

## Build to Rent home

1122 Bermar  
Fort Myers, FL 33913

Presented by:

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**Market America Realty**

Pro Forma ONLY

Data must be verified by Investor, Discussion Purposes Only

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This Report has forward looking statements and returns that should not be relied on for making purchase decisions. The assumptions made in this report may be inaccurate. By signing below the receiver of this report acknowledges this fact and relieves Gregg A Fous of all legal responsibility for these predictions and agrees to make his own independent determination of suitability for investment.

## Overview

### Build to Rent home

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#### Purchase Info

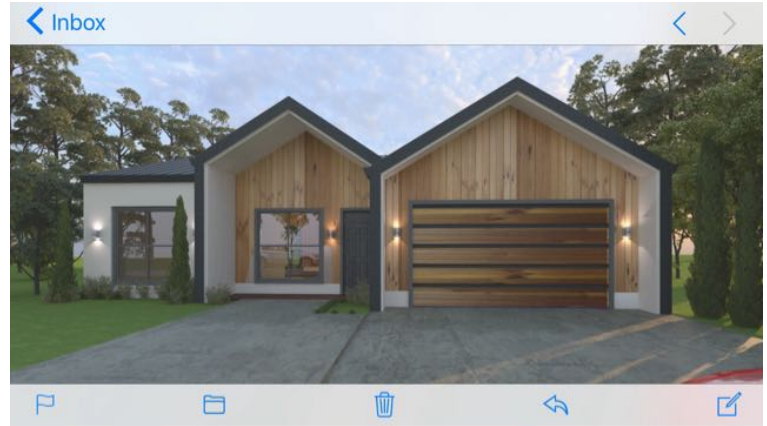
|                       |           |
|-----------------------|-----------|
| Square Feet           | 1,600     |
| Initial Market Value  | \$235,400 |
| Purchase Price        | \$220,000 |
| Initial Cash Invested | \$46,200  |

#### Income Analysis

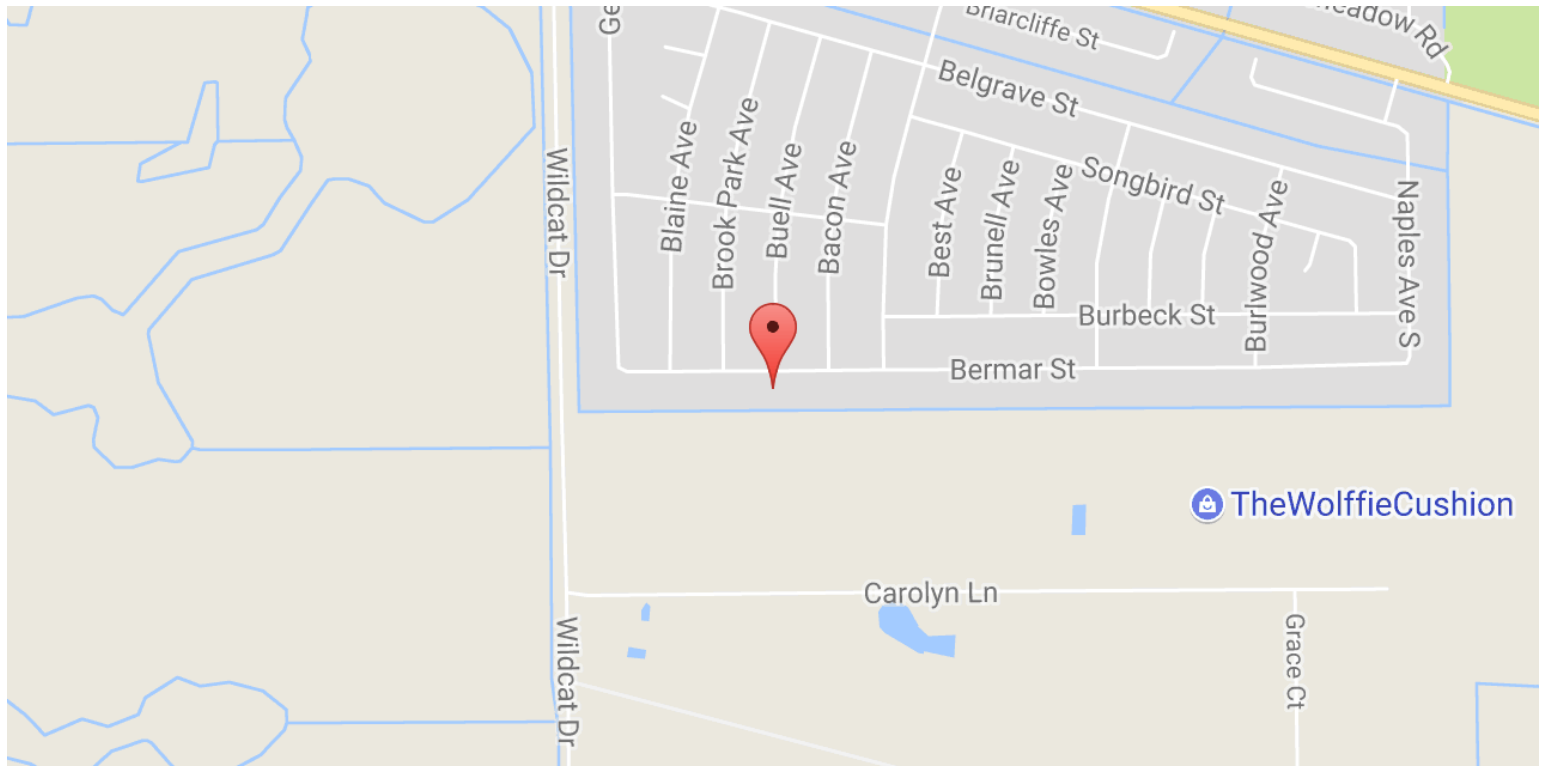
|                      | Monthly | Annual   |
|----------------------|---------|----------|
| Net Operating Income | \$775   | \$9,300  |
| Cash Flow            | -\$174  | -\$2,082 |

