

Property Report



Colwood Full Duplex (Mar 2016)

8706 82 Street
Fort St John, BC V1J 0K7

Presented by:

Mitch Collins
Century 21 Energy Realty

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Not intended to replace your own due diligence. While information within is deemed accurate, market conditions can fluctuate and expenses vary. Always verify all content prior to making a final decision.

Overview

Colwood Full Duplex (Mar 2016)

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Purchase Info

| | |
|-----------------------|-----------|
| Square Feet (2 Units) | 2,734 |
| Purchase Price | \$679,800 |
| Initial Cash Invested | \$151,496 |

Income Analysis

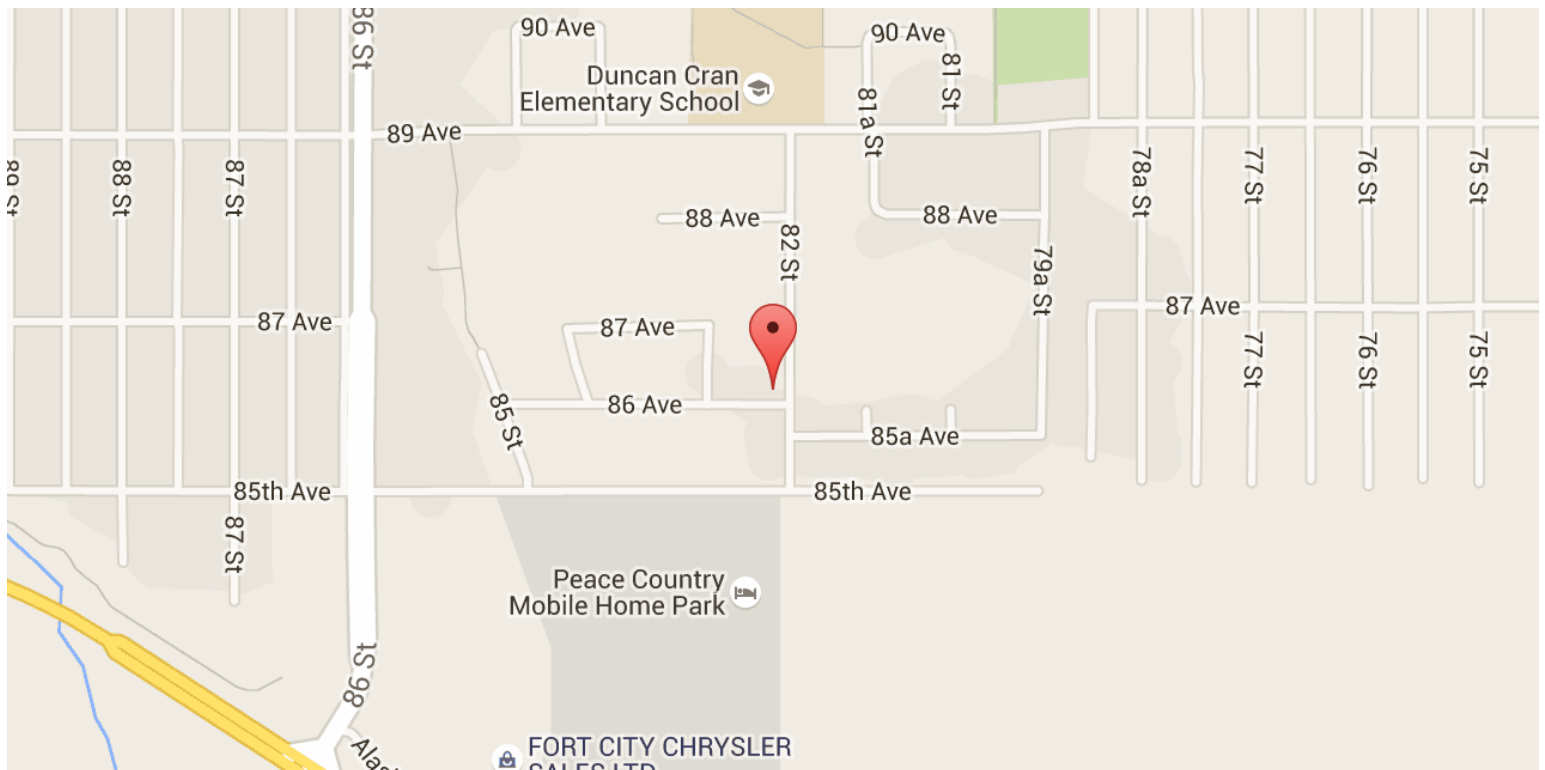
| | Monthly | Annual |
|----------------------|---------|----------|
| Net Operating Income | \$2,837 | \$34,040 |
| Cash Flow | \$663 | \$7,961 |

