

## Return on Investment for Real Estate

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**Project Name:** West Hollywood  
**Project Address:** Upon Request

<b>Purchase Price</b>	\$	475,000
Down Payment %		20%
Down Payment \$	\$	95,000
Amount Financed	\$	<u>380,000</u>

### Monthly Carrying Costs

Monthly Mortgage:		
(interest only at X%)		4.5%
Mortgage Payment	\$	1,425
Monthly Property Insurance:	\$	200
Monthly Taxes (1.25% purchase price)	\$	495
Other		-
Total Monthly Carry Costs	\$	<u>2,120</u>

Total Months to Carry		4
Total Project Monthly Carry Costs	\$	8,479

### Capital Involved in Project

Down Payment	\$	95,000
Total Project Carry Costs	\$	8,479
Total Property Improvements	\$	100,000
Total Capital Involved in Project	\$	<u>203,479</u>

### Projected Property Sales Price

Projected Property Sales Price	\$	750,000
Real Estate Sales Commission %		4.50%
Real Estate Sales Commission \$	\$	<u>33,750</u>
Gain on Sale of Property	\$	<u>211,250</u>
Less Capital Improvements + Carry Costs	\$	<u>108,479</u>
Net Gain on Project	\$	<u>132,771</u>

### ROI Calculation

Net Proceeds		
Investor Party		70%
Investor Party Net Return On Investment	\$	<u>92,940</u>
<b>Investor ROI (Return on Investment)</b>		<u><b>46%</b></u>