

Pensio Group

Property Risk Management



All About Us

Pensio Property Management Group Inc.

Pensio is a Property Risk Management Rent Guarantee services company focused on providing the residential rental owner and property management industry with streamlined rental management risk services supported by ground breaking rent guarantees. The Pensio Risk Management System means simply; the rent is guaranteed.

Pensio is a participating member of Rentalis Insurance Company, Inc., a protected cell captive reinsured by reinsurers rated AM Best A or better

pensio.com

Rentalis Insurance Company, Inc.

Rentalis fully transfers, or syndicates bond risk to companies rated AM Best A or Better who specialize in reinsuring commercial, and contract surety. Rentalis was formed as part of an ongoing captive insurance strategy that Rentalis identified as an underserved non-standard segment of the residential rental market and unique stay vacation property industry.

rentalis.com



Make renting better

Pensio Rent Guarantee Solutions

The Pensio Property Risk Management Services rent guarantee programs are uniquely designed and positioned to benefit our diverse client groups which include developers, investor-buyers, lenders, existing owners, property managers, and tenants.

Pensio is built on the foundation of core principles: Our client always receives one hundred percent of their rent paid each month, Integrity and High Ethical Standards, Focus on the Numbers, and a Passion to Make Renting Better.

Pensio Team members embody and apply these principles while serving our clients. Team members build and foster a culture of best practices that clients can trust. Clients can expect from Pensio a commitment to excellent work at every level of the organization and in all aspects of client interaction. When serving clients with complex transactional, personal and financial needs,

Pensio team members take extreme care in understanding and properly conveying the fundamental implications of the uniquely different Pensio strategies and programs. Crucially, at Pensio, the client is the most important part of the team. Satisfying our client's needs based on these foundational principles is Pensio's primary goal. Pensio is anchored by several core programs:

- Pensio Tenant Eviction Management Services
- Pensio Property Risk Management Rent Guarantee Services for Owners and Property Managers
- Pensio Tenants Association

The Pensio difference

Our rigorous analytical process combined with a deep respect for the numbers are used as a baseline to drive our Pensio core management programs. We provide an entrepreneurial approach to solutions that relies on innovative and customized thinking.

We are able to leverage our analytical and underwriting strengths with decision makers. We are a participating member of Rentalis Insurance Company, Inc., a protected cell captive reinsured by reinsurers rated AM Best A or better.

Our Tenant Eviction Management Services and Property Risk Management Rent Guarantee Services for Owners and Property Managers are secured by a Rent Payment Contract Bond insured by Rentalis Insurance Company, Inc.

Pensio Management means **putting you first!**

Pensio innovation

Pensio has developed key underwriting risk modeling to predict market trends and maximize results.

Pre-construction unit optimization

Pensio's new build team provides key market facts to optimize unit design and maximize sales results.

Pensio clients

Tenant Risk Management Services:

- Owners
- Property Managers
- Tenants

Property Risk Management Services:

- Property Managers
- Developer/Owner
- Investor/Lenders



Tenant Eviction Services

This program is an eviction services tenant management program that guarantees existing tenant rent, and payment of any negligent and wilful tenant damage court order or tribunal order. No more chasing! Pensio works side by side with an owner's self-managed rental properties and property management companies.

Tenant eviction management services means:

You shall be reimbursed for unpaid rent to a maximum of 12 months for any unit, commencing 30 days following receipt of a valid notice. Due and payable up to a maximum period of ninety (90) days from the date of eviction completed by Pensio.

The maximum annual rent reimbursement to be paid by Pensio shall not exceed Sixty Thousand Dollars (\$60,000) in any on Year for any one rental property.

Negligent or willful tenant damage reimbursement

In the event the legal and approved occupants negligently or wilfully damage your rental property, Pensio's legal team will file a claim on your behalf file a claim with a recognized provincial court or rent tribunal. In the event of an order by the court or rent

tribunal ordering the tenant to pay, Pensio will reimburse the owner within 30 days in the event the tenant fails to pay as ordered. The maximum tenant damage reimbursement shall not exceed Ten thousand dollars (\$10,000) in any one Year for any one rental property.

