

20-Year Cash Flow Analysis

Rental Activity Analysis

	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Rental Income	\$ 20,200	\$ 23,088	\$ 24,012	\$ 24,972	\$ 25,971
Other Income	480	480	480	480	480
Vacancy & Credits	(1,034)	(1,178)	(1,225)	(1,273)	(1,323)
Management Fees (if any)	-	-	-	-	-
Operating Expenses	(6,705)	(6,839)	(6,976)	(7,115)	(7,258)
Net Operating Income (NOI)	\$ 12,941	\$ 15,551	\$ 16,291	\$ 17,064	\$ 17,871
Total Mortgage Payments	(4,429)	(4,831)	(4,831)	(4,831)	(4,831)
Capital Improvements	-	-	-	(5,000)	-
Operating Income Taxes	(1,532)	(2,180)	(2,420)	(2,619)	(2,878)
Net CASH FLOW from Rent Activity	\$ 6,980	\$ 8,539	\$ 9,039	\$ 4,614	\$ 10,161

Property Sale Analysis

Projected Sales Price - Original Cost	\$ 139,388	\$ 143,918	\$ 148,595	\$ 153,424	\$ 158,411
Projected Sales Price - Improvements	-	-	-	5,163	5,330
Selling Expenses	(8,363)	(8,635)	(8,916)	(9,515)	(9,824)
Adjusted Projected Sales Price	131,024	135,283	139,679	149,072	153,916
Mortgage #1 Balance Payoff	(73,988)	(72,829)	(71,612)	(70,332)	(68,987)
Mortgage #2 Balance Payoff	-	-	-	-	-
Mortgage #3 Balance Payoff	-	-	-	-	-
Tax Benefit - Suspended Losses (if any)	-	-	-	-	-
Income Taxes From Sale	(1,919)	(3,888)	(5,879)	(7,918)	(10,035)
Net CASH FLOW from Property Sale	\$ 55,117	\$ 58,565	\$ 62,188	\$ 70,822	\$ 74,895

Cash Position

Net Cash Generated This Year	\$ 6,980	\$ 8,539	\$ 9,039	\$ 4,614	\$ 10,161
Net Cumulative Cash Generated Previous Years	n/a	6,980	15,519	24,558	29,172
Net Cash Generated - Property Sale	55,117	58,565	62,188	70,822	74,895
Original Initial Investment	(51,750)	(51,750)	(51,750)	(51,750)	(51,750)
Total Net CUMULATIVE CASH Generated	\$ 10,347	\$ 22,334	\$ 34,996	\$ 48,243	\$ 62,477

Financial Ratios

Debt Coverage Ratio (DCR)		2.92	3.22	3.37	3.53	3.70
FMV of Property per Sq Ft		\$ 59.56	\$ 61.49	\$ 63.49	\$ 67.76	\$ 69.96
Cash on Cash Return b/f Taxes & Sale		16.45%	20.71%	22.14%	13.98%	25.20%
Cash on Cash Return a/f Taxes & b/f Sale		13.49%	16.50%	17.47%	8.92%	19.63%
Capitalization Rate		9.28%	10.81%	10.96%	10.76%	10.91%
Value of Property Using Your Cap Rate	8.00%	161,763	194,381	203,638	213,300	223,383
Gross Rent Monthly Multiplier (GRM)		82.80	74.80	74.26	73.73	73.19
Gross Rent Yearly Multiplier (GRM)		6.90	6.23	6.19	6.14	6.10
Value of Property Using Your GRM	80.00	1,616,000	1,847,040	1,920,922	1,997,758	2,077,669
Loan to Value Ratio (LVR)		53.1%	50.6%	48.2%	45.8%	43.5%
Net Present Value Leveraged (NPV)		10,347	22,334	34,996	48,243	62,477
Net Present Value Unleveraged (NPV)		12,739	27,297	42,488	58,222	74,896
Cumulative Leveraged IRR		19.99%	20.82%	21.05%	21.10%	20.94%
Cumulative Unleveraged IRR		10.05%	10.64%	10.92%	11.10%	11.22%
Modified Internal Rate of Return - Leveraged		19.99%	19.82%	19.10%	18.32%	17.64%
Modified Internal Rate of Return - UnLeveraged		10.05%	10.35%	10.33%	10.22%	10.11%