

Northside Trailer Park

1210 148th St
Lutz, FL 33549

12 - Units - 100% Occupied

Month-To- Month Long Term Tenants

\$350/unit Month-to Month

19.5% Cap Rate

No Financing - Only Cash Offers - Must Have POF's Available

Presented by

CRES Corp International, LLC

Benny Spensieri

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1228 E 7th Ave

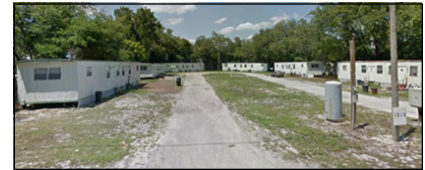
Tampa, FL 33605





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Income, Expenses & Cash Flow Property Overview

Potential Rental Income	\$ 50,400
Other Income	
Total Vacancy and Credits	
Operating Expenses	\$ (7,490)
Net Operating Income (NOI)	<u>\$ 42,910</u>
 Debt Service:	
Cash Flow Before Taxes	\$ 42,910

Purchase/Asking Price	\$ 220,000
Improvements	
Other	
Closing Costs	
Finance Points	
Total Acquisition Cost	<u>\$ 220,000</u>
 Mortgage (s)	 \$
 Down Payment / Investment	 \$ 220,000

Property Type	Mobile Home Parks
No. of Units	12
Price Per Unit	\$ 18,333
Total Sq Ft	5,880
Price Per Sq Ft	\$ 37
Income per Unit	\$ 4,200
Expenses per Unit	\$ (624)

Assumptions Loan Information

Rental Growth Rate:	2.00%
Expense Growth Rate:	1.00%
Capitalization Rate (Resale):	14.00%

	<u>% of Asking</u>	<u>% of Cost</u>
Down Payment: \$ 220,000	100.00%	100.00%
Initial Loan Balance: \$	0.00%	0.00%
 <u>Loan Amount</u>	 <u>Interest Rate</u>	 <u>Term</u>
\$	0.00%	30
		<u>Payment</u>
		\$0

Financial Measurements Notes / Discussion

Financial Measurements	Year 1	Year 3	Year 7	Notes / Discussion
Debt Coverage Ratio (DCR)				
Loan-to-Value Ratio (LVR)				
Capitalization Rate Based on Cost	19.50%	20.13%	20.95%	
Capitalization Rate Based on Resale Price	14.00%	14.00%	14.00%	
Gross Rent Multiplier	4.37	6.09	6.09	
Net Present Value (NPV) - B/ Taxes 13.50%	74,348	87,634	102,253	
 Cash on Cash Return - Before Taxes	 19.50%	 20.13%	 20.95%	
 Internal Rate of Return - Before Taxes		 29.05%	 23.08%	
 Modified Internal Rate of Return - Before Taxes		 25.18%	 16.09%	

Disclaimer: All information presented is believed to be accurate.

The information, calculations and data presented in this report are believed to be accurate but are not guaranteed. The information contained in this report shall not be considered as a substitution for legal, accounting or other professional advice. Please seek proper legal and tax advice as appropriate before making investments.

Property Description

Northside Trailer Park

1210 148th St

Lutz, FL 33549



Principals Only!

The Northside Trailer Park consist of 6 Duplex Mobile Home Units with 12 tenants. Each tenant is paying \$350/unit and is on a Month-to Month schedule.

All units are 100% leased. However, for the purpose of this Report, a 5% vacancy has been factored in.

All the units have been professionally refurbished.

The lot size is .71-acres and is zoned Commercial-Industrial.

A 2007 Appraisal of this MHP indicates a value of \$300,000. The Owner of this property is asking only \$220,000. Asking price may be negotiable depending on the rest of the offer.

Only cash offers will be considered. Proof of Funds must be submitted before any further information is provided and/or an offer is submitted. All offers will be submitted through CRES Corp International, LLC.

HIGHLIGHTS

12-Units

14% Cap Rate

100% Occupied

Long Term Tenants

CRES Corp International, LLC

Benny Spensieri

813-391-1545

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Tampa, FL 33605

CRES CORP

Northside Trailer Park



Exterior



Kithcen



Kitchen



Bathroom

Cash Flow Analysis



Rental Activity Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
Potential Rental Income	\$ 50,400	\$ 51,408	\$ 51,922	\$ 52,441	\$ 52,966
Less: Vacancy & Credit Losses					
Effective Gross Income	\$ 50,400	\$ 51,408	\$ 51,922	\$ 52,441	\$ 52,966
Less: Operating Expenses	(7,490)	(7,565)	(7,641)	(7,717)	(7,794)
Net Operating Income (NOI)	\$ 42,910	\$ 43,843	\$ 44,282	\$ 44,724	\$ 45,172
Less: Annual Debt Service					
CASH FLOW Before Taxes	\$ 42,910	\$ 43,843	\$ 44,282	\$ 44,724	\$ 45,172

Property Resale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
Projected Sales Price	\$ 306,500	\$ 313,165	\$ 316,297	\$ 319,460	\$ 322,654
Less: Selling Expenses	(15,325)	(15,658)	(15,815)	(15,973)	(16,133)
Adjusted Projected Sales Price	\$ 291,175	\$ 297,507	\$ 300,482	\$ 303,487	\$ 306,522
Less: Mortgage(s) Balance Payoff					
SALE PROCEEDS Before Taxes	\$ 291,175	\$ 297,507	\$ 300,482	\$ 303,487	\$ 306,522

Cash Position	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Generated in Current Year	\$ 42,910	\$ 43,843	\$ 44,282	\$ 44,724	\$ 45,172
Cash Generated in Previous Years	n/a	42,910	86,753	131,035	175,759
Cash Generated from Property Sale	291,175	297,507	300,482	303,487	306,522
Original Initial Investment	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)
Total Potential CASH Generated	\$ 114,085	\$ 164,260	\$ 211,516	\$ 259,246	\$ 307,452

