



Willow Creek 2 Bdrm Townhouse

1716 Willowbrook Crescent
Dawson Creek, BC

Presented by:

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Your Personal Investment Realtor



For review purposes only, not intended to replace your own diligence.

Overview

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Purchase Info

Square Feet	898
Purchase Price	\$215,000
Initial Cash Invested	\$47,300

Income Analysis

	Monthly	Annual
Net Operating Income	\$1,103	\$13,230
Cash Flow	\$333	\$3,991

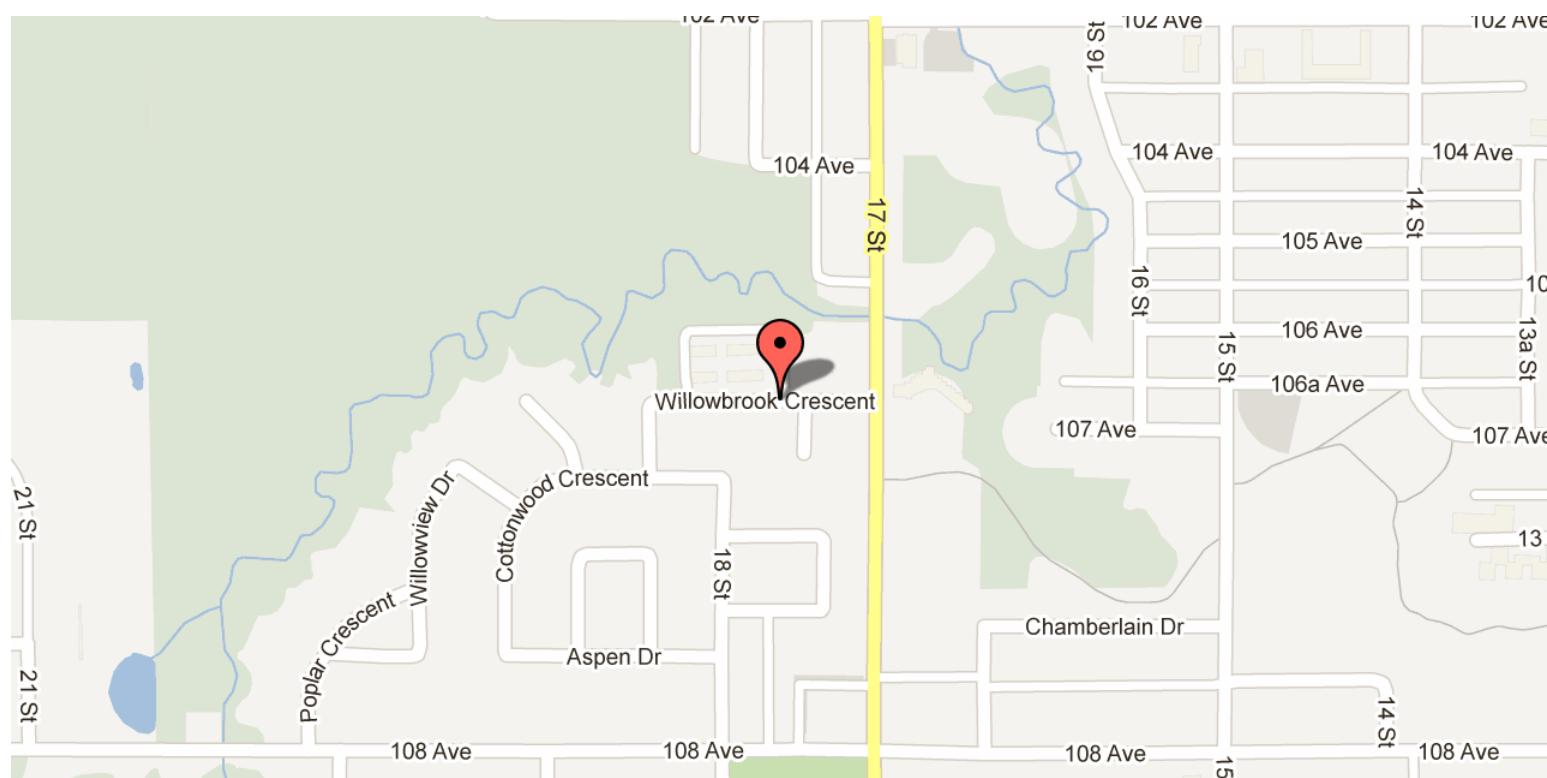
Financial Metrics

Cap Rate (Purchase Price)	6.2%
Cash on Cash Return (Year 1)	8.4%
Internal Rate of Return (Year 10)	24.0%
Sale Price (Year 10)	\$350,212



Great turn key investment in booming Dawson Creek! Newly renovated units in a great area of town with equity building tenants and quality property management in place.

Get involved in BC's own 'piece of Alberta' and start realizing strong cash flow and appreciation today!



Purchase Analysis

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Purchase Info			Income	Monthly	Annual
Purchase Price		\$215,000	Gross Rent	\$1,550	\$18,600
- First Mortgage		(\$172,000)	Vacancy Loss	(\$78)	(\$930)
- Second Mortgage		(\$0)	Laundry	\$0	\$0
= Downpayment		\$43,000	Operating Income	\$1,472	\$17,670
+ Buying Costs		\$4,300	Expenses (% of Income)		
+ Initial Improvements		\$0	Management Fees (2%)	(\$25)	(\$300)
= Initial Cash Invested		\$47,300	Taxes (7%)	(\$108)	(\$1,300)
Square Feet		898	Utilities (0%)	(\$0)	(\$0)
Cost per Square Foot		\$239	Strata Fees (11%)	(\$163)	(\$1,956)
