

910 Limeridge Rd E Unit 13
 Ontario Hamilton

Property Executive Summary

	Total	
Purchase Price	\$ 169,900	
Investment (detailed later in package)	\$ 37,694	
Cash on Cash Return (net cash flow / investment)	4.74 %	
Year 1 Net Cash Flow (detailed later in package)	\$ 1,787	x5
Year 1 Mortgage Principal Reduction	\$ 2,847	
Year 1 Net Profit	\$ 4,634	
Estimated 5 year value (4.00 % appreciation/year)	\$ 206,710	
Minus: 5 year mortgage balance (balance includes all mortgages owing)	(\$ 120,801)	
Minus: Estimated Closing Costs from Sale (Includes Real Estate Commissions + \$1000 Lawyers fees)	(\$ 11,336)	
Estimated 5 year Equity Gain	\$ 74,574	
Plus: Estimated 5 year Cash Flow	\$ 8,933	
Minus: Initial Investment	(\$ 37,694)	
Estimated 5 year Total Net Profit	\$ 45,813	
Estimated 5 year Total Return On Investment	121.54 %	
Average ROI per year	24 %	

What If Scenario's...

	2% Appreciation	4% Appreciation	6% Appreciation
Initial	\$ 169,900	\$ 169,900	\$ 169,900
Year 1	\$ 173,298	\$ 176,696	\$ 180,094
Year 2	\$ 176,764	\$ 183,764	\$ 190,900
Year 3	\$ 180,299	\$ 191,114	\$ 202,354
Year 4	\$ 183,905	\$ 198,759	\$ 214,495
Year 5	\$ 187,583	\$ 206,709	\$ 227,365

Estimated 5 year value	\$ 187,583	\$ 206,709	\$ 227,365
Minus: 5 year mortgage balance	(\$ 120,801)	(\$ 120,801)	(\$ 120,801)
Minus: Closing Costs from Sale (Includes R/E Commissions & lawyers fees)	(\$ 10,379)	(\$ 11,335)	(\$ 12,368)
Estimated 5 year Equity Gain	\$ 56,403	\$ 74,573	\$ 94,195
Plus: Estimated 5 year Cash Flow	\$ 8,933	\$ 8,933	\$ 8,933
Minus: Initial Investment	(\$ 37,694)	(\$ 37,694)	(\$ 37,694)
Estimated 5 year Total Net Profit	\$ 27,643	\$ 45,812	\$ 65,435
Total ROI	73.33 %	121.54 %	173.59 %
Yearly Average ROI	14.67 %	24.31 %	34.72 %

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FIRST YEAR PROFORMA CASH FLOW ANALYSIS

PURCHASE PRICE **\$ 169,900**

Financial Breakdown

Sale Price \$ 169,900
Down Payment \$ 33,980
Approx. Mtg. Amount (incl. CMHC fees if applicable) \$ 135,920
Second Mortgage and/or Promissory Note \$ -

<u>Income</u>	Monthly	Annual
Market Rent	\$ 1,335	
Vacancy factor (% of Gross Rents) 0 %	\$ -	
Income (1st Year)	\$ 1,335	\$ 16,020

Expenses

Property taxes	(\$ 165)	
Insurance	\$ -	
Utilities (heat, water, hydro, all rented equipment)	\$ -	
Condo Fees and Other	(\$ 276)	
Repairs and Maintenance factor (% of Gross Rent) 5.00 %	(\$ 67)	
Property Management (% of Gross Rent) 8.00 %	(\$ 107)	
Total Expenses	(\$ 614)	(\$ 7,373)

Cash Flow Before Debt Payment **\$ 721** **\$ 8,647**

First Mortgage Payment (interest rate at) 3.00 %	(\$ 572)	(\$ 6,860)
RRSP or Second Mortgage Payment	\$ -	\$ -
Promissory Note Interest Payment	\$ -	\$ -

