



23:32 Capital MHC Fund I LP Closes \$25 Million Manufactured Housing Communities Fund

June 19, 2023, TORONTO -- 23:32 Capital Inc. (“23:32 Capital”) is pleased to announce the successful closing of \$25 million in capital commitments for its 23:32 Capital MHC Fund I LP (the “Fund”) from a prominent group of investors with an additional closing anticipated in the coming months. The Fund intends to own, operate, and develop manufactured housing communities (“MHCs”) across Canada with a focus on the Ontario market.

“The opportunity to invest in Canadian housing has never been greater.” says Bryce Stewart CEO of 23:32 Capital. “We are well positioned to take advantage of the substantial tailwinds that exists currently in Canada to grow the supply of well developed, beautifully designed, manufactured housing communities for a growing number of homeowners. We are thankful to our cornerstone investor, Osmington Inc., who has taken the leadership position as investor in the Fund and has been a wonderful partner in our business. I am also highly appreciative of the strong Fund board of advisors that were instrumental to the success of this Fund.

Manufactured housing communities, also known as land lease communities, represent a niche but growing segment of the residential housing investment market in Canada. These communities represent an affordable way for Canadians to enjoy the pride of home ownership within warm and friendly communities rich with amenities. A part of this affordability stems from land ownership - individuals who live in manufactured housing communities aren't required to own the land; instead, they can lease the land on which their home resides and continue to enjoy the privileges of traditional home ownership.

The homes within these communities are manufactured homes. Unlike a site-built home, a manufactured home is built inside a factory. Canadians are becoming increasingly aware of the many advantages to creating homes this way, including substantial cost and environmental advantages. These reduced costs stem from efficiencies in the factory building process, including a controlled construction environment and assembly-line techniques, and the elimination of outside influences such as weather, theft, vandalism and construction waste.

There is currently a substantial demand-supply imbalance in residential housing in Canada, which has been persistent for some time, and is expected to continue, which continues to exacerbate the issues Canadians currently face with respect to affordability. Manufactured housing communities are a credible, friendly, and economically viable answer.

From an investment perspective, notwithstanding the success of this asset class within the United States for many decades, 23:32 Capital identified this asset class in Canada as undercapitalized from institutional capital sources, undersupplied from an housing availability perspective, and highly attractive from a return on invested capital perspective. The focus of 23:32 Capital MHC Fund I LP, doing business as 23:32 Communities, will be to identify opportunities in Canada to grow a portfolio of manufactured housing communities and will seek to generate economic returns through ownership, operation, and development of these communities in attractive markets within the country.

Osmington Inc. is the cornerstone investor in the Fund.

“We are excited to be a cornerstone investor in 23:32 Capital’s first MHC fund and look forward to supporting Bryce in developing beautifully designed manufactured housing communities” says Vlad Amurjuev, VP Investments of Osmington Inc. “These communities will deliver much needed, high quality affordable housing in Ontario and across Canada and we’re thrilled to be a part of it.”

ABOUT 23:32 CAPITAL

Founded in 2020 by Bryce Stewart, 23:32 Capital is a real estate-focused merchant bank that was established to take advantage of market dislocations within the real estate sector in Canada. 23:32 Capital MHC Fund I LP was established to own, operate, and develop manufactured housing communities across Canada with a focus on the Ontario market. (www.2332capital.com)

ABOUT OSMINGTON

Formed in 1995, Osmington is a private commercial real estate and investment company controlled by David Thomson, the chairman of Thomson Reuters and led by Chief Executive Officer, Lawrence Zucker. The Company’s investment focus is on value creation, building on Osmington’s 25+ years in real estate investment and finance. (www.ogdc.ca)