

CASH FLOW

Year :	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2040	2050
Period :	1	2	3	4	5	6	7	8	9	10	20	30
Gross Operating Income	127,200	129,744	132,339	134,986	137,685	140,439	143,248	146,113	149,035	152,016	185,306	225,887
Growth Rate	n.a	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Operating Expenses	(47,760)	(48,715)	(49,690)	(50,683)	(51,697)	(52,731)	(53,786)	(54,861)	(55,958)	(57,078)	(69,577)	(84,814)
% of Revenue	37.5%	37.5%	37.5%	37.5%	37.5%	37.5%	37.5%	37.5%	37.5%	37.5%	37.5%	37.5%
Net Operating Income (NOI)	79,440	81,029	82,649	84,302	85,988	87,708	89,462	91,252	93,077	94,938	115,729	141,073
% of Gross Operating Income	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%
Capital Expenditures (CAPEX)	(9,240)	(9,425)	(9,613)	(9,806)	(10,002)	(10,202)	(10,406)	(10,614)	(10,826)	(11,043)	(13,461)	(16,409)
Other Non-Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Principal repayment	(10,918)	(11,363)	(11,826)	(12,308)	(12,809)	(13,331)	(13,875)	(14,440)	(15,028)	(15,640)	(23,317)	(34,762)
Interest expense	(24,601)	(24,156)	(23,693)	(23,212)	(22,710)	(22,188)	(21,645)	(21,080)	(20,492)	(19,879)	(12,203)	(758)
Loan Insurance	(6,200)	(5,167)	-	-	-	-	-	-	-	-	-	-
Recurring Levered Cash Flow	28,480	30,918	37,516	38,977	40,467	41,987	43,537	45,118	46,731	48,376	66,748	89,145
Cumulative Cash Flow (Recurring)	28,480	59,398	96,914	135,891	176,358	218,345	261,882	307,000	353,731	402,107	983,915	1,770,922

PARAMETERS & ASSUMPTIONS

Additional Year #1 :	20		
Additional Year #2 :	30		
Annual Rent Increase	2.0%	Down Payment	20.0%
Annual Fixed Exp. Increase	2.0%	Loan Balance	80.0%
Valuation Method	Capitalization Rate		

ACQUISITION - SOURCES & USES

Cash Payment:	\$ 417,400	Acquisition Price:	\$ 750,000
Loan / Mortgage:	\$ 620,000	Remodeling Costs:	\$ 250,000
		Closing Costs:	\$ 15,000
		Financing Costs:	\$ 12,400
Total Sources :	\$ 1,037,400	Total Uses:	\$ 1,037,400

DEBT & PROPERTY VALUE

Year :	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2040	2050
Period :	1	2	3	4	5	6	7	8	9	10	20	30
Debt (Beginning of year)	620,000	609,082	597,718	585,892	573,584	560,775	547,443	533,569	519,129	504,101	315,674	\$ 34,762
Principal Repayment	(10,918)	(11,363)	(11,826)	(12,308)	(12,809)	(13,331)	(13,875)	(14,440)	(15,028)	(15,640)	(23,317)	(34,762)
Net Drawdown	-	-	-	-	-	-	-	-	-	-	-	-
Debt (End of year)	609,082	597,718	585,892	573,584	560,775	547,443	533,569	519,129	504,101	488,461	292,357	-
Property Value	1,000,000	1,020,000	1,040,400	1,061,208	1,082,432	1,104,081	1,126,162	1,148,686	1,171,659	1,195,093	1,456,811	1,775,845
% Appreciation	-	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Implied Cap Rate	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%
Home Equity Value	390,918	422,282	454,508	487,624	521,658	556,638	592,594	629,557	667,558	706,632	1,164,454	1,775,845
Loan to Value	60.9%	58.6%	56.3%	54.1%	51.8%	49.6%	47.4%	45.2%	43.0%	40.9%	20.1%	-
DSCR	1.68x	1.76x	2.06x	2.10x	2.14x	2.18x	2.23x	2.27x	2.32x	2.36x	2.88x	3.51x
Break-Even Ratio	70.3%	68.9%	64.4%	63.9%	63.3%	62.8%	62.3%	61.9%	61.4%	60.9%	56.7%	53.3%

REFINANCING - SOURCES & USES

Cash Needed:	-	Loan Repayment:	-
New Loan:	-	Financing Costs:	-
		Net Cash Out:	-
Total Sources :	-	Total Uses:	-

RATIOS & RETURN

Year :	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2040	2050
Period :	1	2	3	4	5	6	7	8	9	10	20	30
Net Operating Income	79,440	81,029	82,649	84,302	85,988	87,708	89,462	91,252	93,077	94,938	115,729	141,073
Annual Recurring Cash Flow	28,480	30,918	37,516	38,977	40,467	41,987	43,537	45,118	46,731	48,376	66,748	89,145
Monthly Recurring Cash Flow	2,373	2,576	3,126	3,248	3,372	3,499	3,628	3,760	3,894	4,031	5,562	7,429
Purchase Cap Rate	7.9%	8.1%	8.3%	8.4%	8.6%	8.8%	8.9%	9.1%	9.3%	9.5%	11.6%	14.1%
Adjusted Purchase Cap Rate	7.0%	7.2%	7.3%	7.4%	7.6%	7.8%	7.9%	8.1%	8.2%	8.4%	10.2%	12.5%
Cash on Cash Return	6.8%	7.4%	9.0%	9.3%	9.7%	10.1%	10.4%	10.8%	11.2%	11.6%	16.0%	21.4%
Cash Flow	28,480	30,918	37,516	38,977	40,467	41,987	43,537	45,118	46,731	48,376	66,748	89,145
Principal Repayment	10,918	11,363	11,826	12,308	12,809	13,331	13,875	14,440	15,028	15,640	23,317	34,762
Property Appreciation	-	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	28,565	34,820
Annual Total Return	39,399	62,281	69,743	72,093	74,501	76,967	79,493	82,081	84,733	87,449	118,630	158,727
Annual Total Return on Cash	9.4%	14.9%	16.7%	17.3%	17.8%	18.4%	19.0%	19.7%	20.3%	21.0%	28.4%	38.0%
Monthly Total Return	3.283	5.190	5.812	6.008	6.208	6.414	6.624	6.840	7.061	7.287	9.886	13.227

RETURN CALCULATION

12.0% LEVERED IRR	8.20x LEVERED EMX	1.12% 1% RULE
8.7% LEVERED MIRR	\$ 3,005,057 LEVERED PROFITS	11 years CASH OUT DATE