

Cedarwood House

Investment Property - Buy & Hold

8211 81A St, Fort St John, British Columbia V1J 0P6

House · 5 Beds · 4 Baths · 2,717 Sq.Ft.

Builder's principle residence, 3 unit property. Both 1 bdrm 1 bath suites come fully furnished.

\$ 675,000 Purchase Price · \$ 675,000 ARV

\$ 148,700 Cash Needed · \$ 1,329/mo Cash Flow · 5.9% Cap Rate · 10.7% COC

Prepared by:



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Fort St John, BC



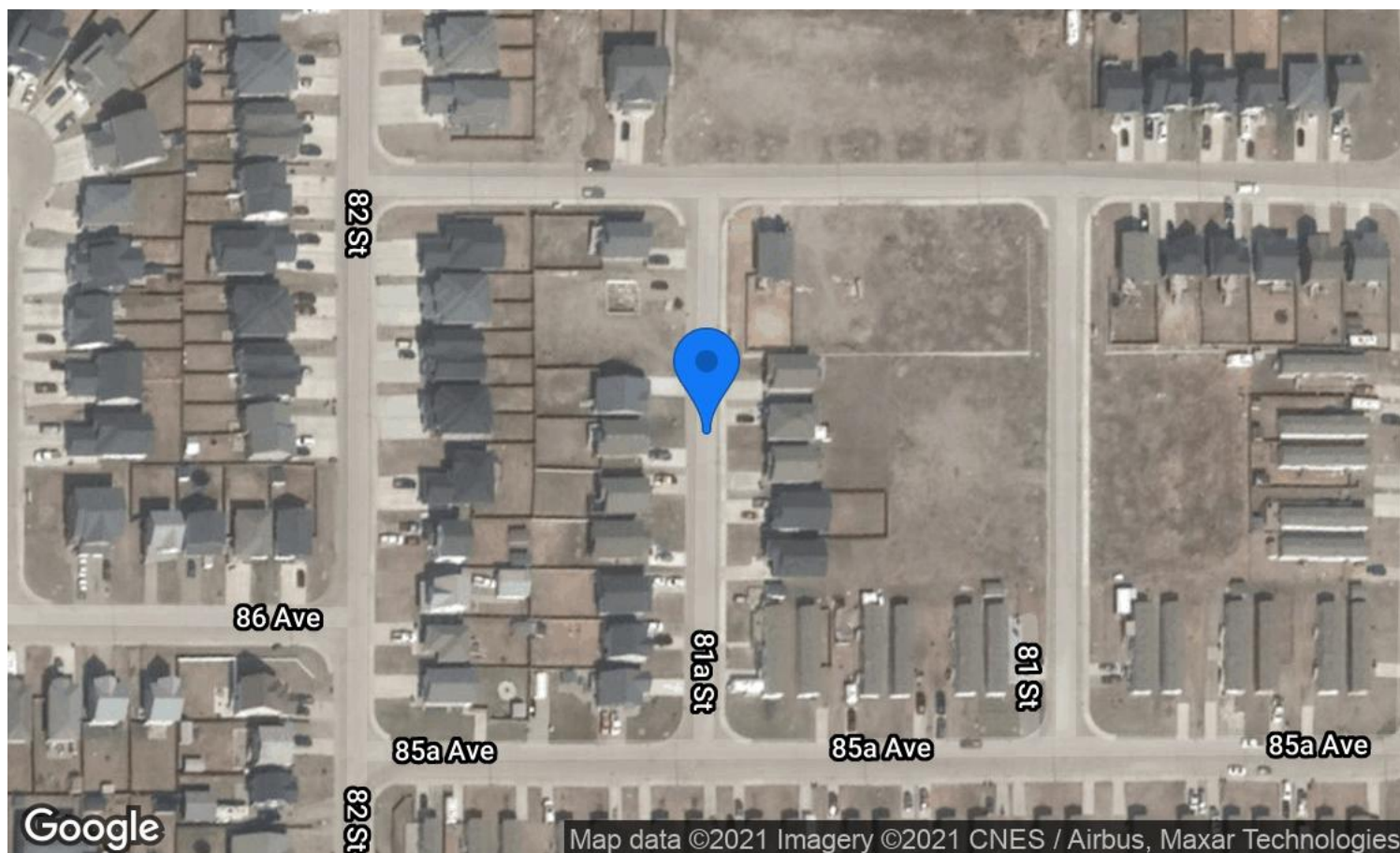
Property Description

ADDRESS

8211 81A St
Fort St John, British Columbia V1J 0P6

DESCRIPTION

Property Type:	House
Beds / Baths:	5 BR / 4 BA
Square Footage:	2,717
Year Built:	2021
Parking:	Garage
Lot Size:	5,950 sq.ft.
Zoning:	R2
MLS Number:	



