

## Property Projected Analysis Summary

12752 W REDONDO DR  
Litchfield Park, AZ 85340

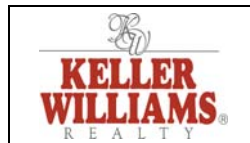
Prepared for

[Redacted]

January 7, 2009

by

<i>Name</i>	Avi Urban
<i>Company</i>	Keller Williams Realty
<i>Address</i>	505 Hamilton Ave., Suite 100
<i>Phone</i>	650-305-1111
<i>Email</i>	<a href="mailto:avi@ProfitableRealEstateInvesting.com">avi@ProfitableRealEstateInvesting.com</a>



### Disclaimer

The information, calculations & data presented in this report are an estimate and are not guaranteed or warranted. The information contained in this report shall not be considered as a substitution for legal, accounting or other professional advice. Please seek proper legal and tax advice as appropriate before making any purchases of real estate.

## PROJECTED FINANCIAL ANALYSIS SUMMARY



### Property Information:

Type:	-	<b>Single-Family</b>
Total Cost:	\$	140,757
Fair Market Value:	\$	180,000
Number of Units:		1
Sq. Footage		1,678
Appreciation Rate		4.50%

### Financial Information

Projected Down Payment/ Investment:		% of Cost	% of FMV
	\$	44,878	31.69%    24.93%

	Amount	Rate	Term (Years)	Payment
Loan #1	96,750	6.63%	30.00	\$ 619.50
Loan #2	-	0.00%	30.00	\$ -
Loan #3	-	0.00%	30.00	\$ -

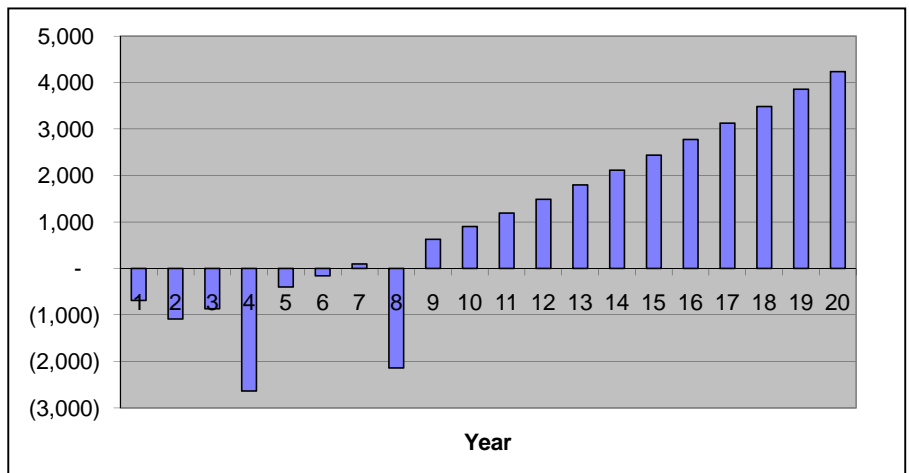
### Rental Income & Expenses:

Monthly Rents:	\$	950
Annual Rents	\$	11,400
Other Annual Income	\$	-
Annual Vacancy	\$	(1,140)
Annual Expenses	\$	(4,129)
Annual Mortgage Payment	\$	(7,434)

### Assumptions:


Rental Growth Rate	3.00%
Expense Growth Rate	2.00%
Property Growth Rate	4.50%
Marginal Tax Rate	44.00%
Capital Gain Tax Rate	24.00%

### Property 20-year Projected Cash Flow



### Financial Ratios:

	Year 1	Year 5	Year 10		Year 1	Year 5	Year 10
Debt Coverage Ratio (DCR)	0.90	0.95	1.12	Gross Rent Yearly Multiplier (GRM)	16.50	17.48	18.79
Capitalization Rate Based on Cost	4.36%	5.00%	5.93%	Value of Property Using Your GRM	\$ -	\$ -	\$ -
Capitalization Rate Based on FMV	3.26%	3.14%	2.98%	Loan to Value Ratio (LVR)	50.92%	40.49%	29.49%
Value of Property Using This Cap Rate	-	-	-	Net Present Value (NPV)	\$ 27,283	\$ 53,486	\$ 98,819
Cash on Cash Return before Taxes	-1.52%	-0.89%	2.02%	Net Present Value Unleveraged (NPV)	\$ 31,429	\$ 72,373	\$ 133,831
Cash on Cash Return after Taxes	-1.52%	-0.89%	2.02%	Cumulative Internal Rate of Return (IRR)	60.79%	16.41%	11.68%
Gross Rent Monthly Multiplier (GRM)	198.00	209.79	225.52	Cumulative Unleveraged IRR	22.33%	9.00%	7.49%

