MTLBCG

MULTIPLEX ANALYSIS REPORT

4520 Rue Wellington

Verdun, QC H4G 1W5 | Fourplex | 4 Units

PREPARED FOR	Placements R.T. Inc.
REPORT DATE	July 29, 2026
REFERENCE	SAMPLE-0001
PURCHASE PRICE	$1,250,000.00
NET OPERATING INCOME	$42,934.50 / yr

CAP RATE: 3.39%

Cash flow (before tax): $17,161.12 CR | Cash flow + equity: $4,770.96 | GRM: 18.3x

Contents

EXECUTIVE SUMMARY

ACQUISITION COST **$1,268,000.00**	EFFECTIVE GROSS INCOME **$69,634.50**	NET OPERATING INCOME **$42,934.50**
CASH FLOW (BEFORE TAX) **$17,161.12 CR**	CASH FLOW + EQUITY **$4,770.96**	TOTAL ANNUAL RETURN **$42,810.96**

ACQUISITION COSTS

ITEM	AMOUNT
Purchase Price	$1,250,000.00
Acquisition Fees	$18,000.00
TOTAL ACQUISITION COST	**$1,268,000.00**

FINANCIAL RATIOS (AFTER 1 YEAR)

Effective Gross Rent Multiplier (GRM)	18.30
Net Rent Multiplier (NRM)	29.53
Average Unit Price	$317,000.00
Operating Expense Ratio (OER)	38.34%
Loan to Value Ratio (LVR)	73.94%
Debt Coverage Ratio (DCR)	0.71
Break Even Ratio (BER)	120.45%
Capitalization Rate	3.39%
Price per Sq. Ft	$301.90
Gross Rent per Sq. Ft (yr)	$16.50

CASH ON CASH RETURN

Before Equity	**-5.19%**
After Equity (Principal)	**1.44%**
After Equity + Appreciation	**12.95%**

DOWN PAYMENT AND FINANCING

Down Payment	$312,500.00
Mortgage Amount	$937,500.00
Amortization	300 months
Interest Rate	4.15%
Term	60 months
Monthly Payment	$5,007.97
Annual Debt Service	$60,095.62

FINANCIAL ANALYSIS

INCOME

SUITE / UNIT	TYPE	BEDS	MONTHLY	ANNUALLY
Unit 1	2 Bedroom	2	$1,450.00	$17,400.00
Unit 2	2 Bedroom	2	$1,425.00	$17,100.00
Unit 3	1 Bedroom	1	$1,150.00	$13,800.00
Unit 4	3 Bedroom	3	$1,750.00	$21,000.00
Parking Income	--	--	$150.00	$1,800.00
Other Income	--	--	$80.00	$960.00
POTENTIAL GROSS INCOME (PGI)			**$5,775.00**	**$69,300.00**

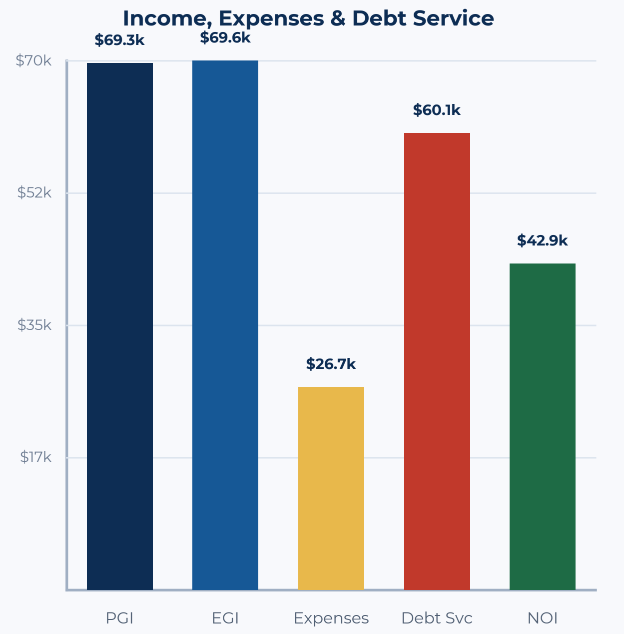
VACANCY & CREDITS	% OF PGI	MONTHLY	ANNUALLY
Vacancy Rate	3.00%	$173.25	$2,079.00
Bad Debt	0.50%	$28.88	$346.50
EFFECTIVE GROSS INCOME (EGI)		**$5,802.88**	**$69,634.50**

