

Acquiring a Portfolio of Cash Flowing Rental Properties in Northern Colorado

A Real Estate Financial Planner Blueprint™


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<https://RealEstateFinancialPlanner.com/copy/?CopyScenarioID=135>

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This is work of fiction. References to clients in this book are fictional and have been modified and changed from any possible real situations to protect the identities of clients and to simplify the stories for clarity. In some cases, significant parts of the stories have been changed. In some cases, stories have been completely fabricated to illustrate a concept. Any similarities to people alive or dead is purely coincidental.

Dedication

This book is dedicated to myself. I love you James; you're amazing!

Introduction

Before we get deep into the details of the 📖 **Blueprint™**, I want to do three things: thank you, congratulate you, and give you some background.

First, thank you for reading this 📖 **Blueprint™** and demonstrating that you're committed to studying and evaluating your investment strategy.

"Success is stumbling from failure to failure with no loss of enthusiasm."
— Winston Churchill

Second, congratulations... you've taken an important step toward better understanding how investing works. Before I lost almost everything in the Great Recession, before my personal bankruptcy, before the rental 🏠 **Property** foreclosures... I thought I knew it all. I had acquired a multi-million dollar real estate portfolio and my ego suggested I knew everything. I wish I could go back in time and slap that arrogant young man. I now realize that while I know a lot, I still gain new knowledge daily and **I do not know everything**. Far from it.

Using **The Real Estate Financial Planner™** software that generates this 📖 **Blueprint™** helps me learn and helps you learn. It teaches us where strategies are strong—and probably more importantly—where they are weak. It gives us unparalleled insight into how a portfolio of 🏠 **Properties** performs together, as a group. It allows us to run countless what-if 📊 **Scenarios** to see what would happen if this and this and this happened not just to one 🏠 **Property**, but to my entire portfolio including my real estate and other investments like stocks, mutual funds and bonds.

I want to congratulate you because you are being smarter than I was by seeking out this information, studying, planning and learning before doing. I wish I had.

I won't pretend to know all the answers, but hopefully together, with the help of **The Real Estate Financial Planner™** software and this 📖 **Blueprint™** we can both become better investors and better stewards of our money.

And third and finally, a little background: I believe many of you would like to know some of the methodology behind how we do the modeling to create these 📖 **Blueprints™**. With that in mind, here is a big picture overview of how we model investment strategies and how you can edit our assumptions if you'd like to see how that changes the results.

📊 Scenarios

Using **The Real Estate Financial Planner™** software we can combine 💰 **Accounts**, 🏠 **Properties** and ⚡ **Rules** together to form a 📊 **Scenario**.

💰 Accounts

💰 **Accounts** are places where you store or invest money. In some 📊 **Scenarios** you might have an 💰 **Account** that represents your stock market brokerage 💰 **Account**. You may also have an 💰 **Account** representing your IRA or 401K. Or, another 💰 **Account** that you use to save up for down payments to purchase additional 🏠 **Properties**.

🏠 Properties

🏠 **Properties** are real estate you own. They can be single family homes, duplexes, triplexes, fourplexes, or even apartment buildings. They can be commercial, industrial or residential 🏠 **Properties**. They can be 🏠 **Properties** you live in, 🏠 **Properties** you rent or special 🏠 **Properties** you live in for a period of time and then convert to rentals later (what we call the **Nomad™** investing strategy). 🏠 **Properties** can be a specific 🏠 **Property** with a specific address or it can be a **Dynamic** 🏠 **Property** that represents a type that you might buy more than one of over time.

⚡ Rules

⚡ **Rules** allow us to manipulate both 💰 **Accounts** and 🏠 **Properties**.

For example, we might have a ⚡ **Rule** that deposits a certain amount of money into our 💰 **Account** each month like a paycheck. A ⚡ **Rule** could also withdraw expenses each month from an 💰 **Account**.

⚡ **Rules** might also allow you to buy a Dynamic 🏠 **Property** each time that your 💰 **Account** has saved enough for a down payment.

⚡ **Rules** can be used to change what return you are earning on 💰 **Accounts**. You might use this to model the erratic returns of the stock market. Similarly, you can use ⚡ **Rules** to vary how quickly or slowly 🏠 **Property** values are going up or down (appreciation) or how quickly or slowly rents are going up or down (rent appreciation).

📋 **Blueprints™**

When we provide a super-detailed narrative explaining a 📋 **Scenario** we call that a 📋 **Blueprint™**.

📋 **Blueprints™** are narrated explanations of 📋 **Scenarios** we created that go over a specific strategy with specific assumptions.

With each 📋 **Blueprint™** we walk you through the purchase of each 🏠 **Property**.

We explain how each ⚡ **Rule** impacts each 💰 **Account** and 🏠 **Property**.

Plus, we summarize how they all combine to affect your personal net worth, cash flow and much more.

📋 **Blueprints™** are like detailed, step-by-step plans for you to evaluate how a specific investment strategy works based on the assumptions entered for that unique combination of 💰 **Accounts**, 🏠 **Properties** and ⚡ **Rules** for that 📋 **Scenario**.

🌟 **Significant Events**

When we are narrating what happens in a specific 📋 **Scenario** within a 📋 **Blueprint™** we use the idea of 🌟 **Significant Events** to document important things that happen in the 📋 **Scenario**.

A 🌟 **Significant Event** might be buying a new 🏠 **Property** or renting a 🏠 **Property**. It might be selling a 🏠 **Property**.

We use 🌟 **Significant Events** to know where to pause and show you what is happening with your 💰 **Accounts** and 🏠 **Properties**.

Editing 📋 **Scenarios**

Sometimes you will be reading through a 📋 **Blueprint™** and you will think to yourself, I wonder how changing this one thing impacts how everything else turns out. You have the ability to edit 📋 **Scenarios** with **The Real Estate Financial Planner™** software: you can change the variables that make up 💰 **Accounts**, 🏠 **Properties** and ⚡ **Rules**.

In fact, you can choose to modify an existing 📋 **Scenario** or start over with a new 📋 **Scenario** from scratch to model your specific situation.

The 📋 **Blueprint™**

📋 Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo is summarized as a narrative 📋 **Blueprint™** below.

A 40-year plan to buy 10 rental properties while earning \$7,000 per month using the Nomad strategy of buying a house, living there for at least a year until you save up your next down payment then converting that property to a rental and buying your next owner-occupant property. While saving for your down payments, you're able to invest in the stock market and earn 8% per year. The properties you buy are based on properties that have negative cash flow when we started the scenario. You start with some money in savings and you continue saving about \$200 per month from your income after you buy your first home with nothing down. Your income, expenses and the amount you save are going up at a rate of 3% per year with inflation. The market has a slow steady growth of 3% per year for both appreciation and rent appreciation. When buying properties, you are unable to negotiate any seller concessions, so you are paying the full 1% closing costs which includes finance fees.

💰 **Accounts**, 🏠 **Properties** and ⚡ **Rules** for this 📊 **Scenario**

First, I will walk you through each of the 💰 **Accounts**, 🏠 **Properties** and ⚡ **Rules** that make up this 📊 **Scenario**. Then, after you learn what the component parts are for this 📊 **Scenario**, I will take you through each 🌟 **Significant Event** for the entire 📊 **Scenario**.

This 📊 **Scenario** is made up of the following 💰 **Accounts**, 🏠 **Properties** and ⚡ **Rules**.

🏠 Accounts

This 🏠 **Scenario** is made up of 2 🏠 **Accounts**. Let's look at each one in more detail.

🏠 **Cash** Account

We start tracking the 🏠 **Account** we call the 🏠 **Cash** Account at the very start of the 🏠 **Scenario**, which we assume to be 📅 Nov 2018. We assume that it had an initial balance of \$0.

⚠️ By the way, we assume that all dates in our 🏠 **Scenarios** are for the first of the month. This significantly simplifies the math and does not significantly impact the results of the modeling.

The Special 🏠 **Cash** Account

The 🏠 **Cash** Account is a special type of 🏠 **Account** for us for a couple of reasons.

First, it is the only 🏠 **Account** that is required to be present in every 🏠 **Scenario**. We require it because it is the special 🏠 **Account** we go to when there is not enough money in another 🏠 **Account** to withdraw money.

For example, if the 🏠 **Scenario** ends up having negative cash flow on a 🏠 **Property** and there is not enough money in the 🏠 **Account** that we would normally be depositing and withdrawing the income and expenses of that 🏠 **Property** to, where do we get the money from to handle that negative cash? In that case, we'd take as much as we could from the 🏠 **Account** that was supposed to be handling the income and expenses of the 🏠 **Property** and then any deficit would be taken from this special 🏠 **Cash** Account.

Because the 🏠 **Cash** Account is the go-to 🏠 **Account** when we have a shortage of money, it is also the only 🏠 **Account** that can have a negative balance.

You can think of it as a way of keeping track of how much extra money from outside the model that you would need to add to the 🏠 **Scenario** and when.

Cash flow is important to the success of your investing endeavors and we have several classes to help you maximize it on every property you own.

Cash Flow Explosion *Class Recording*

<https://JamesOrr.com/cash-flow-explosion/>

Improving Cash Flow by Buying Down Interest Rates *Class Recording*

<https://JamesOrr.com/improving-cash-flow-by-buying-down-interest-rates/>

Another interesting fact about the special 🏠 **Cash** Account is that it does not earn any interest. The return on it is always 0% because it is intended to be looked at as a special 🏠 **Account** that only stores cash.


Some folks may choose to just use the default 🏠 **Cash** Account when running their own 🏠 **Scenarios** to simplify their modeling and see how much money they'll need to implement a specific strategy. However, if you want your excess cash to be earning a return like you would in a typical savings or investment 🏠 **Account**, you would want to use an 🏠 **Account** other than the 🏠 **Cash** Account since the 🏠 **Cash** Account can never earn a return on money in that 🏠 **Account**.


🏠 **Stock Market - Start with \$5,000 and Earns 8% Per Year** Account


We start tracking the 🏠 **Account** we call the 🏠 **Stock Market - Start with \$5,000 and Earns 8% Per Year** Account at the very start of the 🏠 **Scenario**, which we assume to be 📅 Nov 2018. We assume that it had an initial balance of \$5,000.

For this 🏠 **Account**, we assume that you're earning a rate of return on any money in that 🏠 **Account** of 8% per year.





How **The Real Estate Financial Planner™** Software Calculates Returns

The Real Estate Financial Planner™ software calculates your return on investment monthly even though the returns are typically stated as a yearly return. So, each month, based on the amount that is in the  **Account** that month, **The Real Estate Financial Planner™** software will calculate what the return was for that month only.



It is also important to note that we're not just dividing the return by 12 to get the month return. Instead we are calculating what return you'd need to get monthly such that if it were compounding, it would be the yearly return. In other words, for this  **Account** it would not be $8\% \div 12$ months which is 0.66666666666667% per month. Instead, it would be 0.64340301100034% per month.

This is similar to how we calculate other compounding returns in **The Real Estate Financial Planner™** software as well like appreciation and rent appreciation when dealing with  **Properties**.

Paycheck and Personal Expenses Rule





We will explain the  **Rules** in more detail in a moment, however, I would like to show you which  **Rules** do apply to this  **Account** and give you some very basic information about what each  **Rule** does.




This  **Rule** for this  **Account** runs for the entire  **Scenario**.

With the  **Paycheck and Personal Expenses Rule**, we collect a paycheck and pay our personal living expenses out of the  **Stock Market - Start with \$5,000 and Earns 8% Per Year Account** each month. We start out collecting \$7,000 **Inflation Adjusted** from our paycheck and paying out \$3,503.29 **Inflation Adjusted** in personal expenses each month. Both our paycheck and personal expenses increase with inflation over time. We do pay taxes on the amount we collect from our paycheck at a rate of 14.85%.

Buy Property When Account Has Down Payment Rule





This  **Rule** for this  **Account** runs for the entire  **Scenario**.




With the  **Buy Property When Account Has Down Payment Rule**, we buy a version of the  **0% Down \$350K Nomad with No Seller Concessions Property** when the  **Stock Market - Start with \$5,000 and Earns 8% Per Year Account** has enough to cover the total cost to close (which includes any down payment and closing costs) required to make the purchase of the  **Property**.

Since the  **0% Down \$350K Nomad with No Seller Concessions Property** is really a template of a  **Property** (what we call a **Dynamic Properties**) we could buy multiple copies of it. We do limit the number that we can buy using this  **Rule** to 1 total.

Buy Property When Account Has Down Payment Rule





This  **Rule** for this  **Account** runs for the entire  **Scenario**.





With the  **Buy Property When Account Has Down Payment Rule**, we buy a version of the  **3% Down \$350K Nomad with No Seller Concessions Property** when the  **Stock Market - Start with \$5,000 and Earns 8% Per Year Account** has at least \$4,000 **Inflation Adjusted** plus the total cost to close required to make the purchase of the  **Property**.

Since the  **3% Down \$350K Nomad with No Seller Concessions Property** is really a template of a  **Property** (what we call a **Dynamic Properties**) we could buy multiple copies of it. We do limit the number that we can buy using this  **Rule** to 2 total.

Buy Property When Account Has Down Payment Rule


This  **Rule** for this  **Account** runs for the entire  **Scenario**.

With the  **Buy Property When Account Has Down Payment Rule**, we buy a version of the  **5% Down \$350K Nomad with No Seller Concessions Property** when the  **Stock Market - Start with \$5,000 and Earns 8% Per Year Account** has at least \$7,000 **Inflation Adjusted** plus the total cost to close required to make the purchase of the  **Property**.

Since the  **5% Down \$350K Nomad with No Seller Concessions** **Property** is really a template of a  **Property** (what we call a  **Dynamic Property**) we could buy multiple copies of it. We do limit the number that we can buy using this  **Rule** to 8 total.

Summary of Accounts

These are the  **Accounts** that we have in this  **Scenario**.

 Account	Date Opened	Opening Balance
Default <i>Cash Account</i>	 Nov 2018	\$0
Stock Market - Start with \$5,000 and Earns 8% Per Year	 Nov 2018	\$5,000
Total for  Scenario :		\$5,000

Based on the  **Accounts** that we have when we start this  **Scenario**, it looks like we have a total starting balance in all the  **Accounts** of \$5,000.

Next, let's take a look at the  **Properties** that we have in this  **Scenario**.

🏠 Properties

So, let's go over the different 🏠 **Properties** that are included with this 📊 **Scenario**. Later, when we go through each 🌟 **Significant Event**, we can go through more specific numbers about that event. For now, I'll share with you our basic assumptions for each of the 🏠 **Properties**.

Of course, you can use **The Real Estate Financial Planner™** software to modify any of these assumptions (or more than one) to see how that would impact the plan.

Let's jump into it.

🏠 **0% Down \$350K Nomad with No Seller Concessions** Property

Purchased in 📅 Nov 2018 (Month 1) for \$350,000 as a **Nomad™**

First, the 🏠 **0% Down \$350K Nomad with No Seller Concessions** Property is a special type of 🏠 **Property** we call **Dynamic** in **The Real Estate Financial Planner™** software.

Dynamic Property

Dynamic 🏠 **Properties** are based on a reusable template 🏠 **Property** so we can buy multiple copies of it.

For example, let's say you wanted to model what it looks like to buy basically the least expensive new construction 🏠 **Property** in your market every year for 10 years. Instead of having to create 10 different 🏠 **Properties** in **The Real Estate Financial Planner™** software, you could create one **Dynamic** 🏠 **Property** and use ⚡ **Rules** to buy one of them each year.

Dynamic 🏠 **Properties** go up in value each year based on the appreciation rate you define just like 🏠 **Properties** you own. So, the copy of the **Dynamic** 🏠 **Property** you buy in year 10 is usually much more expensive than the copy of the **Dynamic** 🏠 **Property** you buy in year 1 in our example. We also model rent appreciation. The rent you would collect would likely be higher if you used a positive rent appreciation rate.

With **The Real Estate Financial Planner™** software you can use multiple **Dynamic** 🏠 **Properties** with different characteristics to simulate changing real estate markets during your model. If you want to see what happens if you have a market downturn in a few years and how that impacts your 📊 **Scenario**, you could, for example, set up the **Dynamic** 🏠 **Property** for your first 3 🏠 **Properties** to be different than the **Dynamic** 🏠 **Property** that you use for your 4th through 10th purchases. Or, another way to model this would be with using ⚡ **Rules** that change the appreciation rate, rent appreciation rate and dozens of other variables instead of using multiple **Dynamic** 🏠 **Properties**. Either method of modeling works and which you decide to use is up to you. The **Real Estate Financial Planner™** software is about giving you the tools to model as you see the world.




The opposite of **Dynamic** 🏠 **Properties** is a specific 🏠 **Property** you've purchased. In **The Real Estate Financial Planner™** software, we would use this for 🏠 **Properties** you have already purchased since you won't be buying that exact same 🏠 **Property** again. Although, you could take a 🏠 **Property** that you purchased in the past and say: I'm going to buy 10 properties exactly like this and make it a **Dynamic** 🏠 **Property** to model buying them repeatedly.

Another way to think about the difference between **Dynamic** 🏠 **Properties** and regular 🏠 **Properties** is that you need to use ⚡ **Rules** to purchase and sell a **Dynamic** 🏠 **Property** because they don't use fixed dates for purchase and sale.

Back to the 🏠 **Property** we are discussing for this 📊 **Scenario**: 🏠 **0% Down \$350K Nomad with No Seller Concessions** Property is a **Dynamic** 🏠 **Property**.

Nomad™ Property

The 🏠 **0% Down \$350K Nomad with No Seller Concessions** Property is a special type of 🏠 **Property** called a **Nomad™** 🏠 **Property**. With **Nomad™** 🏠 **Properties** we are moving into the 🏠 **Property** when we buy it then, when we buy the next **Nomad™** 🏠 **Property**, we convert the 🏠 **Property** we were living in to a rental and move into the new 🏠 **Property**.

If this is the first time you are hearing about this strategy, you are in for a treat. It is one of the most powerful real estate investing strategies for acquiring a portfolio of cash flowing rental  **Properties** over time. We will talk more about the  strategy below but for complete information about  check out the list of classes we've taught on this subject listed below.

Additional Resources

Nomad 101 Class Recording

<https://JamesOrr.com/nomad-101/>

House Hacking versus Nomad Class Recording

<https://JamesOrr.com/house-hacking-versus-nomad/>

Your Second Nomad Property Class Recording

<https://JamesOrr.com/your-second-nomad-property/>

Your Third Nomad Property Class Recording

<https://JamesOrr.com/your-third-nomad-property/>

Buying New Construction as Investments and Nomads Class Recording

<https://JamesOrr.com/buying-new-construction-as-investments-and-nomads/>

How to do Nomad without Moving into Properties Class Recording



<https://JamesOrr.com/nomad-without-moving/>




How to Acquire a Multi-Million Dollar Investment Portfolio while Earning \$5,000 per Month Class Recording








<https://JamesOrr.com/acquire-multi-million-dollar-earning-5000-month/>


The Two Best Investing Strategies for our Market Right Now Class Recording

<https://JamesOrr.com/the-two-best-investing-strategies-for-our-market-right-now/>

With the  strategy you can get owner-occupant financing since you are moving into the  **Property** and living there for the term required to comply with the lender. The term is usually a year and is set by the lender. Owner-occupant financing allows you to get lower interest rates than non-owner-occupant rates which improves cash flow.




If you are opting to use a more leveraged approach to minimize how much you are investing while acquiring your portfolio, the  strategy allows you to invest less than one-fourth of what you would need in down payments if you were using a more traditional non-owner-occupant down payment strategy with 20% down payment loans. This is true because you can acquire owner-occupant  **Properties** with 5% down payments instead of the 20% down payments required for most non-owner-occupant  **Properties**.

Plus, when you are acquiring properties as a  you won't hit the 10  **Property** limit that often pushes investors into adjustable rate mortgage portfolio loans. For real estate investors that are buying non-owner-occupant  **Properties** with conventional financing, once you reach 10 loans total for your social security number, you often need to seek out portfolio lenders that are not selling their loans on the secondary market. Instead, these lenders keep the loans at the bank in the bank's portfolio (hence the name: portfolio lender). If you are doing the more traditional route of putting 20% (or more) down payment to acquire rental  **Properties**, it may have occurred to you that you can get 10 loans in your name and social security number and your spouse can get 10 loans in their name and social security number to give you a combined total of 20 loans between the both of you. This does require that you qualify for your 10  **Properties** on your own and your spouse be able to qualify for the other 10 on their own. As a  you don't have to do this since you get more than 10 loans as a  in both you and your spouse's name.




Of course, this and many other lending guidelines have changed over time and I expect they will change in the future as well. At some point you may be able to get more than 10 loans per social security number. Or, it might be less. When that does change, you can change the model with **The Real Estate Financial Planner**[™] software to adjust your  **Scenario** and see


how that impacts your investing plan and the expected results.

Conventional Versus Portfolio Loans





Why is the difference between conventional financing and portfolio loans a big deal? We normally recommend getting conventional loans that are a full 30 year term and completely amortize over that 30 years. Amortizing means that the loan pays off over time. In the case of a 30 year fully amortizing loan that means that the loan will be completely paid off after 30 years if you make all your payments as agreed. We also recommend that you get loans with a fixed interest rate for the entire 30 year period. We do not typically recommend adjustable rate loans as they often open you up to additional risk of interest rates going up. Adjustable rate loans coupled with rising interest rates can devastate your cash flow on your rental  **Properties** and turn what might have been a good rental  **Property** into a nightmare rental  **Property** with severe negative cash flow. Of course, you can model this with the **The Real Estate Financial Planner™** software if you'd like to see it for yourself.

For most portfolio loans I have seen, the loans are usually 30 year term loans, but they are not fixed interest rates loans for the full 30 years. Instead, at least in our local market in Northern Colorado—and you will want to check with your local portfolio lenders to find out what their loan programs are if you're not in Northern Colorado—the loans tend to be a fixed interest rate for the first 5 years then the interest rates become variable. A variable interest rate like this gives you that interest rate risk I mentioned. If interest rates go up considerably, your monthly payment might increase, significantly crushing your cash flow. And, if interest rates have gone up causing you these cash flow problems, you won't be able to refinance them into a better loan at that point. The time to prevent the possible negative repercussions of rising interest rates with a variable rate loan is to lock in your loan now while interest rates are lower. Of course, if interest rates drop you can evaluate whether refinancing into even lower interest rates makes sense at that point.

With owner-occupant   **Properties** that you are purchasing, moving into and then living in for a year before converting them to rentals, you are able to get more than 10 conventional, 30 year, fixed rate financing loans with just 5% down (provided you can qualify for them). Since you are moving into the  **Properties** as your new primary residence each time, you are able to continue to get better financing with a lower interest rate, lower down payment and no interest rate risk like you'd get with a portfolio loan.

We go into a great amount of detail about financing your  **Properties** in our related classes.

Additional Traditional Financing Resources

Beyond talking to your own lender, we have some pretty extensive additional resources for financing properties including financing owner-occupant  **Properties**,   **Properties** and other investment  **Properties**. Here are some of the classes we have that go over the financing in detail.



Amazing Financing Strategies for Real Estate Investors Class Recording

<https://JamesOrr.com/amazing-financing-strategies-for-real-estate-investors/>

Financing 101 Class Recording

<https://JamesOrr.com/financing-101/>

Creative Financing Resources

Of course, this discussion of loan programs specifically ignores an entire discourse on buying  **Properties** with creative financing like getting owner financing and buying subject to the existing financing. For more information on buying  **Properties** creatively, you can access the following additional resources.

Creative Financing 101 Class Recording

<https://JamesOrr.com/creative-financing-101/>

Owner Financing Class Recording

<https://JamesOrr.com/owner-financing-class/>

Severance, CO

This 🏠 **Property** is modeled after 🏠 **Properties** in Severance, CO. Not all of our 📊 **Scenarios** or 📄 **Blueprints**™ are based on a specific city. Often, the 📊 **Scenario** is used to demonstrate a concept or investing strategy and is not based on a specific city. Other times, we may research the characteristics of 🏠 **Properties** in a specific city and use those assumptions to model a 📊 **Scenario**.

In this particular 📄 **Blueprint**™, we are saying this 🏠 **Property** is based on 🏠 **Properties** in Severance, CO. If you're from Severance and think, "James is crazy: his assumptions are bonkers and in-credible (not at all credible)"... you don't have to raise your blood pressure... take a couple of deep breaths... breath in... breath out... and realize that you can just modify the assumptions using **The Real Estate Financial Planner**™ software and change them to better reflect your reality in Severance, CO.

Purchase Price

In some real estate markets there are more buyers than sellers and sellers are fielding multiple offers on desirable 🏠 **Properties**. We call this a seller's market.

In other markets, there are more sellers than buyers and sellers are competing to try to attract buyers to choose their 🏠 **Property**. We call this a buyer's market.

The market conditions—and often just as importantly—the quality and attractiveness of the 🏠 **Property** you're considering will determine whether you can make an offer to get a 🏠 **Property** for less than the asking price and/or less than its current value or whether you might need to make an offer higher than asking price to overcome multiple offers from other buyers to get the 🏠 **Property**.

For the 🏠 **0% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming you are purchasing the 🏠 **Property** for \$350,000 and that it is worth \$350,000. So, you're not getting the property at a discount at all and are paying full price.

If you find yourself in a market that is different than what we are modeling in this 📊 **Scenario**, you can use **The Real Estate Financial Planner**™ software to adjust our assumptions to model it more appropriately for what your market is and what you expect it to be in the future. Some folks will, and I believe justifiably so, model their personal plan for both a strong buyer's market in the future and then, change the assumptions to be for a strong seller's market. I believe you should know how your plan will perform in a variety of future market conditions to make sure you understand the pros and cons of a variety of what-if situations.

Initial Loan

We have assumed that you're able to get a 30 year (360 month) loan on this 🏠 **Property** at an interest rate of 4.75% with 0% down payment. That means you'd need to come up with \$0 as a down payment and that you'd be getting a loan for \$350,000. The monthly payment on a \$350,000 loan for 30 years at 4.75% would be \$1,825.77 per month.

Closing Costs

Getting loans and closing on 🏠 **Properties** have costs associated with them. We group all of these costs together into a single number that we call closing costs. Closing costs might include your share of title insurance, loan origination fees, points, closing services fees, flood certifications, appraisals and inspection costs.

For this 🏠 **Property** we have assumed that the closing costs run about 1% of the \$350,000 purchase price. 1% of \$350,000 is approximately \$3,500.

Seller Concessions

Sometimes we are able to negotiate with the seller to get them to contribute some money toward paying for our closing costs. When a seller contributes some money toward our closing costs we call these seller concessions.

The lender and, more often, the specific loan program you choose will regulate how much in seller concessions you can get and what it can be used for. In most cases, seller concessions can be used for things like buyer's closing costs, loan discount points, loan origination fees, prepaid items and any other fee, cost, charge, expense or expenditure. You cannot typically use seller concessions to pay for any of your down payment.

In some areas if you don't use the seller concessions you've negotiated in your contract, any unused amounts revert to the seller. It is based on how the contract is written. This is the case in Colorado with the default wording of the Colorado Real Estate Commission approved *Contract to Buy and Sell Real Estate*. Just make sure you can use all the seller concessions you negotiate with your lender before writing and submitting your offer to the seller.

You were unable to get the seller to contribute any money in seller concessions for this 🏠 **Property**.

Rent Ready Costs

Sometimes when we buy a 🏠 **Property**, it is not in rent-ready condition. Sometimes a 🏠 **Property** will require you spend some money to prepare a 🏠 **Property** to be able to be move-in ready. We call this expense rent ready costs.

While it can be difficult to achieve this, my preferred method of purchasing 🏠 **Properties** is to buy 🏠 **Properties** that have little or no rent ready costs. By minimizing your rent ready costs it reduces the amount of capital required to purchase the 🏠 **Property** beyond the down payment and closing costs. Once we optimize our down payment and closing costs by choosing great team members, rent ready costs are one of the few additional variables that we have control over through 🏠 **Property** selection to minimize our initial overall investment with acquiring 🏠 **Properties**.

For the 🏠 0% Down \$350K Nomad with No Seller Concessions **Property**, we are assuming that it is already in rent ready condition and it does not require any additional work or money.

Depreciation

For 🏠 **Properties** you are renting, you get tax benefits known as depreciation. Depreciation varies depending on whether you have a residential 🏠 **Property** or commercial 🏠 **Property**. Residential 🏠 **Properties** are depreciated over 27.5 years while commercial 🏠 **Properties** are depreciated over 39 years.

Since depreciation can reduce the amount you spend on taxes, and that means more money in your pocket, we can consider the after-tax impact of your depreciation as a form of spendable cash flow. As we buy more expensive 🏠 **Properties** the cash flow from depreciation increases as well.

Since this 🏠 **Property** is a residential 🏠 **Property**, we can depreciate the value of the building (excluding the value of the land) over 27.5 years.

💰 **Accounts** for the 🏠 0% Down \$350K Nomad with No Seller Concessions **Property**

For each 🏠 **Property**, **The Real Estate Financial Planner™** software allows us to select which 💰 **Account** we will use for down payment and expenses of purchasing the 🏠 **Property**. Plus, we can select which 💰 **Account** we will use for depositing income from the 🏠 **Property** like rent and subtract the expenses for the 🏠 **Property** like the mortgage payment.

For this 🏠 **Property**, we are using the same 💰 **Account** for both the purchase and operating income and expenses: the Stock Market - Start with \$5,000 and Earns 8% Per Year **Account**.

Appreciation

Appreciation is the tendency for 🏠 **Property** values to go up over time. 🏠 **Property** values can go up, go down or stay the same, but historically, over a long period of time, 🏠 **Property** values tend to go up.

Want to learn more than you really ever wanted to know about appreciation? Great news! I taught a whole class on building wealth from appreciation on rental 🏠 **Properties**; check it out below.

Understanding Appreciation Class Recording

<https://JamesOrr.com/understanding-appreciation/>

With **The Real Estate Financial Planner™** software, we can set what our expectation is for the rate at which the 🏠 **Property** value increases over time. For the 🏠 **0% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming that 🏠 **Property** values are going up at a rate of 3% per year.

Rent and Rent Appreciation Rate

If we bought this 🏠 **Property** and rented it right away, we'd be getting \$1,950 per month in rent. However, since this is a **Nomad™** 🏠 **Property**, we are buying the 🏠 **Property** and moving in to the 🏠 **Property** so we will not be collecting rent right away.

Over time, rents tend to go up (just like 🏠 **Property** values). **The Real Estate Financial Planner™** software allows us to specify at what rate the rents are going up each year. For this 🏠 **Property** we have assumed that rents are going up at a rate of 3% per year.

⚡ **Buy Property When Account Has Down Payment** Rule


We will explain the ⚡ **Rules** in more detail in just a bit, however, I would like to show you which ⚡ **Rules** do apply to the 🏠 **0% Down \$350K Nomad with No Seller Concessions** **Property** and give you some very basic information about what each ⚡ **Rule** does.






This ⚡ **Rule** for this 🏠 **Property** runs for the entire 📄 **Scenario**.

With the ⚡ **Buy Property When Account Has Down Payment** **Rule**, we buy a version of the 🏠 **0% Down \$350K Nomad with No Seller Concessions** **Property** when the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** has enough to cover the total cost to close (which includes any down payment and closing costs) required to make the purchase of the 🏠 **Property**.

We do limit the number of copies of the 🏠 **0% Down \$350K Nomad with No Seller Concessions** **Property** that we can buy using this ⚡ **Rule** to 1 total.

3% Down \$350K Nomad with No Seller Concessions **Property**



Purchased in  Jul 2022 (Month 45) for \$390,067 as a **Nomad™**

The  **3% Down \$350K Nomad with No Seller Concessions** **Property** is a **Dynamic**  **Property**. In addition to this  **Property** being a **Dynamic**  **Property** it is also a **Nomad™**  **Property**.


Severance, CO

This  **Property** is modeled after  **Properties** in Severance, CO.


Purchase Price

For the  **3% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming you are purchasing the  **Property** for \$390,067 and that it is worth \$390,067. So, you're not getting the property at a discount at all and are paying full price.


Initial Loan

We have assumed that you're able to get a 30 year (360 month) loan on this  **Property** at an interest rate of 4.75% with 3% down payment. That means you'd need to come up with \$11,702.01 as a down payment and that you'd be getting a loan for \$378,364.99. The monthly payment on a \$378,364.99 loan for 30 years at 4.75% would be \$1,973.73 per month.

Closing Costs

For this  **Property** we have assumed that the closing costs run about 1% of the \$390,067 purchase price. 1% of \$390,067 is approximately \$3,900.67.



Seller Concessions



You were unable to get the seller to contribute any money in seller concessions for this  **Property**.




Rent Ready Costs

For the  **3% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming that it is already in rent ready condition and it does not require any additional work or money.




Depreciation

Since this  **Property** is a residential  **Property**, we can depreciate the value of the building (excluding the value of the land) over 27.5 years.





 **Accounts** for the  **3% Down \$350K Nomad with No Seller Concessions** **Property**

For this  **Property**, we are using the same  **Account** for both the purchase and operating income and expenses: the  **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account**.

Appreciation

With **The Real Estate Financial Planner™** software, we can set what our expectation is for the rate at which the  **Property** value increases over time. For the  **3% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming that  **Property** values are going up at a rate of 3% per year.

Rent and Rent Appreciation Rate

If we bought this  **Property** and rented it right away, we'd be getting \$2,173.21 per month in rent. However, since this is a **Nomad™**  **Property**, we are buying the  **Property** and moving in to the  **Property** so we will not be collecting rent right away.

Over time, rents tend to go up (just like 🏠 **Property** values). **The Real Estate Financial Planner™** software allows us to specify at what rate the rents are going up each year. For this 🏠 **Property** we have assumed that rents are going up at a rate of 3% per year.


⚡ **Buy Property When Account Has Down Payment** **Rule**






This ⚡ **Rule** for this 🏠 **Property** runs for the entire 🏠 **Scenario**.

With the ⚡ **Buy Property When Account Has Down Payment** **Rule**, we buy a version of the 🏠 **3% Down \$350K Nomad with No Seller Concessions** **Property** when the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** has at least \$4,000 **Inflation Adjusted** plus the total cost to close required to make the purchase of the 🏠 **Property**.



We do limit the number of copies of the 🏠 **3% Down \$350K Nomad with No Seller Concessions** **Property** that we can buy using this ⚡ **Rule** to 2 total.

3% Down \$350K Nomad with No Seller Concessions **Property**



Purchased in  Sep 2026 (Month 95) for \$441,193 as a **Nomad™**

The  **3% Down \$350K Nomad with No Seller Concessions** **Property** is a **Dynamic**  **Property**. In addition to this  **Property** being a **Dynamic**  **Property** it is also a **Nomad™**  **Property**.


Severance, CO

This  **Property** is modeled after  **Properties** in Severance, CO.


Purchase Price

For the  **3% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming you are purchasing the  **Property** for \$441,193 and that it is worth \$441,193. So, you're not getting the property at a discount at all and are paying full price.


Initial Loan

We have assumed that you're able to get a 30 year (360 month) loan on this  **Property** at an interest rate of 4.75% with 3% down payment. That means you'd need to come up with \$13,235.79 as a down payment and that you'd be getting a loan for \$427,957.21. The monthly payment on a \$427,957.21 loan for 30 years at 4.75% would be \$2,232.43 per month.

Closing Costs

For this  **Property** we have assumed that the closing costs run about 1% of the \$441,193 purchase price. 1% of \$441,193 is approximately \$4,411.93.



Seller Concessions

You were unable to get the seller to contribute any money in seller concessions for this  **Property**.




Rent Ready Costs

For the  **3% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming that it is already in rent ready condition and it does not require any additional work or money.




Depreciation

Since this  **Property** is a residential  **Property**, we can depreciate the value of the building (excluding the value of the land) over 27.5 years.





Accounts for the **3% Down \$350K Nomad with No Seller Concessions** **Property**

For this  **Property**, we are using the same  **Account** for both the purchase and operating income and expenses: the  **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account**.

Appreciation

With **The Real Estate Financial Planner™** software, we can set what our expectation is for the rate at which the  **Property** value increases over time. For the  **3% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming that  **Property** values are going up at a rate of 3% per year.

Rent and Rent Appreciation Rate

If we bought this  **Property** and rented it right away, we'd be getting \$2,458.05 per month in rent. However, since this is a **Nomad™**  **Property**, we are buying the  **Property** and moving in to the  **Property** so we will not be collecting rent right away.

Over time, rents tend to go up (just like 🏠 **Property** values). **The Real Estate Financial Planner™** software allows us to specify at what rate the rents are going up each year. For this 🏠 **Property** we have assumed that rents are going up at a rate of 3% per year.


⚡ **Buy Property When Account Has Down Payment Rule**






This ⚡ **Rule** for this 🏠 **Property** runs for the entire 🏠 **Scenario**.

With the ⚡ **Buy Property When Account Has Down Payment Rule**, we buy a version of the 🏠 **3% Down \$350K Nomad with No Seller Concessions Property** when the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year Account** has at least \$4,000 **Inflation Adjusted** plus the total cost to close required to make the purchase of the 🏠 **Property**.



We do limit the number of copies of the 🏠 **3% Down \$350K Nomad with No Seller Concessions Property** that we can buy using this ⚡ **Rule** to 2 total.

5% Down \$350K Nomad with No Seller Concessions Property



Purchased in  Mar 2031 (Month 149) for \$503,964 as a **Nomad™**

The  **5% Down \$350K Nomad with No Seller Concessions** Property is a **Dynamic**  Property. In addition to this  Property being a **Dynamic**  Property it is also a **Nomad™**  Property.


Severance, CO

This  Property is modeled after  Properties in Severance, CO.


Purchase Price

For the  **5% Down \$350K Nomad with No Seller Concessions** Property, we are assuming you are purchasing the  Property for \$503,964 and that it is worth \$503,964. So, you're not getting the property at a discount at all and are paying full price.


Initial Loan

We have assumed that you're able to get a 30 year (360 month) loan on this  Property at an interest rate of 4.75% with 5% down payment. That means you'd need to come up with \$25,198.20 as a down payment and that you'd be getting a loan for \$478,765.80. The monthly payment on a \$478,765.80 loan for 30 years at 4.75% would be \$2,497.47 per month.


Closing Costs

For this  Property we have assumed that the closing costs run about 1% of the \$503,964 purchase price. 1% of \$503,964 is approximately \$5,039.64.



Seller Concessions



You were unable to get the seller to contribute any money in seller concessions for this  Property.




Rent Ready Costs

For the  **5% Down \$350K Nomad with No Seller Concessions** Property, we are assuming that it is already in rent ready condition and it does not require any additional work or money.




Depreciation

Since this  Property is a residential  Property, we can depreciate the value of the building (excluding the value of the land) over 27.5 years.





 **Accounts** for the  **5% Down \$350K Nomad with No Seller Concessions** Property

For this  Property, we are using the same  **Account** for both the purchase and operating income and expenses: the  **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account**.

Appreciation

With **The Real Estate Financial Planner™** software, we can set what our expectation is for the rate at which the  Property value increases over time. For the  **5% Down \$350K Nomad with No Seller Concessions** Property, we are assuming that  Property values are going up at a rate of 3% per year.

Rent and Rent Appreciation Rate

If we bought this  Property and rented it right away, we'd be getting \$2,807.75 per month in rent. However, since this is a **Nomad™**  Property, we are buying the  Property and moving in to the  Property so we will not be collecting rent right away.

Over time, rents tend to go up (just like 🏠 **Property** values). **The Real Estate Financial Planner™** software allows us to specify at what rate the rents are going up each year. For this 🏠 **Property** we have assumed that rents are going up at a rate of 3% per year.


⚡ **Buy Property When Account Has Down Payment** **Rule**






This ⚡ **Rule** for this 🏠 **Property** runs for the entire 🏠 **Scenario**.

With the ⚡ **Buy Property When Account Has Down Payment** **Rule**, we buy a version of the 🏠 **5% Down \$350K Nomad with No Seller Concessions** **Property** when the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** has at least \$7,000 **Inflation Adjusted** plus the total cost to close required to make the purchase of the 🏠 **Property**.

We do limit the number of copies of the 🏠 **5% Down \$350K Nomad with No Seller Concessions** **Property** that we can buy using this ⚡ **Rule** to 8 total.

5% Down \$350K Nomad with No Seller Concessions **Property**



Purchased in  Dec 2033 (Month 182) for \$546,641 as a **Nomad™**

The  **5% Down \$350K Nomad with No Seller Concessions** **Property** is a **Dynamic**  **Property**. In addition to this  **Property** being a **Dynamic**  **Property** it is also a **Nomad™**  **Property**.


Severance, CO

This  **Property** is modeled after  **Properties** in Severance, CO.


Purchase Price

For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming you are purchasing the  **Property** for \$546,641 and that it is worth \$546,641. So, you're not getting the property at a discount at all and are paying full price.


Initial Loan

We have assumed that you're able to get a 30 year (360 month) loan on this  **Property** at an interest rate of 4.75% with 5% down payment. That means you'd need to come up with \$27,332.05 as a down payment and that you'd be getting a loan for \$519,308.95. The monthly payment on a \$519,308.95 loan for 30 years at 4.75% would be \$2,708.96 per month.


Closing Costs

For this  **Property** we have assumed that the closing costs run about 1% of the \$546,641 purchase price. 1% of \$546,641 is approximately \$5,466.41.



Seller Concessions

You were unable to get the seller to contribute any money in seller concessions for this  **Property**.




Rent Ready Costs

For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming that it is already in rent ready condition and it does not require any additional work or money.




Depreciation

Since this  **Property** is a residential  **Property**, we can depreciate the value of the building (excluding the value of the land) over 27.5 years.





Accounts for the **5% Down \$350K Nomad with No Seller Concessions** **Property**

For this  **Property**, we are using the same  **Account** for both the purchase and operating income and expenses: the  **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account**.

Appreciation

With **The Real Estate Financial Planner™** software, we can set what our expectation is for the rate at which the  **Property** value increases over time. For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming that  **Property** values are going up at a rate of 3% per year.

Rent and Rent Appreciation Rate

If we bought this  **Property** and rented it right away, we'd be getting \$3,045.51 per month in rent. However, since this is a **Nomad™**  **Property**, we are buying the  **Property** and moving in to the  **Property** so we will not be collecting rent right away.

Over time, rents tend to go up (just like 🏠 **Property** values). **The Real Estate Financial Planner™** software allows us to specify at what rate the rents are going up each year. For this 🏠 **Property** we have assumed that rents are going up at a rate of 3% per year.


⚡ **Buy Property When Account Has Down Payment** **Rule**






This ⚡ **Rule** for this 🏠 **Property** runs for the entire 🏠 **Scenario**.

With the ⚡ **Buy Property When Account Has Down Payment** **Rule**, we buy a version of the 🏠 **5% Down \$350K Nomad with No Seller Concessions** **Property** when the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** has at least \$7,000 **Inflation Adjusted** plus the total cost to close required to make the purchase of the 🏠 **Property**.



We do limit the number of copies of the 🏠 **5% Down \$350K Nomad with No Seller Concessions** **Property** that we can buy using this ⚡ **Rule** to 8 total.

5% Down \$350K Nomad with No Seller Concessions **Property**



Purchased in  Jan 2036 (Month 207) for \$581,361 as a **Nomad™**

The  **5% Down \$350K Nomad with No Seller Concessions** **Property** is a **Dynamic**  **Property**. In addition to this  **Property** being a **Dynamic**  **Property** it is also a **Nomad™**  **Property**.


Severance, CO

This  **Property** is modeled after  **Properties** in Severance, CO.


Purchase Price

For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming you are purchasing the  **Property** for \$581,361 and that it is worth \$581,361. So, you're not getting the property at a discount at all and are paying full price.


Initial Loan

We have assumed that you're able to get a 30 year (360 month) loan on this  **Property** at an interest rate of 4.75% with 5% down payment. That means you'd need to come up with \$29,068.05 as a down payment and that you'd be getting a loan for \$552,292.95. The monthly payment on a \$552,292.95 loan for 30 years at 4.75% would be \$2,881.02 per month.

Closing Costs

For this  **Property** we have assumed that the closing costs run about 1% of the \$581,361 purchase price. 1% of \$581,361 is approximately \$5,813.61.



Seller Concessions



You were unable to get the seller to contribute any money in seller concessions for this  **Property**.




Rent Ready Costs

For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming that it is already in rent ready condition and it does not require any additional work or money.




Depreciation

Since this  **Property** is a residential  **Property**, we can depreciate the value of the building (excluding the value of the land) over 27.5 years.





 **Accounts** for the  **5% Down \$350K Nomad with No Seller Concessions** **Property**

For this  **Property**, we are using the same  **Account** for both the purchase and operating income and expenses: the  **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account**.

Appreciation

With **The Real Estate Financial Planner™** software, we can set what our expectation is for the rate at which the  **Property** value increases over time. For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming that  **Property** values are going up at a rate of 3% per year.

Rent and Rent Appreciation Rate

If we bought this  **Property** and rented it right away, we'd be getting \$3,238.95 per month in rent. However, since this is a **Nomad™**  **Property**, we are buying the  **Property** and moving in to the  **Property** so we will not be collecting rent right away.

Over time, rents tend to go up (just like 🏠 **Property** values). **The Real Estate Financial Planner™** software allows us to specify at what rate the rents are going up each year. For this 🏠 **Property** we have assumed that rents are going up at a rate of 3% per year.


⚡ **Buy Property When Account Has Down Payment** **Rule**






This ⚡ **Rule** for this 🏠 **Property** runs for the entire 🏠 **Scenario**.

With the ⚡ **Buy Property When Account Has Down Payment** **Rule**, we buy a version of the 🏠 **5% Down \$350K Nomad with No Seller Concessions** **Property** when the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** has at least \$7,000 **Inflation Adjusted** plus the total cost to close required to make the purchase of the 🏠 **Property**.



We do limit the number of copies of the 🏠 **5% Down \$350K Nomad with No Seller Concessions** **Property** that we can buy using this ⚡ **Rule** to 8 total.

5% Down \$350K Nomad with No Seller Concessions **Property**



Purchased in  Dec 2037 (Month 230) for \$615,248 as a **Nomad™**

The  **5% Down \$350K Nomad with No Seller Concessions** **Property** is a **Dynamic**  **Property**. In addition to this  **Property** being a **Dynamic**  **Property** it is also a **Nomad™**  **Property**.


Severance, CO

This  **Property** is modeled after  **Properties** in Severance, CO.


Purchase Price

For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming you are purchasing the  **Property** for \$615,248 and that it is worth \$615,248. So, you're not getting the property at a discount at all and are paying full price.


Initial Loan

We have assumed that you're able to get a 30 year (360 month) loan on this  **Property** at an interest rate of 4.75% with 5% down payment. That means you'd need to come up with \$30,762.40 as a down payment and that you'd be getting a loan for \$584,485.60. The monthly payment on a \$584,485.60 loan for 30 years at 4.75% would be \$3,048.95 per month.

Closing Costs

For this  **Property** we have assumed that the closing costs run about 1% of the \$615,248 purchase price. 1% of \$615,248 is approximately \$6,152.48.



Seller Concessions



You were unable to get the seller to contribute any money in seller concessions for this  **Property**.




Rent Ready Costs

For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming that it is already in rent ready condition and it does not require any additional work or money.




Depreciation

Since this  **Property** is a residential  **Property**, we can depreciate the value of the building (excluding the value of the land) over 27.5 years.





 **Accounts** for the  **5% Down \$350K Nomad with No Seller Concessions** **Property**

For this  **Property**, we are using the same  **Account** for both the purchase and operating income and expenses: the  **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account**.

Appreciation

With **The Real Estate Financial Planner™** software, we can set what our expectation is for the rate at which the  **Property** value increases over time. For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming that  **Property** values are going up at a rate of 3% per year.

Rent and Rent Appreciation Rate

If we bought this  **Property** and rented it right away, we'd be getting \$3,427.78 per month in rent. However, since this is a **Nomad™**  **Property**, we are buying the  **Property** and moving in to the  **Property** so we will not be collecting rent right away.

Over time, rents tend to go up (just like 🏠 **Property** values). **The Real Estate Financial Planner™** software allows us to specify at what rate the rents are going up each year. For this 🏠 **Property** we have assumed that rents are going up at a rate of 3% per year.



⚡ **Buy Property When Account Has Down Payment Rule**









This ⚡ **Rule** for this 🏠 **Property** runs for the entire 🏠 **Scenario**.

With the ⚡ **Buy Property When Account Has Down Payment Rule**, we buy a version of the 🏠 **5% Down \$350K Nomad with No Seller Concessions Property** when the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year Account** has at least \$7,000 **Inflation Adjusted** plus the total cost to close required to make the purchase of the 🏠 **Property**.

