

RENTAL INVESTMENT

PURCHASE ANALYSIS

After Repair Value	\$200,000	% of ARV
Purchase Price	\$100,000	50%
Buying Costs	\$2,000	1%
Construction Costs	\$45,000	23%
Holding Costs	\$1,760	1%
Financing Costs	\$10,710	5%
Selling Costs	\$14,000	7%
Total Project Costs	\$173,470	87%

PROFIT/EQUITY FROM REHAB **\$26,530** **13%**

FINANCING

Total Project Costs (excl. Selling)	\$159,470	80%
Long Term Financing	-\$116,000	

INVESTOR CASH IN DEAL **\$43,470** **20%**

RENTAL PRO FORMA

Revenues	monthly	yearly
Monthly Rental Income	\$1,250	\$15,000
Vacancy Loss -8.3%	-\$104	-\$1,250
Tenant Concessions	\$0	\$0
Other Income	\$0	\$0
Gross Operating Income	\$1,146	\$13,750

Operating Expenses **-\$542** **-\$6,500**

Net Operating Income **\$604** **\$7,250**

Financing

Mortgage Payment (interest)	-\$480	-\$5,761
Mortgage Payment (principal)	-\$143	-\$1,711
Total Financing	-\$623	-\$7,473

Cash Flow

Cash Flow After Debt	-\$19	-\$223
Levered Cash on Cash ROI	-0.04%	-0.51%

Equity

Equity Earned (principal paydown)	\$143	\$1,711
Equity Earned (property appreciation)	\$168	\$2,020
Total Equity Earned	\$311	\$3,731

Total Return (cash + equity)	\$292	\$3,509
Total ROI (cash + equity)	0.67%	8.07%

AFTER REPAIR VALUE

\$200,000

TOTAL PROJECT COSTS

\$173,470

PROFIT/EQUITY FROM REHAB

\$26,530

INVESTOR CASH IN DEAL

\$43,470

MONTHLY RENTAL INCOME

\$1,146 /mo

MONTHLY CASH FLOW

-\$19 /mo

LEVERED CASH-ON-CASH ROI

-0.51%

TOTAL RETURN (cash + equity)

\$292 /mo

TOTAL RETURN %

8.07%

CASH FLOW REPORT

Revenues	1	2	3	4	5	6	7	8	9	10
Rental Income	15,000	15,150	15,302	15,455	15,609	15,765	15,923	16,082	16,243	16,405
Vacancy Loss Amount	-1,250	-1,263	-1,275	-1,288	-1,301	-1,314	-1,327	-1,340	-1,354	-1,367
Tenant Concessions										
Other Income										
Gross Operating Income	13,750	13,888	14,026	14,167	14,308	14,451	14,596	14,742	14,889	15,038

Operating Expenses

Property Taxes	-2,000	-2,020	-2,040	-2,061	-2,081	-2,102	-2,123	-2,144	-2,166	-2,187
Property Insurance	-1,000	-1,010	-1,020	-1,030	-1,041	-1,051	-1,062	-1,072	-1,083	-1,094
Cleaning and Maintenance:										
HOA Dues:										
Lawn and Groundskeeping:										
Auto and Travel:										
Electrical Utilities:										
Water Utilities:	-600	-606	-612	-618	-624	-631	-637	-643	-650	-656
Gas Utilities:	-900	-909	-918	-927	-937	-946	-955	-965	-975	-984
Garbage:										
Advertising:	-250	-253	-255	-258	-260	-263	-265	-268	-271	-273
Accounting & Legal:	-250	-253	-255	-258	-260	-263	-265	-268	-271	-273
Other 1:										
Other 2:										
Property Management (%):										
Repairs (%):	-1,500	-1,515	-1,530	-1,545	-1,561	-1,577	-1,592	-1,608	-1,624	-1,641
Cap Ex (%):										
Total Operating Expenses	-6,500	-6,565	-6,631	-6,697	-6,764	-6,832	-6,900	-6,969	-7,039	-7,109

Net Operating Income	7,250	7,323	7,396	7,470	7,544	7,620	7,696	7,773	7,851	7,929
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Financing