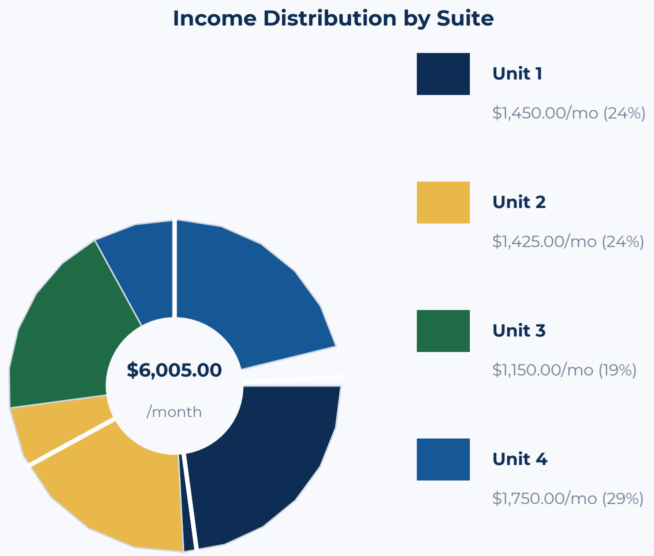
OPERATING EXPENSES	% OF EGI	MONTHLY	ANNUALLY
Municipal Tax	14.07%	$816.67	$9,800.00
Insurance	5.17%	$300.00	$3,600.00
Lawn & Snow Clearing	2.01%	$116.67	$1,400.00
Electricity / Heating	3.45%	$200.00	$2,400.00
Maintenance & Repairs	6.03%	$350.00	$4,200.00
Management	4.74%	$275.00	$3,300.00
Savings / Reserve	2.87%	$166.67	$2,000.00
TOTAL EXPENSES		**$2,225.00**	**$26,700.00**

CASH FLOW

Net Operating Income	$42,934.50
Debt Service	- $60,095.62
Cash Flow (Before Taxes)	**$17,161.12 CR**
Total Equity (Principal Payment)	+ $21,932.08
Cash Flow + Equity	**$4,770.96**
Appreciation (3.00%)	+ $38,040.00
Cash Flow + Equity + Appreciation	**$42,810.96**

