



REC
Canada

 **HoneyTree**

WELCOME REIN

REC & HoneyTree are pleased to present this exciting opportunity at the Carriage Country Club near Horseshoe Valley.

The plan is to acquire 40 two bedroom condo units, each with a self-contained lock off suite at a significant discount with an attractive VTB. As one of only two developments legally allowed to operate as a short term rental in Oro-Medonte, we will operate the units as short term rentals for a period of 5 years, at which point they will be sold to end users.

YOUR TEAM



Simeon Papailias is the the Co Founder of REC Canada, as well as the Founder of Playbook Media International. He's not only a highly respected serial entrepreneur but one of the nation's top real estate thought-leaders and influencers.

Fifteen years ago, he committed to having an unmatched work ethic and unwavering integrity in the field, which resulted in Simeon leading his team to the Chairman Award at Royal LePage for a decade while expanding his network to include the country's most reputable builders and investors.

He continues to lead our Nation's Highest Producing Investment Focused Real Estate Team as well as empowering the community by sharing his knowledge and insights with other industry professionals whenever possible.

simeon@reccanada.com

David Atwell, a dynamic real estate investor, commercial broker and entrepreneur, has carved out a niche for himself specializing in enhancing value in the hospitality sector. Leveraging cutting-edge technology, automation, contemporary design trends, and innovative marketing strategies, he adds substantial value to hotels, short-term rentals, and resorts.

His expertise lies primarily in the value-add category, making significant strides in hospitality spaces such as licensed hotels. David currently oversees an impressive portfolio of four hotels in Montreal and Quebec City, with more acquisitions from Ontario in the pipeline. He started his journey in real estate investing at the tender age of 24, and with his in-depth understanding of the industry, he has expanded his holdings to a staggering value of over \$60,000,000, and it continues to grow.

In 2016, David founded HoneyTree, spurred by the interest and trust of his friends and colleagues who had observed his successes and desired him to manage their investments. David actively collaborates with Canadian investors, offering them an opportunity to be part of the booming hospitality market through his real estate fund, the HoneyTree Real Estate Trust.

dave@honeytreegrow.ca



Mark Gonneau is an accomplished and award-winning real estate investor whose journey began at the age of 24 while still a student. With a remarkable career spanning both Canadian and international markets, he has successfully ventured into various forms of real estate investments, including 4 hotels in Montreal and Quebec City.

Currently, Mark's portfolio boasts ownership of over 264 units distributed across 42 properties, valued at over \$70,000,000. His expertise and acumen have earned him the prestigious title of "Top 10 Investor" in Ontario for multiple years, including 2008, 2009, 2011, 2014, and 2015. Notably, he was also recognized as the "Player of the Year" in 2014 by the Real Estate Investment Network.

Mark's passion lies in assisting professionals and business owners to enhance their financial future by engaging in value-add real estate opportunities. Through his guidance and knowledge, he aims to empower others to grow their nest egg wisely through real estate investing. With a proven track record and an unwavering dedication to success, Mark continues to make a significant impact in the real estate industry, inspiring aspiring investors to reach new heights.

mark@honeytreegrow.ca

INVESTMENT HIGHLIGHTS

- ✓ UP TO \$100K IN BUILT IN EQUITY ON ACQUISITION
- ✓ 90% LTV SELLER FINANCING
- ✓ OFF MARKET
- ✓ LEGAL SHORT TERM RENTAL
- ✓ INTEREST ONLY LOAN - 3.70% AVERAGE BLENDED RATE FOR 5 YEARS
- ✓ CONDO CONVERTED
- ✓ 15% HURDLE
- ✓ 20% TARGET
- ✓ 5% CASH FLOW EARNINGS HELD BY CORP UNTIL COMPLETION OF PROJECT FOR OPERATIONS (CASH FLOW DISTRIBUTION REVIEWED END OF YEAR 3)
- ✓ 60/40 SPLIT IN FAVOR OF LP