Monthly Rent per Square Foot		\$1.73	Repairs and Maintenance (5%)	(\$74)	(\$884)
Mortgages	First	Second	Operating Expenses (25%)	(\$370)	(\$4,440)
Loan-To-Value Ratio	80%	0%	Net Performance		
Loan Amount	\$172,000	\$0	Net Operating Income	\$1,103	\$13,230
Loan Type	Amortizing		- Mortgage Payments	(\$770)	(\$9,239)
Term	30 Years		- Year 1 Improvements	(\$0)	(\$0)
Interest Rate	3.5%		= Cash Flow	\$333	\$3,991
Payment	\$769.93	\$0.00	Financial Metrics (Year 1)		
Annual Gross Rent Multiplier		11.6	Annual Gross Rent Multiplier	11.6	11.6
Operating Expense Ratio		25.1%	Operating Expense Ratio	25.1%	25.1%
Debt Coverage Ratio		1.43	Debt Coverage Ratio	1.43	1.43
Cap Rate (Purchase Price)		6.2%	Cap Rate (Purchase Price)	6.2%	6.2%
Cash on Cash Return		8.4%	Cash on Cash Return	8.4%	8.4%
Assumptions			Annual Gross Rent Multiplier	Operating Expense Ratio	Debt Coverage Ratio
Appreciation Rate		5.0%	Annual Gross Rent Multiplier	11.6	11.6
Vacancy Rate		5.0%	Operating Expense Ratio	25.1%	25.1%
Income Inflation Rate		5.0%	Debt Coverage Ratio	1.43	1.43
Expense Inflation Rate		3.0%	Cap Rate (Purchase Price)	6.2%	6.2%
LTV for Refinance		80.0%	Cash on Cash Return	8.4%	8.4%
Selling Costs		\$6,450			

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	\$18,600	\$19,530	\$20,506	\$22,608	\$28,855	\$47,001	\$76,560
Vacancy Loss	(\$930)	(\$976)	(\$1,025)	(\$1,130)	(\$1,443)	(\$2,350)	(\$3,828)
Laundry	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Income	\$17,670	\$18,554	\$19,481	\$21,478	\$27,412	\$44,651	\$72,732

