



Build A Multi Family Portfolio with Laddering

"Real estate is the purest form of entrepreneurship."

- Brian Buffini





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Multi-Family Investing involves buying and managing residential properties with multiple separate housing units, such as duplexes, triplexes, or apartment buildings. Investors earn income from tenant rents across these units, benefiting from steady cash flow, diversification, and potential property appreciation.

Types of Multifamily Properties

- **Duplex, Triplex, and Fourplex:** Small properties with two, three, or four units, respectively. These are often considered residential properties and can qualify for conventional financing.
- **Small Apartment Buildings:** Properties with 5 to 50 units. These typically require commercial financing but are still manageable for individual investors.
- **Large Apartment Complexes:** Properties with 50 or more units. These are often owned by real estate investment companies, syndications, or larger investors due to the complexity and capital required.
- **Mixed-Use Properties:** Buildings that combine residential units with commercial space, such as retail stores or offices. These properties provide multiple income streams.

Pros

Investing in multi-family properties, such as apartment buildings, duplexes, and townhouses, can be a lucrative venture.

- Steady Cash Flow
- Lower Vacancy Risk
- Easier Financing
- Appreciation Potential
- Tax Benefits
- Scalability
- Demand Resilience
- Social Impact



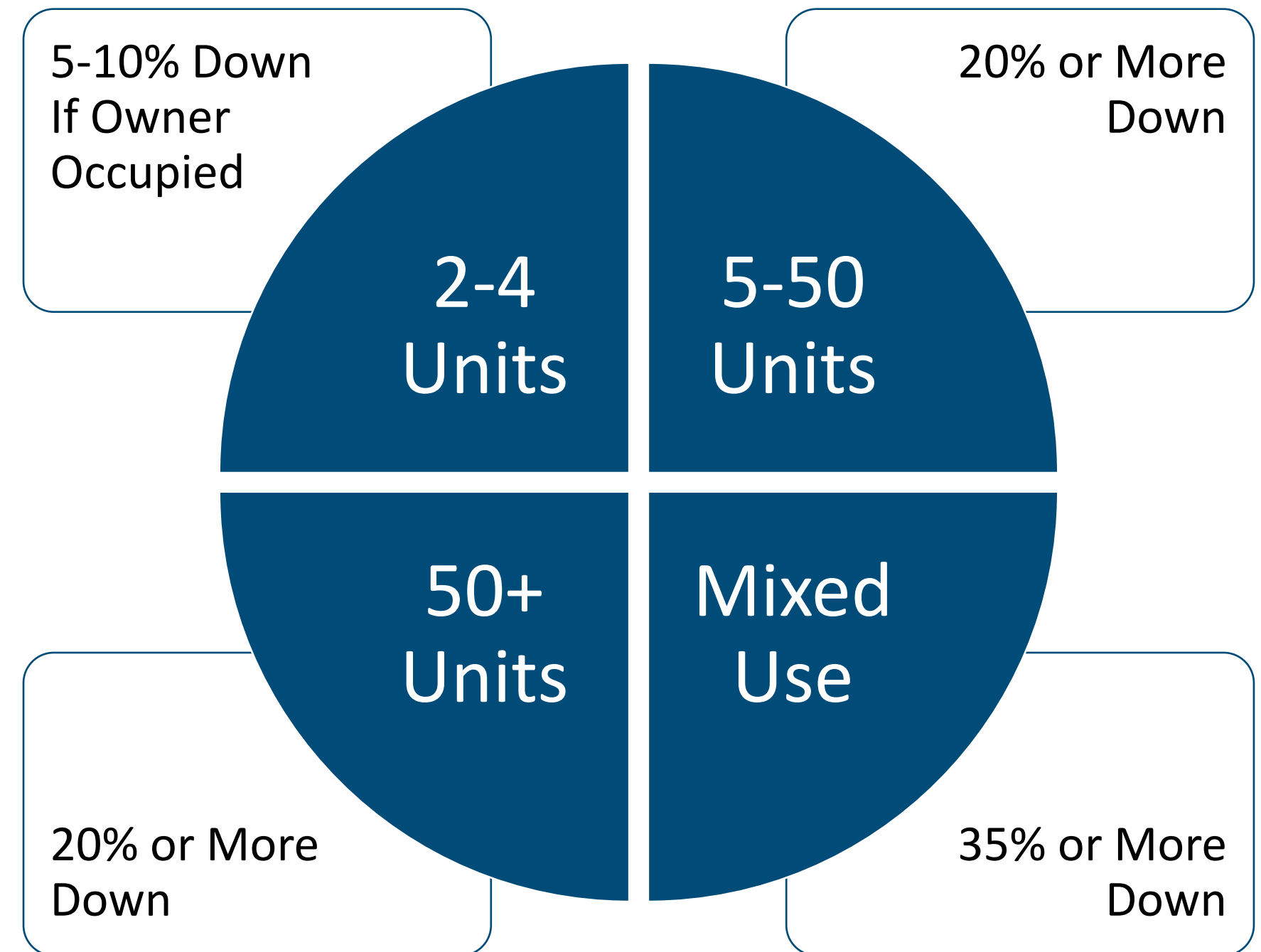
How to Succeed



Secure Financing

How much capital do you already have and how much will you need to finance?

- **Explore Loan Options:** Compare different financing options, including conventional loans, CMHC multifamily loans, and private lenders.
- **Joint Venture Partner:** Share in the profits with a money partner who can provide the financing for a project.



Research the Market

Invest where returns are best!

- **Location is Key:** Invest in areas with strong rental demand, economic growth, and amenities that attract tenants.
- **Understand Market Trends:** Study local real estate trends, vacancy rates, rental rates, and property values.



Choose the Right Property

While you can add value with active appreciation, consider your time and resources carefully when assessing a property.

- **Evaluate Property Condition:** Inspect the property thoroughly to identify any repairs or renovations needed.
- **Consider the Unit Mix:** Properties with a mix of unit sizes (e.g., 1-bedroom, 2-bedroom) can attract a diverse tenant base.



Build a Network

Create a team of reliable professionals such as Property managers, realtors, bankers, contractors , attorneys, accountants

- **Connect with Other Investors:** Join real estate investment groups or online forums to share knowledge and opportunities.