Financial Measurements	Year 1	Year 2	Year 3	Year 4	Year 5
Capitalization Rate Based on Cost	19.50%	19.93%	20.13%	20.33%	20.53%
Capitalization Rate Based on Resale Price	14.00%	14.00%	14.00%	14.00%	14.00%
Gross Rent Monthly Multiplier (GRM)	52.38	73.10	73.10	73.10	73.10
Gross Rent Yearly Multiplier (GRM)	4.37	6.09	6.09	6.09	6.09
Value of Property Using this GRM	4.00	201,600	205,632	207,688	209,765
Break-Even Ratio	14.86%	14.72%	14.72%	14.72%	14.72%
Operating Expense Ratio	14.86%	14.72%	14.72%	14.72%	14.72%
Cash-on-Cash Return with Equity	51.86%	17.23%	15.88%	15.88%	15.88%
Cash-on-Cash Return - Before Taxes	19.50%	19.93%	20.13%	20.33%	20.53%

Cash Flow Analysis



Rental Activity Analysis	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Rental Income	\$ 53,495	\$ 54,030	\$ 54,571	\$ 55,116	\$ 55,667
Less: Vacancy & Credit Losses					
Effective Gross Income	\$ 53,495	\$ 54,030	\$ 54,571	\$ 55,116	\$ 55,667
Less: Operating Expenses	(7,872)	(7,951)	(8,030)	(8,111)	(8,192)
Net Operating Income (NOI)	\$ 45,623	\$ 46,080	\$ 46,540	\$ 47,006	\$ 47,476
Less: Annual Debt Service					
CASH FLOW Before Taxes	\$ 45,623	\$ 46,080	\$ 46,540	\$ 47,006	\$ 47,476

Property Resale Analysis	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Sales Price	\$ 325,881	\$ 329,140	\$ 332,431	\$ 335,755	\$ 339,113
Less: Selling Expenses	(16,294)	(16,457)	(16,622)	(16,788)	(16,956)
Adjusted Projected Sales Price	\$ 309,587	\$ 312,683	\$ 315,809	\$ 318,968	\$ 322,157
Less: Mortgage(s) Balance Payoff					
SALE PROCEEDS Before Taxes	\$ 309,587	\$ 312,683	\$ 315,809	\$ 318,968	\$ 322,157

Cash Position	Year 6	Year 7	Year 8	Year 9	Year 10
Cash Generated in Current Year	\$ 45,623	\$ 46,080	\$ 46,540	\$ 47,006	\$ 47,476
Cash Generated in Previous Years	220,931	266,554	312,633	359,174	406,179
Cash Generated from Property Sale	309,587	312,683	315,809	318,968	322,157
Original Initial Investment	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)
Total Potential CASH Generated	\$ 356,141	\$ 405,316	\$ 454,983	\$ 505,147	\$ 555,812

Financial Measurements	Year 6	Year 7	Year 8	Year 9	Year 10
Capitalization Rate Based on Cost	20.74%	20.95%	21.15%	21.37%	21.58%
Capitalization Rate Based on Resale Price	14.00%	14.00%	14.00%	14.00%	14.00%
Gross Rent Monthly Multiplier (GRM)	73.10	73.10	73.10	73.10	73.10
Gross Rent Yearly Multiplier (GRM)	6.09	6.09	6.09	6.09	6.09
Value of Property Using this GRM	4.00	213,981	216,121	218,283	220,465
Break-Even Ratio	14.72%	14.72%	14.72%	14.72%	14.72%
Operating Expense Ratio	14.72%	14.72%	14.72%	14.72%	14.72%
Cash-on-Cash Return with Equity	15.88%	15.88%	15.88%	15.88%	15.88%
Cash-on-Cash Return - Before Taxes	20.74%	20.95%	21.15%	21.37%	21.58%

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Annual Expenses



Benny Spensieri
813-391-1545

Expense Description	Annual Amount	Annual Increase	Per Unit	Per Sq Ft	% of Expenses	% of Revenue
Landscaping	600	1.0%	50.00	0.10	8.0%	1.2%
Maintenance	1,000	1.0%	83.33	0.17	13.4%	2.0%
Repairs	1,000	1.0%	83.33	0.17	13.4%	2.0%
Property Taxes	2,090	1.0%	174.17	0.36	27.9%	4.1%
Trash Removal	1,000	1.0%	83.33	0.17	13.4%	2.0%
Electricity	600	1.0%	50.00	0.10	8.0%	1.2%
Septic Tank Service	1,200	1.0%	100.00	0.20	16.0%	2.4%
Total Annual Operating Expenses	\$ 7,490		\$ 624	5,880	100.0%	14.9%

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Annual Property Operating Data



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813-391-1545

	Year 1	Sq Ft	Per Unit	Year 2	Sq Ft	Per Unit	Year 3	Sq Ft	Per Unit	Year 4	Sq Ft	Per Unit	Year 5	Sq Ft	Per Unit
Potential Rental Income	\$ 50,400	0.71	350.00	\$ 51,408	0.73	357.00	\$ 51,922	0.74	360.57	\$ 52,441	0.74	364.18	\$ 52,966	0.75	367.82
Effective Gross Income	<u>\$ 50,400</u>	0.71	350.00	<u>\$ 51,408</u>	0.73	357.00	<u>\$ 51,922</u>	0.74	360.57	<u>\$ 52,441</u>	0.74	364.18	<u>\$ 52,966</u>	0.75	367.82
Operating Expenses															
Landscaping	600	0.01	4.17	606	0.01	4.21	612	0.01	4.25	618	0.01	4.29	624	0.01	4.34
Maintenance	1,000	0.01	6.94	1,010	0.01	7.01	1,020	0.01	7.08	1,030	0.01	7.15	1,041	0.01	7.23
Repairs	1,000	0.01	6.94	1,010	0.01	7.01	1,020	0.01	7.08	1,030	0.01	7.15	1,041	0.01	7.23
Property Taxes	2,090	0.03	14.51	2,111	0.03	14.66	2,132	0.03	14.81	2,153	0.03	14.95	2,175	0.03	15.10
Trash Removal	1,000	0.01	6.94	1,010	0.01	7.01	1,020	0.01	7.08	1,030	0.01	7.15	1,041	0.01	7.23
Electricity	600	0.01	4.17	606	0.01	4.21	612	0.01	4.25	618	0.01	4.29	624	0.01	4.34
Septic Tank Service	1,200	0.02	8.33	1,212	0.02	8.42	1,224	0.02	8.50	1,236	0.02	8.59	1,249	0.02	8.67
Total Operating Expenses	<u>\$ 7,490</u>	0.11	52.01	<u>\$ 7,565</u>	0.11	52.53	<u>\$ 7,641</u>	0.11	53.06	<u>\$ 7,717</u>	0.11	53.59	<u>\$ 7,794</u>	0.11	54.13
Net Operating Income (NOI)	<u>\$ 42,910</u>	0.61	297.99	<u>\$ 43,843</u>	0.62	304.47	<u>\$ 44,282</u>	0.63	307.51	<u>\$ 44,724</u>	0.63	310.59	<u>\$ 45,172</u>	0.64	313.69
Cash Flow Before Taxes	<u>\$ 42,910</u>	0.61	297.99	<u>\$ 43,843</u>	0.62	304.47	<u>\$ 44,282</u>	0.63	307.51	<u>\$ 44,724</u>	0.63	310.59	<u>\$ 45,172</u>	0.64	313.69

