

**Buy rentals, Inc.
Return on Equity Analysis
Confidential**

	Year 2005	Year 2007	Year 2009	Year 2011
5% Appreciation per year				
Money to invest	\$ 50,000	\$ 57,150	\$ 65,322	\$ 74,664
Down payment	10%	10%	10%	10%
Property Value	\$ 500,000	\$ 571,500	\$ 653,225	\$ 746,636
Appreciation	5.0%	5.0%	5.0%	5.0%
Value in 2 years	\$ 551,250	\$ 630,079	\$ 720,180	\$ 823,166
Net proceeds less 8% selling costs	\$ 57,150	\$ 65,322	\$ 74,664	\$ 85,340

	Year 2005	Year 2007	Year 2009	Year 2011
8% Appreciation per year				
Money to invest	\$ 50,000	\$ 86,544	\$ 149,797	\$ 259,281
Down payment	10%	10%	10%	10%
Property Value	\$ 500,000	\$ 865,440	\$ 1,497,973	\$ 2,592,811
Appreciation	8.0%	8.0%	8.0%	8.0%
Value in 2 years	\$ 583,200	\$ 1,009,449	\$ 1,747,235	\$ 3,024,255
Net proceeds less 8% selling costs	\$ 86,544	\$ 149,797	\$ 259,281	\$ 448,784

	Year 2005	Year 2007	Year 2009	Year 2011
12% Appreciation per year				
Money to invest	\$ 50,000	\$ 127,024	\$ 322,702	\$ 819,818
Down payment	10%	10%	10%	10%
Property Value	\$ 500,000	\$ 1,270,240	\$ 3,227,019	\$ 8,198,178
Appreciation	12.0%	12.0%	12.0%	12.0%
Value in 2 years	\$ 627,200	\$ 1,593,389	\$ 4,047,973	\$ 10,283,795
Net proceeds less 8% selling costs	\$ 127,024	\$ 322,702	\$ 819,818	\$ 2,082,731

This illustration assumes an initial investment of \$50,000.

The property(s) is/are sold after 2 years, at a cost of 8%.

The proceed from the sale are reinvested for another two years.

Possible options are 1031 exchanges and pulling equity out to purchase the next property.