

# PROJECTED FINANCIAL ANALYSIS SUMMARY

Property Address: 3469 Scenic Hwy 98  
Destin, Florida



## Presented By:

Name	John Skinner
Company	Rosemary Beach Realty
Address	
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## Property Information:

Type:	-	Single-Family
Asking Price:	\$	3,678,540
Fair Market Value:	\$	3,650,000
Number of Units:		1
Sq. Footage		6,489
Appreciation Rate		3.00%

## Financial Information

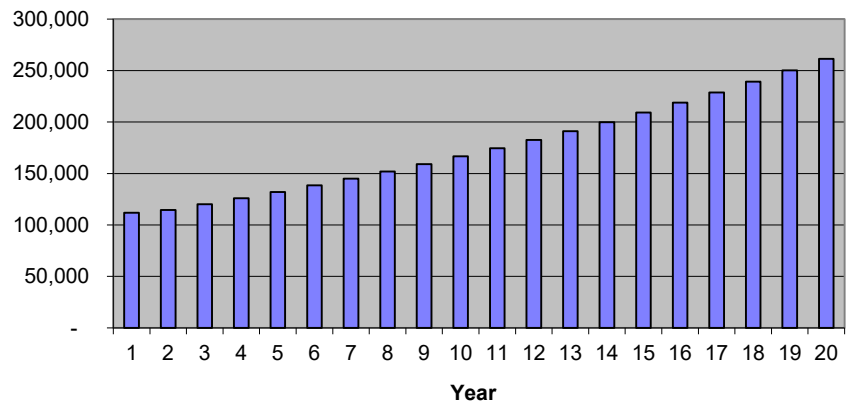
Projected Down Payment/ Investment:	\$1,123,540	% of Cost 30.54%	% of FMV 30.78%
		69.46%	70.00%

	Amount	Rate	Term (Years)	Payment
Loan #1	2,555,000	3.00%	30.00	\$ 6,387.50
Loan #2	-	0.00%	0.00	\$ -
Loan #3	-	0.00%	0.00	\$ -

## Rental Income & Expenses:

Monthly Rents:	\$	27,500
Annual Rents	\$	330,000
Other Annual Income	\$	-
Annual Vacancy	\$	-
Annual Expenses	\$	(143,004)
Annual Mortgage Payments:	\$	(76,650)

## Property 20-year Projected Cash Flow



## Assumptions:

Rental Growth Rate	4.00%
Expense Growth Rate	3.00%
Property Growth Rate	3.00%
Marginal Tax Rate	35.00%
Capital Gain Tax Rate	20.00%

## Financial Ratios:

	Year 1	Year 5	Year 10
Debt Coverage Ratio (DCR)	2.66	2.90	3.59
FMV of Property per Sq Ft	550.40	619.48	718.14
Cash on Cash Return b/f Taxes	10.39%	12.95%	17.68%
Cash on Cash Return a/f Taxes	9.95%	11.76%	14.83%
Capitalization Rate	4.97%	5.25%	5.61%
Value of Property - Your Cap Rate	\$ -	\$ -	\$ -
Gross Rent Monthly Multiplier (GRM)	136.71	131.53	125.32

	Year 1	Year 5	Year 10
Gross Rent Yearly Multiplier (GRM)	11.39	10.96	10.44
Value of Property Using Your GRM	\$ -	\$ -	\$ -
Loan to Value Ratio (LVR)	67.96%	60.38%	52.09%
Net Present Value Leveraged (NPV)	\$ 5,678	\$ 744,902	\$ 1,884,343
Net Present Value Unleveraged (NPV)	\$ 51,348	\$ 989,862	\$ 2,378,416
Cumulative Leveraged IRR	0.51%	12.60%	13.97%
Cumulative Unleveraged IRR	1.40%	5.29%	6.04%

**Disclaimer:** All Information Presented is Believed to be Accurate.

The information, calculations & data presented in this report are believed to be accurate but are not guaranteed or warranted. The information contained in this report shall not be considered as a substitution for legal, accounting or other professional advice. Please seek proper legal and tax advice as appropriate before making any purchases of real estate.

