



Vineyard Preserve Condo

Presented by:

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The Preserve at Waters Edge
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Purchase Info

Square Feet	1,272
Purchase Price	\$179,900
Initial Cash Invested	\$41,377

Income Analysis

	Monthly	Annual
Net Operating Income	\$1,187	\$14,244
Cash Flow	\$447	\$5,365

Financial Metrics

Cap Rate (Purchase Price)	7.9%
Cash on Cash Return (Year 1)	13.0%
Internal Rate of Return (Year 10)	23.3%
Sale Price (Year 10)	\$266,296



Purchase Analysis

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Purchase Info	
Purchase Price	\$179,900
- First Mortgage	-\$143,920
- Second Mortgage	-\$0
= Downpayment	\$35,980
+ Buying Costs	\$5,397
+ Initial Improvements	\$0
= Initial Cash Invested	\$41,377
Square Feet	1,272
Cost per Square Foot	\$141
Monthly Rent per Square Foot	\$1.26

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$143,920	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	4.625%	
Payment	\$739.95	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	9.4
Operating Expense Ratio	19.4%
Debt Coverage Ratio	1.60
Cap Rate (Purchase Price)	7.9%
Cash on Cash Return	13.0%

Assumptions	
Appreciation Rate	4.0%
Vacancy Rate	8.0%
Income Inflation Rate	3.0%
Expense Inflation Rate	3.0%
LTV for Refinance	75.0%
Selling Costs	\$12,593

Income	Monthly	Annual
Gross Rent	\$1,600	\$19,200
Vacancy Loss	-\$128	-\$1,536
Operating Income	\$1,472	\$17,664

Expenses (% of Income)	Monthly	Annual
Association Fees (7%)	-\$110	-\$1,320
Cleaning & Maintenance (4%)	-\$60	-\$720
Insurance (1%)	-\$15	-\$180
Taxes (7%)	-\$100	-\$1,200
Operating Expenses (19%)	-\$285	-\$3,420

Net Performance	Monthly	Annual
Net Operating Income	\$1,187	\$14,244
- Mortgage Payments	-\$740	-\$8,879
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$447	\$5,365

Buy and Hold Projection

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Income	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Gross Rent	\$19,200	\$19,776	\$20,369	\$21,610	\$25,052	\$33,667	\$45,246
Vacancy Loss	-\$1,536	-\$1,582	-\$1,630	-\$1,729	-\$2,004	-\$2,693	-\$3,620
Operating Income	\$17,664	\$18,194	\$18,740	\$19,881	\$23,048	\$30,974	\$41,626

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Association Fees	-\$1,320	-\$1,360	-\$1,400	-\$1,486	-\$1,722	-\$2,315	-\$3,111
Cleaning & Maintenance	-\$720	-\$741	-\$763	-\$810	-\$939	-\$1,262	-\$1,696
Insurance	-\$180	-\$185	-\$191	-\$203	-\$235	-\$316	-\$424
Taxes	-\$1,200	-\$1,236	-\$1,273	-\$1,351	-\$1,566	-\$2,104	-\$2,828
Operating Expenses	-\$3,420	-\$3,522	-\$3,628	-\$3,849	-\$4,462	-\$5,996	-\$8,059

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$14,244	\$14,672	\$15,112	\$16,032	\$18,586	\$24,978	\$33,568
- Mortgage Payments	-\$8,879	-\$8,879	-\$8,879	-\$8,879	-\$8,879	-\$8,879	-\$8,879
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$5,365	\$5,792	\$6,232	\$7,153	\$9,706	\$16,098	\$24,689
Cap Rate (Purchase Price)	7.9%	8.2%	8.4%	8.9%	10.3%	13.9%	18.7%
Cap Rate (Market Value)	7.6%	7.5%	7.5%	7.3%	7.0%	6.3%	5.8%
Cash on Cash Return	13.0%	14.0%	15.1%	17.3%	23.5%	38.9%	59.7%
Return on Equity	11.8%	10.5%	9.5%	8.2%	6.4%	5.0%	4.2%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$187,096	\$194,580	\$202,363	\$218,876	\$266,296	\$394,183	\$583,487
- Loan Balance	-\$141,649	-\$139,271	-\$136,781	-\$131,441	-\$115,723	-\$70,984	-\$0
= Equity	\$45,447	\$55,309	\$65,582	\$87,435	\$150,573	\$323,199	\$583,487
Loan-to-Value Ratio	75.7%	71.6%	67.6%	60.1%	43.5%	18.0%	0.0%
Potential Cash-Out Refi	-\$1,327	\$6,664	\$14,992	\$32,716	\$83,999	\$224,654	\$437,615

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$45,447	\$55,309	\$65,582	\$87,435	\$150,573	\$323,199	\$583,487
- Selling Costs	-\$13,097	-\$13,621	-\$14,165	-\$15,321	-\$18,641	-\$27,593	-\$40,844
= Proceeds After Sale	\$32,350	\$41,688	\$51,417	\$72,113	\$131,933	\$295,607	\$542,643
+ Cumulative Cash Flow	\$5,365	\$11,157	\$17,390	\$31,228	\$74,502	\$205,164	\$411,302
- Initial Cash Invested	-\$41,377	-\$41,377	-\$41,377	-\$41,377	-\$41,377	-\$41,377	-\$41,377
= Net Profit	-\$3,662	\$11,469	\$27,430	\$61,965	\$165,058	\$459,394	\$912,568
Internal Rate of Return	-8.9%	13.8%	20.5%	23.9%	23.3%	20.9%	19.9%
Return on Investment	-9%	28%	66%	150%	399%	1,110%	2,205%

