

Calculating Multi-Family Cash-on-Cash Returns to Help Sell More Multi-Family Properties.

Additionally, I will review a variety of real estate related math calculations to help you understand how to calculate seller closing costs, pre-paid interest, absorption rates, commercial valuation, and more.

Some Things to Know About Rental Property Investing

A. It is Not For Everyone

- Self Manage
- Team: Property manager, contractors, handy men, cleaners, etc.

B. Investor Down Payment

 Larger than owner occupied options typically 20-25% down

C. Higher Interest Rates

• Investor rates are typically higher than owner occupied

D. Fixer – Upper

- Can be good or bad
- Cost less to purchase
- But repairs may cost more than planned

Some Things to Know About Rental Property Investing

- E. Calculate your operating expenses
- F. Calculate your return
- **G. Location Matters**
 - Rental rates
 - Cash on cash returns

H. Rewards

- Income is primarily passive
- Income should grow
- Real estate value should grow
- Tax Benefits
 - $\,\circ\,\,$ You can put real estate into a self-directed IRA
 - Interest you pay on investment property loan is tax deductible
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Some Things to Know About Rental Property Investing

I. Risk

- Although rental income is passive, tenants can be a pain to deal with unless you use a property management company.
- If your <u>adjusted gross income</u> is above \$200,000 (single) or \$250,000 (married filing jointly), you may be subject to a 3.8% surtax on net investment income, including rental income.
- Rental income may not cover the total mortgage payment.
- Unlike stocks, you can't instantly sell real estate if the markets goes sour.
- Unlike stocks, in most cases you can't sell a portion of your real estate. It's all or nothing.
- Entry and exit costs are high.
- If you don't have a tenant, you have to pay all expenses.

E/MA)

A) Income:

RENTAL INCOME: ASSUME \$2400

OTHER INCOME: 0

LAUNDRY MACHINES: 0

STORAGE: 0

GARAGE USE: 0

MISCELLANEOUS: 0

TOTAL MONTHLY INCOME: \$2400

RE/MA)

Analyzing Rental Properties

- **B) Monthly Expenses:**
 - TAXES: \$250

PROPERTY INSURANCE: \$208

FLOOD INSURANCE: 0

LAWN CARE: 0

SNOW REMOVAL: 0

HOA: 0

UTILITIES: GAS, ELECTRIC, WATER, OIL, SEWER FEE: 0



Analyzing Rental Properties

B) Monthly Expenses:

GARBAGE: 0

CAPITAL EXPENDITURES (ROOF, FURNACE - 3% OF MONTHLY RENTAL INCOME): \$72

REPAIRS (5% OF MONTHLY RENTAL INCOME): \$120

VACANCY (5% of MONTHLY RENTAL INCOME): \$120

PROPERTY MANAGEMENT (3-10 % OF MONTHLY RENTAL INCOME): \$120

MORTGAGE (ASSUME \$187500 AT 5% , 30 YEARS): \$1006.54

TOTAL MONTHLY EXPENSES: \$1896.54



C) Cash Flow:

TOTAL MONTHLY INCOME: \$2400.00

<u>TOTAL MONTHLY EXPENSES</u>: <u>\$1886.54</u>
 TOTAL MONTHLY CASH FLOW: \$503.46

TOTAL MONTHLY CASH FLOW X 12 =

ANNUAL CASH FLOW: \$6041.52

RE/MA)

D) CASH ON CASH RETURN (ROI - RETURN ON INVESTMENT) DETERMINE ALL THE MONEY YOU PUT IN THE DEAL:

SALE PRICE : \$250,000

DOWN PAYMENT (TYPICALLY 25% FOR AN INVESTOR): \$62,500 CLOSING COSTS (I USE 4 % OF THE LOAN AMOUNT) \$250,000 -\$62,500 = \$ 187,500

\$187500 X 4% = \$7,500

REPAIRS: ASSUME FOR THIS EXAMPLE: \$6,500

MISC OTHER: ASSUME FOR THIS EXAMPLE: 0

TOTAL INVESTMENT: \$62,500 + \$7,500 + \$6,500 = \$76,500

E/MA



Cash on Cash Return = Annual Cash Flow (ROI) Total Investment

Cash on Cash Return = \$6041.52 (ROI) \$76,500

Cash on Cash Return = 7.89% (ROI)

V. Determine Value of Commercial Property

Value can be determined by comparative analysis or income approach.

R = Rent or Revenue from property often called NOI – net operating income

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base rent x rentable s.f. x .9
(Vacancy Factor and Capital Reserve)
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 I = Interest rate or capitalization rate – rate of return for investors. CAP rates vary by the quality of the tenant, the type of business, it's location and its credit worthiness.

V. Determine Value of Commercial Property

Example:

- 10,000 s.f. building
- 2 tenants:
 - a) 18 NNN in 6,000 s.f.
 - b) 19 NNN in 4,000 s.f.

■ cap rate = 7.75%, 6.0%, 9.0%

V= <u>\$108,000 + \$76,000 x .9</u> = <u>184,000 x .9</u> = \$2,136,774 (.0775) (.0775)

V= <u>\$108,000 + \$76,000 x .9</u> = <u>184,000 x .9</u> = \$2,773,500 (.06) (.06)

V= <u>\$108,000 + \$76,000 x .9</u> = <u>184,000 x .9</u> = \$1,840,000 (.9) (.9)



V. Determine Value of Commercial Property

Summary:

Cap Rate 9% = \$1,840,000

Cap Rate 7.75% = \$2,136,774

Cap Rate 6% = \$2,773,500

Income Approach

This formula and its variations are important in dealing with income property:

Income ÷ Rate = Value

Income ÷ Value = Rate

Value x Rate = Income

These formulas may be illustrated graphically as



Net Operating Income ÷ Capitalization Rate = Value Example: \$18,000 income ÷ 9% cap rate = \$200,000 value or \$18,000 income ÷ 8% cap rate = \$225,000 value

Note the relationship between the rate and value. As the rate goes down, the value increases.

RE/MA)

Gross Rent or Gross Income Multipliers

RE/MAX

Certain properties, such as single-family homes and two-unit buildings, are not purchased primarily for income. As a substitute for a more elaborate income capitalization analysis, the gross rent multiplier (GRM) and gross income multiplier (GIM) are often used in the appraisal process. Each relates the sales price of a property to its rental income.

Because single-family residences usually produce only rental incomes, the gross rent multiplier is used. This relates a sales price to monthly rental income. However, commercial and industrial properties generate income from many other sources (rent, concessions, escalator clause income, and so forth), and they are valued using their annual income from all sources. The formulas are as follows:

- For five or more residential units, and commercial or industrial property: Sales price ÷ Gross Income = Gross Income Multiplier (GRM) or
- 2. For one to four residential units:

Sales price ÷ Gross Rent = Gross Rent Multiplier (GIM)

For example, if a home recently sold for \$155,000 and its monthly rental income was \$1,250, the GRM for the property would be computed

\$155,000 ÷ \$1,250 = 124 GRM

To establish an accurate GRM, an appraiser must have recent sales and rental data at least four properties that are similar to the subject property. The resulting GRM can then be applied to the estimated fair market rental of the subject property to arrive at its market value. The formula would be

Rental Income x GRM = Estimated Market Value

E/MA

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Comparable No.	Sales Price	Monthly Rent	GRM
1	\$280,000	\$1,800	155.55
2	243,000	1,350	180
3	287,000	2,000	143.50
4	262,000	1,675	156.72
Subject	?	1,750	?

Note: Based on an analysis of these comparisons, a GRM of 156.72 seems reasonable for homes in this area. In the opinion of an appraiser, then, the estimated value of the subject property would be \$1,750 x 156.72, or \$274,260.

