

5101 RUE FRONTENAC,  
LAC-MÉGANTIC  
5 UNITS AND 1 COMMERCIAL UNIT

FOR SALE



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## PROPERTY DESCRIPTION

Building constructed in 2017. Beautiful semi-commercial building with a lake view, located in the heart of Mégantic with a strategic location. 5 x 4.5 residential units and one commercial unit. High-quality construction, each dwelling equipped with a heat pump. Novoclimat 2.0 certification. A great opportunity!

### HIGHLIGHTS

Location, recent construction, Novoclimat 2.0 certification, lake view, close to all services.

Possibility of assuming a loan (BNC, interest rate 1.89%).

Commercial lease ending on September 30, 2027.

Optimization potential as rents are below market values.

### ASKING PRICE

889 000 \$

+GST/PST on the commercial portion

**NUMBER OF UNITS**

5 x 4.5 + 1 commercial space



**NUMBER OF PARKINGS**

6 spots

**RESPONSIBILITY FOR HOT WATER**

Tenants

**RESPONSIBILITY FOR HEATING**

Tenants

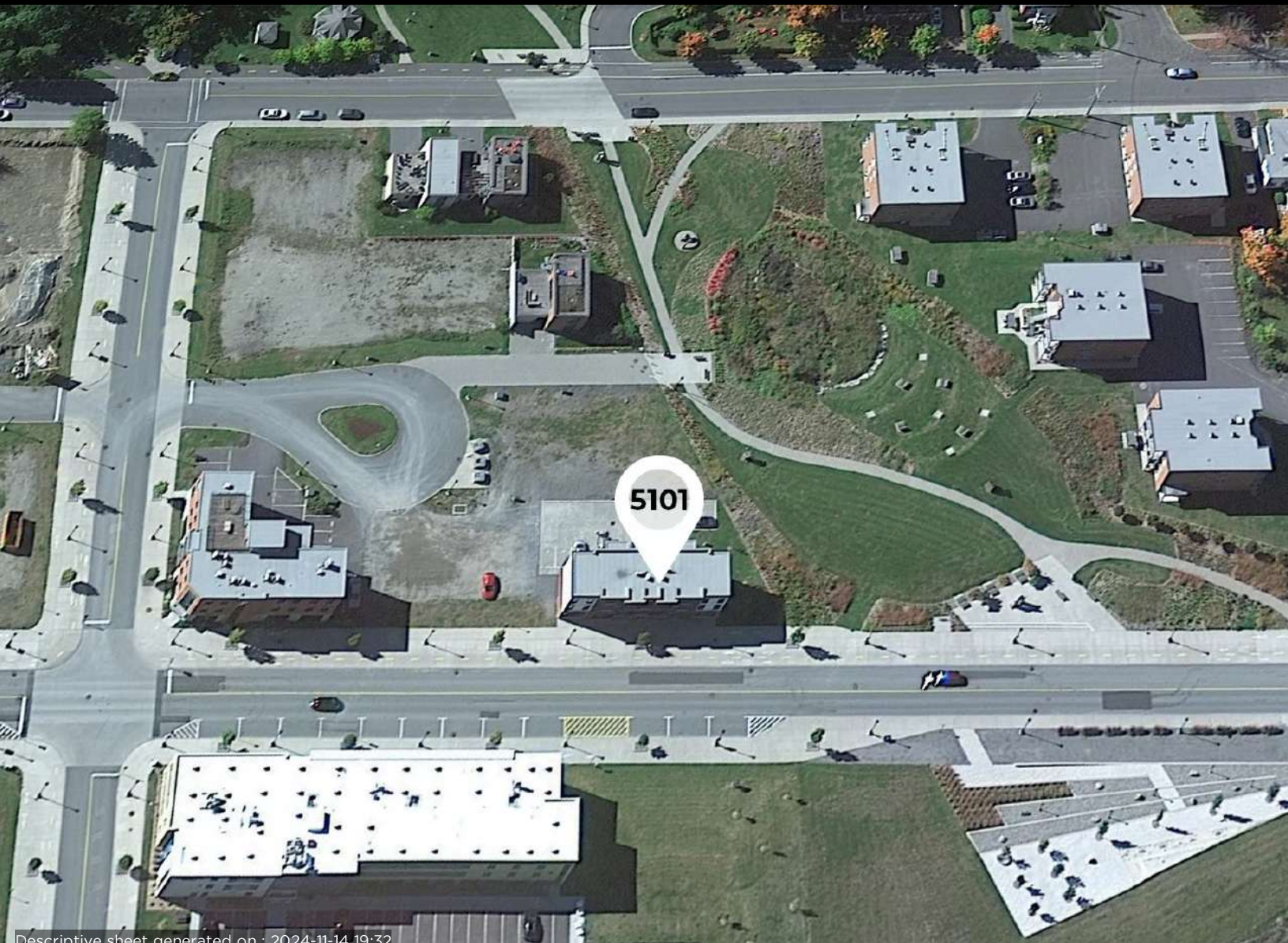
**RESPONSIBILITY FOR APPLIANCES**

Tenants





5101 Rue Frontenac, Lac-Mégantic



# BUILDING DESCRIPTION

## GENERAL INFORMATIONS

### CADASTRAL NUMBER

6 085 298

### LAND AREA

8 768.2 ft<sup>2</sup>

## CONSTRUCTION

### YEAR BUILT

2017

### BUILDING TYPE

Detached

### CONSTRUCTION TYPE

Brick and wood

## MUNICIPAL ASSESSMENT

### LAND

93 700 \$

### BUILDING

625 600 \$

### TOTAL

719 300 \$

## CAPITAL SPENDINGS IN RECENT YEARS

## OTHER INFORMATION

Novoclimat 2.0 construction. Turnkey project  
Apartment A: 10' ceiling (built for commercial)  
Located a few steps from the lake and all services  
Commercial unit: end of lease September 30, 2027, rental area 838.19 ft<sup>2</sup>, taxable part 22%

