

32 Res 4 Com Hamilton

Presented by:

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Overview

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Purchase Info

Square Feet (36 Units)	23,786
Purchase Price	\$4,400,000
Initial Cash Invested	\$1,276,000

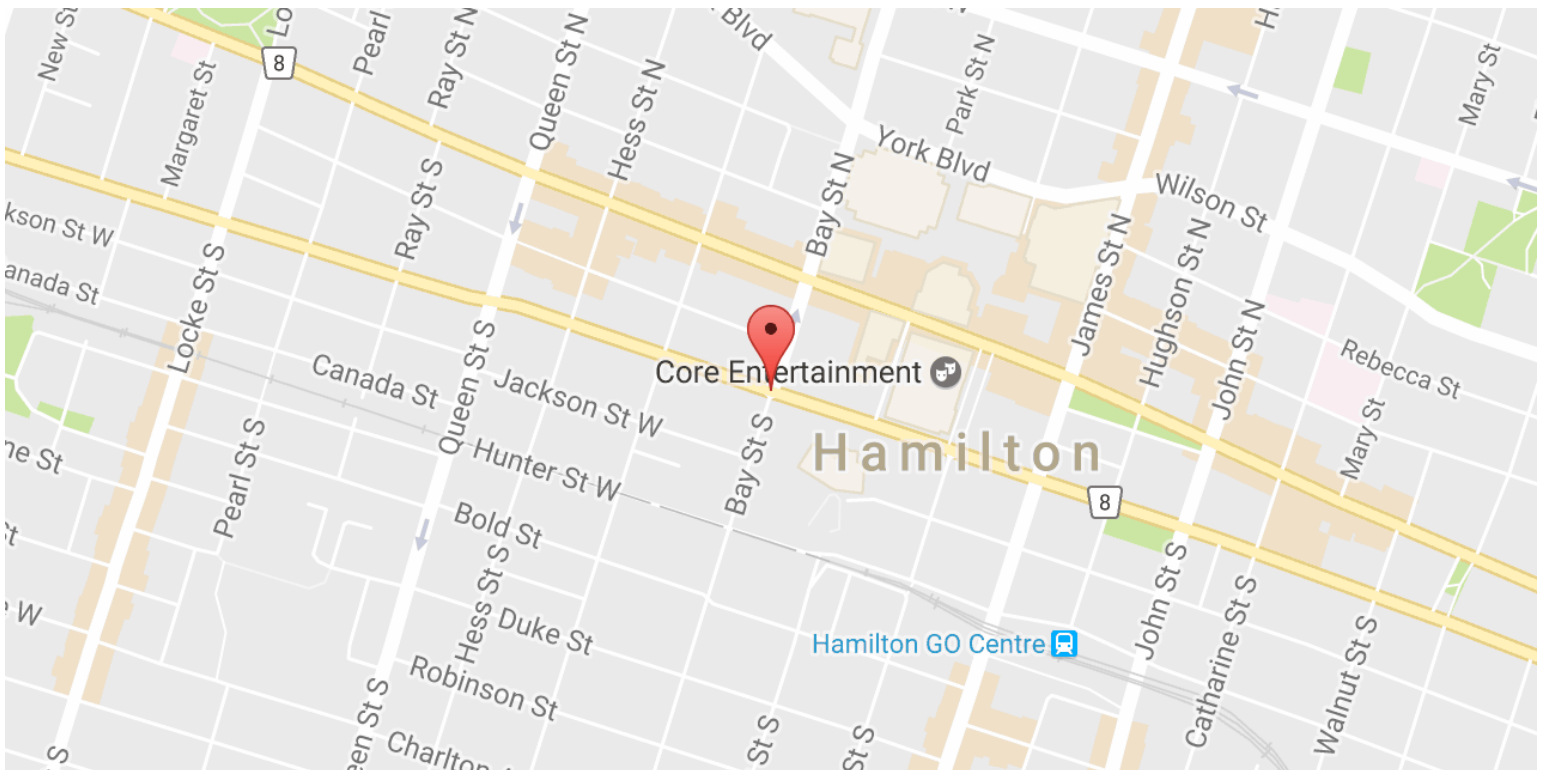
Income Analysis

	Monthly	Annual
Net Operating Income	\$23,527	\$282,327
Cash Flow	\$7,051	\$84,616

