



The Quant Revolution in Private Market Investing Begins...



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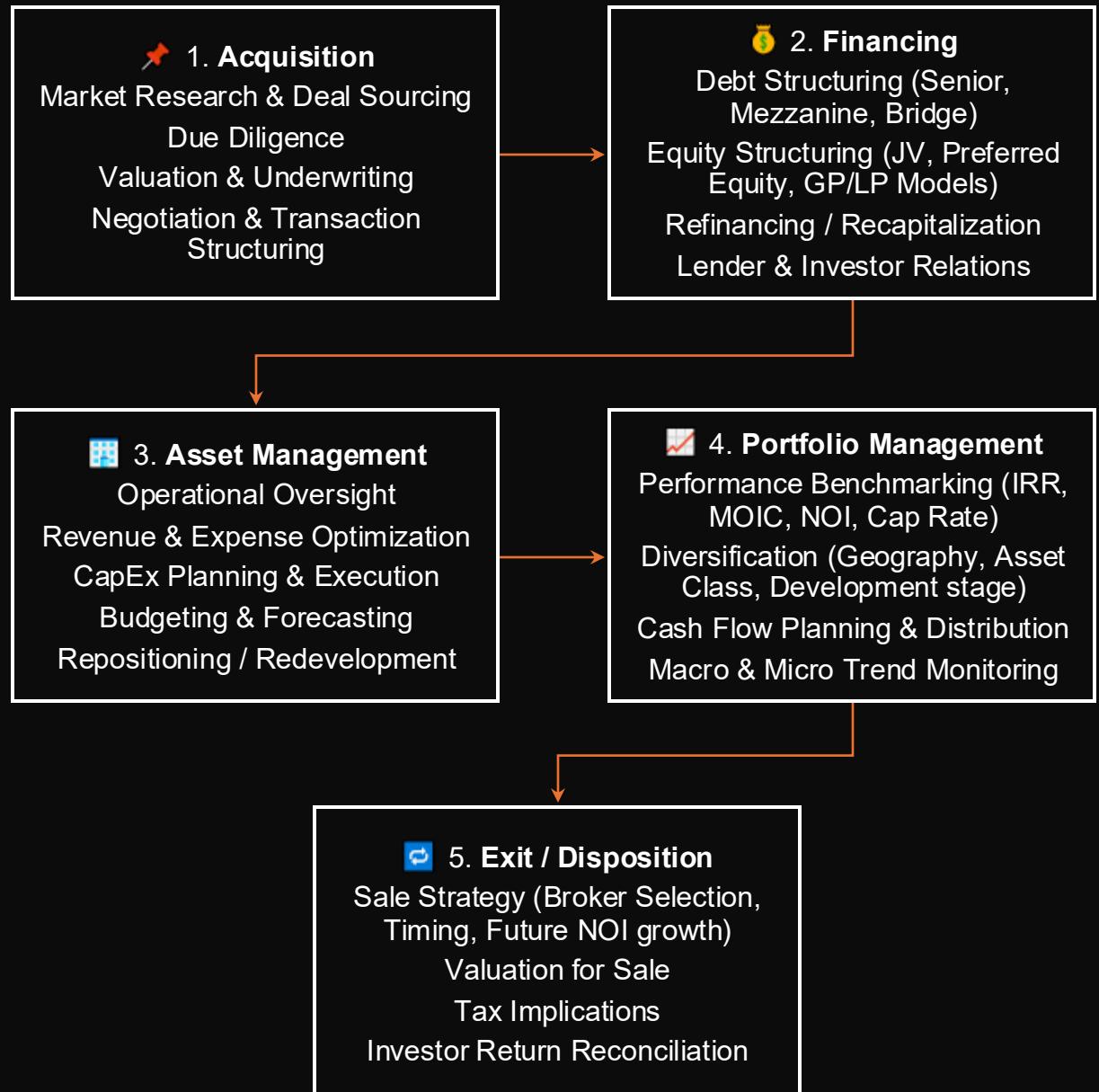
Executive Summary

The presentation highlights inefficiencies in traditional private market investing, including biased underwriting, unrealistic budgets, lagging KPI's, and slow decision-making that limit value creation for the investors.

A Quant and AI-driven framework is presented to enable faster, data-backed decision-making for maximizing efficiency across the entire lifecycle of an asset – Acquisition, Financing, Asset Management, Portfolio Management, and Exit/ Disposition.

