



Altyn Equities
professional real estate investment

Investor Update June 2, 2016

Greetings investors. 2016 has been a busy one so far with the acquisition of our latest asset, Chaben Place a 24 suite building near U of S in Saskatoon, Saskatchewan. We have faced some challenges in the past 6 months but so far we are being proactive and weathering the storm. Rents are down in Edmonton by about \$100 per suite on renewals, as the economy is being hit hard, unemployment and vacancy are up, oil prices still low with no end in sight to when things will turn around. It is a good time to carefully tend to the assets we have, as well as an excellent time to pick up new ones.

Chaben Place 3609 Chaben Place Saskatoon - 24 suites

We took over this terrific asset March of 2016. The building is in an excellent location and consists of 17 two bedroom units, near shopping, transit, and university. The market in Saskatoon is similar to Edmonton, with higher vacancy and competition however seems to be faring better than Alberta thus far. We have begun some modest improvements. We secured a good 5-year mortgage at 3.4% and we are fully on target to achieve our 50% to 80% or better investor ROI by renewal in 2021.



Beaumont Place - 4902 50th Ave, Beaumont AB - 3 story concrete mixed res/commercial

We are now into 18 months into the ownership of this asset and things are going very well. We hired a new onsite manager, and have the building is fully leased. We had a major flood in one unit on the top floor, resulting in large damage however the insurance company has been helpful in rectifying the issues and we are nearly ready to renovate the suite. We are adding a commercial sign package and exterior facelift to enhance the project in 2016 focusing on keeping our tenants long term, and adding beauty and curb appeal. Even if we had to sell this project in today's down market, we would easily obtain our projected investor return. plan is to hold until 2017 and then decide whether to sell or refinance.



Plazaview Manor - 11835 103rd Street Edmonton, AB (NAIT building) 15 suites

Plazaview has been a very stable and solid asset for us since September of 2012. We are nearing crunch time on whether to sell or refinance in 2017 however with the state of the economy it is not a good time to sell. We are currently renewing long term leases and maintaining the project. We have had some pest control and plumbing issues, but those have since been rectified. Plazaview is nearing the exit ROI and we will decide in the coming months on the course of action.



Buildings targeted for acquisition

There is a lot for sale, with not many motivated vendors. Typically, since 80% of the profit is made on purchase date and I like to buy buildings I can improve immediately, get the cash flow up and create substantial value very quickly. It is tougher to do in a declining rent market however I strongly believe in the fundamentals of Alberta and Saskatchewan both in the short and long term. It is still very doable to double investor return in 5 years or less if one is cautious and meticulous and ready to act.

Edmonton

Edmonton remains my favorite place for investment, and where most of my team is located. I have inroads and connections to many properties. Over the past 3 months I have had about 25 reasonable listings come across my desk and have viewed 6 buildings with potential however the right fit has not yet materialized.

Saskatoon

A close second is Saskatoon, which has amazing growth potential both short and long term. It is my home turf and a market I am very familiar with for more than 15 years. We have made inroads into this market and have caught the attention of local investors and realtors, and have had many listings sent to me, some of which are private. It is a smaller market with very few buildings changing hands. I have viewed 4 projects in the past few months there as well, however the right fit has not arrived as of yet.

In conclusion, I remain steadfast, patient, yet persistent in this hunt and it is a strategy that has worked well for me, and will continue to do so. I appreciate your time in reading this and I would love to hear from you if you require additional info on how I can assist you in reaching your goals. Whether you're an active or passive investor, there remains tremendous opportunity to learn and grow, and generate excellent returns.

Have a great summer and happy investing!

Cory Sperle