## Annual Rental Expense Input Screen

<b>Total Annual Expenses:</b>	<b>\$ 77,004</b>	(from below)
<b>Annual Increase</b>	<b>3.00%</b>	(from Input Screen)
<b>Monthly Expenses</b>	<b>\$ 6,417</b>	

Expense Description	Annual Amount	Percentage of Total
Accounting		0.00%
Advertising		0.00%
Association Fees	\$ 2,004	2.60%
Auto & Travel		0.00%
Cleaning		0.00%
Commissions		0.00%
Insurance	\$ 12,972	16.85%
Lawn Maintenance	\$ 1,920	2.49%
pest control	\$ 1,400	1.82%
Maintenance		0.00%
pool	\$ 6,000	7.79%
Elevator Maintenance	\$ 840	1.09%
Garbage	\$ 580	0.75%
Repairs		0.00%
Supplies		0.00%
<b>Taxes:</b>		
<b>Property Taxes</b>	\$ 32,000	41.56%
<b>Personal Property</b>		0.00%
<b>Payroll</b>		0.00%
<b>Other</b>		0.00%
<b>Trash Removal</b>		0.00%
<b>Utilities:</b>		
<b>Electricity</b>	\$ 7,400	9.61%
<b>Water</b>	\$ 1,488	1.93%
<b>Gas</b>	\$ 5,000	6.49%
<b>Cable } Internet</b>	\$ 2,400	3.12%
<b>Other Utilities</b>		0.00%
<b>Miscellaneous</b>	\$ 3,000	3.90%
<b>Miscellaneous</b>		0.00%
<b>Miscellaneous</b>		0.00%
<b>Miscellaneous</b>		0.00%
<b>Miscellaneous</b>		0.00%

<b>Total Annual Expenses</b>	<b>\$ 77,004</b>
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### One-Time Expenses

Amount	Year Incurred
	1 <input type="button" value="v"/>
	1 <input type="button" value="v"/>
	1 <input type="button" value="v"/>

### Management Fee (if any)

20.00%
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### Alternative Expense Input

#### Use the input below instead?

No

Year 1	-
Year 2	-
Year 3	
Year 4	
Year 5	
Year 6	
Year 7	
Year 8	
Year 9	
Year 10	
Year 11	
Year 12	
Year 13	
Year 14	
Year 15	
Year 16	
Year 17	
Year 18	
Year 19	
Year 20	

## 20-Year Cash Flow Analysis

### Rental Activity Analysis

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rental Income	\$ 330,000	\$ 343,200	\$ 356,928	\$ 371,205	\$ 386,053	\$ 401,495	\$ 417,555	\$ 434,257	\$ 451,628	\$ 469,693
Other Income	-	-	-	-	-	-	-	-	-	-
Vacancy & Credits	-	-	-	-	-	-	-	-	-	-
Management Fees (if any)	(66,000)	(68,640)	(71,386)	(74,241)	(77,211)	(80,299)	(83,511)	(86,851)	(90,326)	(93,939)
Operating Expenses	(77,004)	(79,314)	(81,694)	(84,144)	(86,669)	(89,269)	(91,947)	(94,705)	(97,546)	(100,473)
<b>Net Operating Income (NOI)</b>	<b>\$ 186,996</b>	<b>\$ 195,246</b>	<b>\$ 203,849</b>	<b>\$ 212,820</b>	<b>\$ 222,174</b>	<b>\$ 231,928</b>	<b>\$ 242,097</b>	<b>\$ 252,701</b>	<b>\$ 263,756</b>	<b>\$ 275,282</b>
Total Mortgage Payments	(70,263)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)
Capital Improvements	-	-	-	-	-	-	-	-	-	-
Operating Income Taxes	(4,893)	(3,982)	(6,993)	(10,133)	(13,407)	(16,820)	(20,380)	(24,091)	(27,960)	(31,994)
<b>Net CASH FLOW from Rent Activity</b>	<b>\$ 111,840</b>	<b>\$ 114,614</b>	<b>\$ 120,206</b>	<b>\$ 126,037</b>	<b>\$ 132,117</b>	<b>\$ 138,457</b>	<b>\$ 145,068</b>	<b>\$ 151,960</b>	<b>\$ 159,146</b>	<b>\$ 166,637</b>

