122–124 COBOURG STREET

Investment Opportunity Brief

14-Unit CMHC-Financed Multifamily Asset | Ottawa (Lowertown / Sandy Hill)

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Revised April 2026

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Executive Snapshot

Property Overview

Asking Price: $3,999,000

Asset Type: Two adjacent 7-unit apartment buildings (14 residential units total) on one title

Location: 122–124 Cobourg Street, Lower Town / Sandy Hill, Ottawa, Ontario K1N 8H1

Zoning: R5C H(18) F(2.0) – high-density residential with intensification potential

Lot Size: 65 ft frontage × 165.66 ft depth

Year Built: Per MPAC records (confirm exact year); major systems and envelope renewed within the last decade

Financial Summary

In-Place Gross Income: $311,995.80

In-Place NOI: $205,050.33

Pro-Forma Gross Income (Optimized): $328,496.40

Pro-Forma NOI (Optimized): $230,752.03

Annual NOI Uplift: $25,701.70 (12.53% increase)

Estimated Capex to Optimize: ~$60,000 (primarily cosmetic suite improvements; estimate for planning purposes, buyer to verify)

Insurance-Funded Restoration: A December 2025 water-damage claim at unit 124-1 is being handled by insurance; restoration is underway at no capital cost to ownership.

Financing in Place

CMHC MLI Select-Insured Mortgage: Certificate #30354064

Net Housing Loan Amount: $2,923,800.00

Total Insured Loan: $3,000,456.90 (includes insurance premium and application fee)

Maximum Interest Rate: 4.50%

Initial Term: 5 years (minimum)

Amortization: 40 years

Lender: KingSett Capital (serviced by First National Financial LP)

Assumable: Subject to lender and CMHC approval

Certificate: Supporting CMHC Certificate of Insurance included in the due-diligence package.

Location Highlights

- Steps to ByWard Market, Rideau Centre, University of Ottawa, Parliament Hill and federal employment hubs.
- Directly across from MacDonald Gardens Park with mature trees and active transportation routes.
- Walk Score: 97 (Walker's Paradise)
- Transit Score: 10/10 (Excellent Transit)
- Bike Score: 9/10 (Very Bikeable)

> *122–124 Cobourg offers investors rare scale in Ottawa's urban core, combining stabilized in-place income, CMHC-insured long-amortization debt, and a clear, low-disruption path to higher NOI through selective renovations and rent mark-to-market.*

Investment Highlights

A. Institutional-Scale 14-Unit Portfolio on One Title

Two neighboring 7-unit walk-up buildings operated as a single asset, simplifying management, financing, tax administration, and future exit strategies. This configuration provides immediate scale for private capital or family-office investors while maintaining the operational simplicity and lower regulatory burden of non-portfolio multifamily ownership.

B. Prime Urban Core Location with Park Views and Exceptional Walkability

Situated in historic Lowertown / Sandy Hill, 122–124 Cobourg sits minutes from the ByWard Market, Rideau Centre, University of Ottawa, and key federal offices, with direct access to LRT, bus rapid transit, cycling infrastructure, and neighborhood amenities. The property fronts MacDonald Gardens Park, giving many units light, air, and green views that are increasingly difficult to replicate in denser urban corridors.

With a Walk Score of 97 (Walker's Paradise), Transit Score of 10/10, and Bike Score of 9/10, the asset appeals to students, young professionals, and public-sector workers seeking a car-optional lifestyle — demographics that drive sustained rental demand across economic cycles in Ottawa's core.

C. Stabilized Operations with Limited Near-Term Capital Exposure

Building systems, roofs, windows, and exterior components have been renewed within approximately the last decade, significantly reducing surprise capital-expenditure risk. Electrical systems have been upgraded and efficient electric heat pumps installed, with utilities largely separated by unit to support expense recovery and tenant appeal. This capital-light profile allows buyers to focus investment dollars on high-return interior improvements rather than unpredictable structural or mechanical work.

