ANSWER KEY: CALCULATE ROI

Market Value = $714,717.67

Mortgage Balance = $395,261.09

JV-1 Investment = $121,675

Total Cash Flow = $27,480

Year	MV 5%	Mortgage Amount	Cash Flow	Principal Recapture	Passive Appreciation	Active Appreciation
0	$560,000	$448,000	$0	$0	$0	$0
1	$588,000	$437,990.83	$5496	$10,009.25	$28,000	$0
2	$617,400	$427,719.31	$5496	$10,271.56	$29,400	$0
3	$648,270	$417,178.59	$5496	$10,540.78	$30,870	$0
4	$680,683.50	$406,361.60	$5496	$10,817.03	$32,413.50	$0
5	$714,717.67	$395,261.09	$5496	$11,100.56	$34,034.18	$0

Calculate the following:

JV-1 ROI= $112,630.60 (18%)

JV-2 ROI = $112,630.60 (∞)

Market Value = $714,717.67
Mortgage Balance = ($395,261.09)
Total Equity = $319,456.58
JV-1 Investment = ($121,675)

Remaining Equity = $197,781.21
Total Cash Flow = $27,480

Total ROI = $234,936.88
JV-1 50% = $117,468.43
JV-2 50% = $117,468.43