

# 10016 110th Ave - Living Upstairs

## Investment Property - Buy & Hold

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

Multi-Family · 2 Units · 1,000 Sq.Ft.

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

**\$ 43,810 Cash Needed · -\$ 251/mo Cash Flow · 4.8% Cap Rate · -6.9% COC**

Prepared by:



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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: 2  
Total Square Footage: 1,000

### UNITS & RENT ROLL

#### 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:	-	\$ 323,910
<b>Down Payment:</b>	<b>=</b>	<b>\$ 35,990</b>
Purchase Costs:	+	\$ 7,820
Rehab Costs:	+	\$ 0
<b>Total Cash Needed:</b>	<b>=</b>	<b>\$ 43,810</b>
After Repair Value:		\$ 359,900
ARV Per Square Foot:		\$ 359.9
Price Per Square Foot:		\$ 359.9
Price Per Unit:		\$ 179,950

### RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	4.8% / 4.8%
Cash on Cash Return:	-6.9%
Return on Equity:	-4.9%
Return on Investment:	-0.3%
Internal Rate of Return:	-0.3%
Rent to Value:	0.5%
Gross Rent Multiplier:	15.38
Equity Multiple:	1
Break Even Ratio:	109.8%
Debt Coverage Ratio:	0.85
Debt Yield:	5.3%

### FINANCING (PURCHASE)

Loan Type:	Amortizing, 25 Year
Interest Rate:	3.9%
Financing Of:	Price (90%)
Loan Amount:	\$ 323,910
LTC / LTV:	90% / 90%
Loan Payment:	\$ 1,692 Per Month \$ 20,303 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
<b>Total:</b>	<b>\$ 7,820</b>

## Rehab Costs

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

## Cash Flow (Year 1)

		Monthly	Yearly
<b>CASH FLOW</b>			
Gross Rent:		\$ 1,950	\$ 23,400
Vacancy (3%):	-	\$ 59	\$ 702
Other Income:	+	\$ 0	\$ 0
<b>Operating Income:</b>	=	<b>\$ 1,891</b>	<b>\$ 22,698</b>
Operating Expenses (23.8%):	-	\$ 450	\$ 5,400
<b>Net Operating Income:</b>	=	<b>\$ 1,441</b>	<b>\$ 17,298</b>
Loan Payments:	-	\$ 1,692	\$ 20,303
<b>Cash Flow:</b>	=	<b>-\$ 251</b>	<b>-\$ 3,005</b>
<b>Cash Flow Per Unit:</b>		<b>-\$ 125</b>	<b>-\$ 1,502</b>

		Monthly	Yearly
<b>OTHER INCOME</b>			
Parking:		\$ 0	\$ 0
Laundry:		\$ 0	\$ 0
Storage Rental:		\$ 0	\$ 0
<b>Total:</b>		<b>\$ 0</b>	<b>\$ 0</b>

		Monthly	Yearly
<b>OPERATING EXPENSES</b>			
Property Taxes:		\$ 275	\$ 3,300
Insurance:		\$ 175	\$ 2,100
Landscaping:		\$ 0	\$ 0
Cable / Internet:		\$ 0	\$ 0
Suite Cleaning:		\$ 0	\$ 0
<b>Total:</b>		<b>\$ 450</b>	<b>\$ 5,400</b>