Mortgage PMT (Interest)	-5,761	-5,674	-5,582	-5,485	-5,383	-5,276	-5,164	-5,046	-4,922	-4,791
Mortgage PMT (Principal)	-1,711	-1,799	-1,891	-1,988	-2,089	-2,196	-2,309	-2,427	-2,551	-2,682
Total Financing	-7,473	-7,473	-7,473	-7,473	-7,473	-7,473	-7,473	-7,473	-7,473	-7,473
Loan Balance	114,289	112,490	110,599	108,611	106,521	104,325	102,016	99,589	97,038	94,357

Property Value	202,000	204,020	206,060	208,121	210,202	212,304	214,427	216,571	218,737	220,924
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Cash Flow

Cash Flow	-223	-150	-77	-3	72	147	223	300	378	457
Levered Cash-On-Cash ROI	-0.51%	-0.35%	-0.18%	-0.01%	0.17%	0.34%	0.51%	0.69%	0.87%	1.05%

Equity

Equity Earned from Purchase & Rehab	26,530									
Equity Earned (Principal Paydown)	1,711	1,799	1,891	1,988	2,089	2,196	2,309	2,427	2,551	2,682
Equity Earned (Appreciation)	2,000	2,020	2,040	2,061	2,081	2,102	2,123	2,144	2,166	2,187
Total Equity Earned	30,241	3,819	3,931	4,048	4,171	4,298	4,432	4,571	4,717	4,869

Total Return

Total Return	30,019	3,669	3,854	4,045	4,242	4,446	4,655	4,872	5,095	5,326
Total Return-on-Cash	69.06%	77.50%	86.36%	95.67%	105.43%	115.66%	126.37%	137.57%	149.29%	161.54%

CASH FLOW REPORT

Revenues	11	12	13	14	15	16	17	18	19	20
Rental Income	16,569	16,735	16,902	17,071	17,242	17,415	17,589	17,765	17,942	18,122
Vacancy Loss Amount	-1,381	-1,395	-1,409	-1,423	-1,437	-1,451	-1,466	-1,480	-1,495	-1,510
Tenant Concessions										
Other Income										
Gross Operating Income	15,189	15,340	15,494	15,649	15,805	15,963	16,123	16,284	16,447	16,611

Operating Expenses										
Property Taxes	-2,209	-2,231	-2,254	-2,276	-2,299	-2,322	-2,345	-2,369	-2,392	-2,416
Property Insurance	-1,105	-1,116	-1,127	-1,138	-1,149	-1,161	-1,173	-1,184	-1,196	-1,208
Cleaning and Maintenance:										
HOA Dues:										
Lawn and Groundskeeping:										
Auto and Travel:										
Electrical Utilities:										
Water Utilities:	-663	-669	-676	-683	-690	-697	-704	-711	-718	-725
Gas Utilities:	-994	-1,004	-1,014	-1,024	-1,035	-1,045	-1,055	-1,066	-1,077	-1,087
Garbage:										
Advertising:	-276	-279	-282	-285	-287	-290	-293	-296	-299	-302
Accounting & Legal:	-276	-279	-282	-285	-287	-290	-293	-296	-299	-302
Other 1:										
Other 2:										
Property Management (%):										
Repairs (%):	-1,657	-1,674	-1,690	-1,707	-1,724	-1,741	-1,759	-1,776	-1,794	-1,812
Cap Ex (%):										
Total Operating Expenses	-7,180	-7,252	-7,324	-7,398	-7,472	-7,546	-7,622	-7,698	-7,775	-7,853

Net Operating Income	8,009	8,089	8,169	8,251	8,334	8,417	8,501	8,586	8,672	8,759
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Financing										
Mortgage PMT (Interest)	-4,654	-4,510	-4,358	-4,199	-4,031	-3,855	-3,670	-3,475	-3,271	-3,056
Mortgage PMT (Principal)	-2,819	-2,963	-3,115	-3,274	-3,441	-3,617	-3,803	-3,997	-4,202	-4,417
Total Financing	-7,473	-7,473	-7,473	-7,473	-7,473	-7,473	-7,473	-7,473	-7,473	-7,473
Loan Balance	91,538	88,575	85,461	82,187	78,745	75,128	71,325	67,328	63,127	58,710

Property Value	223,134	225,365	227,619	229,895	232,194	234,516	236,861	239,229	241,622	244,038
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Cash Flow										
Cash Flow	536	616	697	779	861	944	1,029	1,114	1,200	1,286
Levered Cash-On-Cash ROI	1.23%	1.42%	1.60%	1.79%	1.98%	2.17%	2.37%	2.56%	2.76%	2.96%

