

Property type:	Detached Duplex
Bedrooms	3
Bathrooms	2
Kitchens	2

In this example, the market value was closer to \$250,000

<b>Purchase Price</b>	<b>\$215,000</b>
Downpayment	\$43,000
Closing Costs	\$4,425
Total renovation costs	\$92,610
<b>Total initial investment</b>	<b>\$140,035</b>

Land Transfer Tax, Lawyer Fees, Home Inspection etc.

After Repair Value (ARV)	\$ 350,000.00
80% of ARV	\$ 280,000.00
Mortgage balance	\$ 172,000.00

Net investment (80% of ARV-(Total Initial Investment+Mortgage Balance))	\$ 32,035.00
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The passive investor will have \$32,035 invested in the property after it has been refinanced

#### Income after re-financing

Rent	\$ 2,000.00
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#### Expenses after re-financing

Mortgage	\$ 1,250.00
Taxes	\$ 175.00
Insurance	\$ 100.00
Utilities	\$ -
Total	\$ 1,525.00

Monthly net cash flow	\$ 475.00
<b>Annual net cash flow</b>	<b>\$ 5,700.00</b>

#### Amount Earned

Equity in home (10% of \$350,000)	\$ 35,000.00
Half of mortgage pay down	\$ 7,500.00
Half of annual cash flow	\$ 2,850.00
Total	\$ 45,350.00

<b>Amount Invested</b>	<b>\$ 32,035.00</b>
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Annual ROI (First Year)	41.56%
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