

20-Year Cash Flow Analysis Report

ReMax REO
2112 Mallory St

Rental Activity Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Rental Income	\$ 60,000	\$ 62,400	\$ 64,896	\$ 67,492	\$ 70,192
Other Income	1,800	1,800	1,800	1,800	1,800
Vacancy & Credits	(2,781)	(2,889)	(3,001)	(3,118)	(3,240)
Management Fees (if any)	-	-	-	-	-
Operating Expenses	(37,450)	(38,199)	(38,963)	(39,742)	(40,537)
Net Operating Income (NOI)	\$ 21,569	\$ 23,112	\$ 24,732	\$ 26,431	\$ 28,215
Total Mortgage Payments	(12,791)	(13,954)	(13,954)	(13,954)	(13,954)
Capital Improvements	-	-	-	-	-
Operating Income Taxes: Benefit / (Expense)	(1,370)	(1,516)	(2,104)	(2,721)	(3,369)
Net CASH FLOW from Rent Activity	\$ 7,407	\$ 7,642	\$ 8,674	\$ 9,756	\$ 10,892

Property Sale Analysis					
Projected Sale Price - Original Cost	\$ 281,875	\$ 288,922	\$ 296,145	\$ 303,549	\$ 311,137
Projected Sale Price - Improvements	-	-	-	-	-
Selling Expenses	(16,913)	(17,335)	(17,769)	(18,213)	(18,668)
Adjusted Projected Sales Price	\$ 264,963	\$ 271,587	\$ 278,376	\$ 285,336	\$ 292,469
Mortgage #1 Balance Payoff	(199,568)	(196,768)	(193,807)	(190,675)	(187,362)
Mortgage #2 Balance Payoff	-	-	-	-	-
Mortgage #3 Balance Payoff	-	-	-	-	-
Tax Benefit - Suspended Losses (if any)	-	-	-	-	-
Income Taxes From Sale: Benefit / (Expense)	(4,610)	(8,143)	(11,710)	(15,311)	(18,947)
Net CASH FLOW from Property Sale	\$ 60,785	\$ 66,675	\$ 72,859	\$ 79,349	\$ 86,160

Cash Position

Net Cash Generated This Year	\$ 7,407	\$ 7,642	\$ 8,674	\$ 9,756	\$ 10,892
Net Cumulative Cash Generated Previous Years	n/a	7,407	15,049	23,723	33,480
Net Cash Generated - Property Sale	60,785	66,675	72,859	79,349	86,160
Cash Inflow (Outflow) From Refinancing	-	-	-	-	-
Original Initial Investment	(50,500)	(50,500)	(50,500)	(50,500)	(50,500)
Total Net CUMULATIVE CASH Generated	\$ 17,692	\$ 31,224	\$ 46,082	\$ 62,329	\$ 80,031

Financial Ratios

Debt Coverage Ratio (DCR)	1.69	1.66	1.77	1.89	2.02
Loan to Value Ratio (LVR)	70.8%	68.1%	65.4%	62.8%	60.2%
Capitalization Rate Based on Cost	8.54%	9.15%	9.79%	10.47%	11.17%
Capitalization Rate Based on FMV	7.65%	8.00%	8.35%	8.71%	9.07%
Value of Property Using This Cap Rate	9.00%	239,656	256,800	274,797	293,683
Gross Rent Monthly Multiplier (GRM)	56.38	55.56	54.76	53.97	53.19
Gross Rent Yearly Multiplier (GRM)	4.70	4.63	4.56	4.50	4.43
Value of Property Using Your GRM	4.50	270,000	280,800	292,032	303,713
Net Present Value (NPV)	15.00%	8,798	12,135	15,329	18,369
Cash on Cash Return with Equity BuildUp	35.03%	19.84%	18.18%	16.82%	15.69%
Cash on Cash Return before Taxes	17.38%	18.13%	21.34%	24.71%	28.24%
Cash on Cash Return after Taxes	14.67%	15.13%	17.18%	19.32%	21.57%
Cumulative Internal Rate of Return (IRR)	35.03%	28.87%	26.88%	25.91%	25.34%
Modified Internal Rate of Return (MIRR)	35.03%	27.21%	24.13%	22.26%	20.92%