30

CONDOMINIUMS WITH
LOCK-OFF SUITE

60

RENTABLE
DWELLINGS

\$250,000

ESTIMATED
COST PER DWELLING

WHAT YOU GET

- Hands-free, passive asset ownership
- Return of initial investment prior to profits being split
- 60% of profits, including 15% preferential return
- Management partners who are personally invested and responsible for successful completion of project
- Annual financial reporting
- Thorough due diligence process
- Long term growth through real estate

WHAT WE GET

- Ability to hire ourselves at market rates as industry professionals.
- 40% of profits, including 10% “catch up” return

\$100K

BUILT IN EQUITY

EXCLUSIVE REC CANADA PRICING OF
\$500,000



PREVIEW PRICE LIST

BUILDINGS	SIZE	PRICING
The Clarence and The Hansom	102 sq ft To 1273 sq ft	Priced between \$579,000 to \$599,990
The Concord And The Muskoka	1398 sq ft To 1408 sqft	Priced between \$599,990 to \$619,990

The Presentation Centre

Hours of Operation

Monday – Tuesday: By Appointment
 Wednesday: 1:00 pm – 8:00 pm
 Thursday – Friday: 12:00 pm – 6:00 pm
 Saturday – Sunday: 12:00 pm – 5:00 pm

Deposit

5% on signing
 5% in 30 days

LOCK-OFF SUITES

WHAT IS A LOCK OFF SUITE?

A lock-off suite is a versatile unit in a hotel, resort, or condo that can be split into two separate spaces.

Design: Each partition has its own entrance, bathroom, and kitchenette, operating as independent units or a combined larger space.

Usage Flexibility: Owners can use or rent out the whole unit or its parts separately, depending on their needs.

Investment Advantage: The design allows for additional income generation through short-term rentals or affordable housing solutions, offsetting ownership costs.

WHY ARE THEY ON TREND?

Lock-off suites are trending as innovative and affordable housing solutions for several reasons:

Flexibility and Versatility: Lock-off suites adapt to various needs, enabling shared living, private guest space, or additional income generation.

Affordability: They provide a cost-effective rental alternative and help homeowners offset mortgage payments through rental income.

Adaptability: Amid rising interest rates, inflation, and living costs, lock-off suites offer an extra income source, aiding financial stability.

Addressing Housing Shortages: They efficiently maximize existing spaces, increasing housing availability without new construction.

