

1st Year Pro forma

City, State	Independence, MO
Street	1420 S. Liberty St
Property Type	Single family
Year Built	1958
Living Area Sq Ft	959
Bedrooms	3
Baths	1
Neighborhood Class	B

Price	\$158,000
Cost per Sq Ft	\$164.75
Monthly Rent per Sq Ft	\$1.46



Income	Monthly	Annual
Gross Rent	\$1,400	\$16,800
Vacancy Losses	\$70	\$840
Gross Operating Income	\$1,330	\$15,960

Expenses	Monthly	Annual
Property Taxes	\$80	\$959
Insurance	\$65	\$780
Management	\$69	\$828
Leasing/Advertising	\$0	\$0
Gas, electric, water	\$0	\$0
Maintenance	\$42	\$504
Lawcare/Snow removal	\$0	\$0
Operating Expenses	\$256	\$3,071

Net Performance	Monthly	Annual
Net Operating Income	\$1,074	\$12,889
Debt Service	\$841	\$10,091
Cash Flow	\$233	\$2,798
Principal Reduction	\$107	\$1,284
First Year Appreciation	\$395	\$4,740
Total Income & Equity Return	\$735	\$8,822

Financial Indicators	
Debt Cover Ratio	1.3
Annual Gross Rent Multiplier	9.4
Monthly Gross Rent Multiplier	113
Rent ratio	0.9%
Capitalization Rate	8.2%
Cash on Cash Return	8.9%
Total Return on Investment	27.9%

Assumptions	
Real Estate Appreciation Rate	3%
Vacancy Rate	5%
Management Fee	5%
Maintenance Percentage	3%
Rental Increase	2.0%

Mortgage Information	
Loan to Value	80.0%
Downpayment	\$31,600
Loan Amount	\$126,400
Terms	360
Interest Rate*	7.000%
Mortgage Payment	\$840.94

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 \$2,500 towards loan points for interest rate reduction

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

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
INCOME						
Gross Rent	\$16,800	\$17,136	\$17,479	\$17,828	\$18,185	\$20,078
Vacancy	\$840	\$857	\$874	\$891	\$909	\$1,004
Operating Income	\$15,960	\$16,279	\$16,605	\$16,937	\$17,276	\$19,074

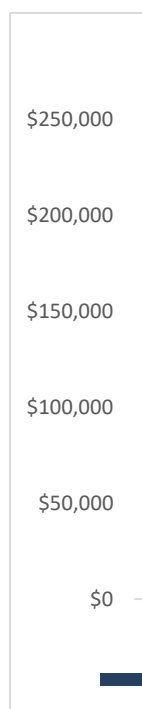
EXPENSES						
Property taxes	\$959	\$978	\$998	\$1,018	\$1,038	\$1,146
Insurance	\$780	\$796	\$812	\$828	\$844	\$932
Management	\$828	\$845	\$862	\$879	\$897	\$990
Maintenance	\$504	\$514	\$524	\$535	\$546	\$602
Water, electric, gas	\$0	\$0	\$0	\$0	\$0	\$0
Lawn care/Snow removal	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$3,071	\$3,133	\$3,196	\$3,259	\$3,325	\$3,671

Income Analyses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Net Operating Income	\$12,889	\$13,146	\$13,409	\$13,677	\$13,951	\$15,403
Debt Service	\$10,091	\$10,091	\$10,091	\$10,091	\$10,091	\$10,091
Cash Flow	\$2,798	\$3,055	\$3,318	\$3,586	\$3,860	\$5,312
Cash on Cash Return	8.9%	9.7%	10.5%	11.3%	12.2%	16.8%

Equity Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Principal Reduction	\$1,284	\$1,377	\$1,476	\$1,583	\$1,697	\$2,435
Annual Appreciation	\$4,740	\$4,882	\$5,029	\$5,180	\$5,335	\$6,185
Total Annual Equity Gain	\$6,024	\$6,259	\$6,505	\$6,763	\$7,032	\$8,619
Total Equity Gain %	19.1%	19.8%	20.6%	21.4%	22.3%	27.28%

Income & Equity Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Total Annual Income	\$2,798	\$3,055	\$3,318	\$3,586	\$3,860	\$5,312
Total Annual Equity	\$6,024	\$6,259	\$6,505	\$6,763	\$7,032	\$8,619
Total Income & Equity	\$8,822	\$9,314	\$9,823	\$10,349	\$10,892	\$13,931
Return from Income & Equity	27.9%	29.5%	31.1%	32.7%	34.5%	44.1%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Cummulative Cash flow	\$2,798	\$5,853	\$9,171	\$12,757	\$16,617	\$40,214
Cummulative Equity Gain	\$6,024	\$12,283	\$18,788	\$25,551	\$32,583	\$72,300
Total Cummulative Income & Equity	\$8,822	\$18,136	\$27,959	\$38,307	\$49,199	\$112,514
Income & Equity ROI	27.9%	29.5%	31.1%	32.7%	34.5%	44.1%



10 Year Cumulative Return

