

# REDMS - 12642 Chelsea Ave^J Detroit^J MI 48213

Address	<b>12642 Chelsea Ave, Detroit, MI 48213</b>
Section 8 Monthly Rent	<b>\$2,200</b>
Price to Retail Investor	<b>\$175,000</b>

Deal or No Deal? **DEAL**

\$	26,400	Annual Gross Rent
\$	(7,489)	Annual Cash Expenses before Taxes, Depreciation, Reserves and Finance Costs
\$	18,911	Net Operating Income (NOI)
\$	<b>17,711</b>	<b>Net Operating Income including Reserves set aside</b>

10.8% Cap rate (traditional calculation)

**10.1%** Cap Rate includes reserve set aside

Details	
Bedrooms	4
Bathrooms	2.00
Square Feet	2,074
Basement (Yes/No)	Yes
Lot Size	7,448
Year Built	1952
Stories	1.50

**REDMS - 12642 Chelsea Ave^J Detroit^J MI 48213: Sale to Retail Investor**

<b>Investment Rental Value (IRV):</b>	<b>\$ 175,000</b>			<b>Property address:</b>	12642 Chelsea Ave, Detroit, MI 48213					
<b>Rehab Costs:</b>	<b>\$ -</b>	<b>0.00%</b>	% of ARV	<b>Property Owner:</b>	12642 Chelsea Ave, Detroit, MI 48213 LLC					
Purchase Price:	\$ 175,000	0%	Discount	<b>APN:</b>	21007917-8					
<b>Down Payment:</b>	<b>\$ 43,750</b>	<b>25.00%</b>		<b>Use:</b>	R2					
1st Mortgage Loan Amount:	\$ 131,250	Yes	Yes or no	<b>Description:</b>	<b>Bedrooms</b>	<b>Bathrooms</b>	<b>Square feet</b>	<b>Lot Size</b>	<b>Year Built</b>	<b>Stories</b>
1st Mortgage Interest Rate:	8.00%	Amortized	Terms		4	2.00	2,074	7,448	1952	1.50
1st Mortgage Term (years):	30					<b>75%</b>	<b>LTV of ARV</b>			
1st Mortgage Upfront Points:	\$ 5,250	4.00%								
<b>1st Mortgage Payment (PITI) &amp; PM:</b>	<b>\$ 1,587</b>									
Annual Insurance:	\$ 2,500	\$ 208	1.43%	of current purchase price						
HOA:	\$ -	\$ -	\$ -	per month						
Property Management Fee:	\$ 2,640	\$ 220	<b>10.0%</b>	% of target rent						
Annual Property Tax:	\$ 2,349	\$ 196	1.34%	of current purchase price						
<b>2nd Mortgage Loan Amount:</b>	<b>\$ -</b>	<b>No</b>								
2nd Mortgage Interest Rate:	0%		Terms			<b>75%</b>	<b>CLTV of ARV</b>			
2nd Mortgage Payment:	\$ -	\$ -								
Holding Costs:	\$ -	-	# of months							
Tenant Acquisition Cost:	\$ -	-	# of months							
Reserves:	\$ 4,102	3	# of months							
<b>Purchase Investment:</b>	<b>\$ 53,102</b>									
Minimum Monthly Rental Income:	\$ 1,587	<b>\$ 2,200</b>	Target Rent							
Amount above/(under) minimum:	\$ 613	38.61%	% over monthly costs							
<b>Gross Monthly Payment</b>	<b>\$ 2,200</b>	<b>1.26%</b>	Monthly Rent to Purchase Price Ratio							
- Less Vacancy Rate Reserve:	\$ (50)	<b>2.27%</b>	Vacancy Rate							
- Less Maintenance and CAPEX Reserve:	\$ (50)	<b>2.27%</b>	Maintenance and CAPEX %							
<b>NET RENT</b>	<b>\$ 2,100</b>				<b>1.64</b>	<b>DSRC</b>				
Annual Rent Increase:	5.00%				<b>10.1%</b>	ROI after taxes, Depreciation, Reserves, and Financing Costs				
Annual Appreciation Rate:	3.80%				10.8%	Cap rate (traditional calculation)				
Annual Depreciation Rate:	3.64%				<b>10.1%</b>	Cap Rate includes reserve set aside				
Marginal Tax Bracket:	21.00%				\$ 26,400	Annual Gross Rent				
<b>Total Investment:</b>	<b>\$ 53,102</b>				\$ (7,489)	Annual Cash Expenses before Taxes, Depreciation, Reserves and Finance Costs				
					\$ 18,911	Net Operating Income (NOI)				
					<b>\$ 17,711</b>	<b>Net Operating Income including Reserves set aside</b>				

