exterior view of Les Terrasses Francesca



Derek Lobo and Francis Lépine

## RESULT

After the seller put together an agreement of purchase and sale (seller's offer), the negotiations proceeded quickly and we were able to secure an offer that matched the initial offer, even with dynamic interest rates.

As a result, the negotiations went quickly due to the seller's terms being already outlined.

**Given the changing market conditions, we were still able to achieve the highest price-per-door in Ontario.**

## TESTIMONIAL

**Francis Lépine, President – Lépine Apartments**

*"Derek is not your typical broker. In addition to his core competency of making a deal work, his ability to create and maintain trusting relationships between the partners is exceptional. He's not going to come into a deal and go home when the deal is done. Working with him is an ongoing relationship—and a rewarding one."*

*He and I have had a 15-year relationship. When we have worked together, **his desire and focus to keep open communication between the parties has amazed me, as is his ability to structure deals creatively and fairly.***

*His exceptional abilities go a long way in keeping relationships functional and productive, fostering trust on all sides, and letting the buyer and seller work together profitably and amicably."*



# Cooksville Land

69 and 117 John Street, Mississauga, Ontario



- |   |   |   |                                     |
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| <input checked="" type="checkbox"/> New Apartment Development | <input type="checkbox"/> Affordable Housing | <input type="checkbox"/> Intergenerational Family Real Estate | <input type="checkbox"/> Mid Market |
| <input type="checkbox"/> Purpose-Built Apartments             | <input type="checkbox"/> Student Housing    | <input type="checkbox"/> Office Conversions to Rental         | <input type="checkbox"/> SFR / BFR  |

## CHALLENGE

SVN Rock Advisors was approached by Allan Drewlo, President of Drewlo Holdings Inc. We had previously sold an apartment for Drewlo at 433 King Street in London, Ontario. Drewlo had acquired a piece of land in Mississauga, and was looking to sell.

The original owner of the land had assembled a 3-tower proposal of 1,000 units. Preliminary planning work had begun with the City of Mississauga, but no formal application had been completed.

**At the time, Ontario was in the midst of its first COVID lockdown, resulting in widespread uncertainty and a slow market.**

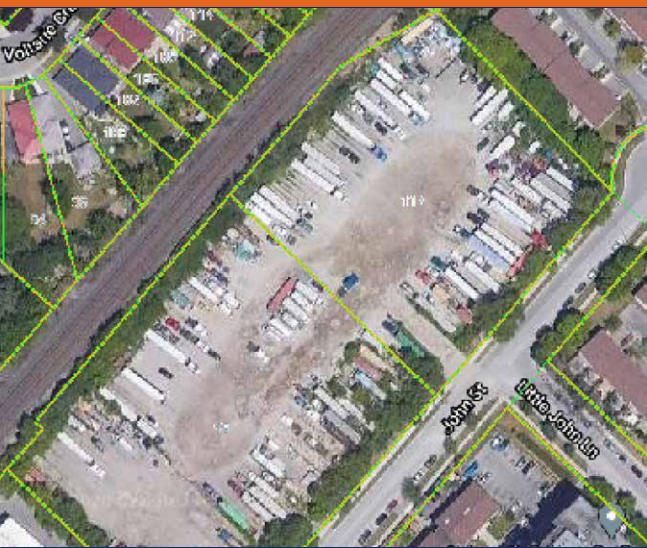
In order to make the sale more attractive to potential buyers, joint ventures and vendor take back mortgages were considered. These did not work out.

