

REDMS - 19725 Prairie

Address	19725 Prairie, Detroit, MI 48221
Section 8 Monthly Rent	\$1,050
Price to Retail Investor	\$75,000

Deal or No Deal? **DEAL**

\$	12,600	Annual Gross Rent
\$	(3,719)	Annual Cash Expenses before Taxes, Depreciation, Reserves and Finance Costs
\$	8,881	Net Operating Income (NOI)
\$	7,681	Net Operating Income including Reserves set aside

11.8% Cap rate (traditional calculation)

10.2% Cap Rate includes reserve set aside

Details	
Bedrooms	2
Bathrooms	1.00
Square Feet	850
Basement (Yes/No)	Yes
Lot Size	6,160
Year Built	1950
Stories	1.50

REDMS - 19725 Prairie: Sale to Retail Investor

Investment Rental Value (IRV):	\$ 75,000			Property address:	19725 Prairie, Detroit, MI 48221						
Rehab Costs:	\$ -	0.00%	% of ARV	Property Owner:	19725 Prairie, Detroit, MI 48221 LLC						
Purchase Price:	\$ 75,000	0%	Discount	APN:	16023104						
Down Payment:	\$ 15,000	20%		Use:	SFR						
1st Mortgage Loan Amount:	\$ 60,000	Yes	Yes or no	Description:	Bedrooms	Bathrooms	Square feet	Lot Size	Year Built	Stories	
1st Mortgage Interest Rate:	8.50%	Amortized	Terms		2	1.00	850	6,160	1950	1.50	
1st Mortgage Term (years):	30					80%	LTV of ARV				
1st Mortgage Upfront Points:	\$ 6,000	10.00%									
1st Mortgage Payment (PITI) & PM:		\$ 771									
Annual Insurance:	\$ 1,688	\$ 141	2.25%	of current purchase price							
HOA:	\$ -	\$ -	\$ -	per month							
Property Management Fee:	\$ 1,260	\$ 105	10.0%	% of target rent							
Annual Property Tax:	\$ 771	\$ 64	1.03%	of current purchase price							
2nd Mortgage Loan Amount:	\$ -	No									
2nd Mortgage Interest Rate:	6%		Terms			80%	CLTV of ARV				
2nd Mortgage Payment:		\$ -									
Closing Costs:	\$ 2,036	-	# of months								
Tenant Acquisition Cost:	\$ 250	-	# of months								
Reserves:	\$ 3,998	6	# of months								
Purchase Investment:	\$ 27,283										
Minimum Monthly Rental Income:	\$ 771	\$ 1,050	Target Rent								
Amount above/(under) minimum:	\$ 279	36.14%	% over monthly costs								
Gross Monthly Payment	\$ 1,050	1.40%	Monthly Rent to Purchase Price Ratio								
- Less Vacancy Rate Reserve:	\$ (50)	4.76%	Vacancy Rate								
- Less Maintenance and CAPEX Reserve:	\$ (50)	4.76%	Maintenance and CAPEX %								
NET RENT	\$ 950				1.60	DSCR					
Annual Rent Increase:	5.00%				6.5%	ROI after taxes, Depreciation, Reserves, and Financing Costs					
Annual Appreciation Rate:	3.80%				11.8%	Cap rate (traditional calculation)					
Annual Depreciation Rate:	3.64%				10.2%	Cap Rate includes reserve set aside					
Marginal Tax Bracket:	21.00%				\$ 12,600	Annual Gross Rent					
Total Investment:	\$ 27,283				\$ (3,719)	Annual Cash Expenses before Taxes, Depreciation, Reserves and Finance Costs					
					\$ 8,881	Net Operating Income (NOI)					
					\$ 7,681	Net Operating Income including Reserves set aside					

