



Current State Report

296 St Patrick St
Ottawa, Ontario K1N5K3
Canada

Presented by:

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Overview

Current State Report

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Purchase Info

Square Feet	2,116
Purchase Price	\$1,250,000
Initial Cash Invested	\$335,975

Income Analysis

	Monthly	Annual
Net Operating Income	\$4,646	\$55,753
Cash Flow	\$585	\$7,022

Financial Metrics

Cap Rate (Purchase Price)	4.5%
Cash on Cash Return (Year 1)	2.1%
Internal Rate of Return (Year 10)	13.2%
Sale Price (Year 10)	\$1,679,895



Purpose-built 5 unit building with residential and commercial applications in the heart of downtown Ottawa.

Key Features:

1. Lot dimensions: 36.22ft x 100.19ft
2. R5N zoning
3. Building has 2116 total square feet above grade as per MPAC
4. Exceptionally well maintained property with very low vacancy rate



Purchase Analysis

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Purchase Info	
Purchase Price	\$1,250,000
- First Mortgage	-\$937,500
- Second Mortgage	-\$0
= Downpayment	\$312,500
+ Buying Costs	\$23,475
+ Initial Improvements	\$0
= Initial Cash Invested	\$335,975
Square Feet	2,116
Cost per Square Foot	\$591
Monthly Rent per Square Foot	\$2.54

Mortgages	First	Second
Loan-To-Cost Ratio	75%	0%
Loan-To-Value Ratio	75%	0%
Loan Amount	\$937,500	\$0
Loan Type	Amortizing	
Term	25 Years	
Interest Rate	2.2%	
Payment	\$4,060.92	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	19.4
Operating Expense Ratio	23.4%
Debt Coverage Ratio	1.14
Cap Rate (Purchase Price)	4.5%
Cash on Cash Return	2.1%

Assumptions	
Appreciation Rate	3.0%
Vacancy Rate	2.0%
Income Inflation Rate	2.0%
Expense Inflation Rate	2.0%
LTV for Refinance	80.0%
Selling Costs	\$75,000

Income	Monthly	Annual
Gross Rent	\$5,375	\$64,500
Vacancy Loss	-\$108	-\$1,290
Laundry	\$100	\$1,200
Parking	\$300	\$3,600
Garage/Storage Rent	\$400	\$4,800
Operating Income	\$6,068	\$72,810

Expenses (% of Income)	Monthly	Annual
Insurance (4%)	-\$217	-\$2,600
Hydro (1%)	-\$45	-\$536
Water/Sewer (3%)	-\$188	-\$2,254
Heat (2%)	-\$122	-\$1,464
Snow Removal (1%)	-\$65	-\$775
Property Taxes (Residential) (9%)	-\$559	-\$6,709
Property Taxes (Commercial) (4%)	-\$227	-\$2,720
Operating Expenses (23%)	-\$1,421	-\$17,057

Net Performance	Monthly	Annual
Net Operating Income	\$4,646	\$55,753
- Mortgage Payments	-\$4,061	-\$48,731
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$585	\$7,022

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	\$64,500	\$65,790	\$67,106	\$69,817	\$77,083	\$93,964	\$114,542
Vacancy Loss	-\$1,290	-\$1,316	-\$1,342	-\$1,396	-\$1,542	-\$1,879	-\$2,291
Laundry	\$1,200	\$1,224	\$1,248	\$1,299	\$1,434	\$1,748	\$2,131
Parking	\$3,600	\$3,672	\$3,745	\$3,897	\$4,302	\$5,245	\$6,393
Garage/Storage Rent	\$4,800	\$4,896	\$4,994	\$5,196	\$5,736	\$6,993	\$8,524
Operating Income	\$72,810	\$74,266	\$75,752	\$78,812	\$87,015	\$106,070	\$129,299

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Insurance	-\$2,600	-\$2,652	-\$2,705	-\$2,814	-\$3,107	-\$3,788	-\$4,617
Hydro	-\$536	-\$547	-\$558	-\$580	-\$641	-\$781	-\$952
Water/Sewer	-\$2,254	-\$2,299	-\$2,345	-\$2,439	-\$2,693	-\$3,283	-\$4,002
Heat	-\$1,464	-\$1,493	-\$1,523	-\$1,584	-\$1,749	-\$2,132	-\$2,599
Snow Removal	-\$775	-\$790	-\$806	-\$839	-\$926	-\$1,129	-\$1,376
Property Taxes (Residential)	-\$6,709	-\$6,843	-\$6,980	-\$7,262	-\$8,018	-\$9,774	-\$11,914
Property Taxes (Commercial)	-\$2,720	-\$2,774	-\$2,830	-\$2,944	-\$3,251	-\$3,963	-\$4,830
Operating Expenses	-\$17,057	-\$17,399	-\$17,747	-\$18,463	-\$20,385	-\$24,849	-\$30,291

