

# Overview

Call Joe McCall @ 314-596-2452 - Forest Wood

1012 Forest Wood  
St Louis, Mo 63135

## Purchase Info

Square Feet	1,240
Purchase Price	\$54,900
Initial Cash Invested	\$55,998

## Income Analysis

	Monthly	Annual
Net Operating Income	\$510	\$6,126
Cash Flow	\$510	\$6,126

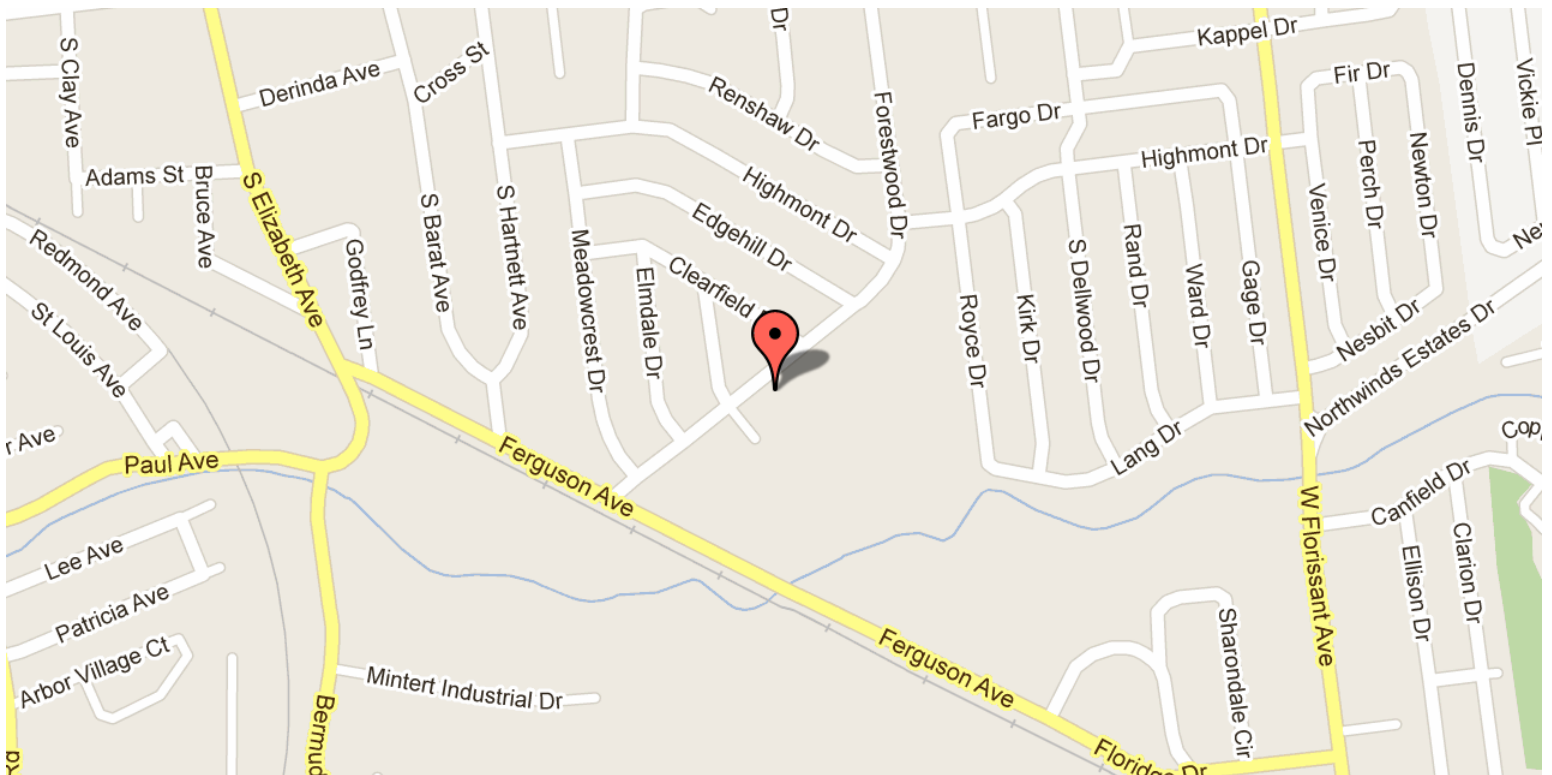
## Financial Metrics

Cap Rate (Purchase Price)	11.2%
Cash on Cash Return (Year 1)	10.9%
Internal Rate of Return (Year 10)	12.2%
Sale Price (Year 10)	\$60,644



Fully rehabbed. Tenant and Property Management in place. Rented \$850/mo. Net cash flow \$510/mo. Cash-on-Cash Return 11%.

Note: These are projections only and they are accurate to the best of our knowledge. While investing in real estate can be lucrative, there is always risk involved in owning rental property. Talk to an attorney and / or accountant for legal and professional advice before purchasing any real estate.



## Purchase Analysis

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Purchase Info	
Purchase Price	\$54,900
+ Buying Costs	\$1,098
+ Initial Improvements	\$0
<b>= Initial Cash Invested</b>	<b>\$55,998</b>
Square Feet	1,240
Cost per Square Foot	\$44
Monthly Rent per Square Foot	\$0.69

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	5.4
Operating Expense Ratio	34.7%
Cap Rate (Purchase Price)	11.2%
<b>Cash on Cash Return</b>	<b>10.9%</b>

Assumptions	
Appreciation Rate	1.0%
Vacancy Rate	8.0%
Income Inflation Rate	3.0%
Expense Inflation Rate	3.0%
LTV for Refinance	70.0%
Selling Costs	\$3,843

