

## Financial Model: Your Total Return

- Example Property:
- Asking Price: \$90,000 in 1988
  - Discount 20% (\$18,000)
  - Purchase Price \$72,000
  - Down Payment 20% (\$14,400)
  - Mortgage Loan Amount 80% (\$57,600)

	30-Year Mortgage	15-Year Mortgage
Total Equity Build Up (1988 – 2004)	\$128,506	\$171,840
Total Net Cash Flow (1988 – 2004)	\$34,545	\$18,327
Total Return	\$163,051	\$190,167
Annual Compounded Rate of Return	17.6%	18.8%