



REAL ESTATE INVESTMENT ANALYSIS

SEPTEMBER 30 2021

PREPARED FOR :

Sam Racicot



PREPARED BY :

Carlos Nunes

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MAGEX TECHNOLOGIES INC

1098 - 1104 Rue Elgin
Sherbrooke (Les Nations), Estrie, Québec J1H 1A2
Jacques-Cartier



Executive Summary

1098 - 1104 Rue Elgin, Sherbrooke (Les Nations), Estrie, Québec J1H 1A2

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2021-09-30



Income and Expenses

Gross Op. Income	\$24,060.00
Increase of incomes: Year 1	\$188.30
Vacancy and Credits	- \$484.97
Effective Gross Income (EGI)	\$23,763.33
Expenses	\$6,173.00

Cash Flow

Net Operating Income	\$17,590.33
Debt Service	\$16,452.84
Cash Flow (Before Taxes)	\$1,137.49
Total of Equity (Principal Payment)	\$10,350.56
Cash Flow + Equity	\$11,488.05
Appreciation	\$7,280.00
Cash Flow + Eq. + Appreciation	\$18,768.05

Down Payment and Financing

Down Payment	\$36,400.00
Mortgage # 1	\$327,600.00
Length	300 months
Interest Rate	1.89 %
Term	60 months
Payment	\$1,371.07

Acquisition Costs

Total	\$364,000.00
Acquisition Fees	\$15,077.12
Total - Sold Price	\$379,077.12

Financial Ratios (according to Acquisition Cost)* (after 1 year)

Gross Rent Multiplier (GRM)	15.31
Net Rent Multiplier (NRM)	21.11
Average Unit Price	\$123,760.00
Operating Expense Ratio (OER)	25.98 %
Loan to Value Ratio (LVR)	85.45 %
Debt Coverage Ratio (DCR)	1.07
Break Even Ratio	93.31 %
Capitalization Rate	4.74 %
Internal Rate of Return (year 5)	18.13 %
Annual Appreciation	2.00 %

Cash on Cash Return*

Before Equity	2.21 %
After Equity (Principal Payment)	22.32 %
After Equity and Appreciation	36.46 %

Descriptive Card

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Pot. Gr. Income	Oper. Expenses	Net Op. Income
\$24,060.00	\$6,173.00	\$17,887.00

List Price	Payment Type	Balance
\$364,000.00	No	No

Comments

Triplex très bien entretenu aux fils des années, Situé dans le secteur Jacques-Cartier! 2 logements 4 ½ pièces et 1 logement 3 ½ pièces. Appartement offrant de vastes pièces lumineuses. Remise extérieure avec rangement pour chaque locataire. Plusieurs rénovations ont été effectuées dans chaque logement. Revenus annuels potentiels brut de 24 060\$!

Additional Comments

Détails des unités :

#1098 : logement 4 ½ pièces situé au rez-de-chaussée, loué 615\$/mois, rien d'inclus.

#1102 : logement 4 ½ pièces situé au 2e étage, loué 850\$/mois, rien d'inclus.

#1104 : logement 3 ½ pièces situé au sous-sol, loué 540\$/mois, rien d'inclus.

La propriété génère des revenus annuels de 24 060\$!

Tous les locataires bénéficient d'un espace de rangement partagé dans la remise située dans la cour arrière.

Les vendeurs ont effectué plusieurs rénovations à la propriété tel que:

- +- 2012 , les portes et fenêtres ont été changées sauf la porte du 1104, remplacement du revêtement extérieur en même temps (fibrociment).

- +- 2012, Refait la galerie arrière du 1098.

Property information

Year Built	1968
Property Type	Isolé (détaché) - Triplex
Total Units	3
Nb of Levels Above Ground	2
Nb of Basement Levels	2
Zoning Type	Residential
Nominal Roll	43027 9431 71 9818
Registration Division	
Lot	1 049 065
Certificate of Localisation	2008
Building Dimensions	9.31 x 8.14
Building Area	Irregular
Lot Dimensions	15.24 x 30.48
Lot Area	
Municipal Assessment	2021
Land	\$60,400.00
Building	\$158,300.00
Total	\$218,700.00
Owner	Samuel Racicot

Property Details

Foundation	Béton coulé
Roofing	Bardeaux d'asphalte
Windows	PVC, Couissante, Guillotine
Water	Public
Floors	Béton, Bois, Céramique, Vinyle
Laundry Hookup	No
Fire protection	Yes
Laundry	No
Parking	0 Int. 3 Ext.
Outdoor outlets	No
Activities	Residential
Conveniences	Fenced
Energy	Electricity
Heating	Heating Plinths
Outdoor Finishing	Vinyl
Parking	Paved Alley
	Outdoor
Sewer	Public
Site Influence	Proximity of Recreative Activities
	School Proximity
	Public Transport Proximity
Armoires de cuisine	Bois
Armoires de cuisine	Mélamine
Topographie	En pente

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Sam Racicot

Contact Broker
Filipe Nunes

Information and Appointment
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Descriptive Card (Continued)

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- +- 2015, rénovation complète du 1104.
- +- 2013, refait les planchers et modification des divisions du salon du 1098.
- +- 2015, refait la salle de bain du 1102.
- En 2021, le revêtement extérieur a été refait sur les 4 côtés.