5 Steps to build your investment portfolio

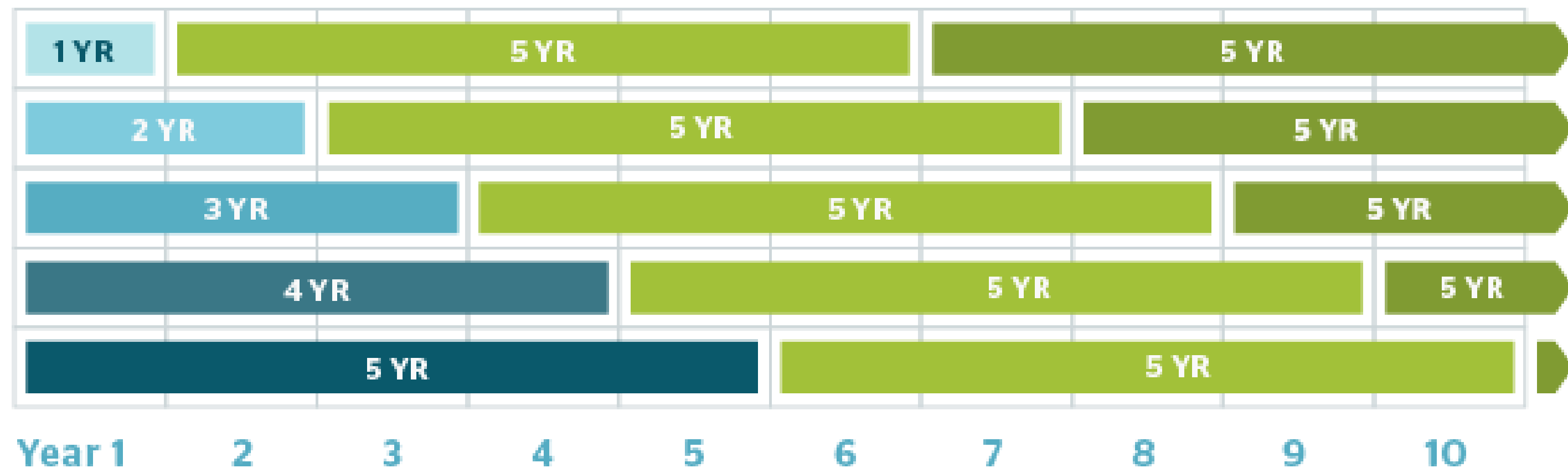


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Laddering