Income	Monthly	Annual
Gross Rent	\$850	\$10,200
Vacancy Loss	(\$68)	(\$816)
<b>Operating Income</b>	<b>\$782</b>	<b>\$9,384</b>

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (3%)	(\$23)	(\$282)
Insurance (5%)	(\$42)	(\$500)
Management Fees (10%)	(\$78)	(\$938)
Repairs (10%)	(\$78)	(\$938)
Taxes (6%)	(\$50)	(\$600)
<b>Operating Expenses (35%)</b>	<b>(\$272)</b>	<b>(\$3,258)</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$510</b>	<b>\$6,126</b>
- Year 1 Improvements	(\$0)	(\$0)
<b>= Cash Flow</b>	<b>\$510</b>	<b>\$6,126</b>

## Buy and Hold Projection

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Income	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Gross Rent	\$10,200	\$10,506	\$10,821	\$11,480	\$13,309	\$17,886	\$24,037
Vacancy Loss	(\$816)	(\$840)	(\$866)	(\$918)	(\$1,065)	(\$1,431)	(\$1,923)
<b>Operating Income</b>	<b>\$9,384</b>	<b>\$9,666</b>	<b>\$9,955</b>	<b>\$10,562</b>	<b>\$12,244</b>	<b>\$16,455</b>	<b>\$22,114</b>

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Cleaning & Maintenance	(\$282)	(\$290)	(\$299)	(\$317)	(\$367)	(\$494)	(\$663)
Insurance	(\$500)	(\$515)	(\$530)	(\$563)	(\$652)	(\$877)	(\$1,178)
Management Fees	(\$938)	(\$967)	(\$996)	(\$1,056)	(\$1,224)	(\$1,645)	(\$2,211)
Repairs	(\$938)	(\$967)	(\$996)	(\$1,056)	(\$1,224)	(\$1,645)	(\$2,211)
Taxes	(\$600)	(\$618)	(\$637)	(\$675)	(\$783)	(\$1,052)	(\$1,414)
<b>Operating Expenses</b>	<b>(\$3,258)</b>	<b>(\$3,356)</b>	<b>(\$3,457)</b>	<b>(\$3,667)</b>	<b>(\$4,251)</b>	<b>(\$5,713)</b>	<b>(\$7,678)</b>