La propriété est située à \pm 2 km de 10 écoles p

Included

Lave-vaisselle du 1102, lustres.

Excluded

Tout les biens personnels des locataires.

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Filipe Nunes

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Pictures

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2021-10-01

Façade



2021-10-01

Façade



2021-10-01

Logement



2021-10-01

Logement



2021-10-01

Logement



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Logement



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Logement



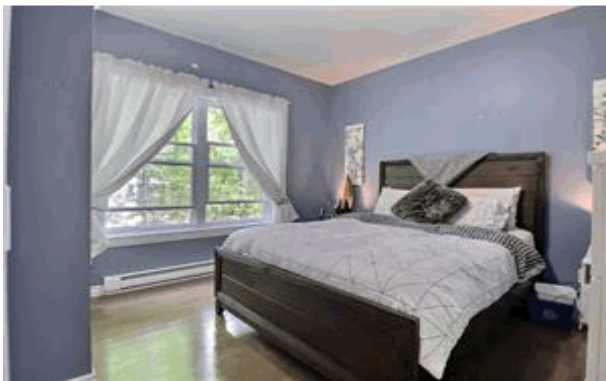
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Logement



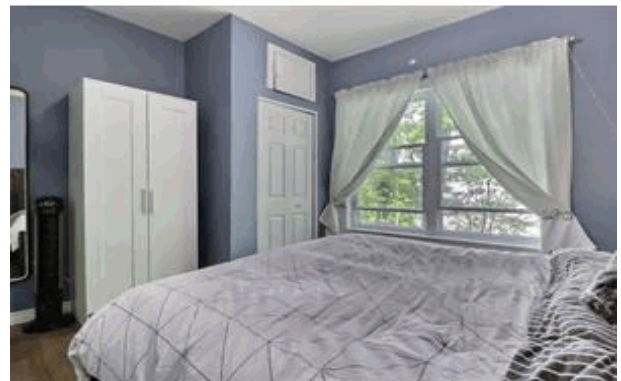
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Logement



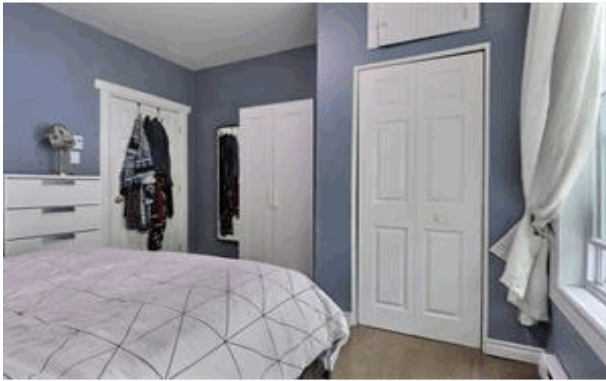
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Extérieur



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Extérieur



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Extérieur



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Extérieur



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Stationnement



2021-10-01
Stationnement



2021-10-01
Balcon



2021-10-01
Balcon



2021-10-01
Balcon



2021-10-01
Extérieur

Leases Terms and Conditions

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Apt	Size	Included Services											End of Lease	Vacant	Renewed Lease	Occ. Owner	Tenant / Comment	Rent	
		Other 1	Heating	Electricity	Hot Water	Water Tax	Laundry	Parking	Furnished	Half Furnished	Garage	Other 2						Monthly	Yearly
1098	4	-	-	-	-	x	-	x	-	-	-	-	2022-06-30	-	-	-	Revenu résidentiel mensuel	\$615.00	\$7,380.00
1102	4	-	-	-	-	x	-	x	-	-	-	-	2022-02-28	-	-	-	Revenu résidentiel mensuel	\$850.00	\$10,200.00
1104	3	-	-	-	-	x	-	x	-	-	-	-	2022-06-30	-	-	-	Revenu résidentiel mensuel	\$540.00	\$6,480.00
																		\$2,005.00	\$24,060.00

Financial Analysis

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Income		Monthly	Annually
1 x 3		\$540.00	\$6,480.00
2 x 4		\$1,465.00	\$17,580.00
Potential Gross Income (PGI)		<u>\$2,005.00</u>	<u>\$24,060.00</u>
Vacancy and Credits		Monthly	Annually
Vacancy Rate	1.00 %	\$20.05	\$240.60
Bad Debt	1.00 %	\$20.05	\$240.60
Effective Gross Income (EGI)		<u>\$1,964.90</u>	<u>\$23,578.80</u>
Expenses		Monthly	Annually
Total Expenses	26.18 %	\$514.42	\$6,173.00
Total of Expenses	<u>26.18 %</u>	<u>\$514.42</u>	<u>\$6,173.00</u>
Cash Flow			Annually
Net Operating Income			\$17,405.80
Debt Service		-	\$16,452.84
Cash Flow (Before Taxes)			<u>\$952.96</u>
Total of Equity (Principal Payment)		+	\$10,350.56
Cash Flow + Equity			<u>\$11,303.52</u>
Appreciation		+	\$7,280.00
Cash Flow + Eq. + Appreciation			<u>\$18,583.52</u>

