

RE/MAX OCEAN REALTY

Semi Ocean Front

One back from Ocean

6 Bedroom 5.5 Bathroom / Pool & Hot Tub

Kill Devil Hills, NC

Furnished

Price				
Furnishings	Bill of Sale for	\$1.00		-
Selling Price				895,000
Down Payment				<u>179,000</u>
First Trust Amount				716,000
Second Trust Amount				-
<u>Estimated Expenses</u>	interest only	<u>Monthly</u>		<u>Annual</u>
First Trust	(6.75% interest only)	\$ 4,027.50	\$	48,330.00
Second Trust Amount			\$	-
County Taxes		280.00		3,360.00
Insurance	(Fire, Wind, Flood, Liability)	265.00		3,180.00
Electricity		210.00		2,520.00
Water & Sewer		36.00		432.00
Cable TV	(Basic Service)	52.00		624.00
Telephone	(Basic Service)	32.00		384.00
Homeowner Association Dues				-
Pool & Hot Tub Maintenance		150.00		1,800.00
User fees	Estimated	-		-
Maintenance Program				-
Total Expenses		5,052.50		<u>60,630.00</u>
<u>Rental Projections</u>			Months	
				47,000
Prime				-
Pre & Post Season				-
Value Week				-
Mid Season				-
Holiday				-
Off season				-
Total Estimated Gross Rental Weeks & Income				<u>47,000.00</u>
Management Fee			18.0%	<u>8,460.00</u>
Net Estimated Rental Income				38,540.00
Estimated Income, Net of Expenses		(1,840.83)		(22,090.00)

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			\$ 895,000
	Year One Appreciation	40,275	935,275
	Year Two Appreciation	42,087	977,362
	Year Three Appreciation	43,981	1,021,344
	Year Four Appreciation	45,960	1,067,304
	Year Five Appreciation	48,029	1,115,333
	Five Year Total Appreciation	220,333	1,115,333

<u>* Return on Invested Capital</u>	<u>Based on Appreciation ONLY</u>	<u>Annual Return</u>
	Year One	21.47%
	Year Two	22.48%
	Year Three	23.54%
	Year Four	24.65%
	Year Five	<u>25.80%</u>
	Return on Invested Capital	
	Five Year Total	122.06%

* 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	403,500	27.5	14,672.73
Furnishings - Tax Basis		7	-
Annual Depreciation, Each of First Five Years			14,672.73
Year One	Cash Flow	First Year	(22,090.00)
	Depreciation	First Year	(14,672.73)
	Cumulative Year One Gain (Loss) Applied to Schedule C		(36,762.73)
	<u>Year One Return on Invested Capital</u>		
Assumed Tax Rate & Potential Tax Savings		28%	\$ 10,294
Equity Build Up		First Year	
First Year Appreciation		First Year	40,275
Net Potential Gain		First Year	\$ 50,569
Potential Gain (Loss) as a Percentage of Invested Capital		First Year	27.22%

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