Dawson Creek 4 Plex

Investment Property - Buy & Hold

1704 110th Ave, Dawson Creek, BC V1G 2W4
Multi-Family · 4 Units · 6,000 Sq.Ft.

Townhouse Style 4 plexes in Central Dawson Creek. These are a 2 story building with full unfinished basements. Market rents are approx $1,500/mth each. Water is included in rent currently.

$ 429,900 Purchase Price · **$ 429,900** ARV
$ 95,400 Cash Needed · **$ 1,410/mo** Cash Flow · **9.1%** Cap Rate · **17.7%** COC

Prepared by:

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Property Description

ADDRESS

1704 110th Ave
Dawson Creek, BC V1G 2W4

DESCRIPTION

Property Type:	Multi-Family

UNIT INFORMATION

Total Units/Spaces:	4
Total Square Footage:	6,000

UNITS & RENT ROLL

4 Units - Residential (3 Bedroom Unit)

3 Beds / 1 Baths / 1,500 Sq.Ft.

Gross Rent:	$ 1,400 Per Month

Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		$ 429,900
Amount Financed:	-	$ 343,920
Down Payment:	=	$ 85,980
Purchase Costs:	+	$ 9,420
Rehab Costs:	+	$ 0
Total Cash Needed:	=	**$ 95,400**
After Repair Value:		$ 429,900
ARV Per Square Foot:		$ 71.7
Price Per Square Foot:		$ 71.7
Price Per Unit:		$ 107,475

FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	5%
Financing Of:	Price (80%)
Loan Amount:	$ 343,920
LTC / LTV:	80% / 80%
Loan Payment:	$ 1,846 Per Month $ 22,155 Per Year

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	9.1% / 9.1%
Cash on Cash Return:	17.7%
Return on Equity:	15%
Return on Investment:	16.8%
Internal Rate of Return:	16.8%
Rent to Value:	1.3%
Gross Rent Multiplier:	6.4
Equity Multiple:	1.17
Break Even Ratio:	76.1%
Debt Coverage Ratio:	1.76
Debt Yield:	11.4%

ASSUMPTIONS & PROJECTIONS

Rehab Cost Overrun:	0%
Vacancy Rate:	5%
Appreciation:	5% Per Year
Income Increase:	5% Per Year
Expense Increase:	3% Per Year
Selling Costs:	4% of Sales Price

PURCHASE COSTS

Appraisal:	$ 600
Home Inspection:	$ 1,200
Property Transfer Taxes:	$ 5,500
Legal Fees:	$ 1,800
GST:	$ 0
Title Insurance:	$ 320
Total:	**$ 9,420**

Rehab Costs

Exterior:	$ 0
Interior:	$ 0
Electrical:	$ 0
Plumbing:	$ 0
Appliances:	$ 0
Landscaping:	$ 0
Cost Overrun (0%):	$ 0
Total:	**$ 0**
Total Per Square Foot:	$ 0

Cash Flow (Year 1)

CASH FLOW		Monthly	Yearly
Gross Rent:		$ 5,600	$ 67,200
Vacancy (5%):	-	$ 280	$ 3,360
Other Income:	+	$ 350	$ 4,200
Operating Income:	=	$ 5,670	$ 68,040
Operating Expenses (42.6%):	-	$ 2,413	$ 28,960
Net Operating Income:	=	$ 3,257	$ 39,080
Loan Payments:	-	$ 1,846	$ 22,155
Cash Flow:	**=**	**$ 1,411**	**$ 16,925**
Cash Flow Per Unit:		$ 353	$ 4,231

OTHER INCOME	Monthly	Yearly
Parking:	$ 0	$ 0
Laundry:	$ 0	$ 0
Storage Rental:	$ 0	$ 0
Utilities:	$ 350	$ 4,200
Total:	**$ 350**	**$ 4,200**

OPERATING EXPENSES	Monthly	Yearly
Property Taxes:	$ 375	$ 4,500
Insurance:	$ 500	$ 6,000
Property Management:	$ 458	$ 5,500
Water / Sewer:	$ 480	$ 5,760
Repairs And Maintenance:	$ 400	$ 4,800
Snow Removal / Landscaping:	$ 200	$ 2,400
Total:	**$ 2,413**	**$ 28,960**

