

**Dewson Street - N**

Dewson Street  
Toronto, Ontario

# Overview

## Dewson Street - N

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### Purchase Info

Total Number of Units	5
Purchase Price	\$1,325,000
Initial Cash Invested	\$309,500

### Income Analysis

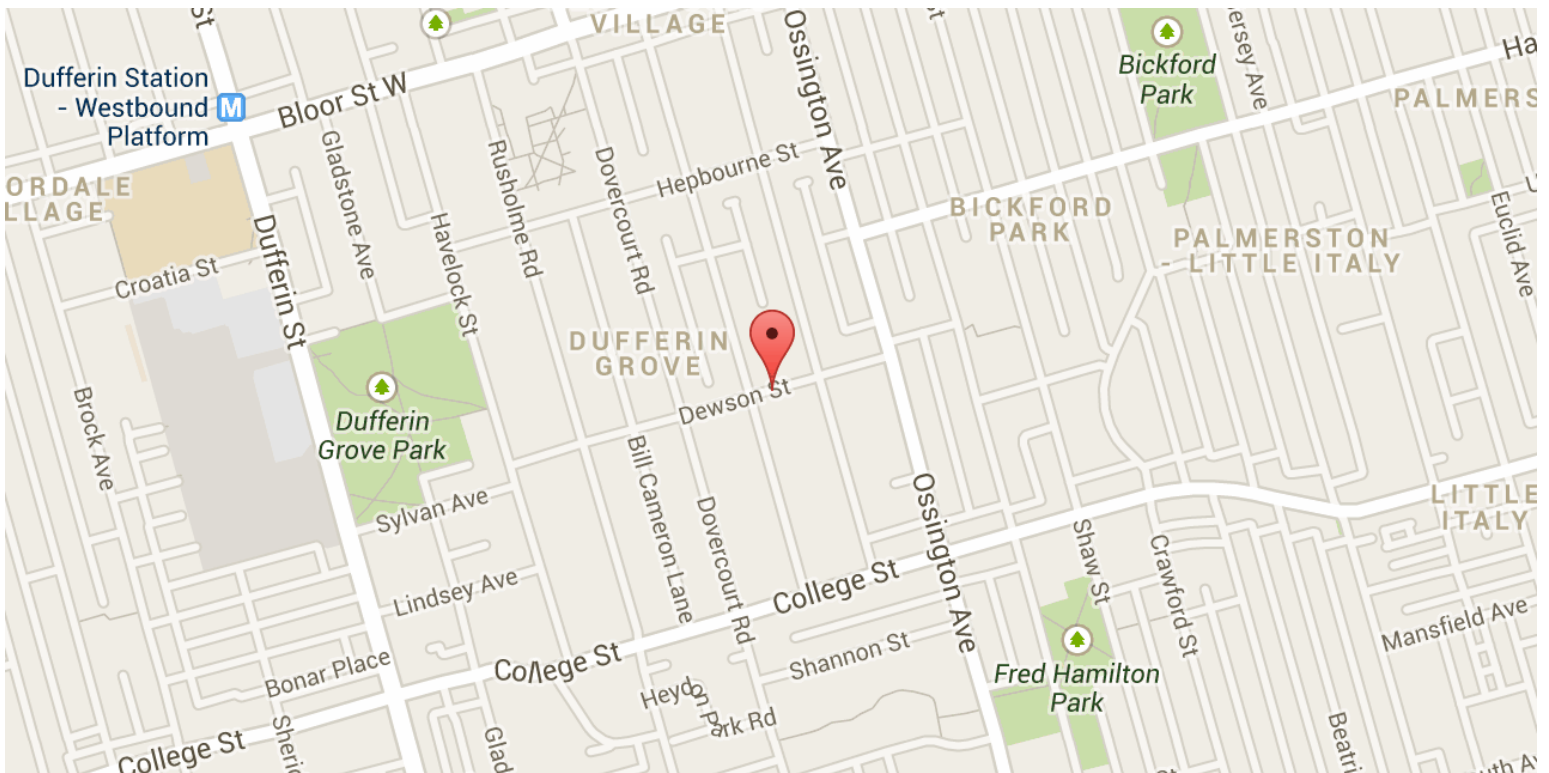
	Monthly	Annual
Net Operating Income	\$6,134	\$73,608
Cash Flow	\$842	\$10,101

