AHUJA REAL ESTATE CORP · MAXWELL CAPITAL REALTY

The Calgary Real Estate Investing Guide

Residential and commercial strategy for building wealth through property — grounded in the numbers, built for Calgary.

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GETTING ORIENTED

Six Ways In

There's no single "right" strategy — only the right one for your capital, your time, and your appetite for risk. Here's the landscape.

Buy & Hold

Purchase and rent long-term, banking on mortgage paydown, appreciation, and monthly cash flow. The foundation most portfolios are built on.

Secondary Suite

Add or legalize a basement or backyard suite to offset your own mortgage. The lowest-friction entry point if you're already buying a primary residence.

BRRRR

Buy, Rehab, Rent, Refinance, Repeat. Purchase under market value, force appreciation through renovation, then refinance to pull capital back out.

Fix & Flip

Renovate and resell for short-term profit. Higher return potential, higher risk, and different tax treatment — loop in your accountant early.

Multi-Family

Duplexes through low-rise apartment buildings. Economies of scale on maintenance and management, and valued on income rather than comparable sales.

Short-Term Rental

Furnished, nightly-rate rentals. Higher revenue ceiling, more active management, and specific municipal licensing — confirm zoning before you buy.

THE ANALYSIS

Running the Numbers

Five calculations to run on every deal before you get emotionally attached to it.

CAP RATE

Net Operating Income ÷ Purchase Price

The property's return ignoring financing — the standard yardstick for comparing deals against each other and against the broader market.

CASH-ON-CASH RETURN

Annual Pre-Tax Cash Flow ÷ Total Cash Invested

Your actual return on the money you put in, accounting for the mortgage. The number that matters most once financing is involved.

GROSS RENT MULTIPLIER

Purchase Price ÷ Annual Gross Rent

A fast screening tool for comparing listings — lower is generally better, but it ignores operating expenses entirely.

THE 1% RULE

Monthly Rent ≥ 1% of Purchase Price

A quick gut-check for whether a deal is worth a deeper look — a screening tool, not a final answer on its own.

DSCR — DEBT SERVICE COVERAGE RATIO

Net Operating Income ÷ Annual Debt Payments

Whether the property's income covers its own debt. Most commercial and multi-family lenders require a DSCR of roughly 1.20–1.25 or higher to approve financing — this is often the number that determines what you can actually buy, not your personal income.

RESIDENTIAL

Residential Investing in Calgary

Financing an investment property is different from financing a home you'll live in. Non-owner-occupied residential mortgages typically require **20% or more down**, since default insurance is generally reserved for owner-occupied purchases, and lenders apply their own discount to expected rental income when qualifying you.

ON SECONDARY SUITES

Calgary's secondary suite and backyard suite rules are in active transition through 2026, with a citywide rezoning being partially unwound and specific zoning changing property by property. What hasn't changed: a suite must be permitted, inspected, and registered with the City to be legally rentable, and legal status directly affects both rentability and resale value. I check current zoning on every property we evaluate before you count on suite income.

COMPARING YOUR ENTRY POINTS

Single-Family, No Suite

Down payment: 20%+ typical · **Management:** Low · Appreciation-focused, simplest to finance and eventually sell.

Single-Family + Legal Suite

Down payment: 20%+ typical, suite income can help qualify · **Management:** Moderate · Often the strongest cash-flow-to-effort ratio for a first rental.

Small Multi-Family (2–4 Units)

Down payment: 20%+ · **Management:** Moderate–high · Scales cash flow under a single mortgage and a single roof.

Condo

Down payment: 20%+ · **Management:** Low, but watch fees · Convenient, though condo fees and a thin reserve fund can quietly erode cash flow — read the reserve fund study closely.

COMMERCIAL

Commercial Real Estate 101

Retail, office, industrial, and multi-family properties of five or more units are valued and financed on a different set of rules than a house or condo. This is where dual licensing pays off directly.

Retail

Storefronts and strip plazas. Value tied closely to tenant covenant strength and traffic.