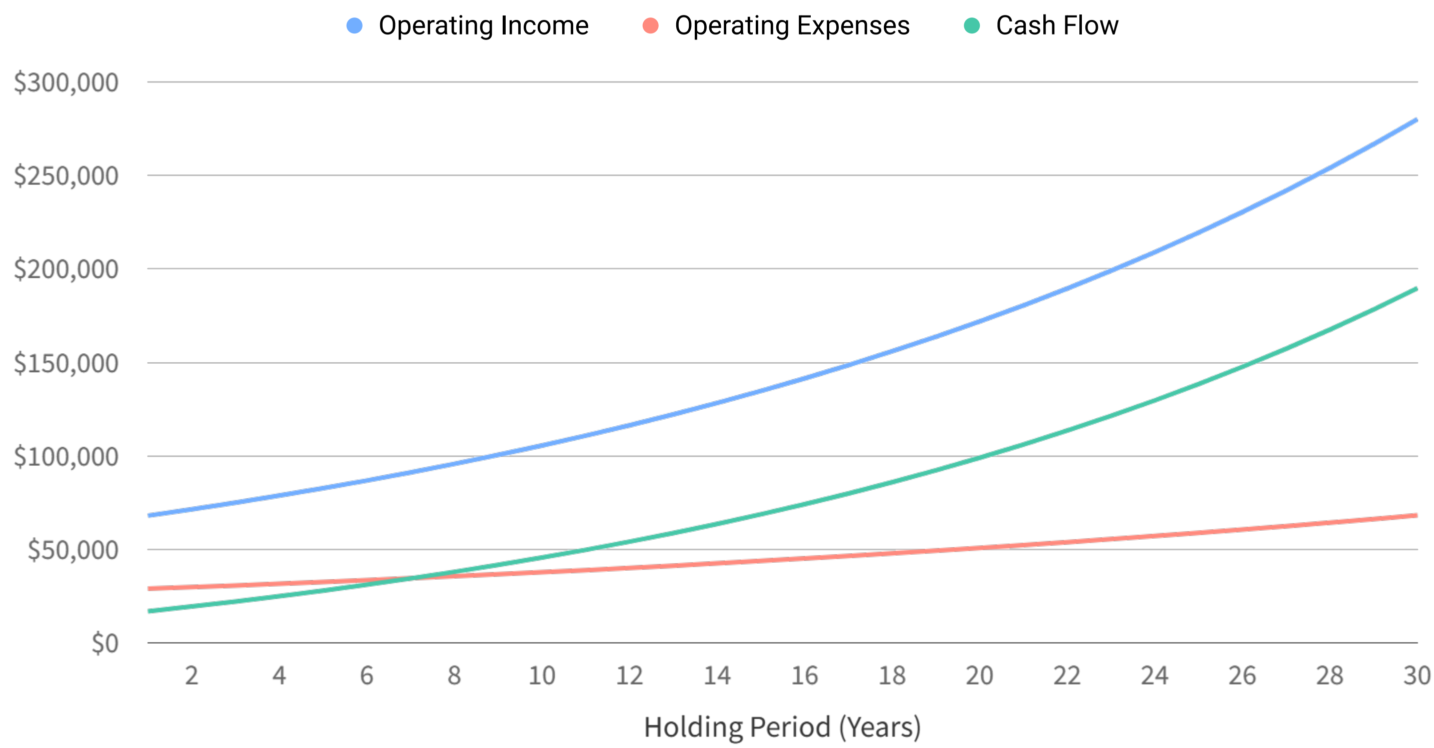
Buy & Hold Projections

APPRECIATION	INCOME INCREASE	EXPENSE INCREASES	SELLING COSTS
5% Per Year	5% Per Year	3% Per Year	4% of Price

