

72 units Walk up Building

Ontario

Presented by:

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Overview

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Purchase Info

Total Number of Units	72
Purchase Price	\$7,000,000
Initial Cash Invested	\$1,575,975

Income Analysis

	Monthly	Annual
Net Operating Income	\$37,271	\$447,249
Cash Flow	\$9,312	\$111,740

Financial Metrics

Cap Rate (Purchase Price)	6.4%
Cash on Cash Return (Year 1)	7.1%
Internal Rate of Return (Year 10)	18.2%
Sale Price (Year 10)	\$9,407,415

6 Building Pods hosting 72 Units. 3 hours away from Toronto. Potential to add \$7000 per month in additional rents. Mix of 1 and 2 bedroom units.

Purchase Analysis

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Purchase Info	
Purchase Price	\$7,000,000
- First Mortgage	-\$5,600,000
- Second Mortgage	-\$0
= Downpayment	\$1,400,000
+ Buying Costs	\$175,975
+ Initial Improvements	\$0
= Initial Cash Invested	\$1,575,975
Total Number of Units	72
Cost per Unit	\$97,222
Average Monthly Rent per Unit	\$827

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$5,600,000	\$0
Loan Type	Amortizing	
Term	25 Years	
Interest Rate	3.5%	
Payment	\$27,959.14	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	9.8
Operating Expense Ratio	37.2%
Debt Coverage Ratio	1.33
Cap Rate (Purchase Price)	6.4%
Cash on Cash Return	7.1%

Assumptions	
Appreciation Rate	3.0%
Vacancy Rate	2.0%
Income Inflation Rate	2.0%
Expense Inflation Rate	1.0%
LTV for Refinance	70.0%
Selling Costs	\$490,000

Income	Monthly	Annual
Gross Rent	\$59,544	\$714,528
Vacancy Loss	-\$1,191	-\$14,291
Laundry	\$570	\$6,840
Parking	\$210	\$2,520
A/C Rentals	\$250	\$3,000
Operating Income	\$59,383	\$712,597

Expenses (% of Income)	Monthly	Annual
Taxes (13%)	-\$7,930	-\$95,166
Insurance (1%)	-\$698	-\$8,374
Hydro (5%)	-\$2,708	-\$32,491
Heat/Gas (4%)	-\$2,327	-\$27,927
Water/Waste (2%)	-\$1,265	-\$15,174
Cleaning & Maintenance (6%)	-\$3,600	-\$43,200
Management Fees (2%)	-\$1,485	-\$17,815
Super (4%)	-\$2,100	-\$25,200
Operating Expenses (37%)	-\$22,112	-\$265,348

Net Performance	Monthly	Annual
Net Operating Income	\$37,271	\$447,249
- Mortgage Payments	-\$27,959	-\$335,510
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$9,312	\$111,740

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	\$714,528	\$728,819	\$743,395	\$773,428	\$853,927	\$1,040,932	\$1,268,891
Vacancy Loss	-\$14,291	-\$14,576	-\$14,868	-\$15,469	-\$17,079	-\$20,819	-\$25,378
Laundry	\$6,840	\$6,977	\$7,116	\$7,404	\$8,174	\$9,965	\$12,147
Parking	\$2,520	\$2,570	\$2,622	\$2,728	\$3,012	\$3,671	\$4,475
A/C Rentals	\$3,000	\$3,060	\$3,121	\$3,247	\$3,585	\$4,370	\$5,328
Operating Income	\$712,597	\$726,849	\$741,386	\$771,338	\$851,620	\$1,038,120	\$1,265,462

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Taxes	-\$95,166	-\$96,118	-\$97,079	-\$99,030	-\$104,082	-\$114,971	-\$126,999
Insurance	-\$8,374	-\$8,458	-\$8,543	-\$8,714	-\$9,159	-\$10,117	-\$11,175
Hydro	-\$32,491	-\$32,816	-\$33,145	-\$33,811	-\$35,535	-\$39,253	-\$43,360
Heat/Gas	-\$27,927	-\$28,207	-\$28,489	-\$29,061	-\$30,544	-\$33,739	-\$37,269
Water/Waste	-\$15,174	-\$15,326	-\$15,479	-\$15,790	-\$16,596	-\$18,332	-\$20,250
Cleaning & Maintenance	-\$43,200	-\$43,632	-\$44,068	-\$44,954	-\$47,247	-\$52,190	-\$57,651
Management Fees	-\$17,815	-\$18,171	-\$18,535	-\$19,283	-\$21,290	-\$25,953	-\$31,637
Super	-\$25,200	-\$25,452	-\$25,707	-\$26,223	-\$27,561	-\$30,444	-\$33,629
Operating Expenses	-\$265,348	-\$268,180	-\$271,043	-\$276,867	-\$292,014	-\$325,000	-\$361,970