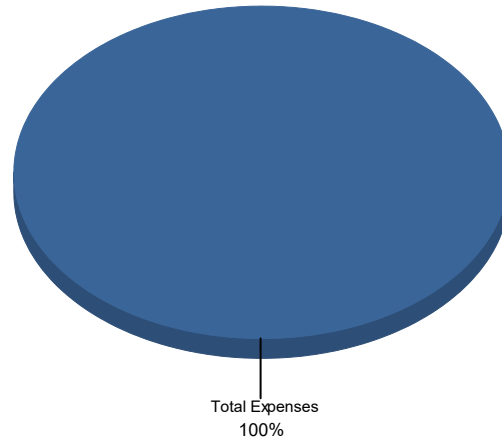
Financial Analysis

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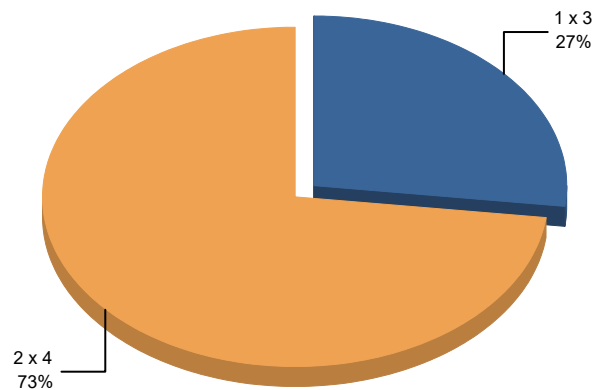
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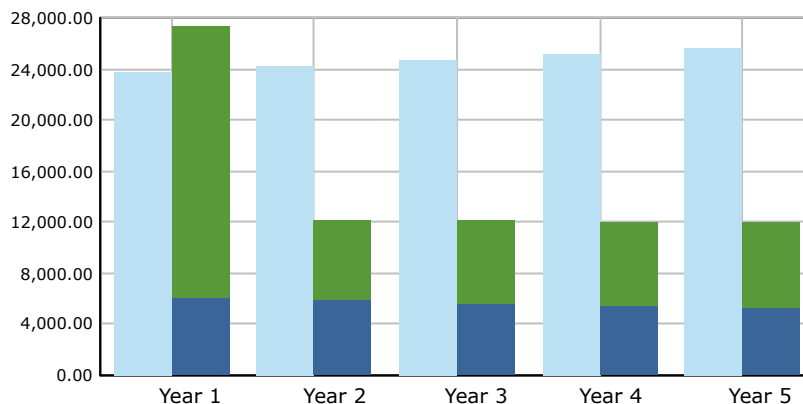
Expenses Distribution



Income Distribution



Incomes, expenses and mortgage interests



This diagram helps to illustrate the available incomes following the payment of the operating expenses and the mortgage interests. These incomes are considered as profit and will serve in part to pay the income taxes.

Effective Gross Income
Operating Expenses
Mortgage Interest

Financing

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Acquisition Cost

Total - Sold Price **\$364,000.00**

Acquisition Fees

Loan Insurance Premium (3.10 %) \$10,155.60

Premium Tax (9.98 %) \$1,013.02

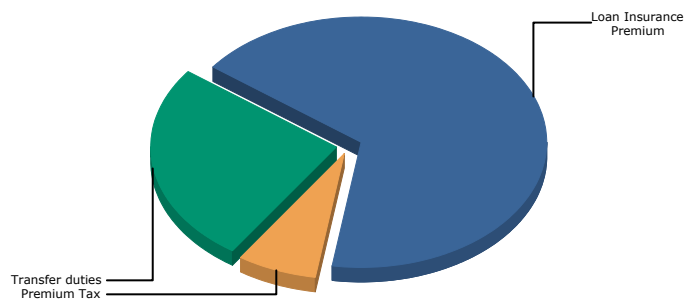
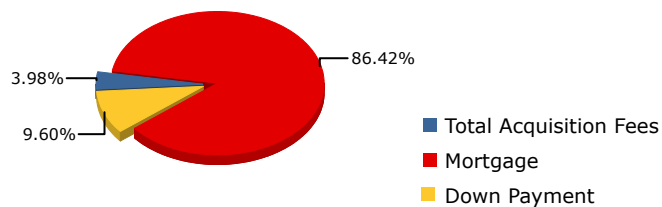
Transfer duties \$3,908.50

