

SCENARIOS SUMMARY

Example Project

1234 N. Main St, Kansas City, MO 64116

Property Info:	Planned Scenario	Scenario 1	Scenario 2	Scenario 3
Resale Value:	\$200,000	\$200,000	\$200,000	\$200,000
Purchase Price:	\$100,000	\$105,000	\$110,000	\$115,000
Buying Costs:	\$2,000	\$2,000	\$2,000	\$2,000
Capital Improvements:	\$45,000	\$50,000	\$55,000	\$60,000
Financing Costs:	\$10,710	\$14,000	\$14,000	\$14,000
Total Project Capital:	\$157,710	\$1,500	\$2,000	\$1,750

Rental Operation

Gross Scheduled Income	\$15,000	100%	\$15,000	100.0%	1440000.0%	100.0%	1320000.0%	100.0%
- Less Vacancy Loss Amount	-\$1,250	-8.3%	-\$1,250	-8.3%	-\$1,250	-8.7%	-\$1,250	-9.5%
- Less Tenant Concessions:								
+ Other Income:								
Annual Gross Operating Income	\$13,750	92%	\$13,750	92%	\$13,150	91%	\$11,950	91%

Operating Expenses

Expenses	per year	%	per year	%	per year	%	per year	%
Property Taxes	-\$2,000	-13%	\$2,000	15%	\$2,000	15%	\$2,000	17%
Property Insurance	-\$1,000	-7%	\$1,000	7%	\$1,000	8%	\$1,000	8%
Cleaning and Maintenance:								
HOA Dues:								
Lawn and Groundskeeping:								
Auto and Travel:								
Electrical Utilities:								
Water Utilities:	-\$600	-4%	\$600	4%	\$600	5%	\$600	5%
Gas Utilities:	-\$900	-6%	\$900	7%	\$900	7%	\$900	8%
Garbage:								
Advertising:	-\$250	-2%	\$250	2%	\$250	2%	\$250	2%
Accounting & Legal:	-\$250	-2%	\$250	2%	\$250	2%	\$250	2%
Other 1:								
Other 2:								
Property Management:								
Repairs:	-\$1,500	-10%	\$1,500	11%	\$1,500	11%	\$1,500	13%
Cap Ex:								
Annual Operating Expenses	-\$6,500	-43%	-\$6,500	47%	-\$6,500	49%	-\$6,500	54%

Annual Net Operating Income	\$7,250	53%	\$7,250	53%	\$6,650	51%	\$11,950	100%
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Annual Debt Service	-\$7,473	-54%	-\$7,473	-54%	-\$7,473	-57%	-\$7,473	-63%
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Annual Cash Flow After Debt	-\$223	-2%	-\$223	-10%	-\$823	-15%	-\$2,023	-26%
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Key Performance Metrics	Subject Property	Scenario 1		Scenario 2		Scenario 3	
	Result	Result	Rank	Result	Rank	Result	Rank
Income to Purchase Ratio	1.25%	1.19%	2	1.09%	3	0.96%	4
Operating Expense Ratio (50% Rule)	43.33%	43.33%	3	45.14%	2	49.24%	1
Cash Flow per Month	-\$19	-\$19	2	-\$69	3	-16858.33%	4
Cash Flow per Year	-\$223	-\$223	2	-\$823	3	-\$2,023	4
Purchase Cap Rate	7.3%		2		2		2
Sale Cap Rate	3.6%	6.9%	1	6.0%	2	4.7%	3
GRM	80.00		2		2		2
DSCR	80.00		1		1		1