

Balwin Investment Opportunity



Neighbourhood	Balwin	
House style	Bungalow	
	Main	Basement
# Beds	2	1
# Baths	1	1
Sq. footage	861.12	

Contact

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Purchase Price		\$ 238,500.00
	FMV	\$ 245,000.00
Down Payment		\$ 47,700.00
Legal		\$ 2,000.00
Renovations		\$ 5,000.00
Inspections		\$ 498.75
Appraisal		\$ 225.00
Cleaning		\$ 200.00

Total Cash to Close	\$ 55,623.75
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Mortgage	\$ 190,800.00
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Monthly Income Sources

Main Level Rent	\$ 1,000.00
Basement Level Rent	\$ 800.00

Total Income	\$ 1,800.00
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Monthly Expenses

Mortgage Payment (P&I) @ 3.5% for 30yr	\$ 840.88
Property Tax	\$ 133.33
Home Insurance (approx)	\$ 41.67
Miscellaneous (5% vacancy rate & 5% repairs/maintenance of Gross Rent)	\$ 180.00

Total Fixed Expenses	\$ 1,195.88
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Net Monthly Cashflow	\$ 604.12
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Net annual Cashflow \$ 7,249.42

Potential future value based on the following appreciation rates:

Year	Appreciation		Mortgage Balance	
	2% Appreciation	3% Appreciation	End of year	Equity @2%
2013	\$ 249,900.00	\$ 252,350.00	\$ 187,043.90	\$ 62,856.10
2014	\$ 254,898.00	\$ 259,920.50	\$ 183,160.02	\$ 71,737.98
2015	\$ 259,995.96	\$ 267,718.12	\$ 179,144.01	\$ 80,851.95
2016	\$ 265,195.88	\$ 275,749.66	\$ 175,693.17	\$ 89,502.71
2017	\$ 270,499.80	\$ 284,022.15	\$ 170,697.49	\$ 99,802.31

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How We Can Work Together:

Parties	Contribution	Amount
You	Down payment and Renos	\$ 52,700.00
AREA	Qualify for Mortgage	\$ 190,800.00
	Closing costs	\$ 3,002.50
	All Management work	

Scenario #1 = Joint Venture Money Partner

- 50/50 partnership
- Monthly Cashflow will be split 40% to each party and the remaining 20% will be kept in the property for miscellaneous expenses
- After each year we will all reassess to decide on selling the property or keeping the property and maintain the cashflow

ex. Net Monthly Cashflow

\$ 604.12

(Note: 10% contingency is factored)

Party	Cashflow per month	Annual Cashflow	Annual ROI
You (40%)	\$ 241.65	\$ 2,899.77	5.5%
Property (20%)	\$ 120.82	\$ 1,449.88	1.4%

Sell at Year	equity at 2%	Selling costs	Initial Investment	Your 50% Profit at close
1 2013	\$ 62,856.10	\$ 11,497.00	\$ 52,700.00	\$ (670.45)
2 2014	\$ 71,737.98	\$ 11,646.94	\$ 52,700.00	\$ 3,695.52
3 2015	\$ 80,851.95	\$ 11,799.88	\$ 52,700.00	\$ 8,176.03
4 2016	\$ 89,502.71	\$ 11,955.88	\$ 52,700.00	\$ 12,423.41
5 2017	\$ 99,802.31	\$ 12,114.99	\$ 52,700.00	\$ 17,493.66

Sell at Year	Your Annual Revenue	50% of Reserve	Your 50% Profit from Cashflow	Total profit to you
1 2013	\$ 2,899.77	\$ 724.94	\$ 3,624.71	\$ 2,954.26
2 2014	\$ 5,799.54	\$ 1,449.88	\$ 7,249.42	\$ 10,944.94
3 2015	\$ 8,699.31	\$ 2,174.83	\$ 10,874.13	\$ 19,050.17
4 2016	\$ 11,599.08	\$ 2,899.77	\$ 14,498.85	\$ 26,922.26
5 2017	\$ 14,498.85	\$ 3,624.71	\$ 18,123.56	\$ 35,617.21

Return on your investment if property is sold

Year	1	2	3	4	5	Cashflow ROI/yr
avg Annual ROI (@ 2% appre.)	6%	10.4%	12.0%	12.8%	14%	6.9%
avg Annual ROI (@ 3% appre.)	8%	12.8%	14.5%	15.3%	16%	

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How We Can Work Together:

Parties	Contribution	Amount
You	Funds	\$ 52,700.00
AREA	Qualify for Mortgage	\$ 190,800.00
	Closing costs	\$ 3,002.50
	All Management work	

Scenario #2 = Money Lender

- 8 points of return on your investment for one year
- After one year we can all reassess to extend the loan term
or you have the option to become equity partner
- If and when the property is sold you will get your initial investment back

Total loan	\$	52,700.00
Monthly Cashflow to you @ 8 points	\$	351.33
Annual Cashflow	\$	4,216.00

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