Financial Metrics

| | |
|-----------------------------------|-----------|
| Cap Rate (Purchase Price) | 5.0% |
| Cash on Cash Return (Year 1) | 5.3% |
| Internal Rate of Return (Year 10) | 16.5% |
| Sale Price (Year 10) | \$913,594 |



Great new duplex in Fort St John's popular Energy Park subdivision! This home offers a great layout with approximately 1367 square feet per side and finishes that are not often seen including ceramic tile entrance, high grade stainless appliances and large bedrooms. Purchase price includes GST (rebate to seller), appliances, concrete driveway, and full landscaping. Close to elementary and high schools, this property has something to offer everyone.



Purchase Analysis

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| Purchase Info | |
|--------------------------------|------------------|
| Purchase Price | \$679,800 |
| - First Mortgage | -\$543,840 |
| - Second Mortgage | -\$0 |
| = Downpayment | \$135,960 |
| + Buying Costs | \$15,536 |
| + Initial Improvements | \$0 |
| = Initial Cash Invested | \$151,496 |
| Square Feet (2 Units) | 2,734 |
| Cost per Square Foot | \$249 |
| Monthly Rent per Square Foot | \$1.50 |
| Cost per Unit | \$339,900 |
| Average Monthly Rent per Unit | \$2,050 |

| Mortgages | First | Second |
|---------------------|-------------------|---------------|
| Loan-To-Cost Ratio | 80% | 0% |
| Loan-To-Value Ratio | 80% | 0% |
| Loan Amount | \$543,840 | \$0 |
| Loan Type | Amortizing | |
| Term | 30 Years | |
| Interest Rate | 2.6% | |
| Payment | \$2,173.23 | \$0.00 |

| Financial Metrics (Year 1) | |
|------------------------------|-------------|
| Annual Gross Rent Multiplier | 13.8 |
| Operating Expense Ratio | 27.2% |
| Debt Coverage Ratio | 1.31 |
| Cap Rate (Purchase Price) | 5.0% |
| Cash on Cash Return | 5.3% |

| Assumptions | |
|------------------------|----------|
| Appreciation Rate | 3.0% |
| Vacancy Rate | 5.0% |
| Income Inflation Rate | 3.0% |
| Expense Inflation Rate | 3.0% |
| LTV for Refinance | 80.0% |
| Selling Costs | \$47,586 |

| Income | Monthly | Annual |
|-------------------------|----------------|-----------------|
| Gross Rent | \$4,100 | \$49,200 |
| Vacancy Loss | -\$205 | -\$2,460 |
| Operating Income | \$3,895 | \$46,740 |

| Expenses (% of Income) | Monthly | Annual |
|---------------------------------|-----------------|------------------|
| Cleaning & Maintenance (4%) | -\$150 | -\$1,800 |
| Insurance (6%) | -\$217 | -\$2,600 |
| Management Fees (5%) | -\$200 | -\$2,400 |
| Taxes (13%) | -\$492 | -\$5,900 |
| Operating Expenses (27%) | -\$1,058 | -\$12,700 |

| Net Performance | Monthly | Annual |
|-----------------------------|----------------|-----------------|
| Net Operating Income | \$2,837 | \$34,040 |
| - Mortgage Payments | -\$2,173 | -\$26,079 |
| - Year 1 Improvements | -\$0 | -\$0 |
| = Cash Flow | \$663 | \$7,961 |

