



12 Unit Building in Carlington

1042 Merivale Rd
Ottawa, Ontario K1Z 6A7
Canada

Presented by:

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Overview

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Purchase Info

Total Number of Units	12
Purchase Price	\$2,100,000
Initial Cash Invested	\$631,647

Income Analysis

Monthly

Annual

Net Operating Income	\$9,372	\$112,462
Cash Flow	\$2,556	\$30,672

Financial Metrics

Cap Rate (Purchase Price)	5.4%
Cash on Cash Return (Year 1)	4.9%
Internal Rate of Return (Year 10)	13.2%
Sale Price (Year 10)	\$2,822,224



Opportunity knocks for the investor looking for an all brick 12 unit building in Carlington. Recent updates include kitchens, bathrooms, floors, and balconies. The building has 1 commercial unit, 12 parking spots, and lockers. Good tenants with few vacancies. Note: the financials in this report were calculated with CMHC insurance.

Purchase Analysis

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Purchase Info	
Purchase Price	\$2,100,000
- First Mortgage	-\$1,522,635
- Second Mortgage	-\$0
= Downpayment	\$577,365
+ Buying Costs	\$54,282
+ Initial Improvements	\$0
= Initial Cash Invested	\$631,647
Total Number of Units	12
Cost per Unit	\$175,000
Average Monthly Rent per Unit	\$1,110

Mortgages	First	Second
Loan-To-Cost Ratio	72.51%	0%
Loan-To-Value Ratio	72.51%	0%
Loan Amount	\$1,522,635	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	3.5%	
Payment	\$6,815.87	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	13.1
Operating Expense Ratio	29.3%
Debt Coverage Ratio	1.38
Cap Rate (Purchase Price)	5.4%
Cash on Cash Return	4.9%

Assumptions	
Appreciation Rate	3.0%
Vacancy Rate	5.0%
Income Inflation Rate	1.8%
Expense Inflation Rate	1.8%
LTV for Refinance	70.0%
Selling Costs	\$126,000

Income	Monthly	Annual
Gross Rent	\$13,315	\$159,780
Vacancy Loss	-\$666	-\$7,989
Laundry	\$100	\$1,200
Parking	\$510	\$6,120
Operating Income	\$13,259	\$159,111

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (2%)	-\$240	-\$2,876
Insurance (4%)	-\$529	-\$6,352
Taxes (16%)	-\$2,065	-\$24,780
Snow Removal (1%)	-\$135	-\$1,620
Hydro (3%)	-\$333	-\$3,999
Water & Sewer (3%)	-\$458	-\$5,501
Waste Management (0%)	-\$62	-\$743
Hot Water Tank Rental (0%)	-\$65	-\$778
Operating Expenses (29%)	-\$3,887	-\$46,649

Net Performance	Monthly	Annual
Net Operating Income	\$9,372	\$112,462
- Mortgage Payments	-\$6,816	-\$81,790
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$2,556	\$30,672

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	\$159,780	\$162,656	\$165,584	\$171,599	\$187,608	\$224,249	\$268,045
Vacancy Loss	-\$7,989	-\$8,133	-\$8,279	-\$8,580	-\$9,380	-\$11,212	-\$13,402
Laundry	\$1,200	\$1,222	\$1,244	\$1,289	\$1,409	\$1,684	\$2,013
Parking	\$6,120	\$6,230	\$6,342	\$6,573	\$7,186	\$8,589	\$10,267
Operating Income	\$159,111	\$161,975	\$164,891	\$170,880	\$186,823	\$223,310	\$266,923