Total **\$15,077.12**

GRAND TOTAL **\$379,077.12**

Total unfinanced fees **\$15,077.12**

Detailed Acquisition



Down Payment

\$36,400.00 (10.00 %) of Acquisition Cost

Mortgage # 1

\$327,600.00 (90.00 %) of Acquisition Cost

Length	300 months
Interest Rate	1.89 %
Term	60 months
Payment Frequency	Monthly
Compound Interest	Monthly
Payment	\$1,371.07

Profitability Analysis

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Financial Ratios (After 1 year)*

Acquisition Cost

Gross Rent Multiplier (GRM)	15.31	15.31
Net Rent Multiplier (NRM)	21.11	
Average Unit Price	\$123,760.00	
Operating Expense Ratio (OER)	25.98 %	
Loan to Value Ratio (LVR)	85.45 %	
Debt Coverage Ratio (DCR)	1.07	
Break Even Ratio	93.31 %	
Capitalization Rate (CR)	4.74 %	
Internal Rate of Return (year 5)	18.13 %	

Cash on Cash Return

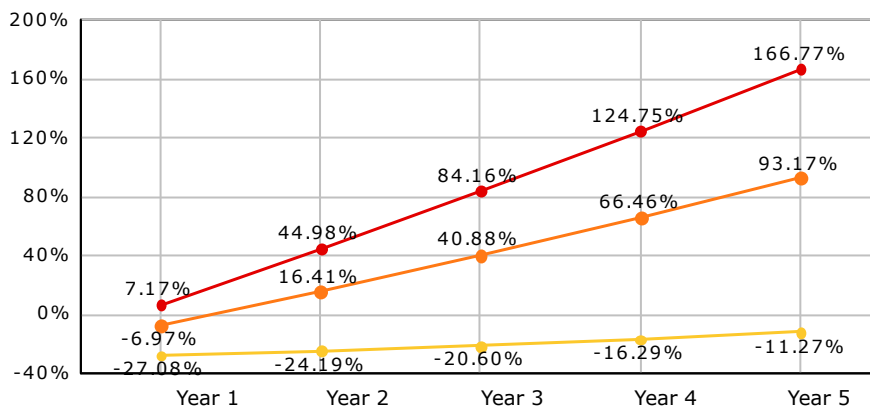
Before Equity	2.21 %
After Equity (Principal Payment)	22.32 %
After Equity and Appreciation	36.46 %

Financial Ratios (At Year 0)*

Acquisition Cost

Gross Rent Multiplier (GRM)	15.44
Net Rent Multiplier (NRM)	20.91
Average Unit Price	\$121,333.33
Capitalization Rate	4.78 %

Cash on Cash Return**



This diagram represents the portion of the initial down payment that goes back in the investor's pockets throughout the years. In other words, with this diagram it is possible to identify the moment when the investor will have entirely recovered his down payment by observing the moment when 100% is reached.

- Cash on Cash Return (Appreciation)
- Cash on Cash Return (after Equity)
- Cash on Cash Return (before Equity)

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*Not considering non-financed acq. fees nor fixed expenses
**Considering non-financed acquisition fees and fixed expenses.

Ratios Definition

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Definitions and Formulas

Gross Rent Multiplier (GRM):

This ratio shows how many times the gross income represents the value of the property.

$$\frac{\text{Value of the property}}{\text{Gross Income}}$$

Net Rent Multiplier (NRM):

This ratio shows how many times the net operating income represents the value of the property.

$$\frac{\text{Value of the property}}{\text{Net Operating Income}}$$

Unit Price

Average unit price.

$$\frac{\text{Value of the property}}{\text{Number of units}}$$

Operating Expense Ratio (OER)

This ratio gives the gross effective income that is used by operating expenses.

$$\frac{\text{Operating Expenses}}{\text{Gross Effective Income}}$$

Loan to Value Ratio (LVR)

This ratio gives the value of the property proportion that comes from external creditors.

$$\frac{\text{Mortgage Balance}}{\text{Value of the property}}$$

Debt Coverage Ratio (DCR)

Measures the extent to which net operating income can cover the debt service.

$$\frac{\text{Net Operating Income}}{\text{Financing Cost}}$$

Break Even Ratio

This ratio gives the minimal occupancy rate for which expenses are covered by gross income.

$$\frac{\text{Expenses} + \text{Financing Cost}}{\text{Gross Potential Income}}$$

Capitalization Rate (Cap. Rate)

It's a measure of the ratio between the cash flow produced by a property and its capital cost (the original price paid) or alternatively its current market value. (Net operating income / value (or selling price) = Capitalization Rate).

$$\frac{\text{Net Operating Income}}{\text{Value of the property}}$$

Cash return on Cash (ConC):

This ratio represents the equity return rate of the owner based on his personal tax rate if a tax rate has been specified. The mentioned equity return illustrates the return rate before and after capitalization following the first year of acquisition. (See financial Forecasts for the following years).

$$\frac{\text{Cash Flow before and after Capitalization}}{\text{Down Payment}}$$

Internal Rate of Return

Discount rate for which the actualized liquidity values generated by the property are equal to the actualized withdrawal values necessary to carry out this investment.

