

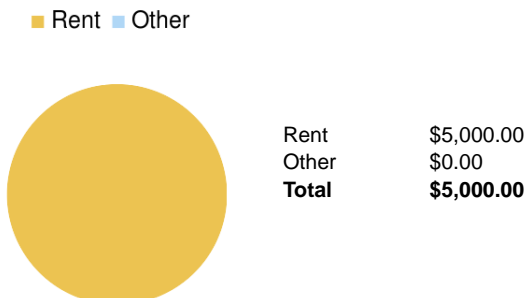
<b>Monthly Income:</b>	<b>Monthly Expenses:</b>	<b>Monthly Cash Flow:</b>	<b>Pro Forma Cap Rate:</b>
\$5,000.00	\$3,866 / \$4,071	\$1,134 / \$929	6.37%
<b>NOI</b>	<b>Total Cash Needed</b>	<b>Cash on Cash ROI</b>	<b>Purchase Cap Rate</b>
\$38,200.00	\$170,250.00	8.0% / 8.6%	7.50%

<b>Purchase Price:</b>	<b>\$509,000.00</b>
Purchase Closing Costs:	\$3,000.00
Estimated Repairs:	\$40,000.00
Total Project Cost:	\$552,000.00
After Repair Value:	\$600,000.00
Estimated Rehab Time:	6 Months
Time to Refinance:	12 Months

<b>Acquisition:</b>	
Down Payment:	\$127,250.00
Loan Amount:	\$381,750.00
Loan Points/Fees:	\$0.00
Amortized Over:	30 years
Loan Interest Rate:	5.00%
Monthly P&I:	\$2,049.32
Total Cash Needed At Purchase:	\$170,250.00

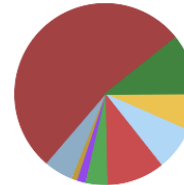
<b>Refinance:</b>	
Loan Amount:	\$420,000.00
Loan Fees:	\$3,000.00
Amortized Over:	30 years
Loan Interest Rate:	5.00%
Monthly P&I:	\$2,254.65
Total Cash Invested:	\$129,367.79

## Income



## Pre-Refinance Expenses

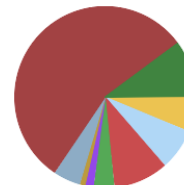
■ Vacancy ■ Repairs ■ CapEx ■ Electricity  
 ■ Water & Sewer ■ Garbage ■ Insurance ■ P&I  
 ■ Property Taxes



Vacancy	\$250.00 (5%)
Repairs	\$300.00 (6%)
CapEx	\$400.00 (8%)
Electricity	\$150.00 (3%)
Water & Sewer	\$60.00 (1%)
Garbage	\$40.00 (1%)
Insurance	\$200.00 (4%)
P&I	\$2,049.32 (41%)
Property Taxes	\$416.67 (8%)
<b>Total</b>	<b>\$3,865.98 (77%)</b>

## Post-Refinance Expenses

■ Vacancy ■ Repairs ■ CapEx ■ Electricity  
 ■ Water & Sewer ■ Garbage ■ Insurance ■ P&I  
 ■ Property Taxes



Vacancy	\$250.00 (5%)
Repairs	\$300.00 (6%)
CapEx	\$400.00 (8%)
Electricity	\$150.00 (3%)
Water & Sewer	\$60.00 (1%)
Garbage	\$40.00 (1%)
Insurance	\$200.00 (4%)
P&I	\$2,254.65 (45%)
Property Taxes	\$416.67 (8%)
<b>Total</b>	<b>\$4,071.32 (81%)</b>

## Financial Projections

Total Initial Equity:	\$218,250.00
Gross Rent Multiplier:	8.48
Income-Expense Ratio (2% Rule):	0.91%
Typical Cap Rate:	10.00%
Debt Coverage Ratio:	1.55 / 1.41
ARV based on Cap Rate:	\$382,000.00

### 50% Rule Cash Flow Estimates Pre-Refinance

Total Monthly Income:	\$5,000
x50% for Expenses:	\$2,500
Monthly Payment/Interest Payment:	\$2,049
<b>Total Monthly Cashflow using 50% Rule:</b>	<b>\$451</b>

