

# 3424 S. 84th lane

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July 14, 2009



Single Family Investment Property  
3424 S. 84th Lane  
Tolleson, Az. 85353



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# Property Photos

Single Family Investment Property, 3424 S. 84th Lane



Main Property Photo

Single Family Investment Property 3424 S. 84th Lane Tolleson, Az. 85353  
Detailed Expenses (Actual)

Utilities -- Future years use year 1 data with a % annual escalator	
Utilities	Year 1
Water paid by tenant	
Elec. paid by tenant	
Gas paid by tenant	

Services -- Future years use year 1 data with a % annual escalator	
Services	Year 1

Other Expenses -- Future years use year 1 data with a % annual escalator	
Other Expenses	Year 1
Leasing fee	\$600.00
HOA fees	\$460.00

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## Single Family Investment Property

3424 S. 84th Lane  
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### Property Data

Purchase Price	\$85,000.00	Number of Units	1
Price Per Unit	\$85,000.00	Year Built	2005
Rentable Sq Ft	1,603	Current Occupancy	%
Price Per Sq Ft	\$53.03	Number of Buildings	1
Taxes	\$0.00	Number of Stories	1
Insurance	\$400.00	Zoning	
Roof	Tile	Land Area	0-7500
# Electric Meters: 1	# Gas Meters: 1	Parking Spaces	2

### Amenities and Features

1603 square feet; 4 bedroom / 2 bath single story built in 2005

### Operating Statement (Actual)

Gross Scheduled Income	\$13,200.00
- Vacancy Loss	\$660.00
= Gross Effective Income	\$12,540.00
+ Other Income	\$0.00
= Gross Operating Income	\$12,540.00
- Total Operating Expenses	\$3,360.00
= Net Operating Income (NOI)	\$9,180.00

### Financial Statistics (Actual)

Vacancy % (Initial)	5.0
Monthly Income Per Unit	\$1,100.00
Monthly Income Per Sq Ft	\$0.69
Annual Expenses Per Unit	\$3,360.00
Annual Expenses per Sq Ft	\$2.10
Gross Rent Multiplier	6.44
Cap Rate	10.80 %

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## Annual Property Operating Data (Actual) Year 1

### Single Family Investment Property, 3424 S. 84th Lane

#### Annual Income

Gross Scheduled Income	\$13,200.00
- Vacancy	\$660.00
= Effective Rental Income	\$12,540.00
+ Other Income	\$0.00
= Gross Operating Income	\$12,540.00

#### Proposed Financing

Purchase Price	\$85,000.00
1st Mortgage	\$0.00
Points	0.0
Interest Rate	0.000%
Amortized Over	0.0 years
Term (Due Date)	0.0 years

#### Annual Operating Expenses

Taxes	\$0.00
+ Insurance	\$400.00
+ Property Management	\$900.00
+ Maintenance & Repair	\$1,000.00
+ Utilities	\$0.00
+ Services	\$0.00
+ Other Expenses	\$1,060.00
= Annual Operating Expenses	\$3,360.00

#### Initial Investment

Purchase Price	\$85,000.00
Down Payment	\$85,000.00
+ Closing Costs	\$0.00
+ Loan Points	\$0.00
+ Other Costs	\$0.00
= Total Investment	\$85,000.00

#### Net Operating Income

Gross Operating Income	\$12,540.00
- Annual Operating Expenses	\$3,360.00
= Net Operating Income	\$9,180.00

#### Indicators

Cap Rate	10.80%
Gross Rent Multiplier	6.44
Cash on Cash	10.80%
Debt Coverage Ratio	0.00
Modified DCR	0.00
Return on Gross Equity	10.80%

#### Annual Debt Service

1st Mortgage Principal and Interest	\$0.00
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#### Annual Cash Flow Before Tax

Net Operating Income	\$9,180.00
- Annual Debt Service	\$0.00
- Capital Additions	\$0.00
= Cash Flow Before Tax	\$9,180.00