Purchase Analysis & Returns

PURCHASE

Purchase Price:		\$ 675,000
Amount Financed:	-	\$ 540,000
Down Payment:	=	\$ 135,000
Purchase Costs:	+	\$ 13,700
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 148,700
After Repair Value:		\$ 675,000
Price Per Square Foot:		\$ 248.4

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	5.9% / 5.9%
Cash on Cash Return:	10.7%
Return on Equity:	8.8%
Return on Investment:	14.1%
Internal Rate of Return:	14.1%
Rent to Value:	0.7%
Gross Rent Multiplier:	11.25
Equity Multiple:	1.14
Break Even Ratio:	67.4%
Debt Coverage Ratio:	1.67
Debt Yield:	7.4%

FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	2%
Loan Amount:	\$ 540,000
Loan to Cost (LTC):	80%
Loan to Value (LTV):	80%
Finance Rehab Costs:	No
Loan Payments:	\$ 1,996 Per Month \$ 23,951 Per Year

ASSUMPTIONS & PROJECTIONS

Rehab Cost Overrun:	0%
Vacancy:	6%
Appreciation:	5% Per Year
Income Increase:	5% Per Year
Expenses Increase:	3% Per Year
Selling Costs:	4% of Sales Price
Depreciation Period:	27.5 Years
Land Value:	\$ 0

PURCHASE COSTS

Appraisal:	\$ 300
Home Inspection:	\$ 600
Property Transfer Taxes:	\$ 10,980
Legal Fees:	\$ 1,500
GST:	\$ 0
Title Insurance:	\$ 320
Total:	\$ 13,700

Rehab Costs

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

Cash Flow (Year 1)

		Monthly	Yearly
CASH FLOW			
Gross Rent:		\$ 5,000	\$ 60,000
Vacancy (6%):	-	\$ 300	\$ 3,600
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 4,700	\$ 56,400
Operating Expenses (29.3%):	-	\$ 1,375	\$ 16,500
Net Operating Income:	=	\$ 3,325	\$ 39,900
Loan Payments:	-	\$ 1,996	\$ 23,951
Cash Flow:	=	\$ 1,329	\$ 15,949

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

		Monthly	Yearly
EXPENSES			
Property Taxes:		\$ 450	\$ 5,400
Insurance:		\$ 150	\$ 1,800
Landscaping:		\$ 0	\$ 0
Property Management:		\$ 375	\$ 4,500
Power:		\$ 175	\$ 2,100
Natural Gas:		\$ 0	\$ 0
Water / Sewer:		\$ 125	\$ 1,500
Repairs And Maintenance:		\$ 100	\$ 1,200
Cable / Internet:		\$ 0	\$ 0
Suite Cleaning:		\$ 0	\$ 0
Snow Removal:		\$ 0	\$ 0
Total:		\$ 1,375	\$ 16,500