## ACTION

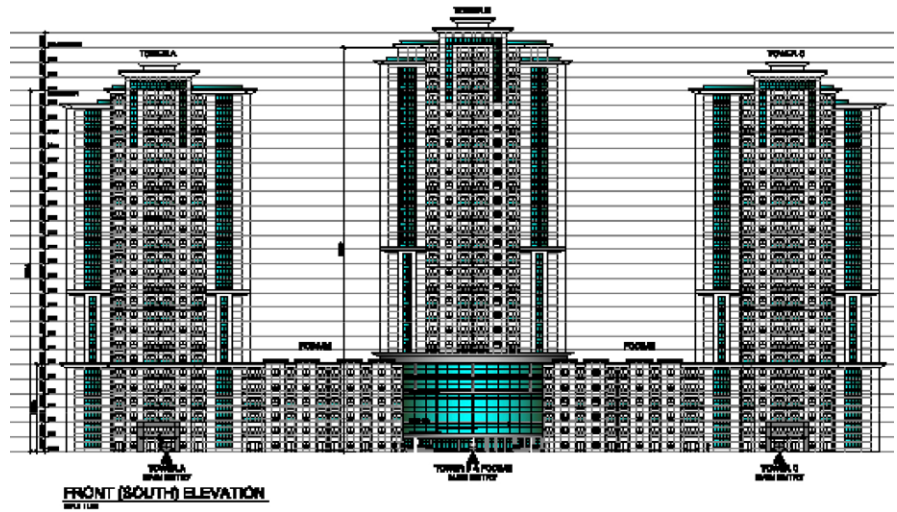
After receiving little interest on the property, Drewlo informed us that he was considering listing with a different brokerage. Immediately afterwards we received a strong offer, which was accepted, conditionally. However, the buyer returned, before conditions ended, looking for a significant reduction on the price.

After further discussions with Drewlo, it was decided that the price would not be reduced. The deal was dropped and Drewlo gave us three weeks to find a buyer before he would list with another brokerage.

**Shortly after, we received a strong offer from a client located in Montreal. The offer was accepted.**



Overhead view of 69 &amp; 117 John St.



3 tower proposal for 69 &amp; 117 John Street

## RESULT

**During a time of unprecedented uncertainty, we were able to make the deal happen within a limited timeframe.**

SVN Rock Advisors' ability to broker the deal during such a difficult period of market instability reinforced Drewlo's trust in us, and we have completed further successful deals with him since.

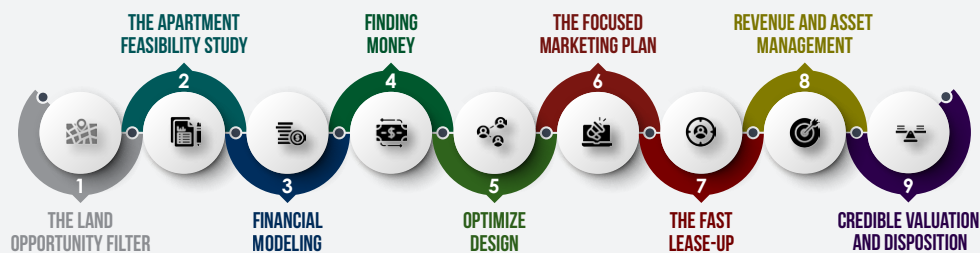
## TESTIMONIAL

Allan Drewlo, President – Drewlo Holdings Inc.

*"We have worked with Derek and his team numerous times over the years. His knowledge and dedication to the apartment sector continues to be a tremendous value for our company."*

# Lumen @ South Pointe

100 Southview Crescent, Winnipeg, Manitoba



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| <input checked="" type="checkbox"/> New Apartment Development | <input type="checkbox"/> Affordable Housing | <input type="checkbox"/> Intergenerational Family Real Estate | <input type="checkbox"/> Mid Market |
| <input type="checkbox"/> Purpose-Built Apartments             | <input type="checkbox"/> Student Housing    | <input type="checkbox"/> Office Conversions to Rental         | <input type="checkbox"/> SFR / BFR  |

## CHALLENGE

A longtime client and collaborator, Harvey Russell, introduced SVN Rock Advisors to a pair of developers from Turner Valley, Alberta. Neil Bron and Rob Butler had purchased a property in Winnipeg and were building luxury rental townhouses.

SVN Rock Advisors was hired to perform a Feasibility Study on the project.

The clients were incredibly knowledgeable and already had 90% of the expertise necessary to ensure the project was a success. We provided the missing 10%.

**The primary challenge was finding a local expert to provide us with information specific to Winnipeg's market.** Again, our connection with Harvey Russell proved invaluable. He introduced us to Trevor Clay of Capital Commercial Real Estate Services Inc., who was able to provide us with all the necessary information.

