

Bank Owned-Vacant

Purchase Amount	\$25,000.00
Rehabilitation	\$85,000.00
Total Cost	\$110,000.00

CASH INVESTMENT BREAKDOWN

\$495.00 PER UNIT PER MONTH

10 units at \$495.00/month at 100% occupancy	\$59,400.00
Expenses at 45%	\$26,730.00
Net NOI	\$32,670.00

Investment	\$110,000.00
Net Income	\$32,670.00
Rate of Return	30% Cash on Cash

\$550.00 PER UNIT PER MONTH

10 units at \$550.00/month at 100% occupancy	\$66,000.00
Expenses at 45%	\$29,700.00
Net NOI	\$36,300.00

Investment	\$110,000.00
Net Income	\$36,300.00
Rate of Return	33.00%

NEW MORTGAGE BREAKDOWN

Net Income	\$36,300.00
Debt Service	\$7,728.00
Net After Debt	\$28,572.80
Investor Down Payment	\$33,000.00
Rate of Return	87.00%

On A New Mortgage

Amount needed: \$110,000.00 x 30% Down = \$33,000.00 at 8%

25 Year Payment: \$644.00 per month or \$7,728.00 annually

RESALE VALUE #1

Sale	\$242,000.00
Investor-70%	\$169,400.00
30% Down Payment	\$72,600.00
Debt Service	
169,400.00 at 8% for 25 years = $1,413.58 \times 12 =$	\$16,963.00
Net Before Debt	\$36,300.00
Net After Debt	\$19,337.00
Investment-30% Down	\$72,600.00
Rate of Return	27.00%

RESALE VALUE #2

Sale	\$300,000.00
Investor-70%	\$210,000.00
30% Down Payment	\$90,000.00
Debt Service	
210,000.00 at 8% for 25 years = $1,413.58 \times 12 =$	\$18,267.00
Net Before Debt	\$36,300.00
Net After Debt	\$18,033.00
Investment-30% Down	\$90,000.00
Rate of Return	20.00%

At \$110,000.00 Total Cost and Resale of \$242,000.00 = Approximately \$130,000.00 Profit
 Resale of \$300,000.00 = Approximately \$190,000.00 Profit