The power of Quants and AI is demonstrated via multiple case studies depicting tighter due diligence, proactive asset management, and stronger market research.

Use of Quants & AI at each step of an Investment Lifecycle: From Acquisition to Exit



Biggest untapped alpha in private investing today – Teams working in silos

Lack of integration between Capital Market, Financing, Asset Management teams is limiting shareholder's value. Some of the key nuances are as follows:

1. Fragmented and Manual Data Systems

- Reliance on disconnected systems and outdated property management software means unreliable data for building analytical capabilities and decision-making.
- Lack of real-time data hinders early intervention in operational or financial underperformance.

2. Slow Capital Optimization

- Inability to dynamically adjust CapEx, refinancing, or capital stack based on market signals reduces the returns of the investors.
- Traditional processes delay value-creation initiatives (repositioning, leasing decisions, etc.) which restricts the asset's operational performance to reach its full potential.

3. Reactive Decision-Making

- Decisions are often made **after issues surface**, not proactively.
- Lack of processes and communication across teams leads to delay in risk identification and resolving/ mitigating them in an efficient manner.

Imagine a single point of contact to:

- i) Underwrite at acquisition
- ii) Arrange the right capital stack
- iii) Maximize operational efficiency and deploy value initiatives
- iv) Oversee portfolio performance
- iv) Exit at the right time

Step-by-step process to unify teams by leveraging the capabilities of Quants & AI

1. Integrated, Real-Time Data Platforms

- Centralize data from financials, operations, leasing, and markets and **create live checks to eliminate data errors** — ensuring high-quality data readily available for analysis.

2. Analyzing Data

- Question historical data to gain an in-depth knowledge of each line item in the financial statement
 - analyzing how each department can contribute towards maximizing the asset's IRR potential.

3. Benchmarking

- With enough data, **benchmark performance across portfolios** by property type, market, operator, or strategy— building internal standards and flagging outliers.

4. Data-Driven Underwriting & Reforecasting

- Adjust **cash flow forecasts and valuations** dynamically based on past asset performance, submarket trends, and KPI goals — reducing bias from underwriting.

5. Risk Management

- **Data-powered forecasting models** anticipate tenant churn, rent delinquencies, CapEx needs, and market shifts— acting before performance deteriorates.

More time to focus on strategy & execution

Build an end-to-end, data-driven process for seamless transition of assets.

1. Acquisition

- Use portfolio-guided KPI's for faster, confident underwriting as well as gaining an in-depth understanding of the strengths and weaknesses of the acquisition opportunity.

2. Financing

- Superior accuracy in forecasts will assist in building the right capital stack.

3. Asset Management

- Maximize operational efficiency by proactively solving asset-related issues, predicting market shifts, and making data-driven decisions for capital projects.

4. Portfolio Management

- Implement peer and internal benchmarking by operator, market, or property type, and set performance thresholds that trigger management review or interventions.

5. Exit / Disposition

- Use predictive analytics to spot **optimal exit windows** based on valuation trends, NOI growth, and market comps and align disposition strategies with IRR expectations.

Quant and AI is the Future

Traditional Approach

Manual Underwriting

Market generalization

One-off scenario planning

Lagging Reports

Heavy reliance on brokers

TEAMS WORKING IN SILOS

Quant-Driven Approach

Automated, risk-calibrated models

Micro-market and sub-asset targeting

Continuous predictive simulations

Real-time professional dashboards

Pro-active search of buyers, sellers, and tenants from databases

ONE TEAM

Case Studies*



1. Acquisition

Use predictive analysis to underwrite and determine the right price of the asset.



2. Financing

Use AI to break-down and analyze term sheets.



3. Asset Management

Replace redundant budgets with proactive goals for your asset managers.



4. Portfolio Management

Automate reports for effortless real-time tracking of portfolio's performance.



5. Exit / Disposition

Use AI to track several databases and keep updated about market activity.

Acquisition

Use predictive analysis to underwrite and determine the right price of the asset.