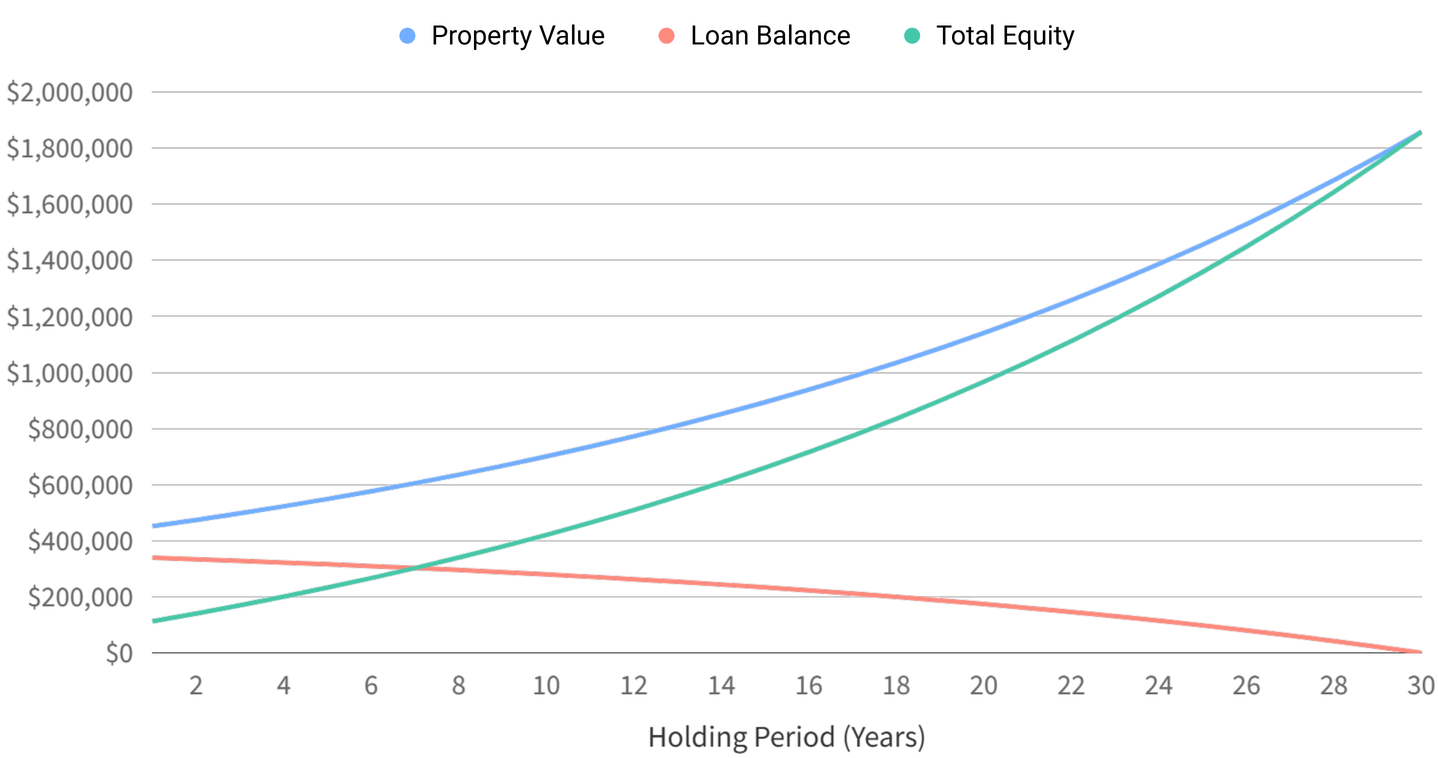
	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
RENTAL INCOME						
Gross Rent:	$ 67,200	$ 74,088	$ 81,682	$ 104,249	$ 169,811	$ 276,604
Vacancy:	- $ 3,360	- $ 3,704	- $ 4,084	- $ 5,212	- $ 8,491	- $ 13,830
Vacancy Rate:	5%	5%	5%	5%	5%	5%
Other Income:	+ $ 4,200	+ $ 4,631	+ $ 5,105	+ $ 6,516	+ $ 10,613	+ $ 17,288
Operating Income:	**= $ 68,040**	**= $ 75,015**	**= $ 82,703**	**= $ 105,553**	**= $ 171,933**	**= $ 280,062**
Income Increase:	5%	5%	5%	5%	5%	5%
OPERATING EXPENSES						
Property Taxes:	$ 4,500	$ 4,774	$ 5,065	$ 5,871	$ 7,891	$ 10,605
Insurance:	+ $ 6,000	+ $ 6,365	+ $ 6,753	+ $ 7,829	+ $ 10,521	+ $ 14,139
Property Management:	+ $ 5,500	+ $ 5,835	+ $ 6,190	+ $ 7,176	+ $ 9,644	+ $ 12,961
Water / Sewer:	+ $ 5,760	+ $ 6,111	+ $ 6,483	+ $ 7,515	+ $ 10,100	+ $ 13,574
Repairs And Maintenance:	+ $ 4,800	+ $ 5,092	+ $ 5,402	+ $ 6,263	+ $ 8,417	+ $ 11,312
Snow Removal / Landscaping:	+ $ 2,400	+ $ 2,546	+ $ 2,701	+ $ 3,131	+ $ 4,208	+ $ 5,656
Operating Expenses:	**= $ 28,960**	**= $ 30,723**	**= $ 32,594**	**= $ 37,785**	**= $ 50,781**	**= $ 68,247**
Expense Increase:	3%	3%	3%	3%	3%	3%
CASH FLOW						
Operating Income:	$ 68,040	$ 75,015	$ 82,703	$ 105,553	$ 171,933	$ 280,062
Operating Expenses:	- $ 28,960	- $ 30,723	- $ 32,594	- $ 37,785	- $ 50,781	- $ 68,247
Expense Ratio:	42.6%	41%	39.4%	35.8%	29.5%	24.4%
Net Operating Income:	= $ 39,080	= $ 44,292	= $ 50,109	= $ 67,768	= $ 121,152	= $ 211,815
Loan Payments:	- $ 22,155	- $ 22,155	- $ 22,155	- $ 22,155	- $ 22,155	- $ 22,155
Cash Flow:	**= $ 16,925**	**= $ 22,137**	**= $ 27,954**	**= $ 45,613**	**= $ 98,997**	**= $ 189,660**
Cash Flow Per Unit:	$ 4,231	$ 5,534	$ 6,989	$ 11,403	$ 24,749	$ 47,415
TAX BENEFITS & DEDUCTIONS						
Operating Expenses:	$ 28,960	$ 30,723	$ 32,594	$ 37,785	$ 50,781	$ 68,247
Loan Interest:	+ $ 17,081	+ $ 16,548	+ $ 15,960	+ $ 14,205	+ $ 9,061	+ $ 589
Total Deductions:	**= $ 46,041**	**= $ 47,271**	**= $ 48,554**	**= $ 51,990**	**= $ 59,842**	**= $ 68,836**
EQUITY ACCUMULATION						
Property Value:	$ 451,395	$ 497,663	$ 548,673	$ 700,262	$ 1,140,653	$ 1,858,003
Appreciation:	5%	5%	5%	5%	5%	5%