Investments

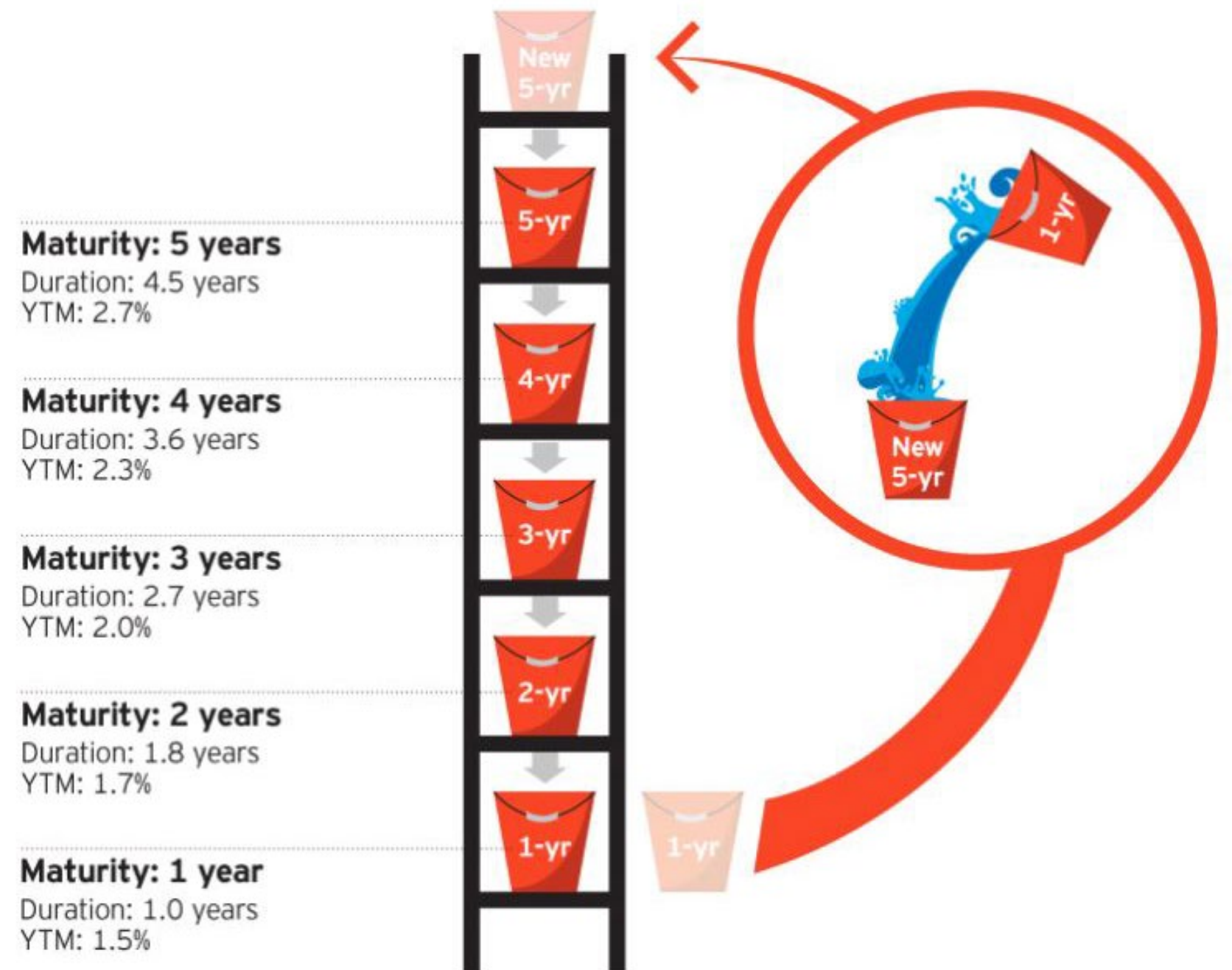
The term “*laddering*” is an investing strategy aimed to:

