

Property Report :

Condo LV 2+2

5655 E Sahara Ave, Las Vegas, NV 89142



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Real Estate Analysis

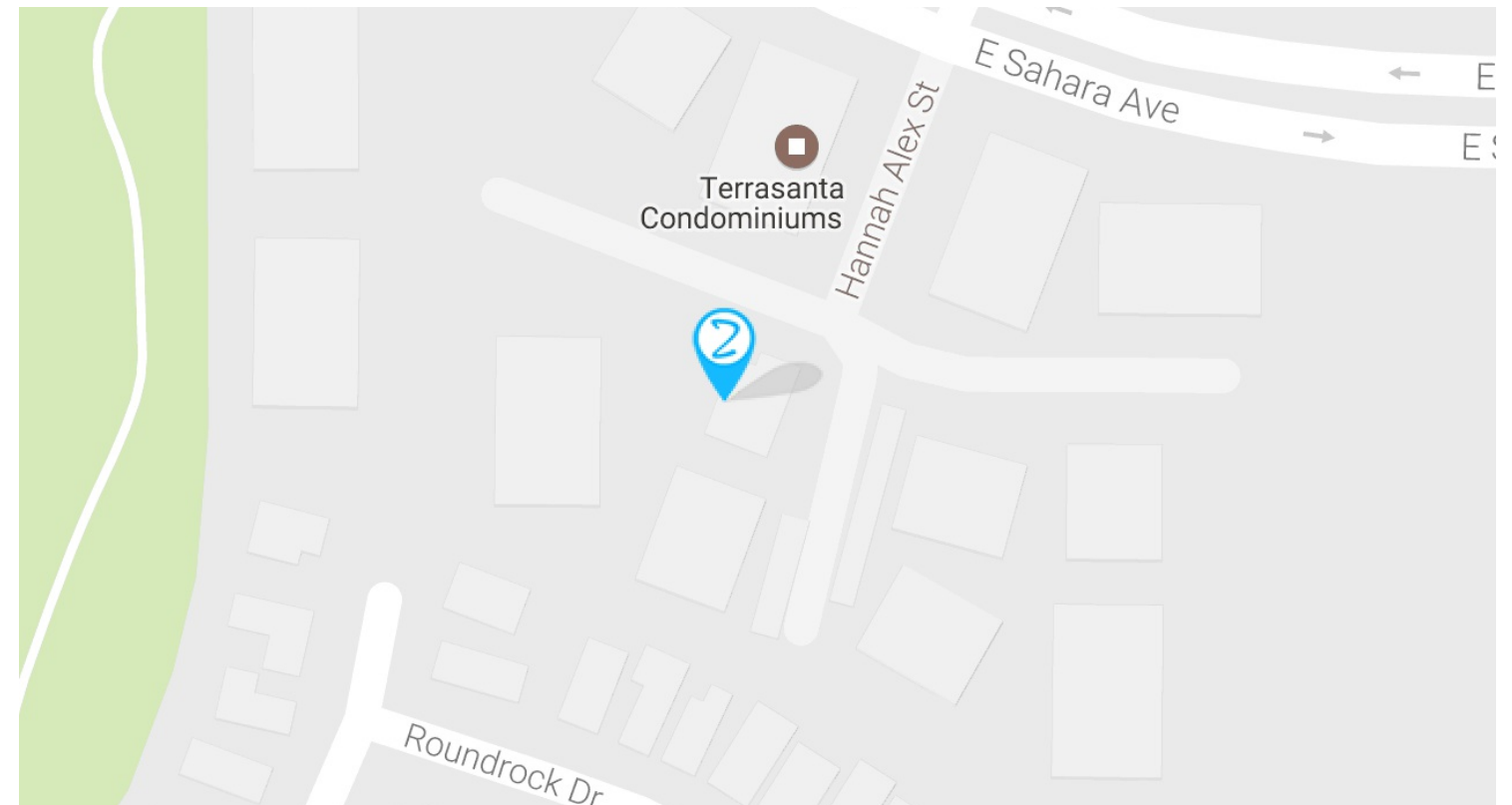
Executive Summary

5655 E Sahara Ave, Las Vegas, NV 89142

Condominium: 2 bedrooms , 2 bathrooms

Year built: 2001, Size: 1080 SF

Great condo in a quite area next to a golf course.



