FREE INVESTOR GUIDE

The CMHC MLI Select *Investor Guide*

Everything you need to understand before acquiring a multi-family property in Edmonton — program mechanics, investor requirements, deposit math, and the full buying process, in plain language.

5%	50 yr	95%
AS LOW AS · DOWN	AMORTIZATION	UP TO · FINANCING

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01 What Is CMHC MLI Select?

PROGRAM OVERVIEW AND ENTRY MECHANICS

CMHC MLI Select (Multi-Unit Mortgage Loan Insurance Select) is a federal mortgage-insurance program that lets investors purchase new-build rental properties of 5+ units on significantly better financing terms than conventional lending. We consider the **6–10 plex** the optimal entry point for a first multi-family acquisition.

Instead of the 20–25% down payment required on conventional investment properties, MLI Select can reduce your entry cost to **as low as 5% down** on qualifying projects, while extending amortization to **50 years** — which lowers your monthly debt service and improves projected cash flow.

5%	50 yr	95%
AS LOW AS — MINIMUM DOWN, WHERE THE PROJECT CLEARS A 1.10 DSCR AT THAT LEVEL	EXTENDED AMORTIZATION	UP TO — CMHC FINANCING; TERMS APPLY, ACTUAL LTV CAN BE LOWER

WHY 50-YEAR AMORTIZATION MATTERS

Conventional investment-property amortization is capped at **30 years** (with 20% or more down). MLI Select unlocks 50 years. That extra 20 years stretches debt service across more time, freeing up meaningful monthly cash flow per asset. Across 5–6 assets, this can compound into significant passive income a conventional structure cannot achieve.

02 Why Edmonton

COMPARING ALBERTA TO ONTARIO / BC FOR MLI SELECT

CRITERION	ONTARIO / BC	EDMONTON, ALBERTA
MLI Select leverage at 5% down	Deposit pushed 2–4× higher	Fully accessible
Minimum down (MLI)	20–25% conventional	As low as 5% MLI Select
Amortization	30 years conventional	50 years
Provincial sales tax	13% HST (Ontario)	None
Land transfer tax	Up to 2% + Toronto LTT	None
Development charges	$50K–$130K per project	No Ontario-style development charges*
Property condition	Often 25+ yrs old, repairs required	Brand new, warranty included

** Alberta uses off-site levies typically absorbed into builder pricing.*

WHY THE LEVERAGE SHIFTS

MLI Select is open in every province — same program, same rules. The deposit is not fixed at 5%. CMHC raises the required down payment until the project clears a 1.10 DSCR. Ontario and BC prices run 2–3× Edmonton with similar rents, so CMHC pushes the deposit up — often 2× to 4× the Edmonton deposit. The program is open everywhere; the leverage advantage is what's closed in Ontario and BC.

WHY ALBERTA WORKS

Edmonton rents relative to purchase price produce a DSCR that supports **up to 95%** MLI Select financing at as low as 5% down. Properties are brand-new construction — covered under the Alberta New Home Warranty and built to CMHC specs, including separate utility meters for every unit. Edmonton is **among Canada's fastest-growing major cities** by population (2023–2024), with vacancy near 4% in target corridors.

03 Investor Requirements

WHO THIS IS FOR, AND WHAT'S NEEDED AT THE TABLE

CMHC MLI Select is open to Canadian borrowers — investors, developers, and property managers — acquiring 5+ unit residential properties. You do not need high personal income: CMHC assesses the loan primarily on the building's **Debt Service Coverage Ratio (DSCR of 1.10)** — the property's projected rental income must cover at least 110% of its debt. Offered inventory targets DSCR **1.15–1.27**, comfortably above the 1.10 minimum.

- ✓ **5% deposit** on hand at time of purchase — as low as 5% where the project clears a 1.10 DSCR.
- ✓ **~10% of project price in liquid reserve** — a CMHC verification requirement; it stays in your account.
- ✓ **Net worth of at least 25%** of total project cost (Canadian assets only).
- ✓ **Minimum 680 credit score** — documented landlord experience (a basement or secondary suite counts).

