

## Property Projected Analysis Summary

12626 W. Estero Ln  
Litchfield Park, Az. 85340

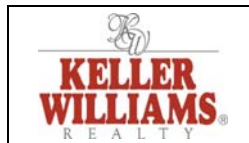
Prepared for

[Redacted]

February 19, 2009

by

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### Disclaimer

The information, calculations & data presented in this report are an estimate and are not guaranteed or warranted. The information contained in this report shall not be considered as a substitution for legal, accounting or other professional advice. Please seek proper legal and tax advice as appropriate before making any purchases of real estate.

# PROJECTED FINANCIAL ANALYSIS SUMMARY



### Property Information:

Type:	-	<b>Single-Family</b>
Total Cost:	\$	133,839
Fair Market Value:	\$	180,000
Number of Units:		1
Sq. Footage		1,914
Appreciation Rate		5.00%

### Financial Information

Projected Down Payment/ Investment:	\$ 133,839	100.00%	74.36%
	<small>% of Cost</small>	<small>% of FMV</small>	

	Amount	Rate	Term (Years)	Payment
Loan #1	-	0.00%	0.00	\$ -
Loan #2	-	0.00%	30.00	\$ -
Loan #3	-	0.00%	30.00	\$ -

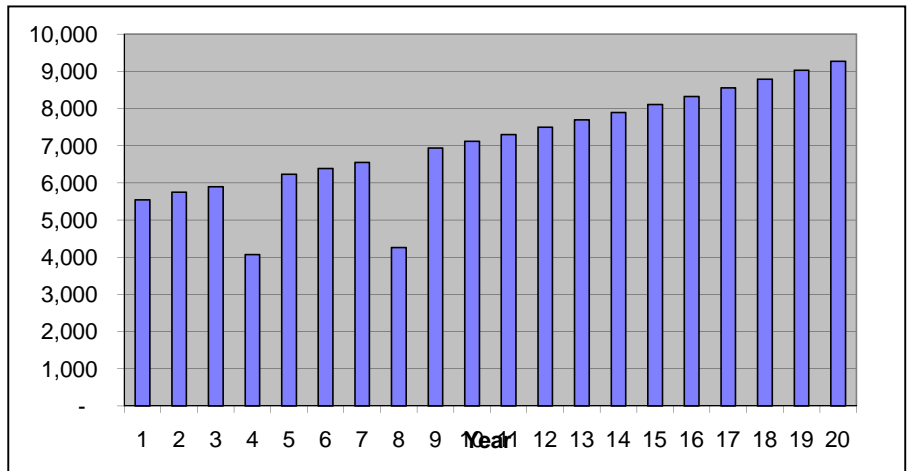
### Rental Income & Expenses:

Monthly Rents:	\$	1,075
Annual Rents	\$	12,900
Other Annual Income	\$	-
Annual Vacancy	\$	(1,161)
Annual Expenses	\$	(4,650)
Annual Mortgage Payment	\$	-

### Assumptions:

Rental Growth Rate	3.00%
Expense Growth Rate	2.00%
Property Growth Rate	5.00%
Marginal Tax Rate	44.00%
Capital Gain Tax Rate	24.00%

### Property 20-year Projected Cash Flow



### Financial Ratios:

	Year 1	Year 5	Year 10		Year 1	Year 5	Year 10
Debt Coverage Ratio (DCR)	Can't Comp.	Can't Comp.	Can't Comp.	Gross Rent Yearly Multiplier (GRM)	14.65	15.82	17.42
Capitalization Rate Based on Cost	5.30%	6.08%	7.21%	Value of Property Using Your GRM	\$ -	\$ -	\$ -
Capitalization Rate Based on FMV	3.75%	3.54%	3.29%	Loan to Value Ratio (LVR)	0.00%	0.00%	0.00%
Value of Property Using This Cap Rate	-	-	-	Net Present Value (NPV)	\$ 37,632	\$ 84,035	\$ 154,665
Cash on Cash Return before Taxes	5.30%	6.08%	7.21%	Net Present Value Unleveraged (NPV)	\$ 37,632	\$ 84,035	\$ 154,665
Cash on Cash Return after Taxes	4.14%	4.65%	5.32%	Cumulative Internal Rate of Return (IRR)	28.12%	10.91%	9.03%
Gross Rent Monthly Multiplier (GRM)	175.81	189.87	209.04	Cumulative Unleveraged IRR	28.12%	10.91%	9.03%

12626 W ESTERO LN Litchfield Park, AZ 85340

Client Report (1)

\$149,900

	4030398 Residential Single Family - Detached Active		
	<b>Beds/Baths:</b> 5 / 2 <b>SF:</b> 1,914 / <b>Year Built:</b> 2002 <b>Pool - Private:</b> No Pool <b>Spa:</b> None <b>EF:</b> 52RD2G <b>Lot Size:</b> 1 - 7,500 <b>Level:</b> Single Level <b>Dwelling Type:</b> Single Family - Detached	<b>Subdivision:</b> Wigwam Creek South <b>Tax Municipality:</b> Litchfield Park <b>Marketing Name:</b> <b>Planned Cmty Name:</b> <b>Model:</b> <b>Builder Name:</b> unknown <b>Hun Block:</b> 850 N <b>Map Code/Grid:</b> P29	
	<b>Ele Sch Dist:</b> 079 - Litchfield Elementary District <b>Elementary School:</b> Litchfield <b>Jr. High School:</b> Litchfield	<b>High School Dist #:</b> 216 - Agua Fria Union District <b>High School:</b> Wigwam Creek	