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
<b>Net Operating Income</b>	<b>\$6,126</b>	<b>\$6,309</b>	<b>\$6,499</b>	<b>\$6,895</b>	<b>\$7,993</b>	<b>\$10,741</b>	<b>\$14,436</b>
- Improvements	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
<b>= Cash Flow</b>	<b>\$6,126</b>	<b>\$6,309</b>	<b>\$6,499</b>	<b>\$6,895</b>	<b>\$7,993</b>	<b>\$10,741</b>	<b>\$14,436</b>
Cap Rate (Purchase Price)	11.2%	11.5%	11.8%	12.6%	14.6%	19.6%	26.3%
Cap Rate (Market Value)	11.0%	11.3%	11.5%	11.9%	13.2%	16.0%	19.5%
<b>Cash on Cash Return</b>	<b>10.9%</b>	<b>11.3%</b>	<b>11.6%</b>	<b>12.3%</b>	<b>14.3%</b>	<b>19.2%</b>	<b>25.8%</b>
Return on Equity	11.0%	11.3%	11.5%	11.9%	13.2%	16.0%	19.5%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$55,449	\$56,003	\$56,564	\$57,700	\$60,644	\$66,988	\$73,997
- Loan Balance	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
<b>= Equity</b>	<b>\$55,449</b>	<b>\$56,003</b>	<b>\$56,564</b>	<b>\$57,700</b>	<b>\$60,644</b>	<b>\$66,988</b>	<b>\$73,997</b>
Potential Cash-Out Refi	\$38,814	\$39,202	\$39,594	\$40,390	\$42,451	\$46,892	\$51,798

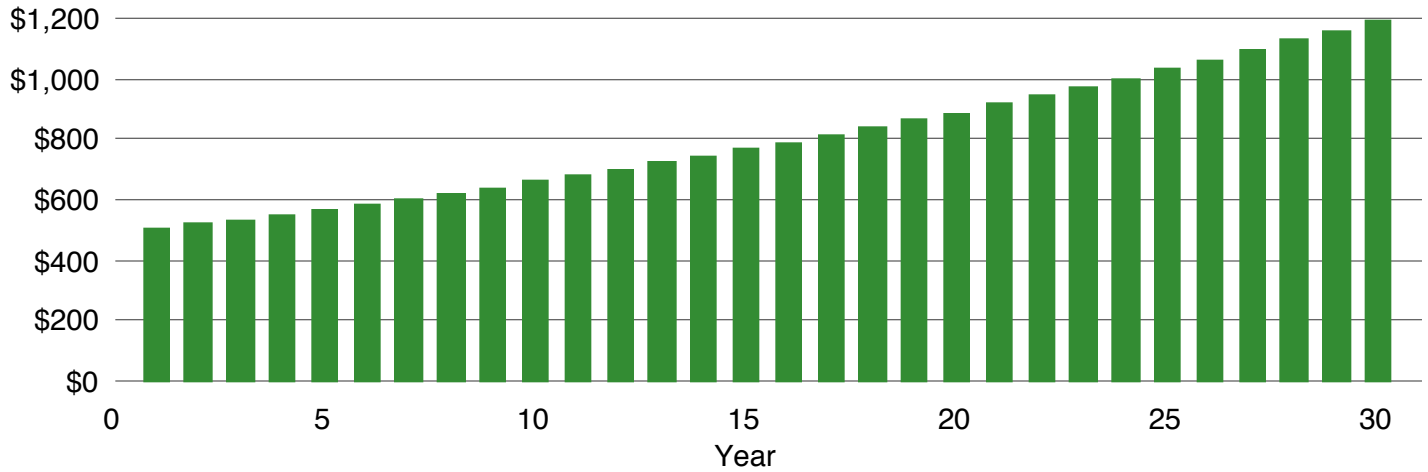
Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$55,449	\$56,003	\$56,564	\$57,700	\$60,644	\$66,988	\$73,997
- Selling Costs	(\$3,881)	(\$3,920)	(\$3,959)	(\$4,039)	(\$4,245)	(\$4,689)	(\$5,180)
<b>= Proceeds After Sale</b>	<b>\$51,568</b>	<b>\$52,083</b>	<b>\$52,604</b>	<b>\$53,661</b>	<b>\$56,399</b>	<b>\$62,299</b>	<b>\$68,817</b>
+ Cumulative Cash Flow	\$6,126	\$12,435	\$18,934	\$32,522	\$70,224	\$164,599	\$291,432
- Initial Cash Invested	(\$55,998)	(\$55,998)	(\$55,998)	(\$55,998)	(\$55,998)	(\$55,998)	(\$55,998)
<b>= Net Profit</b>	<b>\$1,695</b>	<b>\$8,520</b>	<b>\$15,540</b>	<b>\$30,185</b>	<b>\$70,625</b>	<b>\$170,901</b>	<b>\$304,251</b>
<b>Internal Rate of Return</b>	<b>3.0%</b>	<b>7.7%</b>	<b>9.4%</b>	<b>10.9%</b>	<b>12.2%</b>	<b>13.2%</b>	<b>13.6%</b>
Return on Investment	3%	15%	28%	54%	126%	305%	543%

