

Larkspur



Alberta Oil Sands Real Estate Investments

Property Address:
#54 4350 23rd St.
Edmonton, Alberta
Canada

Prepared By Glenn Simon Inc.



Your new investment returns you an estimated \$70,000 at the end of 5 years



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Quality Real Estate



Property Profile

Year constructed	2003
Square Footage	1270
Bedrooms/Baths	3/1.5
Appliances	5
Reserve Fund	- N/A
Condo Maintenance:	N/A
Foundation	- Concrete
Construction	- Wood Frame
Roof	- Asphalt
Basement	- Unfinished
Parking - Single Attached Garage	
Flooring—Carpet, Laminate	

Larkspur

Objectives and Summary

To purchase quality Real Estate investment properties in the economic powerhouse region of Edmonton, Alberta .

The rental of the property will cover expenses and provide equity pay down. Buy and hold strategy for capital gain and equity appreciation over a 5-year term.

The Benefits

The stylish 5 year old 3 bedroom half duplex home is in a rapidly developing area and will attract equity building tenants who are willing to pay for quality.

Larkspur is the south west part of Edmonton and near a main feed of the Anthony Henday ring road, not only will this positively affect property values but the convenient location will greatly improve tenant's commute.

This house is stunning and equity producing.

Larkspur has an excellent mortgage already arranged at 5.35%

Your total investment is 21% of purchase price. Usually the down payment alone is 25% -35% so this is an incredibly low-down deal.

That means you get a great property and mortgage at a great rate.

Completely hands free.

Tenants, Property Management and Exit Strategy

Tenants:

This property is in pristine condition and attracts solid equity building tenants. The estimated rent is \$1,700.00 per month. Our strategy is to carefully select tenants, most likely professionals, and gradually increase rents over the next three years.

Property Management:

Using our key Property Manager— we impeccably manage, improve, increase value, tenant and provide full management services.

Exit Strategy:

Buy and hold for approximately 5 years, keeping property in excellent condition, renting to equity building tenants. Market timing to sell, maximizing profits.

End Buyer Profile:

Professional families.



First Year Proforma: Larkspur

Cash Flow Analysis:

Sale Price **\$314,000.00**

Financial Breakdown

Purchase Price **\$311,000.00**

Down Payment (14.8%) **\$46,000.00**

First Mortgage (PI) (5.35%) (85.2%) **\$265,000.00**

Income

Market Rent Monthly \$1,700.00 Annual \$20,400.00

Expenses

Vacancy Factor (-4%) **-\$68.00** **\$816.00**

Property Taxes (estimated) **-\$130.00** **\$1,560.00**

Additional Insurance (rental/contents) **-\$33.30** **\$400.00**

Repair and Maintenance factor (3%) **-\$51.00** **\$612.00**

Property Management (flat fee) **-\$95.00** **\$1,140.00**

Home Owners Association Fee **-\$65.00** **-\$780.00**

Total Expenses **-\$442.30** **\$5,308.00**

Cash Flow Before Debt Payment **\$1,257.70** **\$15,092.00**

First Mortgage (5.35% interest, principle) **-\$1,644.00** **-\$19,728.00**

Cash Flow **-\$386.30** **-\$4,636.00**

Equity

Mortgage Principle Reduction **First Year** **\$7,326.00**

Fifth Year **\$40,819.00**

Appreciation

Conservative 7% per year **First Year** **\$21,770.00**

Fifth Year **\$125,193.00**



Cash To Close Projection

Approximate Closing Costs:

Down Payment (14.8%)	\$46,000.00
Legal (and caveat)	\$1,500.00
Professional Inspection	\$400.00
Property Insurance	\$400.00
Staying Power Fund	\$3,000.00
NCF (\$387 x 36 months)	<u>\$13,932.00</u>
Total Cost To Close	\$65,232.00

The Returns

Year 1 Mortgage Reduction (Equity)	\$7,326.00
Year 1 Appreciation (7% growth/p/y)	\$21,770.00

TOTAL ROI BREAKDOWN

Estimated 5 Year Value (at 7% Appreciation)	\$436,193.00
Estimated 5th Year Mortgage Value	<u>-\$224,181.00</u>
Gross Estimated 5 Year Return	\$212,012.00
Initial Investment	-\$65,232.00
Net Estimated 5 Year Return	\$146,780.00
Your Estimated ROI (50/50)	\$73,390.00/\$65,232.00 = 112%
Per Annum Estimated Return	23%

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