Financing Overview

Purchase Price	\$ 46,000
Down Payment	\$ 9,200
Renovation	\$ 0
Closing + Loan Costs	\$ 1,000
Total Cash Needed	\$ 10,200
Mortgage (20yr @ 5%)	\$ 36,800
Loan-to-Value (LTV)	80.00 %
Total Aquisition Cost	\$ 47,000

Income, Expenses and Cash Flow

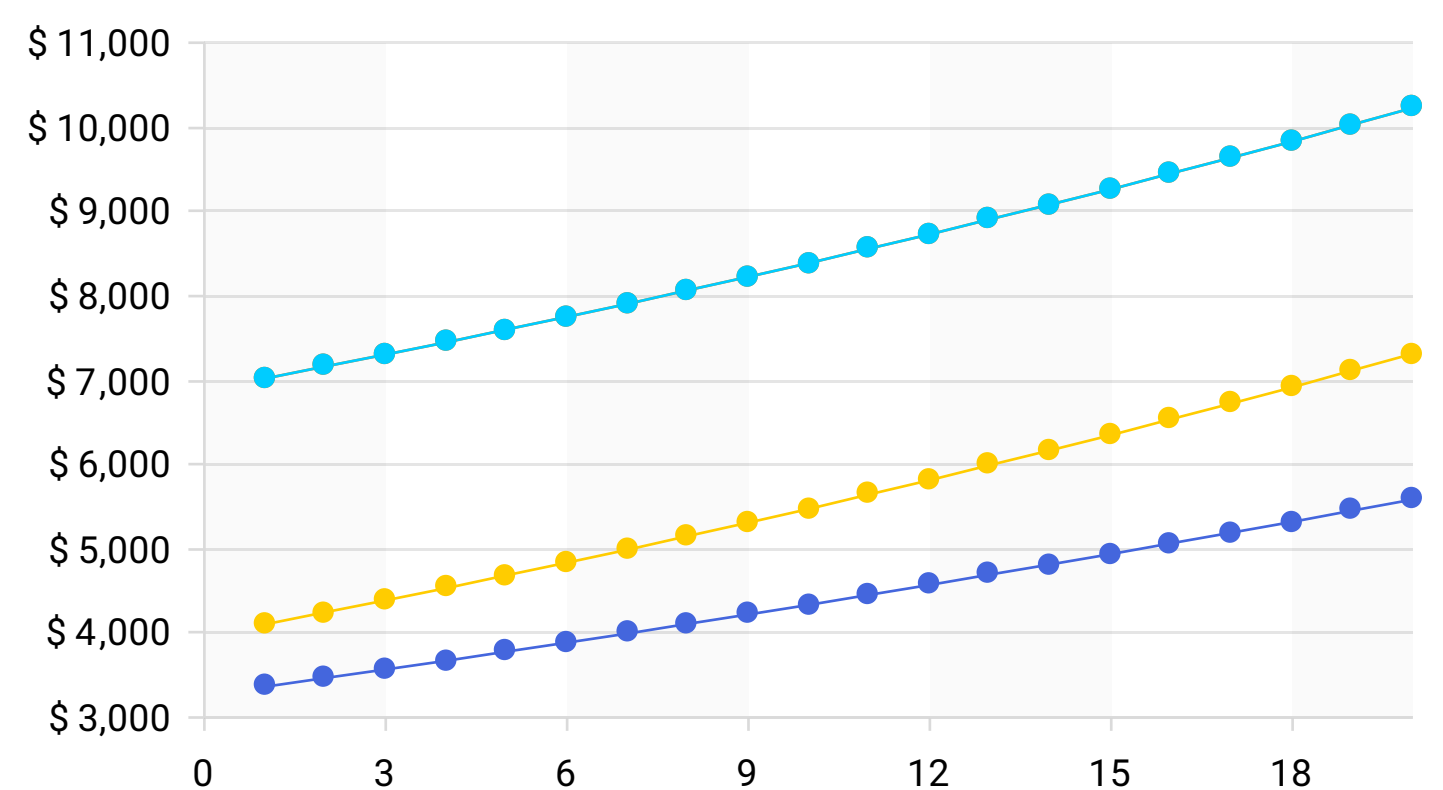
Rent	\$ 650/mo
Gross Operating Income (GOI)	\$ 7,020
Total Expenses	\$ 0
Net Operating Income (NOI)	\$ 7,020
Annual Debt Service	\$ 2,914
Renovation	\$ 0
Cash Flow Before Taxes (CFBT)	\$ 4,106
Income Tax Liability	\$ 740
Cash Flow After Taxes (CFAT)	\$ 3,366

Financial Analysis

Holding period of 20 years and discount rate of 10% were used for calculation of NPV and IRR. The rest of the financial measures are for the 1st year only and therefore doesn't provide such exact information.