## 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
<b>RENTAL INCOME</b>						
Gross Rent:	\$ 23,400	\$ 25,799	\$ 28,443	\$ 36,301	\$ 59,131	\$ 96,318
Vacancy:	- \$ 702	- \$ 774	- \$ 853	- \$ 1,089	- \$ 1,774	- \$ 2,890
Vacancy Rate:	3%	3%	3%	3%	3%	3%
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
<b>Operating Income:</b>	<b>= \$ 22,698</b>	<b>= \$ 25,025</b>	<b>= \$ 27,590</b>	<b>= \$ 35,212</b>	<b>= \$ 57,357</b>	<b>= \$ 93,428</b>
Income Increase:	5%	5%	5%	5%	5%	5%
<b>OPERATING EXPENSES</b>						
Property Taxes:	\$ 3,300	\$ 3,501	\$ 3,714	\$ 4,306	\$ 5,787	\$ 7,777
Insurance:	+ \$ 2,100	+ \$ 2,228	+ \$ 2,364	+ \$ 2,740	+ \$ 3,682	+ \$ 4,949
Landscaping:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Cable / Internet:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Suite Cleaning:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
<b>Operating Expenses:</b>	<b>= \$ 5,400</b>	<b>= \$ 5,729</b>	<b>= \$ 6,078</b>	<b>= \$ 7,046</b>	<b>= \$ 9,469</b>	<b>= \$ 12,726</b>
Expense Increase:	3%	3%	3%	3%	3%	3%
<b>CASH FLOW</b>						
Operating Income:	\$ 22,698	\$ 25,025	\$ 27,590	\$ 35,212	\$ 57,357	\$ 93,428
Operating Expenses:	- \$ 5,400	- \$ 5,729	- \$ 6,078	- \$ 7,046	- \$ 9,469	- \$ 12,726
Expense Ratio:	23.8%	22.9%	22%	20%	16.5%	13.6%
<b>Net Operating Income:</b>	<b>= \$ 17,298</b>	<b>= \$ 19,296</b>	<b>= \$ 21,512</b>	<b>= \$ 28,166</b>	<b>= \$ 47,888</b>	<b>= \$ 80,702</b>
Loan Payments:	- \$ 20,303	- \$ 20,303	- \$ 20,303	- \$ 20,303	- \$ 20,303	- \$ 0
<b>Cash Flow:</b>	<b>= -\$ 3,005</b>	<b>= -\$ 1,007</b>	<b>= \$ 1,209</b>	<b>= \$ 7,863</b>	<b>= \$ 27,585</b>	<b>= \$ 80,702</b>
Cash Flow Per Unit:	-\$ 1,502	-\$ 503	\$ 605	\$ 3,932	\$ 13,793	\$ 40,351
<b>TAX BENEFITS &amp; DEDUCTIONS</b>						
Operating Expenses:	\$ 5,400	\$ 5,729	\$ 6,078	\$ 7,046	\$ 9,469	\$ 12,726
Loan Interest:	+ \$ 12,494	+ \$ 11,861	+ \$ 11,178	+ \$ 9,217	+ \$ 3,939	+ \$ 0
<b>Total Deductions:</b>	<b>= \$ 17,894</b>	<b>= \$ 17,590</b>	<b>= \$ 17,256</b>	<b>= \$ 16,263</b>	<b>= \$ 13,408</b>	<b>= \$ 12,726</b>
<b>EQUITY ACCUMULATION</b>						
Property Value:	\$ 377,895	\$ 416,629	\$ 459,334	\$ 586,239	\$ 954,922	\$ 1,555,467
Appreciation:	5%	5%	5%	5%	5%	5%
Loan Balance:	- \$ 316,101	- \$ 299,541	- \$ 281,641	- \$ 230,286	- \$ 92,093	- \$ 0
LTV Ratio:	83.6%	71.9%	61.3%	39.3%	9.6%	-

	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
<b>Total Equity:</b>	<b>= \$ 61,794</b>	<b>= \$ 117,088</b>	<b>= \$ 177,693</b>	<b>= \$ 355,953</b>	<b>= \$ 862,829</b>	<b>= \$ 1,555,467</b>