Eviction and collection

You agree to retain at no cost, the Pensio eviction team to represent You in court or at a rent tribunal hearing in respect of a tenant rent default or negligent and willful tenant damage event.

Pensio will be the exclusive agent to act on Your behalf to evict Your tenant and collect unpaid rent, or court ordered tenant damages.

You may, at any time at Your own expense, assume direct responsibility for the eviction and collection services from Pensio subject to You reimbursing Pensio.

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Pensio believes that renting should be as empowering and rewarding as home ownership

Learn more at pensio.ca

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Property Risk Management

Rent guarantees services for owners and property managers. Pensio provides owners and property management companies with an integrated rent guarantee program.

How does Pensio Risk Management Rent Guarantee service work for investor buyers?

The owner enters into a full service five year property management agreement with a Pensio approved Property Manager. Pensio pays:

- guaranteed rent amount on the last day of each month for 60 months to the owner regardless of whether the property is rented, vacant or the tenant is in default
- for any negligent or willful tenant damage
- for all eviction fees

Owner pays

An Owner is still required to pay property management fees, property repairs, maintenance, appliance repair or replacement not covered under warranty, property tax, and liability insurance covering the property.

Rent payment contract bond

The Pensio Property Management Agreement rent guarantees are secured by a Rent Payment Contract Bond insured by Rentalis Insurance Company, Inc. Pensio is a participating member of Rentalis Insurance Company, Inc., a protected cell captive reinsured by reinsurers rated AM Best A or better.

Pre-construction new build developments

Developers and sales and marketing teams can offer this as an optional program for investor-buyers. This program has been proven to be a successful sales velocity benefit for investor-buyer decision making, resulting in sales.

Learn more at pensio.com

Renting re-imagined!

There are 4.5 million renter households in Canada. 18% of those renter households spend more than 50% of their gross household income on rent. 25% of all renter households make less than \$20,000 per year. Tenants pay more than \$57 Billion Dollars annually.

Renting can be rewarding and challenging

Pensio Tenants Canada Corp. was organized for families wanting support, education, services and rent benefits. Pensio recognized that good tenants face unexpected life challenges out of their control. Job loss and disability affecting their ability to work and pay rent.

Pensio has organized, developed and launched in 2019 the Pensio Tenants Canada Corp. Enrolled tenants can access comprehensive services and be eligible to receive tenant rent guarantees that pay a tenant's rent for up to 12 months.

Services include:

- Rental market reports
- Members Community
- CyberSafe risk assessment tool
- Legal review for new leases and eviction notices
- Guaranteed emergency rent loans
- Monthly newsletters educating tenants

Rent Guarantees pay an eligible tenant's rent for up to 12 months in the event of:

- involuntary job loss, or
- total or partial disability that does not allow the tenant to be employed.

The monthly Association fees are paid by the tenant. The landlord can opt to pay the Association fees in lieu of a tenant. Tenant rent guarantee demands are administered by Benecaid, an April Company.

Learn more at pensiotenants.ca





Pensio Purchase Power Deposit Guarantee

A low cost alternative to cash deposits when buying a pre-construction home, rental investment property or resale home.

A Purchase Power Deposit Guarantee acts as a replacement for the cash deposit required by the seller when making an offer to buy real estate. It acts as a guarantee of the deposit payment. At closing, the purchaser simply pays the full purchase price to the seller including the deposit guarantee amount. If you pay 5% of your deposit in cash and are required to place a larger deposit, Purchase Power Deposit Guarantees can be issued for part of the additional deposit amount required, up to 20% of the purchase price.

Pensio Purchase Power (Canada) Corporation is a participating member of Talisman Casualty Insurance Company, LLC, a protected cell captive, reinsured by reinsurers rated AM Best A or better.

