



Market		Property Address				
Memphis		465 Lilly Drive Oakland, TN 38060				
Property Info		Assumptions				
Purchase Price	\$250,000	Down Payment	20%			
Down Payment	\$50,000	Closing Costs	4%			
Estimated Closing Costs	\$10,000	Interest Rate	4.500%			
Rehab Expenses	\$0	PM Fee	8%			
Acquisition Fee	\$3,995	Vacancy/Repairs	6%			
Total Property Investment	\$63,995	Annual Apprec. (YR 1-2)	9%			
		Annual Apprec. (YR 3-5)	7%			
		Annual Apprec. (YR 6+)	3%			
		Annual Rent Increase	4%			
		Closing Costs on Future Sale	6%			
Financed Income Breakdown		Cash on Cash ROI				
Monthly Rent	\$1,650	Annual Average	5 Year	10 Year	20 Year	30 Year
Monthly Principal & Interest	\$1,013	Cash on Cash ROI	6.52%	9.28%	16.50%	26.16%
Monthly Taxes	\$83	C on C + PR	11.48%	14.57%	22.59%	33.28%
Monthly Insurance	\$75	C on C + PR + Deprec.	15.45%	18.55%	26.57%	37.26%
PITI Monthly	\$1,172	C on C + PR + Deprec. + Apprec.	41.65%	39.96%	47.67%	60.51%
Year Built	Square Feet	Bedrooms	Bathrooms	Returns		
2021	1774	4	2	Cap Rate	6.41%	

Income / Expenses											
Year	1	2	3	4	5	10	15	20	25	30	
Gross Rent	\$19,800	\$20,592	\$21,416	\$22,272	\$23,163	\$28,182	\$34,287	\$41,716	\$50,753	\$61,749	
Taxes	\$1,000	\$1,090	\$1,188	\$1,224	\$1,260	\$1,461	\$1,694	\$1,964	\$2,277	\$2,639	
Insurance	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	
HOA	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	
Property Management	\$1,584	\$1,647	\$1,713	\$1,782	\$1,853	\$2,255	\$2,743	\$3,337	\$4,060	\$4,940	
Vacancy/Repairs	\$0	\$1,236	\$1,285	\$1,336	\$1,390	\$1,691	\$2,057	\$2,503	\$3,045	\$3,705	
Net Operating Income	\$16,016	\$15,419	\$16,029	\$16,730	\$17,460	\$21,575	\$26,593	\$32,712	\$40,171	\$49,265	
Annual Principal and Interest	\$12,160	\$12,160	\$12,160	\$12,160	\$12,160	\$12,160	\$12,160	\$12,160	\$12,160	\$12,160	
Gross Profits	\$3,856	\$3,259	\$3,869	\$4,570	\$5,299	\$9,414	\$14,433	\$20,551	\$28,011	\$37,105	
Monthly Cash Flow	\$321	\$272	\$322	\$381	\$442	\$785	\$1,203	\$1,713	\$2,334	\$3,092	
Property Investment	\$63,995	\$63,995	\$63,995	\$63,995	\$63,995	\$63,995	\$63,995	\$63,995	\$63,995	\$63,995	
C on C ROI	6.02%	5.09%	6.05%	7.14%	8.28%	14.71%	22.55%	32.11%	43.77%	57.98%	
C on C + PR	10.74%	9.93%	11.00%	12.22%	13.49%	20.64%	29.33%	39.90%	52.76%	68.40%	

Annual Appreciation/ROI											
Year	1	2	3	4	5	10	15	20	25	30	
Principal Reduction	\$3,018	\$6,187	\$9,514	\$13,007	\$16,673	\$37,936	\$65,052	\$99,635	\$143,742	\$200,000	
Appreciation	\$0	\$22,500	\$19,075	\$20,410	\$21,839	\$11,272	\$13,067	\$15,148	\$17,561	\$20,358	
Appreciation ROI	0.00%	35.16%	29.81%	31.89%	34.13%	17.61%	20.42%	23.67%	27.44%	31.81%	
Cumulative Equity Gain	\$0	\$22,500	\$41,575	\$61,985	\$83,824	\$136,994	\$198,632	\$270,087	\$352,924	\$448,954	
Proceeds In Event of Sale	\$38,018	\$62,337.20	\$83,595	\$106,273	\$130,468	\$201,710	\$286,766	\$388,517	\$510,491	\$657,017	
ROI w/C on C + PR + Est. Apprec.	10.74%	45.09%	40.81%	44.12%	47.62%	38.25%	49.75%	63.57%	80.20%	100.21%	
Deprec. / Tax Savings	\$2,545	\$2,545	\$2,545	\$2,545	\$2,545	\$2,545	\$2,545	\$2,545	\$2,545	\$2,545	
Deprec. ROI	3.98%	3.98%	3.98%	3.98%	3.98%	3.98%	3.98%	3.98%	3.98%	3.98%	

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	\$250,000
Apprec.	Appreciation	3	\$272,500
Deprec.	Depreciation	4	\$297,025
C on C	Cash on Cash	5	\$323,757
V&R	Vacancy and Repairs	6	\$333,470
Hyp.	Hypothetical	7	\$343,474
PR.	Prinical Reduction	8	\$353,778
PI.	Property Investment	9	\$364,392
EG	Equity Gain	10	\$375,323