

RESIDENTIAL PROPERTY ANALYSIS
For
John and Mary Demo

This Property Analysis is for "Personal Home" located at:

1. Fair Oaks, CA

2. Market Value 225,000 Assumed Appreciation Rate: 5%

3. OPERATING EXPENSES:

4. Yearly Property Tax 1,600 Assumed Escalation Rate: 2%

5. Annual Insurance Premium 740 Assumed Escalation Rate: 3%

6. Maintenance & Other 1,200 Assumed Escalation Rate: 4%

7. TOTAL OPERATING EXPENSES 3,540

8. Estimated Cost To Rent/Month 1,100 Assumed Escalation Rate: 5%

9. Cost To Sell 6%

LOAN(S):	Date	Principal	Interest	Term	Payment	Balance
What-If Loan on Residence	1/2001	130,000	8.00%	360	954	130,000

10. Marginal Income Tax Rate 41.00% 41.00% 41.00% 41.00% 41.00%

11. YEARS:

	1/2001	2001	2002	2003	2004	2005
12. Market Value	\$ 225,000	236,250	248,063	260,466	273,489	287,163
13. Cost To Sell	\$ 13,500	14,175	14,884	15,628	16,409	17,230
14. Loan Balance	\$ 130,000	129,008	127,840	126,574	125,204	123,720
15. Equity	\$ 81,500	93,067	105,339	118,263	131,876	146,214
16. Gross Profit	\$ 61,500	73,067	85,339	98,263	111,876	126,214

17. Loan Payments \$ 11,830 11,447 11,447 11,447 11,447 11,447

18. Loan Reduction \$ 1,155 1,168 1,265 1,370 1,484

19. Loan Interest \$ 10,675 10,278 10,181 10,076 9,963

20. Property Tax \$ 1,600 1,632 1,665 1,698 1,732

21. Tax Write-Offs \$ 12,275 11,910 11,846 11,774 11,695

OWNERSHIP EXPENSES:

22. Principal, Interest, Property Tax & Insurance \$ 14,170 13,841 13,896 13,953 14,011

23. Maintenance & Other Expenses \$ 1,200 1,236 1,273 1,311 1,351

OWNERSHIP ADVANTAGES:

24. Equity Increase \$ 10,965 12,272 12,924 13,612 14,338

25. Tax Savings \$ 5,033 4,883 4,857 4,827 4,795

26. FINANCIAL RETURN \$ 15,998 17,155 17,781 18,440 19,133

27. ON EQUITY: 19.49% 18.43% 16.88% 15.59% 14.51%

28. RESIDENTIAL USE \$ -2,170 -1,481 -1,166 -841 -505

29. (BENEFIT OR COST): -2.64% -1.59% -1.11% -0.71% -0.38%

30. NET RETURN ON EQUITY: 16.84% 16.84% 15.77% 14.88% 14.12%