



Liberty First Realty, LLC

### Investment Calculations Worksheet



**3652 Bayonne Dr SE Salem OR 97317**

# Units	4	Projected Gross Rent	\$4,055
		Actual Rent	\$4,055
		<b>Projected Gross Annual Income</b>	<b>\$48,660</b>
		<b>Actual Gross Annual Income</b>	<b>\$48,660</b>

### Cash and Financing

#### Debt Service Assumptions

	Projected Value	List Price
Projected Purchase Price	\$485,000	
Cash Needed to Invest	\$130,950	
Renovation	\$0	
List Price	\$500,000	
# of Years	30	30
Rate	4.25%	4.25%
% Down	25.00%	25.00%
Closing Costs	\$9,700	\$10,000
Yearly Payment	\$21,473	\$22,137

### Depreciation

Value Distribution	
Land Value	\$121,250
Personal Property Value	\$19,400
Building Value	\$295,850
Land Improvement Value	\$48,500
<b>Total Depreciation</b>	

#### Depreciation year 1

	\$3,880
	\$10,296
	\$2,425
<b>Total</b>	<b>\$16,601</b>

\* Bifurcation is a formulated estimate

IRS Depreciation	Bifurcation
\$ 485,000.00	equal purchase price
	25%
	20%
	3.48%
	5%
	6132.34 Principal Pay Down

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### Operating Expenses

Taxes	\$4,180	Water/Sewer & Trash	\$4,400
Insurance	\$1,500	Lawn Service	\$2,400
HOA	\$0	Maintenance	\$1,200
Management/Staff	\$4,379	Vacancy Reserve	\$2,433
<b>* Reduced Management Fee</b>			
<b>Total Expenses=</b>	<b>\$20,492</b>		

Use Formula or Input Actual

1100*C3	
C3*2700	
5	
G5*0.05	

100%

### Projected Cash Flow

Net Operating Income	\$28,168
Interest Paid	\$15,341
Principal Paid	\$6,132
Total Depreciation	\$16,601
<b>Passive Loss (Tax Saved)</b>	<b>(\$1,132)</b>

\* Passive Loss assumes a total tax bracket of 30%

Total Cash Benefit Received	
Cash Flow	\$6,694
Principal Paid	\$6,132
<b>Total Cash</b>	<b>\$12,827</b>

Actual

Net Operating Income	\$28,168
Interest Paid	\$15,341
Principal Paid	\$6,132
Total Depreciation	\$16,601
<b>Passive Loss (Tax Saved)</b>	<b>(\$1,132)</b>
Cash Flow	\$6,694

### Calculations (Projected & Actual)

#### Capitalization Rate

Net Operating Income	\$28,168
Property Price	\$485,000

<b>Projected Cap Rate</b>	<b>5.81%</b>
<b>Actual Cap Rate</b>	<b>5.63%</b>

#### Return on Investment

Cash Flow	\$6,694
Principal Reduction	\$6,132
Tax (saved) or Paid	(\$1,132.15)
Cash Invested	\$130,950

<b>Projected ROI</b>	<b>10.66%</b>
<b>Actual ROI</b>	<b>10.34%</b>

#### Cash on Cash

Cash Flow	\$6,694
Cash Invested	\$130,950

<b>Projected Cash on Cash</b>	<b>5.11%</b>
<b>Actual Cash on Cash</b>	<b>4.96%</b>

#### Return on Investment Actual

Cash Flow	\$5,562
Principal Reduction	\$6,132
Tax (saved) or Paid	(\$1,132.15)
Cash Invested	\$135,000

\*Cash Flow Removes Management Fees

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