BiggerPockets®

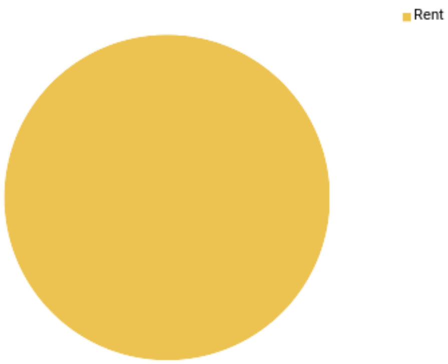
# 603 Clubhouse Ave

| Monthly Income: | Monthly Expenses: | Monthly Cash Flow: | Pro Forma Cap Rate: |
|---|---|---|---|
| $14,250.00 | $11,642.17 | $2,607.83 | 5.91% |
| **NOI** | **Total Cash Needed** | **Cash on Cash ROI** | **Purchase Cap Rate** |
| $118,259.10 | $577,000.00 | 5.42% | 6.57% |

## Property Information

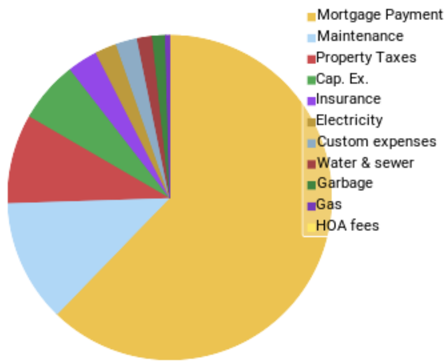
| | |
|---|---|
| Purchase Price: | $1,800,000.00 |
| Purchase Closing Costs: | $27,000.00 |
| Estimated Repair Costs: | $100,000.00 |
| **Total Cost of Project:** | **$1,927,000.00** |
| After Repair Value | $2,000,000.00 |
| | |
| Down Payment: | $450,000.00 |
| Loan Amount: | $1,350,000.00 |
| Loan Points: | - |
| Loan Fees: | $0.00 |
| Amortized Over: | 30 years |
| Loan Interest Rate: | 5.000% |
| **Monthly P&I:** | **$7,247.09** |

## Income




| | |
|---|---|
| Rent | $14,250.00 |
| **Total** | **$14,250.00** |

## Expenses




| | | | |
|---|---|---|---|
| Electricity | $250.00 | Gas | $50.00 |
| Water & sewer | $175.00 | HOA fees | $0.00 |
| Garbage | $150.00 | Custom expenses | $250.00 |
| Maintenance | $1,425.00 | Cap. Ex. | $712.50 |
| Insurance | $350.00 | Property Taxes | $1,034.00 |
| Mortgage Payment | $7,247.09 | | |
| **Total** | **$11,642.17** | | |

## Financial Projections

| | | | |
|---|---|---|---|
| Total Initial Equity: | $650,000.00 | | |
| Gross Rent Multiplier: | 10.53 | | |
| Income-Expense Ratio (2% Rule): | 0.74% | | |
| Typical Cap Rate: | 6.57% | Debt Coverage Ratio: | 1.36 |
| ARV based on Cap Rate: | $1,800,000.00 | | |

## 50% Rule Cash Flow Estimates

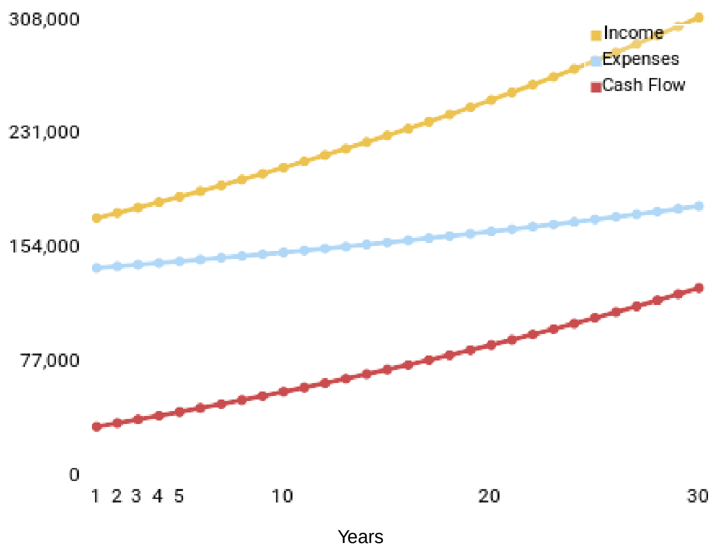
| | |
|---|---|
| Total Monthly Income: | $14,250.00 |
| x50% for Expenses: | $7,125.00 |
| Monthly Payment/Interest Payment: | $7,247.09 |
| **Total Monthly Cash Flow using 50% Rule:** | **-$122.09** |

## Analysis Over Time

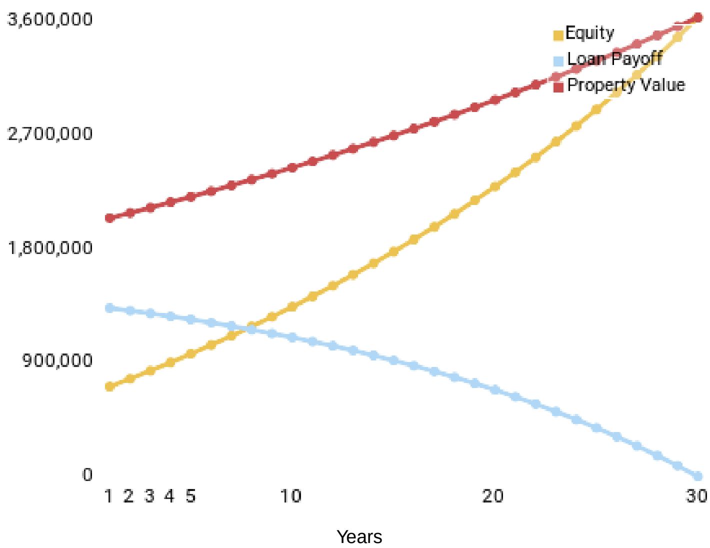
| Annual Growth Assumptions | 2% Expenses | 2% Income | 2% Property Value |
|---|---|---|---|

| | Year 1 | Year 2 | Year 5 | Year 10 | Year 15 | Year 20 | Year 30 |
|---|---|---|---|---|---|---|---|
| Total Annual Income | $174,420 | $177,908 | $188,798 | $208,448 | $230,143 | $254,097 | $309,743 |
| Total Annual Expenses | $140,761 | $141,837 | $145,195 | $151,256 | $157,947 | $165,335 | $182,498 |
| Total Annual Cashflow | $33,659 | $36,072 | $43,602 | $57,192 | $72,196 | $88,762 | $127,245 |
| Cash on Cash ROI | 5.83% | 6.25% | 7.56% | 9.91% | 12.51% | 15.38% | 22.05% |
| Property Value | $2,040,000 | $2,080,800 | $2,208,162 | $2,437,989 | $2,691,737 | $2,971,895 | $3,622,723 |
| Equity | $709,917 | $771,654 | $968,474 | $1,339,871 | $1,775,304 | $2,288,629 | $3,622,723 |
| Loan Balance | $1,330,083 | $1,309,146 | $1,239,688 | $1,098,118 | $916,433 | $683,266 | $0 |
| Total Profit if Sold | $166,577 | $264,385 | $584,382 | $1,214,022 | $1,979,833 | $2,903,180 | $5,330,266 |
| Compound Annual Growth Rate | 29% | 21% | 15% | 12% | 10% | 9% | 8% |

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




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



**Year Built** 1963