#### Financial Metrics

|                                   |           |
|-----------------------------------|-----------|
| Cap Rate (Purchase Price)         | 4.2%      |
| Cash on Cash Return (Year 1)      | -4.5%     |
| Internal Rate of Return (Year 10) | 19.5%     |
| Sale Price (Year 10)              | \$463,067 |



Single Family ICF Home



# Purchase Analysis

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| Purchase Info                  |                   |
|--------------------------------|-------------------|
| Initial Market Value           | \$235,400         |
| Purchase Price                 | \$220,000         |
| - First Mortgage               | <b>-\$176,000</b> |
| - Second Mortgage              | -\$0              |
| <b>= Downpayment</b>           | <b>\$44,000</b>   |
| + Buying Costs                 | \$2,200           |
| + Initial Improvements         | \$0               |
| <b>= Initial Cash Invested</b> | <b>\$46,200</b>   |
| Square Feet                    | 1,600             |
| Cost per Square Foot           | \$138             |
| Monthly Rent per Square Foot   | \$0.88            |

| Mortgages           | First           | Second        |
|---------------------|-----------------|---------------|
| Loan-To-Cost Ratio  | 80%             | 0%            |
| Loan-To-Value Ratio | 74.77%          | 0%            |
| Loan Amount         | \$176,000       | \$0           |
| Loan Type           | Amortizing      |               |
| Term                | 25 Years        |               |
| Interest Rate       | 4.2%            |               |
| <b>Payment</b>      | <b>\$948.54</b> | <b>\$0.00</b> |

| Financial Metrics (Year 1)   |              |
|------------------------------|--------------|
| Annual Gross Rent Multiplier | 13.1         |
| Operating Expense Ratio      | 41.7%        |
| Debt Coverage Ratio          | 0.82         |
| Cap Rate (Purchase Price)    | 4.2%         |
| <b>Cash on Cash Return</b>   | <b>-4.5%</b> |

| Assumptions            |          |
|------------------------|----------|
| Appreciation Rate      | 7.0%     |
| Vacancy Rate           | 5.0%     |
| Income Inflation Rate  | 3.0%     |
| Expense Inflation Rate | 3.0%     |
| LTV for Refinance      | 70.0%    |
| Selling Costs          | \$16,478 |

