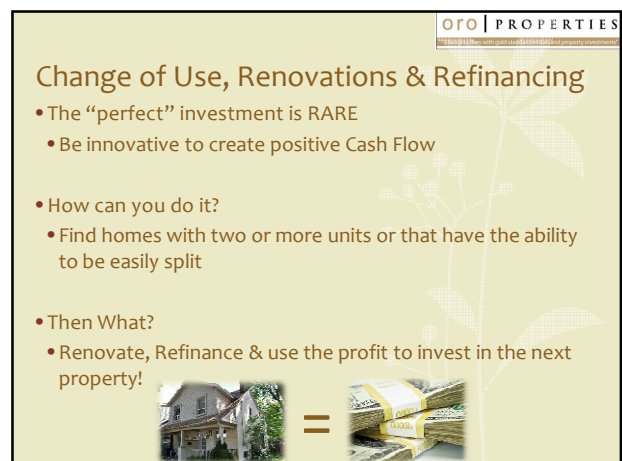
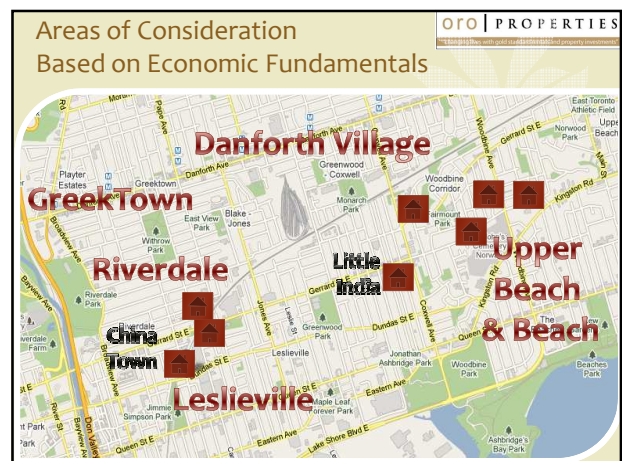
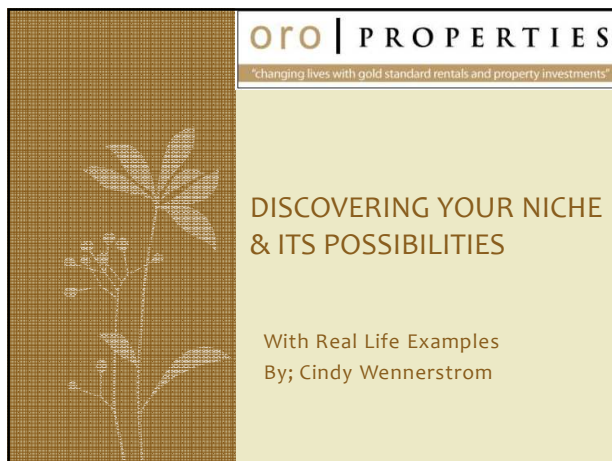


Discovering Your Niche w/ Cindy Wennerstrom

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The Keys to a “Golden” Property?

- Solid Structure
- Majors all up to date
 - Electrical, roof, furnace, A/C, waterproofing
- High “enough” & dry basement
- Split-ability - Ease & cost of transition to 2 units
- Number of current entrances & bathrooms
- Curb appeal-“ability”
- Neighbourhood/neighbours
- Parking - 2 car suitability for City requirements
- Ability & ease of obtaining City Permits

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EXAMPLE OF RENOVATING TO REFINANCE

Case Study: Riverdale

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Reno Case Study: Riverdale

- **The Purchase:**
 - Single Family home for \$412,500
 - Desirable pocket of South Riverdale
- **The Strategy:**
 - Private lender to fund renovations (\$75k, 6.5% Int. 12 mths)
 - Finish existing bare bones basement
 - Convert to TWO separate 2 bedroom units
 - Refinance & pay back loan immediately
- **The Reno:**
 - Invested \$75,000 completed in < 3 months

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Work Done to Property

• Main/Upstairs Suite:	• Main/Basement Suite:
- Replaced all flooring upstairs with Hardwood	- Created 2 large bedrooms
- Painted throughout the entire house	- Created full bathroom
- Added closets	- Added Laundry
- Converted laundry room to full kitchen w/laundry	- Replaced windows & door
- Updated bathroom	- Replaced furnace, Hot water tank & added A/C
- Landscaping	- Waterproofed
	- Added sump pump & sewage discharge tank
	- Added Microwave w/Fan & Dishwasher to kitchen

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Before & After of Front Yard

Curb Appeal is Key! \$200 Cost = RENT ME!