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Management Fees	(\$300)	(\$309)	(\$318)	(\$338)	(\$391)	(\$526)	(\$707)
Taxes	(\$1,300)	(\$1,339)	(\$1,379)	(\$1,463)	(\$1,696)	(\$2,280)	(\$3,064)
Utilities	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
Strata Fees	(\$1,956)	(\$2,015)	(\$2,075)	(\$2,201)	(\$2,552)	(\$3,430)	(\$4,609)
Repairs and Maintenance	(\$884)	(\$928)	(\$974)	(\$1,074)	(\$1,371)	(\$2,233)	(\$3,637)
Operating Expenses	(\$4,440)	(\$4,590)	(\$4,747)	(\$5,076)	(\$6,010)	(\$8,468)	(\$12,017)

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$13,230	\$13,963	\$14,735	\$16,402	\$21,402	\$36,183	\$60,716
- Mortgage Payments	(\$9,239)	(\$9,239)	(\$9,239)	(\$9,239)	(\$9,239)	(\$9,239)	(\$9,239)
- Improvements	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
= Cash Flow	\$3,991	\$4,724	\$5,495	\$7,163	\$12,162	\$26,944	\$51,476
Cap Rate (Purchase Price)	6.2%	6.5%	6.9%	7.6%	10.0%	16.8%	28.2%
Cap Rate (Market Value)	5.9%	5.9%	5.9%	6.0%	6.1%	6.3%	6.5%
Cash on Cash Return	8.4%	10.0%	11.6%	15.1%	25.7%	57.0%	108.8%
Return on Equity	7.0%	6.6%	6.3%	6.0%	5.6%	5.5%	5.5%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$225,750	\$237,038	\$248,889	\$274,401	\$350,212	\$570,459	\$929,218
- Loan Balance	(\$168,685)	(\$165,253)	(\$161,700)	(\$154,212)	(\$133,055)	(\$77,956)	(\$3)
= Equity	\$57,065	\$71,785	\$87,190	\$120,188	\$217,158	\$492,503	\$929,215
Loan-to-Value Ratio	74.7%	69.7%	65.0%	56.2%	38.0%	13.7%	0.0%
Potential Cash-Out Refi	\$11,915	\$24,377	\$37,412	\$65,308	\$147,115	\$378,412	\$743,371

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$57,065	\$71,785	\$87,190	\$120,188	\$217,158	\$492,503	\$929,215
- Selling Costs	(\$6,772)	(\$7,111)	(\$7,467)	(\$8,232)	(\$10,506)	(\$17,114)	(\$27,877)
= Proceeds After Sale	\$50,293	\$64,674	\$79,723	\$111,956	\$206,651	\$475,390	\$901,338
+ Cumulative Cash Flow	\$3,991	\$8,715	\$14,211	\$27,681	\$77,982	\$274,727	\$668,923
- Initial Cash Invested	(\$47,300)	(\$47,300)	(\$47,300)	(\$47,300)	(\$47,300)	(\$47,300)	(\$47,300)
= Net Profit	\$6,984	\$26,089	\$46,634	\$92,337	\$237,333	\$702,817	\$1,522,961
Internal Rate of Return	14.8%	25.4%	27.4%	27.0%	24.0%	21.0%	19.9%
Return on Investment	15%	55%	99%	195%	502%	1,486%	3,220%