### Financial Metrics

Cap Rate (Purchase Price)	5.6%
Cash on Cash Return (Year 1)	3.3%
Internal Rate of Return (Year 10)	14.9%
Sale Price (Year 10)	\$1,780,689

A three storey semi detached located in College and Ossington neighborhood. Property generating good cash flow and price at 5.5% cap rate. All residential units occupied. Corner property.

Exclusive with Addy Saeed of Re/max Active Realty Inc., Brokerage



# Purchase Analysis

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Purchase Info	
Purchase Price	\$1,325,000
- First Mortgage	(\$1,060,000)
- Second Mortgage	(\$0)
<b>= Downpayment</b>	<b>\$265,000</b>
+ Buying Costs	\$44,500
+ Initial Improvements	\$0
<b>= Initial Cash Invested</b>	<b>\$309,500</b>
Total Number of Units	5
Cost per Unit	\$265,000
Average Monthly Rent per Unit	\$1,510

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$1,060,000	\$0
Loan Type	Amortizing	
Term	25 Years	
Interest Rate	3.5%	
<b>Payment</b>	<b>\$5,292.27</b>	<b>\$0.00</b>

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	14.6
Operating Expense Ratio	17.1%
Debt Coverage Ratio	1.16
Cap Rate (Purchase Price)	5.6%
<b>Cash on Cash Return</b>	<b>3.3%</b>

Assumptions	
Appreciation Rate	3.0%
Vacancy Rate	2.0%
Income Inflation Rate	2.0%
Expense Inflation Rate	1.0%
LTV for Refinance	70.0%
Selling Costs	\$86,125

Income	Monthly	Annual
Gross Rent	\$7,550	\$90,600
Vacancy Loss	(\$151)	(\$1,812)
<b>Operating Income</b>	<b>\$7,399</b>	<b>\$88,788</b>

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (2%)	(\$120)	(\$1,440)
Insurance (3%)	(\$205)	(\$2,460)
Taxes (5%)	(\$384)	(\$4,608)
Water and Sewer (2%)	(\$174)	(\$2,088)
Hydro (2%)	(\$142)	(\$1,704)
Heat/Gas (2%)	(\$155)	(\$1,860)
Internet (1%)	(\$85)	(\$1,020)
<b>Operating Expenses (17%)</b>	<b>(\$1,265)</b>	<b>(\$15,180)</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$6,134</b>	<b>\$73,608</b>
- Mortgage Payments	(\$5,292)	(\$63,507)
- Year 1 Improvements	(\$0)	(\$0)
<b>= Cash Flow</b>	<b>\$842</b>	<b>\$10,101</b>

# Buy and Hold Projection

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Income	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Gross Rent	\$90,600	\$92,412	\$94,260	\$98,068	\$108,275	\$131,987	\$160,892
Vacancy Loss	(\$1,812)	(\$1,848)	(\$1,885)	(\$1,961)	(\$2,166)	(\$2,640)	(\$3,218)
<b>Operating Income</b>	<b>\$88,788</b>	<b>\$90,564</b>	<b>\$92,375</b>	<b>\$96,107</b>	<b>\$106,110</b>	<b>\$129,347</b>	<b>\$157,674</b>

