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WUD DEVELOPMENTS LTD.
REAL ESTATE INVESTING



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Introduction

WHO IS WUD DEVELOPMENTS LTD.?

For years we have been doing renovations for other people to help them create equity in their homes.

We have converted single family homes into duplexes for clients so they can reap the benefits of earning a rental income. Then it hit us...if we can do this for others, why aren't we doing this for ourselves? Although it may not seem like it, this is the perfect time to jump into the crazy world of real estate.

**WHY IS NOW A GOOD TIME TO
INVEST IN REAL ESTATE?**

**“A funny thing happens in real
estate. When it comes back, it
comes back up like gangbusters.” -
Barbara Corcoran, Real Estate
Investor**

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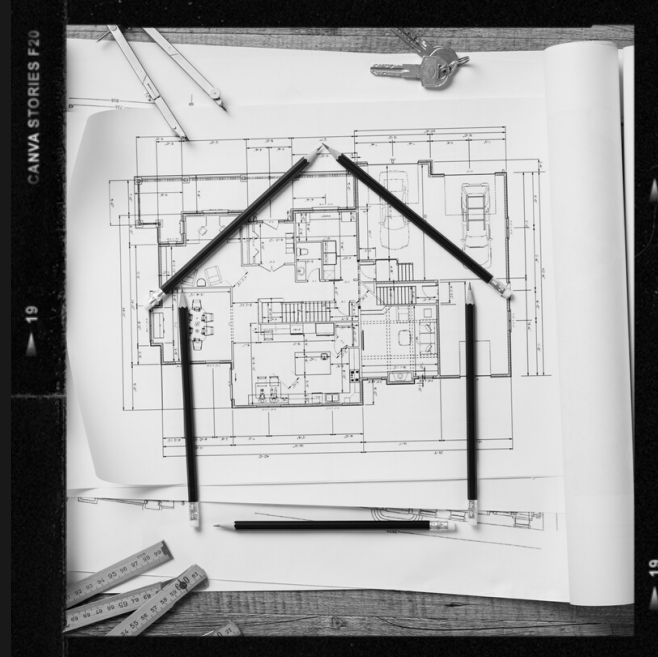


PORTFOLIO



RENOVATIONS

Big or small, we've done them all! We have done countless renovations for clients over the years. Washrooms, flooring, concrete work, kitchens, painting. You name it, we've done it.



ADDITIONS

We work with clients from start to finish on addition projects.

From initial stages dealing with designers, acquiring permits, to building from the foundation up.



FULL BUILDS

We have built 3 houses from the ground up in the last 3 years. A 3 bedroom, 2 bathroom home in Ramara township, our family cottage that sleeps 16 in Innisfil and most recently a 2200 sq ft lakehouse in Seabright.



RENTAL PROPERTIES

And finally, where our passion lies and where we are headed with our goals.

We currently have 2 rental properties. Both single family homes that we converted into duplexes.

We are waiting on the permits to build garden suites on both properties to create triplexes.





Different types of Real Estate Investing



FLIP

Probably the most well known type of investing. Does it work in this type of market?

BRRRR STRATEGY

Our current rental properties were purchased with this method. Don't wait to buy real estate...buy real estate and wait.

JOINT VENTURES

A joint venture is a business entity created by two or more parties, generally characterized by shared ownership, shared returns and risks.



FLIPPING HOUSES

BENEFITS AND DOWNFALLS IN THIS MARKET

If you are a short term investor looking to make a quick buck, flipping is the way to go. If you are looking for more of a regular income, buying a home as a rental property is the better way.

The 70% rule helps home flippers determine the maximum price they should pay for an investment property. Basically, they should spend no more than 70% of the home's after-repair value minus the costs of renovating the property.



BRRRR STRATEGY

BUY, RENO, RENT, REFI, REPEAT

This system involves purchasing a home (Buy), renovating it so you can rent it out (Rehab and Rent), turning your equity into cash through a refinance, and then taking the money to do it all over again (Repeat).



JOINT VENTURES

What is a Joint Venture (JV)?

A JV is when two or more individuals join resources to achieve great results in a shorter period of time. (Often 50/50 but...)