Verify the following:

Leases

Income

Security Deposit

Lease Term

Taxes

Insurance

Repairs Required



171 Myrtle Street, Shelton, CT 06484 Status: Active List Price: \$249,900 Last Update: 11/06/2018 Orig. List Price: \$249,900 County: Fairfield MLS#: 170094264 Tax Parcel#: 288525 Days On Market: 190 **Two Family For Sale** Shelton Map data @2018 Google Walkscore is: - - 55 Somewhat Walkable - Some amenities within walking distance. Multi Family Property Information Total # of Units: 2 Style: Total Rooms: 12 Bedrooms: 6 Bathrooms: 2 Full Square Footage: Estimated heated: above grade 2,244; total 2,244 Fireplaces: Public records lists total living area as 2,244 Sq.Ft. and gross basement area as Home Warranty Offered: 1,122 Sq.Ft. New Construction: No Year Built: 1920 (Public Records) Dir. Waterfront: No Acres: 0.13 (Public Records) Zoning: R-3 Property Tax: \$3,329 Mil Rate: 22.21 Assessed Value: \$149,870 Tax Year: July 2017-June 2018 Unit Descriptions & Features Unit Rooms Beds Full Baths Part Baths Rent/Month Leased Lease Expires Occupant Appliances Included 1 6 3 1 0 \$1,100 Monthly Tenant 2 6 3 1 0 \$1,100 Monthly Tenant Features -Laundry Facilities: Exterior Siding: Vinyl Siding Construction Info.: Frame Foundation: Stone Roof: Asphalt Shingle Has Attic with, Crawl Space Attic: Basement Desc.: Full Garage & Parking: 2 Car, Detached Garage, On Street Parking, Off Street Parking Lot Description: Treed Waterfront Feat.: Not Applicable Oil Tank Location: Non Applicable Utility Information Hot Water System Domestic Est. Annual Heating Cost: Heat Type: Hot Air, Fueled By: Natural Gas Fuel Tank Location: Non Applicable Cooling: None Water & Sewer Service: Public Water Connected, Sewage System: Public Sewer Connected Financial Information NET INCOME: Gross Income: Gross Operating Expense: School Information Elem: Per Board of Ed Interm: Middle: High: Per Board of Ed - Public Remarks -Well maintained 3 bedroom side by side duplex (2 family). hardwood floors up and down, ceramic tile, washer dryer hookups in basement for tenants, great investment, both units rented, great location, 2 car detached garage, well cared for by owner-Property is being sold "AS IS" Marketing History Current List Price: \$249,900 Last Updated: 11/06/18 DOM: 190 Previous List Price: \$249,900 Entered in MLS: 06/11/18 CDOM: 190 Original List Price: \$249,900 Listing Date: Expiration Date: 06/11/18 Showing & Contact Information Showing Inst: need 24 hour notice Lockbox: Combo/call I/o Date Available: negotiable Bank Owned: No Victor Bartone Owners Phone: Occupied By: Owner: howe to coram to myrtle Directions: Listing & Compensation Information

— Internet Listing Distribution Authorizations —

Service Type: Full Service

Sign: Yes

Listing Contract Type: Exclusive Right to Sell/Lease

Buyer's Agent Comp.: 2.50 % of sale price

RE/MAX

W (ii)

Rental Property Cash Flow Analysis

Address

Monthly Operating Income	Scenario A	Scenario B
Number of Units	2	3
Average Monthly Rent per Unit	1,100.00	
Total Rental Income	2,200.00	-
% Vacancy and Credit Losses	0.00%	
Total Vacancy Loss	-	-
Other Monthly Income (laundry, vending, parking, etc.)	-	
Gross Monthly Operating Income	2,200.00	-





Net Operating Income (NOI)		
Total Annual Operating Income		26,400.00
Total Annual Operating Expense		5,829.00
	Annual Net Operating Income	20,571.00



Capitalization Rate and Valuation		
Desired Capitalization Rate	8.00%	
Property Valuation (Offer Price)	249,900.00	
Actual Purchase Price	249,900.00	
Actual Capitalization Rate	8.23%	-

Loan Information		
Down Payment	6247500%	
Loan Amount	187,425.00	-
Acquisition Costs and Loan Fees	4%	
Length of Mortgage (years)	30	
Annual Interest Rate	5.000%	
Initial Investment	62,475.04	-
Monthly Mortgage Payment (PI)	1,006.14	#NUM!
Annual Interest	9,308.45	#NUM!
Annual Principal	2,765.20	#NUM!
Total Annual Debt Service	12,073.66	#NUM!

	Cash Flow and ROI
pefore taxes) 708.11 #NUN	Total Monthly Cash Flow (before taxes)
before taxes) 8,497.34 #NUN	Total Annual Cash Flow (before taxes)
Return (ROI) 13.60%	Cash on Cash Return (ROI)

89 Main Street, Manchester, CT 06042 County: Hartford Neighborhood: Bowers MLS#: Two Fa

Status: Active List Price: \$229,900 Last Update: 12/15/2018 Orig. List Price: \$249,900

MLS#: 1701472 Two Family For Sa	ale					Tax Pare	cel#: 242747	<u>9</u> Da	ys On Market: 17			
							Wang Sy Maret St	B O W E	RS	_	RE	
	1997	N. C. M.	0		0	icegla	Yumpoke VI Map	data ©2018	Google			
	S20				Re	cent: 12/	15/2018 : PC	CR : \$249	900->\$229,900			
10 K 10	raikscore (s:	22	Som	ewnat wa	Ikable - Some	amenities	within walking	distance.				
Total # of Units: 2 Square Footage: New Construction: Dir, Waterfront: Property Tax:	Style: Estimated Public reco No No \$4,920	Units on o heated: al ords lists to	different Flo bove grade 2 otal living are Year Built Acres: Mil Rate:	ors ,512; tota a as 2,51 ; 1 0 3	Total 2 2,512 2 Sq.Ft. 889 (Public I .25 (Public R 5.81 Ass	Rooms: 16 Records) Records) essed Value	Bedrooms e: \$137,400	7 Bat Fireplace Home W Color: Zoning: Tax Year	hrooms: 3 Full is: arranty Offered: blue RC i: July 2018-June 201	19		
STATISTICS STATISTICS			Sector States	Unit D	Descriptions & Fo	natures —						
Unit Rooms Beds	Full Baths	Part Baths	Rent/Month	Leased	Lease Expires	Occupant	Appliances I	ncluded				
1 6 3	1	0	\$1,200	Leased	11/01/2019	Tenant	Oven/Rang	e, Microwi	ive, Refrigerator			
3 4 2	1	o	41,100	Leased	00, 50, 2015	renorm	None	c, meioni	ire, nemgerator			
Laundry Facilities: Exterior Features: Exterior Siding: Construction Info.: Attic: Basement Desc.: Garage & Parking: Lot Description: Waterfront Feat.:	All Units F Deck, Por Vinyl Sidir Frame Has Attic : Full With I Carport, D N/A Not Applic	lave Hook ch, Porch- ig with, Walk Hatchway, Priveway, I cable	-Ups Wrap Aroun Founda c-up Unfinished Parking Lot	d tion: Bric , Liveable Drivewa	ck, Concrete Space by Type: Cem	ent		Roof: As	ohalt Shingle			
Oil Tank Location:	Non Appli	cable										
Hot Water System Heat Type: Cooling: Water & Sewer Ser	Natu Gas Wind rvice: Publ	on Gas, Ho dow Unit lic Water C	ot Air, Hot V Connected, S	/ater , Fue Sewage Sy	Utility Information	ral Gas I Sewer Cor	Est. Annual He Fuel Tank Loci nnected	ating Cost: ition:	Non Applicable			
Gross Income: \$	28,320		Gross Open	ating Expe	nse: \$5,0	00	NE	INCOME:		1.54		
Elem: Per Board	of Ed	Interm:	Per Board	of Ed	ichool Information Middle:	00		High:	Per Board of Ed			
					Public Remarks			50 1000 1000				

This cash cow needs the finishing touches on the third floor to maximize rental income, 1000 square ft of living space has 12+ft ceilings, Separate electrical panel and all wire run throughout. Fully framed, plumbing roughed in and sheetrock already included. This could be an owners unit because it has already passed zoning with parking accommodations and now recorded in the town hall as a three family. Newer exterior and interior electrical service, 200 amp four gang electrical meters with separate owners panel, all common area, and exterior lights are automated and come at night. Both units fully occupied with long tenure tenants, they have both occupied the property for over three years. Each unit has a newer high efficiency forced gas hot air furnace, and newer water heaters. The concrete driveway is stunning and the exterior siding, deck, and windows are all newer. This property is a staple in the community and is unique because of the ability to go either commercial or residential and have your investment property that pays your mortgage and more. Broker owner.

 Confidential Agent Remarks Please send all offers to brendan.griffin@insperity.com with proof of funds, pre qualification letter and state contract. Disclosures attached.

