

10016 110th Ave (3 Suite House)

Investment Property - Buy & Hold

10016 110th Ave, Fort St. John, BC V1J 2T2

Multi-Family · 3 Units · 2,100 Sq.Ft.

\$ 359,900 Purchase Price · \$ 359,900 ARV

\$ 79,800 Cash Needed · \$ 1,049/mo Cash Flow · 8.1% Cap Rate · 15.8% COC

Prepared by:



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REALTOR**

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Fort St John, BC



Property Description

ADDRESS

10016 110th Ave
Fort St. John, BC V1J 2T2

DESCRIPTION

Property Type: Multi-Family
Year Built: 1979

UNIT INFORMATION

Total Units/Spaces: 3
Total Square Footage: 2,100

UNITS & RENT ROLL

1 Unit - Residential (Upper Unit - 3 Bedroom)

3 Beds / 1.5 Baths / 1,100 Sq.Ft.

Gross Rent: \$ 2,250 Per Month

1 Unit - Residential (Lower - Unit B)

1 Beds / 1 Baths / 500 Sq.Ft.

Gross Rent: \$ 1,050 Per Month

1 Unit - Residential (Lower - Unit C)

1 Beds / 1 Baths / 500 Sq.Ft.

Gross Rent: \$ 900 Per Month



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 359,900
Amount Financed:	-	\$ 287,920
Down Payment:	=	\$ 71,980
Purchase Costs:	+	\$ 7,820
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 79,800
After Repair Value:		\$ 359,900
ARV Per Square Foot:		\$ 171.4
Price Per Square Foot:		\$ 171.4
Price Per Unit:		\$ 119,967

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.1% / 8.1%
Cash on Cash Return:	15.8%
Return on Equity:	13.2%
Return on Investment:	15.9%
Internal Rate of Return:	15.9%
Rent to Value:	1.2%
Gross Rent Multiplier:	7.14
Equity Multiple:	1.16
Break Even Ratio:	72%
Debt Coverage Ratio:	1.76
Debt Yield:	10.1%

FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	4%
Financing Of:	Price (80%)
Loan Amount:	\$ 287,920
LTC / LTV:	80% / 80%
Loan Payment:	\$ 1,375 Per Month \$ 16,495 Per Year

ASSUMPTIONS & PROJECTIONS

Rehab Cost Overrun:	0%
Vacancy Rate:	3%
Appreciation:	5% Per Year
Income Increase:	5% Per Year
Expense Increase:	3% Per Year
Selling Costs:	4% of Sales Price

PURCHASE COSTS

Appraisal:	\$ 600
Home Inspection:	\$ 600
Property Transfer Taxes:	\$ 5,100
Legal Fees:	\$ 1,200
GST:	\$ 0
Title Insurance:	\$ 320
Total:	\$ 7,820

Rehab Costs

Exterior:	\$ 0
Interior:	\$ 0
Electrical:	\$ 0
Plumbing:	\$ 0
Appliances:	\$ 0
Landscaping:	\$ 0
Cost Overrun (0%):	\$ 0
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Total:	\$ 0
Total Per Square Foot:	\$ 0

Cash Flow (Year 1)

		Monthly	Yearly
CASH FLOW			
Gross Rent:		\$ 4,200	\$ 50,400
Vacancy (3%):	-	\$ 126	\$ 1,512
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 4,074	\$ 48,888
Operating Expenses (40.5%):	-	\$ 1,650	\$ 19,800
Net Operating Income:	=	\$ 2,424	\$ 29,088
Loan Payments:	-	\$ 1,375	\$ 16,495
Cash Flow:	=	\$ 1,049	\$ 12,593
Cash Flow Per Unit:		\$ 350	\$ 4,198

		Monthly	Yearly
OTHER INCOME			
Parking:		\$ 0	\$ 0
Laundry:		\$ 0	\$ 0
Storage Rental:		\$ 0	\$ 0
Total:		\$ 0	\$ 0

		Monthly	Yearly
OPERATING EXPENSES			
Property Taxes:		\$ 350	\$ 4,200
Insurance:		\$ 175	\$ 2,100
Landscaping:		\$ 0	\$ 0
Property Management:		\$ 350	\$ 4,200
Power:		\$ 175	\$ 2,100
Natural Gas:		\$ 150	\$ 1,800
Water / Sewer:		\$ 150	\$ 1,800
Repairs And Maintenance:		\$ 200	\$ 2,400
Cable / Internet:		\$ 0	\$ 0
Suite Cleaning:		\$ 0	\$ 0
Snow Removal:		\$ 100	\$ 1,200

Total:	\$ 1,650	\$ 19,800
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Buy & Hold Projections

