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**Food for Thought**

If you want something really important to be done you must not merely satisfy the reason, you must move the heart also.

- Mahatma Gandhi

**REAL ESTATE SMARTS**

Million Dollar Question: *“At today’s home values is it still viable to invest in homes as rental properties?”*

In order to analyze whether it is viable to invest in rental homes I have used a Purchase Price of \$200,000 with the rental income of \$ 1,095 per month plus utilities. Down Payment of 20% and 2% Closing Costs. Interest rate of 3.29%, 5 year term and 30 year amortization

Purchase Price	\$200,000		
Less 20%	\$40,000	Buyer's Investment	
	\$160,000		
Closing Cost	\$4,000		\$44,000
Other	\$0		
Plus CMHC	\$0		
Mortgage	\$160,000		
RENTAL INCOME	\$1,095	EXPENSES	\$1,095
CASH OUTFLOW		Interest	\$ 413
Mortgage Payment	\$ 698	Property Tax	\$ 141
Property Tax	\$1,692	Insurance	\$ 60
Insurance	\$ 60	Vacancy & Mgmt - 7%	\$ 77
Vacancy & Mgmt - 7%	\$ 77		
	\$ 976		\$ 691
CASH FLOW/NET INCOME	\$ 119		\$ 404
RETURN ON INVESTMENT (CASH ON CASH)			11.0%

If you have questions or require more information, feel free to give me a call.