 Marketing History Current List Price: \$229,900 Last Updated: 12/15/18

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Rental Property Cash Flow Analysis

Address

Monthly Operating Income	Scenario A	Scenario B
Number of Units	2	3
Average Monthly Rent per Unit	1,180.00	
Total Rental Income	2,360.00	-
% Vacancy and Credit Losses	0.00%	
Total Vacancy Loss	-	-
Other Monthly Income (laundry, vending, parking, etc.)	_	
Gross Monthly Operating Income	2,360.00	-

Monthly Operating Expenses			
Property Management Fees			
Repairs and Maintenance			
Real Estate Taxes		410.00	
Rental Property Insurance		208.33	
Homeowners/Property Association Fees			
Replacement Reserve			
Utilities			
- Water and Sewer			
- Gas and Electricity			
- Garbage			
- Cable, Phone, Internet			
Pest Control			
Accounting and Legal			
Advertising			
	Monthly Operating Expenses	618.33	



Net Operating Income (NOI)			
Total Annual Operating Income		28,320.00	
Total Annual Operating Expense		7,419.96	
	Annual Net Operating Income	20,900.04	



Capitalization Rate and Valuation			
Desired Capitalization Rate		8.00%	
	Property Valuation (Offer Price)	249,900.00	-
Actual Purchase Price		249,900.00	
	Actual Capitalization Rate	8.36%	-

Loan Information		
Down Payment	62475	
Loan Amount	187,425.00	-
Acquisition Costs and Loan Fees	4%	
Length of Mortgage (years)	30	
Annual Interest Rate	5.000%	
Initial Investment	62,475.04	-
Monthly Mortgage Payment (PI)	1,006.14	#NUM!
Annual Interest	9,308.45	#NUM!
Annual Principal	2,765.20	#NUM!
Total Annual Debt Service	12,073.66	#NUM!

Cash Flow and ROI			
Total Monthly Cash Flow (before taxes)	735.53	#NUM!	
Total Annual Cash Flow (before taxes)	8,826.38	#NUM!	
Cash on Cash Return (ROI)	14.13%		

