

322 Northgate Terrace TC
 144th avenue and 87th street
 Edmonton, Alberta T5E3E3

Purchase Info

Initial Market Value	\$165,000
Purchase Price	\$165,000
Initial Cash Invested	\$36,500

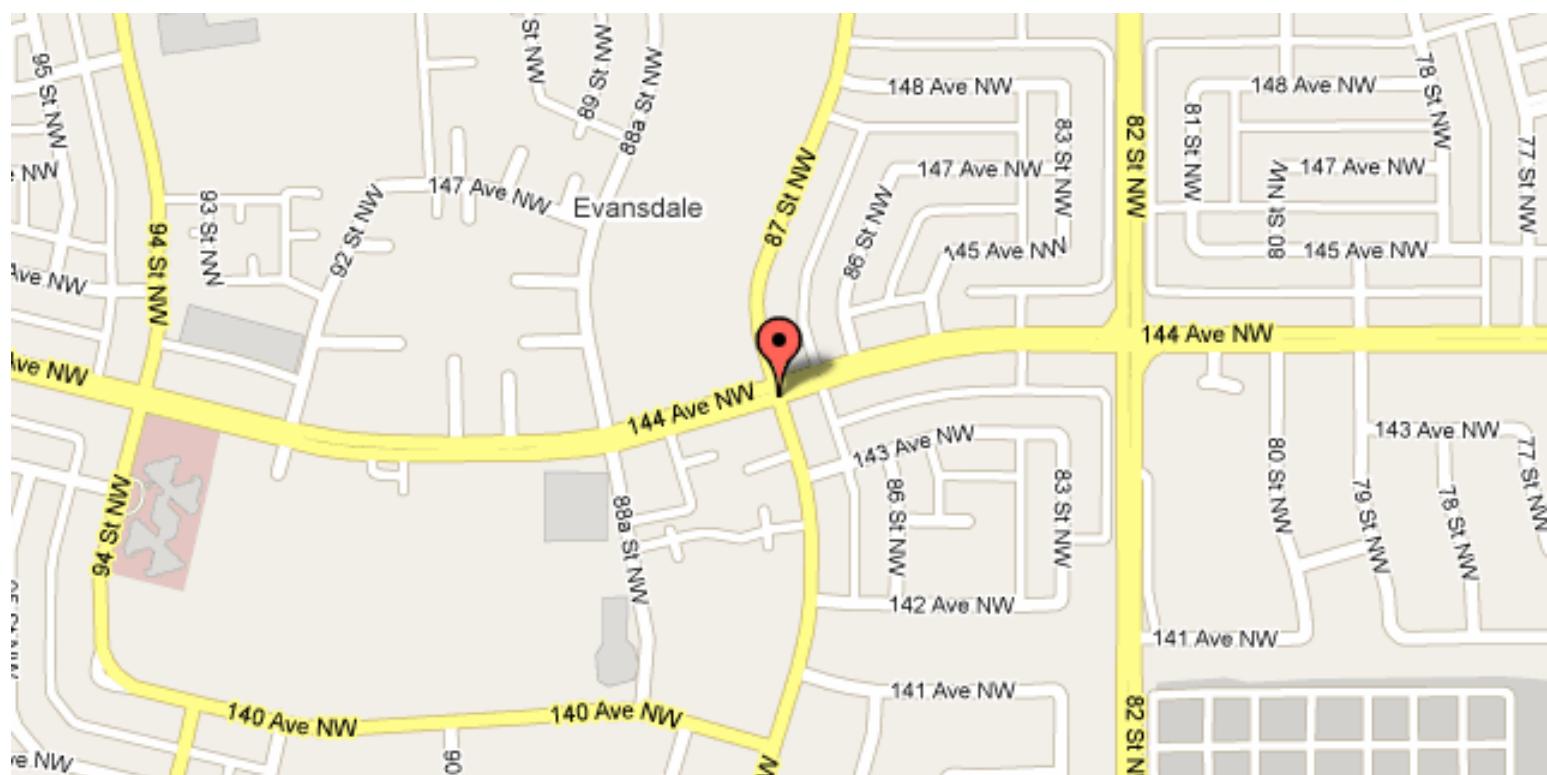


Income Analysis	Monthly	Annual
Net Operating Income	\$674	\$8,086
Cash Flow	\$125	\$1,498

Financial Metrics

Cap Rate (Purchase Price)	4.9%
Cash on Cash Return	4.1%
Internal Rate of Return (Year 5)	13.9%
Return on Investment (Year 5)	84%

3 bedroom, 2 bath, 2 storey condominium townhouse



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Purchase Info	
Initial Market Value	\$165,000
Purchase Price	\$165,000
- First Mortgage	(\$132,000)
- Second Mortgage	(\$0)
= Downpayment	\$33,000
+ Buying Costs	\$2,500
+ Initial Improvements	\$1,000
= Initial Cash Invested	\$36,500
Square Feet	1,195
Cost per Square Foot	\$138
Monthly Rent per Square Foot	\$1.05

Income	Monthly	Annual
Gross Rent	\$1,250	\$15,000
Vacancy Loss	(\$88)	(\$1,050)
Operating Income	\$1,162	\$13,950

