

# 9 Suite Apartment Building, Greenview

## Millwoods!



**Typical Tenant Profile:** This property should attract a very stable tenant base with the location and suite condition. Ideally, single people with stable jobs in one of the many employment zones nearby.

**Location:** The location is excellent. Millwoods is a very stable community and sought after for many tenants. This property is located in the nicer part of Millwoods. Excellent access to several major industrial centers for Jobs as well all amenities. Also, park and ravine across the street.

**Overall Condition:** The building is dated in the finishing's, however well maintained. Likely upgrades would include a modernization of the suites and perhaps a new boiler. Overall the building is in a good state of repair. Exterior siding in good shape and new balcony work done. Impeccable, newly renovated very well.

**Bonus Value:** The upside potential of this building is quite substantial. While the vendor is asking for a slight price premium with his current NOI, the rents are significantly below market. This generates the opportunity to raise the rents to market and generate upside. Current market Cap rates in the area are between 5.25% and 5.5% which means that from the purchase price, there is \$100,000 to \$200,000 in potential upside in stabilization. Buyer can add second bedroom downstairs fairly easily to boost cash flow. Also, not a lot of work to legalize the suite and this will boost rental potential.

**Buyer's Expectations:** Upon purchasing the property there will be some work to do. The boiler may need replacement and likely a bit of work in each suite to dress them for re-rental. However, with the upside potential, an initial investment into the property will be very worth while. A buyer could also invest heavily in the building to achieve premium market rents over and above projections which would produce even more upside. While the property is in a below average location, the price more than reflects this and the cash flow will go up as a result. In the short term good tenants will still choose this property and over the longer term the location will get better and better. Turnkey property.

**Building Stats:**

**Suite mix: 9 Suites: 6x1Br, 3x2Br**

**Year Built: 1979**

Asking Price    \$1,300,000

**Income**

	Suite Mix		Monthly	Current	Stabilized
1BR	6		Monthly	888	975
2BR	3		Monthly	1,050	1,200
<b>Annual Income</b>					
Gross Monthly Income				8,475	9,450
Gross Annual Rent				101,700	113,400
Laundry	\$15/unit/month			1,620	1,620
Gross Annual Income				103,320	115,020
Vacancy Loss		-1%		1,033	1,150
Effective Gross Annual Income				102,287	113,870
<b>Expenses</b>				<b>Current</b>	<b>Stabilized</b>
Property Management		5%		5,114	5,693
Caretaker		35 per unit / month		3,780	3,780
Utilities		1100 per unit / year		12,759	9,900
Insurance		250 per unit / year		2,957	2,250
Repairs & Maint		700 per unit / year		6,300	6,300
Taxes		700 unit / year		6,300	6,300
Misc		100 per unit / year		900	900
Total Operating Expenses				38,111	35,123
<b>Net Operating Income</b>				<b>64,176</b>	<b>78,746</b>
Cap Rate				4.94%	6.06%
<b>Building Value at Market Cap</b>				<b>\$1,222,405</b>	<b>\$1,499,930</b>
<b>Building Value at Market Cap</b>				<b>\$1,166,841</b>	<b>\$1,431,751</b>

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