**Cross Streets:** 127th Ave & Camelback **Directions:** South on 127th Ave to Estero Lane, East to property.

**Remarks:** Bank-owned property that that has FIVE bedrooms! Previously a healthcare home with all tile/ wood flooring, no interior steps, single level, master bedroom split from other four bedrooms, north/south exposure, grassy backyard.

Features	Room Details	Construction & Utilities	County, Tax and Financing
<b>Approx SqFt Range:</b> 1,801 - 2,000 <b>Parking:</b> 2 Car Garage; Electric Door Opener <b>Horses:</b> N <b>Fireplace:</b> No Fireplace <b>Property Description:</b> Desert Front; North/South Exposure <b>Exterior Features:</b> Patio; Covered Patio(s) <b>Features:</b> <b>Flooring:</b> Carpet; Tile; Wood	<b>Kitchen Features:</b> Disposal; Pantry <b>Master Bathroom:</b> Full Bth Master Bdrm; Separate Shwr & Tub; Double Sinks <b>Additional Bedroom:</b> Master Bdrm Split; Mstr Bdr Walkin Clst <b>Laundry:</b> Wshwr/Dry HookUp Only; Inside Laundry <b>Dining Area:</b> Formal; Eat-in Kitchen	<b>Architecture:</b> Ranch <b>Const - Finish:</b> Painted; Stucco <b>Construction:</b> Frame - Wood <b>Roofing:</b> All Tile <b>Fencing:</b> Block <b>Cooling:</b> Refrigeration <b>Heating:</b> Electric Heat <b>Utilities:</b> APS <b>Water:</b> City Water <b>Sewer:</b> Sewer - Public <b>Services:</b> City Services <b>Technology:</b> Cable TV Avail; HighSpd Intrnt Aval <b>Energy Features:</b> Ceiling Fan(s)	<b>County Code:</b> Maricopa <b>Legal Subdivision:</b> WIGWAM CREEK SOUTH PARCEL 10 <b>All:</b> 508-07-200 <b>Lot Number:</b> 68 <b>Town-Range-Section:</b> 2N-1W-23 <b>Cty Bk&amp;Pg:</b> <b>Plat:</b> <b>Taxes/Yr:</b> \$ 1,416/2007 <b>Ownership:</b> Fee Simple <b>New Financing:</b> Cash; VA; FHA; Conventional <b>Total Asum Mnth Pmts:</b> \$ 0 <b>Down Payment:</b> \$ 0 <b>Existing 1st Loan:</b> Treat as Free&Clear <b>Exist 1st Loan Terms:</b> <b>Disclosures:</b> None <b>Possession:</b> Close of Escrow

#### Homeowner Association Information

<b>Homeowners Assoc:</b> Y <b>HOA Name:</b> <b>HOA Telephone:</b>	<b>Association Fee Incl:</b> Common Area Maint; Street Maint	<b>Assoc Rules/Info:</b> Pets OK (See Rmrks); NoVsble TrkTrlrRvBt; Prof Managed	<b>Cap Imprv/Impact Fee:</b> <b>Land Lease Fee:</b> 0 <b>PAD Fee:</b> \$ 0
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Listing Dates	Pricing and Sale Info	Listing Contract Info
<b>CDOM/ADOM:</b> 40 / 40	<b>List Price:</b> \$ 149,900	<b>Special Listing Cond:</b> Lender Owned



# Input Data Screen

[Home](#)

<b>Property Name:</b> <input style="width: 90%;" type="text"/>	<a href="#">Sensitivity Analysis</a>	<a href="#">Executive Rep</a>
<b>Case Description:</b> <input style="width: 90%;" type="text"/>	<a href="#">Main Report</a>	<a href="#">User Guide</a>
<b>Address:</b> 12626 W. Estero Ln	<a href="#">Graphs &amp; Reports</a>	<a href="#">APOD Report</a>
<b>Address:</b> Litchfield Park, Az. 85340		

I

### Rental Income & Expenses

Rental Income / Rent Roll: [Enter Rent Roll](#)

Operating Expenses: [Enter Expenses](#)

Enter Average Vacancy Rate:

Annual Rental Income Growth Rate (%) [Enter Annual Rates](#) Apply This Rate Every Year ==>

Annual Operating Expense Increase (%):

II

### Property Costs & Characteristics

Select Residential, Commercial Property or Raw Land Single-Family

Number of Units / Total Square Footage of Property 

1	1,914
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Purchase Price of Rental Property:

