



Market		Property Address	
Memphis		1907 Oak Springs Dr, Memphis, TN 38016	
Property Info		Assumptions	
Purchase Price	\$275,000	Down Payment	25%
Down Payment	\$68,750	Closing Costs	5%
Estimated Closing Costs	\$12,375	Interest Rate	4.125%
Rehab Expenses	\$0	PM Fee	8%
Acquisition Fee	\$4,995	Vacancy/Repairs	8%
Total Property Investment	\$86,120	Annual Apprec. (YR 1-2)	6%
		Annual Apprec. (YR 3-5)	4%
		Annual Apprec. (YR 6+)	3%
Financed Income Breakdown		Annual Rent Increase	4%
Monthly Rent	\$1,895	Closing Costs on Future Sale	6%
Monthly Principal & Interest	\$1,000	Cash on Cash ROI	
Monthly Taxes	\$248	Annual Average	5 Year
Monthly Insurance	\$83	10 Year	20 Year
PITI Monthly	\$1,331	30 Year	
		Cash on Cash ROI	5.54%
		C on C + PR	9.34%
		C on C + PR + Deprec.	12.59%
		C on C + PR + Deprec. + Apprec.	24.88%
		Cap Rate	6.16%

Year Built	Square Feet	Bedrooms	Bathrooms
1995	1957	3	2

Income / Expenses											
Year	1	2	3	4	5	10	15	20	25	30	
Gross Rent	\$22,740	\$23,650	\$24,596	\$25,579	\$26,603	\$32,366	\$39,378	\$47,910	\$58,290	\$70,918	
Taxes	\$2,971	\$3,149	\$3,338	\$3,438	\$3,542	\$4,106	\$4,759	\$5,518	\$6,396	\$7,415	
Insurance	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	
HOA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Property Management	\$1,819	\$1,892	\$1,968	\$2,046	\$2,128	\$2,589	\$3,150	\$3,833	\$4,663	\$5,673	
Vacancy/Repairs	\$0	\$1,892	\$1,968	\$2,046	\$2,128	\$2,589	\$3,150	\$3,833	\$4,663	\$5,673	
Net Operating Income	\$16,950	\$15,716	\$16,322	\$17,048	\$17,805	\$22,082	\$27,318	\$33,727	\$41,567	\$51,156	
Annual Principal and Interest	\$11,995	\$11,995	\$11,995	\$11,995	\$11,995	\$11,995	\$11,995	\$11,995	\$11,995	\$11,995	
Gross Profits	\$4,955	\$3,721	\$4,327	\$5,053	\$5,810	\$10,087	\$15,323	\$21,732	\$29,572	\$39,161	
Monthly Cash Flow	\$413	\$310	\$361	\$421	\$484	\$841	\$1,277	\$1,811	\$2,464	\$3,263	
Property Investment	\$86,120	\$86,120	\$86,120	\$86,120	\$86,120	\$86,120	\$86,120	\$86,120	\$86,120	\$86,120	
C on C ROI	5.75%	4.32%	5.02%	5.87%	6.75%	11.71%	17.79%	25.23%	34.34%	45.47%	
C on C + PR	9.37%	8.03%	8.82%	9.76%	10.74%	16.26%	22.99%	31.20%	41.22%	53.46%	

Annual Appreciation/ROI											
Year	1	2	3	4	5	10	15	20	25	30	
Principal Reduction	\$3,113	\$6,381	\$9,811	\$13,413	\$17,194	\$39,121	\$67,085	\$102,748	\$148,234	\$206,250	
Appreciation	\$0	\$16,500	\$11,660	\$12,126	\$12,611	\$11,072	\$12,835	\$14,879	\$17,249	\$19,996	
Appreciation ROI	0.00%	19.16%	13.54%	14.08%	14.64%	12.86%	14.90%	17.28%	20.03%	23.22%	
Cumulative Equity Gain	\$0	\$16,500	\$28,160	\$40,286	\$52,898	\$105,123	\$165,667	\$235,854	\$317,220	\$411,545	
Proceeds In Event of Sale	\$55,363	\$74,140.55	\$88,532	\$103,532	\$119,168	\$190,187	\$275,062	\$376,701	\$498,671	\$645,353	
ROI w/C on C + PR + Est. Apprec.	9.37%	27.18%	22.36%	23.84%	25.38%	29.11%	37.89%	48.48%	61.25%	76.67%	
Deprec. / Tax Savings	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	
Deprec. ROI	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	

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	\$275,000
Apprec.	Appreciation	3	\$291,500
Deprec.	Depreciation	4	\$308,990
C on C	Cash on Cash	5	\$327,529
V&R	Vacancy and Repairs	6	\$337,355
Hyp.	Hypothetical	7	\$347,476
PR.	Prinical Reduction	8	\$357,900
PI.	Property Investment	9	\$368,637
EG	Equity Gain	10	\$379,696