983 Lindley Street, Bridgeport, CT 06606 County: Fairfield Neighborhood: North End MLS#: 170147881 Two Family For Sale

 Status:
 Active
 List Price:
 \$259,500

 Last Update:
 12/13/2018
 Orig. List Price:
 \$259,500

 Tax Parcel#:
 30694
 Days On Market: 3



Leve Location in the start with public base starts and the starts with public base starts and the s							
Walti Family Property Information obtait # of Units: 2 Style: Units on different Floors Total Rooms: 8 Bedrooms: 4 Bathrooms: 2 Fulli Fulliplic Records Siguare Footage: Estimated heated: above grade 1,840; total 1,840 Fireplaces: State 2019 Color: CREAM Now Waterfront: \$5,868 Mill Rate: 1935 (Public Records) Color: CREAM Now Waterfront: \$5,868 Mill Rate: 54.37 Abiteseed Value: \$107,930 Tax Year: July 2018-June 2019 Unit Baoms Beds Full Baths Part Baths Reit/Month Leased Lease Express Occupant Appliances Included Image Refrigerator, Dishwasher 1 4 2 1 0 \$950 Monthly Tenant Oven/Range, Refrigerator, Dishwasher aundry Facilities: All Units Have Hook-Ups, Common Laundry Area Roof: Asphalt Shingle Mill Family Proventy Area sterior Siding: Years, Storm Windows Foundation: Store Roof: Asphalt Shingle assement Desc:: Full, Unfinished, Interior Access, Storage Full, Unfinished, Interior Access, Storage		Alkscore Is:		Re Walkable - Most erran	Eccepto Marco	dots (22018 Go	ngte
Votential Short Sale: No Val # of Units: 2 Style: Units on different Floors Total Rooms: 8 Bedrooms: 4 Bathrooms: 2 Full Valuere Footage: Public records lists total hving area as 1,840 Sq.Ft. and gross basement area as Home Warranty Offered: No Vew Construction No Year Bullit: 1935 (Public Records) Color: CREAM Value Workstein No Acres: 0.11 (Public Records) Color: CREAM Value Workstein No Acres: 0.11 (Public Records) Color: CREAM Value Mostron No Acres: 0.11 (Public Records) Color: CREAM Value Mostron Bathrooms: 2 Full Bathrooms: 2 Full Value: 24.37 Assessed Value: 2107,930 Tax Vear: July 2018-June 2019 Unit Records Mill Rate: 54.37 Assessed Value: 54.37	0.22		very	 Multi Family Property Inf 	formation	11000.	
total # of Units: 2 Style: Units on different Floors Total Rooms: 8 Bedrooms: 4 Bathroons: 2 Full iguare Footage: Estimated heated: 1,840 Finances: Home Warranty Offered: No Public records lists total living area as 1,840 Sq.Ft. and gross basement area as Golor: Caler: Caler: iew Construction: No Year Built: 1935 (Public Records) Color:: Caler: July 2018-June 2019 iiw Waterfromt Acres: 0.11 (Public Records) Tax Year: July 2018-June 2019 iiw Waterfromt St.3.37 Assessed Value: \$107,930 Tax Year: July 2018-June 2019 iiw Waterfromt St.3.37 Assessed Value: \$107,930 Tax Year: July 2018-June 2019 iiw Waterfromt Features	Potential Short Sal	e:No					
Unit Booms Beds Full Baths Part Baths Reit/Mont Lescriptions & Features Unit Booms Beds Full Baths Part Baths Reit/Mont Lescriptions & Features 1 4 2 1 0 1 4 2 1 0 \$900 Monthly Tenant Oven/Range, Refrigerator, Dishwasher	New Construction: Property Tax:	Style: Uni Estimated hea Public records 400 Sq.Ft. No \$5,868	its on different Fio ited: above grade 1, lists total living area Year Built: Acres: Mil Rate:	60's [otal 1,840 840; total 1,840 a as 1,840 Sq.Ft. and 1935 (Public 0.11 (Public 54.37 Ass	Rooms: 8 Bedrooms: gross basement area as Records) Records) sessed Value: \$107,930	4 Bathro Fireplaces: Home Warr Color: Zoning: Tax Year:	ooms: 2 Full anty Offered: No CREAM RES July 2018-June 2019
1 4 2 1 0 \$9500 Monthly Tenant: Oven/Range, Refrigerator, Dishwasher 2 4 2 1 0 \$950 Monthly Tenant: Oven/Range, Refrigerator, Dishwasher 2 4 2 1 0 \$950 Monthly Tenant: Oven/Range, Refrigerator, Dishwasher 2 4 2 1 0 \$950 Monthly Tenant: Oven/Range, Refrigerator, Dishwasher 2 4 2 1 0 \$950 Monthly Tenant: Oven/Range, Refrigerator, Dishwasher 2 4 2 1 0 \$950 Monthly Tenant: Oven/Range, Refrigerator, Dishwasher aundry Facilities: All Units Have Hook-Ups, Common Laundry Area Tenant: Oven/Range, Refrigerator, Dishwasher aundry Facilities: Vinyl Siding Foundows Roof: Asphalt Shingle Midding: Vinyl Siding Foundows Roof: Asphalt Shingle Serveries: Full, Unfinished, Interior Access, Storage Space Roof: Asphalt Shingle asement Desc.: Full, Unfinished Foundows Foundows Goff Course, Health Club, Library, Medical Facilit	Unit Rooms Beds	Full Baths Part	Baths Rent/Month	 Unit Descriptions & Fe Leased Lease Expires 	atures	cluded	
2 4 2 1 0 \$950 Monthly Tenant Oven/Range, Refrigerator, Dishwasher aundry Facilities: All Units Have Hook-Ups, Common Laundry Area beck, Gutters, Lighting, Patio, Porch, Porch-Enclosed, Sidewalk xterior Siding: Viruit Siding aundry Facilities: All Units Have Hook-Ups, Common Laundry Area beck, Gutters, Lighting, Patio, Porch, Porch-Enclosed, Sidewalk xterior Siding: Storm Dions, Storm Windows aerners: Description: Features: Roof: Asphalt Shingle Has Attlic with, Pull-Down Stairs, Floored, Storage Space asement Desc.: Full, Unfinished, Interior Access, Storage 2 Car, Detacled Garage, Pavel Driveway Type: Private, Paved, Asphalt d Description: Level Lot Beach Rights Beach Rights aerby Amenikes: Off Course, Health Club, Library, Medical Facilities, Park, Public Transportation, Shopping/Mall, Tennis Courts ill Tank Location: Non Applicable adon Mitigation; Air No, Water No	1 4 2	1	0 \$900 1	Monthly	Tenant Oven/Range	a, Refrigerat	tor, Dishwasher
Features Features aundry Facilities: All Units Have Hook-Ups, Common Laundry Area xterior Features: Deck, Gutters, Lighting, Patio, Porch-Porch-Enclosed, Sidewalk yterior Features: Storm Doors, Storm Windows nergy Features: Storm Doors, Storm Windows Resp Features: Famme Resp Features: Storm Doors, Storm Windows Resp Features: Famme Resp Features: Storm Doors, Storm Windows Resp Features: Famme Resp Features: Features: Beach Rights Car, Detached Garage, Paved Driveway Type: Private, Paved, Asphalt Level Lot Lasenh Rights Golf Course, Health Club, Library, Medical Facilities, Park, Public Transportation, Shopping/Mall, Tennis Courts Golf Course, Health Club, Library, Medical Facilities, Park, Public Transportation, Shopping/Mall, Tennis Courts Golf Course, Health Club, Library, Medical Facilities, Park, Public Transportation, Shopping/Mall, Tennis courts Golf Course, Health Club, Library, Medical Facilities, Park, Public Transportation, Shopping/Mal	2 4 2	1	0 <u>\$950</u> I	Monthly	Tenant Oven/Range	e, Refrigerat	tor, Dishwasher
adon Mitigation; Air No, Water No ot Mater System ot Water System adon Mitigation; Air No, Water No Ot Water System ot Water System adon Mitigation; Air No, Water No Ot Water System ot Water System adon Mitigation; Air No, Water No Water System ot Water System adon Mitigation: Air No, Mater No Water Connected, Sewage System: Public Sewer Connected Financial Information ross Income: Gross Operating Expense: School Information Middle: Public Remarks Net TINCOME: School Information Middle: Public Remarks Our NET STOR YOUR RETURNS FROM THIS REMOVATED NORTH END 2 FAMILY OFFERING NEWER ITCHENS, BATHS, APPLIANCES, HEATING, HOT WATER HEATERS, ELECTRICAL, SIDING, ROOF AND REFINISHED HARDWOOD LOORS. FULL BASEMENT INCLUDES LAUNDRY HOOK-UPS, STORAGE, SEPARATE UTILITIES PLUS PRIVATE REAR YAAD AND 2 AR GARAGE. IDEAL LOCATION CLOSE TO SCHOOLS, SHOPPING, PARK, ST. VINCENT'S MEDICAL CENTER WITH EASY ACCESS OI -955, RT 15 (MERRITT PARKWAY) AND RT 25/8 CONNECTOR. IDEAL FOR OWNER OCCUPANCY AND/OR INVESTMENT. MAKE OUR OFFER AND RING I	Exterior Siding: Energy Features: Construction Info.: Attic: Basement Desc.: Garage & Parking: Lot Description: Waterfront Feat.: Nearby Amenities:	Vinyl Siding Storm Doors, Frame Has Attic with Full, Unfinish 2 Car, Detach Level Lot Beach Rights Golf Course, F Courts	Storm Windows Foundat A, Pull-Down Stairs ed, Interior Access ed Garage, Paved Health Club, Librar	ion: Stone 5, Floored, Storage S 5, Storage Driveway Type: Prin 9, Medical Facilities,	ipace vate, Paved, Asphalt Park, Public Transport	Roof: Asphi ation, Shop	alt Shingle ping/Mall, Tennis
ot Water System eat Type: 40 Gallon Tank, Natural Gas Hot Air, Fueled By: Natural Gas Hot Air, Fueled By: Natural Gas Ceiling Fans Public Water Connected, Sewage System: Public Sewer Connected Est. Annual Heating Cost: Fuel Tank Location: Non Applicable Radon Mitigation: Air No, Water No //ater & Sewer Service: Public Water Connected, Sewage System: Public Sewer Connected Financial Information Mitigation: Air No, Water No //ater & Sewer Service: Gross Operating Expense: NET INCOME: //ater & Mitigation: School Information Middle: High: Central //will Chemarks Public Remarks High: Central //will Chemarks Public Remarks Public Remarks // Ater System: NET INCOME: School Information // Ater Start Collecting Your RETURNS FROM THIS REMOVATED NORTH END 2 FAMILY OFFERING NEWER High: Central // Ater Start Start Includes Laundry HOOK-UPS, STORAGE, SEPARATE UTILITIES PLUS PRIVATE REAR YARD AND 2 AR GARAGE. IDEAL LOCATION CLOSE TO SCHOOLS, SHOPPING, PARK, ST. VINCENT'S MEDICAL CENTER WITH EASY ACCESS O I-95, RT 15 (MERRITT PARKWAY) AND RT 25/8 CONNECTOR. IDEAL FOR OWNER OCCUPANCY AND/OR INVESTMENT. MAKE OUR OFFER AND RING IN THE NEW YEAR!	Radon Mitigation; A	ir No, Water No					
Financial Information NET INCOME: ross Income: Gross Operating Expense: NET INCOME: lem: Read Interm: Middle: High: Central Public Remarks Public Remarks High: Central URN KEY AND START COLLECTING YOUR RETURNS FROM THIS RENOVATED NORTH END 2 FAMILY OFFERING NEWER Interm: Public Remarks URN KEY AND START COLLECTING YOUR RETURNS FROM THIS RENOVATED NORTH END 2 FAMILY OFFERING NEWER Interm: Public Remarks ITCHENS, BATHS, APPLIANCES, HEATING, HOT WATER HEATERS, ELECTRICAL, SIDING, ROOF AND REFINISHED HARDWOOD LOORS. FULL BASEMENT INCLUDES LAUNDRY HOOK-UPS, STORAGE, SEPARATE UTILITIES PLUS PRIVATE REAR YARD AND 2 AR GARAGE. IDEAL LOCATION CLOSE TO SCHOOLS, SHOPPING, PARK, ST. VINCENT'S MEDICAL CENTER WITH EASY ACCESS O I-95, RT 15 (MERRITT PARKWAY) AND RT 25/8 CONNECTOR. IDEAL FOR OWNER OCCUPANCY AND/OR INVESTMENT. MAKE OUR OFFER AND RING IN THE NEW YEAR! Marketing History	Hot Water System Heat Type: Cooling: Water & Sewer Serv	40 Gallo Hot Air, Ceiling F vice: Public W	n Tank, Natural Ga Fueled By: Natural Fans Jater Connected, S	Utility Informations Gas ewage System: Public	n Est. Annual Hea Fuel Tank Locat Radon Mitigatio c Sewer Connected	ating Cost: ion: r n: Air No, W	Non Applicable ater No
Interm: School Information Middle: High: Central Public Remarks URN KEY AND START COLLECTING YOUR RETURNS FROM THIS RENOVATED NORTH END 2 FAMILY OFFERING NEWER ITCHENS, BATHS, APPLIANCES, HEATING, HOT WATER HEATERS, ELECTRICAL, SIDING, ROOF AND REFINISHED HARDWOOD LOORS. FULL BASEMENT INCLUDES LAUNDRY HOOK-UPS, STORAGE, SEPARATE UTILITIES PLUS PRIVATE REAR YARD AND 2 AR GARAGE. IDEAL LOCATION CLOSE TO SCHOOLS, SHOPPING, PARK, ST. VINCENT'S MEDICAL CENTER WITH EASY ACCESS 0 I-95, RT 15 (MERRITT PARKWAY) AND RT 25/8 CONNECTOR. IDEAL FOR OWNER OCCUPANCY AND/OR INVESTMENT. MAKE OUR OFFER AND RING IN THE NEW YEAR!	Gross Income:		Gross Operat	Financial Informati	ion	INCOME:	
URN KEY AND START COLLECTING YOUR RETURNS FROM THIS RENOVATED NORTH END 2 FAMILY OFFERING NEWER ITCHENS, BATHS, APPLIANCES, HEATING, HOT WATER HEATERS, ELECTRICAL, SIDING, ROOF AND REFINISHED HARDWOOD LOORS. FULL BASEMENT INCLUDES LAUNDRY HOOK-UPS, STORAGE, SEPARATE UTILITIES PLUS PRIVATE REAR YARD AND 2 AR GARAGE. IDEAL LOCATION CLOSE TO SCHOOLS, SHOPPING, PARK, ST. VINCENT'S MEDICAL CENTER WITH EASY ACCESS 0 I-95, RT 15 (MERRITT PARKWAY) AND RT 25/8 CONNECTOR. IDEAL FOR OWNER OCCUPANCY AND/OR INVESTMENT. MAKE OUR OFFER AND RING IN THE NEW YEAR! Marketing History	Elem: Read	I	nterm:	School Informatio Middle:	n	High: Ce	ntral
	TURN KEY AND ST KITCHENS, BATHS FLOORS. FULL BA CAR GARAGE. IDE TO I-95, RT 15 (M YOUR OFFER AND	FART COLLECTI S, APPLIANCES SEMENT INCLU AL LOCATION IERRITT PARKIN RING IN THE	ING YOUR RETURN 5, HEATING, HOT W JDES LAUNDRY HO CLOSE TO SCHOOI WAY) AND RT 25/8 NEW YEAR!	IS FROM THIS RENO JATER HEATERS, ELI OK-UPS, STORAGE, .S, SHOPPING, PARI 3 CONNECTOR. IDEA Marketing History	VATED NORTH END 2 F. ECTRICAL, SIDING, ROC SEPARATE UTILITIES P (, ST. VINCENT'S MEDI L FOR OWNER OCCUPA	AMILY OFFE DF AND REF LUS PRIVA CAL CENTER NCY AND/O	RING NEWER INISHED HARDWOOD IE REAR YARD AND 2 WITH EASY ACCESS R INVESTMENT. MAKE