| Income                  | Monthly        | Annual          |
|-------------------------|----------------|-----------------|
| Gross Rent              | \$1,400        | \$16,800        |
| Vacancy Loss            | <b>-\$70</b>   | <b>-\$840</b>   |
| <b>Operating Income</b> | <b>\$1,330</b> | <b>\$15,960</b> |

| Expenses (% of Income)          | Monthly       | Annual          |
|---------------------------------|---------------|-----------------|
| Cleaning & Maintenance (4%)     | <b>-\$50</b>  | <b>-\$600</b>   |
| Insurance (14%)                 | <b>-\$183</b> | <b>-\$2,200</b> |
| Taxes (18%)                     | <b>-\$238</b> | <b>-\$2,860</b> |
| Reserves (6%)                   | <b>-\$83</b>  | <b>-\$1,000</b> |
| <b>Operating Expenses (42%)</b> | <b>-\$555</b> | <b>-\$6,660</b> |

| Net Performance             | Monthly       | Annual           |
|-----------------------------|---------------|------------------|
| <b>Net Operating Income</b> | <b>\$775</b>  | <b>\$9,300</b>   |
| - Mortgage Payments         | <b>-\$949</b> | <b>-\$11,382</b> |
| - Year 1 Improvements       | -\$0          | -\$0             |
| <b>= Cash Flow</b>          | <b>-\$174</b> | <b>-\$2,082</b>  |

# Buy and Hold Projection

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| Income                  | Year 5          | Year 7          | Year 8          | Year 9          | Year 10         | Year 15         | Year 20         |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Gross Rent              | \$18,909        | \$20,060        | \$20,662        | \$21,282        | \$21,920        | \$25,412        | \$29,459        |
| Vacancy Loss            | -\$945          | -\$1,003        | -\$1,033        | -\$1,064        | -\$1,096        | -\$1,271        | -\$1,473        |
| <b>Operating Income</b> | <b>\$17,963</b> | <b>\$19,057</b> | <b>\$19,629</b> | <b>\$20,218</b> | <b>\$20,824</b> | <b>\$24,141</b> | <b>\$27,986</b> |

| Expenses                  | Year 5          | Year 7          | Year 8          | Year 9          | Year 10         | Year 15          | Year 20          |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|
| Cleaning & Maintenance    | -\$675          | -\$716          | -\$738          | -\$760          | -\$783          | -\$908           | -\$1,052         |
| Insurance                 | -\$2,476        | -\$2,627        | -\$2,706        | -\$2,787        | -\$2,871        | -\$3,328         | -\$3,858         |
| Taxes                     | -\$3,219        | -\$3,415        | -\$3,517        | -\$3,623        | -\$3,732        | -\$4,326         | -\$5,015         |
| Reserves                  | -\$1,126        | -\$1,194        | -\$1,230        | -\$1,267        | -\$1,305        | -\$1,513         | -\$1,754         |
| <b>Operating Expenses</b> | <b>-\$7,496</b> | <b>-\$7,952</b> | <b>-\$8,191</b> | <b>-\$8,437</b> | <b>-\$8,690</b> | <b>-\$10,074</b> | <b>-\$11,678</b> |

