

# Property Report

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## **233 Hector-Hotte Way AS-IS**

233 Hector-Hotte way  
Ottawa, Ontario K1L 7Y4  
Canada

Presented by:

### **Serge Papineau** **Serge Papineau Real Estate**

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**SERGE PAPINEAU**  
REAL ESTATE

# Overview

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### Purchase Info

Total Number of Units	3
Purchase Price	\$650,000
Initial Cash Invested	\$144,000

### Income Analysis

	Monthly	Annual
Net Operating Income	\$3,362	\$40,339
Cash Flow	\$1,034	\$12,406

### Financial Metrics

Cap Rate (Purchase Price)	6.2%
Cash on Cash Return (Year 1)	8.6%
Internal Rate of Return (Year 10)	18.4%
Sale Price (Year 10)	\$873,546



# Purchase Analysis

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Purchase Info	
Purchase Price	\$650,000
- First Mortgage	-\$520,000
- Second Mortgage	-\$0
<b>= Downpayment</b>	<b>\$130,000</b>
+ Buying Costs	\$14,000
+ Initial Improvements	\$0
<b>= Initial Cash Invested</b>	<b>\$144,000</b>
Total Number of Units	3
Cost per Unit	\$216,667
Average Monthly Rent per Unit	\$1,517

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$520,000	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	3.5%	
<b>Payment</b>	<b>\$2,327.71</b>	<b>\$0.00</b>

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	11.9
Operating Expense Ratio	24.6%
Debt Coverage Ratio	1.44
Cap Rate (Purchase Price)	6.2%
<b>Cash on Cash Return</b>	<b>8.6%</b>

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	\$39,000

Income	Monthly	Annual
Gross Rent	\$4,550	\$54,600
Vacancy Loss	-\$91	-\$1,092
<b>Operating Income</b>	<b>\$4,459</b>	<b>\$53,508</b>

Expenses (% of Income)	Monthly	Annual
Insurance (5%)	-\$233	-\$2,794
Taxes (7%)	-\$327	-\$3,929
Hydro (4%)	-\$160	-\$1,925
Water/Sewer (3%)	-\$127	-\$1,521
Lawn / Snow (2%)	-\$83	-\$1,000
Maintenance & Repair (4%)	-\$167	-\$2,000
<b>Operating Expenses (25%)</b>	<b>-\$1,097</b>	<b>-\$13,169</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$3,362</b>	<b>\$40,339</b>
- Mortgage Payments	-\$2,328	-\$27,933
- Year 1 Improvements	-\$0	-\$0
<b>= Cash Flow</b>	<b>\$1,034</b>	<b>\$12,406</b>

# 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	\$54,600	\$55,692	\$56,806	\$59,101	\$65,252	\$79,542	\$96,961
Vacancy Loss	-\$1,092	-\$1,114	-\$1,136	-\$1,182	-\$1,305	-\$1,591	-\$1,939
<b>Operating Income</b>	<b>\$53,508</b>	<b>\$54,578</b>	<b>\$55,670</b>	<b>\$57,919</b>	<b>\$63,947</b>	<b>\$77,951</b>	<b>\$95,022</b>

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Insurance	-\$2,794	-\$2,850	-\$2,907	-\$3,024	-\$3,339	-\$4,070	-\$4,962
Taxes	-\$3,929	-\$4,008	-\$4,088	-\$4,253	-\$4,696	-\$5,724	-\$6,977
Hydro	-\$1,925	-\$1,964	-\$2,003	-\$2,084	-\$2,301	-\$2,804	-\$3,419
Water/Sewer	-\$1,521	-\$1,551	-\$1,582	-\$1,646	-\$1,818	-\$2,216	-\$2,701
Lawn / Snow	-\$1,000	-\$1,020	-\$1,040	-\$1,082	-\$1,195	-\$1,457	-\$1,776
Maintenance & Repair	-\$2,000	-\$2,040	-\$2,081	-\$2,165	-\$2,390	-\$2,914	-\$3,552
<b>Operating Expenses</b>	<b>-\$13,169</b>	<b>-\$13,432</b>	<b>-\$13,701</b>	<b>-\$14,255</b>	<b>-\$15,738</b>	<b>-\$19,185</b>	<b>-\$23,386</b>