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Cleaning & Maintenance	-\$2,876	-\$2,928	-\$2,980	-\$3,089	-\$3,377	-\$4,036	-\$4,825
Insurance	-\$6,352	-\$6,466	-\$6,583	-\$6,822	-\$7,458	-\$8,915	-\$10,656
Taxes	-\$24,780	-\$25,226	-\$25,680	-\$26,613	-\$29,096	-\$34,778	-\$41,571
Snow Removal	-\$1,620	-\$1,649	-\$1,679	-\$1,740	-\$1,902	-\$2,274	-\$2,718
Hydro	-\$3,999	-\$4,071	-\$4,144	-\$4,295	-\$4,695	-\$5,613	-\$6,709
Water & Sewer	-\$5,501	-\$5,600	-\$5,701	-\$5,908	-\$6,459	-\$7,721	-\$9,228
Waste Management	-\$743	-\$756	-\$770	-\$798	-\$872	-\$1,043	-\$1,246
Hot Water Tank Rental	-\$778	-\$792	-\$806	-\$836	-\$914	-\$1,092	-\$1,305
Operating Expenses	-\$46,649	-\$47,489	-\$48,343	-\$50,100	-\$54,774	-\$65,471	-\$78,258

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Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$112,462	\$114,486	\$116,547	\$120,781	\$132,049	\$157,839	\$188,665
- Mortgage Payments	-\$81,790	-\$81,790	-\$81,790	-\$81,790	-\$81,790	-\$81,790	-\$81,789
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$30,672	\$32,696	\$34,757	\$38,990	\$50,259	\$76,048	\$106,876
Cap Rate (Purchase Price)	5.4%	5.5%	5.5%	5.8%	6.3%	7.5%	9.0%
Cap Rate (Market Value)	5.2%	5.1%	5.1%	5.0%	4.7%	4.2%	3.7%
Cash on Cash Return	4.9%	5.2%	5.5%	6.2%	8.0%	12.0%	16.9%
Return on Equity	4.6%	4.3%	4.0%	3.6%	3.1%	2.5%	2.1%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$2,163,000	\$2,227,890	\$2,294,727	\$2,434,476	\$2,822,224	\$3,792,834	\$5,097,251
- Loan Balance	-\$1,493,288	-\$1,462,905	-\$1,431,449	-\$1,365,166	-\$1,177,864	-\$690,090	-\$0
= Equity	\$669,712	\$764,985	\$863,278	\$1,069,310	\$1,644,360	\$3,102,743	\$5,097,251
Loan-to-Value Ratio	69.0%	65.7%	62.4%	56.1%	41.7%	18.2%	0.0%
Potential Cash-Out Refi	\$20,812	\$96,618	\$174,860	\$338,967	\$797,693	\$1,964,893	\$3,568,076

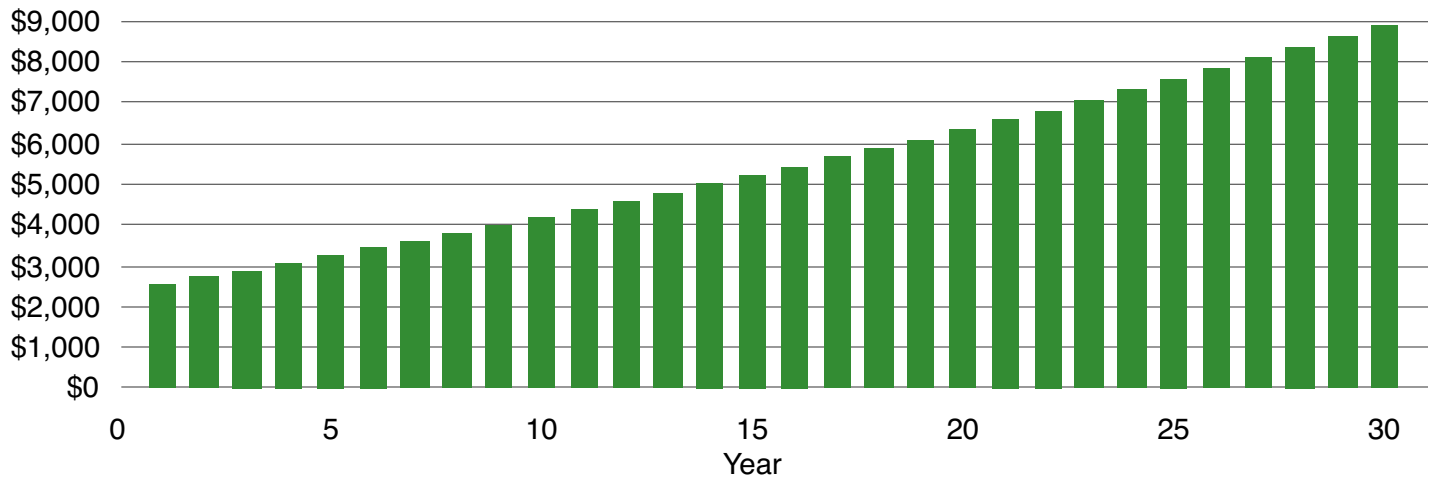
Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$669,712	\$764,985	\$863,278	\$1,069,310	\$1,644,360	\$3,102,743	\$5,097,251
- Selling Costs	-\$129,780	-\$133,673	-\$137,684	-\$146,069	-\$169,333	-\$227,570	-\$305,835
= Proceeds After Sale	\$539,932	\$631,312	\$725,595	\$923,241	\$1,475,027	\$2,875,173	\$4,791,416
+ Cumulative Cash Flow	\$30,672	\$63,367	\$98,124	\$173,969	\$402,323	\$1,042,960	\$1,968,454
- Initial Cash Invested	-\$631,647	-\$631,647	-\$631,647	-\$631,647	-\$631,647	-\$631,647	-\$631,647
= Net Profit	-\$61,043	\$63,032	\$192,072	\$465,563	\$1,245,703	\$3,286,486	\$6,128,223
Internal Rate of Return	-9.7%	5.0%	9.7%	12.6%	13.2%	11.9%	11.0%
Return on Investment	-10%	10%	30%	74%	197%	520%	970%

