

BASIC INFORMATION

PROPERTY & INVESTOR

Property Information	
Property Address	359 A&B Collicello St
Locality	Harrisonburg
Purchase Cost	\$174,900
Appreciation	4%

Initial Investment	
Percentage Down Payment	20%
Down Payment	\$34,980
Closing Costs	\$5,000
Required Cash	\$39,980

Investor Information	
Federal + State Tax Bracket	35%
Approximate AGI	\$100,000

Financing	
1st - Amount Financed	\$139,920
1st - Interest Rate	7.00%
1st - Loan Term	30
1st - Principal & Interest	\$931
2nd - Amount Financed	\$0
2nd - Interest Rate	7.50%
2nd - Loan Term	30
2nd - Principal & Interest	\$0
Total Monthly Principal & Interest	\$931

Depreciation			
Item	Current Value	Annual Depreciation	Depreciation
Land Value	\$40,000	0.00%	\$0
Personal Property Value (5 years)	\$5,000	20.00%	\$1,000
Building Value (27.5 years)	\$125,900	3.64%	\$4,578
Land Improvement Value (15 years)	\$4,000	6.67%	\$267
Total Depreciation			\$5,845

ANALYSIS :: YEAR 1

CASH FLOW

Gross Operating Income	
Annual Rent	\$13,740
- Vacancy	5%
Gross Operating Income	\$13,053

2 Units: \$575, \$570

Annual Operating Expenses	
Real Estate Taxes	\$781
Repairs	\$250
Association Dues	\$0
Management (10%)	\$0
Insurance	\$550
Utilities	\$0
Advertising	\$0
Supplies	\$0
Total Operating Expenses	\$1,581

INVESTMENT BENEFITS

Cash Flow Before Tax	
Gross Operating Income	\$13,053
- Operating Expenses	-\$1,581
Net Operating Income (NOI)	\$11,472
- Annual Debt Service	-\$11,171
Cash Flow Before Tax	\$301

Principal Reduction	
Annual Debt Service	\$11,171
- Interest	-\$9,749
Principal Reduction	\$1,421

Taxes Paid or Saved	
Net Operating Income	\$11,472
- Interest	-\$9,749
- Total Depreciation	-\$5,845
Taxable Income	-\$4,122
* Tax Bracket (federal + state)	35%
Taxes Paid Or Saved	\$1,443

Appreciation	
Current Property Value	\$174,900
* Appreciation Rate	4%
Appreciation	\$6,996

INVESTMENT MEASURES

ROI with Appreciation	
Cash Flow Before Tax	\$301
+ Principal Reduction	\$1,421
+ Tax Saved	\$1,443
+ Appreciation	\$6,996
Total Return	\$10,161
/ Cash Invested	\$39,980
ROI with Appreciation	25.4%

ROI without Appreciation	
Cash Flow Before Tax	\$301
+ Principal Reduction	\$1,421
+ Tax Saved	\$1,443
Total Return	\$3,165
/ Cash Invested	\$39,980
ROI without Appreciation	7.9%

Capitalization Rate	
Net Operating Income	\$11,472
/ Purchase Cost	\$174,900
Capitalization Rate	6.6%

Cash on Cash	
Cash Flow Before Tax	\$301
/ Cash Invested	\$39,980
Cash on Cash	0.8%

CUMMULATIVE ANALYSIS :: YEARS 1 - 5

CASH FLOW

Gross Operating Income	
Annual Increase in Income/Expenses	3%
Total Rent	\$72,948
- Vacancy	5%
Gross Operating Income	\$69,300

Annual Operating Expenses	
Real Estate Taxes	\$4,146
Repairs	\$1,327
Association Dues	\$0
Management (10%)	\$0
Insurance	\$2,920
Utilities	\$0
Advertising	\$0
Supplies	\$0
Total Operating Expenses	\$8,394

INVESTMENT BENEFITS

Cash Flow Before Tax	
Gross Operating Income	\$69,300
- Operating Expenses	-\$8,394
Net Operating Income (NOI)	\$60,906
- Annual Debt Service	-\$55,853
Cash Flow Before Tax	\$5,053

Principal Reduction	
Annual Debt Service	\$55,853
- Interest	-\$47,642
Principal Reduction	\$8,211

Taxes Paid or Saved	
Net Operating Income	\$60,906
- Interest	-\$47,642
- Total Depreciation	-\$29,224
Taxable Income	-\$15,960
* Tax Bracket (federal + state)	35%
Taxes Paid Or Saved	\$5,586

Appreciation	
Current Property Value	\$174,900
* Appreciation Rate	4%
Appreciation	\$37,893

Unrealized Return After Five Years	\$56,743
---	-----------------