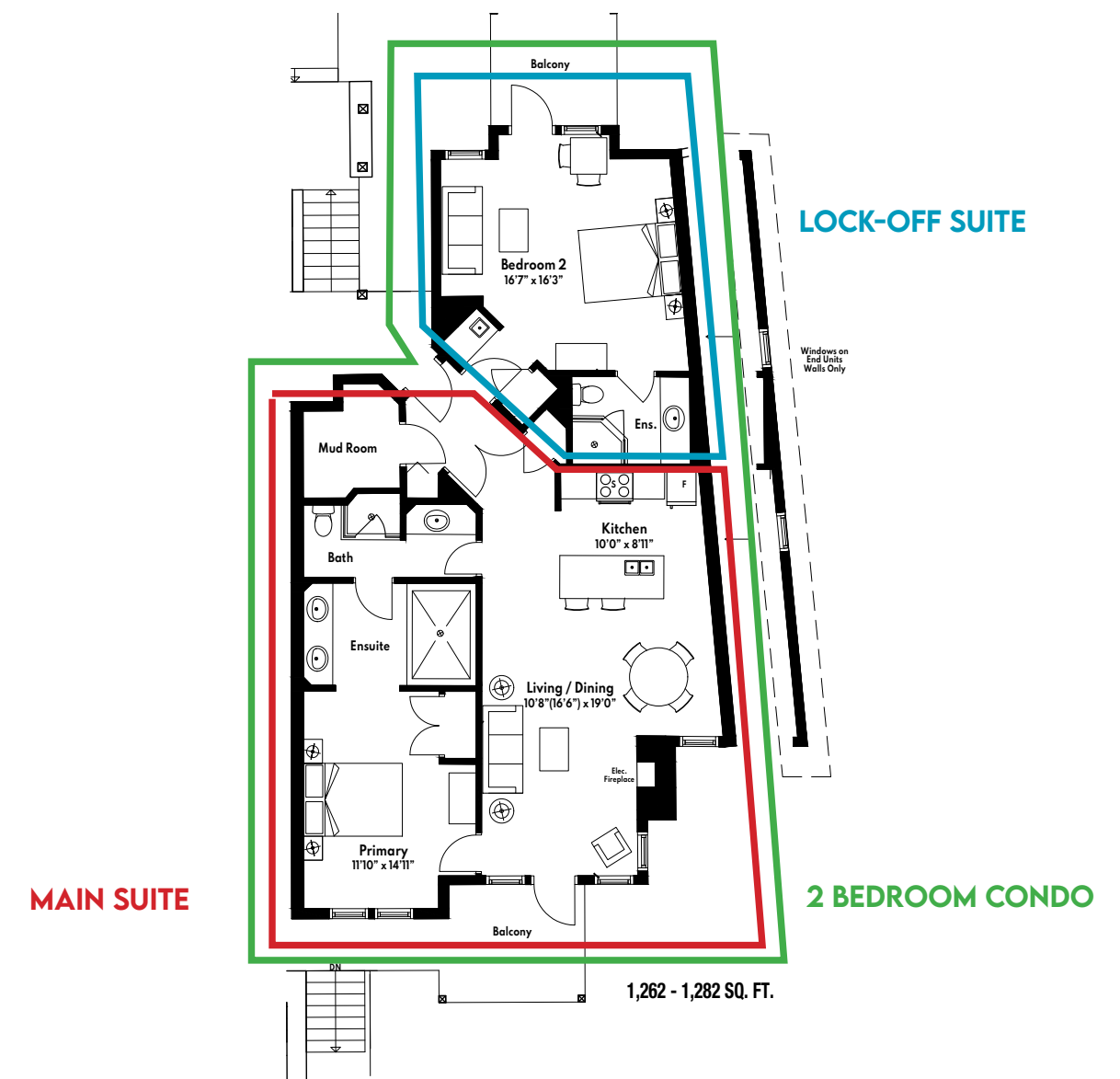
Investor Attraction: Lock-off suites can yield higher returns when rented as separate units, adding to their investment appeal.

In short, lock-off suites respond to current housing trends and economic conditions with their flexibility, affordability, and income potential.

2 SUITES IN 1

- 30 Individual Condo Units each with adjoining lock-off suites (60 private dwellings total)
- Functions as both a duplex and a single-family home
- Licensed for short-term rentals, providing flexibility
- Multiple exit and operational strategies available
- Asset versatility and downside protection built in

SAMPLE FLOOR PLAN



The Georgian

DESIGN

Design Inspiration - Adopting a clean, modern, and minimalistic approach, we strategically use light pops of colors, accents, art, decor, and functional pieces to layer onto the existing foundation, rejuvenating the aesthetic without altering the space's layout or function.