	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
Loan Balance:	- $ 338,846	- $ 327,906	- $ 315,817	- $ 279,752	- $ 174,066	- $ 0
LTV Ratio:	75.1%	65.9%	57.6%	39.9%	15.3%	-
Total Equity:	**= $ 112,549**	**= $ 169,757**	**= $ 232,856**	**= $ 420,510**	**= $ 966,587**	**= $ 1,858,003**
SALE ANALYSIS						
Equity:	$ 112,549	$ 169,757	$ 232,856	$ 420,510	$ 966,587	$ 1,858,003
Selling Costs (4%):	- $ 18,056	- $ 19,907	- $ 21,947	- $ 28,010	- $ 45,626	- $ 74,320
Sale Proceeds:	= $ 94,493	= $ 149,851	= $ 210,909	= $ 392,500	= $ 920,961	= $ 1,783,683
Cumulative Cash Flow:	+ $ 16,925	+ $ 58,520	+ $ 111,438	+ $ 302,260	+ $ 1,028,546	+ $ 2,478,066
Total Cash Invested:	- $ 95,400	- $ 95,400	- $ 95,400	- $ 95,400	- $ 95,400	- $ 95,400
Total Profit:	**= $ 16,018**	**= $ 112,971**	**= $ 226,947**	**= $ 599,360**	**= $ 1,854,107**	**= $ 4,166,349**
INVESTMENT RETURNS						
Cap Rate (Purchase Price):	9.1%	10.3%	11.7%	15.8%	28.2%	49.3%
Cap Rate (Market Value):	8.7%	8.9%	9.1%	9.7%	10.6%	11.4%
Cash on Cash Return:	17.7%	23.2%	29.3%	47.8%	103.8%	198.8%
Return on Equity:	15%	13%	12%	10.8%	10.2%	10.2%
Return on Investment:	16.8%	118.4%	237.9%	628.3%	1,943.5%	4,367.2%
Internal Rate of Return:	16.8%	33.8%	34.1%	31.8%	29.6%	29.2%
FINANCIAL RATIOS						
Rent to Value:	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Gross Rent Multiplier:	6.72	6.72	6.72	6.72	6.72	6.72
Equity Multiple:	1.17	2.18	3.38	7.28	20.44	44.67
Break Even Ratio:	76.1%	71.4%	67%	57.5%	43%	32.7%
Debt Coverage Ratio:	1.76	2	2.26	3.06	5.47	9.56
Debt Yield:	11.5%	13.5%	15.9%	24.2%	69.6%	-

