

# Down Payment Vs. ROI



## Property Description:

4-Units: Property is in Long Beach. Built in 1965. Currently has 75% copper plumbing and 25% galvanized. Roof is roughly 15years old. Foundation is good. Electrical system is avg.

Some gfci's are required in the restrooms. Going for \$400,000. Rents are currently on the low side.

Rental Income		
4-Units Attached		Rent
SFR	2bd/1ba	\$1,000
	1bd/1ba	\$850
	1bd/1ba	\$850
	studio	\$750
Total Income		\$3,450

Expenses	Loans	Monthly Expenses	Total
1st Trust Deed (P&I)	\$1,835	-	\$1,835
2nd Trust Deed	-	-	-
Mortgage Ins. 0.60%	-	\$200	-
Property Tax 1.25%	-	\$417	\$417
Hazard Insurance	-	\$125	\$125
Gardener	-	\$60	\$60
DWP	-	\$175	\$175
-	-	-	-
-	-	-	-
Total Tax, Expenses	\$1,835	\$977	\$2,812

Scenario	Purchase Price	Percent Down	Down Payment	Loan Amount	Interest Rate *	Monthly Payment (P&I) **	Monthly Taxes, Ins, dwp,grdnr	Yearly Rental Income	Yearly Expenses (P&I)+Tax,ins	Yearly Cash Flow	ROI
1	\$400,000	3.50%	\$14,000	\$386,000	6.00%	\$2,314	\$977	\$41,400	\$39,488	\$1,912	13.66%
2	\$400,000	3.50%	\$14,000	\$386,000	7.50%	\$2,699	\$977	\$41,400	\$44,108	-\$2,708	-19.34%
3	\$400,000	10%	\$47,000	\$353,000	6.00%	\$2,116	\$977	\$41,400	\$37,112	\$4,288	9.12%
4	\$400,000	10%	\$47,000	\$353,000	7.50%	\$2,468	\$977	\$41,400	\$41,336	\$64	0.14%
5	\$400,000	15%	\$70,500	\$329,500	6.00%	\$1,976	\$977	\$41,400	\$35,432	\$5,968	8.47%
6	\$400,000	15%	\$70,500	\$329,500	7.50%	\$2,304	\$977	\$41,400	\$39,368	\$2,032	2.88%
7	\$400,000	20%	\$94,000	\$306,000	6.00%	\$1,835	\$777	\$41,400	\$31,344	\$10,056	10.70%
8	\$400,000	20%	\$94,000	\$306,000	7.50%	\$2,140	\$777	\$41,400	\$35,004	\$6,396	6.80%
9	\$400,000	25%	\$117,500	\$282,500	6.00%	\$1,694	\$777	\$41,400	\$29,652	\$11,748	10.00%
10	\$400,000	25%	\$117,500	\$282,500	7.50%	\$1,975	\$777	\$41,400	\$33,024	\$8,376	7.13%

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

\*\* = Payment is based on a 30-year fixed loan.