

Address: 2900 Ross Dr L36, Fort Collins 80526

Prepared By: Kevin A. Bolin

Data SummaryPurchase Data

1	purchase price		\$320,000
2	allocation--		
3	land	20%	\$64,000
4	house	80%	\$256,000

Financing Data

7	down payment	25%	\$80,000
8	closing costs	2.00%	\$4,800
9	total initial investment		\$84,800
10			
11	loan amount		\$240,000
12	loan terms		
13	term	30	years
14	interest rate	3.500%	
15	monthly PI		\$1,077.71
16	total monthly payment		\$1,077.71
17			\$1,327.37
18	annual interest		\$7,805
19			(averaged over holding period)

Operating Data

21	rental increase per year		5.00%
22	monthly rent		\$1,805
23	average monthly rent		\$2,099
24	annual rent		\$21,660.00
25	average annual rent		\$25,193.70
26	vacancy allowance	5.0%	\$1,260
27			
28	Annual operating expenses		
29	Tax Increase per year		4%
30	current property taxes		\$1,876
31	average property taxes		\$2,117
32	Insurance Increase per year		4%
33	current insurance estimate		\$1,120
34	average insurance		\$1,264
35			
36	utilities	\$ -	\$0
37	maintenance	3%	\$756
38	management	10%	\$2,393
39	HOA	\$ 250.00	\$3,000
40	other	\$0.00	\$0

FYI Total Monthly payment and HOA **\$ 1,577.37**

total operating expenses \$9,530

Investment data

47	investor tax bracket	28%	
48	holding period	7	years
49	annual appreciation	4%	
50	cost of sale	6%	
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52	reinvestment rate	1%	(before taxes)

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Cash Flow

gross scheduled income	\$25,194		
less vacancy allowance	\$1,260		
gross operating income	\$23,934		
less operating expenses	\$9,530		
net operating income	\$14,404		
less annual payments	\$12,932		
cash flow before taxes	<u>\$ 1,471.85</u>	per year	<b>\$122.65</b> per month averaged over hold
cost recovery (depreciation)	27.5	years	
annual recovery	\$9,309		
principal reduction	\$5,128	(NOT deductible)	
taxable income or (loss)	<b>(\$2,710)</b>	(cash flow before taxes less cost recovery)	
tax savings	\$759	(taxable loss times marginal tax bracket)	
cash flow after taxes	<u>\$2,231</u>	(cash flow before taxes plus tax savings)	

After Sale Proceeds

projected sales price	\$421,098	(from annual appreciation and holding period)
sale cost	\$25,266	(projected price times estimated cost of sale)
net sales price	\$395,832	
adjusted basis	\$259,636	(initial price plus closing costs less total annual cost recovery)
taxable gain on sale	\$136,196	
capital gains tax		
cost recovery	25%	\$16,291 (tax on gain from cost recovery)
non-cost recovery	15%	\$10,655 (tax on remainder of gain)
total tax due from sale		\$26,946
after tax proceeds		
net sales price	\$395,832	
mortgage balance	\$204,107	
taxes due	<u>\$26,946</u>	
net after tax proceeds	<u>\$164,779</u>	

Investment Performance Summary

cash flow after taxes	\$2,231	
net accumulation	0.72%	(after tax reinvestment rate)
amount accumulated	\$15,955	
wealth position	\$180,735	(net after tax proceeds plus accumulated cash flow)
yield factor	2.13	(ending wealth position divided by initial investment)

**11.42%**