

BASEMENT SUITE RENOVATION



Project With Upside: This particular property has been targeted because of its potential for building a quality basement suite. It meets the criteria of being in a good location, large enough space downstairs to build a 3 bedroom suite, and suitable zoning and lot orientation. The upstairs requires little work, this is important so that you can get it renovated and rented quickly so that you have some cashflow while the basement is being developed. Last but not least, it is at the right price point for there to be sufficient upside when calculating the cost of the renovation.

Financial Snapshot: Purchase price \$327,900

Please note: The renovation costs are initially estimated on the high side to be conservative.

Upper Suite: Scope of work: New flooring, full paint job, new doors and closet doors, paint vanity in bathrooms, separate upper laundry, and repair living room drywall.

Cost Estimate: \$15,000

Lower Suite: Fully unfinished basement development including: legal sized windows, permit application, 2 new furnaces, new hot water tank, 3 bedroom suite, quality kitchen and bathroom, resilient channel sound barrier, and all other items required to complete suite.

Cost Estimate: \$65,000

Total Investment: \$407,900

After Repair Value: \$440,000

Total Upside: \$32,100

Cashflow Property in Rosslyn!



Introduction: Please note, that the analysis of this rental property will comment specifically on the finished product as well, the price used to determine cashflow will be the total investment.

Typical Tenant Profile: With the high end renovations, this suite will easily attract a quality tenant profile that will pay premium rents.

Location: Rosslyn: This location in the city is a stable neighborhood that should easily provide a stable renting environment for families.

Overall Condition: Once the renovation is complete, the house will be in brand new condition.

Bonus Value: Completing the renovation will provide somewhere between \$20,000 to \$50,000 in upside depending on the final purchase price.

Buyer's Expectations: Ideally, purchase the house and speed through the upper renovation so that cashflow can come from the upstairs right away. Then, within 3-4 months the project should be complete and you'll have a high quality suited house with some equity upside.

Suite: 3up/3down Garage: Double Garage Detached Square Feet: 1,069.08 Year Built: 1963

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Monthly Pro Forma

Purchase Price	\$407,900.00
Total Building Rent	\$2,900.00

Closing Costs

Downpayment (20%)	\$81,580
Legal	\$1,800
Inspection	\$500
Contingency Fund	\$5,000
Total Investment	\$88,880

Mortgage Terms

Rate	2.84%
Amortization	30
Term	5
Type	Fixed
Payment	\$1,347.78

Monthly Expense Budget For First Year

Revenue

	Monthly	Annual
Rent	\$2,900.00	\$34,800.00
Total	\$2,900.00	\$34,800.00

Rental Breakdown

Upper	\$1,450.00
Lower	\$1,250.00
Garage	\$200.00
Total	\$2,900.00

Expense

	Monthly	Annual
Tax	\$199.58	\$2,395.00
Insurance	\$108.77	\$1,305.28
Condo Fees	\$0.00	\$0.00
Management	\$290.00	\$3,480.00 (Standard 10% for Property Managers)
Vacancy 5%	\$145.00	\$1,740.00
Repairs 5%	\$145.00	\$1,740.00
Mortgage	\$1,347.78	\$16,173.36
Total	\$2,236.14	\$26,833.64

Profit

	Monthly	Annual	Cash on Cash Yeild (Annual Cashflow/Total Investment)
Cashflow	\$663.86	\$7,966.36	8.96%
Contingency	\$290.00	\$3,480.00	3.92%
<small>(amount saved into reserve fund after year 1)</small>			
Total	\$953.86	\$11,446.36	12.88%

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