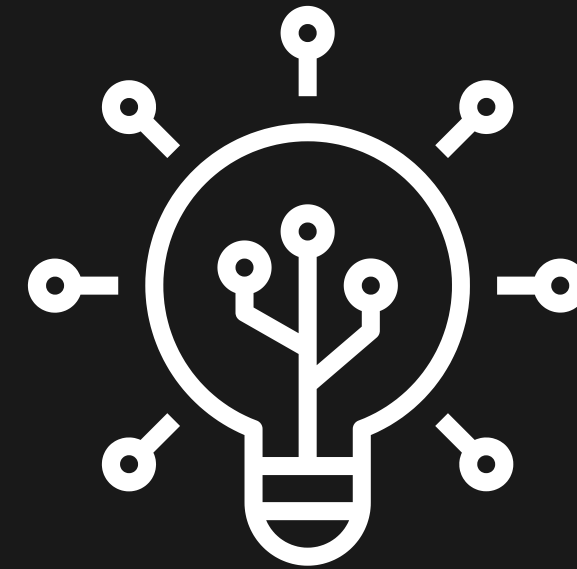
Real estate investor EXPERT (us)
&
INVESTOR (you)

WHY JOINT VENTURES?



INVESTOR

1. Lack of time
2. Lack of expertise
3. Distance to best markets
4. Wants to be hands off
5. Unable to meet goals
6. Doesn't want to deal with tenants
7. Reduce RISK
8. Higher ROI



REAL ESTATE EXPERT

1. Not enough capitol
2. Unable to attain mortgages
3. Unable to meet goals
4. Help others attain goals

WHO DOES WHAT?

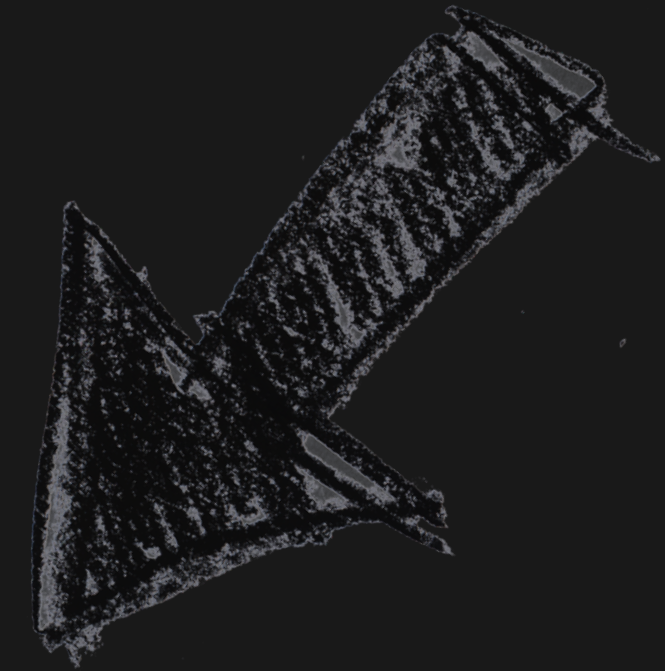
INVESTOR-50% OWNERSHIP

- Invests **ONLY** his/her money and minimal time for due diligence
- Provides down payment/closing costs
- Provides renovation money
- Attains mortgage/holds title solely
- Independent legal advice



WHO DOES WHAT?

