



Parkdale Apartments - CRHC (AB)

8215 113 Ave
Edmonton, AB

Presented by:

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Pro forma is for demonstration purposes only and is subject to change depending on market conditions.

Overview

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Purchase Info

Square Feet (71 Units)	50,350
Purchase Price	\$15,000,000
Initial Cash Invested	\$9,000,000

Income Analysis

	Monthly	Annual
Net Operating Income	\$33,708	\$404,491
Cash Flow	\$7,103	\$85,237

Financial Metrics

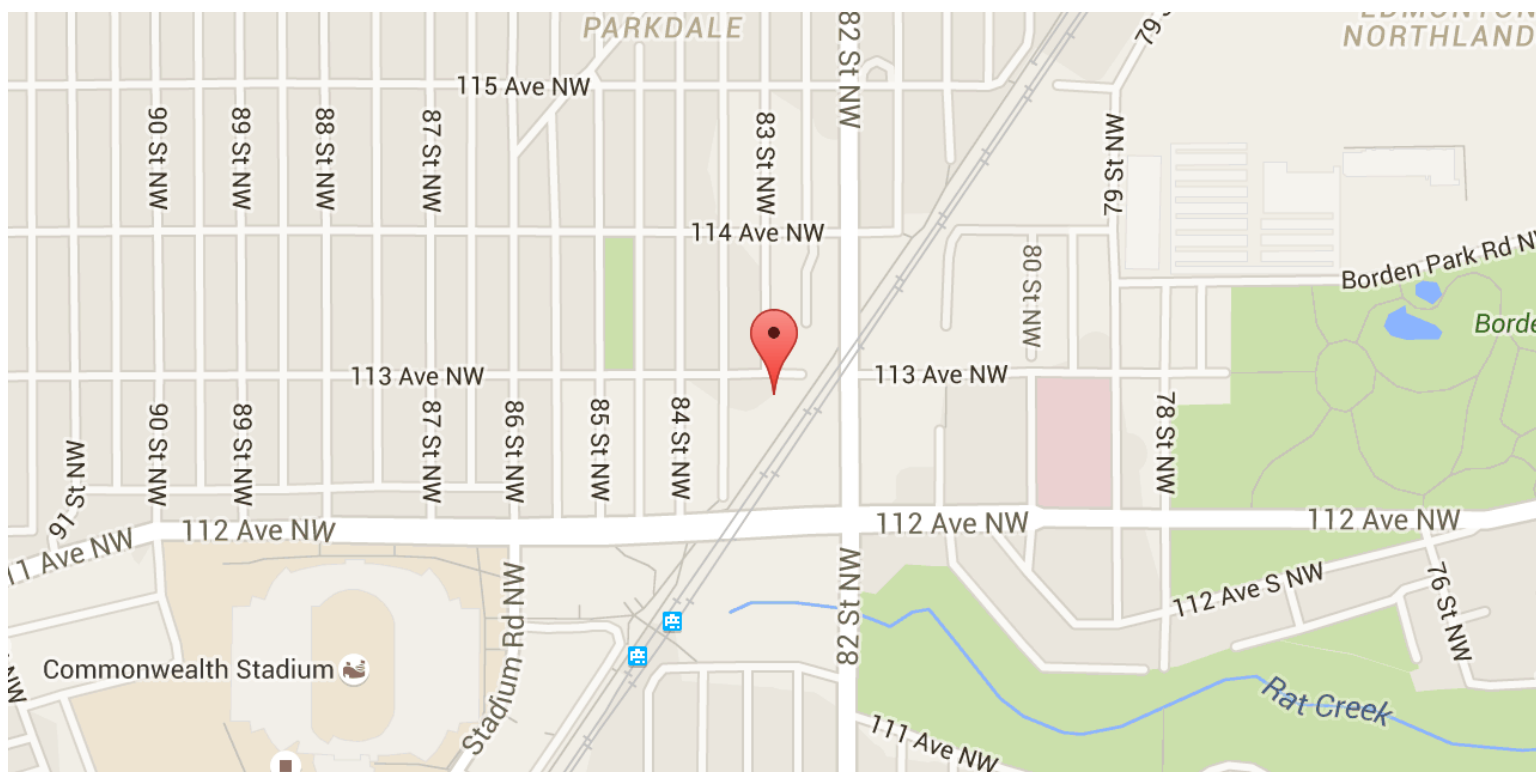
Cap Rate (Purchase Price)	2.7%
Cash on Cash Return (Year 1)	0.9%
Internal Rate of Return (Year 10)	6.6%
Sale Price (Year 10)	\$20,158,746



All new developments and acquisitions will target an average rent of 85% of market. This will enable an appropriate mix of market, affordable, and deep subsidy rents. Depending on the amount of capital investment, a more significant depth of subsidy can be achieved.