Buy & Hold Projections

	APPRECIATION 5% Per Year	INCOME INCREASE 5% Per Year	EXPENSES INCREASES 3% Per Year	SELLING COSTS 4% of Price		
	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
INCOME						
Gross Rent:	\$ 60,000	\$ 66,150	\$ 72,930	\$ 93,080	\$ 151,617	\$ 246,968
Vacancy (6%):	- \$ 3,600	- \$ 3,969	- \$ 4,376	- \$ 5,585	- \$ 9,097	- \$ 14,818
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 56,400	= \$ 62,181	= \$ 68,554	= \$ 87,495	= \$ 142,520	= \$ 232,150
EXPENSES						
Property Taxes:	\$ 5,400	\$ 5,729	\$ 6,078	\$ 7,046	\$ 9,469	\$ 12,725
Insurance:	+ \$ 1,800	+ \$ 1,910	+ \$ 2,026	+ \$ 2,349	+ \$ 3,156	+ \$ 4,242
Landscaping:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Property Management:	+ \$ 4,500	+ \$ 4,774	+ \$ 5,065	+ \$ 5,871	+ \$ 7,891	+ \$ 10,605
Power:	+ \$ 2,100	+ \$ 2,228	+ \$ 2,364	+ \$ 2,740	+ \$ 3,682	+ \$ 4,949
Natural Gas:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Water / Sewer:	+ \$ 1,500	+ \$ 1,591	+ \$ 1,688	+ \$ 1,957	+ \$ 2,630	+ \$ 3,535
Repairs And Maintenance:	+ \$ 1,200	+ \$ 1,273	+ \$ 1,351	+ \$ 1,566	+ \$ 2,104	+ \$ 2,828
Cable / Internet:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Suite Cleaning:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Snow Removal:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Expenses:	= \$ 16,500	= \$ 17,505	= \$ 18,572	= \$ 21,529	= \$ 28,932	= \$ 38,884
CASH FLOW						
Operating Income:	\$ 56,400	\$ 62,181	\$ 68,554	\$ 87,495	\$ 142,520	\$ 232,150
Operating Expenses:	- \$ 16,500	- \$ 17,505	- \$ 18,572	- \$ 21,529	- \$ 28,932	- \$ 38,884
Net Operating Income:	= \$ 39,900	= \$ 44,676	= \$ 49,982	= \$ 65,966	= \$ 113,588	= \$ 193,266
Loan Payments:	- \$ 23,951	- \$ 23,951	- \$ 23,951	- \$ 23,951	- \$ 23,951	- \$ 23,951
Cash Flow:	= \$ 15,949	= \$ 20,725	= \$ 26,031	= \$ 42,015	= \$ 89,637	= \$ 169,315
TAX BENEFITS & DEDUCTIONS						
Operating Expenses:	\$ 16,500	\$ 17,505	\$ 18,572	\$ 21,529	\$ 28,932	\$ 38,884
Loan Interest:	+ \$ 10,679	+ \$ 10,138	+ \$ 9,574	+ \$ 8,064	+ \$ 4,549	+ \$ 257
Depreciation:	+ \$ 25,044	+ \$ 25,044	+ \$ 25,044	+ \$ 25,044	+ \$ 25,044	+ \$ 0
Total Deductions:	= \$ 52,222	= \$ 52,686	= \$ 53,190	= \$ 54,636	= \$ 58,525	= \$ 39,141
EQUITY ACCUMULATION						

	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value:	\$ 708,750	\$ 781,397	\$ 861,490	\$ 1,099,504	\$ 1,790,976	\$ 2,917,311
Loan Balance:	- \$ 526,727	- \$ 499,373	- \$ 470,904	- \$ 394,547	- \$ 216,919	- \$ 0
Total Equity:	= \$ 182,023	= \$ 282,024	= \$ 390,586	= \$ 704,957	= \$ 1,574,057	= \$ 2,917,311