Graphs

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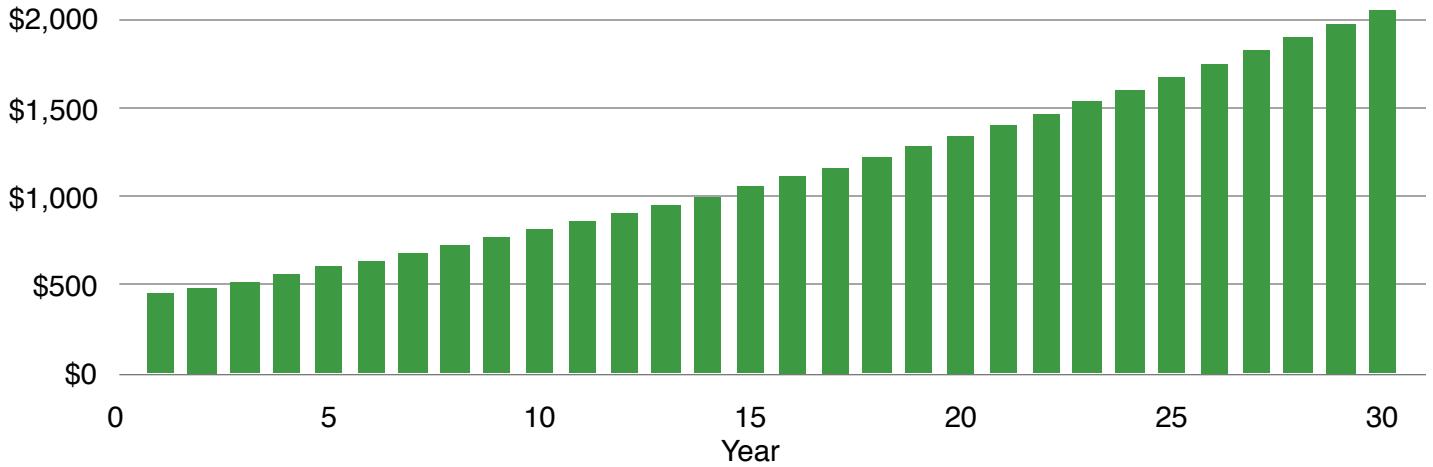


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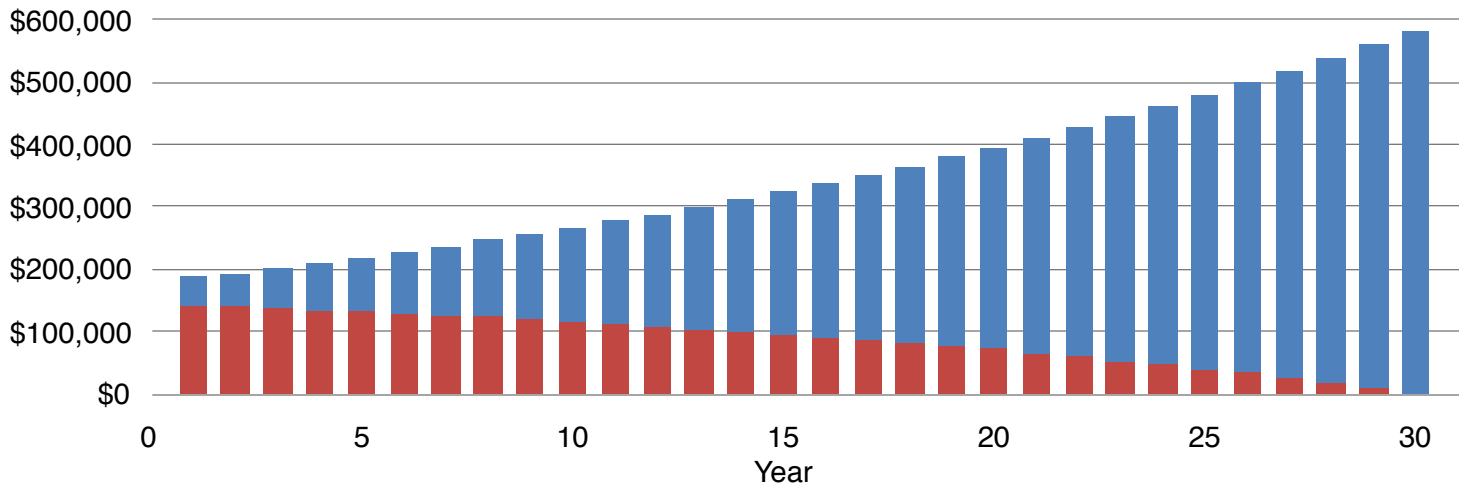
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Monthly Cash Flow



■ Loan Balance + ■ Equity = Market Value



Internal Rate of Return (IRR)