BEFORE



AFTER

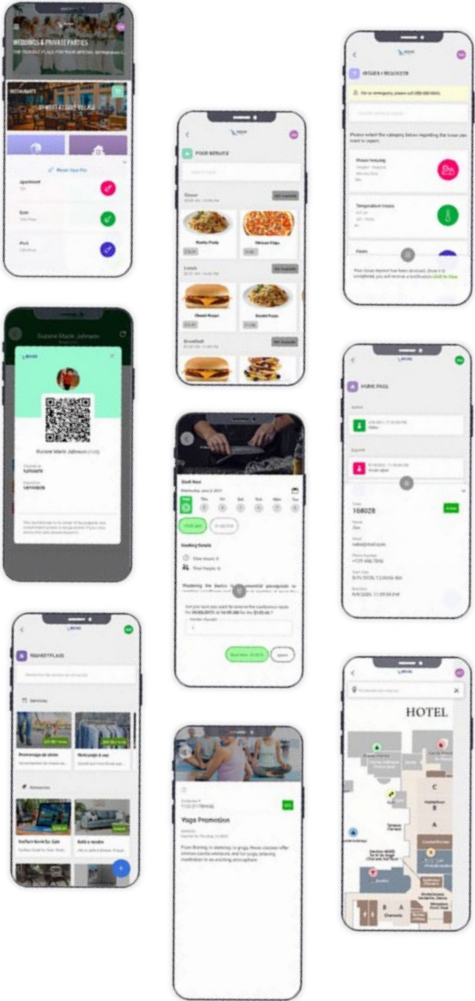


TECHNOLOGY & AUTOMATION

DIGITAL CONCIERGE

With a digital concierge, Airbnb's can maximize profits by optimizing resource allocation and operational efficiency while simultaneously enhancing customer satisfaction through personalized and instant guest services.

This powerful combination fosters loyalty and positive word-of-mouth, ultimately driving repeat business and attracting new guests, leading to sustainable growth and success in the hospitality industry.



- ✔ SEAMLESS ACCESS
- ✔ RAPID COMMUNICATIONS
- ✔ TECH SUPPORTED HOUSEKEEPING
- ✔ NOISE REDUCTION
- ✔ CONTACTLESS SERVICE
- ✔ MODERN 24/7 SERVICE
- ✔ TECH ENABLED GUEST EXPERIENCE

PRO FORMA

	Purchase
Price/Unit	\$500,000
Units	30
Purchase Price	\$15,000,000
Closing Costs	\$60,000
Land Transfer Tax	\$194,250
GP/LP Creation	\$25,000
Cash Float	\$500,000
Acquisition Costs	\$270,750
Start Up Costs (Locks, Photos, FF&E)	\$450,000
Total Costs	\$16,500,000
Financing (90%LTV)	\$13,500,000
Equity	\$3,000,000
Equity as % of Purchase Price	20.00%

Operating ProForma	RevPAR	Year1
Revenue	\$178.00	\$1,949,100

Operating Expenses	Rate	Annual
Booking Fees	15.00%	\$292,365
Revenue Management	7.50%	\$146,183
Operations Manager	\$95,000	\$95,000
Cleaning	\$6,300	\$189,000
Property Taxes	\$2,962	\$88,860
Condo Fees	\$9,729	\$291,870
Insurance	\$50	\$18,000
Utilities	\$150	\$54,000
Guest Amenities	\$2.50	\$15,000
Repairs/Maintenance	5.00%	\$97,455
Total Expenses	66%	\$1,287,733

Annual NOI	34%	\$661,368
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Operations Manager Budget Overview: The Operations Manager ensures smooth running of tasks including guest communication, cleaners coordination, and HR management. They work 40 hours a week for 48 weeks (4 weeks paid vacation), summing up to 2,080 hours yearly. Their annual salary at \$30/hour is \$62,400. With a budget of \$95,000, \$32,600 remains for part-time assistant management. This equates to about 1,087 hours or 20 hours weekly of assistance at the same hourly rate. The budget fits both roles within the \$95,000 limit.

Cleaning Budget Summary: Annually, each room needs 200 hours for regular cleaning and 16 hours for deep cleaning, totalling 216 hours or 8,640 hours for 40 rooms. Cleaners at \$25/hour result in \$216,000 annual cost. An extra \$900 per room, or \$36,000 total, is allocated for outsourced cleaning during busy times. Hence, the annual cleaning budget is \$252,000, inclusive of in-house and outsourced services.

Revenue Management: Is a service provided by an online Airbnb marketing specialist designed to maximize the incremental dollars a listing can generate, maximize net income with satisfied customers. They charge a percentage of revenue earned and guide the guest through their check in process. Having a revenue manager is a vital part of any Airbnb operation.