How it works

- Buyer enters into a property purchase agreement with Seller with deposit options.
- Buyer must pay a minimum 5% down payment to be eligible.
- Buyer makes decision to either pay remaining down payment in cash or use the Purchase Power Deposit Guarantee

option. Purchase Power Deposit Guarantee can contribute upon approval up to 20% of the purchase price or up to a maximum of \$500,000.

- Buyer registers an account with Purchase Power Deposit Guarantee and completes the application subject to approval.
- Purchase Power will review, and in most cases, approve the Buyer's application within 24 hours of receipt.
- Upon document verification and notice of approval from Purchase Power, the Buyer must pay the program fee online.
- The Purchase Power Deposit Guarantee certificate is issued to the Buyer and Seller.
- On Closing, if the Buyer successfully closes their property purchase, the Purchase Power Deposit Guarantee will expire on the same date.
- In the event the Buyer fails to close, then the Seller's solicitor must provide notice to Purchase Power.
- Upon notice, Pensio Purchase Power will within five business days pay the Seller's Purchase Power Deposit Guarantee Amount directly to the Seller's lawyer.

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A low cost replacement for cash deposits to buy your new home

Learn more at pensiomangement.ca

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Risk Management Alternative Risk Strategy

Pensio dedicates significant time to internal technical and fundamental rental market analysis prior to engaging with a developer client. We utilize that analysis in order to formulate our review of executable outcomes that we share with our clients, their investors, and lenders. Investors and lenders are then able to evaluate transactional terms based on alternative risk transfer strategies.

Property and economic cycles manage the finance and wider residential property development industry. The Canadian rental market is greatly influencing key Canadian property development markets. Canada's average rental rates could increase by 6% year over year on a national basis.

In Toronto, rental prices have surged 11%, while climbing 9% in Ottawa. Government intervention in the City of Vancouver's real estate market appear to be stabilizing rent increases, although the greater Vancouver area is experiencing significant rental income growth pushing rents upwards by 7% last year.

Slowing pre-sales, delivery and completion timeline failures are affecting the entire development industry in Canada. The high cost of real estate in Canadian major cities is encouraging millennials to rent instead of owning, negatively impacting home-ownership rates and end-user sales.

At 30 years old, 50.2% of millennials own homes versus 55% of baby boomers at the same age resulting in falling home buyer demand. As of 2018, 30% of all residential condominium properties in Toronto are owned by investor-buyers.

This national housing change has adversely affected development financing based on a pre-sale risk management finance strategy.

Development finance market overview

Relatively thin local markets are drying up due to the high volumes of supply entering the market. Decreased liquidity as Schedule A lenders reduce gearing from 80% of TDC to 75% and 70%.

Increased pre-sales hurdles are now routinely being demanded by lenders. Qualifying sales hurdles are now at 100% debt cover, up from 80% or less. Increased holding costs resulting from delays created by an inability to bring a project to market.

Difficultly settling existing pre-sales due to valuation write downs and the purchaser's inability to obtain financing. Primarily, the current onerous pre-sale conditions that lenders typically require can actually have an adverse effect on the bot-tom-line profitability and the real post-construction delivery value of a property.

Developers at the costly mezzanine financing stage are increasingly having to drop prices and pay higher commissions to agents in order to meet pre-sale demands in what is now a changing market.



“ Before you start trying to work out which direction the property market is headed, you should be aware that there are markets within markets ”