Net Present Value (NPV)	\$ 135,783
Internal Rate of Return (IRR)	36.52 %
Cash on Cash Return	40.25 %
Return on Equity (ROE)	33.00 %
Capitalization Rate	15.26 %
Gross Rent Multiplier (GRM)	5.90
Debt-coverage Ratio (DCR)	2.68
Operating Expense Ratio (OER)	0.00 %

GOI, NOI and CF Over the Holding Period



Resale Analysis

Sale Price in year 20 (Appreciation: 5.00%)	\$ 122,052
Sale Proceeds (Before Tax)	\$ 113,507

Property Description

Purchase Price	\$ 46,000
Address	5655 E Sahara Ave , Las Vegas, 89142, NV
Country	US
Year Built	2001
Type	Condominium
Size	1080 SF
Bedrooms	2
Bathrooms	2
Description	Great condo in a quite area next to a golf course.



Photos



Operation Effectiveness

The Annual Property Operating Data

Incomes		% of GOI
Gross Scheduled Income	\$ 7,800	
Total Gross Income	\$ 7,800	
Vacancy loss	\$ 780	
Gross Operating Income	\$ 7,020	100.00 %
Expenses		
+ Repairs	\$ 0	0.00 %
+ Accounting	\$ 0	0.00 %
+ Manager	\$ 0	0.00 %
+ Prop_taxes	\$ 0	0.00 %
+ HOA fees	\$ 0	0.00 %
Total Expenses	\$ 0	0.00 %
Net Operating Income	\$ 7,020	100.00 %

Cash Flow (Year 1)

Net Operating Income	\$ 7,020	100.00 %
Annual Debt Service	\$ 2,914	41.51 %
Renovation	\$ 0	0.00 %
Cash Flow Before Taxes (CFBT)	\$ 4,106	58.49 %
Income Tax Liability	\$ 740	10.54 %
Cash Flow After Taxes (CFAT)	\$ 3,366	47.95 %