65% Capital Investment — 35% Debt — 85% average rent

20:60:20 — Market:Affordable:Deep Subsidy Mix



Purchase Analysis

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Purchase Info	
Purchase Price	\$15,000,000
- First Mortgage	-\$4,000,000
- Second Mortgage	-\$2,000,000
= Downpayment	\$9,000,000
+ Buying Costs	\$0
+ Initial Improvements	\$0
= Initial Cash Invested	\$9,000,000
Square Feet (71 Units)	50,350
Cost per Square Foot	\$298
Monthly Rent per Square Foot	\$1.27
Cost per Unit	\$211,268
Average Monthly Rent per Unit	\$899

Mortgages	First	Second
Loan-To-Cost Ratio	26.67%	13.33%
Loan-To-Value Ratio	26.67%	13.33%
Loan Amount	\$4,000,000	\$2,000,000
Loan Type	Amortizing	Interest-Only
Term	25 Years	8 Years
Interest Rate	3.5%	4%
Payment	\$19,970.81	\$19,900.99

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	19.6
Operating Expense Ratio	45.0%
Debt Coverage Ratio	1.27
Cap Rate (Purchase Price)	2.7%
Cash on Cash Return	0.9%

Assumptions	
Appreciation Rate	3.0%
Vacancy Rate	4.0%
Income Inflation Rate	3.0%
Expense Inflation Rate	4.5%
LTV for Refinance	70.0%
Selling Costs	\$0

Income	Monthly	Annual
Gross Rent	\$63,800	\$765,600
Vacancy Loss	-\$2,552	-\$30,624
Operating Income	\$61,248	\$734,976

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (18%)	-\$11,329	-\$135,945
Insurance (2%)	-\$1,259	-\$15,105
Management Fees (5%)	-\$3,062	-\$36,749
Taxes (8%)	-\$4,825	-\$57,902
Utilities (8%)	-\$4,615	-\$55,385
Maintenace Reserve (4%)	-\$2,450	-\$29,399
Operating Expenses (45%)	-\$27,540	-\$330,485

Net Performance	Monthly	Annual
Net Operating Income	\$33,708	\$404,491
- Mortgage Payments	-\$26,604	-\$319,254
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$7,103	\$85,237

Buy and Hold Projection

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Income	Year 1	Year 2	Year 3	Year 5	Year 8	Year 15	Year 25
Gross Rent	\$765,600	\$788,568	\$812,225	\$861,690	\$941,591	\$1,158,039	\$1,556,307
Vacancy Loss	-\$30,624	-\$31,543	-\$32,489	-\$34,468	-\$37,664	-\$46,322	-\$62,252
Operating Income	\$734,976	\$757,025	\$779,736	\$827,222	\$903,928	\$1,111,717	\$1,494,055

Expenses	Year 1	Year 2	Year 3	Year 5	Year 8	Year 15	Year 25
Cleaning & Maintenance	-\$135,945	-\$142,063	-\$148,455	-\$162,117	-\$185,002	-\$251,763	-\$390,980
Insurance	-\$15,105	-\$15,785	-\$16,495	-\$18,013	-\$20,556	-\$27,974	-\$43,442
Management Fees	-\$36,749	-\$37,851	-\$38,987	-\$41,361	-\$45,196	-\$55,586	-\$74,703
Taxes	-\$57,902	-\$60,508	-\$63,231	-\$69,050	-\$78,797	-\$107,232	-\$166,528
Utilities	-\$55,385	-\$57,877	-\$60,482	-\$66,048	-\$75,371	-\$102,570	-\$159,288
Maintenance Reserve	-\$29,399	-\$30,281	-\$31,189	-\$33,089	-\$36,157	-\$44,469	-\$59,762
Operating Expenses	-\$330,485	-\$344,365	-\$358,839	-\$389,677	-\$441,080	-\$589,593	-\$894,703

