

Hypothetical Projection on Job for Resale (Rehabilitation)

Purchase Price	\$ 46,640.00	
Title Insurance	\$ 550.00	
Property Insurance (\$1.00 for every \$100.00 mortgaged)	\$ 600.00	
Recording and Notary Fees	\$ 150.00	
Reserve for Lead Based Paint	\$ 1,500.00	
Transfer Taxes (2%)	\$ 930.00	
Purchase Agreement	\$ 150.00	
Acquisition Costs	\$ 50,520.00	
<u>Mortgage Legal & Financing</u>		
Review of Specs, Bldg. Estimates, Payment Schedule	\$ 200.00	
Draw Inspections (2 at \$150 each)	\$ 300.00	
<u>Conveyancing Legal</u>		
Application fees	\$ 150.00	
Note	\$ 175.00	
Mortgage	\$ 175.00	
Loan Placement Fee (1-3%)	\$ 675.00	
Order & Review Title Report, Binder & Final Policy	\$ 100.00	
Order & Review Fire, Liability or Builders Risk Policy	\$ 75.00	
Direct Settlement, Review Distribution Sheet, Escrows & Title Questions	\$ 200.00	
Photostats, Faxes, Fed Ex, Etc.	\$ 45.00	
Total Legal & Financing Costs	\$ 2,095.00	
Construction Costs (including permits)	\$ 10,000.00	
Carrying Costs 6 Months Taxes (R.E.)	\$ 600.00	
Interest 6 Months at 1 1/4% a month	\$ 4,000.00	
Cost of Signs and Advertising	\$ 180.00	
	\$ 14,780.00	
TOTAL LOAN & JOB COSTS		\$ 67,395.00
Sales Price	\$ 96,900.00	
Sales Commission (6%)	\$ (5,814.00)	
Transfer Taxes (2%)	\$ (1,938.00)	
Possible Sellers Assist (2%)	\$ (1,938.00)	
	\$ 87,210.00	
Net Profit	\$ 19,815.00	
Developer 1/2	\$ 9,907.50	
REIC 1/2	\$ 9,907.50	
<u>Potential Additional Areas of Profit (Savings)</u>		
Lead Based Paint (Rebate)	\$ 1,500.00	
Brokerage Fees & Sellers Assist*	\$ 7,752.00	
Construction Costs (Not Used)	\$ 2,500.00	
Carrying Charges (Quick Sale)	\$ 1,000.00	
	\$ 12,752.00	
	\$ 19,815.00	
Total Potential Profit (for partners)	\$ 32,567.00	

*As much as \$7,500 can be added if sold in less than 6 months w/o brokers or buyers assistance