

Property Report



Elwood Half 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

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Purchase Info

Square Feet	1,392
Purchase Price	\$379,900
Initial Cash Invested	\$84,298

Income Analysis

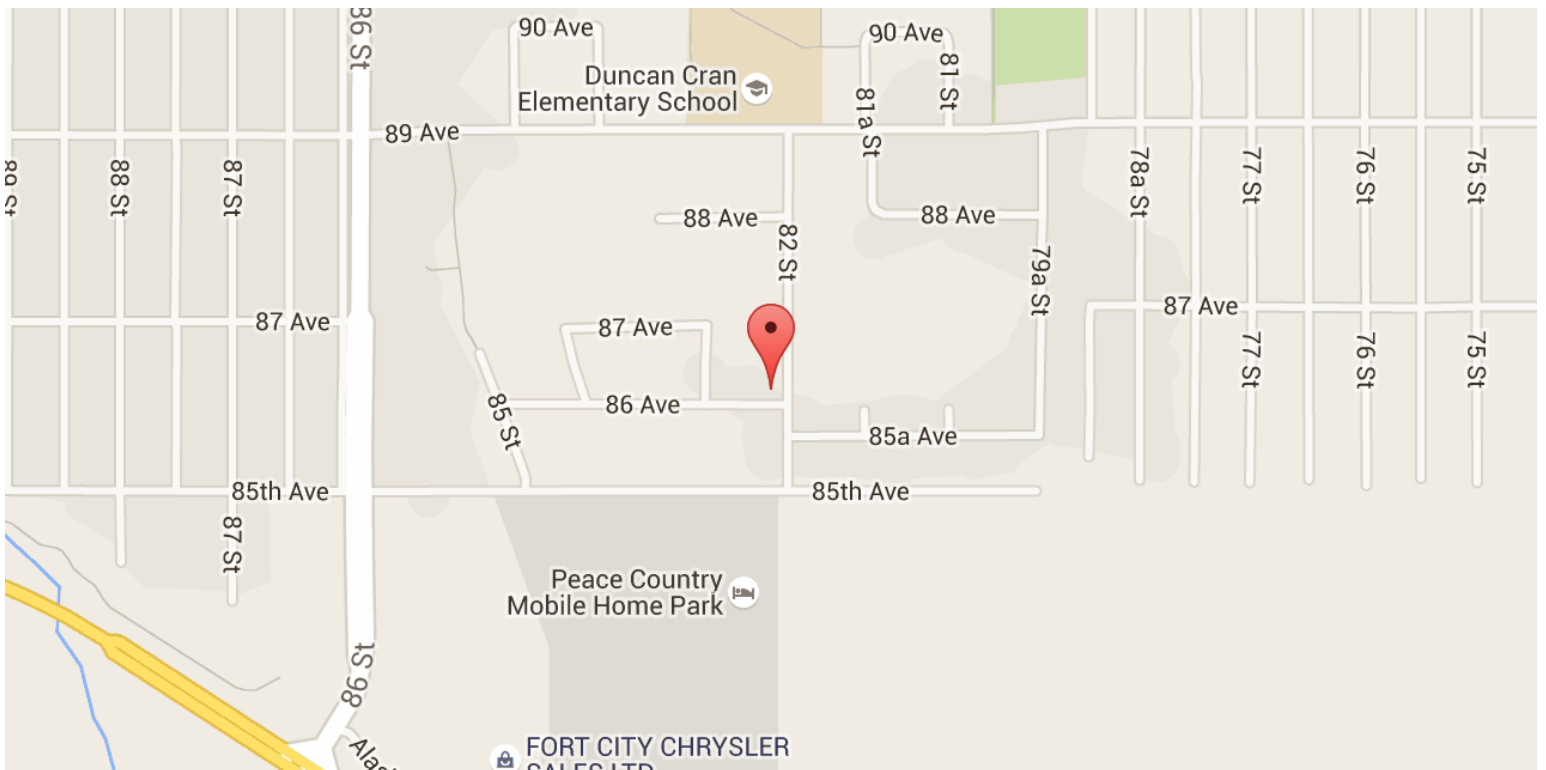
	Monthly	Annual
Net Operating Income	\$1,600	\$19,200
Cash Flow	\$386	\$4,626