Buy and Hold Projection

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| Income | Year 1 | Year 2 | Year 3 | Year 5 | Year 10 | Year 20 | Year 30 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Gross Rent | \$49,200 | \$50,676 | \$52,196 | \$55,375 | \$64,195 | \$86,272 | \$115,943 |
| Vacancy Loss | -\$2,460 | -\$2,534 | -\$2,610 | -\$2,769 | -\$3,210 | -\$4,314 | -\$5,797 |
| Operating Income | \$46,740 | \$48,142 | \$49,586 | \$52,606 | \$60,985 | \$81,959 | \$110,146 |

| Expenses | Year 1 | Year 2 | Year 3 | Year 5 | Year 10 | Year 20 | Year 30 |
|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Cleaning & Maintenance | -\$1,800 | -\$1,854 | -\$1,910 | -\$2,026 | -\$2,349 | -\$3,156 | -\$4,242 |
| Insurance | -\$2,600 | -\$2,678 | -\$2,758 | -\$2,926 | -\$3,392 | -\$4,559 | -\$6,127 |
| Management Fees | -\$2,400 | -\$2,472 | -\$2,546 | -\$2,701 | -\$3,131 | -\$4,208 | -\$5,656 |
| Taxes | -\$5,900 | -\$6,077 | -\$6,259 | -\$6,641 | -\$7,698 | -\$10,346 | -\$13,904 |
| Operating Expenses | -\$12,700 | -\$13,081 | -\$13,473 | -\$14,294 | -\$16,571 | -\$22,270 | -\$29,928 |

| Income Analysis | Year 1 | Year 2 | Year 3 | Year 5 | Year 10 | Year 20 | Year 30 |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net Operating Income | \$34,040 | \$35,061 | \$36,113 | \$38,312 | \$44,414 | \$59,689 | \$80,217 |
| - Mortgage Payments | -\$26,079 | -\$26,079 | -\$26,079 | -\$26,079 | -\$26,079 | -\$26,079 | -\$26,078 |
| - Improvements | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 | -\$0 |
| = Cash Flow | \$7,961 | \$8,982 | \$10,034 | \$12,234 | \$18,336 | \$33,611 | \$54,139 |
| Cap Rate (Purchase Price) | 5.0% | 5.2% | 5.3% | 5.6% | 6.5% | 8.8% | 11.8% |
| Cap Rate (Market Value) | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% |
| Cash on Cash Return | 5.3% | 5.9% | 6.6% | 8.1% | 12.1% | 22.2% | 35.7% |
| Return on Equity | 4.7% | 4.4% | 4.2% | 4.0% | 3.6% | 3.4% | 3.3% |

| Loan Analysis | Year 1 | Year 2 | Year 3 | Year 5 | Year 10 | Year 20 | Year 30 |
|-------------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| Market Value | \$700,194 | \$721,200 | \$742,836 | \$788,075 | \$913,594 | \$1,227,794 | \$1,650,053 |
| - Loan Balance | -\$531,682 | -\$519,205 | -\$506,402 | -\$479,782 | -\$406,892 | -\$229,578 | -\$0 |
| = Equity | \$168,512 | \$201,995 | \$236,434 | \$308,292 | \$506,702 | \$998,216 | \$1,650,053 |
| Loan-to-Value Ratio | 75.9% | 72.0% | 68.2% | 60.9% | 44.5% | 18.7% | 0.0% |
| Potential Cash-Out Refi | \$28,474 | \$57,755 | \$87,867 | \$150,677 | \$323,983 | \$752,657 | \$1,320,042 |

