

## Real Estate Investment Details

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### PROPERTY

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**Property:** REI Wise  
**Property Address:** 223 Walnut St.  
Newport Beach, CA 92663

### PURCHASE INFORMATION

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**Property Type:** Residential  
**Purchase Price:** \$650,000  
**Fair Market Value:** \$650,000  
**Units:** 8  
**Sq. Footage:** 1,200  
**Appreciation Rate:** 3%  
**Resale Costs:** 8%

### FINANCIAL INFORMATION

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**Down Payment:** \$130,000  
**Passive Loss Rules:** No  
**Closing Costs:** \$5,000  
**LT Capital Gain:** 20%

### LOANS

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	Debt	Term	Interest Rate	Monthly Payment	LO Costs
First	\$520,000	30 years	6%	\$3,117.66	

### INCOME & EXPENSES

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**Total Annual Rent:** \$101,460  
**Avg. Monthly Rent:** \$1,057  
**Total Annual Expenses:** (\$45,908)  
**Monthly Expenses:** (\$3,826)

### CONTACT INFORMATION

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**REI Wise**  
**949.646.3151**  
**sales@reiWise.com**

**DISCLAIMER: All information is believed to be accurate.**

The calculations and data presented are deemed to be accurate, but not guaranteed. They are intended for the purpose of illustrative projections and analysis. The information provided is not intended to replace or serve as substitute for any legal, accounting, investment, real estate, tax or other professional advice, consultation or service. The user of this software should consult with a professional in the respective legal, accounting, tax or other professional area before making any decisions.

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### ACQUISITION COSTS

Purchase Price, Points and Closing	\$655,000
Investment - Cash	\$135,000
First Loan	\$520,000

### INVESTMENT INFORMATION

Purchase Price	\$650,000
Price per Unit	\$81,250
Price per Sq.Ft.	\$541.67
Rent per Sq.Ft.	\$0.93
Expenses per Sq.Ft.	(\$0.40)
Expenses per Unit	(\$5,739)

### INCOME, EXPENSES & CASH FLOW

Gross Scheduled Income	\$106,800
Vacancy and Credits	(\$5,340)
Operating Expenses	(\$45,908)
Net Operating Income	\$55,552
Total Interest	(\$31,026)
Depreciation and Amortization	(\$20,167)
Taxable Income (Loss)	\$4,359
Tax Savings (Costs)	(\$1,395)
Debt Service	(\$37,412)
Cash Flow After Taxes	\$16,745

### FINANCIAL INDICATORS

Cash on Cash Return	12.40%
Internal Rate of Return	N/A
Present Value at 11%	\$604,948
Debt Coverage Ratio	1.48
Capitalization Rate	8.55%
Gross Rent Multiplier	6.27
Gross Income / Rentable SF	\$89.00
Gross Expenses / Rentable SF	(\$38.26)
Operating Expense Ratio	45.25%

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### PRO FORMA RENT SCHEDULE

	Units	Total Sq. Ft.	Avg. Rent	Rent / Sq. Ft.
<b>Current</b>	8	1,200	\$1,112.50	\$0.93
<b>Market</b>	8	1,200	\$1,200.00	\$1.00

### INCOME

	Pro Forma	Actuals
Gross Scheduled Rent	\$115,200	\$106,800
Less Vacancy (pro Forma at 5%)	(\$5,760)	(\$5,340)
Misc. Income	\$0	\$0
<b>Gross Operating Income</b>	<b>\$109,440</b>	<b>\$101,460</b>

### EXPENSES

Property Management Fee	\$6,408	\$6,408
Building Insurance	\$4,500	\$4,500
Maintenance	\$3,000	\$3,000
Utilities	\$7,500	\$7,500
Trash Removal	\$1,500	\$1,500
Janitorial	\$4,000	\$4,000
Grounds Maintenance	\$3,000	\$3,000
Legal	\$2,300	\$2,300
Repairs	\$4,200	\$4,200
General Supplies	\$2,500	\$2,500
Taxes - Personal Property	\$7,000	\$7,000
<b>Total Expenses</b>	<b>(\$45,908)</b>	<b>(\$45,908)</b>

### PRO FORMA ANALYSIS

<b>Net Operating Income</b>	<b>\$63,532</b>	<b>\$55,552</b>
Less Debt Service	(\$37,412)	
<b>Projected Net Cash Flow</b>	<b>\$26,120</b>	
<b>Cash-on-Cash</b>	<b>19%</b>	