	4038349	Residential	Single Family - Detached	Active
	<b>Beds/Baths:</b> 4 / 2 <b>SF:</b> 1,678 / <b>Year Built:</b> 2003 <b>Pool - Private:</b> No Pool <b>Spa:</b> None <b>EF:</b> 42R2G <b>Lot Size:</b> 1 - 7,500 <b>Level:</b> Single Level <b>Dwelling Type:</b> Single Family - Detached		<b>Subdivision:</b> WIGWAM CREEK SOUTH PARCEL <b>Tax Municipality:</b> Litchfield Park <b>Marketing Name:</b> <b>Planned Cmty Name:</b> <b>Model:</b> <b>Builder Name:</b> Standard Pacific <b>Hun Block:</b> 12700 W <b>Map Code/Grid:</b> P29	
	<b>Ele Sch Dist:</b> 079 - Litchfield Elementary District <b>Elementary School:</b> Litchfield <b>Jr. High School:</b> Wigwam Creek		<b>High School Dist #:</b> 216 - Agua Fria Union District <b>High School:</b> None	

**Cross Streets:** 127TH AVE & INDIAN SCHOOL **Directions:** North to on 127th Ave to Glenrosa. West on Glenrosa then South on 127th DR. to Redondo. West on Redondo to home on the right

**Remarks:** Beautiful open floorplan in a terrific community. Forth bedroom can be a den or full bedroom. Split master with dual sinks. Great kitchen with island open to the huge great room with built-in entertainment niche. This is a great floor plan and close to everything. Lender owned, we get quick answers to your offer!

Kitchen	15	9	Living Room	17	19	Bedroom 3	11	10
Dining Room	15	8	Master Bedroom	13	13	Bedroom 4	11	10
			Bedroom 2	10	11			

Features	Room Details	Construction & Utilities	County, Tax and Financing
<b>Approx SqFt Range:</b> 1,601 - 1,800 <b>Parking:</b> 2 Car Garage <b>Horses:</b> N <b>Fireplace:</b> No Fireplace <b>Property Description:</b> North/South Exposure <b>Exterior Features:</b> Covered Patio(s); Yrd Wtring Sys Front; Yrd Wtring Sys Back <b>Features:</b> Vaulted Ceiling(s)	<b>Kitchen Features:</b> Range/Oven; Dishwasher; Disposal; Refrigerator; Kitchen Island <b>Master Bathroom:</b> Full Bth Master Bdrm; Double Sinks <b>Additional Bedroom:</b> Mstr Bdr Walkin Clst <b>Laundry:</b> Wshr/Dry HookUp Only; Inside Laundry <b>Dining Area:</b> Eat-in Kitchen <b>Other Rooms:</b> Great Room	<b>Architecture:</b> Ranch <b>Const - Finish:</b> Stucco <b>Construction:</b> Frame - Wood <b>Roofing:</b> All Tile <b>Fencing:</b> Block <b>Cooling:</b> Refrigeration <b>Heating:</b> Electric Heat <b>Utilities:</b> APS <b>Water:</b> City Water <b>Sewer:</b> Sewer - Public <b>Services:</b> City Services <b>Technology:</b> Cable TV Avail; HighSpd Intrnt Aval <b>Energy Features:</b> Sunscreen(s); Ceiling Fan(s); Multi-Pane Wndws	<b>County Code:</b> Maricopa <b>Legal Subdivision:</b> WIGWAM CREEK SOUTH PARCEL 11 <b>Alt:</b> 508-11-152 <b>Lot Number:</b> 53 <b>Town-Range-Section:</b> 2N-1W-23 <b>Cty Bk&amp;Pg:</b> <b>Plat:</b> <b>Taxes/Yr:</b> \$ 1,067/2007 <b>Ownership:</b> Fee Simple <b>New Financing:</b> Cash; VA; FHA; Conventional <b>Total Asum Mnth Pmts:</b> \$ 0 <b>Total Encumbrance:</b> \$ 0 <b>Down Payment:</b> \$ 0 <b>Existing 1st Loan:</b> Treat as Free&Clear <b>Exist 1st Loan Terms:</b> Non Assumable <b>Disclosures:</b> Agency Discl Req; Other (See Remarks) <b>Possession:</b> Close of Escrow

**Homeowner Association Information**

<b>Homeowners Assoc:</b> Y <b>HOA Name:</b> WIGWAM CREEK HOA <b>HOA Telephone:</b>	<b>HOA Fee Paid:</b> \$ 30/Semi-Annually <b>Association Fee Incl:</b> Common Area Maint	<b>Assoc Rules/Info:</b> Pets OK (See Rmrks); Rental OK (See Rmks); Prof Managed	<b>Rec Center:</b> N <b>Cap Imprv/Impact Fee:</b> 0 <b>Land Lease Fee:</b> 0 <b>PAD Fee:</b> \$ 0
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Listing Dates	Pricing and Sale Info	Listing Contract Info
<b>CDOM/ADOM:</b> 18 / 18	<b>List Price:</b> \$ 135,900	<b>Special Listing Cond:</b> Lender Owned Prop

# Input Data Screen

[Home](#)

**Property Name:**   
**Case Description:**   
**Address:** 12752 W REDONDO DR  
**Address:** Litchfield Park, AZ 85340

- [Sensitivity Analysis](#)
- [Executive Rep](#)
- [Main Report](#)
- [User Guide](#)
- [Graphs & Reports](#)
- [APOD Report](#)

I

## Rental Income & Expenses

Rental Income / Rent Roll:  [Enter Rent Roll](#)  
 Operating Expenses:  [Enter Expenses](#)  
 Enter Average Vacancy Rate:   
 Annual Rental Income Growth Rate (%) [Enter Annual Rates](#) Apply This Rate Every Year =>   
 Annual Operating Expense Increase (%):