Homeowner

Rent of Homeowner before Equity:

Occupying owner's rent, considering the cash flow (positive or negative) generated by the property, before tax.

$$\text{Rent} - \frac{\text{Cash Flow Before Equity}}{12 \text{ months}}$$

Rent of Homeowner after Equity:

Occupying owner rent, considering the capitalization and the cash flow generated by the property (rent before equity, principal payment).

$$\text{Rent Bef. Eq.} - \frac{\text{Total of Equity}}{12 \text{ months}}$$

Financial Forecast

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	From Oct 1, 2021 To Sep 30, 2022	From Oct 1, 2022 To Sep 30, 2023	From Oct 1, 2023 To Sep 30, 2024	From Oct 1, 2024 To Sep 30, 2025	From Oct 1, 2025 To Sep 30, 2026
Incomes and Expenses					
Potential Gross Income	\$24,248.30	\$24,733.27	\$25,227.93	\$25,732.49	\$26,247.14
Effective Gross Income	\$23,763.33	\$24,238.60	\$24,723.37	\$25,217.84	\$25,722.20
Operating Expenses	\$21,250.12	\$6,296.46	\$6,422.39	\$6,550.84	\$6,681.85
Net Operating Income	\$2,513.21	\$17,942.14	\$18,300.98	\$18,667.00	\$19,040.34
Debt Service	\$16,452.84	\$16,452.84	\$16,452.84	\$16,452.84	\$16,452.84
Cash Flow (before Taxes)	-\$13,939.63	\$1,489.30	\$1,848.14	\$2,214.16	\$2,587.50
Financing					
Principal Payment	\$10,350.56	\$10,547.87	\$10,748.97	\$10,953.90	\$11,162.73
Mortgage Interest	\$6,102.28	\$5,904.97	\$5,703.87	\$5,498.94	\$5,290.11
Mortgage Balance	\$317,249.44	\$306,701.57	\$295,952.60	\$284,998.70	\$273,835.97
Taxes					
Gross Taxable Income	-\$3,589.07	\$12,037.17	\$12,597.11	\$13,168.06	\$13,750.23
Depreciation (0.00%)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Taxable Income	\$0.00	\$12,037.17	\$12,597.11	\$13,168.06	\$13,750.23
Income Tax (Rate 0.00%)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cash Flow (after Taxes)	-\$13,939.63	\$1,489.30	\$1,848.14	\$2,214.16	\$2,587.50
Undepreciated Capital Cost	\$309,400.00	\$309,400.00	\$309,400.00	\$309,400.00	\$309,400.00
Profitability (Accord. to Market Value)					
Gross Rent Multiplier (GRM)	15.31	15.31	15.31	15.31	15.31
Net Rent Multiplier (NRM)	147.73	21.11	21.11	21.11	21.11
Operating Expenses Ratio (OER)	89.42 %	25.98 %	25.98 %	25.98 %	25.98 %
Loan to Value Ratio (LVR)	85.45 %	80.99 %	76.62 %	72.33 %	68.14 %
Debt Coverage Ratio (DCR)	0.15	1.09	1.11	1.13	1.16
Break Even Ratio (BER)	155.49 %	91.98 %	90.67 %	89.40 %	88.14 %
Capitalization Rate (Cap. Rate)	0.68 %	4.74 %	4.74 %	4.74 %	4.74 %
Market Value of Property per apartment	\$123,760.00	\$126,235.20	\$128,759.90	\$131,335.10	\$133,961.80
Net current Value of the Cash Flow	-\$13,403.49	\$1,376.95	\$1,642.99	\$1,892.68	\$2,126.74
Cash on Cash Return (Before Equity)	-27.08 %	2.89 %	3.59 %	4.30 %	5.03 %
Cash on Cash Return (After Equity)	-6.97 %	23.38 %	24.47 %	25.58 %	26.71 %
Cash on Cash Return (Appreciation)	7.17 %	37.81 %	39.18 %	40.59 %	42.02 %
Equity (cumulative)					

Cash on Cash Return (Appreciation)	7.17 %	44.98 %	84.16 %	124.75 %	166.77 %
Property Value (Annual Appreciation 2.00%)	\$371,280.00	\$378,705.60	\$386,279.71	\$394,005.31	\$401,885.41
Appreciation (Accord. to Market Value)	\$7,280.00	\$14,705.60	\$22,279.71	\$30,005.31	\$37,885.41
Principal Payment	\$10,350.56	\$20,898.43	\$31,647.40	\$42,601.30	\$53,764.03
Cash Flow (after Taxes)	-\$13,939.63	-\$12,450.32	-\$10,602.18	-\$8,388.02	-\$5,800.51
Total Equity	\$3,690.93	\$23,153.71	\$43,324.93	\$64,218.59	\$85,848.93