Financial Metrics

Cap Rate (Purchase Price)	6.4%
Cash on Cash Return (Year 1)	6.6%
Internal Rate of Return (Year 10)	15.6%
Sale Price (Year 10)	\$5,913,232

Four Storey Mixed use building with 32 Residential and 6800 sq ft (4 units) of commercial space. Site is .22 Acres with 90' Frontage.



Purchase Analysis

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Purchase Info	
Purchase Price	\$4,400,000
- First Mortgage	-\$3,300,000
- Second Mortgage	-\$0
= Downpayment	\$1,100,000
+ Buying Costs	\$176,000
+ Initial Improvements	\$0
= Initial Cash Invested	\$1,276,000
Square Feet (36 Units)	23,786
Cost per Square Foot	\$185
Monthly Rent per Square Foot	\$1.25
Cost per Unit	\$122,222
Average Monthly Rent per Unit	\$829

Mortgages	First	Second
Loan-To-Cost Ratio	75%	0%
Loan-To-Value Ratio	75%	0%
Loan Amount	\$3,300,000	\$0
Loan Type	Amortizing	
Term	25 Years	
Interest Rate	3.5%	
Payment	\$16,475.92	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	12.3
Operating Expense Ratio	20.4%
Debt Coverage Ratio	1.43
Cap Rate (Purchase Price)	6.4%
Cash on Cash Return	6.6%

Assumptions	
Appreciation Rate	3.0%
Vacancy Rate	3.0%
Income Inflation Rate	2.0%
Expense Inflation Rate	1.0%
LTV for Refinance	70.0%
Selling Costs	\$308,000

Income	Monthly	Annual
Gross Rent	\$29,844	\$358,128
Vacancy Loss	-\$895	-\$10,744
Laundry	\$448	\$5,376
Parking	\$162	\$1,949
Operating Income	\$29,559	\$354,709

Expenses (% of Income)	Monthly	Annual
Taxes (3%)	-\$996	-\$11,953
Insurance (2%)	-\$685	-\$8,215
Utilities (5%)	-\$1,358	-\$16,300
Cleaning & Maintenance (5%)	-\$1,500	-\$18,000
Management Fees (5%)	-\$1,493	-\$17,914
Operating Expenses (20%)	-\$6,032	-\$72,382

Net Performance	Monthly	Annual
Net Operating Income	\$23,527	\$282,327
- Mortgage Payments	-\$16,476	-\$197,711
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$7,051	\$84,616

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	\$358,128	\$365,291	\$372,596	\$387,649	\$427,996	\$521,725	\$635,980
Vacancy Loss	-\$10,744	-\$10,959	-\$11,178	-\$11,629	-\$12,840	-\$15,652	-\$19,079
Laundry	\$5,376	\$5,484	\$5,593	\$5,819	\$6,425	\$7,832	\$9,547
Parking	\$1,949	\$1,988	\$2,028	\$2,110	\$2,329	\$2,839	\$3,461
Operating Income	\$354,709	\$361,803	\$369,039	\$383,949	\$423,910	\$516,744	\$629,908

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Taxes	-\$11,953	-\$12,073	-\$12,193	-\$12,438	-\$13,073	-\$14,441	-\$15,951
Insurance	-\$8,215	-\$8,297	-\$8,380	-\$8,549	-\$8,985	-\$9,925	-\$10,963
Utilities	-\$16,300	-\$16,463	-\$16,628	-\$16,962	-\$17,827	-\$19,692	-\$21,752
Cleaning & Maintenance	-\$18,000	-\$18,180	-\$18,362	-\$18,731	-\$19,686	-\$21,746	-\$24,021
Management Fees	-\$17,914	-\$18,093	-\$18,274	-\$18,641	-\$19,592	-\$21,642	-\$23,906
Operating Expenses	-\$72,382	-\$73,106	-\$73,837	-\$75,321	-\$79,163	-\$87,445	-\$96,594

