

## 5501 & 5513 - 61 Street, Vegreville, AB.

<b>Building Name</b>	Heritage Manor Apartments		
<b>Number of Units</b>	17		
<b>Asking Price</b>	<b>\$1,195,000</b>	<b>\$70,294</b>	<b>per unit</b>
<b>Year Built</b>	1974		
<b>Legal</b>	Lots 40 – 46, Block 1, Plan 5181AX		
<b>Zoning</b>	Commercial R3		
<b>Site Area</b>	34,630 Sq. Ft.		
<b>Parking</b>	18 gravel pad & energized		
<b>Chattels</b>	17 fridges & stoves		
<b>Laundry</b>	2 sets washer/dryers, owned		



**Location:**  
Located approximately 100 kms East of Edmonton, with a population in 2009 of 5834, and a primary industry being agriculture. Vegreville is famous for the world's largest pysanka (Ukranian Easter egg) and the town's population is largely of Ukranian Canadian descent. Very stable economic and population trends create a predictable future.

Exterior: Stucco / Vinyl  
Intercom: Yes  
Balconies: Yes (2nd floor)

**Description:**  
This two building complex, is a solid investment in a very stable community. Excellent current tenants and 100% occupied, with extremely low vacancy/turnover. The great suite mix with mostly two bedroom units is attractive to an investor, and to attracting quality tenants. 14 Units have been upgraded with laminate and lino flooring, bathroom vanities, taps, toilets, and new kitchen counters, sinks, and taps. Units also repaired entirely, with new closet doors as well. Washer & dryer units are newer as well, and owned so all the revenue comes to the owner. Fresh gravel on parking lots as well as new secured entry door.

**Suite Mix:**

1	Bachelors
4	One Bedrooms
12	Two Bedrooms
0	Three Bedrooms
17	Total Suites

**Financing:** (Proposed) Interest Rate

\$ 866,250	1st financing	6.00%
\$ -	2nd financing	0.00%
<b>Down Payment:</b>	\$ 328,750	
Monthly PI-1st =	\$ 6,169	1.29 DCR
Monthly PI-2nd =	\$ -	DCR
Annual PI =	\$ 74,032	

Proposed financing based 65% LTV on min. 1.2 debt coverage ratio, at market interest rate above, over a 25 year amortization.

**Notes:**  
Currently managed without onsite management, but there is a quality tenant that is willing to do onsite caretaking services. Rents are stable in line with current competition, and four suites have elderly ladies who've rented for many years. Rent roll available upon request.

INCOME & EXPENSES		Projected
<b>INCOME:</b> (September 2010)		
Bachelors		
One Bedrooms		
Two Bedrooms		
Three Bedrooms		
Gross Monthly Income		\$ 12,090
<b>Annual Income</b>		<b>\$ 145,080</b>
Laundry Income	\$8 (per unit/mo.)	\$ 1,530
<b>Gross Annual Income</b>		<b>\$ 146,610</b>
Vacancy Loss	-5.0%	\$ (7,331)
<b>Effective Gross Annual Income</b>		<b>\$ 139,280</b>
<b>EXPENSES:</b> (Actual 2009)		
Management Fee	4%	\$ 5,571
Caretaker	\$ 25 /unit/mo	\$ 5,100
Utilities	\$ 790 /unit/yr	\$ 13,432
Insurance	\$ 234 /unit/yr	\$ 3,978
Repair & Maint.	\$ 500 /unit/yr	\$ 8,500
Miscellaneous	\$ 50 /unit/yr	\$ 850
Taxes	2010 actual	\$ 6,649
<b>Total Annual Expenses</b>		<b>\$ 44,080</b>
\$ 2,593 /unit or	31.65%	
<b>Net Annual Operating Income</b>		<b>\$ 95,199</b>

**Returns:**

Capitalization Rate is:	<b>8.0%</b>
Cash required is:	\$ 328,750
Cash flow after debt service is:	\$ 21,167
Cash on cash return is:	6.4%
Return on equity is:	13.1%
Return with apprec. of: 5%	31.3%

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