We do limit the number of copies of the 🏠 **5% Down \$350K Nomad with No Seller Concessions Property** that we can buy using this ⚡ **Rule** to 8 total.

5% Down \$350K Nomad with No Seller Concessions Property



Purchased in  Jul 2039 (Month 249) for \$644,726 as a  Nomad™

The  **5% Down \$350K Nomad with No Seller Concessions** Property is a  Dynamic  Property. In addition to this  Property being a  Dynamic  Property it is also a  Nomad™  Property.


Severance, CO

This  Property is modeled after  Properties in Severance, CO.


Purchase Price

For the  **5% Down \$350K Nomad with No Seller Concessions** Property, we are assuming you are purchasing the  Property for \$644,726 and that it is worth \$644,726. So, you're not getting the property at a discount at all and are paying full price.


Initial Loan

We have assumed that you're able to get a 30 year (360 month) loan on this  Property at an interest rate of 4.75% with 5% down payment. That means you'd need to come up with \$32,236.30 as a down payment and that you'd be getting a loan for \$612,489.70. The monthly payment on a \$612,489.70 loan for 30 years at 4.75% would be \$3,195.04 per month.


Closing Costs

For this  Property we have assumed that the closing costs run about 1% of the \$644,726 purchase price. 1% of \$644,726 is approximately \$6,447.26.



Seller Concessions



You were unable to get the seller to contribute any money in seller concessions for this  Property.





Rent Ready Costs

For the  **5% Down \$350K Nomad with No Seller Concessions** Property, we are assuming that it is already in rent ready condition and it does not require any additional work or money.




Depreciation

Since this  Property is a residential  Property, we can depreciate the value of the building (excluding the value of the land) over 27.5 years.






 **Accounts** for the  **5% Down \$350K Nomad with No Seller Concessions** Property

For this  Property, we are using the same  Account for both the purchase and operating income and expenses: the   **Account.**

Appreciation

With **The Real Estate Financial Planner™** software, we can set what our expectation is for the rate at which the  Property value increases over time. For the  **5% Down \$350K Nomad with No Seller Concessions** Property, we are assuming that  Property values are going up at a rate of 3% per year.

Rent and Rent Appreciation Rate

If we bought this  Property and rented it right away, we'd be getting \$3,592.02 per month in rent. However, since this is a   Property, we are buying the  Property and moving in to the  Property so we will not be collecting rent right away.

Over time, rents tend to go up (just like 🏠 **Property** values). **The Real Estate Financial Planner™** software allows us to specify at what rate the rents are going up each year. For this 🏠 **Property** we have assumed that rents are going up at a rate of 3% per year.


⚡ **Buy Property When Account Has Down Payment Rule**






This ⚡ **Rule** for this 🏠 **Property** runs for the entire 🏠 **Scenario**.

With the ⚡ **Buy Property When Account Has Down Payment Rule**, we buy a version of the 🏠 **5% Down \$350K Nomad with No Seller Concessions Property** when the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year Account** has at least \$7,000 **Inflation Adjusted** plus the total cost to close required to make the purchase of the 🏠 **Property**.



We do limit the number of copies of the 🏠 **5% Down \$350K Nomad with No Seller Concessions Property** that we can buy using this ⚡ **Rule** to 8 total.

5% Down \$350K Nomad with No Seller Concessions **Property**



Purchased in  Dec 2040 (Month 266) for \$672,300 as a **Nomad™**

The  **5% Down \$350K Nomad with No Seller Concessions** **Property** is a **Dynamic**  **Property**. In addition to this  **Property** being a **Dynamic**  **Property** it is also a **Nomad™**  **Property**.


Severance, CO

This  **Property** is modeled after  **Properties** in Severance, CO.


Purchase Price

For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming you are purchasing the  **Property** for \$672,300 and that it is worth \$672,300. So, you're not getting the property at a discount at all and are paying full price.


Initial Loan

We have assumed that you're able to get a 30 year (360 month) loan on this  **Property** at an interest rate of 4.75% with 5% down payment. That means you'd need to come up with \$33,615 as a down payment and that you'd be getting a loan for \$638,685. The monthly payment on a \$638,685 loan for 30 years at 4.75% would be \$3,331.68 per month.

Closing Costs

For this  **Property** we have assumed that the closing costs run about 1% of the \$672,300 purchase price. 1% of \$672,300 is approximately \$6,723.



Seller Concessions



You were unable to get the seller to contribute any money in seller concessions for this  **Property**.




Rent Ready Costs

For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming that it is already in rent ready condition and it does not require any additional work or money.




Depreciation

Since this  **Property** is a residential  **Property**, we can depreciate the value of the building (excluding the value of the land) over 27.5 years.





 **Accounts** for the  **5% Down \$350K Nomad with No Seller Concessions** **Property**

For this  **Property**, we are using the same  **Account** for both the purchase and operating income and expenses: the  **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account**.

Appreciation

With **The Real Estate Financial Planner™** software, we can set what our expectation is for the rate at which the  **Property** value increases over time. For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming that  **Property** values are going up at a rate of 3% per year.

Rent and Rent Appreciation Rate

If we bought this  **Property** and rented it right away, we'd be getting \$3,745.62 per month in rent. However, since this is a **Nomad™**  **Property**, we are buying the  **Property** and moving in to the  **Property** so we will not be collecting rent right away.

Over time, rents tend to go up (just like 🏠 **Property** values). **The Real Estate Financial Planner™** software allows us to specify at what rate the rents are going up each year. For this 🏠 **Property** we have assumed that rents are going up at a rate of 3% per year.


⚡ **Buy Property When Account Has Down Payment** **Rule**






This ⚡ **Rule** for this 🏠 **Property** runs for the entire 🏠 **Scenario**.

With the ⚡ **Buy Property When Account Has Down Payment** **Rule**, we buy a version of the 🏠 **5% Down \$350K Nomad with No Seller Concessions** **Property** when the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** has at least \$7,000 **Inflation Adjusted** plus the total cost to close required to make the purchase of the 🏠 **Property**.



We do limit the number of copies of the 🏠 **5% Down \$350K Nomad with No Seller Concessions** **Property** that we can buy using this ⚡ **Rule** to 8 total.

5% Down \$350K Nomad with No Seller Concessions **Property**



Purchased in  Mar 2042 (Month 281) for \$697,604 as a **Nomad™**

The  **5% Down \$350K Nomad with No Seller Concessions** **Property** is a **Dynamic**  **Property**. In addition to this  **Property** being a **Dynamic**  **Property** it is also a **Nomad™**  **Property**.


Severance, CO

This  **Property** is modeled after  **Properties** in Severance, CO.


Purchase Price

For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming you are purchasing the  **Property** for \$697,604 and that it is worth \$697,604. So, you're not getting the property at a discount at all and are paying full price.


Initial Loan

We have assumed that you're able to get a 30 year (360 month) loan on this  **Property** at an interest rate of 4.75% with 5% down payment. That means you'd need to come up with \$34,880.20 as a down payment and that you'd be getting a loan for \$662,723.80. The monthly payment on a \$662,723.80 loan for 30 years at 4.75% would be \$3,457.08 per month.

Closing Costs

For this  **Property** we have assumed that the closing costs run about 1% of the \$697,604 purchase price. 1% of \$697,604 is approximately \$6,976.04.



Seller Concessions



You were unable to get the seller to contribute any money in seller concessions for this  **Property**.




Rent Ready Costs

For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming that it is already in rent ready condition and it does not require any additional work or money.




Depreciation

Since this  **Property** is a residential  **Property**, we can depreciate the value of the building (excluding the value of the land) over 27.5 years.





 **Accounts** for the  **5% Down \$350K Nomad with No Seller Concessions** **Property**

For this  **Property**, we are using the same  **Account** for both the purchase and operating income and expenses: the  **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account**.

Appreciation

With **The Real Estate Financial Planner™** software, we can set what our expectation is for the rate at which the  **Property** value increases over time. For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming that  **Property** values are going up at a rate of 3% per year.

Rent and Rent Appreciation Rate

If we bought this  **Property** and rented it right away, we'd be getting \$3,886.60 per month in rent. However, since this is a **Nomad™**  **Property**, we are buying the  **Property** and moving in to the  **Property** so we will not be collecting rent right away.

Over time, rents tend to go up (just like 🏠 **Property** values). **The Real Estate Financial Planner™** software allows us to specify at what rate the rents are going up each year. For this 🏠 **Property** we have assumed that rents are going up at a rate of 3% per year.


⚡ **Buy Property When Account Has Down Payment** **Rule**






This ⚡ **Rule** for this 🏠 **Property** runs for the entire 🏠 **Scenario**.

With the ⚡ **Buy Property When Account Has Down Payment** **Rule**, we buy a version of the 🏠 **5% Down \$350K Nomad with No Seller Concessions** **Property** when the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** has at least \$7,000 **Inflation Adjusted** plus the total cost to close required to make the purchase of the 🏠 **Property**.



We do limit the number of copies of the 🏠 **5% Down \$350K Nomad with No Seller Concessions** **Property** that we can buy using this ⚡ **Rule** to 8 total.

5% Down \$350K Nomad with No Seller Concessions **Property**



Purchased in  May 2043 (Month 295) for \$722,080 as a **Nomad™**

The  **5% Down \$350K Nomad with No Seller Concessions** **Property** is a **Dynamic**  **Property**. In addition to this  **Property** being a **Dynamic**  **Property** it is also a **Nomad™**  **Property**.


Severance, CO

This  **Property** is modeled after  **Properties** in Severance, CO.


Purchase Price

For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming you are purchasing the  **Property** for \$722,080 and that it is worth \$722,080. So, you're not getting the property at a discount at all and are paying full price.


Initial Loan

We have assumed that you're able to get a 30 year (360 month) loan on this  **Property** at an interest rate of 4.75% with 5% down payment. That means you'd need to come up with \$36,104 as a down payment and that you'd be getting a loan for \$685,976. The monthly payment on a \$685,976 loan for 30 years at 4.75% would be \$3,578.38 per month.


Closing Costs

For this  **Property** we have assumed that the closing costs run about 1% of the \$722,080 purchase price. 1% of \$722,080 is approximately \$7,220.80.



Seller Concessions



You were unable to get the seller to contribute any money in seller concessions for this  **Property**.




Rent Ready Costs

For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming that it is already in rent ready condition and it does not require any additional work or money.




Depreciation

Since this  **Property** is a residential  **Property**, we can depreciate the value of the building (excluding the value of the land) over 27.5 years.





 **Accounts** for the  **5% Down \$350K Nomad with No Seller Concessions** **Property**

For this  **Property**, we are using the same  **Account** for both the purchase and operating income and expenses: the  **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account**.

Appreciation

With **The Real Estate Financial Planner™** software, we can set what our expectation is for the rate at which the  **Property** value increases over time. For the  **5% Down \$350K Nomad with No Seller Concessions** **Property**, we are assuming that  **Property** values are going up at a rate of 3% per year.

Rent and Rent Appreciation Rate

If we bought this  **Property** and rented it right away, we'd be getting \$4,022.97 per month in rent. However, since this is a **Nomad™**  **Property**, we are buying the  **Property** and moving in to the  **Property** so we will not be collecting rent right away.

Over time, rents tend to go up (just like 🏠 **Property** values). **The Real Estate Financial Planner™** software allows us to specify at what rate the rents are going up each year. For this 🏠 **Property** we have assumed that rents are going up at a rate of 3% per year.

⚡ **Buy Property When Account Has Down Payment Rule**

This ⚡ **Rule** for this 🏠 **Property** runs for the entire 🏠 **Scenario**.

With the ⚡ **Buy Property When Account Has Down Payment Rule**, we buy a version of the 🏠 **5% Down \$350K Nomad with No Seller Concessions Property** when the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year Account** has at least \$7,000 **Inflation Adjusted** plus the total cost to close required to make the purchase of the 🏠 **Property**.

We do limit the number of copies of the 🏠 **5% Down \$350K Nomad with No Seller Concessions Property** that we can buy using this ⚡ **Rule** to 8 total.

Summary of 🏠 Properties

The following table summarizes the number of 🏠 **Properties** that we buy in this 📅 **Scenario** so you can quickly see when each 🏠 **Property** has been purchased and, if applicable, sold.

🏠 Address/Description		Bought/Sold
0% Down \$350K Nomad with No Seller Concessions 1	Dynamic Nomad™	📅 Nov 2018 Hold
3% Down \$350K Nomad with No Seller Concessions 1	Dynamic Nomad™	📅 Jul 2022 Hold
3% Down \$350K Nomad with No Seller Concessions 2	Dynamic Nomad™	📅 Sep 2026 Hold
5% Down \$350K Nomad with No Seller Concessions 1	Dynamic Nomad™	📅 Mar 2031 Hold
5% Down \$350K Nomad with No Seller Concessions 2	Dynamic Nomad™	📅 Dec 2033 Hold
5% Down \$350K Nomad with No Seller Concessions 3	Dynamic Nomad™	📅 Jan 2036 Hold
5% Down \$350K Nomad with No Seller Concessions 4	Dynamic Nomad™	📅 Dec 2037 Hold
5% Down \$350K Nomad with No Seller Concessions 5	Dynamic Nomad™	📅 Jul 2039 Hold
5% Down \$350K Nomad with No Seller Concessions 6	Dynamic Nomad™	📅 Dec 2040 Hold
5% Down \$350K Nomad with No Seller Concessions 7	Dynamic Nomad™	📅 Mar 2042 Hold
5% Down \$350K Nomad with No Seller Concessions 8	Dynamic Nomad™	📅 May 2043 Hold

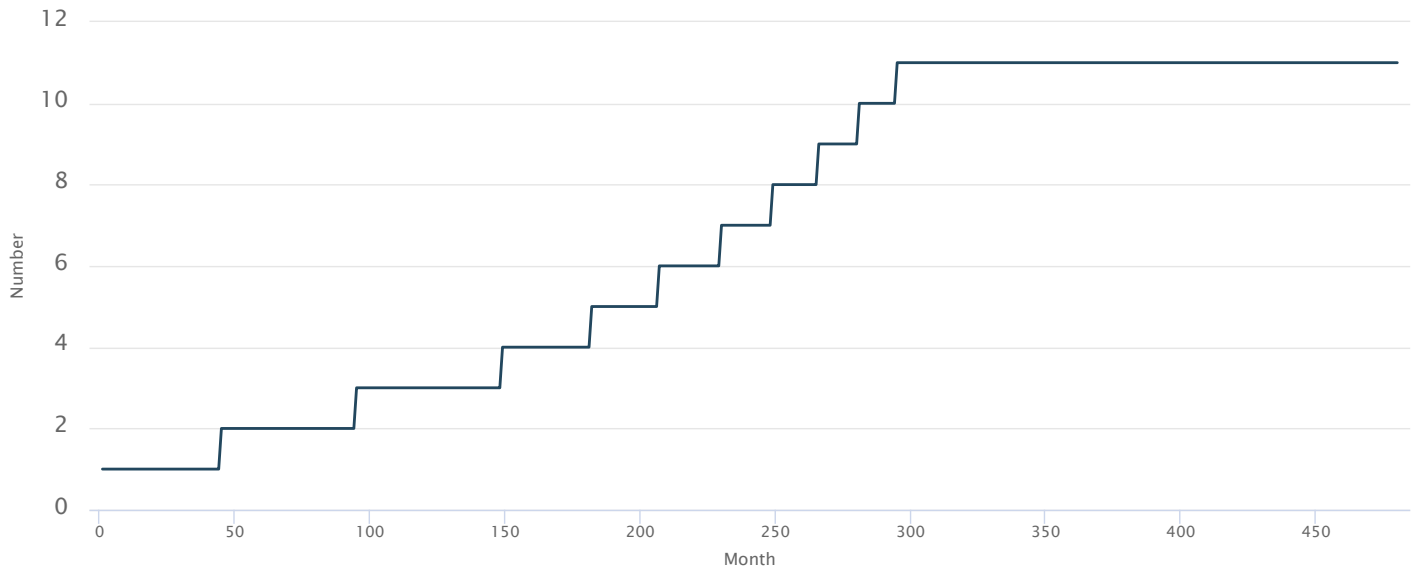
Again, when we say a 🏠 **Property** is **Dynamic** that means that the 🏠 **Property** was based on a template of a 🏠 **Property** that we could have bought multiple copies of.

Nomad™ 🏠 **Properties** are a special type of 🏠 **Property** where we move into them at time of purchase and typically don't collect rent on the 🏠 **Properties** when we first buy. Once we buy another **Nomad™** 🏠 **Property**, we convert the previous **Nomad™** 🏠 **Property** that we bought and are living in to a rental; we would then start collecting rent on the **Nomad™** 🏠 **Property** we just moved out of.

When a 🏠 **Property** does not have a sale date and instead says **Hold**, that means that we never end up selling the 🏠 **Property**. Instead, we keep it for the entire duration of the 📅 **Scenario** and never sell it.

The following is a graphical summary of the number of 🏠 **Properties** we've purchased and when they were bought. It shows the number of 🏠 **Properties** owned on the vertical axis and time in the form of number of months into the 📅 **Scenario** on the horizontal axis.

Number of Properties Owned



◆ Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

⚡ Rules

If you remember, ⚡ **Rules** modify 🏠 **Accounts** and 🏠 **Properties** in the 🏠 **Scenario**. For this 🏠 **Scenario** we have the following 4 ⚡ **Rules**.

Let's look at each of the ⚡ **Rules** below.

⚡ **Paycheck and Personal Expenses Rule**

This ⚡ **Rule** runs for the entire 🏠 **Scenario**.

With the ⚡ **Paycheck and Personal Expenses Rule**, we collect a paycheck and pay our personal living expenses out of the 🏠 **Stock Market - Start with \$5,000 and Earns 8% Per Year Account** each month. We start out collecting \$7,000 **Inflation Adjusted** from our paycheck and paying out \$3,503.29 **Inflation Adjusted** in personal expenses each month. Both our paycheck and personal expenses increase with inflation over time. We do pay taxes on the amount we collect from our paycheck at a rate of 14.85%.

⚡ **Buy Property When Account Has Down Payment Rule**

This ⚡ **Rule** runs for the entire 🏠 **Scenario**.

With the ⚡ **Buy Property When Account Has Down Payment Rule**, we buy a version of the 🏠 **0% Down \$350K Nomad with No Seller Concessions Property** when the 🏠 **Stock Market - Start with \$5,000 and Earns 8% Per Year Account** has enough to cover the total cost to close (which includes any down payment and closing costs) required to make the purchase of the 🏠 **Property**.

We do limit the number of this **Dynamic** 🏠 **Property** that we can buy using this ⚡ **Rule** to 1 total.

⚡ **Buy Property When Account Has Down Payment Rule**

This ⚡ **Rule** runs for the entire 🏠 **Scenario**.

With the ⚡ **Buy Property When Account Has Down Payment Rule**, we buy a version of the 🏠 **3% Down \$350K Nomad with No Seller Concessions Property** when the 🏠 **Stock Market - Start with \$5,000 and Earns 8% Per Year Account** has at least \$4,000 **Inflation Adjusted** plus the total cost to close required to make the purchase of the 🏠 **Property**.

We do limit the number of this **Dynamic** 🏠 **Property** that we can buy using this ⚡ **Rule** to 2 total.

⚡ **Buy Property When Account Has Down Payment Rule**

This ⚡ **Rule** runs for the entire 🏠 **Scenario**.

With the ⚡ **Buy Property When Account Has Down Payment Rule**, we buy a version of the 🏠 **5% Down \$350K Nomad with No Seller Concessions Property** when the 🏠 **Stock Market - Start with \$5,000 and Earns 8% Per Year Account** has at least \$7,000 **Inflation Adjusted** plus the total cost to close required to make the purchase of the 🏠 **Property**.

We do limit the number of this **Dynamic** 🏠 **Property** that we can buy using this ⚡ **Rule** to 8 total.

🌟 Significant Events

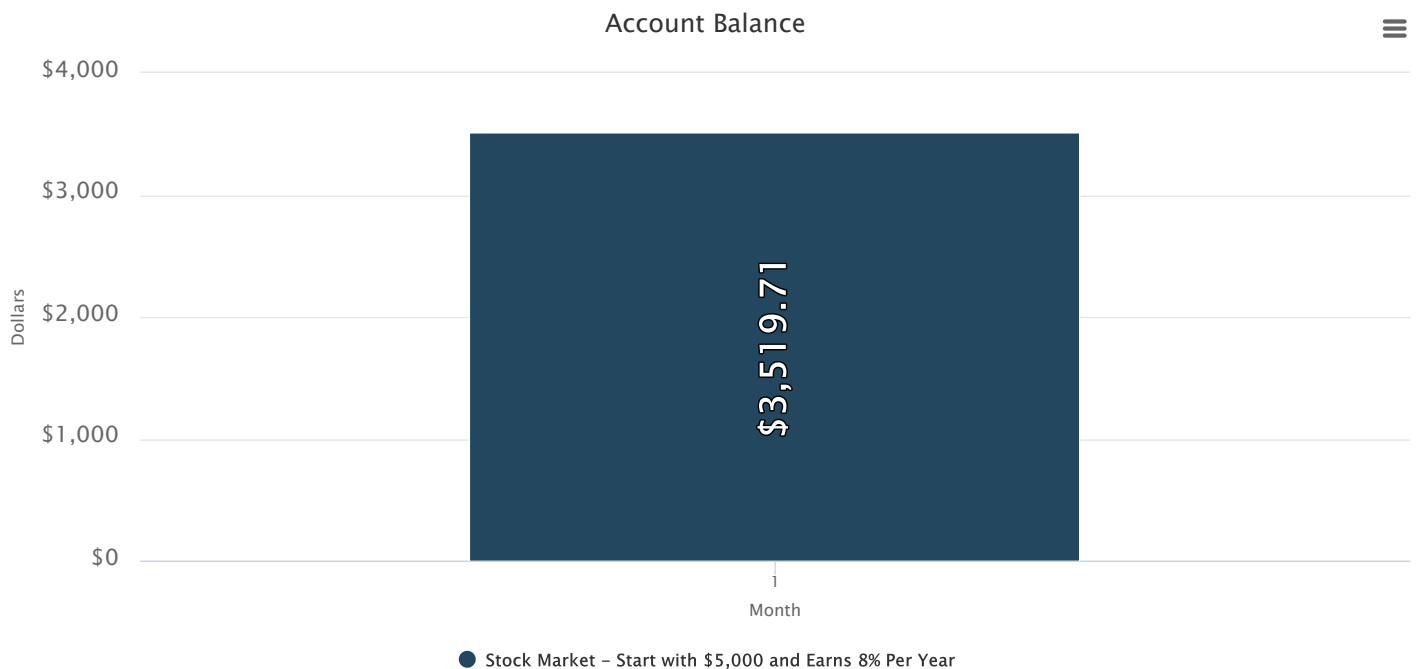
We use 🌟 **Significant Events** as a way to inform you of important things that are happening during the 🏠 **Scenario** with your 🏠 **Accounts**, 🏠 **Properties** and ⚡ **Rules**.

Let's go through the 🌟 **Significant Events** for this 🏠 **Scenario** right now.

🌟 **Purchased** 🏠 **0% Down \$350K Nomad with No Seller Concessions 1** **Property**

Bought in 📅 Month 1

We have a ⚡ **Rule** that has you buying the 🏠 **0% Down \$350K Nomad with No Seller Concessions 1** **Property** even if your 🏠 **Account** balance in the 🏠 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** has zero dollars. The following is a chart showing the balance of 🏠 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** from the start of the 🏠 **Scenario** to 📅 Month 1 after we've adjusted for all the income and expenses for the entire month.



Nothing Down Financing

To purchase the 🏠 **0% Down \$350K Nomad with No Seller Concessions 1** **Property**, we're assuming you're getting a nothing down loan. That means you don't need a down payment to buy this home.

As of the time of this writing (and loan programs do change from time to time), there are 3 sources of nothing down loan programs: USDA, VA and local lenders with special loan programs.

USDA

The USDA loan program is a nothing down program that allows you to buy a home, as an owner-occupant, with nothing down. The limitation is typically that you need to buy a property in a rural USDA eligible area. If you happen to live in a larger city, the chance of your home qualifying for a USDA loan is essentially zero. However, often there are cities near you that will qualify.

You can check to see if homes around you qualify for USDA by going directly to the USDA eligibility map:

USDA Eligibility Map

<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp>

VA

The VA loan program is a nothing down program that allows veterans or others with VA benefits to buy a home, as an owner-occupant, with nothing down. The limitation with VA loans is less about the property (although VA loans typically require a special type of appraisal that checks for health and safety issues on the property) and more about the person getting the loan having the VA benefits.

One of the nice things about VA loans is that you can use them to buy single family homes, but you can also use them to buy duplexes, triplexes or fourplexes as long as you are owner-occupying at least one of the units.

Local Lenders with Special Programs


Beyond the USDA and VA nothing down loan programs, the only other loan programs that I am aware of that allow you to buy a home with no down payment are the special local lending programs I've seen with local lenders. The loan programs I've seen typically are used to help buyers with great credit scores and solid employment, but who earn below the median income in an area, buy a home. For example, in my local market there are two lenders that offer these special nothing down loan programs to buy single family homes: KeyBank and Compass Bank.

You'll want to talk to your real estate broker and local lenders to find these types of special lenders in your local market if they are of interest to you.

We shared some additional resources for traditional financing previously. Check that out for more information.

The total cost to close must also include the rent ready costs (\$0) and closing costs (\$3,500) minus any seller concessions (\$0).

Description	Amount
Down Payment	\$0
Rent Ready Costs	\$0
Closing Costs	\$3,500
Seller Concessions	- \$0
Total Cost To Close:	\$3,500

Since this is a **Nomad™**  **Property**, you are buying it, moving in and living there for at least a year before renting it.

You are moving into this property, so you are not collecting any rent on this property yet.

Summary At The End of 📅 Month 1

Let's summarize what your position looks like at the end of 📅 Month 1. We will look at number of 🏠 **Properties** owned, net worth, cash flow and several other important, key metrics.

🏠 **Properties** Owned

Since this is the first month, here is a very simple chart showing the number of 🏠 **Properties** we own.



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Yes, I did just show you a chart showing that you own a single 🏠 **Property** at this point.

Net Worth

At the end of 📅 Month 1, your overall net worth for the entire 🏠 **Scenario** up to this point in time can be summarized by the following chart.

Net Worth



Total Account Balances and Equity



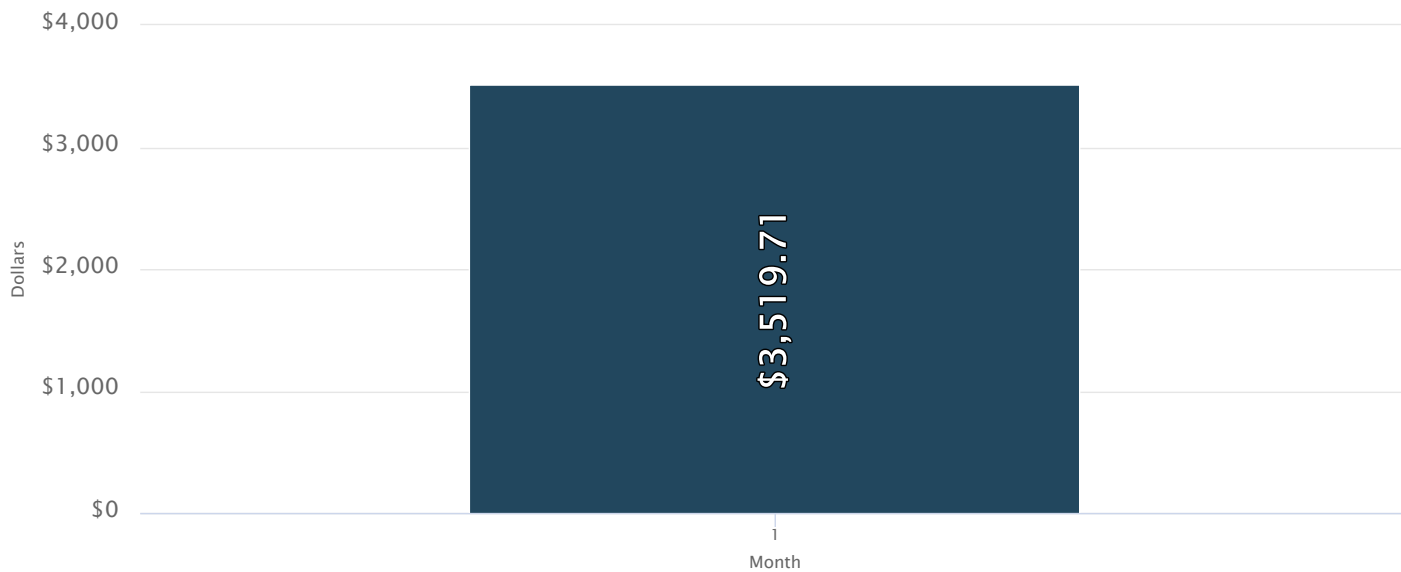
● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

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Account Balances

If we sum up the **Account** balances for all the **Accounts** each month we can see the total balance for each month up through this month, Month 1. Our total **Account** balance this month is \$3,519.71 This is after all the income and expenses for the month.

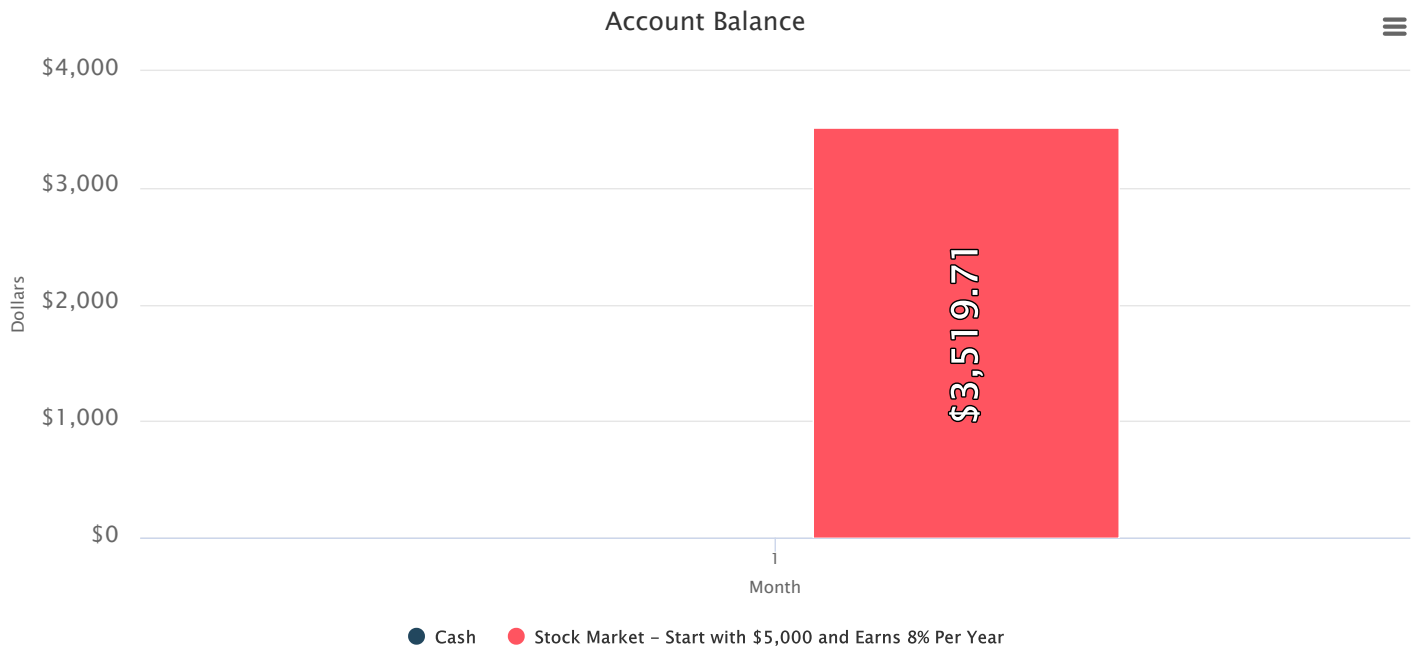
Total Account Balances



● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

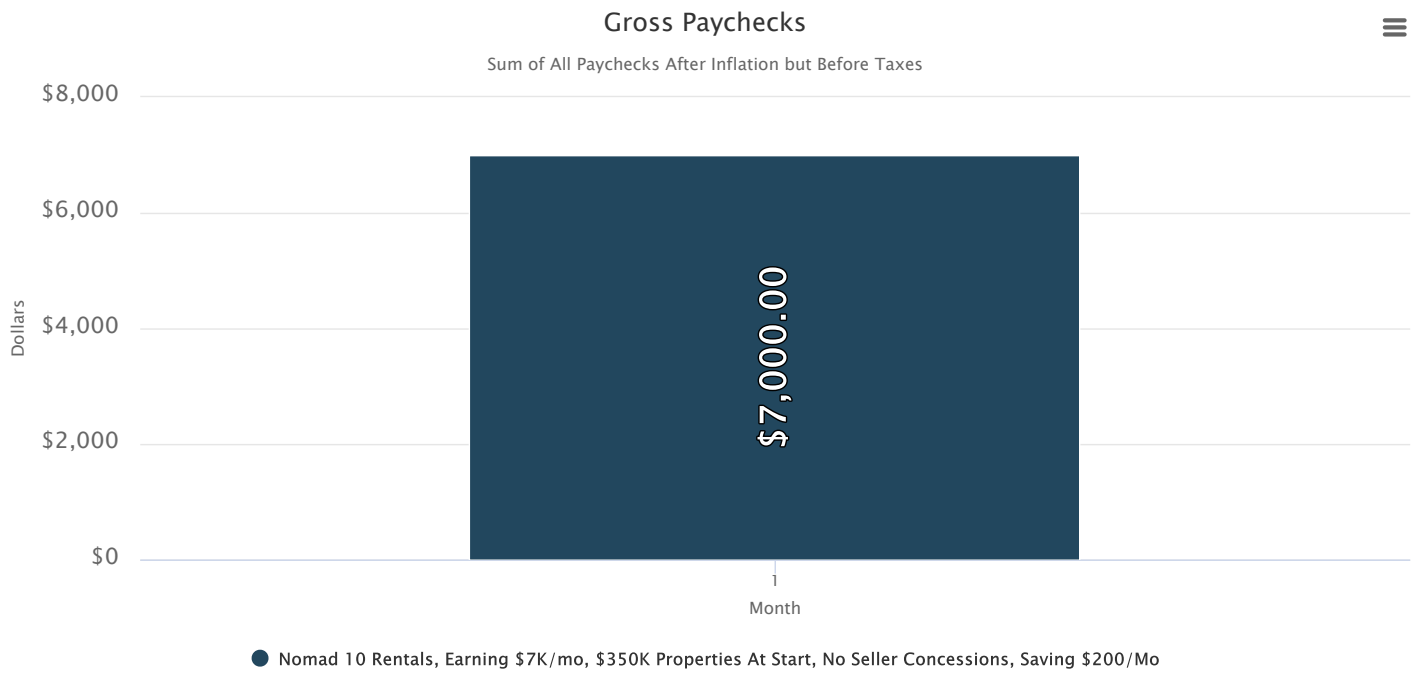
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The following chart shows how the total **Account** balance of \$3,519.71 for all your **Accounts** is distributed over your 2 **Accounts** in Month 1.



Paychecks

The following chart shows how much gross you're bringing home from paychecks based on any ⚡ **Rules** that are for paychecks in the 🏠 **Scenario**.



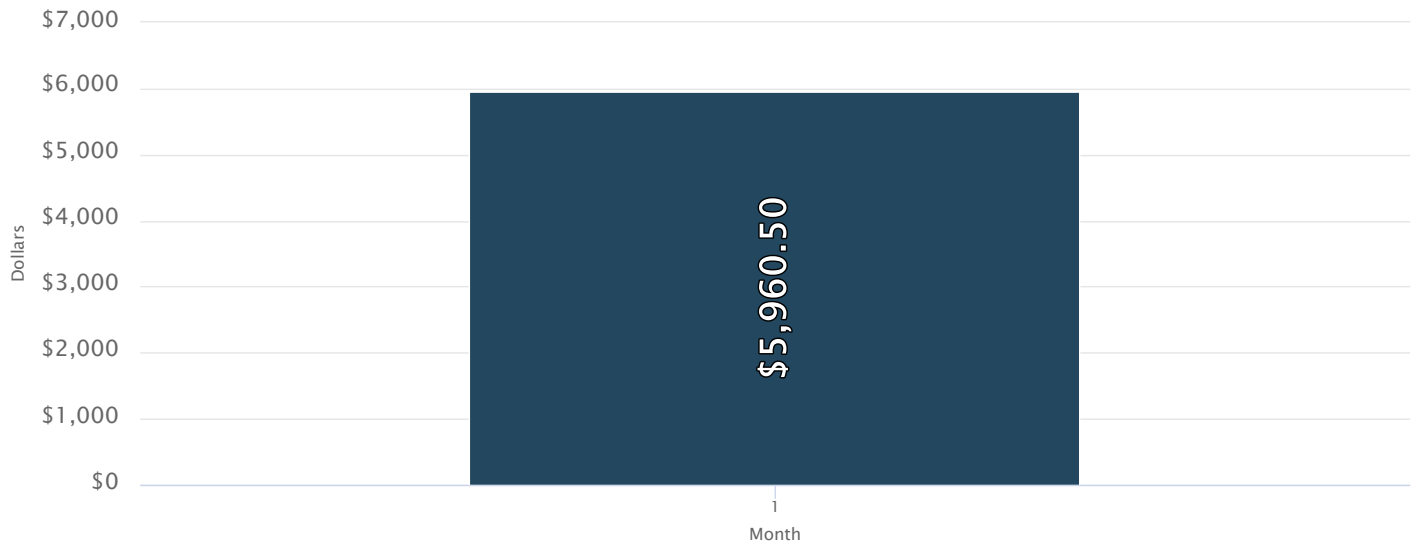
Your total gross paycheck in 📅 Month 1 is \$7,000.

Once we take into account the taxes you're paying on your gross paychecks, you're left over with your net from paychecks. That is shown in the chart below. For this month, it is \$5,960.50.

Paychecks After Tax



Sum of All Paychecks After Inflation and After Taxes



● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

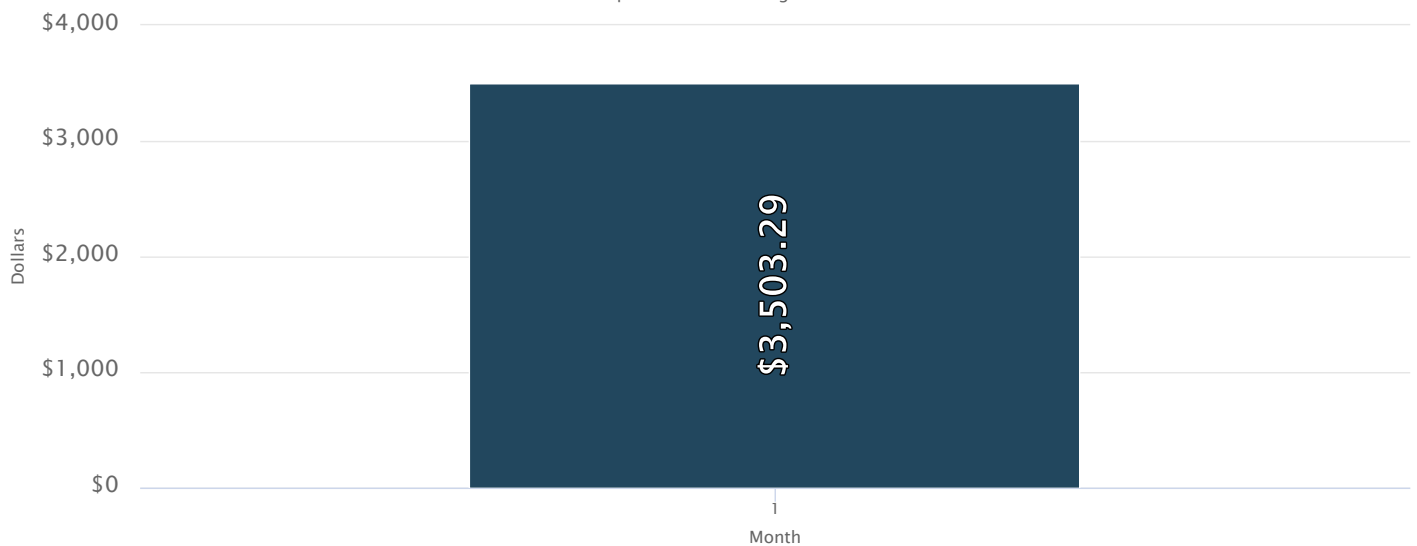
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Not counting the cost of the 🏠 **Property** you are living in and not collecting rent on, you have \$3,503.29 in personal expenses.

Personal Expenses Excluding Real Estate



Your Personal Expenses Not Counting Unrented Homes



● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

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The difference between your net personal income after taxes and your personal expenses not counting the cost of the 🏠 **Property** that you're living in is the amount of money that you can save from your paychecks each month. We will show you your true savings when we include the cost of the 🏠 **Property** you are occupying in a moment. For now, realize that in 📅 Month 1, you are able to save \$2,457.21 from your paychecks after all your personal expenses (not counting the unrented 🏠 **Property** you are living in).

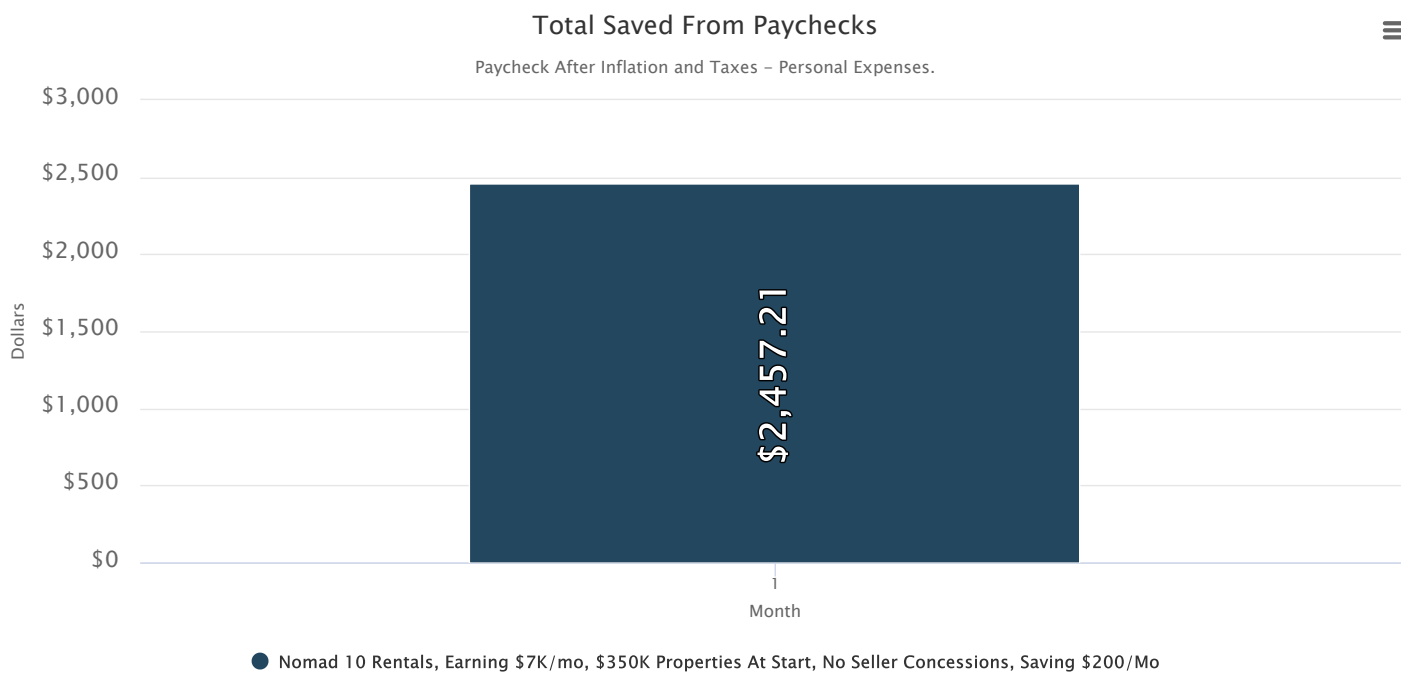
Mortgages Are Paid In Arrears

I want to point out something important to you about how mortgage payments work.

When you buy a new 🏠 **Property**, you do not have a mortgage payment due the first month that you own the 🏠 **Property**. For example, if you bought a 🏠 **Property** on January 1st, then your first mortgage payment on that 🏠 **Property** would not be due until February 1st. That is because a mortgage is paid in arrears... you need to have the interest on your loan accumulate for a month so that you can make a payment of that interest amount (and any principal).

That means the first month you own a 🏠 **Property**, you get a little boost to your savings.

This does mean though that if you decide to sell the 🏠 **Property** you will have a mortgage payment for the month you sell it. So, to continue our example from above, if you sold the property on December 1st, you'd still need to make your December 1st payment even though you won't be living in your 🏠 **Property** for that month. That's because the December 1st payment is really covering the interest you accrued in November.



Minimum Gross Income Required

The Real Estate Financial Planner™ software does calculations to determine what it believes you would need to be earning in gross income from all sources between you and your spouse (if you're buying together on the loan) to be able to qualify for the loans on 🏠 **Properties**.

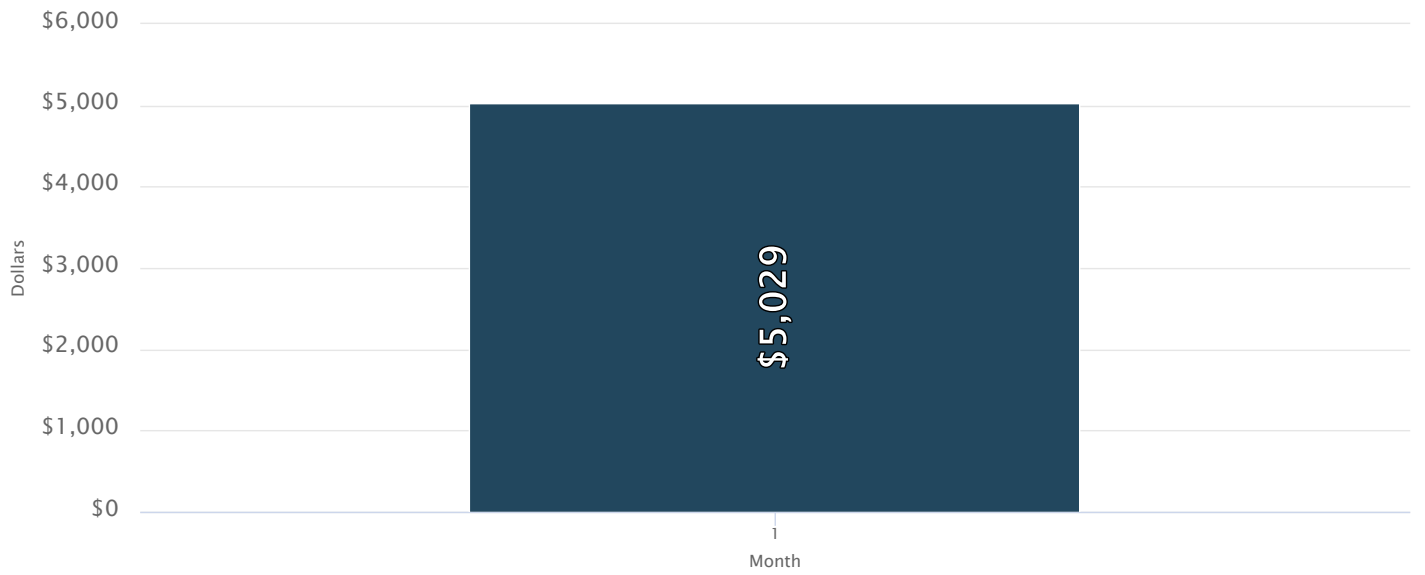
The software assumes you have no other debt besides your mortgages. If you have car debt, student loan debt, credit card debt or any other debts at all, it will increase this number. While it is not 100% accurate, a rule of thumb to estimate how much more you'll need to earn if you have additional debts is to double the monthly payment. For example, if your car payment is \$300 per month, you'd need to add about \$600 more per month in income to still be able to qualify carrying that additional debt.

Of course, this calculation is really an estimate and you should discuss the actual requirement with your lender for your specific situation.

The following chart shows you the estimated minimum gross monthly income required to be able to qualify for the current loans you have in the 📊 **Scenario**. For 📅 Month 1, you will need to be earning, at a minimum, \$5,029.49 per month gross (before taxes) between you and your spouse.

Your income from your rental 🏠 **Properties** can count toward this as well.