- produce steady cashflow by deliberately planning investments
- create an influx of liquidity at a predetermined time
- reduce interest rate risk

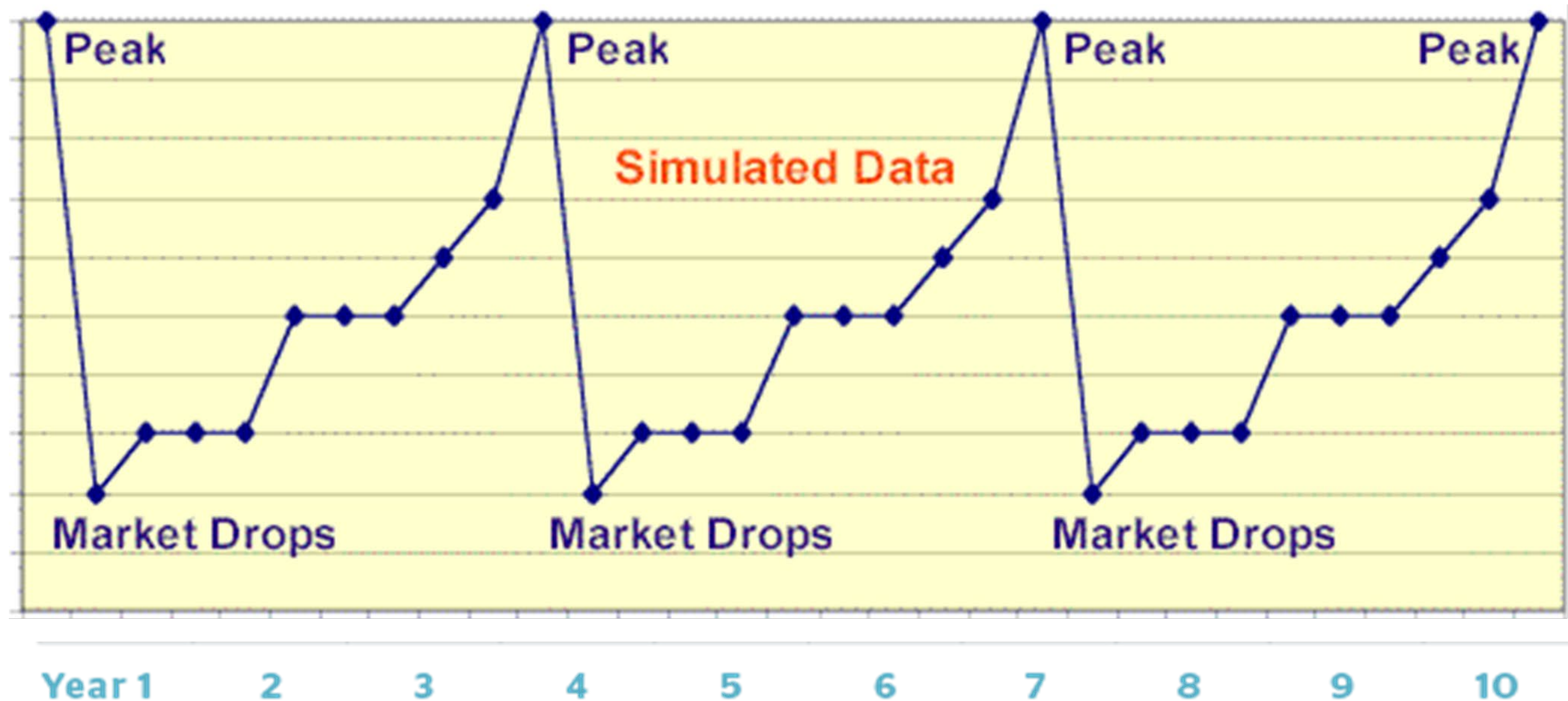


How Laddering Works

A laddered portfolio is diversified into equally-weighted buckets that span the maturity spectrum. Diversifying maturity timelines limits the total amount that needs to be reinvested at any one time. As the bonds within each bucket mature (or are sold prior to maturity), the proceeds are reinvested into the longest maturity bucket at prevailing interest rates.



