

Address: 1137 Timber Ln FTC

Data SummaryPurchase Data

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1	purchase price		\$445,000
2	allocation--		
3	land	20%	\$89,000
4	house	80%	\$356,000

Financing Data

7	down payment	25%	\$111,250	
8	closing costs	2.00%	\$6,675	
9	total initial investment		\$117,925	
11	loan amount		\$333,750	
12	loan terms			
13	term	30	years	
14	interest rate	3.500%		
15	monthly PI		\$1,498.69	
16	total monthly payment		\$1,498.69	
18	annual interest		\$10,854	(averaged over holding period)

Operating Data

21	rental increase per year		5.00%	
22	monthly rent		\$2,400	
23	average monthly rent		\$2,792	(averaged over holding period)
24	annual rent		\$28,800.00	(gross scheduled income)
25	average annual rent		\$33,498.55	(gross scheduled income averaged over holding period)
26	vacancy allowance	4.0%	\$1,340	

Annual operating expenses

29	Tax Increase per year		5%	
30	current property taxes		\$2,162	
31	average property taxes		\$2,514	
32	Insurance Increase per year		5%	
33	current insurance estimate		\$2,559	
34	average insurance		\$2,976	
36	utilities	\$ -	\$0	
37	maintenance	5%	\$1,675	(percent of gross scheduled income)
38	management	10%	\$3,216	(percent of gross operating income)
39	HOA	\$ -	\$0	
40	other	\$0.00	\$0	

FYI Total Monthly payment and HOA **\$ 1,892.04**

44	total operating expenses		\$10,381	
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Investment data

47	investor tax bracket	28%		
48	holding period	7	years	
49	annual appreciation	5%		
50	cost of sale	6%		
52	reinvestment rate	1%		(before taxes)

Cash Flow

gross scheduled income	\$33,499		
less vacancy allowance	\$1,340		
gross operating income	\$32,159		
less operating expenses	\$10,381		
net operating income	\$21,777		
less annual payments	\$17,984		
cash flow before taxes	\$ 3,793.24	per year	\$316.10 per month averaged over hold
cost recovery (depreciation)	27.5	years	
annual recovery	\$12,945		
principal reduction	\$7,131	(NOT deductible)	
taxable income or (loss)	(\$2,022)	(cash flow before taxes less cost recovery)	
tax savings	\$566	(taxable loss times marginal tax bracket)	
cash flow after taxes	\$4,359	(cash flow before taxes plus tax savings)	

After Sale Proceeds

projected sales price	\$626,160	(from annual appreciation and holding period)
sale cost	\$37,570	(projected price times estimated cost of sale)
net sales price	\$588,590	
adjusted basis	\$361,057	(initial price plus closing costs less total annual cost recovery)
taxable gain on sale	\$227,533	
capital gains tax		
cost recovery	25%	\$22,655 (tax on gain from cost recovery)
non-cost recovery	15%	\$20,537 (tax on remainder of gain)
total tax due from sale		\$43,192
after tax proceeds		
net sales price	\$588,590	
mortgage balance	\$283,836	
taxes due	\$43,192	
net after tax proceeds	\$261,562	

Investment Performance Summary

cash flow after taxes	\$4,359	
net accumulation	0.72%	(after tax reinvestment rate)
amount accumulated	\$31,182	
wealth position	\$292,744	(net after tax proceeds plus accumulated cash flow)
yield factor	2.48	(ending wealth position divided by initial investment)

after tax annual yield**13.87%**