Expenses	Monthly	Annual
Cleaning & Maintenance	\$0	\$0
Insurance	\$17	\$200
Management Fees	\$131	\$1,572
Repairs	\$62	\$750
Taxes	\$112	\$1,350
condominium fees	\$166	\$1,992
Operating Expenses	\$489	\$5,864

Mortgages	First	Second
Loan-To-Value Ratio	80%	0%
Loan Amount	\$132,000	\$0
Loan Type	Amortizing	
Term	40 Years	
Interest Rate	4%	
Payment	\$548.98	\$0.00

Net Performance	Monthly	Annual
Net Operating Income	\$674	\$8,086
- Mortgage Payments	(\$549)	(\$6,588)
- Year 1 Improvements	(\$0)	(\$0)
= Cash Flow	\$125	\$1,498

Financial Metrics	
Annual Gross Rent Multiplier	11.0
Operating Expense Ratio	42.0%
Debt Coverage Ratio	1.23
Cap Rate (Purchase Price)	4.9%
Cap Rate (Market Value)	4.8%
Cash on Cash Return	4.1%

Assumptions	
Appreciation Rate	3.0%
Vacancy Rate	7.0%
Income Inflation Rate	3.0%
Expense Inflation Rate	3.0%
LTV for Refinance	70.0%
Selling Costs	\$8,250

Buy and Hold Projection

June 9, 2011

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Income	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Gross Rent	\$15,000	\$15,450	\$15,914	\$16,883	\$19,572	\$26,303	\$35,348
Vacancy Loss	(\$1,050)	(\$1,082)	(\$1,114)	(\$1,182)	(\$1,370)	(\$1,841)	(\$2,474)
Operating Income	\$13,950	\$14,368	\$14,800	\$15,701	\$18,202	\$24,461	\$32,874
Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Cleaning & Maintenance	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
Insurance	(\$200)	(\$206)	(\$212)	(\$225)	(\$261)	(\$351)	(\$471)
Management Fees	(\$1,572)	(\$1,619)	(\$1,668)	(\$1,769)	(\$2,051)	(\$2,757)	(\$3,705)
Repairs	(\$750)	(\$772)	(\$796)	(\$844)	(\$979)	(\$1,315)	(\$1,767)
Taxes	(\$1,350)	(\$1,390)	(\$1,432)	(\$1,519)	(\$1,761)	(\$2,367)	(\$3,181)
condominium fees	(\$1,992)	(\$2,052)	(\$2,113)	(\$2,242)	(\$2,599)	(\$3,493)	(\$4,694)
Operating Expenses	(\$5,864)	(\$6,040)	(\$6,221)	(\$6,600)	(\$7,651)	(\$10,283)	(\$13,819)
Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$8,086	\$8,329	\$8,578	\$9,101	\$10,550	\$14,179	\$19,055
- Mortgage Payments	(\$6,588)	(\$6,588)	(\$6,588)	(\$6,588)	(\$6,588)	(\$6,588)	(\$6,588)
- Improvements	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
= Cash Flow	\$1,498	\$1,741	\$1,991	\$2,513	\$3,963	\$7,591	\$12,467
Cap Rate (Purchase Price)	4.9%	5.0%	5.2%	5.5%	6.4%	8.6%	11.5%
Cap Rate (Market Value)	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Cash on Cash Return	4.1%	4.8%	5.5%	6.9%	10.9%	20.8%	34.2%
Return on Equity	3.8%	3.8%	3.8%	3.8%	3.7%	3.7%	3.6%
Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$169,950	\$175,048	\$180,300	\$191,280	\$221,746	\$298,008	\$400,498
- Loan Balance	(\$130,624)	(\$129,192)	(\$127,703)	(\$124,541)	(\$115,448)	(\$90,853)	(\$54,306)
= Equity	\$39,326	\$45,856	\$52,597	\$66,739	\$106,298	\$207,155	\$346,193
Loan-to-Value Ratio	76.9%	73.8%	70.8%	65.1%	52.1%	30.5%	13.6%
Potential Cash-Out Refi	(\$11,659)	(\$6,658)	(\$1,493)	\$9,355	\$39,774	\$117,753	\$226,043
Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$39,326	\$45,856	\$52,597	\$66,739	\$106,298	\$207,155	\$346,193
- Selling Costs	(\$8,498)	(\$8,752)	(\$9,015)	(\$9,564)	(\$11,087)	(\$14,900)	(\$20,025)
= Proceeds After Sale	\$30,829	\$37,104	\$43,582	\$57,175	\$95,211	\$192,255	\$326,168
+ Cumulative Cash Flow	\$1,498	\$3,239	\$5,230	\$9,991	\$26,819	\$85,519	\$187,062
- Initial Cash Invested	(\$36,500)	(\$36,500)	(\$36,500)	(\$36,500)	(\$36,500)	(\$36,500)	(\$36,500)
= Net Profit	(\$4,173)	\$3,843	\$12,312	\$30,666	\$85,530	\$241,274	\$476,730
Internal Rate of Return	-11.4%	5.2%	10.6%	13.9%	14.6%	13.5%	12.7%
Return on Investment	-11%	11%	34%	84%	234%	661%	1,306%