Graphs

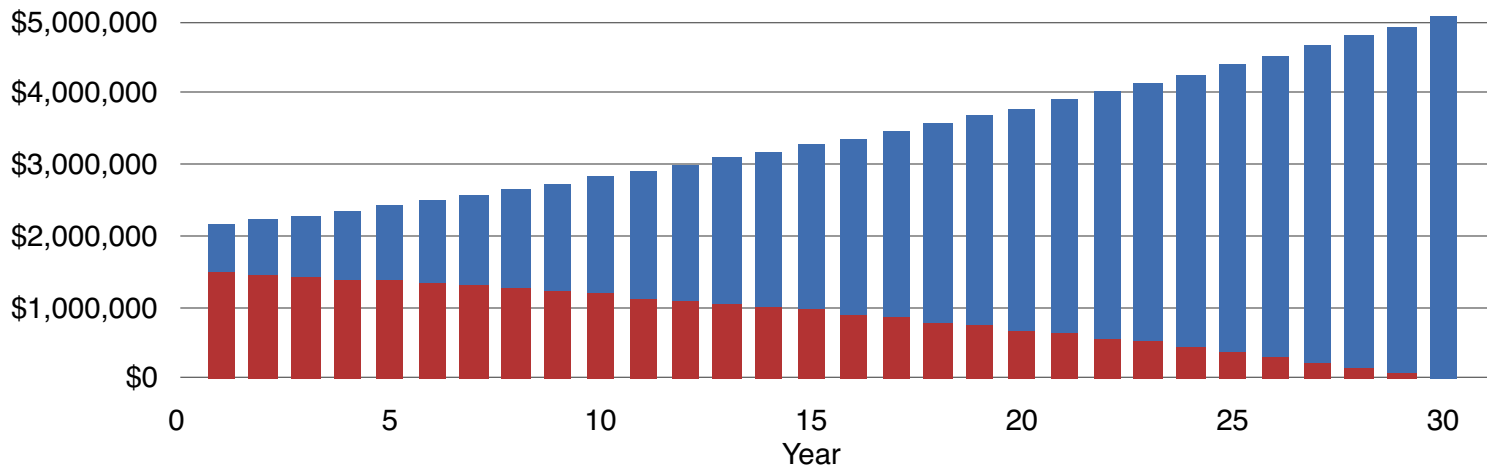
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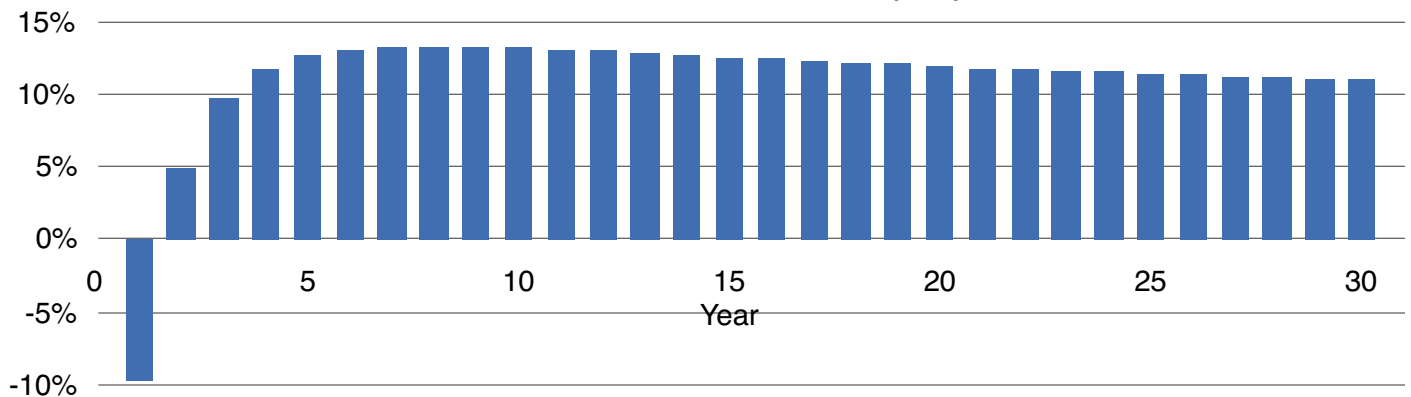
Monthly Cash Flow