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## FEATURES

### HEATING SYSTEM

Electric baseboards, wall-mounted heat pump

### HOT WATER SYSTEM

Independent tanks

### ELECTRICAL PANELS

Breakers

### PLUMBING

Copper

### WASHER AND DRYER OUTLET

Washer/dryer in each unit

### LAUNDRY ROOM

No

### CONDITION OF THE KITCHENS

New

### CONDITION OF THE BATHROOMS

New

### FLOOR COVERING

Laminated and epoxy

### ENVIRONMENTAL STUDY

None

### CONDITION OF ROOF

New - 2017

### SIDING

Wood, brick, Maibec

### CONDITION OF BALCONIES

New - fiber glass and concrete

### CONDITION OF DOORS

New - 2017

### CONDITION OF WINDOWS

New - Aluminum/PVC

### PARKING SURFACE

Exterior

### INTERCOM SYSTEM

No

### FIRE ALARM SYSTEM

No

### JANITOR AGREEMENT

No

### OTHER INFORMATION

# REVENUE

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|                      |                  | %            | RPU(M)          |
|----------------------|------------------|--------------|-----------------|
| RESIDENTIAL          | 48 228 \$        | 81 %         | 804 \$          |
| COMMERCIAL           | 11 368 \$        | 19 %         | 947 \$          |
| PARKING              |                  |              |                 |
| LAUNDRY ROOM         |                  |              |                 |
| STORAGE              |                  |              |                 |
| <b>TOTAL REVENUE</b> | <b>59 596 \$</b> | <b>100 %</b> | <b>1 751 \$</b> |

# EXPENSES

|                       |        | YEARLY           | %/GR        | CPU             |
|-----------------------|--------|------------------|-------------|-----------------|
| VACANCY/BAD DEBT      | CMHC   | 1 788 \$         | 3 %         | 298 \$          |
| ADMINISTRATION        | CMHC   | 2 457 \$         | 4 %         | 409 \$          |
| MUNICIPAL TAXES       | Actual | 13 331 \$        | 22 %        | 2 222 \$        |
| SCHOOL TAXES          | Actual | 690 \$           | 1 %         | 115 \$          |
| INSURANCE             | Actual | 2 596 \$         | 4 %         | 433 \$          |
| ELECTRICITY           | Actual | 412 \$           | 1 %         | 69 \$           |
| HEATING               |        |                  |             |                 |
| SNOW REMOVAL          | Actual | 525 \$           | 1 %         | 88 \$           |
| ELEVATOR              |        |                  |             |                 |
| EQUIPMENT RENTAL      |        |                  |             |                 |
| MAINTENANCE RESERVE   | CMHC   | 3 660 \$         | 6 %         | 610 \$          |
| WAGES/JANITOR         | CMHC   | 1 290 \$         | 2 %         | 215 \$          |
| FURNITURE RESERVE     |        |                  |             |                 |
| <b>TOTAL EXPENSES</b> |        | <b>26 749 \$</b> | <b>45 %</b> | <b>4 458 \$</b> |
| <b>NET INCOME</b>     |        | <b>32 847 \$</b> |             | <b>5 475 \$</b> |

# FINANCING

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|                     | CONVENTIONAL | CMHC       | ASSUMPTION |
|---------------------|--------------|------------|------------|
| MAXIMUM LOAN AMOUNT | 345 000 \$   | 469 000 \$ | 463 673 \$ |
| FINANCING CAP RATE  | 7.25 %       | 6.05 %     | 6.05 %     |
| DEBT COVERAGE RATIO | 1.15         | 1.1        |            |
| INTEREST RATE       | 7.00 %       | 5.60 %     | 1.89 %     |
| AMORTIZATION        | 25 YEARS     | 35 YEARS   | 28 Years   |
| TERM                | 5 YEARS      | 5 YEARS    | avril 2026 |

# CASH FLOW

|                                      | CONVENTIONAL | CMHC       | ASSUMPTION 1 & 2 |
|--------------------------------------|--------------|------------|------------------|
| NET REVENUE                          | 32 847 \$    | 32 847 \$  | 32 847 \$        |
| ANNUAL MORTGAGE COST                 | 28 997 \$    | 32 131 \$  | 34 430 \$        |
| NET CASH AFTER MORTGAGE              | 4 375 \$     | 1 241 \$   | -1 583 \$        |
| RETURN ON INVESTMENT ON ASKING PRICE |              |            |                  |
| CASHDOWN NEEDED                      | 544 000 \$   | 420 000 \$ | 425 327 \$       |
| CASH ON CASH RETURN                  | 0.80 %       | 0.29 %     | -1.00 %          |
| RETURN ON LIQUIDITY + CAPITALIZATION | 1.79 %       | 1.43 %     | -1.00 %          |
| IRR WITH 2% MARKET APPRECIATION      | 5.06 %       | 5.66 %     | -1.00 %          |

COST PER UNIT  
148 167 \$

GROSS REVENUE MULTIPLICATOR  
14,9

NET REVENUE MULTIPLICATOR  
27,1

FINANCING CAP RATE  
3.69 %