II

## Property Costs & Characteristics

Select Residential, Commercial Property or Raw Land Single-Family ▼  
 Number of Units / Total Square Footage of Property 

1	1,678
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 Purchase Price of Rental Property:
 

Contract Purchase Price	\$ 129,000	
Initial Improvements	\$ 7,500	
Closing Costs	\$ 2,064	1.60%
Buyer Paid Commission	\$ 2,193	1.70%
Other Initial Costs	-	
Enter 5-Year Personal Property => ▼	\$ -	
<b>% of Cost Allocated to Land</b>	<b>25.00%</b>	<b>\$ 140,757</b>

Current Fair Market Value (FMV) of Rental Property:   
 Annual Appreciation Rate (%)\*: [Enter Annual Rates](#) Apply This Rate Every Year ==>   
 Future Selling Expenses (as a % of Selling Price):   
 \* based on 24 years OFHEO MSA average and neighborhood adjustment

Future Property Improvements	Description	Amount	Select Year Improvement to be Made	Will the improvement increase the property's FMV?	
				Yes	No
	Forecasted Maintenance	\$ 2,000	4	▼	No
	Forecasted Maintenance	\$ 2,500	8	▼	No
		\$ -	1	▼	No
		\$ -	1	▼	No
		\$ -	1	▼	No
		\$ -	1	▼	No
		\$ -	1	▼	No
	<b>Total</b>	<b>\$ 4,500</b>			

III

## Financing

[Amort Schedules](#)

	Mortgage #1	Mortgage #2	Mortgage #3
Amount Borrowed or Assumed:	\$ 96,750	\$ -	\$ -
Interest Rate:	6.625%	<a href="#">Enter Loan Rate</a>	<a href="#">Enter Loan Rate</a>
Interest Only?	No	No	No
Enter Start Month of the Loan:	Month 1	Month 1	Month 1
Enter Start Year of the Loan:	Year 1	Year 1	Year 1
<b>Term / Remaining Term of Loan (In Months):</b>	360	360	360
Is this to Refinance Mortgage #1 or #2	n/a	No - New Loan	No - New Loan
Additional Monthly Principal Payments			
Monthly Mortgage Payment: (Formula)	\$ 619.50	\$ -	\$ -
Loan Origination Points	0.900		
Loan Origination Points (In Dollars)	\$ 871	\$ -	\$ -

Negative Amortization Option  
 Negative Amortization Payment    
 Override Payment Calculated Above?    
 Initial Investment or Down Payment (Cost less Debt - Automatically Calculated)   
 Down Payment as a Percent of Contract Purchase Price   
 Down Payment as a Percent of Cost

IV

## Income Taxes

Federal Marginal Income Tax Rate:  ▼  
 Federal Long-Term Capital Gains Rate:  ▼  
 State Marginal Income Tax Rate:  ▼  
 Are Your Losses Limited by the Passive Loss Rules?  ▼  
 Like-Kind Exchange on Disposition?  ▼

# Rental Income / Rent Roll

Total Gross Monthly Income \$ 950

Enter Lease Description	Monthly Rent	Vacant / Incentive Months in the First Year
Unit 1	\$ 950	0
Unit 2	\$ -	0
Unit 3	\$ -	0
Unit 4	\$ -	0
Unit 5	\$ -	0
Unit 6	\$ -	0
Unit 7	\$ -	0
Unit 8	\$ -	0
Unit 9	\$ -	0
Unit 10	\$ -	0
Unit 11	\$ -	0
Unit 12	\$ -	0
Unit 13	\$ -	0
Unit 14	\$ -	0
Unit 15	\$ -	0
Unit 16	\$ -	0
Unit 17	\$ -	0
Unit 18	\$ -	0
Unit 19	\$ -	0
Unit 20	\$ -	0
Unit 21	\$ -	0
Unit 22	\$ -	0
Unit 23	\$ -	0
Unit 24	\$ -	0
Unit 25	\$ -	0
Unit 26	\$ -	0
Unit 27	\$ -	0
Unit 28	\$ -	0
Unit 29	\$ -	0
Unit 30	\$ -	0
Unit 31	\$ -	0
Unit 32	\$ -	0
Unit 33	\$ -	0
Unit 34	\$ -	0
Unit 35	\$ -	0
Unit 36	\$ -	0
Unit 37	\$ -	0
Unit 38	\$ -	0
Unit 39	\$ -	0
Unit 40	\$ -	0
Unit 41	\$ -	0
Unit 42	\$ -	0
Unit 43	\$ -	0
Unit 44	\$ -	0
Unit 45	\$ -	0
Unit 46	\$ -	0
Unit 47	\$ -	0
Unit 48	\$ -	0
Unit 49	\$ -	0
Unit 50	\$ -	0