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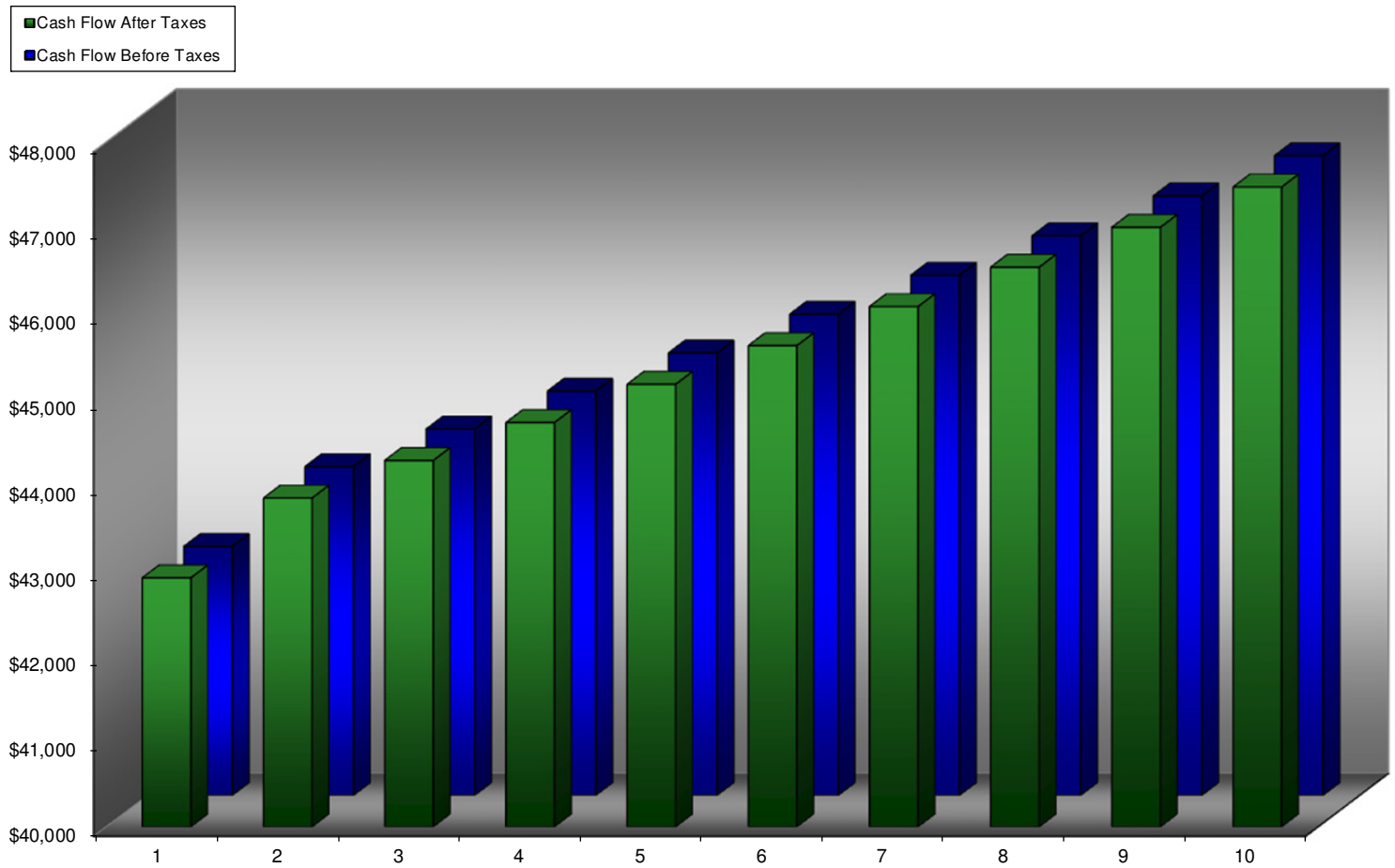
Annual Property Operating Data



