

Address: 2918 Pleasant Valley Rd FTC

Prepared By: Kevin A. Bolin

Data SummaryPurchase Data

1	purchase price		\$415,000
2	allocation--		
3	land	20%	\$83,000
4	house	80%	\$332,000

Financing Data

7	down payment	25%	\$103,750
8	closing costs	2.50%	\$7,781
9	total initial investment		\$111,531
10			
11	loan amount		\$311,250
12	loan terms		
13	term	30	years
14	interest rate	3.250%	
15	monthly PI		\$1,354.58
16	total monthly payment		\$1,354.58
17			\$1,782.85
18	annual interest		\$9,372
19			(averaged over holding period)

Operating Data

21	rental increase per year		5.00%
22	monthly rent		\$1,800
23	average monthly rent		\$2,094
24	annual rent		\$21,600.00
25	average annual rent		\$25,123.91
26	vacancy allowance	5.0%	\$1,256
27			
28	Annual operating expenses		
29	Tax Increase per year		5%
30	current property taxes		\$2,753
31	average property taxes		\$3,202
32	Insurance Increase per year		5%
33	current insurance estimate		\$2,386
34	average insurance		\$2,776
35			
36	utilities	\$ -	\$0
37	maintenance	7%	\$1,759
38	management	0%	\$0
39	HOA	\$ -	\$0
40	other	\$0.00	\$0

FYI Total Monthly payment and HOA **\$ 1,782.85**

total operating expenses \$7,736

Investment data

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

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Cash Flow

gross scheduled income	\$25,124		
less vacancy allowance	\$1,256		
gross operating income	\$23,868		
less operating expenses	\$7,736		
net operating income	\$16,131		
less annual payments	\$16,255		
cash flow before taxes	<u>\$ (123.60)</u>	per year	(\$10.30) per month averaged over hold
cost recovery (depreciation)	27.5	years	
annual recovery	\$12,073		
principal reduction	\$6,883	(NOT deductible)	
taxable income or (loss)	(\$5,313)	(cash flow before taxes less cost recovery)	
tax savings	\$1,488	(taxable loss times marginal tax bracket)	
cash flow after taxes	<u>\$1,364</u>	(cash flow before taxes plus tax savings)	

After Sale Proceeds

projected sales price	\$583,947	(from annual appreciation and holding period)
sale cost	\$35,037	(projected price times estimated cost of sale)
net sales price	\$548,910	
adjusted basis	\$338,272	(initial price plus closing costs less total annual cost recovery)
taxable gain on sale	\$210,638	
capital gains tax		
cost recovery	25%	\$21,127 (tax on gain from cost recovery)
non-cost recovery	15%	\$18,919 (tax on remainder of gain)
total tax due from sale		\$40,047
after tax proceeds		
net sales price	\$548,910	
mortgage balance	\$263,066	
taxes due	<u>\$40,047</u>	
net after tax proceeds	<u>\$245,797</u>	

Investment Performance Summary

cash flow after taxes	\$1,364	
net accumulation	0.72%	(after tax reinvestment rate)
amount accumulated	\$9,757	
wealth position	\$255,554	(net after tax proceeds plus accumulated cash flow)
yield factor	2.29	(ending wealth position divided by initial investment)

12.57%