

Rent to Own Income Property Cash Flow & Profit Estimates

Tenant-Buyer: Marianne and Will
 Tenant-Buyer Initial Down Payment: \$20,000

Location: Guelph
 RTO Term: 2years



		Projections
Property Purchase Price		\$800,000
Tenant-Buyer Initial Down Payment		\$20,000
Financing: 1st Mortgage (80%, 2.50%, 30-yr amortization)		\$640,000
Investment Summary:		
Down Payment to Lender (20%)		\$160,000
Land Transfer Tax		\$12,500
Legal Costs		\$2,000
Lender Appraisal		\$600
Broker Fee		\$14,000
Less: Tenant-Buyer Initial Down Payment		-\$20,000
Estimated Total Investment		\$169,100

Profit from Sale at End of RTO Term			
Appreciative Sale Price 3yrs		\$885,381	
Subtract: Remaining Mtg Balance		-\$610,551	
Subtract: Legal Closing Costs		-\$1,000	
Subtract: Initial Investment		-\$169,100	
Subtract: Disposition Fee	24	-\$6,000	
Subtract: Initial Tenant-Buyer Initial Down Payment		-\$20,000	
Subtract: Accrued Tenant-Buyer Down Payment	2280 *24 months	-\$54,720	
Estimated Profit/Return from Sale to Tenant-Buyer		\$24,010	

Profit From Monthly Cashflow	Monthly	Annually	Full-Term	
Total Monthly Lease Payment Amount	\$6,280	\$75,360	\$150,720	
Subtract: Monthly Mortgage Payment	-\$2,524	-\$30,288	-\$60,576	
Subtract: Property Tax Expense	-\$417	-\$5,004	-\$10,008	
Subtract: Property Insurance Expense	-\$233	-\$2,796	-\$5,592	
Estimated Profit From Monthly Cash Flow	\$3,106	\$37,272	\$74,544	

Estimated Profit from Cash Flow & Sale		\$98,554
Return on Investment (% per annum)		29
Return on Investment (% over 2years)		58

If you would like to help this tenant-buyer Rent to Own, please contact Rachel Oliver.

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