

### 1st Year Pro forma

City, State	Independence, MO
Street	11324 E 14th St
Property Type	Single Family (STR)
Year Built	1927
Living Area Sq Ft	936
Bedrooms	3
Baths	1
Neighborhood Class	B

<b>Price</b>	\$167,500
Furnishings	\$12,000
Total Cost	\$179,500



Income	Monthly	Annual
Gross Rent	\$4,500	\$54,000
Vacancy Losses	\$2,025	\$24,300
<b>Gross Operating Income</b>	<b>\$2,475</b>	<b>\$29,700</b>

Expenses	Monthly	Annual
Property Taxes	\$86	\$1,031
Insurance	\$75	\$900
Management	\$248	\$2,970
Utilities, water, trash, sewer	\$250	\$3,000
Cable/Internet	\$75	\$900
Lawcare/Snow removal	\$40	\$480
Maintenance	\$270	\$3,240
<b>Operating Expenses</b>	<b>\$1,043</b>	<b>\$12,521</b>

Net Performance	Monthly	Annual
Net Operating Income	\$1,432	\$17,179
Debt Service	\$771	\$9,257
Cash Flow	\$660	\$7,922
Principal Reduction	\$147	\$1,764
First Year Appreciation	\$419	\$5,025
Total Income & Equity Return	<b>\$1,226</b>	<b>\$14,712</b>

Financial Indicators	
Debt Cover Ratio	1.9
Annual Gross Rent Multiplier	3.1
Monthly Gross Rent Multiplier	37
Rent ratio	2.7%
Capitalization Rate	10.3%
Cash on Cash Return	17.4%
<b>Total Return on Investment</b>	<b>32.3%</b>

Assumptions	
Real Estate Appreciation Rate	3%
Occupancy Rate	55%
Management Fee	10%
Maintenance Percentage	6%
Annual Rental Increase	2.0%
Daily Rate	\$150

Mortgage Information	
Loan to Value	80.0%
Downpayment & furnishing	\$45,500
Loan Amount	\$134,000
Terms	360
Interest Rate*	5.625%
Mortgage Payment	\$771.38

These are projections only and performance is not guaranteed. All investments have risk and investors should do their own due diligence

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

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
<b>INCOME</b>						
Gross Rent	\$54,000	\$55,080	\$56,182	\$57,305	\$58,451	\$64,535
Vacancy	\$24,300	\$24,786	\$25,282	\$25,787	\$26,303	\$29,041
Operating Income	\$29,700	\$30,294	\$30,900	\$31,518	\$32,148	\$35,494

<b>EXPENSES</b>						
Property taxes	\$1,031	\$1,052	\$1,073	\$1,094	\$1,116	\$1,232
Insurance	\$900	\$918	\$936	\$955	\$974	\$1,076
Management	\$2,970	\$3,029	\$3,090	\$3,152	\$3,215	\$3,549
Maintenance	\$3,240	\$3,305	\$3,371	\$3,438	\$3,507	\$3,872
Water, electric, gas	\$3,000	\$3,060	\$3,121	\$3,184	\$3,247	\$3,585
Lawn care/Snow removal	\$480	\$490	\$499	\$509	\$520	\$574
Cable/Internet	\$900	\$918	\$936	\$955	\$974	\$1,076
<b>Total Operating Expenses</b>	<b>\$12,521</b>	<b>\$12,771</b>	<b>\$13,027</b>	<b>\$13,287</b>	<b>\$13,553</b>	<b>\$14,964</b>

<b>Income Analyses</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 10</b>
Net Operating Income	\$17,179	\$17,523	\$17,873	\$18,230	\$18,595	\$20,530
Debt Service	\$9,257	\$9,257	\$9,257	\$9,257	\$9,257	\$9,257
Cash Flow	\$7,922	\$8,266	\$8,616	\$8,974	\$9,339	\$11,274
<b>Cash on Cash Return</b>	<b>17.4%</b>	<b>18.2%</b>	<b>18.9%</b>	<b>19.7%</b>	<b>20.5%</b>	<b>24.8%</b>

<b>Equity Analysis</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 10</b>
Principal Reduction	\$1,764	\$1,866	\$1,974	\$2,088	\$2,208	\$2,951
Annual Appreciation	\$5,025	\$5,176	\$5,331	\$5,491	\$5,656	\$6,556
Total Annual Equity Gain	\$6,789	\$7,042	\$7,305	\$7,578	\$7,864	\$9,507
<b>Total Equity Gain %</b>	<b>14.9%</b>	<b>15.5%</b>	<b>16.1%</b>	<b>16.7%</b>	<b>17.3%</b>	<b>20.89%</b>

<b>Income &amp; Equity Analysis</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 10</b>
Total Annual Income	\$7,922	\$8,266	\$8,616	\$8,974	\$9,339	\$11,274
Total Annual Equity	\$6,789	\$7,042	\$7,305	\$7,578	\$7,864	\$9,507
<b>Total Income &amp; Equity</b>	<b>\$14,712</b>	<b>\$15,308</b>	<b>\$15,921</b>	<b>\$16,552</b>	<b>\$17,202</b>	<b>\$20,781</b>
<b>Return from Income &amp; Equity</b>	<b>32.3%</b>	<b>33.6%</b>	<b>35.0%</b>	<b>36.4%</b>	<b>37.8%</b>	<b>45.7%</b>

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 10</b>
Cummulative Cash flow	\$7,922	\$16,188	\$24,805	\$33,779	\$43,117	\$95,540
Cummulative Equity Gain	\$6,789	\$13,831	\$21,135	\$28,714	\$36,578	\$80,638
<b>Total Cummulative Income &amp; Equity</b>	<b>\$14,712</b>	<b>\$30,019</b>	<b>\$45,940</b>	<b>\$62,493</b>	<b>\$79,695</b>	<b>\$176,178</b>

## 10 Year Cumulative Return

