

Investment Property Analysis

(Fill In Boxed Areas ONLY or BLUE ONLY)

Property Address: 20/26 & 32 - 32nd Ave South, St. Cloud

Purchase Cost	\$995,000		Parking	Beds	Units
Cash Invested	20% \$199,000		15	0	6
Financing: Amount	\$796,000	Rate	5.95%	Term	25
Financing: Amount		Rate		Term	
			P&I	\$5,104	/mo.
			P&I	\$61,252	/yr.
				\$0	/yr.

Land Value	\$40,000		0%		Depreciation
Personal Property Value	\$16,000	X	20.00%	=	\$3,200
Building Value	\$914,000	X	3.64%	=	\$33,233
Land Improvement Value	\$25,000	X	6.67%	=	\$1,667
Total Depreciation					<u>\$38,100</u>

Rent per unit:	\$1,559	\$9,354			
Parking	\$0	\$0			
GPI	\$112,248		Less Vacancy	5.00%	Gross Operating Income:
Per month	\$9,354		(note: Misc. includes Laundry & Pop income per Bed)		<u>\$106,636</u>

Annual Operating Expenses:

Real Estate Tax	\$12,044	11.3%		Insurance	\$5,000	4.7%
Repairs & Painting	\$1,500	1.4%		Utilities/Water/Cable	\$4,800	4.5%
Misc.	\$300	0.3%		License/legal fee	\$1,200	1.1%
Mgmt/Caretaker	\$0	0.0%		Cleaning & Supplies	\$0	0.0%
Reserves	\$3,200	3.0%		Lawn/Snow/Refuse	\$3,650	3.4%
Total Operating Expenses					<u>\$31,694</u>	30%

I. Gross Operating Income	\$106,636				
Minus: Total Operating Expenses	\$31,694			Income Value	Per Unit
Equals: Net Operating Income	\$74,942		Cap Rate: 7.50%	= \$999,221	\$166,537
Minus: Annual debt service	\$61,252		DSCR =s 1.22		
Equals: Cash Flow Before Taxes					<u>\$13,690</u>

II. Annual Debt Service	\$61,252				
Minus: Interest	\$47,362				
Equals: Principal Reduction					<u>\$13,890</u>

III. Net Operating Income	\$74,942				
Minus: Interest	\$47,362				
Minus: Total Depreciation	\$38,100				
Equals: Taxable Income	(\$10,520)				
Multiply: Tax Bracket	35%				
Equals: Income tax Saved or (Paid)					<u>\$3,682</u>

IV. Appreciation	3%	X	Purchase Cost		<u>\$29,850</u>
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Return on Investment with Appreciation..... 30.7%

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

Return on Investment without Appreciation..... 15.7%

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

Cash On Cash..... 6.9%

Cash flow before tax
Cash Invested

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