



Market		Property Address					
Memphis		New Build, Oak Ave, Brighton, TN 38011					
Property Info		Assumptions					
Purchase Price	\$335,000	Down Payment	25%				
Down Payment	\$83,750	Closing Costs	5%				
Estimated Closing Costs	\$15,075	Interest Rate	6.000%				
Post Close Rent Ready Repairs	\$0	PM Fee	8%				
Acquisition Fee	\$4,995	Vacancy/Repairs	5%				
Total Property Investment	\$103,820	Annual Apprec. (YR 1-2)	6%				
		Annual Apprec. (YR 3-5)	10%				
		Annual Apprec. (YR 6+)	4%				
		Annual Rent Increase	5%				
		Closing Costs on Future Sale	6%				
Financed Income Breakdown		Cash on Cash ROI					
Monthly Rent	\$2,200	Annual Average	5 Year	10 Year	20 Year	30 Year	
Monthly Principal & Interest	\$1,506	Cash on Cash ROI	4.94%	8.24%	17.14%	29.90%	
Monthly Taxes	\$150	C on C + PR	8.78%	12.34%	21.86%	35.41%	
Monthly Insurance	\$117	IRR	12.07%	15.63%	25.14%	38.69%	
PITI Monthly	\$1,773	C on C + PR + Deprec.	38.58%	38.75%	50.00%	69.45%	
		Cont. PR, Deprec, Apprec					
Year Built	Square Feet	Bedrooms	Bathrooms	Returns			
2024	1900	4	2	Cap Rate	6.55%		

Income / Expenses											
Year	1	2	3	4	5	10	15	20	25	30	
Gross Rent	\$28,633	\$30,065	\$31,568	\$33,146	\$34,804	\$44,419	\$56,691	\$72,354	\$92,344	\$117,857	
Taxes	\$1,805	\$1,913	\$2,028	\$2,109	\$2,194	\$2,669	\$3,247	\$3,951	\$4,806	\$5,848	
Insurance	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	
HOA	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	
Property Management	\$2,291	\$2,405	\$2,525	\$2,652	\$2,784	\$3,554	\$4,535	\$5,788	\$7,388	\$9,429	
Vacancy/Repairs	\$0	\$1,503	\$1,578	\$1,657	\$1,740	\$2,221	\$2,835	\$3,618	\$4,617	\$5,893	
Net Operating Income	\$21,937	\$21,643	\$22,836	\$24,128	\$25,486	\$33,376	\$43,474	\$56,398	\$72,933	\$94,088	
Annual Principal and Interest	\$18,076	\$18,076	\$18,076	\$18,076	\$18,076	\$18,076	\$18,076	\$18,076	\$18,076	\$18,076	
Gross Profits	\$3,861	\$3,566	\$4,760	\$6,052	\$7,409	\$15,299	\$25,398	\$38,321	\$54,857	\$76,012	
Monthly Cash Flow	\$322	\$297	\$397	\$504	\$617	\$1,275	\$2,117	\$3,193	\$4,571	\$6,334	
Property Investment	\$103,820	\$103,820	\$103,820	\$103,820	\$103,820	\$103,820	\$103,820	\$103,820	\$103,820	\$103,820	
C on C ROI	3.72%	3.44%	4.58%	5.83%	7.14%	14.74%	24.46%	36.91%	52.84%	73.21%	
C on C + PR	7.37%	7.18%	8.42%	9.76%	11.17%	19.33%	29.71%	42.94%	59.80%	81.28%	

Annual Appreciation/ROI											
Year	1	2	3	4	5	10	15	20	25	30	
Principal Reduction	\$3,792	\$7,773	\$11,952	\$16,340	\$20,945	\$47,657	\$81,721	\$125,166	\$180,577	\$251,250	
Appreciation	\$0	\$20,100	\$35,510	\$39,061	\$42,967	\$22,117	\$26,908	\$32,738	\$39,831	\$48,461	
Appreciation ROI	0.00%	19.36%	34.20%	37.62%	41.39%	21.30%	25.92%	31.53%	38.37%	46.68%	
Cumulative Equity Gain	\$0	\$20,100	\$55,610	\$94,671	\$137,638	\$240,037	\$364,620	\$516,195	\$700,608	\$924,976	
Proceeds In Event of Sale	\$67,442	\$90,316.67	\$127,875	\$168,980	\$213,975	\$336,941	\$488,114	\$674,039	\$902,798	\$1,184,377	
ROI w/C on C + PR + Est. Apprec.	7.37%	26.54%	42.63%	47.39%	52.56%	40.63%	55.63%	74.47%	98.16%	127.96%	
Deprec. / Tax Savings	\$3,411	\$3,411	\$3,411	\$3,411	\$3,411	\$3,411	\$3,411	\$3,411	\$3,411	\$3,411	
Deprec. ROI	3.29%	3.29%	3.29%	3.29%	3.29%	3.29%	3.29%	3.29%	3.29%	3.29%	

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	\$335,000
Apprec.	Appreciation	3	\$355,100
Deprec.	Depreciation	4	\$376,406
C on C	Cash on Cash	5	\$398,990
V&R	Vacancy and Repairs	6	\$414,950
Hyp.	Hypothetical	7	\$431,548
PR.	Principal Reduction	8	\$448,810
PI.	Property Investment	9	\$466,762
EG	Equity Gain	10	\$485,433