

SUMMARY

This business is a vacation rental property at Table Rock Lake in the south Missouri Ozark Mountains. The property consists of approximately 12 acres and currently has 4 solid log homes of varied sizes. The property has been recently renovated and updated and is ready for operation. It is currently listed for sale by owner, see link below for pictures and more details.

LISTING: <https://www.creativeinvestments-realestate.com/table-rock-lake/>

EXISTING VS PROPOSED

While there are four cabins currently available for nightly operation there is ample available land to build more. This financial model illustrates projections for both the existing cabins and also for the proposed development. The 'proposed' numbers include both existing houses and new construction. This model illustrates projections for possible debt financing scenarios for the proposed development. Stabilization is reached by Year 4 and a possible debt refinancing scenario is illustrated in Year 5. This model assumes a sale exit in Year 10.

DISCLAIMER

While we feel these projections are conservative, this document is for general information only. No information, forward looking statements, or estimations presented herein represent any final determination on investment performance. While the information presented in this document has been researched and is thought to be reasonable and accurate, any real estate investment is speculative in nature. Creative Investments, LLC, and/or its agents cannot and do not guarantee any rate of return or investment timeline based on the information presented herein.

INPUTS & ASSUMPTIONS

INITIAL INVESTMENT

Purchase Price	\$795,000
Furnishings	\$50,000
Closing	\$5,000
Total	\$850,000

PROJECTED RENT ROLL

Unit	ADR
7976	\$295
8000	\$175
8020	\$295
8040	\$125
Total	\$890

PROPOSED NEW RENT ROLL

Price / Unit	\$75,000
# Units Added	8
Total	\$600,000

Unit	ADR
Proposed 1	\$95
Proposed 2	\$95
Proposed 3	\$95
Proposed 4	\$95
Proposed 5	\$95
Proposed 6	\$95
Proposed 7	\$95
Proposed 8	\$95
Total	\$760

EXPENSE ESTIMATES

Taxes	5.00%
Insurance	5.00%
Utilities	5.00%
Maintenance	10.00%
Management	20.00%
Total Expense Ratio	45.00%

STABILIZATION VARIABLES

Year of Stabilization	Year 4
Stabilized Occupancy	55.00%
Annual Income Inflation	3.00%
Annual Expense Inflation	3.00%

PROJECTED DEBT

Acquisition Debt	Conventional
Date	Year 0
Loan Amount (80%)	\$680,000
Interest Rate	5.00%
Amortization Term	240
Down Payment	\$170,000
Monthly Payment	-\$4,488

New Construction Debt	Line of Credit
Date	Year 1
Loan Amount	\$600,000
Rate	6.00%
Term	36
Payment	\$3,000

Refinance	Existing	Proposed
Date	Year 5	Year 5
Rate	5.00%	5.00%
LTV	80.00%	80.00%
Am Term	240	240
New Loan Amount	\$1,012,609	\$1,827,672
Previous Balance	\$567,493	\$1,167,493
Cash Out	\$445,116	\$660,179
Payment	-\$6,683	-\$12,062

VALUATIONS & EXIT

Valuation	Existing	Proposed
Cap Rate	9.00%	9.00%
Year 0 Value	\$794,078	\$794,078
Year 2 Value	\$1,053,046	\$1,900,658
Year 5 Value	\$1,265,761	\$2,284,590
Year 10 Value	\$1,467,364	\$2,648,466

Year 10 Sale

Cap Rate	8%	8%
Amount	\$1,650,785	\$2,979,524

TIMELINES

Existing Operational Date	1/1/2021	Year 0
Cap Ex New Construction	1/1/2023	Year 1
Proposed Operational	1/1/2023	Year 2

PROFORMA CASH FLOW STATEMENT

EXISTING	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5 - REFI	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	
Income												
Gross Potential Revenue		\$324,850	\$334,596	\$344,633	\$354,972	\$365,622	\$376,590	\$387,888	\$399,525	\$411,510	\$423,856	\$436,571
Occupancy	40.00%	45.00%	50.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%
Effective Gross Income		\$129,940	\$150,568	\$172,317	\$195,235	\$201,092	\$207,125	\$213,338	\$219,738	\$226,331	\$233,121	\$240,114
Expenses												
Taxes	5.00%	\$6,497	\$7,528	\$8,616	\$9,762	\$10,055	\$10,356	\$10,667	\$10,987	\$11,317	\$11,656	\$12,006
Insurance	5.00%	\$6,497	\$7,528	\$8,616	\$9,762	\$10,055	\$10,356	\$10,667	\$10,987	\$11,317	\$11,656	\$12,006
Utilities	5.00%	\$6,497	\$7,528	\$8,616	\$9,762	\$10,055	\$10,356	\$10,667	\$10,987	\$11,317	\$11,656	\$12,006
Maintenance	10.00%	\$12,994	\$15,057	\$17,232	\$19,523	\$20,109	\$20,712	\$21,334	\$21,974	\$22,633	\$23,312	\$24,011
Management	20.00%	\$25,988	\$30,114	\$34,463	\$39,047	\$40,218	\$41,425	\$42,668	\$43,948	\$45,266	\$46,624	\$48,023
Total		\$58,473	\$67,756	\$77,543	\$87,856	\$90,491	\$93,206	\$96,002	\$98,882	\$101,849	\$104,904	\$108,051
Net Operating Income		\$71,467	\$82,812	\$94,774	\$107,379	\$110,601	\$113,919	\$117,336	\$120,856	\$124,482	\$128,216	\$132,063
Debt Service		-\$53,852	-\$53,852	-\$53,852	-\$53,852	-\$53,852	-\$80,193	-\$80,193	-\$80,193	-\$80,193	-\$80,193	-\$80,193
Cash Flow		\$17,615	\$28,960	\$40,922	\$53,527	\$56,748	\$33,725	\$37,143	\$40,663	\$44,289	\$48,023	\$51,870

