

# ROI REPORT - ESTIMATED FINANCIAL FORECAST

1408 E Cedar Ln



## PROPERTY DESCRIPTION

**Price: \$159,900**

1408 E Cedar Ln  
Madison, TN 37115  
3 Bed, 1.5 Bath  
1,216 Sq Ft  
Price / Sq Ft: \$131



*Beautiful remodel! Granite counters, stainless appliances, ceilings smooth, bathroom cainets new, tile tub surround, new replacement windows, new garage door & opener, new front door, new hardwood and carpet throughout, new paint and trim and door upgrades! New light fixtures and wiring for ceiling fans in all bedrooms!*

<http://www.redfin.com/TN/Nashville/1408-E-Cedar-Ln-37115/home/87828520>

## 5-YEAR RETURN SUMMARY

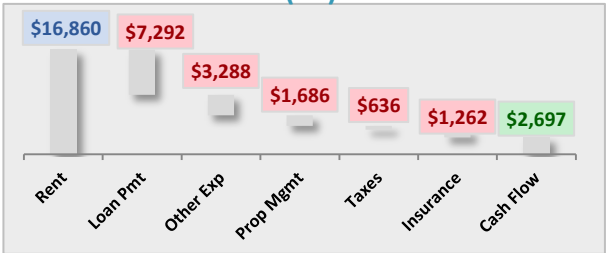
Required Investment*	(\$44,772)
Total Cash Return	\$81,679
<b>Net Cash Return</b>	<b>\$36,907</b>
<b>Annualized Return % (IRR)</b>	<b>14.0%</b>
Cash Multiple	1.82x
Capitalization Rate (Year 1)	6.8%
Est. Monthly Rent (Year 1)	\$1,405
Operating Expenses (% Rent)	40.8%
Loan Pmt (25% down; 4.50% int.)	\$608

\* Includes down payment and buyer fees/costs.

## NET CASH RETURN & IRR SENSITIVITY

MO. RENT	APPRECIATION RATE					
	2.7%		3.2%		3.7%	
\$1,505	\$37.2k	13.7%	\$41.3k	14.9%	\$45.5k	16.0%
<b>\$1,405</b>	\$32.8k	12.8%	<b>\$36.9k</b>	<b>14.0%</b>	\$41.1k	15.2%
\$1,305	\$28.4k	11.9%	\$32.5k	13.2%	\$36.7k	14.4%

## RENTAL CASH FLOW (Y1)

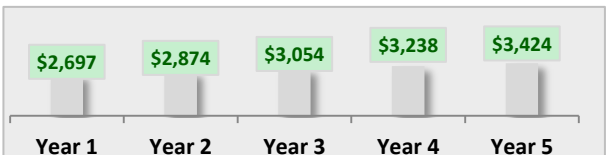


## EST. FINANCIALS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>Rental Income</b>	<b>\$16,860</b>	<b>\$17,197</b>	<b>\$17,541</b>	<b>\$17,892</b>	<b>\$18,250</b>
(-) Taxes	(\$636)	(\$656)	(\$677)	(\$698)	(\$721)
(-) Insurance	(\$1,262)	(\$1,302)	(\$1,343)	(\$1,386)	(\$1,430)
(-) Property Management	(\$1,686)	(\$1,720)	(\$1,754)	(\$1,789)	(\$1,825)
(-) Other Expenses*	(\$3,288)	(\$3,353)	(\$3,421)	(\$3,489)	(\$3,559)
<b>Net Income</b>	<b>\$9,988</b>	<b>\$10,166</b>	<b>\$10,346</b>	<b>\$10,529</b>	<b>\$10,715</b>
(-) Loan Payment	(\$7,292)	(\$7,292)	(\$7,292)	(\$7,292)	(\$7,292)
<b>Rental CF</b>	<b>\$2,697</b>	<b>\$2,874</b>	<b>\$3,054</b>	<b>\$3,238</b>	<b>\$3,424</b>

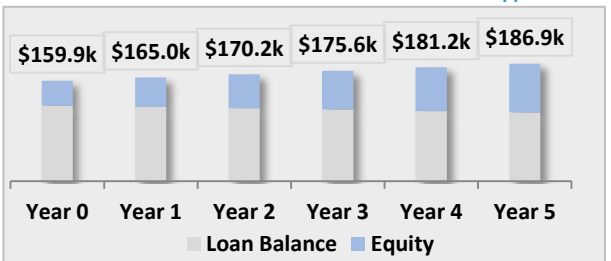
\* Includes Vacancy Allowance, Repairs/Maint., CapEx, Leasing and HOA Fees.

## RENTAL CASH FLOW OVER TIME



## PROJECTED PROPERTY VALUE

Appr. 3.2%



## PURCHASE/SALE

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Purch/Sale*	(\$162,299)	-	-	-	\$175,714
Loan Bal.	\$119,925	\$117,990	\$115,967	\$113,850	\$111,637
Financing	(\$42,374)	(\$7,292)	(\$7,292)	(\$7,292)	(\$7,292)
<b>Total CF</b>	<b>(\$44,772)</b>	<b>\$2,697</b>	<b>\$2,874</b>	<b>\$3,238</b>	<b>\$69,817</b>

\* Adjusted to include effect of Buyer and Seller costs/fees.

Note: the figures in this report are based on third party sources and conventional real estate assumptions; it should only be used as an illustrative example of potential performance; it is not indicative of actual results; and it is subject to economic, financial and real estate market conditions.

Assumptions: Vacancy rate equal to 5.0% of rent; Annual Tax Rate equal to 0.4%; Annual Insurance Rate equal to 0.8%; Property Mgmt equal to 10.0% of rent; Repairs/Maint equal to 5.0% of rent; Capex equal to 5.0% of rent; Leasing fees equal to 4.5% of rent; Monthly HOA dues equal to \$0; Annual Rent Increase equal to 2.0%; Appreciation Rate equal to 3.2%; Buyer Fees/Costs equal to 3.0%; and Seller Closing Costs equal to 6.0%.