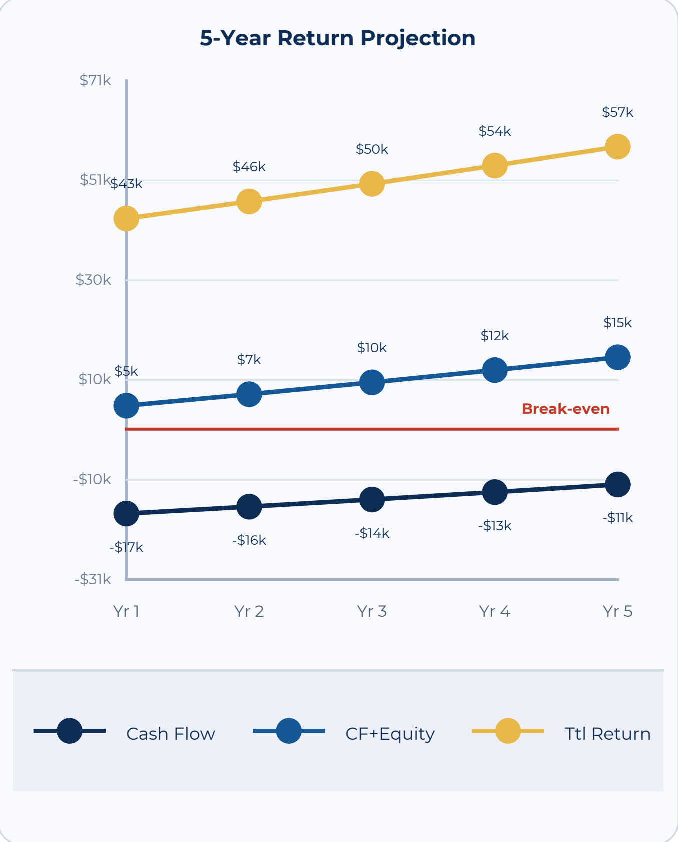
FINANCIAL CHARTS & VISUAL ANALYSIS

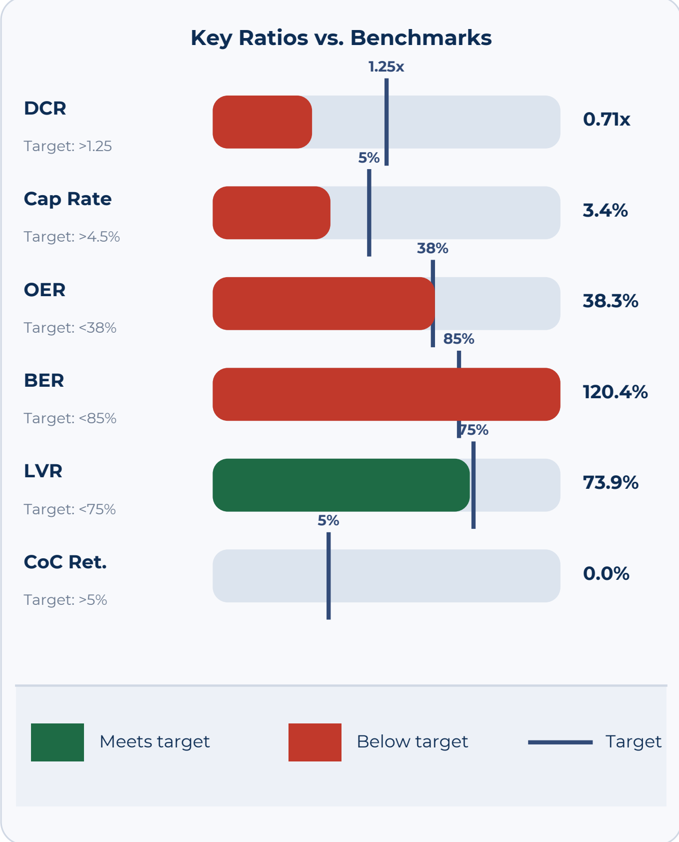




ABBREVIATIONS USED IN CHARTS ABOVE

Abbr.	Full Name	What It Means
PGI	Potential Gross Income	Total rental income at 100% occupancy - theoretical maximum with no vacancy.
EGI	Effective Gross Income	PGI minus vacancy and bad debt allowances - realistic expected annual income.
NOI	Net Operating Income	EGI minus operating expenses. Excludes mortgage. Core profitability measure.
Debt Svc	Debt Service	Total annual mortgage payments (principal + interest) paid to the lender.
CF	Cash Flow	Money remaining after all expenses and mortgage are paid. Positive = self-sustaining.





ABBREVIATIONS USED IN CHARTS ABOVE

Abbr.	Full Name	What It Means
DCR	Debt Coverage Ratio	NOI / Debt Service. Above 1.25 means sufficient income to cover debt. Below 1.0 = cash deficit.
Cap Rate	Capitalization Rate	NOI / Property Value. Unleveraged return. Typical range: 4-6% for income properties.
OER	Operating Expense Ratio	Operating Expenses / EGI. Healthy: 30-45%. Very low may mean missing expense items.
BER	Break Even Ratio	(Expenses + Debt) / PGI. Min. occupancy to cover all costs. Below 85% is considered safe.
LVR	Loan to Value Ratio	Mortgage / Property Value. Most lenders require below 75-80% for income properties.
CoC Ret.	Cash-on-Cash Return	Annual pre-tax cash flow / Down Payment. Actual cash yield on invested capital. Target: 5%+.
GRM	Gross Rent Multiplier	Price / Annual Gross Rent. Lower = better value. Quick comparison tool between properties.
NRM	Net Rent Multiplier	Price / NOI. Like GRM but accounts for expenses - a more accurate valuation measure.