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Cleaning & Maintenance	(\$1,440)	(\$1,454)	(\$1,469)	(\$1,498)	(\$1,575)	(\$1,740)	(\$1,922)
Insurance	(\$2,460)	(\$2,485)	(\$2,509)	(\$2,560)	(\$2,690)	(\$2,972)	(\$3,283)
Taxes	(\$4,608)	(\$4,654)	(\$4,701)	(\$4,795)	(\$5,040)	(\$5,567)	(\$6,149)
Water and Sewer	(\$2,088)	(\$2,109)	(\$2,130)	(\$2,173)	(\$2,284)	(\$2,523)	(\$2,786)
Hydro	(\$1,704)	(\$1,721)	(\$1,738)	(\$1,773)	(\$1,864)	(\$2,059)	(\$2,274)
Heat/Gas	(\$1,860)	(\$1,879)	(\$1,897)	(\$1,936)	(\$2,034)	(\$2,247)	(\$2,482)
Internet	(\$1,020)	(\$1,030)	(\$1,041)	(\$1,061)	(\$1,116)	(\$1,232)	(\$1,361)
<b>Operating Expenses</b>	<b>(\$15,180)</b>	<b>(\$15,332)</b>	<b>(\$15,485)</b>	<b>(\$15,796)</b>	<b>(\$16,602)</b>	<b>(\$18,339)</b>	<b>(\$20,258)</b>

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
<b>Net Operating Income</b>	<b>\$73,608</b>	<b>\$75,232</b>	<b>\$76,890</b>	<b>\$80,311</b>	<b>\$89,508</b>	<b>\$111,008</b>	<b>\$137,416</b>
- Mortgage Payments	(\$63,507)	(\$63,507)	(\$63,507)	(\$63,507)	(\$63,507)	(\$63,507)	(\$0)
- Improvements	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
<b>= Cash Flow</b>	<b>\$10,101</b>	<b>\$11,725</b>	<b>\$13,383</b>	<b>\$16,803</b>	<b>\$26,000</b>	<b>\$47,501</b>	<b>\$137,416</b>
Cap Rate (Purchase Price)	5.6%	5.7%	5.8%	6.1%	6.8%	8.4%	10.4%
Cap Rate (Market Value)	5.4%	5.4%	5.3%	5.2%	5.0%	4.6%	4.3%
<b>Cash on Cash Return</b>	<b>3.3%</b>	<b>3.8%</b>	<b>4.3%</b>	<b>5.4%</b>	<b>8.4%</b>	<b>15.3%</b>	<b>44.4%</b>
Return on Equity	3.0%	2.9%	2.8%	2.7%	2.5%	2.3%	4.3%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$1,364,750	\$1,405,692	\$1,447,863	\$1,536,038	\$1,780,689	\$2,393,097	\$3,216,123
- Loan Balance	(\$1,032,896)	(\$1,004,835)	(\$975,784)	(\$914,568)	(\$741,584)	(\$291,095)	(\$0)
<b>= Equity</b>	<b>\$331,854</b>	<b>\$400,857</b>	<b>\$472,079</b>	<b>\$621,471</b>	<b>\$1,039,106</b>	<b>\$2,102,002</b>	<b>\$3,216,123</b>
Loan-to-Value Ratio	75.7%	71.5%	67.4%	59.5%	41.6%	12.2%	0.0%
Potential Cash-Out Refi	(\$77,571)	(\$20,851)	\$37,720	\$160,659	\$504,899	\$1,384,073	\$2,251,286

