

Investment Property Analysis

(Fill In Boxed Areas ONLY or BLUE ONLY)

Property Address: 32 - 32nd Ave South, St. Cloud

Purchase Cost

\$722,000

Parking

Beds

Units

Cash Invested

20%

\$144,400

12

0

4

Financing:

Amount \$577,600

Rate

6.00%

Term

25

P&I

\$3,721

/mo.

\$44,658

/yr.

Financing:

Amount

Rate

Term

P&I

/mo.

\$0

/yr.

Land Value

\$40,000

0%

Depreciation

Personal Property Value

\$16,000

X

20.00%

=

\$3,200

Building Value

\$641,000

X

3.64%

=

\$23,307

Land Improvement Value

\$25,000

X

6.67%

=

\$1,667

Total Depreciation.....

\$28,173

Rent per unit: \$1,737

\$6,948

Parking

\$0

\$0

GPI

\$83,376

Less Vacancy

3.00%

Gross Operating Income:

\$80,875

Per month

\$6,948

(note: Misc. includes Laundry & Pop income per Bed)

Annual Operating Expenses:

Real Estate Tax	<u>\$5,822</u>	7.2%	Insurance	<u>\$3,700</u>	4.6%
Repairs & Painting	<u>\$1,500</u>	1.9%	Utilities/Water/Cable	<u>\$4,900</u>	6.1%
Misc.	<u>\$300</u>	0.4%	License/legal fee	<u>\$1,000</u>	1.2%
Mgmt/Caretaker	<u>\$0</u>	0.0%	Cleaning & Supplies	<u>\$0</u>	0.0%
Reserves	<u>\$2,400</u>	3.0%	Lawn/Snow/Refuse	<u>\$3,650</u>	4.5%

Total Operating Expenses.....

\$23,272 29%

I. Gross Operating Income

\$80,875

Minus: Total Operating Expenses

\$23,272

Income Value

Per Unit

Equals: Net Operating Income

\$57,603

Cap Rate: 8.00%

=

\$720,034

\$180,009

Minus: Annual debt service

\$44,658

DSCR =s 1.29

Equals: **Cash Flow Before Taxes.....**

\$12,945

II. Annual Debt Service

\$44,658

Minus: Interest

\$34,656

Equals: **Principal Reduction.....**

\$10,002

III. Net Operating Income

\$57,603

Minus: Interest

\$34,656

Minus: Total Depreciation

\$28,173

Equals: Taxable Income

(\$5,227)

Multiply: Tax Bracket

35%

Equals: **Income tax Saved or (Paid).....**

\$1,829

IV. Appreciation

3%

X

Purchase Cost

\$21,660

Return on Investment with Appreciation.....

32.2%

Cash flow before taxes+Principal reduction+Taxes Saved + Appreciation
Cash Invested

Return on Investment without Appreciation.....

17.2%

Cash flow before taxes + Principal reduction + Taxes Saved
Cash Invested

Cash On Cash.....

9.0%

Cash flow before tax
Cash Invested

NOTE: INFORMATION DEEMED RELIABLE BUT NOT GUARENTEED... SOME CALCULATION ARE SUBJECT TO MATHEMATICAL ROUNDING