	APPRECIATION 5% Per Year	INCOME INCREASE 5% Per Year	EXPENSE INCREASES 3% Per Year	SELLING COSTS 4% of Price		
	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
RENTAL INCOME						
Gross Rent:	\$ 50,400	\$ 55,566	\$ 61,262	\$ 78,187	\$ 127,358	\$ 207,453
Vacancy:	- \$ 1,512	- \$ 1,667	- \$ 1,838	- \$ 2,346	- \$ 3,821	- \$ 6,224
Vacancy Rate:	3%	3%	3%	3%	3%	3%
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 48,888	= \$ 53,899	= \$ 59,424	= \$ 75,841	= \$ 123,537	= \$ 201,229
Income Increase:	5%	5%	5%	5%	5%	5%
OPERATING EXPENSES						
Property Taxes:	\$ 4,200	\$ 4,456	\$ 4,727	\$ 5,480	\$ 7,365	\$ 9,898
Insurance:	+ \$ 2,100	+ \$ 2,228	+ \$ 2,364	+ \$ 2,740	+ \$ 3,682	+ \$ 4,949
Landscaping:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Property Management:	+ \$ 4,200	+ \$ 4,456	+ \$ 4,727	+ \$ 5,480	+ \$ 7,365	+ \$ 9,898
Power:	+ \$ 2,100	+ \$ 2,228	+ \$ 2,364	+ \$ 2,740	+ \$ 3,682	+ \$ 4,949
Natural Gas:	+ \$ 1,800	+ \$ 1,910	+ \$ 2,026	+ \$ 2,349	+ \$ 3,156	+ \$ 4,242
Water / Sewer:	+ \$ 1,800	+ \$ 1,910	+ \$ 2,026	+ \$ 2,349	+ \$ 3,156	+ \$ 4,242
Repairs And Maintenance:	+ \$ 2,400	+ \$ 2,546	+ \$ 2,701	+ \$ 3,131	+ \$ 4,208	+ \$ 5,656
Cable / Internet:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Suite Cleaning:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Snow Removal:	+ \$ 1,200	+ \$ 1,273	+ \$ 1,351	+ \$ 1,566	+ \$ 2,104	+ \$ 2,828
Operating Expenses:	= \$ 19,800	= \$ 21,007	= \$ 22,286	= \$ 25,835	= \$ 34,718	= \$ 46,662
Expense Increase:	3%	3%	3%	3%	3%	3%
CASH FLOW						
Operating Income:	\$ 48,888	\$ 53,899	\$ 59,424	\$ 75,841	\$ 123,537	\$ 201,229
Operating Expenses:	- \$ 19,800	- \$ 21,007	- \$ 22,286	- \$ 25,835	- \$ 34,718	- \$ 46,662
Expense Ratio:	40.5%	39%	37.5%	34.1%	28.1%	23.2%
Net Operating Income:	= \$ 29,088	= \$ 32,892	= \$ 37,138	= \$ 50,006	= \$ 88,819	= \$ 154,567
Loan Payments:	- \$ 16,495	- \$ 16,495	- \$ 16,495	- \$ 16,495	- \$ 16,495	- \$ 16,495
Cash Flow:	= \$ 12,593	= \$ 16,397	= \$ 20,643	= \$ 33,511	= \$ 72,324	= \$ 138,072
Cash Flow Per Unit:	\$ 4,198	\$ 5,466	\$ 6,881	\$ 11,170	\$ 24,108	\$ 46,024
TAX BENEFITS & DEDUCTIONS						
Operating Expenses:	\$ 19,800	\$ 21,007	\$ 22,286	\$ 25,835	\$ 34,718	\$ 46,662
Loan Interest:	+ \$ 11,425	+ \$ 11,003	+ \$ 10,546	+ \$ 9,232	+ \$ 5,667	+ \$ 352
Total Deductions:	= \$ 31,225	= \$ 32,010	= \$ 32,832	= \$ 35,067	= \$ 40,385	= \$ 47,014

	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
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EQUITY ACCUMULATION

Property Value:	\$ 377,895	\$ 416,629	\$ 459,334	\$ 586,239	\$ 954,922	\$ 1,555,467
Appreciation:	5%	5%	5%	5%	5%	5%
Loan Balance:	- \$ 282,850	- \$ 272,081	- \$ 260,416	- \$ 226,835	- \$ 135,767	- \$ 0
LTV Ratio:	74.8%	65.3%	56.7%	38.7%	14.2%	-
Total Equity:	= \$ 95,045	= \$ 144,548	= \$ 198,918	= \$ 359,404	= \$ 819,155	= \$ 1,555,467

