

## Suited Homes

### Why a Suited Home?

Homes with a legal secondary suite are a fantastic way to create 2 income streams under 1 roof and with only 1 mortgage. These units can produce higher monthly cash flow but may require more management and input from you.

### Who should be considering a Suited Homes into their portfolio?

If you are an investor who wants the opportunity to turbo charge your cash flow, this may be a good option for you.

### About Suited Homes...

A suited home has the ability to produce substantial monthly cash flow. To produce that cash flow they also may require some extra attention with associated costs. Because you will have 2 tenants under one roof it is important to consider items like parking, individual entries, laundry facilities, common mechanical room, separate heating controls, air exchange and superior sound proofing. If you purchase a suited home that does not come with these items, you may be asking for unwanted tenant issues that could cost you time and money. A suited home can be a home run with some good management!



### What do they rent for?

Depending on the community the rental rates range from \$1500 to \$1750 for the upper suites and \$1000 to \$1200 for the lower suites. We have several investor clients that are also getting extra income for the garages. You as the landlord pay for mortgage, real estate taxes, insurance and your management costs. Most of our investor clients are charging \$500 extra for utilities and then splitting that cost between the upper and lower suites. Discretionary costs include vacancy and repairs and maintenance and as always it's a good idea to keep a healthy reserve fund as suited homes tend to have a higher tenant turnover rate than a side x side duplex.

#### Estimated Numbers:

Monthly Cash Flow: \$460

Down Payment: \$120,000

Purchase Price: \$480,000