

# Property Report

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## **Norwood Half Duplex (Mar 2016)**

8706 82 Street  
Fort St John, BC V1J 0K7

Presented by:

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**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

## Norwood Half Duplex (Mar 2016)

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### Purchase Info

Square Feet	1,565
Purchase Price	\$389,900
Initial Cash Invested	\$86,498

### Income Analysis

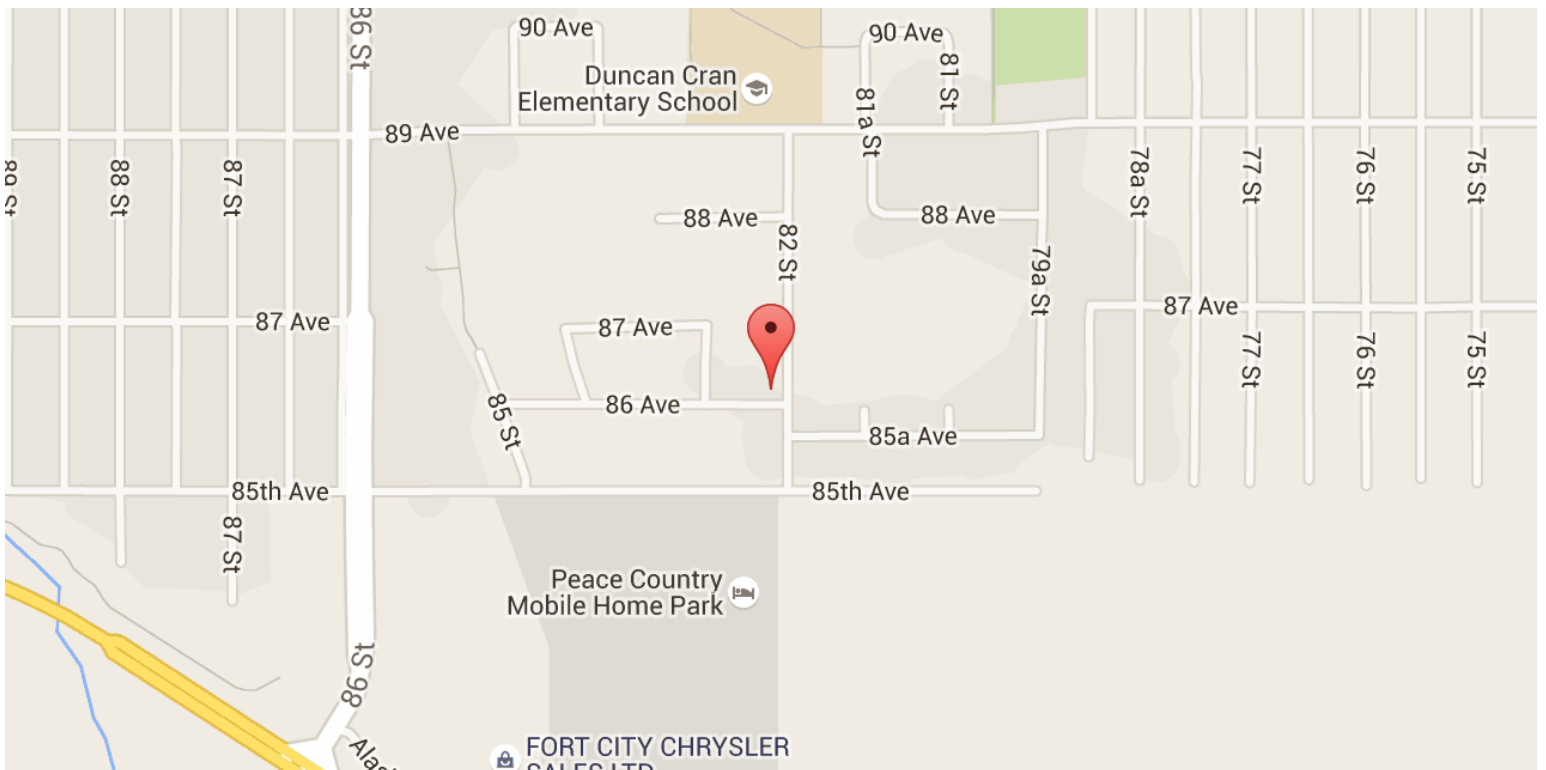
	Monthly	Annual
Net Operating Income	\$1,600	\$19,200
Cash Flow	\$354	\$4,242

### 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)	\$523,993



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	\$389,900
- First Mortgage	-\$311,920
- Second Mortgage	-\$0
<b>= Downpayment</b>	<b>\$77,980</b>
+ Buying Costs	\$8,518
+ Initial Improvements	\$0
<b>= Initial Cash Invested</b>	<b>\$86,498</b>
Square Feet	1,565
Cost per Square Foot	\$249
Monthly Rent per Square Foot	\$1.44

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$311,920	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	2.6%	
<b>Payment</b>	<b>\$1,246.46</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	\$27,293

