



## **Manwill Duplex**

570 E 500 N  
Provo, UT 84606

Presented by:

**Clay Winder**  
**Keller Williams Realty**

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www.RedSign.com



# Overview

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## Purchase Info

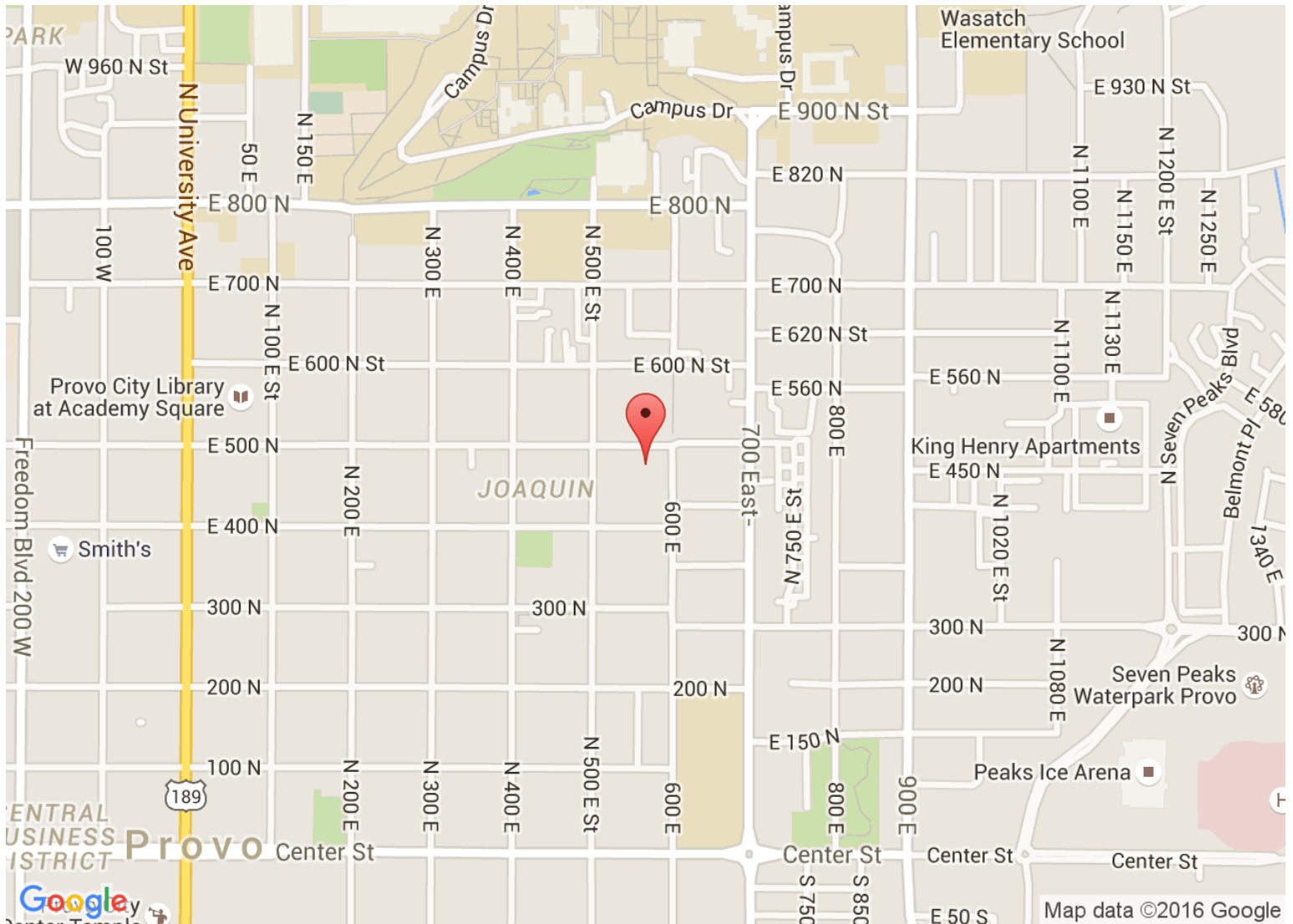
Square Feet (2 Units)	2,600
Purchase Price	\$374,900
Initial Cash Invested	\$101,223