Enter Lease Description	Monthly Rent	Vacant / Incentive Months in the First Year
Unit 51	\$ -	0
Unit 52	\$ -	0
Unit 53	\$ -	0
Unit 54	\$ -	0
Unit 55	\$ -	0
Unit 56	\$ -	0
Unit 57	\$ -	0
Unit 58	\$ -	0
Unit 59	\$ -	0
Unit 60	\$ -	0
Unit 61	\$ -	0
Unit 62	\$ -	0
Unit 63	\$ -	0
Unit 64	\$ -	0
Unit 65	\$ -	0
Unit 66	\$ -	0
Unit 67	\$ -	0
Unit 68	\$ -	0
Unit 69	\$ -	0
Unit 70	\$ -	0
Unit 71	\$ -	0
Unit 72	\$ -	0
Unit 73	\$ -	0
Unit 74	\$ -	0
Unit 75	\$ -	0
Unit 76	\$ -	0
Unit 77	\$ -	0
Unit 78	\$ -	0
Unit 79	\$ -	0
Unit 80	\$ -	0
Unit 81	\$ -	0
Unit 82	\$ -	0
Unit 83	\$ -	0
Unit 84	\$ -	0
Unit 85	\$ -	0
Unit 86	\$ -	0
Unit 87	\$ -	0
Unit 88	\$ -	0
Unit 89	\$ -	0
Unit 90	\$ -	0
Unit 91	\$ -	0
Unit 92	\$ -	0
Unit 93	\$ -	0
Unit 94	\$ -	0
Unit 95	\$ -	0
Unit 96	\$ -	0
Unit 97	\$ -	0
Unit 98	\$ -	0
Unit 99	\$ -	0
Unit 100	\$ -	0

Estimated Annual Income 11,400  
 Estimated Annual Vacancy: \$ 1,140

### Other Monthly Income:

Description	Amount	Growth Rate
Laundry	\$ -	0.00%
Late Fees	\$ -	0.00%
Parking	\$ -	0.00%
Mainten	\$ -	0.00%
Other	\$ -	0.00%
Total	-	

### One-Time Income Additions

Amount	Year
\$ -	1
\$ -	1
\$ -	1

### Alternative Income Input

Use the input below instead?

No

Year 1	\$ -
Year 2	\$ -
Year 3	\$ -
Year 4	\$ -
Year 5	\$ -
Year 6	\$ -
Year 7	\$ -
Year 8	\$ -
Year 9	\$ -
Year 10	\$ -
Year 11	\$ -
Year 12	\$ -
Year 13	\$ -
Year 14	\$ -
Year 15	\$ -
Year 16	\$ -
Year 17	\$ -
Year 18	\$ -
Year 19	\$ -
Year 20	\$ -

Subtotal 1- 50 Units \$ 950  
 \$ -  
 Grand Total \$ 950

Subtotal 51 - 100 Units \$ -  
 \$ -

## Annual Rental Expense Input Screen

Total Annual Expenses:	\$ 3,103	(from below)
Annual Increase	2.00%	(from Input Screen)
Monthly Expenses	\$ 259	\$ -

Expense Description	Annual Amount	Percentage of Total
Accounting	\$ -	0.00%
Advertising	\$ -	0.00%
Association Fees	\$ 360	11.60%
Auto & Travel	\$ -	0.00%
Cleaning	\$ -	0.00%
Commissions	\$ -	0.00%
Insurance	\$ 450	14.50%
Lawn Maintenance	\$ -	0.00%
Legal	\$ -	0.00%
Maintan Alloc (5% of rent)	\$ 570	18.37%
Rent Up Fees (4%/16m)	\$ 456	14.70%
Payroll	\$ -	0.00%
Professional Fees	\$ -	0.00%
Repairs	\$ -	0.00%
Supplies	\$ -	0.00%
<b>Taxes:</b>		
Property Taxes	\$ 1,067	34.39%
Personal Property	\$ -	0.00%
Payroll	\$ -	0.00%
Other	\$ -	0.00%
Trash Removal	\$ -	0.00%
<b>Utilities:</b>		
Electricity	\$ -	0.00%
Water	\$ -	0.00%
Gas	\$ -	0.00%
Telephone	\$ -	0.00%
Other Utilities	\$ -	0.00%
Miscellaneous	\$ 200	6.45%
Miscellaneous	\$ -	0.00%
Miscellaneous	\$ -	0.00%
Miscellaneous	\$ -	0.00%
Miscellaneous	\$ -	0.00%
Miscellaneous	\$ -	0.00%

### One-Time Expenses

Amount	Year Incurred
\$ -	1 ▼
\$ -	1 ▼
\$ -	1 ▼

### Management Fee (if any)

10.00%

### Alternative Expense Input

**Use the input below instead?**

No ▼

Year 1	
Year 2	
Year 3	
Year 4	
Year 5	
Year 6	
Year 7	
Year 8	
Year 9	
Year 10	
Year 11	
Year 12	
Year 13	
Year 14	
Year 15	
Year 16	
Year 17	
Year 18	
Year 19	
Year 20	

\$ -      \$ -

Total Annual Expenses	\$ 3,103	\$ -
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# Cash Flow Analysis