Graphs

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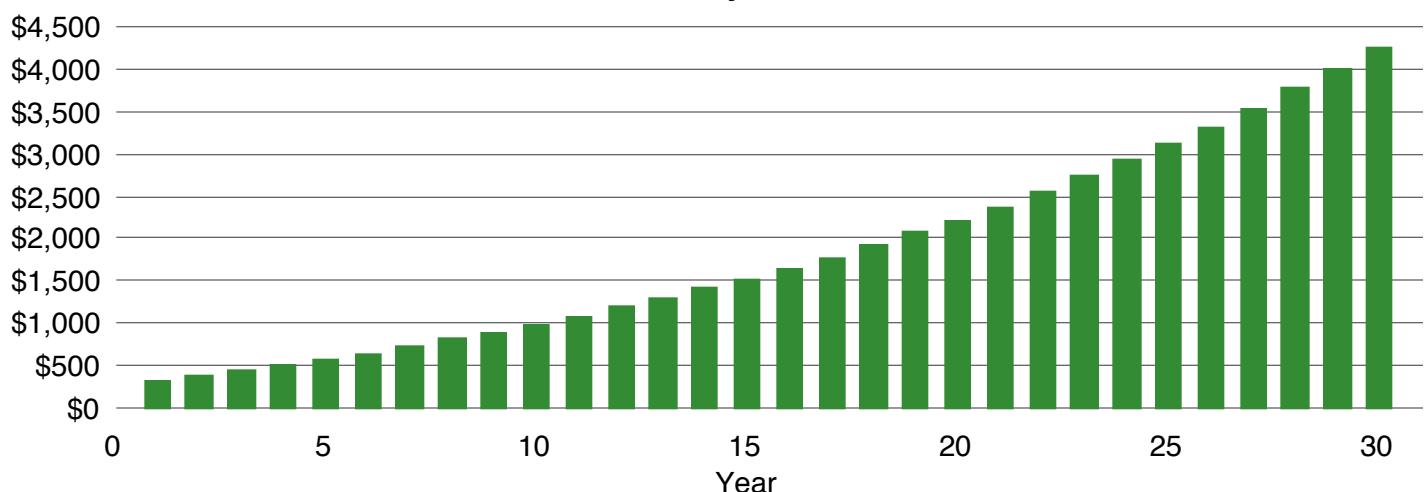
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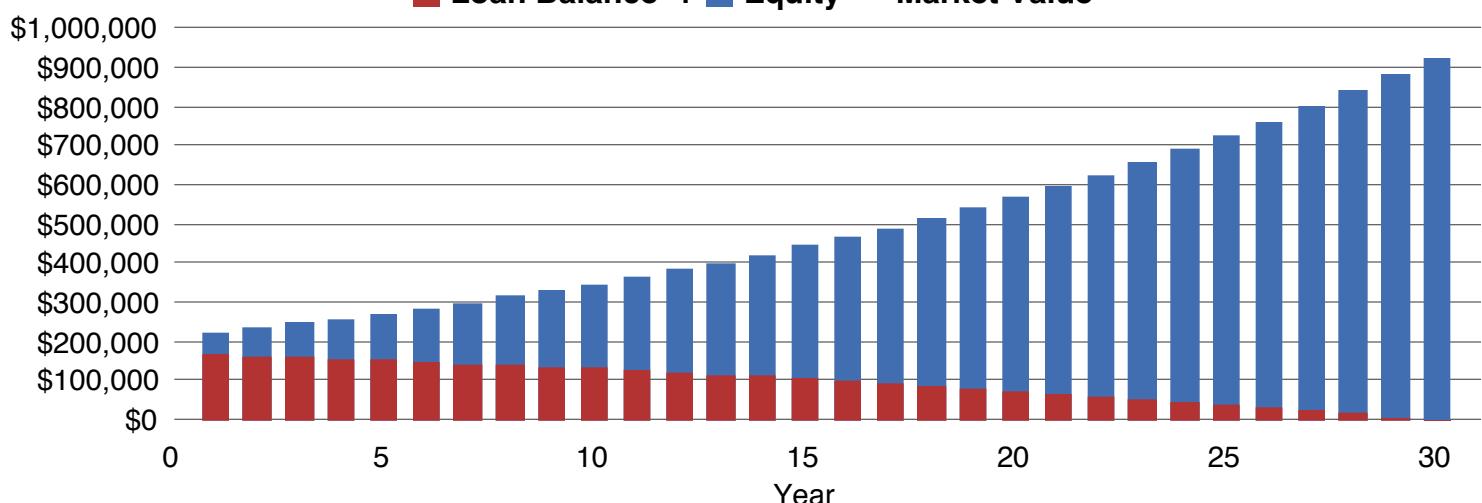
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Monthly Cash Flow



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



Internal Rate of Return (IRR)