REDMS - 19725 Prairie: Sale to Retail Investor

Year	Rental Income	Mortgage Payment	Property Costs	Mortgage Interest	Depreciation	Net Gain/(Loss)	Taxes	Net Cash	Reserves	Return on Investment	Return on Equity	Property Value
1	\$ 12,600	\$ 5,536	\$ 3,719	\$ 5,083	\$ 2,045	\$ 1,753	\$ 368	\$ 2,977	\$ (1,200)	6.5%	19.3%	\$ 75,000
2	\$ 13,230	\$ 5,536	\$ 3,905	\$ 5,043	\$ 2,045	\$ 2,237	\$ 470	\$ 3,319	\$ (1,260)	7.5%	20.8%	\$ 77,850
3	\$ 13,892	\$ 5,536	\$ 4,100	\$ 4,999	\$ 2,045	\$ 2,747	\$ 577	\$ 3,678	\$ (1,323)	8.6%	22.3%	\$ 80,808
4	\$ 14,586	\$ 5,536	\$ 4,305	\$ 4,951	\$ 2,045	\$ 3,284	\$ 690	\$ 4,055	\$ (1,389)	9.8%	23.8%	\$ 83,879
5	\$ 15,315	\$ 5,536	\$ 4,520	\$ 4,900	\$ 2,045	\$ 3,850	\$ 808	\$ 4,450	\$ (1,459)	11.0%	25.1%	\$ 87,066
6	\$ 16,081	\$ 5,536	\$ 4,746	\$ 4,843	\$ 2,045	\$ 4,446	\$ 934	\$ 4,865	\$ (1,532)	12.2%	26.4%	\$ 90,375
7	\$ 16,885	\$ 5,536	\$ 4,984	\$ 4,782	\$ 2,045	\$ 5,074	\$ 1,065	\$ 5,300	\$ (1,608)	13.5%	27.7%	\$ 93,809
8	\$ 17,729	\$ 5,536	\$ 5,233	\$ 4,716	\$ 2,045	\$ 5,735	\$ 1,204	\$ 5,756	\$ (1,689)	14.9%	28.8%	\$ 97,374
9	\$ 18,616	\$ 5,536	\$ 5,495	\$ 4,643	\$ 2,045	\$ 6,433	\$ 1,351	\$ 6,234	\$ (1,773)	16.4%	29.9%	\$ 101,074
10	\$ 19,547	\$ 5,536	\$ 5,769	\$ 4,564	\$ 2,045	\$ 7,168	\$ 1,505	\$ 6,736	\$ (1,862)	17.9%	30.8%	\$ 104,915
11	\$ 20,524	\$ 5,536	\$ 6,058	\$ 4,478	\$ 2,045	\$ 7,943	\$ 1,668	\$ 7,262	\$ (1,955)	19.5%	31.7%	\$ 108,902
12	\$ 21,550	\$ 5,536	\$ 6,361	\$ 4,385	\$ 2,045	\$ 8,759	\$ 1,839	\$ 7,814	\$ (2,052)	21.1%	32.5%	\$ 113,040
13	\$ 22,628	\$ 5,536	\$ 6,679	\$ 4,283	\$ 2,045	\$ 9,621	\$ 2,020	\$ 8,392	\$ (2,155)	22.9%	33.2%	\$ 117,336
14	\$ 23,759	\$ 5,536	\$ 7,013	\$ 4,172	\$ 2,045	\$ 10,529	\$ 2,211	\$ 8,999	\$ (2,263)	24.7%	33.7%	\$ 121,794
15	\$ 24,947	\$ 5,536	\$ 7,363	\$ 4,051	\$ 2,045	\$ 11,487	\$ 2,412	\$ 9,635	\$ (2,376)	26.6%	34.2%	\$ 126,422
16	\$ 26,194	\$ 5,536	\$ 7,732	\$ 3,920	\$ 2,045	\$ 12,497	\$ 2,624	\$ 10,302	\$ (2,495)	28.6%	34.6%	\$ 131,227
17	\$ 27,504	\$ 5,536	\$ 8,118	\$ 3,777	\$ 2,045	\$ 13,563	\$ 2,848	\$ 11,002	\$ (2,619)	30.7%	34.9%	\$ 136,213
18	\$ 28,879	\$ 5,536	\$ 8,524	\$ 3,622	\$ 2,045	\$ 14,688	\$ 3,084	\$ 11,735	\$ (2,750)	32.9%	35.1%	\$ 141,389
19	\$ 30,323	\$ 5,536	\$ 8,950	\$ 3,453	\$ 2,045	\$ 15,875	\$ 3,334	\$ 12,503	\$ (2,888)	35.2%	35.2%	\$ 146,762
20	\$ 31,840	\$ 5,536	\$ 9,398	\$ 3,269	\$ 2,045	\$ 17,128	\$ 3,597	\$ 13,309	\$ (3,032)	37.7%	35.2%	\$ 152,339
21	\$ 33,432	\$ 5,536	\$ 9,868	\$ 3,068	\$ 2,045	\$ 18,450	\$ 3,875	\$ 14,153	\$ (3,184)	40.2%	35.2%	\$ 158,128
22	\$ 35,103	\$ 5,536	\$ 10,361	\$ 2,850	\$ 2,045	\$ 19,847	\$ 4,168	\$ 15,038	\$ (3,343)	42.9%	35.0%	\$ 164,137
23	\$ 36,858	\$ 5,536	\$ 10,879	\$ 2,613	\$ 2,045	\$ 21,321	\$ 4,477	\$ 15,966	\$ (3,510)	45.7%	34.8%	\$ 170,374
24	\$ 38,701	\$ 5,536	\$ 11,423	\$ 2,354	\$ 2,045	\$ 22,879	\$ 4,805	\$ 16,938	\$ (3,686)	48.6%	34.5%	\$ 176,848
25	\$ 40,636	\$ 5,536	\$ 11,994	\$ 2,073	\$ 2,045	\$ 24,524	\$ 5,150	\$ 17,956	\$ (3,870)	51.6%	34.2%	\$ 183,568
26	\$ 42,668	\$ 5,536	\$ 12,594	\$ 1,767	\$ 2,045	\$ 26,262	\$ 5,515	\$ 19,023	\$ (4,064)	54.8%	33.8%	\$ 190,544
27	\$ 44,801	\$ 5,536	\$ 13,224	\$ 1,434	\$ 2,045	\$ 28,099	\$ 5,901	\$ 20,141	\$ (4,267)	58.2%	33.4%	\$ 197,785
28	\$ 47,042	\$ 5,536	\$ 13,885	\$ 1,071	\$ 1,023	\$ 31,063	\$ 6,523	\$ 21,097	\$ (4,480)	60.9%	32.5%	\$ 205,300
29	\$ 49,394	\$ 5,536	\$ 14,579	\$ 676	\$ -	\$ 34,138	\$ 7,169	\$ 22,109	\$ (4,704)	63.8%	31.7%	\$ 213,102
30	\$ 51,863	\$ 5,536	\$ 15,308	\$ 247	\$ -	\$ 36,309	\$ 7,625	\$ 23,394	\$ (4,939)	67.6%	31.2%	\$ 221,200
Grand Totals	\$ 837,129	\$ 166,085	\$ 247,086	\$ 106,085	\$ 56,250	\$ 427,708	\$ 89,819	\$ 334,139	\$ (79,727)	932.5%	445.5%	\$ 221,200
								Initial Investment:	\$ 27,283			
								ROI:	\$ 334,139			
								Total Investment:	\$ 27,283			
								Total Return in Investment:	1225%			
								Average Annual Return:	40.82%			