

Buy & Hold Analysis

Property Address	South end case study				
Total Sqft	1800	Lot Size		Building Rating	1
Total Livable	1800	Zoning		Market Rent	\$2,700
# of Units	1	Asking Price	\$280,000	Terms Available	No
Year Built	1982	Offer Price	\$280,000	Vacancy Rate	4%

Income

Current	Monthly	Annual	Performa	Monthly	Annual
Rent Income	\$1,800	\$21,600	Performa Rents	\$2,600	\$31,200
Utility Recovery		\$0	Utility Recovery	\$0	\$0
Coin Laundry		\$0	Coin Laundry	\$0	\$0
Parking		\$0	Parking	\$0	\$0
Pet/Storage		\$0	Pet/Storage	\$0	\$0
Current Income	\$1,800	\$21,600	Performa Income	\$2,600	\$31,200

UNIT #	Bed/Bath	Sqft	Current Rent	Market Rent	% Increase
1	4/2.5	1,800	\$1,800	\$2,600	44%

Financials

Loan Costs			Expenses		Monthly	Annual
Purchase Price		\$280,000	Property Taxes	\$196		\$2,353
Down Payment	25%	\$70,000	HOA/Condo Fee	\$0		\$0
Mortgage Amount		\$210,000	Insurance Costs	\$42		\$500
Loan Term (years, months)	30	360	Electricity	\$10		\$120
Debt Service (Annual)	4.63%	\$12,956	Water/Sewer	\$10		\$120
Closing Costs	1.00%	\$2,800	Trash	\$10		\$120
Misc		\$0	Gas	\$0		\$0
Initial Repairs	Per Unit	Total	Maintenance	\$83		\$1,000
Repair Costs	\$20,000	\$20,000	Property Mgmt	\$182		\$2,184
Lease Up Costs		\$0	Reserves	\$0		\$0
Repair Total	\$20,000	\$20,000	Expense Total	\$533		\$6,397

Current ROI Summary

Gross Scheduled Income		\$21,600	Down Payment	\$70,000
Less Vacancy	4%	-\$864	Settlement Fees	\$2,800
Gross Operating Income		\$20,736	Repairs/Lease Up	\$20,000
Less Operating Expenses		-\$6,397	Total Cash Outlay	\$92,800
Net Operating Income		\$14,339		
Less Debt Service		-\$12,956	Debt Coverage	1.11
Annual Cash Flow		\$1,383	Break Even Ratio	162.48%
Monthly Cash Flow		\$115	Gross Rent Multiplier	12.96
Cash on Cash Return		1.49%	Cap Rate	5.12%

Proforma ROI Summary

Scheduled Income		\$31,200	Down Payment	\$70,000
Less Vacancy	4%	-\$1,248	Settlement Fees	\$2,800
Operating Income		\$29,952	Repairs/Lease Up	\$20,000
Less Operating Expenses		-\$6,397	Total Cash Outlay	\$92,800
Net Operating Income		\$23,555		
Less Debt Service		-\$12,956	Debt Coverage	1.82
Annual Cash Flow		\$10,599	Break Even Ratio	1.43
Monthly Cash Flow		\$883	Gross Rent Multiplier	8.97
Cash on Cash Return		11.42%	Cap Rate	8.41%

Comments/Notes

--	--	--	--	--	--

Suggested Offer	\$523,444	Cap Rate	4.50%
------------------------	------------------	-----------------	--------------

Analyzed by
BB French
425.357.7520
bb@sagareus.com

sagareus
real estate