Underwriting a 120-unit B-class multi-residential asset in GTA

Assumption	Traditional Approach	Quants & AI-Driven Analysis
Revenues	<ul style="list-style-type: none">i) Increase rents by annual growth allowance under rent-control.ii) Reduce vacancy by 0.25% each quarter and stabilize at 96.0%, aligned with the historical sub-market reports.	<ul style="list-style-type: none">i) Increase in submarket vacancy detected based on the last 6-month's activity. Increase vacancy in short-term and include incentives to retain high quality customers. Identify if move-outs can be accommodated in other portfolio assets.ii) Major office leases signed in the neighborhood. Increase stabilized occupancy to 98.0%
Expenses	<ul style="list-style-type: none">i) Increase expenses in-line with the recent and expected inflation.	<ul style="list-style-type: none">i) Suppliers of portfolio assets recently renegotiated contracts to protect against tariff wars. Increase expenses accordingly.ii) Publicly listed insurance companies have indicated increase in premiums over the next 2-3 years. Use their forecasts to predict rise in insurance prices.iii) Asset's employee productivity KPI lags the overall portfolio KPI. Huge potential to save costs.
Sale Date	<ul style="list-style-type: none">i) Use a sale-date of 5 years from the acquisition date	<ul style="list-style-type: none">i) FY 2027 – FY 2028 is projected to be low-interest rate period, fetching the maximum price on the asset. Stabilize and sell the asset within 2 years.

Financing

Use Quants to break-down and analyze term sheets.

Construction loan for a restaurant in Downtown Toronto

Term Sheet	Traditional Approach	Quants & AI-Driven Analysis
Loan Facility – Lower of 60% of the construction costs or \$750,000	i) Maximize debt to maximize investor returns.	i) Construction timelines increased by 3 months due to delay in shipping of raw material and labor shortage. ii) Deploy equity before using loan facility to reduce cash outflows during unpredictable construction period. Impact of 20bps on return.
Interest Rate - Prime + 1.75% (variable) OR 6.45% fixed.	i) Choose fixed rate for easier budgeting.	i) Canada's current changes in interest rates draw parallels to 1981-83 when rates dropped fast but resurged by ~20% within 2 years. ii) Fixed rate is recommended for easier budgeting and unpredictable early cash flows. 20% increase in interest can impact returns by 75bps.
Term - 3 years, with an optionality to extend twice by 1 year at an extension cost of 0.5% each time.	i) An entrepreneur received the same terms, seems alright	i) The 4 th and 5 th year extension costs will reduce the IRR by 50bps and 46bps, respectively. Negotiate for a zero/ lower extension fees if committing to fixed rate.
Repayment - Monthly P&I payments, amortization schedule of 10 years.	i) A relative received the same terms, seems alright	i) Forecasts show unpredictable early cash flows. Ask for a 6-month interest-only period post drawdown or post-opening to build cash cushion, especially if full 'Reserves' are maintained.
Reserves - 10% of the total facility held as Reserves, released on 'Start date' to meet initial working capital.	i) Standard policy, seems alright	i) Reserves can reduce IRR by 50bps. ii) Negotiate for partial release upon substantial completion and allow to use it for soft opening expenses. Even 50% release 6 months before expected 'Start Date' can increase IRR by 25bps.

Asset Management

Replace redundant budgets with proactive goals for your asset managers.

FY 2026 goals for an independent luxury resort in Muskoka

Budget	Traditional Approach	Quants & AI-Driven Analysis
Room Revenues	<ul style="list-style-type: none">i) Target YoY increase of 2.5% in Occupancy and 3.0% in Average Daily Rate (ADR).ii) Use all sales channels as before, no changes required.	<ul style="list-style-type: none">i) The guest analysis shows 50.0% of the hotel guests are citizens of USA. Since CAD has depreciated by ~10% against USD, an ADR increase of 10% might drop occupancy by ~10.0% but increase total room revenues by 6.0% and room margins by 4.5%.ii) Roughly 20% of guests use the company's website (no commission cost) during high season, as compared to 38% during low season. Increase marketing expense by 10% during high season and target 30% guests book through website.
F&B Revenues	<ul style="list-style-type: none">i) Target 10% increase in F&B revenues by accommodating a higher group base.	<ul style="list-style-type: none">i) The wine producers have estimated a 10.0% increase in sales price due to the ongoing tariff war. Stay proactive on the wine menu and keep the margins consistent at 30.0%.ii) The restaurant sees a high demand between 730pm – 830pm on weekends. Due to a longer wait time, it is estimated that 10% guests walk away. Time spent by guests at each table is 90mins over weekends as compared to 67mins over weekdays. Reduce the gap.
Expenses	<ul style="list-style-type: none">i) Increase the labor costs by 3.0% in each department.	<ul style="list-style-type: none">i) Labor productivity dropped by 10% since last year after a manager left. Fill the vacancy at the earliest.ii) The utility costs per available room has increased by 15% YoY. Identify the reasons and correct them.
Non-Operating Income	<ul style="list-style-type: none">i) Increase the rental income from SPA services as agreed in the contracted agreement.	<ul style="list-style-type: none">i) The growing leisure demand from USA is expected to increase the SPA revenues. Negotiate with the Lessee to lower the rent for a percentage of revenues to offset their fixed costs during off-season periods.