Minimum Gross Monthly Income Required



● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

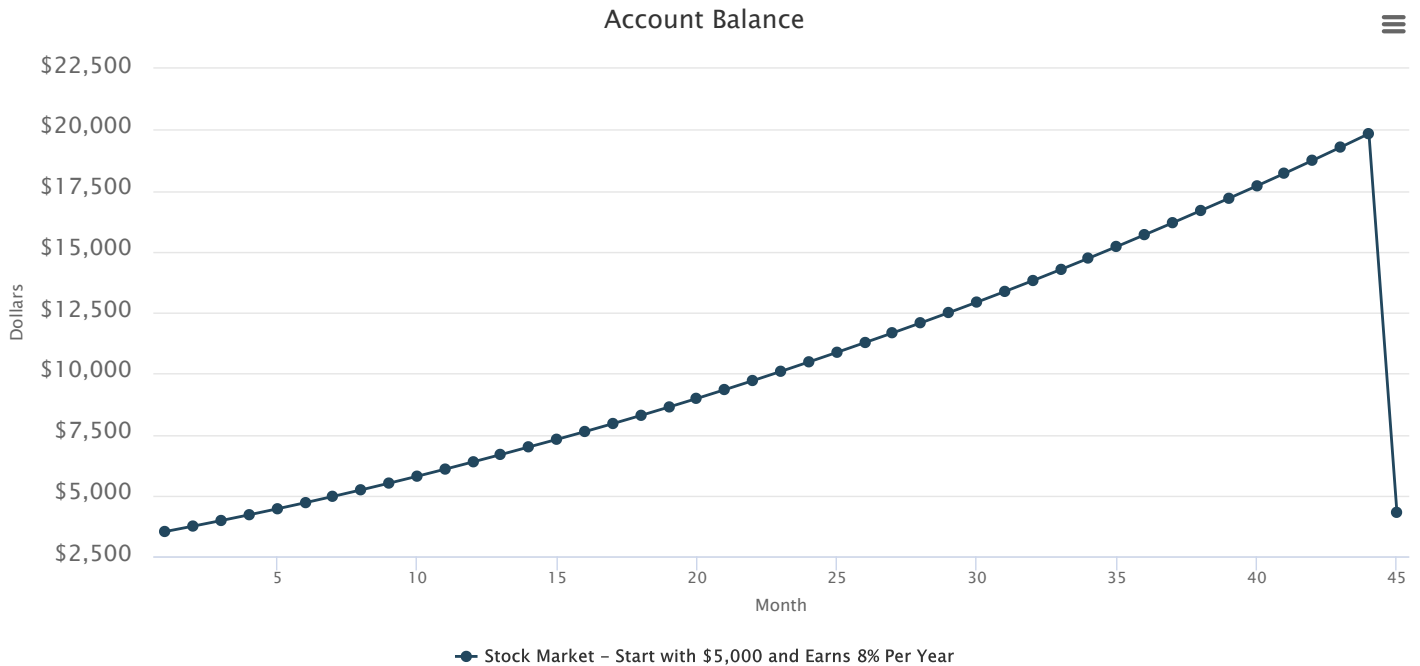
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★ Purchased 🏠 3% Down \$350K Nomad with No Seller Concessions 1 Property

Bought in 📅 Month 45

We have a ⚡ **Rule** that has you buying the 🏠 **3% Down \$350K Nomad with No Seller Concessions 1 Property** when your 💰 **Account** balance in the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year Account** reaches \$4,000 (which we adjust for inflation to be worth \$4,457.89 in 📅 Month 45). The following is a chart showing the balance of 📈

Stock Market - Start with \$5,000 and Earns 8% Per Year Account from the start of the 🏠 **Scenario** to 📅 Month 45 after we've adjusted for all the income and expenses for the entire month.



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To purchase the 🏠 **3% Down \$350K Nomad with No Seller Concessions 1 Property**, we're assuming you're getting a 3% down payment loan. With a \$390,067 purchase price that means you need to have \$11,702.01 for down payment.

The total cost to close must also include the rent ready costs (\$0) and closing costs (\$3,900.67) minus any seller concessions (\$0).

Description	Amount
Down Payment	\$11,702.01
Rent Ready Costs	\$0
Closing Costs	\$3,900.67
Seller Concessions	- \$0
Total Cost To Close:	\$15,602.68

Since this is a **Nomad™** 🏠 **Property**, you are buying it, moving in and living there for at least a year before renting it.

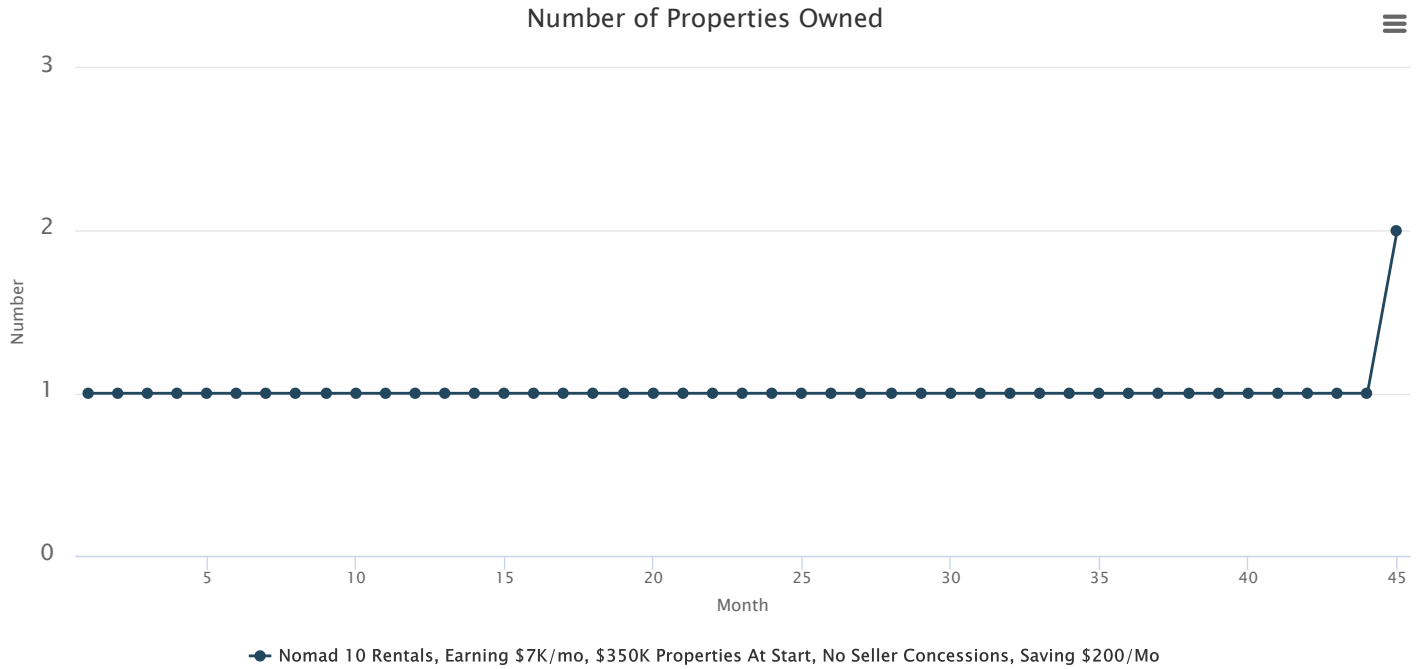
You are moving into this property, so you are not collecting any rent on this property yet.

Summary At The End of 📅 Month 45

Let's summarize what your position looks like at the end of 📅 Month 45. We will look at number of 🏠 **Properties** owned, net worth, cash flow and several other important, key metrics.

🏠 **Properties** Owned

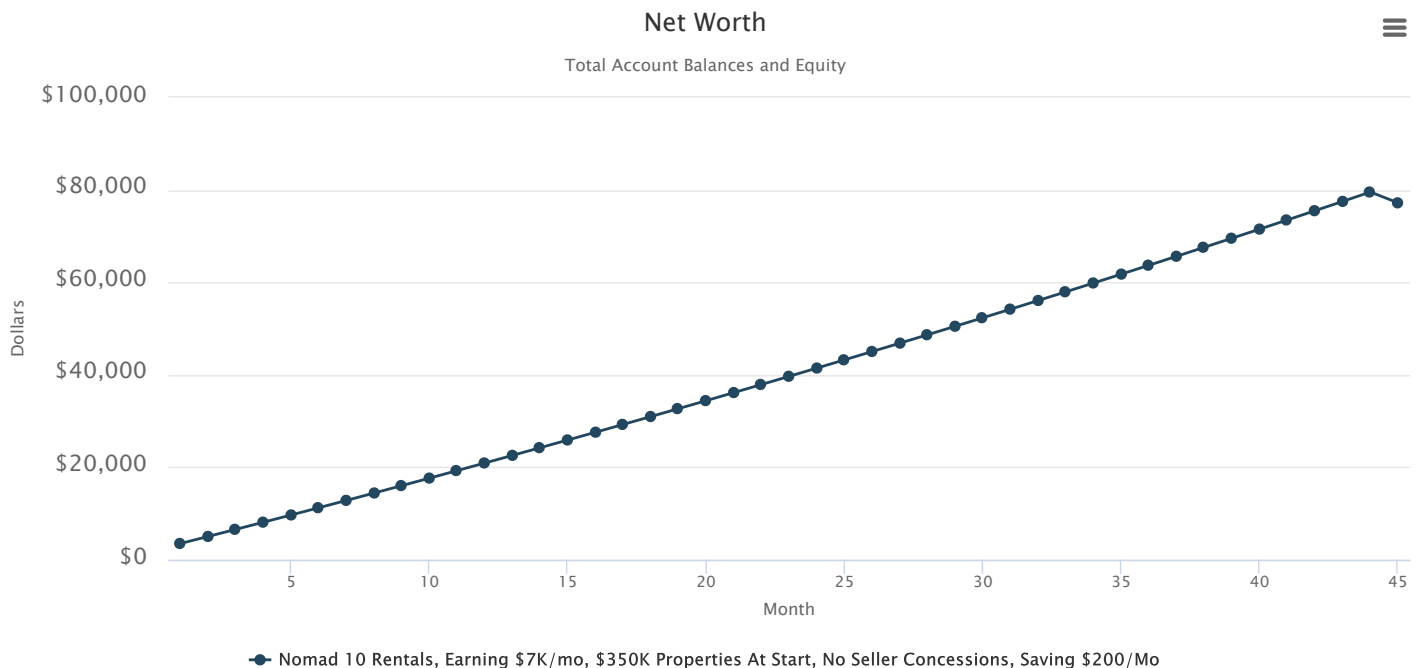
The chart below shows the total number of 🏠 **Properties** that you own up to and including this month, Month 📅 45.



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Net Worth

At the end of 📅 Month 45, your overall net worth for the entire 📅 **Scenario** up to this point in time can be summarized by the following chart.

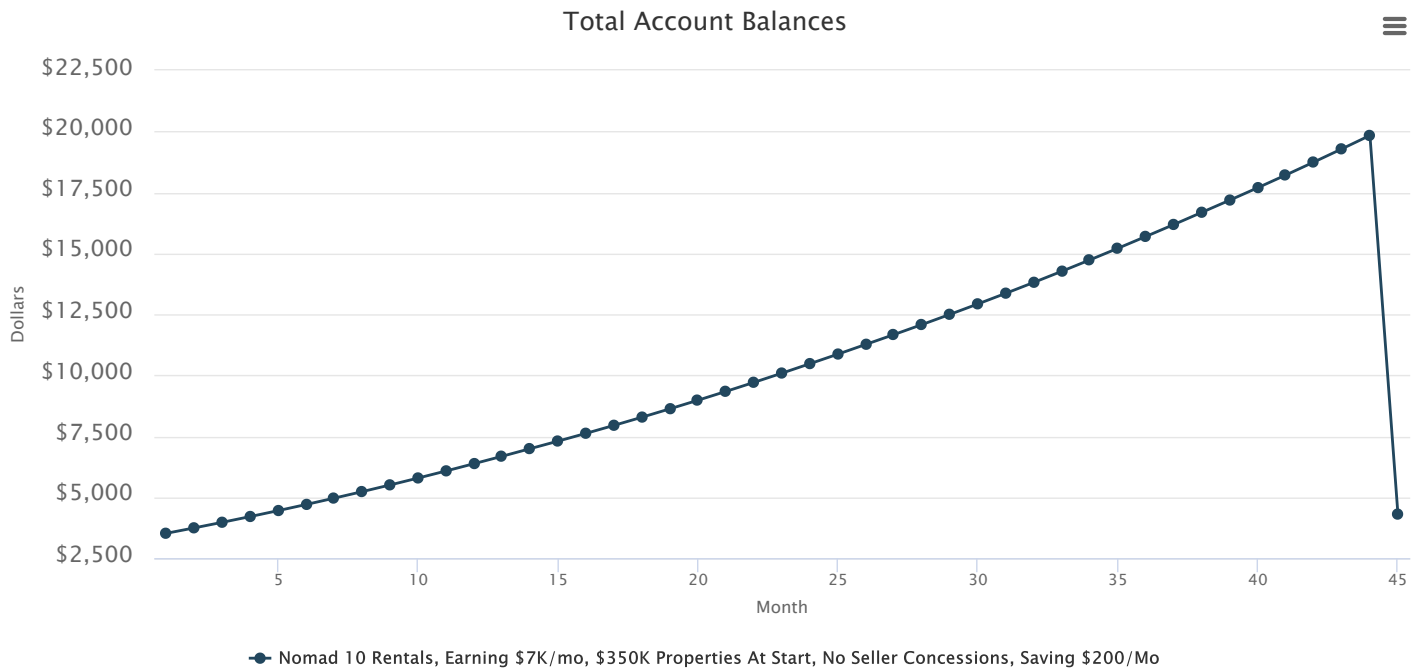


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As you can see in the net worth summary above, your net worth for 📅 Month 45 is \$77,193.73.

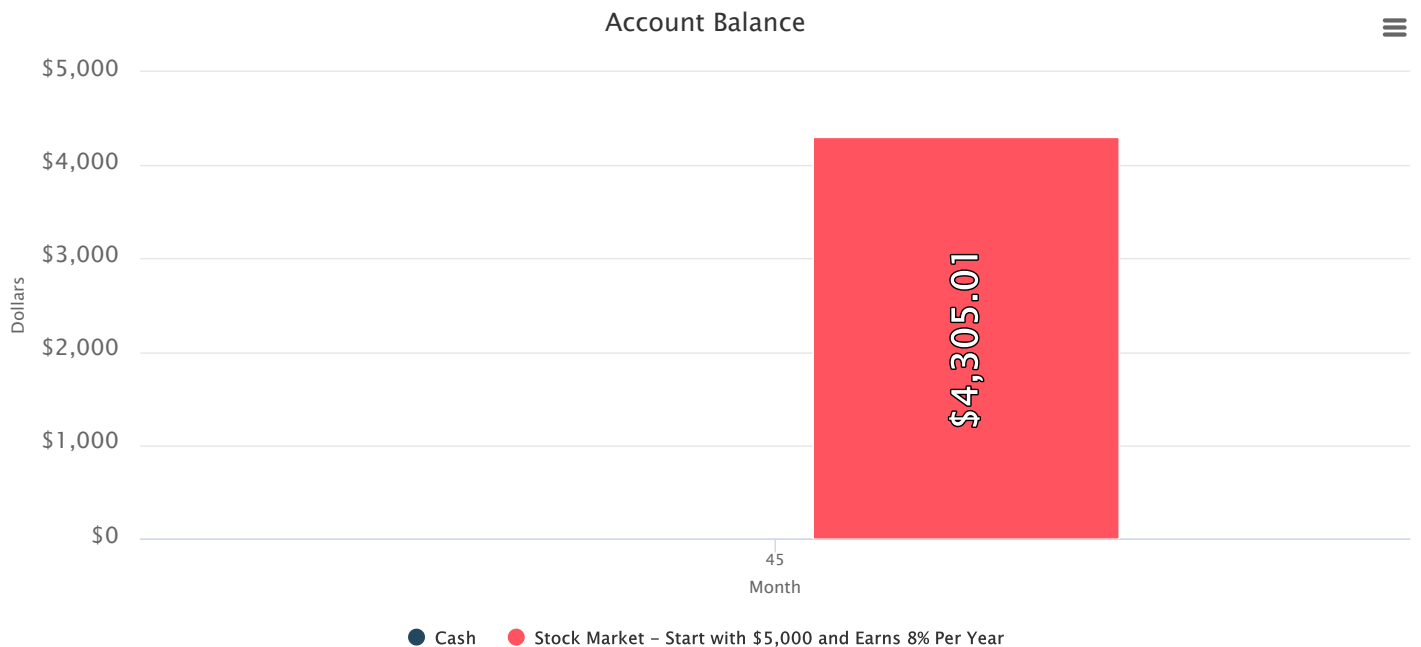
Account Balances

If we sum up the **Account** balances for all the **Accounts** each month we can see the total balance for each month up through this month, Month 45. Our total **Account** balance this month is \$4,305.01 This is after all the income and expenses for the month.



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The following chart shows how the total **Account** balance of \$4,305.01 for all your **Accounts** is distributed over your 2 **Accounts** in Month 45.



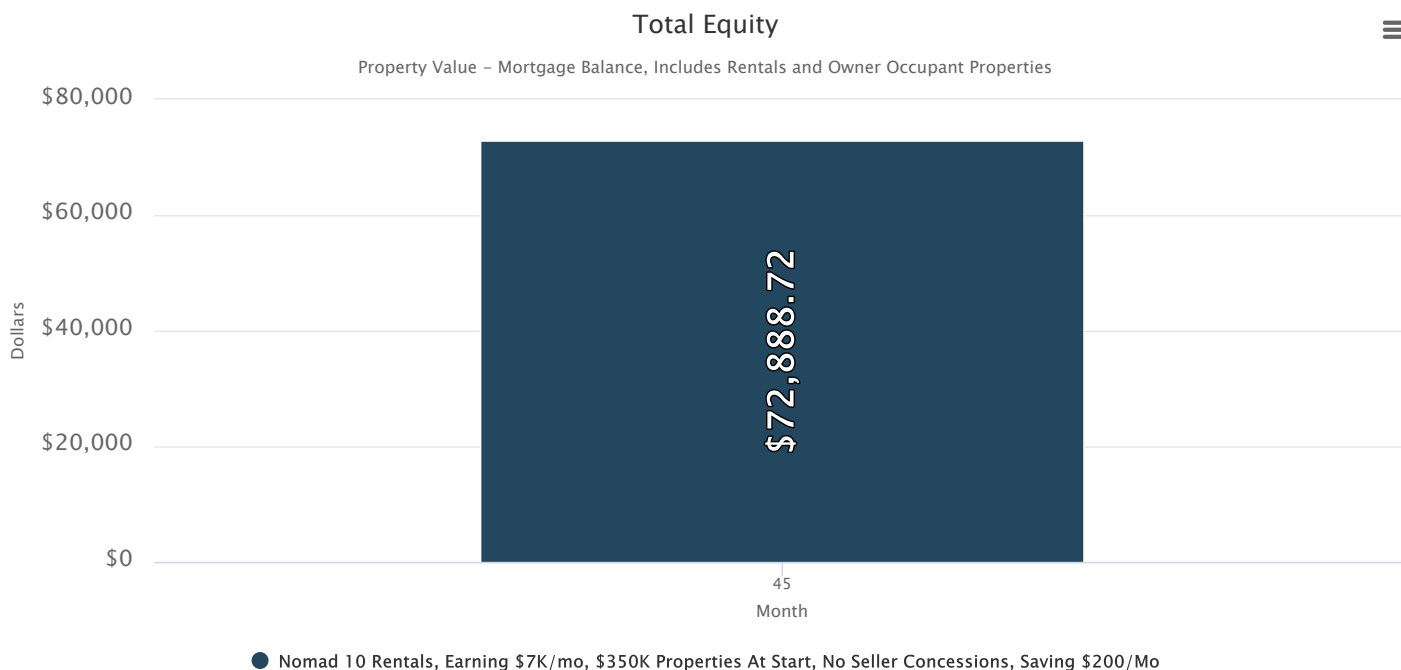
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Total Equity

We can look at equity in one of three ways:

1. Total Equity
2. Cash Out Refinance Equity
3. Sell With Real Estate Agent Equity

With total equity we are just looking at the difference between the 🏠 **Property** value and the mortgage balance. In 📅 Month 45, we have \$72,888.72 in total equity. The following is a chart showing the total equity of 🏠 **Properties** in this 📊 **Scenario**.



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With cash out refinance equity, we are assuming that your equity is defined as the amount of equity you could access if you did cash out refinances on all your 🏠 **Properties** and were limited to being able to cash out refinance up to 75% loan-to-value. In 📅 Month 45, we have \$0 in accessible total cash out refinance equity. For any 🏠 **Properties** where we do not have enough equity to do a cash out refinance and receive cash from the refi, we just won't refinance.

With sell-with-agent equity, we are assuming that you can access your equity by selling the property with a real estate agent. Furthermore, we assume that there is a cost to accessing this equity since you'll likely need to pay the real estate agent that represents you and the real estate agent that brings the buyer a commission. In addition to commissions, we also assume that you are paying 1% of the sale price in fees to sell with a real estate agent. That means that between the real estate commission (which we have estimated to be 6% between the two real estate agents) and the 1% in closing costs, that you really only net 93% of the sale price minus whatever your loan balance is. In 📅 Month 45, we have \$33,881.68 in total accessible sell with real estate agent equity. If you owe more than 93% of the sale price on a 🏠 **Property**, we are not considering that 🏠 **Property** for a sale with a real estate agent.

Learn more about equity and return on equity and return on investment by watching this special class on different ways to calculate returns below.

Return on Investment and Return on Equity Class Recording

<https://JamesOrr.com/return-investment-return-equity/>

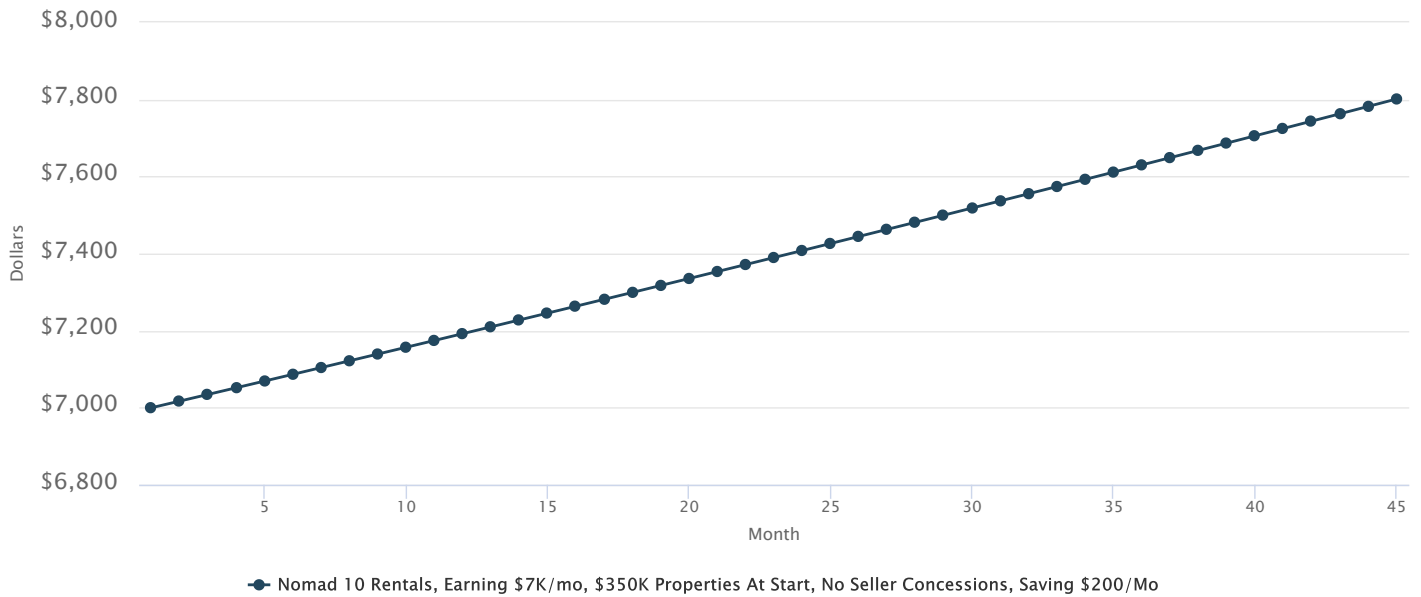
Paychecks

The following chart shows how much gross you're bringing home from paychecks based on any ⚡ **Rules** that are for paychecks in the 📊 **Scenario**.

Gross Paychecks



Sum of All Paychecks After Inflation but Before Taxes



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Your total gross paycheck in 📅 Month 45 is \$7,801.32.

Once we take into account the taxes you're paying on your gross paychecks, you're left over with your net from paychecks. That is shown in the chart below. For this month, it is \$6,642.82.

Paychecks After Tax



Sum of All Paychecks After Inflation and After Taxes



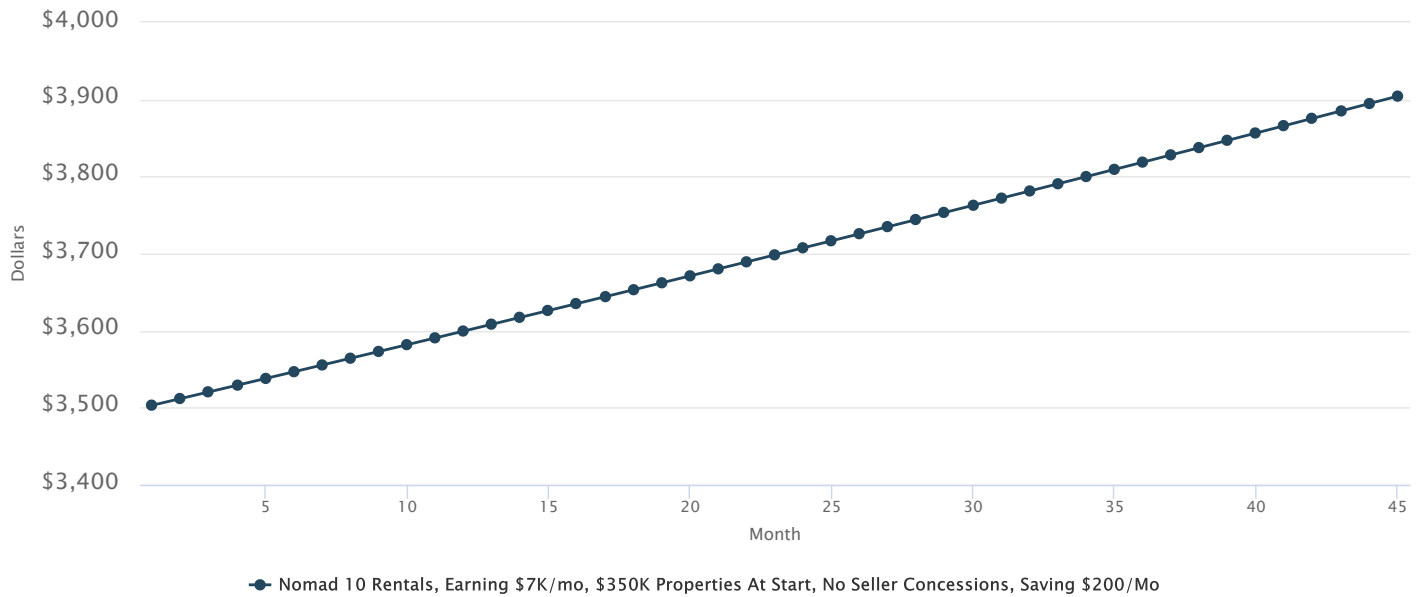
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Not counting the cost of the 🏠 **Property** you are living in and not collecting rent on, you have \$3,904.32 in personal expenses.

Personal Expenses Excluding Real Estate



Your Personal Expenses Not Counting Unrented Homes



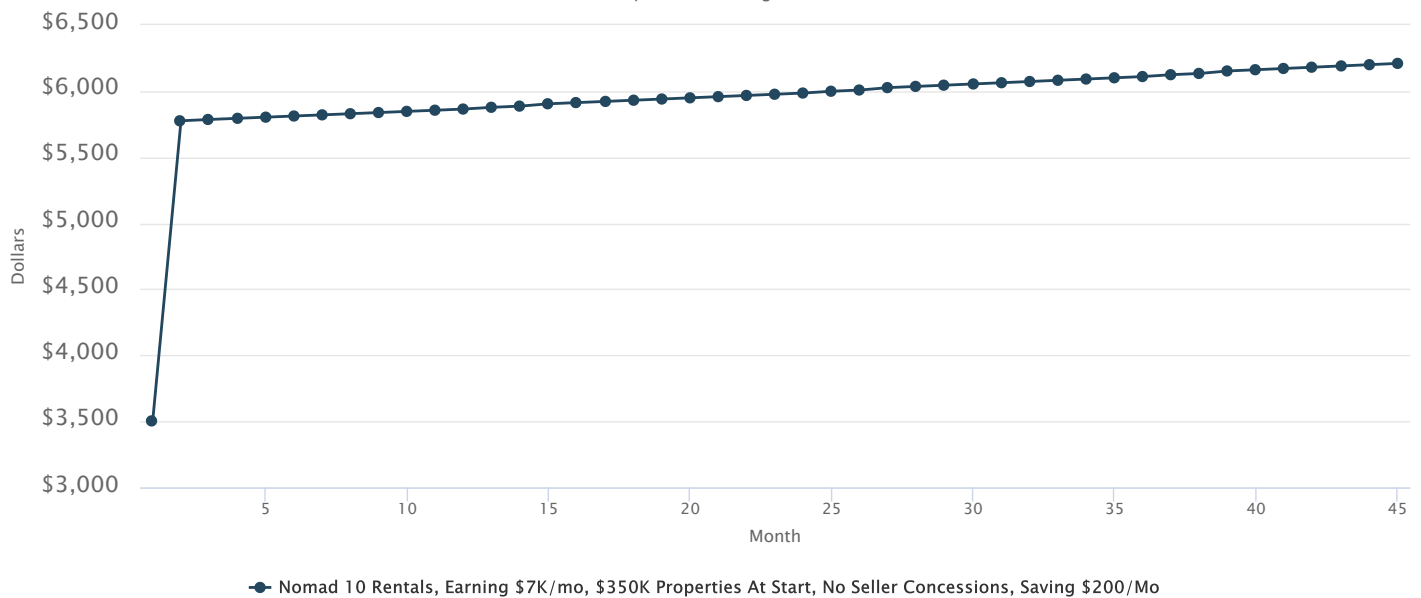
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If we include the cost of the 🏠 **Property** that you are living in, your personal expenses jump up to \$6,209.74 in 📅 Month 45.

Personal Expenses Including Real Estate



Your Personal Expenses Including Unrented Homes



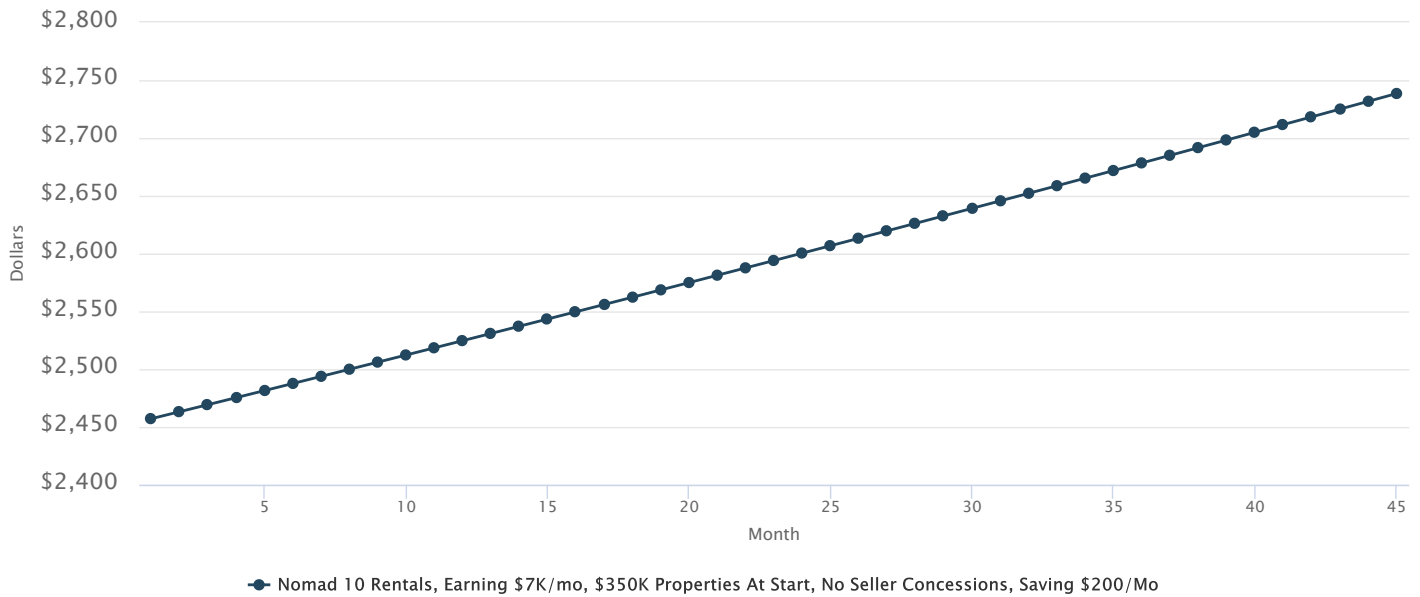
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The difference between your net personal income after taxes and your personal expenses not counting the cost of the 🏠 **Property** that you're living in is the amount of money that you can save from your paychecks each month. We will show you your true savings when we include the cost of the 🏠 **Property** you are occupying in a moment. For now, realize that in 📅 Month 45, you are able to save \$2,738.50 from your paychecks after all your personal expenses (not counting the unrented 🏠 **Property** you are living in).

Total Saved From Paychecks



Paycheck After Inflation and Taxes – Personal Expenses.



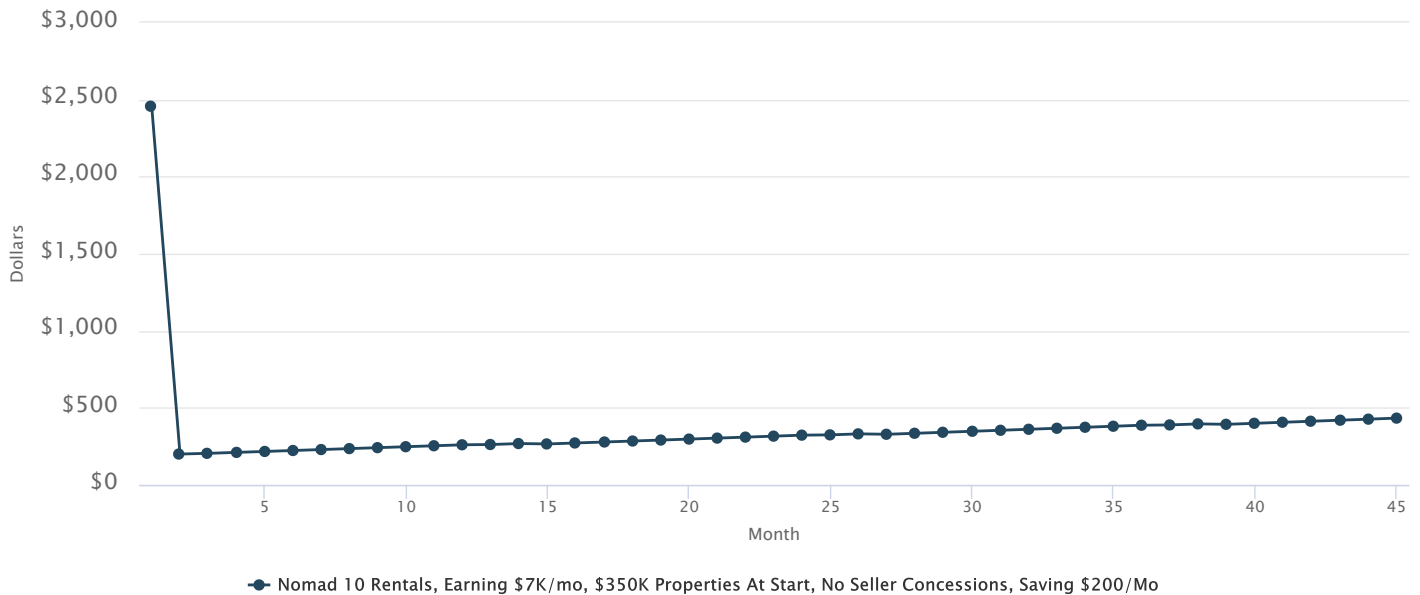
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The \$2,738.50 you were able to save from your paychecks in 📅 Month 45 is not the full picture. It fails to take into account your personal housing expense. The chart below shows that you were able to save \$433.08 in total but this time we are including the cost of your personal housing.

Total Saved



Paycheck After Inflation and Taxes – Personal Expenses Including Unrented Homes



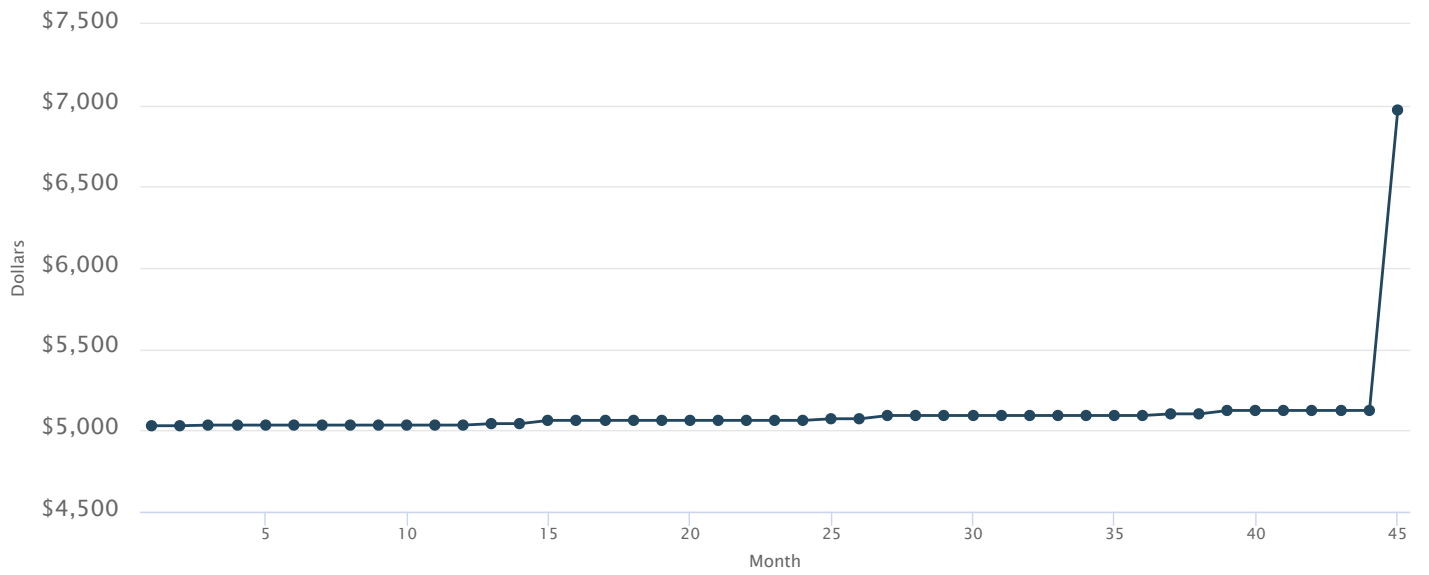
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Minimum Gross Income Required

The following chart shows you the estimated minimum gross monthly income required to be able to qualify for the current loans you have in the 🏠 Scenario. For 📅 Month 45, you will need to be earning, at a minimum, \$6,970.71 per month gross (before taxes) between you and your spouse.

Your income from your rental 🏠 Properties can count toward this as well.

Minimum Gross Monthly Income Required



● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

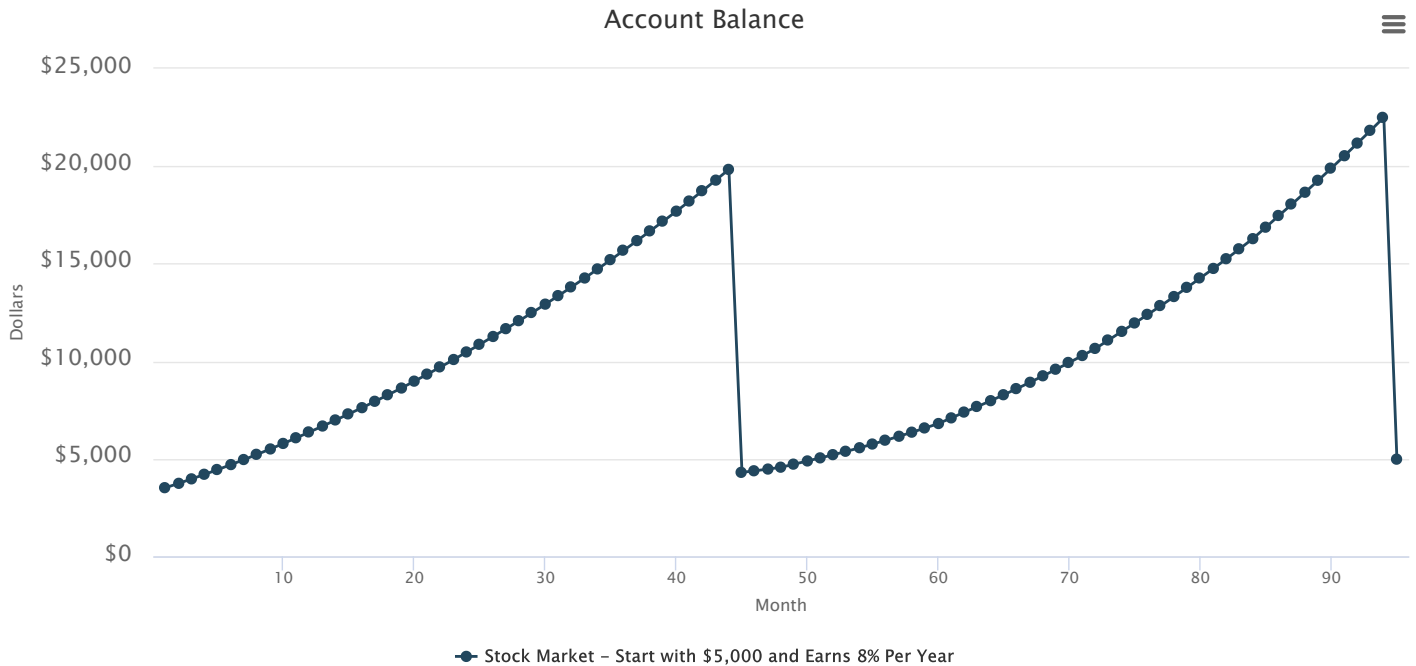
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★ Purchased 🏠 **3% Down \$350K Nomad with No Seller Concessions 2** Property

Bought in 📅 Month 95

We have a ⚡ **Rule** that has you buying the 🏠 **3% Down \$350K Nomad with No Seller Concessions 2** Property when your 💰 **Account** balance in the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** reaches \$4,000 (which we adjust for inflation to be worth \$5,042.18 in 📅 Month 95). The following is a chart showing the balance of 📈

Stock Market - Start with \$5,000 and Earns 8% Per Year **Account** from the start of the 📊 **Scenario** to 📅 Month 95 after we've adjusted for all the income and expenses for the entire month.



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To purchase the 🏠 **3% Down \$350K Nomad with No Seller Concessions 2** Property, we're assuming you're getting a 3% down payment loan. With a \$441,193 purchase price that means you need to have \$13,235.79 for down payment.

The total cost to close must also include the rent ready costs (\$0) and closing costs (\$4,411.93) minus any seller concessions (\$0).

Description	Amount
Down Payment	\$13,235.79
Rent Ready Costs	\$0
Closing Costs	\$4,411.93
Seller Concessions	- \$0
Total Cost To Close:	\$17,647.72

Since this is a **Nomad™** 🏠 Property, you are buying it, moving in and living there for at least a year before renting it.

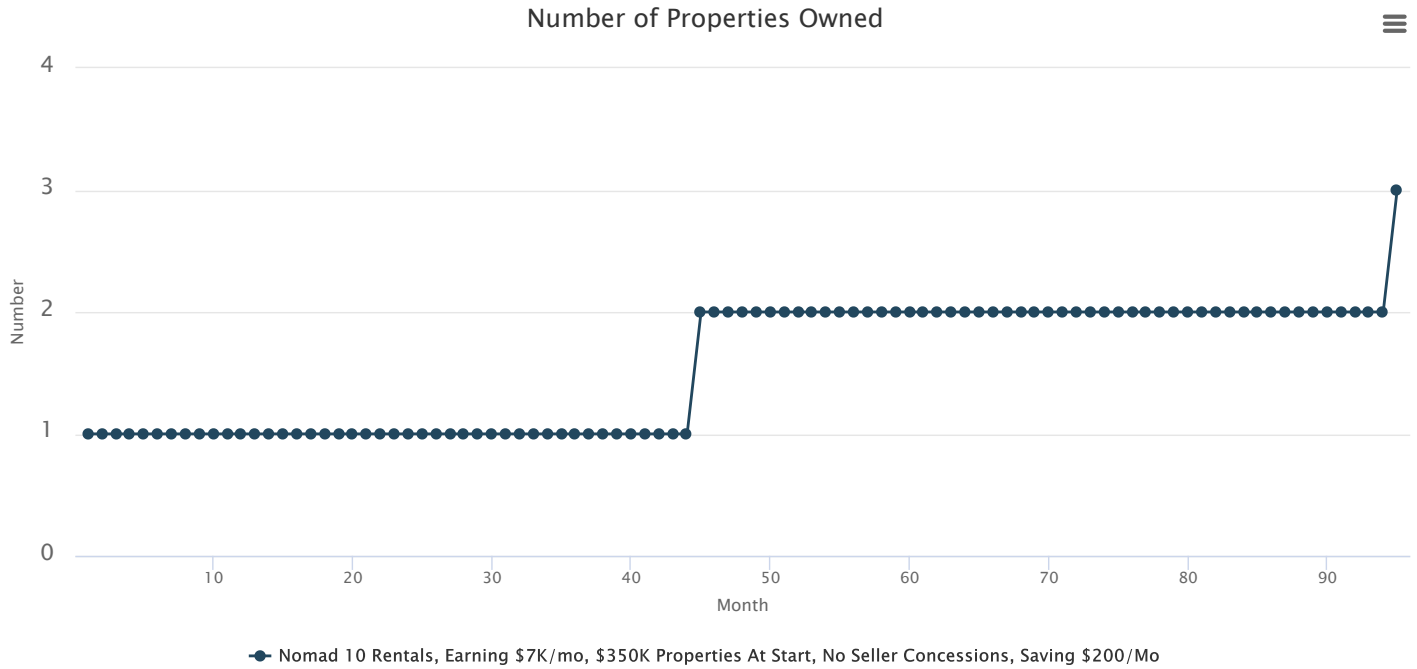
You are moving into this property, so you are not collecting any rent on this property yet.

Summary At The End of 📅 Month 95

Let's summarize what your position looks like at the end of 📅 Month 95. We will look at number of 🏠 **Properties** owned, net worth, cash flow and several other important, key metrics.

🏠 **Properties** Owned

The chart below shows the total number of 🏠 **Properties** that you own up to and including this month, Month 📅 95.