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

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
<b>Operating Expenses (25%)</b>	<b>-\$538</b>	<b>-\$6,450</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$1,600</b>	<b>\$19,200</b>
- Mortgage Payments	-\$1,246	-\$14,958
- Year 1 Improvements	-\$0	-\$0
<b>= Cash Flow</b>	<b>\$354</b>	<b>\$4,242</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	\$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
<b>Operating Income</b>	<b>\$25,650</b>	<b>\$26,420</b>	<b>\$27,212</b>	<b>\$28,869</b>	<b>\$33,467</b>	<b>\$44,977</b>	<b>\$60,446</b>

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
<b>Operating Expenses</b>	<b>-\$6,450</b>	<b>-\$6,644</b>	<b>-\$6,843</b>	<b>-\$7,260</b>	<b>-\$8,416</b>	<b>-\$11,310</b>	<b>-\$15,200</b>

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
<b>Net Operating Income</b>	<b>\$19,200</b>	<b>\$19,776</b>	<b>\$20,369</b>	<b>\$21,610</b>	<b>\$25,052</b>	<b>\$33,667</b>	<b>\$45,246</b>
- Mortgage Payments	-\$14,958	-\$14,958	-\$14,958	-\$14,958	-\$14,958	-\$14,958	-\$14,958
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
<b>= Cash Flow</b>	<b>\$4,242</b>	<b>\$4,818</b>	<b>\$5,412</b>	<b>\$6,652</b>	<b>\$10,094</b>	<b>\$18,710</b>	<b>\$30,290</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>6.3%</b>	<b>7.7%</b>	<b>11.7%</b>	<b>21.6%</b>	<b>35.0%</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	\$401,597	\$413,645	\$426,054	\$452,001	\$523,993	\$704,203	\$946,390
- Loan Balance	-\$304,947	-\$297,791	-\$290,447	-\$275,179	-\$233,373	-\$131,674	-\$0
<b>= Equity</b>	<b>\$96,650</b>	<b>\$115,854</b>	<b>\$135,607</b>	<b>\$176,821</b>	<b>\$290,620</b>	<b>\$572,528</b>	<b>\$946,390</b>
Loan-to-Value Ratio	75.9%	72.0%	68.2%	60.9%	44.5%	18.7%	0.0%
Potential Cash-Out Refi	\$16,331	\$33,125	\$50,396	\$86,421	\$185,821	\$431,688	\$757,112

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$96,650	\$115,854	\$135,607	\$176,821	\$290,620	\$572,528	\$946,390
- Selling Costs	-\$28,112	-\$28,955	-\$29,824	-\$31,640	-\$36,680	-\$49,294	-\$66,247
<b>= Proceeds After Sale</b>	<b>\$68,539</b>	<b>\$86,899</b>	<b>\$105,783</b>	<b>\$145,181</b>	<b>\$253,940</b>	<b>\$523,234</b>	<b>\$880,142</b>
+ Cumulative Cash Flow	\$4,242	\$9,061	\$14,473	\$27,148	\$70,531	\$216,761	\$464,724
- Initial Cash Invested	-\$86,498	-\$86,498	-\$86,498	-\$86,498	-\$86,498	-\$86,498	-\$86,498
<b>= Net Profit</b>	<b>-\$13,717</b>	<b>\$9,462</b>	<b>\$33,758</b>	<b>\$85,831</b>	<b>\$237,973</b>	<b>\$653,497</b>	<b>\$1,258,368</b>
<b>Internal Rate of Return</b>	<b>-15.9%</b>	<b>5.5%</b>	<b>12.1%</b>	<b>15.9%</b>	<b>16.2%</b>	<b>14.4%</b>	<b>13.3%</b>
Return on Investment	-16%	11%	39%	99%	275%	756%	1,455%

