



## **Perth ON - 24 unit residential copy 2**

8 Rogers Road  
Perth , On K7H 1P1

Presented by:

**Mitch Gauzas**  
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# Overview

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### Purchase Info

Square Feet	0
Purchase Price	\$5,000,000
Initial Cash Invested	\$1,477,600

### Income Analysis

	Monthly	Annual
Net Operating Income	\$23,302	\$279,624
Cash Flow	\$6,551	\$78,616

### Financial Metrics

Cap Rate (Purchase Price)	5.6%
Cash on Cash Return (Year 1)	5.3%
Internal Rate of Return (Year 10)	14.1%
Sale Price (Year 10)	\$6,215,541



# Purchase Analysis

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Purchase Info	
Purchase Price	\$5,000,000
- First Mortgage	-\$3,641,400
- Second Mortgage	-\$0
<b>= Downpayment</b>	<b>\$1,358,600</b>
+ Buying Costs	\$119,000
+ Initial Improvements	\$0
<b>= Initial Cash Invested</b>	<b>\$1,477,600</b>
Square Feet	0

Mortgages	First	Second
Loan-To-Cost Ratio	72.83%	0%
Loan-To-Value Ratio	72.83%	0%
Loan Amount	\$3,641,400	\$0
Loan Type	Amortizing	
Term	25 Years	
Interest Rate	2.74%	
<b>Payment</b>	<b>\$16,750.66</b>	<b>\$0.00</b>

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	13.3
Operating Expense Ratio	26.1%
Debt Coverage Ratio	1.39
Cap Rate (Purchase Price)	5.6%
<b>Cash on Cash Return</b>	<b>5.3%</b>

Assumptions	
Appreciation Rate	2.2%
Vacancy Rate	1.0%
Income Inflation Rate	2.0%
Expense Inflation Rate	1.0%
LTV for Refinance	70.0%
Selling Costs	\$150,000

Income	Monthly	Annual
Gross Rent	\$31,280	\$375,360
Vacancy Loss	-\$313	-\$3,754
Laundry	\$500	\$6,000
Parking	\$75	\$900
<b>Operating Income</b>	<b>\$31,542</b>	<b>\$378,506</b>

Expenses (% of Income)	Monthly	Annual
Advertising & Marketing (\$50/unit) (0%)	-\$50	-\$600
Cleaning Common Areas (5%)	-\$1,500	-\$18,000
Insurance (1%)	-\$366	-\$4,391
Management Fees (3.5%) (4%)	-\$1,262	-\$15,140
Repairs & Maintenance (\$500/unit) (1%)	-\$472	-\$5,662
Municipal Taxes (8%)	-\$2,517	-\$30,200
Water/Sewage (1%)	-\$427	-\$5,126
Gas (1%)	-\$445	-\$5,345
Hydro (1%)	-\$250	-\$3,000
Window Cleaning (0%)	-\$125	-\$1,500
Waste Removal (1%)	-\$199	-\$2,387
Lawn/Snow (1%)	-\$387	-\$4,647
Elevators (1%)	-\$184	-\$2,206
Security (0%)	-\$56	-\$678
<b>Operating Expenses (26%)</b>	<b>-\$8,240</b>	<b>-\$98,882</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$23,302</b>	<b>\$279,624</b>
- Mortgage Payments	-\$16,751	-\$201,008
- Year 1 Improvements	-\$0	-\$0
<b>= Cash Flow</b>	<b>\$6,551</b>	<b>\$78,616</b>

# Buy and Hold Projection

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Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
Gross Rent	\$375,360	\$382,867	\$390,525	\$398,335	\$406,302	\$448,590	\$495,280
Vacancy Loss	-\$3,754	-\$3,829	-\$3,905	-\$3,983	-\$4,063	-\$4,486	-\$4,953
Laundry	\$6,000	\$6,120	\$6,242	\$6,367	\$6,495	\$7,171	\$7,917
Parking	\$900	\$918	\$936	\$955	\$974	\$1,076	\$1,188
<b>Operating Income</b>	<b>\$378,506</b>	<b>\$386,077</b>	<b>\$393,798</b>	<b>\$401,674</b>	<b>\$409,708</b>	<b>\$452,350</b>	<b>\$499,431</b>