Financial Metrics

Cap Rate (Purchase Price)	5.1%
Cash on Cash Return (Year 1)	5.5%
Internal Rate of Return (Year 10)	16.7%
Sale Price (Year 10)	\$510,554



Great new duplex in Fort St John's popular Energy Park subdivision! This home offers a great layout with 1392 square feet per side and finishes that are not often seen including ceramic tile entrance, high grade stainless appliances, large bedrooms and a single garage. 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	\$379,900
- First Mortgage	-\$303,920
- Second Mortgage	-\$0
= Downpayment	\$75,980
+ Buying Costs	\$8,318
+ Initial Improvements	\$0
= Initial Cash Invested	\$84,298
Square Feet	1,392
Cost per Square Foot	\$273
Monthly Rent per Square Foot	\$1.62

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$303,920	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	2.6%	
Payment	\$1,214.49	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	14.1
Operating Expense Ratio	25.1%
Debt Coverage Ratio	1.32
Cap Rate (Purchase Price)	5.1%
Cash on Cash Return	5.5%

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	\$26,593

Income	Monthly	Annual
Gross Rent	\$2,250	\$27,000
Vacancy Loss	-\$112	-\$1,350
Operating Income	\$2,138	\$25,650

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (4%)	-\$75	-\$900
Insurance (5%)	-\$108	-\$1,300
Management Fees (5%)	-\$100	-\$1,200
Taxes (12%)	-\$254	-\$3,050
Operating Expenses (25%)	-\$538	-\$6,450

Net Performance	Monthly	Annual
Net Operating Income	\$1,600	\$19,200
- Mortgage Payments	-\$1,214	-\$14,574
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$386	\$4,626

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	\$27,000	\$27,810	\$28,644	\$30,389	\$35,229	\$47,345	\$63,627
Vacancy Loss	-\$1,350	-\$1,390	-\$1,432	-\$1,519	-\$1,761	-\$2,367	-\$3,181
Operating Income	\$25,650	\$26,420	\$27,212	\$28,869	\$33,467	\$44,977	\$60,446

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Cleaning & Maintenance	-\$900	-\$927	-\$955	-\$1,013	-\$1,174	-\$1,578	-\$2,121
Insurance	-\$1,300	-\$1,339	-\$1,379	-\$1,463	-\$1,696	-\$2,280	-\$3,064
Management Fees	-\$1,200	-\$1,236	-\$1,273	-\$1,351	-\$1,566	-\$2,104	-\$2,828
Taxes	-\$3,050	-\$3,142	-\$3,236	-\$3,433	-\$3,980	-\$5,348	-\$7,188
Operating Expenses	-\$6,450	-\$6,644	-\$6,843	-\$7,260	-\$8,416	-\$11,310	-\$15,200

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$19,200	\$19,776	\$20,369	\$21,610	\$25,052	\$33,667	\$45,246
- Mortgage Payments	-\$14,574	-\$14,574	-\$14,574	-\$14,574	-\$14,574	-\$14,574	-\$14,573
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$4,626	\$5,202	\$5,795	\$7,036	\$10,478	\$19,093	\$30,673
Cap Rate (Purchase Price)	5.1%	5.2%	5.4%	5.7%	6.6%	8.9%	11.9%
Cap Rate (Market Value)	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%
Cash on Cash Return	5.5%	6.2%	6.9%	8.3%	12.4%	22.6%	36.4%
Return on Equity	4.9%	4.6%	4.4%	4.1%	3.7%	3.4%	3.3%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$391,297	\$403,036	\$415,127	\$440,408	\$510,554	\$686,142	\$922,117
- Loan Balance	-\$297,125	-\$290,153	-\$282,998	-\$268,122	-\$227,388	-\$128,298	-\$0
= Equity	\$94,172	\$112,883	\$132,129	\$172,286	\$283,166	\$557,844	\$922,117
Loan-to-Value Ratio	75.9%	72.0%	68.2%	60.9%	44.5%	18.7%	0.0%
Potential Cash-Out Refi	\$15,912	\$32,276	\$49,103	\$84,205	\$181,055	\$420,616	\$737,694