Equity										
Equity Earned from Purchase & Rehab										
Equity Earned (Principal Paydown)	2,819	2,963	3,115	3,274	3,441	3,617	3,803	3,997	4,202	4,417
Equity Earned (Appreciation)	2,209	2,231	2,254	2,276	2,299	2,322	2,345	2,369	2,392	2,416
Total Equity Earned	5,028	5,194	5,368	5,550	5,740	5,939	6,148	6,366	6,594	6,833

Total Return										
Total Return	5,564	5,810	6,065	6,329	6,601	6,884	7,176	7,479	7,793	8,119
Total Return-on-Cash	174.34%	187.71%	201.66%	216.22%	231.41%	247.24%	263.75%	280.96%	298.89%	317.56%

CASH FLOW REPORT

Revenues	21	22	23	24	25	26	27	28	29	30
Rental Income	18,303	18,486	18,671	18,857	19,046	19,236	19,429	19,623	19,819	20,018
Vacancy Loss Amount	-1,525	-1,540	-1,556	-1,571	-1,587	-1,603	-1,619	-1,635	-1,652	-1,668
Tenant Concessions										
Other Income										
Gross Operating Income	16,778	16,945	17,115	17,286	17,459	17,633	17,810	17,988	18,168	18,349

Operating Expenses

Property Taxes	-2,440	-2,465	-2,489	-2,514	-2,539	-2,565	-2,591	-2,616	-2,643	-2,669
Property Insurance	-1,220	-1,232	-1,245	-1,257	-1,270	-1,282	-1,295	-1,308	-1,321	-1,335
Cleaning and Maintenance:										
HOA Dues:										
Lawn and Groundskeeping:										
Auto and Travel:										
Electrical Utilities:										
Water Utilities:	-732	-739	-747	-754	-762	-769	-777	-785	-793	-801
Gas Utilities:	-1,098	-1,109	-1,120	-1,131	-1,143	-1,154	-1,166	-1,177	-1,189	-1,201
Garbage:										
Advertising:	-305	-308	-311	-314	-317	-321	-324	-327	-330	-334
Accounting & Legal:	-305	-308	-311	-314	-317	-321	-324	-327	-330	-334
Other 1:										
Other 2:										
Property Management (%):										
Repairs (%):	-1,830	-1,849	-1,867	-1,886	-1,905	-1,924	-1,943	-1,962	-1,982	-2,002
Cap Ex (%):										
Total Operating Expenses	-7,931	-8,011	-8,091	-8,172	-8,253	-8,336	-8,419	-8,503	-8,588	-8,674

Net Operating Income	8,846	8,935	9,024	9,114	9,206	9,298	9,391	9,485	9,579	9,675
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Financing

Mortgage PMT (Interest)	-2,830	-2,593	-2,343	-2,080	-1,805	-1,515	-1,210	-889	-553	-199
Mortgage PMT (Principal)	-4,642	-4,880	-5,130	-5,392	-5,668	-5,958	-6,263	-6,583	-6,920	-7,274
Total Financing	-7,473	-7,473	-7,473	-7,473	-7,473	-7,473	-7,473	-7,473	-7,473	-7,473
Loan Balance	54,068	49,188	44,058	38,666	32,998	27,040	20,777	14,194	7,274	0

Property Value	246,478	248,943	251,433	253,947	256,486	259,051	261,642	264,258	266,901	269,570
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Cash Flow

Cash Flow	1,374	1,462	1,552	1,642	1,733	1,825	1,918	2,012	2,107	2,203
Levered Cash-On-Cash ROI	3.16%	3.36%	3.57%	3.78%	3.99%	4.20%	4.41%	4.63%	4.85%	5.07%

Equity

Equity Earned from Purchase & Rehab										
Equity Earned (Principal Paydown)	4,642	4,880	5,130	5,392	5,668	5,958	6,263	6,583	6,920	7,274
Equity Earned (Appreciation)	2,440	2,465	2,489	2,514	2,539	2,565	2,591	2,616	2,643	2,669
Total Equity Earned	7,083	7,345	7,619	7,906	8,207	8,523	8,853	9,200	9,563	9,943

Total Return

Total Return	8,457	8,807	9,171	9,548	9,940	10,348	10,771	11,212	11,669	12,146
Total Return-on-Cash	337.02%	357.28%	378.37%	400.34%	423.21%	447.01%	471.79%	497.58%	524.43%	552.37%

PROPERTY PHOTOS

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