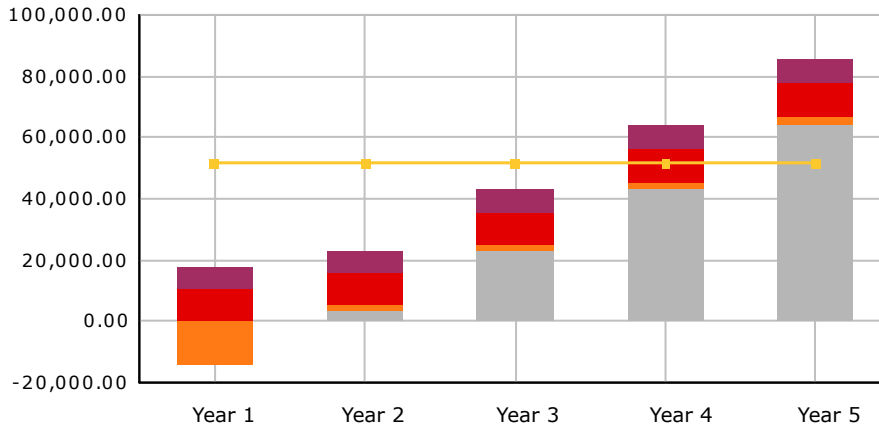
Financial Forecast

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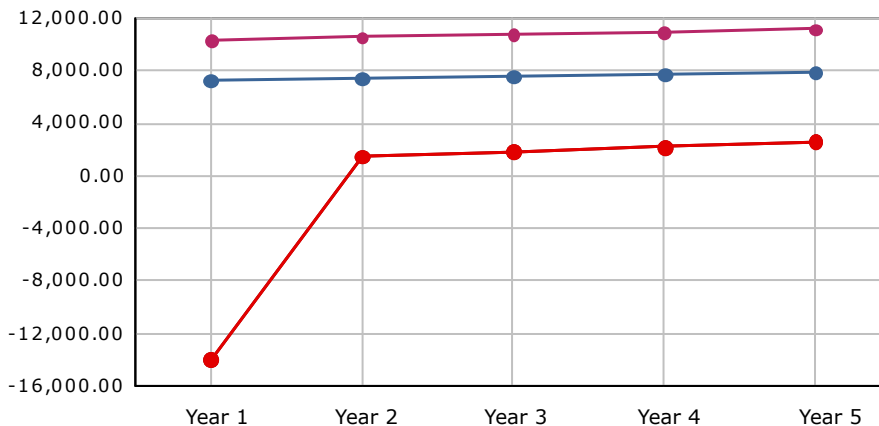
Cumulative Equity



This diagram represents the accumulated amount throughout the years thanks to the profit generated by the building, the assets accumulated by the mortgage reimbursement and to the increase of the building's value. In other words, it is possible to identify the moment when the investor will have entirely recovered his initial down payment by observing the moment when the line, representing the down payment, is reached.

- Annual Appreciation of the Property
- Principal Payment
- Cash Flow (after Taxes)
- Down Payment and Unfinanced Fees
- Cumulative for the previous years

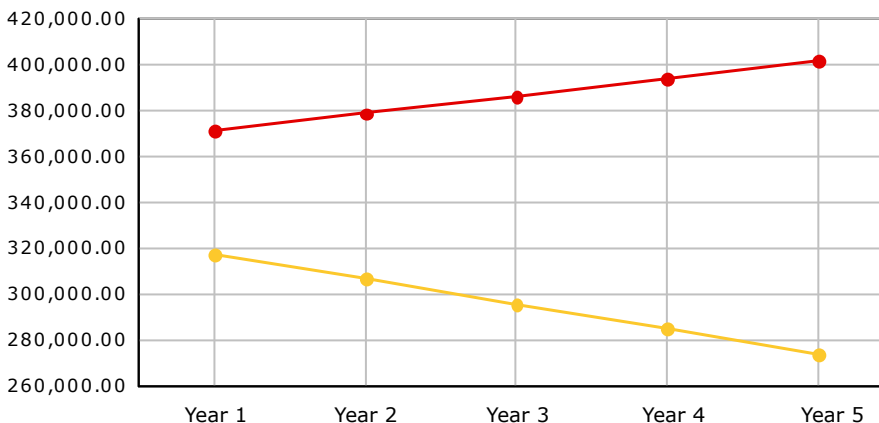
Equity Progression



In this diagram, the evolution of the profit generated by the building by considering the taxes is illustrated. If the acquisition cost is inferior to the market value, an amount higher can be observed for the appreciation the first year because a profit is earned from the purchase.

- Cash Flow (before Taxes)
- Cash Flow (after Taxes)
- Annual Appreciation of the Property
- Principal Payment

Increase of the building value and the mortgage balance.



The space between two lines represents the amount that truly belongs to the investor since it is not detained by mortgage creditors. The building increases in value each year without additional financing being necessary.