## Income Analysis

	Monthly	Annual
Net Operating Income	\$1,825	\$21,899
Cash Flow	\$442	\$5,301

## Financial Metrics

Cap Rate (Purchase Price)	5.8%
Cash on Cash Return (Year 1)	5.2%
Internal Rate of Return (Year 10)	14.7%
Sale Price (Year 10)	\$503,834



# Purchase Analysis

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Purchase Info	
Purchase Price	\$374,900
- First Mortgage	-\$281,175
- Second Mortgage	-\$0
<b>= Downpayment</b>	<b>\$93,725</b>
+ Buying Costs	\$7,498
+ Initial Improvements	\$0
<b>= Initial Cash Invested</b>	<b>\$101,223</b>
Square Feet (2 Units)	2,600
Cost per Square Foot	\$144
Monthly Rent per Square Foot	\$1.02
Cost per Unit	\$187,450
Average Monthly Rent per Unit	\$1,320

Mortgages	First	Second
Loan-To-Cost Ratio	75%	0%
Loan-To-Value Ratio	75%	0%
Loan Amount	\$281,175	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	4.25%	
<b>Payment</b>	<b>\$1,383.21</b>	<b>\$0.00</b>

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	11.8
Operating Expense Ratio	24.9%
Debt Coverage Ratio	1.32
Cap Rate (Purchase Price)	5.8%
<b>Cash on Cash Return</b>	<b>5.2%</b>

Assumptions	
Appreciation Rate	3.0%
Vacancy Rate	8.0%
Income Inflation Rate	3.0%
Expense Inflation Rate	3.0%
LTV for Refinance	70.0%
Selling Costs	\$26,243

Income	Monthly	Annual
Gross Rent	\$2,640	\$31,680
Vacancy Loss	-\$211	-\$2,534
<b>Operating Income</b>	<b>\$2,429</b>	<b>\$29,146</b>

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (5%)	-\$125	-\$1,500
Insurance (4%)	-\$94	-\$1,125
Taxes (6%)	-\$135	-\$1,622
Utilities (10%)	-\$250	-\$3,000
<b>Operating Expenses (25%)</b>	<b>-\$604</b>	<b>-\$7,246</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$1,825</b>	<b>\$21,899</b>
- Mortgage Payments	-\$1,383	-\$16,599
- Year 1 Improvements	-\$0	-\$0
<b>= Cash Flow</b>	<b>\$442</b>	<b>\$5,301</b>

# 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	\$31,680	\$32,630	\$33,609	\$35,656	\$41,335	\$55,551	\$74,656
Vacancy Loss	-\$2,534	-\$2,610	-\$2,689	-\$2,852	-\$3,307	-\$4,444	-\$5,972
<b>Operating Income</b>	<b>\$29,146</b>	<b>\$30,020</b>	<b>\$30,921</b>	<b>\$32,804</b>	<b>\$38,028</b>	<b>\$51,107</b>	<b>\$68,684</b>

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Cleaning & Maintenance	-\$1,500	-\$1,545	-\$1,591	-\$1,688	-\$1,957	-\$2,630	-\$3,534
Insurance	-\$1,125	-\$1,158	-\$1,193	-\$1,266	-\$1,467	-\$1,972	-\$2,650
Taxes	-\$1,622	-\$1,671	-\$1,721	-\$1,826	-\$2,116	-\$2,844	-\$3,822
Utilities	-\$3,000	-\$3,090	-\$3,183	-\$3,377	-\$3,914	-\$5,261	-\$7,070
<b>Operating Expenses</b>	<b>-\$7,246</b>	<b>-\$7,464</b>	<b>-\$7,688</b>	<b>-\$8,156</b>	<b>-\$9,455</b>	<b>-\$12,706</b>	<b>-\$17,076</b>

