

1st Year Pro forma

City, State	416 E. South Ave
Street	Kansas City, MO
Property Type	Single family
Year Built	1942
Living Area Sq Ft	685
Bedrooms	2
Baths	1
Neighborhood Class	C

Price	\$129,900
Cost per Sq Ft	\$189.64
Monthly Rent per Sq Ft	\$1.57



Income	Monthly	Annual
Gross Rent	\$1,075	\$12,900
Vacancy Losses	\$54	\$645
Operating Income	\$1,021	\$12,255

Expenses	Monthly	Annual
Property Taxes	\$70	\$843
Insurance	\$50	\$600
Management	\$69	\$828
Leasing/Advertising	\$0	\$0
Association Fees	\$0	\$0
Maintenance	\$43	\$516
Other	\$0	\$0
Operating Expenses	\$232	\$2,787

Net Performance	Monthly	Annual
Net Operating Income	\$789	\$9,468
Debt Service	\$574	\$6,886
Cash Flow	\$215	\$2,582
Principal Reduction	\$122	\$1,465
First Year Appreciation	\$325	\$3,897
Gross Equity Income	\$662	\$7,944

Financial Indicators	
Debt Cover Ratio	1.4
Annual Gross Rent Multiplier	10.1
Monthly Gross Rent Multiplier	121
Rent ratio	0.8%
Capitalization Rate	7.3%
Cash on Cash Return	9.9%
Total Return on Investment	30.6%

Assumptions	
Real Estate Appreciation Rate	3%
Vacancy Rate	5%
Management Fee	7%
Maintenance Percentage	4%
Rental Increase	3.0%

Mortgage Information	
Loan to Value	80.0%
Downpayment	\$25,980
Loan Amount	\$103,920
Terms	360
Interest Rate*	5.25%
Mortgage Payment	\$573.85

These are projections only and performance is not guaranteed. All investments have risk and investors should do their own due diligence

*Rates can vary and are subject to change Seller will credit \$2000 towards loan points for interest rate reduction

5 Year Performance Summary----Cash-flow & Equity

	Year 1	Year 2	Year 3	Year 4	Year 5
INCOME					
Gross Rent	\$12,900	\$13,287	\$13,686	\$14,096	\$14,519
Vacancy	\$645	\$664	\$684	\$705	\$726
Operating Income	\$12,255	\$12,623	\$13,001	\$13,391	\$13,793
EXPENSES					
Property taxes	\$843	\$860	\$877	\$895	\$912
Insurance	\$600	\$612	\$624	\$637	\$649
Management	\$828	\$853	\$878	\$905	\$932
Maintenance	\$516	\$531	\$547	\$564	\$581
Total Operating Expenses	\$2,787	\$2,856	\$2,927	\$3,000	\$3,075

Income Analyses

Net Operating Income	\$9,468	\$9,766	\$10,074	\$10,391	\$10,718
Debt Service	\$6,886	\$6,886	\$6,886	\$6,886	\$6,886
Cash Flow	\$2,582	\$2,880	\$3,188	\$3,505	\$3,832
Cash on Cash Return	9.9%	11.1%	12.3%	13.5%	14.8%

Equity Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
Principal Reduction	\$1,465	\$1,544	\$1,627	\$1,715	\$1,807
Annual Appreciation	\$3,897	\$4,014	\$4,134	\$4,258	\$4,386
Total Annual Equity Gain	\$5,362	\$5,558	\$5,762	\$5,973	\$6,193
Total Equity Gain %	20.6%	21.4%	22.2%	23.0%	23.8%

Income & Equity Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
Total Annual Income	\$2,582	\$2,880	\$3,188	\$3,505	\$3,832
Total Annual Equity	\$5,362	\$5,558	\$5,762	\$5,973	\$6,193
Total Income & Equity	\$7,944	\$8,438	\$8,949	\$9,478	\$10,025
Return from Income & Equity	30.6%	32.5%	34.4%	36.5%	38.6%

Cummulative Cash flow	\$2,582	\$5,462	\$8,650	\$12,155	\$15,988
Cummulative Equity Gain	\$5,362	\$10,920	\$16,682	\$22,655	\$28,848
Total Cummulative Income & Equity	\$7,944	\$16,382	\$25,332	\$34,810	\$44,835