



Pecan Land

Presented by:

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Latter & Blum Classic Homes & Properties, Inc.

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Overview

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Latter & Blum Classic Homes & Properties, Inc.

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Purchase Info

Total Number of Units	150
Purchase Price	\$1,700,000
Initial Cash Invested	\$459,000

Income Analysis

	Monthly	Annual
Net Operating Income	\$12,997	\$155,959
Cash Flow	\$3,862	\$46,345

Financial Metrics

Cap Rate (Purchase Price)	9.2%
Cash on Cash Return (Year 1)	10.1%
Internal Rate of Return (Year 10)	20.4%
Sale Price (Year 10)	\$2,284,658



Purchase Analysis

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Purchase Info	
Purchase Price	\$1,700,000
- First Mortgage	-\$1,275,000
- Second Mortgage	-\$0
= Downpayment	\$425,000
+ Buying Costs	\$34,000
+ Initial Improvements	\$0
= Initial Cash Invested	\$459,000
Total Number of Units	150
Cost per Unit	\$11,333
Average Monthly Rent per Unit	\$233

Mortgages	First	Second
Loan-To-Cost Ratio	75%	0%
Loan-To-Value Ratio	75%	0%
Loan Amount	\$1,275,000	\$0
Loan Type	Amortizing	
Term	20 Years	
Interest Rate	6%	
Payment	\$9,134.50	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	4.1
Operating Expense Ratio	40.0%
Debt Coverage Ratio	1.42
Cap Rate (Purchase Price)	9.2%
Cash on Cash Return	10.1%

Assumptions	
Appreciation Rate	3.0%
Vacancy Rate	40.0%
Income Inflation Rate	3.0%
Expense Inflation Rate	3.0%
LTV for Refinance	70.0%
Selling Costs	\$119,000

Income	Monthly	Annual
Gross Rent	\$34,935	\$419,220
Vacancy Loss	-\$13,974	-\$167,688
Laundry	\$700	\$8,400
Operating Income	\$21,661	\$259,932

Expenses (% of Income)	Monthly	Annual
Operating Expenses (40%)	-\$8,664	-\$103,973
Operating Expenses (40%)	-\$8,664	-\$103,973

Net Performance	Monthly	Annual
Net Operating Income	\$12,997	\$155,959
- Mortgage Payments	-\$9,134	-\$109,614
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$3,862	\$46,345

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	\$419,220	\$431,797	\$444,750	\$471,836	\$546,987	\$735,105	\$987,919
Vacancy Loss	-\$167,688	-\$172,719	-\$177,900	-\$188,734	-\$218,795	-\$294,042	-\$395,168
Laundry	\$8,400	\$8,652	\$8,912	\$9,454	\$10,960	\$14,729	\$19,795
Operating Income	\$259,932	\$267,730	\$275,762	\$292,556	\$339,152	\$455,792	\$612,547

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Operating Expenses	-\$103,973	-\$107,092	-\$110,305	-\$117,022	-\$135,661	-\$182,317	-\$245,019
Operating Expenses	-\$103,973	-\$107,092	-\$110,305	-\$117,022	-\$135,661	-\$182,317	-\$245,019

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$155,959	\$160,638	\$165,457	\$175,533	\$203,491	\$273,475	\$367,528
- Mortgage Payments	-\$109,614	-\$109,614	-\$109,614	-\$109,614	-\$109,614	-\$109,612	-\$0
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$46,345	\$51,024	\$55,843	\$65,919	\$93,877	\$163,863	\$367,528
Cap Rate (Purchase Price)	9.2%	9.4%	9.7%	10.3%	12.0%	16.1%	21.6%
Cap Rate (Market Value)	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
Cash on Cash Return	10.1%	11.1%	12.2%	14.4%	20.5%	35.7%	80.1%
Return on Equity	9.1%	8.5%	8.1%	7.4%	6.4%	5.3%	8.9%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$1,751,000	\$1,803,530	\$1,857,636	\$1,970,766	\$2,284,658	\$3,070,389	\$4,126,346
- Loan Balance	-\$1,240,960	-\$1,204,821	-\$1,166,452	-\$1,082,470	-\$822,775	-\$0	-\$0
= Equity	\$510,040	\$598,709	\$691,184	\$888,296	\$1,461,883	\$3,070,389	\$4,126,346
Loan-to-Value Ratio	70.9%	66.8%	62.8%	54.9%	36.0%	0.0%	0.0%
Potential Cash-Out Refi	-\$15,260	\$57,650	\$133,893	\$297,067	\$776,486	\$2,149,272	\$2,888,442