### Property Sale Analysis

Projected Sales Price - Original Cost	\$ 3,759,500	\$ 3,872,285	\$ 3,988,454	\$ 4,108,107	\$ 4,231,350	\$ 4,358,291	\$ 4,489,040	\$ 4,623,711	\$ 4,762,422	\$ 4,905,295
Projected Sales Price - Improvements	-	-	-	-	-	-	-	-	-	-
Selling Expenses	(187,975)	(193,614)	(199,423)	(205,405)	(211,568)	(217,915)	(224,452)	(231,186)	(238,121)	(245,265)
<b>Adjusted Projected Sales Price</b>	<b>3,571,525</b>	<b>3,678,671</b>	<b>3,789,031</b>	<b>3,902,702</b>	<b>4,019,783</b>	<b>4,140,376</b>	<b>4,264,588</b>	<b>4,392,525</b>	<b>4,524,301</b>	<b>4,660,030</b>
Mortgage #1 Balance Payoff	(2,555,000)	(2,555,000)	(2,555,000)	(2,555,000)	(2,555,000)	(2,555,000)	(2,555,000)	(2,555,000)	(2,555,000)	(2,555,000)
Mortgage #2 Balance Payoff	-	-	-	-	-	-	-	-	-	-
Mortgage #3 Balance Payoff	-	-	-	-	-	-	-	-	-	-
Tax Benefit - Suspended Losses (if any)	-	-	-	-	-	-	-	-	-	-
Income Taxes From Sale	853	(52,519)	(101,396)	(150,935)	(201,156)	(252,080)	(303,727)	(356,119)	(409,280)	(463,230)
<b>Net CASH FLOW from Property Sale</b>	<b>\$ 1,017,378</b>	<b>\$ 1,071,152</b>	<b>\$ 1,132,635</b>	<b>\$ 1,196,767</b>	<b>\$ 1,263,627</b>	<b>\$ 1,333,296</b>	<b>\$ 1,405,861</b>	<b>\$ 1,481,406</b>	<b>\$ 1,560,022</b>	<b>\$ 1,641,800</b>

### Cash Position

Net Cash Generated This Year	\$ 111,840	\$ 114,614	\$ 120,206	\$ 126,037	\$ 132,117	\$ 138,457	\$ 145,068	\$ 151,960	\$ 159,146	\$ 166,637
Net Cumulative Cash Generated Previous Years	n/a	111,840	226,454	346,660	472,698	604,815	743,272	888,340	1,040,300	1,199,446
Net Cash Generated - Property Sale	1,017,378	1,071,152	1,132,635	1,196,767	1,263,627	1,333,296	1,405,861	1,481,406	1,560,022	1,641,800
Original Initial Investment	(1,123,540)	(1,123,540)	(1,123,540)	(1,123,540)	(1,123,540)	(1,123,540)	(1,123,540)	(1,123,540)	(1,123,540)	(1,123,540)
<b>Total Net CUMULATIVE CASH Generated</b>	<b>\$ 5,678</b>	<b>\$ 174,066</b>	<b>\$ 355,755</b>	<b>\$ 545,924</b>	<b>\$ 744,902</b>	<b>\$ 953,029</b>	<b>\$ 1,170,661</b>	<b>\$ 1,398,166</b>	<b>\$ 1,635,927</b>	<b>\$ 1,884,343</b>

