

Rental Income Supplements \$230,000 of the cost of this property	
Address	122 St John St
Type	Summer Apt
Cost to Build Price	25,000
Gross Income	15,200
Rental Income	15,200
Other Income - Coin Laundry	0
Insurance	300
Maintenance	
Maint. As % of Build Price	1.50%
True Maintenance Cost	375
Water/Sewerage	294
Preparation & Cleaning	700
Electricity	195
Snow/Garbage/Lawn	140
Satellite TV	15
Total Expenses	2,019
Net Income	13,181
Per Month Cash Flow	1,098
Can support a 3.09% 5yr loan of:	230,000

Rent Roll	Wks	\$/wk	Rent/mo
Jun 8-22	2	500	1,000
Sep 1-Oct 15	6	700	4,200
Jun 23-Aug 31	10	1,000	10,000
Annual Rental Income			15,200

The possible cash flow shows that the summer apartment can support \$230,000 of the mortgage of the property. That brings the remaining "cost" to the Buyer of \$369,000 (\$599,000-\$230,000).

The premium for waterfront is \$200,000 (for a vacant lot) so that leaves \$169,000 (\$369,000-\$200,000) for the "apparent" cost of the house.

Even at 50% of the projected rental income, the cost of the house would still only be \$284,000 plus the waterfront premium.