



Year Built	Square Feet	Bedrooms	Bathrooms
1992	1430	3	2

Market		Property Address	
Memphis		4510 Tracy Lynn Dr, Memphis, TN 38125	
Property Info		Assumptions	
Purchase Price	\$165,000	Down Payment	20%
Down Payment	\$33,000	Closing Costs	4%
Estimated Closing Costs	\$6,600	Interest Rate	5.125%
Rehab Expenses	\$0	PM Fee	8%
Acquisition Fee	\$3,995	Vacancy/Repairs	8%
Total Property Investment	\$43,595	Annual Apprec. (YR 1-2)	6%
PM Setup	\$2,000	Annual Apprec. (YR 3-5)	4%
Financed Income Breakdown		Annual Apprec. (YR 6+)	3%
Monthly Rent	\$1,350	Annual Rent Increase	4%
Monthly Principal & Interest	\$719	Closing Costs on Future Sale	6%
Monthly Taxes	\$106	Cash on Cash ROI	
Monthly Insurance	\$79	Annual Average	5 Year
PITI Monthly	\$904	Cash on Cash ROI	7 Year
Returns		Cash on Cash ROI	10 Year
Cap Rate	7.69%	C on C + PR	13.93%
		C on C + PR + Apprec.	15.17%
			17.31%
			28.49%
			29.49%
			31.77%

Income / Expenses										
Year	1	2	3	4	5	6	7	8	9	10
Gross Rent	\$16,200	\$16,848	\$17,522	\$18,223	\$18,952	\$19,710	\$20,498	\$21,318	\$22,171	\$23,058
Taxes	\$1,270	\$1,346	\$1,427	\$1,470	\$1,514	\$1,559	\$1,606	\$1,654	\$1,704	\$1,755
Insurance	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950
HOA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Management	\$1,296	\$1,348	\$1,402	\$1,458	\$1,516	\$1,577	\$1,640	\$1,705	\$1,774	\$1,845
Vacancy/Repairs	\$0	\$1,348	\$1,402	\$1,458	\$1,516	\$1,577	\$1,640	\$1,705	\$1,774	\$1,845
Net Operating Income	\$12,684	\$11,856	\$12,341	\$12,887	\$13,456	\$14,047	\$14,662	\$15,303	\$15,970	\$16,663
Annual Principal and Interest	\$8,625	\$8,625	\$8,625	\$8,625	\$8,625	\$8,625	\$8,625	\$8,625	\$8,625	\$8,625
Gross Profits	\$4,059	\$3,231	\$3,717	\$4,263	\$4,831	\$5,422	\$6,038	\$6,678	\$7,345	\$8,039
Monthly Cash Flow	\$338	\$269	\$310	\$355	\$403	\$452	\$503	\$557	\$612	\$670
Property Investment	\$43,595	\$43,595	\$43,595	\$43,595	\$43,595	\$43,595	\$43,595	\$43,595	\$43,595	\$43,595
C on C ROI	9.31%	7.41%	8.53%	9.78%	11.08%	12.44%	13.85%	15.32%	16.85%	18.44%
C on C + PR	13.79%	12.00%	13.23%	14.60%	16.02%	17.50%	19.03%	20.62%	22.27%	23.98%