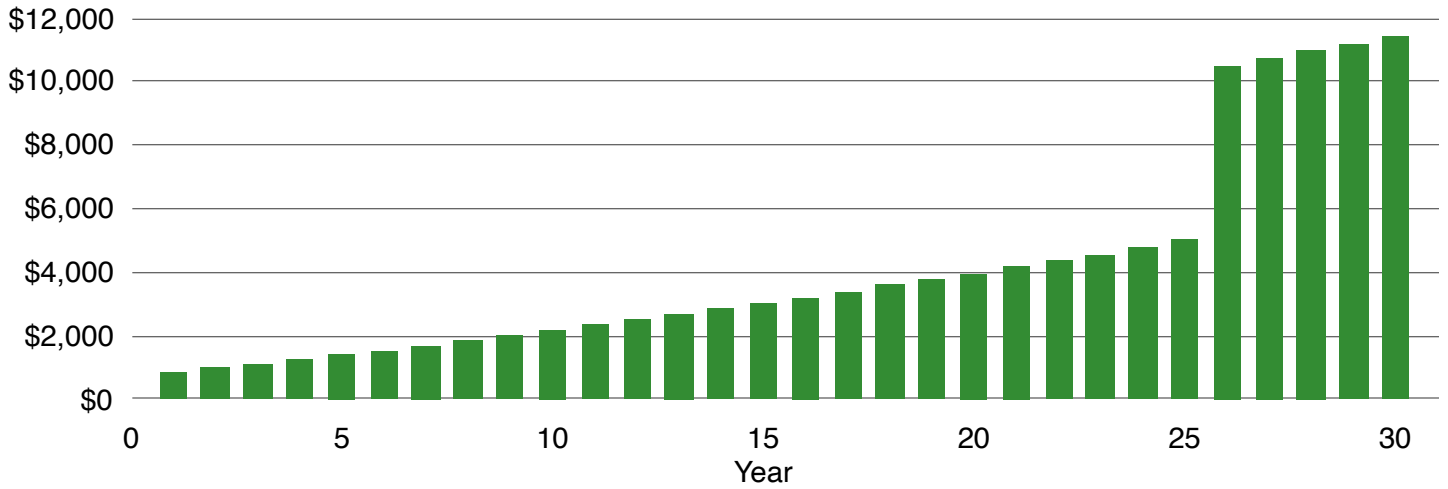
Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$331,854	\$400,857	\$472,079	\$621,471	\$1,039,106	\$2,102,002	\$3,216,123
- Selling Costs	(\$88,709)	(\$91,370)	(\$94,111)	(\$99,842)	(\$115,745)	(\$155,551)	(\$209,048)
<b>= Proceeds After Sale</b>	<b>\$243,145</b>	<b>\$309,487</b>	<b>\$377,968</b>	<b>\$521,628</b>	<b>\$923,361</b>	<b>\$1,946,451</b>	<b>\$3,007,075</b>
+ Cumulative Cash Flow	\$10,101	\$21,825	\$35,208	\$67,087	\$178,315	\$552,922	\$1,486,245
- Initial Cash Invested	(\$309,500)	(\$309,500)	(\$309,500)	(\$309,500)	(\$309,500)	(\$309,500)	(\$309,500)
<b>= Net Profit</b>	<b>(\$56,254)</b>	<b>\$21,813</b>	<b>\$103,676</b>	<b>\$279,215</b>	<b>\$792,176</b>	<b>\$2,189,872</b>	<b>\$4,183,820</b>
<b>Internal Rate of Return</b>	<b>-18.2%</b>	<b>3.5%</b>	<b>10.4%</b>	<b>14.5%</b>	<b>14.9%</b>	<b>13.1%</b>	<b>11.9%</b>
Return on Investment	-18%	7%	33%	90%	256%	708%	1,352%