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Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$55,753	\$56,868	\$58,005	\$60,348	\$66,629	\$81,221	\$99,008
- Mortgage Payments	-\$48,731	-\$48,731	-\$48,731	-\$48,731	-\$48,731	-\$48,731	-\$0
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$7,022	\$8,137	\$9,274	\$11,617	\$17,898	\$32,490	\$99,008
Cap Rate (Purchase Price)	4.5%	4.5%	4.6%	4.8%	5.3%	6.5%	7.9%
Cap Rate (Market Value)	4.3%	4.3%	4.2%	4.2%	4.0%	3.6%	3.3%
Cash on Cash Return	2.1%	2.4%	2.8%	3.5%	5.3%	9.7%	29.5%
Return on Equity	1.9%	1.8%	1.8%	1.8%	1.7%	1.6%	3.3%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$1,287,500	\$1,326,125	\$1,365,909	\$1,449,093	\$1,679,895	\$2,257,639	\$3,034,078
- Loan Balance	-\$909,015	-\$879,900	-\$850,142	-\$788,634	-\$622,559	-\$230,589	-\$0
= Equity	\$378,485	\$446,225	\$515,767	\$660,458	\$1,057,337	\$2,027,050	\$3,034,078
Loan-to-Value Ratio	70.6%	66.4%	62.2%	54.4%	37.1%	10.2%	0.0%
Potential Cash-Out Refi	\$120,985	\$181,000	\$242,585	\$370,640	\$721,358	\$1,575,522	\$2,427,262

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$378,485	\$446,225	\$515,767	\$660,458	\$1,057,337	\$2,027,050	\$3,034,078
- Selling Costs	-\$77,250	-\$79,568	-\$81,955	-\$86,946	-\$100,794	-\$135,458	-\$182,045
= Proceeds After Sale	\$301,235	\$366,657	\$433,813	\$573,513	\$956,543	\$1,891,592	\$2,852,033
+ Cumulative Cash Flow	\$7,022	\$15,158	\$24,432	\$46,483	\$123,165	\$380,020	\$1,043,500
- Initial Cash Invested	-\$335,975	-\$335,975	-\$335,975	-\$335,975	-\$335,975	-\$335,975	-\$335,975
= Net Profit	-\$27,719	\$45,840	\$122,270	\$284,021	\$743,733	\$1,935,637	\$3,559,559
Internal Rate of Return	-8.3%	6.7%	11.1%	13.5%	13.2%	11.3%	10.1%
Return on Investment	-8%	14%	36%	85%	221%	576%	1,059%