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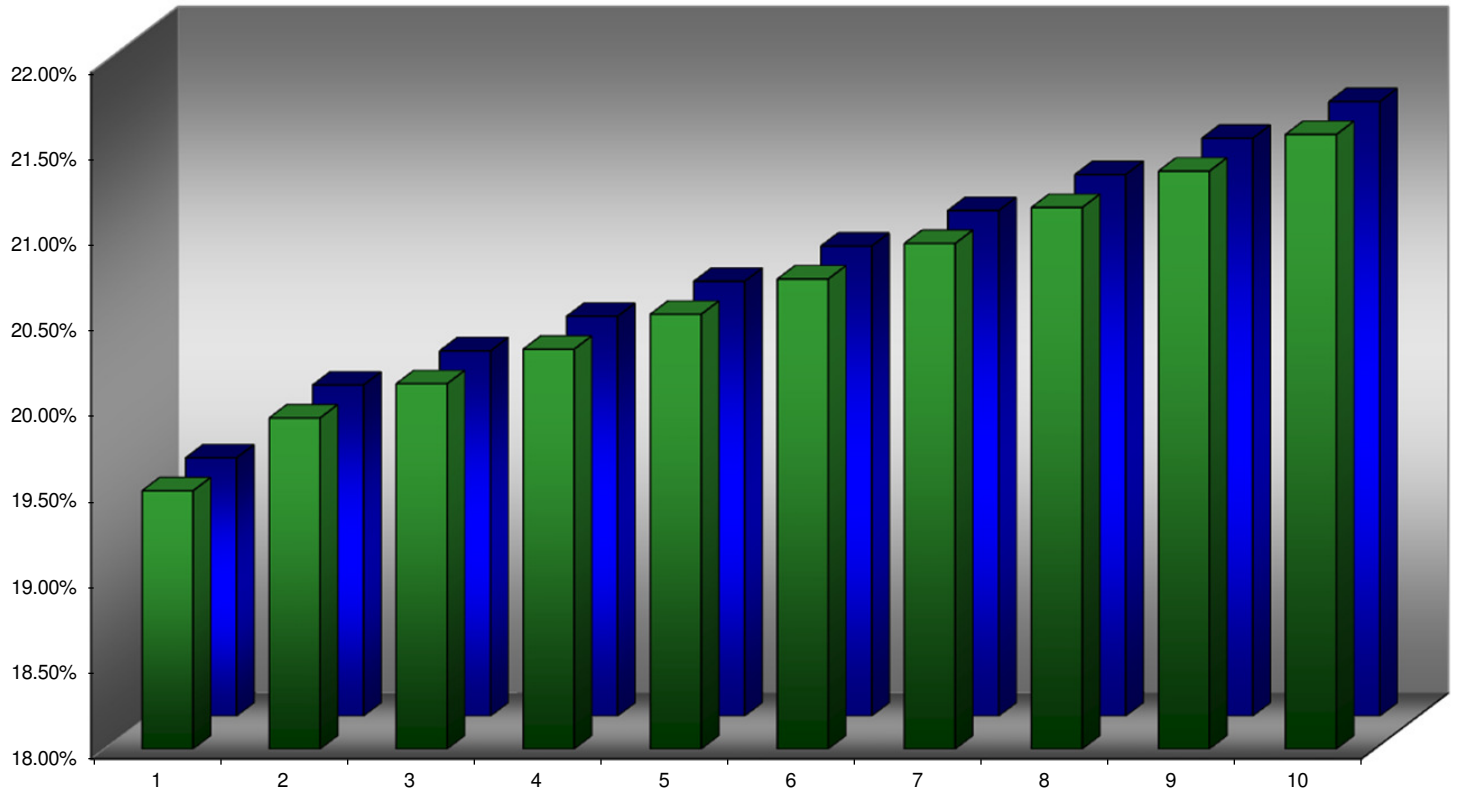
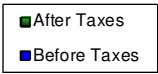
	Year 6			Year 7			Year 8			Year 9			Year 10		
	Sq Ft	Per Unit		Sq Ft	Per Unit		Sq Ft	Per Unit		Sq Ft	Per Unit		Sq Ft	Per Unit	
Potential Rental Income	\$ 53,495	0.76	371.50	\$ 54,030	0.77	375.21	\$ 54,571	0.77	378.96	\$ 55,116	0.78	382.75	\$ 55,667	0.79	386.58
Effective Gross Income	<u>\$ 53,495</u>	0.76	371.50	<u>\$ 54,030</u>	0.77	375.21	<u>\$ 54,571</u>	0.77	378.96	<u>\$ 55,116</u>	0.78	382.75	<u>\$ 55,667</u>	0.79	386.58
Operating Expenses															
Landscaping	631	0.01	4.38	637	0.01	4.42	643	0.01	4.47	650	0.01	4.51	656	0.01	4.56
Maintenance	1,051	0.01	7.30	1,062	0.02	7.37	1,072	0.02	7.45	1,083	0.02	7.52	1,094	0.02	7.60
Repairs	1,051	0.01	7.30	1,062	0.02	7.37	1,072	0.02	7.45	1,083	0.02	7.52	1,094	0.02	7.60
Property Taxes	2,197	0.03	15.25	2,219	0.03	15.41	2,241	0.03	15.56	2,263	0.03	15.72	2,286	0.03	15.87
Trash Removal	1,051	0.01	7.30	1,062	0.02	7.37	1,072	0.02	7.45	1,083	0.02	7.52	1,094	0.02	7.60
Electricity	631	0.01	4.38	637	0.01	4.42	643	0.01	4.47	650	0.01	4.51	656	0.01	4.56
Septic Tank Service	1,261	0.02	8.76	1,274	0.02	8.85	1,287	0.02	8.93	1,299	0.02	9.02	1,312	0.02	9.11
Total Operating Expenses	<u>\$ 7,872</u>	0.11	54.67	<u>\$ 7,951</u>	0.11	55.21	<u>\$ 8,030</u>	0.11	55.77	<u>\$ 8,111</u>	0.11	56.32	<u>\$ 8,192</u>	0.12	56.89
Net Operating Income (NOI)	<u>\$ 45,623</u>	0.65	316.83	<u>\$ 46,080</u>	0.65	320.00	<u>\$ 46,540</u>	0.66	323.20	<u>\$ 47,006</u>	0.67	326.43	<u>\$ 47,476</u>	0.67	329.69
Cash Flow Before Taxes	<u>\$ 45,623</u>	0.65	316.83	<u>\$ 46,080</u>	0.65	320.00	<u>\$ 46,540</u>	0.66	323.20	<u>\$ 47,006</u>	0.67	326.43	<u>\$ 47,476</u>	0.67	329.69

