

PROPERTY: 156 HIGH STREET

JULY 16, 2020



ADDITIONAL INFORMATION

BRUCE BROWN, BROKER



ADDITIONAL INFORMATION

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
- 3 stoves
- 2 washing machines
- 1 clothes dryer

NOTES

- Washing machine in basement is shared by Apartments 1 & 2; separate electrical outlets
- Loft apartment has dryer electrical outlet but no dryer; current tenant prefers hanging to dry
- There are six designated parking spots, allowing room for turning & backing in. Two are currently allocated to each apartment.
- Last winter the owner hired a snow removal service. Can provide contact info if desired.
- HWT Rented
- There is no central air conditioning. Tenants have their own window units.
- Carleton Place Fire Officer inspects the property annually. Latest letter on file.

RENTS & EXPENSES

- Property taxes: \$4,087 for 2020
- Enbridge (including HWT rental): \$2,226 in 2019
- Water: \$254/month
- Insurance currently \$3,110
- Apartment 1:
 - Front unit, two-storey
 - 4 Bedrooms
 - Tenants in approximately 5th year
 - Current: \$1,404.53 from June increase
- Apartment 2:
 - Rear unit, two-storey
 - 2 Bedrooms
 - Tenants gave notice, leaving August 31st
 - New tenants signed for Sept. 1st on 1-year lease at \$1,470
 - Advertisement at \$1,400 drew intense interest
- Apartment 3:
 - Rear unit, access by metal staircase, loft apartment
 - 2 Bedrooms
 - Tenants in place a little over one year
 - Current: \$1,150 – 2020 rent increase has not yet been applied to this unit
 - There is a separate \$20/month snow clearing (for stairway) agreement with this tenant that will require explanation and new Owner may need to alter the arrangement.

- When owner purchased this property, she thought this unit might be hard to rent due to stair access. Proven not true at all. Always rents immediately with tons of interest. Arguably the nicest unit in the building.
- All rents include heat and water & sewer charges.
- All tenants pay their own hydro.
- There is no common hydro bill.

UPDATES & MAINTENANCE

- Exterior repointed in key areas and freshly painted 2020
- Basement entirely cleaned out, fixed up, electrical solution for shared laundry.
- Front portion of roof re-done 2018
- Furnace replaced about 2016; maybe 2015
- Some windows replaced in rear units since 2012
- A **lot** of general repair and clean-up since 2012

PROSPECTUS

156 High Street, Carleton Place	Scenarios		Projected				
Income	Current	Projected	This is a conservative assessment based on:				
Four-Bedroom (Apt 1)	\$ 1,404.53	\$ 1,800.00	- market rents				
Two-Bedroom 2-Storey (Apt 2)	\$ 1,400.00	\$ 1,500.00	- Apt 2 new tenant Sept 1 - \$1400 generated intense interest				
Two-Bedroom Loft (Apt 3)	\$ 1,073.10	\$ 1,200.00	- water could be billed to tenants				
Total Annual Income	\$ 46,531.56	\$ 54,000.00					
Expenses			Notes & Disclaimer				
Property Tax	\$ 4,087.00	\$ 4,400.00	Certain (generally conservative) assumptions are built into the model. "Market rents" and projected increase in expenses are the educated opinion of the author and are in no way warranted. Buyer is encouraged to perform their own market assessment.				
Insurance	\$ 3,110.00	\$ 3,200.00					
Hydro	\$ -	\$ -					
Natural Gas	\$ 2,226.00	\$ 2,400.00					
Water	\$ 3,048.00	\$ 3,200.00					
Total Annual Expenses	\$ 12,471.00	\$ 13,200.00	Acquisition costs (LTT & legal fees) are estimated and built into the model.				
Monthly Net Operating Income	\$ 2,838.38	\$ 3,400.00					
Cash Flow & ROI	Current	Projected	Other ROI Analysis Assumptions				
(assuming 2.75% mortgage interest and 25 year amortization)							
Mortgage payment (20% down)	\$ 1,749.94	\$ 1,749.94	- purchase price: \$475,000				
Monthly Cash Flow Before Taxes	\$ 749.71	\$ 1,254.06	- average annual ROI is total IRR; cost of sale excluded				
Average Annual ROI on 5-Year Term	14.3%	17.3%	- 5% vacancy rate				
Cap Rate	6.3%	7.6%	- maintenance @ 4% of GOI				
Debt Coverage Ratio	1.43%	1.72%	- 0% appreciation				