

Single Family House/Townhouse/Condominium Purchase, Renovation, Rental and Sale Analysis

Property Description

Address	123 Apple Street, Anytown, NY 12345	Total House Square Footage	2,000 SF	Zoning	R-5
Agent	Jane Smith; (555) 555-1212	Lot Size	1.25 Acres (54,450 SF)		
Email	jane.smith@smithrealtyxyz.com	Year Built	1986		

ACQUISITION

	<u>Date</u>	<u>Value</u>	<u>Total</u>	<u>PSF</u>
Purchase Price			\$65,000	\$32.50
Date of Purchase	9/1/2012			
Transaction Costs		2.77%	\$1,800	\$0.90
Total Acquisition Cost			\$66,800	\$33.40
Cash Required at Closing, including Points			\$28,190	

HOLDING PERIOD

<u>Property Timing Assumptions</u>	<u>Date</u>	<u>Value</u>
Pre-Renovation Period		2 Months
Renovation Start Date	11/1/12	
Renovation Duration		2 Months
Renovation Completion Date	12/31/12	Month 4
Post-Renovation Leasing Period		1 Months
Post-Renovation Operations Period End/Duration	9/1/12	0 Months
Total Hold Period		5 Months

SALE ASSUMPTIONS

	<u>Date</u>	<u>Value</u>	<u>Total</u>
Date of Sale	2/1/13		
Sales Price			\$105,000
Selling Costs		5.0%	(\$5,250)
Net Sales Proceeds			\$99,750

FINANCING

<u>Seller Financing</u>		<u>Value</u>	<u>Total</u>
(leave as 0% if none)	Loan-to-Value	10.00%	\$6,500
	Rate (APR)	5.75%	
	Term	30 Years	
	Amortization Schedule	30 Years	
	Interest-Only Period (leave as 0 if none)	0 Years	
	If applicable, I/O Interest Rate	5.00%	
	Origination Costs/Points	1.00%	
First Mortgage			
(leave as 0% if none)	Loan-to-Value	50.00%	\$32,500
	Rate (APR)	7.50%	
	Term	30 Years	
	Amortization Schedule	30 Years	
	Interest-Only Period (leave as 0 if none)	0 Years	
	If applicable, I/O Interest Rate	5.25%	
	Origination Costs/Points	1.00%	
Total Loan Value		60.00%	\$39,000
Debt Service	<u>Financing</u>	<u>Seller</u>	<u>First Mortgage</u>
I/O Monthly Payment	NA	NA	NA
Amortizing Monthly Payment	\$37.93	\$227.24	\$227.24

RENOVATION AND OPERATIONS

<u>Renovation Costs</u>	<u>PSF</u>	<u>Total</u>	
Painting/Cleaning	\$1.00	\$2,000	
Repairs	\$1.50	\$3,000	
Property Updates/Appliances	\$2.50	\$5,000	
Other	\$0.50	\$1,000	
Total	\$5.50 PSF	\$11,000	
<u>Income</u>	<u>Date</u>	<u>Value</u>	<u>Total</u>
Lease Start Date	2/1/2013		
Monthly Rental Rate		\$1,500	
Annual Rental Increase		3.00%	\$45/Year
<u>Operating Expenses</u>	<u>Rate</u>	<u>Monthly</u>	<u>Annual Reimbursed?</u>
Annual Escalation	3.00%		
Property Taxes	1.35%	\$73	\$878
Electric		\$75	\$900 No
Water/Sewer		\$50	\$600 No
Gas		\$35	\$420 Yes
Home Owners Insurance		\$75	\$900
HOA Dues		\$25	\$300
Other		\$33	\$400
Monthly Cash Reserves	4.00%	\$60	\$720
Snow Removal		\$8	\$100
LLC Keep Current Fees		\$19	\$225
Accounting		\$8	\$100

PRE-TAX FINANCIAL RETURNS

<u>Annual Net Income</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
	2012	2013	2014	2015	2016
	(\$42,098)	\$59,487	\$0	\$0	\$0
	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
	2017	2018	2019	2020	2021
	\$0	\$0	\$0	\$0	\$0
Total Cash Invested					
Cash at Closing			\$28,190		
Renovation Costs			\$11,000		
Carry Costs/Shortfalls			\$4,327		
Total			\$43,517		
Total Cash Returned			\$60,906		
Cash Earned (or Lost)			\$17,389		
Multiple on Equity Invested			1.40x		
NPV at Discount Rate:	8.00%		\$15,710		

Acquisition and Renovation Sources and Uses of Funds

123 Apple Street, Anytown, NY 12345

Year	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1
Hold Period Month #	1	2	3	4	5	6	7	8	9	10	
Renovation Status (0=pre, 1=during, 2=post)	0	0	1	1	2	2	2	2	2	2	2
Renovation Month #			1	2							
Calendar Month Starting	9/1/12	10/1/12	11/1/12	12/1/12	1/1/13	2/1/13	3/1/13	4/1/13	5/1/13	6/1/13	
Annual Escalation	3.00%	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Data Series Profile

USES OF FUNDS

		Total		Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1	Year 1
Property Acquisition	\$66,800			\$66,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renovation Costs	<u>Budget</u>											
Painting/Cleaning	\$2,000	\$2,000		0	0	1,000	1,000	0	0	0	0	0
Repairs	\$3,000	\$3,000		0	0	1,500	1,500	0	0	0	0	0
Property Updates	\$5,000	\$5,000		0	0	2,500	2,500	0	0	0	0	0
Other	\$1,000	\$1,000		0	0	500	500	0	0	0	0	0
Total Renovation Costs	11,000	\$11,000		\$0	\$0	\$5,500	\$5,500	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds	\$77,800	\$77,800		\$66,800	\$0	\$5,500	\$5,500	\$0	\$0	\$0	\$0	\$0