Cash Flow Projections



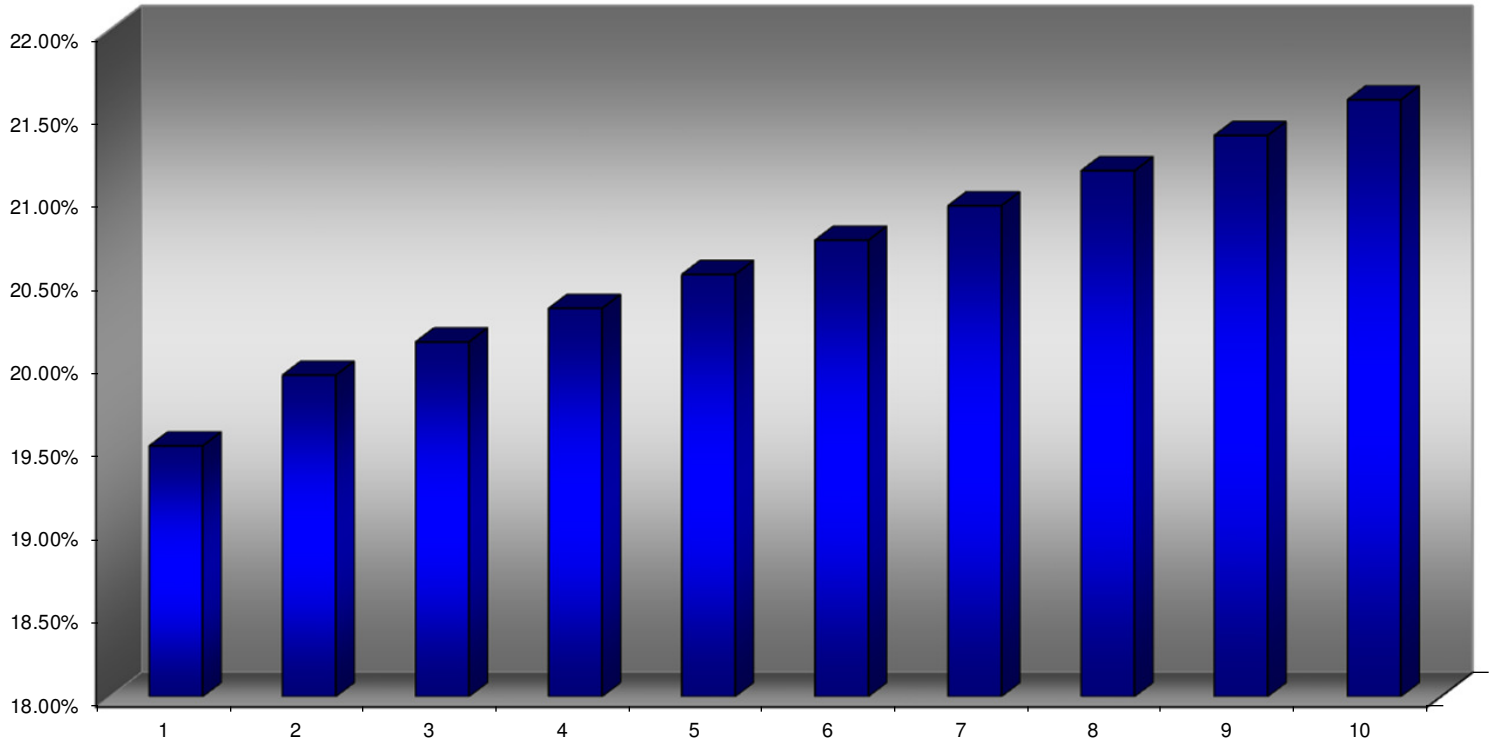
<i>Time Period</i>	<i>Net Operating Income</i>	<i>MIP Payments</i>	<i>Debt Service</i>	<i>Cash Flow Before Tax</i>	<i>Incomes Taxes</i>	<i>Cash Flow After Tax</i>
Int Investment				\$ (220,000)		\$ (220,000)
Year 1	42,910	-	-	42,910	-	42,910
Year 2	43,843	-	-	43,843	-	43,843
Year 3	44,282	-	-	44,282	-	44,282
Year 4	44,724	-	-	44,724	-	44,724
Year 5	45,172	-	-	45,172	-	45,172
Year 6	45,623	-	-	45,623	-	45,623
Year 7	46,080	-	-	46,080	-	46,080
Year 8	46,540	-	-	46,540	-	46,540
Year 9	47,006	-	-	47,006	-	47,006
Year 10	47,476	-	-	47,476	-	47,476

Cash on Cash Return



<i>Time Period</i>	<i>Initial Investment</i>	<i>Cash Flow</i>	<i>Cash on Cash</i>	<i>Income</i>	<i>Cash Flow</i>	<i>Cash on Cash</i>
	<i>Adj for Refinance</i>	<i>Before Taxes</i>	<i>Before Taxes</i>	<i>Taxes</i>	<i>After Taxes</i>	<i>After Taxes</i>
Year 1	\$ 220,000	\$ 42,910	19.50%	\$ -	\$ 42,910	19.50%
Year 2	220,000	43,843	19.93%	-	43,843	19.93%
Year 3	220,000	44,282	20.13%	-	44,282	20.13%
Year 4	220,000	44,724	20.33%	-	44,724	20.33%
Year 5	220,000	45,172	20.53%	-	45,172	20.53%
Year 6	220,000	45,623	20.74%	-	45,623	20.74%
Year 7	220,000	46,080	20.95%	-	46,080	20.95%
Year 8	220,000	46,540	21.15%	-	46,540	21.15%
Year 9	220,000	47,006	21.37%	-	47,006	21.37%
Year 10	220,000	47,476	21.58%	-	47,476	21.58%