Rental Property Cash Flow Analysis

Address

Monthly Operating Income	Scenario A	Scenario B
Number of Units	2	3
Average Monthly Rent per Unit	925.00	
Total Rental Income	1,850.00	-
% Vacancy and Credit Losses	0.00%	
Total Vacancy Loss	-	-
Other Monthly Income (laundry, vending, parking, etc.)	-	
Gross Monthly Operating Income	1,850.00	-

Monthly Operating Expenses			
Property Management Fees			
Repairs and Maintenance			
Real Estate Taxes		489.00	
Rental Property Insurance		208.33	
Homeowners/Property Association Fe	es		
Replacement Reserve			
Utilities			
- Water and Sewer			
- Gas and Electricity			
- Garbage			
- Cable, Phone, Internet			
Pest Control			
Accounting and Legal			
Advertising			
	Monthly Operating Expenses	697.33	



26

Net Operating Income (NOI)			
Total Annual Operating Income		22,200.00	
Total Annual Operating Expense		8,367.96	
	Annual Net Operating Income	13,832.04	



Capitalization Rate and Valuation			
Desired Capitalization Rate		8.00%	
	Property Valuation (Offer Price)	249,900.00	-
Actual Purchase Price		249,900.00	
	Actual Capitalization Rate	5.54%	-

Loan Information		
Down Payment	62475	
Loan Amount	187,425.00	-
Acquisition Costs and Loan Fees	4%	
Length of Mortgage (years)	30	
Annual Interest Rate	5.000%	
Initial Investment	62,475.04	-
Monthly Mortgage Payment (PI)	1,006.14	#NUM!
Annual Interest	9,308.45	#NUM!
Annual Principal	2,765.20	#NUM!
Total Annual Debt Service	12,073.66	#NUM!

	Cash Flow and ROI
146.53 #NUM!	Total Monthly Cash Flow (before taxes)
1,758.38 #NUM!	Total Annual Cash Flow (before taxes)
2.81%	Cash on Cash Return (ROI)

Address	Sales Price	Monthly Rent	Taxes	Cash on Cash
171 Myrtle St, Shelton	\$249,900	\$2,200	\$3,329	13.60%
89 Main St, Manchester	\$249,900	\$2,360	\$4,920	14.13%
983 Lindley St, Bridgeport	\$249,900	\$1,850	\$5,868	2.81%

RE/MAX

.

16 Preston Street, Hartford, CT 06114 County: Hartford MLS#: 170137445 **Three Family For Sale**

Active List Price: Status: Last Update: 12/14/2018 Orig. List Price: \$259,900 Tax Parcel#: 597024

RRY SQUARE

SOUTH END

Days On Market: 55 RE/MAX W ®

\$247,000

						Re	cent: 12/1	4/2018 : PDC	R : \$259,9	00->\$247,000
		W.W	alkscore is: -	- 81	Very Walk	cable - Most errand	is can be ac	complished on	foot.	Contract (Contract)
_		-				iti Family Property Inf	ormation	Costor an inclusion		
Fotal Squa	# of Ur re Foota	its: 3 ige:	Style: 3 Estimated he Public record	updown - Uni eated: above g Is lists total liv	t(s) per Flo rade 5,180 ing area as	or Total total 5,180 5,180 Sq.Ft. and g	Rooms: 18	Bedrooms: 1 ent area as	Fireplaces Home Wa	rrooms: 3 Full s: 2 rranty Offered:
lew i	Constru	ction:	1,642 Sq.Ft	Yes	er Built-	1900 (Public F	Records)		Color	Yellow
Jir. V	Naterfro	nt:	No	Acr	es:	0.22 (Public R	ecords)		Zoning:	N2-3
rope	erty Tax		\$5,475	Mil	Rate:	74.29 Ass	essed Value	\$73,694	Tax Year:	July 2018-June 2019
_					-	Unit Descriptions & Fa	atures			
Unit	Rooms	Beds	Full Baths Pa	rt Baths Rent	Month Leas	sed Lease Expires	Occupant	Appliances Inc	luded	
1	7	4	1	\$1	,100 Mon	thly	Tenant	Oven/Range		
2	6	3	1	\$1	,000 Mon	thly	Tenant	Oven/Range		
3	5	3	1	\$5	950 Mon	thly	Tenant	Oven/Range		
laser Jarag ot D Vate Vate	ment De ge & Par escription rfront F by Amen	sc.: king: on: eat.: ities:	Full Driveway, O Level Lot Not Applicat Public Trans	ff Street Park ble portation, Wa	ing Driver	way Type: Asphalt				
Exclu Dil Ta	sions: ank Loca	tion:	All appliance Non Applica	es in each uni ble	t belong to	tenants with exc	eption of 1	stove per uni	t that bek	ongs to property.
ixclu Dil Ta	sions: ank Loca Vater Sy	tion:	All appliance Non Applica Natura	es in each uni ble Il Gas	t belong to	tenants with exc	eption of 1	stove per uni st. Annual Hea	t that belo	ongs to property.
fot V	sions: ank Loca Vater Sy Type:	stem	All appliance Non Applical Natura Radiat	es in each uni ble Il Gas or, Fueled By:	Natural Ga	tenants with exc — Utility Informatic s	eption of 1 E	stove per uni st. Annual Hea uel Tank Locat	ting Cost:	Non Applicable
ixclu Dil Ta fot V feat Coolir Vate	sions: ank Loca Vater Sy Type: ng: r & Sew	stem	All appliance Non Applical Natura Radiat Centra	es in each uni ble I Gas or, Fueled By: I Air, None Water Conne	Natural Ga	tenants with exc Utility Informatic s pe System: Public	eption of 1 E F Sewer Con	stove per uni st. Annual Hea uel Tank Locat	t that bek	ongs to property. Non Applicable
ixclu Dil Ta fot V feat Coolir Vate	sions: ank Loca Vater Sy Type: ng: r & Sew	stem er Ser	All appliance Non Applical Natura Radiat Centra vice: Public	es in each uni ble of Gas or, Fueled By: Vater Conne Water Conne	Natural Ga	LUBLY Informatic LUBLY Informatic S S S S Financial Informat	eption of 1 E F Sewer Con	stove per uni st. Annual Hea uel Tank Locat inected	t that bek	ongs to property. Non Applicable
fot V feat loolir Vate	sions: ank Loca Vater Sy Type: ng: r & Sew s Income	stem er Ser	All appliance Non Applical Natura Radiat Centra vice: Public	es in each uni ble or, Fueled By: U Air, None Water Conne Gros	Natural Ga cted, Sewag s Operating	tenants with exc Utility Informatic s ge System: Public — Financial Informat Expense:	eption of 1 E F Sewer Con	stove per uni st. Annual Hea uel Tank Locat inected NET	t that belo ting Cost: ion: INCOME:	Non Applicable
fot V feat Coolir Vate	sions: ank Loca Vater Sy Type: ng: r & Sew & Income	stem er Ser	All appliance Non Applical Natura Radiat Centra vice: Public	es in each uni ble d Gas or, Fueled By: I Air, None Water Conne Gros	Natural Ga cted, Sewag s Operating	tenants with exc Utility Informatic s ge System: Public — Financial Informati Expense: — School Informatic	eption of 1 E F Sewer Con	stove per uni st. Annual Hea uel Tank Locat unected NET	t that bek	ongs to property. Non Applicable

Stylish 3 family property with space galore! Each unit has over 1,700 square feet of living space offering various craftsman touches such as built in hutches, double porches, beamed ceiling, dormers, 2 fireplaces, butlers pantry, custom woodwork and hardwood floors. Separate, updated gas heat, hot water and electrical. Property in need of some work, but the return will be huge. 1st fl offers 4 bedrooms, central air, 2nd and 3rd floor with true 3 bedroom layout. Sold As-Is, cash or conventional financing only.

