

JOINT VENTURE EQUITY DEALS MULTI RESIDENTIAL PROPERTIES



Firm Capital Financed Projects:

Transaction Sample

Purchase Price	\$10,000,000
Closing Costs	\$2,500,000
Total Acquisition Costs	\$12,500,000
Conventional 1st Mortgage	(\$7,500,00)
Equity Required	\$7,500,000
Sources Of Equity	
Originating JV Partner - 25%	\$1,875,000
Firm Capital Common Equity - 25%	\$1,875,000
Firm Capital Preferred Equity - 50% of the Equity	\$3,750,000
	\$7,500,000

JOINT VENTURE DEAL STRUCTURE OVERVIEW:

Capital Partner: Firm Capital Apartment REIT

Investment Sourcing Sponsor Partner: (“JV Partner”)

- Joint venture acquisitions for multi family apartment properties;
- JV Partner sources the property, anywhere in the U.S.
- Standard Joint Venture structure;
- FC funds 75% of the required equity, JV Partner and their investors fund 25% of the required equity; 25 of FC’s 75% is common equity. FC & JV partner become 50/50 owners.
- FC and JV Partner enter into limited partnership agreement;
- On the excess equity funded by FC, FC gets a 8.0% to 9.0% preferred interest return (to be negotiated);
- Distribution waterfall:
 - (i) first mortgage payment;
 - (ii) payment of preferred return to FC;
 - (iii) repayment of remaining cash flow on 50/50 basis to FC and JV partner;
- JV Partner will be the GP on the deal responsible for obtaining mortgage financing and will provide the necessary guarantees to satisfy the Bank.

Where Mortgage Deals Get Done®



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