# Graphs

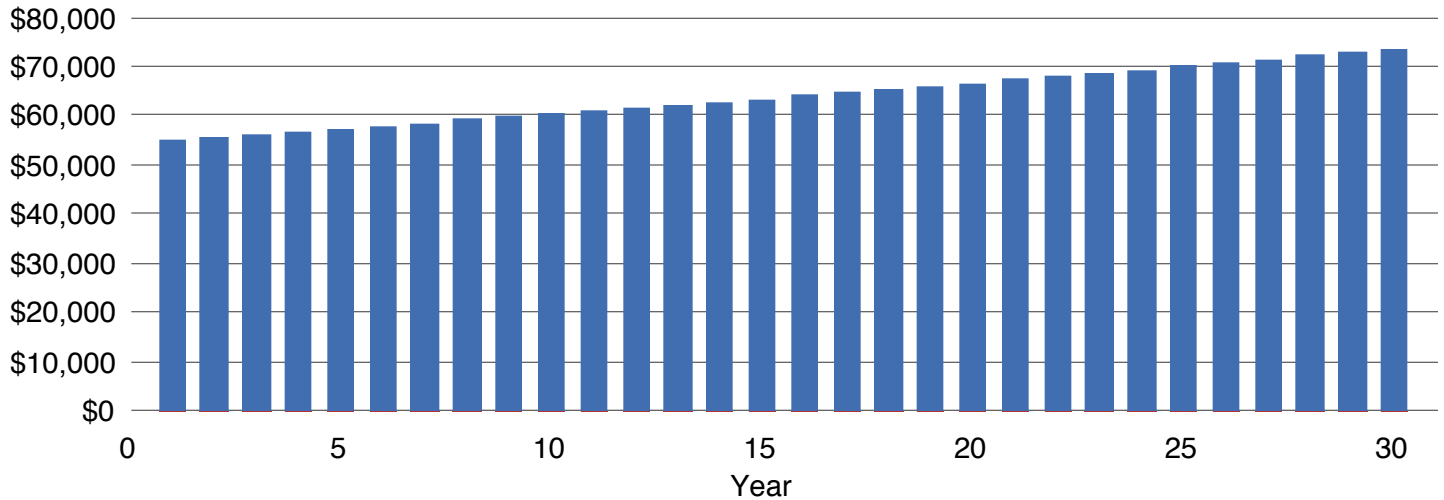
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### Monthly Cash Flow



### Market Value



### Internal Rate of Return (IRR)