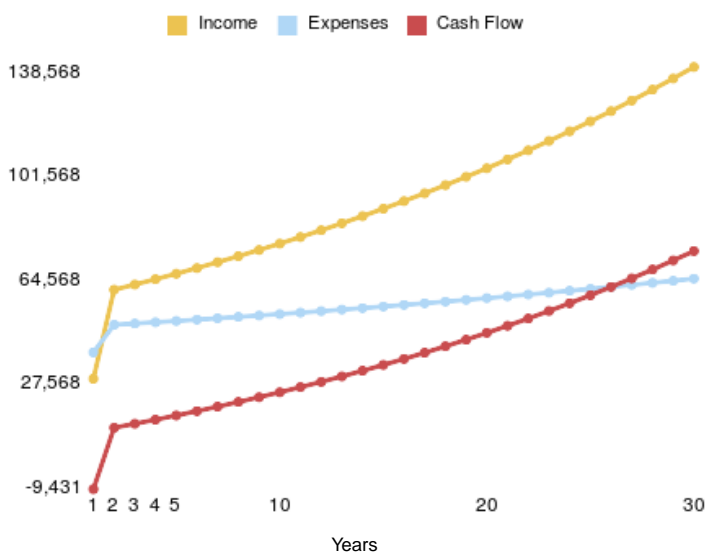
### 50% Rule Cash Flow Estimates Post-Refinance

Total Monthly Income:	\$5,000
x50% for Expenses:	\$2,500
Monthly Payment/Interest Payment:	\$2,255
<b>Total Monthly Cashflow using 50% Rule:</b>	<b>\$245</b>

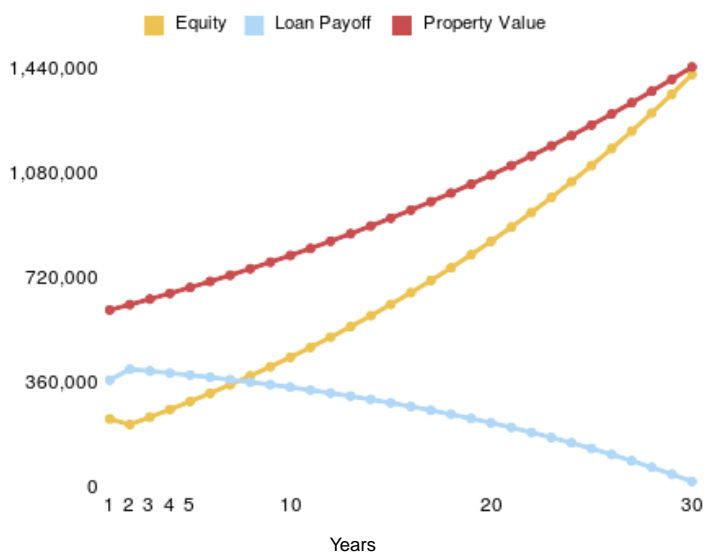
## Analysis Over Time

Annual Growth Assumptions	2% Expenses	3% Income	3% Property Value				
	Year 1	Year 2	Year 3	Year 4	Year 10	Year 20	Year 30
Total Annual Income	\$30,000	\$61,800	\$63,654	\$65,564	\$78,286	\$105,210	\$141,394
Total Annual Expenses	\$39,432	\$49,292	\$49,737	\$50,190	\$53,109	\$58,814	\$65,769
Total Annual Cashflow	-\$9,432	\$12,508	\$13,917	\$15,373	\$25,178	\$46,396	\$75,625
Cash on Cash ROI	-5.54%	9.67%	10.76%	11.88%	19.46%	35.86%	58.46%
Property Value	\$618,000	\$636,540	\$655,636	\$675,305	\$806,350	\$1,083,667	\$1,456,357
Equity	\$241,882	\$222,737	\$248,346	\$274,862	\$455,004	\$855,104	\$1,430,020
Loan Balance	\$376,118	\$413,803	\$407,290	\$400,443	\$351,346	\$228,562	\$26,337
Total Profit if Sold	\$6,580	\$39,157	\$76,965	\$117,084	\$411,060	\$1,149,054	\$2,307,471
Annualized Total Return	4%	14%	17%	17%	15%	12%	10%

### Income, Expenses and Cash Flow (in \$)



### Loan Balance, Value and Equity (in \$)



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Calculations based on a 31-day month. The calculators found on BiggerPockets are designed to be used for informational and educational purposes only, and when used alone, do not constitute investment advice. BiggerPockets recommends that you seek the advice of a real estate professional before making any type of investment. The results presented may not reflect the actual return of your own investments. BiggerPockets is not responsible for the consequences of any decisions or actions taken in reliance upon or as a result of the information provided by these tools. Furthermore, BiggerPockets is not responsible for any human or mechanical errors or omissions.