REI EXPERT-50% OWNERSHIP

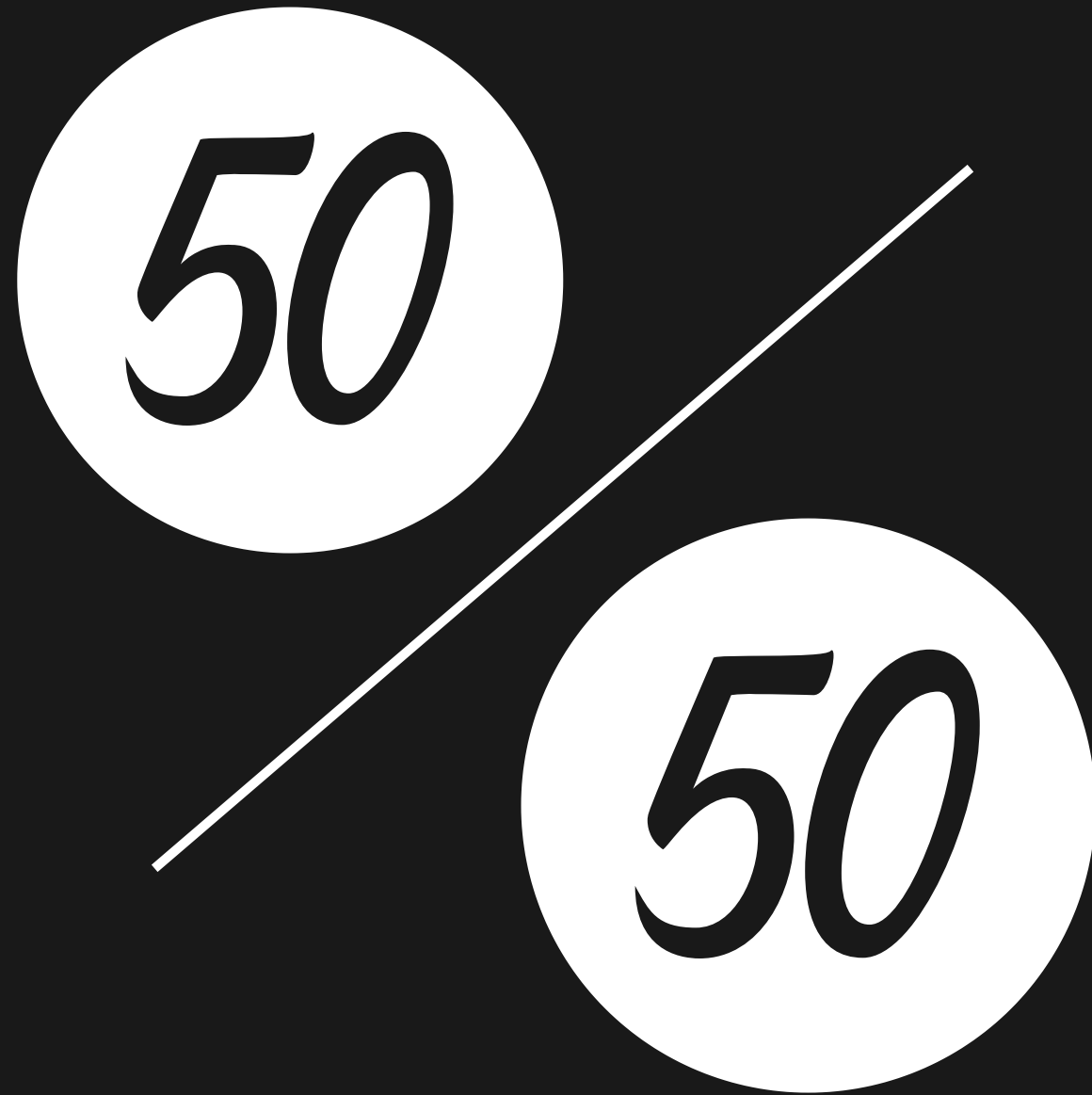


- Provides proven investment strategy to maximize returns
- Provides access to the Power Team
- Finds under value properties
- Negotiate offers with realtors
- Completes discounted reno's with in house staff (at cost)
- Book keeping and reporting to investor and accountants
- Property Management and day to day operations (at cost)

Property Management and day to day operations

- Manages the property
- Secures tenants
- Manage issues or complaints
- Coordinates repair or improvement services
- Manages rents
- Marketing
- etc.

WHAT DOES 50/50 MEAN?



- Ownership is 50% each party
- Monthly cash flow is split 50/50
- When sold, investor gets their remaining investment back first and profit is split 50/50
- Potential loss is split 50/50
- Potential large expenses split 50/50

BEING PREPARED: INVESTOR

- Education: Know the basics
- Understand a PROFORMA
- References
- Property Tours
- Understanding the risks

JOINT VENTURE AGREEMENTS

- Memorandum Agreement of intent
5K in trust
- Two agreements
 - Main agreement can be used for multiple properties
 - Side agreement-new for each property
- Everything is identified and agreed to on paper
 - Who is responsible for what
 - What stake each party has
 - Death
 - Disagreement
 - Term
 - etc.

