



## **Norwood 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

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### Purchase Info

Square Feet (2 Units)	3,130
Purchase Price	\$779,800
Initial Cash Invested	\$173,496

### Income Analysis

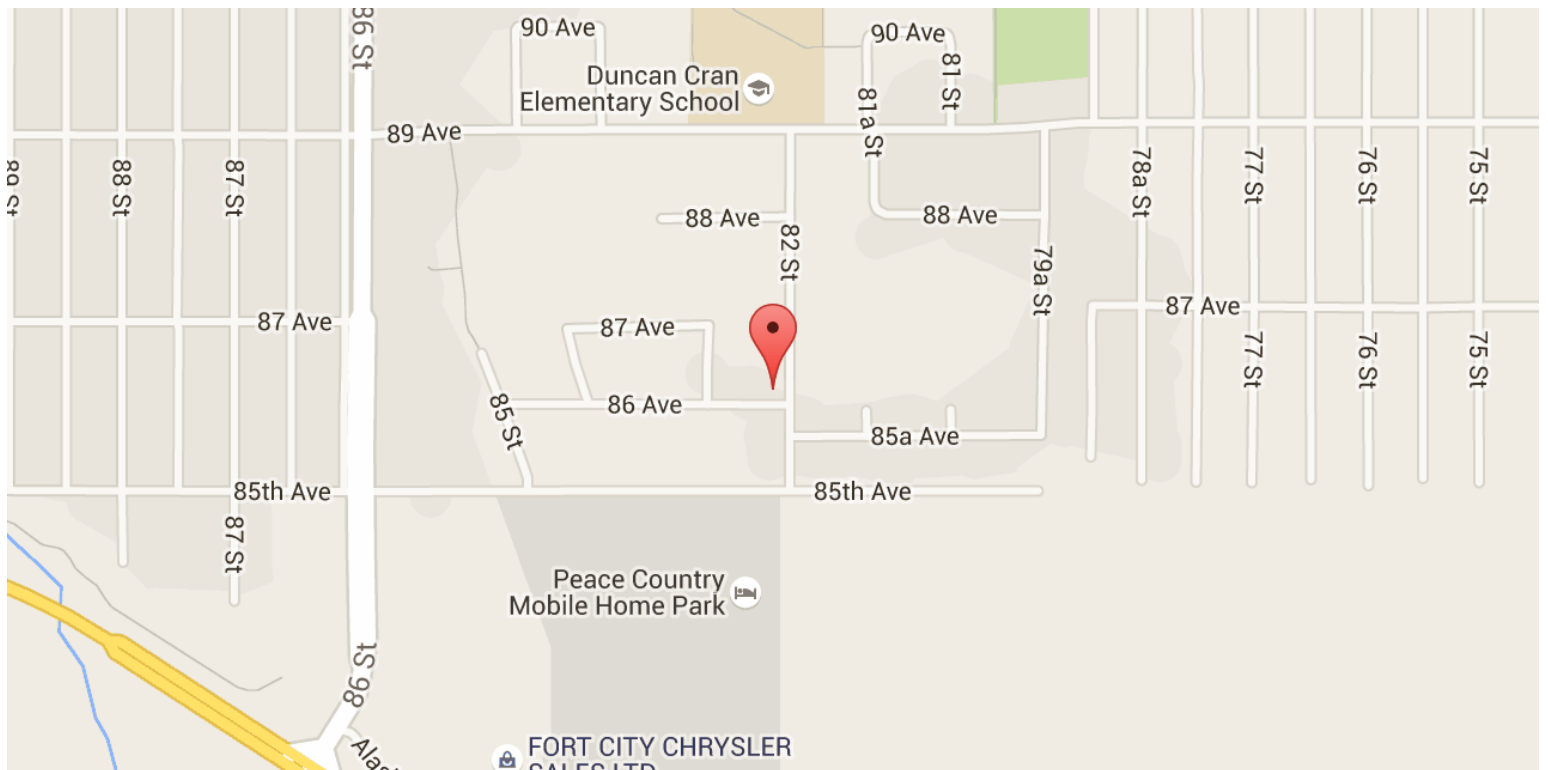
	Monthly	Annual
Net Operating Income	\$3,200	\$38,400
Cash Flow	\$707	\$8,485

### Financial Metrics

Cap Rate (Purchase Price)	4.9%
Cash on Cash Return (Year 1)	4.9%
Internal Rate of Return (Year 10)	16.2%
Sale Price (Year 10)	\$1,047,986