■ 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)
1	0	1	\$1,230 Per Month
2	0	1	\$1,200 Per Month
3	0	1	\$780 Per Month
4	0	1	\$1,195 Per Month
5	0	1	\$1,190 Per Month
6	0	1	\$1,220 Per Month
7	0	1	\$1,200 Per Month
8	0	1	\$1,200 Per Month
9	0	1	\$800 Per Month
10	0	1	\$1,200 Per Month
11	0	1	\$1,200 Per Month
Commercial	0	1	\$900 Per Month

Totals for Year 1			
Total Number of Units			12
Total Area (Single Value)			0 Square Feet
Total Rent (Sum of Units)	\$13,315 Per Month, \$159,780 Per Year		

The total property area may be greater than the sum of the unit areas due to common areas.

Itemized Closing Costs

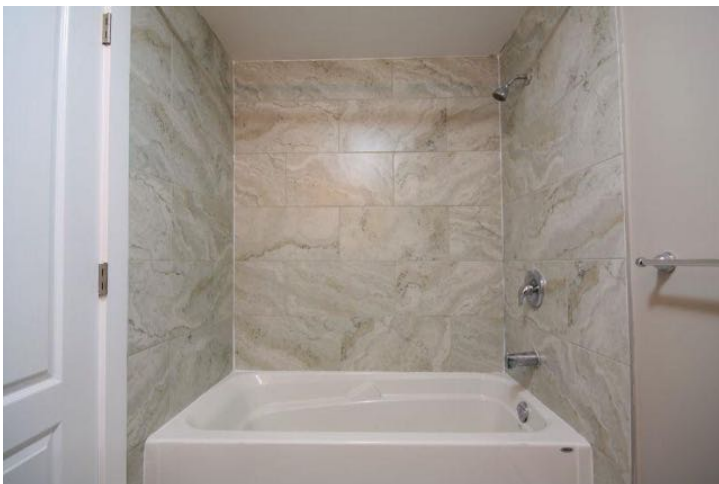
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Buying Costs		
Appraisal		\$1,500
Taxes		\$38,975
Inspections		\$6,000
Legal		\$4,000
LBC Fees		\$3,807
Total		\$54,282

Photos

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