



Market		Property Address				
Memphis		5055 Waters Edge Cove N, Memphis, TN 38125				
Property Info		Assumptions				
Purchase Price	\$207,500	Down Payment	20%			
Down Payment	\$41,500	Closing Costs	4%			
Estimated Closing Costs	\$8,300	Interest Rate	4.500%			
Rehab Expenses	\$0	PM Fee	8%			
Acquisition Fee	\$3,995	Vacancy/Repairs	8%			
Total Property Investment	\$53,795	Annual Apprec. (YR 1-2)	6%			
		Annual Apprec. (YR 3-5)	4%			
		Annual Apprec. (YR 6+)	3%			
		Annual Rent Increase	4%			
		Closing Costs on Future Sale	6%			
Financed Income Breakdown		Cash on Cash ROI				
Monthly Rent	\$1,525	Annual Average	5 Year	10 Year	20 Year	30 Year
Monthly Principal & Interest	\$841	Cash on Cash ROI	8.72%	11.59%	19.24%	29.53%
Monthly Taxes	\$95	C on C + PR	13.62%	16.82%	25.26%	36.55%
Monthly Insurance	\$75	C on C + PR + Deprec.	17.54%	20.75%	29.19%	40.48%
PITI Monthly	\$1,011	C on C + PR + Deprec. + Apprec.	32.38%	35.49%	45.73%	60.51%
Year Built	Square Feet	Bedrooms	Bathrooms	Returns		
1990	1903	3	2	Cap Rate	7.13%	

Income / Expenses											
Year	1	2	3	4	5	10	15	20	25	30	
Gross Rent	\$18,300	\$19,032	\$19,793	\$20,585	\$21,408	\$26,047	\$31,690	\$38,555	\$46,908	\$57,071	
Taxes	\$1,139	\$1,207	\$1,280	\$1,318	\$1,358	\$1,574	\$1,825	\$2,115	\$2,452	\$2,843	
Insurance	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	
HOA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Property Management	\$1,464	\$1,523	\$1,583	\$1,647	\$1,713	\$2,084	\$2,535	\$3,084	\$3,753	\$4,566	
Vacancy/Repairs	\$0	\$1,523	\$1,583	\$1,647	\$1,713	\$2,084	\$2,535	\$3,084	\$3,753	\$4,566	
Net Operating Income	\$14,797	\$13,880	\$14,447	\$15,073	\$15,725	\$19,405	\$23,895	\$29,371	\$36,051	\$44,197	
Annual Principal and Interest	\$10,093	\$10,093	\$10,093	\$10,093	\$10,093	\$10,093	\$10,093	\$10,093	\$10,093	\$10,093	
Gross Profits	\$4,704	\$3,786	\$4,353	\$4,980	\$5,632	\$9,312	\$13,801	\$19,278	\$25,958	\$34,104	
Monthly Cash Flow	\$392	\$316	\$363	\$415	\$469	\$776	\$1,150	\$1,607	\$2,163	\$2,842	
Property Investment	\$53,795	\$53,795	\$53,795	\$53,795	\$53,795	\$53,795	\$53,795	\$53,795	\$53,795	\$53,795	
C on C ROI	8.74%	7.04%	8.09%	9.26%	10.47%	17.31%	25.66%	35.84%	48.25%	63.40%	
C on C + PR	13.40%	11.81%	12.99%	14.27%	15.61%	23.16%	32.35%	43.52%	57.12%	73.68%	

Annual Appreciation/ROI											
Year	1	2	3	4	5	10	15	20	25	30	
Principal Reduction	\$2,505	\$5,135	\$7,897	\$10,795	\$13,839	\$31,487	\$53,993	\$82,697	\$119,306	\$166,000	
Appreciation	\$0	\$12,450	\$8,798	\$9,150	\$9,516	\$8,354	\$9,685	\$11,227	\$13,015	\$15,088	
Appreciation ROI	0.00%	23.14%	16.35%	17.01%	17.69%	15.53%	18.00%	20.87%	24.19%	28.05%	
Cumulative Equity Gain	\$0	\$12,450	\$21,248	\$30,398	\$39,914	\$79,320	\$125,004	\$177,963	\$239,357	\$310,530	
Proceeds In Event of Sale	\$31,555	\$45,888.38	\$56,920	\$68,420	\$80,408	\$135,098	\$200,546	\$279,032	\$373,352	\$486,948	
ROI w/C on C + PR + Est. Apprec.	13.40%	34.96%	29.34%	31.28%	33.30%	38.69%	50.35%	64.39%	81.32%	101.73%	
Deprec. / Tax Savings	\$2,113	\$2,113	\$2,113	\$2,113	\$2,113	\$2,113	\$2,113	\$2,113	\$2,113	\$2,113	
Deprec. ROI	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%	

Glossary and Assumptions	
Appreciation	The Appreciation value is calculated cumulatively.
Appreciation ROI	Return as calculated from Appreciation to Total Property Investment
Cap Rate	Cap Rate is calculated by dividing the Net Operating Income by the Purchase Price.
Cash on Cash Return	The Cash on Cash Return is calculated by dividing the Annual Net Cash Flow by the Total Property Investment (TPI)
Closing Costs	Percentage of closing costs adjusts based on loan amount. 100K and below= 5.5%, 100-150K=5%, 150K-200K=4%, & over 200K=3.5%
Depreciation ROI	Return based on depreciation to property investment
Depreciation/Tax Savings	Assuming Average 28% tax bracket
Principal Reduction	The Principal Reduction is calculated cumulatively based off a 30 year amortization, fixed rate mortgage.
Proceeds on Sale	The Proceeds on the Sale is calculated by taking the market value (Purchase Price and cumulative Appreciation), and subtracting Loan Amount, and Closing Costs on the Future Sale.
Return on Investment (ROI)	Return on Investment
Taxes	Taxes increase at same rate of property appreciation
Total Property Investment (TPI)	The Total Property Investment value is calculated by adding the Down Payment, Closing Costs, Rehab Expenses and Acquisition Fee
Vacancies/Repairs	Vacancy/Repair expenses start in month 12 since the homes are typically rehabbed at the start of year 1.

Abbreviations		Property Value	
PM	Property Management	2	\$207,500
Apprec.	Appreciation	3	\$219,950
Deprec.	Depreciation	4	\$233,147
C on C	Cash on Cash	5	\$247,136
V&R	Vacancy and Repairs	6	\$254,550
Hyp.	Hypothetical	7	\$262,186
PR.	Principal Reduction	8	\$270,052
PI.	Property Investment	9	\$278,154
EG	Equity Gain	10	\$286,498