— Paul Clitheroe

The alternate risk strategy

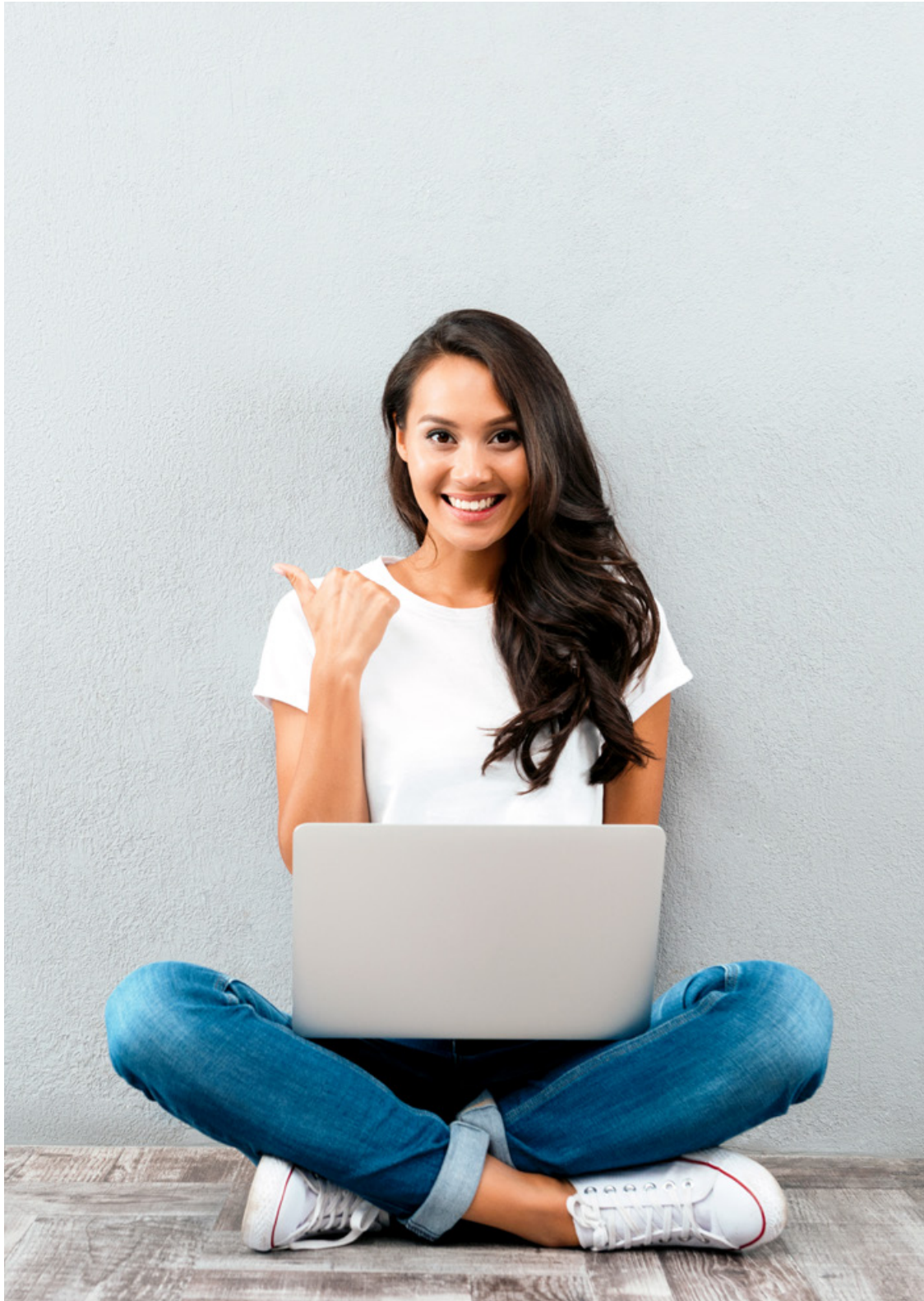
The evolving real estate investor-buyer market affecting developers and finance means pivoting away from pre-sale risk hurdles. Pensio has structured a rental program agreement that acts as an optional post-closing conversion agreement. Construction finance can be converted into permanent finance facilities secured by a long-term five-year Rent Payment Contract Bond.

The developer's exit strategy post-closing can be long term retention or marketing performing rental income properties to

investor-buyers at values far above prices offered buyers to support pre-sale hurdles to obtain development financing.

A combination of the above factors makes the case for developers and lenders to engage with Pensio at the outset of mezzanine finance and development finance.

Pensio risk and analytical team can provide both developers and lenders at the pre-development finance stage unit and value optimization models.



Contact us

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