- Confidential Agent Remarks -

MUST CONFIRM FOR AVAILABLE SHOWING TIMES IN ADVANCE WHICH ARE WEDS 10AM-1PM, FRI 330PM-6PM AND SAT 10AM-1PM NO EXCEPTIONS!

	Plankaung Plotory		
,000 Last Updated:	12/14/18	DOM:	55
,900 Entered in MLS	: 10/24/18	CDOM:	55
,900 Listing Date:	10/24/18	Expiration Date:	
	,000 Last Updated: ,900 Entered in MLS ,900 Listing Date:	,000 Last Updated: 12/14/18 ,900 Entered in MLS: 10/24/18 ,900 Listing Date: 10/24/18	,000 Last Updated: 12/14/18 DOM: ,900 Entered in MLS: 10/24/18 CDOM: ,900 Listing Date: 10/24/18 Expiration Date:

Rental Property Cash Flow Analysis

Address

Monthly Operating Income	Scenario A	Scenario B
Number of Units	3	
Average Monthly Rent per Unit	1,016.67	
Total Rental Income	3,050.01	-
% Vacancy and Credit Losses	0.00%	
Total Vacancy Loss	-	-
Other Monthly Income (laundry, vending, parking, etc.)	-	
Gross Monthly Operating Income	3,050.01	-

Monthly Operating Expenses			
Property Management Fees			
Repairs and Maintenance			
Real Estate Taxes		456.25	
Rental Property Insurance		291.67	
Homeowners/Property Association Fe	es		
Replacement Reserve			
Utilities			
- Water and Sewer			
- Gas and Electricity			
- Garbage			
- Cable, Phone, Internet			
Pest Control			
Accounting and Legal			
Advertising			
	Monthly Operating Expenses	747.92	-



Net Operating Income (NOI)		
Total Annual Operating Income		36,600.12
Total Annual Operating Expense		8,975.04
	Annual Net Operating Income	27,625.08



Capitalization Rate and Valuation			
Desired Capitalization Rate		8.00%	
	Property Valuation (Offer Price)	247,000.00	
Actual Purchase Price		247,000.00	
	Actual Capitalization Rate	11.18%	

Loan Information		
Down Payment	61750	
Loan Amount	185,250.00	-
Acquisition Costs and Loan Fees	4%	
Length of Mortgage (years)	30	
Annual Interest Rate	5.000%	
Initial Investment	61,750.04	-
Monthly Mortgage Payment (PI)	994.46	#NUM!
Annual Interest	9,200.43	#NUM!
Annual Principal	2,733.11	#NUM!
Total Annual Debt Service	11,933.54	#NUM!

Cash Flow and ROI		
Total Monthly Cash Flow (before taxes)	1,307.63	#NUM!
Total Annual Cash Flow (before taxes)	15,691.54	#NUM!
Cash on Cash Return (ROI)	25.41%	

414 Prospect Avenue, Hartford, CT 06105 Status: Active List Price: \$256,900 County: Hartford Neighborhood: West End Last Update: 12/01/2018 Orig. List Price: \$256,900 MLS#: 170147009 Tax Parcel#: 598270 Days On Market: 17 **Three Family For Sale** RE/MAX **W** (6) PARKVILLE Comple Map data @2018 Goook Walkscore is: - - 85 Very Walkable - Most errands can be accomplished on foot. - Multi Family Property Information -Total # of Units: 3 Style: Total Rooms: 15 Bedrooms: 5 Bathrooms: 3 Full Estimated heated: above grade 2,888; total 2,888 Fireplaces: Square Footage: Public records lists total living area as 2,888 Sq.Ft. and gross basement area as Home Warranty Offered: 1,205 Sq.Ft. New Construction: No Year Built: 1910 (Public Records) Dir. Waterfront: No Acres: 0.15 (Public Records) Zoning: NX-2 74.29 Assessed Value: \$78,632 Tax Year: July 2018-June 2019 Property Tax: \$5,842 Mil Rate: - Unit Descriptions & Features -Rent/Month Leased Lease Expires Occupant Appliances Included Unit Rooms Beds Full Baths Part Baths 5 2 Leased 06/30/2019 Tenant Oven/Range, Refrigerator 1 1 0 \$1,000 2 5 2 Leased 05/31/2019 Tenant Oven/Range, Refrigerator 1 0 \$1,100 3 5 1 1 0 \$1,025 Leased 05/31/2019 Tenant Oven/Range, Refrigerator - Features -Laundry Facilities: Exterior Features: Porch-Enclosed Exterior Siding: Clapboard, Wood Construction Info .: Frame Foundation: Concrete, Stone Roof: Asphalt Shingle Attic: No Attic Basement Desc .: Full Garage & Parking: Paved, Off Street Parking Driveway Type: Paved Lot Description: N/A Waterfront Feat .: Not Applicable Oil Tank Location: In Basement - Utility Information -Hot Water System Natural Gas Est, Annual Heating Cost: Heat Type: Baseboard, Radiator, Fueled By: Electric, Oil Fuel Tank Location: In Basement Cooling: None Water & Sewer Service: Public Water Connected, Sewage System: Public Sewer Connected - Financial Information -Gross Income: \$37,500 Gross Operating Expense: \$12,380 NET INCOME: \$25,120 School Information -Elem: Per Board of Ed Interm: Middle: Per Board of Ed High: Per Board of Ed - Public Remarks -Great Location Right On The West Hartford Line, Fully Leased, Good Income, Recently Renovated, Good Cap Rate, A Turn-Key Investor Opportunity. - Marketing History -12/01/18 Current List Price: \$256,900 Last Updated: DOM: 17 Previous List Price: \$256,900 Entered in MLS: 12/01/18 CDOM: 17 Original List Price: \$256,900 Listing Date: 12/01/18 Expiration Date: - Showing & Contact Information -Call Robert Arute 1-860-810-7673 Showing Inst: Lockbox: None/ Date Available: Negotiable Bank Owned: No Owner: Owners Phone: Occupied By: Tenant Directions: **GPS Friendly Prospect Street To 414 Prospect Street** 32 - Listing & Compensation Information -

Listing Contract Type: Exclusive Right to Sell/Lease Buyar's Agent Comp. 2 50 % of sale price

Sign:

No

Rental Property Cash Flow Analysis

Address

Monthly Operating Income	Scenario A	Scenario B
Number of Units	3	
Average Monthly Rent per Unit	1,041.67	
Total Rental Income	3,125.01	-
% Vacancy and Credit Losses	0.00%	
Total Vacancy Loss	-	-
Other Monthly Income (laundry, vending, parking, etc.)	_	
Gross Monthly Operating Income	3,125.01	-

Monthly Operating Expenses			
Property Management Fees			
Repairs and Maintenance			
Real Estate Taxes		486.83	
Rental Property Insurance		291.67	
Homeowners/Property Association F	ees		
Replacement Reserve			
Utilities			
- Water and Sewer			
- Gas and Electricity			
- Garbage			
- Cable, Phone, Internet			
Pest Control			
Accounting and Legal			
Advertising			
	Monthly Operating Expenses	778.50	



Net Operating Income (NOI)			
Total Annual Operating Income		37,500.12	
Total Annual Operating Expense		9,342.00	
	Annual Net Operating Income	28,158.12	



Capitalization Rate and Valuation		
Desired Capitalization Rate	8.00%	
Property Valuation (Offer Price)	247,000.00	
Actual Purchase Price	247,000.00	
Actual Capitalization Rate	11.40%	

Loan Information		
Down Payment	61750	
Loan Amount	185,250.00	-
Acquisition Costs and Loan Fees	4%	
Length of Mortgage (years)	30	
Annual Interest Rate	5.000%	
Initial Investment	61,750.04	-
Monthly Mortgage Payment (PI)	994.46	#NUM!
Annual Interest	9,200.43	#NUM!
Annual Principal	2,733.11	#NUM!
Total Annual Debt Service	11,933.54	#NUM!

