



10% or better Annual ROI(Buy and Hold)

923 12th Street
Kamloops, BC V2B 3C3

Presented by:

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Perren Properties

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Reality Check:

Real Estate is not a suitable investment for everyone. Real Estate Investing has risks associated with it. There are no guarantees that Real Estate will rise in value; In fact it could drop in value.

The best time to buy real estate is 30 years ago - the second best time is now

Overview

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Purchase Info

Square Feet (2 Units)	2,100
Initial Market Value	\$300,000
Purchase Price	\$334,200
Initial Cash Invested	\$40,000

Income Analysis

	Monthly	Annual
Net Operating Income	\$1,561	\$18,731
Cash Flow	\$450	\$5,397

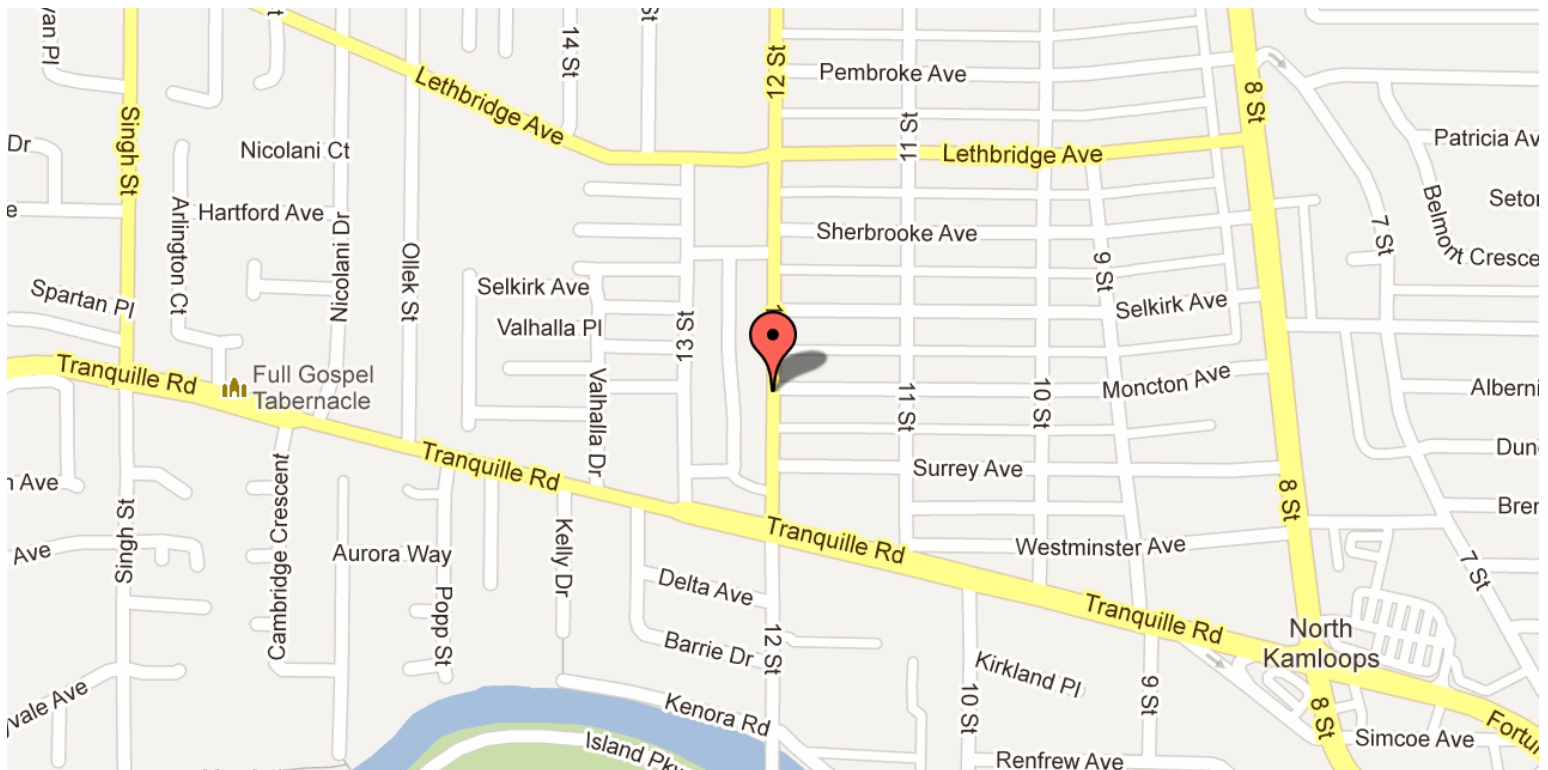
Financial Metrics

Cap Rate (Purchase Price)	5.6%
Cash on Cash Return (Year 1)	13.5%
Internal Rate of Return (Year 5)	20.9%
Sale Price (Year 5)	\$331,224



This is a great home in an established neighbourhood, features a legal basement with RT-1 zoning, and the large lot has future potential for adding a carriage or laneway home. Take advantage of the high ROI(double digit / yr) made possible by a remaining 32yr mortgage amortization, no longer available in today's lending environment, and enjoy a hassle free investment with Sam's extraordinary management.