Capitalization Rate

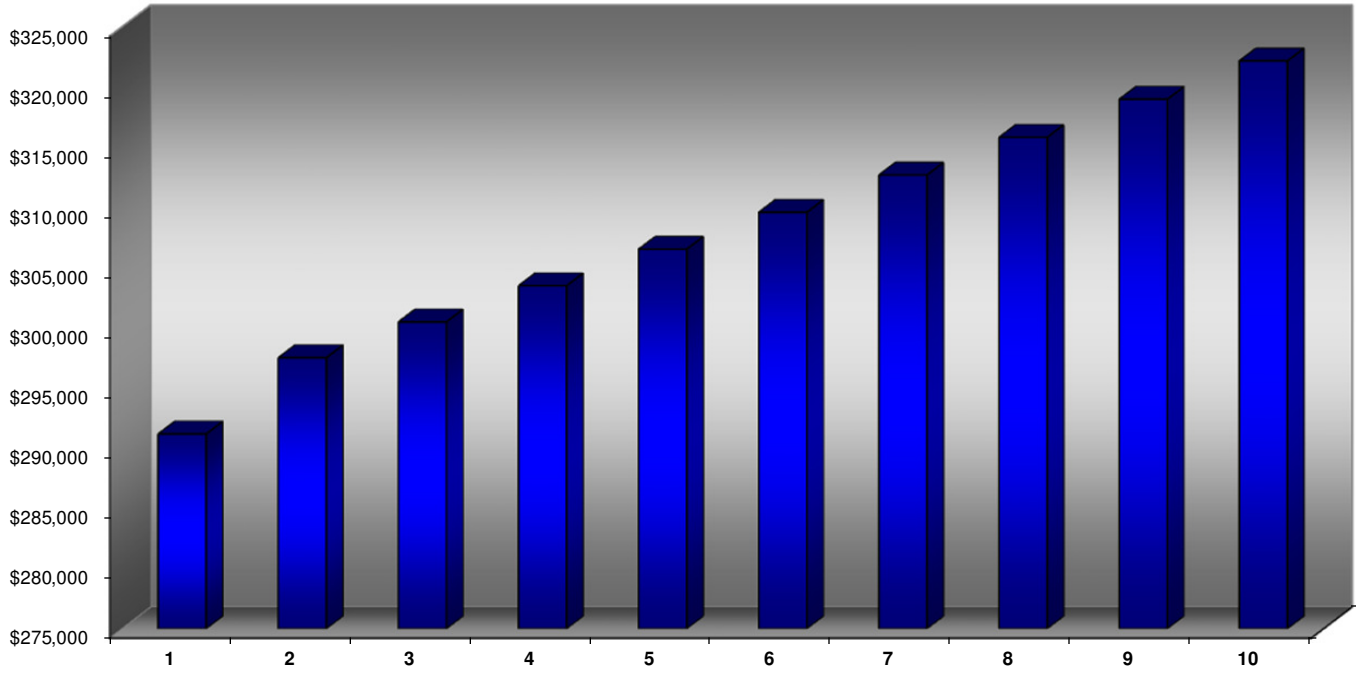


<i>Time</i>	<i>Net Operating</i>	<i>Cap Rate on Cost</i>	<i>Resale</i>
<i>Period</i>	<i>Income (NOI)</i>	<i>\$ 220,000</i>	<i>Value</i>
Year 1	\$ 42,910	19.50%	\$ 306,500
Year 2	43,843	19.93%	313,165
Year 3	44,282	20.13%	316,297
Year 4	44,724	20.33%	319,460
Year 5	45,172	20.53%	322,654
Year 6	45,623	20.74%	325,881
Year 7	46,080	20.95%	329,140
Year 8	46,540	21.15%	332,431
Year 9	47,006	21.37%	335,755
Year 10	47,476	21.58%	339,113

Property Equity Analysis



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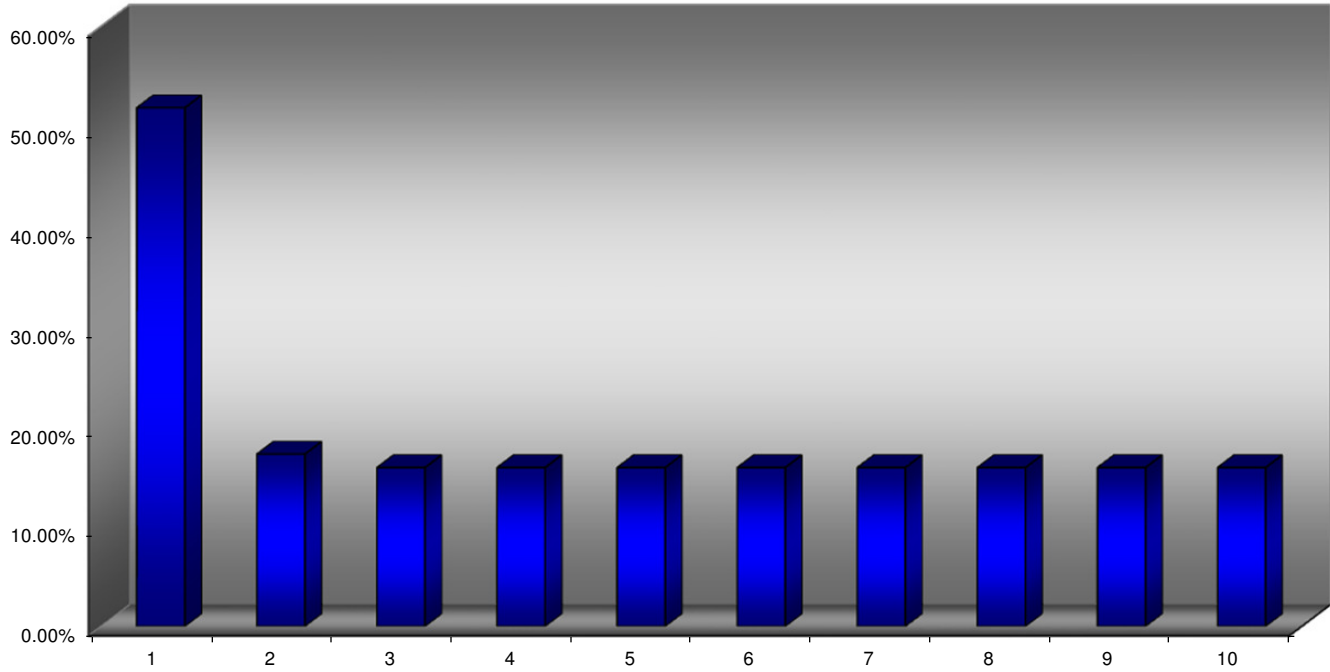