SALE ANALYSIS

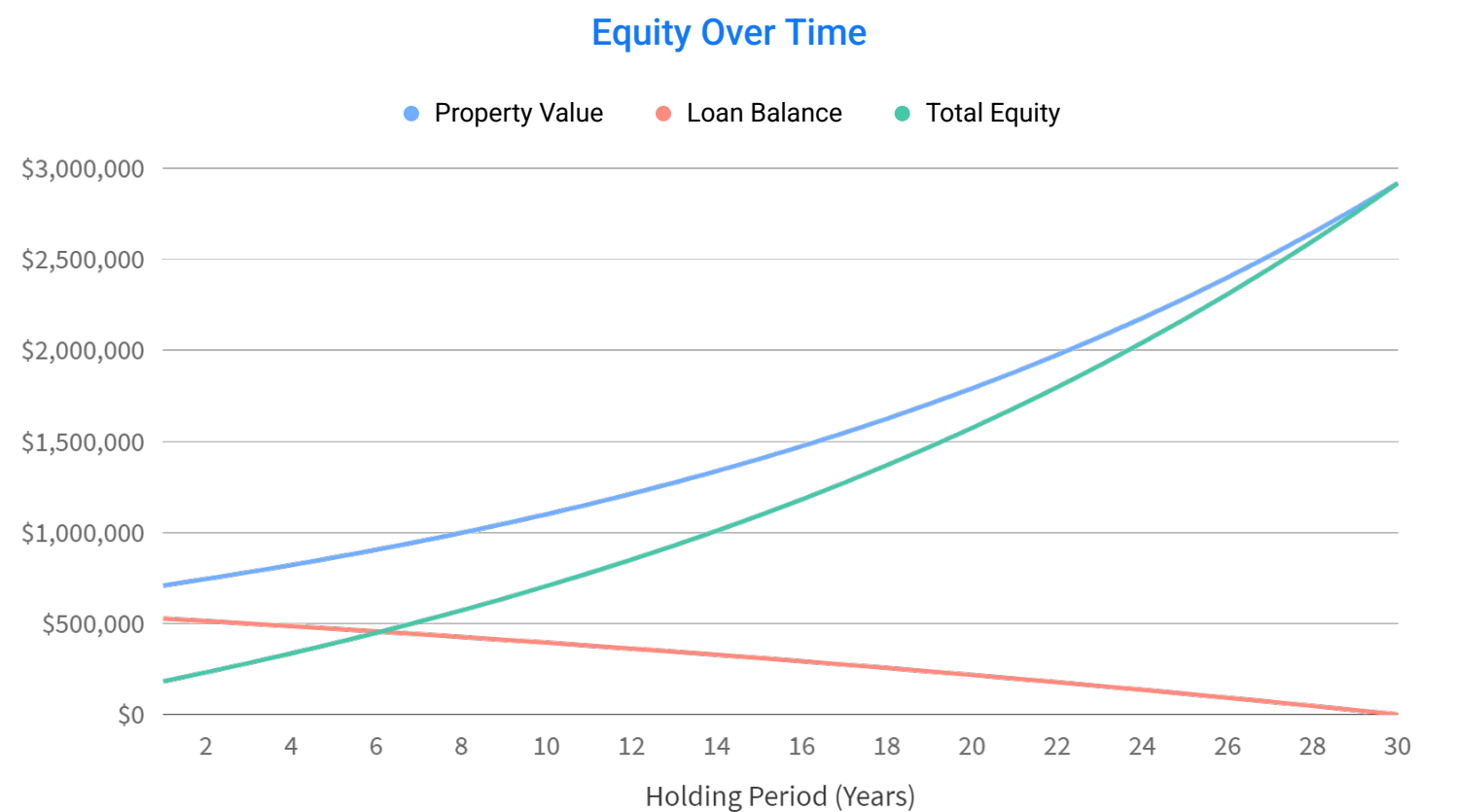
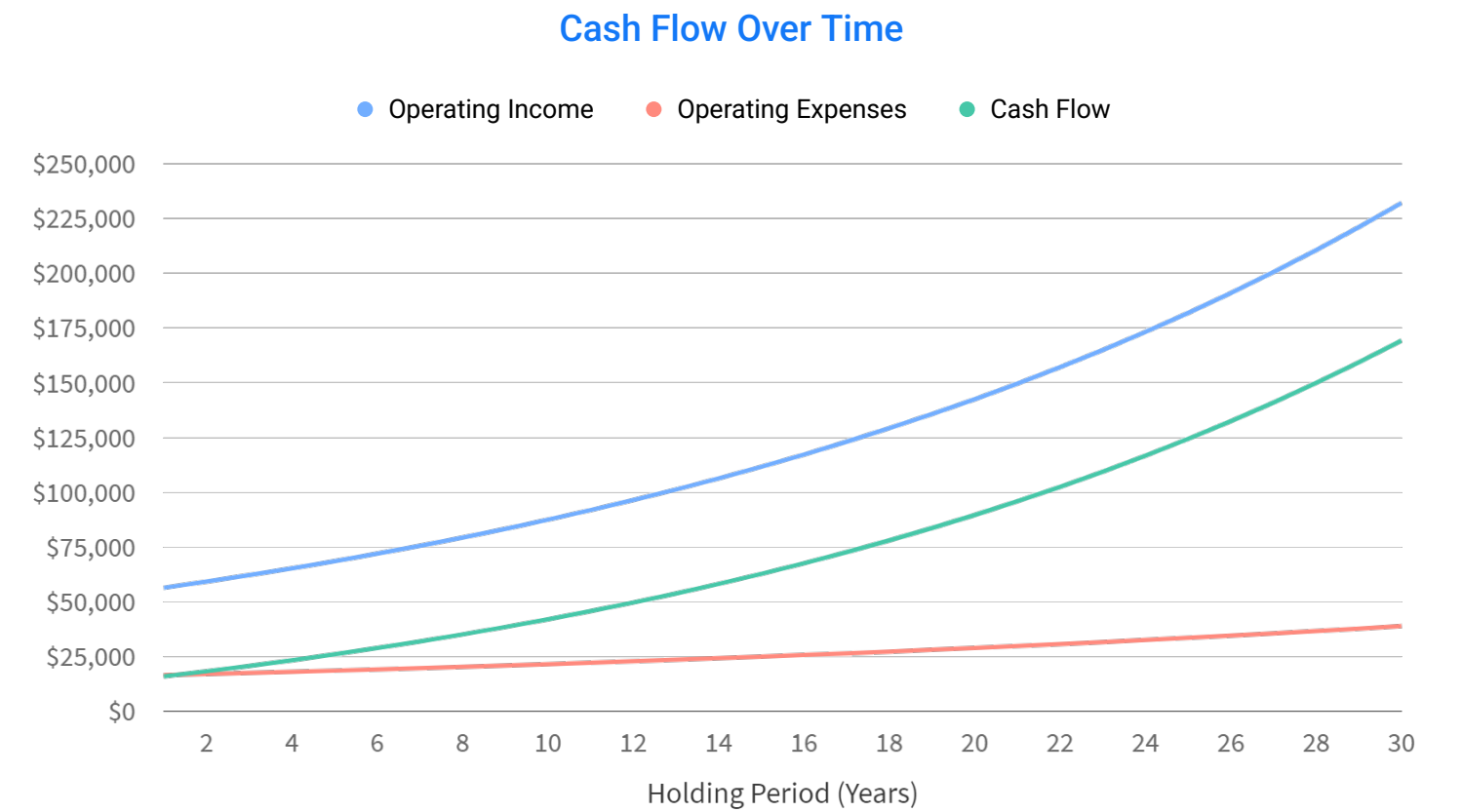
Equity:	\$ 182,023	\$ 282,024	\$ 390,586	\$ 704,957	\$ 1,574,057	\$ 2,917,311
Selling Costs (4%):	- \$ 28,350	- \$ 31,256	- \$ 34,460	- \$ 43,980	- \$ 71,639	- \$ 116,692
Sale Proceeds:	= \$ 153,673	= \$ 250,768	= \$ 356,127	= \$ 660,977	= \$ 1,502,418	= \$ 2,800,619
Cumulative Cash Flow:	+ \$ 15,949	+ \$ 54,948	+ \$ 104,289	+ \$ 280,728	+ \$ 942,540	+ \$ 2,243,627
Total Cash Invested:	- \$ 148,700	- \$ 148,700	- \$ 148,700	- \$ 148,700	- \$ 148,700	- \$ 148,700
Total Profit:	= \$ 20,922	= \$ 157,016	= \$ 311,716	= \$ 793,005	= \$ 2,296,258	= \$ 4,895,546

INVESTMENT RETURNS

Cap Rate (Purchase Price):	5.9%	6.6%	7.4%	9.8%	16.8%	28.6%
Cap Rate (Market Value):	5.6%	5.7%	5.8%	6%	6.3%	6.6%
Cash on Cash Return:	10.7%	13.9%	17.5%	28.3%	60.3%	113.9%
Return on Equity:	8.8%	7.3%	6.7%	6%	5.7%	5.8%
Return on Investment:	14.1%	105.6%	209.6%	533.3%	1,544.2%	3,292.2%
Internal Rate of Return:	14.1%	29.3%	28.9%	25.6%	22.3%	21.3%

FINANCIAL RATIOS

Rent to Value:	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Gross Rent Multiplier:	11.81	11.81	11.81	11.81	11.81	11.81
Equity Multiple:	1.14	2.06	3.1	6.33	16.44	33.92
Break Even Ratio:	67.4%	62.7%	58.3%	48.9%	34.9%	25.4%
Debt Coverage Ratio:	1.67	1.87	2.09	2.75	4.74	8.07
Debt Yield:	7.6%	8.9%	10.6%	16.7%	52.4%	-



Property Photos



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