



949 Stockwell

Presented by:

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Overview

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Purchase Info

Square Feet	1,231
Initial Market Value	\$500,000
Purchase Price	\$443,750
Initial Cash Invested	\$165,312

Income Analysis

	Monthly	Annual
Net Operating Income	\$2,766	\$33,193
Cash Flow	\$1,170	\$14,036

Financial Metrics

Cap Rate (Purchase Price)	7.5%
Cash on Cash Return (Year 1)	8.5%
Internal Rate of Return (Year 3)	26.2%
Sale Price (Year 3)	\$554,359



Purchase Analysis

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Purchase Info	
Initial Market Value	\$500,000
Purchase Price	\$443,750
- First Mortgage	-\$288,438
- Second Mortgage	-\$0
= Downpayment	\$155,312
+ Buying Costs	\$10,000
+ Initial Improvements	\$0
= Initial Cash Invested	\$165,312
Square Feet	1,231
Cost per Square Foot	\$360
Monthly Rent per Square Foot	\$2.44

Mortgages	First	Second
Loan-To-Cost Ratio	65%	0%
Loan-To-Value Ratio	57.69%	0%
Loan Amount	\$288,438	\$0
Loan Type	Amortizing	
Term	25 Years	
Interest Rate	4.5%	
Payment	\$1,596.42	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	12.3
Operating Expense Ratio	7.8%
Debt Coverage Ratio	1.73
Cap Rate (Purchase Price)	7.5%
Cash on Cash Return	8.5%

Assumptions	
Appreciation Rate	3.5%
Vacancy Rate	0.0%
Income Inflation Rate	3.0%
Expense Inflation Rate	2.0%
LTV for Refinance	75.0%
Selling Costs	\$10,000

Income	Monthly	Annual
Gross Rent	\$3,000	\$36,000
Vacancy Loss	-\$0	-\$0
Operating Income	\$3,000	\$36,000

Expenses (% of Income)	Monthly	Annual
Insurance (0%)	-\$0	-\$0
Taxes (8%)	-\$234	-\$2,807
Operating Expenses (8%)	-\$234	-\$2,807

Net Performance	Monthly	Annual
Net Operating Income	\$2,766	\$33,193
- Mortgage Payments	-\$1,596	-\$19,157
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$1,170	\$14,036

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	\$36,000	\$37,080	\$38,192	\$40,518	\$46,972	\$63,126	\$84,836
Vacancy Loss	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Income	\$36,000	\$37,080	\$38,192	\$40,518	\$46,972	\$63,126	\$84,836

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Insurance	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Taxes	-\$2,807	-\$2,863	-\$2,920	-\$3,038	-\$3,354	-\$4,089	-\$4,984
Operating Expenses	-\$2,807	-\$2,863	-\$2,920	-\$3,038	-\$3,354	-\$4,089	-\$4,984

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$33,193	\$34,217	\$35,273	\$37,480	\$43,618	\$59,038	\$79,852
- Mortgage Payments	-\$19,157	-\$19,157	-\$19,157	-\$19,157	-\$19,157	-\$19,157	-\$0
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$14,036	\$15,060	\$16,115	\$18,323	\$24,461	\$39,881	\$79,852
Cap Rate (Purchase Price)	7.5%	7.7%	7.9%	8.4%	9.8%	13.3%	18.0%
Cap Rate (Market Value)	6.4%	6.4%	6.4%	6.3%	6.2%	5.9%	5.7%
Cash on Cash Return	8.5%	9.1%	9.7%	11.1%	14.8%	24.1%	48.3%
Return on Equity	6.0%	5.8%	5.6%	5.4%	4.9%	4.4%	5.7%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$517,500	\$535,612	\$554,359	\$593,843	\$705,299	\$994,894	\$1,403,397
- Loan Balance	-\$282,010	-\$275,290	-\$268,264	-\$253,238	-\$209,267	-\$85,720	-\$0
= Equity	\$235,490	\$260,323	\$286,095	\$340,605	\$496,033	\$909,175	\$1,403,397
Loan-to-Value Ratio	54.5%	51.4%	48.4%	42.6%	29.7%	8.6%	0.0%
Potential Cash-Out Refi	\$106,115	\$126,420	\$147,505	\$192,144	\$319,708	\$660,451	\$1,052,548

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$235,490	\$260,323	\$286,095	\$340,605	\$496,033	\$909,175	\$1,403,397
- Selling Costs	-\$10,350	-\$10,712	-\$11,087	-\$11,877	-\$14,106	-\$19,898	-\$28,068
= Proceeds After Sale	\$225,140	\$249,611	\$275,008	\$328,728	\$481,927	\$889,277	\$1,375,329
+ Cumulative Cash Flow	\$14,036	\$29,097	\$45,212	\$80,738	\$190,399	\$516,002	\$1,119,934
- Initial Cash Invested	-\$165,312	-\$165,312	-\$165,312	-\$165,312	-\$165,312	-\$165,312	-\$165,312
= Net Profit	\$73,864	\$113,395	\$154,908	\$244,154	\$507,013	\$1,239,966	\$2,329,951
Internal Rate of Return	44.7%	30.8%	26.2%	22.2%	18.5%	16.0%	15.0%
Return on Investment	45%	69%	94%	148%	307%	750%	1,409%