## ACTION

Three brokers from three different provinces transacted on the townhouses to Artis REIT. Collaborations such as this are extremely rare, and are a source of great pride for SVN Rock Advisors Inc.





Street view



Interior view of living room

## RESULT

All three parties were quite pleased with the end result (a rare occurrence). Additionally, we developed a great relationship with a new client who has since built a number of successful new properties.

**The combined knowledge, experience, and resources of three brokers proved to be a tremendous asset in completing this deal.**

## TESTIMONIAL

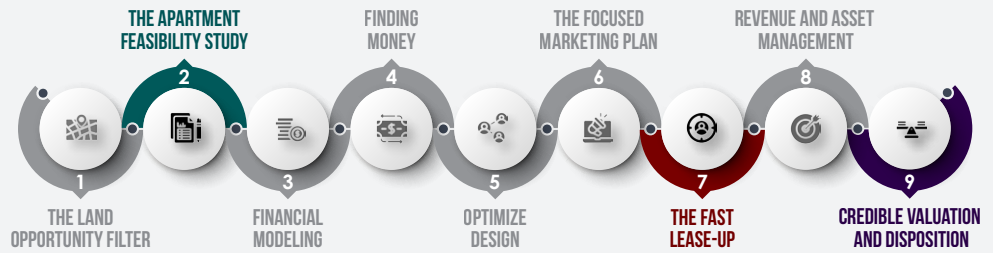
**Rob Butler, CEO – Porchlight Developments**

*"We initially engaged SVN Rock Advisors to perform a Feasibility Study of our Winnipeg town house project. The study identified the opportunity to convert our for sale product to rental product. After the study they guided us on the lease-up of the property, and ultimately put together a brokerage team that sold the project to a large Canadian REIT."*

***SVN Rock Advisors were instrumental in the success of the project and we have used them for subsequent projects."***

# Foundry First

625 First Street, London, Ontario



- ☒ New Apartment Development
- ☒ Purpose-Built Apartments

- ☐ Affordable Housing
- ☒ Student Housing

- ☐ Intergenerational Family Real Estate
- ☐ Office Conversions to Rental

- ☐ Mid Market
- ☐ SFR / BFR

## CHALLENGE

Betty Tam and Richard Fung are a true immigrant success story. They moved to Canada, from China, at a young age and became home builders with a desire to break into the high-rise business.

After finding a piece of land in a prime location, across from Fanshawe College, they hired SVN Rock Advisors to conduct a feasibility study.

**While experienced in home building, Betty and Richard were new to student housing.**

## ACTION

SVN Rock Advisors stayed in constant contact with Betty and Richard throughout the lease-up process. Third parties were hired to do the work, leaving Betty and Richard to become the asset managers and the property managers in lease-up.

After a successful lease-up, the building was fully stabilized and SVN Rock Advisors took it to the marketplace.

**After multiple offers, Woodbourne was selected as the purchaser.**



Exterior view of Foundry First



Interior view of gym

## RESULT

The process of due diligence was rigorous, as with any institutional buyer.

Towards the end of due diligence, Woodbourne approached us with findings of water damage in the building.

**SVN Rock Advisors' relationship with Stubbe's Precast Concrete was crucial in preserving the deal.**

When the damages were discovered, we immediately knew which local company to call. Stubbe's Precast Concrete was able to move quickly in the diagnosis and repairs, and assured the buyer, in writing, that the damage was not serious—thus restoring their confidence in the deal.

## TESTIMONIAL

**Betty Tam – Forever Homes**

*"We had known Derek and his team for a long time, and when we built our first high-rise their feasibility study was instrumental in helping us make the decision to move forward. After it was built, they advised us on lease-up.*

*Once the building was stabilized, **Derek was the natural choice as a broker to facilitate the transaction. We sold to an institutional buyer, and were very satisfied with the results.***



# Whispering Winds Apartments

150 Whispering Winds Way, Orleans, Ontario



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|---|---|---|-------------------------------------|
| <input checked="" type="checkbox"/> New Apartment Development | <input type="checkbox"/> Affordable Housing | <input type="checkbox"/> Intergenerational Family Real Estate | <input type="checkbox"/> Mid Market |
| <input checked="" type="checkbox"/> Purpose-Built Apartments  | <input type="checkbox"/> Student Housing    | <input type="checkbox"/> Office Conversions to Rental         | <input type="checkbox"/> SFR / BFR  |

## CHALLENGE

When Cuckoo Kochar of Phoenix Developments approached SVN Rock Advisors in 2013, **Whispering Winds Apartments** was only a piece of land. Their plan was to develop two 26-unit apartment buildings on the site.