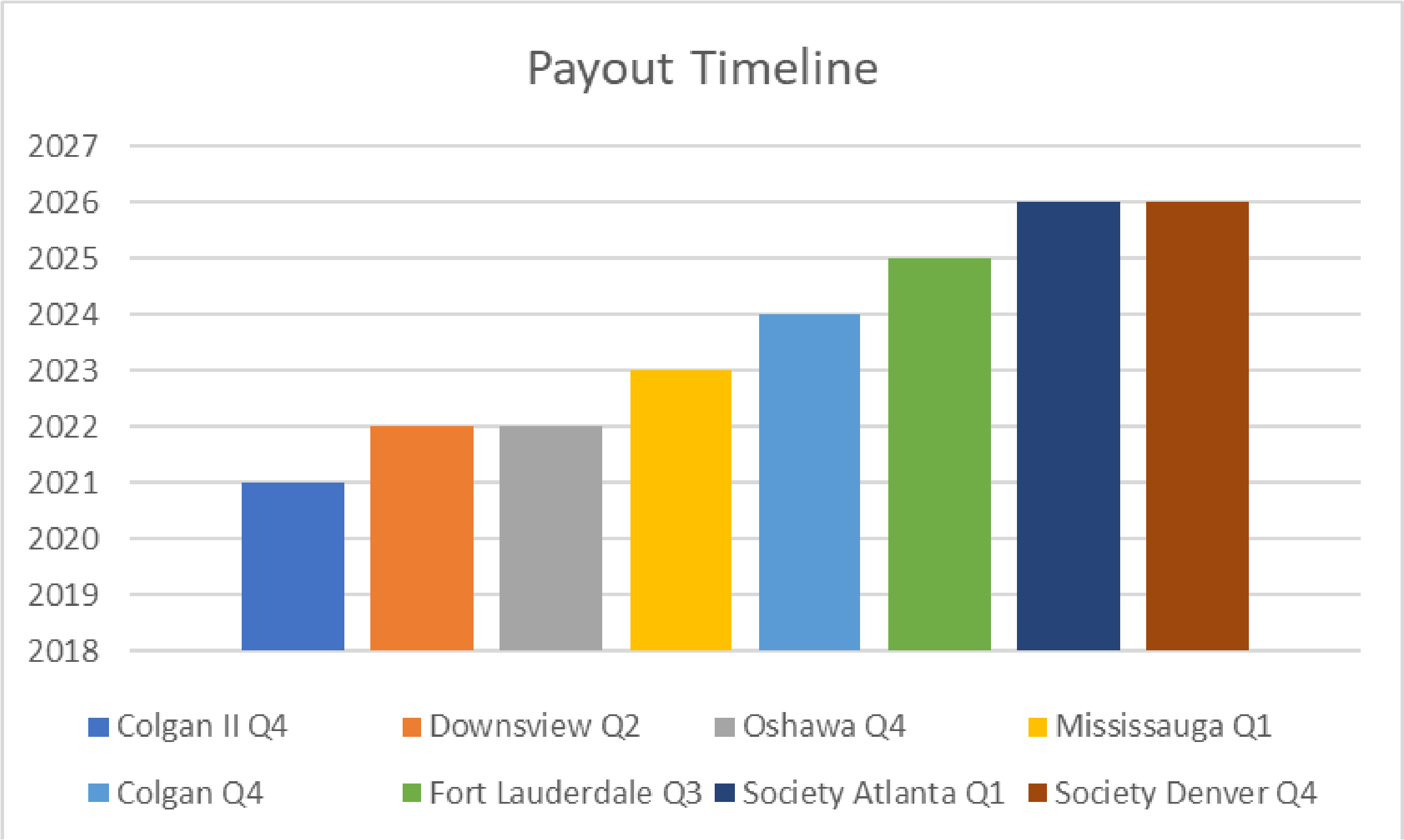
Lower risk by having control of when you re-invest