Annual Appreciation/ROI										
Year	1	2	3	4	5	6	7	8	9	10
Principal Reduction	\$1,954	\$4,000	\$6,151	\$8,408	\$10,771	\$13,240	\$15,814	\$18,493	\$21,278	\$24,169
Appreciation	\$0	\$9,900	\$6,996	\$7,276	\$7,567	\$5,902	\$6,079	\$6,262	\$6,449	\$6,643
Appreciation ROI	0.00%	22.71%	16.05%	16.69%	17.36%	13.54%	13.94%	14.36%	14.79%	15.24%
Cumulative Equity Gain	\$0	\$9,900	\$16,896	\$24,172	\$31,739	\$37,641	\$43,720	\$49,982	\$56,431	\$63,074
Proceeds In Event of Sale	\$25,054	\$36,405.60	\$45,133	\$54,230	\$63,706	\$71,722	\$80,010	\$88,576	\$97,424	\$106,559
ROI w/C on C + PR + Est. Apprec.	13.79%	34.71%	29.28%	31.29%	33.38%	31.04%	32.98%	34.98%	37.07%	39.22%
Deprec. / Tax Savings	\$1,680	\$1,680	\$1,680	\$1,375	\$1,680	\$1,680	\$1,375	\$1,680	\$1,680	\$1,680
Deprec. ROI	3.85%	3.85%	3.85%	3.15%	3.85%	3.85%	3.15%	3.85%	3.85%	3.85%

Hypothetical Appreciation	8%	\$0	\$13,200	\$14,256	\$15,396	\$16,628	\$17,958	\$19,395	\$20,947	\$22,622	\$24,432
Hyp. Apprec. as ROI based on PI		0.00%	30.28%	32.70%	35.32%	38.14%	41.19%	44.49%	48.05%	51.89%	56.04%
Cumulative EG with Hyp. Apprec.		\$0	\$13,200	\$27,456	\$42,852	\$59,481	\$77,439	\$96,834	\$117,781	\$140,403	\$164,836
Proceeds if Sold w/ Hyp. Apprec.		\$25,054	\$39,507.60	\$55,060	\$71,790	\$89,783	\$109,132	\$129,938	\$152,307	\$176,358	\$202,215
C on C + PR+ Hyp. Apprec.		13.79%	42.28%	45.93%	49.92%	54.17%	58.69%	63.52%	68.67%	74.16%	80.03%
C on C + PR+ Hyp. Appr. + Deprec. of asset		17.65%	50.72%	59.19%	67.54%	77.78%	87.85%	97.77%	109.64%	121.40%	133.78%

Glossary and Assumptions

Appreciation	The Appreciation value is calculated cumulatively.
Appreciation ROI	Return as calculated from Appreciation to Total Property Investment
Cap Rate	Cap Rate is calculated by dividing the Net Operating Income by the Purchase Price.
Cash on Cash Return	The Cash on Cash Return is calculated by dividing the Annual Net Cash Flow by the Total Property Investment (TPI)
Closing Costs	Percentage of closing costs adjusts based on loan amount. 100K and below= 5.5%, 100-150K=5%, 150k-200K=4%, & over 200K=3.5%
Depreciation ROI	Return based on depreciation to property investment
Depreciation/Tax Savings	Assuming Average 28% tax bracket
Principal Reduction	The Principal Reduction is calculated cumulatively based off a 30 year ammortization, fixed rate mortgage.
Proceeds on Sale	The Proceeds on the Sale is calculated by taking the market value (Purchase Price and cumulative Appreciation), and subtracting Loan Amount, and Closing Costs on the Future Sale.
Return on Investment (ROI)	Return on Investment
Taxes	Taxes increase at same rate of property appreciation
Total Property Investment (TPI)	The Total Property Investment value is calculated by adding the Down Payment, Closing Costs, Rehab Expenses and Acquisition Fee
Vacancies/Repairs	Vacancy/Repair expenses start in month 12 since the homes are typically rehabbed at the start of year 1.

		Abbreviations		Property Value	
	PM	Property Management	2	\$165,000	\$9,900
	Apprec.	Appreciation	3	\$174,900	\$10,494
	Deprec.	Depreciation	4	\$185,394	\$11,124
	C on C	Cash on Cash	5	\$196,518	\$5,896
	V&R	Vacany and Repairs	6	\$202,413	\$6,072
	Hyp.	Hypothetical	7	\$208,486	\$6,255
	PR.	Prinicial Reduction	8	\$214,740	\$6,442
	PI.	Property Invesment	9	\$221,182	\$6,635
	EG	Equity Gain	10	\$227,818	\$6,835