Sam is not paid until you get your money back, then the profits are split 50/50. This is a long term hold assuming very conservative numbers(5yrs min), but the investment required is only \$40,000. Get ahead of Kamloops' coming real estate boom! See www.perrenproperties.com for a free report on Kamloops.



Purchase Analysis

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Purchase Info	
Initial Market Value	\$300,000
Purchase Price	\$334,200
- First Mortgage	(\$294,200)
- Second Mortgage	(\$0)
= Downpayment	\$40,000
+ Buying Costs	\$0
+ Initial Improvements	\$0
= Initial Cash Invested	\$40,000
Square Feet (2 Units)	2,100
Cost per Square Foot	\$159
Monthly Rent per Square Foot	\$1.22
Cost per Unit	\$167,100
Average Monthly Rent per Unit	\$1,286

Mortgages	First	Second
Loan-To-Cost Ratio	88.03%	0%
Loan-To-Value Ratio	98.07%	0%
Loan Amount	\$294,200	\$0
Loan Type	Amortizing	
Term	32 Years	
Interest Rate	2.5%	
Payment	\$512.85	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	10.8
Operating Expense Ratio	36.9%
Debt Coverage Ratio	1.40
Cap Rate (Purchase Price)	5.6%
Cash on Cash Return	13.5%

Assumptions	
Appreciation Rate	2.0%
Vacancy Rate	5.0%
Income Inflation Rate	3.8%
Expense Inflation Rate	3.0%
LTV for Refinance	80.0%
Selling Costs	\$15,000

Income	Monthly	Annual
Gross Rent	\$2,571	\$30,852
Vacancy Loss	(\$129)	(\$1,543)
Parking	\$30	\$360
Operating Income	\$2,472	\$29,669

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (8%)	(\$198)	(\$2,374)
Insurance (5%)	(\$112)	(\$1,344)
Property Taxes (8%)	(\$198)	(\$2,377)
City Utilities- garbage and sewer (5%)	(\$112)	(\$1,340)
Hydro Electricity (5%)	(\$120)	(\$1,440)
Gas - Fortis BC (5%)	(\$121)	(\$1,452)
Book keeping (2%)	(\$50)	(\$600)
Banking (0%)	(\$1)	(\$12)
Operating Expenses (37%)	(\$912)	(\$10,939)

Net Performance	Monthly	Annual
Net Operating Income	\$1,561	\$18,731
- Mortgage Payments	(\$1,111)	(\$13,334)
- Year 1 Improvements	(\$0)	(\$0)
= Cash Flow	\$450	\$5,397

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	\$30,852	\$32,024	\$33,241	\$34,504	\$35,816	\$43,158	\$52,005
Vacancy Loss	(\$1,543)	(\$1,601)	(\$1,662)	(\$1,725)	(\$1,791)	(\$2,158)	(\$2,600)
Parking	\$360	\$374	\$388	\$403	\$418	\$504	\$607
Operating Income	\$29,669	\$30,797	\$31,967	\$33,182	\$34,443	\$41,504	\$50,012

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
Cleaning & Maintenance	(\$2,374)	(\$2,464)	(\$2,557)	(\$2,655)	(\$2,755)	(\$3,320)	(\$4,001)
Insurance	(\$1,344)	(\$1,384)	(\$1,426)	(\$1,469)	(\$1,513)	(\$1,754)	(\$2,033)
Property Taxes	(\$2,377)	(\$2,448)	(\$2,522)	(\$2,597)	(\$2,675)	(\$3,101)	(\$3,595)
City Utilities- garbage and sewer	(\$1,340)	(\$1,380)	(\$1,422)	(\$1,464)	(\$1,508)	(\$1,748)	(\$2,027)
Hydro Electricity	(\$1,440)	(\$1,483)	(\$1,528)	(\$1,574)	(\$1,621)	(\$1,879)	(\$2,178)
Gas - Fortis BC	(\$1,452)	(\$1,496)	(\$1,540)	(\$1,587)	(\$1,634)	(\$1,895)	(\$2,196)
Book keeping	(\$600)	(\$618)	(\$637)	(\$656)	(\$675)	(\$783)	(\$908)
Banking	(\$12)	(\$12)	(\$13)	(\$13)	(\$14)	(\$16)	(\$18)
Operating Expenses	(\$10,939)	(\$11,286)	(\$11,644)	(\$12,014)	(\$12,395)	(\$14,496)	(\$16,956)