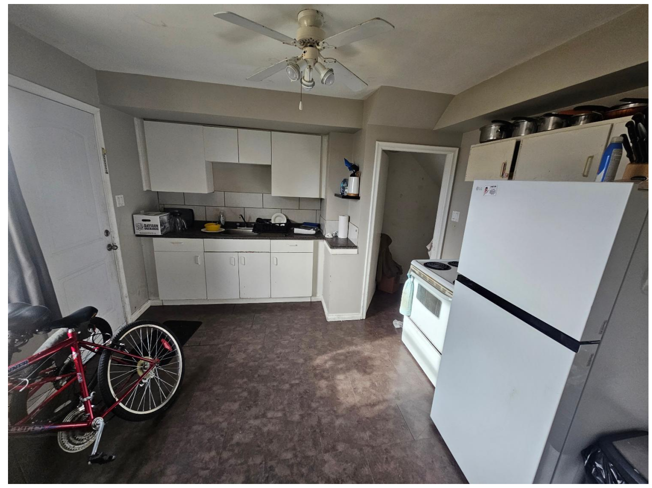
Cash Flow Over Time

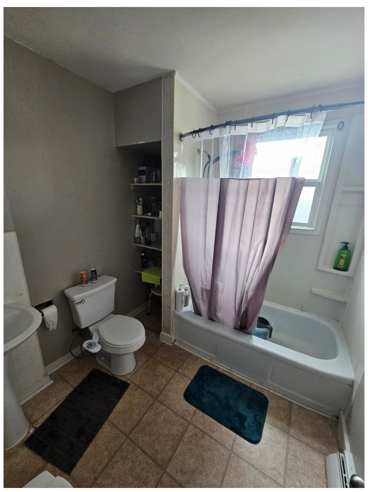


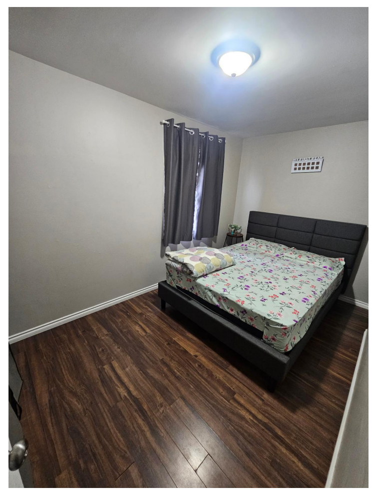
Equity Over Time

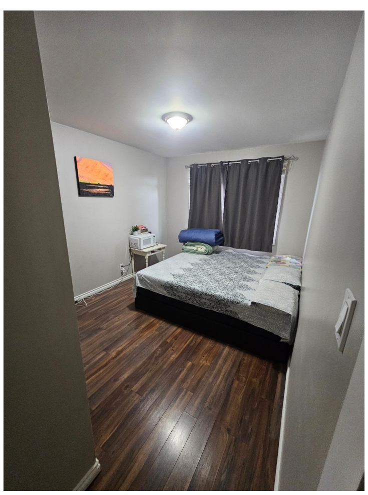


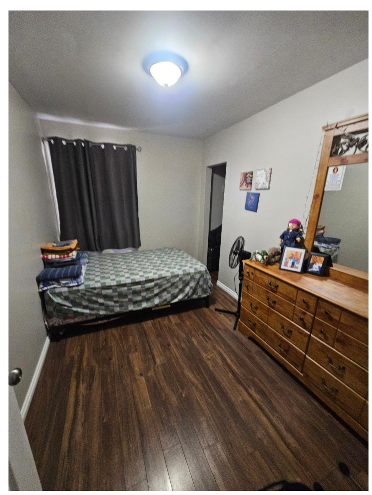
Property Photos











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