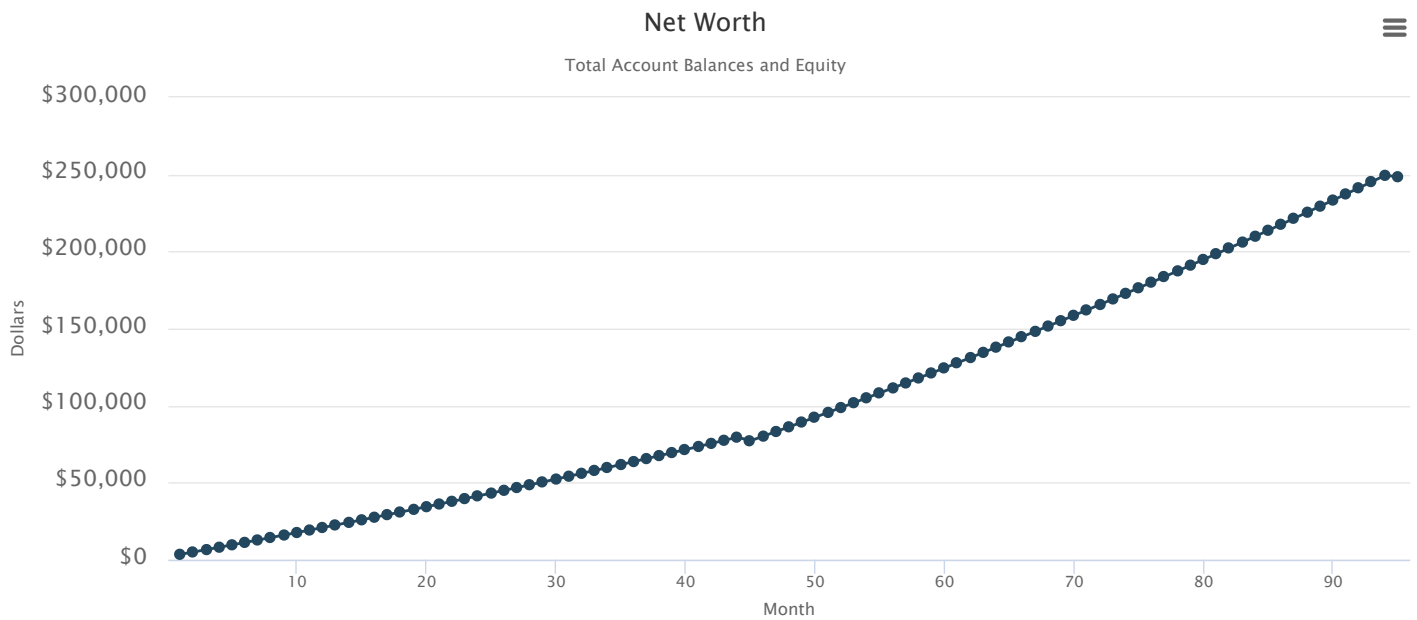


● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

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Net Worth

At the end of 📅 Month 95, your overall net worth for the entire 📅 Scenario up to this point in time can be summarized by the following chart.



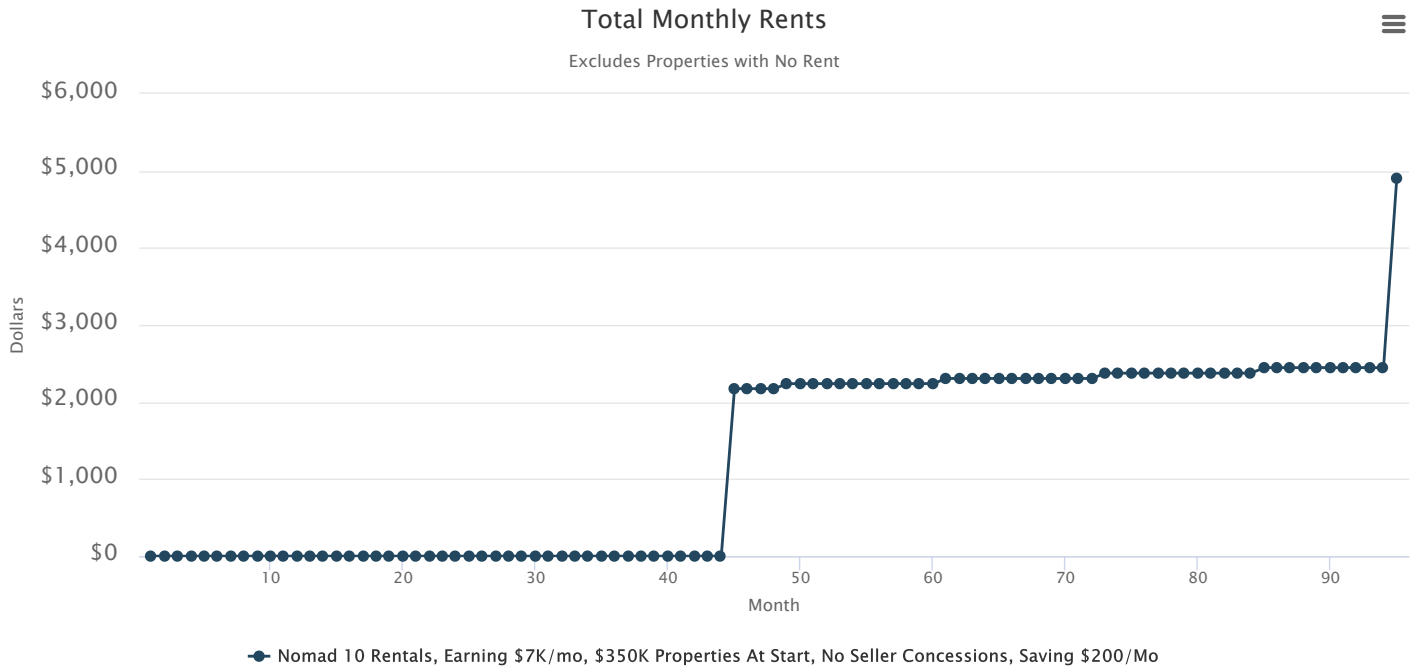
● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

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As you can see in the net worth summary above, your net worth for 📅 Month 95 is \$248,527.64.

Rent and Cash Flow

By the end of 📅 Month 95 the total monthly rent you are now collecting from all the 🏠 **Properties** for this 🏠 **Scenario** is \$4,904.02 per month. That's about \$3,890.40 per month in today's dollars if we adjust for inflation. The following chart shows the total monthly cash flow from all the 🏠 **Properties** up to this month.



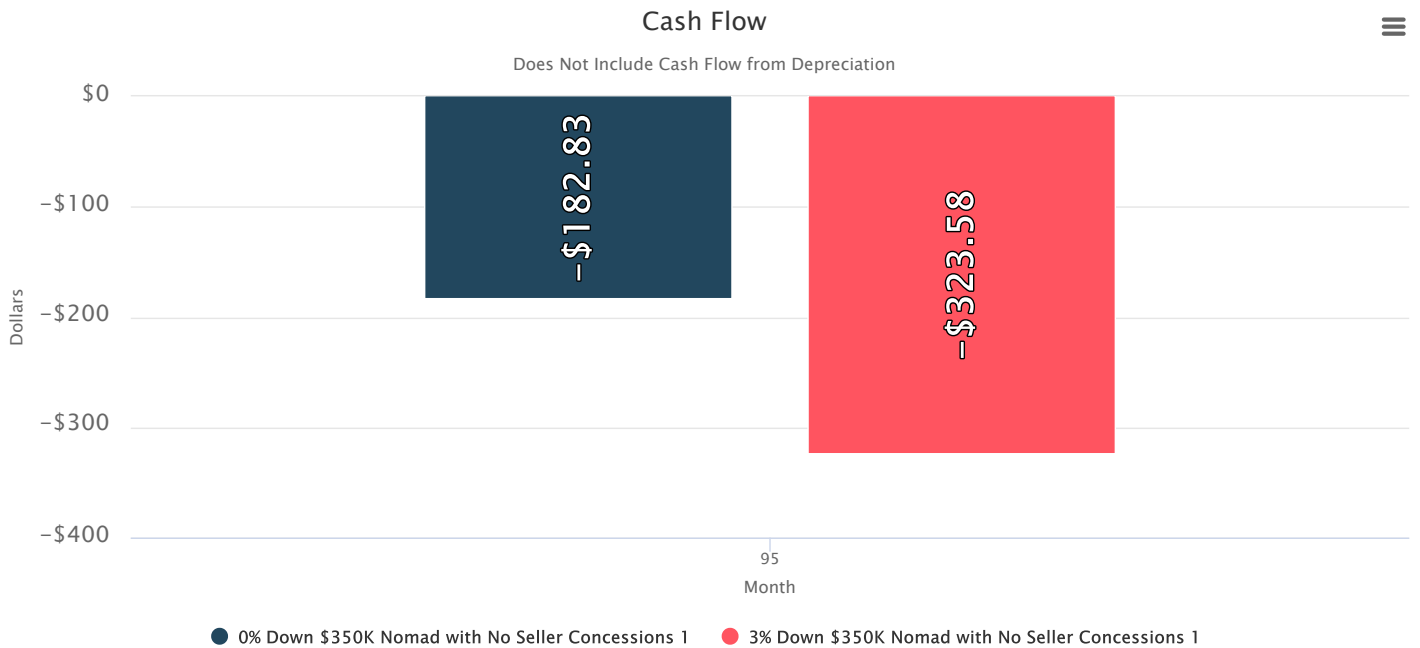
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And, if you'd like to see how each individual 🏠 **Property** is contributing to the total monthly rent, the following chart shows each of the 3 🏠 **Properties** owned up through this month. 🏠 **Properties** without rent (like the one you're living in) are obviously excluded.



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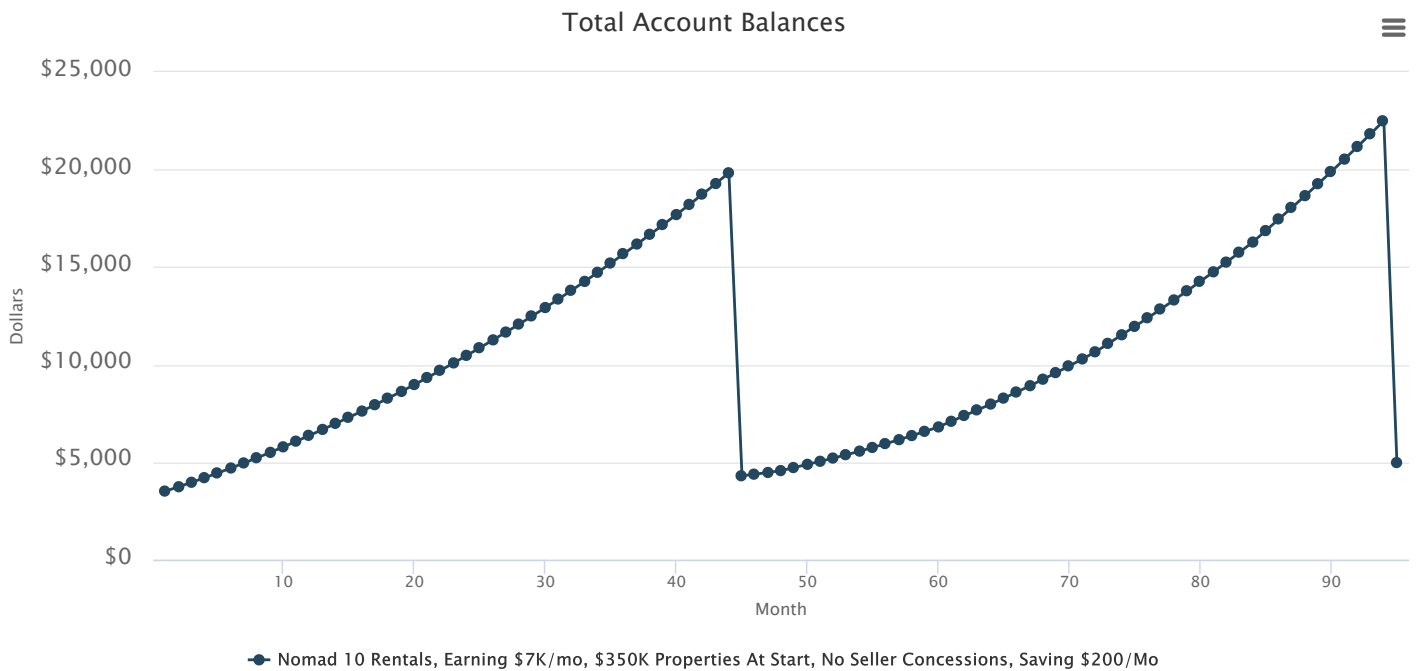
Here is how much each of the 🏠 **Properties** you are collecting rent on is contributing in net cash flow after expenses (but not including cash flow from depreciation).



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Account Balances

If we sum up the **Account** balances for all the **Accounts** each month we can see the total balance for each month up through this month, Month 95. Our total **Account** balance this month is \$4,980.92 This is after all the income and expenses for the month.



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The following chart shows how the total **Account** balance of \$4,980.92 for all your **Accounts** is distributed over your 2 **Accounts** in Month 95.

Account Balance

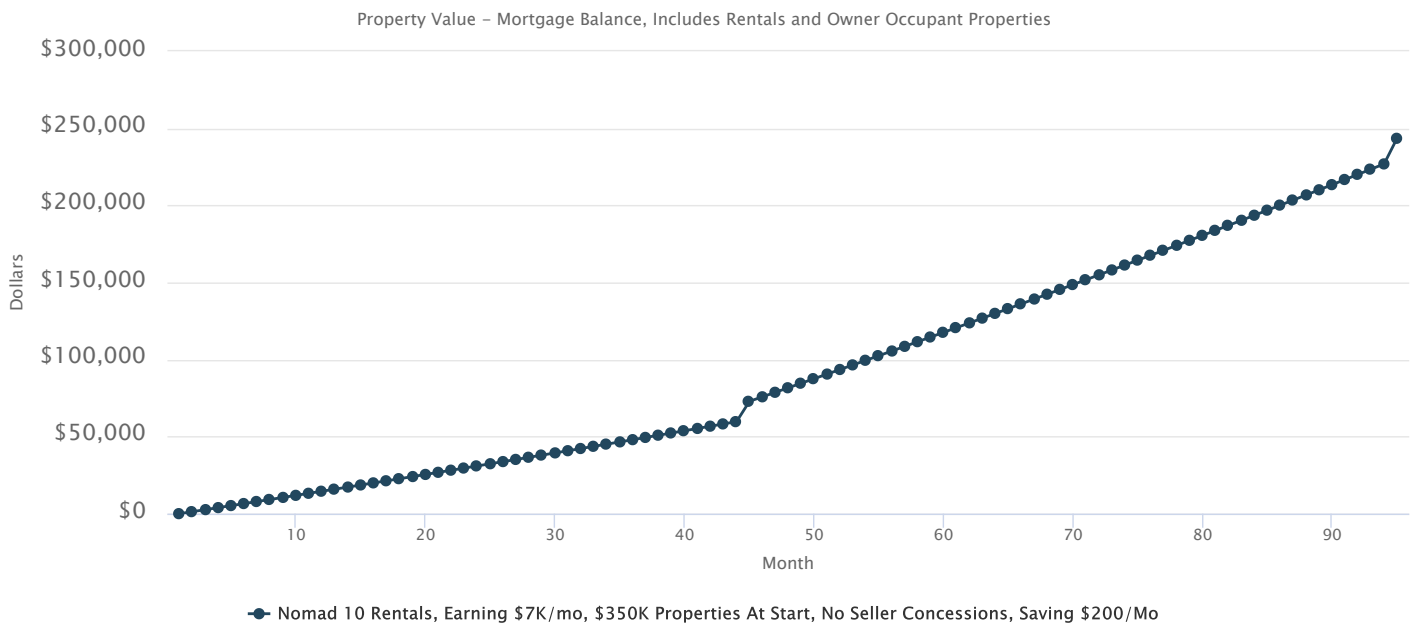


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Total Equity

The total equity you have in your 🏠 **Properties** exceeds \$100,000 in 📅 Month 95. You have \$243,546.72 in total equity as shown in the chart below.

Total Equity



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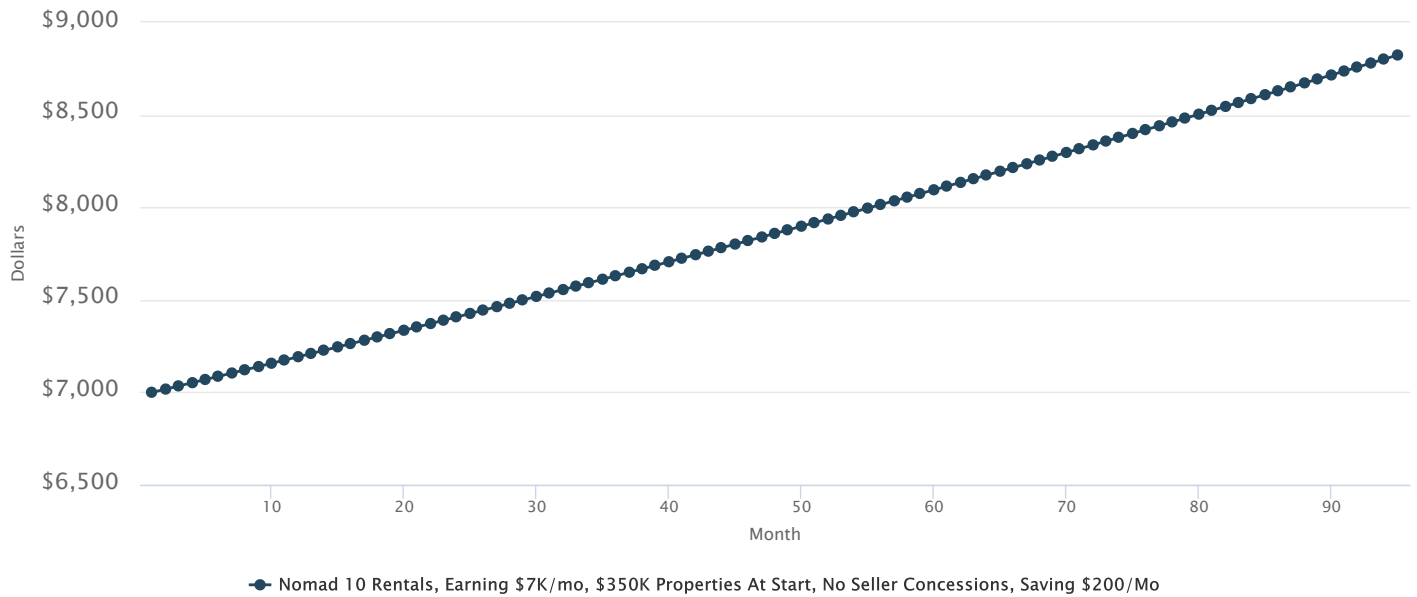
Paychecks

The following chart shows how much gross you're bringing home from paychecks based on any ⚡ **Rules** that are for paychecks in the 🏠 **Scenario**.

Gross Paychecks



Sum of All Paychecks After Inflation but Before Taxes



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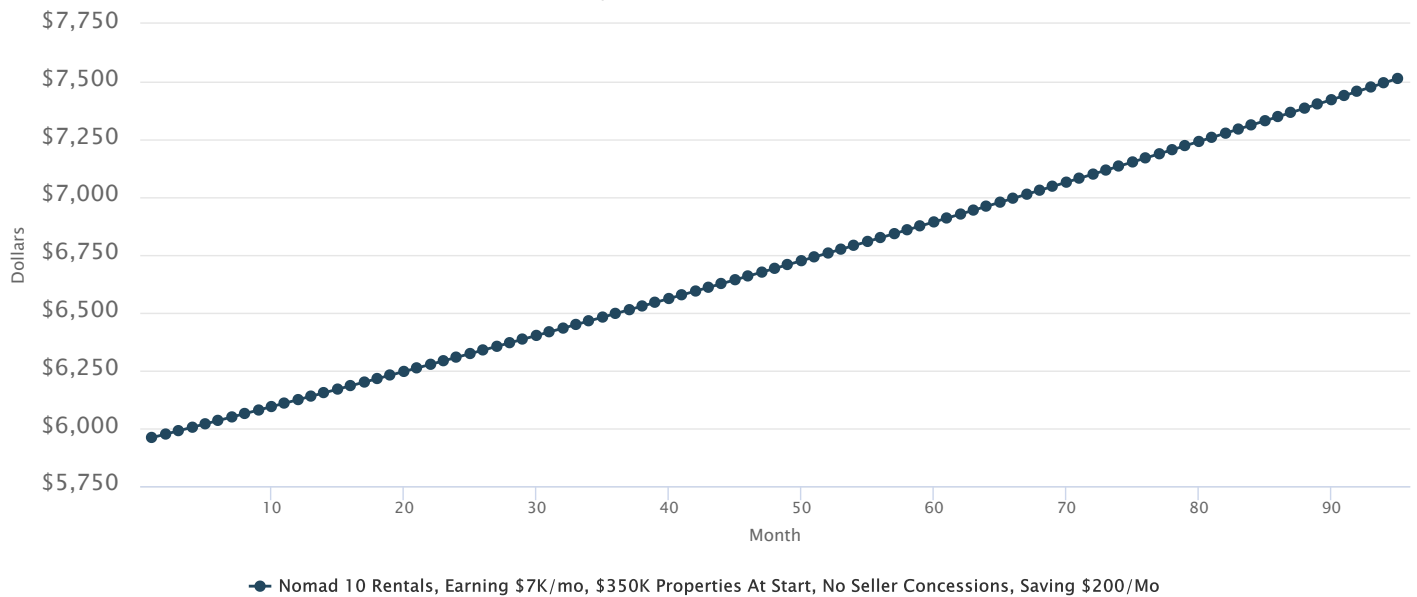
Your total gross paycheck in 📅 Month 95 is \$8,823.81.

Once we take into account the taxes you're paying on your gross paychecks, you're left over with your net from paychecks. That is shown in the chart below. For this month, it is \$7,513.48.

Paychecks After Tax



Sum of All Paychecks After Inflation and After Taxes



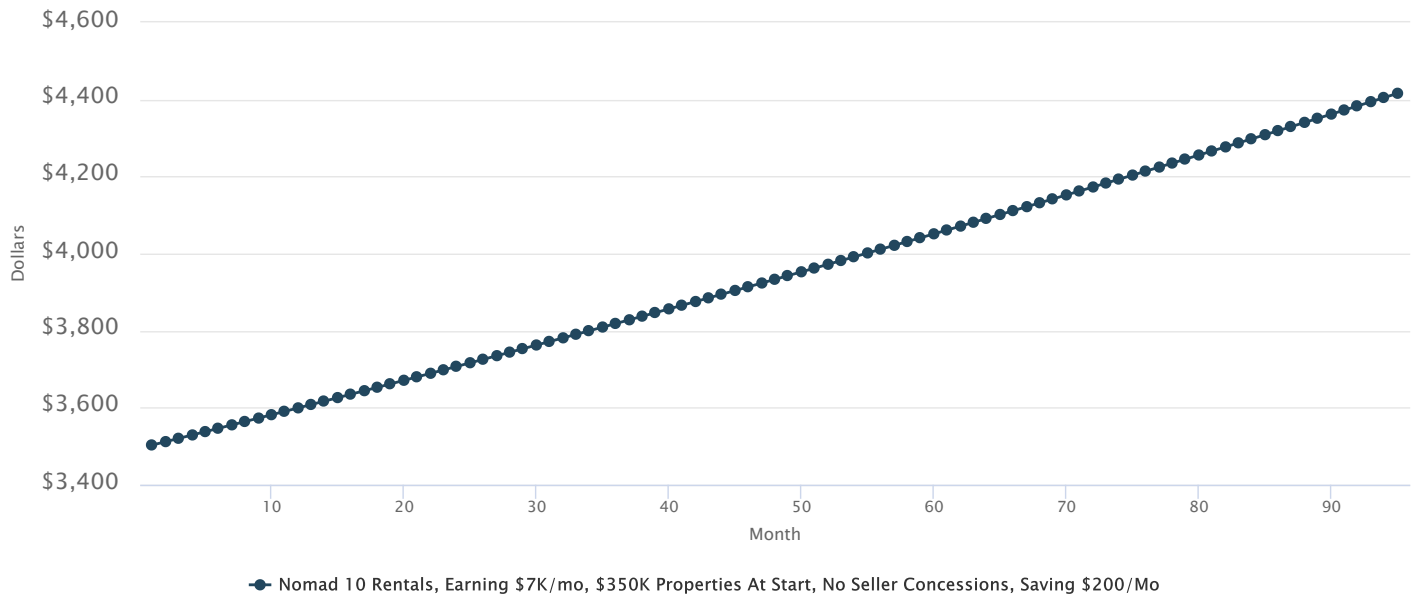
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Not counting the cost of the 🏠 **Property** you are living in and not collecting rent on, you have \$4,416.05 in personal expenses.

Personal Expenses Excluding Real Estate



Your Personal Expenses Not Counting Unrented Homes



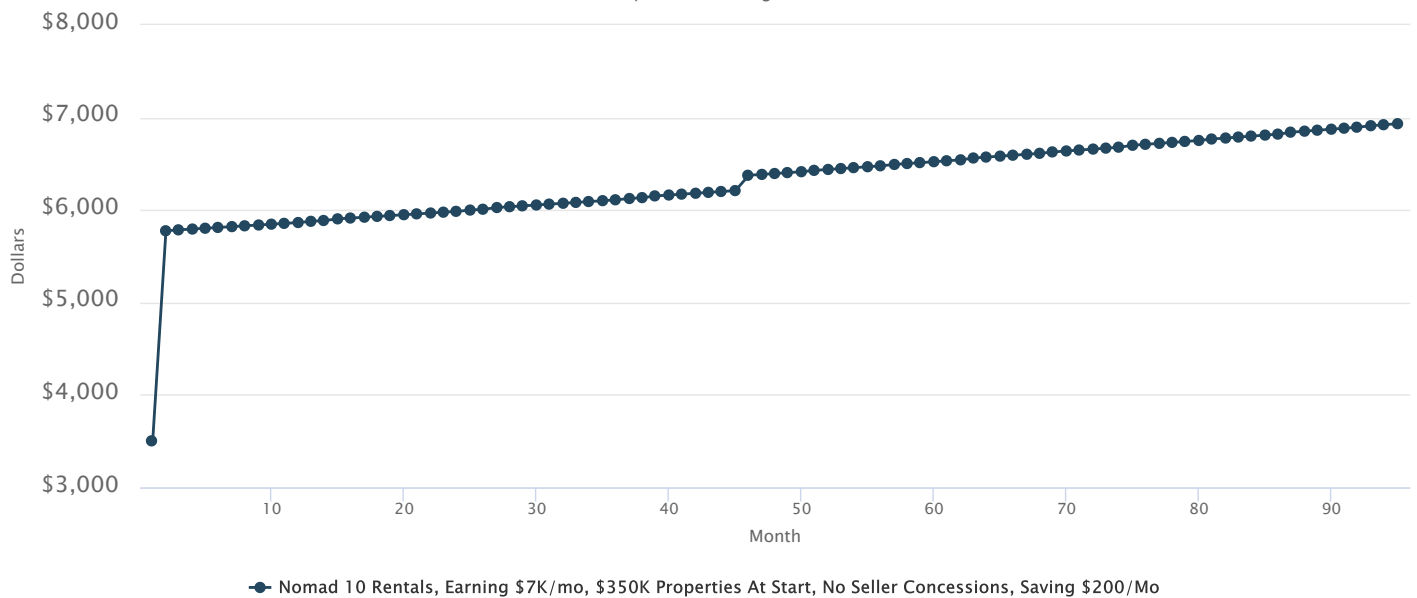
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If we include the cost of the 🏠 **Property** that you are living in, your personal expenses jump up to \$6,933.20 in 📅 Month 95.

Personal Expenses Including Real Estate



Your Personal Expenses Including Unrented Homes



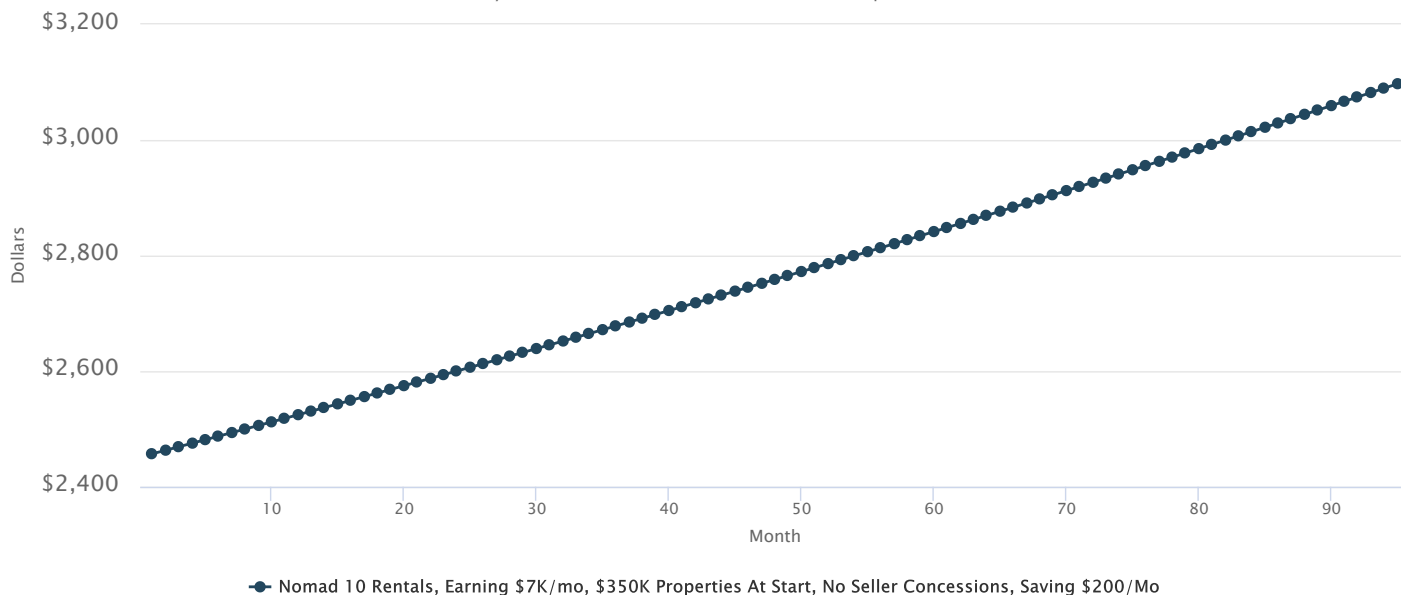
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The difference between your net personal income after taxes and your personal expenses not counting the cost of the 🏠 **Property** that you're living in is the amount of money that you can save from your paychecks each month. We will show you your true savings when we include the cost of the 🏠 **Property** you are occupying in a moment. For now, realize that in 📅 Month 95, you are able to save \$3,097.42 from your paychecks after all your personal expenses (not counting the unrented 🏠 **Property** you are living in).

Total Saved From Paychecks



Paycheck After Inflation and Taxes – Personal Expenses.



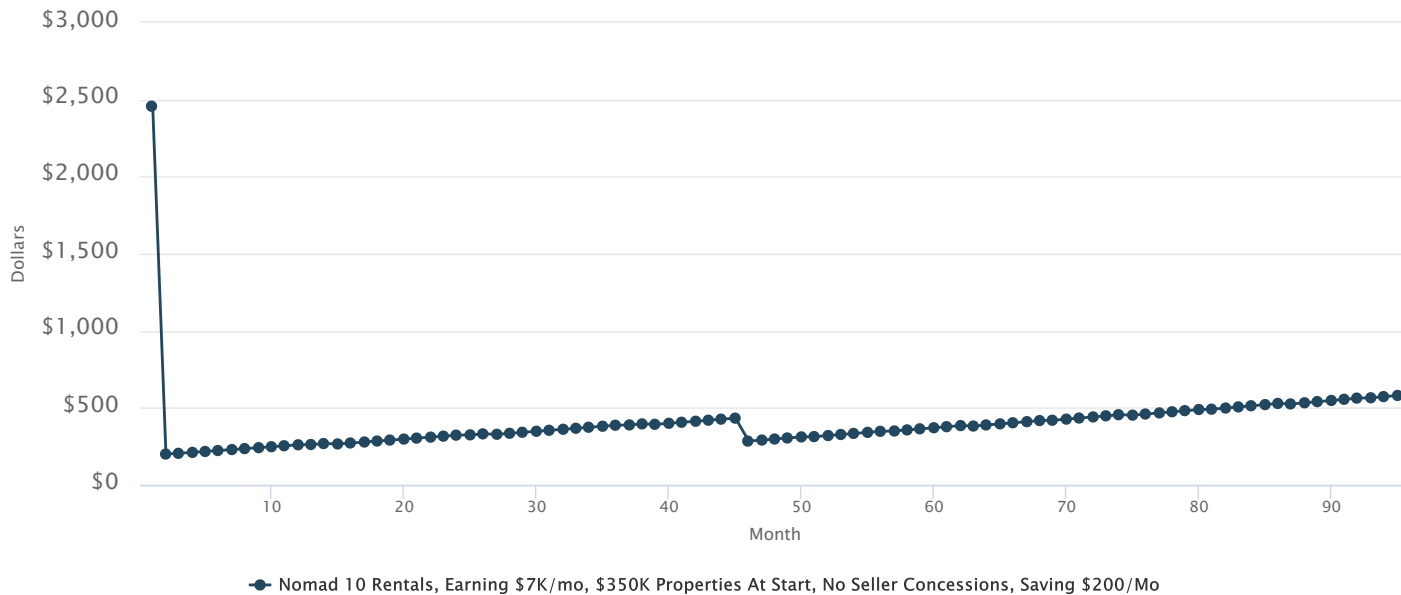
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The \$3,097.42 you were able to save from your paychecks in 📅 Month 95 is not the full picture. It fails to take into account your personal housing expense. The chart below shows that you were able to save \$580.28 in total but this time we are including the cost of your personal housing.

Total Saved



Paycheck After Inflation and Taxes – Personal Expenses Including Unrented Homes



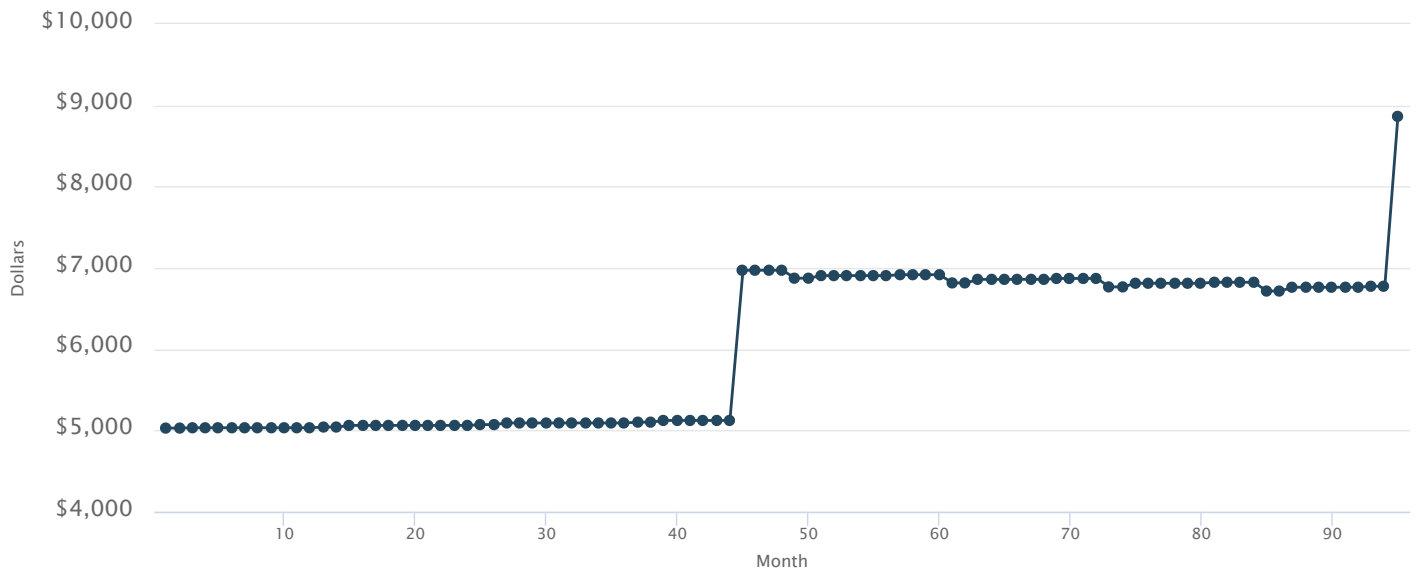
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Minimum Gross Income Required

The following chart shows you the estimated minimum gross monthly income required to be able to qualify for the current loans you have in the 🏠 Scenario. For 📅 Month 95, you will need to be earning, at a minimum, \$8,863.70 per month gross (before taxes) between you and your spouse.

Your income from your rental 🏠 Properties can count toward this as well.

Minimum Gross Monthly Income Required



● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

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★ Purchased 🏠 **5% Down \$350K Nomad with No Seller Concessions 1** Property

Bought in 📅 Month 149

We have a ⚡ **Rule** that has you buying the 🏠 **5% Down \$350K Nomad with No Seller Concessions 1** Property when your 💰 **Account** balance in the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** reaches \$7,000 (which we adjust for inflation to be worth \$10,079.15 in 📅 Month 149). The following is a chart showing the balance of 📈

Stock Market - Start with \$5,000 and Earns 8% Per Year **Account** from the start of the 📊 **Scenario** to 📅 Month 149 after we've adjusted for all the income and expenses for the entire month.

To purchase the 🏠 **5% Down \$350K Nomad with No Seller Concessions 1** Property, we're assuming you're getting a 5% down payment loan. With a \$503,964 purchase price that means you need to have \$25,198.20 for down payment.

The total cost to close must also include the rent ready costs (\$0) and closing costs (\$5,039.64) minus any seller concessions (\$0).

Description	Amount
Down Payment	\$25,198.20
Rent Ready Costs	\$0
Closing Costs	\$5,039.64
Seller Concessions	- \$0
Total Cost To Close:	\$30,237.84

Since this is a **Nomad™** 🏠 Property, you are buying it, moving in and living there for at least a year before renting it.

You are moving into this property, so you are not collecting any rent on this property yet.

Summary At The End of 📅 Month 149

Let's summarize what your position looks like at the end of 📅 Month 149. We will look at number of 🏠 **Properties** owned, net worth, cash flow and several other important, key metrics.

🏠 **Properties** Owned

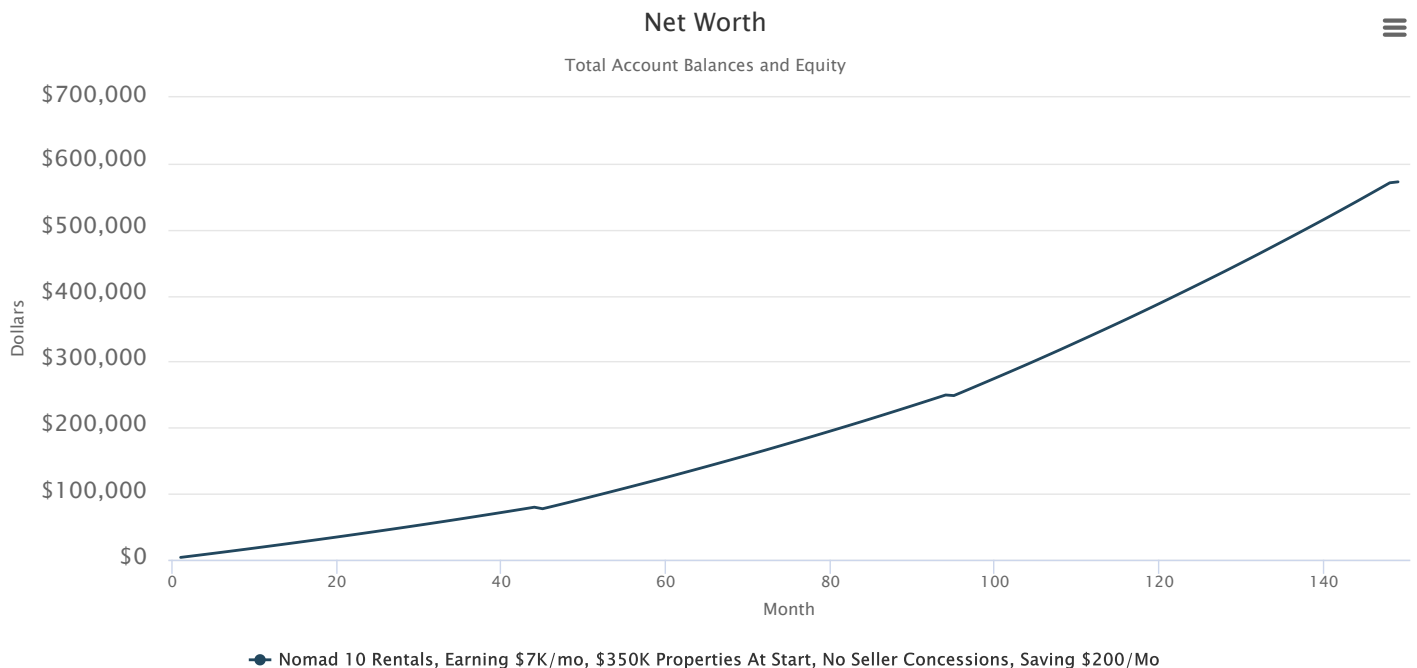
The chart below shows the total number of 🏠 **Properties** that you own up to and including this month, Month 📅 149.



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Net Worth

At the end of 📅 Month 149, your overall net worth for the entire 📅 **Scenario** up to this point in time can be summarized by the following chart.

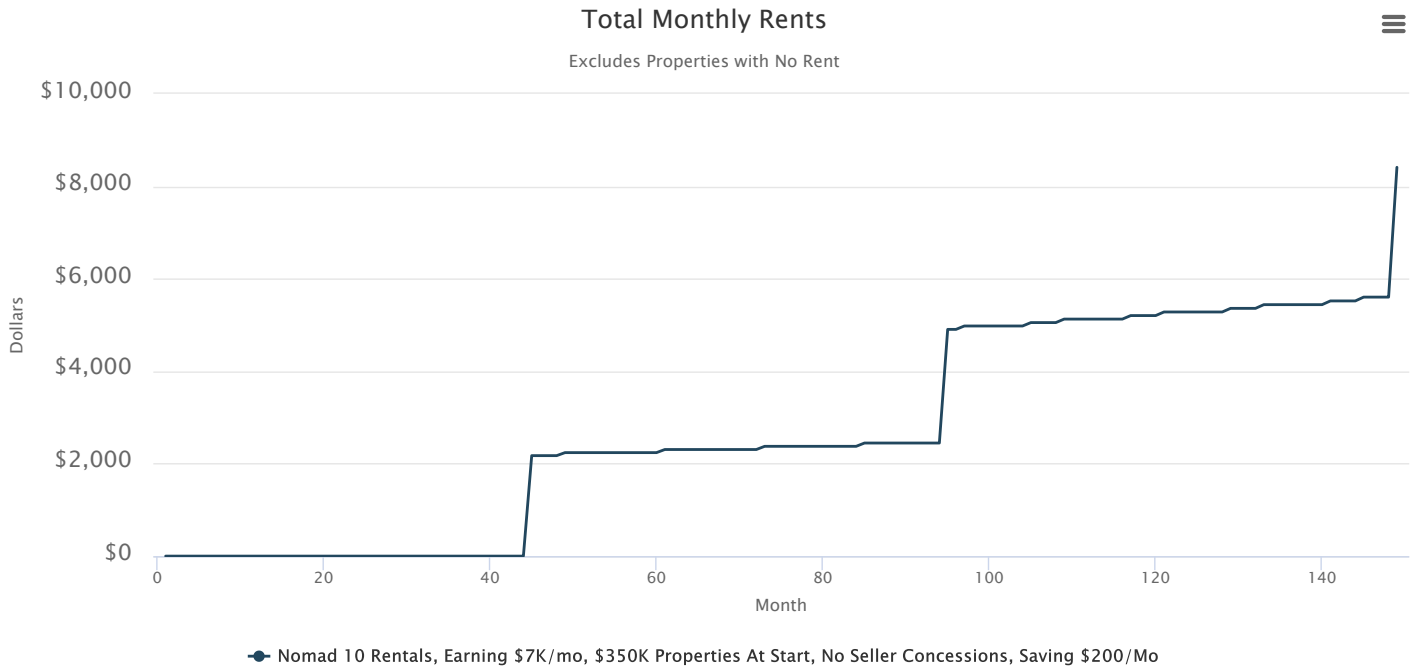


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As you can see in the net worth summary above, your net worth for 📅 Month 149 is \$572,142.60.

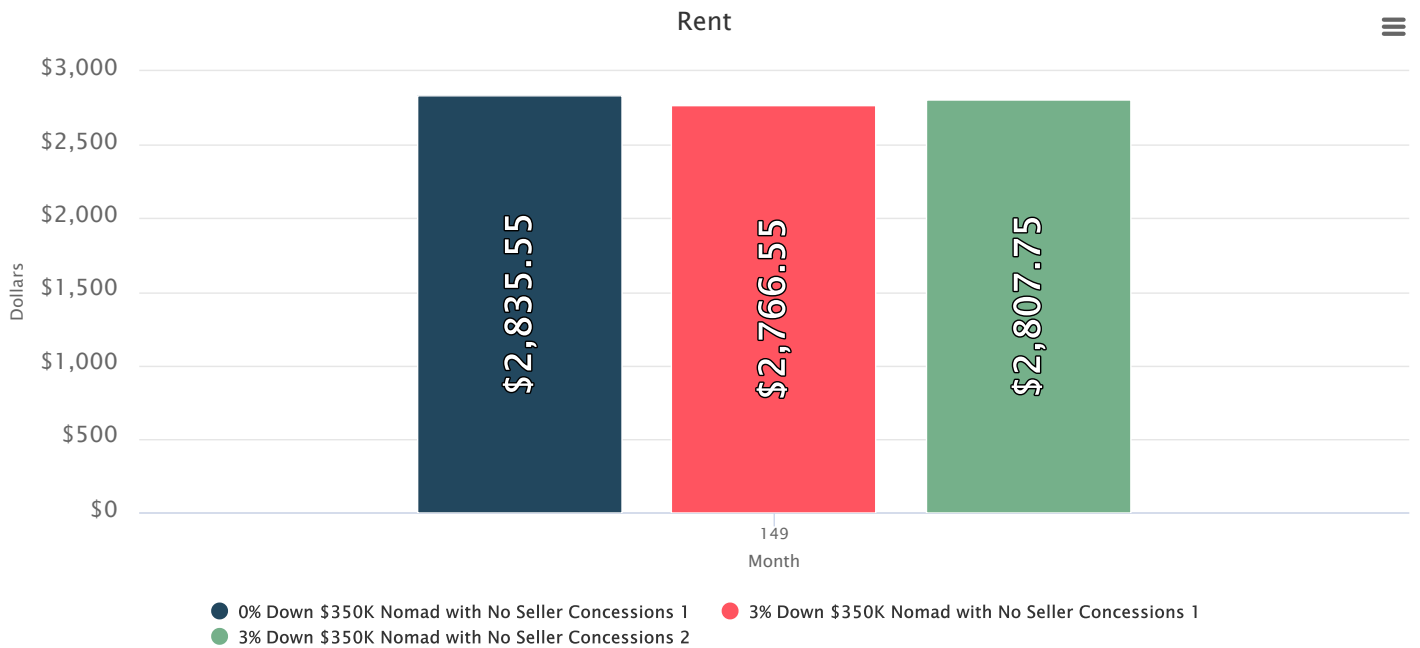
Rent and Cash Flow

By the end of 📅 Month 149 the total monthly rent you are now collecting from all the 🏠 **Properties** for this 📊 **Scenario** is \$8,409.85 per month. That's about \$5,840.67 per month in today's dollars if we adjust for inflation. The following chart shows the total monthly cash flow from all the 🏠 **Properties** up to this month.



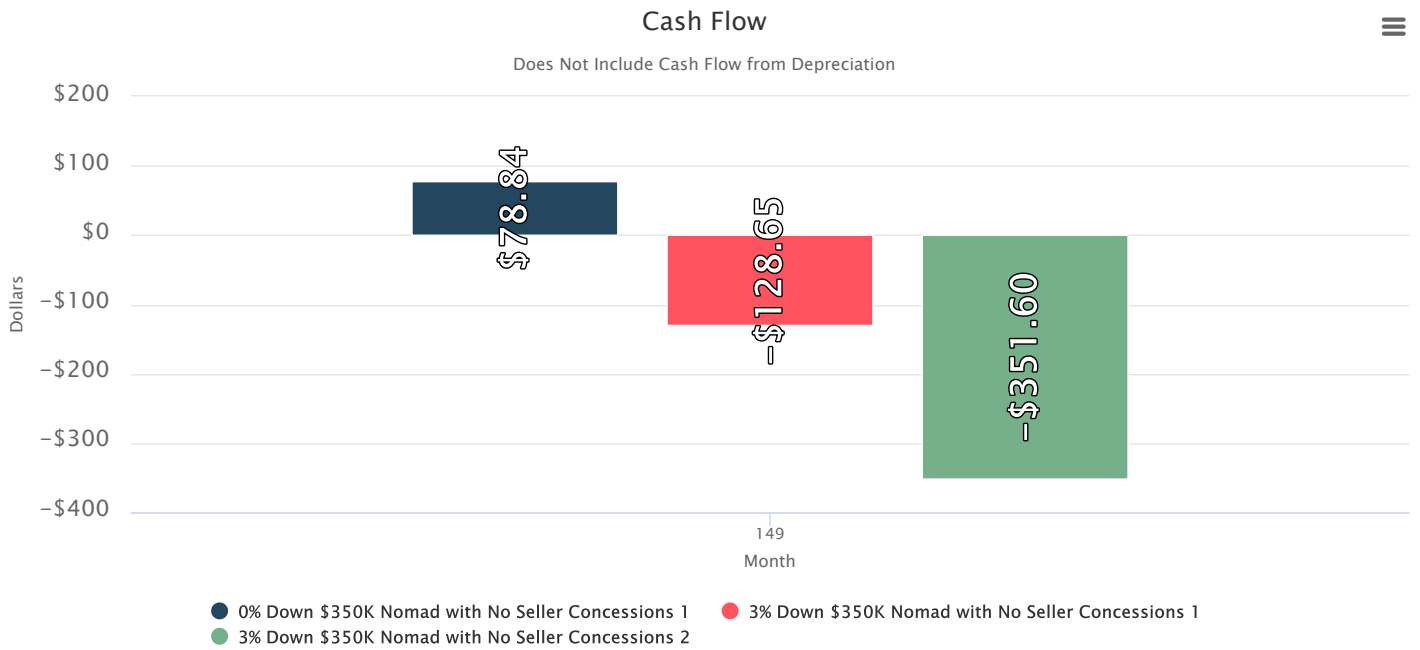
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And, if you'd like to see how each individual 🏠 **Property** is contributing to the total monthly rent, the following chart shows each of the 4 🏠 **Properties** owned up through this month. 🏠 **Properties** without rent (like the one you're living in) are obviously excluded.



