

RENTAL PROPERTY COST ANALYSIS "EXAMPLE"

PROPERTY *Sample Home on Hilton Head Island*

Purchase Price	\$779,000
% Down Payment	20%
Down Payment	\$155,800
Amount Financed	\$623,200
Term	360 months
Interest Rate	4.75%
Value of Furniture Package	

Interest rates are great right now.

I. ESTIMATED COST	Per Month	Per Year
Principal and Interest	\$3,250.91	\$39,010.87
Pool/Pest/Yard/Trash		
Taxes	\$569.00	\$6,838.00
Electricity		
Insurance (Contents)	\$500.00	\$6,000.00
Phone/Cable		\$0.00
Palmetto Dunes Annual Assessment	\$95.42	\$1,145.00
Sewer and Water		\$0.00
TOTAL ESTIMATED COST	\$4,415.32	\$52,993.87

II. RENTAL INCOME

Estimated Gross Rental Revenue	\$24,000
% to Rental Agency	10%
NET TO OWNER	\$21,600

If you rented this home for a nominal amount

* Note: Neither the seller nor Dunes Marketing Group, Inc. engages in rental management. Any rental projections are included for example purposes only. You should discuss occupancy rates and potential income with a rental management company.

TAX DEDUCTIONS

Per Year

Interest	\$37,060.33
III. Taxes	\$6,838.00
Maintenance Pool/pest/yard/trash	\$0.00
Electricity	\$0.00
Insurance (Contents)	\$6,000.00
PDR Annual Assessment	\$1,145.00
Phone	\$0.00
Structure Depreciation: 27.5 Yr. Straight Line	\$23,923.64
Furniture Depreciation: 7 Yr. Straight Line	\$0.00
Appliance Depreciation: 7 Yr. Straight Line	\$714.29
Sewer and Water	\$0.00
TOTAL TAX DEDUCTIONS	\$75,681.25

TAX SAVINGS

Total Tax Deductions	\$75,681.25
IV. Minus Rental Income	\$21,600.00
Net Tax Deductions	\$54,081.25
Tax Bracket %	31%
TAX SAVINGS	\$16,765.19

SUMMARY

Rental Income	\$21,600.00
V. Plus Tax Savings	\$16,765.19
Less Cost	\$52,993.87
NET	(\$14,628.69)

Bottom line costs if the above applies.

The above cost analysis sheet is not intended to serve as a representation that the property discussed is an investment of any sort, or that you will derive any economic benefits from the ownership, sale or rental of the property. There is no mandatory rental program. Rental services are offered through independent rental agencies on Hilton Head Island. Rental rates and number of weeks of rental will vary.