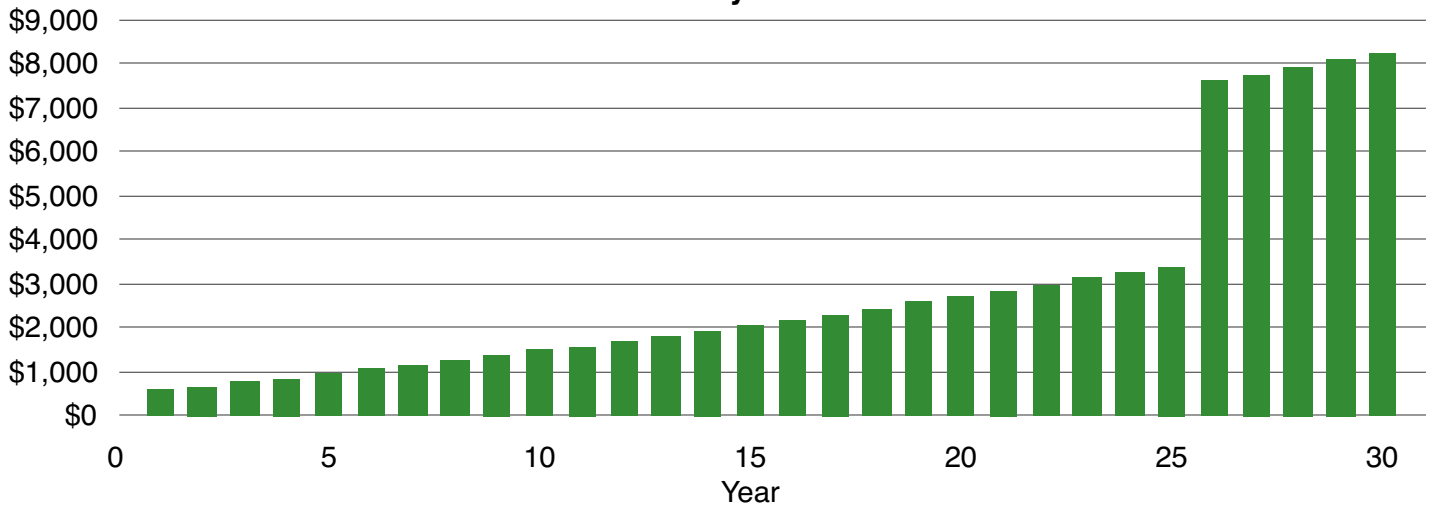
Graphs

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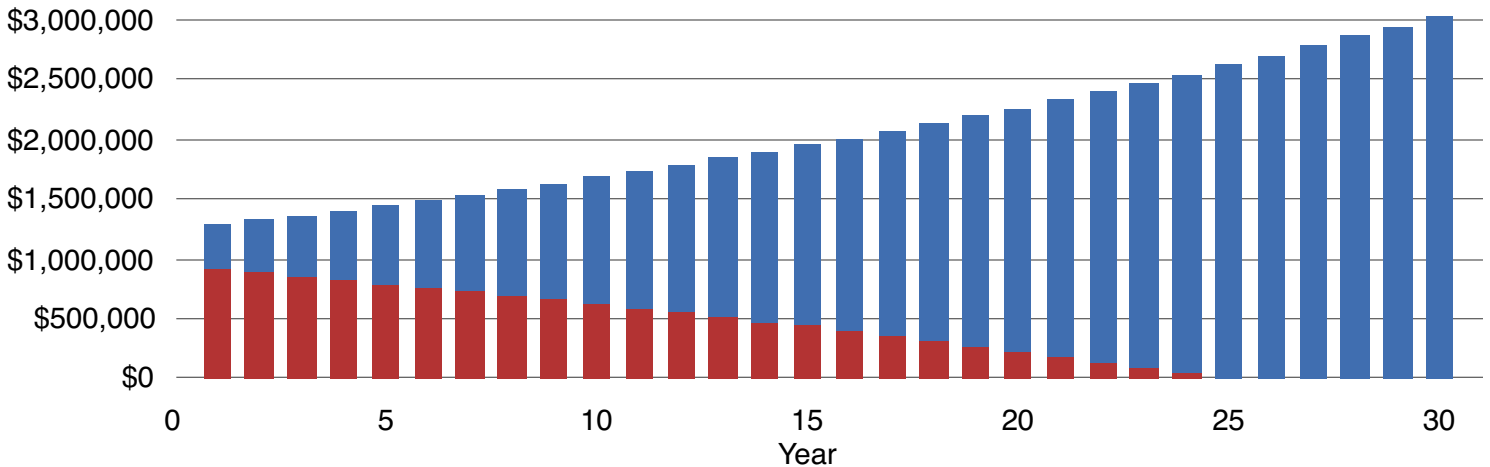


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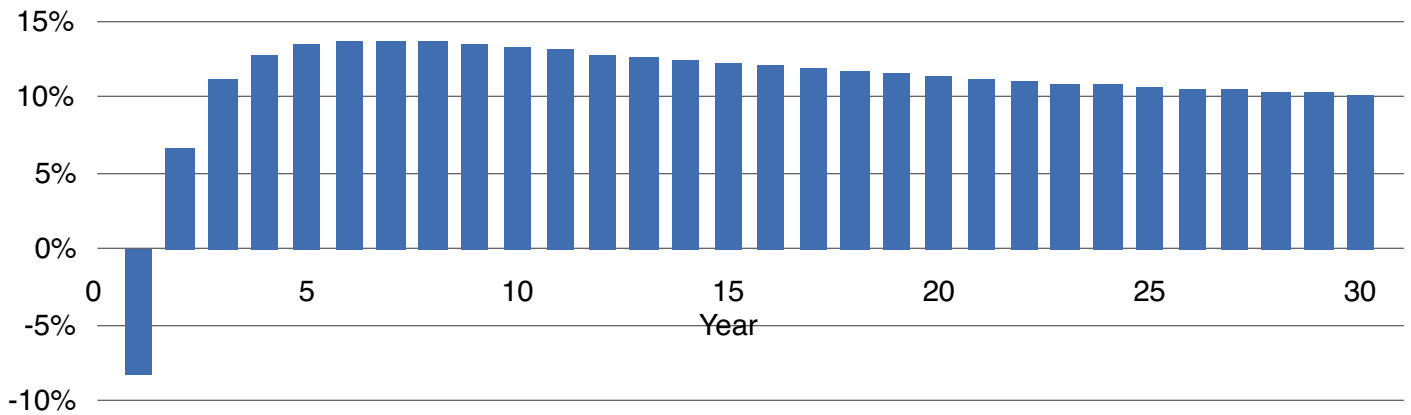
Monthly Cash Flow



■ Loan Balance + ■ Equity = Market Value



Internal Rate of Return (IRR)



Itemized Closing Costs

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Buying Costs

Land Transfer Tax	\$20,475
Legal Fees + Inspections + Appraisals	\$3,000
Total	\$23,475