Contract Purchase Price	\$ 125,000	
Initial Improvements	\$ 6,140	
Closing Costs	\$ 824	
Buyer Paid Commission	\$ 1,875	1.50%
Other Initial Costs	-	
Enter 5-Year Personal Property ==> <input type="button" value="v"/>	\$ -	
<b>% of Cost Allocated to Land</b>	<b>25.00%</b>	<b>\$ 133,839</b>

Current Fair Market Value (FMV) of Rental Property:

Annual Appreciation Rate (%)\*: [Enter Annual Rates](#) Apply This Rate Every Year ==>

Future Selling Expenses (as a % of Selling Price):

\* based on 15 years OFHEO MSA average and neighborhood adjustment

Description	Amount	Select Year Improvement to be Made	Will the improvement increase the property's FMV?	
			Yes	No
Forecasted Maintenance	\$ 2,000	4	<input type="button" value="v"/>	<input type="button" value="v"/>
Forecasted Maintenance	\$ 2,500	8	<input type="button" value="v"/>	<input type="button" value="v"/>
	\$ -	1	<input type="button" value="v"/>	<input type="button" value="v"/>
	\$ -	1	<input type="button" value="v"/>	<input type="button" value="v"/>
	\$ -	1	<input type="button" value="v"/>	<input type="button" value="v"/>
	\$ -	1	<input type="button" value="v"/>	<input type="button" value="v"/>
<b>Total</b>	<b>\$ 4,500</b>			

III

### Financing

[Amort Schedules](#)

	Mortgage #1	Mortgage #2	Mortgage #3
Amount Borrowed or Assumed:	\$ -	\$ -	\$ -
Interest Rate:	<input type="button" value="v"/>	<input type="button" value="v"/>	<input type="button" value="v"/>
Interest Only?	<input type="button" value="v"/>	<input type="button" value="v"/>	<input type="button" value="v"/>
Enter Start Month of the Loan:	Month 1	Month 1	Month 1
Enter Start Year of the Loan:	Year 1	Year 1	Year 1
<b>Term / Remaining Term of Loan (In Months):</b>		360	360
Is this to Refinance Mortgage #1 or #2	n/a	No - New Loan	No - New Loan
Additional Monthly Principal Payments			
Monthly Mortgage Payment: (Formula)	\$ -	\$ -	\$ -
Loan Origination Points	-	-	-
Loan Origination Points (In Dollars)	\$ -	\$ -	\$ -

Negative Amortization Option

Negative Amortization Payment 

\$ -	\$ -
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Override Payment Calculated Above? 

No	No
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Initial Investment or Down Payment (Cost less Debt - Automatically Calculated)

Down Payment as a Percent of Contract Purchase Price

Down Payment as a Percent of Cost

IV

### Income Taxes

Federal Marginal Income Tax Rate:

Federal Long-Term Capital Gains Rate:

State Marginal Income Tax Rate:

Are Your Losses Limited by the Passive Loss Rules?

Like-Kind Exchange on Disposition?

# Rental Income / Rent Roll

Total Gross Monthly Income \$ 1,075

Enter Lease Description	Monthly Rent	Vacant / Incentive Months in the First Year
Unit 1	\$ 1,075	0
Unit 2	\$ -	0
Unit 3	\$ -	0
Unit 4	\$ -	0
Unit 5	\$ -	0
Unit 6	\$ -	0
Unit 7	\$ -	0
Unit 8	\$ -	0
Unit 9	\$ -	0
Unit 10	\$ -	0
Unit 11	\$ -	0
Unit 12	\$ -	0
Unit 13	\$ -	0
Unit 14	\$ -	0
Unit 15	\$ -	0
Unit 16	\$ -	0
Unit 17	\$ -	0
Unit 18	\$ -	0
Unit 19	\$ -	0
Unit 20	\$ -	0
Unit 21	\$ -	0
Unit 22	\$ -	0
Unit 23	\$ -	0
Unit 24	\$ -	0
Unit 25	\$ -	0
Unit 26	\$ -	0
Unit 27	\$ -	0
Unit 28	\$ -	0
Unit 29	\$ -	0
Unit 30	\$ -	0
Unit 31	\$ -	0
Unit 32	\$ -	0
Unit 33	\$ -	0
Unit 34	\$ -	0
Unit 35	\$ -	0
Unit 36	\$ -	0
Unit 37	\$ -	0
Unit 38	\$ -	0
Unit 39	\$ -	0
Unit 40	\$ -	0
Unit 41	\$ -	0
Unit 42	\$ -	0
Unit 43	\$ -	0
Unit 44	\$ -	0
Unit 45	\$ -	0
Unit 46	\$ -	0
Unit 47	\$ -	0
Unit 48	\$ -	0
Unit 49	\$ -	0
Unit 50	\$ -	0