# Graphs

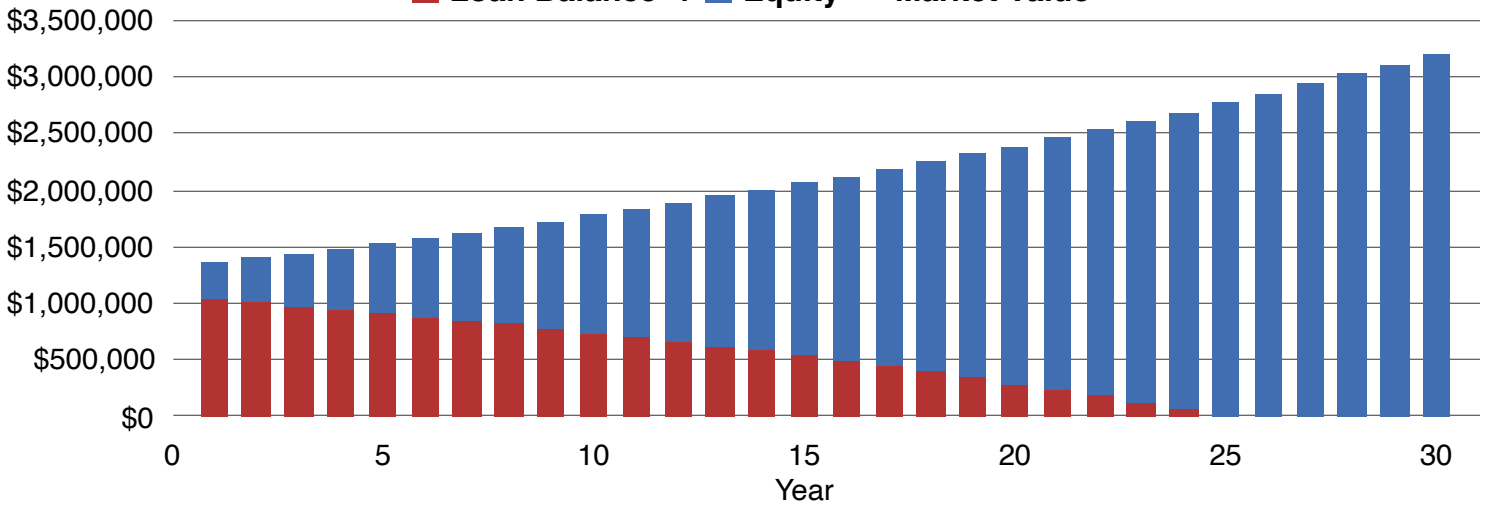
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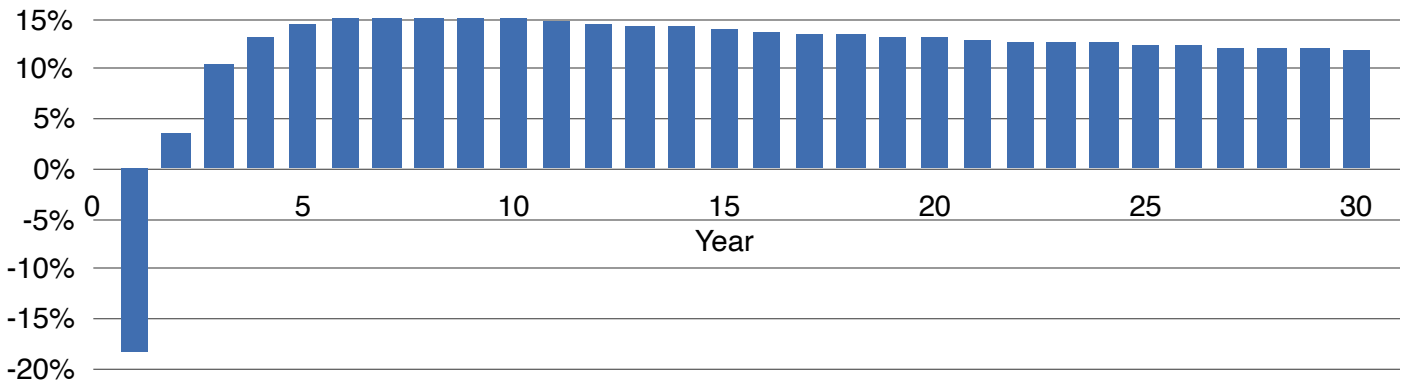
### Monthly Cash Flow



■ Loan Balance + ■ Equity = Market Value



### Internal Rate of Return (IRR)



# Rent Roll

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Unit Description	Square Feet	Units of This Type	Rent (Per Unit)
Apt 2 & 3 Bach	0	2	\$1,050 Per Month
Apt 4 2 Br 3rd Flr	0	1	\$2,200 Per Month
Basement 2 Br	0	1	\$1,350 Per Month
Main Floor 2 Br	0	1	\$1,900 Per Month

### Totals for Year 1

<b>Total Number of Units</b>			<b>5</b>
<b>Total Area (Sum of Units)</b>			<b>0 Square Feet</b>
<b>Total Rent (Sum of Units)</b>			<b>\$7,550 Per Month, \$90,600 Per Year</b>

## Itemized Closing Costs

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### Dewson Street - N

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Buying Costs	
Land Transfer Tax	\$42,000
Lawyer Fees	\$2,000
Inspection	\$500
<b>Total</b>	<b>\$44,500</b>