Cash Flow and ROI		
Total Monthly Cash Flow (before taxes)	1,352.05	#NUM!
Total Annual Cash Flow (before taxes)	16,224.58	#NUM!
Cash on Cash Return (ROI)	26.27%	

818 Iranistan Avenue, Bridgeport, CT 06605 County: Fairfield MLS#: 170044097

Status: Active List Price: Last Update: 10/31/2018 Orig. List Price: \$289,900

\$249,900 Days On Market: 336



Buyer's Agent Comp.: 2.50 % of sale price

Rental Property Cash Flow Analysis

Address

Monthly Operating Income	Scenario A	Scenario B
Number of Units	3	
Average Monthly Rent per Unit	1,233.33	
Total Rental Income	3,699.99	-
% Vacancy and Credit Losses	0.00%	
Total Vacancy Loss	-	-
Other Monthly Income (laundry, vending, parking, etc.)	-	
Gross Monthly Operating Income	3,699.99	-

Monthly Operating Expenses			
Property Management Fees			
Repairs and Maintenance			
Real Estate Taxes		634.58	
Rental Property Insurance		291.67	
Homeowners/Property Association	n Fees		
Replacement Reserve			
Utilities			
- Water and Sewer			
- Gas and Electricity			
- Garbage			
- Cable, Phone, Internet			
Pest Control			
Accounting and Legal			
Advertising			
	Monthly Operating Expenses	926.25	



Net Operating Income (NOI)			
Total Annual Operating In	come	44,399.88	
Total Annual Operating Ex	kpense	11,115.00	
	Annual Net Operating Income	33,284.88	



Capitalization Rate and Valuation		
Desired Capitalization Rate	8.00%	
Property Valuation (Offer Price)	247,000.00	-
Actual Purchase Price	247,000.00	
Actual Capitalization Rate	13.48%	-

Loan Information		
Down Payment	61750	
Loan Amount	185,250.00	-
Acquisition Costs and Loan Fees	4%	
Length of Mortgage (years)	30	
Annual Interest Rate	5.000%	
Initial Investment	61,750.04	-
Monthly Mortgage Payment (PI)	994.46	#NUM!
Annual Interest	9,200.43	#NUM!
Annual Principal	2,733.11	#NUM!
Total Annual Debt Service	11,933.54	#NUM!

Cash Flow and ROI			
	Total Monthly Cash Flow (before taxes)	1,779.28	#NUM!
	Total Annual Cash Flow (before taxes)	21,351.34	#NUM!
	Cash on Cash Return (ROI)	34.58%	

Address	Sales Price	Monthly Rent	Taxes	Cash on Cash
16 Preston St, Hartford	\$247,000	\$3,050	\$5,475	25.41%
414 Prospect Ave, Hartford	\$247,000	\$3,125	\$5,842	26.27%
818 Iranistan Ave, Bridgeport	\$247,000	\$3,700	\$7,615	34.58%

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The Difference Between the Median Sale Price and Average Sale Price

- The average sale price is calculated by adding all the sale prices for homes sold in a specific area within a specified time frame and dividing that total by the number of properties sold. For instance, if ten properties sold in a city in the last 30 days, the average home price would be calculated by adding the sale prices for all ten properties and dividing that figure by ten.
- The problem with the average sale price is that if one or more properties were sold at an extraordinarily high or low price, the average is skewed higher or lower as a result. In this case, the average becomes a somewhat unreliable metric.
- The median sale price, on the other hand, is the sale price in the middle of the data set when you arrange all the sale prices from low to high. The median sale price, then, represents the figure at which half of the properties in the area sell at a higher price and other half at a lower price.

The Difference Between the Median Sale Price and Average Sale Price

• The median sale price, on the other hand, is the sale price in the middle of the data set when you arrange all the sale prices from low to high. The median sale price, then, represents the figure at which half of the properties in the area sell at a higher price and other half at a lower price.

\$250,000 \$260,000 \$280,000 \$290,000 \$300,000 \$310,000 \$330,000 \$360,000 \$450,000 \$495,000 \$800,000

Median: \$310,000

Average: \$375,000



Now if there is no middle number, such as \$250,000 \$260,000 \$280,000 \$290,000 \$300,000 \$310,000

then average the two middle numbers, which would be an average of \$280,000 and \$290,000 which is \$285,000. Remember to order all the numbers from low to high before you start computing the median.

Prepaid Interest

RE/MAX

The simple, universal answer is interest that is paid in advance. You will most often hear this term used in association with a principal and interest payment for a mortgage, which is short for a PI Payment.

Unlike rent for an apartment, which is paid in advance, mortgage interest is paid in arrears. A payment in arrears results when you make a mortgage payment on April 1, for example, as it pays the interest for the month of March.

A borrower or new home buyer will pay interest up to the day that is 30 days away from their first mortgage payment.

It means if you close the transaction on, say, November 18, a borrower is closing on a \$114,300 loan at 6.75% interest on November 18. How much interim interest will be due at closing? The first full payment is due January 1.

30 days in November – 18(days until closing)=12 days + 1 (day of closing) = 13 days

\$114,300 X 6.75% = 7,715.25 Annual Interest

\$7,715.25 divided by 360 = \$21.43125 Interest per day

\$21.43125 X 13 days = \$278.61 (rounded) Interim Interest Due at Closing

What is Absorption Rate

The absorption rate is the rate at which available homes are sold in a specific real estate market during a given time period. It is calculated by dividing the average number of sales per month by the total number of available homes. The figure shows how many months it will take to exhaust the supply of homes on the market.

Example of Absorption Rate

Suppose a city has 1,000 homes currently on the market to be sold. If buyers purchased 100 homes per month, the supply of homes will be exhausted in 10 months (1,000 homes divided by 100 homes sold/month).

E/MA

RE/MAX

Absorption Rate for Pricing

We use the absorption rate in pricing homes. For example, in market conditions with low absorption rates, a real estate agent may be forced to reduce the listing price to entice a sale. Alternatively, if recognizing the market's high absorption rate, the agent can increase the price without potentially sacrificing demand for the home.

1. Inventory

The total number of homes for sale within a defined market segment.

2. Absorption Rate

The rate which homes will sell within that segment in a given period of time. It can be expressed in unit sales per month.

Example:



Your Market:

Sales Last 6 Months ÷ 6 Months = Sales Per Month

Absorption Rate

3. Months of Inventory

Determine the length of time required to sell all the existing homes by dividing inventory by absorption rate.

Example:



Your Market:



Absorption Rate

4. Pricing Strategy

Homes priced closer to market value within the defined market segment will sell first. Slower absorption rates require pricing closer to market.

	Se	Seller's Market								В	uyer's	Marke	et			
Months	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

How Do you Convert Square Feet to Square Yards?

9 square feet = 1 square yard

Square Feet ÷ 9 = Square Yards (90 square feet ÷ 9 = 10 square yards)

Square Yards X 9 = Square Feet (10 square yards x 9 = 90 square feet)

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If a family room is 20 x 20 = 40 square feet

$400 \div 9 = 44.44$ yards plus a little extra for waste

How Do you Convert Square Feet to Acreage?

43,560 square feet = 1 acre

Square feet ÷ 43,560 = Acres (87,120 ÷ 43,560 = 2 acres)

Acres x 43,560 = Square Feet (2 acres x 43,560 = 87,120 square feet)

What is the difference between Debit and Credit in a Proration Problem?

To calculate a proration problem, you need to know how expenses and income are posted on the closing statement. Debit takes money from a person. Credit gives money to a person.

The five questions to ask when prorating are as follows:

- 1. What calendar do we use?
- 2. Is the expense paid in arrears or in advance?
- 3. Who has or will pay the expense?
- 4. Who has earned or received income?
- 5. When will the expense be paid?

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What is the difference between Debit and Credit in a Proration Problem?

	Buyer	Seller
Sales Price	Debit	Credit
Tenants' Security Deposits	Credit	Debit
Fuel Oil (in tank)	Debit	Credit
Prorated Accrued Water Bill	Credit	Debit
Unearned Rents	Credit	Debit
Tax Reserve Account	Debit	Credit

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State Conveyance Tax

State Tax

The state tax is 0.75% of (1) the first \$800,000 of the sale price of a residential dwelling (i.e., single family home or condominiums); (2) the full sales price of residential property other than residential dwellings (e.g., apartment buildings) and unimproved land (including farm, forest, and open space land); and (3) the amount of unpaid mortgage and interest on a property conveyed to a financial institution by a delinquent mortgagor.