We had previously sold a property for them, and they wanted us to broker a forward sale. **Forward sales are challenging because an idea must be sold with no proven numbers to support it. Typically, forward sales involve a desirable location and a scalable project. In this case, we were selling a suburban location with wood construction that was too small for an institution.**

At the time of sale, the market was already saturated with new construction projects, and the buyers pool was small. Interest rates were low and the market was uncertain.

The decision was made to highlight the value of the building—emphasizing the large units and high-end finishes throughout the marketing, and in communications with potential buyers.

## ACTION

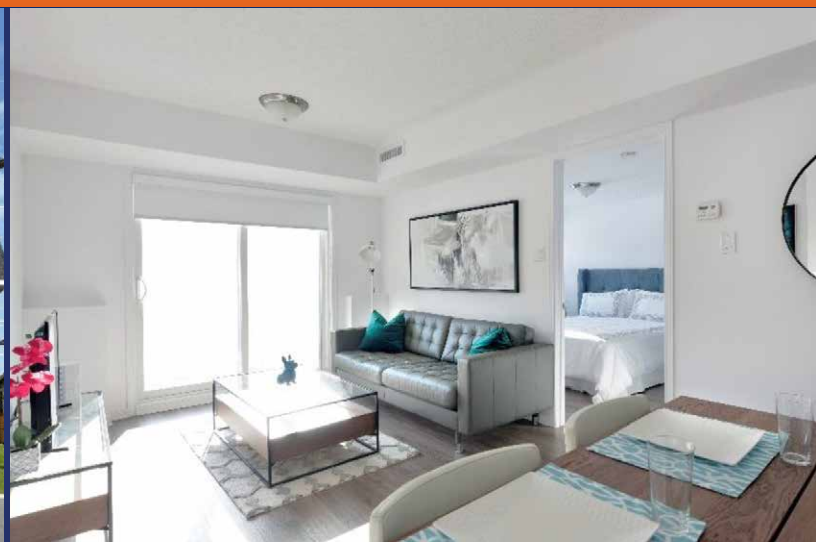
Before the first shovel went into the ground until six months before occupancy SVN Rock Advisors acted as consultants on lease-up. **We managed the lease-up, helped hire a leasing agent, provided a rent-roll after a thorough market analysis, and created the marketing material for the building.**

By 2018 the first building was leased up as the second was being constructed, and went back to the market since the first building was 60% leased. At that point, we were still unsuccessful in selling the property.

Once lease-up of the second building was underway in 2020, we ran a full marketing process and received three offers on the property. The accepted offer was challenged—due to the strength of the buyer. The challenge throughout the sale was working with the strength of the buyer and CMHC as there was an existing mortgage that they needed to assume. At the time, interest rates were going down, so it wasn't ideal—but interest rates have risen significantly since, working in the buyer's favour.



Street view of Whispering Winds Apartments



Interior view of living room

## RESULT

Whispering Winds Apartments was built exactly as planned.

Our marketing efforts were successful—as a result we were able to transact by selling an idea and proving up a dream.

**The sale of the buildings went smoothly as trust was established between the buyer and seller.**

## TESTIMONIAL

### Cuckoo Kochar – Phoenix Developments

*"Our plan is to enter the apartment development business this decade in a significant way. Fortunately, we had been introduced to Derek by another developer. So, we knew of him and his company, and reputation, long before this transaction.*

***Derek is the natural broker for the buildings we build, part of an ongoing relationship we have with him, utilizing his professional teams from feasibility, design, construction, to lease-up and finally brokerage."***

# La MARQ 515

1430 City Councillors Rue, Montreal, Quebec



☐ New Apartment Development  
☐ Purpose-Built Apartments

☐ Affordable Housing  
☒ Student Housing

☐ Intergenerational Family Real Estate  
☒ Office Conversions to Rental

☐ Mid Market  
☐ SFR / BFR

## CHALLENGE

La MARQ 515 is a landmark luxury student housing apartment building that was once an office building. However, getting it built was challenging.