| Sale Analysis | Year 1 | Year 2 | Year 3 | Year 5 | Year 10 | Year 20 | Year 30 |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|
| Equity | \$168,512 | \$201,995 | \$236,434 | \$308,292 | \$506,702 | \$998,216 | \$1,650,053 |
| - Selling Costs | -\$49,014 | -\$50,484 | -\$51,999 | -\$55,165 | -\$63,952 | -\$85,946 | -\$115,504 |
| = Proceeds After Sale | \$119,499 | \$151,511 | \$184,435 | \$253,127 | \$442,750 | \$912,270 | \$1,534,549 |
| + Cumulative Cash Flow | \$7,961 | \$16,944 | \$26,978 | \$50,329 | \$129,443 | \$393,092 | \$837,105 |
| - Initial Cash Invested | -\$151,496 | -\$151,496 | -\$151,496 | -\$151,496 | -\$151,496 | -\$151,496 | -\$151,496 |
| = Net Profit | -\$24,036 | \$16,958 | \$59,917 | \$151,960 | \$420,697 | \$1,153,867 | \$2,220,158 |
| Internal Rate of Return | -15.9% | 5.6% | 12.3% | 16.2% | 16.5% | 14.6% | 13.5% |
| Return on Investment | -16% | 11% | 40% | 100% | 278% | 762% | 1,465% |