SALE ANALYSIS

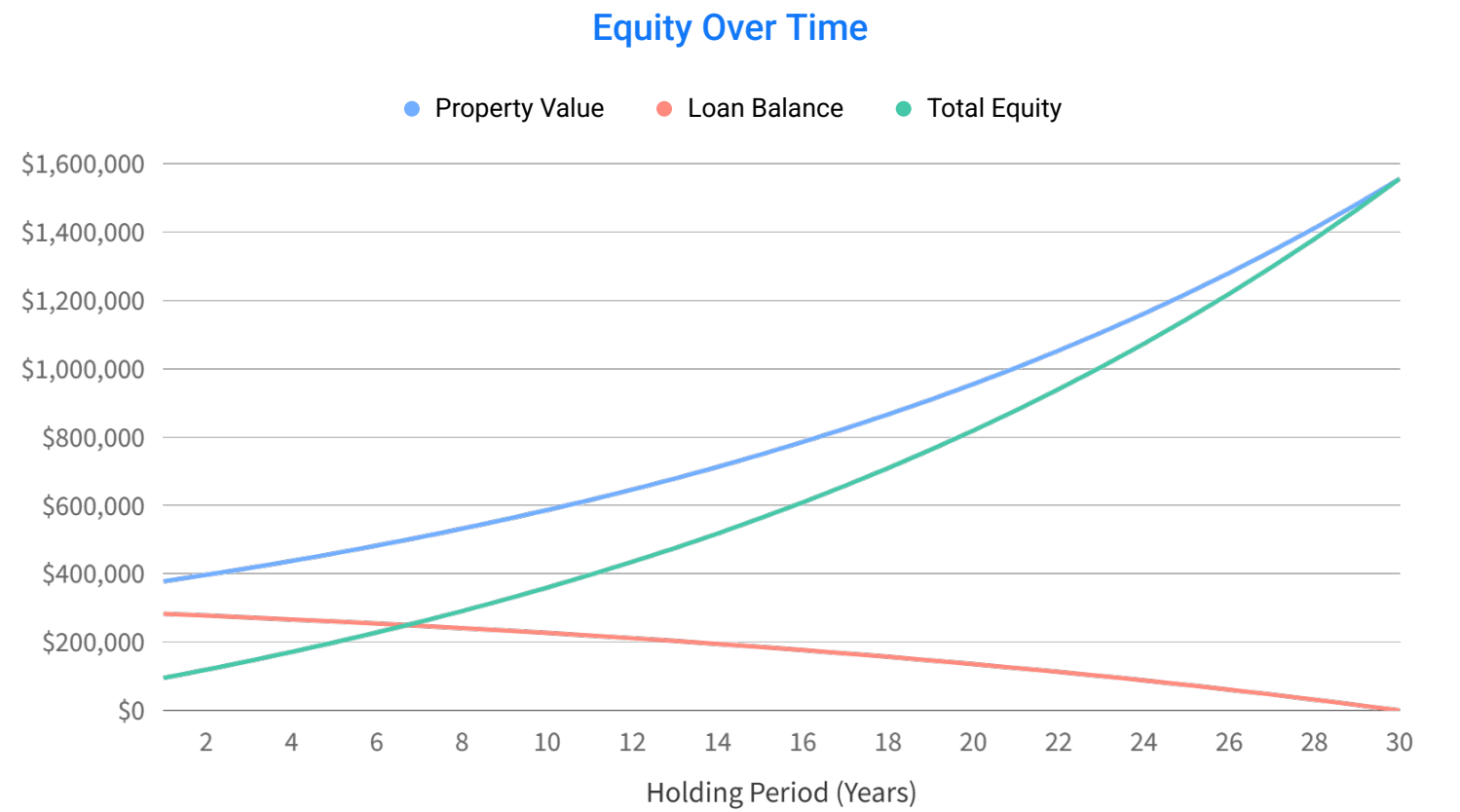
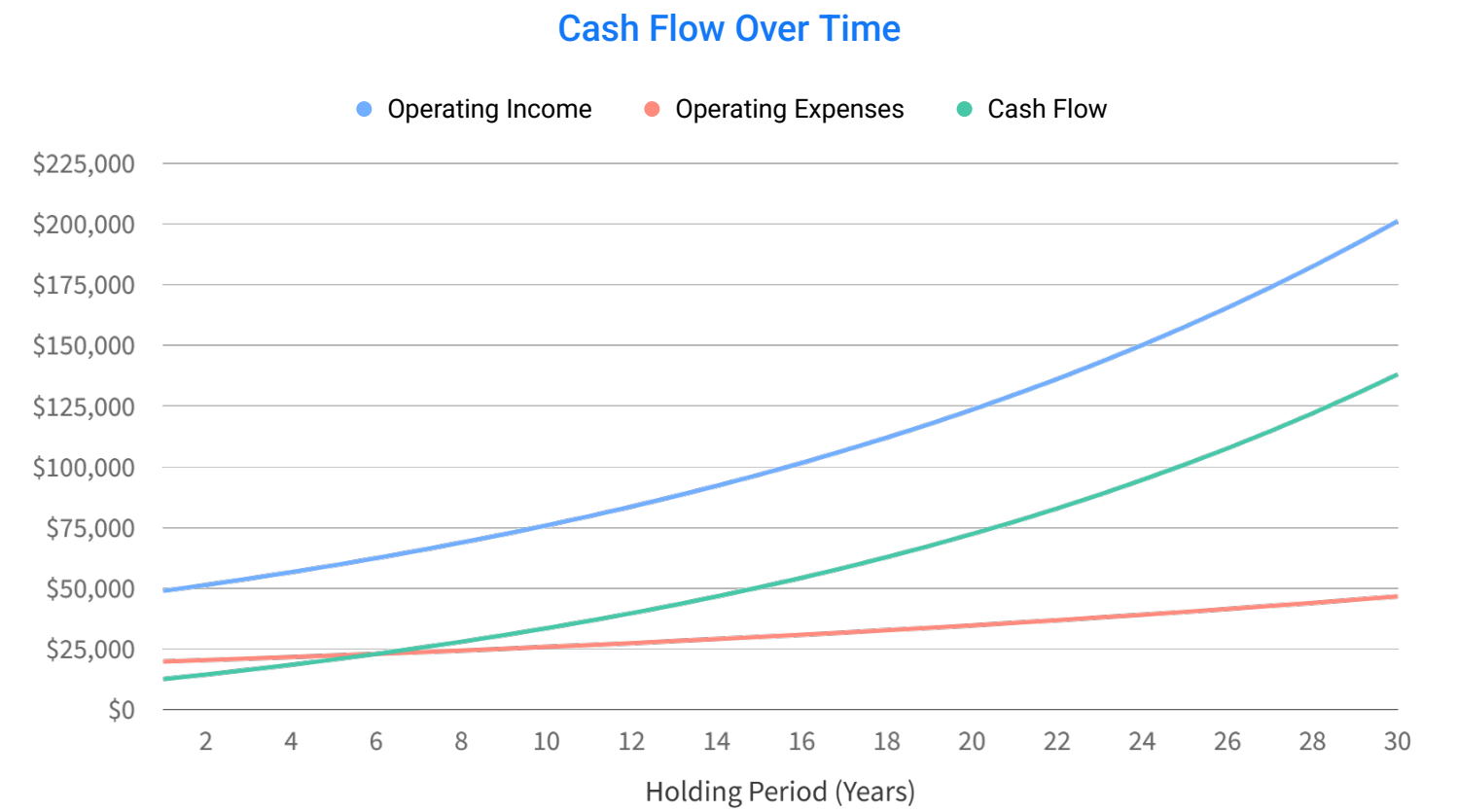
Equity:	\$ 95,045	\$ 144,548	\$ 198,918	\$ 359,404	\$ 819,155	\$ 1,555,467
Selling Costs (4%):	- \$ 15,116	- \$ 16,665	- \$ 18,373	- \$ 23,450	- \$ 38,197	- \$ 62,219
Sale Proceeds:	= \$ 79,930	= \$ 127,883	= \$ 180,544	= \$ 335,955	= \$ 780,958	= \$ 1,493,248
Cumulative Cash Flow:	+ \$ 12,593	+ \$ 43,433	+ \$ 82,539	+ \$ 222,972	+ \$ 754,600	+ \$ 1,811,217
Total Cash Invested:	- \$ 79,800	- \$ 79,800	- \$ 79,800	- \$ 79,800	- \$ 79,800	- \$ 79,800
Total Profit:	= \$ 12,723	= \$ 91,516	= \$ 183,283	= \$ 479,127	= \$ 1,455,758	= \$ 3,224,665

INVESTMENT RETURNS

Cap Rate (Purchase Price):	8.1%	9.1%	10.3%	13.9%	24.7%	42.9%
Cap Rate (Market Value):	7.7%	7.9%	8.1%	8.5%	9.3%	9.9%
Cash on Cash Return:	15.8%	20.5%	25.9%	42%	90.6%	173%
Return on Equity:	13.2%	11.3%	10.4%	9.3%	8.8%	8.9%
Return on Investment:	15.9%	114.7%	229.7%	600.4%	1,824.3%	4,040.9%
Internal Rate of Return:	15.9%	32.5%	32.6%	30%	27.5%	26.9%

FINANCIAL RATIOS

Rent to Value:	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
Gross Rent Multiplier:	7.5	7.5	7.5	7.5	7.5	7.5
Equity Multiple:	1.16	2.15	3.3	7	19.24	41.41
Break Even Ratio:	72%	67.5%	63.3%	54.1%	40.2%	30.4%
Debt Coverage Ratio:	1.76	1.99	2.25	3.03	5.38	9.37
Debt Yield:	10.3%	12.1%	14.3%	22%	65.4%	-



Property Photos



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