FINANCING

ACQUISITION COST

Total Acquisition Cost	**$1,268,000.00**

DOWN PAYMENT

Down Payment	$312,500.00 (24.65% of Acquisition Cost)

MORTGAGE #1

Amount	$937,500.00 (73.94% of Acquisition Cost)
Interest Rate	4.15%
Amortization	300 months

Term	60 months
Payment Frequency	Monthly
Compound Frequency	Semi-Annually
Monthly Payment	$5,007.97
Annual Debt Service	$60,095.62
Annual Interest (Yr 1)	$38,163.54
Annual Principal (Yr 1)	$21,932.08

PROFITABILITY ANALYSIS

FINANCIAL RATIOS (AFTER 1 YEAR) - ACQUISITION COST

Effective Gross Rent Multiplier (GRM)	18.30
Net Rent Multiplier (NRM)	29.53
Average Unit Price	$317,000.00
Operating Expense Ratio (OER)	38.34%
Loan to Value Ratio (LVR)	73.94%
Debt Coverage Ratio (DCR)	0.71
Break Even Ratio (BER)	120.45%
Capitalization Rate (Cap. Rate)	3.39%

CASH ON CASH RETURN

Before Equity	**-5.19%**
After Equity (Principal)	**1.44%**
After Equity + Appreciation	**12.95%**

5-YEAR FINANCIAL FORECAST

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOMES AND EXPENSES					
Potential Gross Income	$69,300.00	$71,448.30	$73,663.20	$75,946.76	$78,301.11
Effective Gross Income	$69,634.50	$71,707.61	$73,844.99	$76,048.62	$78,320.57
Operating Expenses	$26,700.00	$27,367.50	$28,051.69	$28,752.98	$29,471.80
Net Operating Income	$42,934.50	$44,340.11	$45,793.30	$47,295.64	$48,848.76
Debt Service	$60,095.62	$60,095.62	$60,095.62	$60,095.62	$60,095.62
Cash Flow (Before Tax)	$17,161.12 CR	$15,755.51 CR	$14,302.32 CR	$12,799.98 CR	$11,246.86 CR
FINANCING					
Principal Payment	$21,932.08	$22,851.70	$23,809.89	$24,808.25	$25,848.47
Mortgage Interest	$38,163.54	$37,243.91	$36,285.73	$35,287.37	$34,247.14
Mortgage Balance	$915,567.92	$892,716.22	$868,906.33	$844,098.08	$818,249.60
PROFITABILITY					
Cash Flow + Equity	$4,770.96	$7,096.19	$9,507.57	$12,008.27	$14,601.62
Appreciation	$38,040.00	$39,181.20	$40,356.64	$41,567.34	$42,814.36
CF + Equity + Appre.	$42,810.96	$46,277.39	$49,864.20	$53,575.61	$57,415.97

Property Value	$1,306,040.00	$1,345,221.20	$1,385,577.84	$1,427,145.17	$1,469,959.53
Equity	$390,472.08	$452,504.98	$516,671.51	$583,047.09	$651,709.92
RATIOS					
Cap Rate	3.29%	3.30%	3.30%	3.31%	3.32%
CoC (Before Equity)	-5.19%	-4.77%	-4.33%	-3.87%	-3.40%
CoC (After Equity)	1.44%	2.15%	2.88%	3.63%	4.42%
CoC (Total Return)	12.95%	14.00%	15.09%	16.21%	17.37%

AFTER-TAX CASH FLOW & CCA SCHEDULE

DEPRECIABLE BASE (CAPITAL COST ALLOWANCE)

Building Value (depreciable, 80% of price)	$1,000,000.00
Land Value (not depreciable)	$250,000.00
Total CCA Claimed Over 5 Years	$47,984.61
Undepreciated Capital Cost (UCC) at Year 5	$952,015.39

YEAR-BY-YEAR AFTER-TAX CASH FLOW

ITEM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Net Operating Income	$42,934.50	$44,340.11	$45,793.30	$47,295.64	$48,848.76
Mortgage Interest	$38,163.54	$37,243.91	$36,285.73	$35,287.37	$34,247.14
CCA Claimed	$4,770.96	$7,096.19	$9,507.57	$12,008.27	$14,601.62
Taxable Income	$0.00	$0.00	$0.00	$0.00	$0.00
Income Tax	$0.00	$0.00	$0.00	$0.00	$0.00
Cash Flow Before Tax	**$17,161.12 CR**	**$15,755.51 CR**	**$14,302.32 CR**	**$12,799.98 CR**	**$11,246.86 CR**
Cash Flow After Tax	**$17,161.12 CR**	**$15,755.51 CR**	**$14,302.32 CR**	**$12,799.98 CR**	**$11,246.86 CR**

CCA applies to the building only (land is not depreciable), uses the half-year rule in Year 1, and is capped so it cannot create or increase a rental loss. After-tax cash flow assumes the marginal tax rate supplied. This is an estimate, not tax advice; confirm with a qualified accountant.