Cash Flow	\$ 149	\$ 1,787
Mortgage Principle reduction (year 1)	\$ 237	\$ 2,847

TOTAL CASH FLOW **\$ 386** **\$ 4,634**

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CASH TO CLOSE PROJECTION

Down Payment	\$ 33,980
Immediate Renovations	\$ -
Approximate closing costs	
Building Inspection	\$ 450
Appraisal	\$ 300
Legal Costs*	\$ 2,964
Holding Costs	\$ -
Filling Units	\$ -
Supplies and Furnishings**	\$ -
Reserve Fund***	\$ -
Total Investment Amount	\$ 37,694
Money Advance from the Bank(after repairs)	\$ -
Initial Investment Amount	\$ 37,694

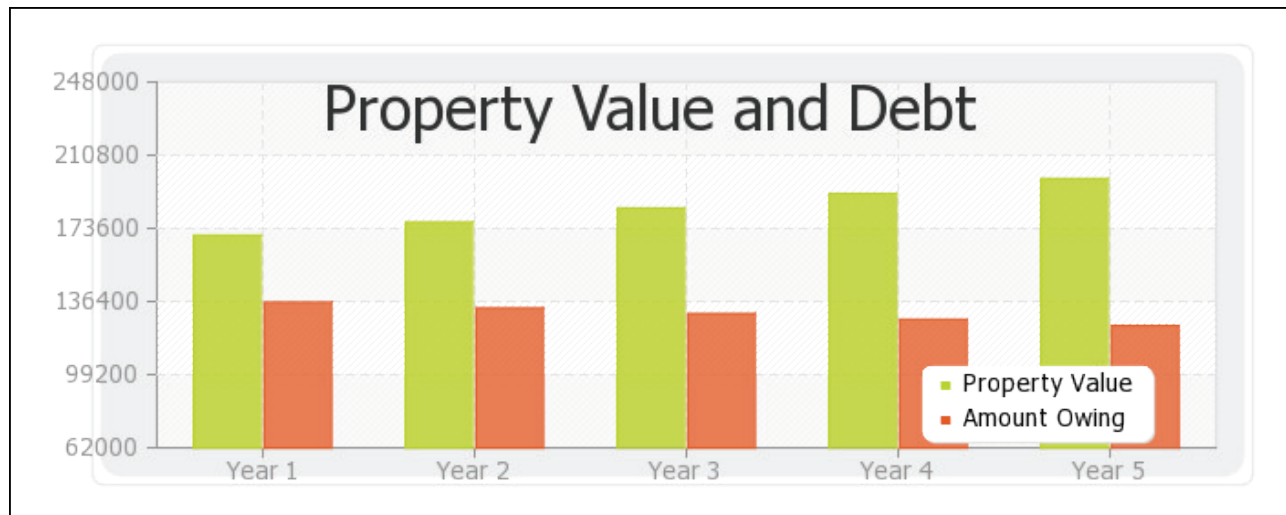
*Legal Costs include closing fees, land transfer tax, appraisal, title insurance etc.

**The supplies and furnishings will be used to purchase used furniture and appliances, for the property to make it more appealing to the renters. It may also include advertising the rental unit.

***The reserve fund is to protect myself from going 'out of pocket' for any unexpected problems with the property (e.g. 8 year old furnace stops working and new one is needed)

5-Years Investment Analysis

Details of Equity



	Growth Rate	Property Value	Amount Owing	Equity
Initial		\$ 169,900	\$ 135,920	\$ 33,980
Year 1	4.00 %	\$ 176,696	\$ 133,073	\$ 43,623
Year 2	4.00 %	\$ 183,764	\$ 130,141	\$ 53,623
Year 3	4.00 %	\$ 191,115	\$ 127,120	\$ 63,995
Year 4	4.00 %	\$ 198,760	\$ 124,007	\$ 74,753
Year 5	4.00 %	\$ 206,710	\$ 120,801	\$ 85,909