D. Insurance-Funded Restoration

In December 2025, a plumbing-line blockage caused water damage affecting unit 124-1 and the unit below. The claim is being handled through the property's insurer, with restoration underway at no capital cost to ownership — demonstrating appropriate coverage and responsive management. The unit is being returned to service, and supporting documentation is available in the due-diligence package. Separately, unit 124-7 offers a cosmetic refresh opportunity at turnover with potential to add a bedroom and bathroom via floor-plan expansion, supporting a rent reset to approximately $1,700/month.

E. Documented Unit-by-Unit Upside with Clear Business Plan

The seller's detailed rent roll identifies units at market, modestly below market, and significantly below market, along with specific cosmetic scope (paint, kitchen refresh, bath updates, flooring replacement) for each suite. Implementing this plan is expected to require approximately $60,000 in targeted improvements across units and common areas (estimate for planning purposes only; buyers should complete their own due diligence). This granular roadmap enables buyers to underwrite NOI growth with precision, managing turnover sequencing and renovation scope on a suite-by-suite basis rather than committing to large-scale construction campaigns.

F. CMHC MLI Select-Insured Financing Enhances Cash Flow and Reduces Risk

The property benefits from a first-rank CMHC-insured loan (Certificate #30354064) with a Net Loan Amount of $2,923,800, total insured amount of $3,000,456.90, maximum 4.50% interest rate, 5-year minimum initial term, and 40-year amortization. This structure significantly enhances debt-service coverage ratio (DSCR) and cash-on-cash returns versus conventional financing available in today's market. Qualified buyers may seek approval to assume this financing (subject to lender and CMHC approval), effectively stepping into institutional-grade, ESG-aligned debt that would be challenging and costly to arrange independently.

G. Defensive, Future-Proof Profile Aligned with Policy-Driven Housing Demand

R5C H(18) F(2.0) zoning supports the existing 14-unit configuration while positioning the property for potential long-term intensification or rear-yard infill opportunities. CMHC's MLI Select program emphasizes energy efficiency and housing affordability, reinforcing the asset's alignment with federal and municipal housing policy priorities. As Ottawa continues to densify its core neighborhoods and prioritize transit-oriented development, stabilized, well-located multifamily assets like 122–124 Cobourg are increasingly scarce and strategically valuable.

H. Energy Efficiency & ESG Alignment

The property qualified for CMHC MLI Select financing through an independently prepared energy study demonstrating approximately 40.6% projected energy reduction and a 61.8% reduction in greenhouse-gas emissions following the completed upgrades. This performance underpins the asset's access to CMHC-insured, long-amortization debt and aligns the property with federal and municipal decarbonization priorities. The supporting energy reports are included in the due-diligence package.

Location & Lifestyle: The Lowertown / Sandy Hill Advantage

A. Walkable Urban Living in Ottawa's Historic Core

Located in Ottawa's Lower Town / Sandy Hill corridor, 122–124 Cobourg sits within a short walk of the ByWard Market, Rideau Centre, University of Ottawa, and multiple federal office complexes, placing residents at the intersection of education, government employment, entertainment, and urban amenities. The property fronts MacDonald Gardens Park, a mature green space with walking paths, open lawn, and seasonal programming, and is steps from transit routes (LRT Confederation Line and OC Transpo bus network) and protected cycling infrastructure along the Rideau Canal and downtown bridges.

B. Walkability & Transit Metrics

Metric	Score	Description
Walk Score	97/100	Walker's Paradise – daily errands do not require a car
Transit Score	10/10	Excellent Transit – rapid transit and bus lines nearby
Bike Score	9/10	Very Bikeable – biking is convenient for most trips

C. Neighborhood Amenities & Context

Distances below are given as combined walking and cycling times, consistent with the property's Walk Score of 97 and Bike Score of 9/10.