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
Advertising & Marketing (\$50/unit)	-\$600	-\$606	-\$612	-\$618	-\$624	-\$656	-\$690
Cleaning Common Areas	-\$18,000	-\$18,180	-\$18,362	-\$18,545	-\$18,731	-\$19,686	-\$20,691
Insurance	-\$4,391	-\$4,435	-\$4,479	-\$4,524	-\$4,569	-\$4,802	-\$5,047
Management Fees (3.5%)	-\$15,140	-\$15,443	-\$15,752	-\$16,067	-\$16,388	-\$18,094	-\$19,977
Repairs & Maintenance (\$500/unit)	-\$5,662	-\$5,719	-\$5,776	-\$5,834	-\$5,892	-\$6,192	-\$6,508
Municipal Taxes	-\$30,200	-\$30,502	-\$30,807	-\$31,115	-\$31,426	-\$33,029	-\$34,714
Water/Sewage	-\$5,126	-\$5,177	-\$5,229	-\$5,281	-\$5,334	-\$5,606	-\$5,892
Gas	-\$5,345	-\$5,398	-\$5,452	-\$5,507	-\$5,562	-\$5,846	-\$6,144
Hydro	-\$3,000	-\$3,030	-\$3,060	-\$3,091	-\$3,122	-\$3,281	-\$3,448
Window Cleaning	-\$1,500	-\$1,515	-\$1,530	-\$1,545	-\$1,561	-\$1,641	-\$1,724
Waste Removal	-\$2,387	-\$2,411	-\$2,435	-\$2,459	-\$2,484	-\$2,611	-\$2,744
Lawn/Snow	-\$4,647	-\$4,693	-\$4,740	-\$4,788	-\$4,836	-\$5,082	-\$5,342
Elevators	-\$2,206	-\$2,228	-\$2,250	-\$2,273	-\$2,296	-\$2,413	-\$2,536
Security	-\$678	-\$685	-\$692	-\$699	-\$706	-\$742	-\$779
<b>Operating Expenses</b>	<b>-\$98,882</b>	<b>-\$100,022</b>	<b>-\$101,177</b>	<b>-\$102,346</b>	<b>-\$103,531</b>	<b>-\$109,681</b>	<b>-\$116,237</b>

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Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
<b>Net Operating Income</b>	<b>\$279,624</b>	<b>\$286,054</b>	<b>\$292,621</b>	<b>\$299,328</b>	<b>\$306,177</b>	<b>\$342,669</b>	<b>\$383,195</b>
- Mortgage Payments	-\$201,008	-\$201,008	-\$201,008	-\$201,008	-\$201,008	-\$201,008	-\$201,008
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
<b>= Cash Flow</b>	<b>\$78,616</b>	<b>\$85,046</b>	<b>\$91,613</b>	<b>\$98,320</b>	<b>\$105,169</b>	<b>\$141,661</b>	<b>\$182,187</b>
Cap Rate (Purchase Price)	5.6%	5.7%	5.9%	6.0%	6.1%	6.9%	7.7%
Cap Rate (Market Value)	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
<b>Cash on Cash Return</b>	<b>5.3%</b>	<b>5.8%</b>	<b>6.2%</b>	<b>6.7%</b>	<b>7.1%</b>	<b>9.6%</b>	<b>12.3%</b>
Return on Equity	5.0%	4.8%	4.5%	4.4%	4.2%	3.8%	3.5%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
Market Value	\$5,110,000	\$5,222,420	\$5,337,313	\$5,454,734	\$5,574,738	\$6,215,541	\$6,930,003
- Loan Balance	-\$3,538,321	-\$3,432,398	-\$3,323,553	-\$3,211,705	-\$3,096,771	-\$2,472,756	-\$1,757,783
<b>= Equity</b>	<b>\$1,571,679</b>	<b>\$1,790,022</b>	<b>\$2,013,761</b>	<b>\$2,243,029</b>	<b>\$2,477,967</b>	<b>\$3,742,785</b>	<b>\$5,172,220</b>
Loan-to-Value Ratio	69.2%	65.7%	62.3%	58.9%	55.6%	39.8%	25.4%
Potential Cash-Out Refi	\$38,679	\$223,296	\$412,567	\$606,609	\$805,546	\$1,878,123	\$3,093,219