12752 W REDONDO DR

## Rental Activity Analysis

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rental Income	\$ 11,400	\$ 11,742	\$ 12,094	\$ 12,457	\$ 12,831	\$ 13,216	\$ 13,612	\$ 14,021	\$ 14,441	\$ 14,874
Other Income	-	-	-	-	-	-	-	-	-	-
Vacancy & Credits	(1,140)	(1,174)	(1,209)	(1,246)	(1,283)	(1,322)	(1,361)	(1,402)	(1,444)	(1,487)
Management Fees (if any)	(1,026)	(1,057)	(1,088)	(1,121)	(1,155)	(1,189)	(1,225)	(1,262)	(1,300)	(1,339)
Operating Expenses	(3,103)	(3,165)	(3,228)	(3,293)	(3,359)	(3,426)	(3,494)	(3,564)	(3,636)	(3,708)
Net Operating Income (NOI)	\$ 6,131	\$ 6,346	\$ 6,568	\$ 6,797	\$ 7,034	\$ 7,279	\$ 7,531	\$ 7,792	\$ 8,062	\$ 8,340
Total Mortgage Payments	(6,815)	(7,434)	(7,434)	(7,434)	(7,434)	(7,434)	(7,434)	(7,434)	(7,434)	(7,434)
Capital Improvements	-	-	-	(2,000)	-	-	-	(2,500)	-	-
Operating Income Taxes	-	-	-	-	-	-	-	-	-	-
<b>Net CASH FLOW from Rent Activity</b>	<b>\$ (684)</b>	<b>\$ (1,088)</b>	<b>\$ (866)</b>	<b>\$ (2,637)</b>	<b>\$ (400)</b>	<b>\$ (155)</b>	<b>\$ 97</b>	<b>\$ (2,142)</b>	<b>\$ 628</b>	<b>\$ 906</b>

## Property Sale Analysis

Projected Sales Price - Original Cost	\$ 188,100	\$ 196,565	\$ 205,410	\$ 214,653	\$ 224,313	\$ 234,407	\$ 244,955	\$ 255,978	\$ 267,497	\$ 279,534
Projected Sales Price - Improvements	-	-	-	-	-	-	-	-	-	-
Selling Expenses	(11,286)	(11,794)	(12,325)	(12,879)	(13,459)	(14,064)	(14,697)	(15,359)	(16,050)	(16,772)
<b>Adjusted Projected Sales Price</b>	<b>176,814</b>	<b>184,771</b>	<b>193,085</b>	<b>201,774</b>	<b>210,854</b>	<b>220,342</b>	<b>230,258</b>	<b>240,619</b>	<b>251,447</b>	<b>262,762</b>
Mortgage #1 Balance Payoff	(95,785)	(94,663)	(93,464)	(92,184)	(90,816)	(89,355)	(87,793)	(86,126)	(84,344)	(82,441)
Mortgage #2 Balance Payoff	-	-	-	-	-	-	-	-	-	-
Mortgage #3 Balance Payoff	-	-	-	-	-	-	-	-	-	-
Tax Benefit - Suspended Losses (if any)	1,552	3,286	4,889	6,385	7,740	8,946	9,997	10,925	11,686	12,271
Income Taxes From Sale	(9,737)	(12,995)	(16,339)	(19,317)	(22,869)	(26,520)	(30,272)	(33,562)	(37,565)	(41,685)
<b>Net CASH FLOW from Property Sale</b>	<b>\$ 72,844</b>	<b>\$ 80,399</b>	<b>\$ 88,171</b>	<b>\$ 96,659</b>	<b>\$ 104,909</b>	<b>\$ 113,414</b>	<b>\$ 122,189</b>	<b>\$ 131,857</b>	<b>\$ 141,224</b>	<b>\$ 150,908</b>

## Cash Position

Net Cash Generated This Year	\$ (684)	\$ (1,088)	\$ (866)	\$ (2,637)	\$ (400)	\$ (155)	\$ 97	\$ (2,142)	\$ 628	\$ 906
Net Cumulative Cash Generated Previous Years	n/a	(684)	(1,772)	(2,638)	(5,274)	(5,674)	(5,829)	(5,732)	(7,874)	(7,246)
Net Cash Generated - Property Sale	72,844	80,399	88,171	96,659	104,909	113,414	122,189	131,857	141,224	150,908
Cash Inflow (Outflow) From Refinancing	-	(871)	(871)	(871)	(871)	(871)	(871)	(871)	(871)	(871)
Original Initial Investment	(44,878)	(44,878)	(44,878)	(44,878)	(44,878)	(44,878)	(44,878)	(44,878)	(44,878)	(44,878)
<b>Total Net CUMULATIVE CASH Generated</b>	<b>\$ 27,283</b>	<b>\$ 33,749</b>	<b>\$ 40,655</b>	<b>\$ 46,507</b>	<b>\$ 54,357</b>	<b>\$ 62,707</b>	<b>\$ 71,579</b>	<b>\$ 79,105</b>	<b>\$ 89,100</b>	<b>\$ 99,690</b>