PROPOSED NEW	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5 - REFI	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	
Income												
Gross Potential Revenue		\$324,850	\$334,596	\$622,033	\$640,694	\$659,915	\$679,713	\$700,104	\$721,107	\$742,740	\$765,023	\$787,973
Occupancy	40.00%	45.00%	50.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%
Effective Gross Income		\$129,940	\$150,568	\$311,017	\$352,382	\$362,953	\$373,842	\$385,057	\$396,609	\$408,507	\$420,762	\$433,385
Expenses												
Taxes	5.00%	\$6,497	\$7,528	\$15,551	\$17,619	\$18,148	\$18,692	\$19,253	\$19,830	\$20,425	\$21,038	\$21,669
Insurance	5.00%	\$6,497	\$7,528	\$15,551	\$17,619	\$18,148	\$18,692	\$19,253	\$19,830	\$20,425	\$21,038	\$21,669
Utilities	5.00%	\$6,497	\$7,528	\$15,551	\$17,619	\$18,148	\$18,692	\$19,253	\$19,830	\$20,425	\$21,038	\$21,669
Maintenance	10.00%	\$12,994	\$15,057	\$31,102	\$35,238	\$36,295	\$37,384	\$38,506	\$39,661	\$40,851	\$42,076	\$43,339
Management	20.00%	\$25,988	\$30,114	\$62,203	\$70,476	\$72,591	\$74,768	\$77,011	\$79,322	\$81,701	\$84,152	\$86,677
Total		\$58,473	\$67,756	\$139,958	\$158,572	\$163,329	\$168,229	\$173,276	\$178,474	\$183,828	\$189,343	\$195,023
Net Operating Income		\$71,467	\$82,812	\$171,059	\$193,810	\$199,624	\$205,613	\$211,781	\$218,135	\$224,679	\$231,419	\$238,362
Debt Service		-\$53,852	-\$53,852	-\$53,852	-\$53,852	-\$53,852	-\$144,742	-\$144,742	-\$144,742	-\$144,742	-\$144,742	-\$144,742
Credit Line Service			-\$36,000	-\$36,000	-\$36,000	-\$36,000						
Cash Flow		\$17,615	-\$7,040	\$81,207	\$103,958	\$109,772	\$60,871	\$67,040	\$73,393	\$79,937	\$86,677	\$93,620

RETURNS

EXISTING	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5 - REFI	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10 - SALE
Investment	-\$170,000										
Operating Cash Flow	\$17,615	\$28,960	\$40,922	\$53,527	\$56,748	\$33,725	\$37,143	\$40,663	\$44,289	\$48,023	\$51,870
Cash Out Refi / Sale						\$445,116					\$805,713
Net Cash Flow	-\$152,385	\$28,960	\$40,922	\$53,527	\$56,748	\$478,841	\$37,143	\$40,663	\$44,289	\$48,023	\$857,583

Cash Return On Investment	-89.64%	17.04%	24.07%	31.49%	33.38%	281.67%	21.85%	23.92%	26.05%	28.25%	504.46%
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Cap Rate @ 40% Occupancy	8.41%
Cap Rate @ 55% Occupancy	12.63%
Year 0-5 Cash ROI	49.67%
Year 6-10 Cash ROI	120.91%
5-Year IRR	42.96%
10-Year IRR	49.72%

PROPOSED	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5 - REFI	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10 - SALE
Investment	-\$170,000										
Operating Cash Flow	\$17,615	-\$7,040	\$81,207	\$103,958	\$109,772	\$60,871	\$67,040	\$73,393	\$79,937	\$86,677	\$93,620
Cash Out Refi / Sale						\$660,179					\$1,454,243
Net Cash Flow	-\$152,385	-\$7,040	\$81,207	\$103,958	\$109,772	\$721,050	\$67,040	\$73,393	\$79,937	\$86,677	\$1,547,863

Cash ROI	-89.64%	-4.14%	47.77%	61.15%	64.57%	424.15%	39.44%	43.17%	47.02%	50.99%	910.51%
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Year 0-5 Cash ROI	83.98%
Year 6-10 Cash ROI	218.22%
5-Year IRR	56.11%
10-Year IRR	62.16%

