

PROPERTY: 139 ST ANDREW STREET

MAY 26, 2022



139 ST. ANDREW STREET

ADDITIONAL INFORMATION



## 139 ST. ANDREW STREET

*This information has not all been substantiated with documentary evidence. It is believed to be accurate but is not warranted. Buyers are advised to perform their own diligence.*

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### OVERVIEW

#### BUILDING & SHARED FEATURES

- Surprisingly spacious and private back yard for the Byward Market!
  - Shared by the two apartments.
- Driveway and large garage.
  - One tenant currently rents one space in the driveway, separately from the unit lease.
  - The rest of the driveway is reserved for the landlord.
  - The garage is currently reserved for the landlord.
- High Ceilings / Character Building
- Hardwood Flooring
- Private Laundry for Each Unit

#### APARTMENT 1

- Main floor and basement.
- Two bedrooms.
- Front porch facing gardens & street.
- Direct access to back yard.
- Full sized clothes washer & dryer in basement.

#### APARTMENT 2

- Upper floor.
- Two bedrooms plus den.
- Front balcony overlooking street.
- Back deck overlooking yard.
- Exterior stairway to back yard.
- Bedroom one has a decorative (not functional) fireplace.
- Clothes washer & dryer in the unit.
- Dishwasher.

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### INCLUSIONS

- Two refrigerators.
- Two stoves.
- One dishwasher.
- Two clothes washers.
- Two clothes dryers.
- Wardrobe in front bedroom of apartment two.
- Window A/C units are property of the tenants.

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## RENTS, EXPENSES, OTHER ARRANGEMENTS

- Annual rental increases are effective January 1<sup>st</sup> each year on 90 days notice.
- Apartment 1 Rent: \$1,361
  - Landlord currently pays this tenant \$200/season for back yard maintenance (garden, leaves, etc.) – this verbal arrangement is not part of the lease agreement.
- Apartment 2 Rent: \$1,489
  - This tenant rents one parking space in the driveway at \$120/month – this arrangement is not part of the lease agreement and is subject to change at any time.
- Property taxes for 2021: \$6,027.48
- Water & sewer charges for 2021: \$858.28
- Natural Gas for June 2021 – May 2022: \$1507.09
- Tenants pay their own hydro.
- Two electric hot water tanks are either owned, or rented and paid by the tenants on their hydro bills.

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## UPDATES, INFRASTRUCTURE & MAINTENANCE

- Natural gas boiler 2016
- Note one thermostat, located in Apartment 2, controls heat for the building. This has not caused any issues between the current tenants. One could install a secured and network-controlled device.
- Flat roof – torch-on membrane, patio-ready, installed 2011
- Most windows have been updated at various dates since 2002; most recent 2018
- Main water supply is copper (lead supply line replaced in 2006)
- Main drain is galvanized steel
- No knob & tube active, to best of seller's knowledge
- Electrical service upgraded in 2002:
  - Each unit separately metered; no common meter (no common hydro expense)
  - Building electrical service is 200 amps; service to each unit is 100 amps
- Rubble foundation with inner concrete liner & slab
- No sump / none required
- Polyethylene weeping tile installed 2003, directs to dry well in the back yard
- Unfinished low basement, excellent for storage, apartment 1 laundry

