

**Property Name** Texas

**Location** USA

|                                    |                                  |
|------------------------------------|----------------------------------|
| <b>Purchase Price</b> \$140,000.00 | <b>Market Value</b> \$140,000.00 |
| <b>Closing Costs</b> \$3,000.00    | <b>Cash In</b> \$38,000.00       |
| <b>Total Cost</b> \$143,000.00     | <b>Loan Amount</b> \$105,000.00  |
| <b>Building Value</b> \$105,000.00 | <b>Loan Cost</b> \$0.00          |
| <b>Contents</b> \$0.00             | <b>Annual Rent</b> \$15,456.00   |
| <b>Expenses</b> \$5,350.00         | <b>Management</b> \$1,545.60     |

| <b>Investment analysis</b> | <b>YEAR 1</b> | <b>YEAR 3</b> | <b>YEAR 5</b> | <b>YEAR 7</b> | <b>YEAR 10</b> |
|----------------------------|---------------|---------------|---------------|---------------|----------------|
| Renovations                | 0.00          | 0.00          | 0.00          | 0.00          | 0.00           |
| Capital growth             | 5.00%         | 5.00%         | 5.00%         | 5.00%         | 5.00%          |
| Property value             | 147,000.00    | 162,067.50    | 178,679.42    | 196,994.06    | 228,045.25     |
| Loan amount                | 103,880.96    | 101,403.72    | 98,569.50     | 95,326.85     | 89,566.05      |
| Equity                     | 43,119.04     | 60,663.78     | 80,109.92     | 101,667.21    | 138,479.20     |
| Inflation rate             | 3.00%         | 3.00%         | 3.00%         | 3.00%         | 3.00%          |
| Gross rent                 | 15,456.00     | 16,397.27     | 17,395.86     | 18,455.27     | 20,166.57      |
| Principal repayment        | 1,119.04      | 1,280.29      | 1,464.79      | 1,675.87      | 2,050.87       |
| Interest rate              | 6.75%         | 6.75%         | 6.75%         | 6.75%         | 6.75%          |
| Loan interest              | 7,053.30      | 6,892.04      | 6,707.55      | 6,496.47      | 6,121.46       |
| Additional repayment       | 0.00          | 0.00          | 0.00          | 0.00          | 0.00           |
| Total loan payment         | 8,172.34      | 8,172.34      | 8,172.34      | 8,172.34      | 8,172.34       |
| Special expenses           | 0.00          | 0.00          | 0.00          | 0.00          | 0.00           |
| Total property expenses    | 6,895.60      | 7,315.54      | 7,761.06      | 8,233.71      | 8,997.19       |
| Pre-tax cash flow          | 388.06        | 909.39        | 1,462.46      | 2,049.22      | 2,997.04       |
| Pre-tax cash on cash       | 1.02%         | 2.39%         | 3.85%         | 5.39%         | 7.89%          |
| Depreciation-Building      | 2,940.00      | 2,940.00      | 2,940.00      | 2,940.00      | 2,940.00       |
| Depreciation-Contents      | 0.00          | 0.00          | 0.00          | 0.00          | 0.00           |
| Total deductions           | 16,888.90     | 17,147.58     | 17,408.61     | 17,670.18     | 18,058.65      |
| Tax credit                 | 444.20        | 232.60        | 3.95          | -243.38       | -653.46        |
| After-tax cash flow        | 832.26        | 1,141.99      | 1,466.41      | 1,805.84      | 2,343.58       |
| After-tax cash on cash     | 2.19%         | 3.01%         | 3.86%         | 4.75%         | 6.17%          |
| Your income per month      | 69.36         | 95.17         | 122.20        | 150.49        | 195.30         |
| Internal Rate of Return    | 16.01%        | 19.51%        | 18.69%        | 17.68%        | 16.36%         |

**Notes:** The loan costs are included in the deductions for the first year.

Depreciation rates : Building = 3%