**SALE ANALYSIS**

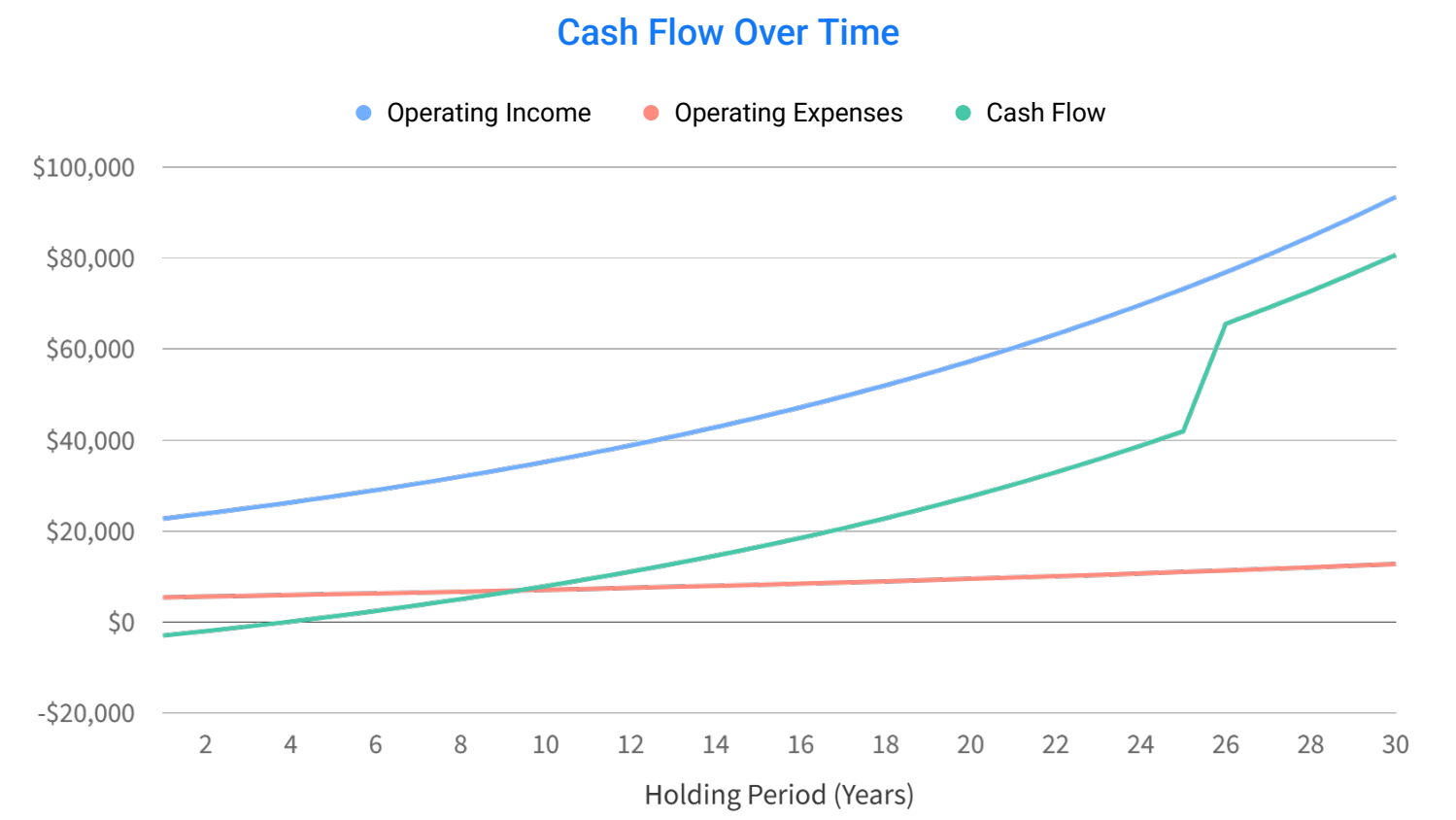
Equity:	\$ 61,794	\$ 117,088	\$ 177,693	\$ 355,953	\$ 862,829	\$ 1,555,467
Selling Costs (4%):	- \$ 15,116	- \$ 16,665	- \$ 18,373	- \$ 23,450	- \$ 38,197	- \$ 62,219
<b>Sale Proceeds:</b>	<b>= \$ 46,678</b>	<b>= \$ 100,422</b>	<b>= \$ 159,320</b>	<b>= \$ 332,503</b>	<b>= \$ 824,632</b>	<b>= \$ 1,493,248</b>
Cumulative Cash Flow:	- \$ 3,005	- \$ 6,044	- \$ 4,764	+ \$ 20,556	+ \$ 199,369	+ \$ 743,543
Total Cash Invested:	- \$ 43,810	- \$ 43,810	- \$ 43,810	- \$ 43,810	- \$ 43,810	- \$ 43,810
<b>Total Profit:</b>	<b>= -\$ 137</b>	<b>= \$ 50,568</b>	<b>= \$ 110,746</b>	<b>= \$ 309,249</b>	<b>= \$ 980,191</b>	<b>= \$ 2,192,981</b>

**INVESTMENT RETURNS**

Cap Rate (Purchase Price):	4.8%	5.4%	6%	7.8%	13.3%	22.4%
Cap Rate (Market Value):	4.6%	4.6%	4.7%	4.8%	5%	5.2%
Cash on Cash Return:	-6.9%	-2.3%	2.8%	17.9%	63%	184.2%
Return on Equity:	-4.9%	-0.9%	0.7%	2.2%	3.2%	5.2%
Return on Investment:	-0.3%	115.4%	252.8%	705.9%	2,237.4%	5,005.7%
Internal Rate of Return:	-0.3%	28%	27.4%	22.7%	18.2%	16.6%

**FINANCIAL RATIOS**

Rent to Value:	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Gross Rent Multiplier:	16.15	16.15	16.15	16.15	16.15	16.15
Equity Multiple:	1	2.15	3.53	8.06	23.37	51.06
Break Even Ratio:	109.8%	100.9%	92.8%	75.3%	50.3%	13.2%
Debt Coverage Ratio:	0.85	0.95	1.06	1.39	2.36	-
Debt Yield:	5.5%	6.4%	7.6%	12.2%	52%	-





## Property Photos



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