

Furnished Rentals

Introducing a way to boost rents

Mogul Mastermind, May 25, 2016

- Focus



Typical Downtown Hotel Rates 2 Bed

Hotel	Cost per Night	Cost Per month
Chateau Lacombe	\$168	\$5040
Sutton Place	\$172	\$5160
Coast Edmonton Plaza	\$167	\$5010
Days Inn	\$109	\$3270
Holiday Inn Express	\$143	\$4290
Delta	\$149	\$4470
Courtyard Marriott	\$139	\$4170
Westin	\$221	\$6630
Meterra	\$189	\$5670

Typical 2 BR downtown Air BNB

Air BNB Rental	Cost Per Night	Cost Per Month
Cambridge Loft	\$117	\$2668
Quest	\$189	\$4309
Fox	\$197	\$4373
Franklin	\$127	\$2895
The 10	\$225	\$5130
Icon	\$185	\$4218

Typical 2BR Downtown Monthly Furnished

Furnished Rental	Cost per month
Fox	\$3690
Century	\$3690
Icon	\$3690
Venetian	\$3510
The 10	\$3200
The Executive	\$3000
Pointe 1	\$1500
Valhalla	\$1995
Edmonton House	\$2350

Typical Rents: 2BR Furnished vs. Unfurnished

Building	Furnished	Unfurnished
Fox	\$3690	\$2000
Century	\$3690	\$1950
Icon	\$3690	\$2100
Venetian	\$3510	\$1600
The 10	\$3200	\$2499
The Executive	\$3000	\$2350
Pointe 1	\$1500	\$995
Valhalla	\$1995	\$1250
Cambridge	\$2350	\$1450

Average Monthly Cost – 2BR

- Hotel: \$5000
- Air BNB: \$4000
- Furnished Monthly: \$3000
- Unfurnished Monthly: \$1750

Added Expenses

- Utilities, cable, internet
- Cleaning service
- Tenant placement
- R/M on furnishings
- Vacancy allowance
- PM FEES

Included Items

- Furniture
- Electronics
- Kitchen Items
- Linens

- Toiletries
- Cleaning Supplies
- Basic Food Items

\$10,000 - \$15,000

Included Services

- Internet & Television
- Cleaning Service
- Concierge service
- Parking

Monthly Pro Forma

Purchase Price	\$440,000.00
Total Building Rent	\$3,000.00

Closing Costs

Downpayment (20%)	\$88,000
Legal	\$1,800
Inspection	\$500
Contingency Fund	\$5,000
Total Investment	\$95,300

Mortgage Terms

Rate	2.64%
Amortization	30
Term	5
Type	Fixed
Payment	\$1,416.58

Monthly Expense Budget For First Year

Revenue

	Monthly	Annual
Rent	\$3,000.00	\$36,000.00
Total	\$3,000.00	\$36,000.00

Expense

	Monthly	Annual
Tax	\$229.17	\$2,750.00
Insurance	\$117.33	\$1,408.00
Utilities	\$100.00	\$1,200.00
Condo Fees	\$400.00	\$4,800.00
Cleaner	\$125.00	\$1,500.00
Vacancy 10%	\$300.00	\$3,600.00
Repairs 10%	\$300.00	\$3,600.00
Mortgage	\$1,416.58	\$16,998.99
Total	\$2,988.08	\$35,856.99

Profit

	Monthly	Annual	Cash on Cash Yield (Annual Cashflow/Total investment)
Cashflow	\$11.92	\$143.01	0.15%
Reserve <small>(amount saved into reserve fund after year 1)</small>	\$600.00	\$7,200.00	7.56%
Total	\$611.92	\$7,343.01	7.71%

Tenant Profile

- Business Execs
- Corporate Clientele
- Mature Students
- Athletes
- Skilled Labor
- Insurance Claims

Tenant Screening

- Typical reference checks
 - Credit
 - Employment
 - Income
- Check on security of company
 - Final say on placements
 - Commitment to disclose employment info

Move – In Procedure

- Add all furnishings to checklist
- Take detailed photos of each item
- Take a wide angle photo with tenant in suite
- Present welcome package

10805 – 102 Street
Edmonton, Alberta T5H 3P9
Email James@Jamesknnull.com

James Knnull 780-340-1340

fax: 1-866-880-9465

Credit Card Pre-Authorization

A damage deposit, in the form of this credit card authorization, is intended to compensate (in whole or part) for the following contingencies: breakages or missing items included in the furnishing of the suite; damage to the interior or exterior of the Property other than normal wear and tear; other loss of or to the Property; and cleaning costs. In the event that James Knnull or its agents identify any claim or damages allegedly caused by the Guest(s) James Knnull will advise the Guests in writing within 5 business days of the last date of tenancy, giving full particulars of the alleged damages and allowing the Guest(s) the opportunity to view (in person or through photographs) any such damages claimed. Any damage claimed shall be supported by a minimum of two competitive estimates. In the event of a damage deposit claim, the amount deducted from the damage deposit shall be the amount claimed by James Knnull, pending resolution of any dispute between James Knnull and Guests. The Tenant/Guest agrees to inform James Knnull immediately of any damages that occur during tenancy.

Security Deposit – Extra Protection

I, _____, understand that my credit card information will only be processed in the case of damaged or missing items at the rental suite at #802 10179-105 Street, AB, and/or if the property needs cleaning by agents of James Knnull, and/or property damage is identified as associated with use by me or my guests.

I further understand that my credit card information is not entered into any database, and will be held in a secured place until after the tenancy, at which point the information record will be destroyed.

Cardholder Name:

Visa

Mastercard

Telephone Number:

Card Number:

Address:

Expiry Date:

Security Code:

I, _____ hereby authorize James Knnull or an agent action in its behalf to apply the above-described charges as required to the above credit card during and/or after the tenancy.

Cardholder's Signature: _____

Date: May 20/16

Ongoing Management

- Always hire a cleaner – keep an eye on suite
- Immediate response time to R/M
- Courtesy call weekly

Summary

- Pros

- Increased Revenue
- Safer Tenant Profile
- High Demand

- Cons

- Higher Expenses
- More management
- More R/M

- CRUCIAL: Detailed Market analysis

- CRUCIAL: Detailed Pro Forma

Questions?



James Knull Real Estate

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