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
<b>Net Operating Income</b>	<b>\$40,339</b>	<b>\$41,146</b>	<b>\$41,969</b>	<b>\$43,664</b>	<b>\$48,209</b>	<b>\$58,766</b>	<b>\$71,636</b>
- Mortgage Payments	-\$27,933	-\$27,933	-\$27,933	-\$27,933	-\$27,933	-\$27,933	-\$27,932
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
<b>= Cash Flow</b>	<b>\$12,406</b>	<b>\$13,213</b>	<b>\$14,036</b>	<b>\$15,732</b>	<b>\$20,276</b>	<b>\$30,834</b>	<b>\$43,704</b>
Cap Rate (Purchase Price)	6.2%	6.3%	6.5%	6.7%	7.4%	9.0%	11.0%
Cap Rate (Market Value)	6.0%	6.0%	5.9%	5.8%	5.5%	5.0%	4.5%
<b>Cash on Cash Return</b>	<b>8.6%</b>	<b>9.2%</b>	<b>9.7%</b>	<b>10.9%</b>	<b>14.1%</b>	<b>21.4%</b>	<b>30.3%</b>
Return on Equity	7.8%	7.0%	6.3%	5.5%	4.3%	3.3%	2.8%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$669,500	\$689,585	\$710,273	\$753,528	\$873,546	\$1,173,972	\$1,577,721
- Loan Balance	-\$509,978	-\$499,601	-\$488,859	-\$466,222	-\$402,256	-\$235,675	-\$0
<b>= Equity</b>	<b>\$159,522</b>	<b>\$189,984</b>	<b>\$221,414</b>	<b>\$287,306</b>	<b>\$471,289</b>	<b>\$938,297</b>	<b>\$1,577,721</b>
Loan-to-Value Ratio	76.2%	72.4%	68.8%	61.9%	46.0%	20.1%	0.0%
Potential Cash-Out Refi	\$25,622	\$52,067	\$79,359	\$136,600	\$296,580	\$703,503	\$1,262,176

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$159,522	\$189,984	\$221,414	\$287,306	\$471,289	\$938,297	\$1,577,721
- Selling Costs	-\$40,170	-\$41,375	-\$42,616	-\$45,212	-\$52,413	-\$70,438	-\$94,663
<b>= Proceeds After Sale</b>	<b>\$119,352</b>	<b>\$148,609</b>	<b>\$178,798</b>	<b>\$242,094</b>	<b>\$418,877</b>	<b>\$867,859</b>	<b>\$1,483,057</b>
+ Cumulative Cash Flow	\$12,406	\$25,620	\$39,656	\$70,263	\$162,376	\$421,481	\$798,501
- Initial Cash Invested	-\$144,000	-\$144,000	-\$144,000	-\$144,000	-\$144,000	-\$144,000	-\$144,000
<b>= Net Profit</b>	<b>-\$12,241</b>	<b>\$30,228</b>	<b>\$74,454</b>	<b>\$168,358</b>	<b>\$437,252</b>	<b>\$1,145,340</b>	<b>\$2,137,558</b>
<b>Internal Rate of Return</b>	<b>-8.5%</b>	<b>10.4%</b>	<b>16.0%</b>	<b>18.9%</b>	<b>18.4%</b>	<b>16.1%</b>	<b>14.8%</b>
Return on Investment	-9%	21%	52%	117%	304%	795%	1,484%