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Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$447,249	\$458,670	\$470,343	\$494,471	\$559,606	\$713,120	\$903,492
- Mortgage Payments	-\$335,510	-\$335,510	-\$335,510	-\$335,510	-\$335,510	-\$335,510	-\$0
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$111,740	\$123,160	\$134,834	\$158,961	\$224,096	\$377,610	\$903,492
Cap Rate (Purchase Price)	6.4%	6.6%	6.7%	7.1%	8.0%	10.2%	12.9%
Cap Rate (Market Value)	6.2%	6.2%	6.1%	6.1%	5.9%	5.6%	5.3%
Cash on Cash Return	7.1%	7.8%	8.6%	10.1%	14.2%	24.0%	57.3%
Return on Equity	6.4%	5.8%	5.4%	4.8%	4.1%	3.4%	5.3%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$7,210,000	\$7,426,300	\$7,649,089	\$8,114,919	\$9,407,415	\$12,642,779	\$16,990,837
- Loan Balance	-\$5,456,810	-\$5,308,565	-\$5,155,085	-\$4,831,679	-\$3,917,804	-\$1,537,869	-\$0
= Equity	\$1,753,190	\$2,117,735	\$2,494,004	\$3,283,240	\$5,489,611	\$11,104,910	\$16,990,837
Loan-to-Value Ratio	75.7%	71.5%	67.4%	59.5%	41.6%	12.2%	0.0%
Potential Cash-Out Refi	-\$409,810	-\$110,155	\$199,277	\$848,764	\$2,667,387	\$7,312,076	\$11,893,586

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$1,753,190	\$2,117,735	\$2,494,004	\$3,283,240	\$5,489,611	\$11,104,910	\$16,990,837
- Selling Costs	-\$504,700	-\$519,841	-\$535,436	-\$568,044	-\$658,519	-\$884,995	-\$1,189,359
= Proceeds After Sale	\$1,248,490	\$1,597,894	\$1,958,567	\$2,715,195	\$4,831,092	\$10,219,915	\$15,801,479
+ Cumulative Cash Flow	\$111,740	\$234,900	\$369,734	\$675,460	\$1,662,835	\$4,720,763	\$11,187,841
- Initial Cash Invested	-\$1,575,975	-\$1,575,975	-\$1,575,975	-\$1,575,975	-\$1,575,975	-\$1,575,975	-\$1,575,975
= Net Profit	-\$215,745	\$256,819	\$752,326	\$1,814,681	\$4,917,952	\$13,364,703	\$25,413,344
Internal Rate of Return	-13.7%	8.1%	14.8%	18.4%	18.2%	16.0%	14.8%
Return on Investment	-14%	16%	48%	115%	312%	848%	1,613%