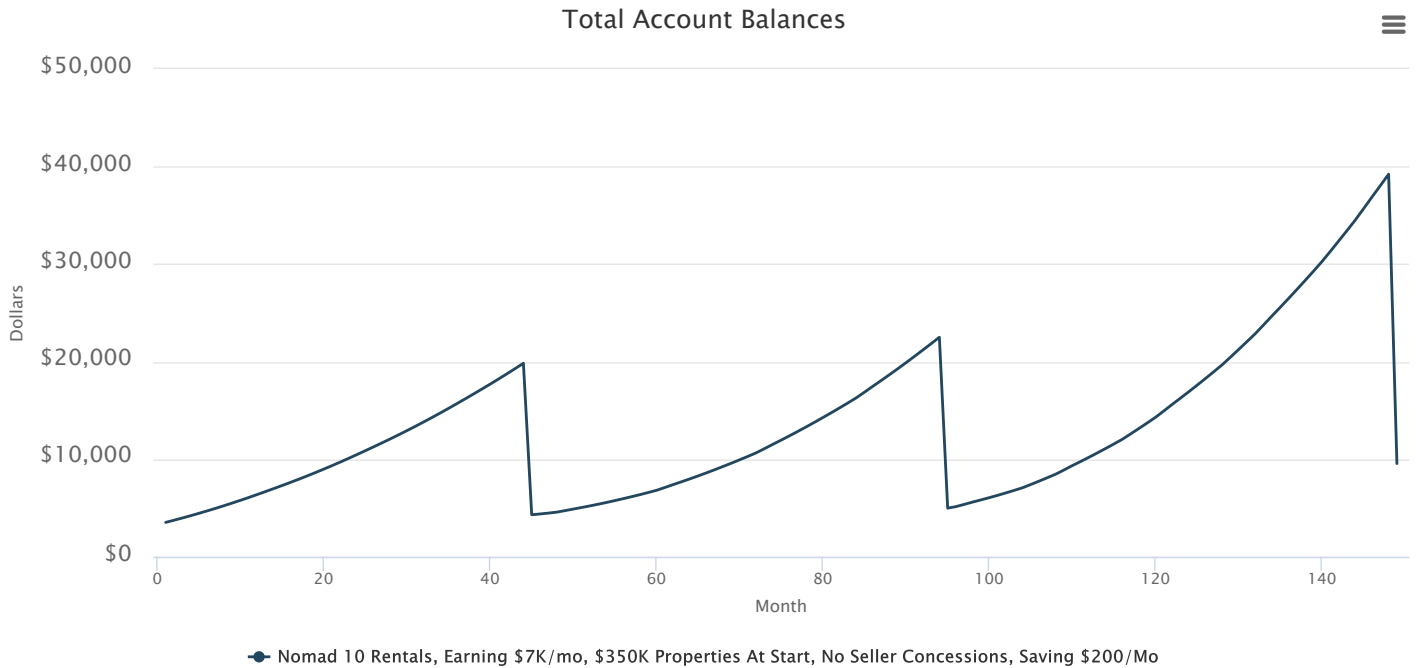
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Here is how much each of the 🏠 **Properties** you are collecting rent on is contributing in net cash flow after expenses (but not including cash flow from depreciation).



Account Balances

If we sum up the **Account** balances for all the **Accounts** each month we can see the total balance for each month up through this month, Month 149. Our total **Account** balance this month is \$9,547.54 This is after all the income and expenses for the month.



The following chart shows how the total **Account** balance of \$9,547.54 for all your **Accounts** is distributed over your 2 **Accounts** in Month 149.

Account Balance



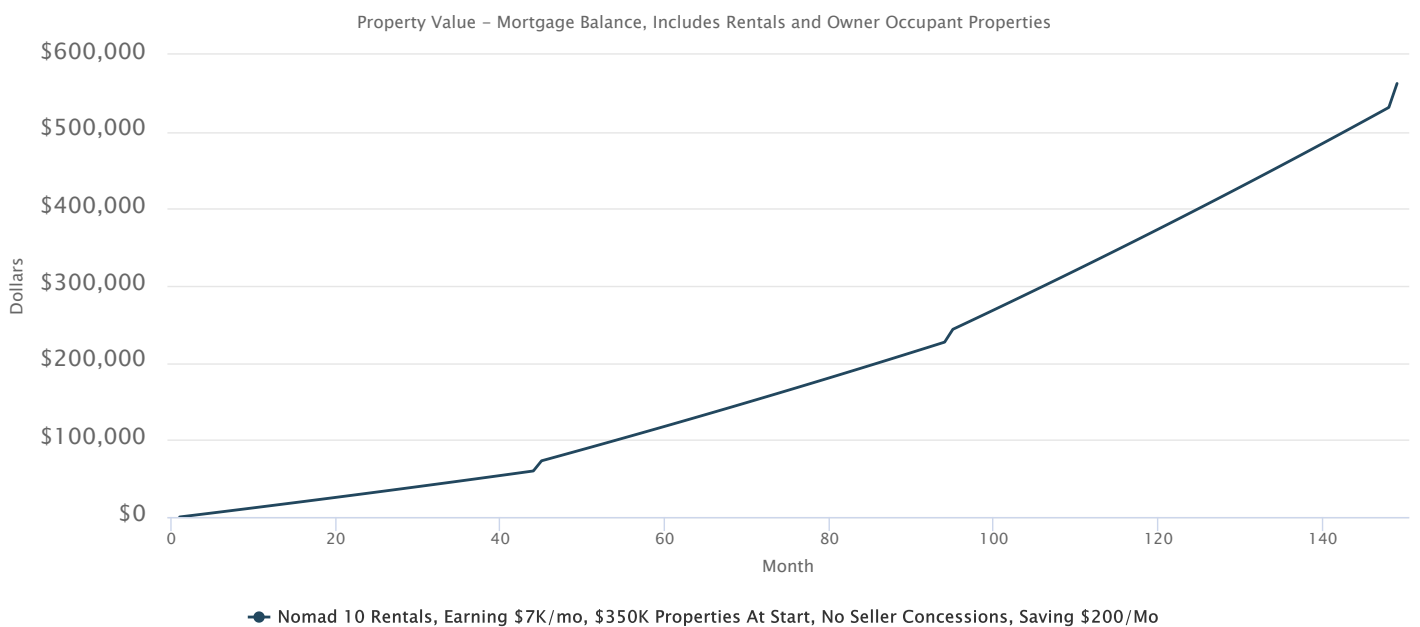
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Total Equity

We can't quite say you have a full million dollars in equity at this point in 📅 Month 149, but you do have \$562,595.06 in total equity.

The chart below shows your total equity to this point.

Total Equity



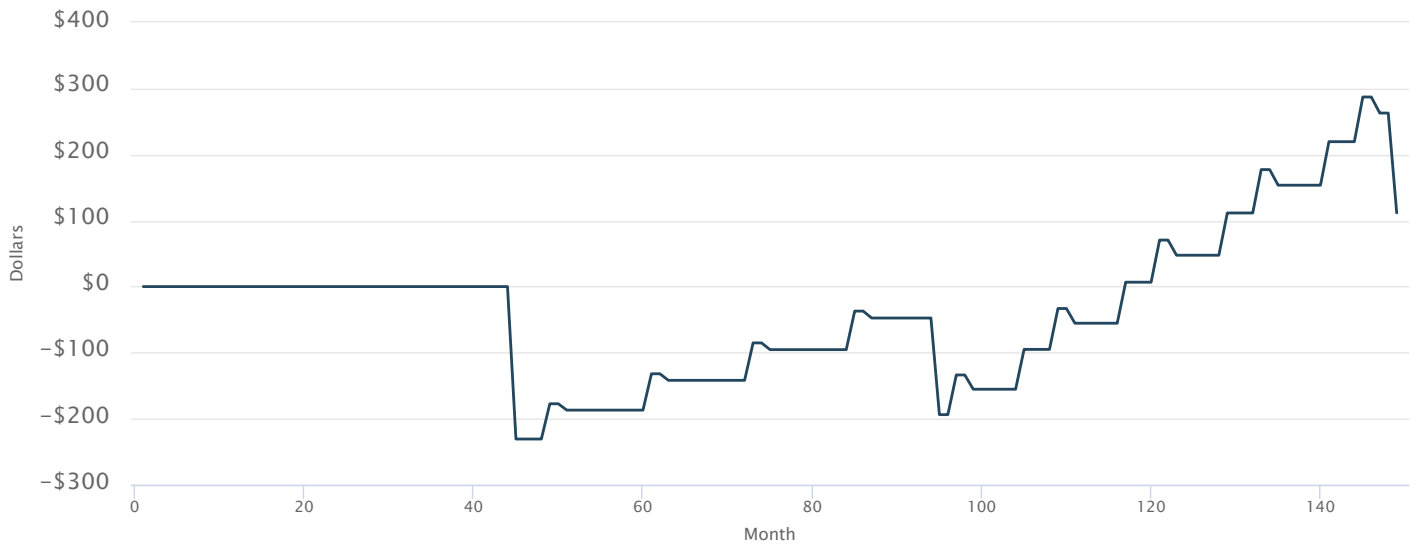
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Cash Flow

Your total cash flow for all 🏠 **Properties** combined (excluding any 🏠 **Properties** you are currently living in and not collecting rent on) is \$111.66 per month in 📅 Month 149. This does include an estimate of cash flow from the tax benefit of depreciation. You can see a summary chart of this below.

Total Cash Flow with Depreciation

Excludes Properties with No Rent



◆ Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

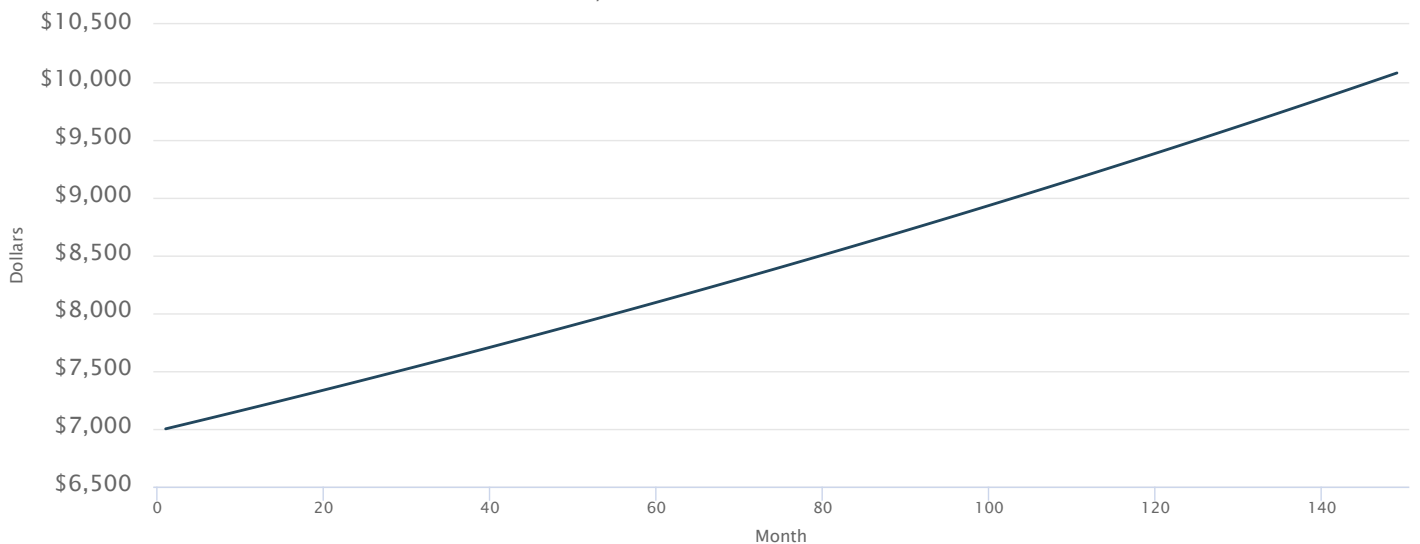
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Paychecks

The following chart shows how much gross you're bringing home from paychecks based on any ⚡ **Rules** that are for paychecks in the 🏠 **Scenario**.

Gross Paychecks

Sum of All Paychecks After Inflation but Before Taxes



◆ Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

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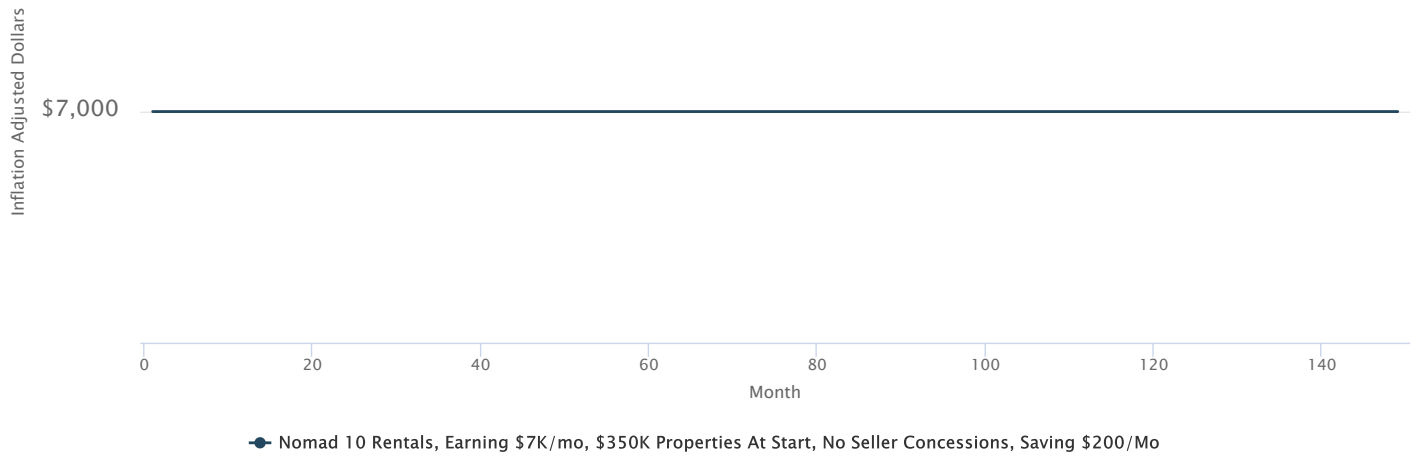
Paychecks Adjusted For Inflation

While it may look like your gross paycheck is increasing rapidly over the last 10 years, if we adjust for inflation, you see a very different picture. The chart below shows us the gross monthly paycheck after we adjust it back to today's dollars and remove inflation.

Gross Paychecks



Sum of All Paychecks After Inflation but Before Taxes

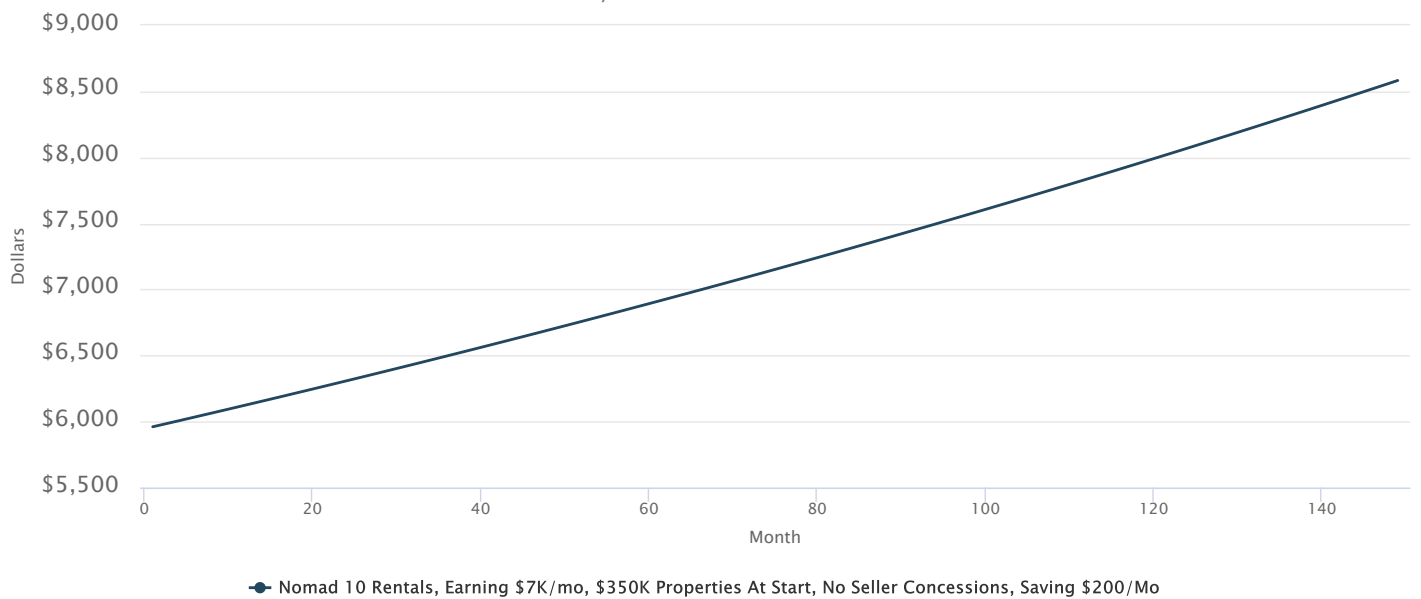


Once we take into account the taxes you're paying on your gross paychecks, you're left over with your net from paychecks. That is shown in the chart below. For this month, it is \$8,582.39.

Paychecks After Tax



Sum of All Paychecks After Inflation and After Taxes

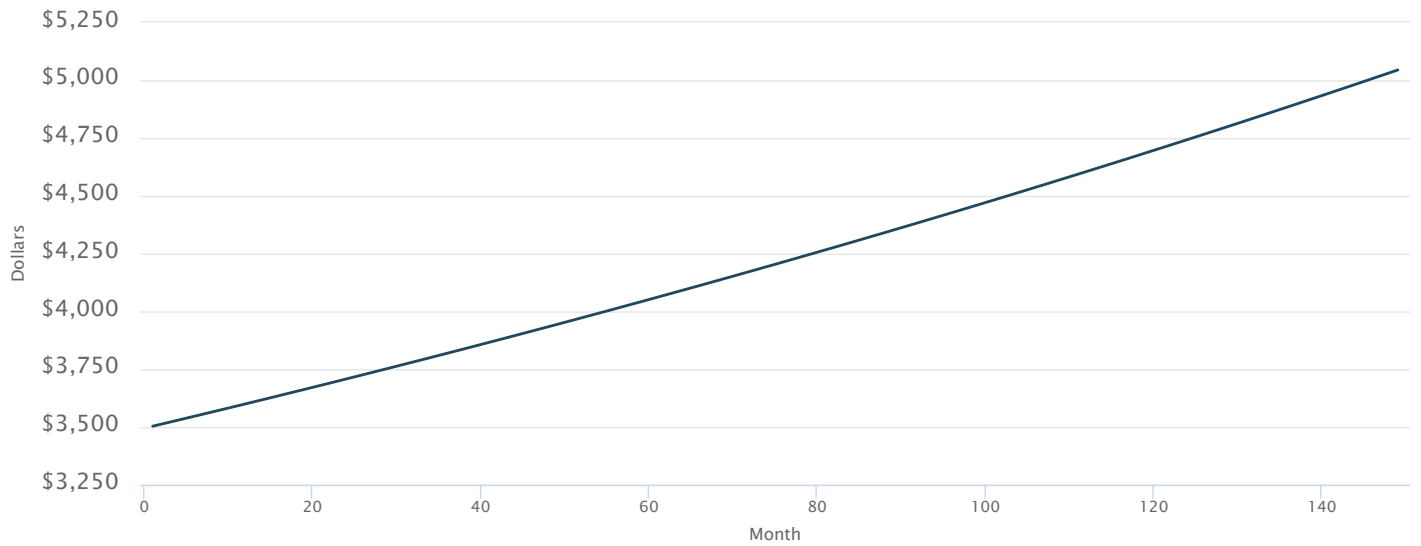


Not counting the cost of the 🏠 **Property** you are living in and not collecting rent on, you have \$5,044.31 in personal expenses.

Personal Expenses Excluding Real Estate



Your Personal Expenses Not Counting Unrented Homes



● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

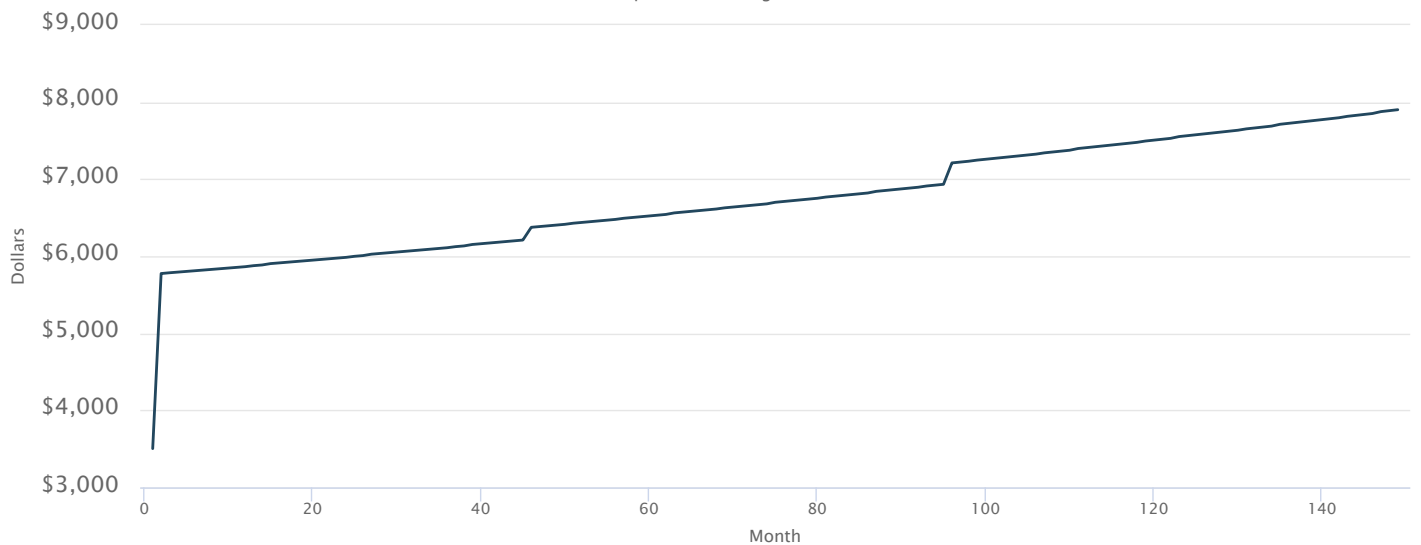
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If we include the cost of the 🏠 **Property** that you are living in, your personal expenses jump up to \$7,901.55 in 📅 Month 149.

Personal Expenses Including Real Estate



Your Personal Expenses Including Unrented Homes



● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

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The difference between your net personal income after taxes and your personal expenses not counting the cost of the 🏠 **Property** that you're living in is the amount of money that you can save from your paychecks each month. We will show you your true savings when we include the cost of the 🏠 **Property** you are occupying in a moment. For now, realize that in 📅 Month 149, you are able to save \$3,538.08 from your paychecks after all your personal expenses (not counting the unrented 🏠 **Property** you are living in).

Total Saved From Paychecks



Paycheck After Inflation and Taxes – Personal Expenses.



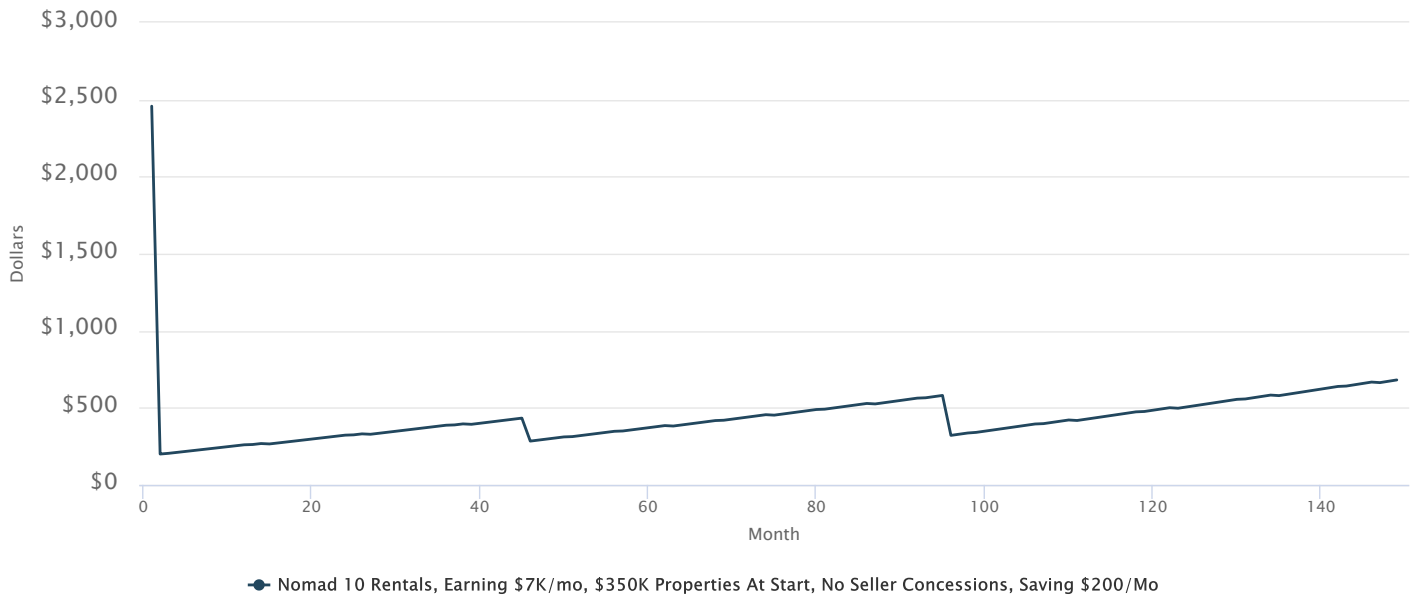
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The \$3,538.08 you were able to save from your paychecks in 📅 Month 149 is not the full picture. It fails to take into account your personal housing expense. The chart below shows that you were able to save \$680.84 in total but this time we are including the cost of your personal housing.

Total Saved



Paycheck After Inflation and Taxes – Personal Expenses Including Unrented Homes



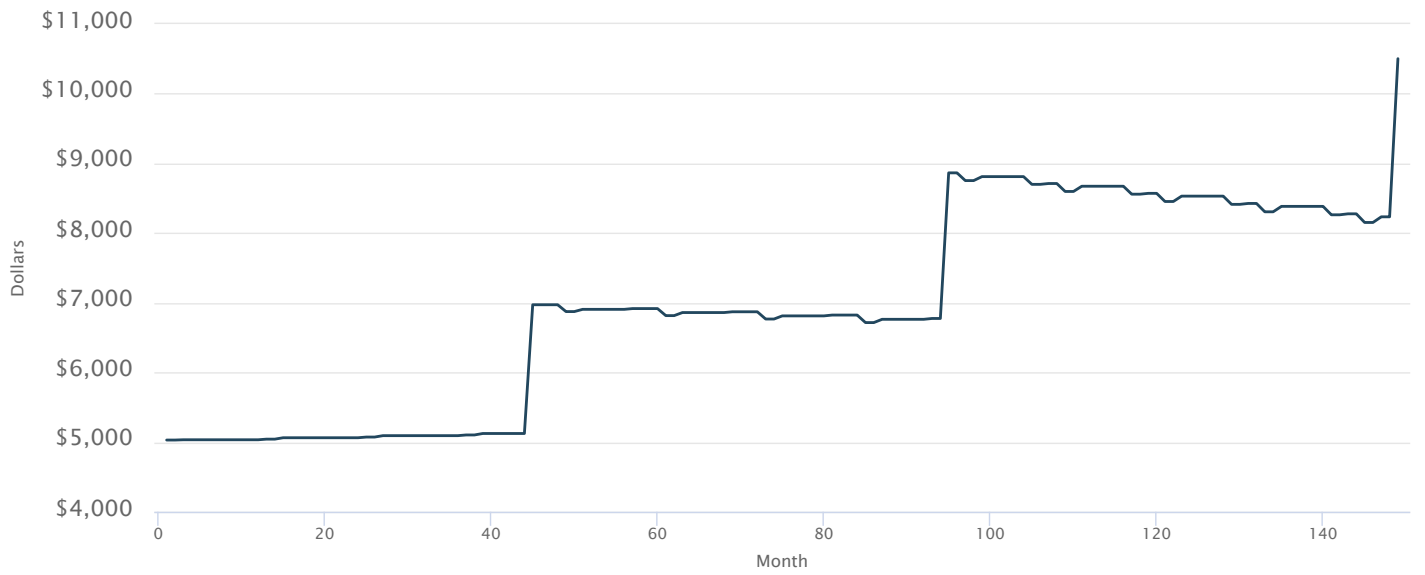
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Minimum Gross Income Required

The following chart shows you the estimated minimum gross monthly income required to be able to qualify for the current loans you have in the 🏠 Scenario. For 📅 Month 149, you will need to be earning, at a minimum, \$10,503.11 per month gross (before taxes) between you and your spouse.

Your income from your rental 🏠 Properties can count toward this as well.

Minimum Gross Monthly Income Required



● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

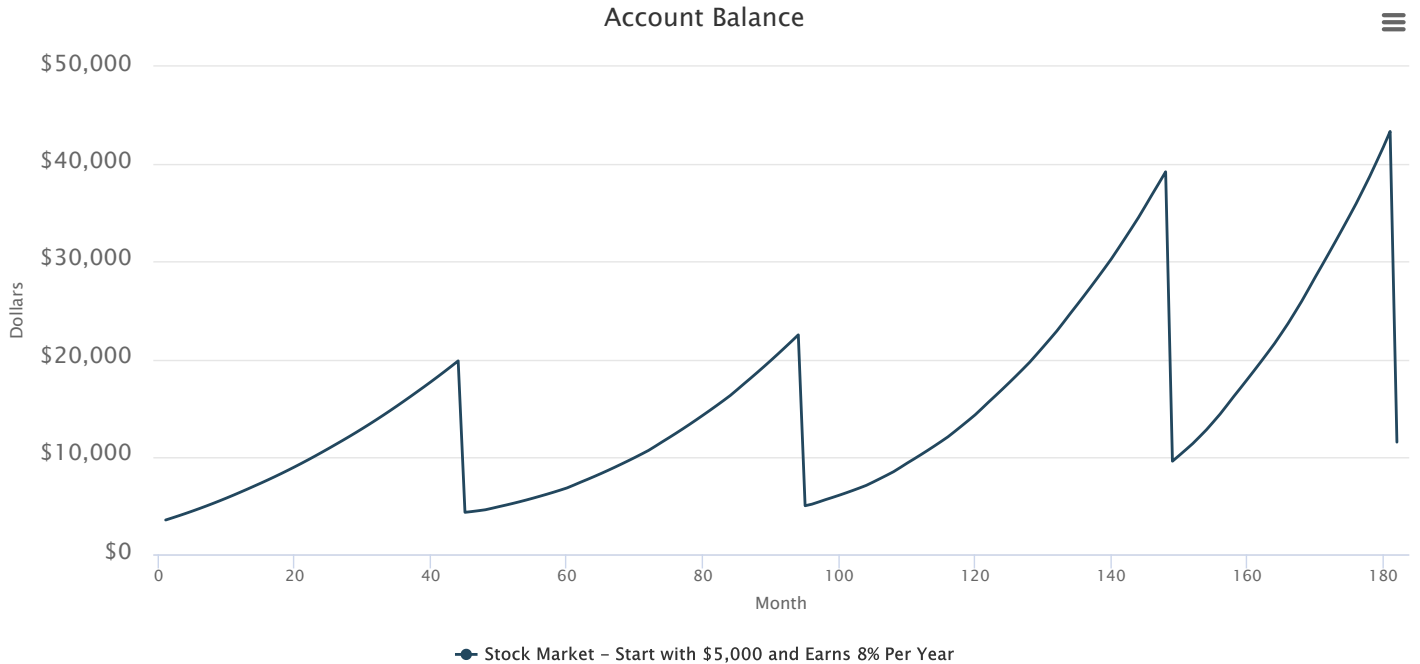
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★ Purchased 🏠 **5% Down \$350K Nomad with No Seller Concessions 2** Property

Bought in 📅 Month 182

We have a ⚡ **Rule** that has you buying the 🏠 **5% Down \$350K Nomad with No Seller Concessions 2** Property when your 💰 **Account** balance in the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** reaches \$7,000 (which we adjust for inflation to be worth \$10,932.67 in 📅 Month 182). The following is a chart showing the balance of 📈

Stock Market - Start with \$5,000 and Earns 8% Per Year **Account** from the start of the 🏠 **Scenario** to 📅 Month 182 after we've adjusted for all the income and expenses for the entire month.



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To purchase the 🏠 **5% Down \$350K Nomad with No Seller Concessions 2** Property, we're assuming you're getting a 5% down payment loan. With a \$546,641 purchase price that means you need to have \$27,332.05 for down payment.

The total cost to close must also include the rent ready costs (\$0) and closing costs (\$5,466.41) minus any seller concessions (\$0).

Description	Amount
Down Payment	\$27,332.05
Rent Ready Costs	\$0
Closing Costs	\$5,466.41
Seller Concessions	- \$0
Total Cost To Close:	\$32,798.46

Since this is a **Nomad™** 🏠 Property, you are buying it, moving in and living there for at least a year before renting it.

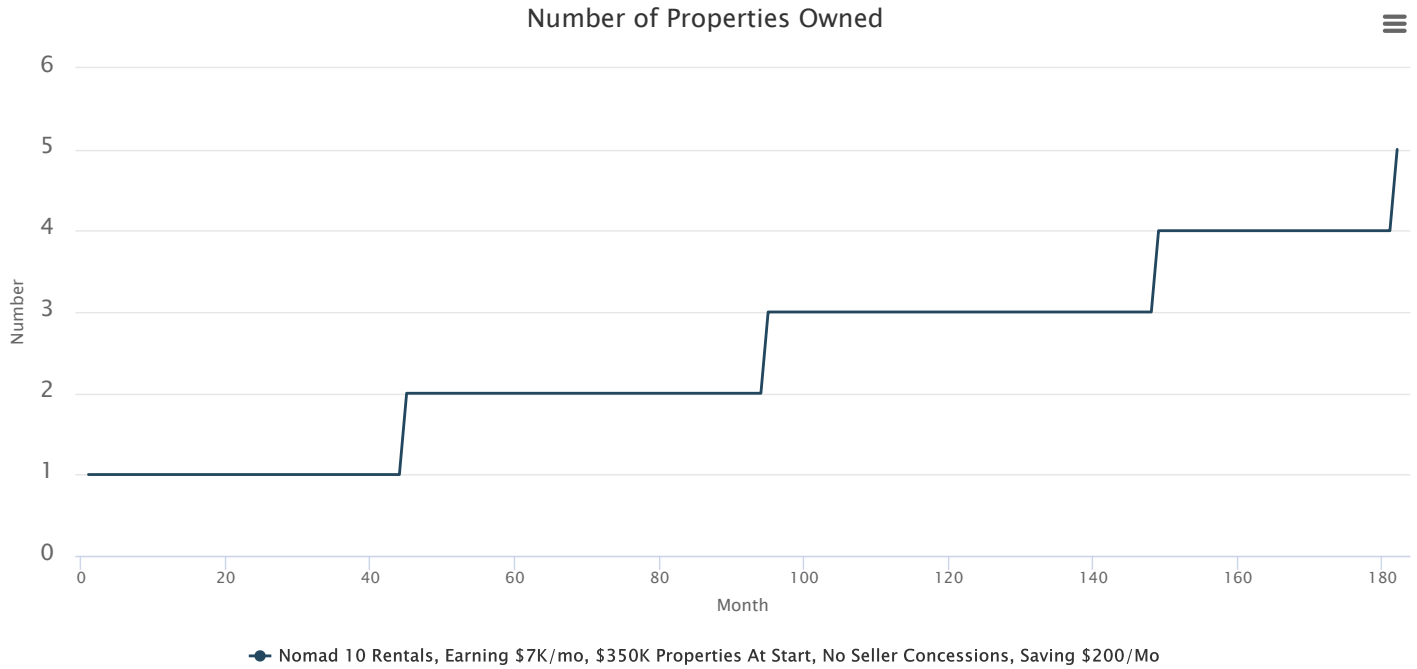
You are moving into this property, so you are not collecting any rent on this property yet.

Summary At The End of 📅 Month 182

Let's summarize what your position looks like at the end of 📅 Month 182. We will look at number of 🏠 **Properties** owned, net worth, cash flow and several other important, key metrics.

🏠 **Properties** Owned

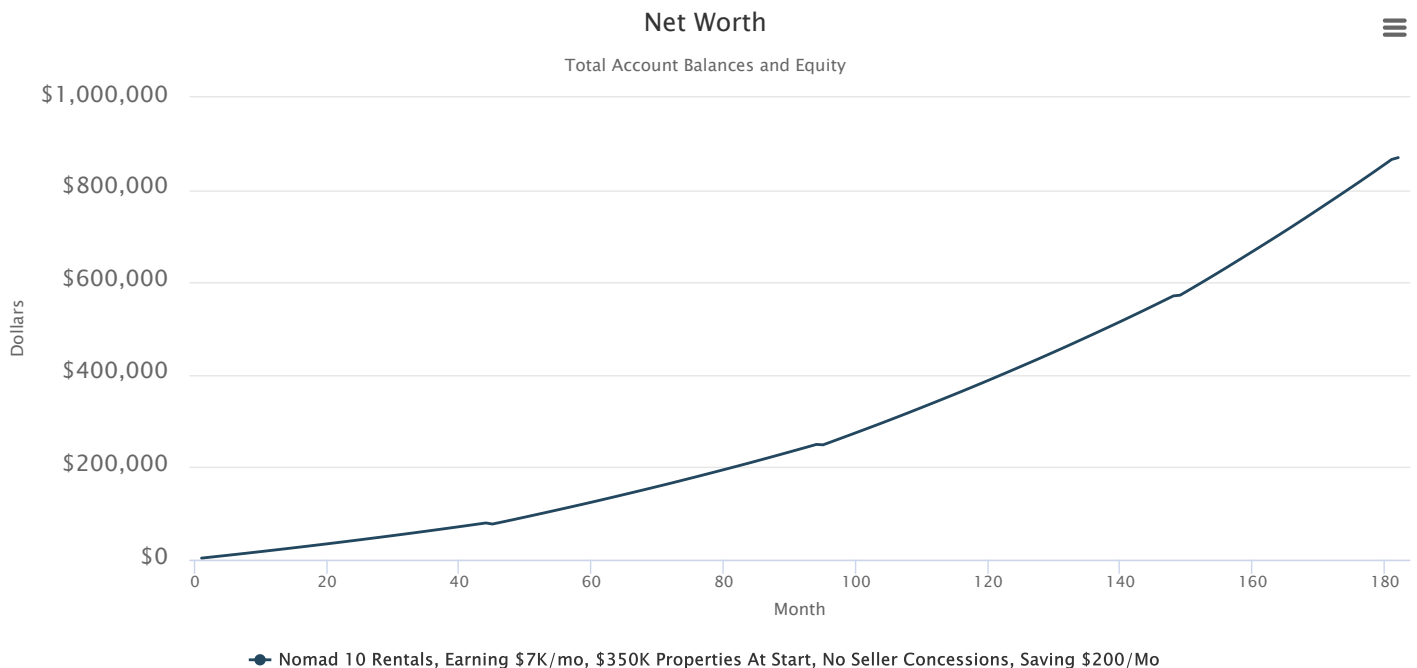
The chart below shows the total number of 🏠 **Properties** that you own up to and including this month, Month 📅 182.



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Net Worth

At the end of 📅 Month 182, your overall net worth for the entire 🏠 **Scenario** up to this point in time can be summarized by the following chart.

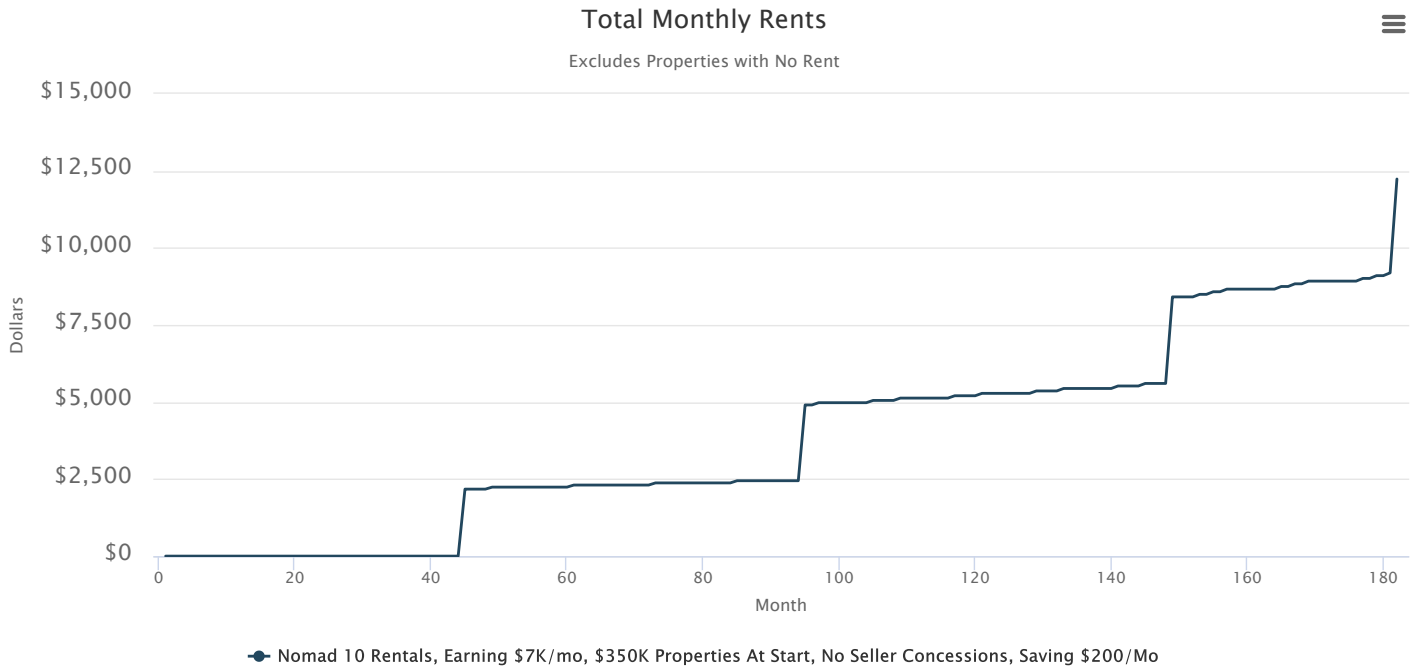


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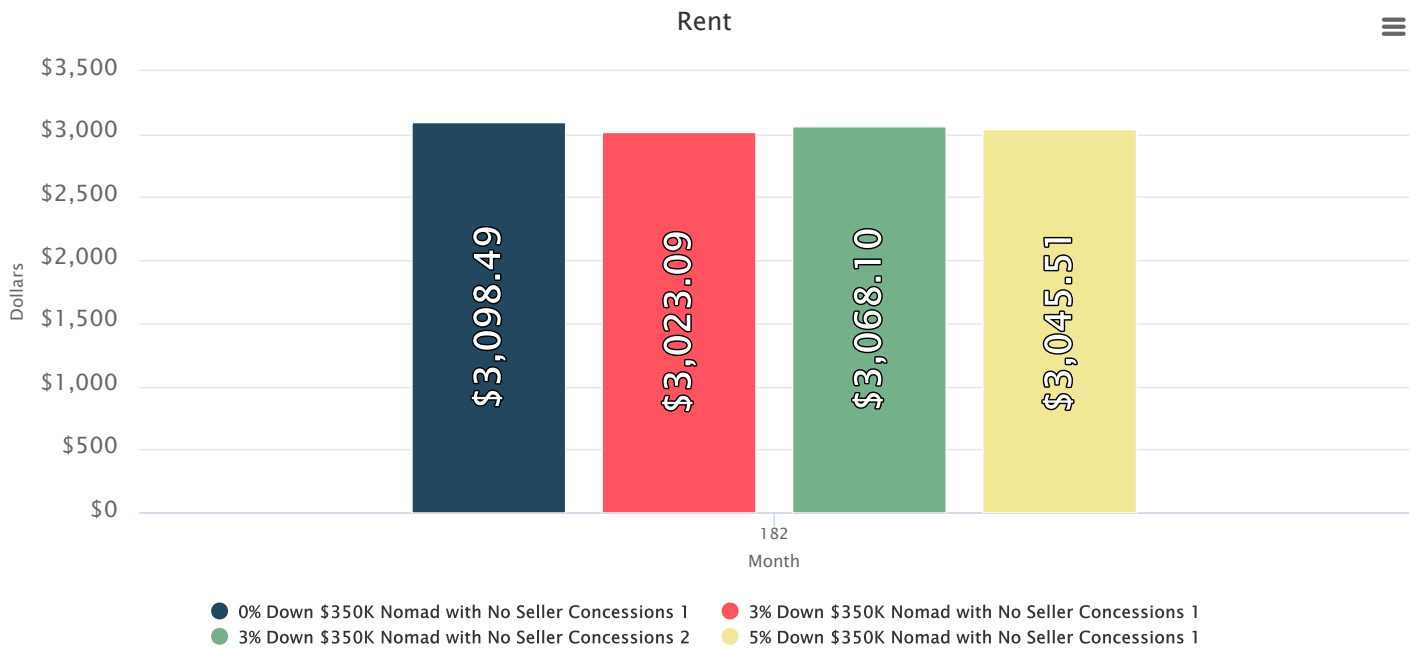
As you can see in the net worth summary above, your net worth for 📅 Month 182 is \$869,823.87.