SOURCES OF FUNDS

Cash (Equity)	\$38,800			27,800	0	5,500	5,500	0	0	0	0	0
Seller Financing	\$6,500			6,500	0	0	0	0	0	0	0	0
First Mortgage	\$32,500			32,500	0	0	0	0	0	0	0	0
Total Sources Of Funds		\$77,800		\$66,800	\$0	\$5,500	\$5,500	\$0	\$0	\$0	\$0	\$0
Financing Costs												
Seller Financing Debt Service	\$228			38	38	38	38	38	38	0	0	0
First Mortgage Debt Service	\$1,363			227	227	227	227	227	227	0	0	0
Total Cost after Debt Service		\$79,391		\$67,065	\$265	\$5,765	\$5,765	\$265	\$265	\$0	\$0	\$0

Cash Flow

123 Apple Street, Anytown, NY 12345

Year #	Year 1											
Hold Period Month #	1	2	3	4	5	6	7	8	9	10	11	12
Renovation Month #			1	2								
Calendar Month Starting	9/1/2012	10/1/2012	11/1/2012	12/1/2012	1/1/2013	2/1/2013	3/1/2013	4/1/2013	5/1/2013	6/1/2013	7/1/2013	8/1/2013

	Total	Data Series Profile	1	2	3	4	5	6	7	8	9	10	11	12
Rental Income														
Monthly Rent	\$0		0	0	0	0	0	0	0	0	0	0	0	0
Total Rental Income	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	(\$2,771)		(\$462)	(\$462)	(\$462)	(\$462)	(\$462)	(\$462)	\$0	\$0	\$0	\$0	\$0	\$0
Total Reimbursements	\$35		\$0	\$0	\$0	\$0	\$0	\$35	\$0	\$0	\$0	\$0	\$0	\$0
Net Operating Income	(\$2,736)		(\$462)	(\$462)	(\$462)	(\$462)	(\$462)	(\$427)	\$0	\$0	\$0	\$0	\$0	\$0
Total Financing Costs	(\$1,591)		(\$265)	(\$265)	(\$265)	(\$265)	(\$265)	(\$265)	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow After Financing	(\$4,327)		(\$727)	(\$727)	(\$727)	(\$727)	(\$727)	(\$692)	\$0	\$0	\$0	\$0	\$0	\$0
<i>Cash on Cash Return (Cash of Acq. & Renov.)</i>			-22.3%	-22.3%	-22.3%	-22.3%	-22.3%	-21.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Cash Shortfalls	(\$4,327)		(\$727)	(\$727)	(\$727)	(\$727)	(\$727)	(\$692)	\$0	\$0	\$0	\$0	\$0	\$0
Acquisition/Renovation/Sale	Total													
Acquisition and Transaction Costs	(\$66,800)		(66,800)											
Renovation	(\$11,000)		0	0	(5,500)	(5,500)	0	0	0	0	0	0	0	0
Property Sale Gross Proceeds	\$105,000		0	0	0	0	0	105,000	0	0	0	0	0	0
Less Selling Costs	(\$5,250)		0	0	0	0	0	(5,250)	0	0	0	0	0	0
Net Revenue After Financing Costs			(\$67,527)	(\$727)	(\$6,227)	(\$6,227)	(\$727)	\$99,058	\$0	\$0	\$0	\$0	\$0	\$0
Financing Cash Flows														
Cash (Equity)	(\$43,517)		(28,917)	(727)	(6,227)	(6,227)	(727)	(692)	0	0	0	0	0	0
Loan Proceeds - Seller Financing	\$6,500		6,500	0	0	0	0	0	0	0	0	0	0	0
Loan Proceeds - 1st Mortgage	\$32,500		32,500	0	0	0	0	0	0	0	0	0	0	0
Less Loan Origination Costs	(\$390)		(390)	0	0	0	0	0	0	0	0	0	0	0
Less Loan Repayment - Seller Financing	(\$6,466)		0	0	0	0	0	(6,466)	0	0	0	0	0	0
Less Loan Repayment - 1st Mortgage	(\$32,378)		0	0	0	0	0	(32,378)	0	0	0	0	0	0
Levered Before-Tax Cash Flows	\$17,389		(\$28,917)	(\$727)	(\$6,227)	(\$6,227)	(\$727)	\$60,214	\$0	\$0	\$0	\$0	\$0	\$0

IRR 161.93%

Net Cash Flow \$17,389

Net Present Value at 8% \$15,710

Detailed Renovation Budget

123 Apple Street, Anytown, NY 12345

	Spent as of 9/1/2012	Costs Remaining	Total Budget
<u>Hard Costs</u>			
Painting/Cleaning	0	0	0
Repairs	0	0	0
Carpet/Tile	0	0	0
Furniture Staging	0	0	0
Other	0	0	0
Total Hard Costs	\$0	\$0	\$0
<u>Soft Costs</u>			
Broker Commissions Paid at Settlement	0	0	0
Title Company Settlement or Closing Fee	0	0	0
Government Transfer/Recordation Taxes	0	0	0
Administrative/Move Out Fee	0	0	0
Real Estate Taxes	0	0	0
Document Fees/Other	0	0	0
Total Soft Costs	\$0	\$0	\$0
<u>Carry Costs During Marketing/Pre-Settlement</u>			
Monthly Amounts	0	0	0
First Mortgage	0	0	0
Second Mortgage	0	0	0
Private Mortgage Insurance	0	0	0
Property Taxes	0	0	0
Utilities	0	0	0
Homeowners Association Dues	0	0	0
Other	0	0	0
Total Carry Costs	\$0	\$0	\$0
Grand Total	\$0	\$0	\$0