### Financial Ratios

Debt Coverage Ratio (DCR)	2.66	2.55	2.66	2.78	2.90	3.03	3.16	3.30	3.44	3.59
FMV of Property per Sq Ft	\$ 550.40	\$ 566.91	\$ 583.92	\$ 601.43	\$ 619.48	\$ 638.06	\$ 657.20	\$ 676.92	\$ 697.23	\$ 718.14
Cash on Cash Return b/f Taxes & Sale	10.39%	10.56%	11.32%	12.12%	12.95%	13.82%	14.73%	15.67%	16.65%	17.68%
Cash on Cash Return a/f Taxes & b/f Sale	9.95%	10.20%	10.70%	11.22%	11.76%	12.32%	12.91%	13.53%	14.16%	14.83%
Capitalization Rate	4.97%	5.04%	5.11%	5.18%	5.25%	5.32%	5.39%	5.47%	5.54%	5.61%
Value of Property Using Your Cap Rate	0.00%	-	-	-	-	-	-	-	-	-
Gross Rent Monthly Multiplier (GRM)	136.71	135.39	134.09	132.80	131.53	130.26	129.01	127.77	126.54	125.32
Gross Rent Yearly Multiplier (GRM)	11.39	11.28	11.17	11.07	10.96	10.86	10.75	10.65	10.55	10.44
Value of Property Using Your GRM	-	-	-	-	-	-	-	-	-	-
Loan to Value Ratio (LVR)	68.0%	66.0%	64.1%	62.2%	60.4%	58.6%	56.9%	55.3%	53.6%	52.1%
Net Present Value Leveraged (NPV)	5,678	174,066	355,755	545,924	744,902	953,029	1,170,661	1,398,166	1,635,927	1,884,343
Net Present Value Unleveraged (NPV)	51,348	269,559	501,071	741,062	989,862	1,247,812	1,515,266	1,792,594	2,080,178	2,378,416
Cumulative Leveraged IRR	<b>0.51%</b>	<b>7.83%</b>	<b>10.50%</b>	<b>11.83%</b>	<b>12.60%</b>	<b>13.09%</b>	<b>13.43%</b>	<b>13.67%</b>	<b>13.84%</b>	<b>13.97%</b>
Cumulative Unleveraged IRR	<b>1.40%</b>	<b>3.68%</b>	<b>4.53%</b>	<b>4.99%</b>	<b>5.29%</b>	<b>5.51%</b>	<b>5.67%</b>	<b>5.81%</b>	<b>5.93%</b>	<b>6.04%</b>
Modified Internal Rate of Return - Leveraged	<b>0.51%</b>	<b>7.47%</b>	<b>9.60%</b>	<b>10.41%</b>	<b>10.71%</b>	<b>10.78%</b>	<b>10.74%</b>	<b>10.63%</b>	<b>10.50%</b>	<b>10.35%</b>
Modified Internal Rate of Return - UnLeveraged	<b>1.40%</b>	<b>3.60%</b>	<b>4.35%</b>	<b>4.70%</b>	<b>4.88%</b>	<b>4.99%</b>	<b>5.05%</b>	<b>5.09%</b>	<b>5.11%</b>	<b>5.11%</b>

## 20-Year Cash Flow Analysis

### Rental Activity Analysis

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Gross Rental Income	\$ 488,481	\$ 508,020	\$ 528,341	\$ 549,474	\$ 571,453	\$ 594,311	\$ 618,084	\$ 642,807	\$ 668,519	\$ 695,260
Other Income	-	-	-	-	-	-	-	-	-	-
Vacancy & Credits	-	-	-	-	-	-	-	-	-	-
Management Fees (if any)	(97,696)	(101,604)	(105,668)	(109,895)	(114,291)	(118,862)	(123,617)	(128,561)	(133,704)	(139,052)
<b>Operating Expenses</b>	<b>(103,487)</b>	<b>(106,592)</b>	<b>(109,789)</b>	<b>(113,083)</b>	<b>(116,475)</b>	<b>(119,970)</b>	<b>(123,569)</b>	<b>(127,276)</b>	<b>(131,094)</b>	<b>(135,027)</b>
Net Operating Income (NOI)	\$ 287,298	\$ 299,824	\$ 312,883	\$ 326,496	\$ 340,687	\$ 355,479	\$ 370,898	\$ 386,970	\$ 403,721	\$ 421,181
Total Mortgage Payments	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)
Capital Improvements	-	-	-	-	-	-	-	-	-	-
Operating Income Taxes	(36,200)	(40,584)	(45,155)	(49,919)	(54,886)	(60,063)	(65,460)	(71,085)	(76,948)	(83,059)
<b>Net CASH FLOW from Rent Activity</b>	<b>\$ 174,448</b>	<b>\$ 182,590</b>	<b>\$ 191,078</b>	<b>\$ 199,927</b>	<b>\$ 209,151</b>	<b>\$ 218,766</b>	<b>\$ 228,788</b>	<b>\$ 239,235</b>	<b>\$ 250,123</b>	<b>\$ 261,472</b>