Rent and Cash Flow

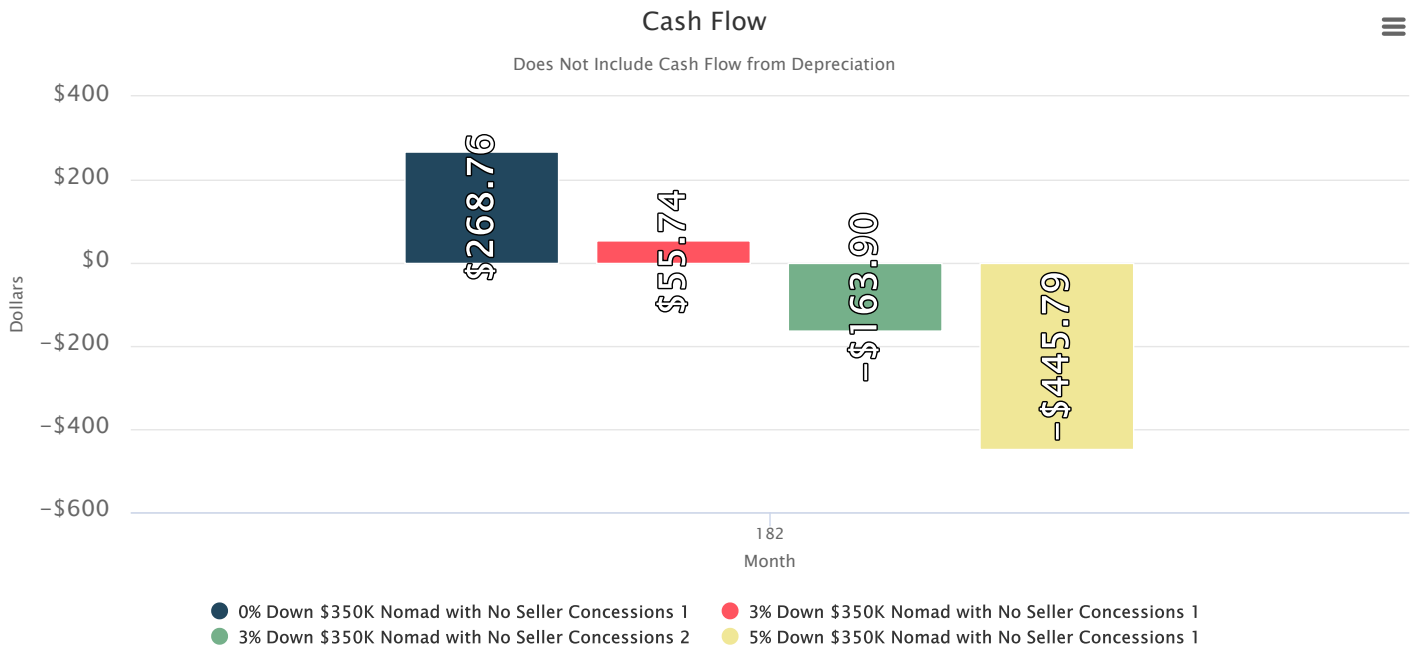
By the end of 📅 Month 182 the total monthly rent you are now collecting from all the 🏠 **Properties** for this 🏠 **Scenario** is \$12,235.19 per month. That's about \$7,833.98 per month in today's dollars if we adjust for inflation. The following chart shows the total monthly cash flow from all the 🏠 **Properties** up to this month.



And, if you'd like to see how each individual 🏠 **Property** is contributing to the total monthly rent, the following chart shows each of the 5 🏠 **Properties** owned up through this month. 🏠 **Properties** without rent (like the one you're living in) are obviously excluded.

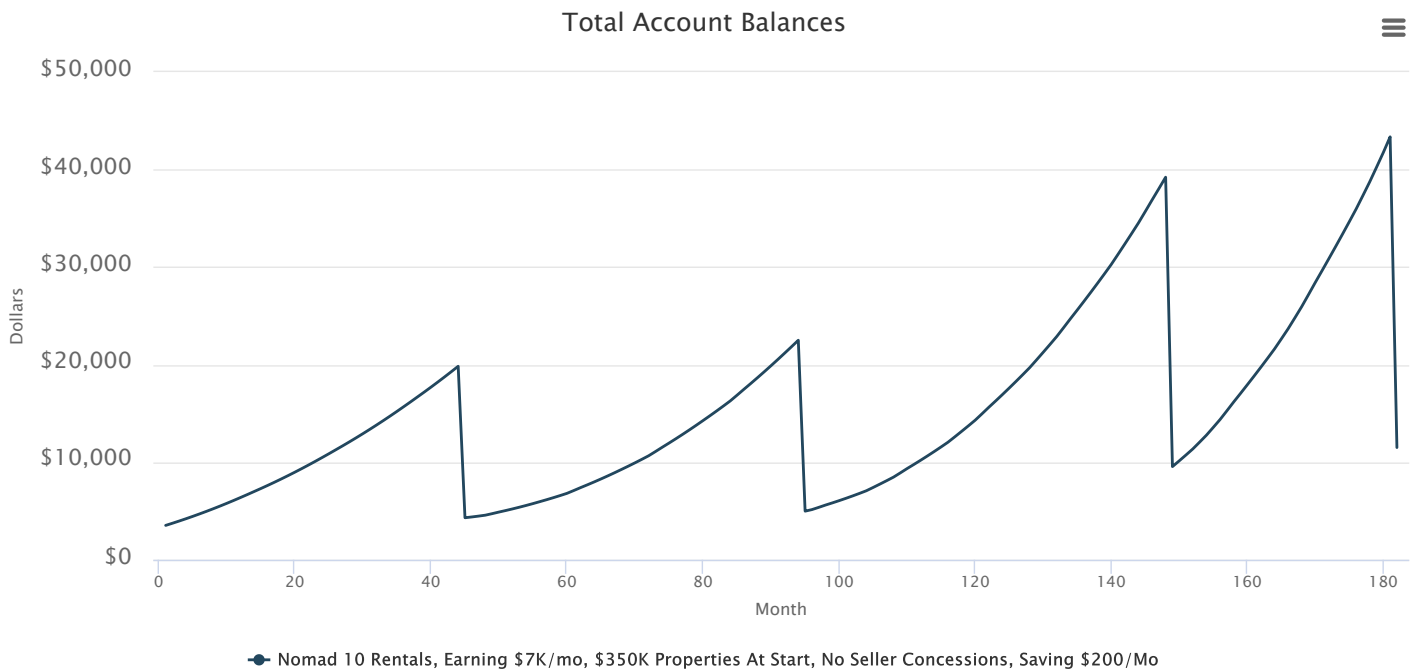


Here is how much each of the 🏠 **Properties** you are collecting rent on is contributing in net cash flow after expenses (but not including cash flow from depreciation).



Account Balances

If we sum up the **Account** balances for all the **Accounts** each month we can see the total balance for each month up through this month, Month 182. Our total **Account** balance this month is \$11,502.39 This is after all the income and expenses for the month.



The following chart shows how the total **Account** balance of \$11,502.39 for all your **Accounts** is distributed over your 2 **Accounts** in Month 182.

Account Balance



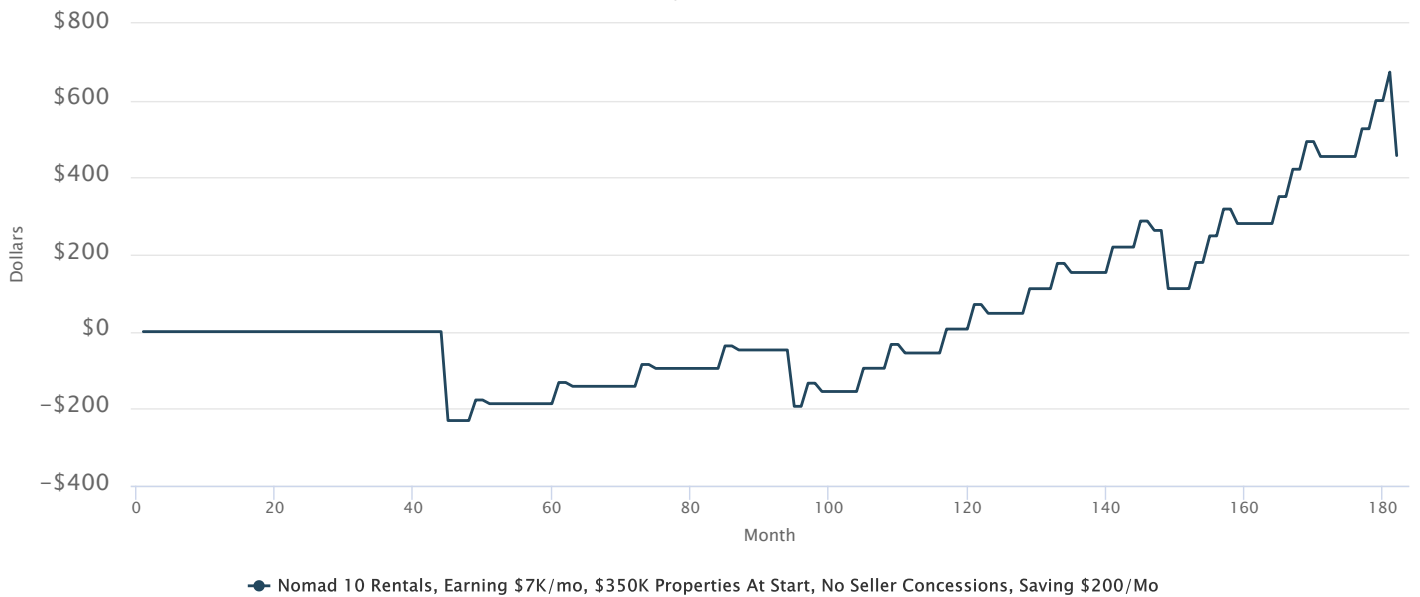
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Cash Flow

Your total cash flow for all **Properties** combined (excluding any **Properties** you are currently living in and not collecting rent on) is \$456.96 per month in **Month 182**. This does include an estimate of cash flow from the tax benefit of depreciation. You can see a summary chart of this below.

Total Cash Flow with Depreciation

Excludes Properties with No Rent



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Paychecks

The following chart shows how much gross you're bringing home from paychecks based on any **Rules** that are for paychecks in the **Scenario**.

Gross Paychecks



Sum of All Paychecks After Inflation but Before Taxes



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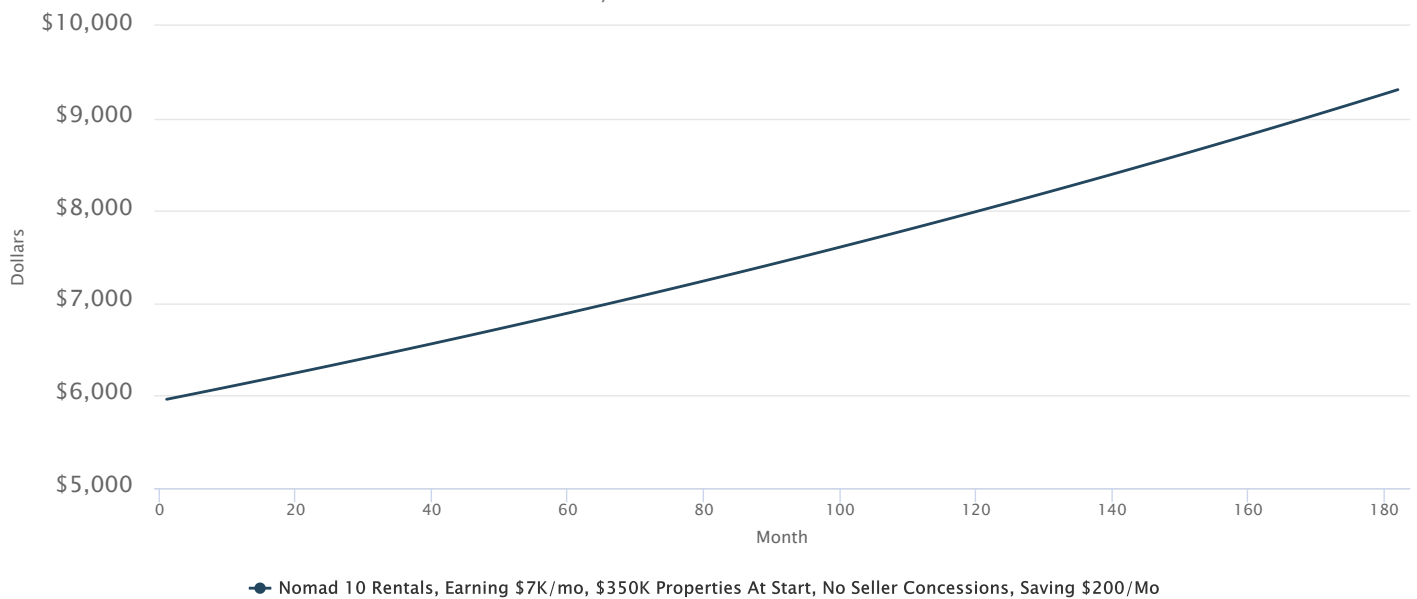
Your total gross paycheck in 📅 Month 182 is \$10,932.67.

Once we take into account the taxes you're paying on your gross paychecks, you're left over with your net from paychecks. That is shown in the chart below. For this month, it is \$9,309.17.

Paychecks After Tax



Sum of All Paychecks After Inflation and After Taxes



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Not counting the cost of the 🏠 **Property** you are living in and not collecting rent on, you have \$5,471.47 in personal expenses.

Personal Expenses Excluding Real Estate



Your Personal Expenses Not Counting Unrented Homes



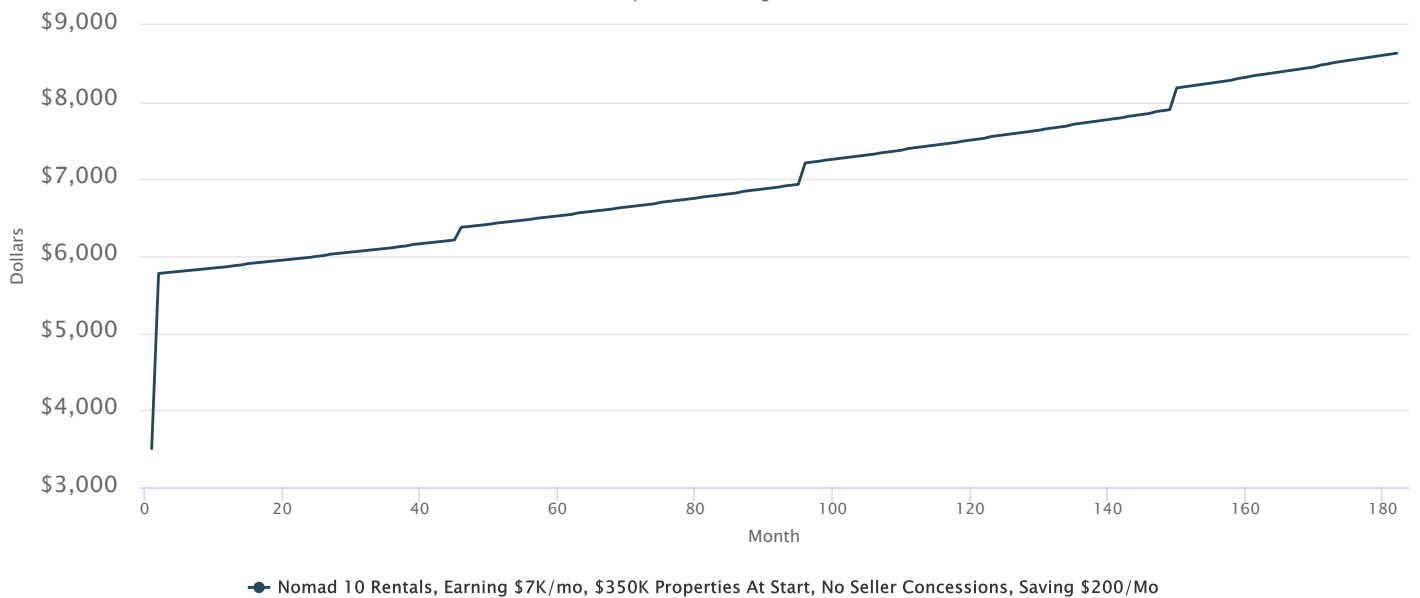
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If we include the cost of the 🏠 **Property** that you are living in, your personal expenses jump up to \$8,635.07 in 📅 Month 182.

Personal Expenses Including Real Estate



Your Personal Expenses Including Unrented Homes



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The difference between your net personal income after taxes and your personal expenses not counting the cost of the 🏠 **Property** that you're living in is the amount of money that you can save from your paychecks each month. We will show you your true savings when we include the cost of the 🏠 **Property** you are occupying in a moment. For now, realize that in 📅 Month 182, you are able to save \$3,837.69 from your paychecks after all your personal expenses (not counting the unrented 🏠 **Property** you are living in).

Total Saved From Paychecks



Paycheck After Inflation and Taxes – Personal Expenses.



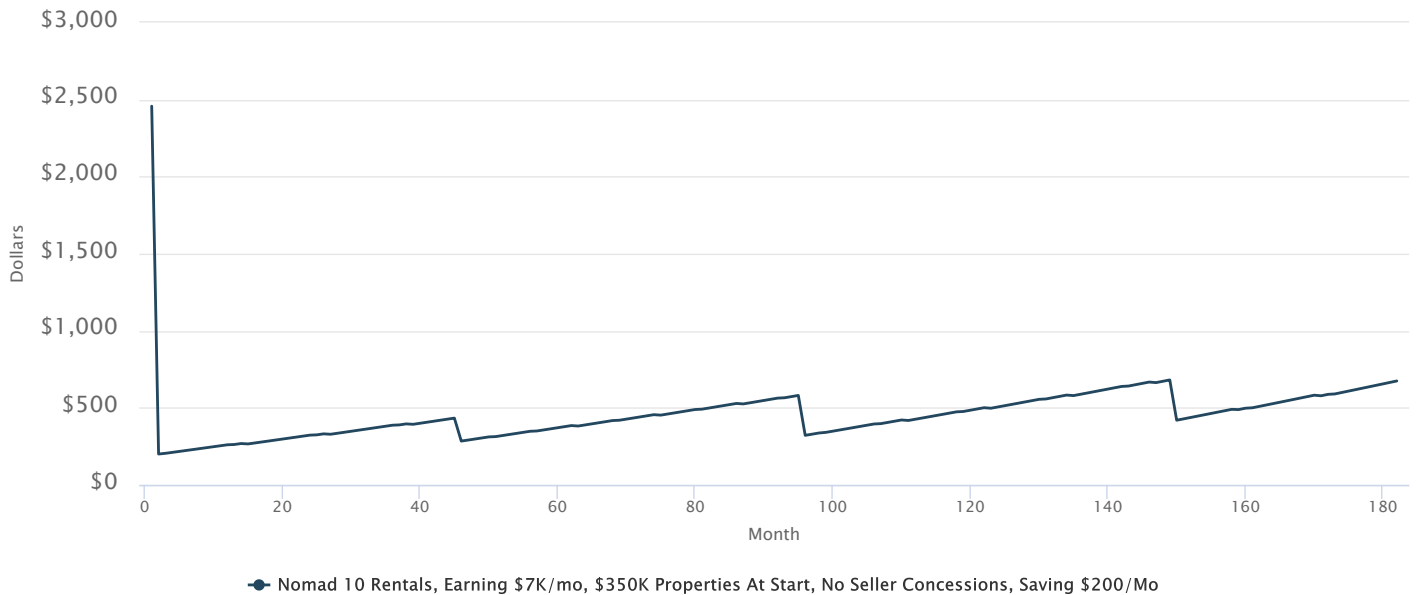
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The \$3,837.69 you were able to save from your paychecks in 📅 Month 182 is not the full picture. It fails to take into account your personal housing expense. The chart below shows that you were able to save \$674.09 in total but this time we are including the cost of your personal housing.

Total Saved



Paycheck After Inflation and Taxes – Personal Expenses Including Unrented Homes



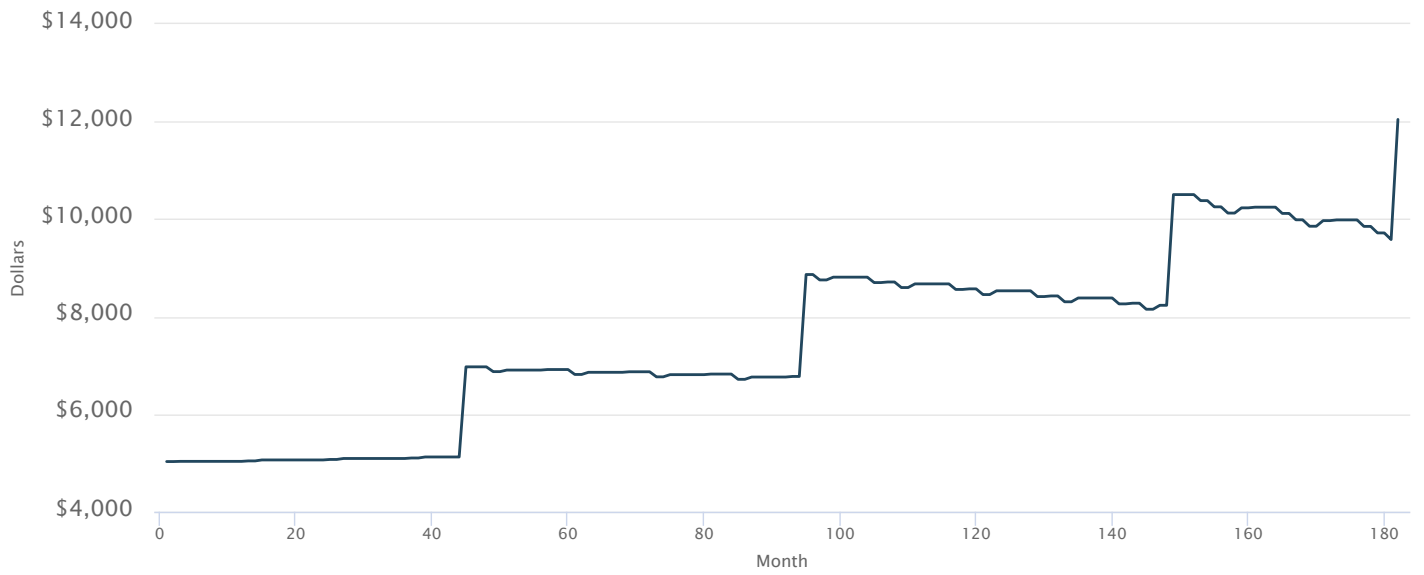
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Minimum Gross Income Required

The following chart shows you the estimated minimum gross monthly income required to be able to qualify for the current loans you have in the 🏠 Scenario. For 📅 Month 182, you will need to be earning, at a minimum, \$12,043.88 per month gross (before taxes) between you and your spouse.

Your income from your rental 🏠 Properties can count toward this as well.

Minimum Gross Monthly Income Required



● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

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★ Purchased 🏠 **5% Down \$350K Nomad with No Seller Concessions 3** Property

Bought in 📅 Month 207

We have a ⚡ **Rule** that has you buying the 🏠 **5% Down \$350K Nomad with No Seller Concessions 3** Property when your 💰 **Account** balance in the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** reaches \$7,000 (which we adjust for inflation to be worth \$11,627.07 in 📅 Month 207). The following is a chart showing the balance of 📈

Stock Market - Start with \$5,000 and Earns 8% Per Year **Account** from the start of the 🏠 **Scenario** to 📅 Month 207 after we've adjusted for all the income and expenses for the entire month.



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To purchase the 🏠 **5% Down \$350K Nomad with No Seller Concessions 3** Property, we're assuming you're getting a 5% down payment loan. With a \$581,361 purchase price that means you need to have \$29,068.05 for down payment.

The total cost to close must also include the rent ready costs (\$0) and closing costs (\$5,813.61) minus any seller concessions (\$0).

Description	Amount
Down Payment	\$29,068.05
Rent Ready Costs	\$0
Closing Costs	\$5,813.61
Seller Concessions	- \$0
Total Cost To Close:	\$34,881.66

Since this is a **Nomad™** 🏠 Property, you are buying it, moving in and living there for at least a year before renting it.

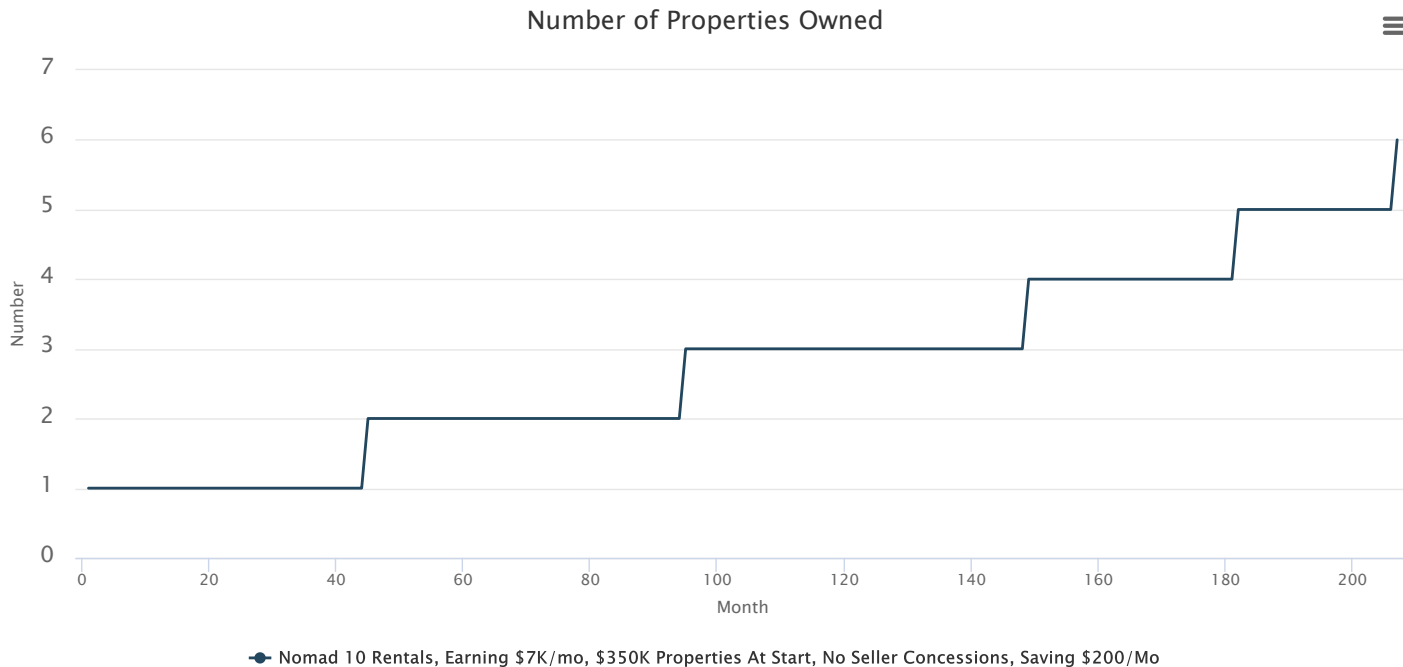
You are moving into this property, so you are not collecting any rent on this property yet.

Summary At The End of 📅 Month 207

Let's summarize what your position looks like at the end of 📅 Month 207. We will look at number of 🏠 **Properties** owned, net worth, cash flow and several other important, key metrics.

🏠 **Properties** Owned

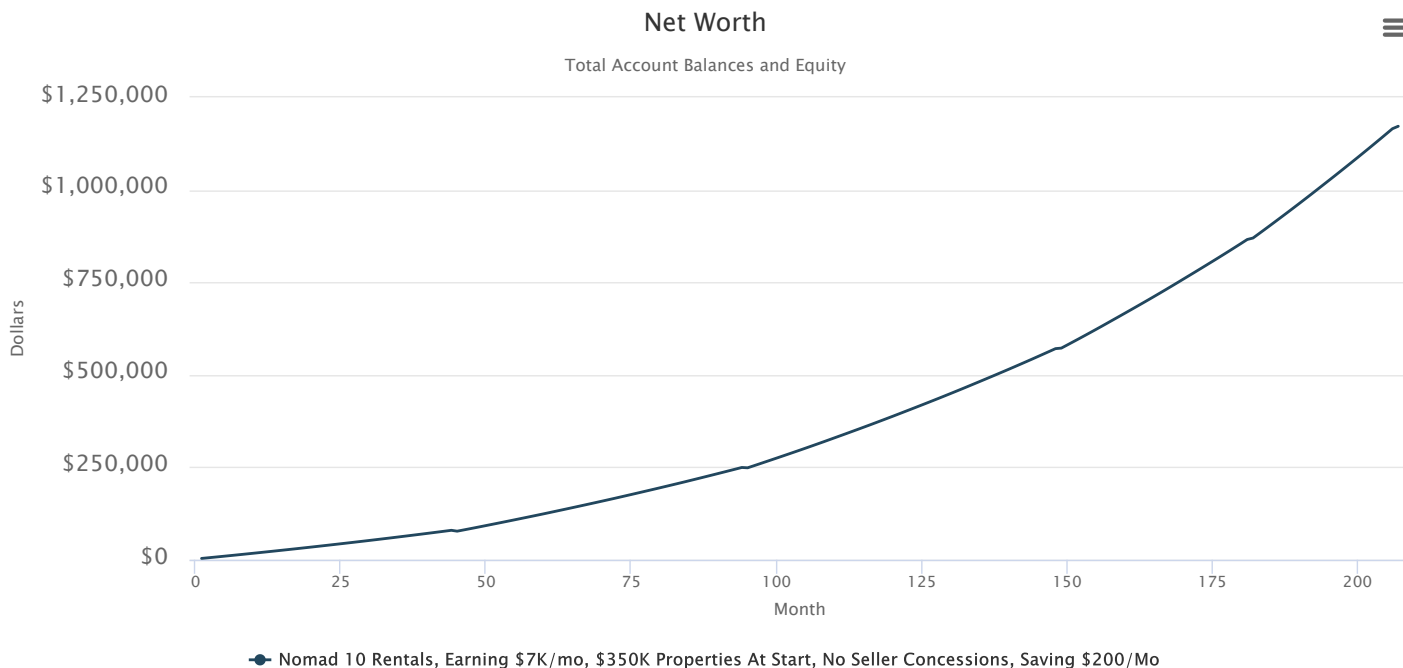
The chart below shows the total number of 🏠 **Properties** that you own up to and including this month, Month 📅 207.



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Net Worth

At the end of 📅 Month 207, your overall net worth for the entire 📊 **Scenario** up to this point in time can be summarized by the following chart.

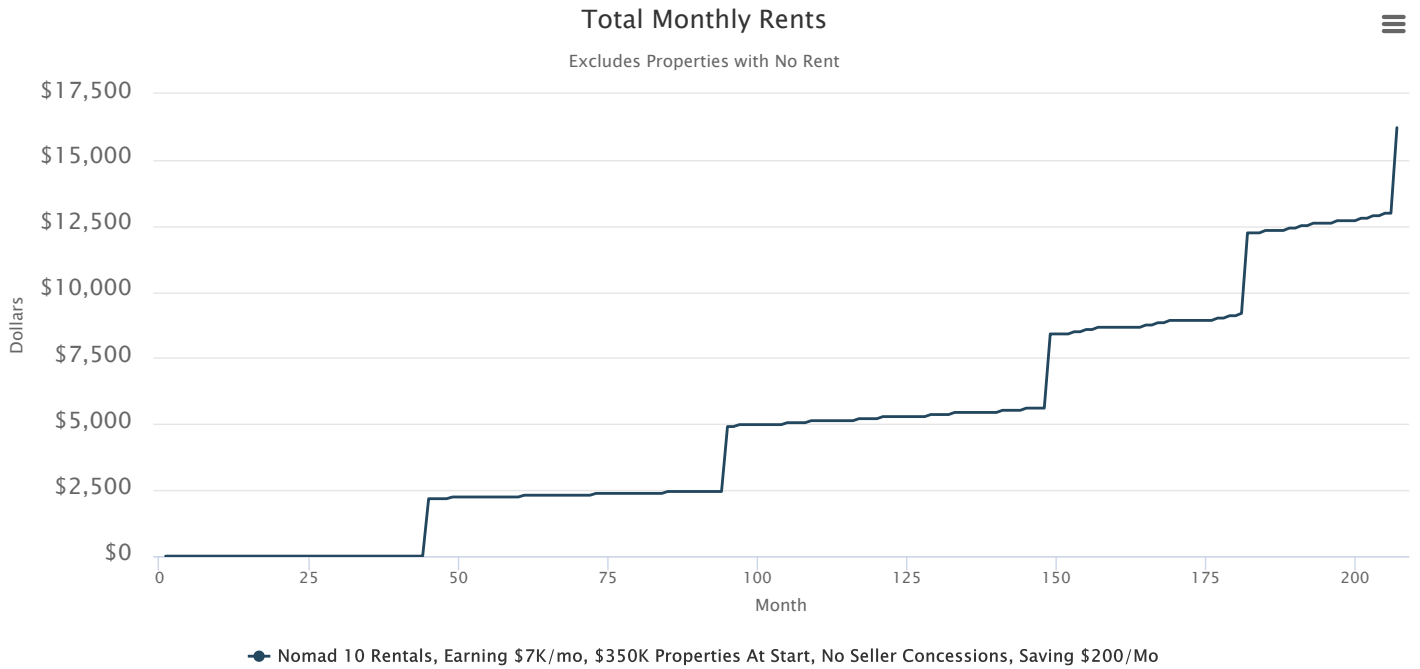


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As you can see in the net worth summary above, your net worth for 📅 Month 207 is \$1,172,034.99.

Rent and Cash Flow

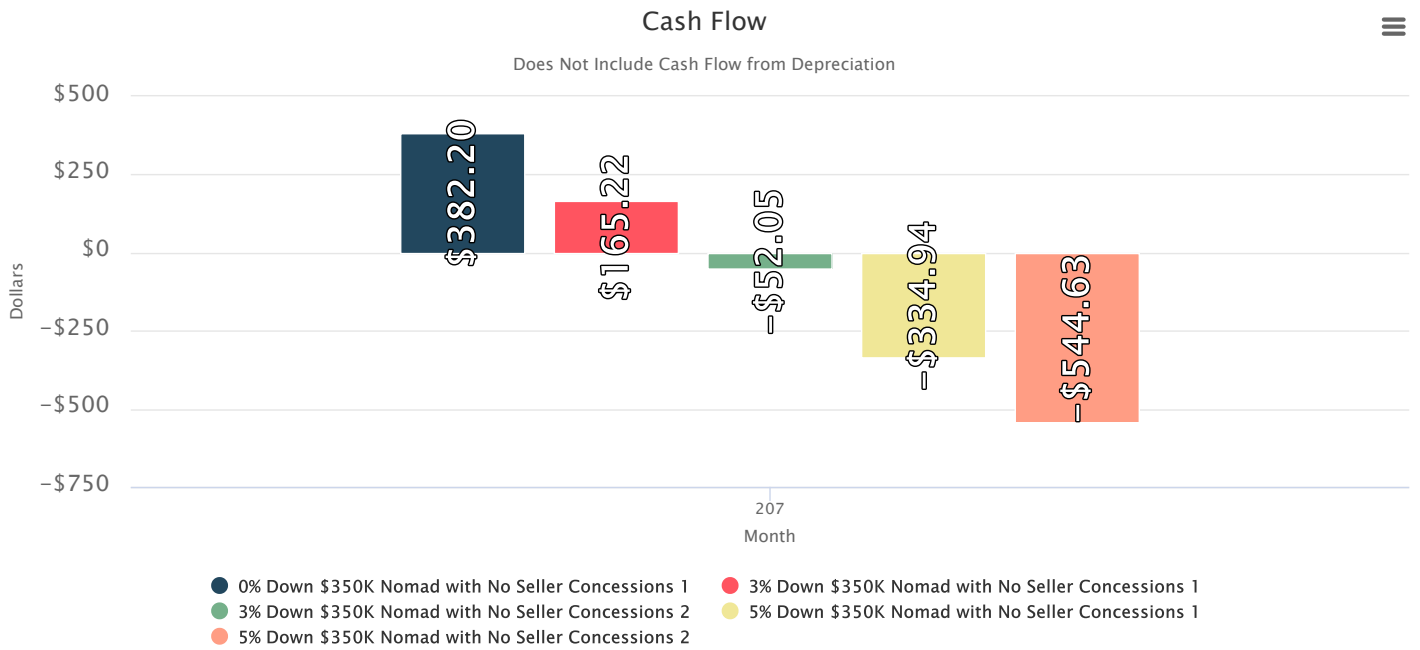
By the end of 📅 Month 207 the total monthly rent you are now collecting from all the 🏠 **Properties** for this 📊 **Scenario** is \$16,219.25 per month. That's about \$9,764.69 per month in today's dollars if we adjust for inflation. The following chart shows the total monthly cash flow from all the 🏠 **Properties** up to this month.



And, if you'd like to see how each individual 🏠 **Property** is contributing to the total monthly rent, the following chart shows each of the 6 🏠 **Properties** owned up through this month. 🏠 **Properties** without rent (like the one you're living in) are obviously excluded.

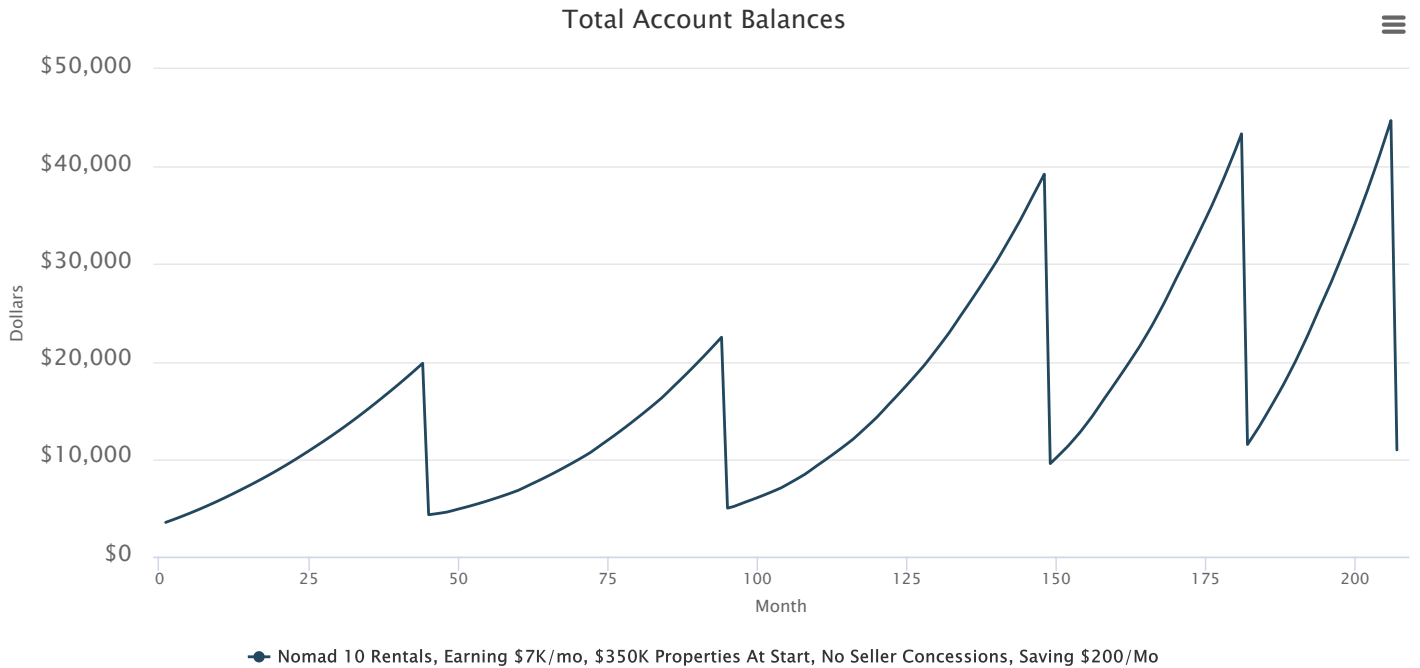


Here is how much each of the 🏠 **Properties** you are collecting rent on is contributing in net cash flow after expenses (but not including cash flow from depreciation).



Account Balances

If we sum up the **Account** balances for all the **Accounts** each month we can see the total balance for each month up through this month, Month 207. Our total **Account** balance this month is \$10,948.63 This is after all the income and expenses for the month.



The following chart shows how the total **Account** balance of \$10,948.63 for all your **Accounts** is distributed over your 2 **Accounts** in Month 207.

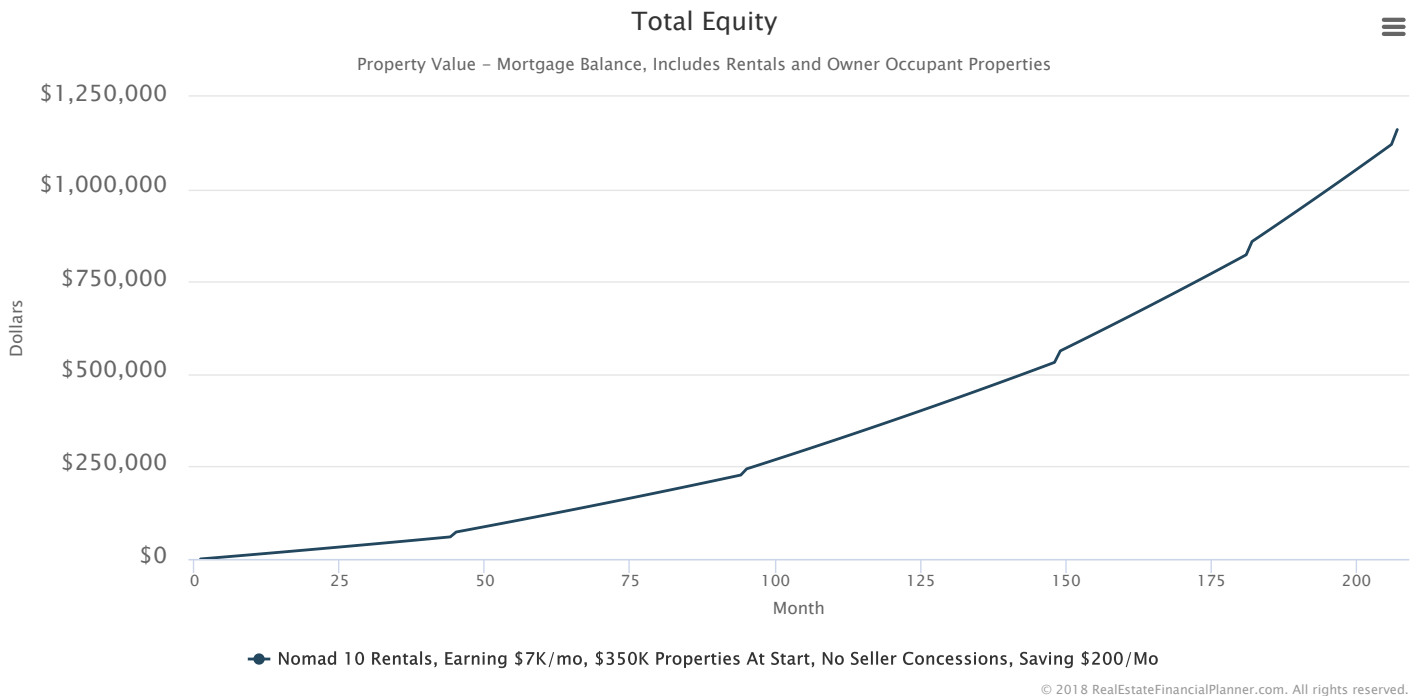
Account Balance



Total Equity

At this point, you have over a million dollars in equity that you can access in the 🏠 **Properties**. In fact, in 📅 Month 207 you have \$1,161,086.36 in equity.

The following is a chart showing your total equity as it has built up over time up through and including 📅 Month 207.

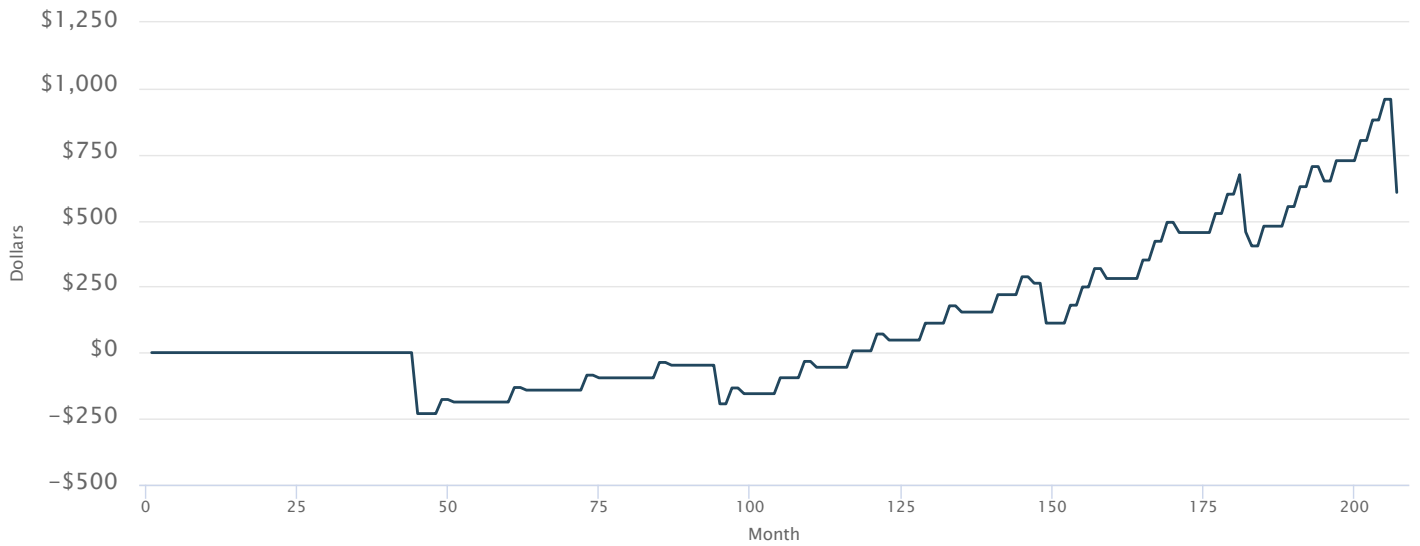


Cash Flow

Your total cash flow for all 🏠 **Properties** combined (excluding any 🏠 **Properties** you are currently living in and not collecting rent on) is \$606.42 per month in 📅 Month 207. This does include an estimate of cash flow from the tax benefit of depreciation. You can see a summary chart of this below.

Total Cash Flow with Depreciation

Excludes Properties with No Rent



◆ Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

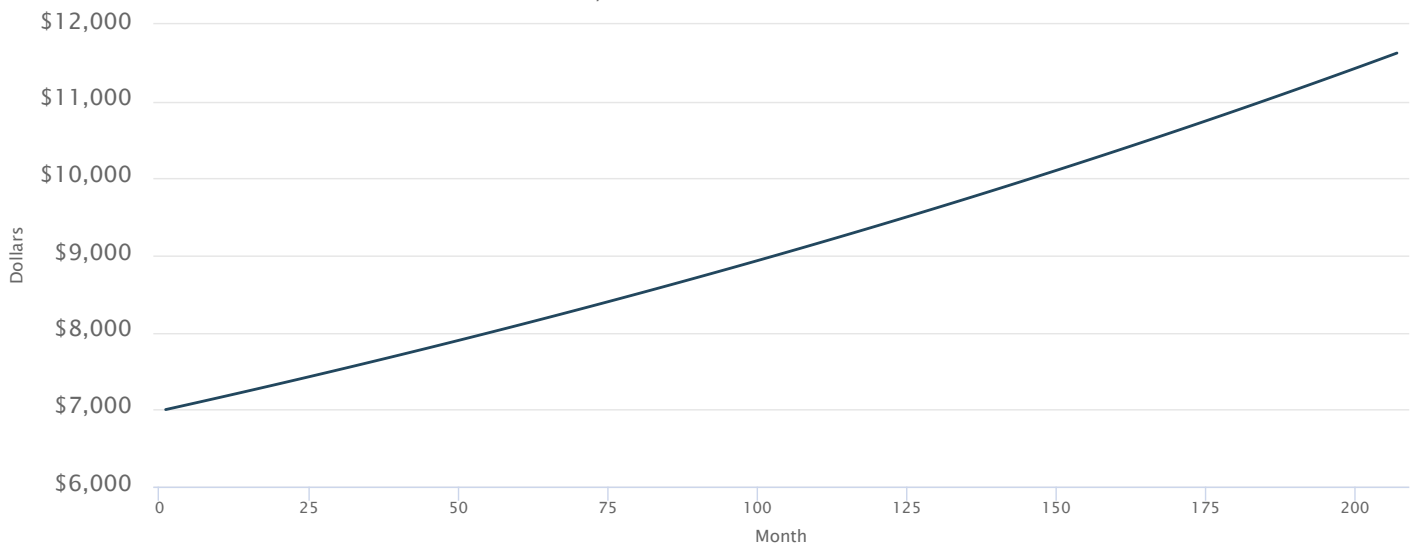
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Paychecks

The following chart shows how much gross you're bringing home from paychecks based on any ⚡ **Rules** that are for paychecks in the 🏠 **Scenario**.

