

Down Payment Vs. ROI



Property Description:

10-Units: Property is in Long Beach. Built in 1965.
Roof is 15years old. Foundation is good. Electrical system is avg.
Some gfci's are required in the restrooms. Going for \$1,150,000

Rental Income		
10-Units		Rent
1	2bd/2ba	\$1,200
2	2bd/2ba	\$1,200
3	2bd/1ba	\$975
4	2bd/1ba	\$975
5	2bd/1ba	\$975
6	2bd/1ba	\$975
7	2bd/1ba	\$975
8	1bd/1ba	\$800
9	1bd/1ba	\$800
10	1bd/1ba	\$800
Monthly Income		\$9,675

Expenses	Loans	Monthly Expenses	Total
1st Trust Deed (P&I)	\$5,171	-	\$5,171
2nd Trust Deed	-	-	-
Mort. Ins.** 0.60%	-	\$575	-
Prop. Tax 1.25%	-	\$1,198	\$1,198
Hazard Insurance	-	\$295	\$295
Gardener	-	\$100	\$100
DWP	-	\$500	\$500
Other	-	-	-
-	-	-	-
Total Tax, Expenses	\$5,171	\$2,668	\$7,839

example	Purchase Price	Percent Down	Down Payment	Loan Amount	Interest Rate *	Monthly Payment (P&I)	Monthly Expenses	Yearly Rental Income	Total Yearly Expenses	Yearly Cash Flow	ROI
1	\$1,150,000	25%	\$287,500	\$862,500	6.00%	\$5,171	\$2,093	\$116,100	\$87,168	\$28,932	10.06%
2	\$1,150,000	25%	\$287,500	\$862,500	7.50%	\$6,031	\$2,093	\$116,100	\$97,484	\$18,616	6.48%

* = interest rate depends on credit score, down payment, prime rate, and other variables. (See a loan specialist for clarification)

** = Mortgage insurance does not apply if 20% or more is applied to the down payment.

Payment is based on a 30-year fixed loan.