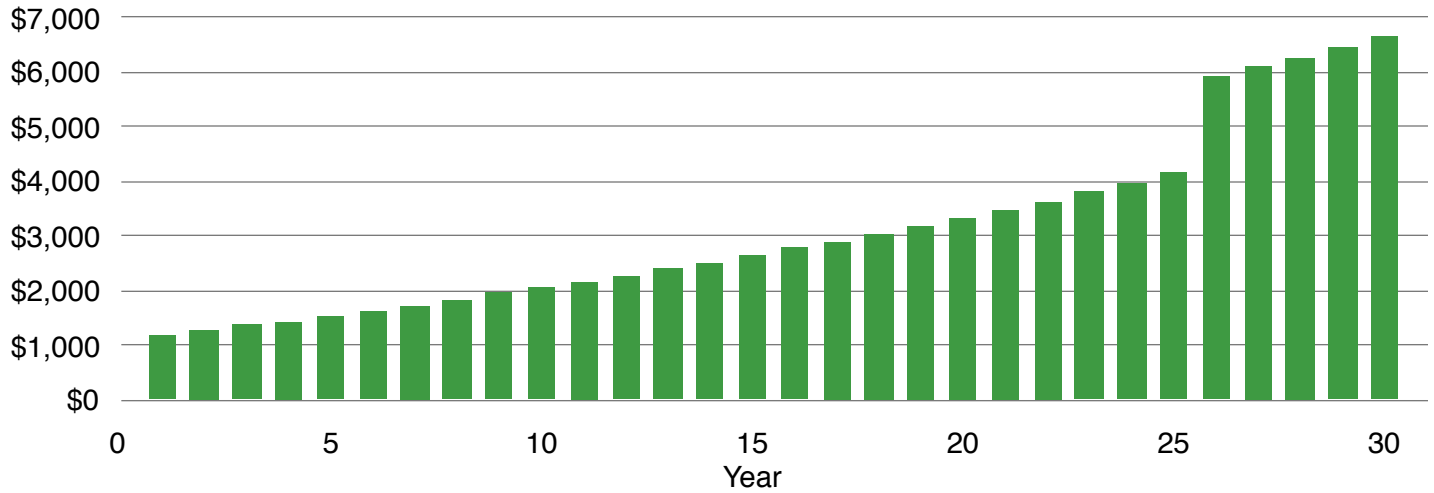
Graphs

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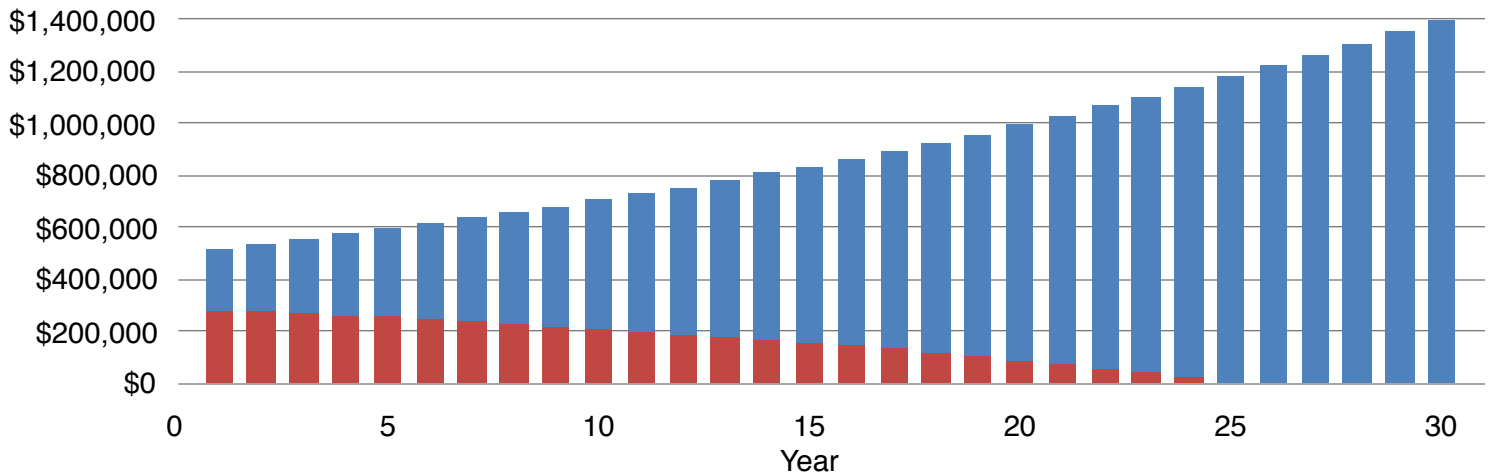


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Monthly Cash Flow



■ Loan Balance + ■ Equity = Market Value



Internal Rate of Return (IRR)