Gross Paychecks

Sum of All Paychecks After Inflation but Before Taxes



◆ Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

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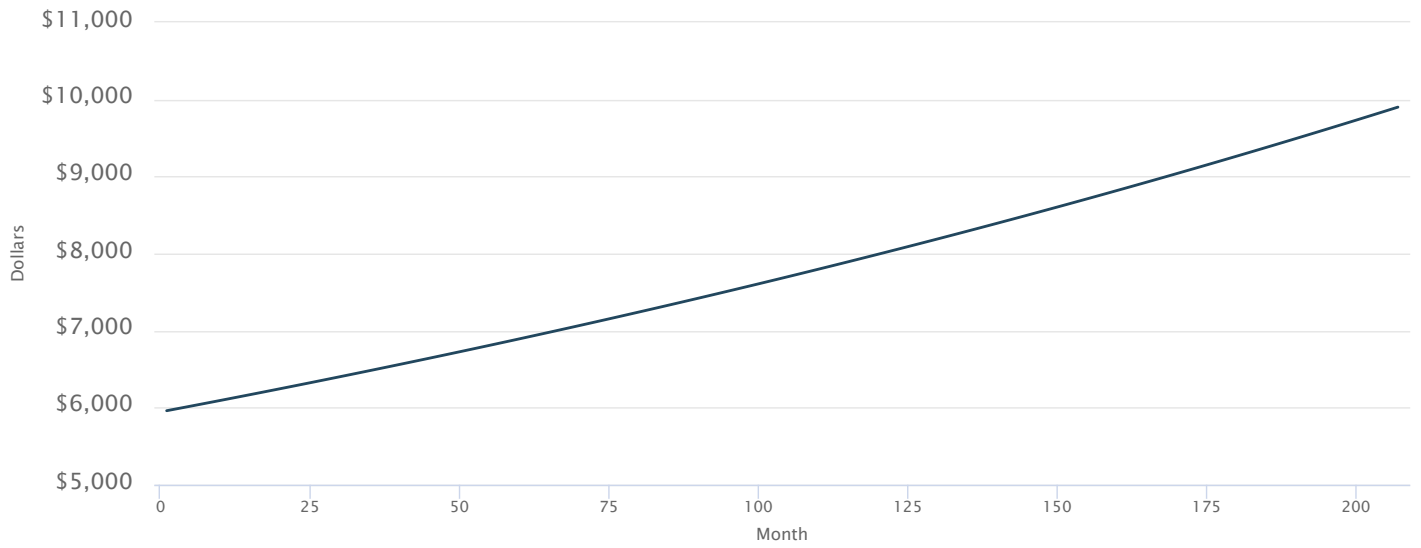
Your total gross paycheck in 📅 Month 207 is \$11,627.07.

Once we take into account the taxes you're paying on your gross paychecks, you're left over with your net from paychecks. That is shown in the chart below. For this month, it is \$9,900.45.

Paychecks After Tax



Sum of All Paychecks After Inflation and After Taxes



● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

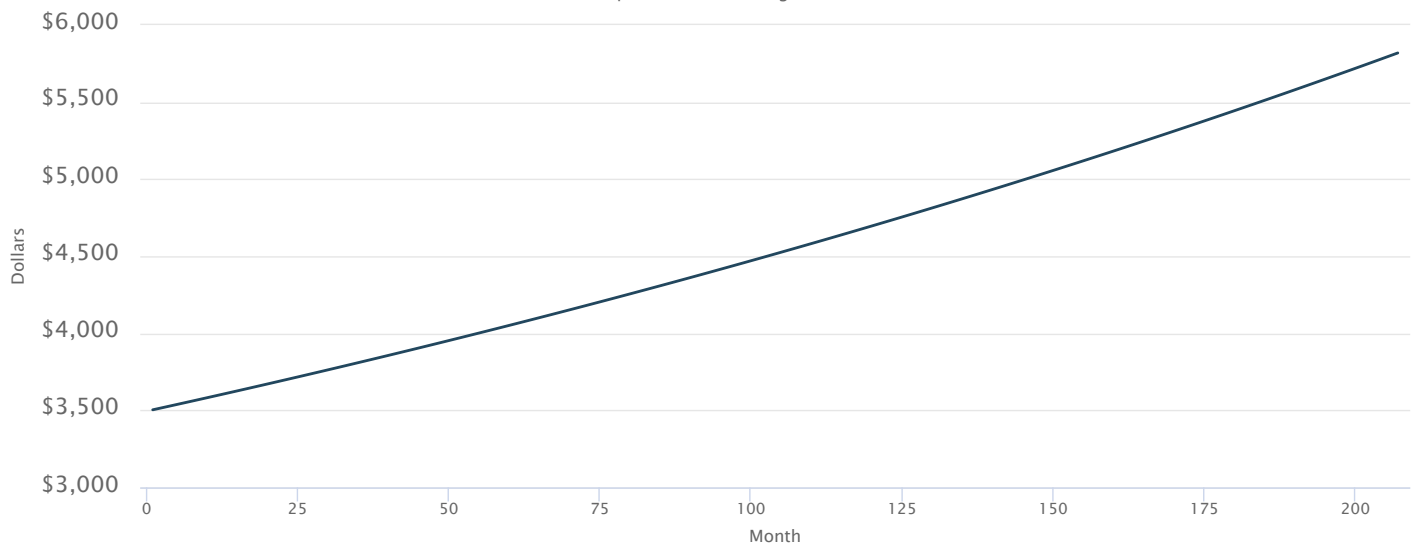
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Not counting the cost of the 🏠 **Property** you are living in and not collecting rent on, you have \$5,819 in personal expenses.

Personal Expenses Excluding Real Estate



Your Personal Expenses Not Counting Unrented Homes



● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

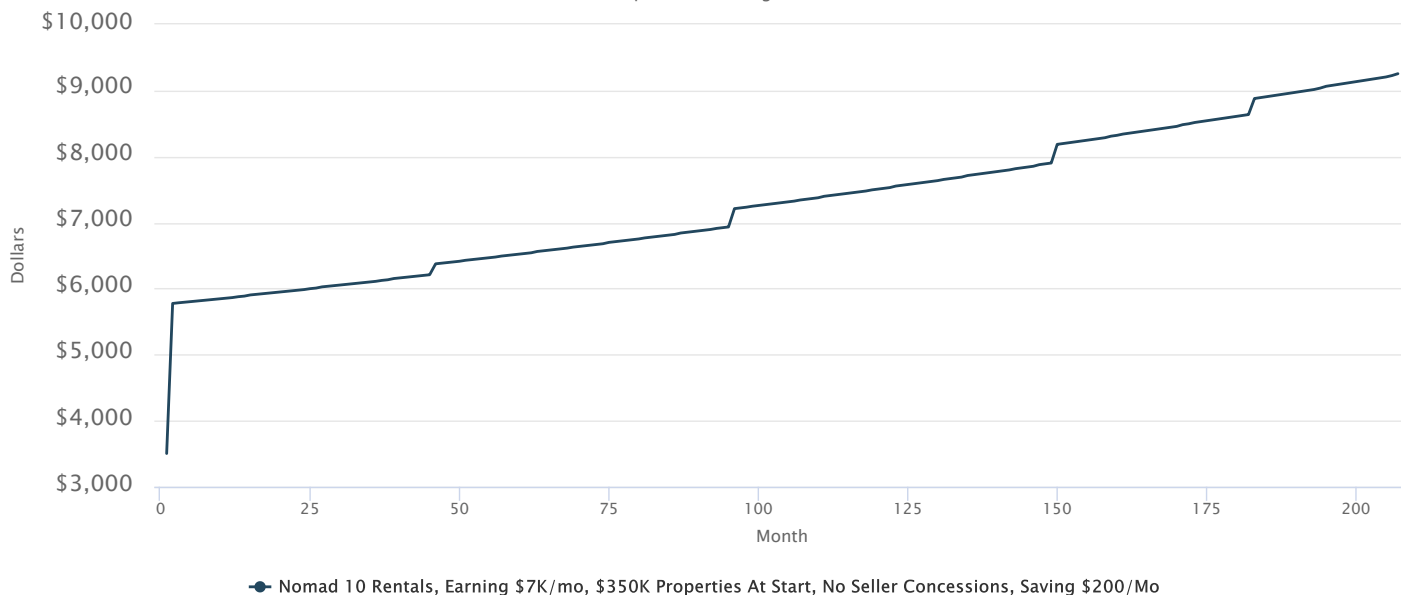
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If we include the cost of the 🏠 **Property** that you are living in, your personal expenses jump up to \$9,254.07 in 📅 Month 207.

Personal Expenses Including Real Estate



Your Personal Expenses Including Unrented Homes



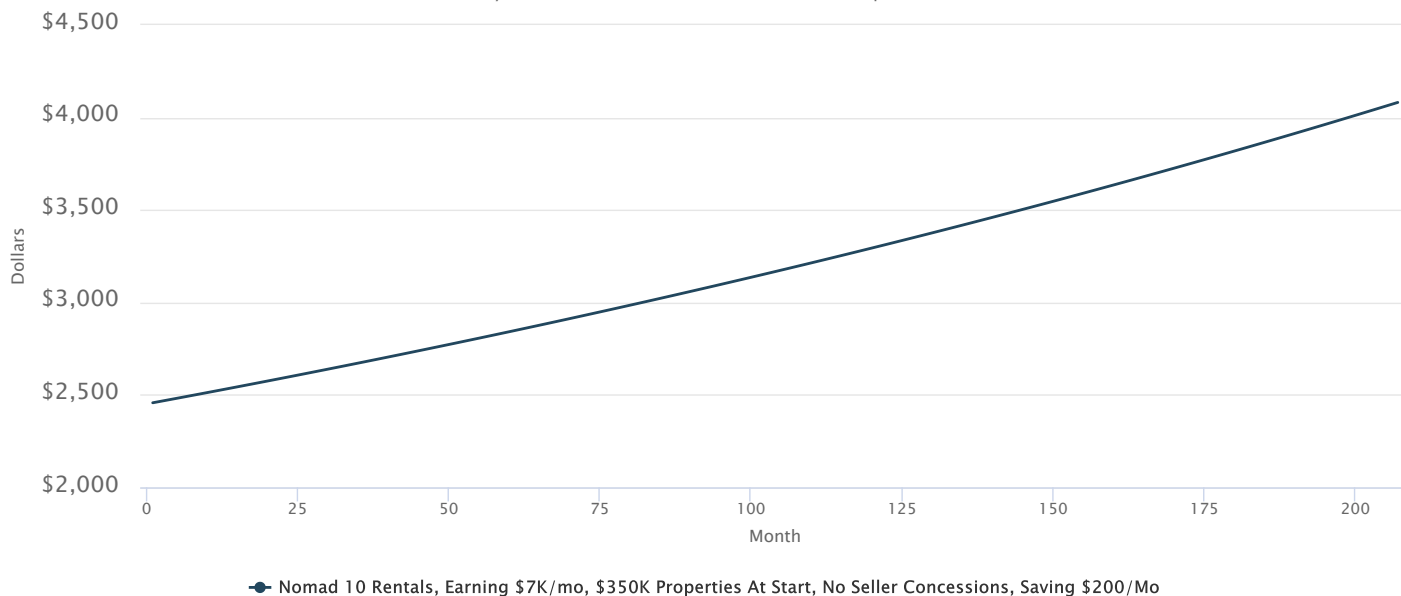
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The difference between your net personal income after taxes and your personal expenses not counting the cost of the 🏠 **Property** that you're living in is the amount of money that you can save from your paychecks each month. We will show you your true savings when we include the cost of the 🏠 **Property** you are occupying in a moment. For now, realize that in 📅 Month 207, you are able to save \$4,081.45 from your paychecks after all your personal expenses (not counting the unrented 🏠 **Property** you are living in).

Total Saved From Paychecks



Paycheck After Inflation and Taxes - Personal Expenses.



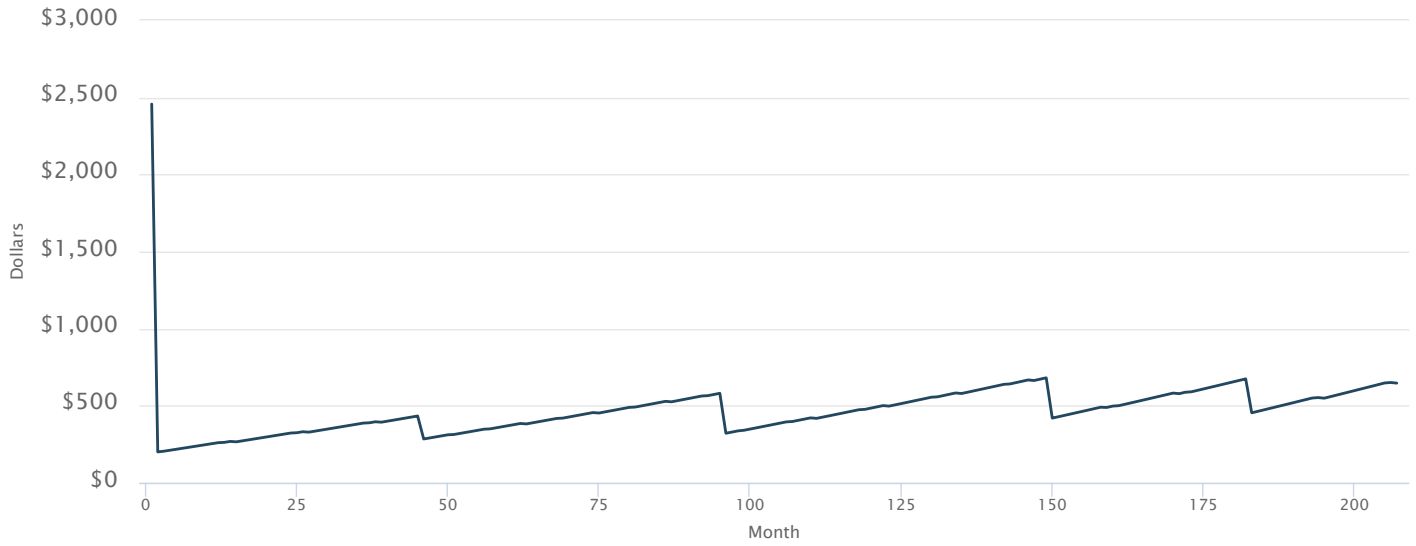
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The \$4,081.45 you were able to save from your paychecks in 📅 Month 207 is not the full picture. It fails to take into account your personal housing expense. The chart below shows that you were able to save \$646.39 in total but this time we are including the cost of your personal housing.

Total Saved



Paycheck After Inflation and Taxes – Personal Expenses Including Unrented Homes



◆ Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

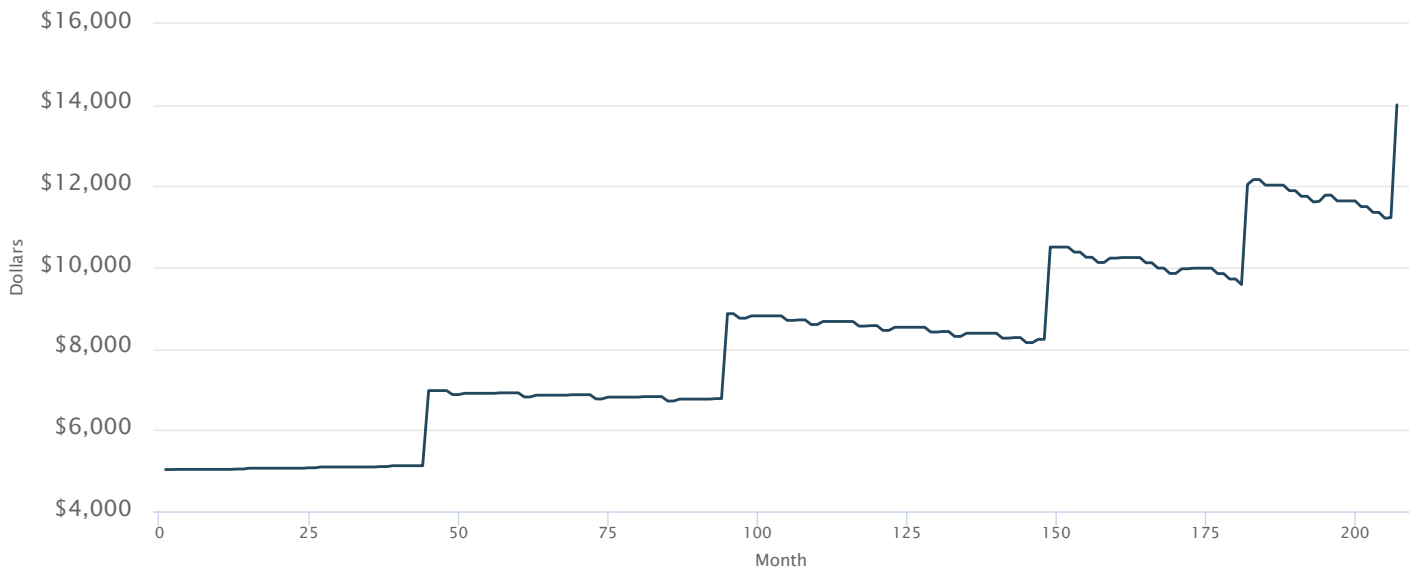
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Minimum Gross Income Required

The following chart shows you the estimated minimum gross monthly income required to be able to qualify for the current loans you have in the **Scenario**. For Month 207, you will need to be earning, at a minimum, \$14,003.43 per month gross (before taxes) between you and your spouse.

Your income from your rental **Properties** can count toward this as well.

Minimum Gross Monthly Income Required



◆ Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

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★ Purchased 🏠 **5% Down \$350K Nomad with No Seller Concessions 4** Property

Bought in 📅 Month 230

We have a ⚡ **Rule** that has you buying the 🏠 **5% Down \$350K Nomad with No Seller Concessions 4** Property when your 💰 **Account** balance in the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** reaches \$7,000 (which we adjust for inflation to be worth \$12,304.81 in 📅 Month 230). The following is a chart showing the balance of 📈

Stock Market - Start with \$5,000 and Earns 8% Per Year **Account** from the start of the 🏠 **Scenario** to 📅 Month 230 after we've adjusted for all the income and expenses for the entire month.



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To purchase the 🏠 **5% Down \$350K Nomad with No Seller Concessions 4** Property, we're assuming you're getting a 5% down payment loan. With a \$615,248 purchase price that means you need to have \$30,762.40 for down payment.

The total cost to close must also include the rent ready costs (\$0) and closing costs (\$6,152.48) minus any seller concessions (\$0).

Description	Amount
Down Payment	\$30,762.40
Rent Ready Costs	\$0
Closing Costs	\$6,152.48
Seller Concessions	- \$0
Total Cost To Close:	\$36,914.88

Since this is a **Nomad™** 🏠 Property, you are buying it, moving in and living there for at least a year before renting it.

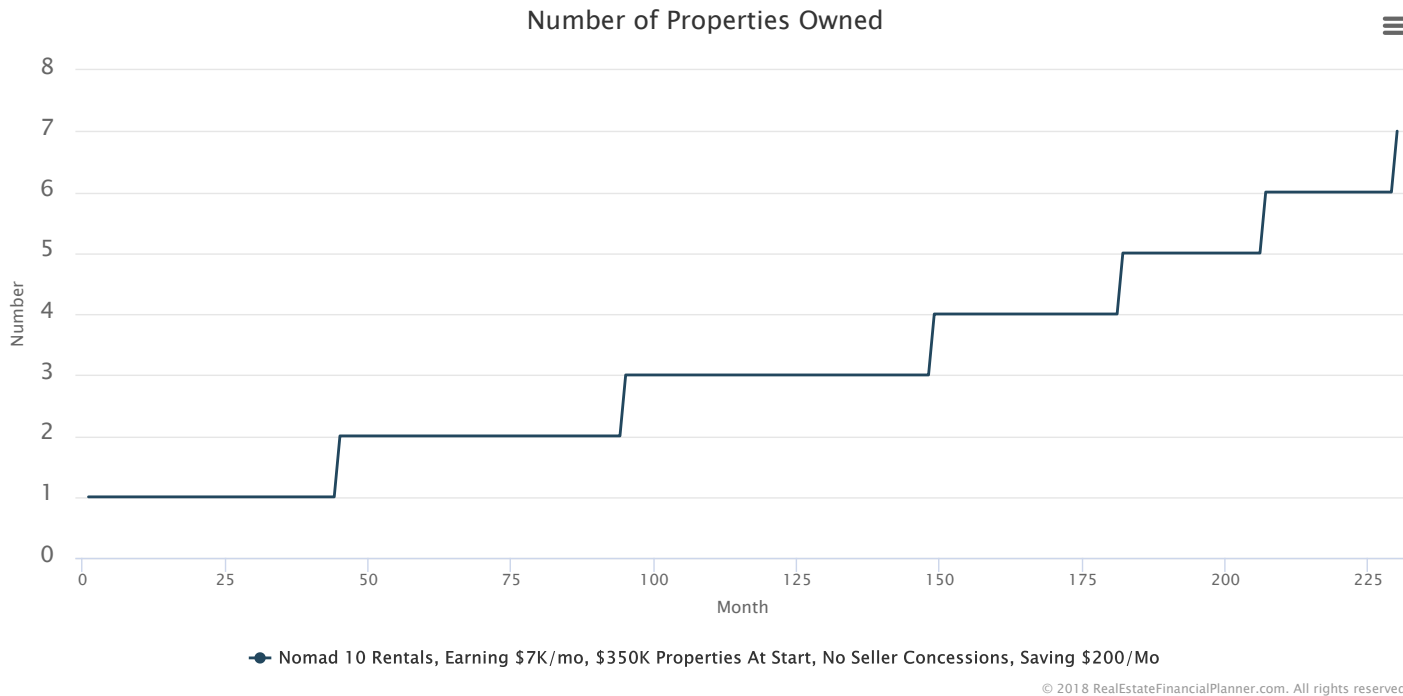
You are moving into this property, so you are not collecting any rent on this property yet.

Summary At The End of 📅 Month 230

Let's summarize what your position looks like at the end of 📅 Month 230. We will look at number of 🏠 **Properties** owned, net worth, cash flow and several other important, key metrics.

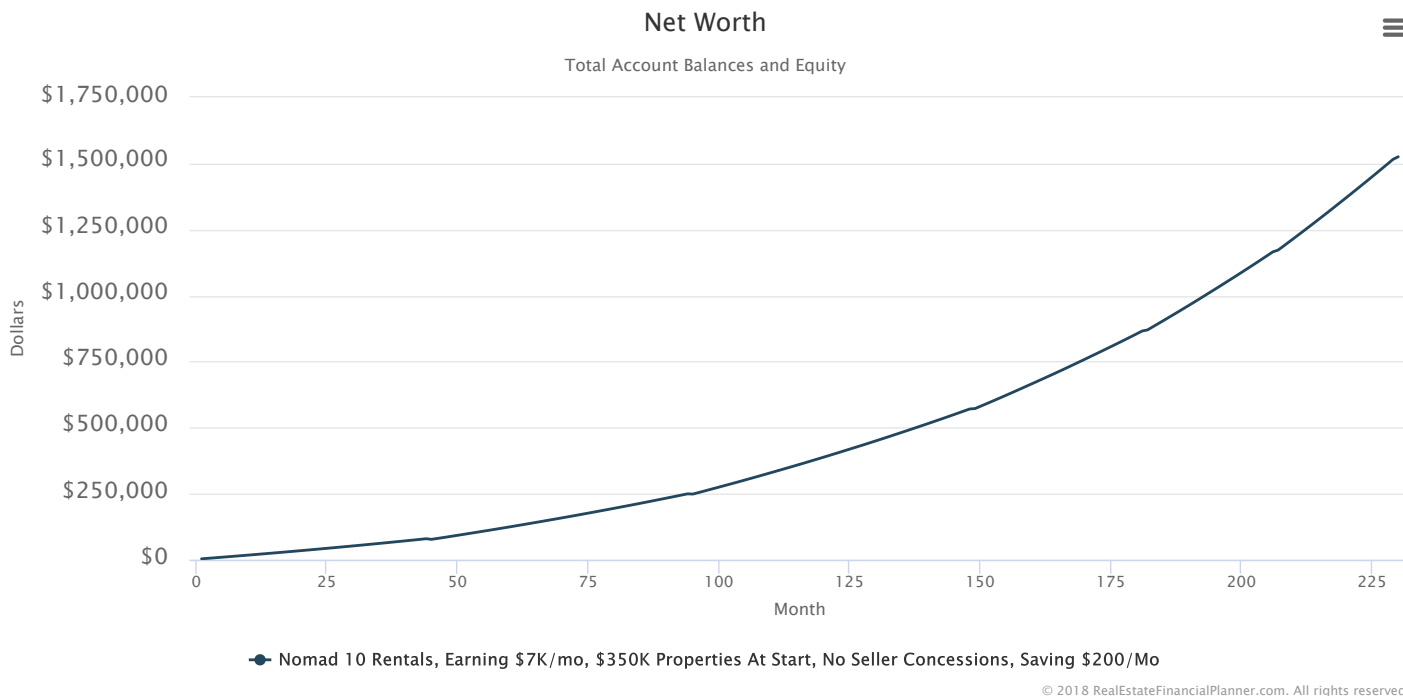
🏠 **Properties** Owned

The chart below shows the total number of 🏠 **Properties** that you own up to and including this month, Month 📅 230.



Net Worth

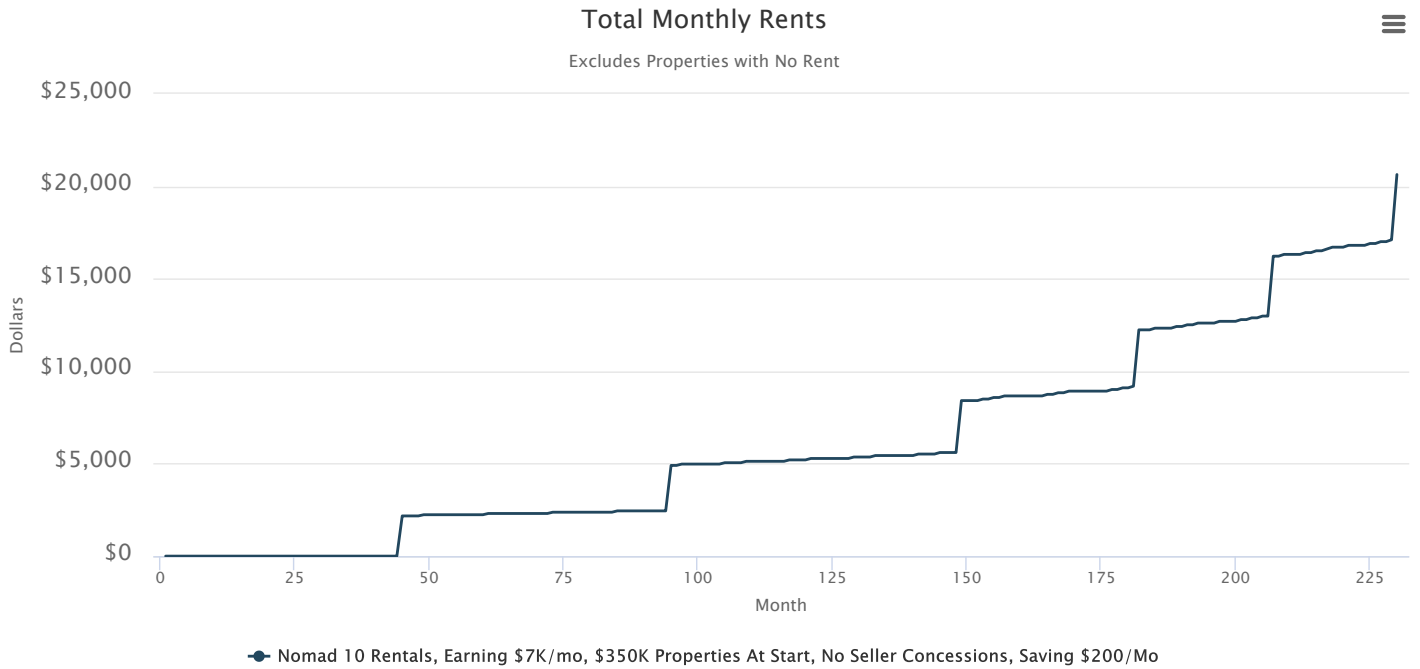
At the end of 📅 Month 230, your overall net worth for the entire 🏠 **Scenario** up to this point in time can be summarized by the following chart.



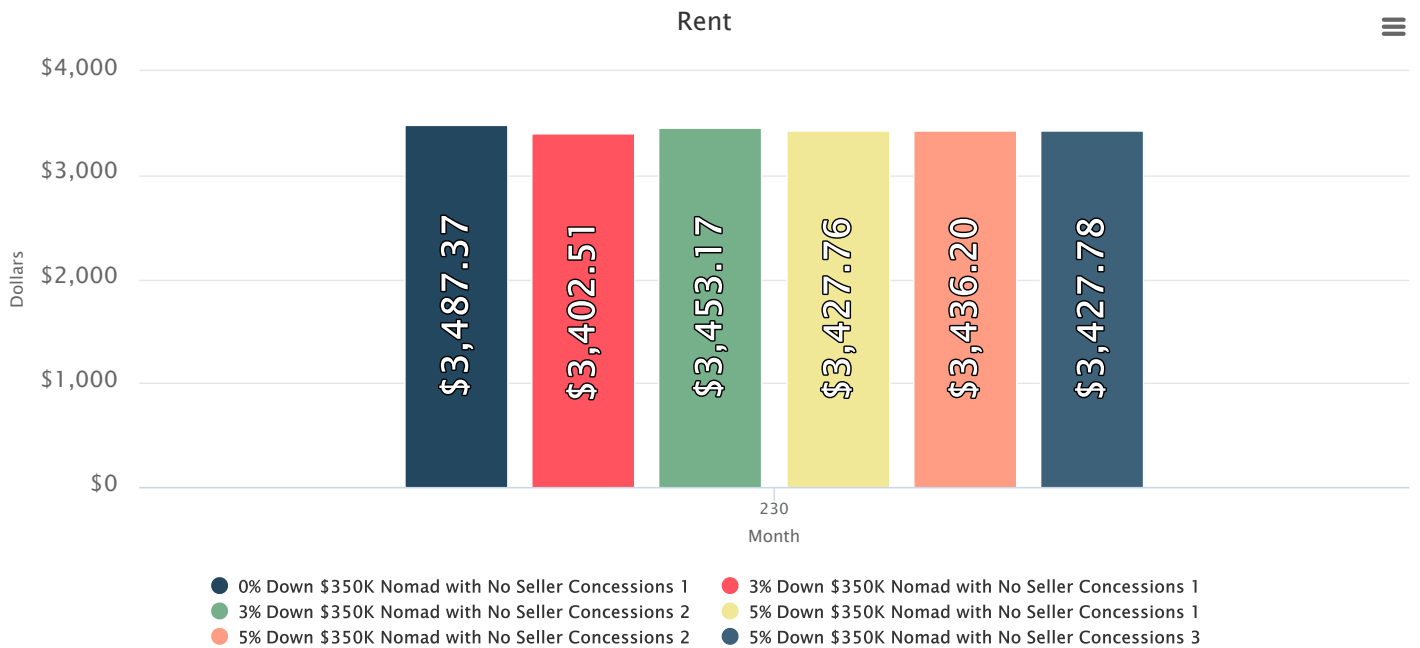
As you can see in the net worth summary above, your net worth for 📅 Month 230 is \$1,525,470.38.

Rent and Cash Flow

By the end of 📅 Month 230 the total monthly rent you are now collecting from all the 🏠 **Properties** for this 📊 **Scenario** is \$20,634.79 per month. That's about \$11,738.78 per month in today's dollars if we adjust for inflation. The following chart shows the total monthly cash flow from all the 🏠 **Properties** up to this month.



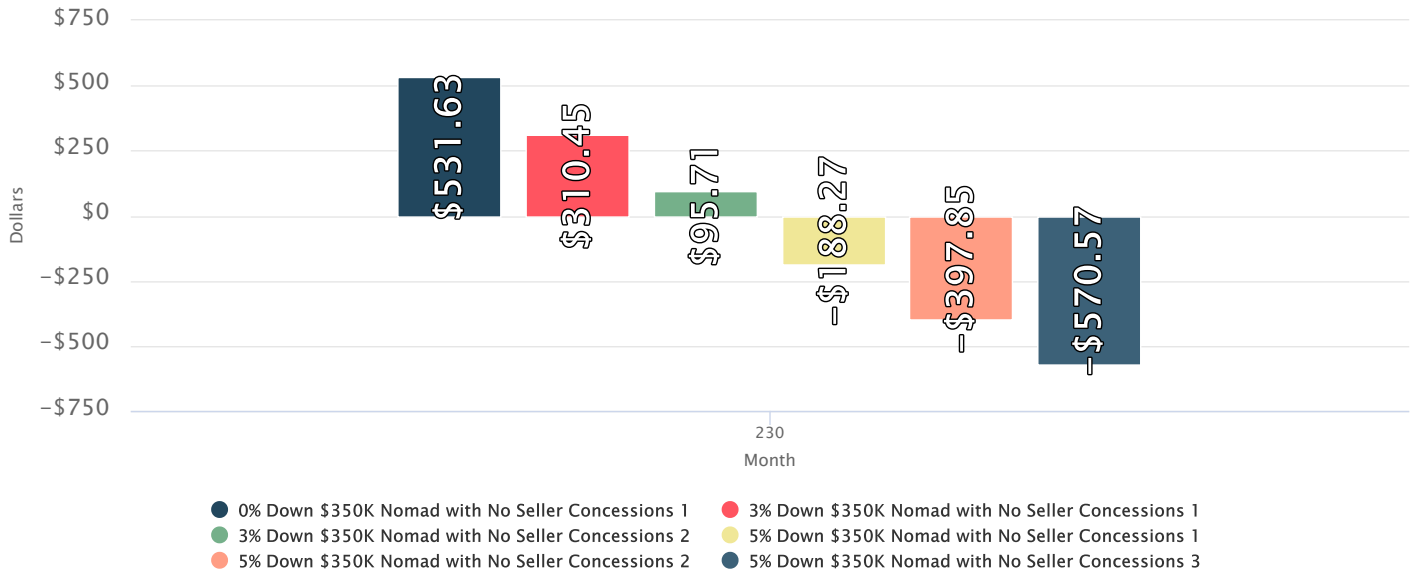
And, if you'd like to see how each individual 🏠 **Property** is contributing to the total monthly rent, the following chart shows each of the 7 🏠 **Properties** owned up through this month. 🏠 **Properties** without rent (like the one you're living in) are obviously excluded.



Here is how much each of the 🏠 **Properties** you are collecting rent on is contributing in net cash flow after expenses (but not including cash flow from depreciation).

Cash Flow

Does Not Include Cash Flow from Depreciation

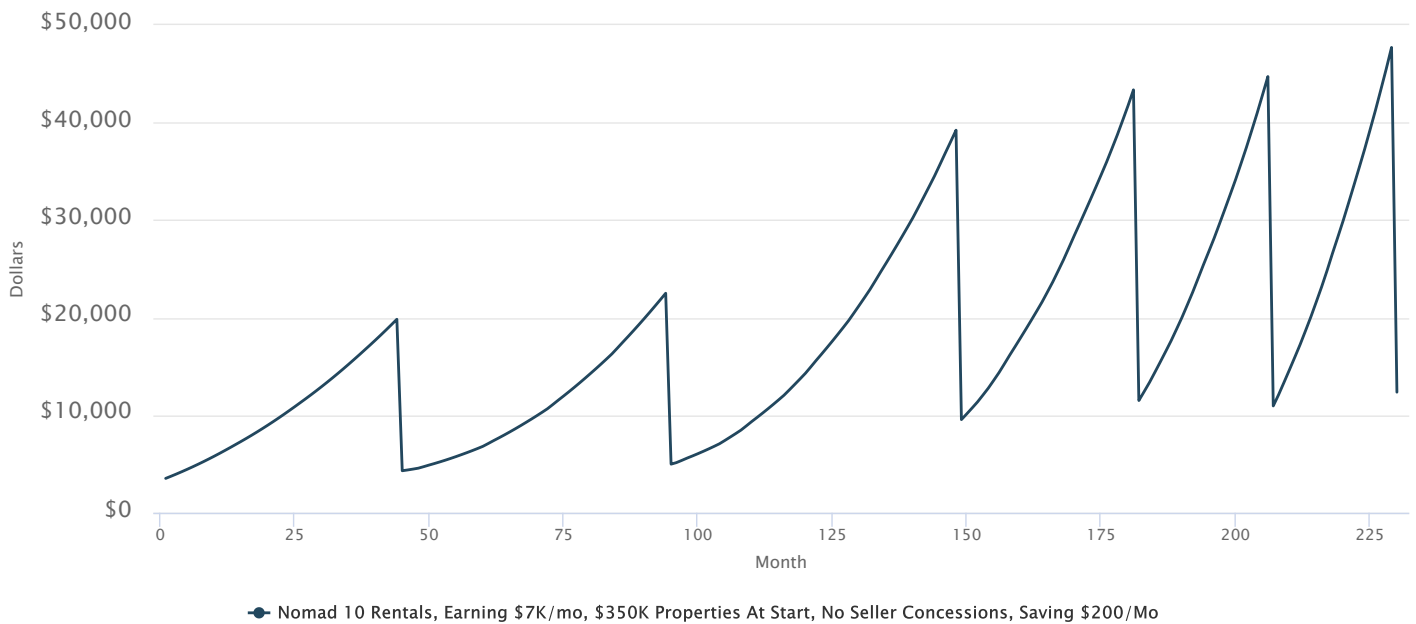


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Account Balances

If we sum up the **Account** balances for all the **Accounts** each month we can see the total balance for each month up through this month, Month 230. Our total **Account** balance this month is \$12,361.06 This is after all the income and expenses for the month.

Total Account Balances



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The following chart shows how the total **Account** balance of \$12,361.06 for all your **Accounts** is distributed over your 2 **Accounts** in Month 230.

Account Balance



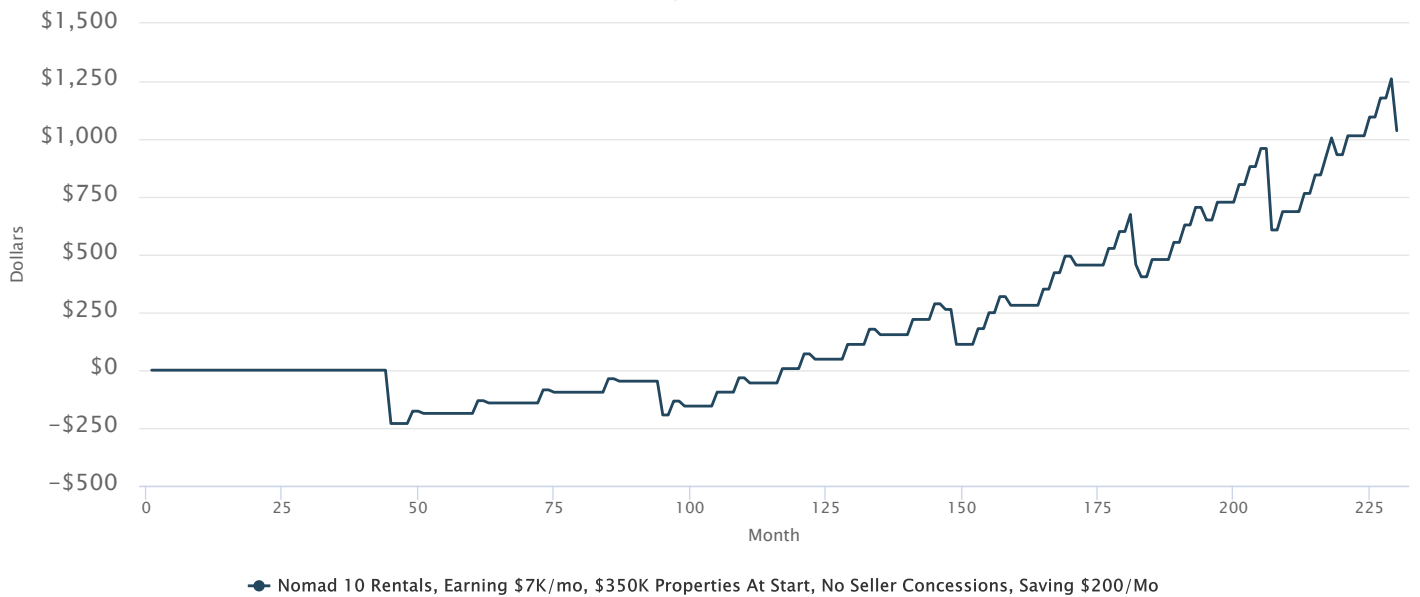
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Cash Flow

Your total cash flow for all **Properties** combined (excluding any **Properties** you are currently living in and not collecting rent on) is \$1,035.98 per month in **Month 230**. This does include an estimate of cash flow from the tax benefit of depreciation. You can see a summary chart of this below.

Total Cash Flow with Depreciation

Excludes Properties with No Rent



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Paychecks

The following chart shows how much gross you're bringing home from paychecks based on any **Rules** that are for paychecks in the **Scenario**.

Gross Paychecks



Sum of All Paychecks After Inflation but Before Taxes



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Your total gross paycheck in 📅 Month 230 is \$12,304.81.

Once we take into account the taxes you're paying on your gross paychecks, you're left over with your net from paychecks. That is shown in the chart below. For this month, it is \$10,477.55.

Paychecks After Tax



Sum of All Paychecks After Inflation and After Taxes



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Not counting the cost of the 🏠 **Property** you are living in and not collecting rent on, you have \$6,158.19 in personal expenses.

Personal Expenses Excluding Real Estate



Your Personal Expenses Not Counting Unrented Homes



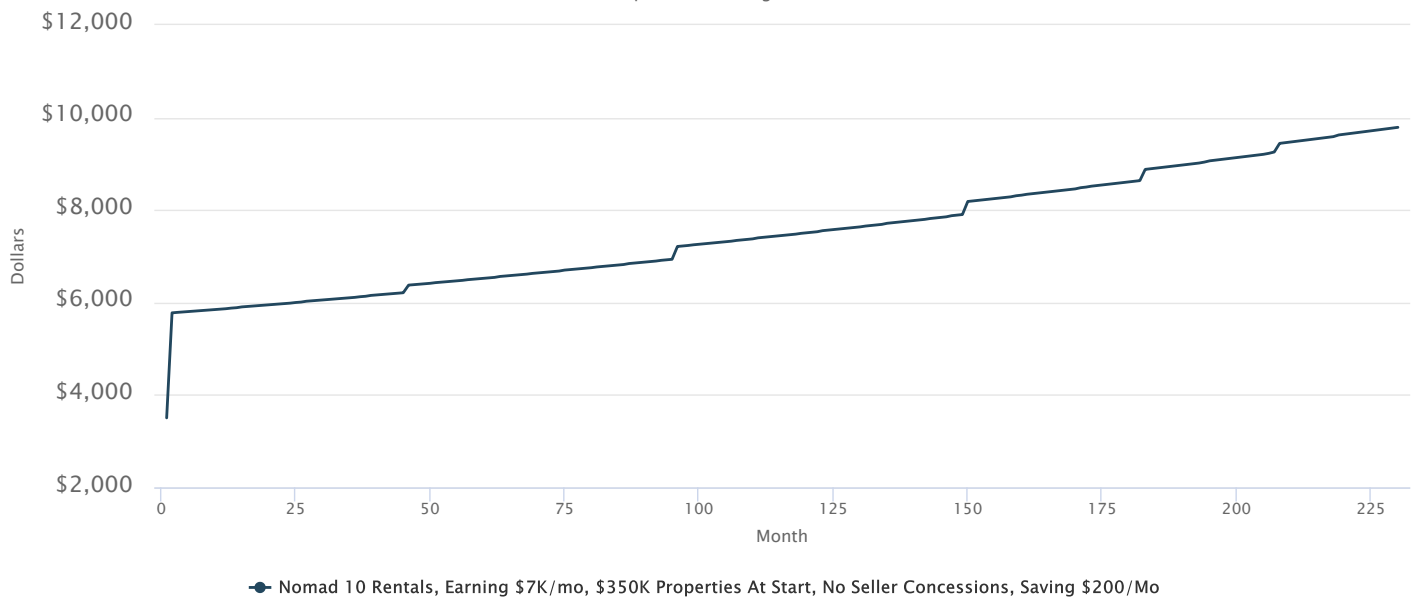
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If we include the cost of the 🏠 **Property** that you are living in, your personal expenses jump up to \$9,787.71 in 📅 Month 230.

Personal Expenses Including Real Estate



Your Personal Expenses Including Unrented Homes



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The difference between your net personal income after taxes and your personal expenses not counting the cost of the 🏠 **Property** that you're living in is the amount of money that you can save from your paychecks each month. We will show you your true savings when we include the cost of the 🏠 **Property** you are occupying in a moment. For now, realize that in 📅 Month 230, you are able to save \$4,319.36 from your paychecks after all your personal expenses (not counting the unrented 🏠 **Property** you are living in).

Total Saved From Paychecks



Paycheck After Inflation and Taxes – Personal Expenses.



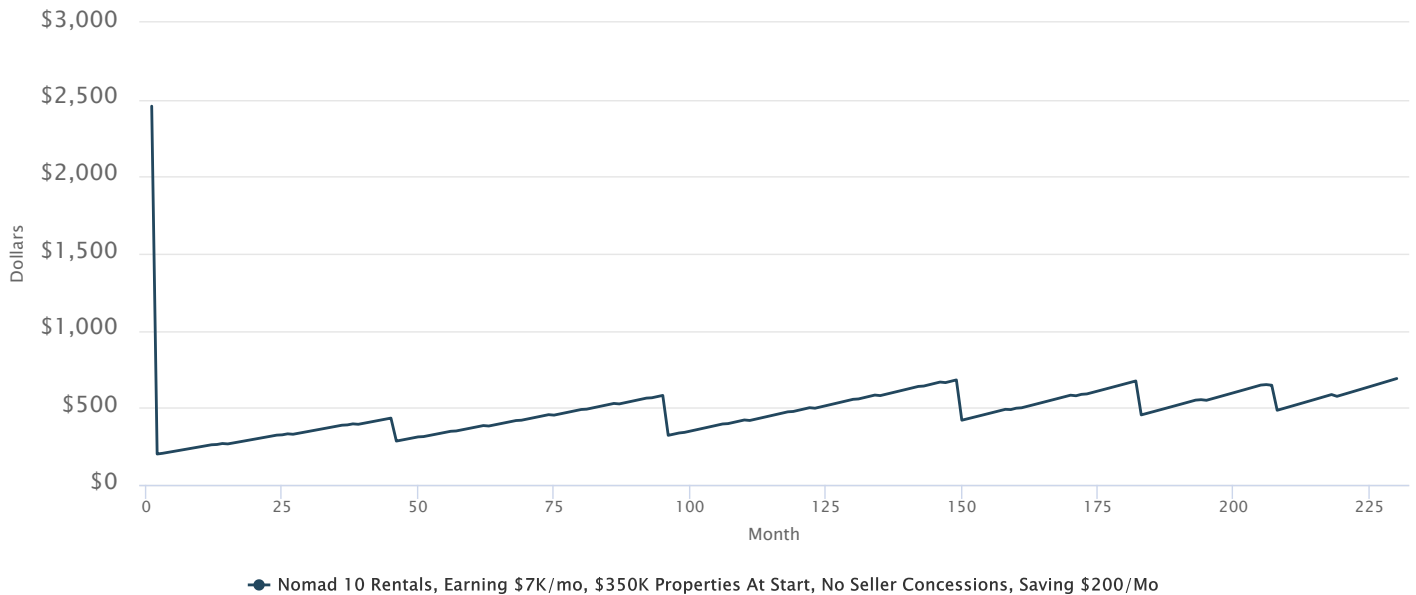
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The \$4,319.36 you were able to save from your paychecks in 📅 Month 230 is not the full picture. It fails to take into account your personal housing expense. The chart below shows that you were able to save \$689.84 in total but this time we are including the cost of your personal housing.

