

Owner-Occupant Investment: Rental Operations for Duplex

Property Info		Contract Sales/Purchase Price \$ 240,000	
Description	DUPLEX - 2-Units	County	Hennepin
Address	3XXX - Anystreet	Listing Agent	William Bryant
City/ST/Zip	Minneapolis, MN 554XX	MLS #	4000000
# of Units	2	PID:	35000000000000
Bdrm/Unit	2	Monthly Rent for Unit # 1	\$ 1,200
Baths/Unit	1	Monthly Rent for Unit # 2	\$ 1,200

Monthly Utilities	
Water/Trash/Sewer	Paid by Owner
Gas/Heating/Cooking	Paid by Tenants
Electric/Lights	Paid by Tenants

Rental Operations	Unit #1	Unit #2	Monthly Total	Yearly Total
Rents	\$ 1,200	\$ 1,200	\$ 2,400	\$ 28,800
Other Income	\$ -	\$ -	\$ -	\$ -
Total Income	\$ 1,200	\$ 1,200	\$ 2,400	\$ 28,800
Expenses Paid by Owner				
Water/Trash/Sewer	\$ 82.50	\$ 82.50	\$ 165	\$ 1,980
Gas/Heating/Cooking	\$ -	\$ -	\$ -	\$ -
Electric/Lights	\$ -	\$ -	\$ -	\$ -
Maintenance & Repairs	\$ 50.00	\$ 50.00	\$ 100	\$ 1,200
Yard Work	\$ -	\$ -	\$ -	\$ -
Cable TV	\$ -	\$ -	\$ -	\$ -
WiFi/Satellite	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 50.00	\$ 50.00	\$ 100	\$ 1,200
Other Expenses	\$ 25.00	\$ 25.00	\$ 50	\$ 600
Total Operations	\$ 207.50	\$ 207.50	\$ 415.00	\$ 4,980.00
Net Income before RE Taxes	\$ 992.50	\$ 992.50	\$ 1,985.00	\$ 23,820.00
Real Estate Taxes	\$ 100.00	\$ 100.00	\$ 200.00	\$ 2,400.00
Net Operating Income b/4 Debt Service	\$ 892.50	\$ 892.50	\$ 1,785.00	\$ 21,420.00

Analysis of Purchase: Investor vs Owner Occupant

DUPLEX - 2-Units	Loan Rate	4.00%
3XXX - Anystreet	Term Years	30

Investor		
Purchase Price		\$ 240,000.00
Less: Down Payment	25.00%	(\$60,000.00)
Loan Amount		\$ 180,000.00
Monthly Net Rental Income		\$ 1,785.00
Monthly Loan Payment		(\$859.35)
Monthly Cash Flows		\$ 925.65
Annual Cash Flows		\$ 11,107.83

Investment Analysis/Benefit	
Down Payment	\$ 60,000.00
Annual Cash Flow	\$ 11,107.83
Annual Return on Investment	18.5130%
Return of Investment - Years	5.4016

Owner/Occupant		
Owner lives on 2nd Floor and Rents out 1st Floor		
Purchase Price		\$ 240,000.00
Less: Down Payment FHA	3.50%	(\$8,400.00)
Loan Amount		\$ 231,600.00
Monthly Rental Income		\$ 1,200.00
100% Monthly Rental Expenses		(\$415.00)
Real Estate Taxes/Monthly		(\$200.00)
Less: Unit Cost of Electric		(\$90.00)
Less: Unit Cost of Heat		(\$100.00)
WiFi & Cable		(\$150.00)
Monthly Loan Payment		(\$1,105.69)
Total Monthly Expenses		(\$2,060.69)
Monthly Cash Flows (A minus B)		(860.69)
Annual Cash Flows		(10,328.33)

Owner/Occupant	
Owner lives on 2nd Floor and Rents out 1st Floor	
Fair Market Value of Unit Occupied by Owner	
Rental Equivalent	\$ 1,200.00
Monthly Out-of-Pocket Cost	
As if Rent Paid	(860.69)
Monthly Benefit to Owner	\$ 339.31

NOTE: FHA Loan does NOT Include the 1.75% Prepaid Mortgage Insurance.
 FHA Monthly Payment does NOT include the MIP Payment
A
B As if Monthly Rent Paid by Owner