Time Period	Projected Adj Resale Value	Projected Increase	Refi Proceeds (if any)	Mortgage(s) Balance Payoff	Sale Proceeds Before Taxes	Income Taxes From Sale	Sale Proceeds After Taxes	Property Equity	Year / Year Equity Increase
Year 1	\$ 291,175	32.35%	\$ -	\$ -	\$ 291,175	\$ -	\$ 291,175	\$ 291,175	\$ 71,175
Year 2	297,507	2.17%	-	-	297,507	-	297,507	297,507	6,332
Year 3	300,482	1.00%	-	-	300,482	-	300,482	300,482	2,975
Year 4	303,487	1.00%	-	-	303,487	-	303,487	303,487	3,005
Year 5	306,522	1.00%	-	-	306,522	-	306,522	306,522	3,035
Year 6	309,587	1.00%	-	-	309,587	-	309,587	309,587	3,065
Year 7	312,683	1.00%	-	-	312,683	-	312,683	312,683	3,096
Year 8	315,809	1.00%	-	-	315,809	-	315,809	315,809	3,127
Year 9	318,968	1.00%	-	-	318,968	-	318,968	318,968	3,158
Year 10	322,157	1.00%	-	-	322,157	-	322,157	322,157	3,190

Hold/Sell Analysis



■ Return on Equity (ROE)

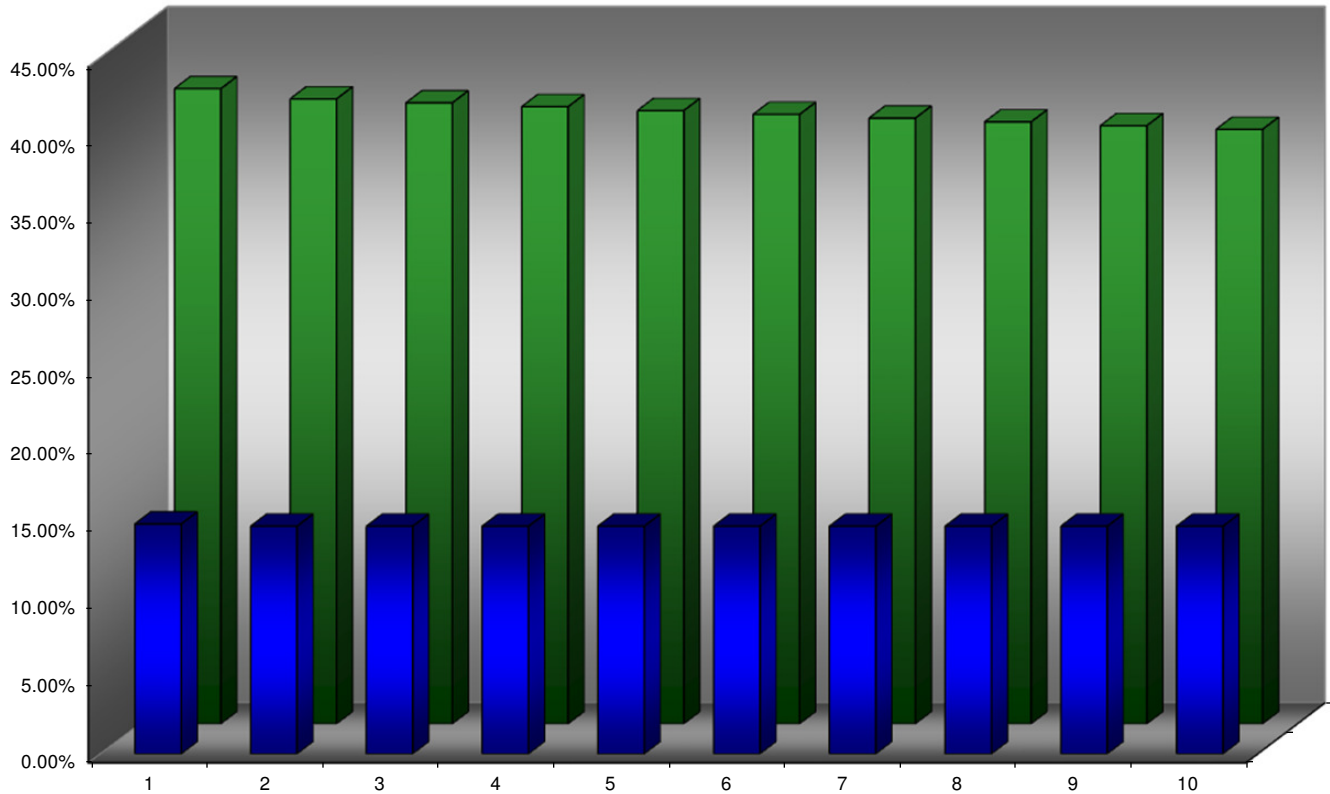


Required Return on Equity	Time Period	Rental Cash Flow	Annual Change in Equity	Annual Change in Net Worth	Trapped Equity	Return on Equity (ROE)	Hold Sell
6.00%		A	B	(A + B)			
	Year 1	42,910	71,175	114,085	220,000	51.86%	Hold
After Year	Year 2	43,843	6,332	50,175	291,175	17.23%	Hold
5	Year 3	44,282	2,975	47,257	297,507	15.88%	Hold
	Year 4	44,724	3,005	47,729	300,482	15.88%	Hold
	Year 5	45,172	3,035	48,206	303,487	15.88%	Hold
	Year 6	45,623	3,065	48,689	306,522	15.88%	Hold
	Year 7	46,080	3,096	49,175	309,587	15.88%	Hold
	Year 8	46,540	3,127	49,667	312,683	15.88%	Hold
	Year 9	47,006	3,158	50,164	315,809	15.88%	Hold
	Year 10	47,476	3,190	50,665	318,968	15.88%	Hold