#### Amenities and Features

1603 square feet; 4 bedroom / 2 bath single story built in 2005

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## Annual Property Operating Data (Actual) Year 2

### Single Family Investment Property, 3424 S. 84th Lane

#### Annual Income

Gross Scheduled Income	\$13,530.00
- Vacancy	\$676.50
= Effective Rental Income	\$12,853.50
+ Other Income	\$0.00
= Gross Operating Income	\$12,853.50

#### Proposed Financing

Purchase Price	\$85,000.00
1st Mortgage	\$0.00
Points	0.0
Interest Rate	0.000%
Amortized Over	0.0 years
Term (Due Date)	0.0 years

#### Annual Operating Expenses

Taxes	\$0.00
+ Insurance	\$400.00
+ Property Management	\$900.00
+ Maintenance & Repair	\$1,000.00
+ Utilities	\$0.00
+ Services	\$0.00
+ Other Expenses	\$1,060.00
= Annual Operating Expenses	\$3,360.00

#### Initial Investment

Purchase Price	\$85,000.00
Down Payment	\$85,000.00
+ Closing Costs	\$0.00
+ Loan Points	\$0.00
+ Other Costs	\$0.00
= Total Investment	\$85,000.00

#### Net Operating Income

Gross Operating Income	\$12,853.50
- Annual Operating Expenses	\$3,360.00
= Net Operating Income	\$9,493.50

#### Indicators

Cap Rate	10.74%
Gross Rent Multiplier	6.53
Cash on Cash	11.17%
Debt Coverage Ratio	0.00
Modified DCR	0.00
Return on Gross Equity	10.74%

#### Annual Debt Service

1st Mortgage Principal and Interest	\$0.00
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#### Annual Cash Flow Before Tax

Net Operating Income	\$9,493.50
- Annual Debt Service	\$0.00
- Capital Additions	\$0.00
= Cash Flow Before Tax	\$9,493.50

#### Amenities and Features

1603 square feet; 4 bedroom / 2 bath single story built in 2005

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## Annual Property Operating Data (Actual) Year 3

### Single Family Investment Property, 3424 S. 84th Lane

#### Annual Income

Gross Scheduled Income	\$13,868.25
- Vacancy	\$693.41
= Effective Rental Income	\$13,174.84
+ Other Income	\$0.00
= Gross Operating Income	\$13,174.84

#### Proposed Financing

Purchase Price	\$85,000.00
1st Mortgage	\$0.00
Points	0.0
Interest Rate	0.000%
Amortized Over	0.0 years
Term (Due Date)	0.0 years

#### Annual Operating Expenses

Taxes	\$0.00
+ Insurance	\$400.00
+ Property Management	\$900.00
+ Maintenance & Repair	\$1,000.00
+ Utilities	\$0.00
+ Services	\$0.00
+ Other Expenses	\$1,060.00
= Annual Operating Expenses	\$3,360.00

#### Initial Investment

Purchase Price	\$85,000.00
Down Payment	\$85,000.00
+ Closing Costs	\$0.00
+ Loan Points	\$0.00
+ Other Costs	\$0.00
= Total Investment	\$85,000.00

#### Net Operating Income

Gross Operating Income	\$13,174.84
- Annual Operating Expenses	\$3,360.00
= Net Operating Income	\$9,814.84

#### Indicators

Cap Rate	10.68%
Gross Rent Multiplier	6.63
Cash on Cash	11.55%
Debt Coverage Ratio	0.00
Modified DCR	0.00
Return on Gross Equity	10.68%

#### Annual Debt Service

1st Mortgage Principal and Interest	\$0.00
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#### Annual Cash Flow Before Tax

Net Operating Income	\$9,814.84
- Annual Debt Service	\$0.00
- Capital Additions	\$0.00
= Cash Flow Before Tax	\$9,814.84