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$510,040	\$598,709	\$691,184	\$888,296	\$1,461,883	\$3,070,389	\$4,126,346
- Selling Costs	-\$122,570	-\$126,247	-\$130,035	-\$137,954	-\$159,926	-\$214,927	-\$288,844
= Proceeds After Sale	\$387,470	\$472,462	\$561,149	\$750,343	\$1,301,957	\$2,855,462	\$3,837,502
+ Cumulative Cash Flow	\$46,345	\$97,369	\$153,212	\$279,939	\$691,757	\$1,998,404	\$5,227,546
- Initial Cash Invested	-\$459,000	-\$459,000	-\$459,000	-\$459,000	-\$459,000	-\$459,000	-\$459,000
= Net Profit	-\$25,185	\$110,832	\$255,362	\$571,281	\$1,534,714	\$4,394,866	\$8,606,048
Internal Rate of Return	-5.5%	12.0%	17.3%	20.3%	20.4%	18.7%	18.1%
Return on Investment	-5%	24%	56%	124%	334%	957%	1,875%

Graphs

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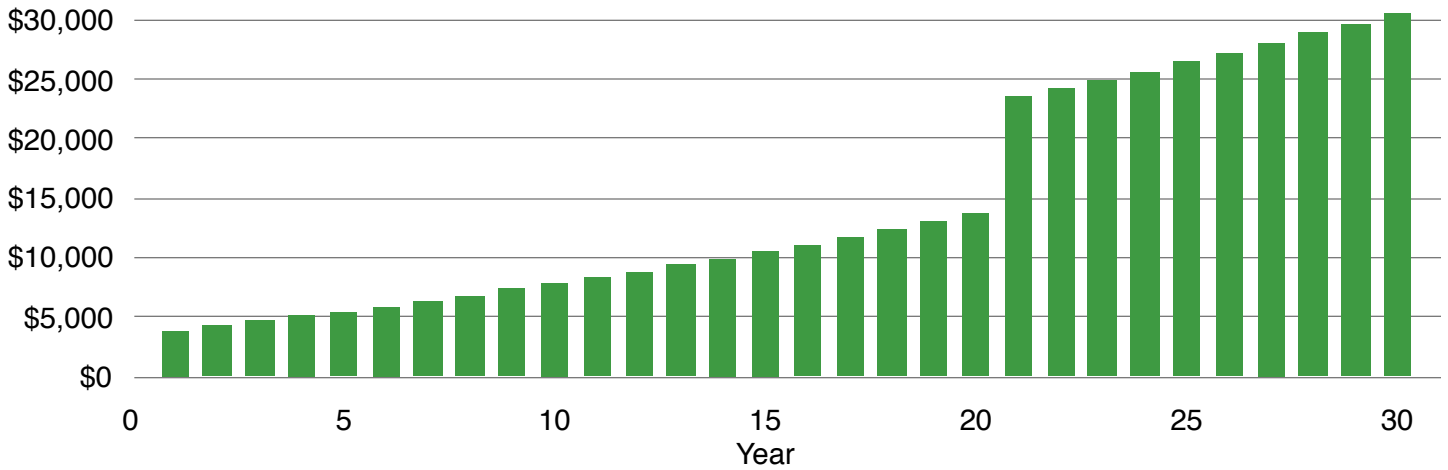
