



Market		Property Address			
Indianapolis		710 S. Avon Avenue, Avon IN			
Property Info		Assumptions			
Purchase Price	\$130,000	Down Payment	20%		
Down Payment	\$26,000	Closing Costs	5%		
Estimated Closing Costs	\$6,500	Interest Rate	5.250%		
Rehab Expenses	\$2,500	PM Fee	10%		
Acquisition Fee	\$3,995	Vacancy/Repairs	10%		
Total Property Investment	\$38,995	Annual Apprec. (YR 1-2)	6%		
PM Setup	\$2,000	Annual Apprec. (YR 3-5)	4%		
Financed Income Breakdown		Annual Apprec. (YR 6+)	3%		
Monthly Rent	\$1,195	Annual Rent Increase	3%		
Monthly Principal & Interest	\$574	Closing Costs on Future Sale	6%		
Monthly Taxes	\$122	Cash on Cash ROI			
Monthly Insurance	\$50	Annual Average	5 Year	7 Year	10 Year
PITI Monthly	\$746	Cash on Cash ROI	8.62%	9.23%	10.38%
Returns		C on C + PR	12.77%	13.48%	14.78%
Cap Rate	8.34%	C on C + PR + Apprec.	25.60%	26.10%	27.53%

Year Built	Square Feet	Bedrooms	Bathrooms
1954	1040	3	1.5

Income / Expenses										
Year	1	2	3	4	5	6	7	8	9	10
Gross Rent	\$14,340	\$14,770	\$15,213	\$15,670	\$16,140	\$16,624	\$17,123	\$17,636	\$18,165	\$18,710
Taxes	\$1,458	\$1,545	\$1,638	\$1,687	\$1,738	\$1,790	\$1,844	\$1,899	\$1,956	\$2,015
Insurance	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600
HOA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Management	\$1,434	\$1,477	\$1,521	\$1,567	\$1,614	\$1,662	\$1,712	\$1,764	\$1,817	\$1,871
Vacancy/Repairs	\$0	\$1,477	\$1,521	\$1,567	\$1,614	\$1,662	\$1,712	\$1,764	\$1,817	\$1,871
Net Operating Income	\$10,848	\$9,671	\$9,932	\$10,248	\$10,574	\$10,909	\$11,254	\$11,610	\$11,976	\$12,354
Annual Principal and Interest	\$6,892	\$6,892	\$6,892	\$6,892	\$6,892	\$6,892	\$6,892	\$6,892	\$6,892	\$6,892
Gross Profits	\$3,956	\$2,779	\$3,041	\$3,357	\$3,682	\$4,018	\$4,363	\$4,718	\$5,085	\$5,462
Monthly Cash Flow	\$330	\$232	\$253	\$280	\$307	\$335	\$364	\$393	\$424	\$455
Property Investment	\$38,995	\$38,995	\$38,995	\$38,995	\$38,995	\$38,995	\$38,995	\$38,995	\$38,995	\$38,995
C on C ROI	10.15%	7.13%	7.80%	8.61%	9.44%	10.30%	11.19%	12.10%	13.04%	14.01%
PR Alone Year Over Year	3.95%	4.04%	4.14%	4.25%	4.35%	4.46%	4.56%	4.67%	4.78%	4.88%
C on C + PR	14.09%	11.17%	11.94%	12.86%	13.80%	14.76%	15.75%	16.77%	17.82%	18.89%

Annual Appreciation/ROI										
Year	1	2	3	4	5	6	7	8	9	10
Principal Reduction	\$1,539	\$3,151	\$4,846	\$6,625	\$8,486	\$10,431	\$12,459	\$14,570	\$16,765	\$19,042
Appreciation	\$0	\$7,800	\$5,512	\$5,732	\$5,962	\$4,650	\$4,790	\$4,933	\$5,081	\$5,234
Appreciation ROI	0.00%	20.00%	14.14%	14.70%	15.29%	11.93%	12.28%	12.65%	13.03%	13.42%
Cumulative Equity Gain	\$0	\$7,800	\$13,312	\$19,044	\$25,006	\$29,656	\$34,446	\$39,380	\$44,461	\$49,695
Proceeds In Event of Sale	\$19,739	\$28,683.20	\$35,560	\$42,727	\$50,192	\$56,508	\$63,039	\$69,787	\$76,758	\$83,955
ROI w/C on C + PR + Est. Apprec.	14.09%	31.17%	26.08%	27.56%	29.08%	26.69%	28.04%	29.42%	30.85%	32.31%
Deprec. / Tax Savings	\$1,324	\$1,324	\$1,324	\$1,375	\$1,324	\$1,324	\$1,375	\$1,324	\$1,324	\$1,324
Deprec. ROI	3.39%	3.39%	3.39%	3.52%	3.39%	3.39%	3.52%	3.39%	3.39%	3.39%
Hypothetical Appreciation 8%	\$0	\$10,400	\$11,232	\$12,131	\$13,101	\$14,149	\$15,281	\$16,503	\$17,824	\$19,250
Hyp. Apprec. as ROI based on PI	0.00%	26.67%	28.80%	31.11%	33.60%	36.28%	39.19%	42.32%	45.71%	49.36%
Cumulative EG with Hyp. Apprec.	\$0	\$10,400	\$21,632	\$33,763	\$46,864	\$61,013	\$76,294	\$92,797	\$110,621	\$129,871
Proceeds if Sold w/ Hyp. Apprec.	\$19,739	\$31,127.20	\$43,380	\$56,562	\$70,738	\$85,983	\$102,375	\$120,000	\$138,948	\$159,321
C on C + PR+ Hyp. Apprec.	14.09%	37.84%	40.74%	43.96%	47.39%	51.05%	54.94%	59.09%	63.52%	68.25%
C on C + PR+ Hyp. Appr. + Deprec. of asset	17.49%	45.27%	52.42%	60.23%	68.20%	76.73%	85.85%	95.18%	105.13%	115.60%

## Glossary and Assumptions

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

		Abbreviations		Property Value		
	<b>PM</b>	Property Management	2	\$130,000	\$7,800	
	<b>Apprec.</b>	Appreciation	3	\$137,800	\$8,268	
	<b>Deprec.</b>	Depreciation	4	\$146,068	\$8,764	
	<b>C on C</b>	Cash on Cash	5	\$154,832	\$4,645	
	<b>V&amp;R</b>	Vacany and Repairs	6	\$159,477	\$4,784	
	<b>Hyp.</b>	Hypothetical	7	\$164,261	\$4,928	
	<b>PR.</b>	Prinicial Reduction	8	\$169,189	\$5,076	
	<b>PI.</b>	Property Invesment	9	\$174,265	\$5,228	
	<b>EG</b>	Equity Gain	10	\$179,493	\$5,385	