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
Equity	\$1,571,679	\$1,790,022	\$2,013,761	\$2,243,029	\$2,477,967	\$3,742,785	\$5,172,220
- Selling Costs	-\$153,300	-\$156,673	-\$160,119	-\$163,642	-\$167,242	-\$186,466	-\$207,900
<b>= Proceeds After Sale</b>	<b>\$1,418,379</b>	<b>\$1,633,350</b>	<b>\$1,853,641</b>	<b>\$2,079,387</b>	<b>\$2,310,725</b>	<b>\$3,556,319</b>	<b>\$4,964,320</b>
+ Cumulative Cash Flow	\$78,616	\$163,662	\$255,275	\$353,595	\$458,764	\$1,092,552	\$1,920,737
- Initial Cash Invested	-\$1,477,600	-\$1,477,600	-\$1,477,600	-\$1,477,600	-\$1,477,600	-\$1,477,600	-\$1,477,600
<b>= Net Profit</b>	<b>\$19,395</b>	<b>\$319,412</b>	<b>\$631,317</b>	<b>\$955,382</b>	<b>\$1,291,889</b>	<b>\$3,171,271</b>	<b>\$5,407,457</b>
<b>Internal Rate of Return</b>	<b>1.3%</b>	<b>10.5%</b>	<b>13.2%</b>	<b>14.2%</b>	<b>14.5%</b>	<b>14.1%</b>	<b>13.3%</b>
Return on Investment	1%	22%	43%	65%	87%	215%	366%

