“EXPERT SERIES” MONTHLY MEETUP — MARCH 2024

“Sources of Capital” with Judi Paré and Kyle Ford

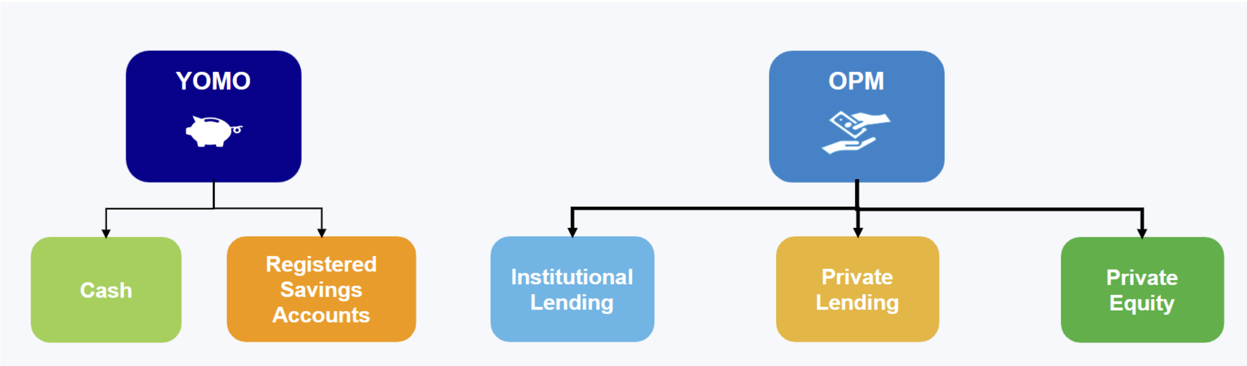
Introducing “Sources of Capital”

- Judi kicked off this Monthly Meetup session by sharing a story of how she needed to close on a property back in 2015, but at the very end, her investing partner pulled out of the deal. Judi had to get creative with different sources of capital and working closely with her mortgage broker at the time to be able to come up with the difference and close on the property.

Introducing Kyle Ford

- Kyle Ford, a mortgage broker and expert in capital sources, mortgages, and financing, provided valuable insights into institutional lending, private lending, and joint venture agreements during the event. With a wealth of experience in real estate investments, Kyle emphasized the importance of responsible financial management and the need for clear communication and transparency in capital sourcing and lending. His expertise and practical advice added significant value to the discussion on sources of capital.

Difference between YOMO and OPM



- YOMO refers to “your money”. This is money you own.
  - Could include cash and registered savings accounts.
- OPM refers to “other people’s money.”
  - OPM could include institutional lending, private lending, and private equity.

OPM: Institutional Lending

- Institutional type money can be big banks, B-lenders, credit unions, and mortgage investment corporations (MICs).

OPM: Private Lending

- Individual private lending is when one person lends money to another person.
- Group private lending occurs when multiple investors pool their money and syndicate together in order to fund the mortgage.

OPM: Private Equity

- Individual private equity. An example of this would be a joint venture investment. Perhaps two investors combine resources, one manages the property and does renovation while the other finances the investment.

- Group private equity, similar to group private lending is a group of investors combining together financially. In return, each investor has a proportionate equity stake in the investment. Each investor owns a portion of the deal.

Sources of Capital Worksheet

- Work on the “Sources of Capital” worksheet to start identifying different capital that you currently have access to.

Discussion

- The discussion delved into various sources of capital, including personal savings, family and friends, TFSA, corporate package, RSA, credit card convenience checks, and equity in properties. Kyle Ford, a mortgage broker, emphasized the importance of Holdco money from business owners as a source of capital and the responsibility involved in managing and raising funds.
- The event also included a breakout session where participants discussed their sources of capital and engaged in group discussions. Key takeaways from the event included the importance of responsible financial management, the significance of credit scores in obtaining favorable financing, and the need for clear disclosure and transparency in joint venture (JV) agreements. Judi Pare and Kyle Ford emphasized the importance of selecting JV partners wisely and highlighted the need for thorough due diligence when entering into JV agreements.
- In conclusion, the event provided valuable insights into real estate investment strategies, responsible financial stewardship, and the complexities of managing and raising capital in the real estate market, offering a comprehensive understanding of the risks and responsibilities involved in seeking and lending funds for investment purposes.