Owner-Occupant Investment: Rental Operations for Triplex

Property Info		Contract Sales/Purchase Price	\$ 300,000
Description	TRIPLEX - 3 Units	County	Hennepin
Address	3XXX - Anystreet	Listing Agent	William Bryant
City/ST/Zip	Minneapolis, MN 554XX	MLS #	4000000
# of Units	3	PID:	3500000000000
Bdrm/Unit	2	Monthly Rent Units # 1 & #2	\$ 1,200
Baths/Unit	1	Monthly Rent for Unit # 3	\$ 1,000

Monthly Utilities	
Water/Trash/Sewer	Paid by Owner
Gas/Heating/Cooking	Paid by Tenants
Electric/Lights	Paid by Tenants

Rental Operations	Unit #1	Unit #2	Unit #3	Monthly Total	Yearly Total
Rents	\$ 1,200	\$ 1,200	\$ 1,000	\$ 3,400	\$ 40,800
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -
Total Income	\$ 1,200	\$ 1,200	\$ 1,000	\$ 3,400	\$ 40,800
Expenses Paid by Owner					
Water/Trash/Sewer	\$ 60.00	\$ 60.00	\$ 60.00	\$ 180	\$ 2,160
Gas/Heating/Cooking	\$ -	\$ -	\$ -	\$ -	\$ -
Electric/Lights	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance & Repairs	\$ 50.00	\$ 50.00	\$ 50.00	\$ 150	\$ 1,800
Yard Work	\$ -	\$ -	\$ -	\$ -	\$ -
Cable TV	\$ -	\$ -	\$ -	\$ -	\$ -
WiFi/Satellite	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 50.00	\$ 50.00	\$ 50.00	\$ 150	\$ 1,800
Other Expenses	\$ 30.00	\$ 30.00	\$ 30.00	\$ 90	\$ 1,080
Total Operations	\$ 190.00	\$ 190.00	\$ 190.00	\$ 570.00	\$ 6,840.00
Net Income before RE Taxes	\$ 1,010.00	\$ 1,010.00	\$ 810.00	\$ 2,830.00	\$ 33,960.00
Real Estate Taxes	\$ 100.00	\$ 100.00	\$ 100.00	\$ 300.00	\$ 3,600.00
Net Operating Income b/4 Debt Service	\$ 910.00	\$ 910.00	\$ 710.00	\$ 2,530.00	\$ 30,360.00

Analysis of Purchase: Investor vs Owner Occupant

TRIPLEX - 3 Units	Loan Rate	4.00%
3XXX - Anystreet	Term Years	30

Investor		
Purchase Price		\$ 300,000.00
Less: Down Payment	25.00%	(\$75,000.00)
Loan Amount		\$ 225,000.00
Monthly Net Rental Income		\$ 2,530.00
Monthly Loan Payment		(\$1,074.18)
Monthly Cash Flows		\$ 1,455.82
Annual Cash Flows		\$ 17,469.79

Investment Analysis/Benefit	
Down Payment	\$ 75,000.00
Annual Cash Flow	\$ 17,469.79
Annual Return on Investment	23.2930%
Return of Investment - Years	4.2931

Owner/Occupant		
Owner lives on 3rd Floor and Rents out 1st & 2nd		
Purchase Price		\$ 300,000.00
Less: Down Payment FHA	3.50%	(\$10,500.00)
Loan Amount		\$ 289,500.00
Monthly Rental Income		\$ 2,400.00
100% Monthly Rental Expenses		(\$570.00)
Real Estate Taxes/Monthly		(\$300.00)
Less: Unit Cost of Electric		(\$90.00)
Less: Unit Cost of Heat		(\$100.00)
WiFi & Cable		(\$150.00)
Monthly Loan Payment		(\$1,382.12)
Total Monthly Expenses		(\$2,592.12)
Monthly Cash Flows (A minus B)		(192.12)
Annual Cash Flows		(2,305.41)

Owner/Occupant	
Owner lives on 2nd Floor and Rents out 1st Floor	
Fair Market Value of Unit Occupied by Owner	
Rental Equivalent	\$ 1,200.00
Monthly Out-of-Pocket Cost	
As if Rent Paid	(192.12)
Monthly Benefit to Owner	\$ 1,007.88