Diversifying & Laddering

Type of Investment	ROI	Amount	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Private Mortgage 2nd	12%	\$ 50,000.00	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000				
Mortgage Developer 2nd	13%	\$ 50,000.00	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500			
Private Mortgage 3rd	15%	\$ 50,000.00	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500		
LD Ltd Ptnrshp	20%	\$ 50,000.00	\$ -	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	
Private REIT	10%	\$ 50,000.00	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
	Annual Cashflow		\$ 25,000	\$ 25,000	\$ 25,000	\$ 65,000	\$ 25,000	\$ 25,000				
	Annual Principal Available		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000					
Assumptions: Interest rates remain the same												
Private REIT unit value remains the same												
Cashflow of \$25000 needed each year												
\$40,000 needed for kids university in year 4												

Diversify Timeline & Geography



Questions for planning the rungs for your ladder

What are you planning for?

- Retirement may require a monthly cashflow for the first few years to start.
- Expenditure will need to determine how much you need and when.

Are you using registered or nonregistered funds?

- Registered funds will require tax implications with withdrawals
- Nonregistered funds will need to consider the tax implications on the type of income being earned

How much do you need and when?

- Are you adding in a buffer and basing ROI on the minimum?

What is a certainty or absolute and what is a maybe?

Laddering mortgages

Properties	Year	\$50,000	Year	
	1	Buy a house & Rehab 1 year Mortgage or OPEN	2	Flip to Yourself - Recycle the money to buy another rehab Lock in your mortgage - 5 years
	2	Buy a house & Rehab 1 year Mortgage or OPEN	3	Flip to Yourself - Recycle the money to buy another rehab Lock in your mortgage - 5 years
	3	Buy a house & Rehab 1 year Mortgage or OPEN	4	Flip to Yourself - Recycle the money to buy another rehab Lock in your mortgage - 5 years
	4	Buy a house & Rehab 1 year Mortgage or OPEN	5	Flip to Yourself - Recycle the money to buy another rehab Lock in your mortgage - 5 years
	5	Buy a house & Rehab 1 year Mortgage or OPEN	6	Flip to Yourself - Invest in Mortgages / Private Lending Lock in your mortgage - 5 years





Is Multi-Family Right for You?

Cons

Investing in multi-family properties can be a solid strategy for generating passive income and building long-term wealth, but it requires careful consideration of the potential challenges and a proactive approach to management and market analysis.

- Management Complexity
- Higher Initial Investment
- Tenant Issues
- Market Risk
- Regulatory Challenges

Management Complexity

Who is your team? Having a solid support system in your corner is essential for multi-family investments.

- **Intensive Management:** Managing multiple units requires more time and effort, especially if tenants have different needs and issues.
- **Hiring Property Managers:** If managing the property becomes too demanding, hiring a property manager is an added expense.



Higher Initial Investment



- **Purchase Price:** Multi-family properties typically require a larger initial investment compared to single-family homes.
- **Renovation Costs:** Renovating and maintaining multiple units can be costly.

Tenant Issues

- **Turnover and Vacancy:** High tenant turnover rates can lead to increased vacancy and associated costs like repairs and marketing.
- **Evictions:** Dealing with difficult tenants and evictions can be more frequent and complicated.



Market Risk



- **Economic Downturns:** Multi-family properties can be affected by economic downturns, which may lead to higher vacancy rates and lower rental income.
- **Local Market Dependence:** The success of a multi-family property investment is heavily dependent on the local rental market and economic conditions.

Regulatory Challenges

- **Zoning Laws:** Multi-family properties are subject to specific zoning laws and regulations that can vary widely by location.
- **Tenant Laws:** Compliance with local and state tenant laws can be complex and requires staying updated on legal changes.





Simplify Your Strategy:
Achieve More with Less Effort

Build a Multi-Family Portfolio Using a REIT

Ultimately, the choice between REITs and individual ownership depends on factors like desired level of involvement, investment horizon, risk tolerance, and capital availability.

REITs offer a more passive, diversified, and liquid investment option to invest in multi-family properties.