Graphs

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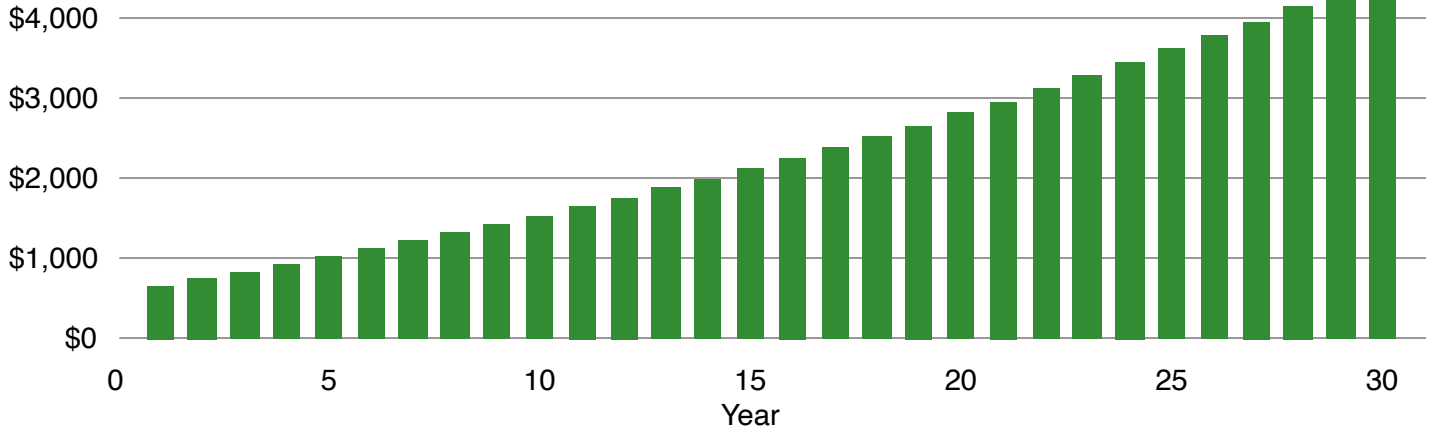
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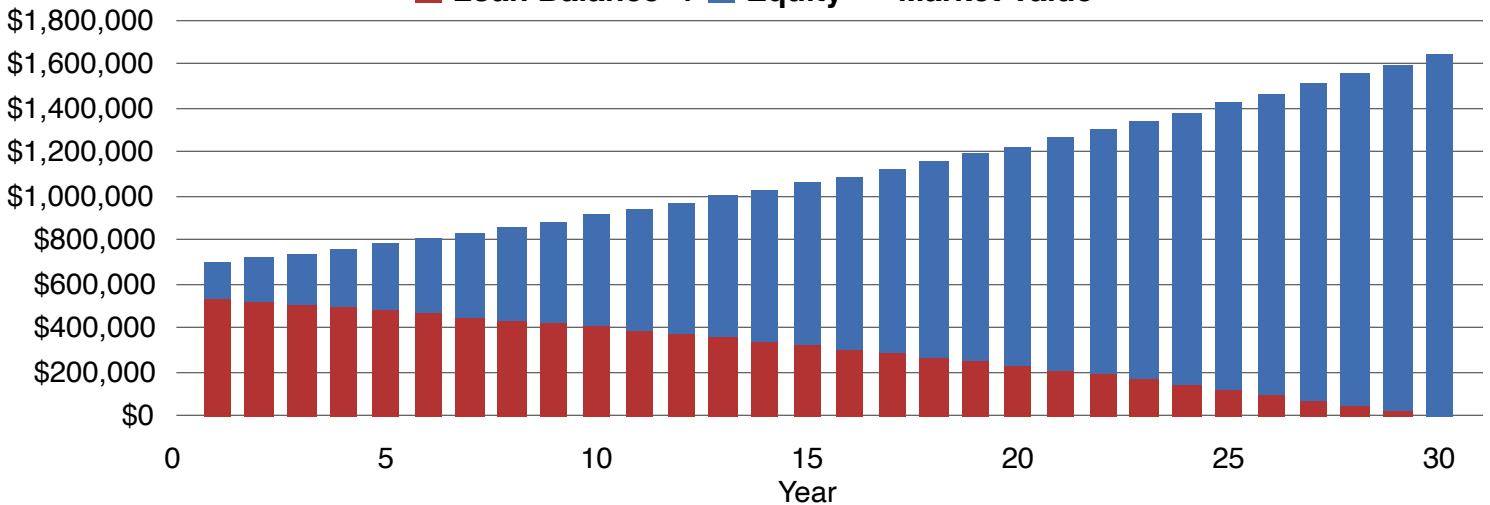
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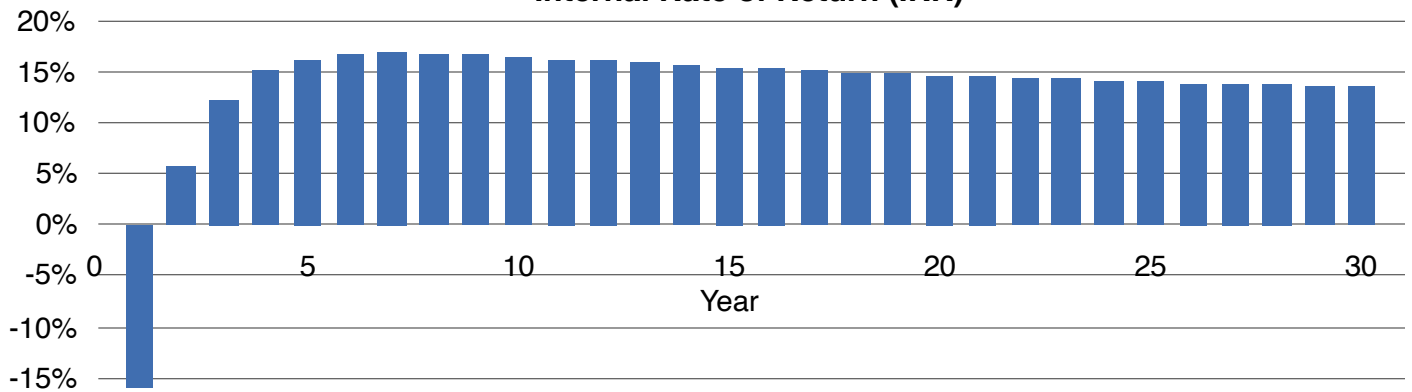
Monthly Cash Flow



Loan Balance + Equity = Market Value



Internal Rate of Return (IRR)



Rent Roll

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| Unit Description | Square Feet | Units of This Type | Rent (Per Unit) |
|----------------------------------|-------------|--------------------|---|
| Unit #1 | 1,367 | 1 | \$2,050 Per Month |
| Unit 2 | 1,367 | 1 | \$2,050 Per Month |
| Totals for Year 1 | | | |
| Total Number of Units | | | 2 |
| Total Area (Sum of Units) | | | 2,734 Square Feet |
| Total Rent (Sum of Units) | | | \$4,100 Per Month, \$49,200 Per Year |