- **ByWard Market:** 5-min walk – farmers market, restaurants, nightlife, retail
- **Rideau Centre:** 8-min walk / 6-min bike – major shopping mall
- **University of Ottawa:** 10-min walk / 5-min bike – 40,000+ students, major employment anchor
- **Parliament Hill & Federal Offices:** 15-min walk / 11-min bike – 130,000+ federal employees downtown
- **LRT Rideau Station:** 9-min walk / 5-min bike – east-west rapid transit line
- **Rideau Canal & bike paths:** Adjacent – UNESCO World Heritage Site, year-round active transportation

D. Market Context: Lowertown / Sandy Hill in 2026

Lowertown and Sandy Hill have experienced steady gentrification and reinvestment over the past decade, supported by proximity to employment, transit expansion, and municipal intensification policies. Sandy Hill maintains a 74% renter population, driven by University of Ottawa enrollment and young-professional demand, while Lowertown attracts government workers and urban-lifestyle seekers.

Recent market dynamics (Q4 2025 – Q1 2026) have seen Ottawa-wide rental vacancy rise modestly to approximately 3.5–3.8% as new purpose-built supply entered the market and international-student inflows moderated. Average asking rents in Ottawa declined approximately 4.8% year-over-year to $2,107 as of January 2026, reflecting softness in newer, higher-priced inventory. For 122–124 Cobourg, the combination of prime location, modest in-place rents, and documented mark-to-market opportunity positions the asset to outperform both newer, higher-priced product and peripheral locations as the market rebalances.

Financial Performance & Upside Analysis

In-Place Performance (2025 Actual)

Operating results based on actual financial statements and current in-place leases provided by the seller:

Revenue & Expense Item	2025 In-Place ($)
Gross Scheduled Income	311,995.80
Less: Vacancy Allowance (3%)	(9,359.87)
Effective Gross Income	**302,635.93**
Operating Expenses:	
Property Taxes	34,765.56
Insurance	18,896.16
Management (5% of EGI)	15,131.80
Gas	3,684.00
Snow Removal	2,090.40
Waste Management	1,057.68
Hydro (common + landlord-paid units)	16,056.00
Water	5,904.00
Total Operating Expenses	**97,585.60**
Net Operating Income (In-Place)	**205,050.33**

The in-place NOI of $205,050.33 supports the existing CMHC-insured mortgage and provides comfortable debt-service coverage. The asset is stabilized, with minimal deferred maintenance and strong tenant retention driven by location quality and competitive in-place rents.

Optimized Performance (Pro-Forma Post-Renovation)

Applying the seller's documented optimized rent targets to under-market suites and reflecting executed hydro pass-through to applicable units:

Revenue & Expense Item	Optimized ($)	Notes
Gross Scheduled Income (Optimized)	328,496.40	Mark-to-market on 5 submarket units
Less: Vacancy Allowance (3%)	(9,854.89)	
Effective Gross Income	**318,641.51**	

Operating Expenses (normalized)	Optimized ($)	Notes
Property Taxes	34,765.56	
Insurance	18,896.16	
Management (5% of EGI)	15,932.08	
Gas	4,443.60	
Snow Removal	2,090.40	
Waste Management	1,057.68	
Hydro (post pass-through)	4,800.00	Per executed lease amendments
Water	5,904.00	
Total Operating Expenses	**87,889.48**	
Net Operating Income (Optimized)	**230,752.03**	

NOI Uplift: $230,752.03 – $205,050.33 = $25,701.70 annually (12.53% increase). Estimated capital investment of approximately $60,000 (primarily cosmetic suite-level improvements). This estimate is for planning purposes only; buyers should complete independent due diligence and obtain contractor quotes.

Illustrative Value Creation Analysis

Assuming a 5.0% capitalization rate for illustrative purposes (buyers should apply their own underwriting assumptions):

Scenario	NOI ($)	Implied Value at 5.0% Cap ($)
In-Place NOI (2025)	205,050.33	4,101,007
Optimized NOI (Post-Renovation)	230,752.03	4,615,041
NOI Uplift / Value Creation	**+25,701.70**	**+514,034**

This implies approximately $514,034 of incremental asset value created through a $60,000 capital investment — an 8.57x multiple on invested capital before considering time value, financing benefits, or tax advantages.