Own Your Share Without the Hassle



Investing in a REIT gives you the benefits of real estate investing *without* the downsides of individual property ownership.

- Liquidity
- Diversification
- Lower Capital Requirement
- Professional Management
- Regular Income
- Tax Benefits
- Reduced Risk & Hassle

Why Choose Plentitude

By investing with Plentitude REIT, you are contributing to meaningful change while achieving your financial goals.

- **Social Impact:** Addressing housing shortages, reducing poverty, and improving community welfare.
- **Financial Returns:** Targeted annual returns of 15% balancing financial growth with social responsibility.

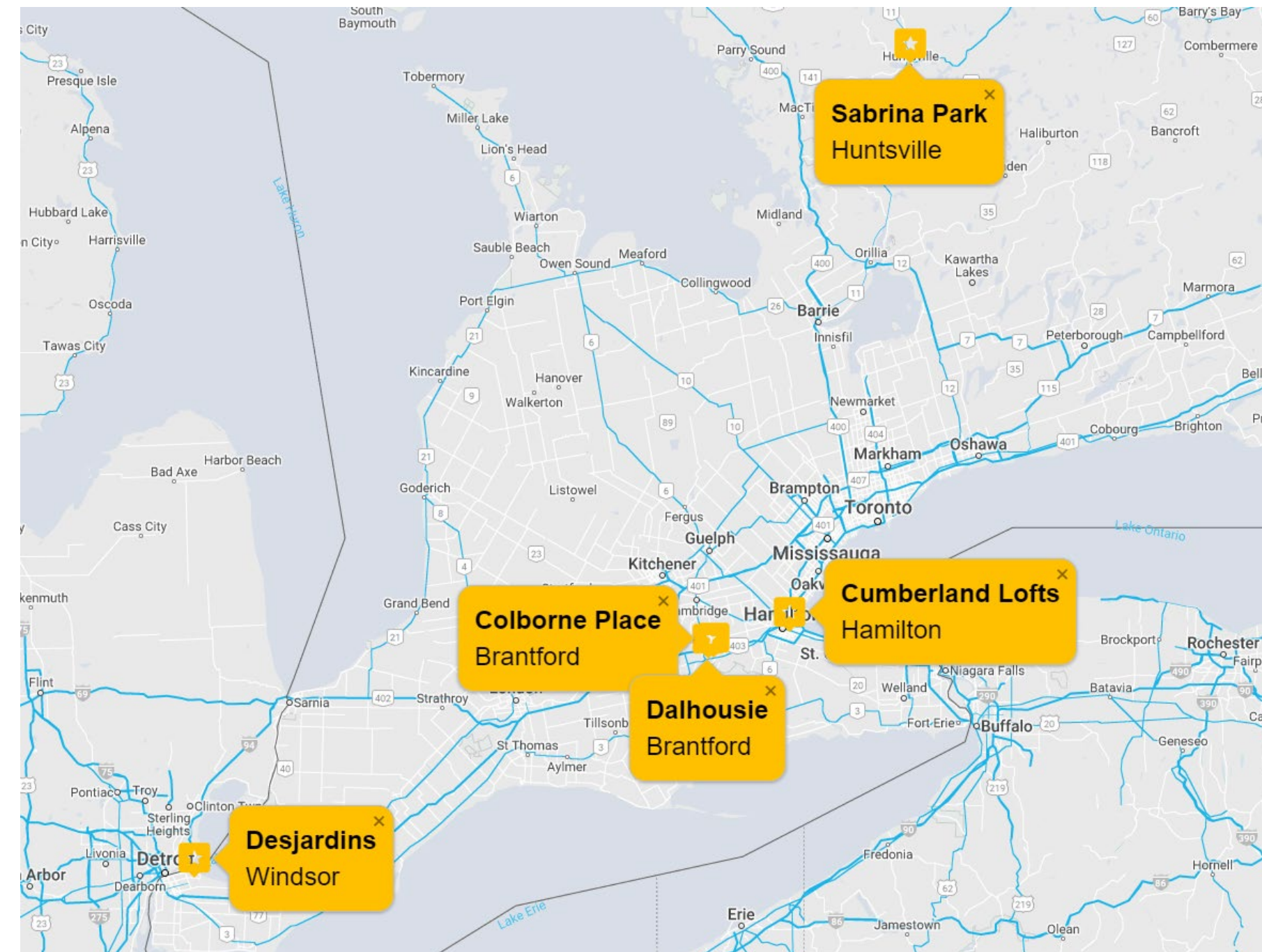


Plentitude Real Estate Income Trust

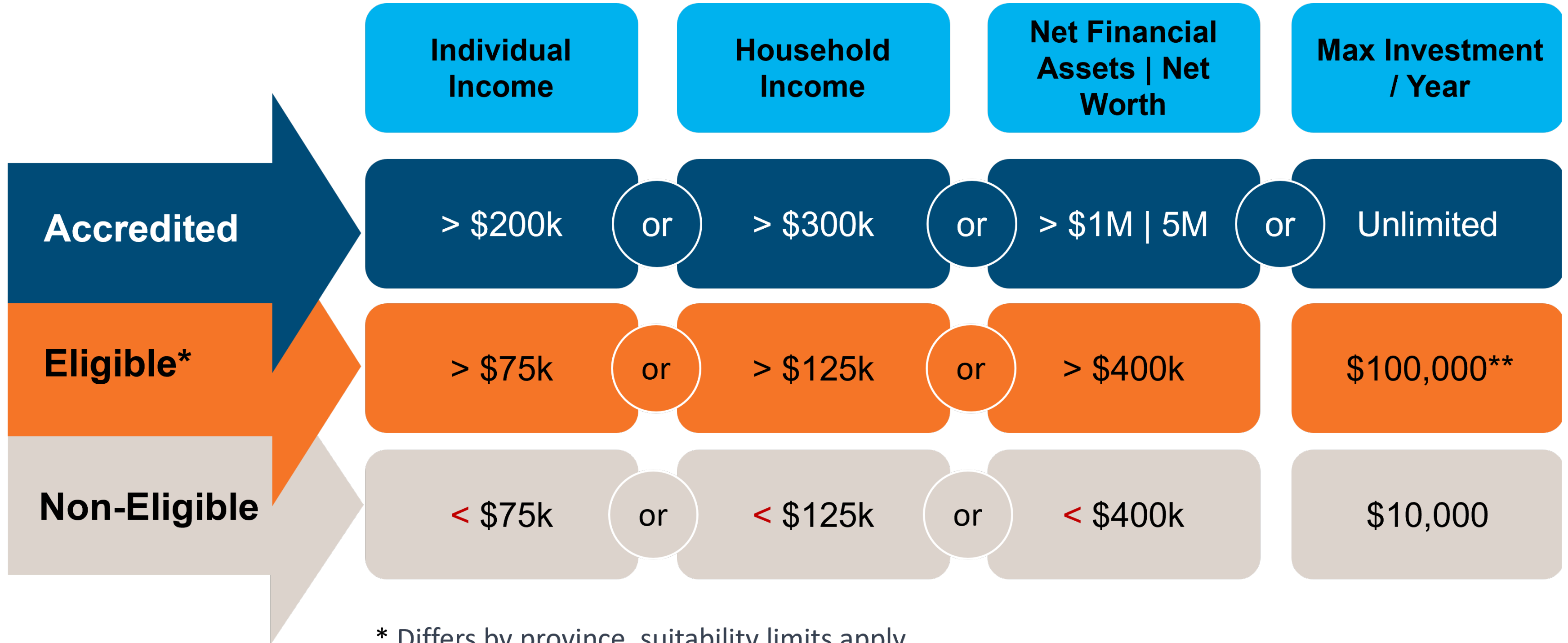
Our REIT has 5 current land developments and will have more than 600 units across Southern Ontario.

- Current Value: \$25 Million
- Estimated ARV: \$200 Million
- Targeted ROI: 15% Annualized

With between 25-40% of our units being affordable, we plan to impact more than 175 households in need.



You're Ready to Invest!



* Differs by province, suitability limits apply

** Contact the Dealing Representative for further assistance