JOINT VENTURE PROCESS

1. Expert & Investor meet-compatible? Y/N
2. They come up with investment parameters
3. Start dealing with lender-verify income/pre. qual.
4. Complete agreement of intent
5. Expert finds a property
6. Expert negotiates the purchase
7. Expert signs firm purchase and sale agreement
8. Offers deal to Investor Y/N
9. PAS Agreement is amended-investors name
10. Lender starts to qualify Investor for mortgage
11. I & E meet lawyer to discuss CV agreements
12. Investor attains independent legal advice
13. I & E sign agreements
14. Open joint bank account
15. Upon closing, Investor provides downpayment and signs docs
16. Expert picks up keys and takes over from here

FAQ'S

Q. When does the Investor get their money back?

A. At a refinance or sale of property

Q. When is cash flow paid out?

A. Quarterly

Q. How are income and expenses claimed on our taxes?

A. Individually. Each party pays for their shares of income

FAQ'S

Q. What happens at the end of 5 years?

A. Continue as is or sell

Q. Does WDL profit on the renos?

A. No, we do these at cost

**Q. Who pays for unforeseen large expenses ie.
replacing a furnace/vacancy**

A. Joint account or split 50/50

Q. When does the Investor get their money back?

A. At a refinance or sale of property

Q. Who are your investors?

A. Regular people, not all millionaires who have 2-300k in equity. Don't have time and want to have a nest egg for the future

FAQ'S

Q. How are the deals given to investors?

A. On a first come first serve basis. We offer deals we find to all parties interested in investing and whoever is the most prepared or jumps on the opportunity first gets the deal!

Q. What are my next steps if I want to invest with WDL?

A. Let's set up a meeting and chat further!

Turn Key Vs Co-Venture

ACQUISITION/MORTGAGE		
Purchase Price		\$ 535,000
Down payment %		20%
Down payment \$		\$ 107,000
Mortgage		\$ 428,000.00
Rate		3.40%
Mortgage term - years		30
Monthly payment		\$ 1,892

PURCHASE COSTS		
Home Inspection		\$ 400
Appraisal		\$ -
Legal costs		\$ 1,550.00
Immediate renovations		\$ -
Land Transfer Tax		\$ 7,175.00
Title Insurance		\$ 700.00
Reserve Fund		\$ -
Other		\$ -
Total Purchase Costs		\$ 8,825.00
Total cash required to close		\$ 116,825

CASH FLOW ANALYSIS			
		Monthly	Annual
Rent		\$ 3,000.00	\$ 36,000.00
Less vacancy provision	3.00%	90	1,080
Property Tax		\$ 250.00	\$ 3,000.00
Insurance		\$ 110.00	\$ 1,320.00
Repairs & Maintenance	5.00%	150	1,800
Property Management	8.00%	240	2,880
Utilities (Gas, Water, Hydro)		\$ 300.00	\$ 3,600.00
Operating Expenses		\$ 1,140.00	\$ 12,600.00
Net Operating Income		\$ 1,860.00	\$ 22,320.00
Mortgage Payment		\$ 1,892.45	\$ 22,709.40
Net Cash Flow		\$ (32.45)	\$ (389.37)
Net income with Mortgage Pay Down		\$ 655.83	\$ 7,999.03

PROPERTY APPRECIATION			
	5%	YR 0	YR 1
Property appreciation		535,000	561,750
Cash Flow			(389)
Mortgage Pay Down			8,388
Total			34,749

Total Return on Investment Over time		29.7%
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Yearly Return on Investments (ROI)	
Cash on Cash ROI	-0.3%
Cash-Flow + Mortgage Pay Down ROI	6.8%
Total ROI (Cashflow + Mortgage Pay Down + Appreciation)	29.7%

Purchase Price \$535,000

Cost to Purchase \$116,825

Cash Flow \$(32.25)