NOTE:
 A FHA Loan does NOT include the 1.75% Prepaid Mortgage Insurance.
 B FHA Monthly Payment does NOT include the MIP Payment
 As if Monthly Rent Paid by Owner

Owner-Occupant Investment: Rental Operations for Four-Plex

Property Info		Contract Sales/Purchase Price	\$ 400,000	Monthly Utilities	
Description	FOUR-PLEX - 4 Units	County	Hennepin	Water/Trash/Sewer	
Address	3XXX - Anystreet	Listing Agent	William Bryant	Paid by Owner	
City/ST/Zip	Minneapolis, MN 554XX	MLS #	4000000	Gas/Heating/Cooking	
# of Units	4	PID:	3500000000000	Paid by Tenants	
Bdrm/Unit	2	Monthly Rent Units # 1 & #2	\$ 1,100	Electric/Lights	
Baths/Unit	1	Monthly Rent Units # 3 & #4	\$ 1,200	Paid by Tenants	

Rental Operations	Unit #1	Unit #2	Unit #3	Unit #4	Monthly Total	Yearly Total
Rents	\$ 1,100	\$ 1,100	\$ 1,200	\$ 1,200	\$ 4,600	\$ 55,200
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Income	\$ 1,100	\$ 1,100	\$ 1,200	\$ 1,200	\$ 4,600	\$ 55,200
Expenses Paid by Owner						
Water/Trash/Sewer	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 300	\$ 3,600
Gas/Heating/Cooking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric/Lights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance & Repairs	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 200	\$ 2,400
Yard Work	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cable TV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WiFi/Satellite	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 200	\$ 2,400
Other Expenses	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 160	\$ 1,920
Total Operations	\$ 215.00	\$ 215.00	\$ 215.00	\$ 215.00	\$ 860.00	\$ 10,320.00
Net Income before RE Taxes	\$ 885.00	\$ 885.00	\$ 985.00	\$ 985.00	\$ 3,740.00	\$ 44,880.00
Real Estate Taxes	\$ 133.33	\$ 133.33	\$ 133.33	\$ 133.33	\$ 400.00	\$ 4,800.00
Net Operating Income b/4 Debt Service	\$ 751.67	\$ 751.67	\$ 851.67	\$ 851.67	\$ 3,340.00	\$ 40,080.00

Analysis of Purchase: Investor vs Owner Occupant

FOUR-PLEX - 4 Units	Loan Rate	4.00%
3XXX - Anystreet	Term Years	30

Investor		
Purchase Price		\$ 400,000.00
Less: Down Payment	25.00%	(\$100,000.00)
Loan Amount		\$ 300,000.00
Monthly Net Rental Income		\$ 3,340.00
Monthly Loan Payment		(\$1,432.25)
Monthly Cash Flows		\$ 1,907.75
Annual Cash Flows		\$ 22,893.05

Investment Analysis/Benefit	
Down Payment	\$ 100,000.00
Annual Cash Flow	\$ 22,893.05
Annual Return on Investment	22.8930%
Return of Investment - Years	4.3681

Owner/Occupant		
Owner lives in Unit #4 - Rents out Units #1, #2 & #3		
Purchase Price		\$ 400,000.00
Less: Down Payment FHA	3.50%	(\$14,000.00)
Loan Amount		\$ 386,000.00
Monthly Rental Income		\$ 3,400.00
100% Monthly Rental Expenses		(\$860.00)
Real Estate Taxes/Monthly		(\$400.00)
Less: Unit Cost of Electric		(\$90.00)
Less: Unit Cost of Heat		(\$100.00)
WiFi & Cable		(\$150.00)
Monthly Loan Payment		(\$1,842.82)
Total Monthly Expenses		(\$3,442.82)
Monthly Cash Flows (A minus B)		(42.82)
Annual Cash Flows		(513.88)

Owner/Occupant	
Owner lives on 2nd Floor and Rents out 1st Floor	
Fair Market Value of Unit Occupied by Owner	
Rental Equivalent	\$ 1,100.00
Monthly Out-of-Pocket Cost	
As if Rent Paid	(42.82)
Monthly Benefit to Owner	\$ 1,057.18

NOTE:

FHA Loan does NOT include the 1.75% Prepaid Mortgage Insurance.

FHA Monthly Payment does NOT include the MIP Payment

B

As if Monthly Rent Paid by Owner