Portfolio Management

Automate reports for effortless real-time tracking of portfolio's performance.

L12M's KPI-driven comparison for an upper-upscale hotel

Benchmark/ KPI	Asset	Comparable assets in the Sub-Market	Comparable Portfolio assets	Full Portfolio
Average Daily Rate (ADR) Index = ADR of asset/ ADR of competition	103.1%	100.0%	103.8%	99.9%
Occupancy (Occ) Index = Occ of asset/ Occ of competition	98.9%	100.0%	98.7%	101.0%
Employee Productivity = Rooms Cleaned/ Employee Hours	1.81	N/A	2.08	2.02
Food Cost = Food Cost/ Food Revenues	18.7%	N/A	20.5%	22.1%
Cap Rate	6.5%	6.75%	6.5%	7.15%
Unlevered Returns	13.35%	N/A	14.10%	15.45%

ChatGPT, please create a database of CRE transactions in Canada between Nov 24 and Apr 25 with a transaction value of over \$300m

Exit/ Disposition

Use AI to track several databases and keep updated about market activity.

Major CRE Transactions in Canada (Nov 2024 – Apr 2025)

Date	Asset Type	Location	Buyer/Seller	Transaction Value	Notes
Dec 2024	Student Housing	Nationwide	Forum Asset Management / Alignvest REIT	\$1.7B	Acquisition of Alignvest Student Housing REIT, creating Canada's largest private student housing owner with ~10,500 beds.
Aug 2024	Retail (Shopping Centre)	Laval, QC	Cadillac Fairview / TD Asset Management	\$553.2M	Buyback of 50% interest in CF Carrefour Laval, a 266-store mall.
Q1 2025	Hotels (14 properties)	ON & NS	InnVest Hotels & Manga Hotel Group / Morguard Corp.	\$410M	Sale of 14 hotel properties totaling 2,248 rooms.
Sep 2024	Multifamily (1,188 units)	Toronto, ON	Brookfield Properties / Multiple Sellers	\$437.18M	Acquisition of 77 Davisville Ave. and Village Green Apartments.
Aug 2024	Industrial (1.34M sq. ft.)	Milton, ON	Prologis / Undisclosed Seller	\$361M	Purchase of a large industrial facility.
Q1 2025	Office (2 buildings)	Vancouver, BC	Deka Immobilien / Undisclosed Seller	\$300M	Acquisition of two high-profile office buildings.
Q1 2025	Hotels (Multiple)	Nationwide	Various Buyers / Morguard Corp.	\$465M	Sale of hotel properties, contributing to a surge in

If you require this data in a downloadable format (e.g., Excel or CSV) or need further details on specific transactions, asset types, or regions, feel free to let me know!





About Me

Ishaan Bhatia is an investment professional with nearly a decade long experience in private market investing. He has worked in core functions—acquisitions, asset management, and financing—to support in strategic planning and financial analysis. His last role was with FullG Capital, a Toronto-based private equity firm focused on Commercial Real Estate investments across North America.

With prior experience at family offices and private investment funds in both Canada and India, Ishaan has worked across multiple asset classes including hospitality, multi-residential, and retail. His approach to investment is grounded in data-driven decision-making, preferring research and fundamentals over intuition or market sentiment.

Ishaan started his career as a quantitative researcher with an arbitrage fund. He continues to build and trade quantitative strategies in the derivatives segment across global stock exchanges.

Beyond the professional realm, Ishaan enjoys strength training, reading about businesses and history, playing sports, and constantly learning new skills.

He holds a Master's degree in Actuarial Management and a Bachelor's degree in Mathematics.

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