## Financial Ratios

Debt Coverage Ratio (DCR)	0.90	0.85	0.88	0.91	0.95	0.98	1.01	1.05	1.08	1.12
Loan to Value Ratio (LVR)	50.9%	48.2%	45.5%	42.9%	40.5%	38.1%	35.8%	33.6%	31.5%	29.5%
Capitalization Rate Based on Cost	4.36%	4.51%	4.67%	4.83%	5.00%	5.17%	5.35%	5.54%	5.73%	5.93%
Capitalization Rate Based on FMV	3.26%	3.23%	3.20%	3.17%	3.14%	3.11%	3.07%	3.04%	3.01%	2.98%
Value of Property Using This Cap Rate	0.00%	-	-	-	-	-	-	-	-	-
Gross Rent Monthly Multiplier (GRM)	198.00	200.88	203.81	206.78	209.79	212.84	215.94	219.09	222.28	225.52
Gross Rent Yearly Multiplier (GRM)	16.50	16.74	16.98	17.23	17.48	17.74	18.00	18.26	18.52	18.79
Value of Property Using Your GRM	-	-	-	-	-	-	-	-	-	-
Net Present Value (NPV)	0.00%	27,283	32,879	39,784	45,636	53,486	61,836	70,709	78,234	88,229
Cash on Cash Return with Equity BuildUp	104.18%	18.94%	20.45%	17.57%	23.68%	25.40%	27.20%	23.51%	31.04%	33.08%
Cash on Cash Return before Taxes	-1.52%	-2.42%	-1.93%	-5.88%	-0.89%	-0.35%	0.22%	-4.77%	1.40%	2.02%
Cash on Cash Return after Taxes	-1.52%	-2.42%	-1.93%	-5.88%	-0.89%	-0.35%	0.22%	-4.77%	1.40%	2.02%
Cumulative Internal Rate of Return (IRR)	60.79%	31.45%	23.17%	18.70%	16.41%	14.89%	13.81%	12.79%	12.18%	11.68%
Modified Internal Rate of Return (MIRR)	60.79%	31.21%	22.48%	18.07%	15.42%	14.07%	13.13%	12.23%	11.40%	11.00%

# Cash Flow Analysis

## Rental Activity Analysis

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Gross Rental Income	\$ 15,321	\$ 15,780	\$ 16,254	\$ 16,741	\$ 17,244	\$ 17,761	\$ 18,294	\$ 18,842	\$ 19,408	\$ 19,990
Other Income	-	-	-	-	-	-	-	-	-	-
Vacancy & Credits	(1,532)	(1,578)	(1,625)	(1,674)	(1,724)	(1,776)	(1,829)	(1,884)	(1,941)	(1,999)
Management Fees (if any)	(1,379)	(1,420)	(1,463)	(1,507)	(1,552)	(1,598)	(1,646)	(1,696)	(1,747)	(1,799)
Operating Expenses	(3,783)	(3,858)	(3,935)	(4,014)	(4,094)	(4,176)	(4,260)	(4,345)	(4,432)	(4,520)
Net Operating Income (NOI)	\$ 8,627	\$ 8,924	\$ 9,230	\$ 9,546	\$ 9,873	\$ 10,210	\$ 10,558	\$ 10,917	\$ 11,288	\$ 11,671
Total Mortgage Payments	(7,434)	(7,434)	(7,434)	(7,434)	(7,434)	(7,434)	(7,434)	(7,434)	(7,434)	(7,434)
Capital Improvements	-	-	-	-	-	-	-	-	-	-
Operating Income Taxes	-	-	-	-	-	-	-	-	-	-
<b>Net CASH FLOW from Rent Activity</b>	\$ 1,193	\$ 1,490	\$ 1,796	\$ 2,112	\$ 2,439	\$ 2,776	\$ 3,124	\$ 3,483	\$ 3,854	\$ 4,237

## Property Sale Analysis

Projected Sales Price - Original Cost	\$ 292,114	\$ 305,259	\$ 318,995	\$ 333,350	\$ 348,351	\$ 364,027	\$ 380,408	\$ 397,526	\$ 415,415	\$ 434,109
Projected Sales Price - Improvements	-	-	-	-	-	-	-	-	-	-
Selling Expenses	(17,527)	(18,316)	(19,140)	(20,001)	(20,901)	(21,842)	(22,824)	(23,852)	(24,925)	(26,047)
<b>Adjusted Projected Sales Price</b>	274,587	286,943	299,856	313,349	327,450	342,185	357,583	373,675	390,490	408,062
Mortgage #1 Balance Payoff	(80,407)	(78,235)	(75,915)	(73,436)	(70,787)	(67,958)	(64,936)	(61,707)	(58,257)	(54,572)
Mortgage #2 Balance Payoff	-	-	-	-	-	-	-	-	-	-
Mortgage #3 Balance Payoff	-	-	-	-	-	-	-	-	-	-
Tax Benefit - Suspended Losses (if any)	12,672	12,881	12,891	12,692	12,274	11,629	10,745	9,613	8,220	6,555
Income Taxes From Sale	(45,927)	(50,296)	(54,799)	(59,442)	(64,230)	(69,171)	(74,271)	(79,537)	(84,977)	(90,598)
<b>Net CASH FLOW from Property Sale</b>	\$ 160,924	\$ 171,293	\$ 182,032	\$ 193,163	\$ 204,706	\$ 216,685	\$ 229,122	\$ 242,044	\$ 255,476	\$ 269,446