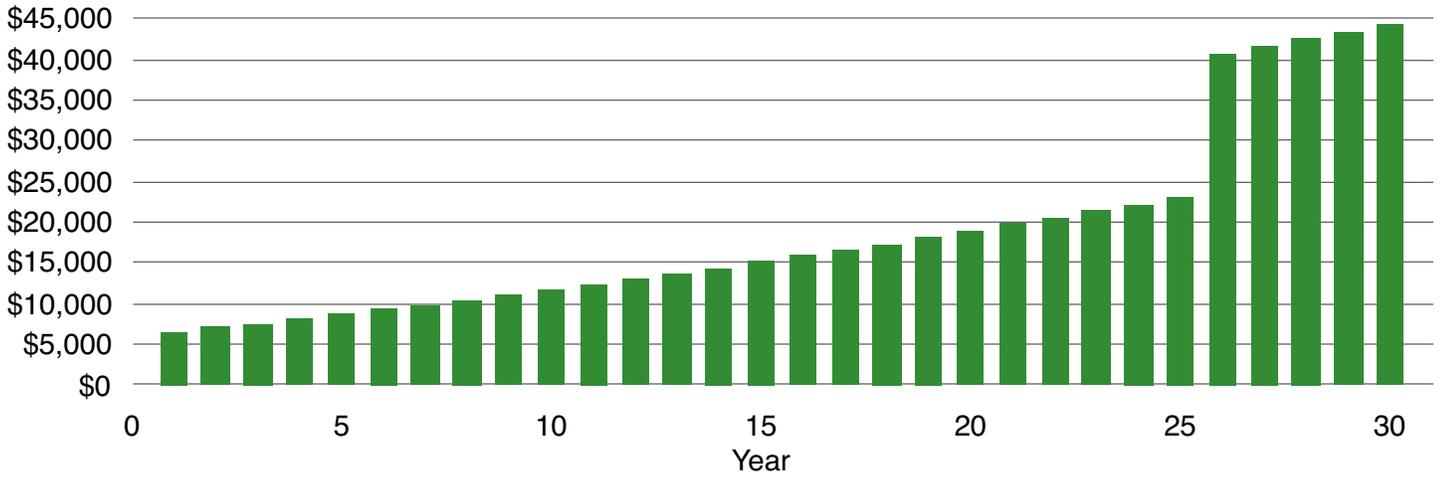
# Graphs

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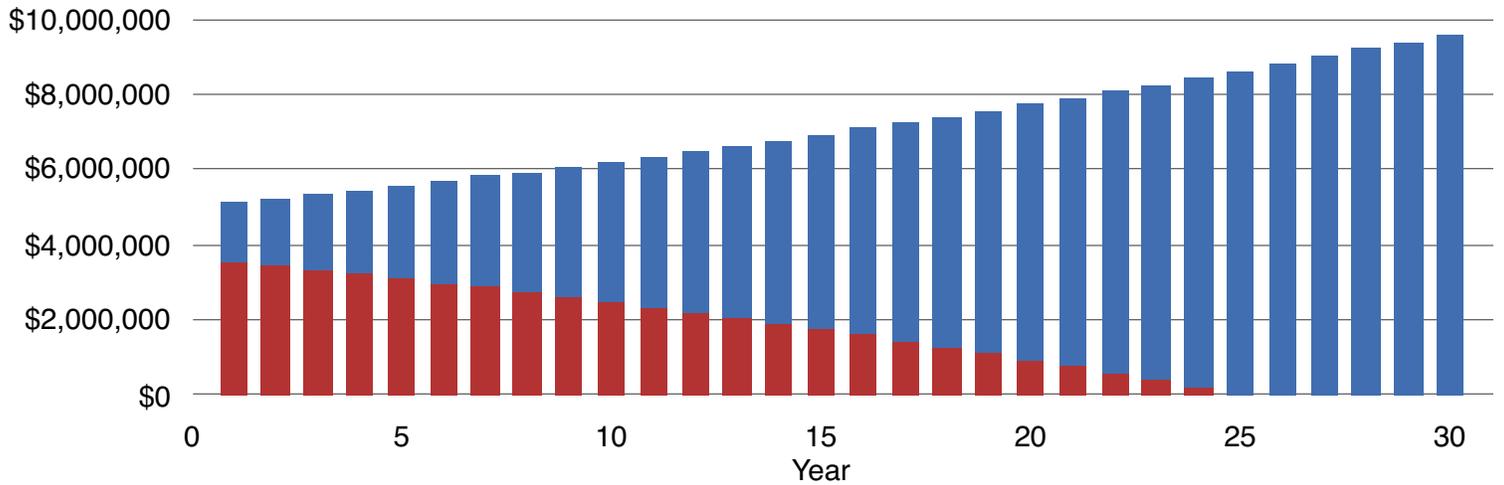


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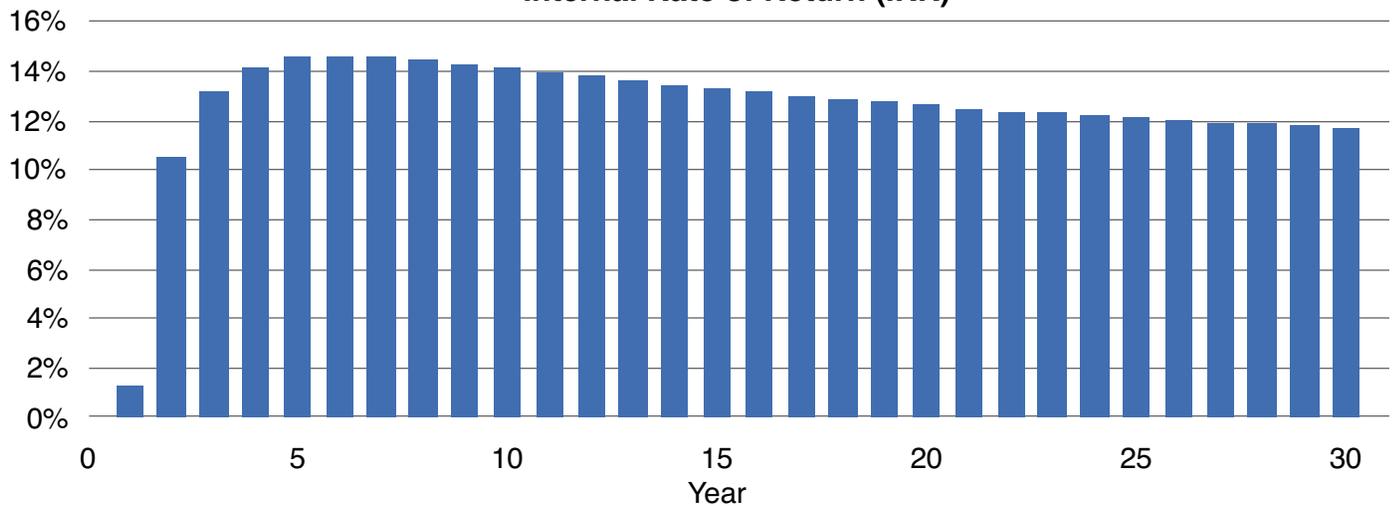
## Monthly Cash Flow



**■ Loan Balance + ■ Equity = Market Value**



## Internal Rate of Return (IRR)



## Itemized Closing Costs

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### Buying Costs

Land Transfer Tax	\$114,000
Legal Fees	\$5,000
<b>Total</b>	<b>\$119,000</b>