Graphs

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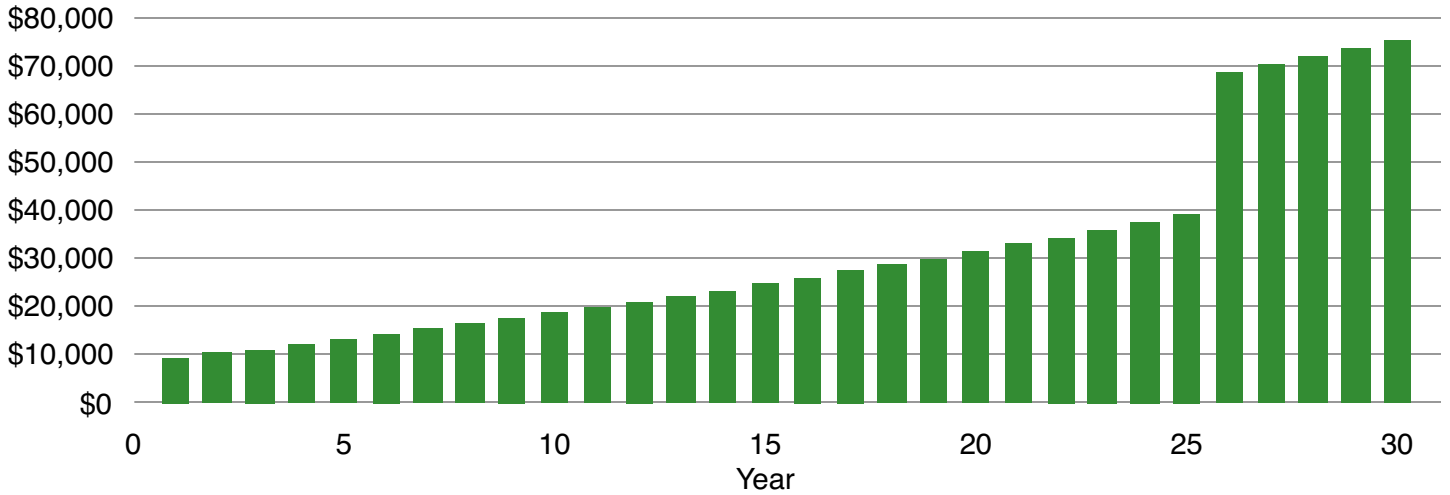
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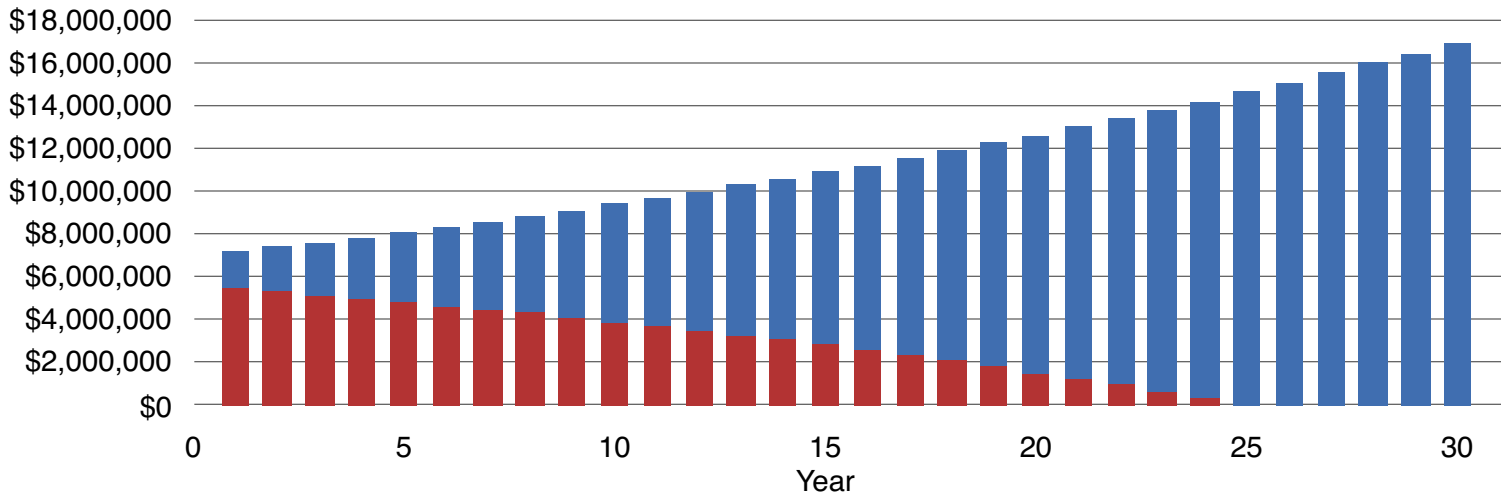
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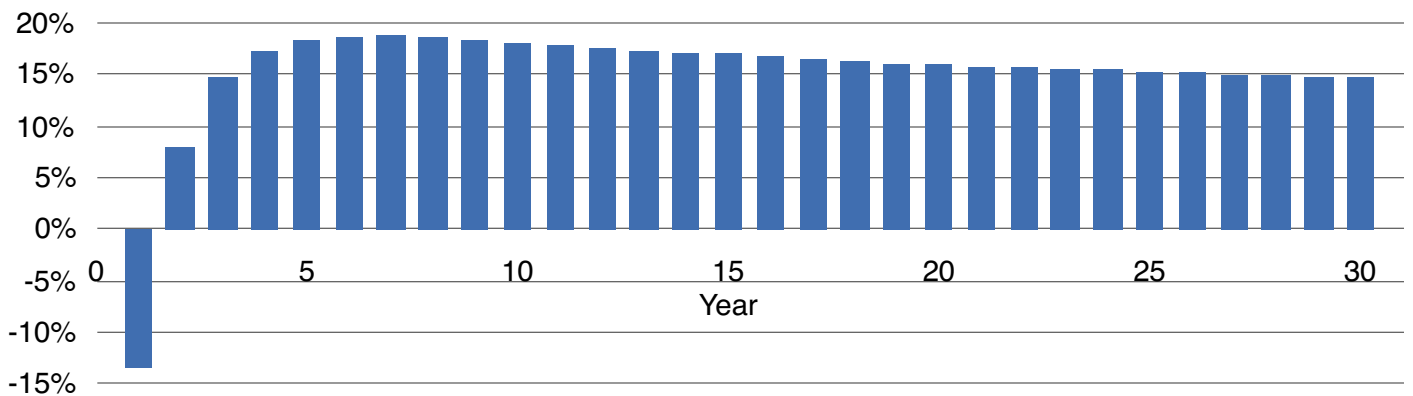
Monthly Cash Flow



■ 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)
1 bedroom	0	36	\$827 Per Month
2 Bedroom	0	36	\$827 Per Month
Totals for Year 1			
Total Number of Units			72
Total Area (Sum of Units)			0 Square Feet
Total Rent (Sum of Units)			\$59,544 Per Month, \$714,528 Per Year

Itemized Closing Costs

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Buying Costs

Appraisal	\$5,000
Land Transfer Tax	\$161,475
Environmental Report	\$7,000
Inspection Report	\$2,500
Total	\$175,975