For reference, at the $3,999,000 asking price the going-in capitalization rate is approximately 5.13% on in-place NOI and approximately 5.77% on optimized NOI. Buyers should apply their own cap-rate, financing, and return assumptions.

Financing, Risk & Mitigation

Assumable CMHC MLI Select-Insured Mortgage

Term	Detail
CMHC Certificate Number	30354064
Lender	KingSett Capital (serviced by First National Financial LP)
Mortgage Number	580297
Borrower	15877440 Canada Inc.
Committed / Original Principal	$3,000,456.90
Principal Balance (as of June 1, 2026)	$2,943,806.90
Interest Rate	4.500%
Blended Monthly P&I	$13,408.78
Term	5 years (matures June 1, 2029)
Amortization	40 years
Funding Date	May 21, 2024
Assumability	Subject to lender and CMHC approval

The existing loan offers long-amortization, low-rate debt (4.500%, 40-year amortization) that enhances cash-on-cash returns and cushions interest-rate volatility over the hold period. The current five-year term matures June 1, 2029, with a principal balance of approximately $2,943,806.90 as of June 1, 2026. Purchasers may seek approval to assume this financing, avoiding the time, cost, and uncertainty of arranging new debt in the current environment. Supporting mortgage documentation and the CMHC Certificate of Insurance are included in the due-diligence package.

Key Risks & Mitigation Strategies

Risk	Mitigation
Tenant Concentration & Turnover	Highly desirable location (Walk Score 97), proximity to University of Ottawa and federal offices, and quality park-facing units support sustained demand across renter segments. Historically low vacancy in this micro-location.
Capital Expenditure & Building Condition	Major exterior components and building systems renewed within the last decade. Remaining planned work focuses on discrete, revenue-generating interior upgrades. Buyers should complete an independent building-condition assessment.
Financing & Interest-Rate Environment	CMHC MLI Select-insured mortgage with maximum 4.50% rate and 40-year amortization reduces refinancing risk and supports resilient DSCR. Assumable financing further mitigates rate exposure.

Market Softness & Rent Growth	In-place rents are modest relative to market, providing downside protection. Core, transit-accessible, park-facing location positions the asset to outperform newer, peripheral inventory.
Regulatory & Zoning Risk	Property conforms with R5C H(18) F(2.0) zoning. CMHC due diligence confirmed appropriate use, environmental compliance, and title clarity as part of MLI Select approval. Buyer should consult legal counsel on the regulatory environment.

Environmental & Title Considerations

As a condition of CMHC MLI Select insurance, the lender obtained and reviewed an Environmental Site Assessment (ESA) report confirming compliance with CMHC environmental policies. The property has been underwritten by CMHC with confirmation of good and marketable title, appropriate zoning, and priority ranking of the first-rank mortgage. Buyers are encouraged to conduct independent environmental, title, and legal due diligence.

Unit Mix & Rent Roll Summary

The property comprises 14 residential units across two adjacent buildings (122 Cobourg: 7 units; 124 Cobourg: 7 units). Lease-end dates shown as “M2M” denote long-term tenancies now on month-to-month overholding under Ontario's Residential Tenancies Act.

