

DFY Property Example		Purchase Price: \$171,000	
Bedrooms	Bathrooms	Square Feet	Year Built
3	2	1485	1988



Assumptions	
Down Payment	25%
Closing Costs	4%
Pre-Paid Items	6 Months T & I
Interest Rate	3.625%
Property Management Fee	8%
Vacancy/Repairs	8%
Projected Appreciation (Yr 1-2)	5%
Projected Appreciation (Yr 3-5)	7%
Projected Appreciation (Yr 6+)	3.5%
Annual Rent Increase	3%
Closing Costs On Future Sale	7.5%
Property Mngmnt Reserve	\$5000

Cost/Expense	
Down Payment	\$ 42,750.00
Estimated Closing Costs	\$ 8,550.00
Estimated Rehab Expenses	\$ 1,200.00
DFY T.E.A.M.S. Fee	\$ 4,995.00
Total Out of Pocket	\$ 57,495.00
Estimated Pre-Paid Items	\$ 1,413.48
Total Cash To Close	\$ 58,908.48

Financing	
Projected Monthly Rent	\$ 1,425.00
Principal & Interest Payment	\$ 584.89
Monthly Taxes	\$ 164.75
Monthly Insurance	\$ 70.83
PITI Monthly Payment	\$ 820.47
Monthly Avg. HOA Expense	\$ 6.25
Total Monthly Expense	\$ 826.72

5 Year Income Returns	
Avg. Monthly Cash Flow	\$431.05
Cash on Cash Return	9.2%
Combined C.o.C Return	18.79%
5 Year Annualized Return	20.396%
Profit On Sale Year 5	\$56,891.90

10 Year Income Returns	
Avg. Monthly Cash Flow	\$482.08
Cash on Cash Return	12.8%
Combined C.o.C Return	23.8%
10 Year Annualized Return	23.323%
Profit On Sale Year 10	\$130,105.04

Annual Expense Breakdown					
	YEAR 1	YEAR 3	YEAR 5	YEAR 7	YEAR 10
Gross Rent	\$ 17,100.00	\$ 18,141.39	\$ 19,246.20	\$ 20,418.29	\$ 22,311.62
Taxes	\$ 1,977.00	\$ 2,221.16	\$ 2,543.01	\$ 2,724.13	\$ 3,020.29
Insurance	\$ 849.96	\$ 849.96	\$ 849.96	\$ 849.96	\$ 849.96
HOA	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00
Property Management	\$ 1,668.00	\$ 1,451.31	\$ 1,539.70	\$ 1,633.46	\$ 1,784.93
Vacancy/Repairs	\$ 0.00	\$ 1,814.14	\$ 1,924.62	\$ 2,041.83	\$ 2,231.16
Net Operating Income	\$ 12,530.04	\$ 11,729.82	\$ 12,313.92	\$ 13,093.91	\$ 14,350.28
Debt Service	\$ 7,018.63	\$ 7,018.63	\$ 7,018.63	\$ 7,018.63	\$ 7,018.63

Annual Income Breakdown					
Net Monthly Cash Flow	\$ 459.28	\$ 392.60	\$ 441.27	\$ 506.27	\$ 610.97
Cap Rate	7.33%				
Cash on Cash Return	9.59%	8.19%	9.21%	10.57%	12.75%
Principal Reduction	1.51%	1.66%	1.83%	2.02%	2.34%
Depreciation	2.91%	2.91%	2.91%	2.91%	2.91%
Combined Cash on Cash	17.84%	17.00%	18.79%	20.70%	23.80%
Appreciation	\$ 8,550.00	\$ 30,724.43	\$ 59,954.29	\$ 76,404.01	\$ 103,301.25
Profit on Sale	\$ (10,504.29)	\$ 19,339.23	\$ 56,891.90	\$ 84,103.25	\$ 130,105.04
Total ROI	-18.83%	34.67%	101.98%	150.76%	233.23%
Total Capital to Re-Invest	\$ 32,245.71	\$ 62,089.23	\$ 99,641.90	\$ 126,853.25	\$ 172,855.04