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
<b>Net Operating Income</b>	<b>\$21,899</b>	<b>\$22,556</b>	<b>\$23,233</b>	<b>\$24,648</b>	<b>\$28,574</b>	<b>\$38,401</b>	<b>\$51,607</b>
- Mortgage Payments	-\$16,599	-\$16,599	-\$16,599	-\$16,599	-\$16,599	-\$16,599	-\$16,599
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
<b>= Cash Flow</b>	<b>\$5,301</b>	<b>\$5,958</b>	<b>\$6,634</b>	<b>\$8,049</b>	<b>\$11,975</b>	<b>\$21,802</b>	<b>\$35,009</b>
Cap Rate (Purchase Price)	5.8%	6.0%	6.2%	6.6%	7.6%	10.2%	13.8%
Cap Rate (Market Value)	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%
<b>Cash on Cash Return</b>	<b>5.2%</b>	<b>5.9%</b>	<b>6.6%</b>	<b>8.0%</b>	<b>11.8%</b>	<b>21.5%</b>	<b>34.6%</b>
Return on Equity	4.8%	4.7%	4.6%	4.5%	4.3%	4.0%	3.8%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$386,147	\$397,731	\$409,663	\$434,612	\$503,834	\$677,111	\$909,981
- Loan Balance	-\$276,435	-\$271,489	-\$266,329	-\$255,329	-\$223,375	-\$135,031	-\$1
<b>= Equity</b>	<b>\$109,712</b>	<b>\$126,242</b>	<b>\$143,334</b>	<b>\$179,283</b>	<b>\$280,459</b>	<b>\$542,081</b>	<b>\$909,979</b>
Loan-to-Value Ratio	71.6%	68.3%	65.0%	58.7%	44.3%	19.9%	0.0%
Potential Cash-Out Refi	-\$6,132	\$6,923	\$20,435	\$48,900	\$129,309	\$338,947	\$636,985

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$109,712	\$126,242	\$143,334	\$179,283	\$280,459	\$542,081	\$909,979
- Selling Costs	-\$27,030	-\$27,841	-\$28,676	-\$30,423	-\$35,268	-\$47,398	-\$63,699
<b>= Proceeds After Sale</b>	<b>\$82,682</b>	<b>\$98,401</b>	<b>\$114,658</b>	<b>\$148,860</b>	<b>\$245,191</b>	<b>\$494,683</b>	<b>\$846,281</b>
+ Cumulative Cash Flow	\$5,301	\$11,259	\$17,893	\$33,274	\$85,066	\$256,472	\$543,913
- Initial Cash Invested	-\$101,223	-\$101,223	-\$101,223	-\$101,223	-\$101,223	-\$101,223	-\$101,223
<b>= Net Profit</b>	<b>-\$13,240</b>	<b>\$8,437</b>	<b>\$31,328</b>	<b>\$80,911</b>	<b>\$229,034</b>	<b>\$649,932</b>	<b>\$1,288,970</b>
<b>Internal Rate of Return</b>	<b>-13.1%</b>	<b>4.2%</b>	<b>9.9%</b>	<b>13.6%</b>	<b>14.7%</b>	<b>13.8%</b>	<b>13.1%</b>
Return on Investment	-13%	8%	31%	80%	226%	642%	1,273%

