

Buy & Hold: Create your Financial Forecast

Note: This worksheet is to be completed in association with Buy & Hold Course Session 3: Forecasting Financial Results.

Target Deal Variables

Property Value	\$
Mortgage Amortization	 _ years
Mortgage Interest Rate	 _ %
Passive Appreciation Rate	 _ %
Cash Flown (annual)	\$
How many properties in 5 years?	 _
Target Active Appreciation	\$

Year	MV%	Cash Flow	Principal Recapture	Passive Appreciation	Active Appreciation	Total Wealth Increase
1						
2						
3						
4						
5						
	Total					

Market Value (MV) = Current MV + annual Passive Appreciation Rate

Example: $MV = $350,000 + ($350,000 \times 0.03)$

= \$360,500

Cash Flow (CF) = Income – (Expenses + Debt Service)

Example: **CF** = \$26,400 - (\$8,200 + 14,560)

= \$3,640

Principal Recapture (PR) = Annual principal paid down on mortgage (not including any interest paid). Calculate using Investor Software or obtain from lender.

Passive Appreciation (PA) = Market value x annual Passive Appreciation Rate

Example: **PA** = $$350,000 \times 0.03$ = \$10,500

Active Appreciation (AA) = After Repair Value (ARV) - Purchase Price - Initial Improvements

Example: AA = \$420,000 - \$350,000 - \$40,000

= \$30,000

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