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Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
Net Operating Income	\$18,731	\$19,511	\$20,323	\$21,168	\$22,047	\$27,008	\$33,055
- Mortgage Payments	(\$13,334)	(\$13,334)	(\$13,334)	(\$13,334)	(\$13,334)	(\$13,334)	(\$13,334)
- Improvements	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
= Cash Flow	\$5,397	\$6,177	\$6,989	\$7,834	\$8,713	\$13,674	\$19,721
Cap Rate (Purchase Price)	5.6%	5.8%	6.1%	6.3%	6.6%	8.1%	9.9%
Cap Rate (Market Value)	6.1%	6.3%	6.4%	6.5%	6.7%	7.4%	8.2%
Cash on Cash Return	13.5%	15.4%	17.5%	19.6%	21.8%	34.2%	49.3%
Return on Equity	30.2%	20.4%	16.3%	14.0%	12.6%	9.8%	9.0%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
Market Value	\$306,000	\$312,120	\$318,362	\$324,730	\$331,224	\$365,698	\$403,761
- Loan Balance	(\$288,106)	(\$281,859)	(\$275,455)	(\$268,890)	(\$262,159)	(\$225,881)	(\$184,804)
= Equity	\$17,894	\$30,261	\$42,907	\$55,840	\$69,065	\$139,817	\$218,957
Loan-to-Value Ratio	94.2%	90.3%	86.5%	82.8%	79.1%	61.8%	45.8%
Potential Cash-Out Refi	(\$43,306)	(\$32,163)	(\$20,765)	(\$9,106)	\$2,820	\$66,678	\$138,205

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
Equity	\$17,894	\$30,261	\$42,907	\$55,840	\$69,065	\$139,817	\$218,957
- Selling Costs	(\$15,300)	(\$15,606)	(\$15,918)	(\$16,236)	(\$16,561)	(\$18,285)	(\$20,188)
= Proceeds After Sale	\$2,594	\$14,655	\$26,989	\$39,603	\$52,504	\$121,533	\$198,769
+ Cumulative Cash Flow	\$5,397	\$11,574	\$18,563	\$26,397	\$35,110	\$93,164	\$179,198
- Initial Cash Invested	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)
= Net Profit	(\$32,010)	(\$13,772)	\$5,552	\$26,000	\$47,614	\$174,697	\$337,966
Internal Rate of Return	N/A	-20.8%	5.1%	15.9%	20.9%	25.4%	24.8%
Return on Investment	-80%	-34%	14%	65%	119%	437%	845%