Return On Investment 29.7%

5 Year Wealth \$190,782

Joint Venture-Buy, Duplex, Refi & Rent

Purchase Price	\$ 380,000.00	80 LTV Initial Mortgage	\$ 304,000.00
Cost to purchase (including closing costs/reserve fund)	\$ 82,875.00		
Renovation Costs to Create 2nd Suite	\$ 70,000.00		
Total Cost to Purchase & Renovate	\$ 152,875.00		
Refinance (New Value)	\$ 535,000.00	80 LTV Mortgage	\$ 428,000.00
Pay back Initial Mortgage			\$ (304,000.00)
Pay Back Renovations Costs			\$ (70,000.00)
Pay Back towards Purchase & REFI Costs			\$ (84,175.00)
Total Remaining Investment			\$ 30,175.00

INVESTOR 50% SHARE				
	MONTHLY	YEARLY	5 YEAR	10 Year
Cashflow	\$ 102.94	\$ 1,235.31	\$ 6,176.57	\$ 12,353.15
Mortgage Pay Down (MPD)	\$ 349.52	\$ 4,194.20	\$ 22,459.32	\$ 41,942.01
Appreciation 5%	\$ 1,114.58	\$ 13,375.00	\$ 73,905.32	\$ 133,750.00
Equity Created at Refi			\$ 38,412.50	\$ 38,412.50
Totals	\$ 1,567.04	\$ 18,804.52	\$ 140,953.71	\$ 226,457.66

INVESTORS 50% RETURN ON INVESTMENT	
Yearly Cash on Cash ROI	4.09%
Yearly Cash & MPD Return	18%
Total Yearly ROI	62%
5 Year Total ROI	467%

Refi Value.	\$535,000
Remaining Investment	\$30,175
Cash Flow	\$102.94
Return On Investment	62%
5 Year Wealth	\$140,900



Profit in Equity after REFI

Post Refi ROI from Equity	
Post Reno Appraised Value	\$535,000.00
Mortgage	(428,000.00)
Remaining Investment	(30,175.00)
Equity Profit after Refi	76,825.00
Investors 50% Share of Equity	38,413.00
Investors ROI after Refi from Equity	127%



TURN KEY VS JOINT VENTURE

SOLO TURN KEY DUPLEX

- PURCHASE PRICE
\$535,000.00
- COST TO PURCHASE
\$116,825.00
- CASH FLOW \$(32.23)
- ROI 29.7%
- 5 YR WEALTH \$190,782.00

HANDS FREE JV

- REFI VALUE \$535,000.00
- REMAINING INVESTMENT
\$30,175.00
- CASH FLOW \$102.94
- ROI 62%
- 5 YR WEALTH \$140,900.00

IN THEORY

- INVESTOR IS LEFT WITH \$86,000.00 MORE TO INVEST WITH
- COULD BUY 2.8 MORE PROPERTIES WITH THIS MONEY
- ATTAINING 62% ROI EACH
- 5 YEAR WEALTH WITH 3.8 PROPERTIES = \$535,420.00 VS. \$190,789.00

Scalability/Retirement plan at 50% Ownership

# Property	Capital Reg	5 Yr Wealth	5 Yr ROI	10 Yr Wealth	10 Yr ROI
1	27,932.75	223,932.75	802%	425,377.70	1523%
2	55,870.00	447,865.50	802%	850,755.40	1523%
3	83,805.00	671,789.26	802%	1,276,133.10	1523%
4	111,740.00	895,731.01	802%	1,701,510.80	1523%
5	139,675.00	1,119,663.76	802%	2,126,888.50	1523%
6	167,610.00	1,343,596.51	802%	2,552,266.20	1523%
7	195,545.00	1,567,529.27	802%	2,977,643.91	1523%
8	223,480.00	1,791,462.02	802%	3,403,021.61	1523%
9	251,415.00	2,015,394.77	802%	3,828,399.31	1523%
10	279,350.00	2,239,327.52	802%	4,253,777.01	1523%



WHAT'S NEXT

IF YOU'RE INTERESTED IN LEARNING MORE LET US KNOW
AND WE CAN SHOW YOU SOME PROPERTIES THAT WE LIKE!