

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 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: \$320,000

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

Upper Suite: Scope of work: New flooring, new kitchen and appliances, full paint job, new doors and closet doors, paint vanity in bathrooms, separate upper laundry, and fixtures.

Cost Estimate: \$30,000

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: \$70,000

Total Investment: \$420,000

After Repair Value: \$450,000

Total Upside: \$30,000

Court Order Sale 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: This property should attract a quality family oriented tenant. With proximity to schools and amenities and in combination with the fact that renovations will be top quality will attract high quality tenants.

Location: Rosslyn: This location is very stable in a family orient area. This neighborhood is typically considered to be safe and desirable.

Overall Condition: After repairs, the property will be in essentially new condition.

Bonus Value: By completing the renovations yourself, there will be upside in equity available. This property is also a court ordered sale, opportunity here to get a great deal.

Buyer's Expectations: The best part of this deal is that after putting in the effort to manage a renovation, you'll own a fully turnkey property that will cashflow really well and attract low maintenance tenants.

Suite: 3up/3down Garage: Double Garage Detached Square Feet: 1,139.80 Year Built: 1961

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Monthly Pro Forma

Purchase Price	\$420,000.00
Total Building Rent	\$2,950.00

Closing Costs

Downpayment (20%)	\$84,000
Legal	\$1,800
Inspection	\$500
Contingency Fund	\$5,000
Total Investment	\$91,300

Mortgage Terms

Rate	2.64%
Amortization	30
Term	5
Type	Fixed
Payment	\$1,352.19

Monthly Expense Budget For First Year

Revenue

	Monthly	Annual
Rent	\$2,950.00	\$35,400.00
Total	\$2,950.00	\$35,400.00

Rental Breakdown

Upper Rent	\$1,500.00
Lower Rent	\$1,250.00
Garage	\$200.00
Total	\$2,950.00

Expense

	Monthly	Annual
Tax	\$221.00	\$2,652.00
Insurance	\$112.00	\$1,344.00
Condo Fees	\$0.00	\$0.00
Management	\$295.00	\$3,540.00 (Standard 10% for Property Managers)
Vacancy 5%	\$147.50	\$1,770.00
Repairs 5%	\$147.50	\$1,770.00
Mortgage	\$1,352.19	\$16,226.31
Total	\$2,275.19	\$27,302.31

Profit

	Monthly	Annual	Cash on Cash Yield (Annual Cashflow/Total Investment)
Cashflow	\$674.81	\$8,097.69	8.87%
Contingency	\$295.00	\$3,540.00	3.88%
<small>(amount saved into reserve fund after year 1)</small>			
Total	\$969.81	\$11,637.69	12.75%

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