Enter Lease Description	Monthly Rent	Vacant / Incentive Months in the First Year
Unit 51	\$ -	0
Unit 52	\$ -	0
Unit 53	\$ -	0
Unit 54	\$ -	0
Unit 55	\$ -	0
Unit 56	\$ -	0
Unit 57	\$ -	0
Unit 58	\$ -	0
Unit 59	\$ -	0
Unit 60	\$ -	0
Unit 61	\$ -	0
Unit 62	\$ -	0
Unit 63	\$ -	0
Unit 64	\$ -	0
Unit 65	\$ -	0
Unit 66	\$ -	0
Unit 67	\$ -	0
Unit 68	\$ -	0
Unit 69	\$ -	0
Unit 70	\$ -	0
Unit 71	\$ -	0
Unit 72	\$ -	0
Unit 73	\$ -	0
Unit 74	\$ -	0
Unit 75	\$ -	0
Unit 76	\$ -	0
Unit 77	\$ -	0
Unit 78	\$ -	0
Unit 79	\$ -	0
Unit 80	\$ -	0
Unit 81	\$ -	0
Unit 82	\$ -	0
Unit 83	\$ -	0
Unit 84	\$ -	0
Unit 85	\$ -	0
Unit 86	\$ -	0
Unit 87	\$ -	0
Unit 88	\$ -	0
Unit 89	\$ -	0
Unit 90	\$ -	0
Unit 91	\$ -	0
Unit 92	\$ -	0
Unit 93	\$ -	0
Unit 94	\$ -	0
Unit 95	\$ -	0
Unit 96	\$ -	0
Unit 97	\$ -	0
Unit 98	\$ -	0
Unit 99	\$ -	0
Unit 100	\$ -	0

Estimated Annual Income	12,900
Estimated Annual Vacancy:	\$ 1,161

### Other Monthly Income:

Description	Amount	Growth Rate
Laundry	\$ -	0.00%
Late Fees	\$ -	0.00%
Parking	\$ -	0.00%
Mainten	\$ -	0.00%
Other	\$ -	0.00%
Total	-	

### One-Time Income Additions

Amount	Year
\$ -	1
\$ -	1
\$ -	1

### Alternative Income Input

Use the input below instead?

No

Year 1	\$ -
Year 2	\$ -
Year 3	\$ -
Year 4	\$ -
Year 5	\$ -
Year 6	\$ -
Year 7	\$ -
Year 8	\$ -
Year 9	\$ -
Year 10	\$ -
Year 11	\$ -
Year 12	\$ -
Year 13	\$ -
Year 14	\$ -
Year 15	\$ -
Year 16	\$ -
Year 17	\$ -
Year 18	\$ -
Year 19	\$ -
Year 20	\$ -

Subtotal 1- 50 Units \$ 1,075  
 \$ -  
 Grand Total \$ 1,075

Subtotal 51 - 100 Units \$ -  
 \$ -

## Annual Rental Expense Input Screen

<b>Total Annual Expenses:</b>	\$ 3,593	(from below)
<b>Annual Increase</b>	2.00%	(from Input Screen)
<b>Monthly Expenses</b>	\$ 299	\$ -

Expense Description	Annual Amount	Percentage of Total
Accounting	\$ -	0.00%
Advertising	\$ -	0.00%
Association Fees	\$ 456	12.69%
Auto & Travel	\$ -	0.00%
Cleaning	\$ -	0.00%
Commissions	\$ -	0.00%
Insurance	\$ 489	13.61%
Lawn Maintenance	\$ -	0.00%
Legal	\$ -	0.00%
Maintan Alloc (5% of rent)	\$ 645	17.95%
Rent Up Fees (3%/16m)	\$ 387	10.77%
Payroll	\$ -	0.00%
Professional Fees	\$ -	0.00%
Repairs	\$ -	0.00%
Supplies	\$ -	0.00%
<b>Taxes:</b>		
Property Taxes	\$ 1,416	39.41%
Personal Property	\$ -	0.00%
Payroll	\$ -	0.00%
Other	\$ -	0.00%
Trash Removal	\$ -	0.00%
<b>Utilities:</b>		
Electricity	\$ -	0.00%
Water	\$ -	0.00%
Gas	\$ -	0.00%
Telephone	\$ -	0.00%
Other Utilities	\$ -	0.00%
Miscellaneous	\$ 200	5.57%
Miscellaneous	\$ -	0.00%
Miscellaneous	\$ -	0.00%
Miscellaneous	\$ -	0.00%
Miscellaneous	\$ -	0.00%
Miscellaneous	\$ -	0.00%

\$ -  
\$ -

### One-Time Expenses

Amount	Year Incurred
\$ -	1 ▼
\$ -	1 ▼
\$ -	1 ▼

### Management Fee (if any)

9.00%

### Alternative Expense Input

Use the input below instead?