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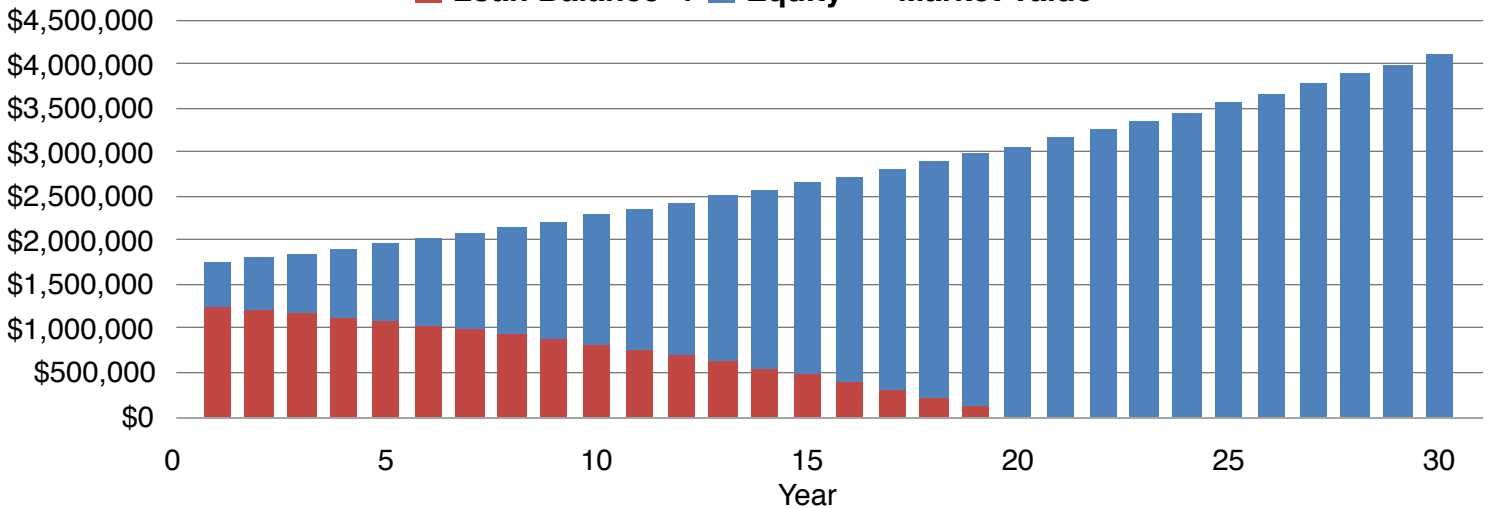
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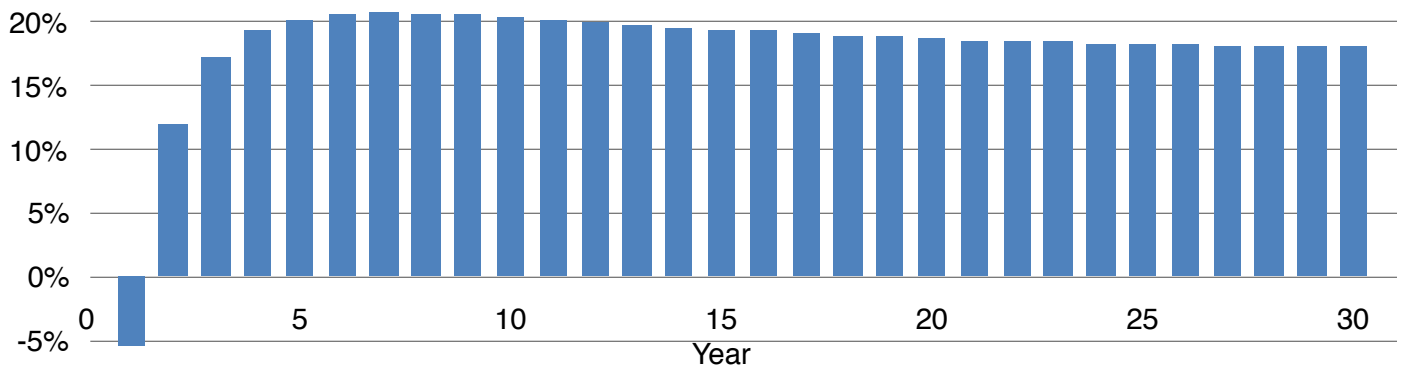
Monthly Cash Flow



■ Loan Balance + ■ Equity = Market Value



Internal Rate of Return (IRR)



Rent Roll

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Unit Description	Square Feet	Units of This Type	Rent (Per Unit)
Mobile Home Lots	0	117	\$190 Per Month
RV Lots	0	33	\$385 Per Month
Totals for Year 1			
Total Number of Units			150
Total Area (Sum of Units)			0 Square Feet
Total Rent (Sum of Units)			\$34,935 Per Month, \$419,220 Per Year

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Photos

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