SALE & REVERSION (END OF YEAR 5)

NET SALE PROCEEDS

Exit Capitalization Rate	3.39%
Projected Sale Price (forward NOI capitalized at the exit cap rate)	$1,490,086.30
Less: Selling Costs (5.0%)	- $74,504.31
Net Sale Price	**$1,415,581.98**
Less: Mortgage Balance at Sale	- $818,249.60
Net Proceeds Before Tax	**$597,332.38**

TAXES TRIGGERED BY THE SALE

Adjusted Cost Base (purchase + fees)	$1,268,000.00
Capital Gain	$147,581.98
Capital Gains Tax (50% inclusion)	- $29,516.40
CCA Recapture (taxed as income)	$47,984.61

Recapture Tax	- $19,193.85
Net Proceeds After Tax	**$548,622.13**

Sale price is an estimate based on the exit cap rate and projected Year-6 income. Capital gains assume a 50% inclusion rate; all CCA claimed is assumed recaptured. Actual proceeds and taxes depend on market conditions and your tax situation at sale. Not tax advice.

INVESTMENT RETURN SUMMARY (5-YEAR HOLD)

IRR (AFTER-TAX)	IRR (BEFORE-TAX)	NPV @ 8.0%	EQUITY MULTIPLE
7.08%	**9.08%**	**-$14,931**	**1.44x**

LEVERED CASH FLOW (YEAR 0 = EQUITY INVESTED; YEAR 5 INCLUDES SALE)

	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Before-Tax	-$330,500	-$17,161	-$15,756	-$14,302	-$12,800	$586,086
After-Tax	-$330,500	-$17,161	-$15,756	-$14,302	-$12,800	$537,375

AFTER-TAX IRR SENSITIVITY (ROWS: INTEREST RATE / COLUMNS: EXIT CAP RATE)

INT. RATE \ EXIT CAP	2.89%	3.39%	3.89%	4.39%
3.15%	15.60%	8.42%	1.17%	-7.99%
3.65%	15.00%	7.75%	0.43%	-8.87%
4.15%	14.39%	7.08%	-0.32%	-9.74%
4.65%	13.78%	6.41%	-1.07%	-10.62%
5.15%	13.08%	5.63%	-1.96%	-11.70%

IRR, NPV and equity multiple are levered, after-tax, and assume a 5-year hold with a sale at Year 5. Appreciation is captured through the sale rather than counted annually. The sensitivity grid varies the interest rate and exit cap rate while holding all other assumptions constant. Figures are planning estimates and depend heavily on the assumptions supplied.

MARKET COMPARISON & AREA ANALYSIS

SUBJECT PROPERTY

Year Built	1962	Building Age	64 yrs
Property Price	$1,250,000.00	Price per Unit	$312,500.00
Total Floor Area	4,200 sq ft	Price / Sq. Ft	$301.90
Gross Rent / Sq. Ft (yr)	$16.50	Vacancy Rate	3.00%
Gross Rental Yield	5.54%		

RENTS & EXPENSES: PROPERTY VS. AREA AVERAGE

CATEGORY	THIS PROPERTY	AREA AVERAGE	DIFFERENCE
Average Monthly Rent (per unit)	$1,443.75	$1,520.00	-5%
Operating Expense Ratio	38.34%	38.00%	+0%
Capitalization Rate	3.39%	4.20%	-1%
Vacancy Rate	3.00%	2.40%	+1%

AREA MARKET AVERAGES	
Average Property Price (Fourplex, Verdun)	$1,180,000
Average Price per Unit	$295,000
Average Gross Rental Yield	5.6%
Typical Days on Market	34 days
Year-over-Year Rent Growth	3.8%