### Property Sale Analysis

Projected Sales Price - Original Cost	\$ 5,052,454	\$ 5,204,027	\$ 5,360,148	\$ 5,520,952	\$ 5,686,581	\$ 5,857,179	\$ 6,032,894	\$ 6,213,881	\$ 6,400,297	\$ 6,592,306
Projected Sales Price - Improvements	-	-	-	-	-	-	-	-	-	-
Selling Expenses	(252,623)	(260,201)	(268,007)	(276,048)	(284,329)	(292,859)	(301,645)	(310,694)	(320,015)	(329,615)
<b>Adjusted Projected Sales Price</b>	<b>4,799,831</b>	<b>4,943,826</b>	<b>5,092,141</b>	<b>5,244,905</b>	<b>5,402,252</b>	<b>5,564,320</b>	<b>5,731,249</b>	<b>5,903,187</b>	<b>6,080,282</b>	<b>6,262,691</b>
Mortgage #1 Balance Payoff	(2,555,000)	(2,555,000)	(2,555,000)	(2,555,000)	(2,555,000)	(2,555,000)	(2,555,000)	(2,555,000)	(2,555,000)	(2,555,000)
Mortgage #2 Balance Payoff	-	-	-	-	-	-	-	-	-	-
Mortgage #3 Balance Payoff	-	-	-	-	-	-	-	-	-	-
Tax Benefit - Suspended Losses (if any)	-	-	-	-	-	-	-	-	-	-
Income Taxes From Sale	(517,995)	(573,599)	(630,067)	(687,425)	(745,699)	(804,918)	(865,108)	(926,301)	(988,525)	(1,051,811)
<b>Net CASH FLOW from Property Sale</b>	<b>\$ 1,726,836</b>	<b>\$ 1,815,227</b>	<b>\$ 1,907,074</b>	<b>\$ 2,002,480</b>	<b>\$ 2,101,553</b>	<b>\$ 2,204,402</b>	<b>\$ 2,311,141</b>	<b>\$ 2,421,886</b>	<b>\$ 2,536,757</b>	<b>\$ 2,655,879</b>

### Cash Position

Net Cash Generated This Year	\$ 174,448	\$ 182,590	\$ 191,078	\$ 199,927	\$ 209,151	\$ 218,766	\$ 228,788	\$ 239,235	\$ 250,123	\$ 261,472
Net Cumulative Cash Generated Previous Years	1,366,083	1,540,531	1,723,121	1,914,199	2,114,126	2,323,277	2,542,043	2,770,832	3,010,066	3,260,190
Net Cash Generated - Property Sale	1,726,836	1,815,227	1,907,074	2,002,480	2,101,553	2,204,402	2,311,141	2,421,886	2,536,757	2,655,879
Original Initial Investment	(1,123,540)	(1,123,540)	(1,123,540)	(1,123,540)	(1,123,540)	(1,123,540)	(1,123,540)	(1,123,540)	(1,123,540)	(1,123,540)
<b>Total Net CUMULATIVE CASH Generated</b>	<b>\$ 2,143,826</b>	<b>\$ 2,414,808</b>	<b>\$ 2,697,733</b>	<b>\$ 2,993,067</b>	<b>\$ 3,301,290</b>	<b>\$ 3,622,905</b>	<b>\$ 3,958,432</b>	<b>\$ 4,308,412</b>	<b>\$ 4,673,407</b>	<b>\$ 5,054,001</b>