## Cash Position

Net Cash Generated This Year	\$ 1,193	\$ 1,490	\$ 1,796	\$ 2,112	\$ 2,439	\$ 2,776	\$ 3,124	\$ 3,483	\$ 3,854	\$ 4,237
Net Cumulative Cash Generated Previous Years	(6,340)	(5,147)	(3,657)	(1,861)	251	2,690	5,466	8,590	12,074	15,928
Net Cash Generated - Property Sale	160,924	171,293	182,032	193,163	204,706	216,685	229,122	242,044	255,476	269,446
Cash Inflow (Outflow) From Refinancing	(871)	(871)	(871)	(871)	(871)	(871)	(871)	(871)	(871)	(871)
Original Initial Investment	(44,878)	(44,878)	(44,878)	(44,878)	(44,878)	(44,878)	(44,878)	(44,878)	(44,878)	(44,878)
<b>Total Net CUMULATIVE CASH Generated</b>	\$ 110,900	\$ 122,758	\$ 135,294	\$ 148,537	\$ 162,519	\$ 177,273	\$ 192,835	\$ 209,240	\$ 226,526	\$ 244,734

## Financial Ratios

Debt Coverage Ratio (DCR)	1.16	1.20	1.24	1.28	1.33	1.37	1.42	1.47	1.52	1.57
Loan to Value Ratio (LVR)	27.5%	25.6%	23.8%	22.0%	20.3%	18.7%	17.1%	15.5%	14.0%	12.6%
Capitalization Rate Based on Cost	6.13%	6.34%	6.56%	6.78%	7.01%	7.25%	7.50%	7.76%	8.02%	8.29%
Capitalization Rate Based on FMV	2.95%	2.92%	2.89%	2.86%	2.83%	2.80%	2.78%	2.75%	2.72%	2.69%
Value of Property Using This Cap Rate	0.00%	-	-	-	-	-	-	-	-	-
Gross Rent Monthly Multiplier (GRM)	228.80	232.13	235.51	238.94	242.42	245.95	249.53	253.17	256.86	260.60
Gross Rent Yearly Multiplier (GRM)	19.07	19.34	19.63	19.91	20.20	20.50	20.79	21.10	21.40	21.72
Value of Property Using Your GRM	-	-	-	-	-	-	-	-	-	-
Net Present Value (NPV)	110,029	121,887	134,423	147,666	161,648	176,402	191,964	208,369	225,655	243,863
Cash on Cash Return with Equity BuildUp	35.22%	37.45%	39.78%	42.22%	44.76%	47.42%	50.20%	53.10%	56.14%	59.31%
<b>Cash on Cash Return before Taxes</b>	2.66%	3.32%	4.00%	4.71%	5.43%	6.19%	6.96%	7.76%	8.59%	9.44%
<b>Cash on Cash Return after Taxes</b>	2.66%	3.32%	4.00%	4.71%	5.43%	6.19%	6.96%	7.76%	8.59%	9.44%
<b>Cumulative Internal Rate of Return (IRR)</b>	11.28%	10.94%	10.65%	10.41%	10.20%	10.01%	9.85%	9.70%	9.57%	9.46%
<b>Modified Internal Rate of Return (MIRR)</b>	10.66%	10.37%	10.12%	9.90%	9.70%	9.52%	9.35%	9.20%	9.07%	8.94%



### Taxable Income Analysis - Operations

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income from Report	\$ 6,131	\$ 6,346	\$ 6,568	\$ 6,797	\$ 7,034	\$ 7,279	\$ 7,531	\$ 7,792	\$ 8,062	\$ 8,340
Tax Depreciation	(3,781)	(3,946)	(3,946)	(4,015)	(4,018)	(4,018)	(4,018)	(4,106)	(4,109)	(4,109)
Points Amortization	(28)	(29)	(29)	(29)	(29)	(29)	(29)	(29)	(29)	(29)
Interest Expense - Mortgage #1	(5,849)	(6,312)	(6,235)	(6,154)	(6,066)	(5,973)	(5,873)	(5,766)	(5,652)	(5,531)
Interest Expense - Mortgage #2	-	-	-	-	-	-	-	-	-	-
Interest Expense - Mortgage #3	-	-	-	-	-	-	-	-	-	-
<b>Operating Taxable Income (Loss)</b>	<b>\$ (3,527)</b>	<b>\$ (3,941)</b>	<b>\$ (3,642)</b>	<b>\$ (3,401)</b>	<b>\$ (3,079)</b>	<b>\$ (2,741)</b>	<b>\$ (2,389)</b>	<b>\$ (2,109)</b>	<b>\$ (1,729)</b>	<b>\$ (1,329)</b>
Fed & State Tax Rate on Rental Income	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%
<b>Tax (Expense) Benefit from Operations</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Subject to Suspended Loss Rules?	<input checked="" type="button" value="Yes"/>	<input type="button" value="Help"/>								