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$94,172	\$112,883	\$132,129	\$172,286	\$283,166	\$557,844	\$922,117
- Selling Costs	-\$27,391	-\$28,213	-\$29,059	-\$30,829	-\$35,739	-\$48,030	-\$64,548
= Proceeds After Sale	\$66,781	\$84,670	\$103,070	\$141,458	\$247,427	\$509,814	\$857,569
+ Cumulative Cash Flow	\$4,626	\$9,828	\$15,624	\$29,066	\$74,368	\$224,434	\$476,232
- Initial Cash Invested	-\$84,298	-\$84,298	-\$84,298	-\$84,298	-\$84,298	-\$84,298	-\$84,298
= Net Profit	-\$12,891	\$10,201	\$34,396	\$86,226	\$237,497	\$649,950	\$1,249,503
Internal Rate of Return	-15.3%	6.0%	12.7%	16.5%	16.7%	14.8%	13.7%
Return on Investment	-15%	12%	41%	102%	282%	771%	1,482%

Graphs

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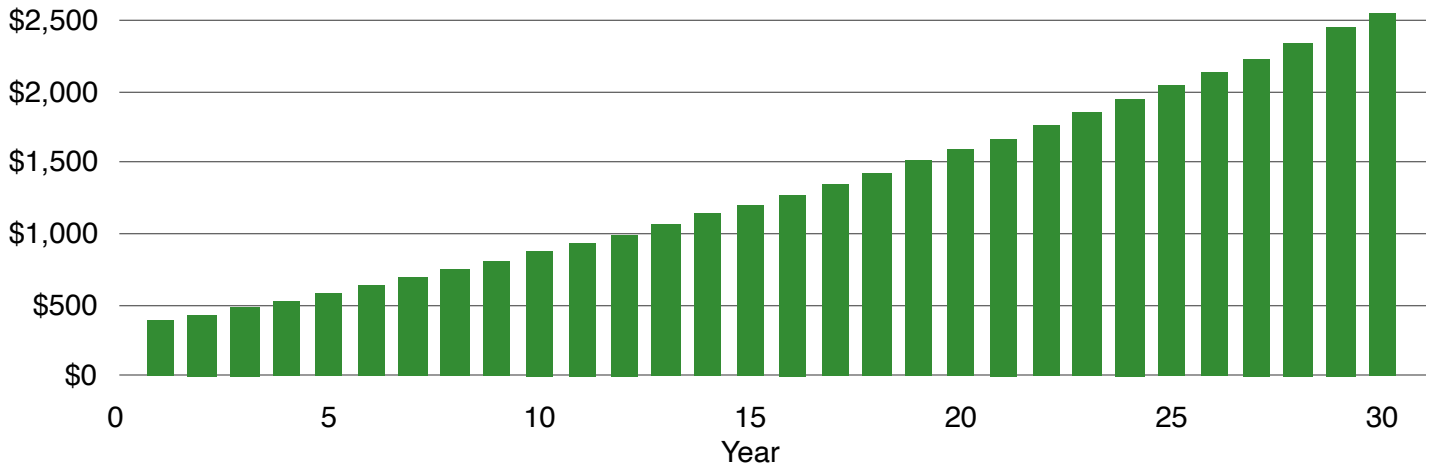