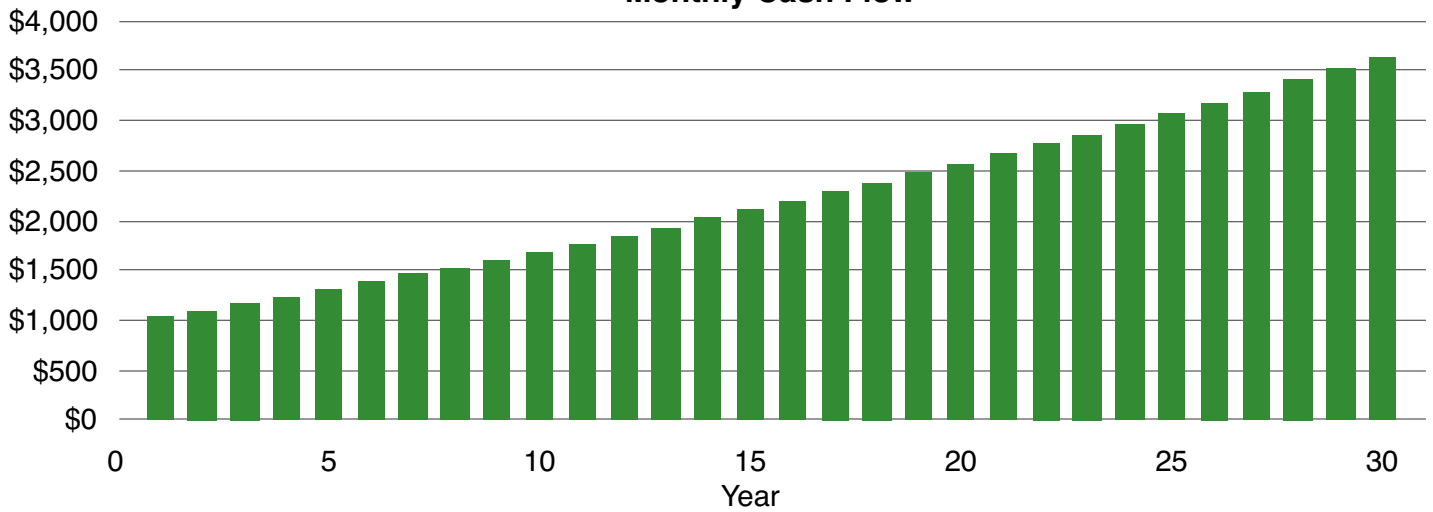
# Graphs

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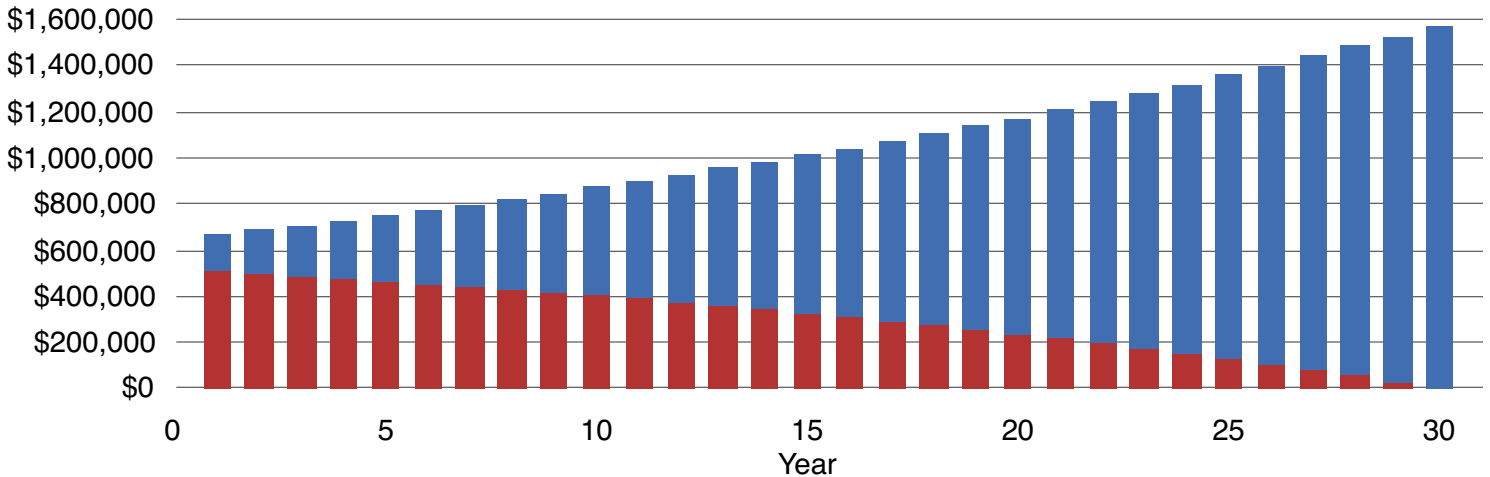


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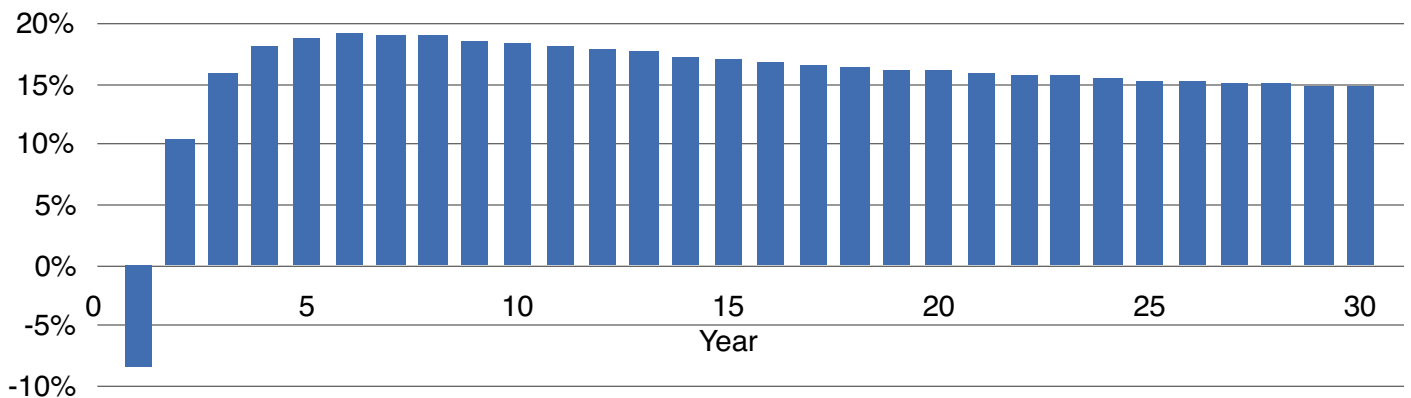
## Monthly Cash Flow



■ 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)
Unit 1 - Basement 2 Bedroom	0	1	\$850 Per Month
Unit 2 - Main Floor 2 Bedroom	0	1	\$1,850 Per Month
Unit 3 - Top Floor 3 Bedroom	0	1	\$1,850 Per Month
<b>Totals for Year 1</b>			
<b>Total Number of Units</b>			<b>3</b>
<b>Total Area (Sum of Units)</b>			<b>0 Square Feet</b>
<b>Total Rent (Sum of Units)</b>			<b>\$4,550 Per Month, \$54,600 Per Year</b>