Itemized Closing Costs

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Buying Costs

| | |
|-----------------------|-----------------|
| Appraisal | \$600 |
| Title Insurance | \$640 |
| Property Transfer Tax | \$11,596 |
| Legal Fees | \$1,500 |
| Inspection | \$1,200 |
| Total | \$15,536 |

Main Floor Plan (Measurements Approximate - Illustrative Purposes Only)

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Upper Floor Plan (Measurements Approximate - Illustrative Purposes Only)

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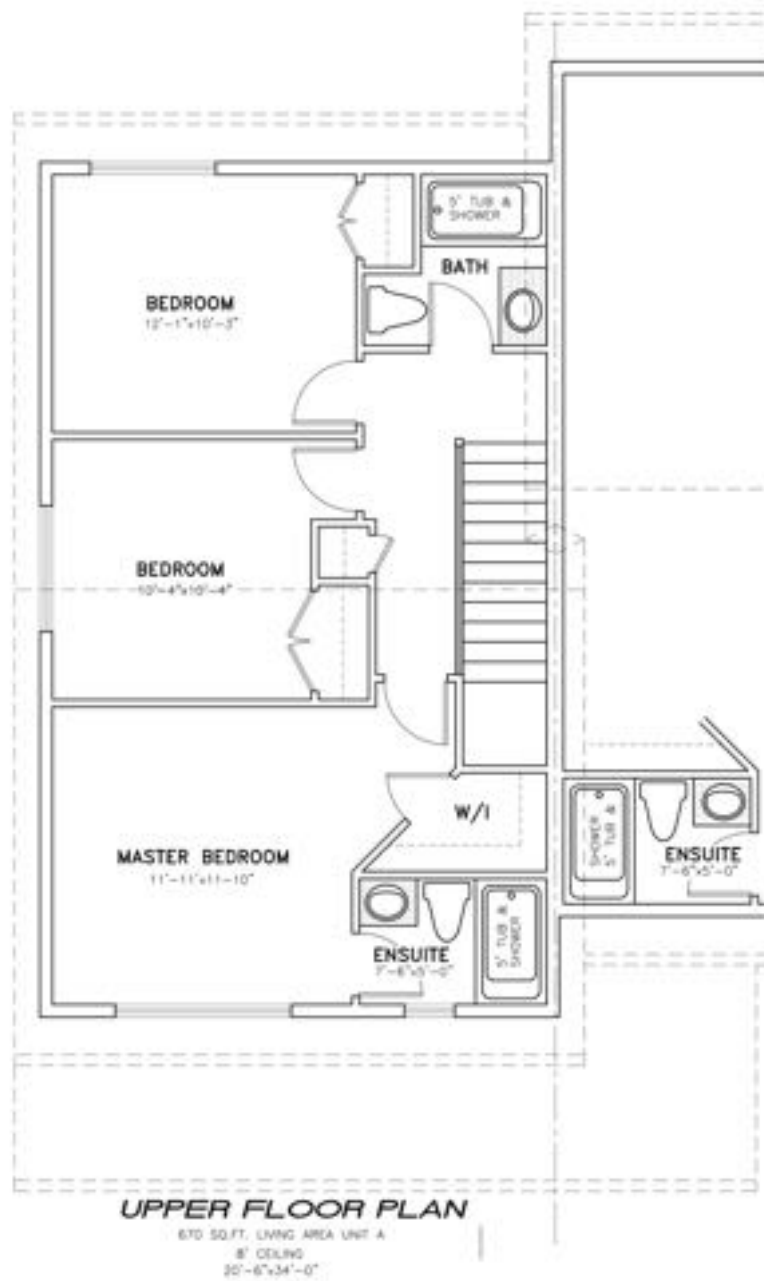
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Kitchen (Under Construction)