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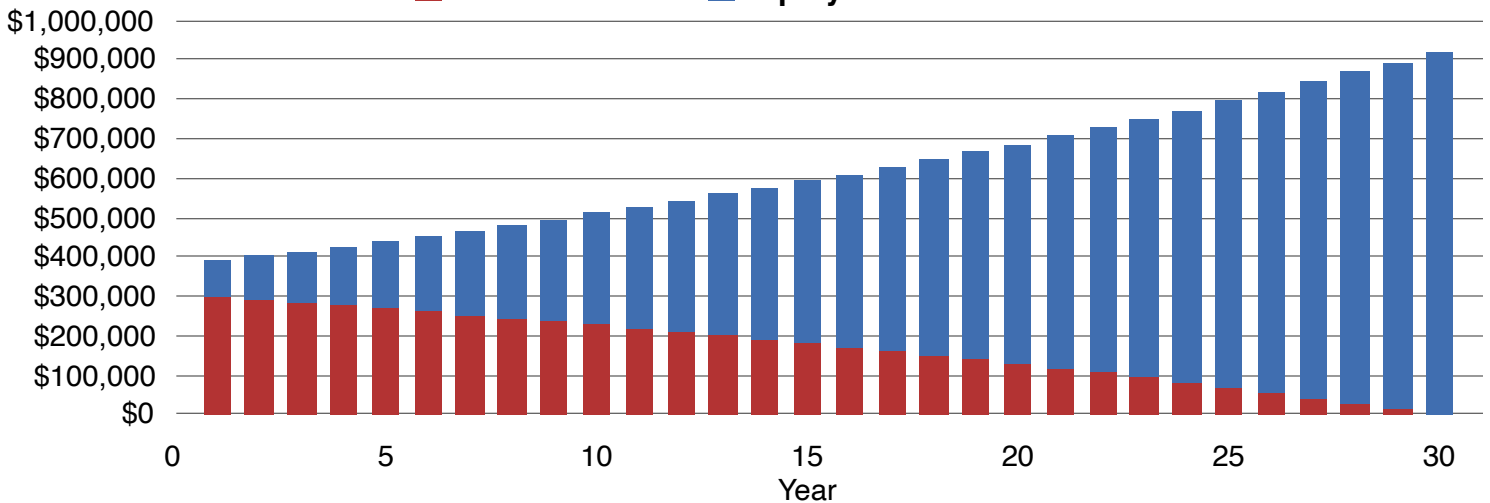
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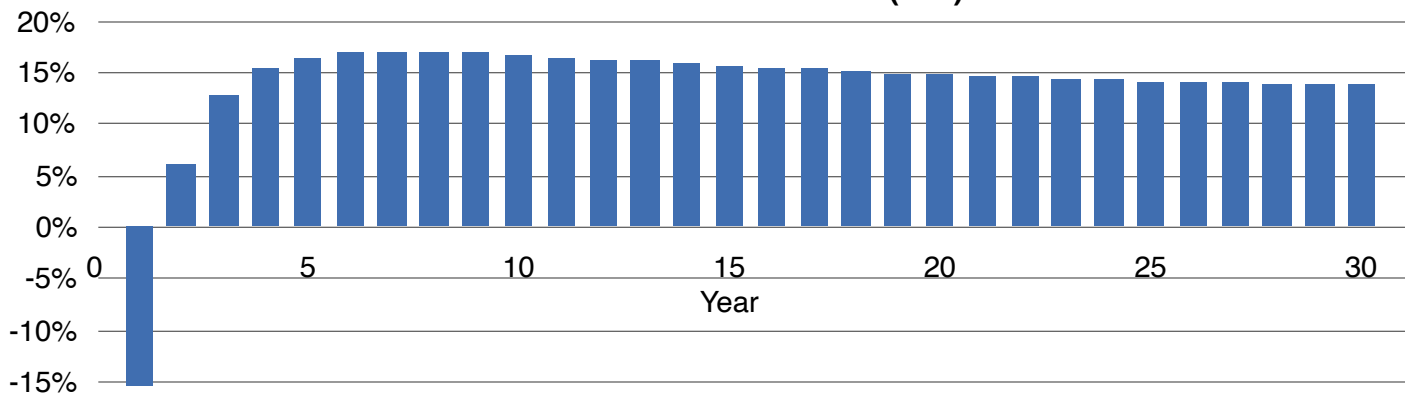
Monthly Cash Flow



Loan Balance + Equity = Market Value



Internal Rate of Return (IRR)



Itemized Closing Costs

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Buying Costs

Appraisal	\$300
Title Insurance	\$320
Property Transfer Tax	\$5,598
Legal Fees	\$1,500
Inspection	\$600
Total	\$8,318

Energy Park Site Plan

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Main Floor Plan (Measurements Approximate - Illustrative Purposes Only)

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Upper Floor Plan (Measurements Approximate - Illustrative Purposes Only)

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