# Graphs

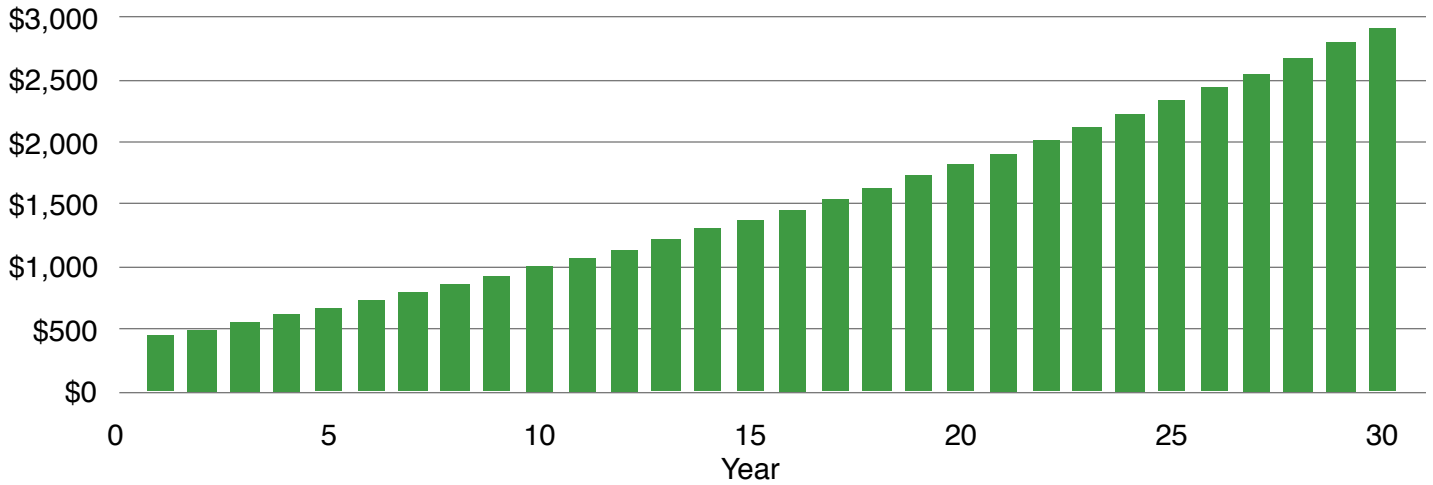
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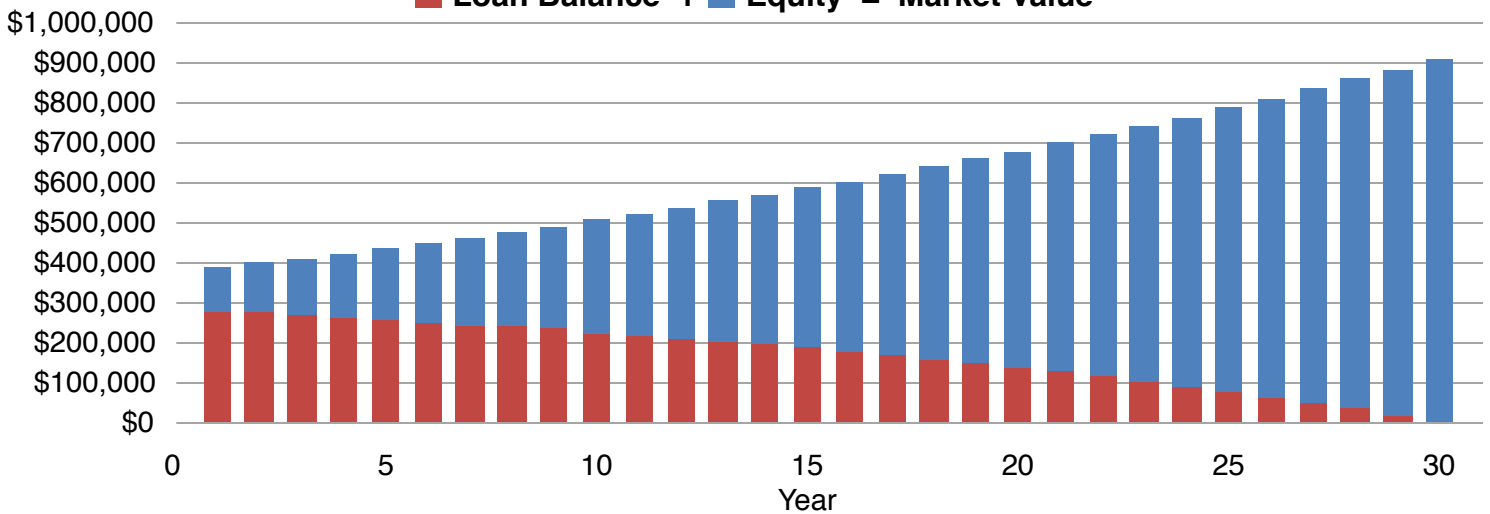
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## Monthly Cash Flow



■ Loan Balance + ■ Equity = Market Value



## Internal Rate of Return (IRR)