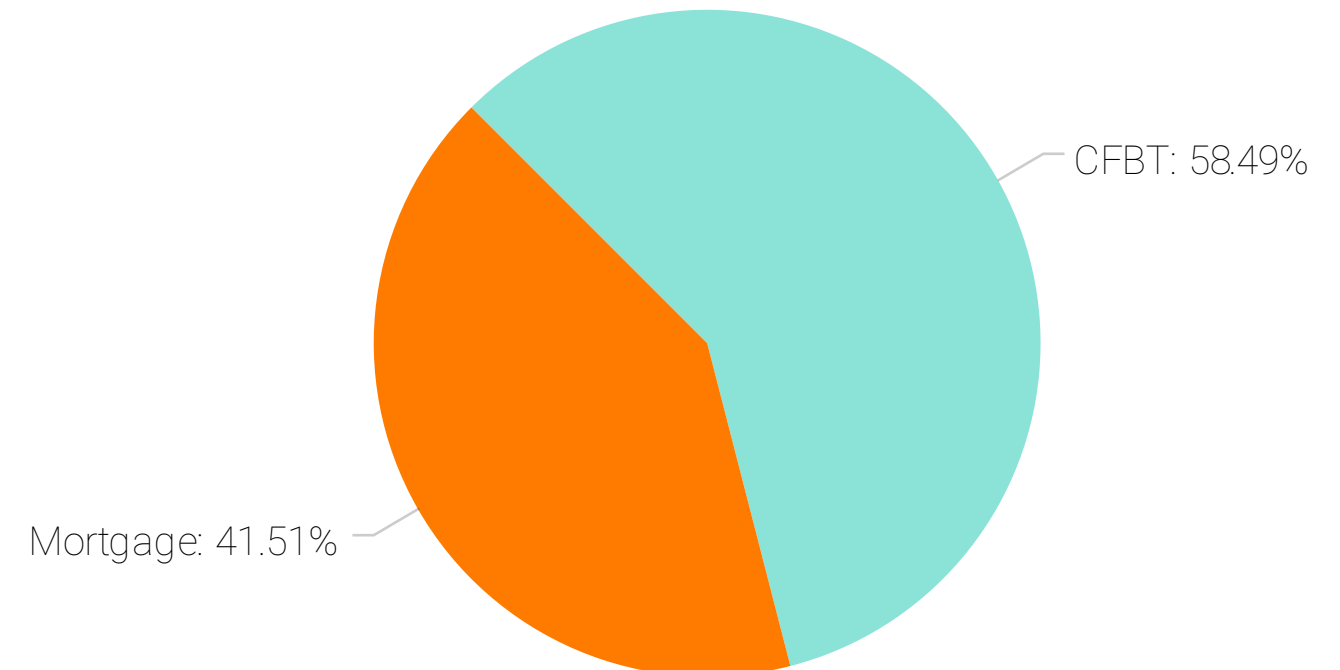
Financial Effectiveness

Financial Measures

Net Present Value (NPV)	\$ 135,783
Internal Rate of Return	36.52 %
Profitability Index	14.31
House P/E Ratio	1.45
Annual Depreciation	\$ 1,505

Holding period of 20 years and discount rate of 10.00% were used for calculation of NPV and IRR. The rest of the financial measures are for the 1st year only and therefore don't provide such an exact information.

Gross Operational Income Distribution



Operating Ratios

Operating Expense Ratio	0.00 %
Break-Even Ratio	62.91 %

Investment Return Ratios

Cash on Cash Return	40.25 %
Return on Investment	62.80 %
Return on Equity	33.00 %
Capitalization Rate	15.26 %
Gross Rental Yield	16.96 %
Gross Rent Multiplier	5.90

Financing Overview and Analysis

Acquisition Cost

Purchase Price	\$ 46,000
Closing Costs	\$ 1,000
Total	\$ 47,000

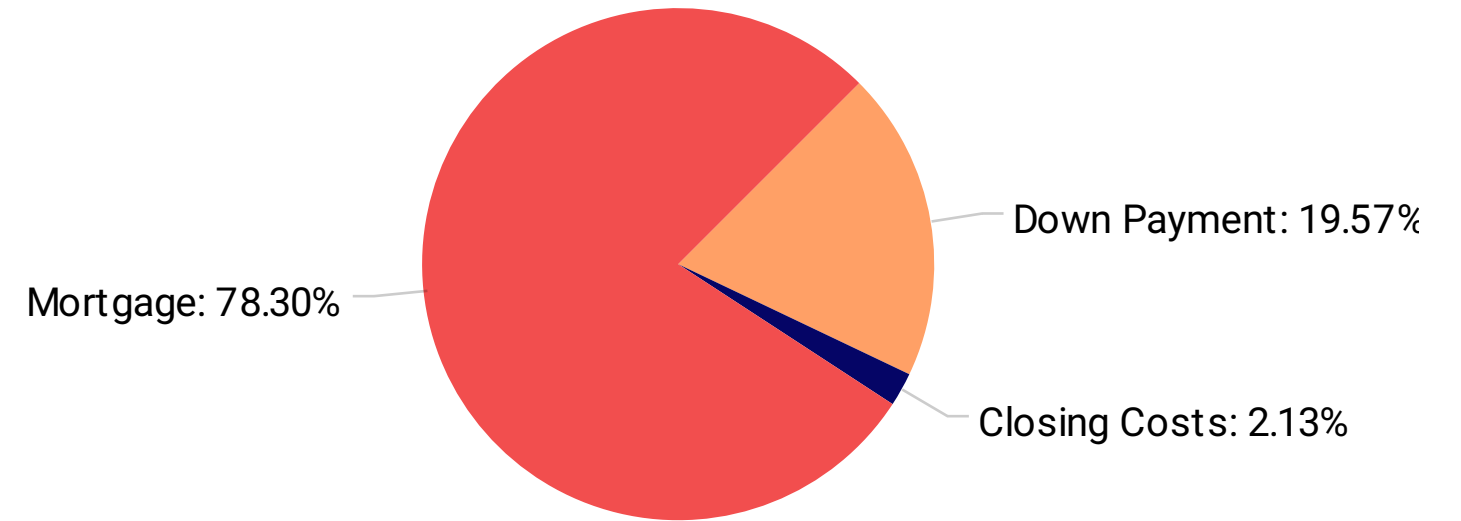
Financing		% of Acq.
Down Payment + Costs	\$ 9,200	19.57 %
Mortgage	\$ 36,800	78.30 %