| Income Analysis             | Year 5          | Year 7          | Year 8          | Year 9          | Year 10         | Year 15         | Year 20         |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Net Operating Income</b> | <b>\$10,467</b> | <b>\$11,105</b> | <b>\$11,438</b> | <b>\$11,781</b> | <b>\$12,134</b> | <b>\$14,067</b> | <b>\$16,308</b> |
| - Mortgage Payments         | -\$11,382       | -\$11,382       | -\$11,382       | -\$11,382       | -\$11,382       | -\$11,382       | -\$11,382       |
| - Improvements              | -\$0            | -\$0            | -\$0            | -\$0            | -\$0            | -\$0            | -\$0            |
| <b>= Cash Flow</b>          | <b>-\$915</b>   | <b>-\$278</b>   | <b>\$55</b>     | <b>\$398</b>    | <b>\$752</b>    | <b>\$2,685</b>  | <b>\$4,925</b>  |
| Cap Rate (Purchase Price)   | 4.8%            | 5.0%            | 5.2%            | 5.4%            | 5.5%            | 6.4%            | 7.4%            |
| Cap Rate (Market Value)     | 3.2%            | 2.9%            | 2.8%            | 2.7%            | 2.6%            | 2.2%            | 1.8%            |
| <b>Cash on Cash Return</b>  | <b>-2.0%</b>    | <b>-0.6%</b>    | <b>0.1%</b>     | <b>0.9%</b>     | <b>1.6%</b>     | <b>5.8%</b>     | <b>10.7%</b>    |
| Return on Equity            | -0.5%           | -0.1%           | 0.0%            | 0.1%            | 0.2%            | 0.5%            | 0.6%            |

| Loan Analysis           | Year 5           | Year 7           | Year 8           | Year 9           | Year 10          | Year 15          | Year 20          |
|-------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Market Value            | \$330,161        | \$378,001        | \$404,461        | \$432,773        | \$463,067        | \$649,476        | \$910,924        |
| - Loan Balance          | -\$153,841       | -\$143,592       | -\$138,136       | -\$132,447       | -\$126,514       | -\$92,813        | -\$51,253        |
| <b>= Equity</b>         | <b>\$176,320</b> | <b>\$234,409</b> | <b>\$266,325</b> | <b>\$300,327</b> | <b>\$336,554</b> | <b>\$556,663</b> | <b>\$859,671</b> |
| Loan-to-Value Ratio     | 46.6%            | 38.0%            | 34.2%            | 30.6%            | 27.3%            | 14.3%            | 5.6%             |
| Potential Cash-Out Refi | \$77,272         | \$121,009        | \$144,987        | \$170,495        | \$197,634        | \$361,820        | \$586,394        |

| Sale Analysis                  | Year 5           | Year 7           | Year 8           | Year 9           | Year 10          | Year 15          | Year 20          |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Equity                         | \$176,320        | \$234,409        | \$266,325        | \$300,327        | \$336,554        | \$556,663        | \$859,671        |
| - Selling Costs                | -\$23,111        | -\$26,460        | -\$28,312        | -\$30,294        | -\$32,415        | -\$45,463        | -\$63,765        |
| <b>= Proceeds After Sale</b>   | <b>\$153,209</b> | <b>\$207,949</b> | <b>\$238,013</b> | <b>\$270,032</b> | <b>\$304,139</b> | <b>\$511,200</b> | <b>\$795,906</b> |
| + Cumulative Cash Flow         | -\$7,537         | -\$8,416         | -\$8,361         | -\$7,963         | -\$7,211         | \$2,233          | \$22,245         |
| - Initial Cash Invested        | -\$46,200        | -\$46,200        | -\$46,200        | -\$46,200        | -\$46,200        | -\$46,200        | -\$46,200        |
| <b>= Net Profit</b>            | <b>\$99,471</b>  | <b>\$153,332</b> | <b>\$183,451</b> | <b>\$215,870</b> | <b>\$250,728</b> | <b>\$467,232</b> | <b>\$771,951</b> |
| <b>Internal Rate of Return</b> | <b>24.8%</b>     | <b>22.2%</b>     | <b>21.2%</b>     | <b>20.3%</b>     | <b>19.5%</b>     | <b>16.7%</b>     | <b>15.0%</b>     |
| Return on Investment           | 215%             | 332%             | 397%             | 467%             | 543%             | 1,011%           | 1,671%           |

