

Investment Property Worksheet

This form is designed to assist in estimating the first year benefits of a real estate investment. It does not consider the effect of selling or exchanging the property in the future. This form is not a substitute for legal or tax advice. Anyone contemplating the purchase of a real estate investment should seek the service of competent legal and tax advisors.

| | | |
|--------------------------|----|--|
| Purchase cost | \$ | |
| Cash invested | \$ | |
| Financing: Amount | \$ | |
| Rate | % | |
| P&I | \$ | |
| per month | | |
| Financing: Amount | \$ | |
| Rate | % | |
| P&I | \$ | |
| per month | | |
| Land value | \$ | |
| Personal property value | \$ | |
| Building value | \$ | |
| Land improvement value | \$ | |
| Total depreciation | \$ | |
| Annual rent | \$ | |
| Less vacancy | \$ | |
| = Gross operating income | \$ | |

| | |
|---------------------------|---------------|
| Annual operating expenses | |
| Real estate tax | Insurance |
| \$ | \$ |
| Repair | Utilities |
| \$ | \$ |
| Assoc. dues | Advertising |
| \$ | \$ |
| Management | Supplies |
| \$ | \$ |
| Miscellaneous | Miscellaneous |
| \$ | \$ |
| Total operating expenses | \$ |

| | | | | |
|------|---|----|----|----|
| I. | Gross operating income | \$ | | |
| | Minus: operating expenses | - | \$ | |
| | Equals: net operating income | = | \$ | |
| | Minus: annual debt service (monthly P&I) | - | \$ | |
| | Equals: cash flow before tax | = | | \$ |
| II. | Annual debt service | \$ | | |
| | Minus: interest | - | \$ | |
| | Equals: principal reduction | = | | \$ |
| III. | Net operating income | \$ | | |
| | Minus: interest | - | \$ | |
| | Minus: total depreciation | - | \$ | |
| | Equals: taxable income | = | \$ | |
| | Multiplied by tax bracket | x | % | |
| | Equals: tax paid or saved | = | | \$ |
| IV. | Appreciation (estimate) | | | \$ |

| | |
|---|------|
| Return on investment with appreciation | \$ |
| Cash flow before tax + Principal reduction + Tax savings + Appreciation | / \$ |
| Cash invested | = \$ |

| | |
|--|------|
| Return on investment without appreciation | \$ |
| Cash flow before tax + Principal reduction + Tax savings | / \$ |
| Cash invested | = \$ |

| | |
|----------------------|------|
| Capitalization rate | \$ |
| Net operating income | / \$ |
| Purchase cost | = \$ |

| | |
|----------------------|------|
| Cash on cash | \$ |
| Cash flow before tax | / \$ |
| Cash invested | = \$ |