Loan to Value Ratio	80.00 %
Debt Coverage Ratio	2.68

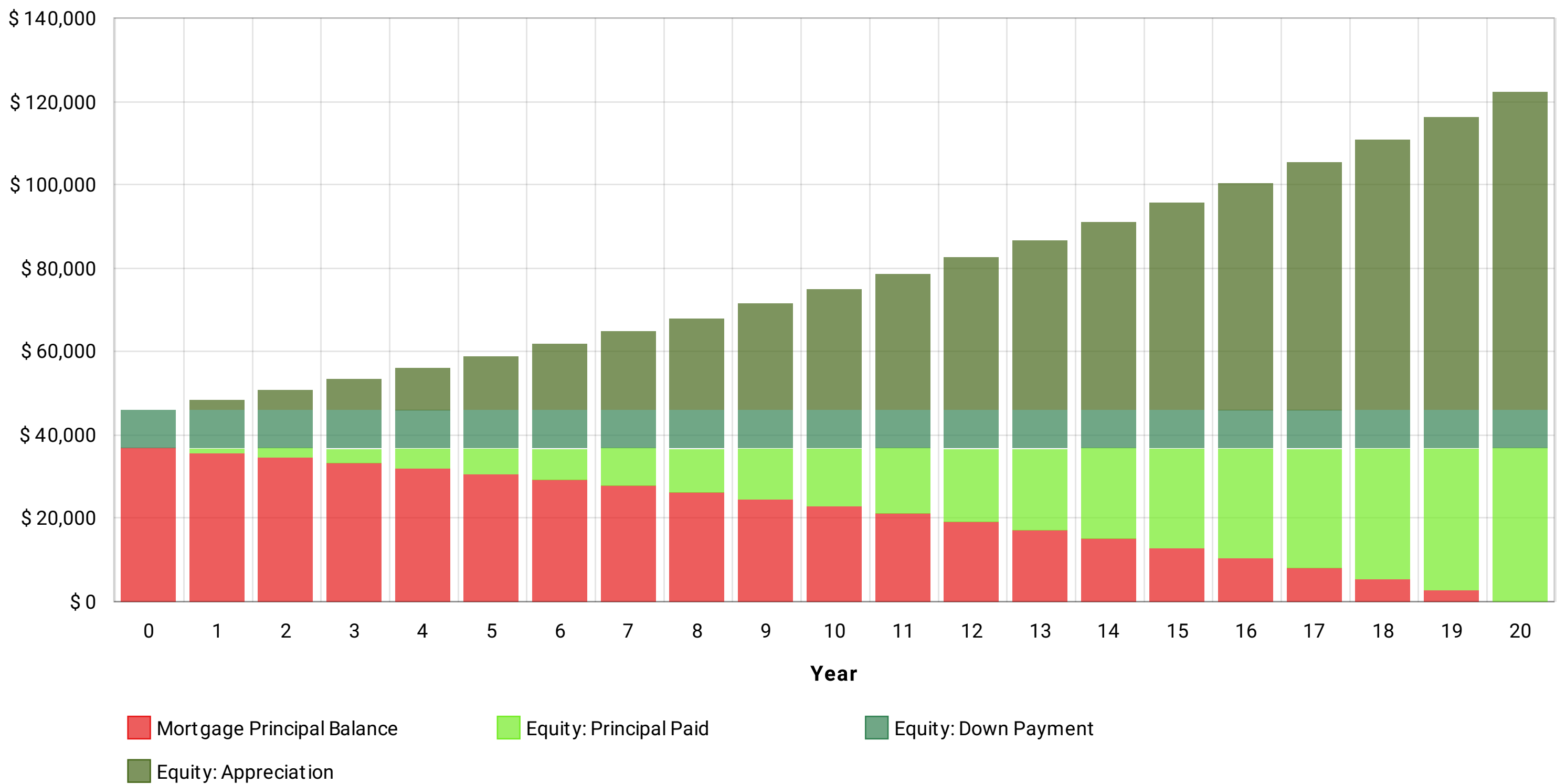
Mortgage

Mortgage Amount	\$ 36,800
Length	20 years
Interest Rate	5.00 %
Monthly Payment	\$ 242.86