Though building student housing typically results in higher profit margins than conventional apartments, there are nuances and challenges that developers often misunderstand. One of those is that **student housing is, by far, the most location-sensitive business in all of real estate**. The land must be in close proximity to a university in order for the building to be viable.

Montreal, Canada, has the largest student population in the country. McGill University, centrally located, is arguably one of Canada's best universities. But finding a site to build student housing in that area is nearly impossible. What was possible was buying a 10-story office building with the intention to convert it into student housing.

However, conversions are far more challenging than conventional apartment developments. The developer must build-in larger contingencies to cover unexpected issues. There must also be a greater reward to compensate for the added risks that come from the extra time, materials, costs, and unanticipated obstacles that regular developments don't encounter.

## ACTION

Our client, Auburn Developments, hired us to identify the best place to build student housing in Canada. We presented them with a business plan that went beyond one project—there was a programmatic opportunity available: build luxury student housing across the country.

The family invited us to participate in the deal. We were to find land, the architect, and put the deal together. The existing building was then gutted and an 11th floor added. During construction, there were major challenges with the existing floor plate and bracing. Those challenges pushed back the building's opening for one year.

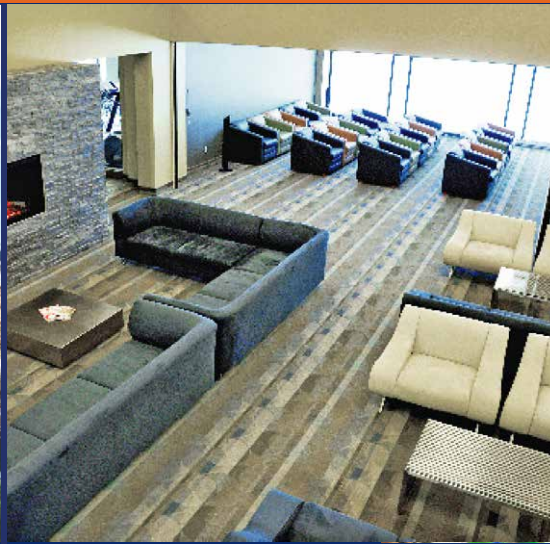
SVN Rock Advisors' CEO, Derek Lobo, became intimately involved with the design of the building, its construction, conversion issues, architects, city planners, construction engineers, and students during lease-up and move-in. He actually lived in the building for lease-up, meeting with parents and students from all over the world.

**In the end, we had converted a 10-story office tower into a 100-apartment, 440-bed, luxury student housing building.**





Exterior of La MARQ 515



Interior of La MARQ 515



## RESULT

La MARQ 515 was a revolutionary project. It was the first A-Class luxury building for student housing, and a benchmark project for Derek and SVN Rock Advisors because of our continued involvement in the project. We quickly became well-versed in zoning application and building design while working with architects, contractors, and planning officials.

What we had achieved was to take an already-proven US student housing model and replicate it in Canada for the first time. We proved that the amenity-rich model does work in Canada. Subsequently, many other luxury student housing buildings were built on this model.

It's rare for a broker to get involved in the development of a building. This way of doing things became a precursor for our current End-To-End process. **This business model—find the site, consult with the developer, work with the development teams, lease and sell— was the genesis of the FULL Service Experience™ that we offer developers today.** We do everything but take up a hammer and put up funds. In this case, we were more than a broker, but the de facto partner.