No ▼

Year 1	
Year 2	
Year 3	
Year 4	
Year 5	
Year 6	
Year 7	
Year 8	
Year 9	
Year 10	
Year 11	
Year 12	
Year 13	
Year 14	
Year 15	
Year 16	
Year 17	
Year 18	
Year 19	
Year 20	

\$ -  
\$ -

<b>Total Annual Expenses</b>	\$ 3,593	\$ -
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# Cash Flow Analysis

12626 W. Estero Ln

## Rental Activity Analysis

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rental Income	\$ 12,900	\$ 13,287	\$ 13,686	\$ 14,096	\$ 14,519	\$ 14,955	\$ 15,403	\$ 15,865	\$ 16,341	\$ 16,832
Other Income	-	-	-	-	-	-	-	-	-	-
Vacancy & Credits	(1,161)	(1,196)	(1,232)	(1,269)	(1,307)	(1,346)	(1,386)	(1,428)	(1,471)	(1,515)
Management Fees (if any)	(1,057)	(1,088)	(1,121)	(1,154)	(1,189)	(1,225)	(1,262)	(1,299)	(1,338)	(1,379)
Operating Expenses	(3,593)	(3,665)	(3,738)	(3,813)	(3,889)	(3,967)	(4,046)	(4,127)	(4,210)	(4,294)
Net Operating Income (NOI)	\$ 7,089	\$ 7,338	\$ 7,595	\$ 7,860	\$ 8,134	\$ 8,417	\$ 8,709	\$ 9,011	\$ 9,322	\$ 9,644
Total Mortgage Payments	-	-	-	-	-	-	-	-	-	-
Capital Improvements	-	-	-	(2,000)	-	-	-	(2,500)	-	-
Operating Income Taxes	(1,546)	(1,587)	(1,700)	(1,786)	(1,906)	(2,030)	(2,159)	(2,253)	(2,388)	(2,530)
<b>Net CASH FLOW from Rent Activity</b>	\$ 5,543	\$ 5,751	\$ 5,895	\$ 4,074	\$ 6,228	\$ 6,387	\$ 6,551	\$ 4,258	\$ 6,934	\$ 7,114

## Property Sale Analysis

Projected Sales Price - Original Cost	\$ 189,000	\$ 198,450	\$ 208,373	\$ 218,791	\$ 229,731	\$ 241,217	\$ 253,278	\$ 265,942	\$ 279,239	\$ 293,201
Projected Sales Price - Improvements	-	-	-	-	-	-	-	-	-	-
Selling Expenses	(11,340)	(11,907)	(12,502)	(13,127)	(13,784)	(14,473)	(15,197)	(15,957)	(16,754)	(17,592)
<b>Adjusted Projected Sales Price</b>	177,660	186,543	195,870	205,664	215,947	226,744	238,081	249,985	262,485	275,609
Mortgage #1 Balance Payoff	-	-	-	-	-	-	-	-	-	-
Mortgage #2 Balance Payoff	-	-	-	-	-	-	-	-	-	-
Mortgage #3 Balance Payoff	-	-	-	-	-	-	-	-	-	-
Tax Benefit - Suspended Losses (if any)	-	-	-	-	-	-	-	-	-	-
Income Taxes From Sale	(11,733)	(15,133)	(18,640)	(21,802)	(25,563)	(29,448)	(33,462)	(37,042)	(41,365)	(45,839)
<b>Net CASH FLOW from Property Sale</b>	\$ 165,927	\$ 171,410	\$ 177,230	\$ 183,861	\$ 190,384	\$ 197,296	\$ 204,620	\$ 212,944	\$ 221,119	\$ 229,770

## Cash Position

Net Cash Generated This Year	\$ 5,543	\$ 5,751	\$ 5,895	\$ 4,074	\$ 6,228	\$ 6,387	\$ 6,551	\$ 4,258	\$ 6,934	\$ 7,114
Net Cumulative Cash Generated Previous Years	n/a	5,543	11,294	17,188	21,262	27,491	33,878	40,428	44,686	51,620
Net Cash Generated - Property Sale	165,927	171,410	177,230	183,861	190,384	197,296	204,620	212,944	221,119	229,770
Cash Inflow (Outflow) From Refinancing	-	-	-	-	-	-	-	-	-	-
Original Initial Investment	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)
<b>Total Net CUMULATIVE CASH Generated</b>	\$ 37,632	\$ 48,865	\$ 60,580	\$ 71,285	\$ 84,035	\$ 97,335	\$ 111,209	\$ 123,791	\$ 138,900	\$ 154,665