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 8	Year 15	Year 25
Net Operating Income	\$404,491	\$412,660	\$420,897	\$437,545	\$462,847	\$522,124	\$599,352
- Mortgage Payments	-\$319,254	-\$319,254	-\$319,254	-\$319,254	-\$319,254	-\$239,650	-\$239,650
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$85,237	\$93,407	\$101,643	\$118,291	\$143,594	\$282,474	\$359,702
Cap Rate (Purchase Price)	2.7%	2.8%	2.8%	2.9%	3.1%	3.5%	4.0%
Cap Rate (Market Value)	2.6%	2.6%	2.6%	2.5%	2.4%	2.2%	1.9%
Cash on Cash Return	0.9%	1.0%	1.1%	1.3%	1.6%	3.1%	4.0%
Return on Equity	0.9%	0.9%	0.9%	1.0%	1.0%	1.3%	1.1%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 8	Year 15	Year 25
Market Value	\$15,450,000	\$15,913,500	\$16,390,905	\$17,389,111	\$19,001,551	\$23,369,511	\$31,406,669
- Loan Balance	-\$5,897,722	-\$5,791,832	-\$5,682,204	-\$5,451,200	-\$5,073,199	-\$2,022,001	-\$2
= Equity	\$9,552,278	\$10,121,668	\$10,708,701	\$11,937,912	\$13,928,352	\$21,347,510	\$31,406,667
Loan-to-Value Ratio	38.2%	36.4%	34.7%	31.3%	26.7%	8.7%	0.0%
Potential Cash-Out Refi	\$4,917,278	\$5,347,618	\$5,791,430	\$6,721,178	\$8,227,887	\$14,336,657	\$21,984,667

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 8	Year 15	Year 25
Equity	\$9,552,278	\$10,121,668	\$10,708,701	\$11,937,912	\$13,928,352	\$21,347,510	\$31,406,667
- Selling Costs	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Proceeds After Sale	\$9,552,278	\$10,121,668	\$10,708,701	\$11,937,912	\$13,928,352	\$21,347,510	\$31,406,667
+ Cumulative Cash Flow	\$85,237	\$178,644	\$280,287	\$508,517	\$913,926	\$713,895	\$3,976,652
- Initial Cash Invested	-\$9,000,000	-\$9,000,000	-\$9,000,000	-\$9,000,000	-\$9,000,000	-\$9,000,000	-\$9,000,000
= Net Profit	\$637,515	\$1,300,312	\$1,988,988	\$3,446,429	\$5,842,278	\$13,061,405	\$26,383,319
Internal Rate of Return	7.1%	7.0%	6.9%	6.8%	6.6%	6.2%	5.9%
Return on Investment	7%	14%	22%	38%	65%	145%	293%

Graphs

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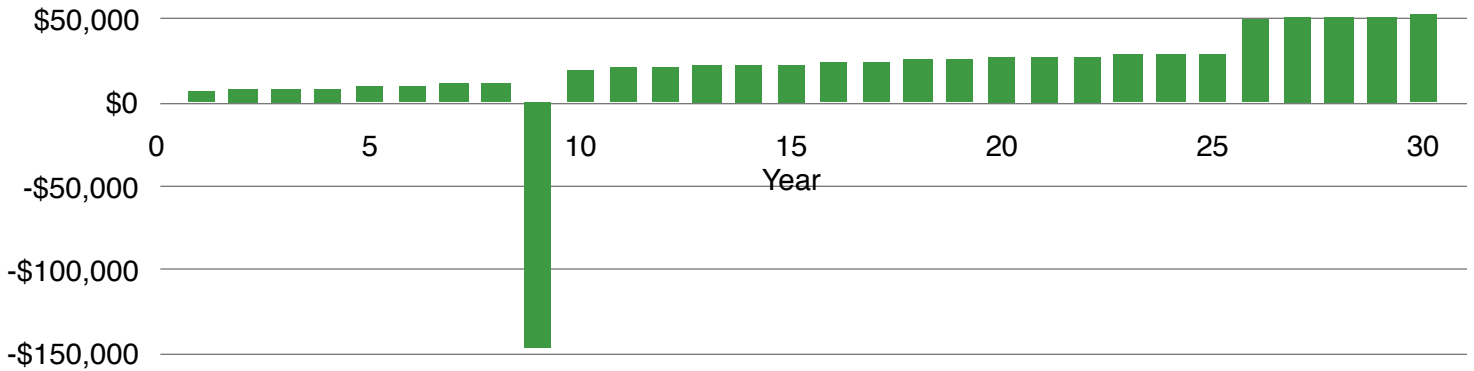