## TESTIMONIAL

### Karen Crich – Auburn Developments

*"We retained Derek to search for a student housing site across Canada. In his report back to us, he included a business plan for luxury student housing developments that incorporated business plans and models that were successful, not only in Canada, but also in the United States. He and I have had a 15-year relationship. When we have worked together, his desire and focus to keep open communication between the parties has amazed me, as has his ability to structure deals creatively and fairly.*

*Derek identified a site in Montreal, an ideal location based on the student population and student housing available at the time. During the process we relied on Derek for many things, including the acquisition of the site, the layouts and amenities that were incorporated during the development and construction of the building, the lease-up, initial staffing and management of the building, and the ultimate sale of the completed building to a third-party.*

***In my opinion, Derek is the expert on student housing in Canada."***

# Oxford Haus

45 Oxford Street, Stratford, Ontario



- ☒ New Apartment Development
- ☒ Purpose-Built Apartments

- ☐ Affordable Housing
- ☐ Student Housing

- ☐ Intergenerational Family Real Estate
- ☐ Office Conversions to Rental

- ☐ Mid Market
- ☐ SFR / BFR

## CHALLENGE

Peter Hyde, born just outside of Stratford, Ontario, is a local developer who wanted to build rental apartments in Stratford. He had remediated a former business site and built office space on one portion, and wanted apartments on the remainder.

However, there was no proof of concept. He didn't know if Stratford, a community of 30,000, could absorb a four-building 236-unit development.

**The challenge was to determine five things: one, should he build, two, what should he build, three, how much would he be able to charge for the units, four, what was the depth of the local market, and finally, what would the building be worth after it was built.**

## ACTION

We did our standard feasibility study which revealed that, without doubt, Stratford could absorb 236 units, and he could charge enough rent to make a good rate of return. Of course, this was only a report, so far.

Further, Peter himself had to be convinced. **Over several meetings of examining the details in the report, combined with our experience in apartment development, Hyde gained the confidence to begin building the four, 59-unit buildings.**

Our next goal was to find capital. After the first building was built and leased, we brought in a buyer. They liked the project, and Hyde, but they were still not convinced that Stratford could support all the extra units at equally high rents.

Hyde, still optimistic, built building two, which leased much faster, and with even stronger rents. We had proof that the concept did work. At that point we brought the buyer—a major Canadian apartment owner—in again.

Based on the results of the first two buildings, they agreed to buy buildings three and four.





Aerial view of Oxford Haus



Derek Lobo presenting painting to Peter Hyde

## RESULT

There's a high degree of predictability of rent and absorption based on studying a city, its economics and demographics, and the persona of the resident profile. We knew that in Stratford, the majority of renters would be older.

We built larger units to suit their needs. We also built a separate clubhouse designed to give the residents a place to gather socially and have functions—anything that needed extras space and amenities.

**The result was that we read the market accurately, and constructed a building designed for that market and the residents who lived there.**

The development proved that there is a demand for apartments in small centers like Stratford.

## TESTIMONIAL

**Peter Hyde – Hyde Construction Ltd.**

*"I felt there was a great opportunity in Stratford, but I needed it well defined by a credible third party. When I was first introduced to Derek, we already knew he understood the business that I wanted to get into, and that he could provide the confidence we needed to proceed.*

*The feasibility study he produced helped us convince ourselves that there was indeed a viable opportunity there. Also, when we needed financing, we brought that same report to the lenders.*

*His team was there throughout development and lease-up, bringing credible buyers to the table. One of them bought the development—a buyer we have since developed a great relationship with.*

***Derek and his team's ability to offer a full service resulted in a better and more profitable project being built.***

*I highly recommend that any apartment developer involve SVN Rock Advisors from the very beginning and keep them right through to the very end. Involving him and his team worked extremely well for us."*



# Richmond Row Luxury Apartments

180 Mill Street, London, Ontario



- ☒ New Apartment Development
- ☒ Purpose-Built Apartments

- ☐ Affordable Housing
- ☒ Student Housing

- ☐ Intergenerational Family Real Estate
- ☐ Office Conversions to Rental

- ☐ Mid Market
- ☐ SFR / BFR

## CHALLENGE

Tony Gratt of Ayerswood Developments developed a building in the heart of London, Ontario's student entertainment village. He had a background in apartment development, but this was his first student housing project.