**REDMS - 12642 Chelsea Ave^J Detroit^J MI 48213: 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	\$ 26,400	\$ 11,557	\$ 7,489	\$ 10,460	\$ 4,773	\$ 3,678	\$ 772	\$ 6,582	\$ (1,200)	10.1%	14.7%	\$ 175,000
2	\$ 27,720	\$ 11,557	\$ 7,864	\$ 10,369	\$ 4,773	\$ 4,714	\$ 990	\$ 7,309	\$ (1,260)	11.4%	15.9%	\$ 181,650
3	\$ 29,106	\$ 11,557	\$ 8,257	\$ 10,271	\$ 4,773	\$ 5,806	\$ 1,219	\$ 8,073	\$ (1,323)	12.7%	17.1%	\$ 188,553
4	\$ 30,561	\$ 11,557	\$ 8,670	\$ 10,164	\$ 4,773	\$ 6,955	\$ 1,460	\$ 8,874	\$ (1,389)	14.1%	18.2%	\$ 195,718
5	\$ 32,089	\$ 11,557	\$ 9,103	\$ 10,048	\$ 4,773	\$ 8,165	\$ 1,715	\$ 9,715	\$ (1,459)	15.5%	19.3%	\$ 203,155
6	\$ 33,694	\$ 11,557	\$ 9,558	\$ 9,923	\$ 4,773	\$ 9,439	\$ 1,982	\$ 10,596	\$ (1,532)	17.1%	20.4%	\$ 210,875
7	\$ 35,379	\$ 11,557	\$ 10,036	\$ 9,788	\$ 4,773	\$ 10,782	\$ 2,264	\$ 11,521	\$ (1,608)	18.7%	21.5%	\$ 218,888
8	\$ 37,147	\$ 11,557	\$ 10,538	\$ 9,641	\$ 4,773	\$ 12,196	\$ 2,561	\$ 12,491	\$ (1,689)	20.3%	22.5%	\$ 227,206
9	\$ 39,005	\$ 11,557	\$ 11,065	\$ 9,482	\$ 4,773	\$ 13,685	\$ 2,874	\$ 13,509	\$ (1,773)	22.1%	23.4%	\$ 235,840
10	\$ 40,955	\$ 11,557	\$ 11,618	\$ 9,310	\$ 4,773	\$ 15,254	\$ 3,203	\$ 14,577	\$ (1,862)	23.9%	24.4%	\$ 244,802
11	\$ 43,003	\$ 11,557	\$ 12,199	\$ 9,123	\$ 4,773	\$ 16,908	\$ 3,551	\$ 15,696	\$ (1,955)	25.9%	25.2%	\$ 254,104
12	\$ 45,153	\$ 11,557	\$ 12,809	\$ 8,921	\$ 4,773	\$ 18,650	\$ 3,916	\$ 16,870	\$ (2,052)	27.9%	26.0%	\$ 263,760
13	\$ 47,411	\$ 11,557	\$ 13,450	\$ 8,702	\$ 4,773	\$ 20,486	\$ 4,302	\$ 18,102	\$ (2,155)	30.0%	26.7%	\$ 273,783
14	\$ 49,781	\$ 11,557	\$ 14,122	\$ 8,465	\$ 4,773	\$ 22,421	\$ 4,708	\$ 19,394	\$ (2,263)	32.3%	27.4%	\$ 284,187
15	\$ 52,270	\$ 11,557	\$ 14,828	\$ 8,209	\$ 4,773	\$ 24,460	\$ 5,137	\$ 20,748	\$ (2,376)	34.6%	28.0%	\$ 294,986
16	\$ 54,884	\$ 11,557	\$ 15,570	\$ 7,931	\$ 4,773	\$ 26,610	\$ 5,588	\$ 22,169	\$ (2,495)	37.1%	28.5%	\$ 306,195
17	\$ 57,628	\$ 11,557	\$ 16,348	\$ 7,630	\$ 4,773	\$ 28,877	\$ 6,064	\$ 23,659	\$ (2,619)	39.6%	28.9%	\$ 317,831
