

## Investment Opportunity by Kim Franz



**Type:** Multi-family Apartment Building

**Projected Purchase Price:** \$ 996,000

**Property Details:** 12 suite, three storey walk up apartment building located in Grande Prairie, Alberta. Renovated and well-maintained property with 11 two bedroom and 1 one bedroom suites. Central location close to downtown, GP Regional College, park with walking trails, schools, churches and bus stop half a block away. The current owner has been in the property management business for many years and has owned many similar properties in Grande Prairie.

### **Buy and Hold Strategy:**

This property is expected to provide consistent cash flow and equity appreciation over a 5-10 year term.

### **Exit Strategy:**

Buy and hold for a minimum of 5 years or equity appreciation of 30% or greater. The property will be kept in excellent condition in order to maximize profits when it is time to sell.

<b>Cash Flow Analysis - Year 1:</b>	
<b>Property Value</b>	996,000.00
<b>Price per Suite</b>	83,000.00
<b>Operating Income</b>	
1 Bedroom x 1	10,200.00
2 Bedroom x 11	114,360.00
Laundry	2,200.00
Vacancy 2%	- 2,535.00
<b>Total Income</b>	<b>124,225.00</b>
<b>Operating Expenses</b>	
Land Tax	9,470.00
Insurance	2,200.00
Utilities	15,400.00
Repairs - 5%	6,600.00
Management - 5%	6,211.00
Misc expense - 4%	4,969.00
<b>Total Expense</b>	<b>44,850.00</b>
<b>Net Operating Income</b>	<b>79,375.00</b>
<b>Debt Servicing</b>	
First Mortgage	47,152.00
Contingency fund	5,000.00
<b>Cash Flow per year</b>	<b>27,223.00</b>

### **Capital required for closing**

Down payment	249,000.00
Appraisal	1,200.00
Inspection	1,050.00
Mortgage set up	11,600.00
Mortgage standby	9,000.00
Mortgage broker	10,000.00
Reserve Fund	11,800.00
Phase 1 Environmental	500.00
CHMC fee	1,800.00
Insurance	2,600.00
Management fund	9,950.00
Legal	6,000.00
<b>Total Capital Required</b>	<b>314,500.00</b>

**Minimum investment** **75,000.00**

If you are interested in investing in this property or any future real estate investment property please note that partnerships are carefully chosen. The ideal partner is an individual who is looking for a hands-off approach to investing. Partners must be committed to building long-term wealth, have available capital for down payment, and be prepared to take action.

This property is expected to close in January 2014. **Deadline for applications is August 15, 2013.** Please email [kcfanz@hotmail.com](mailto:kcfanz@hotmail.com) or phone 604-720-2097