Acquisition Cost Distribution



Cummulative Equity vs Debt



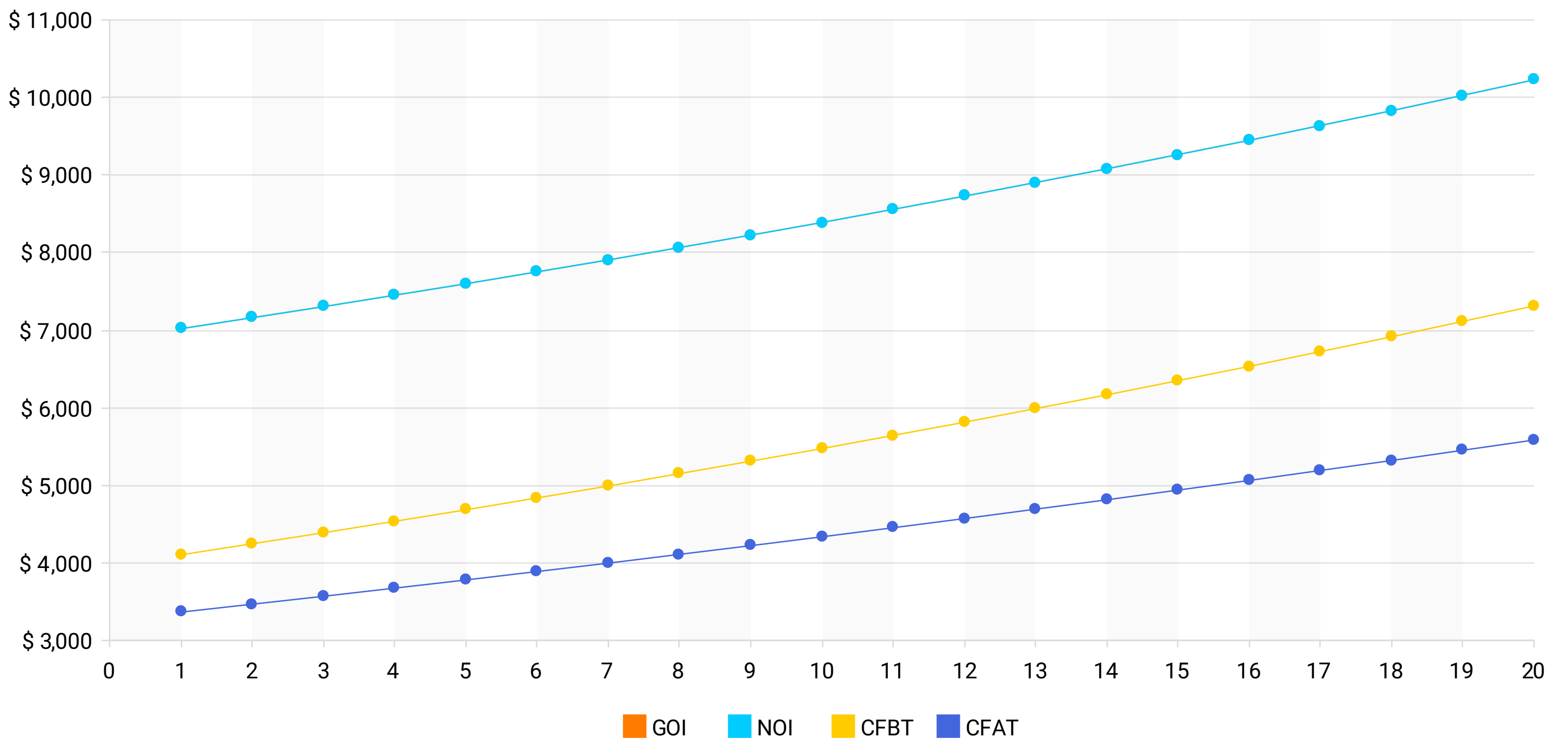
This chart shows the process of accumulation of the equity which belongs to the investor. There is some equity right from the beginning - the down payment. Over the time the equity is rising by paying off the principal of the mortgage and also by appreciation over the years. Basically all the green parts is the cummulative equity belonging to the investor and the red part belongs to the bank.

