

## 1 Year Performance Projection

Nice Cash Flow Property  
Memphis, TN 38141  
3 bdrm/ 1.5 bath - Built 1965



Square Feet	1,745
Initial Market Value	\$85,000
Purchase Price	\$85,000
Downpayment	\$17,000
Loan Origination Fees	\$680
Depreciable Closing Costs	\$3,400
Other Closing Costs and Fixup	\$0
<b>Initial Cash Invested</b>	<b>\$21,080</b>
Cost per Square Foot	\$49
Monthly Rent per Square Foot	\$0.54

Income	Monthly	Annual
Gross Rent	\$950	\$11,400
Vacancy Losses	-\$76	-\$912
<b>Operating Income</b>	<b>\$874</b>	<b>\$10,488</b>

Expenses	Monthly	Annual
Property Taxes	-\$103	-\$1,232
Insurance	-\$50	-\$595
Management Fees	-\$70	-\$839
Leasing/Advertising Fees	-\$0	-\$0
Association Fees	-\$0	-\$0
Maintenance	-\$76	-\$912
Other	-\$0	-\$0
<b>Operating Expenses</b>	<b>-\$298</b>	<b>-\$3,579</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$576</b>	<b>\$6,909</b>
- Mortgage Payments	-\$365	-\$4,380
<b>= Cash Flow</b>	<b>\$211</b>	<b>\$2,529</b>
+ Principal Reduction	\$84	\$1,003
+ First-Year Appreciation	\$425	\$5,100
<b>= Gross Equity Income</b>	<b>\$719</b>	<b>\$8,632</b>
+ Tax Savings	\$0	\$0
<b>= GEI w/Tax Savings</b>	<b>\$719</b>	<b>\$8,632</b>

Mortgage Info	First	Second
Loan-to-Value Ratio	80%	0%
Loan Amount	\$68,000	\$0
Monthly Payment	\$365.04	\$0.00
Loan Type	Amortizing Fixed	
Term	30 Years	
Interest Rate	5.000%	0.000%
Monthly PMI	\$0	

Financial Indicators	
Debt Coverage Ratio	1.58
Annual Gross Rent Multiplier	7
Monthly Gross Rent Multiplier	89
Capitalization Rate	8.1%
Cash on Cash Return	12%
<b>Total Return on Investment</b>	<b>41%</b>
<b>+ Tax Benefits: Deductions, Depreciation, 1031 Exchange</b>	

Assumptions	
Real Estate Appreciation Rate	6%
Vacancy Rate	8%
Management Fee	8%
Maintenance Percentage	8%

Comments
Tenant in place at \$950

\*Information is not guaranteed and investors should do their own research, get professional advice and conduct due diligence prior to investing.