While the building was under construction, he asked SVN Rock Advisors to broker a forward sale. He was partway through the leasing process when he decided he wanted to have a firm and binding offer on the property before the income stream was set.

Typically, a building is purchased based on its income, but in the case of a forward sale, the building's income is not yet known. In response to this we created a formula between the buyer and the seller: *if you get X rent, then you would sell for Y.*

The building continued to be leased-up until it was at 90% occupancy. At that point the transaction occurred.

**The biggest challenge was selling the building before the income and expenses were known.**

## ACTION

Killam Apartment REIT had previously enlisted SVN Rock Advisors to actively seek out newly developed buildings for them to acquire and add to their robust program. SVN Rock Advisors had previously sold them five buildings, so it was not difficult to be able to anticipate their needs and structure the deal accordingly.

**The seller was presented with a qualified buyer and a qualified process to ensure the transaction proceeded smoothly.**



External views of Richmond Row Luxury Apartments

## RESULT

When purchasing a building on a formulaic basis it is important to ensure the developer is filling up the building with quality tenants and not sacrificing acceptance criteria.

SVN Rock Advisors created a process where the developer would not be constrained by leasing the apartments, while the buyer remained comfortable with the qualification criteria of the building. This became part of the purchase and sale agreement.

A transaction was created based on a stabilized value that had not yet been achieved. From a buyer's standpoint, SVN Rock Advisors was able to secure an asset for them and lock it up early.

**In this situation everyone came out a winner. The developer got a price early, and the buyer received access to a deal they may have otherwise missed out on.**

## TESTIMONIAL

**Phillip Fraser – Killam Apartment REIT**

*"We bought a number of buildings from SVN Rock Advisors, particularly buildings that were newly constructed. Many of our sales were forward sales that we had negotiated on a formulaic basis. This allowed us to acquire more buildings along a longer time continuum."*

***The people at SVN Rock Advisors understand the new apartment construction business to help structure these deals, and through the research that they do, they form relationships with the developers earlier than most brokers could, resulting in some transactions.***

*We were very happy with the forward sales that we have completed with SVN Rock Advisors."*



# WHAT WE DO

# APARTMENT

## Intelligence & Leadership



We transact apartments and much more...

Boston | Toronto

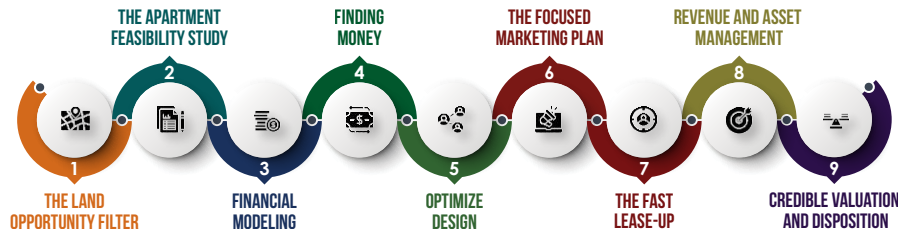
Apartment & Land Brokerage  
Feasibility Studies  
Consulting  
Education  
Coaching  
Events

for

New Apartment Development  
Purpose-built Apartments  
Affordable Housing  
Student Housing  
Multigenerational Family Real Estate  
Office Conversions to Rental

# HOW WE DO IT

## Apartment Development FULL Service Experience™



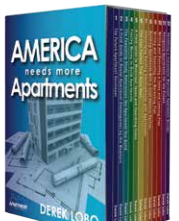
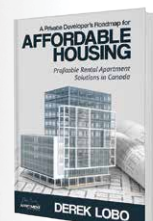
Our team serves clients through the entire project timeline:

- Land
- Feasibility
- Financial
- Finding \$
- Design
- Marketing
- Lease-up
- Revenue + Asset Management
- Valuation + Disposition

# WHY WE DO IT

our Mission  
to be a  
Developer of  
**DEVELOPERS**

Apartment University™, Events, Webinars,  
Books, Publications, Coaching, Training...



**LIVE**  
ON STAGE

**LIVE**  
ONLINE

**LIVE**  
ON DEMAND

**APARTMENT**  
University

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