#### Amenities and Features

1603 square feet; 4 bedroom / 2 bath single story built in 2005

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**3424 S. 84th Lane**  
**After-Tax Cash Flow (Actual)**

<b>ANNUAL CASH FLOW BEFORE TAX</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Gross Scheduled Income	\$13,200.00	\$13,530.00	\$13,868.25	\$14,214.96	\$14,570.33
- Vacancy	-\$660.00	-\$676.50	-\$693.41	-\$710.75	-\$728.52
= Effective Rental Income	=\$12,540.00	=\$12,853.50	=\$13,174.84	=\$13,504.21	=\$13,841.81
+ Other Income	+\$0.00	+\$0.00	+\$0.00	+\$0.00	+\$0.00
= Gross Operating Income	=\$12,540.00	=\$12,853.50	=\$13,174.84	=\$13,504.21	=\$13,841.81
- Annual Operating Expenses	-\$3,360.00	-\$3,360.00	-\$3,360.00	-\$3,360.00	-\$3,360.00
= Net Operating Income	=\$9,180.00	=\$9,493.50	=\$9,814.84	=\$10,144.21	=\$10,481.81
- Annual Debt Service	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
- Capital Additions	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
= Annual Cash Flow Before Tax	=\$9,180.00	=\$9,493.50	=\$9,814.84	=\$10,144.21	=\$10,481.81
<b>REAL ESTATE TAXABLE INCOME</b>					
Net Operating Income	\$9,180.00	\$9,493.50	\$9,814.84	\$10,144.21	\$10,481.81
- Interest 1st Mortgage	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
- Interest 2nd Mortgage	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
- Interest 3rd Mortgage	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
- Points Amortization	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
- Cost Recovery (Improvements)	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
- Cost Recovery (Personal)	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
- Cost Recovery (Cap. Add.)	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
= R.E. Taxable Income (Loss)	=\$9,180.00	=\$9,493.50	=\$9,814.84	=\$10,144.21	=\$10,481.81
<b>PASSIVE LOSS EXEMPTION</b>					
Passive Loss Exemption Available	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Passive Losses Allowed	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>ANNUAL SUSPENDED LOSSES</b>					
Taxable Income (Loss)	\$9,180.00	\$9,493.50	\$9,814.84	\$10,144.21	\$10,481.81
Passive Losses Allowed	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Annual Suspended Losses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TAX LIABILITY (SAVINGS)</b>					
R.E. Taxable Income (Min 0)	\$9,180.00	\$9,493.50	\$9,814.84	\$10,144.21	\$10,481.81
- Suspended Losses Allowed	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
= Adjusted R.E. Taxable Income	=\$9,180.00	=\$9,493.50	=\$9,814.84	=\$10,144.21	=\$10,481.81
Tax Liability (Savings) @ 28.00%	\$2,570.40	\$2,658.18	\$2,748.16	\$2,840.38	\$2,934.91
<b>ANNUAL CASH FLOW AFTER TAX</b>					
Annual Cash Flow Before Tax	\$9,180.00	\$9,493.50	\$9,814.84	\$10,144.21	\$10,481.81
- Tax Liability (Savings) @ 28 %	-\$2,570.40	-\$2,658.18	-\$2,748.16	-\$2,840.38	-\$2,934.91
= Cash Flow After Tax	=\$6,609.60	=\$6,835.32	=\$7,066.68	=\$7,303.83	=\$7,546.90

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**3424 S. 84th Lane**  
**After-Tax Proceeds from Sale (Actual)**