Market Context

Verdun remains one of the tightest rental markets on the island: published vacancy in the borough has held near 2.4%, and average two-bedroom rents in the neighbourhood have moved to roughly $1,520, meaning the in-place rents at this property sit about 5% below market. That gap is the most important number in this report. It explains the below-average capitalization rate at the asking price - the building is being priced on tomorrow's rents, not today's - and it also represents the clearest path to improving the return, since Quebec's rent-setting framework rewards patience and turnover rather than immediate repricing. The operating expense ratio here is close to the 38% typical of buildings of this age when a realistic maintenance and reserve line is included, which suggests the expense schedule is honest rather than optimistic. Comparable fourplexes in Verdun have been trading around $295,000 per unit with roughly a month on market, so the asking price of $1,250,000 is about 6% above the recent average - a premium the Wellington Street location partially, but not entirely, justifies. Rent growth in the borough has run near 3.8% annually, ahead of the 3.1% assumed in this analysis, so the projection here is conservative rather than aggressive. Taken together, the market context supports the property as a sound long-term hold in a supply-constrained neighbourhood, purchased at a full price that the below-market rents can gradually repair. These benchmarks are illustrative; verify current CMHC data and recent comparable sales with a local broker before finalizing any decision.

Source: Illustrative market benchmarks for this sample report (fictional example). Market averages are drawn from published data (CMHC Rental Market Survey and comparable sources) retrieved at the time of generation. Verify all figures with a local real estate professional before making investment decisions.

INVESTMENT RECOMMENDATION

CAUTION

CAP RATE	DCR	COC RETURN	BER	LVR	NOI
3.39%	**0.71**	**-5.19%**	**120.45%**	**73.94%**	**$42,934.50**

Analysis & Recommendation

Based on the financial data provided, this property is a classic Verdun value play: sound real estate, full price, thin early cash flow. The debt coverage ratio of 0.71 shows the net operating income of $42,934.50 does not fully cover the annual debt service at the proposed 25% down, which means the owner subsidizes the building by roughly $17,161.12 per year before taxes in year one. That is not unusual for a plex purchased in this borough at today's prices, but it must be a deliberate choice: the investor is paying for principal paydown, appreciation and below-market rents rather than immediate income. The capitalization rate of 3.39% sits below the local average, confirming the price is full relative to in-place income; the offsetting fact is that in-place rents run about 5% under market, so each turnover closes part of the gap. When cash flow plus equity buildup is considered, the position turns positive at $4,770.96 in year one, and the five-year projection in this report shows the before-tax cash flow approaching break-even as rents index upward. The prudent structure here is either a larger down payment - at roughly 30-32% down the building carries itself from day one - or a negotiated price closer to $1,180,000.00, where the cap rate meets the borough average. We also recommend stress-testing the numbers at a renewal rate 1.5 points higher than today's, since the mortgage term ends in year five, and verifying the municipal tax roll for the post-sale reassessment that Verdun purchases commonly trigger. A building inspection focused on the 1962 envelope - roof, brick, drains and electrical - is essential before waiving conditions, because a single major capital item would deepen the early-year subsidy materially. Placements R.T. Inc. should proceed only with a price concession or a larger equity injection, and with the reserve fund in this analysis treated as a floor rather than a target.

YOUR RECOMMENDED PURCHASE PRICE

MAXIMUM PRICE TO PAY FOR A RECOMMENDED INVESTMENT

$848,000.00

a reduction of $402,000.00 (32.2%) from your $1,250,000.00 price

Resulting Key Metrics at $848,000.00

DEBT COVERAGE RATIO	CASH FLOW (BEFORE TAX)	CASH-ON-CASH RETURN	CAP RATE
1.25	**$8,607.88**	**2.60%**	**4.96%**

How We Calculated This

Using the rental income, operating expenses and financing terms you entered, we held income and expenses constant and solved for the highest purchase price at which this investment becomes sound - where the debt coverage ratio reaches a healthy 1.25 (income comfortably covers the mortgage) while annual cash flow stays positive. At $848,000.00, the deal becomes financeable and cash-flow positive; reaching our full 5% cash-on-cash return target would additionally require improving rents or reducing expenses. Your down payment and financing terms were kept exactly as entered. This figure is a negotiation guideline, not a formal appraisal - always verify the numbers and consult a qualified professional before making an offer.

This recommendation is based solely on the financial data provided. It does not constitute professional financial, legal, or investment advice. Always consult a qualified financial advisor before making investment decisions.