Long Term Financial Forecast

Year	0	1	2	3	4	5	10	15	20
Operational Analysis									
Gross Scheduled Income	0	7,800	7,956	8,115	8,277	8,443	9,322	10,292	11,363
Vacancy Loss	0	780	796	812	828	844	932	1,029	1,136
Gross Operating Income	0	7,020	7,160	7,304	7,450	7,599	8,390	9,263	10,227
Expenses	0	0	0	0	0	0	0	0	0
Net Operating Income	0	7,020	7,160	7,304	7,450	7,599	8,390	9,263	10,227
Financing									
Mortgage Payment	0	2,914	2,914	2,914	2,914	2,914	2,914	2,914	2,914
Payment Interest Part	0	1,815	1,759	1,700	1,638	1,572	1,192	704	77
Payment Principal Part	0	1,099	1,156	1,215	1,277	1,342	1,722	2,210	2,837
Cash Flow									
Renovation	0	0	0	0	0	0	0	0	0
Cash Flow Before Taxes	-10,200	4,106	4,246	4,389	4,535	4,684	5,475	6,348	7,313
Depreciation	0	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505
Taxes	0	740	779	820	861	904	1,139	1,411	1,729
Cash Flow After Taxes	-10,200	3,366	3,467	3,570	3,674	3,780	4,337	4,938	5,584

Note: All amounts in the table above are in \$

GOI, NOI and CF Over the Holding Period



Resale Analysis

Resale Price Evaluation Methods

The property is sold after 20 years.

Appreciation (5.00%)	\$ 122,052
Cap Rate (1.00%) & NOI	\$ 1,022,682
Gross Rent Multiplier	\$ 67,042

Sale Proceeds

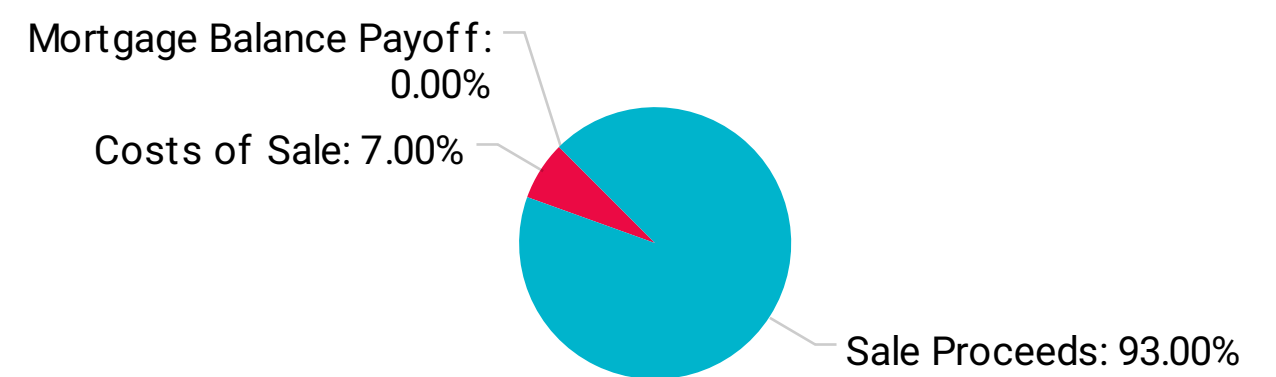
In the resale analysis we don't count with taxes which might occur when selling the property. The tax laws for the resale are rather complex and subjected to frequent changes, and are different in every country.

