

## 1 Year Performance Projection

Renovated Memphis Home  
Memphis, TN 38128  
3 bedroom 1.5 bath turnkey property



Square Feet	1,120
Initial Market Value	\$85,000
Purchase Price	\$85,000
Downpayment	\$21,250
Loan Origination Fees	\$1,434
Depreciable Closing Costs	\$4,250
Other Closing Costs and Fixup	\$0
<b>Initial Cash Invested</b>	<b>\$26,934</b>
Cost per Square Foot	\$76
Monthly Rent per Square Foot	\$0.73

Income	Monthly	Annual
Gross Rent	\$813	\$9,756
Vacancy Losses	-\$49	-\$585
<b>Operating Income</b>	<b>\$764</b>	<b>\$9,171</b>

Expenses	Monthly	Annual
Property Taxes	-\$79	-\$952
Insurance	-\$50	-\$604
Management Fees	-\$61	-\$734
Leasing/Advertising Fees	-\$0	-\$0
Association Fees	-\$0	-\$0
Maintenance	-\$49	-\$585
Other	-\$0	-\$0
<b>Operating Expenses</b>	<b>-\$240</b>	<b>-\$2,875</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$525</b>	<b>\$6,296</b>
- Mortgage Payments	-\$424	-\$5,084
<b>= Cash Flow</b>	<b>\$101</b>	<b>\$1,212</b>
+ Principal Reduction	\$54	\$649
+ First-Year Appreciation	\$425	\$5,100
<b>= Gross Equity Income</b>	<b>\$580</b>	<b>\$6,961</b>
+ Tax Savings	\$22	\$263
<b>= GEI w/Tax Savings</b>	<b>\$602</b>	<b>\$7,224</b>

Mortgage Info	First	Second
Loan-to-Value Ratio	75%	0%
Loan Amount	\$63,750	\$0
Monthly Payment	\$423.70	\$0.00
Loan Type	Amortizing Fixed	
Term	30 Years	
Interest Rate	6.990%	0.000%
Monthly PMI	\$0	

Financial Indicators	
Debt Coverage Ratio	1.24
Annual Gross Rent Multiplier	9
Monthly Gross Rent Multiplier	105
Capitalization Rate	7.4%
Cash on Cash Return	4%
<b>Total Return on Investment</b>	<b>26%</b>
<b>+ Tax Benefits: Deductions, Depreciation, 1031 Exchange</b>	

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

Comments

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