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(Under Construction)

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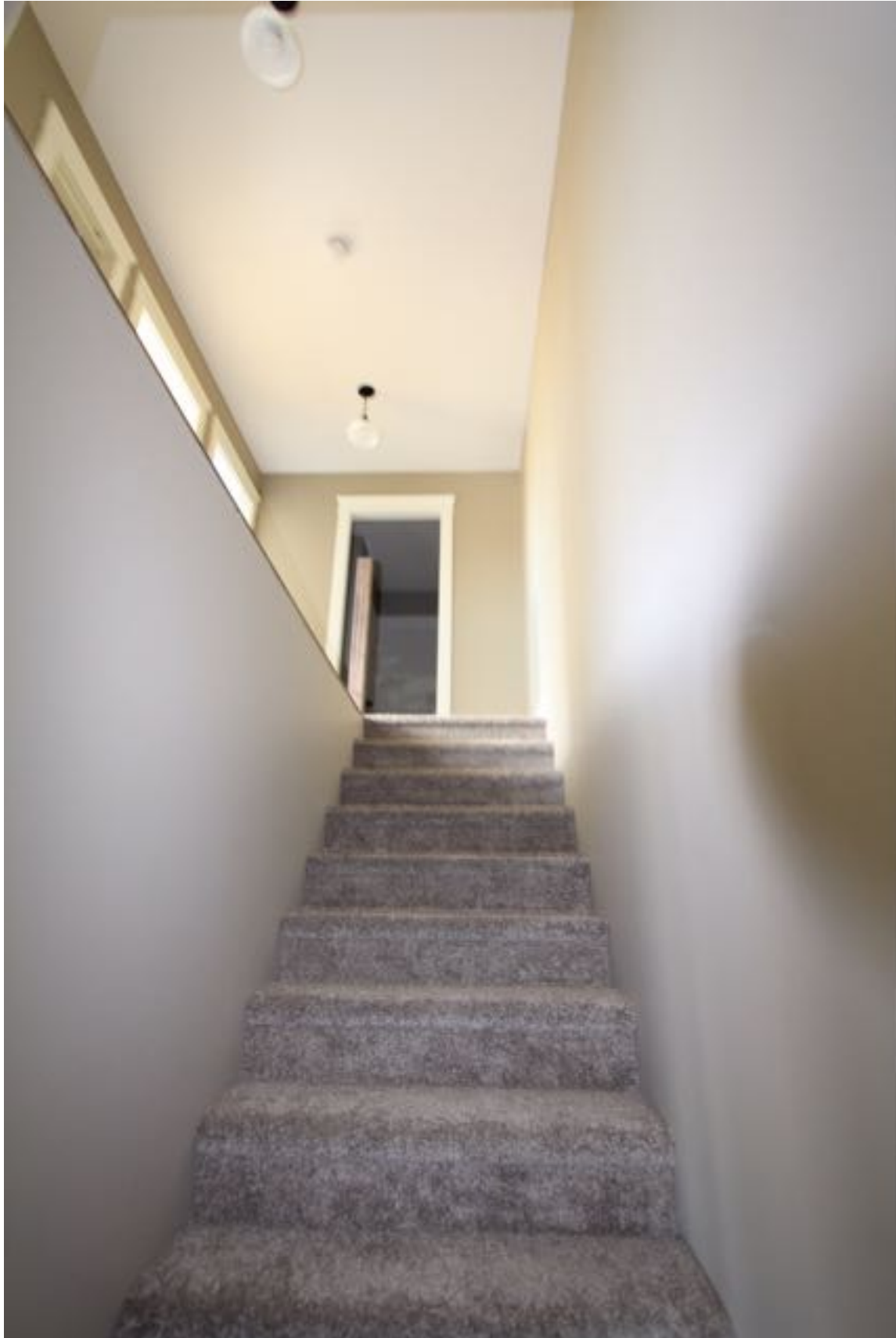
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Bedrooms (Under Construction)

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Bedrooms (Under Construction)

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