122 Cobourg Street (7 Units)

Unit	BR	Current ($/mo)	Optimized ($/mo)	Park	Status / Notes
122-1	3	2,500.00	2,500.00	0	Occupied — kitchen refresh + paint at turnover
122-2	1	1,775.00	1,775.00	1	Turning over — strong leasing demand at re-lease
122-3	2	1,900.00	1,900.00	0	New tenants May 2025 — turnkey
122-4	1+1	1,975.00	1,975.00	1	Fully renovated (M2M)
122-5	3	2,500.00	2,500.00	0	Recently leased at $2,500 — fully renovated
122-6	2	1,123.00	1,650.00	0	Long-term tenant (M2M) — renovation unlocks +$527/mo
122-7	3	2,350.00	2,500.00	0	Rent reset to $2,500 at turnover (+$150/mo)

122 Cobourg current monthly total: $14,123.00 · optimized: $14,800.00 · upside: +$677.00.

124 Cobourg Street (7 Units)

Unit	BR	Current ($/mo)	Optimized ($/mo)	Park	Status / Notes
124-1	1	1,454.40	1,600.00	0	Portion of rent municipally subsidized (details on request); Dec 2025 water-damage restoration underway
124-2	2	1,975.00	1,975.00	1	Fully renovated; seasonal rent credits for tenant-provided services (net terms on request)
124-3	1+1	1,554.00	1,800.00	2	8-yr tenants (M2M) — refresh unlocks +$246/mo
124-4	2	1,684.70	1,684.70	0	No work required
124-5	2	1,900.00	1,900.00	1	No work required
124-6	2	1,815.00	1,815.00	2	M2M — light kitchen/bath refresh at turnover
124-7	1	1,393.55	1,700.00	0	Cosmetic refresh at turnover; potential floor-plan expansion (add BR/bath)

124 Cobourg current monthly total: $11,776.65 · optimized: $12,474.70 · upside: +$698.05.

Key Observations

- **Mix:** 3 × 1-bedroom, 2 × 1+1-bedroom, 6 × 2-bedroom, 3 × 3-bedroom.
- **Parking:** Six units include on-site parking (122-2, 122-4, 124-2, 124-3, 124-5, 124-6), a premium feature in downtown Ottawa.
- **Condition:** Approximately 50% of units are at or near market rents following recent renovations; the remainder represent identifiable mark-to-market upside with defined scope.
- **Insurance-Funded Restoration:** A December 2025 water-damage claim at unit 124-1 is being handled by insurance; restoration is underway at no capital cost to ownership.

Portfolio grand total: current $25,999.65/mo ($311,995.80/yr); optimized $27,374.70/mo ($328,496.40/yr); monthly upside $1,375.05 (including $100/mo coin-op laundry income).

Important Disclaimers & Buyer Due Diligence

Information Sources & Verification

This Investment Opportunity Brief has been prepared by Marc Papineau, Salesperson with eXp Realty, Brokerage, based on information provided by the seller, publicly available data, and third-party market research. While every effort has been made to ensure accuracy, prospective buyers are encouraged to conduct independent due diligence and verification of all information contained herein. Supporting documentation is available upon request.

No Representations or Warranties

The seller and listing brokerage make no representations or warranties regarding the accuracy, completeness, or suitability of this information for any particular purpose. Financial projections, pro-forma analyses, and market assumptions are provided for illustrative purposes only and should not be relied upon as predictions of future performance.

Buyer Responsibilities

- Engage qualified legal counsel to review title, zoning, environmental reports, and CMHC financing documents.
- Retain a licensed building inspector or engineer to assess property condition and identify capital requirements.
- Conduct independent financial underwriting, including verification of rent roll, operating expenses, and pro-forma assumptions.
- Verify all in-place rents, the status of the December 2025 insurance claim, and operating expenses against source documents.
- Consult qualified tax and accounting advisors regarding acquisition structure, financing, and tax implications.
- Obtain an independent appraisal and market-rent analysis from qualified professionals.
- Review all CMHC MLI Select program requirements and mortgage-assumption criteria with the lender.

CMHC Mortgage Assumption

Assumption of the existing CMHC MLI Select-insured mortgage is subject to approval by KingSett Capital (serviced by First National Financial LP) and CMHC, and may require satisfaction of lender credit, income, net-worth, and experience criteria. Buyers should engage directly with the lender early in the acquisition process.

Contact Information

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Property: 122–124 Cobourg Street, Ottawa, Ontario K1N 8H1 · Listing Price: $3,999,000