



The Lochs at Waters Edge

100 E 650 N
Vineyard, UT 84058

Presented by:

Fourplex Investment Group

RE/MAX Equity

295 W Center
Provo, UT 84601
www.fig.us



Overview

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Purchase Info

Square Feet (4 Units)	7,252
Initial Market Value	\$750,000
Purchase Price	\$659,900
Initial Cash Invested	\$189,975

Income Analysis

	Monthly	Annual
Net Operating Income	\$4,033	\$48,394
Cash Flow	\$1,451	\$17,413

Financial Metrics

Cap Rate (Purchase Price)	7.3%
Cash on Cash Return (Year 1)	9.2%
Internal Rate of Return (Year 10)	17.6%
Sale Price (Year 10)	\$960,063



Purchase Analysis

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Purchase Info	
Initial Market Value	\$750,000
Purchase Price	\$659,900
- First Mortgage	-\$494,925
- Second Mortgage	-\$0
= Downpayment	\$164,975
+ Buying Costs	\$25,000
+ Initial Improvements	\$0
= Initial Cash Invested	\$189,975
Square Feet (4 Units)	7,252
Cost per Square Foot	\$91
Monthly Rent per Square Foot	\$0.80
Cost per Unit	\$164,975
Average Monthly Rent per Unit	\$1,450

Mortgages	First	Second
Loan-To-Cost Ratio	75%	0%
Loan-To-Value Ratio	65.99%	0%
Loan Amount	\$494,925	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	4.75%	
Payment	\$2,581.76	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	9.5
Operating Expense Ratio	28.3%
Debt Coverage Ratio	1.56
Cap Rate (Purchase Price)	7.3%
Cash on Cash Return	9.2%

Assumptions	
Appreciation Rate	2.5%
Vacancy Rate	3.0%
Income Inflation Rate	2.0%
Expense Inflation Rate	3.0%
LTV for Refinance	70.0%
Selling Costs	\$52,500

Income	Monthly	Annual
Gross Rent	\$5,800	\$69,600
Vacancy Loss	-\$174	-\$2,088
Operating Income	\$5,626	\$67,512

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (1%)	-\$75	-\$900
Insurance (1%)	-\$42	-\$500
Management Fees (7%)	-\$394	-\$4,726
Taxes (7%)	-\$367	-\$4,400
Association Fees (13%)	-\$716	-\$8,592
Operating Expenses (28%)	-\$1,593	-\$19,118

Net Performance	Monthly	Annual
Net Operating Income	\$4,033	\$48,394
- Mortgage Payments	-\$2,582	-\$30,981
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$1,451	\$17,413

Buy and Hold Projection

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Income	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Gross Rent	\$69,600	\$70,992	\$72,412	\$75,337	\$83,178	\$101,394	\$123,599
Vacancy Loss	-\$2,088	-\$2,130	-\$2,172	-\$2,260	-\$2,495	-\$3,042	-\$3,708
Operating Income	\$67,512	\$68,862	\$70,239	\$73,077	\$80,683	\$98,352	\$119,891

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Cleaning & Maintenance	-\$900	-\$927	-\$955	-\$1,013	-\$1,174	-\$1,578	-\$2,121
Insurance	-\$500	-\$515	-\$530	-\$563	-\$652	-\$877	-\$1,178
Management Fees	-\$4,726	-\$4,820	-\$4,917	-\$5,115	-\$5,648	-\$6,885	-\$8,392
Taxes	-\$4,400	-\$4,532	-\$4,668	-\$4,952	-\$5,741	-\$7,715	-\$10,369
Association Fees	-\$8,592	-\$8,850	-\$9,115	-\$9,670	-\$11,211	-\$15,066	-\$20,248
Operating Expenses	-\$19,118	-\$19,644	-\$20,185	-\$21,314	-\$24,426	-\$32,121	-\$42,308

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$48,394	\$49,218	\$50,054	\$51,763	\$56,257	\$66,231	\$77,583
- Mortgage Payments	-\$30,981	-\$30,981	-\$30,981	-\$30,981	-\$30,981	-\$30,981	-\$30,981
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$17,413	\$18,237	\$19,073	\$20,782	\$25,276	\$35,250	\$46,602
Cap Rate (Purchase Price)	7.3%	7.5%	7.6%	7.8%	8.5%	10.0%	11.8%
Cap Rate (Market Value)	6.3%	6.2%	6.2%	6.1%	5.9%	5.4%	4.9%
Cash on Cash Return	9.2%	9.6%	10.0%	10.9%	13.3%	18.6%	24.5%
Return on Equity	6.2%	5.9%	5.7%	5.3%	4.5%	3.6%	3.0%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$768,750	\$787,969	\$807,668	\$848,556	\$960,063	\$1,228,962	\$1,573,176
- Loan Balance	-\$487,288	-\$479,280	-\$470,884	-\$452,848	-\$399,516	-\$246,240	-\$2
= Equity	\$281,462	\$308,689	\$336,784	\$395,708	\$560,548	\$982,722	\$1,573,173
Loan-to-Value Ratio	63.4%	60.8%	58.3%	53.4%	41.6%	20.0%	0.0%
Potential Cash-Out Refi	\$50,837	\$72,298	\$94,484	\$141,141	\$272,529	\$614,033	\$1,101,221

