



This property is brought to you by:

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PROPERTY INFORMATION

PROPERTY ADDRESS:	1014 BLUEMONT		
Financing:	20% Down	25 Year Note	
Purchase Price:			= \$ 300,000
Down Payment:	20% of Purchase Price		= \$ 60,000
Amount Financed:			= \$ 240,000
Closing Costs:			= \$ 3,000
Initial Remodeling Cost:			= \$ -
Cash Invested:	Down Payment + Closing Costs + Remodeling)		= \$ 63,000
Rate		Term (yrs)	
4.750%		25	
MONTHLY P&I:			\$ 1,368

Depreciation: (First year, assumes 80%/20%)

		Est. Value		Yearly Rate		
Land Value:	0 years	\$60,000	x	0%	= \$	-
Personal Property Value:	5 years	\$15,000	x	20%	= \$	3,000
Building Value:	27.5 years	\$ 225,000.00	x	3.48%	= \$	7,830
Land Improvement Value:	15 years	\$0	x	5%	= \$	-
TOTAL DEPRECIATION:						\$ 10,830

Income:

Annual Rent:		= \$	25,560
Less Expected Vacancy:	0% of annual rent	- \$	-
GROSS OPERATING INCOME:			\$ 25,560

Expenses:

Real Estate Tax:		= \$	3,300
Maintenance and Supplies:		= \$	1,500
Association Dues/HOA's:	\$ - per Month	= \$	-
Management:	10% of Collected Rents	= \$	2,556
Seller Paid Utilities:		= \$	-
Advertising:		= \$	-
Insurance:		= \$	1,000
OPERATING EXPENSES:			\$ 8,356

THE FOUR BENEFITS

Cash Flow Before Tax:

Gross Operating Income:		\$	25,560
Operating Expenses:	-	\$	8,356
Net Operating Income:		\$	17,204
Annual Debt Service: (Monthly P&I x 12)	-	\$	16,419
	CASH FLOW BEFORE TAX:	\$	785

Principal Reduction:

Annual Debt Service:	=	\$	16,419
Interest (first year):	-	\$	11,289
	PRINCIPAL REDUCTION:	\$	5,130

Taxes Paid/Saved:

Net Operating Income:	=	\$	17,204
Interest paid in first year:	-	\$	11,289
Total Depreciation:	-	\$	10,830
Operating Expenses	-	\$	8,356
Taxable Income:	=	\$	(13,271)
Tax Bracket:	x		25%
	TAXES SAVED:	\$	3,318

Appriciation:

Home Purchase Price:		\$	300,000
Expected End of Year Value:	4.3%	\$	312,900
	ESTIMATE OF APPRICIATION:	\$	12,900

RATES OF RETURN

Return on Investment without Appriciation:

Cash Flow before Tax + Principal Reduction + Tax Saved:	=	\$	9,233
Cash Invested:	÷	\$	63,000
	ROI W/O APPRICIATION:		14.7%

Capitalization Rate:

Net Operating Income:	=	\$	17,204
Purchase Cost + Remodel Costs:	÷	\$	300,000
	CAPITALIZATION RATE:		5.7%

Cash on Cash:

Cash Flow before Tax:	=	\$	785
Cash Invested:	÷	\$	63,000
	CASH ON CASH:		1.2%

Total Return on Investment:

Cash Flow before Tax + Principal Reduction + Taxes Saved + Projected Appriciation:	=	\$	22,133
Cash Invested:	÷	\$	63,000
	TOTAL ROI:		35.1%