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Mezzanine Mortgage Fund

BCI finances higher risk fixed-term and/or construction mortgages on Canadian commercial and multi-family residential properties through our Mezzanine Fund. The risk factors that are evaluated include those listed for the Fixed-Term and Construction Funds.

Mezzanine mortgages may provide a high loan-to-value or specialized sources of financing. In exchange for the higher levels of risk associated with mortgages of this nature, the Mezzanine Fund requires additional compensation and/or additional security provisions. As such, mortgage terms and security may vary based on the unique circumstances of the investment.

CONTACT BCI FOR COMMERCIAL MORTGAGE LENDING

SECURITY

- Second or third mortgages
- Equity participation mortgages
- Directly or indirectly, units/shares in Canadian mortgage trusts, mortgage funds, limited partnerships, co-investment agreements, and parallel investment agreements where the underlying assets comply with the Mezzanine Fund’s investment policies

ASSET TYPES

- Hotels
- Industrial
- Multi-family residential (including condominium projects)
- Office
- Retail
- Seniors housing

TERMS

Typically one to five years

INTEREST RATES

Mezzanine mortgages can have fixed or floating interest rates. The size of risk premium varies based on factors specific to each project. BCI’s portfolio managers utilize a multi-factor risk rating model to assess risk levels of individual investment opportunities. The risk factors that are evaluated include: location; structure quality; tenant financial strength (preleasing levels) and/or pre-sale amount; borrower and covenantor’s financial strength; loan-to-value level; loan-to-cost level; debt servicing ability; developer’s experience.

LOAN SIZE

Typical range \$5,000,000 to \$50,000,000

PRE-FUNDING CONDITIONS

The Mezzanine Fund only provides construction financing to experienced developers and utilizes qualified quantity surveyors to oversee development progress. The Mezzanine Fund also requires significant pre-sales and/or pre-leasing levels for the project, as well as sufficient profit margin levels. No mortgages will be funded without a property inspection, current market appraisal, geotechnical inspection report and environmental audit.

RETURN TO MORTGAGES



MANAGING RISK

Risk management is integral to our fiduciary role. It’s the process in which we identify, evaluate, control, monitor and communicate risks and opportunities.



PERFORMANCE

We work in our clients’ best financial interests and are committed to delivering investment returns that help our clients build a financially secure future.



PORTFOLIO OVERVIEW

We manage \$135.5 billion on behalf of our clients. Our global, diversified portfolio spans the asset classes.

WHO WE ARE

Our Clients

Governance

Board of Directors

Executive Management

OUR APPROACH

Investment Beliefs

Responsible Investing

Proxy Voting Record

Advocacy

INVESTMENTS

Performance

Portfolio [+]

Pooled Funds

PUBLICATIONS

2016-2017 Corporate Annual Report

2016 Responsible Investing Annual Report

Media

Publications Archive