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$281,462	\$308,689	\$336,784	\$395,708	\$560,548	\$982,722	\$1,573,173
- Selling Costs	-\$53,812	-\$55,158	-\$56,537	-\$59,399	-\$67,204	-\$86,027	-\$110,122
= Proceeds After Sale	\$227,650	\$253,531	\$280,248	\$336,309	\$493,343	\$896,695	\$1,463,051
+ Cumulative Cash Flow	\$17,413	\$35,650	\$54,723	\$95,427	\$212,692	\$519,198	\$932,975
- Initial Cash Invested	-\$189,975	-\$189,975	-\$189,975	-\$189,975	-\$189,975	-\$189,975	-\$189,975
= Net Profit	\$55,088	\$99,206	\$144,996	\$241,761	\$516,060	\$1,225,917	\$2,206,051
Internal Rate of Return	29.0%	24.3%	22.3%	20.2%	17.6%	15.2%	14.1%
Return on Investment	29%	52%	76%	127%	272%	645%	1,161%

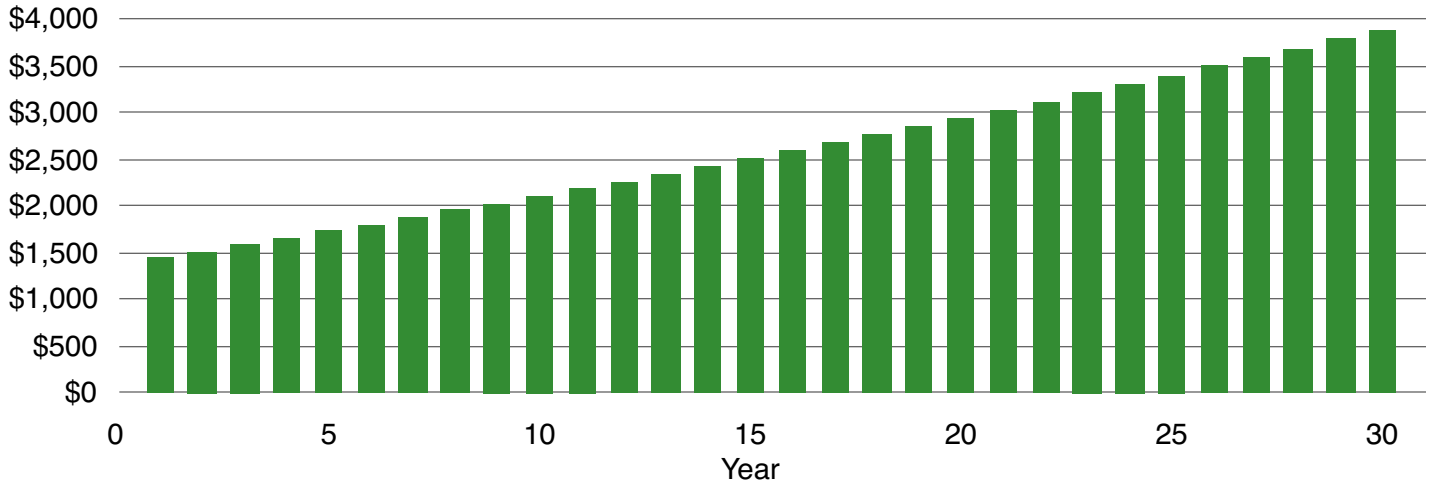
Graphs

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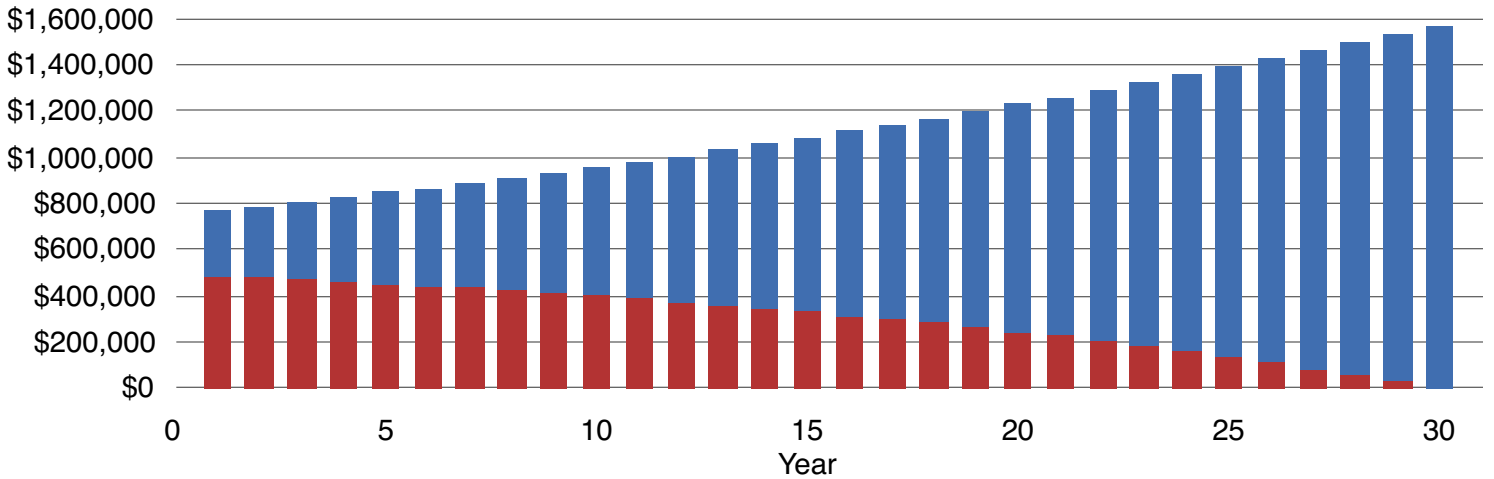


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Monthly Cash Flow



■ Loan Balance + ■ Equity = Market Value



Internal Rate of Return (IRR)