A 1.25% rate applies to (1) sales of nonresidential property other than unimproved land and (2) any portion of the sales price of a residential dwelling that exceeds \$800,000. Table 1 lists the state tax rates by property type.

Table 1: State Conveyance	Tax Rates	by	Property	Туре
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Property Type	Rate
Unimproved land	
Residential dwelling (portion \leq \$800,000)	0.75%
Other residential property	0.10%
Property conveyed by a delinquent mortgagor	
Nonresidential property (other than unimproved land)	1.25%
Residential dwelling (portion > \$800,000)	2.20%

Berlin - \$350,000 Sale x .0075 (.75%) = \$2,625

Easton -\$1,050,000 Sale

\$800,000 x .0075 (.75%) =	\$6,000
\$250,000 x 1.25 (1.25%) =	\$3,125

Total

S9.125

Municipal Tax

The municipal tax can range from 0.25% to 0.5%, depending on the municipality in which the property is located. The base rate is 0.25% for all municipalities, plus an additional tax of up to 0.25% in 19 eligible municipalities that choose to impose the increased rate. Table 2 lists these 19 municipalities, which comprise the 18 "targeted investment communities" and a municipality with a

manufacturing plant that qualifies for enterprise

Table 2: Local Option Conveyance Tax

Eligible Municipalities			
Bloomfield	New Haven		
Bridgeport	New London		
Bristol	Norwalk		
East Hartford	Norwich		
Groton	Southington		
Hamden	Stamford		
Hartford	Thomaston		
Meriden	Waterbury		
Middletown	Windham		
New Britain			

zone benefits (i.e., Bloomfield).

Trumbull - \$350,000 x .0025 (.25%) = \$875 East Hartford - \$350,000 x .0050 (.50%) = \$1750 = \$875 + \$1750 = \$2,625

									F
Depart	ment of Revenue Services		OP-236	5					
PO Bo Hartfo	x 5035 rd CT 06102-5035		Connectio (Rev. 04/17)	cut Real Es	tate Convey	ance Tax Retur	n		
OP236	0417W 01 9999	121,15646	For Town	Town Code	Land Re	cord			
emplete Form OP-236 in t	lue or black ink only.		Clerk Use Only		Vol. ►	Pg.	•	- - -	
Town	2	. Location of prope	erty conveyed (r	number and stre	et)		Amend	ed return	
Are there more than tw	o grantors/sellers? ►	Yes If Yes, attach	OP-236 Schedul	e A - Grantors, S	upplemental Infom	ation for Real Estate Col	nveyance 1	Tax Return.	
Grantor/seller #1 (last	name, first name, middle i	initial)		Taxpayer lo	dentification Nu	nber		FFIN	
								SSN	
Grantor/seller address	(street and number) after	conveyance		City/town		State ZIP code)	0011	
lit Ma									
Grantor/seller #2 (last	name, first name, middle i	initial)		Taxpayer lo	dentification Nu	mber			
							►		
Grantor/seller address	(street and number) after	conveyance		City/town		State ZIP code		0011	
								1	
Is the grantor a partnershi If Yes, attach OP-236	p, S corporation, LLC, estate Schedule A - Grantors	, or trust?	Yes 7.	Was more that	in one deed file	d with this conveyand	ce? ►	Yes	
If this conveyance is fo adequate consideration	r no consideration or less ۱, which gift tax returns wi	than Ⅱ be filed?	Federal	only St	ate only	Both fed. & state	Nor	10	
Is there more than one If Yes, attach OP-236 Sche	grantee/buyer or, is the g dule B - Grantees, Supplement	rantee a partnerst ntal Information for R	nip, S corporatio leal Estate Conve	n, LLC, estate, o syance Tax Return	r trust? ►	Yes			
). Grantee/buyer (last nar	ne, first name, middle initi	ial)		Taxpayer lo	Ientification Nu	nber		FFIN	
ene Maria Energy								SSN	
Grantee/buyer address	(street and number) after	^r conveyance		City/town		State ZIP code			
N. ▶1 11									
. Date conveved (MM - DD	- YYYY) 12. Date re	corded (MM - DD - YY	YY) 13	3. Type of instru	iment:				
······································									

Conveyance is exempt under Conn. Gen. Stat. §12-498. Enter exemption code: If exemption code is 01 or 09, enter citation or docket number:



Computation of Tax - Enter consideration for conveyance on the appropriate line. See Instructions.

▶ 15.	Consideration for unimproved land	x 0.0075	=	0.00
▶ 16.	Total consideration for residential dwelling			
► 16a.	Portion of Line 16 that is \$800,000 or less	x 0.0075	=	0.00
► 16b.	Portion of Line 16 that exceeds \$800,000	0.00 x 0.0125		0.00
▶ 17.	Residential property other than residential dwelling	x 0.0075	=	0.00
▶ 18.	Nonresidential property other than unimproved land	x 0.0125		0.00
▶ 19.	Property conveyed by a delinquent mortgagor	x 0.0075	=	0.00
▶ 20.	Total State of Connecticut tax due: Add Lines 15, 16a through 19.			0.00

Declaration: I declare under penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return to the Department of Revenue Services (DRS) is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Indicate who is signing this return:	Grantor	Grantor's attorney	Grantor's authorized agent	
Name of person signing the return (type or print)	Si	Ignature	Date	
Name of grantor's representative (type or prin	nt)	Connecticut juris number if applicable	Telephone number	

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Basics

- 1. Town: Trumbull
- 2. Target Net Proceeds: \$300,000
- 3. List to Sales Price Ratio: 97%
- 4. Closing Costs: 7%
 - a. Brokers Fee: 6%
 - b. Municipal Conveyance Tax: .25%
 - c. State Conveyance Tax: .75%

How to Determine the List Price

- \$300,000 (net proceeds) divided by .93% (closing costs %: 1%-.07%) = \$322,580.645
- \$322,580.645 (closing costs dollar value) divided by .97% (list to sales price ratio) = \$332,557.366
- 3. List Price is \$332,557.366



Basics

- 1. Town: Meriden
- 2. Target Net Proceeds: \$300,000
- 3. List to Sales Price Ratio: 97%
- 4. Closing Costs: 7.25%
 - a. Brokers Fee: 6%
 - b. Municipal Conveyance Tax: .50%
 - c. State Conveyance Tax: .75%

How to Determine the List Price

- \$300,000 (net proceeds) divided by .9275% (closing costs %: 1%-.0725%) = \$323,450.135
- \$323,450.135 (closing costs dollar value) divided by .97% (list to sales price ratio) = \$333,453.747
- 3. List Price is \$333,453.747

- 1) \$422,000 sale in Milford
 - A) How much do they pay:
 - 1) 5% commission
 - 2) 5.5% commission
 - 3) 6 % commission
 - 4) state conveyance tax
 - 5) municipal conveyance tax
- 2) \$287,000 sale in Bridgeport A)How much do they pay:
 - 1) 5% commission
 - 2) 5.5% commission
 - 3) 6 % commission
 - 4) state conveyance tax
 - 5) municipal conveyance tax

\$422,000				
5%	5.5%	6%		
\$21,100	\$23,210	\$25,320		
\$422,000 x .75% = \$3165.00				
\$422,000 x .25% = \$1055.00				

\$287,000		
5%	5.5%	6%
\$14,350	\$15,785	\$17,220
\$287,000 \$287,000	x .75% = \$21 x .5% = \$14	.52.50 35.00

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- 3) \$910,000 sale in Trumbull
 - A) How much do they pay:
 - 1) 5% commission
 - 2) 5.5% commission
 - 3) 6 % commission
 - 4) state conveyance tax
 - 5) municipal conveyance tax

4)\$850,000 sale in New Haven

- A) How much do they pay:
 - 1) 5% commission
 - 2) 5.5% commission
 - 3) 6 % commission
 - 4) state conveyance tax
 - 5) municipal conveyance tax

\$910,000 5% \$45,500	5.5% \$50,050	6% \$54,600		
\$910,000 x.25% = \$2275.00				
\$800,000 : \$110,000 :	x .75% = \$ x 1.25% = \$ \$	6000.00 1375.00 7375.00		

\$850,000		
5%	5.5%	6%
\$42,500	\$46,750	\$51,000
\$850,000	x .50% = \$4	4250.00
\$800,000	x .75% = \$	6000.00
\$50,000 x	1.25% =	\$625.00
	\$	6625.00

Concluding Thoughts



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