RETURN ON INVESTMENT

Cash Flow	Year 1
Loan Amount	\$13,500,000
Interest Rate	3.00%
Net Operating Income	\$661,368
Average Debt Service	\$499,500
Average Cash Flow	\$188,856
Average DSCR	1.37

* 2.0% Income and Expense Increase Annually

Appreciation	Low	Medium	High
Purchase Price	\$500,000	\$500,000	\$500,000
Market Value	\$600,000	\$600,000	\$600,000
Year 1	\$618,000	\$624,000	\$630,000
Year 2	\$636,540	\$648,960	\$661,500
Year 3	\$655,636	\$674,918	\$694,575
Year 4	\$675,305	\$701,915	\$729,304
Year 5 Sale Price	\$690,000	\$730,000	\$760,000
Per Unit Appreciation	\$190,000	\$230,000	\$260,000
Total Appreciation	\$5,700,000	\$6,900,000	\$7,800,000
Annual Appreciation	3%	4%	5%

Disposition Costs	Low	Medium	High
Commission	\$1,035,000	\$1,095,000	\$1,140,000
Legals	\$60,000	\$60,000	\$60,000
Mortgage Discharge	\$20,000	\$20,000	\$20,000
Total Disposition Costs	\$1,115,000	\$1,175,000	\$1,220,000

Return on Investment	Low	Medium	High
Appreciation	\$5,700,000	\$6,900,000	\$7,800,000
Cashflow	\$944,283	\$944,283	\$944,283
Less Disposition Costs	\$ (1,115,000)	\$ (1,175,000)	\$ (1,220,000)
Total Return	\$5,529,283	\$6,669,283	\$7,524,283

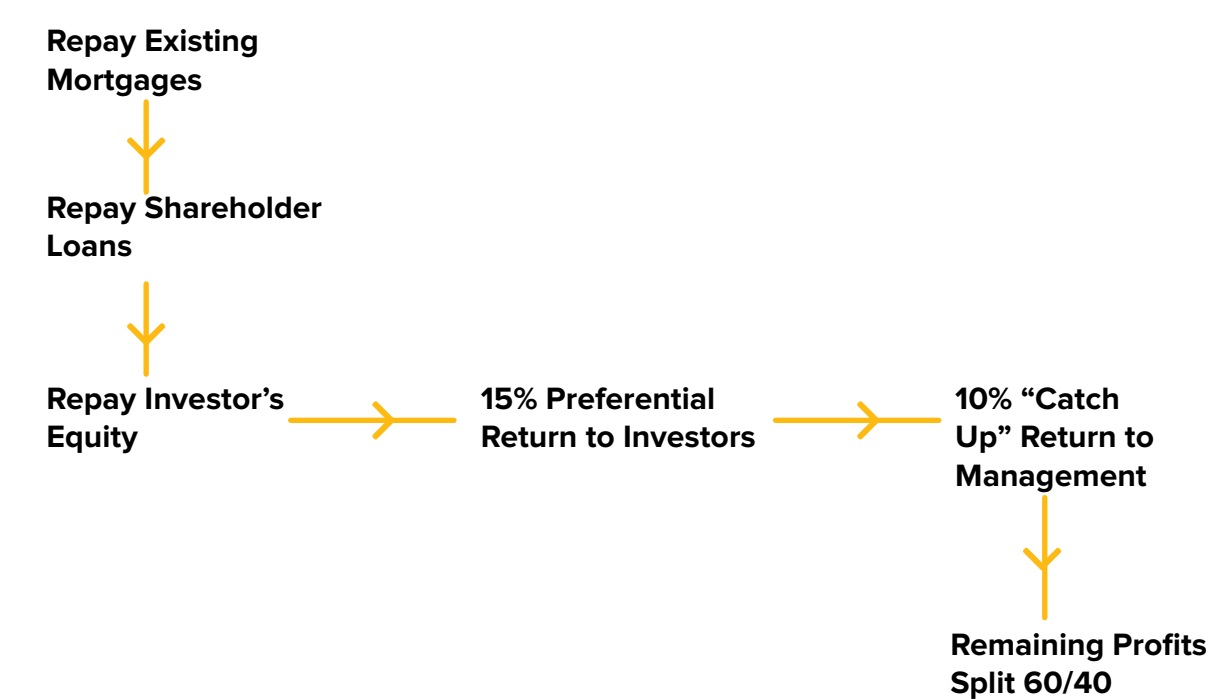
Profit Split	Low	Medium	High
General Partnership 40%	\$2,211,713	\$2,667,713	\$3,009,713
Limited Partnership 60%	\$3,317,570	\$4,001,570	\$4,514,570
Equity Investment	\$3,000,000	\$3,000,000	\$3,000,000

