

RE/MAX OCEAN REALTY

[Nags Head - Links](#)

\$395,000

3 Bedroom 2 bath

Hot Tub/ Furnished

Price			
Furnishings	Bill of Sale for	\$1.00	-
Selling Price			395,000
Down Payment		20%	<u>79,000</u>
First Trust Amount			316,000
Second Trust Amount			-
<u>Estimated Expenses</u>	interest only	<u>Monthly</u>	<u>Annual</u>
First Trust	(6.25% interest only)	\$ 1,645.83	\$ 19,749.96
Second Trust Amount			\$ -
County Taxes		98.00	1,176.00
Insurance	(Fire, Wind, Flood, Liability)	130.00	1,560.00
Electricity		115.00	1,380.00
Water & Sewer		25.00	300.00
Cable TV	(Basic Service)	42.00	504.00
Telephone	(Basic Service)	32.00	384.00
Homeowner Association Dues			-
Pool & Hot Tub Maintenance			-
User fees	Estimated	-	-
Maintenance Program			<u>-</u>
Total Expenses		2,087.83	25,053.96
<u>Rental Projections</u>			Months
			17,400
Prime			-
Pre & Post Season			-
Value Week			-
Mid Season			-
Holiday			-
Off season			<u>-</u>
Total Estimated Gross Rental Weeks & Income			17,400.00
Management Fee		18.0%	<u>3,132.00</u>
Net Estimated Rental Income			14,268.00
Estimated Income, Net of Expenses		(898.83)	(10,785.96)

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

			Value
	Assumed Appreciation Rate	4.50%	
Purchase Price			\$ 395,000
	Year One Appreciation	17,775	412,775
	Year Two Appreciation	18,575	431,350
	Year Three Appreciation	19,411	450,761
	Year Four Appreciation	20,284	471,045
	Year Five Appreciation	21,197	492,242
	Five Year Total Appreciation	97,242	492,242

<u>* Return on Invested Capital</u>	<u>Based on Appreciation ONLY</u>	<u>Annual Return</u>
	Year One	21.36%
	Year Two	22.37%
	Year Three	23.43%
	Year Four	24.54%
	Year Five	<u>25.69%</u>
	Return on Invested Capital	
	Five Year Total	121.95%

* 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	183,000	27.5	6,654.55
Furnishings - Tax Basis		7	-
			6,654.55
Annual Depreciation, Each of First Five Years			
	Year One		
	Cash Flow	First Year	(10,785.96)
	Depreciation	First Year	(6,654.55)
	Cumulative Year One Gain (Loss) Applied to Schedule C		(17,440.51)
<u>Year One Return on Invested Capital</u>			
Assumed Tax Rate & Potential Tax Savings		28%	\$ 4,883
Equity Build Up		First Year	
First Year Appreciation		First Year	17,775
Net Potential Gain		First Year	\$ 22,658
Potential Gain (Loss) as a Percentage of Invested Capital		First Year	27.54%

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