### Financial Ratios

Debt Coverage Ratio (DCR)	3.75	3.91	4.08	4.26	4.44	4.64	4.84	5.05	5.27	5.49
FMV of Property per Sq Ft	\$ 739.69	\$ 761.88	\$ 784.73	\$ 808.28	\$ 832.52	\$ 857.50	\$ 883.23	\$ 909.72	\$ 937.01	\$ 965.12
Cash on Cash Return b/f Taxes & Sale	18.75%	19.86%	21.03%	22.24%	23.50%	24.82%	26.19%	27.62%	29.11%	30.66%
Cash on Cash Return a/f Taxes & b/f Sale	15.53%	16.25%	17.01%	17.79%	18.62%	19.47%	20.36%	21.29%	22.26%	23.27%
Capitalization Rate	5.69%	5.76%	5.84%	5.91%	5.99%	6.07%	6.15%	6.23%	6.31%	6.39%
Value of Property Using Your Cap Rate	0.00%	-	-	-	-	-	-	-	-	-
Gross Rent Monthly Multiplier (GRM)	124.12	122.92	121.74	120.57	119.41	118.26	117.13	116.00	114.89	113.78
Gross Rent Yearly Multiplier (GRM)	10.34	10.24	10.15	10.05	9.95	9.86	9.76	9.67	9.57	9.48
Value of Property Using Your GRM	-	-	-	-	-	-	-	-	-	-
Loan to Value Ratio (LVR)	50.6%	49.1%	47.7%	46.3%	44.9%	43.6%	42.4%	41.1%	39.9%	38.8%
Net Present Value Leveraged (NPV)	2,143,826	2,414,808	2,697,733	2,993,067	3,301,290	3,622,905	3,958,432	4,308,412	4,673,407	5,054,001
Net Present Value Unleveraged (NPV)	2,687,722	3,008,526	3,341,274	3,686,430	4,044,476	4,415,914	4,801,263	5,201,065	5,615,883	6,046,299
Cumulative Leveraged IRR	14.07%	14.15%	14.21%	14.25%	14.29%	14.32%	14.34%	14.36%	14.38%	14.39%
Cumulative Unleveraged IRR	6.13%	6.22%	6.30%	6.37%	6.44%	6.51%	6.57%	6.62%	6.68%	6.73%
Modified Internal Rate of Return - Leveraged	10.19%	10.03%	9.87%	9.72%	9.57%	9.42%	9.28%	9.15%	9.02%	8.90%
Modified Internal Rate of Return - UnLeveraged	5.11%	5.11%	5.10%	5.08%	5.07%	5.05%	5.04%	5.02%	5.00%	4.98%

## Taxable Income Report on Rental Activity and Property Sale

### Taxable Income Analysis - Operations

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income from Report	\$ 186,996	\$ 195,246	\$ 203,849	\$ 212,820	\$ 222,174	\$ 231,928	\$ 242,097	\$ 252,701	\$ 263,756	\$ 275,282
Tax Depreciation	(102,752)	(107,220)	(107,220)	(107,220)	(107,220)	(107,220)	(107,220)	(107,220)	(107,220)	(107,220)
Points Amortization	-	-	-	-	-	-	-	-	-	-
Interest Expense - Mortgage #1	(70,263)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)
Interest Expense - Mortgage #2	-	-	-	-	-	-	-	-	-	-
Interest Expense - Mortgage #3	-	-	-	-	-	-	-	-	-	-
<b>Operating Taxable Income (Loss)</b>	<b>\$ 13,981</b>	<b>\$ 11,376</b>	<b>\$ 19,979</b>	<b>\$ 28,950</b>	<b>\$ 38,304</b>	<b>\$ 48,058</b>	<b>\$ 58,228</b>	<b>\$ 68,831</b>	<b>\$ 79,886</b>	<b>\$ 91,412</b>
Fed & State Tax Rate on Rental Income	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
<b>Tax (Expense) Benefit from Operations</b>	<b>\$ (4,893)</b>	<b>\$ (3,982)</b>	<b>\$ (6,993)</b>	<b>\$ (10,133)</b>	<b>\$ (13,407)</b>	<b>\$ (16,820)</b>	<b>\$ (20,380)</b>	<b>\$ (24,091)</b>	<b>\$ (27,960)</b>	<b>\$ (31,994)</b>
Subject to Suspended Loss Rules?	<input type="button" value="No"/> <input type="button" value="Help"/>									