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Main Floor Kitchen

Tired cupboards come alive with paint & new hardware
New Hardware, dishwasher & micro/fan = inexpensive facelift



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Basement Master Bedroom

Waterproof those walls & add an in-organic floor for a completely dry and mold free basement



Basement Bathroom

Above ground drain required a Sewage Ejector Tank



Basement View from 2nd Bedroom



North View to 2nd Bedroom

-Furnace, Electrical Panel & Washer/Dryer now in closets



Upstairs Living Room

- 7 diff flooring styles converted to 1 uniform flooring.



Upstairs Laundry Room turned Kitchen

- Compact but versatile!!




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The Tenant Result

- Single Baby Boomer in the upstairs desiring a long lease.
- Young professional couple in the main unit who are saving for a future purchase.



The Math: Rent Results


Monthly Rents	
Main/Basment	\$1,545
Main/Up	\$1,500
Parking	\$50
TOTAL	\$3,095

NOTE: Tenants pay all Utiities

The Math: Refinancing Results

Purchase Price	\$412,500
Refinanced For	\$525,000
Difference	\$112,500
80% to Re-Invest	\$90,000
Investor Loan	\$75,000
Loan Interest	\$4,875
* Profit Pocketed	\$10,125
ROI 12.7%	
** Total Profit	\$32,625
ROI 40.8%	

** Profit Pocketed = 80% reinvested - loan - interest*
*** Total Profit = Difference - loan - interest*



The Financial Results

	Annual	Monthly	
Rent:	\$37,140	\$3,095	
Expenses:			
Heating Type (GAS-forced Air)	\$467.52	\$0	Tenant Pays
Electricity	\$1,909.20	\$0	Tenant Pays
Water / Sewer	\$1,061.16	\$0	Tenant Pays
Taxes	\$3,053.00	\$254	
Insurance	\$850.00	\$71	
Annual Termite Inspection	\$0.00	\$0	
Vacancy Allowance	4.2%	\$130	Reserve Funds
Repairs & Maintenance	5%	\$155	
	TOTAL MONTHLY	\$919	
	NET INCOME BEFORE DEBT=	\$2,176	
Mortgage @ Refinanced Level (2.5% 35 yrs)		\$1,501	
	TOTAL NET MONTHLY INCOME =	\$674	

So, Would 'YOU' buy THIS Property?

The Stress Test:

- At 5% interest still have:
- \$74/mth positive cash flow
- + reserves of \$285.20/mth
- **TOTAL \$669 per Month including management.**

Hold property for 5 years:

- Sell for \$625,000
- Assumption 3.55% Growth/yr
- Potential \$100,000 Profit
- Minus \$31k Commissions
- Plus \$40k Cash Flow
- (\$674 x 60 months)

\$110k+ Profit in 5 years = 105% ROI!

What have I learned?

KEY INVESTOR TAKEAWAYS

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Lesson #1: Hire Experts!

- Determine your personal niche.
- Monopolize off your forte & hire the rest out.
- The savings from costly mistakes and wasted time will far outweigh the cost of hiring an expert.
 - An expert has years of mistakes under their belt!

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Lesson #2: Know Your Limits!

- Focus on ONE thing, control it BEFORE delving into something else.
- Focus = Control
- Control = Time
- Time = Money

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Lesson #3: Create YOUR Plan & DO IT!

- The biggest mistake you can make is not making any mistakes at all.
- We learn by doing.
- Surrounding yourself with experts & ask questions.
- Before you jump in, ensure you know how to analyze a property's cash flow.

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Lesson #4: Buy RIGHT!

- Don't look at why a building won't work.
- Look at why it WILL work.
- You don't have to buy cheap to buy well.
 - Have flexibility in your reno budget.
- Considering what others won't = negotiation power!

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Lesson #5: Reduce Risk of Vacancy!

- Stick to your plan!
- Two incomes are key! Search for duplexes or opportunity to duplex.
- Think ahead – get places rented before you have the keys!

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Lesson #6: Know your Tenants & Rents!

- Know your tenant profile.
- Match tenant personalities.
- Know market rents but DON'T be the same.

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Lesson #7: Vision & Confidence!

What's "your" vision?



- Anyone can Renovate!
- You simply need the Confidence to do so!

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Lesson #8: Be the best in Class!



What would you pay to live here?

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"Remember... There are a million excuses 'not' to do something. Join the ranks of action takers today and change your destiny!"