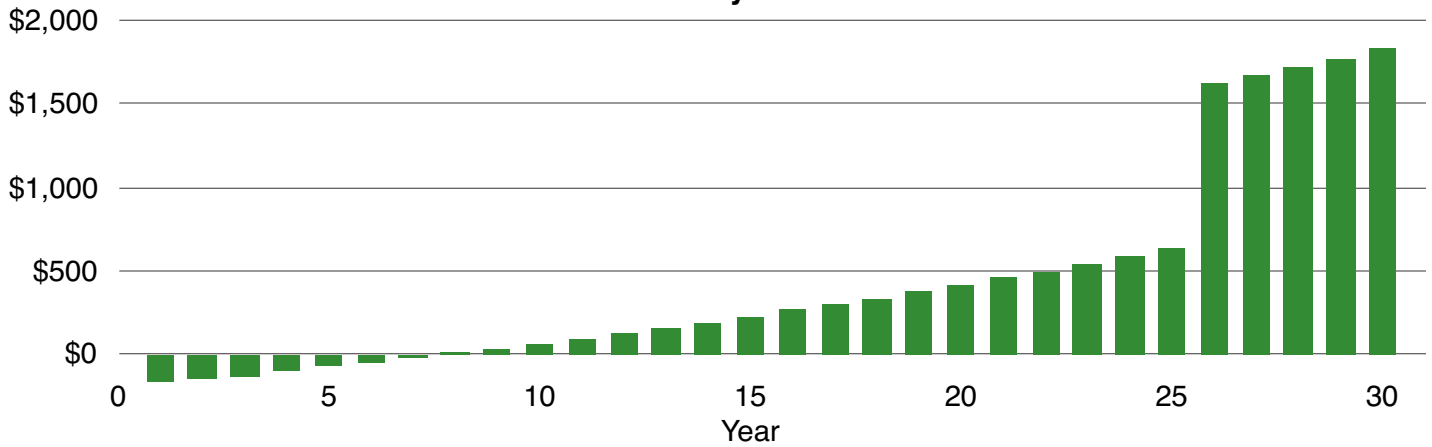
## Graphs

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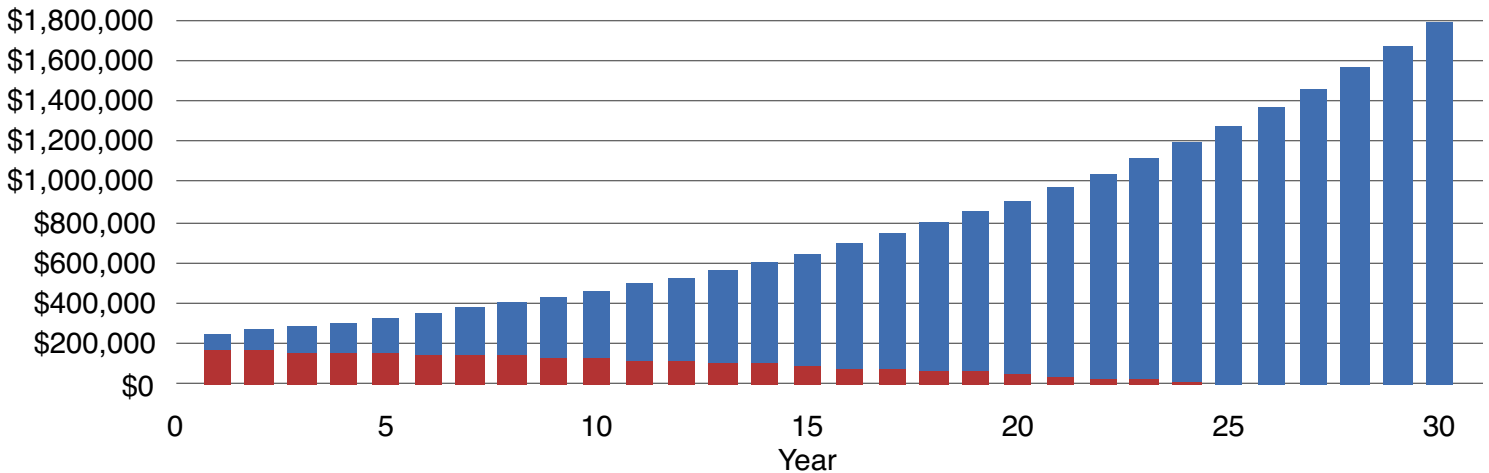


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### Monthly Cash Flow



■ Loan Balance + ■ Equity = Market Value



### Internal Rate of Return (IRR)