Great new duplex in Fort St John's popular Energy Park subdivision! This home offers a great layout with a spacious 1565 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	\$779,800
- First Mortgage	-\$623,840
- Second Mortgage	-\$0
<b>= Downpayment</b>	<b>\$155,960</b>
+ Buying Costs	\$17,536
+ Initial Improvements	\$0
<b>= Initial Cash Invested</b>	<b>\$173,496</b>
Square Feet (2 Units)	3,130
Cost per Square Foot	\$249
Monthly Rent per Square Foot	\$1.44
Cost per Unit	\$389,900
Average Monthly Rent per Unit	\$2,250

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$623,840	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	2.6%	
<b>Payment</b>	<b>\$2,492.92</b>	<b>\$0.00</b>

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	14.4
Operating Expense Ratio	25.1%
Debt Coverage Ratio	1.28
Cap Rate (Purchase Price)	4.9%
<b>Cash on Cash Return</b>	<b>4.9%</b>

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	\$54,586

Income	Monthly	Annual
Gross Rent	\$4,500	\$54,000
Vacancy Loss	-\$225	-\$2,700
<b>Operating Income</b>	<b>\$4,275</b>	<b>\$51,300</b>

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (4%)	-\$150	-\$1,800
Insurance (5%)	-\$217	-\$2,600
Management Fees (5%)	-\$200	-\$2,400
Taxes (12%)	-\$508	-\$6,100
<b>Operating Expenses (25%)</b>	<b>-\$1,075</b>	<b>-\$12,900</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$3,200</b>	<b>\$38,400</b>
- Mortgage Payments	-\$2,493	-\$29,915
- Year 1 Improvements	-\$0	-\$0
<b>= Cash Flow</b>	<b>\$707</b>	<b>\$8,485</b>

# 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	\$54,000	\$55,620	\$57,289	\$60,777	\$70,458	\$94,689	\$127,255
Vacancy Loss	-\$2,700	-\$2,781	-\$2,864	-\$3,039	-\$3,523	-\$4,734	-\$6,363
<b>Operating Income</b>	<b>\$51,300</b>	<b>\$52,839</b>	<b>\$54,424</b>	<b>\$57,739</b>	<b>\$66,935</b>	<b>\$89,955</b>	<b>\$120,892</b>

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	-\$6,100	-\$6,283	-\$6,471	-\$6,866	-\$7,959	-\$10,696	-\$14,375
<b>Operating Expenses</b>	<b>-\$12,900</b>	<b>-\$13,287</b>	<b>-\$13,686</b>	<b>-\$14,519</b>	<b>-\$16,832</b>	<b>-\$22,620</b>	<b>-\$30,400</b>

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
<b>Net Operating Income</b>	<b>\$38,400</b>	<b>\$39,552</b>	<b>\$40,739</b>	<b>\$43,220</b>	<b>\$50,103</b>	<b>\$67,335</b>	<b>\$90,492</b>
- Mortgage Payments	-\$29,915	-\$29,915	-\$29,915	-\$29,915	-\$29,915	-\$29,915	-\$29,913
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
<b>= Cash Flow</b>	<b>\$8,485</b>	<b>\$9,637</b>	<b>\$10,824</b>	<b>\$13,304</b>	<b>\$20,188</b>	<b>\$37,420</b>	<b>\$60,579</b>
Cap Rate (Purchase Price)	4.9%	5.1%	5.2%	5.5%	6.4%	8.6%	11.6%
Cap Rate (Market Value)	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
<b>Cash on Cash Return</b>	<b>4.9%</b>	<b>5.6%</b>	<b>6.2%</b>	<b>7.7%</b>	<b>11.6%</b>	<b>21.6%</b>	<b>34.9%</b>
Return on Equity	4.4%	4.2%	4.0%	3.8%	3.5%	3.3%	3.2%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$803,194	\$827,290	\$852,109	\$904,002	\$1,047,986	\$1,408,406	\$1,892,779
- Loan Balance	-\$609,893	-\$595,581	-\$580,895	-\$550,359	-\$466,747	-\$263,349	-\$0
<b>= Equity</b>	<b>\$193,301</b>	<b>\$231,709</b>	<b>\$271,214</b>	<b>\$353,643</b>	<b>\$581,239</b>	<b>\$1,145,057</b>	<b>\$1,892,779</b>
Loan-to-Value Ratio	75.9%	72.0%	68.2%	60.9%	44.5%	18.7%	0.0%
Potential Cash-Out Refi	\$32,662	\$66,251	\$100,792	\$172,843	\$371,642	\$863,376	\$1,514,223