18	\$ 60,509	\$ 11,557	\$ 17,166	\$ 7,304	\$ 4,773	\$ 31,267	\$ 6,566	\$ 25,221	\$ (2,750)	42.3%	29.3%	\$ 329,908
19	\$ 63,535	\$ 11,557	\$ 18,024	\$ 6,951	\$ 4,773	\$ 33,787	\$ 7,095	\$ 26,859	\$ (2,888)	45.1%	29.6%	\$ 342,445
20	\$ 66,711	\$ 11,557	\$ 18,925	\$ 6,569	\$ 4,773	\$ 36,445	\$ 7,653	\$ 28,576	\$ (3,032)	48.1%	29.9%	\$ 355,458
21	\$ 70,047	\$ 11,557	\$ 19,871	\$ 6,155	\$ 4,773	\$ 39,248	\$ 8,242	\$ 30,377	\$ (3,184)	51.2%	30.1%	\$ 368,965
22	\$ 73,549	\$ 11,557	\$ 20,865	\$ 5,707	\$ 4,773	\$ 42,205	\$ 8,863	\$ 32,265	\$ (3,343)	54.5%	30.2%	\$ 382,986
23	\$ 77,227	\$ 11,557	\$ 21,908	\$ 5,221	\$ 4,773	\$ 45,325	\$ 9,518	\$ 34,244	\$ (3,510)	57.9%	30.2%	\$ 397,539
24	\$ 81,088	\$ 11,557	\$ 23,004	\$ 4,695	\$ 4,773	\$ 48,617	\$ 10,210	\$ 36,318	\$ (3,686)	61.5%	30.2%	\$ 412,646
25	\$ 85,143	\$ 11,557	\$ 24,154	\$ 4,126	\$ 4,773	\$ 52,091	\$ 10,939	\$ 38,493	\$ (3,870)	65.2%	30.2%	\$ 428,326
26	\$ 89,400	\$ 11,557	\$ 25,361	\$ 3,509	\$ 4,773	\$ 55,757	\$ 11,709	\$ 40,773	\$ (4,064)	69.1%	30.1%	\$ 444,602
27	\$ 93,870	\$ 11,557	\$ 26,629	\$ 2,841	\$ 4,773	\$ 59,627	\$ 12,522	\$ 43,162	\$ (4,267)	73.2%	29.9%	\$ 461,497
28	\$ 98,563	\$ 11,557	\$ 27,961	\$ 2,118	\$ 2,386	\$ 66,098	\$ 13,881	\$ 45,165	\$ (4,480)	76.6%	29.4%	\$ 479,034
29	\$ 103,491	\$ 11,557	\$ 29,359	\$ 1,334	\$ -	\$ 72,798	\$ 15,288	\$ 47,288	\$ (4,704)	80.2%	28.8%	\$ 497,238
30	\$ 108,666	\$ 11,557	\$ 30,827	\$ 486	\$ -	\$ 77,353	\$ 16,244	\$ 50,038	\$ (4,939)	84.9%	28.6%	\$ 516,133
<b>Grand Totals</b>	<b>\$ 1,753,986</b>	<b>\$ 346,704</b>	<b>\$ 497,580</b>	<b>\$ 215,454</b>	<b>\$ 131,250</b>	<b>\$ 909,702</b>	<b>\$ 191,037</b>	<b>\$ 718,665</b>	<b>\$ (79,727)</b>	<b>1203.2%</b>	<b>410.7%</b>	<b>\$ 516,133</b>
						Initial Investment:		\$ 53,102				
						ROI:		\$ 718,665				
						Total Investment:		\$ 53,102				
						Total Return in Investment:		1353%				
						<b>Average Annual Return:</b>		<b>45.11%</b>				