

PROPERTY: 521 VERNON AVENUE

JUNE 25, 2020



ADDITIONAL INFORMATION

BRUCE BROWN, BROKER



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This information has not all been substantiated with documentary evidence. It is believed to be accurate but is not warranted. Buyer is advised to perform his own diligence.

INCLUDED IN THE SALE

- 3 refrigerators + 1 small refrigerator
- 2 stoves
- 1 cooktop
- 3 hood fans
- 1 convection oven (toaster-style oven)
- 3 bathroom mirrors
- curtain rods on main floor
- curtain rods & curtains in studio
- window blinds
- light fixtures
- 3 clothes washers
- 3 clothes dryers
- programmable thermostat in one-bedroom
- furniture in studio
- 2 hot water tanks

INCOME & EXPENSES

- Property taxes \$3,943.32/year
- Hydro \$219/month (average)
- Insurance \$101/month
- Bell Fibe \$160/month
- 3-bedroom rent \$1,375 inclusive, leased through May 31, 2021 – tenants entering their 3rd year
- 1-bedroom rent temporarily \$1,200 inclusive
- Studio tenant leaving in July, was leased at \$975 furnished & inclusive
- Tenants are provided an all-inclusive experience: heat, hydro, Bell Fibe TV & Internet

NOTES

- Furnace was reportedly installed in 2016 (previous owner).
- Central air-conditioning is old but has been working well.
- Bathroom in one-bedroom apartment is currently being renovated; should be completed within a week of listing.
- Main floor tenants do a lot of the regular caretaking work around the property. Not specified. They are excellent tenants.
- One-bedroom rented currently at \$1,200 month to month short term.
- Opportunity to set your own rents for the two lower units.

PROSPECTUS

521 Vernon Avenue	Scenarios		Projected		
Income	Current	Projected	<i>This is a conservative assessment based on:</i>		
Three-Bedroom	\$ 1,375.00	\$ 1,600.00	- market rents		
One-Bedroom	\$ 1,200.00	\$ 1,350.00	- property tax likely to increase next assessment		
Studio	\$ 975.00	\$ 975.00	- current insurance low due to longevity		
Total Annual Income	\$ 42,600.00	\$ 47,100.00	- assumes landlord continues to pay hydro		
Expenses			Notes & Disclaimer		
Property Tax	\$ 3,944.00	\$ 5,200.00	Certain (generally conservative) assumptions are built into the model. "Market rents" and projected increase in expenses are an educated "guess" of the author and are in no way warranted. Buyer is encouraged to perform their own market assessment.		
Insurance	\$ 1,212.00	\$ 1,800.00	Acquisition costs (LTT & legal fees) are estimated and built into the model.		
Hydro	\$ 2,628.00	\$ 3,000.00			
Natural Gas	\$ -	\$ -			
Water	\$ 1,800.00	\$ 1,800.00			
Total Annual Expenses	\$ 9,584.00	\$ 11,800.00			
Net Operating Income	\$ 2,751.33	\$ 2,941.67			
Cash Flow & ROI					
<i>(assuming 3% mortgage interest and 25 year amortization)</i>					
Mortgage payment (20% down)	\$ 2,839.47	2839.47			
Monthly Cash Flow Before Taxes	-\$ 88.14	\$ 102.20			
Average Annual ROI on 5-Year Term	8.1%	8.3%			
Cap Rate	4.4%	4.7%			
Mortgage payment (25% down)	\$ 2,662.01	\$ 2,662.01			
Monthly Cash Flow Before Taxes	\$ 89.32	\$ 279.66			
Average Annual ROI on 5-Year Term	6.5%	7.3%			
Cap Rate	4.4%	4.7%			