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$193,301	\$231,709	\$271,214	\$353,643	\$581,239	\$1,145,057	\$1,892,779
- Selling Costs	-\$56,224	-\$57,910	-\$59,648	-\$63,280	-\$73,359	-\$98,588	-\$132,495
<b>= Proceeds After Sale</b>	<b>\$137,077</b>	<b>\$173,798</b>	<b>\$211,566</b>	<b>\$290,363</b>	<b>\$507,880</b>	<b>\$1,046,468</b>	<b>\$1,760,285</b>
+ Cumulative Cash Flow	\$8,485	\$18,122	\$28,945	\$54,296	\$141,063	\$433,522	\$929,447
- Initial Cash Invested	-\$173,496	-\$173,496	-\$173,496	-\$173,496	-\$173,496	-\$173,496	-\$173,496
<b>= Net Profit</b>	<b>-\$27,934</b>	<b>\$18,424</b>	<b>\$67,016</b>	<b>\$171,162</b>	<b>\$475,447</b>	<b>\$1,306,494</b>	<b>\$2,516,236</b>
<b>Internal Rate of Return</b>	<b>-16.1%</b>	<b>5.3%</b>	<b>12.0%</b>	<b>15.9%</b>	<b>16.2%</b>	<b>14.4%</b>	<b>13.3%</b>
Return on Investment	-16%	11%	39%	99%	274%	753%	1,450%