## Financial Ratios

Debt Coverage Ratio (DCR)	Can't Comp.	Can't Comp.	Can't Comp.	Can't Comp.	Can't Comp.	Can't Comp.	Can't Comp.	Can't Comp.	Can't Comp.	Can't Comp.
Loan to Value Ratio (LVR)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capitalization Rate Based on Cost	5.30%	5.48%	5.67%	5.87%	6.08%	6.29%	6.51%	6.73%	6.97%	7.21%
Capitalization Rate Based on FMV	3.75%	3.70%	3.64%	3.59%	3.54%	3.49%	3.44%	3.39%	3.34%	3.29%
Value of Property Using This Cap Rate	0.00%	-	-	-	-	-	-	-	-	-
Gross Rent Monthly Multiplier (GRM)	175.81	179.23	182.71	186.26	189.87	193.56	197.32	201.15	205.05	209.04
Gross Rent Yearly Multiplier (GRM)	14.65	14.94	15.23	15.52	15.82	16.13	16.44	16.76	17.09	17.42
Value of Property Using Your GRM	-	-	-	-	-	-	-	-	-	-
Net Present Value (NPV)	0.00%	37,632	48,865	60,580	71,285	84,035	97,335	111,209	123,791	138,900
<b>Cash on Cash Return</b> with Equity BuildUp	45.36%	11.36%	11.82%	10.83%	12.83%	13.35%	13.91%	12.64%	15.12%	15.75%
<b>Cash on Cash Return</b> before Taxes	5.30%	5.48%	5.67%	4.38%	6.08%	6.29%	6.51%	4.86%	6.97%	7.21%
<b>Cash on Cash Return</b> after Taxes	4.14%	4.30%	4.40%	3.04%	4.65%	4.77%	4.89%	3.18%	5.18%	5.32%
<b>Cumulative Internal Rate of Return (IRR)</b>	28.12%	17.14%	13.72%	11.85%	10.91%	10.30%	9.87%	9.45%	9.22%	9.03%
<b>Modified Internal Rate of Return (MIRR)</b>	28.12%	16.84%	13.25%	11.26%	10.24%	9.54%	9.02%	8.53%	8.23%	7.98%



# Cash Flow Analysis

## Rental Activity Analysis

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Gross Rental Income	\$ 17,337	\$ 17,857	\$ 18,392	\$ 18,944	\$ 19,512	\$ 20,098	\$ 20,701	\$ 21,322	\$ 21,961	\$ 22,620
Other Income	-	-	-	-	-	-	-	-	-	-
Vacancy & Credits	(1,560)	(1,607)	(1,655)	(1,705)	(1,756)	(1,809)	(1,863)	(1,919)	(1,977)	(2,036)
Management Fees (if any)	(1,420)	(1,462)	(1,506)	(1,552)	(1,598)	(1,646)	(1,695)	(1,746)	(1,799)	(1,853)
Operating Expenses	(4,380)	(4,467)	(4,557)	(4,648)	(4,741)	(4,836)	(4,932)	(5,031)	(5,132)	(5,234)
Net Operating Income (NOI)	\$ 9,977	\$ 10,320	\$ 10,674	\$ 11,040	\$ 11,417	\$ 11,807	\$ 12,210	\$ 12,625	\$ 13,055	\$ 13,497
Total Mortgage Payments	-	-	-	-	-	-	-	-	-	-
Capital Improvements	-	-	-	-	-	-	-	-	-	-
Operating Income Taxes	(2,676)	(2,827)	(2,983)	(3,144)	(3,310)	(3,482)	(3,659)	(3,842)	(4,031)	(4,225)
<b>Net CASH FLOW from Rent Activity</b>	\$ 7,300	\$ 7,492	\$ 7,691	\$ 7,896	\$ 8,107	\$ 8,325	\$ 8,551	\$ 8,784	\$ 9,024	\$ 9,272

## Property Sale Analysis

Projected Sales Price - Original Cost	\$ 307,861	\$ 323,254	\$ 339,417	\$ 356,388	\$ 374,207	\$ 392,917	\$ 412,563	\$ 433,191	\$ 454,851	\$ 477,594
Projected Sales Price - Improvements	-	-	-	-	-	-	-	-	-	-
Selling Expenses	(18,472)	(19,395)	(20,365)	(21,383)	(22,452)	(23,575)	(24,754)	(25,991)	(27,291)	(28,656)
<b>Adjusted Projected Sales Price</b>	289,389	303,859	319,052	335,004	351,755	369,342	387,809	407,200	427,560	448,938
Mortgage #1 Balance Payoff	-	-	-	-	-	-	-	-	-	-
Mortgage #2 Balance Payoff	-	-	-	-	-	-	-	-	-	-
Mortgage #3 Balance Payoff	-	-	-	-	-	-	-	-	-	-
Tax Benefit - Suspended Losses (if any)	-	-	-	-	-	-	-	-	-	-
Income Taxes From Sale	(50,470)	(55,267)	(60,237)	(65,390)	(70,734)	(76,279)	(82,035)	(88,013)	(94,224)	(100,678)
<b>Net CASH FLOW from Property Sale</b>	\$ 238,919	\$ 248,592	\$ 258,814	\$ 269,614	\$ 281,020	\$ 293,063	\$ 305,774	\$ 319,187	\$ 333,336	\$ 348,260

## Cash Position

Net Cash Generated This Year	\$ 7,300	\$ 7,492	\$ 7,691	\$ 7,896	\$ 8,107	\$ 8,325	\$ 8,551	\$ 8,784	\$ 9,024	\$ 9,272
Net Cumulative Cash Generated Previous Years	58,734	66,035	73,527	81,218	89,113	97,221	105,546	114,097	122,881	131,905
Net Cash Generated - Property Sale	238,919	248,592	258,814	269,614	281,020	293,063	305,774	319,187	333,336	348,260
Cash Inflow (Outflow) From Refinancing	-	-	-	-	-	-	-	-	-	-
Original Initial Investment	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)
<b>Total Net CUMULATIVE CASH Generated</b>	\$ 171,114	\$ 188,280	\$ 206,193	\$ 224,889	\$ 244,402	\$ 264,770	\$ 286,032	\$ 308,229	\$ 331,402	\$ 355,597