BreakEven Occupancy



■ BreakEven Occupancy
■ BreakEven Occupancy with Cash on Cash Requirement



Cash on Cash Requirement	Time Period	Potential Rental Income	Operating, Debt, Reserve Expenses	Occupancy Rate (Existing)	BreakEven Occupancy Rate	Max Vacancy BreakEven Rate	BreakEven Occupancy Rate	Max Vacancy BreakEven Rate
6.00%							w/ Cash on Cash	w/ Cash on Cash
	Year 1	50,400	(7,490)	100.00%	14.86%	85.14%	41.05%	58.95%
	Year 2	51,408	(7,565)	100.00%	14.72%	85.28%	40.39%	59.61%
	Year 3	51,922	(7,641)	100.00%	14.72%	85.28%	40.14%	59.86%
	Year 4	52,441	(7,717)	100.00%	14.72%	85.28%	39.89%	60.11%
	Year 5	52,966	(7,794)	100.00%	14.72%	85.28%	39.64%	60.36%
	Year 6	53,495	(7,872)	100.00%	14.72%	85.28%	39.39%	60.61%
	Year 7	54,030	(7,951)	100.00%	14.72%	85.28%	39.15%	60.85%
	Year 8	54,571	(8,030)	100.00%	14.72%	85.28%	38.90%	61.10%
	Year 9	55,116	(8,111)	100.00%	14.72%	85.28%	38.66%	61.34%
	Year 10	55,667	(8,192)	100.00%	14.72%	85.28%	38.43%	61.57%

Benny Spensieri



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Mr. Spensieri has 13 years experience in commercial and residential real estate, business development and finance. Specialized real estate areas include:

- Commercial-Industrial operations and budgets
- Business Planning and Budgeting
- Financial Assistance
- Financial Instrument utilization in project financing
- Construction and Development planning and budgeting
- Sales and Leasing
- 1031-Exchange Assistance
- Investment Syndication

Mr. Spensieri is a Florida Real Estate Broker and owner of CRES Corp International, LLC, a Commercial Real Estate and Financial Services company offering consulting and financing services for Development Projects and Acquisitions.

Mr. Spensieri also serves as Director of Business Development for Green Technology Group, LLP ("GTG"), a Company that supplies precast concrete structures, for residential and commercial building projects, providing a structure that is superior in strength and quality while offering a significant savings in construction costs.

CRES Corp International and its affiliate companies are currently working with Florida Developers to revise distressed residential and commercial development projects by providing an affordable means to complete the Projects. These Projects include the construction Hospitals, ALF, Hotels, Apartments, Retail Centers, Storage Rental Units and large Residential Community Projects.

Mr. Spensieri served four years in the U.S. Marine Corp as a Military Police Officer and upon receiving an Honorable Discharge in 1989, began service as a police officer for the City of Havelock, NC for the next nine years.

Mr. Spensieri moved to Tampa, FL in 1999 to begin his career in Real Estate.

Education

Mr. Spensieri earned a Bachelor of Science Degree from St John's University majoring in Criminal Law.

Mr. Spensieri also was accepted into the USF Physical Therapy Masters Degree program and completed 1 year

Terms & Definitions

Net Operating Income (NOI) is a property's gross rental income reduced by all expenses except for loan payments, income taxes, mortgage insurance premium (MIP) payments and sometimes funded reserves.

Debt Coverage Ratio (DCR) is a property's net operating income divided by the amount of debt payments. Lenders use this calculation to determine the remaining operating cash flow after the debt payments.

Loan-to-Value Ratio (LTV) is the outstanding debt divided by the value of the property. This ratio is used to determine the amount of leverage and property equity. The debt balance can be the beginning or end-of-year balance. The property value used can be the contract price or the fair market value at the end of the year.

Capitalization Rate (Cap Rate) is the net operating income (NOI) divided by either the property's contract purchase price or its fair market value.

Cash-on-Cash Return is the net cash flow divided it by the initial investment (down payment). The calculation does not take into account the time value of money or change in the property's equity.

Cash-on-Cash Return with Equity Build-up modifies the cash-on-cash return calculation by adding the property's net change in equity for that year to the numerator and adding all previously generated equity to the denominator of the cash-on-cash return ratio. The calculation calculates the return on the property equity, i.e. the return on the cash that is "tied up" in the property.

Net Present Value (NPV) converts future dollars into present-day dollars by discounting (reducing) the future cash flow of a property by a given rate or percentage. The initial investment (down payment) is subtracted from the discounted dollars to derive the NPV. A positive NPV means that the property will generate a higher return than the given rate or percentage used to calculate the NPV amount.

Gross Rent Multiplier (GRM) is a property's fair market value divided by its gross rental income.

Mortgage Insurance Premium (MIP) Payments are insurance premiums charged by a lender to protect that lender against loss from a mortgager's default. The rates are charged on the balance of the loan and may be paid annually, monthly, or in some combination of the two (split premiums).

Internal Rate-of-Return (IRR) is the most widely used method of valuing a property's annual cash flow stream. Since a property's cash flow is earned in the future, those future dollars must be converted to present-day dollars. The IRR calculation discounts (reduces) the property's future cash flow at a rate (i.e. percentage) so that the sum of all cash flow for a specified time period is equal to the initial investment. The rate or percentage needed to do that is the IRR. In other words, IRR is the discount rate at which Net Present Value (NPV) is zero.

Modified Internal Rate-of-Return (MIRR) modifies the IRR to avoid the drawbacks of the traditional IRR. The IRR implicitly assumes that all cash flow is either reinvested or discounted at the computed IRR rate. In reality, a property's cash flow probably will not be reinvested at the computed IRR rate, but rather earn zero or a small amount of interest. The MIRR eliminates the reinvestment assumption by utilizing user stipulated reinvestment and borrowing rates.

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