### Taxable Income Analysis - Property Sale

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Adjusted Projected Sales Price	\$ 176,814	\$ 184,771	\$ 193,085	\$ 201,774	\$ 210,854	\$ 220,342	\$ 230,258	\$ 240,619	\$ 251,447	\$ 262,762
Original Cost of Property	(140,757)	(140,757)	(140,757)	(140,757)	(140,757)	(140,757)	(140,757)	(140,757)	(140,757)	(140,757)
Improvements Made	-	-	-	(2,000)	(2,000)	(2,000)	(2,000)	(4,500)	(4,500)	(4,500)
Amortization Points Paid	(871)	(871)	(871)	(871)	(871)	(871)	(871)	(871)	(871)	(871)
Gain or (Loss) on Property	35,186	43,143	51,458	58,146	67,226	76,715	86,630	94,492	105,320	116,635
Accumulated Depreciation/Amortization	3,809	7,784	11,759	15,803	19,850	23,898	27,945	32,080	36,218	40,357
<b>Taxable Gain (Loss) on Property Sale</b>	<b>\$ 38,995</b>	<b>\$ 50,927</b>	<b>\$ 63,216</b>	<b>\$ 73,949</b>	<b>\$ 87,077</b>	<b>\$ 100,613</b>	<b>\$ 114,575</b>	<b>\$ 126,572</b>	<b>\$ 141,538</b>	<b>\$ 156,991</b>
Capital Gain & State Rate on Sale	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%
Income Tax (Expense) Benefit	(9,359)	(12,222)	(15,172)	(17,748)	(20,898)	(24,147)	(27,498)	(30,377)	(33,969)	(37,678)
Recapture Tax (if any)	(378)	(773)	(1,167)	(1,569)	(1,971)	(2,373)	(2,774)	(3,185)	(3,596)	(4,007)
<b>Total Tax (Expense) Benefit from Sale</b>	<b>\$ (9,737)</b>	<b>\$ (12,995)</b>	<b>\$ (16,339)</b>	<b>\$ (19,317)</b>	<b>\$ (22,869)</b>	<b>\$ (26,520)</b>	<b>\$ (30,272)</b>	<b>\$ (33,562)</b>	<b>\$ (37,565)</b>	<b>\$ (41,685)</b>

## Taxable Income Analysis - Operations

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Net Operating Income from Report	8,627	8,924	9,230	9,546	9,873	10,210	10,558	10,917	11,288	11,671
Tax Depreciation	(4,109)	(4,109)	(4,109)	(4,109)	(4,109)	(4,109)	(4,109)	(4,109)	(4,109)	(4,109)
Points Amortization	(29)	(29)	(29)	(29)	(29)	(29)	(29)	(29)	(29)	(29)
Interest Expense - Mortgage #1	(5,401)	(5,262)	(5,113)	(4,955)	(4,786)	(4,605)	(4,412)	(4,205)	(3,985)	(3,749)
Interest Expense - Mortgage #2	-	-	-	-	-	-	-	-	-	-
Interest Expense - Mortgage #3	-	-	-	-	-	-	-	-	-	-
<b>Operating Taxable Income (Loss)</b>	<b>\$ (912)</b>	<b>\$ (476)</b>	<b>\$ (22)</b>	<b>\$ 453</b>	<b>\$ 949</b>	<b>\$ 1,467</b>	<b>\$ 2,008</b>	<b>\$ 2,574</b>	<b>\$ 3,165</b>	<b>\$ 3,784</b>
Fed & State Tax Rate on Rental Income	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%	44.00%
<b>Tax (Expense) Benefit from Operations</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Taxable Income Analysis - Property Sale

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Adjusted Projected Sales Price	\$ 274,587	\$ 286,943	\$ 299,856	\$ 313,349	\$ 327,450	\$ 342,185	\$ 357,583	\$ 373,675	\$ 390,490	\$ 408,062
Original Cost of Property	(140,757)	(140,757)	(140,757)	(140,757)	(140,757)	(140,757)	(140,757)	(140,757)	(140,757)	(140,757)
Improvements Made	(4,500)	4,500	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)
Amortization Points Paid	(871)	(871)	(871)	(871)	(871)	(871)	(871)	(871)	(871)	(871)
Gain or (Loss) on Property	128,459	149,815	153,728	167,221	181,322	196,057	211,456	227,547	244,362	261,934
Accumulated Depreciation/Amortization	44,495	48,633	52,772	56,910	61,049	65,187	69,325	73,464	77,602	81,740
<b>Taxable Gain (Loss) on Property Sale</b>	<b>\$ 172,954</b>	<b>\$ 189,449</b>	<b>\$ 206,500</b>	<b>\$ 224,132</b>	<b>\$ 242,371</b>	<b>\$ 261,244</b>	<b>\$ 280,781</b>	<b>\$ 301,011</b>	<b>\$ 321,964</b>	<b>\$ 343,675</b>
Capital Gain & State Rate on Sale	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%
Income Tax (Expense) Benefit	(41,509)	(45,468)	(49,560)	(53,792)	(58,169)	(62,699)	(67,387)	(72,243)	(77,271)	(82,482)
Recapture Tax (if any)	(4,418)	(4,829)	(5,240)	(5,651)	(6,061)	(6,472)	(6,883)	(7,294)	(7,705)	(8,116)
<b>Total Tax (Expense) Benefit from Sale</b>	<b>\$ (45,927)</b>	<b>\$ (50,296)</b>	<b>\$ (54,799)</b>	<b>\$ (59,442)</b>	<b>\$ (64,230)</b>	<b>\$ (69,171)</b>	<b>\$ (74,271)</b>	<b>\$ (79,537)</b>	<b>\$ (84,977)</b>	<b>\$ (90,598)</b>