

Address: 1049 Montview Rd FTC 80521

Prepared By: Kevin A. Bolin

Data SummaryPurchase Data

1	purchase price		\$379,000
2	allocation--		
3	land	20%	\$75,800
4	house	80%	\$303,200

Financing Data

7	down payment	25%	\$94,750
8	closing costs	2.00%	\$5,685
9	total initial investment		\$100,435
10			
11	loan amount		\$284,250
12	loan terms		
13	term	30	years
14	interest rate	3.500%	
15	monthly PI		\$1,276.41
16	total monthly payment		\$1,276.41
17			\$1,549.20
18	annual interest		\$9,244
19			(averaged over holding period)

Operating Data

21	rental increase per year		5.00%
22	monthly rent		\$2,000
23	average monthly rent		\$2,326
24	annual rent		\$24,000.00
25	average annual rent		\$27,915.46
26	vacancy allowance	5.0%	\$1,396
27			

Annual operating expenses

29	Tax Increase per year		6%
30	current property taxes		\$1,947
31	average property taxes		\$2,335
32	Insurance Increase per year		6%
33	current insurance estimate		\$1,327
34	average insurance		\$1,591
35			
36	utilities	\$ -	\$0
37	maintenance	5%	\$1,396
38	management	10%	\$2,652
39	HOA	\$ -	\$0
40	other	\$0.00	\$0

FYI Total Monthly payment and HOA **\$ 1,549.20**

total operating expenses \$7,973

Investment data

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

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Cash Flow

gross scheduled income	\$27,915		
less vacancy allowance	\$1,396		
gross operating income	\$26,520		
less operating expenses	\$7,973		
net operating income	\$18,547		
less annual payments	\$15,317		
cash flow before taxes	<u>\$ 3,229.71</u>	per year	\$269.14 per month averaged over hold
cost recovery (depreciation)	27.5	years	
annual recovery	\$11,025		
principal reduction	\$6,073	(NOT deductible)	
taxable income or (loss)	(\$1,723)	(cash flow before taxes less cost recovery)	
tax savings	\$482	(taxable loss times marginal tax bracket)	
cash flow after taxes	<u>\$3,712</u>	(cash flow before taxes plus tax savings)	

After Sale Proceeds

projected sales price	\$569,876	(from annual appreciation and holding period)
sale cost	\$34,193	(projected price times estimated cost of sale)
net sales price	\$535,683	
adjusted basis	\$307,507	(initial price plus closing costs less total annual cost recovery)
taxable gain on sale	\$228,176	
capital gains tax		
cost recovery	25%	\$19,295 (tax on gain from cost recovery)
non-cost recovery	15%	\$22,650 (tax on remainder of gain)
total tax due from sale		\$41,944
after tax proceeds		
net sales price	\$535,683	
mortgage balance	\$241,739	
taxes due	<u>\$41,944</u>	
net after tax proceeds	<u>\$252,000</u>	

Investment Performance Summary

cash flow after taxes	\$3,712	
net accumulation	0.72%	(after tax reinvestment rate)
amount accumulated	\$26,553	
wealth position	\$278,552	(net after tax proceeds plus accumulated cash flow)
yield factor	2.77	(ending wealth position divided by initial investment)

15.69%