Projected Selling Price	\$ 122,052
Costs of Sale (7.00%)	\$ 8,544
Mortgage Balance Payoff	\$ 2
Sale Proceeds Before Tax	\$ 113,507

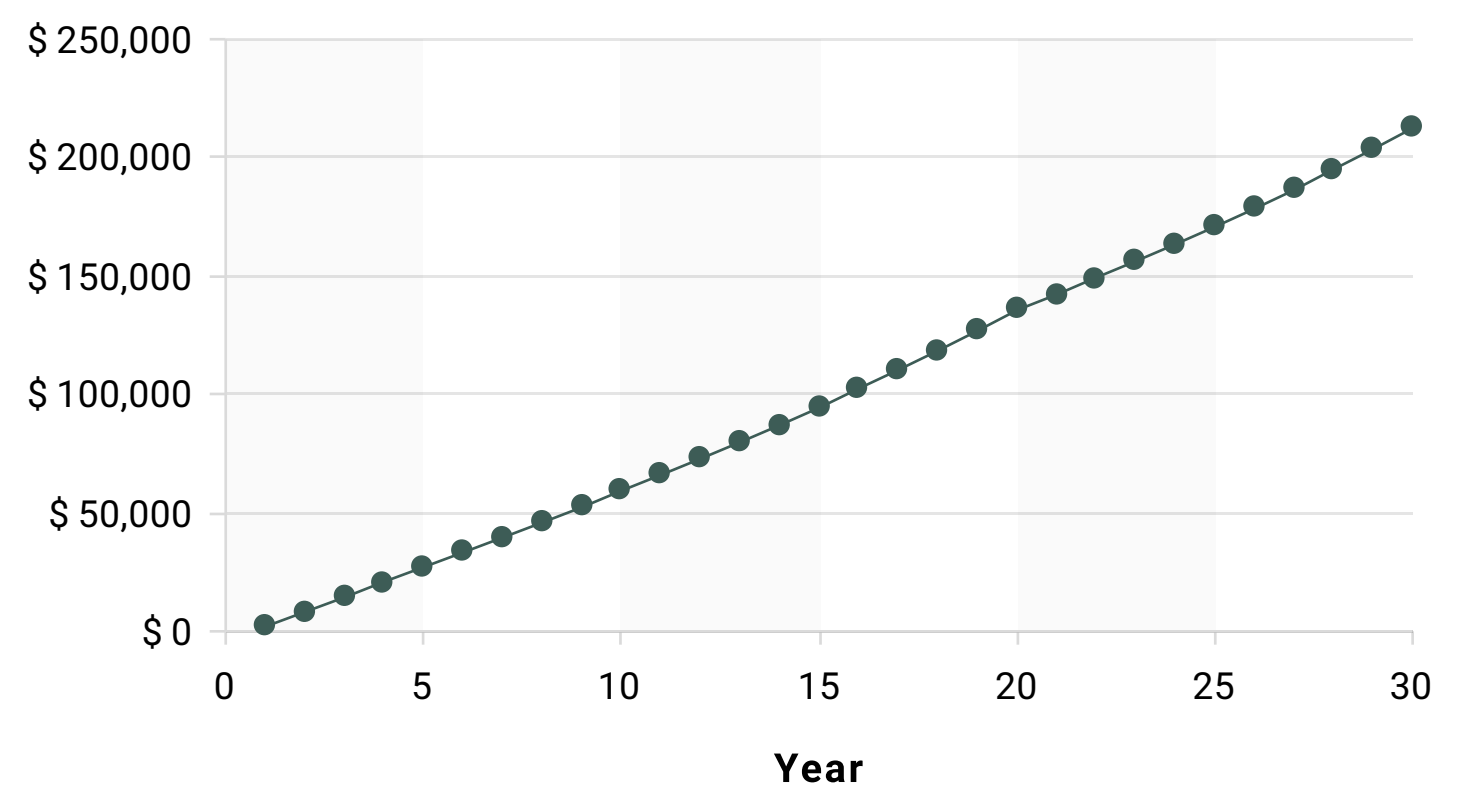
Net Assets and Yield

Net Assets	
Sale Proceeds Before Tax	\$ 113,507
Down Payment	\$ 9,200
Net Assets	\$ 104,307
Yield	
Annual Net Assets	\$ 5,215
Average Cash Flow (After Taxes)	\$ 4,145
Average Annual Yield	\$ 9,361
Average Annual Return	20.35 %

Resale Price Distribution



Optimal Holding Period based on NPV



This chart shows Net Present Value (NPV) when property is sold in various years, i.e. when sold in 5th year, the NPV is calculated from 5 years of Cash Flow (including the selling price) and this NPV is displayed in year 5. Optimal holding period can be estimated, using this method - when NPV is the highest. Please note that appreciation growth can change these numbers severely. It has sometime sense to sell the property even before the end of the mortgage period.