# Graphs

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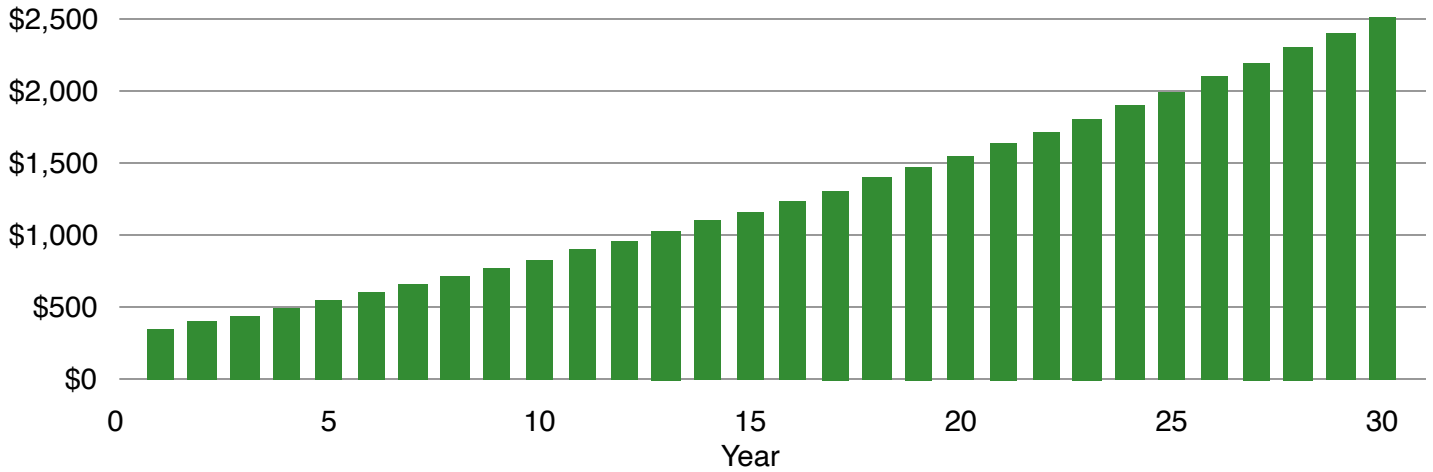
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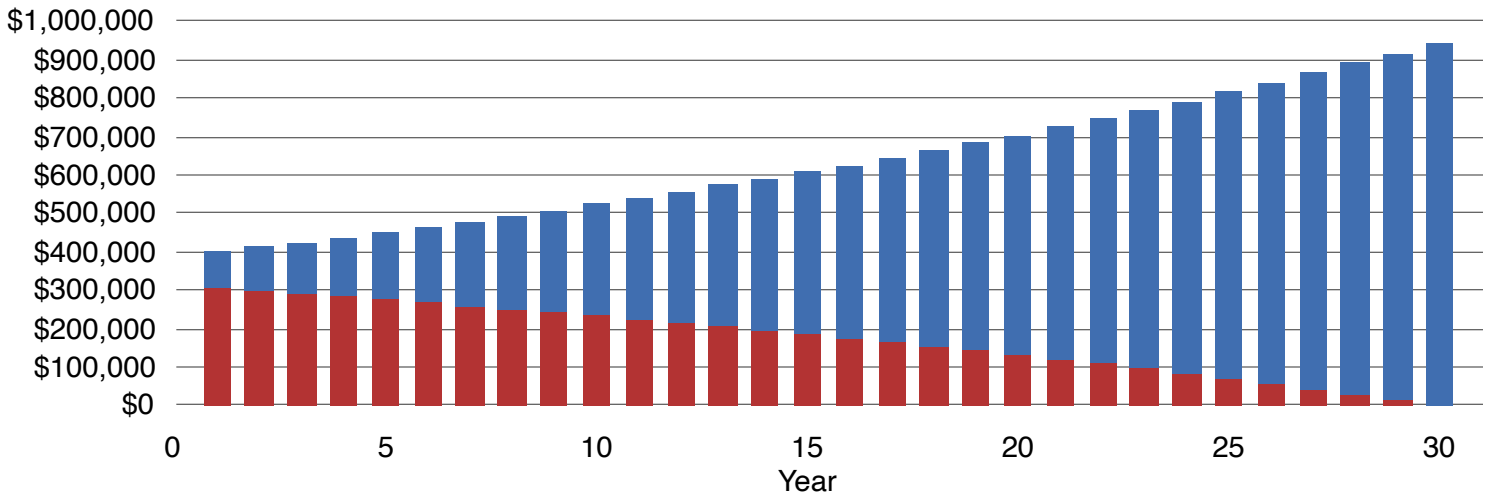
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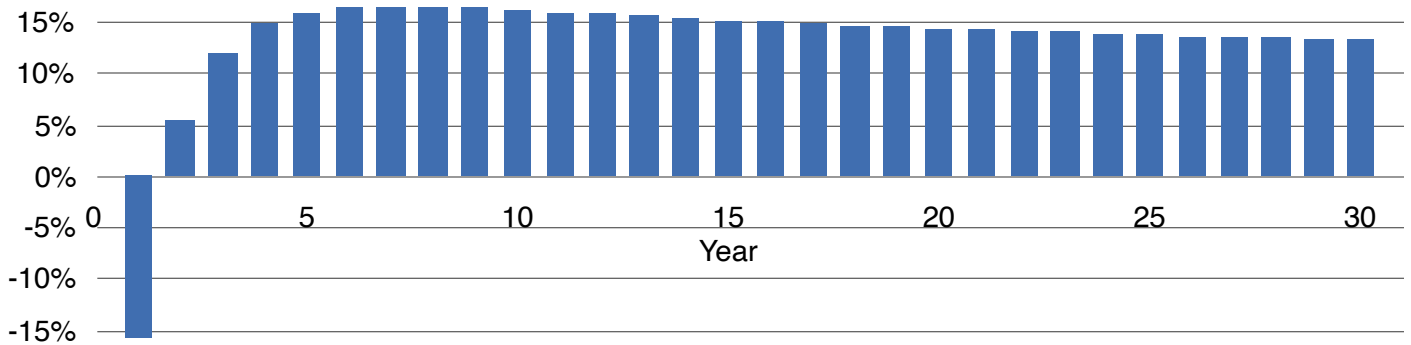
### Monthly Cash Flow



### 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	\$5,798
Legal Fees	\$1,500
Inspection	\$600
<b>Total</b>	<b>\$8,518</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