### Taxable Income Analysis - Property Sale

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Adjusted Projected Sales Price	\$ 3,571,525	\$ 3,678,671	\$ 3,789,031	\$ 3,902,702	\$ 4,019,783	\$ 4,140,376	\$ 4,264,588	\$ 4,392,525	\$ 4,524,301	\$ 4,660,030
Original Cost of Property	(3,678,540)	(3,678,540)	(3,678,540)	(3,678,540)	(3,678,540)	(3,678,540)	(3,678,540)	(3,678,540)	(3,678,540)	(3,678,540)
Improvements Made	-	-	-	-	-	-	-	-	-	-
Amortization Points Paid	-	-	-	-	-	-	-	-	-	-
Gain or (Loss) on Property	(107,015)	131	110,491	224,162	341,243	461,836	586,048	713,985	845,761	981,490
Accumulated Depreciation/Amortization	102,752	209,972	317,191	424,411	531,631	638,850	746,070	853,290	960,509	1,067,729
<b>Taxable Gain (Loss) on Property Sale</b>	<b>\$ (4,263)</b>	<b>\$ 210,103</b>	<b>\$ 427,682</b>	<b>\$ 648,573</b>	<b>\$ 872,874</b>	<b>\$ 1,100,687</b>	<b>\$ 1,332,118</b>	<b>\$ 1,567,275</b>	<b>\$ 1,806,270</b>	<b>\$ 2,049,219</b>
Capital Gain & State Rate on Sale	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Income Tax (Expense) Benefit	853	(42,021)	(85,536)	(129,715)	(174,575)	(220,137)	(266,424)	(313,455)	(361,254)	(409,844)
Recapture Tax (if any)	-	(10,499)	(15,860)	(21,221)	(26,582)	(31,943)	(37,303)	(42,664)	(48,025)	(53,386)
<b>Total Tax (Expense) Benefit from Sale</b>	<b>\$ 853</b>	<b>\$ (52,519)</b>	<b>\$ (101,396)</b>	<b>\$ (150,935)</b>	<b>\$ (201,156)</b>	<b>\$ (252,080)</b>	<b>\$ (303,727)</b>	<b>\$ (356,119)</b>	<b>\$ (409,280)</b>	<b>\$ (463,230)</b>

## Taxable Income Report on Rental Activity and Property Sale

### Taxable Income Analysis - Operations

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Net Operating Income from Report	287,298	299,824	312,883	326,496	340,687	355,479	370,898	386,970	403,721	421,181
Tax Depreciation	(107,220)	(107,220)	(107,220)	(107,220)	(107,220)	(107,220)	(107,220)	(107,220)	(107,220)	(107,220)
Points Amortization	-	-	-	-	-	-	-	-	-	-
Interest Expense - Mortgage #1	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)	(76,650)
Interest Expense - Mortgage #2	-	-	-	-	-	-	-	-	-	-
Interest Expense - Mortgage #3	-	-	-	-	-	-	-	-	-	-
<b>Operating Taxable Income (Loss)</b>	<b>\$ 103,428</b>	<b>\$ 115,955</b>	<b>\$ 129,014</b>	<b>\$ 142,627</b>	<b>\$ 156,817</b>	<b>\$ 171,610</b>	<b>\$ 187,029</b>	<b>\$ 203,100</b>	<b>\$ 219,852</b>	<b>\$ 237,312</b>
Fed & State Tax Rate on Rental Income	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
<b>Tax (Expense) Benefit from Operations</b>	<b>\$ (36,200)</b>	<b>\$ (40,584)</b>	<b>\$ (45,155)</b>	<b>\$ (49,919)</b>	<b>\$ (54,886)</b>	<b>\$ (60,063)</b>	<b>\$ (65,460)</b>	<b>\$ (71,085)</b>	<b>\$ (76,948)</b>	<b>\$ (83,059)</b>

