



Market		Property Address				
Memphis		3916 Birchshade CV, Memphis, TN 38115				
Property Info		Assumptions				
Purchase Price	\$180,000	Down Payment	25%			
Down Payment	\$45,000	Closing Costs	6%			
Estimated Closing Costs	\$9,900	Interest Rate	4.500%			
Rehab Expenses	\$0	PM Fee	8%			
Acquisition Fee	\$4,995	Vacancy/Repairs	7%			
Total Property Investment	\$59,895	Annual Apprec. (YR 1-2)	8%			
		Annual Apprec. (YR 3-5)	6%			
		Annual Apprec. (YR 6+)	3%			
		Annual Rent Increase	4%			
		Closing Costs on Future Sale	6%			
Financed Income Breakdown		Cash on Cash ROI				
Monthly Rent	\$1,350	Annual Average	5 Year	10 Year	20 Year	30 Year
Monthly Principal & Interest	\$684	Cash on Cash ROI	6.70%	8.97%	15.00%	23.11%
Monthly Taxes	\$112	C on C + PR	10.28%	12.79%	19.39%	28.25%
Monthly Insurance	\$117	C on C + PR + Deprec.	13.34%	15.85%	22.45%	31.31%
PITI Monthly	\$912	C on C + PR + Deprec. + Apprec.	30.54%	30.61%	37.54%	48.41%
Year Built	1982	Cap Rate	6.76%			
Square Feet	1353					
Bedrooms	3					
Bathrooms	2					

Income / Expenses											
Year	1	2	3	4	5	10	15	20	25	30	
Gross Rent	\$16,200	\$16,848	\$17,522	\$18,223	\$18,952	\$23,058	\$28,053	\$34,131	\$41,526	\$50,522	
Taxes	\$1,339	\$1,446	\$1,562	\$1,609	\$1,657	\$1,921	\$2,227	\$2,581	\$2,993	\$3,469	
Insurance	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	
HOA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Property Management	\$1,296	\$1,348	\$1,402	\$1,458	\$1,516	\$1,845	\$2,244	\$2,730	\$3,322	\$4,042	
Vacancy/Repairs	\$0	\$1,179	\$1,227	\$1,276	\$1,327	\$1,614	\$1,964	\$2,389	\$2,907	\$3,537	
Net Operating Income	\$12,165	\$11,475	\$11,932	\$12,481	\$13,052	\$16,278	\$20,218	\$25,030	\$30,904	\$38,075	
Annual Principal and Interest	\$8,208	\$8,208	\$8,208	\$8,208	\$8,208	\$8,208	\$8,208	\$8,208	\$8,208	\$8,208	
Gross Profits	\$3,957	\$3,266	\$3,724	\$4,272	\$4,844	\$8,070	\$12,010	\$16,822	\$22,696	\$29,866	
Monthly Cash Flow	\$330	\$272	\$310	\$356	\$404	\$672	\$1,001	\$1,402	\$1,891	\$2,489	
Property Investment	\$59,895	\$59,895	\$59,895	\$59,895	\$59,895	\$59,895	\$59,895	\$59,895	\$59,895	\$59,895	
C on C ROI	6.61%	5.45%	6.22%	7.13%	8.09%	13.47%	20.05%	28.09%	37.89%	49.86%	
C on C + PR	10.01%	8.94%	9.79%	10.80%	11.85%	17.75%	24.94%	33.70%	44.37%	57.38%	

Annual Appreciation/ROI											
Year	1	2	3	4	5	10	15	20	25	30	
Principal Reduction	\$2,037	\$4,176	\$6,422	\$8,779	\$11,254	\$25,607	\$43,910	\$67,253	\$97,026	\$135,000	
Appreciation	\$0	\$14,400	\$11,664	\$12,364	\$13,106	\$7,818	\$9,063	\$10,506	\$12,180	\$14,120	
Appreciation ROI	0.00%	24.04%	19.47%	20.64%	21.88%	13.05%	15.13%	17.54%	20.34%	23.57%	
Cumulative Equity Gain	\$0	\$14,400	\$26,064	\$38,428	\$51,534	\$88,411	\$131,162	\$180,722	\$238,175	\$304,780	
Proceeds In Event of Sale	\$36,237	\$51,912.36	\$65,122	\$79,102	\$93,896	\$142,913	\$201,402	\$271,332	\$355,111	\$455,693	
ROI w/C on C + PR + Est. Apprec.	10.01%	32.98%	29.26%	31.44%	33.73%	30.80%	40.07%	51.24%	64.71%	80.95%	
Deprec. / Tax Savings	\$1,833	\$1,833	\$1,833	\$1,833	\$1,833	\$1,833	\$1,833	\$1,833	\$1,833	\$1,833	
Deprec. ROI	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%	

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	Estimated closing costs is based on home price, loan amount and credit score.
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	\$180,000
Apprec.	Appreciation	3	\$194,400
Deprec.	Depreciation	4	\$209,952
C on C	Cash on Cash	5	\$226,748
V&R	Vacancy and Repairs	6	\$233,551
Hyp.	Hypothetical	7	\$240,557
PR.	Prinical Reduction	8	\$247,774
PI.	Property Investment	9	\$255,207
EG	Equity Gain	10	\$262,863