- Property Value
- Mortgage Balance

Mortgage Details

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Mortgage						
Amount	\$327,600.00					
Interest Rate	1.89 %					
Length	300 months					
Term	60 months					
Payment Frequency	Monthly					
	Date	Payment	Principal	Interest	Balance	Total Interest
0	2021-09-01	\$0.00	\$0.00	\$0.00	\$327,600.00	\$0.00
1	2021-10-01	\$1,371.07	\$855.10	\$515.97	\$326,744.90	\$515.97
2	2021-11-01	\$1,371.07	\$856.45	\$514.62	\$325,888.45	\$1,030.59
3	2021-12-01	\$1,371.07	\$857.80	\$513.27	\$325,030.65	\$1,543.86
4	2022-01-01	\$1,371.07	\$859.15	\$511.92	\$324,171.50	\$2,055.78
5	2022-02-01	\$1,371.07	\$860.50	\$510.57	\$323,311.00	\$2,566.35
6	2022-03-01	\$1,371.07	\$861.86	\$509.21	\$322,449.14	\$3,075.56
7	2022-04-01	\$1,371.07	\$863.21	\$507.86	\$321,585.93	\$3,583.42
8	2022-05-01	\$1,371.07	\$864.57	\$506.50	\$320,721.36	\$4,089.92
9	2022-06-01	\$1,371.07	\$865.93	\$505.14	\$319,855.43	\$4,595.06
10	2022-07-01	\$1,371.07	\$867.30	\$503.77	\$318,988.13	\$5,098.83
11	2022-08-01	\$1,371.07	\$868.66	\$502.41	\$318,119.47	\$5,601.24
12	2022-09-01	\$1,371.07	\$870.03	\$501.04	\$317,249.44	\$6,102.28
13	2022-10-01	\$1,371.07	\$871.40	\$499.67	\$316,378.04	\$6,601.95
14	2022-11-01	\$1,371.07	\$872.77	\$498.30	\$315,505.27	\$7,100.25
15	2022-12-01	\$1,371.07	\$874.15	\$496.92	\$314,631.12	\$7,597.17
16	2023-01-01	\$1,371.07	\$875.53	\$495.54	\$313,755.59	\$8,092.71
17	2023-02-01	\$1,371.07	\$876.90	\$494.17	\$312,878.69	\$8,586.88
18	2023-03-01	\$1,371.07	\$878.29	\$492.78	\$312,000.40	\$9,079.66
19	2023-04-01	\$1,371.07	\$879.67	\$491.40	\$311,120.73	\$9,571.06
20	2023-05-01	\$1,371.07	\$881.05	\$490.02	\$310,239.68	\$10,061.08
21	2023-06-01	\$1,371.07	\$882.44	\$488.63	\$309,357.24	\$10,549.71
22	2023-07-01	\$1,371.07	\$883.83	\$487.24	\$308,473.41	\$11,036.95
23	2023-08-01	\$1,371.07	\$885.22	\$485.85	\$307,588.19	\$11,522.80
24	2023-09-01	\$1,371.07	\$886.62	\$484.45	\$306,701.57	\$12,007.25
25	2023-10-01	\$1,371.07	\$888.02	\$483.05	\$305,813.55	\$12,490.30
26	2023-11-01	\$1,371.07	\$889.41	\$481.66	\$304,924.14	\$12,971.96
27	2023-12-01	\$1,371.07	\$890.81	\$480.26	\$304,033.33	\$13,452.22

28	2024-01-01	\$1,371.07	\$892.22	\$478.85	\$303,141.11	\$13,931.07
29	2024-02-01	\$1,371.07	\$893.62	\$477.45	\$302,247.49	\$14,408.52
30	2024-03-01	\$1,371.07	\$895.03	\$476.04	\$301,352.46	\$14,884.56
31	2024-04-01	\$1,371.07	\$896.44	\$474.63	\$300,456.02	\$15,359.19
32	2024-05-01	\$1,371.07	\$897.85	\$473.22	\$299,558.17	\$15,832.41
33	2024-06-01	\$1,371.07	\$899.27	\$471.80	\$298,658.90	\$16,304.21
34	2024-07-01	\$1,371.07	\$900.68	\$470.39	\$297,758.22	\$16,774.60
35	2024-08-01	\$1,371.07	\$902.10	\$468.97	\$296,856.12	\$17,243.57
36	2024-09-01	\$1,371.07	\$903.52	\$467.55	\$295,952.60	\$17,711.12
37	2024-10-01	\$1,371.07	\$904.94	\$466.13	\$295,047.66	\$18,177.25
38	2024-11-01	\$1,371.07	\$906.37	\$464.70	\$294,141.29	\$18,641.95
39	2024-12-01	\$1,371.07	\$907.80	\$463.27	\$293,233.49	\$19,105.22
40	2025-01-01	\$1,371.07	\$909.23	\$461.84	\$292,324.26	\$19,567.06
41	2025-02-01	\$1,371.07	\$910.66	\$460.41	\$291,413.60	\$20,027.47
42	2025-03-01	\$1,371.07	\$912.09	\$458.98	\$290,501.51	\$20,486.45
43	2025-04-01	\$1,371.07	\$913.53	\$457.54	\$289,587.98	\$20,943.99
44	2025-05-01	\$1,371.07	\$914.97	\$456.10	\$288,673.01	\$21,400.09
45	2025-06-01	\$1,371.07	\$916.41	\$454.66	\$287,756.60	\$21,854.75
46	2025-07-01	\$1,371.07	\$917.85	\$453.22	\$286,838.75	\$22,307.97
47	2025-08-01	\$1,371.07	\$919.30	\$451.77	\$285,919.45	\$22,759.74
48	2025-09-01	\$1,371.07	\$920.75	\$450.32	\$284,998.70	\$23,210.06
49	2025-10-01	\$1,371.07	\$922.20	\$448.87	\$284,076.50	\$23,658.93
50	2025-11-01	\$1,371.07	\$923.65	\$447.42	\$283,152.85	\$24,106.35
51	2025-12-01	\$1,371.07	\$925.10	\$445.97	\$282,227.75	\$24,552.32
52	2026-01-01	\$1,371.07	\$926.56	\$444.51	\$281,301.19	\$24,996.83
53	2026-02-01	\$1,371.07	\$928.02	\$443.05	\$280,373.17	\$25,439.88
54	2026-03-01	\$1,371.07	\$929.48	\$441.59	\$279,443.69	\$25,881.47
55	2026-04-01	\$1,371.07	\$930.95	\$440.12	\$278,512.74	\$26,321.59
56	2026-05-01	\$1,371.07	\$932.41	\$438.66	\$277,580.33	\$26,760.25
57	2026-06-01	\$1,371.07	\$933.88	\$437.19	\$276,646.45	\$27,197.44
58	2026-07-01	\$1,371.07	\$935.35	\$435.72	\$275,711.10	\$27,633.16
59	2026-08-01	\$1,371.07	\$936.83	\$434.24	\$274,774.27	\$28,067.40
60	2026-09-01	\$1,371.07	\$938.30	\$432.77	\$273,835.97	\$28,500.17
Total		\$82,264.20	\$53,764.03	\$28,500.17		