### Taxable Income Analysis - Property Sale

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Adjusted Projected Sales Price	\$ 4,799,831	\$ 4,943,826	\$ 5,092,141	\$ 5,244,905	\$ 5,402,252	\$ 5,564,320	\$ 5,731,249	\$ 5,903,187	\$ 6,080,282	\$ 6,262,691
Original Cost of Property	(3,678,540)	(3,678,540)	(3,678,540)	(3,678,540)	(3,678,540)	(3,678,540)	(3,678,540)	(3,678,540)	(3,678,540)	(3,678,540)
Improvements Made	-	-	-	-	-	-	-	-	-	-
Amortization Points Paid	-	-	-	-	-	-	-	-	-	-
Gain or (Loss) on Property	1,121,291	1,265,286	1,413,601	1,566,365	1,723,712	1,885,780	2,052,709	2,224,647	2,401,742	2,584,151
Accumulated Depreciation/Amortization	1,174,949	1,282,168	1,389,388	1,496,607	1,603,827	1,711,047	1,818,266	1,925,486	2,032,706	2,139,925
<b>Taxable Gain (Loss) on Property Sale</b>	<b>\$ 2,296,239</b>	<b>\$ 2,547,454</b>	<b>\$ 2,802,988</b>	<b>\$ 3,062,972</b>	<b>\$ 3,327,539</b>	<b>\$ 3,596,826</b>	<b>\$ 3,870,975</b>	<b>\$ 4,150,133</b>	<b>\$ 4,434,448</b>	<b>\$ 4,724,076</b>
Capital Gain & State Rate on Sale	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Income Tax (Expense) Benefit	(459,248)	(509,491)	(560,598)	(612,594)	(665,508)	(719,365)	(774,195)	(830,027)	(886,890)	(944,815)
Recapture Tax (if any)	(58,747)	(64,108)	(69,469)	(74,830)	(80,191)	(85,552)	(90,913)	(96,274)	(101,635)	(106,996)
<b>Total Tax (Expense) Benefit from Sale</b>	<b>\$ (517,995)</b>	<b>\$ (573,599)</b>	<b>\$ (630,067)</b>	<b>\$ (687,425)</b>	<b>\$ (745,699)</b>	<b>\$ (804,918)</b>	<b>\$ (865,108)</b>	<b>\$ (926,301)</b>	<b>\$ (988,525)</b>	<b>\$ (1,051,811)</b>

Property Name: 3469 Scenic Hwy 98  
 Case Description:  
 Address: Destin, Florida  
 Address:

Sensitivity Analysis Executive Report  
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**I Rental Income & Expenses**

Rental Income / Rent Roll:  \$ 330,000  
 Operating Expenses:  \$ 77,004  
 Annual Rental Income Growth Rate (%) 4.00%  
 Annual Operating Expense Increase (%) 3.00%

**II Property Costs & Characteristics**

Select Residential, Commercial Property or Raw Land Single-Family

Number of Units / Total Square Footage of Property 1 6,489

Purchase Price of Rental Property:

Contract Purchase Price	\$ 3,650,000
Initial Improvements	
Closing Costs	\$ 28,000
Other Initial Costs	-
Other Initial Costs	540.00
Personal Property	\$ -
% of Cost Allocated to Land	20.00%
	\$ 3,678,540 <== Total Cost

Current Fair Market Value (FMV) of Rental Property:  \$ 3,650,000  
 Annual Property Appreciation Rate (%) 3.00%  
 Use the Above Appr. Rate for Each Year? ("No" to enter annually):  Yes  
 Future Selling Expenses (as a % of Selling Price): 5.00%

Description	Amount	Select Year Improvement to be Made	Will the improvement increase the property's FMV?
Future Property		1	No
Improvements		1	No
		1	No
		1	No
		1	No
		1	No
		1	No
		1	No
	\$ -		

**III Financing**

	Mortgage #1	Mortgage #2	Mortgage #3
Loan to Value Percentage	70.00%	0.00%	0.00%
Debt Borrowed or Assumed:	\$ 2,555,000		
Interest Rate:	3.000%		<input type="button" value="Enter Adj Rates"/>
Interest Only?	Yes	No	No
Term or Remaining Term of Loan (Months):	360		
Additional Monthly Principal Payments			
Monthly Mortgage Payment: (formula)	\$ 6,387.50	\$ -	\$ -
Loan Origination Points	-		
Loan Origination Points (Dollars)	\$ -	\$ -	\$ -
Negative Amortization Option			n/a
Negative Amortization Payment			
Override Payment Calculated Above?	No	No	
Initial Investment or Down Payment (Cost less Debt - Automatically Calculated)			\$ 1,123,540
Down Payment as a Percent of Fair Market Value			30.8%
Down Payment as a Percent of Cost			30.5%

**IV Discount Rates & Market Factors - OPTIONAL**

Enter Market Capitalization Rate (Cap Rate)  
 Enter Market Annual Gross Rent Multiplier (GRM)  
 Modified Internal Rate of Return: Finance Rate: Reinvestment Rate:  
 Net Present Value (NPV) Rate of Return (%)

**V Income Taxes**

Federal Marginal Income Tax Rate: 35.0%  
 Federal Long-Term Capital Gains Rate: 20%  
 State Marginal Income Tax Rate: 0%  
 Are Your Losses Limited by the Passive Loss Rules? No  
 Like-Kind Exchange on Disposition? No