Return on Investment	Low	Medium	High
5 Year Return on Investment	100.44%	123.24%	140.34%
Capital Multiplier	2.00	2.23	2.40
Annualized ROI	20.1%	24.6%	28.1%
Internal Rate of Return	15.9%	18.4%	20.1%
Annual Cash-on-Cash	1.7%	1.7%	1.7%
Cap Rate	3.48%	3.31%	3.15%
Average DSCR	1.37	1.37	1.37

INVESTMENT SUMMARY

Targeted Purchase Price	\$500,000/unit
Renovation Budget	\$15,000 per unit or \$450,000
Cash Reserve	\$500,000
Equity Required	\$3,000,000
Projected Return Annualized	20%
Project timeframe	5 years
Distribution Waterfall	15% preferential return/hurdle rate for investors, 10% catchup for general partnership, remaining profits split 60/40

DISTRIBUTION OF CAPITAL



IRR Calculation	Low	Medium	High
Day 1 - Acquisition Closing	-\$3,000,000	-\$3,000,000	-\$3,000,000
Year 1 - LP Split of Cash Flow	\$95,348	\$95,348	\$95,348
Year 2 - LP Split of Cash Flow	\$81,864	\$81,864	\$81,864
Year 3 - LP Split of Cash Flow	\$68,517	\$68,517	\$68,517
Year 4 - LP Split of Cash Flow	\$55,307	\$55,307	\$55,307
Year 5 Payout - Sale Assumed	\$5,806,307	\$6,490,307	\$7,003,307
Internal Rate of Return (IRR)	15.9%	18.4%	20.1%

Year 5 Payout Breakdown	Low	Medium	High
Year 5 LP Cash Flow	\$117,359	\$117,359	\$117,359
Full Initial Investment	\$3,000,000	\$3,000,000	\$3,000,000
LP Split of Appreciation	\$3,420,000	\$4,140,000	\$4,680,000
LP Split of Disposition Costs	-\$669,000	-\$705,000	-\$732,000
Total Payout Year 5	\$5,868,359	\$6,552,359	\$7,065,359

DEFINITIONS

5 Year Return on Investment - Total 5 Year Return/Equity Investment expressed as a percentage. This is the total return over 5 years based on a simple interest calculation, is not compounded, and is not annualized.

Capital Multiplier - This term is used to measure how much an investment will grow for each dollar that is invested. For example, if a property's capital multiplier is 2, that means for each dollar invested, the investor should expect to get two dollars back.

Annualized ROI - Total 5 Year Return Investment divided by number of years invested, expressed as percentage. Example 100% over 5 years equals 20% annualized ROI.

IRR - Internal Rate of Return calculated using cash flow projections above.

Annual Cash-On-Cash - Calculated by dividing the net LP split of cash flows annually by the total amount of equity invested.

Cap Rate - Stabilized net operating income from one year of operations divided by the total purchase price of the real estate.

DSCR - Debt service coverage ratio, calculated by dividing the total annual net operating income by total annual mortgage payments.

RevPAR, or Revenue Per Available Room, is a key performance metric in the hospitality industry that is calculated by dividing a hotel's total guestroom revenue by the room count and the number of days in the period being measured, providing a measure of how well the hotel is filling its rooms and pricing them.

Example: \$36,500 annual revenue divided by 365 days = \$100 RevPAR
 or \$200 Average Daily Rate x 70% occupancy = \$140 RevAPR



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