Sale Price Evaluation

1098 - 1104 Rue Elgin, Sherbrooke (Les Nations), Estrie, Québec J1H 1A2

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2021-09-30



Down Payment (Percentage)

Desired Rate of Return
(Before Taxes and Equity) 5.00 %

Income \$23,763.33

Expenses \$6,173.00

Net Annual Income \$17,590.33

Mortgage

Total Mortgage \$315,363.85

Interest Rate 1.89 %

Length months

Mortgage Payments \$1,319.86

Evaluation

Down Payment \$35,040.43

Down Payment (Percentage) 10.00 %

Debt Coverage Ratio 1.11

Annual Profits \$1,752.01

Sale's Price Evaluation \$350,404.28

Resale Yield (year 5)

1098 - 1104 Rue Elgin, Sherbrooke (Les Nations), Estrie, Québec J1H 1A2

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2021-09-30



Net Assets (Before Taxes)

Resale Price	\$401,885.56	
Resale Fees	- \$22,098.68	Brokerage Fees of 5.00 %
Net Resale Price	\$379,786.88	
Mortgage Balance	- \$273,835.97	
Net Assets at Resale	\$105,950.91	
Down Payment	- \$51,477.12	Down Payment and Unfinanced Fees
Increase of Assets (Before Taxes)	\$54,473.79	

Capital Gain

Net Resale Price	\$379,786.88	
Acquisition Cost	- \$364,000.00	
Capital Gain	\$15,786.88	
Capital Gain Exemption	- \$0.00	
Capital Gain Balance	\$15,786.88	
Taxable Capital Gain	\$7,893.44	Taxable portion of Capital Gain of 50.00 %

Tax

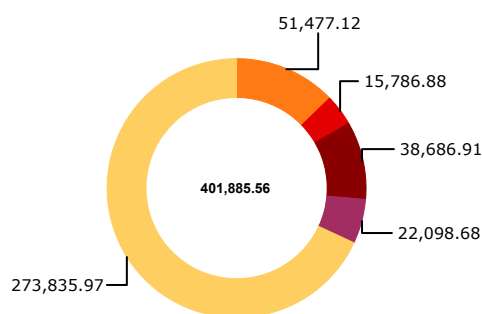
Recovered Annual Depreciation	+ \$0.00	
Taxable Total	\$7,893.44	
Income Taxes	\$0.00	Income Tax rate of 0.00 %

Net Assets (After Taxes)

Assets on Annual Basis	\$54,473.79	
Income Taxes	- \$0.00	
Increase of Assets (After Taxes)	\$54,473.79	

Yield

Assets on Annual Basis	\$10,467.59	
Average of Cash Flow (After Taxes)	+ -\$1,160.10	
Annual Yield	\$9,307.49	
Annual Rate Yield	18.08 %	



This diagram illustrates what the estimated resale price will help to pay. The orange tinted sections (down payment, capital gain and recaptured capital cost) represent the amount belonging to the investor if the building is sold after 5 years of possession.

- Recovered Principal
- Capital Gain (After Taxes)
- Down Payment
- Mortgage Balance
- Resale Fees
- Income Tax