# Graphs

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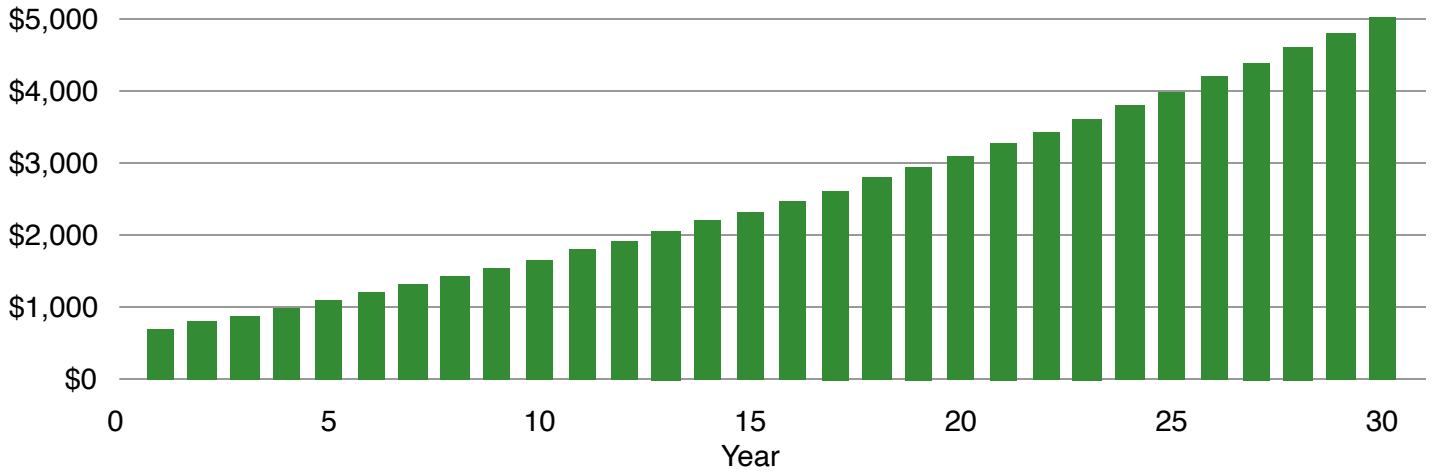
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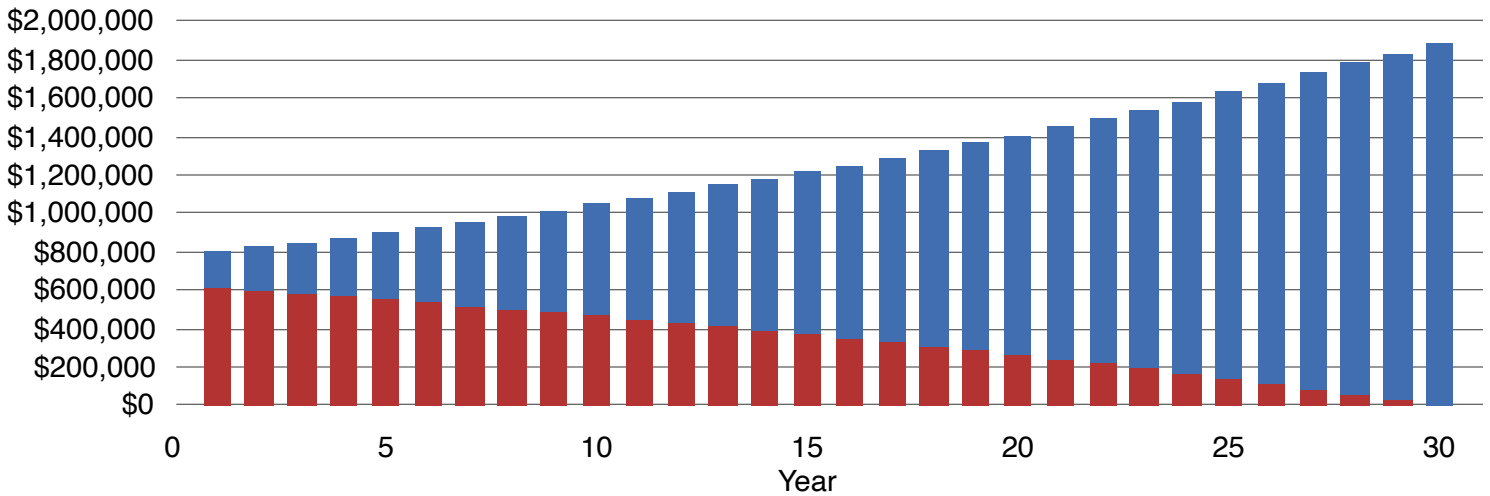
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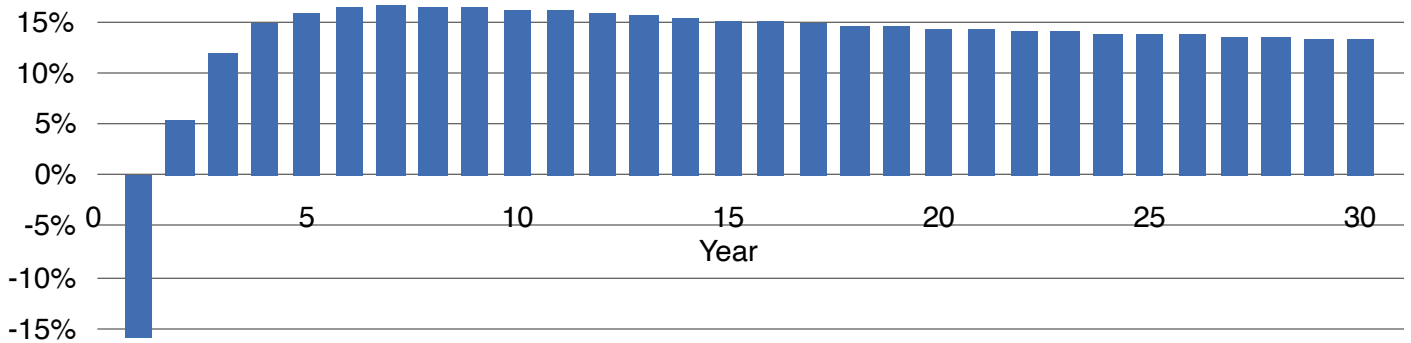
### Monthly Cash Flow



■ 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	1,565	1	\$2,250 Per Month
Unit 2	1,565	1	\$2,250 Per Month
<b>Totals for Year 1</b>			
<b>Total Number of Units</b>			<b>2</b>
<b>Total Area (Sum of Units)</b>			<b>3,130 Square Feet</b>
<b>Total Rent (Sum of Units)</b>			<b>\$4,500 Per Month, \$54,000 Per Year</b>

## Itemized Closing Costs

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#### Buying Costs

Appraisal	\$600
Title Insurance	\$640
Property Transfer Tax	\$13,596
Legal Fees	\$1,500
Inspection	\$1,200
<b>Total</b>	<b>\$17,536</b>

# Energy Park Site Plan

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# Main Floor Plan (Measurements Approximate - Illustrative Purposes Only)

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## MAIN FLOOR PLAN NORWOOD B

705 SQ.FT. LIVING AREA UNIT A  
1565 SQ.FT. TOTAL LIVING AREA UNIT A  
1 of 1  
ER 15-033  
20' - 6" W - 41' - 0" D



# Upper Floor Plan (Measurements Approximate - Illustrative Purposes Only)

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## UPPER FLOOR PLAN NORWOOD B

860 SQ.FT. LIVING AREA UNIT A  
1565 SQ.FT. TOTAL LIVING AREA UNIT A  
8' CEILING