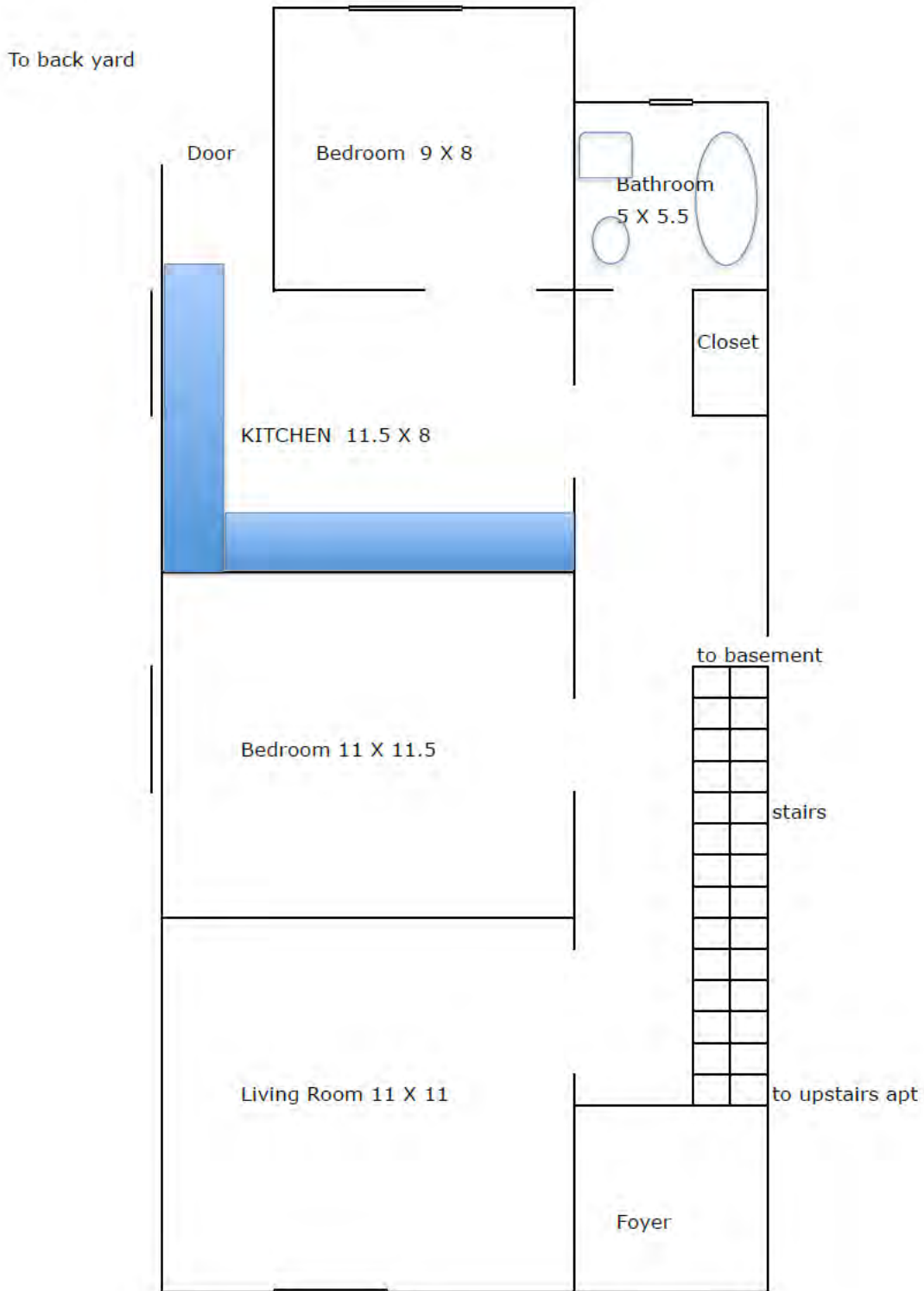
## PROSPECTUS

With tenants in place approaching 8 and 10 years, rents have fallen below market value. This prospectus provides a glimpse of the potential ROI with a conservative assessment of current market rents *without* investing in improvements to the property. With cosmetic renovations the upside for this property could be substantial. This projection also does not factor in annual rent increases or appreciation. The property is ideal for an investor currently in a high tax bracket, looking for short or mid-term tax efficiency and long-term ROI including capital growth.

139 St. Andrew Street - Byward Market		Scenarios		Projected
Income	Current	Projected	This is a conservative assessment based on:	
Two-Bedroom (Apt 1) - Ground Floor + Basement	\$ 1,361.00	\$ 1,750.00	- market rents (without significant renovation)	
Two-Bedroom + Den (Apt 2) - Upper Floor	\$ 1,489.00	\$ 1,850.00	- garage rental or higher rent to include garage	
Garage	\$ -	\$ 200.00	- 4% annual increase in operating expenses	
Parking (Driveway)	\$ 120.00	\$ 120.00		
<b>Total Annual Income</b>	<b>\$ 35,640.00</b>	<b>\$ 47,040.00</b>		
Expenses			Notes & Disclaimer	
Property Tax	\$ 6,027.00	\$ 6,027.00	Certain (generally conservative) assumptions are built into the model. "Market rents" and forecasted increases in expenses, annual rent increases & appreciation are conservative estimates in the opinion of the author and are in no way warranted. Prospective buyers are encouraged to perform their own market assessment.	
Insurance	\$ 2,800.00	\$ 2,800.00		
Hydro	\$ -	\$ -		
Natural Gas	\$ 1,507.00	\$ 1,507.00		
Water	\$ 858.00	\$ 858.00		
<b>Total Annual Expenses</b>	<b>\$ 11,192.00</b>	<b>\$ 11,192.00</b>		
<b>Monthly Net Operating Income</b>	<b>\$ 2,037.33</b>	<b>\$ 2,987.33</b>		
Metrics & ROI	Current	Projected	Other ROI Analysis Assumptions	
<i>(assuming 4.0% mortgage interest and 30 year amortization)</i>				
Down Payment	\$ 250,000.00	\$ 250,000.00	- a safe place to invest your cash; reap tax advantages	
Mortgage payment (20% down)	\$ 2,681.24	\$ 2,861.24	- purchase price: \$769,900	
Average Annual ROI	4.2%	6.1%	- average annual ROI is total IRR; cost of sale excluded	
Cap Rate	3.0%	4.2%	- 5% vacancy rate	
Debt Coverage Ratio	0.75	1.07	- 1% annual increase in rental income	
			- 2% annual appreciation	
			- 10-year hold	

**LANDLORD'S DRAWINGS – UNIT LAYOUTS**

**APARTMENT ONE – MAIN FLOOR**



# APARTMENT TWO



