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 x 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 x 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