

**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**

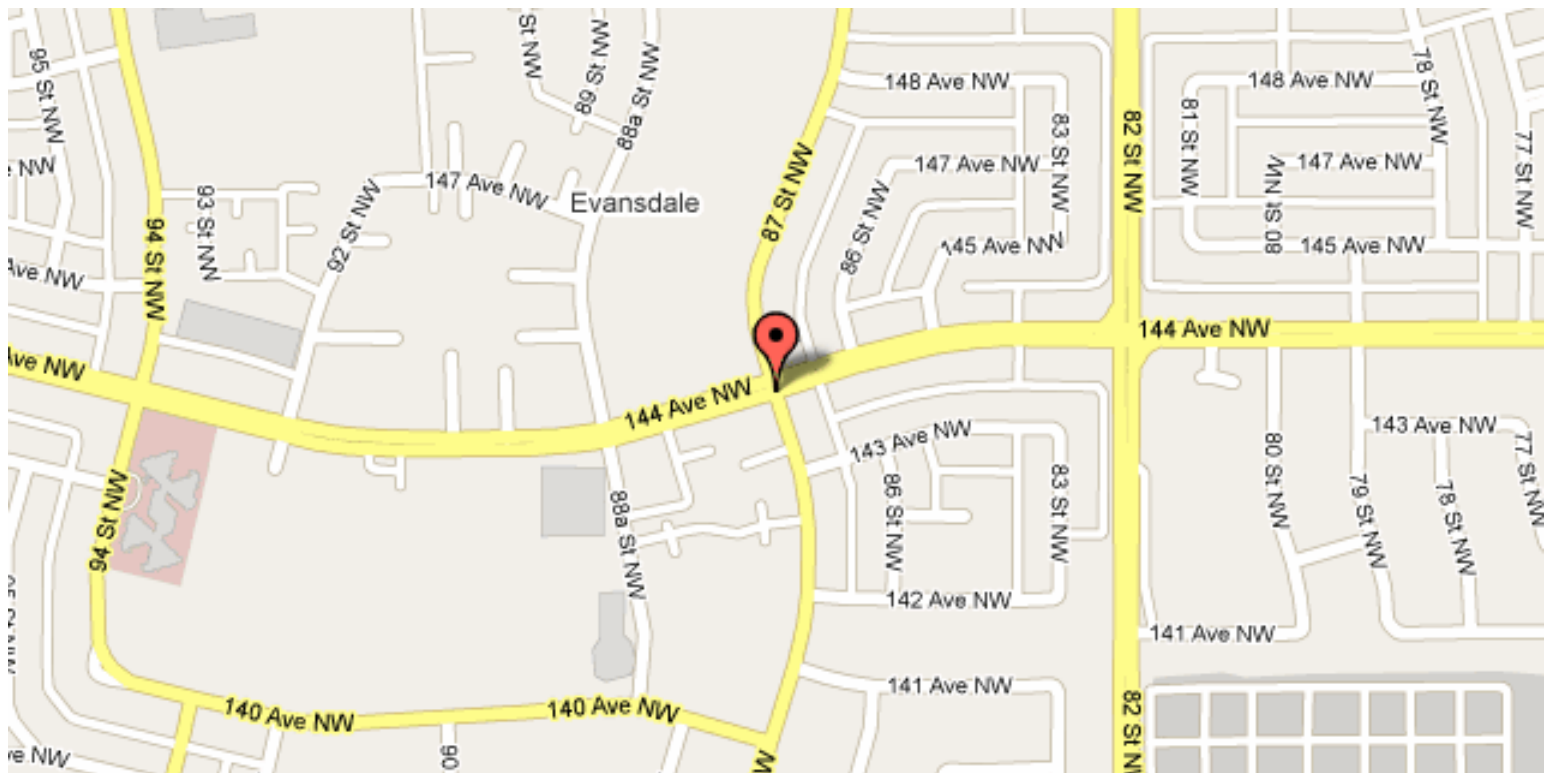
Net Operating Income	\$674	\$8,086
Cash Flow	\$125	\$1,498

**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



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

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

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

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%
<b>Cash on Cash Return</b>	<b>4.1%</b>

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

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

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
<b>Operating Expenses</b>	<b>\$489</b>	<b>\$5,864</b>

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

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

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)
<b>Operating Income</b>	<b>\$13,950</b>	<b>\$14,368</b>	<b>\$14,800</b>	<b>\$15,701</b>	<b>\$18,202</b>	<b>\$24,461</b>	<b>\$32,874</b>

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)
<b>Operating Expenses</b>	<b>(\$5,864)</b>	<b>(\$6,040)</b>	<b>(\$6,221)</b>	<b>(\$6,600)</b>	<b>(\$7,651)</b>	<b>(\$10,283)</b>	<b>(\$13,819)</b>

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
<b>Net Operating Income</b>	<b>\$8,086</b>	<b>\$8,329</b>	<b>\$8,578</b>	<b>\$9,101</b>	<b>\$10,550</b>	<b>\$14,179</b>	<b>\$19,055</b>
- Mortgage Payments	(\$6,588)	(\$6,588)	(\$6,588)	(\$6,588)	(\$6,588)	(\$6,588)	(\$6,588)
- Improvements	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
<b>= Cash Flow</b>	<b>\$1,498</b>	<b>\$1,741</b>	<b>\$1,991</b>	<b>\$2,513</b>	<b>\$3,963</b>	<b>\$7,591</b>	<b>\$12,467</b>
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%
<b>Cash on Cash Return</b>	<b>4.1%</b>	<b>4.8%</b>	<b>5.5%</b>	<b>6.9%</b>	<b>10.9%</b>	<b>20.8%</b>	<b>34.2%</b>
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)
<b>= Equity</b>	<b>\$39,326</b>	<b>\$45,856</b>	<b>\$52,597</b>	<b>\$66,739</b>	<b>\$106,298</b>	<b>\$207,155</b>	<b>\$346,193</b>
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)
<b>= Proceeds After Sale</b>	<b>\$30,829</b>	<b>\$37,104</b>	<b>\$43,582</b>	<b>\$57,175</b>	<b>\$95,211</b>	<b>\$192,255</b>	<b>\$326,168</b>
+ 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)
<b>= Net Profit</b>	<b>(\$4,173)</b>	<b>\$3,843</b>	<b>\$12,312</b>	<b>\$30,666</b>	<b>\$85,530</b>	<b>\$241,274</b>	<b>\$476,730</b>
<b>Internal Rate of Return</b>	<b>-11.4%</b>	<b>5.2%</b>	<b>10.6%</b>	<b>13.9%</b>	<b>14.6%</b>	<b>13.5%</b>	<b>12.7%</b>
<b>Return on Investment</b>	<b>-11%</b>	<b>11%</b>	<b>34%</b>	<b>84%</b>	<b>234%</b>	<b>661%</b>	<b>1,306%</b>