

Address: 1137 Timber Ln. Fort Collins

Data SummaryPurchase Data

Prepared By: Blas Estrada

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		\$2,515	
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 **\$ 1,892.08**

total operating expenses \$10,382

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)

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.

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56	<u>Cash Flow</u>			
57	gross scheduled income		\$33,499	
58	less vacancy allowance		\$1,340	
59	gross operating income		\$32,159	
60	less operating expenses		\$10,382	
61	net operating income		\$21,777	
62	less annual payments		\$17,984	
63	cash flow before taxes		\$ 3,792.67	per year
64				
65	cost recovery (depreciation)		27.5	years
66	annual recovery		\$12,945	
67				
68	principal reduction		\$7,131	(NOT deductible)
69				
70	taxable income or (loss)		(\$2,022)	(cash flow before taxes less cost recovery)
71				
72	tax savings		\$566	(taxable loss times marginal tax bracket)
73				
74	cash flow after taxes		\$4,359	(cash flow before taxes plus tax savings)
75				
76	<u>After Sale Proceeds</u>			
77	projected sales price		\$626,160	(from annual appreciation and holding period)
78	sale cost		\$37,570	(projected price times estimated cost of sale)
79	net sales price		\$588,590	
80	adjusted basis		\$361,057	(initial price plus closing costs less total annual cost re
81	taxable gain on sale		\$227,533	
82				
83	capital gains tax			
84	cost recovery	25%	\$22,655	(tax on gain from cost recovery)
85	non-cost recovery	15%	\$20,537	(tax on remainder of gain)
86	total tax due from sale		\$43,192	
87				
88	after tax proceeds			
89	net sales price		\$588,590	
90	mortgage balance		\$283,836	
91	taxes due		\$43,192	
92	net after tax proceeds		\$261,562	
93				
94	<u>Investment Performance Summary</u>			
95	cash flow after taxes		\$4,359	
96	net accumulation	0.72%		(after tax reinvestment rate)
97	amount accumulated		\$31,179	
98				
99	wealth position		\$292,741	(net after tax proceeds plus accumulated cash flow)
100				
101	yield factor		2.48	(ending wealth position divided by initial investment)
102				
103	<u>after</u> tax annual yield		13.87%	





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