

Address: 2924-2946 Rams Ln FTC

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Data SummaryPurchase Data

1	purchase price		\$625,000
2	allocation--		
3	land	20%	\$125,000
4	house	80%	\$500,000

Financing Data

7	down payment	25%	\$156,250
8	closing costs	2.00%	\$9,375
9	total initial investment		\$165,625
11	loan amount		\$468,750
12	loan terms		
13	term	30	years
14	interest rate	4.500%	
15	monthly PI		\$2,375.09
16	total monthly payment		\$2,375.09
18	annual interest		\$19,813 (averaged over holding period)

Operating Data

21	rental increase per year		5.00%
22	monthly rent		\$3,200
23	average monthly rent		\$3,722 (averaged over holding period)
24	annual rent		\$38,400.00 (gross scheduled income)
25	average annual rent		\$44,664.73 (gross scheduled income averaged over holding period)
26	vacancy allowance	4.0%	\$1,787

Annual operating expenses

29	Tax Increase per year		5%
30	current property taxes		\$2,585
31	average property taxes		\$3,007
32	Insurance Increase per year		5%
33	current insurance estimate		\$3,594
34	average insurance		\$4,180
36	utilities	\$ 100.00	\$1,200
37	maintenance	6%	\$2,680 (percent of gross scheduled income)
38	management	0%	\$0 (percent of gross operating income)
39	HOA	\$ -	\$0
40	other	\$0.00	\$0

FYI Total Monthly payment and HOA **\$ 2,889.98**

total operating expenses \$11,067

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)

54				
55				
56	<u>Cash Flow</u>			
57	gross scheduled income		\$44,665	
58	less vacancy allowance		\$1,787	
59	gross operating income		\$42,878	
60	less operating expenses		\$11,067	
61	net operating income		\$31,811	
62	less annual payments		\$28,501	
63	cash flow before taxes		<u>\$ 3,310.43</u>	per year
64				
65	cost recovery (depreciation)		27.5	years
66	annual recovery		\$18,182	
67				
68	principal reduction		\$8,688	(NOT deductible)
69				
70	taxable income or (loss)		(\$6,184)	(cash flow before taxes less cost recovery)
71				
72	tax savings		\$1,731	(taxable loss times marginal tax bracket)
73				
74	cash flow after taxes		<u>\$5,042</u>	(cash flow before taxes plus tax savings)
75				
76	<u>After Sale Proceeds</u>			
77	projected sales price		\$879,438	(from annual appreciation and holding period)
78	sale cost		\$52,766	(projected price times estimated cost of sale)
79	net sales price		\$826,671	
80	adjusted basis		\$507,102	(initial price plus closing costs less total annual cost recovery)
81	taxable gain on sale		\$319,569	
82				
83	capital gains tax			
84	cost recovery	25%	\$31,818	(tax on gain from cost recovery)
85	non-cost recovery	15%	\$28,844	(tax on remainder of gain)
86	total tax due from sale		\$60,663	
87				
88	after tax proceeds			
89	net sales price		\$826,671	
90	mortgage balance		\$407,936	
91	taxes due		<u>\$60,663</u>	
92	net after tax proceeds		<u>\$358,073</u>	
93				
94	<u>Investment Performance Summary</u>			
95	cash flow after taxes		\$5,042	
96	net accumulation	0.72%		(after tax reinvestment rate)
97	amount accumulated		\$36,064	
98				
99	wealth position		\$394,138	(net after tax proceeds plus accumulated cash flow)
100				
101	yield factor		2.38	(ending wealth position divided by initial investment)
102				
103	<u>after</u> tax annual yield		13.18%	

Your broker has diligently attempted to present accurate calculations and realistic predictions. Please keep in mind that your broker is not a CPA. You are strongly urged to verify these figures with your accountant.