Graphs

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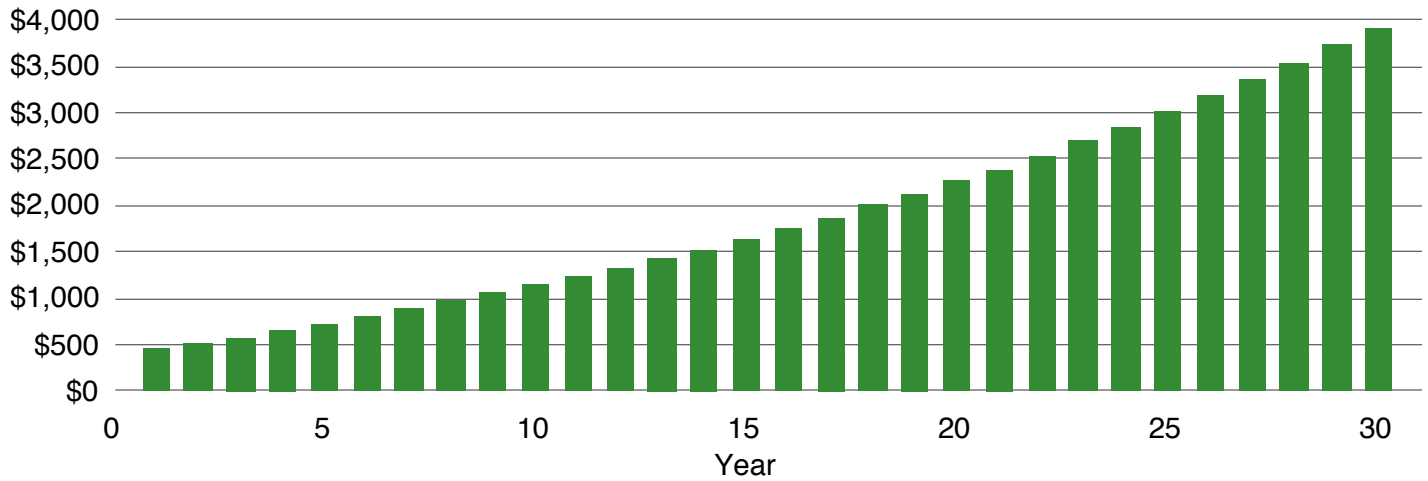
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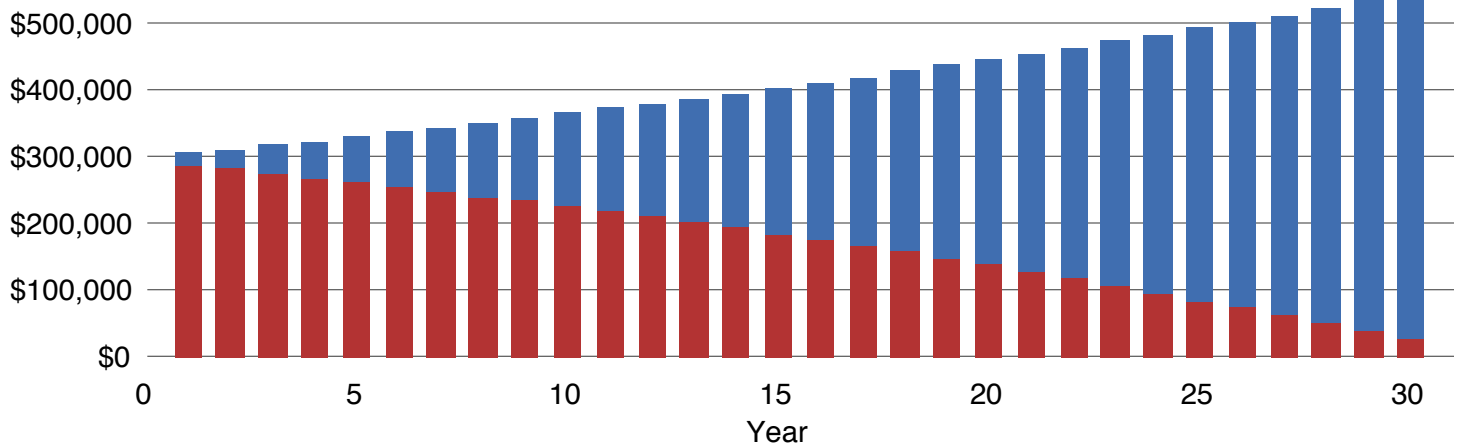
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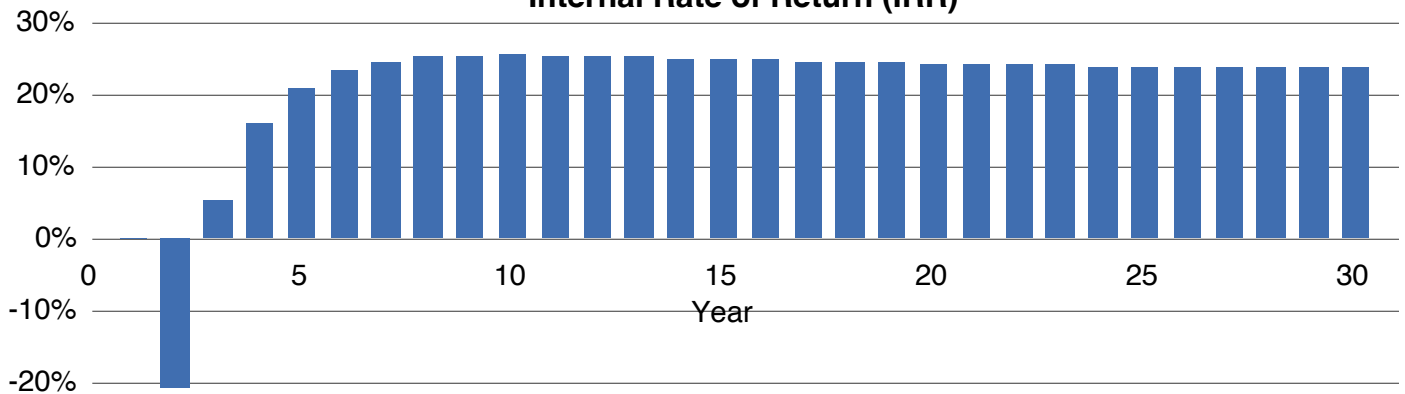
Monthly Cash Flow