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$282,327	\$288,698	\$295,203	\$308,628	\$344,747	\$429,299	\$533,314
- Mortgage Payments	-\$197,711	-\$197,711	-\$197,711	-\$197,711	-\$197,711	-\$197,711	-\$0
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$84,616	\$90,986	\$97,491	\$110,917	\$147,036	\$231,588	\$533,314
Cap Rate (Purchase Price)	6.4%	6.6%	6.7%	7.0%	7.8%	9.8%	12.1%
Cap Rate (Market Value)	6.2%	6.2%	6.1%	6.1%	5.8%	5.4%	5.0%
Cash on Cash Return	6.6%	7.1%	7.6%	8.7%	11.5%	18.1%	41.8%
Return on Equity	6.4%	5.9%	5.5%	4.9%	4.1%	3.3%	5.0%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$4,532,000	\$4,667,960	\$4,807,999	\$5,100,806	\$5,913,232	\$7,946,889	\$10,679,955
- Loan Balance	-\$3,215,620	-\$3,128,261	-\$3,037,818	-\$2,847,239	-\$2,308,706	-\$906,245	-\$0
= Equity	\$1,316,380	\$1,539,699	\$1,770,181	\$2,253,566	\$3,604,526	\$7,040,645	\$10,679,955
Loan-to-Value Ratio	71.0%	67.0%	63.2%	55.8%	39.0%	11.4%	0.0%
Potential Cash-Out Refi	-\$43,220	\$139,311	\$327,781	\$723,325	\$1,830,556	\$4,656,578	\$7,475,968

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$1,316,380	\$1,539,699	\$1,770,181	\$2,253,566	\$3,604,526	\$7,040,645	\$10,679,955
- Selling Costs	-\$317,240	-\$326,757	-\$336,560	-\$357,056	-\$413,926	-\$556,282	-\$747,597
= Proceeds After Sale	\$999,140	\$1,212,941	\$1,433,621	\$1,896,510	\$3,190,600	\$6,484,362	\$9,932,358
+ Cumulative Cash Flow	\$84,616	\$175,603	\$273,094	\$488,145	\$1,149,580	\$3,070,499	\$6,929,293
- Initial Cash Invested	-\$1,276,000	-\$1,276,000	-\$1,276,000	-\$1,276,000	-\$1,276,000	-\$1,276,000	-\$1,276,000
= Net Profit	-\$192,244	\$112,544	\$430,715	\$1,108,655	\$3,064,180	\$8,278,862	\$15,585,651
Internal Rate of Return	-15.1%	4.5%	10.8%	14.8%	15.6%	14.1%	13.1%
Return on Investment	-15%	9%	34%	87%	240%	649%	1,221%

