

# RE/MAX OCEAN REALTY

Priced home @ 275,000  
Westside Kill Devil Hills  
3 Bedroom 2 bath

## Price

Selling Price	275,000
Down Payment	<u>27,500</u>
First Trust Amount	247,500
Second Trust Amount	-

<u>Estimated Expenses</u>	interest only	<u>Monthly</u>	<u>Annual</u>
First Trust	(6.625% interest only)	\$ 1,366.40	\$ 16,396.80
Second Trust Amount			\$ -
County Taxes		55.00	660.00
Insurance	(Fire, Wind, Flood, Liability)	110.00	1,320.00
Electricity			-
Water & Sewer			-
Cable TV	(Basic Service)		-
Telephone	(Basic Service)		-
Homeowner Association Dues			-
Pool & Hot Tub Maintenance			-
User fees	Estimated	-	-
Maintenance Program			-
<b>Total Expenses</b>		<b>1,531.40</b>	<b>18,376.80</b>

<u>Rental Projections</u>	Months
Prime	17,400
Pre & Post Season	-
Value Week	-
Mid Season	-
Holiday	-
Off season	-
<b>Total Estimated Gross Rental Weeks &amp; Income</b>	<b>17,400.00</b>
Management Fee	10.0% <u>1,740.00</u>
<b>Net Estimated Rental Income</b>	<b>15,660.00</b>
Estimated Income, Net of Expenses	(226.40) (2,716.80)

*The figures expressed in this ProForma should be used only as a guideline; information is based on both known and estimated current data. The numbers cited above do not include any provisions for deductions which may be available to you through your personal tax situation. Consult your Tax Accountant who may provide you with that information.*

**Five Year Estimated Appreciation**

			<b>Value</b>
	Assumed Appreciation Rate	4.50%	
Purchase Price			\$ 275,000
	Year One Appreciation	12,375	287,375
	Year Two Appreciation	12,932	300,307
	Year Three Appreciation	13,514	313,821
	Year Four Appreciation	14,122	327,943
	Year Five Appreciation	14,757	342,700
	Five Year Total Appreciation	67,700	342,700

<u>* Return on Invested Capital</u>	<b><u>Based on Appreciation ONLY</u></b>	<u>Annual Return</u>
	Year One	44.18%
	Year Two	46.20%
	Year Three	48.32%
	Year Four	50.53%
	Year Five	<u>52.84%</u>
	Return on Invested Capital	Five Year Total
		245.36%

\* Calculations are based on Year One rental rates; rates generally increase approximately 3% annually.

<u>Depreciation</u>	(Values based on comparable data)	<u>Depreciation</u> <u>Years</u>	<u>Annual</u> <u>Depreciation</u>
Land - Tax Basis		15	-
House - Tax Basis	150,000	27.5	5,454.55
Furnishings - Tax Basis		7	-
Annual Depreciation, Each of First Five Years			5,454.55
<b>Year One</b>	Cash Flow	First Year	(2,716.80)
	Depreciation	First Year	(5,454.55)
	Cumulative Year One Gain (Loss) Applied to Schedule C		(8,171.35)
	<u>Year One Return on Invested Capital</u>		
Assumed Tax Rate & Potential Tax Savings		28%	\$ 2,288
Equity Build Up		First Year	
First Year Appreciation		First Year	12,375
Net Potential Gain		First Year	\$ 14,663
Potential Gain (Loss) as a Percentage of Invested Capital		First Year	52.50%

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