■ 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)
Unit #1	1,100	1	\$1,460 Per Month
Unit 2	1,000	1	\$1,111 Per Month
Totals for Year 1			
Total Number of Units			2
Total Area (Sum of Units)			2,100 Square Feet
Total Rent (Sum of Units)			\$2,571 Per Month, \$30,852 Per Year

Itemized Closing Costs

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Buying Costs		
Appraisal		\$0
Equity Buyout		\$0
Total		\$0

Selling Costs		
Commission		\$15,300
Total		\$15,300

Photos

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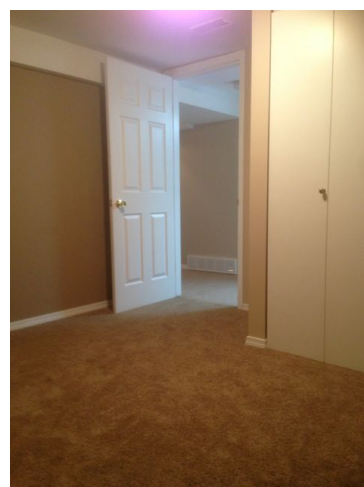
Front entry looking into living room(basement)



Laundry(basement)



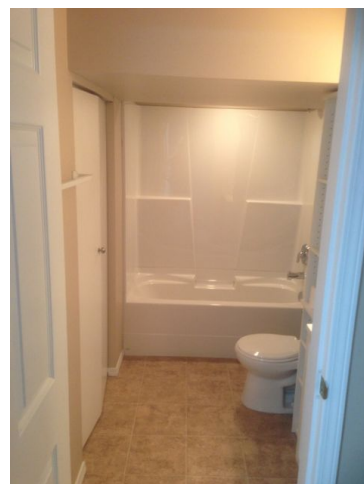
Bedroom 1 (basement)



Bedroom 2(basement)



Sample tenant welcome basket



Full bathroom(basement)

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Kitchen with dishwasher and water/ice dispensing fridge (basement)



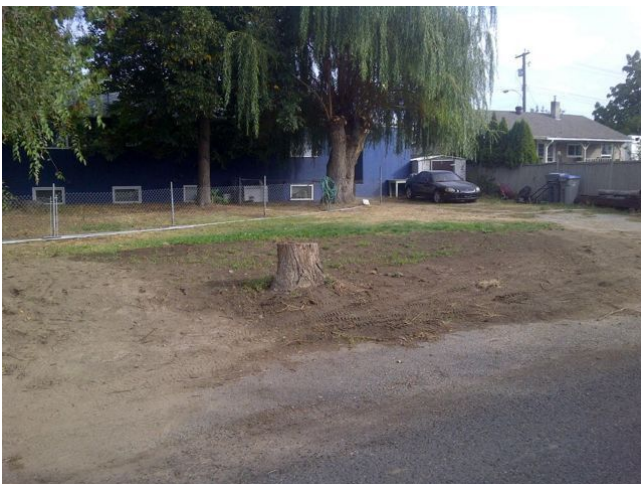
Basement tenant storage



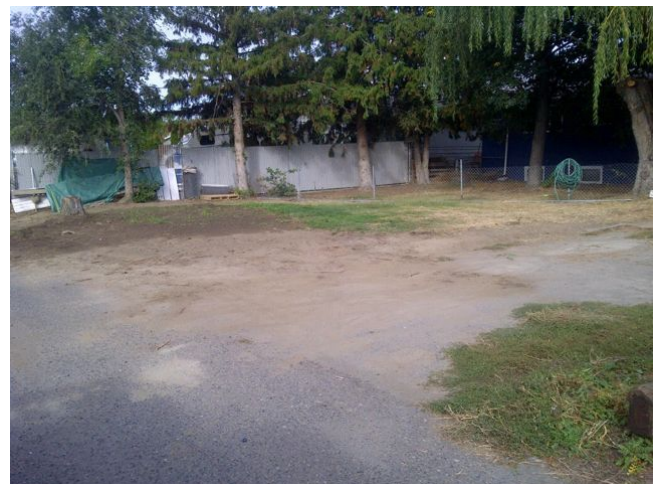
Basement tenant back yard



Basement entry



Landlord backyard parking



Landlord backyard parking

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Upstairs tenant front yard, storage shed



Front yard, detached single car garage, rented RV parking



Upstairs front entry



Hallway to bedrooms and bathroom



Master walk-in closet(bedroom 1)



Bedroom 2

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Bedroom 3



Four piece bathroom



Bay window in living room



Fireplace



Kitchen with dishwasher



Kitchen with stacking laundry