<b>SALES PROCEEDS BEFORE TAX</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Sale Price (EOY)	\$88,400.00	\$91,936.00	\$95,613.44	\$99,437.98	\$103,415.50
- Cost of Sale @ 5.00%	-\$4,420.00	-\$4,596.80	-\$4,780.67	-\$4,971.90	-\$5,170.77
- 1st Mortgage Loan Balance	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
- 2nd Mortgage Loan Balance	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
- 3rd Mortgage Loan Balance	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
= Sale Proceeds before Tax	=\$83,980.00	=\$87,339.20	=\$90,832.77	=\$94,466.08	=\$98,244.72
<b>BASIS AT ACQUISITION</b>					
Purchase Price	\$85,000.00	\$85,000.00	\$85,000.00	\$85,000.00	\$85,000.00
+ Capitalized Closing Costs	+\$0.00	+\$0.00	+\$0.00	+\$0.00	+\$0.00
+ Basis Adjustments	+\$0.00	+\$0.00	+\$0.00	+\$0.00	+\$0.00
= Basis at Acquisition	=\$85,000.00	=\$85,000.00	=\$85,000.00	=\$85,000.00	=\$85,000.00
<b>COST RECOVERY (CR)</b>					
Annual CR (Improvements)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
+ Annual CR (Personal)	+\$0.00	+\$0.00	+\$0.00	+\$0.00	+\$0.00
+ Annual CR (Cap. Add.)	+\$0.00	+\$0.00	+\$0.00	+\$0.00	+\$0.00
= Annual Cost Recovery Taken	=\$0.00	=\$0.00	=\$0.00	=\$0.00	=\$0.00
= Total Cost Recovery Taken	=\$0.00	=\$0.00	=\$0.00	=\$0.00	=\$0.00
<b>ADJUSTED BASIS AT SALE</b>					
At Beginning of Year	\$85,000.00	\$85,000.00	\$85,000.00	\$85,000.00	\$85,000.00
+ Annual Capital Additions	+\$0.00	+\$0.00	+\$0.00	+\$0.00	+\$0.00
- Annual Cost Recovery Taken	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
= Adjusted Basis at Sale	=\$85,000.00	=\$85,000.00	=\$85,000.00	=\$85,000.00	=\$85,000.00
<b>GAIN (LOSS) ON SALE</b>					
Sale Price	\$88,400.00	\$91,936.00	\$95,613.44	\$99,437.98	\$103,415.50
- Cost of Sale @ 5.00%	-\$4,420.00	-\$4,596.80	-\$4,780.67	-\$4,971.90	-\$5,170.77
- Adjusted Basis at Sale	-\$85,000.00	-\$85,000.00	-\$85,000.00	-\$85,000.00	-\$85,000.00
= Total Gain (Loss)	=\$(-1,020.00)	=\$2,339.20	=\$5,832.77	=\$9,466.08	=\$13,244.72
- Total Cost Recovery Taken (LTG)	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
= Capital Gain from Apprec. (Min 0)	=\$0.00	=\$2,339.20	=\$5,832.77	=\$9,466.08	=\$13,244.72
<b>TAXED AS ORDINARY INCOME</b>					
Unamortized Loan Points	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
+ Suspended Losses (from ATCF)	+\$0.00	+\$0.00	+\$0.00	+\$0.00	+\$0.00
+ Loss at Disposition	+\$(-1,020.00)	+\$0.00	+\$0.00	+\$0.00	+\$0.00
= Taxed as Ordinary Income	=\$(-1,020.00)	=\$0.00	=\$0.00	=\$0.00	=\$0.00
<b>SALES PROCEEDS AFTER TAX</b>					
Sale Proceeds before Tax	\$83,980.00	\$87,339.20	\$90,832.77	\$94,466.08	\$98,244.72
- Tax (Savings) Ord. Inc. @ 28.00%	-\$(-285.60)	-\$0.00	-\$0.00	-\$0.00	-\$0.00
- Tax on Cost Recovery @ 25.00%	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
- Federal Tax on Gain @ 15.00%	-\$0.00	-\$350.88	-\$874.92	-\$1,419.91	-\$1,986.71
- State Tax on Gain @ %	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
= Sale Proceeds after Tax	=\$84,265.60	=\$86,988.32	=\$89,957.85	=\$93,046.17	=\$96,258.01

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