Graphs

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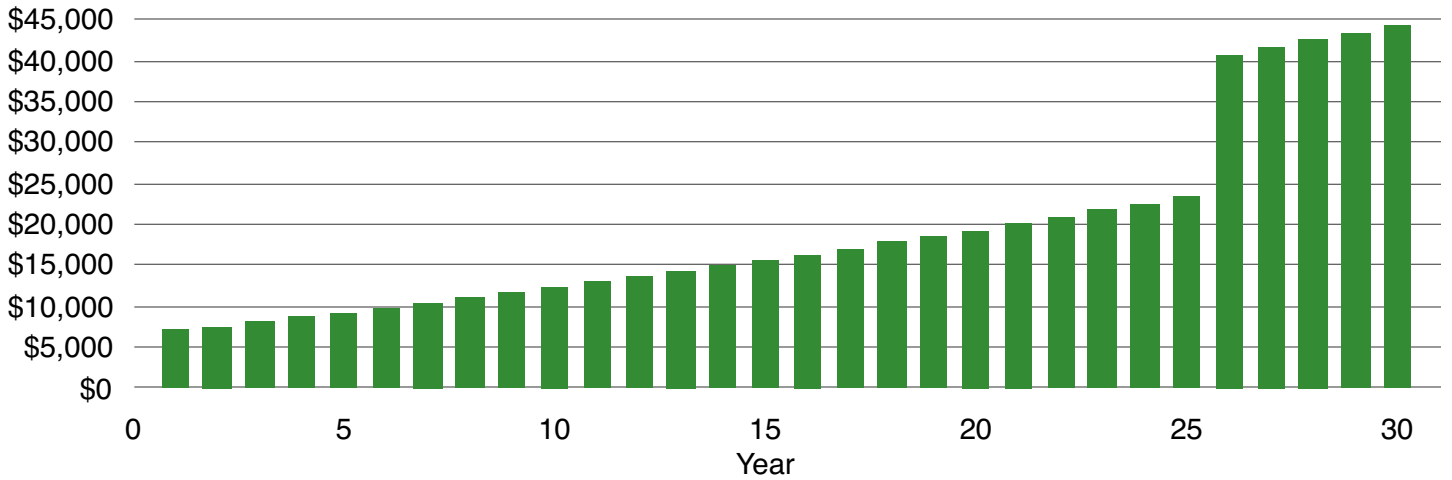
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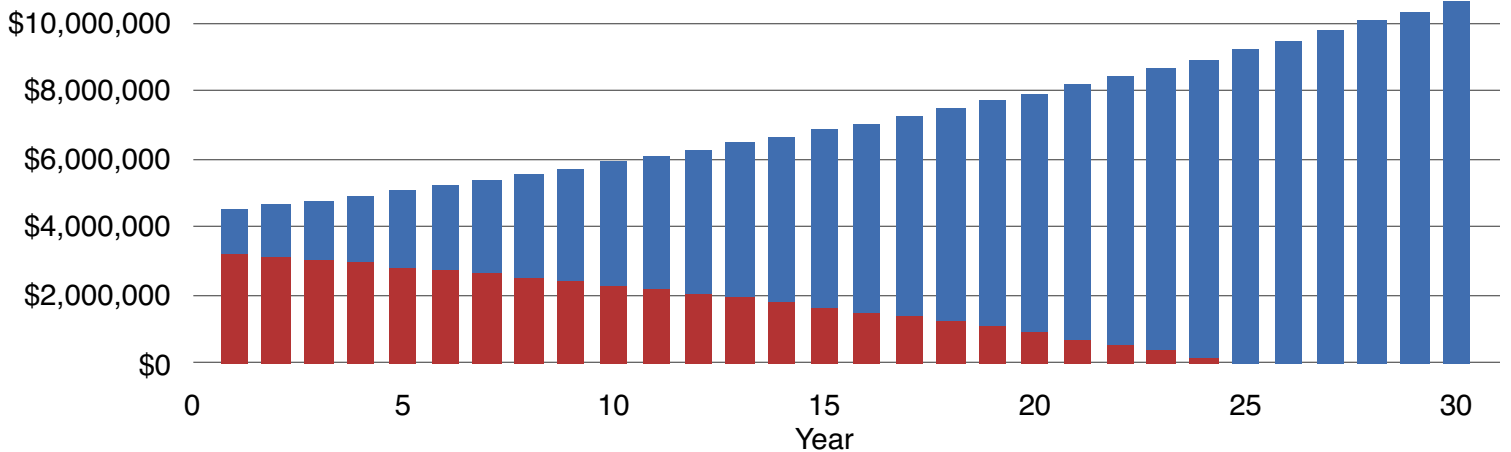
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Monthly Cash Flow



■ Loan Balance + ■ Equity = Market Value



Internal Rate of Return (IRR)