04 How the Deposit Math Works

CASH AT THE TABLE — 6-PLEX VS 8-PLEX

Deposits are 5% of the total purchase price. Closing costs (legal, title, adjustments) typically add **$8,000–$15,000** on top.

6-PLEX	8-PLEX
$80K–$90K	$110K–$125K
5% of $1.6M–$1.8M + $8K–$15K closing	5% of $2.25M–$2.45M + $8K–$15K closing

Cash-flow figures on the inventory page are **projected** pro-forma estimates, net of property-management fees. Actual results will vary. Consult your mortgage broker and accountant before any purchase decision.

05 What's Included with Every Property

INCLUSIONS NEGOTIATED WITH THE BUILDER AND BUILT INTO THE APS

Every available property in our inventory comes with a bundled package of inclusions — negotiated with the builder and written into the Agreement of Purchase and Sale.

- ✓ **Preferred mortgage broker partner**
  A vetted commercial mortgage specialist handles the MLI Select submission (broker is compensated by the lender).
- ✓ **Appliance package**
  Included in every unit.
- ✓ **Window coverings**
  Included in every unit.
- ✓ **Landscaping**
  Completed and included.
- ✓ **CMHC-compliant build**
  Separate utility meters for every unit, built to program specs.
- ✓ **Alberta New Home Warranty Program**
  Up to 10 years of structural coverage.
- ✓ **Property management partner**
  Licensed Edmonton property management available from completion.

Full terms, including these provisions, are outlined in the Agreement of Purchase and Sale.

06 The 9-Step Buying Process

FROM PRE-QUALIFICATION TO PROJECT COMPLETION

PHASE 1 — PRE-APPROVAL

1 **Pre-Qualification** — initial consultation to assess net worth, available capital, and goals, and confirm fit with MLI Select requirements.

2 **Allocation Request** — a worksheet is submitted to the builder on your behalf to formally request purchase allocation for your selected property.

3 **Due Diligence** — the preferred mortgage broker pre-qualifies both the investor and the project, reviewing projected cash flow and CMHC eligibility.

PHASE 2 — SECURE THE DEAL

4 **Lender Letter of Intent** — the lender issues a Letter of Intent outlining the mortgage terms and conditions before you commit.

5 **Deal Firmed** — the first deposit is submitted to the builder. The agreement is now conditional on project viability per the APS.

6 **CMHC Submission** — the full application package is submitted to CMHC. This stage typically takes 60–90 days for review and Certificate of Insurance (COI) issuance.

PHASE 3 — CLOSE & LAUNCH

7 **CMHC Acceptance** — CMHC accepts the project; your lawyer is introduced to begin preparation for closing.

8 **Pre-Leasing** — property management begins marketing and leasing units before completion. The goal is maximum occupancy at handover; actual tenancy levels will vary by project.

9 **Project Completion** — you close on the property, professionally managed under the 50-year amortization structure. Actual occupancy at closing depends on market conditions and project timing.

07 Key Risks to Understand

HONEST FRAMING OF WHAT CAN VARY

△ **CMHC approval is not guaranteed.** If the project is declined due to project viability, your deposit is returned per the APS. Review your specific agreement with your lawyer.

△ **Tenancy at closing is not guaranteed.** The goal is maximum occupancy at handover; actual tenancy will vary by project and market.

△ **Cash-flow figures are projections.** Actual returns depend on occupancy, rents, expenses, and financing terms at close. Past performance does not predict future results.

△ **CMHC program terms may change.** Eligibility criteria, LTV, amortization, and rates are subject to change at CMHC's discretion. Verify current terms with your mortgage broker.

NEXT STEP

Book Your Discovery Call

A 30-minute discovery call is where we match your available capital to the right property, walk through the current pro-forma, and build your acquisition timeline. No cost. No obligation.

BOOK YOUR DISCOVERY CALL 416-200-7010 sales@teamsarhadi.com