

Rental Property Cash Flow Analysis

Common duplex scenario

Monthly Operating Income		Scenario A	Scenario B
Number of Units		2	2
Average Monthly Rent per Unit		2,300.00	2,300.00
	Total Rental Income	4,600.00	4,600.00
% Vacancy and Credit Losses		7.00%	7.00%
	Total Vacancy Loss	322.00	322.00
Other Monthly Income (laundry, vending, parking, etc.)			
Gross Monthly Operating Income		4,278.00	4,278.00

Monthly Operating Expenses		Scenario A	Scenario B
Property Management Fees		315.00	315.00
Repairs and Maintenance		33.33	33.33
Real Estate Taxes		1,200.00	1,200.00
Rental Property Insurance		140.00	140.00
Homeowners/Property Association Fees			
Replacement Reserve			
Utilities		300.00	300.00
Pest Control			
Accounting and Legal			
Monthly Operating Expenses		1,988.33	1,988.33

Net Operating Income (NOI)		Scenario A	Scenario B
Total Annual Operating Income		51,336.00	51,336.00
Total Annual Operating Expense		23,860.00	23,859.96
Annual Net Operating Income		27,476.00	27,476.04

Capitalization Rate and Valuation		Scenario A	Scenario B
Desired Capitalization Rate		6.50%	5.50%
	Property Valuation (Offer Price)	422,707.69	499,564.36
Actual Purchase Price		422,707.69	499,564.36
	Actual Capitalization Rate	6.50%	5.50%

Loan Information		Scenario A	Scenario B
Down Payment		125,000.00	125,000.00
Loan Amount		297,707.69	374,564.36
Acquisition Costs and Loan Fees		10,000.00	10,000.00
Length of Mortgage (years)		39	39
Annual Interest Rate		4.250%	4.250%
	Initial Investment	135,000.00	135,000.00
	Monthly Mortgage Payment (PI)	1,303.59	1,640.13
	Annual Interest	12,593.63	15,844.82
	Annual Principal	3,049.51	3,836.77
Total Annual Debt Service		15,643.14	19,681.59

Cash Flow and ROI		Scenario A	Scenario B
Total Monthly Cash Flow (before taxes)		986.07	649.54
Total Annual Cash Flow (before taxes)		11,832.86	7,794.45
Cash on Cash Return (ROI)		8.77%	5.77%