Office

Single-tenant to multi-tenant towers. Lease term length is often the main value driver.

Industrial

Warehouse, flex, and light industrial. Historically Calgary's tightest vacancy segment.

Multi-Family (5+ Units)

Financed and valued as commercial, not residential, once above four units.

HOW IT DIFFERS FROM RESIDENTIAL

FINANCING	Typically 25–35% down with 15–25 year amortizations, priced primarily off the property's income — not just your personal credit.
LEASES	Many commercial leases are triple net (NNN): the tenant pays property tax, insurance, and maintenance on top of rent, which changes how you underwrite the deal.
VALUATION	Driven primarily by Net Operating Income and prevailing market cap rates, not nearby comparable sales.
DILIGENCE	Environmental assessments (Phase I ESA), zoning confirmation, and a full lease abstract review are standard parts of the process.

One relationship across residential and commercial means continuity as your portfolio grows — from your first legal suite to your first multi-family acquisition — with the same person who knows your full financial picture.

BUSINESS OWNERSHIP

Buying, Selling & Financing a Business

Many clients' next move isn't a property — it's a business, often with real estate attached. My background in commercial and small business banking, providing lending and advisory support to clients across Alberta, means I can speak directly to how a lender will underwrite the deal, not just how to find it.

FINANCING TOOLS WORTH KNOWING

TERM LOAN	Conventional bank financing secured against business assets and/or real estate, typically requiring a strong operating history and an owner equity injection.
CSBFP	The Canada Small Business Financing Program: a federal loan-guarantee program that helps eligible small businesses finance equipment, leasehold improvements, and certain business purchase costs through a participating lender.
BDC FINANCING	The Business Development Bank of Canada offers acquisition and working capital financing, often layered alongside a primary lender.
VENDOR TAKE-BACK	The seller finances a portion of the purchase price, bridging the gap between what a bank will lend and the asking price — common in owner-operator deals.
ASSET-BASED	Financing secured against receivables, inventory, or equipment rather than cash flow alone.

B Buying a Business

- Review 3+ years of financial statements and tax returns, not just the pitch deck
- Confirm whether it's an asset purchase or share purchase — tax and liability implications differ significantly
- Confirm lease assignment or transfer terms if the business operates from leased space
- Account for a working capital adjustment at closing
- Build in a transition period with the seller and address any non-compete terms

S Selling a Business

- Get a proper valuation — asset-based, market/comparable, and income (EBITDA multiple) approaches each tell a different story
- Clean up financials 12–24 months before listing; buyers and lenders will scrutinize them closely
- Decide early whether you're open to a vendor take-back to widen your buyer pool
- Structure the deal — asset vs. share sale — with your accountant before you negotiate price
- Line up your commercial real estate plan in parallel if the business owns or leases its space

DUE DILIGENCE

Investor's Working Checklist

1 Financial Review

- Pull 12+ months of actual rent rolls and expense statements — not the seller's proforma
- Calculate cap rate, cash-on-cash return, and DSCR from verified numbers
- Confirm the current property tax assessment and any pending reassessment
- Review vacancy history and existing tenant lease terms

2 Property & Legal Review

- Order a full building inspection: roof, envelope, mechanical, structural
- Confirm zoning and permitted use match your intended purpose
- Verify all suites and units are legally permitted and registered
- Commercial: review the lease abstract, CAM charges, and any Phase I environmental report

YOUR REALTOR

Arpit Ahuja pairs an MBA in Finance and a Harvard Financial Accounting Certificate with a Calgary family's 30+ years in real estate — and a dual residential/commercial license through **MaxWell Capital Realty** to match. Before real estate, Arpit worked in commercial and small business banking, providing lending and advisory support to commercial and small business clients across Alberta — experience he now brings directly to how he underwrites and structures deals for clients.

HARVARD BUSINESS SCHOOL
Financial Accounting Certificate

HASKAYNE SCHOOL OF BUSINESS
MBA, Finance Specialization

Ready to run the numbers on a property?
Let's build your acquisition criteria — no obligation.

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