

## Rent to Own Income Property Cash Flow & Profit Estimates

Tenant-Buyer: Dayo and Charmaine  
 Tenant-Buyer Initial Down Payment: \$40,000

Location: Listowel  
 RTO Term: 4 years



		Projections
<b>Property Purchase Price</b>		<b>\$700,000</b>
<b>Tenant-Buyer Initial Down Payment</b>		<b>\$40,000</b>
<b>Financing: 1st Mortgage (80%, 2.5%, 30-yr amortization)</b>		\$560,000
<b>Investment Summary:</b>		
Down Payment to Lender (20%)		\$140,000
Land Transfer Tax		\$10,500
Legal Costs		\$2,000
Lender Appraisal		\$600
Broker Fee		<b>\$14,000</b>
Less: Tenant-Buyer Initial Down Payment		-\$40,000
<b>Estimated Total Investment</b>		<b>\$127,100</b>

Profit from Sale at End of RTO Term			
Appreciative Sale Price 4yrs		\$831,763	
Subtract: Remaining Mtg Balance		-\$507,152	
Subtract: Legal Closing Costs		-\$1,000	
Subtract: Initial Investment		-\$127,100	
Subtract: Disposition Fee	48	-\$10,000	
Subtract: Initial Tenant-Buyer Initial Down Payment		-\$40,000	
Subtract: Accrued Tenant-Buyer Down Payment	(650 x 48 months)	-\$31,200	
<b>Estimated Profit/Return from Sale to Tenant-Buyer</b>		<b>\$115,311</b>	

Profit From Monthly Cashflow	Monthly	Annually	Full-Term	
Total Monthly Lease Payment Amount	\$3,750	\$45,000	<b>\$180,000</b>	
Subtract: Monthly Mortgage Payment	-\$2,209	-\$26,508	<b>-\$106,032</b>	
Subtract: Property Tax Expense	-\$275	-\$3,300	<b>-\$13,200</b>	
Subtract: Property Insurance Expense	-\$225	-\$2,700	<b>-\$10,800</b>	
<b>Estimated Profit From Monthly Cash Flow</b>	<b>\$1,041</b>	<b>\$12,492</b>	<b>\$49,968</b>	

<b>Estimated Profit from Cash Flow &amp; Sale</b>		<b>\$165,279</b>
<b>Return on Investment (% per annum)</b>		<b>33</b>
<b>Return on Investment (% over 4years)</b>		<b>130</b>

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