

DFY Property Example		Purchase Price: \$245,000	
Bedrooms	Bathrooms	Square Feet	Year Built
3	2.5	1651	2007



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)	7%
Projected Appreciation (Yr 3-5)	5%
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	\$ 61,250.00
Estimated Closing Costs	\$ 9,800.00
Estimated Rehab Expenses	\$ 3,000.00
DFY T.E.A.M.S. Fee	\$ 4,995.00
Total Out of Pocket	\$ 79,045.00
Estimated Pre-Paid Items	\$ 1,123.00
Total Cash To Close	\$ 80,168.00

Financing	
Projected Monthly Rent	\$ 1,600.00
Principal & Interest Payment	\$ 837.99
Monthly Taxes	\$ 112.17
Monthly Insurance	\$ 75.00
PITI Monthly Payment	\$ 1,025.16
Monthly Avg. HOA Expense	\$ 0.00
Total Monthly Expense	\$ 1,025.16

5 Year Income Returns	
Avg. Monthly Cash Flow	\$423.14
Cash on Cash Return	6.99%
Combined C.o.C Return	11.73%
5 Year Annualized Return	16.56%
Profit On Sale Year 5	\$65,462.65

10 Year Income Returns	
Avg. Monthly Cash Flow	\$497.60
Cash on Cash Return	10.26%
Combined C.o.C Return	15.51%
10 Year Annualized Return	19.99%
Profit On Sale Year 10	\$157,994.20

Annual Expense Breakdown					
	YEAR 1	YEAR 3	YEAR 5	YEAR 7	YEAR 10
Gross Rent	\$ 19,200.00	\$ 20,369.28	\$ 21,609.77	\$ 22,925.80	\$ 25,051.65
Taxes	\$ 1,346.04	\$ 1,512.28	\$ 1,667.28	\$ 1,786.04	\$ 1,980.21
Insurance	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00
HOA	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Property Management	\$ 1,836.00	\$ 1,629.54	\$ 1,728.78	\$ 1,834.06	\$ 2,004.13
Vacancy/Repairs	\$ 0.00	\$ 1,629.54	\$ 1,728.78	\$ 1,834.06	\$ 2,004.13
Net Operating Income	\$ 15,117.96	\$ 14,697.92	\$ 15,584.92	\$ 16,571.64	\$ 18,163.17
Debt Service	\$ 10,055.93	\$ 10,055.93	\$ 10,055.93	\$ 10,055.93	\$ 10,055.93

Annual Income Breakdown					
Net Monthly Cash Flow	\$ 421.84	\$ 386.83	\$ 460.75	\$ 542.98	\$ 675.60
Cap Rate	6.17%				
Cash on Cash Return	6.40%	5.87%	6.99%	8.24%	10.26%
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	10.82%	10.44%	11.73%	13.17%	15.51%
Appreciation	\$ 17,150.00	\$ 49,525.53	\$ 79,714.39	\$ 102,842.17	\$ 140,658.84
Profit on Sale	\$ (12,471.07)	\$ 26,617.27	\$ 65,462.65	\$ 99,731.11	\$ 157,994.20
Total ROI	-15.78%	33.67%	82.82%	126.17%	199.88%
Total Capital to Re-Invest	\$ 48,778.93	\$ 87,867.27	\$ 126,712.65	\$ 160,981.11	\$ 219,244.20