## Financial Ratios

Debt Coverage Ratio (DCR)	Can't Comp.	Can't Comp.	Can't Comp.	Can't Comp.	Can't Comp.	Can't Comp.	Can't Comp.	Can't Comp.	Can't Comp.	Can't Comp.
Loan to Value Ratio (LVR)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capitalization Rate Based on Cost	7.45%	7.71%	7.98%	8.25%	8.53%	8.82%	9.12%	9.43%	9.75%	10.08%
Capitalization Rate Based on FMV	3.24%	3.19%	3.14%	3.10%	3.05%	3.01%	2.96%	2.91%	2.87%	2.83%
Value of Property Using This Cap Rate	0.00%	-	-	-	-	-	-	-	-	-
Gross Rent Monthly Multiplier (GRM)	213.10	217.23	221.45	225.75	230.13	234.60	239.16	243.80	248.54	253.36
Gross Rent Yearly Multiplier (GRM)	17.76	18.10	18.45	18.81	19.18	19.55	19.93	20.32	20.71	21.11
Value of Property Using Your GRM	-	-	-	-	-	-	-	-	-	-
Net Present Value (NPV)	171,114	188,280	206,193	224,889	244,402	264,770	286,032	308,229	331,402	355,597
Cash on Cash Return with Equity BuildUp	16.41%	17.10%	17.82%	18.58%	19.37%	20.20%	21.07%	21.98%	22.93%	23.92%
<b>Cash on Cash Return before Taxes</b>	7.45%	7.71%	7.98%	8.25%	8.53%	8.82%	9.12%	9.43%	9.75%	10.08%
<b>Cash on Cash Return after Taxes</b>	5.45%	5.60%	5.75%	5.90%	6.06%	6.22%	6.39%	6.56%	6.74%	6.93%
<b>Cumulative Internal Rate of Return (IRR)</b>	<b>8.89%</b>	<b>8.77%</b>	<b>8.67%</b>	<b>8.58%</b>	<b>8.51%</b>	<b>8.45%</b>	<b>8.40%</b>	<b>8.35%</b>	<b>8.30%</b>	<b>8.27%</b>
<b>Modified Internal Rate of Return (MIRR)</b>	<b>7.77%</b>	<b>7.59%</b>	<b>7.44%</b>	<b>7.30%</b>	<b>7.17%</b>	<b>7.06%</b>	<b>6.96%</b>	<b>6.86%</b>	<b>6.78%</b>	<b>6.70%</b>

## Taxable Income Analysis - Operations

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income from Report	\$ 7,089	\$ 7,338	\$ 7,595	\$ 7,860	\$ 8,134	\$ 8,417	\$ 8,709	\$ 9,011	\$ 9,322	\$ 9,644
Tax Depreciation	(3,575)	(3,731)	(3,731)	(3,800)	(3,803)	(3,803)	(3,803)	(3,890)	(3,894)	(3,894)
Points Amortization	-	-	-	-	-	-	-	-	-	-
Interest Expense - Mortgage #1	-	-	-	-	-	-	-	-	-	-
Interest Expense - Mortgage #2	-	-	-	-	-	-	-	-	-	-
Interest Expense - Mortgage #3	-	-	-	-	-	-	-	-	-	-
<b>Operating Taxable Income (Loss)</b>	<b>\$ 3,514</b>	<b>\$ 3,608</b>	<b>\$ 3,864</b>	<b>\$ 4,060</b>	<b>\$ 4,331</b>	<b>\$ 4,614</b>	<b>\$ 4,906</b>	<b>\$ 5,121</b>	<b>\$ 5,428</b>	<b>\$ 5,750</b>
Fed & State Tax Rate on Rental Income	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%
<b>Tax (Expense) Benefit from Operations</b>	<b>\$ (1,546)</b>	<b>\$ (1,587)</b>	<b>\$ (1,700)</b>	<b>\$ (1,786)</b>	<b>\$ (1,906)</b>	<b>\$ (2,030)</b>	<b>\$ (2,159)</b>	<b>\$ (2,253)</b>	<b>\$ (2,388)</b>	<b>\$ (2,530)</b>
Subject to Suspended Loss Rules?	<input checked="" type="button" value="Yes"/>	<input type="button" value="Help"/>								