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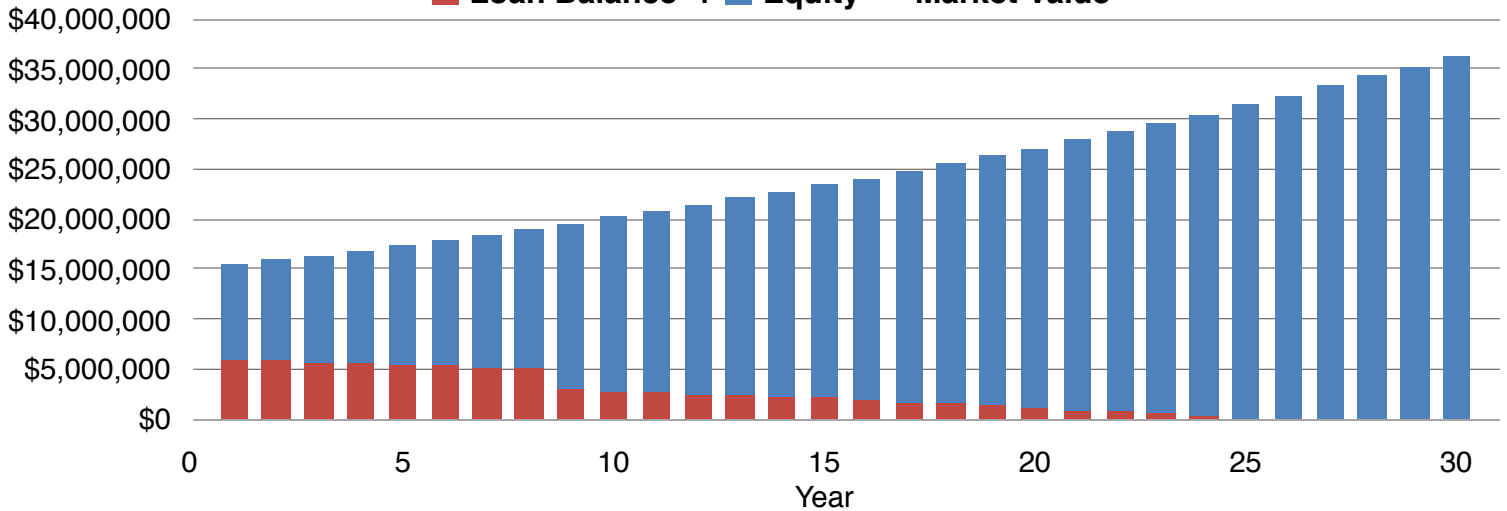
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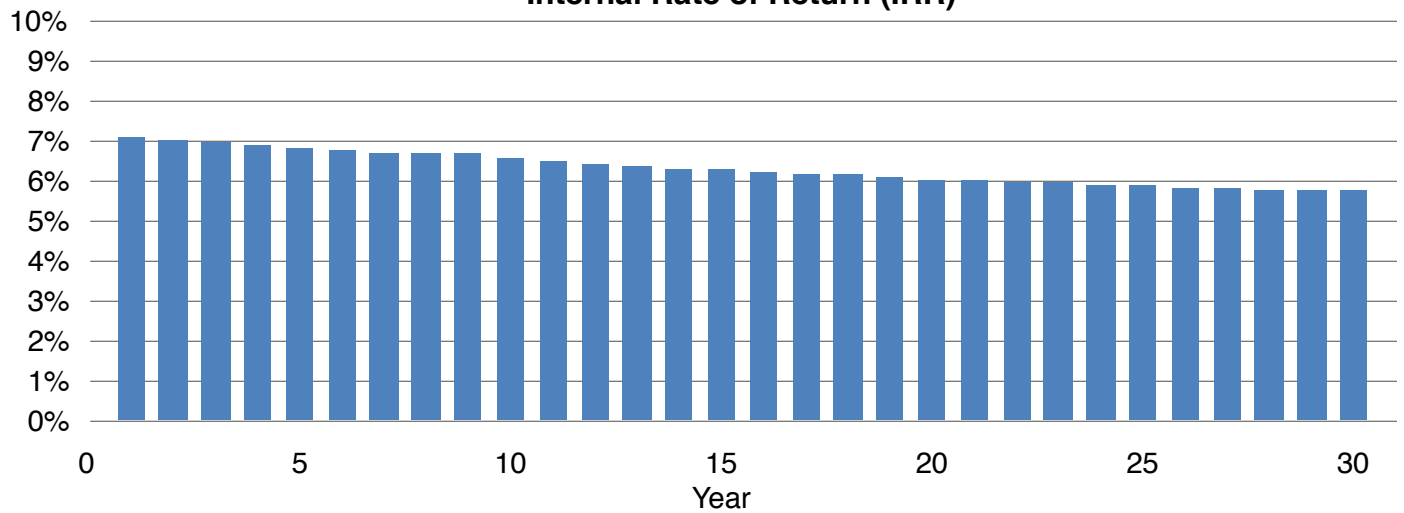
Monthly Cash Flow



Loan Balance + Equity = Market Value



Internal Rate of Return (IRR)



Rent Roll

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Unit Description	Square Feet	Units of This Type	Rent (Per Unit)
1 Bedroom	550	53	\$850 Per Month
2 Bedroom	700	11	\$1,050 Per Month
3 Bedroom	1,000	6	\$1,200 Per Month
Common Space 18%	7,500	1	\$0 Per Month

Totals for Year 1

Total Number of Units			71
Total Area (Sum of Units)			50,350 Square Feet
Total Rent (Sum of Units)			\$63,800 Per Month, \$765,600 Per Year