

Basic Cash-Flow Principals

BASIC CASH-FLOW PRINCIPALS

Attached Duplex Example
Los Angeles Area - 2017

1	Purchase Price	=	\$ 450,000
2	Down Payment	=	\$ 90,000
3	Finance (4.5%)	=	\$ 360,000

						Total Yearly	
						<u>Income</u>	
<u>Bedroom</u>	<u>Bathroom</u>	<u>Parking</u>	<u>Rents</u>				
2	1	0	\$ 1,500	x	12	=	\$ 18,000
1	1	0	\$ 1,300	x	12	=	\$ 15,600
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Total Mo. Income =				\$ 2,800			\$ 33,600

						Total Yearly	
						<u>Expenses</u>	
<u>Montly Expenses</u>							
Principal & Interest (P&I)	=	\$ 1,824	x	12	=	\$ 21,888	
Mortgage Insurance	=	\$ 0					
Home Owners Insurance	=	\$ 120	x	12	=	\$ 1,440	
CA Property Tax (1.25%)	=	\$ 469	x	12	=	\$ 5,628	
Water & Trash	=	\$ 125	x	12	=	\$ 1,500	
Gardening	=	\$ 50	x	12	=	\$ 600	
Other	=	\$ 0					
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Total Mo. Expenses	=	\$ 2,592				\$ 31,104	

Cash flow = \$ 2,496

ROI = 3%



CASH FLOW = Total Income – Total Expenses

This example does not include closing costs fees, property inspection fees, termite fees, repair fees, etc.