## Taxable Income Analysis - Property Sale

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Adjusted Projected Sales Price	\$ 177,660	\$ 186,543	\$ 195,870	\$ 205,664	\$ 215,947	\$ 226,744	\$ 238,081	\$ 249,985	\$ 262,485	\$ 275,609
Original Cost of Property	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)
Improvements Made	-	-	-	(2,000)	(2,000)	(2,000)	(2,000)	(4,500)	(4,500)	(4,500)
Amortization Points Paid	-	-	-	-	-	-	-	-	-	-
Gain or (Loss) on Property	43,821	52,704	62,031	69,825	80,108	90,905	102,242	111,646	124,146	137,270
Accumulated Depreciation/Amortization	3,575	7,306	11,036	14,836	18,640	22,443	26,246	30,136	34,031	37,925
<b>Taxable Gain (Loss) on Property Sale</b>	<b>\$ 47,396</b>	<b>\$ 60,010</b>	<b>\$ 73,067</b>	<b>\$ 84,661</b>	<b>\$ 98,747</b>	<b>\$ 113,348</b>	<b>\$ 128,488</b>	<b>\$ 141,783</b>	<b>\$ 158,176</b>	<b>\$ 175,195</b>
Capital Gain & State Rate on Sale	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%
Income Tax (Expense) Benefit	(11,375)	(14,402)	(17,536)	(20,319)	(23,699)	(27,204)	(30,837)	(34,028)	(37,962)	(42,047)
Recapture Tax (if any)	(358)	(731)	(1,104)	(1,484)	(1,864)	(2,244)	(2,625)	(3,014)	(3,403)	(3,792)
<b>Total Tax (Expense) Benefit from Sale</b>	<b>\$ (11,733)</b>	<b>\$ (15,133)</b>	<b>\$ (18,640)</b>	<b>\$ (21,802)</b>	<b>\$ (25,563)</b>	<b>\$ (29,448)</b>	<b>\$ (33,462)</b>	<b>\$ (37,042)</b>	<b>\$ (41,365)</b>	<b>\$ (45,839)</b>

## Taxable Income Analysis - Operations

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Net Operating Income from Report	9,977	10,320	10,674	11,040	11,417	11,807	12,210	12,625	13,055	13,497
Tax Depreciation	(3,894)	(3,894)	(3,894)	(3,894)	(3,894)	(3,894)	(3,894)	(3,894)	(3,894)	(3,894)
Points Amortization	-	-	-	-	-	-	-	-	-	-
Interest Expense - Mortgage #1	-	-	-	-	-	-	-	-	-	-
Interest Expense - Mortgage #2	-	-	-	-	-	-	-	-	-	-
Interest Expense - Mortgage #3	-	-	-	-	-	-	-	-	-	-
<b>Operating Taxable Income (Loss)</b>	<b>\$ 6,082</b>	<b>\$ 6,425</b>	<b>\$ 6,780</b>	<b>\$ 7,146</b>	<b>\$ 7,523</b>	<b>\$ 7,913</b>	<b>\$ 8,316</b>	<b>\$ 8,731</b>	<b>\$ 9,160</b>	<b>\$ 9,603</b>
Fed & State Tax Rate on Rental Income	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%
<b>Tax (Expense) Benefit from Operations</b>	<b>\$ (2,676)</b>	<b>\$ (2,827)</b>	<b>\$ (2,983)</b>	<b>\$ (3,144)</b>	<b>\$ (3,310)</b>	<b>\$ (3,482)</b>	<b>\$ (3,659)</b>	<b>\$ (3,842)</b>	<b>\$ (4,031)</b>	<b>\$ (4,225)</b>

## Taxable Income Analysis - Property Sale

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Adjusted Projected Sales Price	\$ 289,389	\$ 303,859	\$ 319,052	\$ 335,004	\$ 351,755	\$ 369,342	\$ 387,809	\$ 407,200	\$ 427,560	\$ 448,938
Original Cost of Property	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)	(133,839)
Improvements Made	(4,500)	4,500	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)
Amortization Points Paid	-	-	-	-	-	-	-	-	-	-
Gain or (Loss) on Property	151,050	174,520	180,713	196,665	213,416	231,003	249,470	268,861	289,221	310,599
Accumulated Depreciation/Amortization	41,819	45,713	49,607	53,501	57,395	61,290	65,184	69,078	72,972	76,866
<b>Taxable Gain (Loss) on Property Sale</b>	<b>\$ 192,869</b>	<b>\$ 211,233</b>	<b>\$ 230,320</b>	<b>\$ 250,167</b>	<b>\$ 270,811</b>	<b>\$ 292,293</b>	<b>\$ 314,654</b>	<b>\$ 337,939</b>	<b>\$ 362,193</b>	<b>\$ 387,465</b>
Capital Gain & State Rate on Sale	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%
Income Tax (Expense) Benefit	(46,289)	(50,696)	(55,277)	(60,040)	(64,995)	(70,150)	(75,517)	(81,105)	(86,926)	(92,992)
Recapture Tax (if any)	(4,182)	(4,571)	(4,961)	(5,350)	(5,740)	(6,129)	(6,518)	(6,908)	(7,297)	(7,687)
<b>Total Tax (Expense) Benefit from Sale</b>	<b>\$ (50,470)</b>	<b>\$ (55,267)</b>	<b>\$ (60,237)</b>	<b>\$ (65,390)</b>	<b>\$ (70,734)</b>	<b>\$ (76,279)</b>	<b>\$ (82,035)</b>	<b>\$ (88,013)</b>	<b>\$ (94,224)</b>	<b>\$ (100,678)</b>