Total Saved



Paycheck After Inflation and Taxes – Personal Expenses Including Unrented Homes



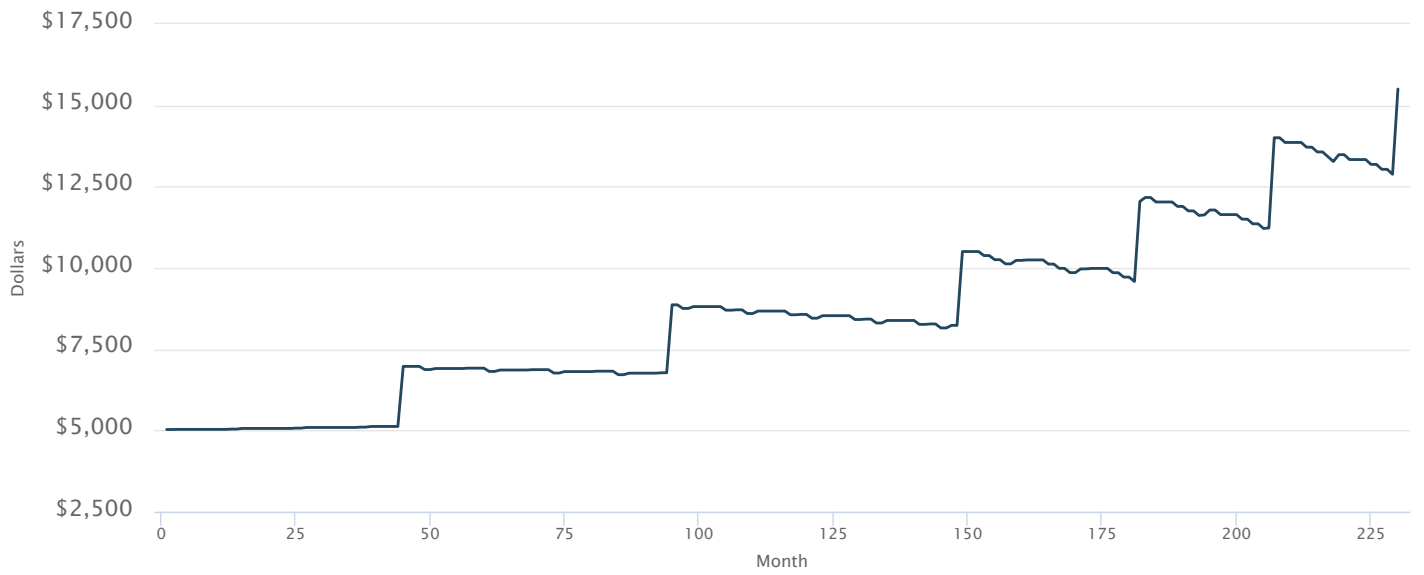
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Minimum Gross Income Required

The following chart shows you the estimated minimum gross monthly income required to be able to qualify for the current loans you have in the 🏠 **Scenario**. For 📅 Month 230, you will need to be earning, at a minimum, \$15,500.66 per month gross (before taxes) between you and your spouse.

Your income from your rental 🏠 **Properties** can count toward this as well.

Minimum Gross Monthly Income Required



● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

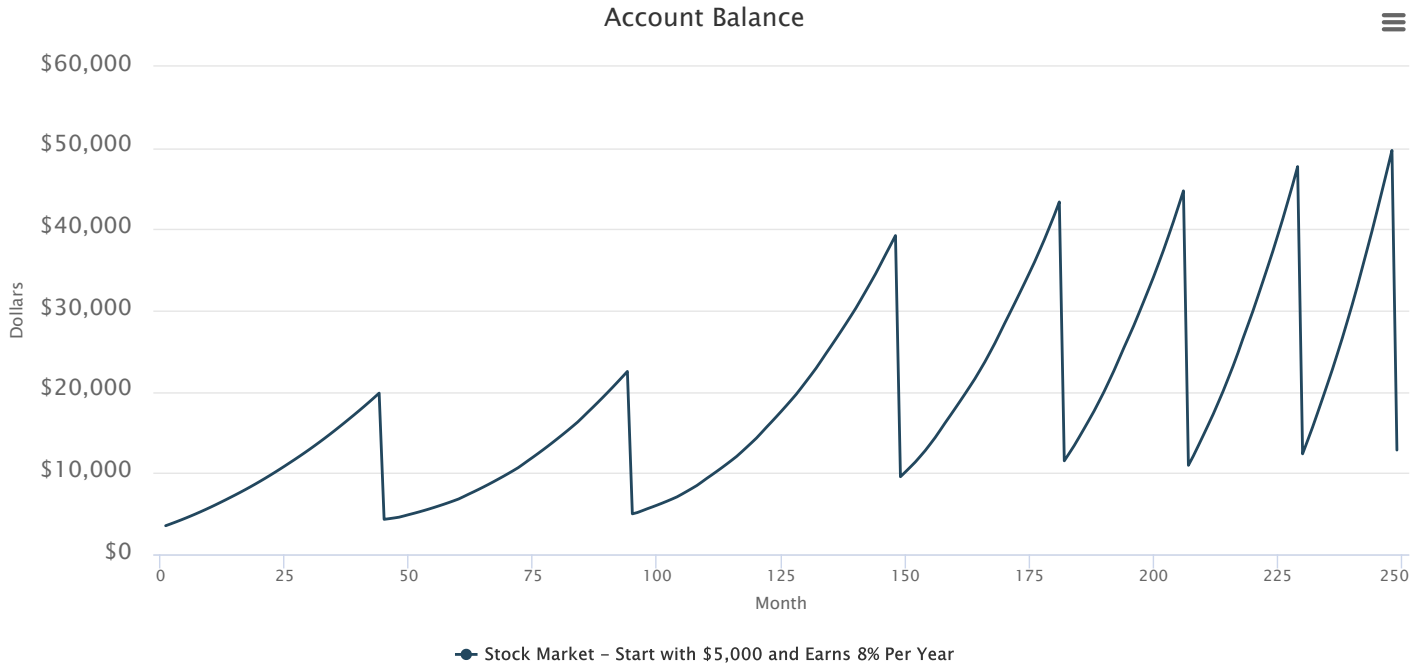
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★ Purchased 🏠 **5% Down \$350K Nomad with No Seller Concessions 5** Property

Bought in 📅 Month 249

We have a ⚡ **Rule** that has you buying the 🏠 **5% Down \$350K Nomad with No Seller Concessions 5** Property when your 💰 **Account** balance in the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** reaches \$7,000 (which we adjust for inflation to be worth \$12,894.39 in 📅 Month 249). The following is a chart showing the balance of 📈

Stock Market - Start with \$5,000 and Earns 8% Per Year **Account** from the start of the 🏠 **Scenario** to 📅 Month 249 after we've adjusted for all the income and expenses for the entire month.



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To purchase the 🏠 **5% Down \$350K Nomad with No Seller Concessions 5** Property, we're assuming you're getting a 5% down payment loan. With a \$644,726 purchase price that means you need to have \$32,236.30 for down payment.

The total cost to close must also include the rent ready costs (\$0) and closing costs (\$6,447.26) minus any seller concessions (\$0).

Description	Amount
Down Payment	\$32,236.30
Rent Ready Costs	\$0
Closing Costs	\$6,447.26
Seller Concessions	- \$0
Total Cost To Close:	\$38,683.56

Since this is a **Nomad™** 🏠 Property, you are buying it, moving in and living there for at least a year before renting it.

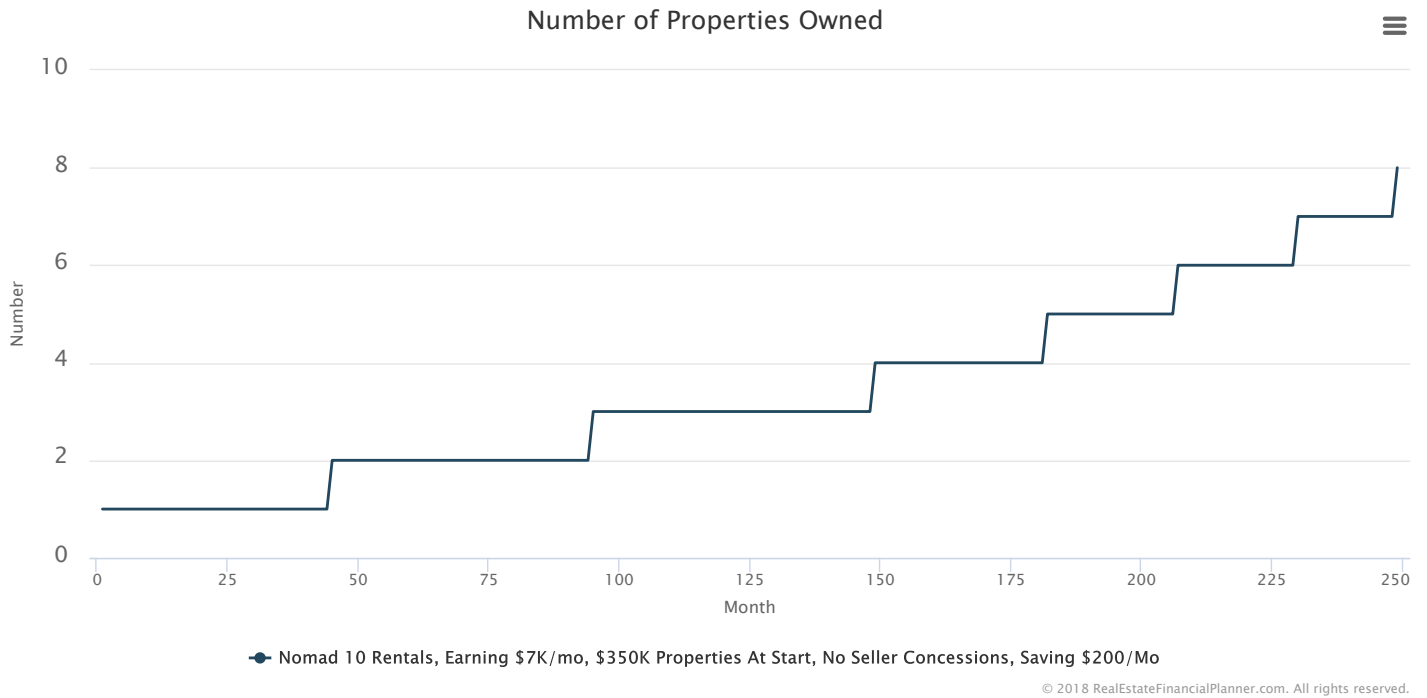
You are moving into this property, so you are not collecting any rent on this property yet.

Summary At The End of 📅 Month 249

Let's summarize what your position looks like at the end of 📅 Month 249. We will look at number of 🏠 **Properties** owned, net worth, cash flow and several other important, key metrics.

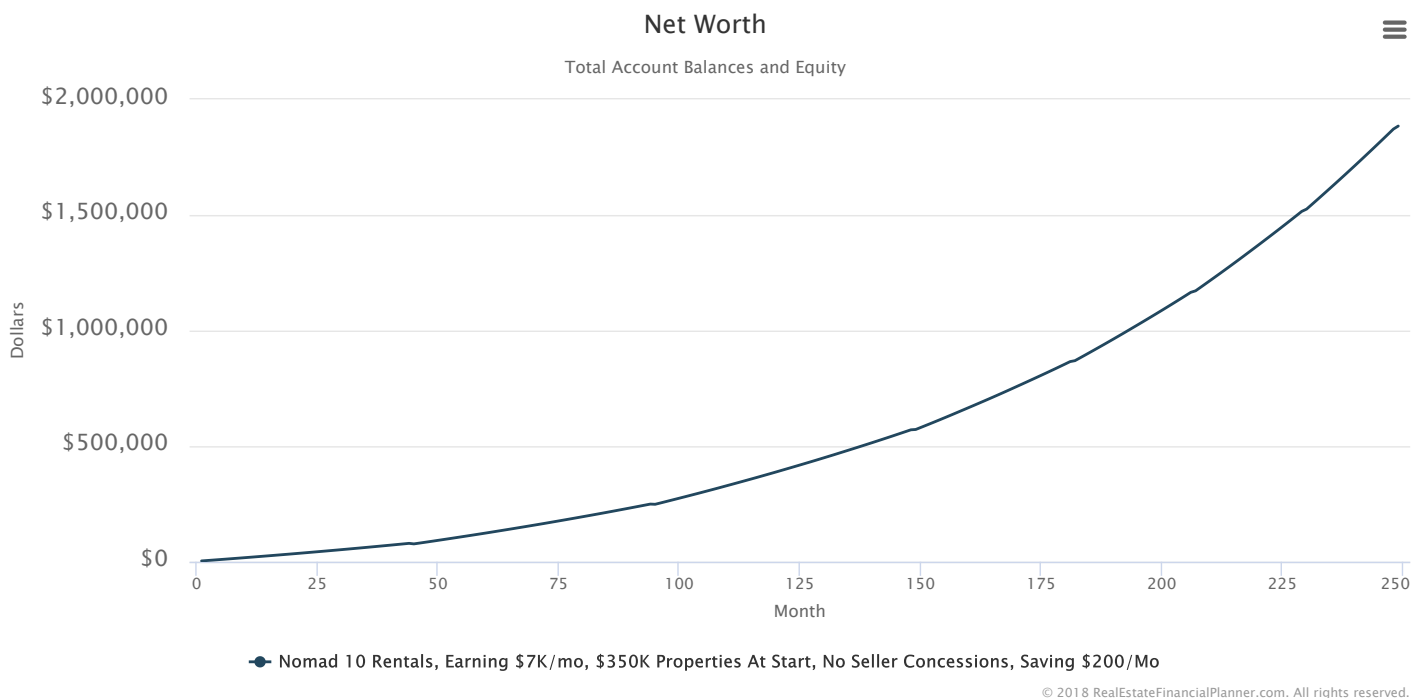
🏠 **Properties** Owned

The chart below shows the total number of 🏠 **Properties** that you own up to and including this month, Month 📅 249.



Net Worth

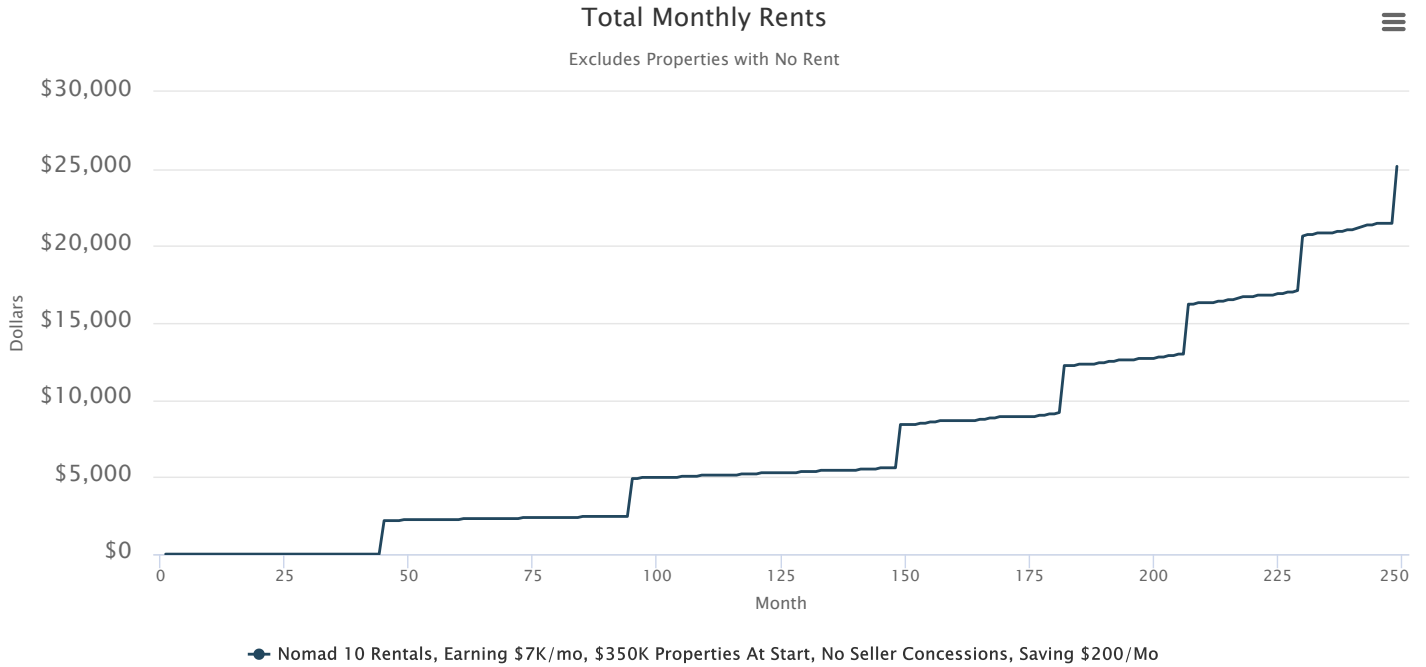
At the end of 📅 Month 249, your overall net worth for the entire 📅 **Scenario** up to this point in time can be summarized by the following chart.



As you can see in the net worth summary above, your net worth for 📅 Month 249 is \$1,884,845.16.

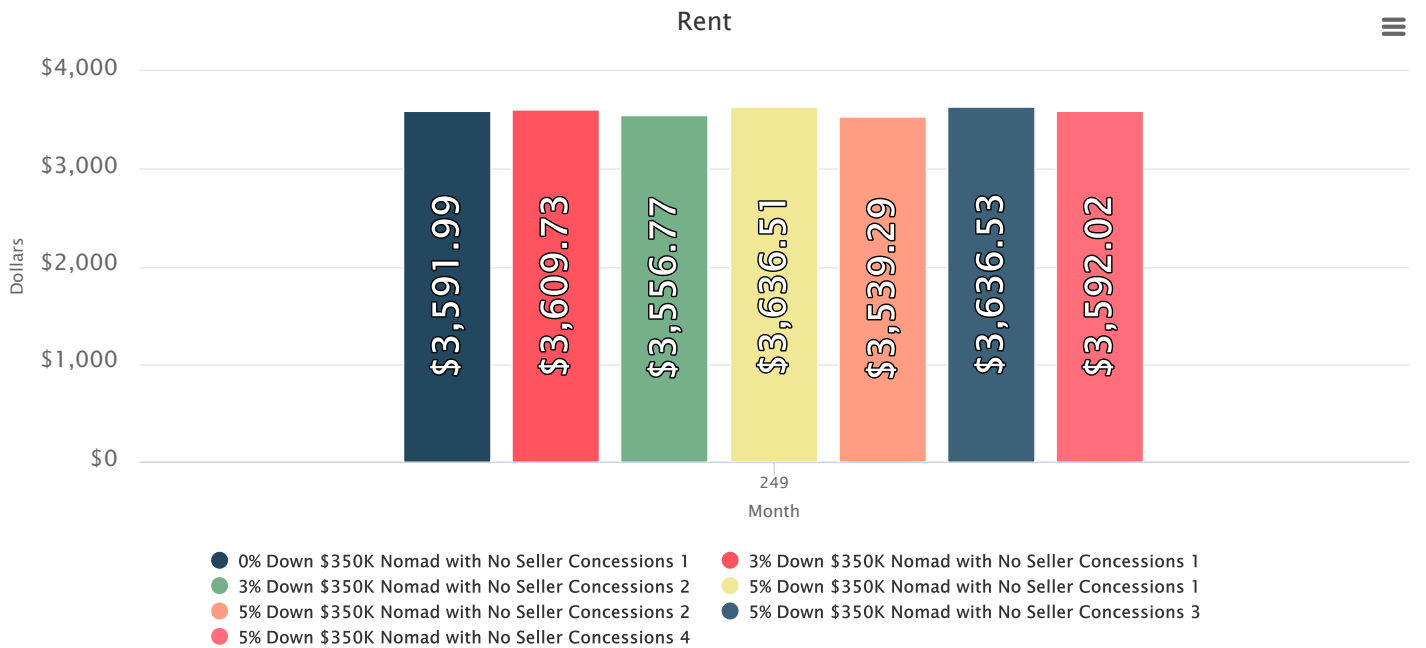
Rent and Cash Flow

By the end of 📅 Month 249 the total monthly rent you are now collecting from all the 🏠 **Properties** for this 📊 **Scenario** is \$25,162.84 per month. That's about \$13,660.20 per month in today's dollars if we adjust for inflation. The following chart shows the total monthly cash flow from all the 🏠 **Properties** up to this month.



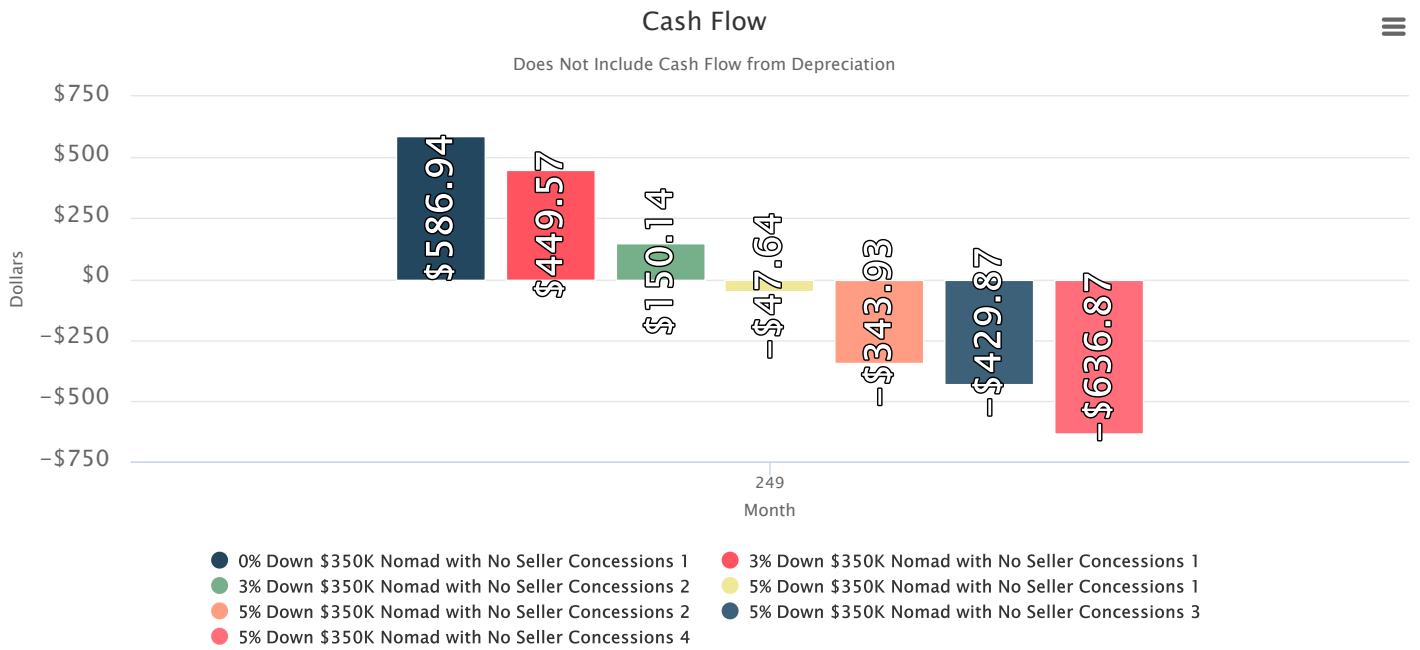
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And, if you'd like to see how each individual 🏠 **Property** is contributing to the total monthly rent, the following chart shows each of the 8 🏠 **Properties** owned up through this month. 🏠 **Properties** without rent (like the one you're living in) are obviously excluded.



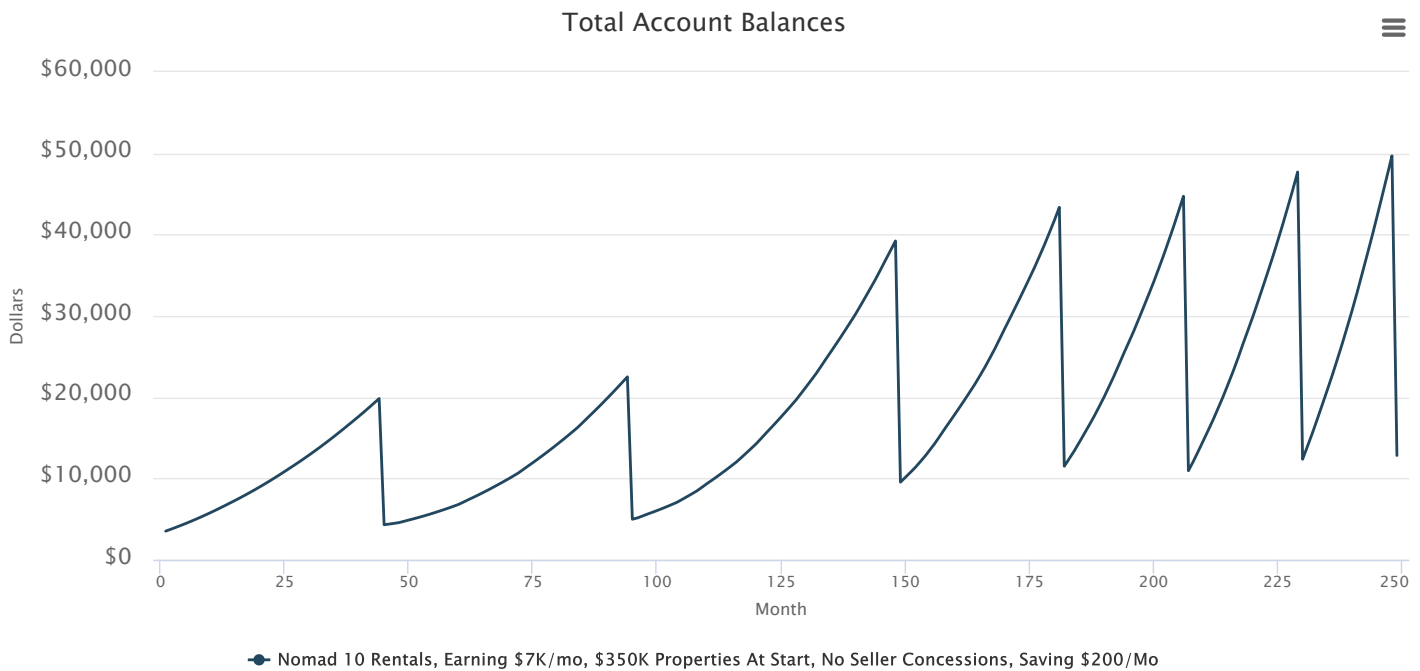
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Here is how much each of the 🏠 **Properties** you are collecting rent on is contributing in net cash flow after expenses (but not including cash flow from depreciation).



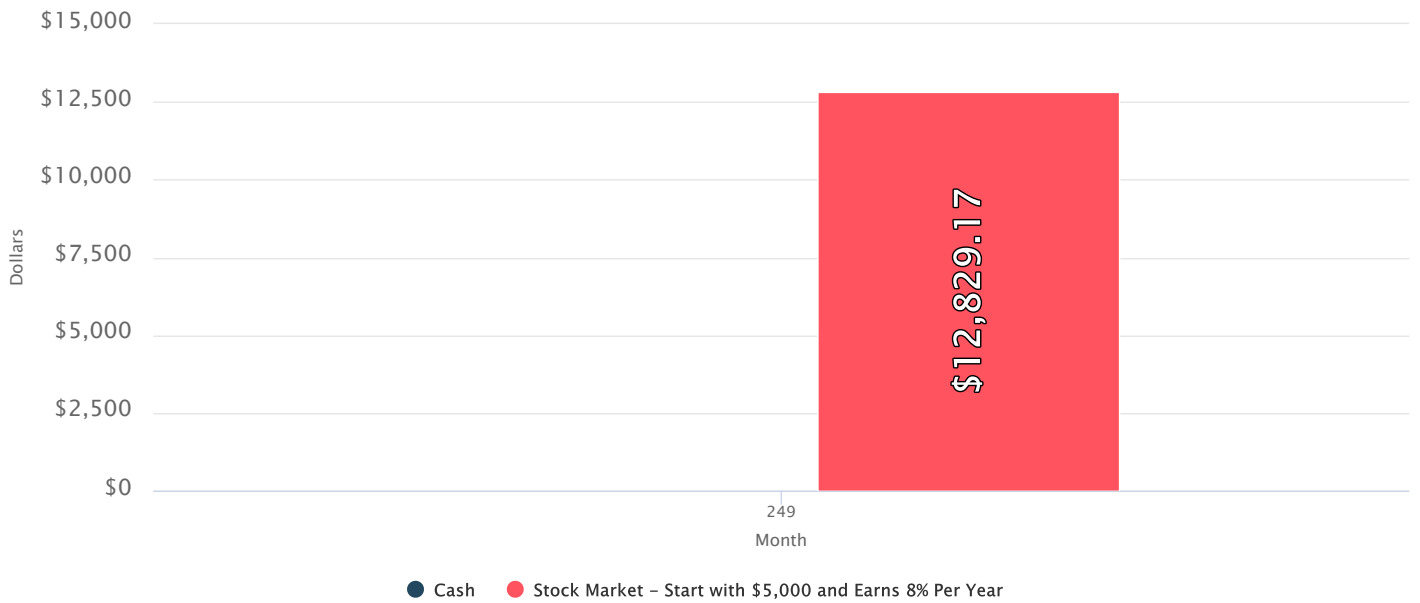
Account Balances

If we sum up the **Account** balances for all the **Accounts** each month we can see the total balance for each month up through this month, Month 249. Our total **Account** balance this month is \$12,829.17 This is after all the income and expenses for the month.



The following chart shows how the total **Account** balance of \$12,829.17 for all your **Accounts** is distributed over your 2 **Accounts** in Month 249.

Account Balance



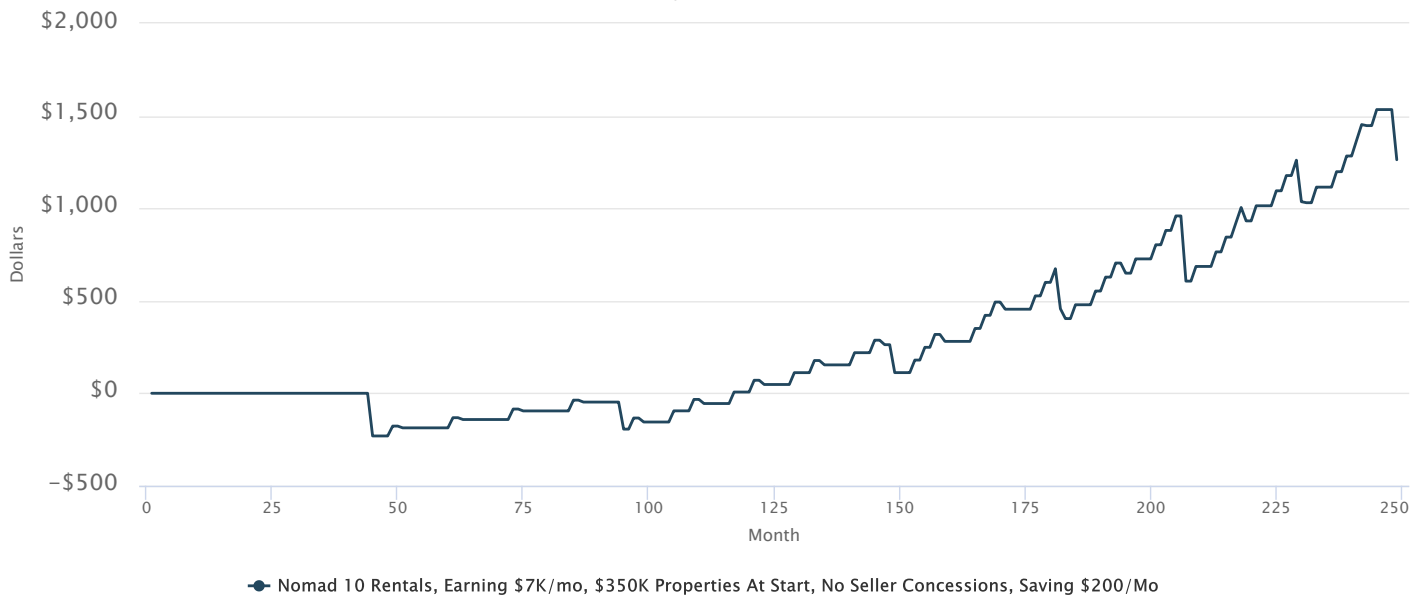
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Cash Flow

Your total cash flow for all **Properties** combined (excluding any **Properties** you are currently living in and not collecting rent on) is \$1,262.86 per month in **Month 249**. This does include an estimate of cash flow from the tax benefit of depreciation. You can see a summary chart of this below.

Total Cash Flow with Depreciation

Excludes Properties with No Rent



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Paychecks

The following chart shows how much gross you're bringing home from paychecks based on any **Rules** that are for paychecks in the **Scenario**.

Gross Paychecks



Sum of All Paychecks After Inflation but Before Taxes



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Your total gross paycheck in 📅 Month 249 is \$12,894.39.

Once we take into account the taxes you're paying on your gross paychecks, you're left over with your net from paychecks. That is shown in the chart below. For this month, it is \$10,979.57.

Paychecks After Tax



Sum of All Paychecks After Inflation and After Taxes



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Not counting the cost of the 🏠 **Property** you are living in and not collecting rent on, you have \$6,453.25 in personal expenses.

Personal Expenses Excluding Real Estate



Your Personal Expenses Not Counting Unrented Homes



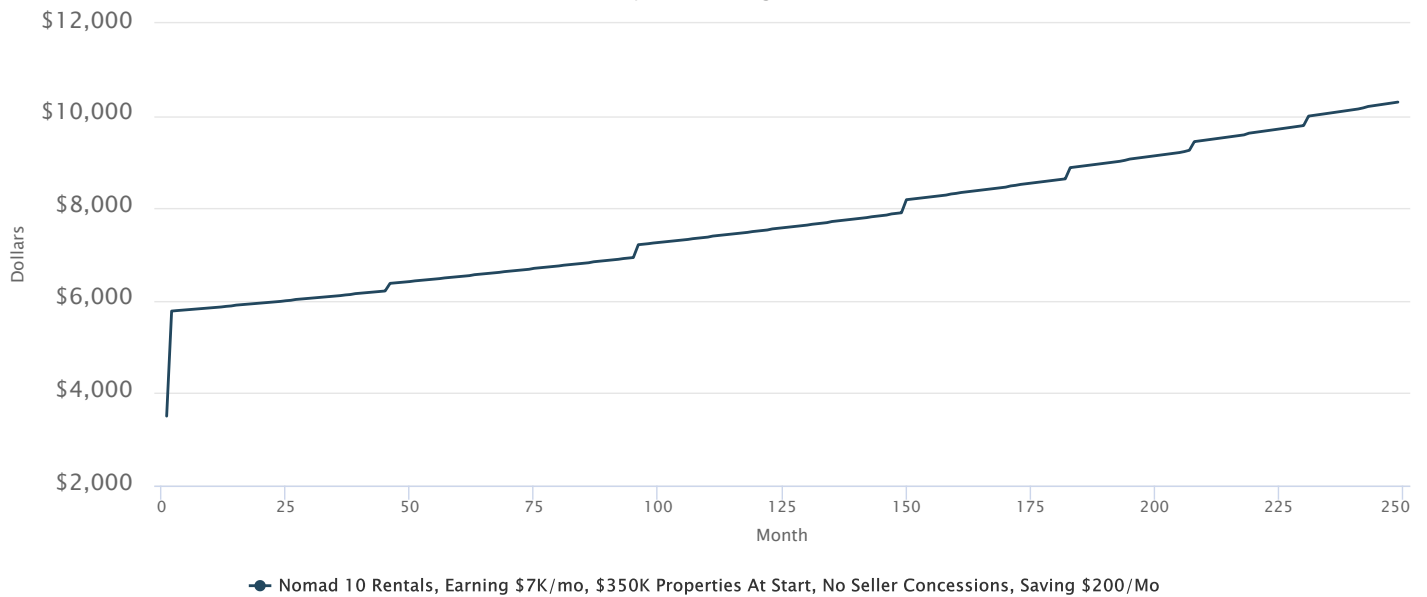
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If we include the cost of the 🏠 **Property** that you are living in, your personal expenses jump up to \$10,295.64 in 📅 Month 249.

Personal Expenses Including Real Estate



Your Personal Expenses Including Unrented Homes



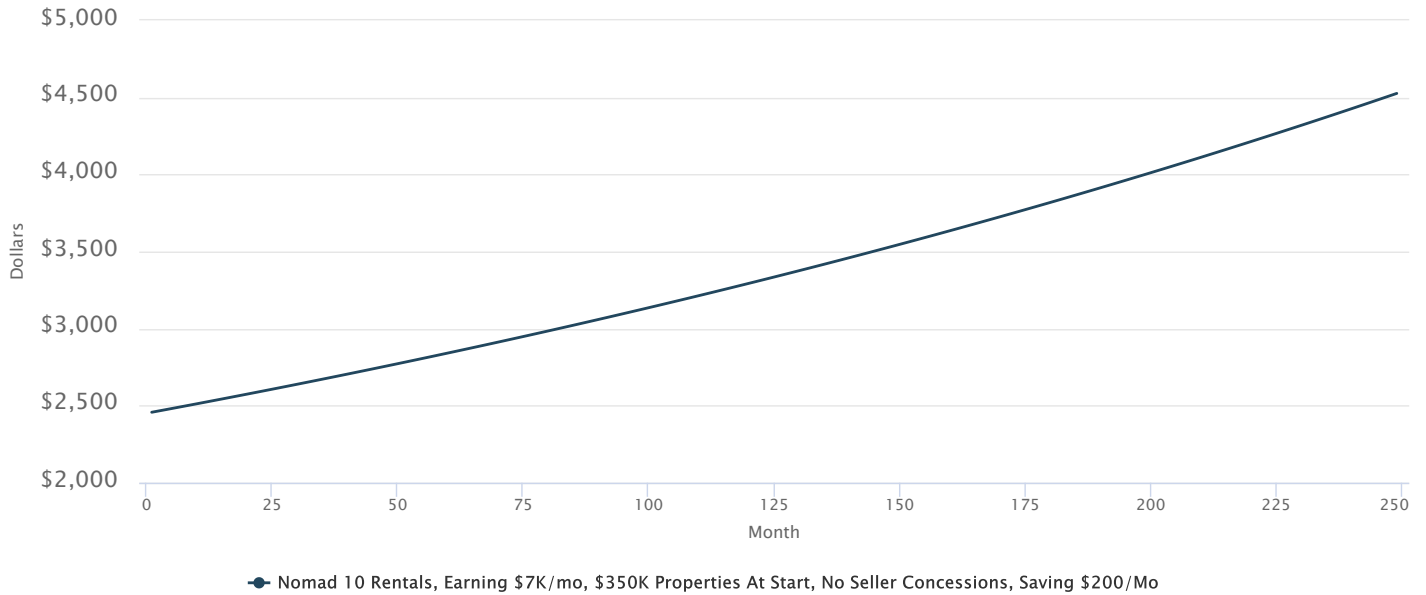
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The difference between your net personal income after taxes and your personal expenses not counting the cost of the 🏠 **Property** that you're living in is the amount of money that you can save from your paychecks each month. We will show you your true savings when we include the cost of the 🏠 **Property** you are occupying in a moment. For now, realize that in 📅 Month 249, you are able to save \$4,526.32 from your paychecks after all your personal expenses (not counting the unrented 🏠 **Property** you are living in).

Total Saved From Paychecks



Paycheck After Inflation and Taxes – Personal Expenses.



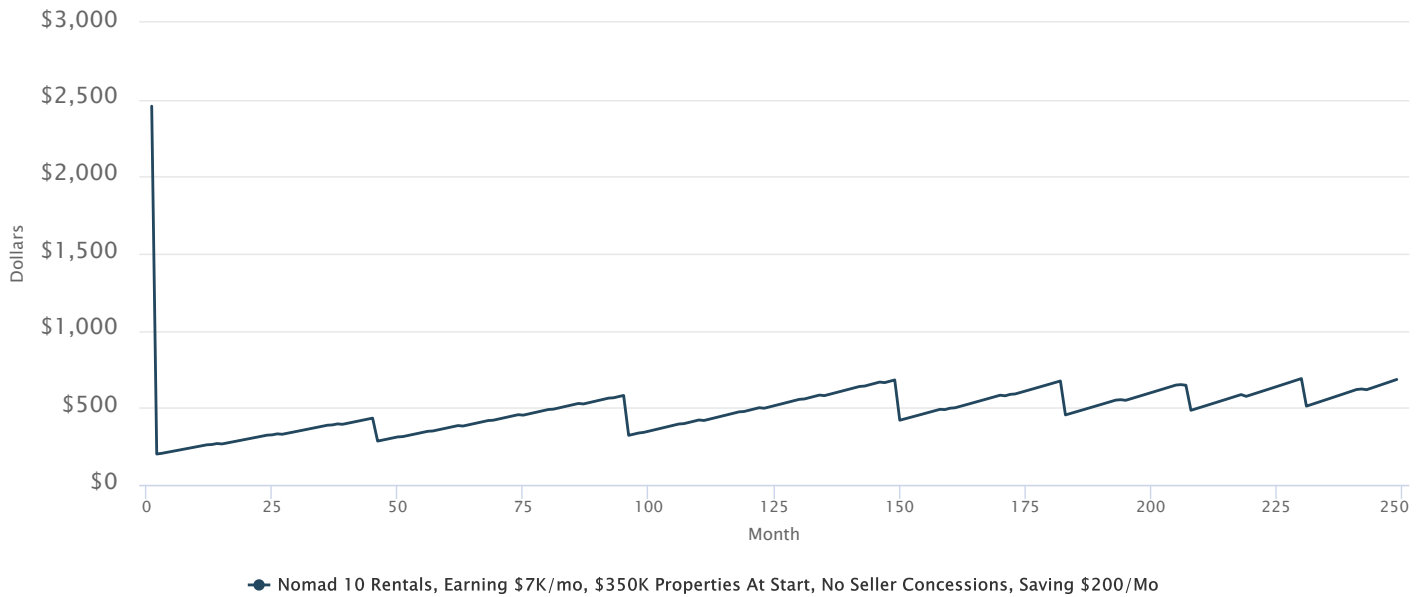
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The \$4,526.32 you were able to save from your paychecks in 📅 Month 249 is not the full picture. It fails to take into account your personal housing expense. The chart below shows that you were able to save \$683.93 in total but this time we are including the cost of your personal housing.

Total Saved



Paycheck After Inflation and Taxes – Personal Expenses Including Unrented Homes



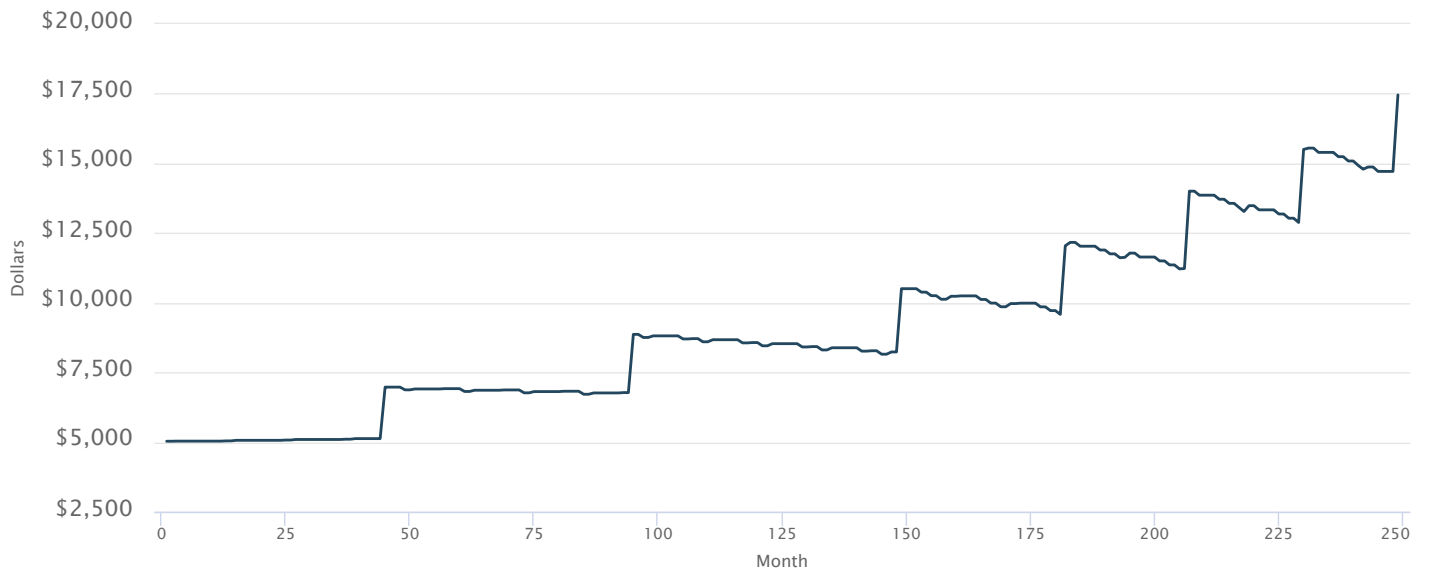
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Minimum Gross Income Required

The following chart shows you the estimated minimum gross monthly income required to be able to qualify for the current loans you have in the 🏠 Scenario. For 📅 Month 249, you will need to be earning, at a minimum, \$17,457.32 per month gross (before taxes) between you and your spouse.

Your income from your rental 🏠 Properties can count toward this as well.

Minimum Gross Monthly Income Required



● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

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★ Purchased 🏠 **5% Down \$350K Nomad with No Seller Concessions 6** Property

Bought in 📅 Month 266

We have a ⚡ **Rule** that has you buying the 🏠 **5% Down \$350K Nomad with No Seller Concessions 6** Property when your 💰 **Account** balance in the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** reaches \$7,000 (which we adjust for inflation to be worth \$13,445.80 in 📅 Month 266). The following is a chart showing the balance of 📈

Stock Market - Start with \$5,000 and Earns 8% Per Year **Account** from the start of the 🏠 **Scenario** to 📅 Month 266 after we've adjusted for all the income and expenses for the entire month.



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To purchase the 🏠 **5% Down \$350K Nomad with No Seller Concessions 6** Property, we're assuming you're getting a 5% down payment loan. With a \$672,300 purchase price that means you need to have \$33,615 for down payment.

The total cost to close must also include the rent ready costs (\$0) and closing costs (\$6,723) minus any seller concessions (\$0).

Description	Amount
Down Payment	\$33,615
Rent Ready Costs	\$0
Closing Costs	\$6,723
Seller Concessions	- \$0
Total Cost To Close:	\$40,338

Since this is a **Nomad™** 🏠 **Property**, you are buying it, moving in and living there for at least a year before renting it.

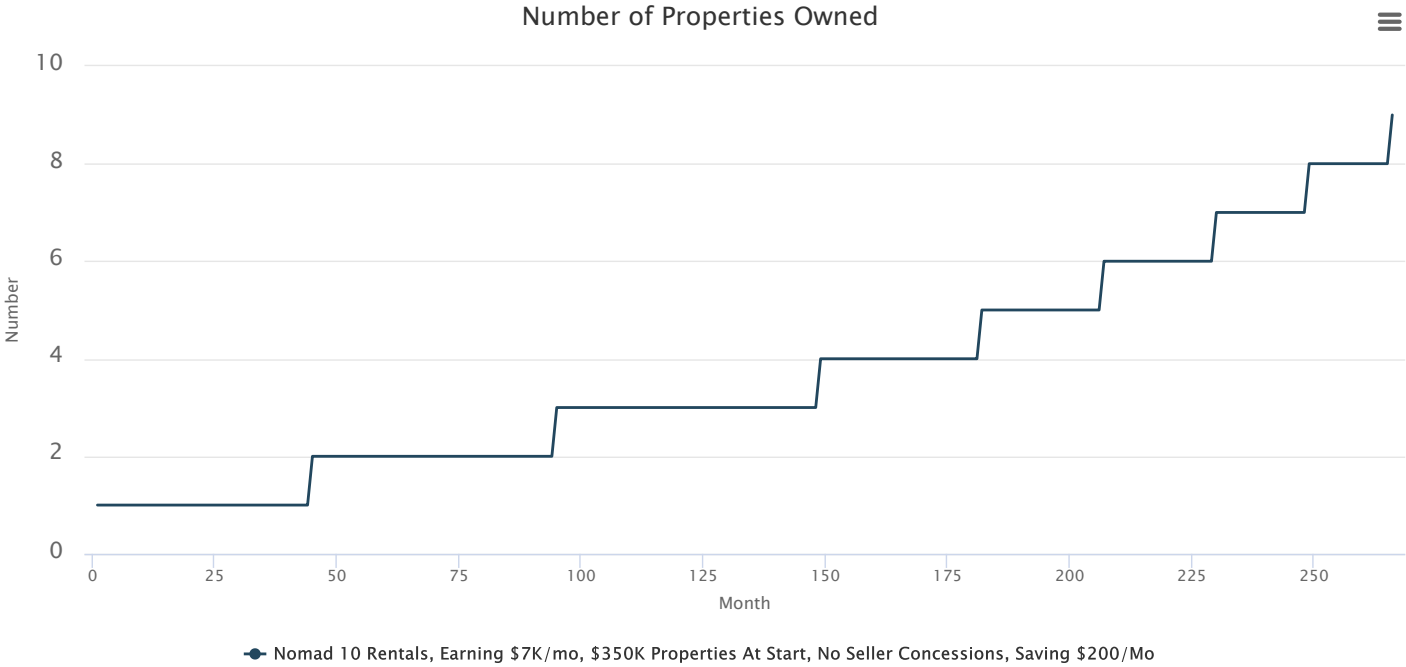
You are moving into this property, so you are not collecting any rent on this property yet.

Summary At The End of 📅 Month 266

Let's summarize what your position looks like at the end of 📅 Month 266. We will look at number of 🏠 **Properties** owned, net worth, cash flow and several other important, key metrics.

🏠 **Properties** Owned

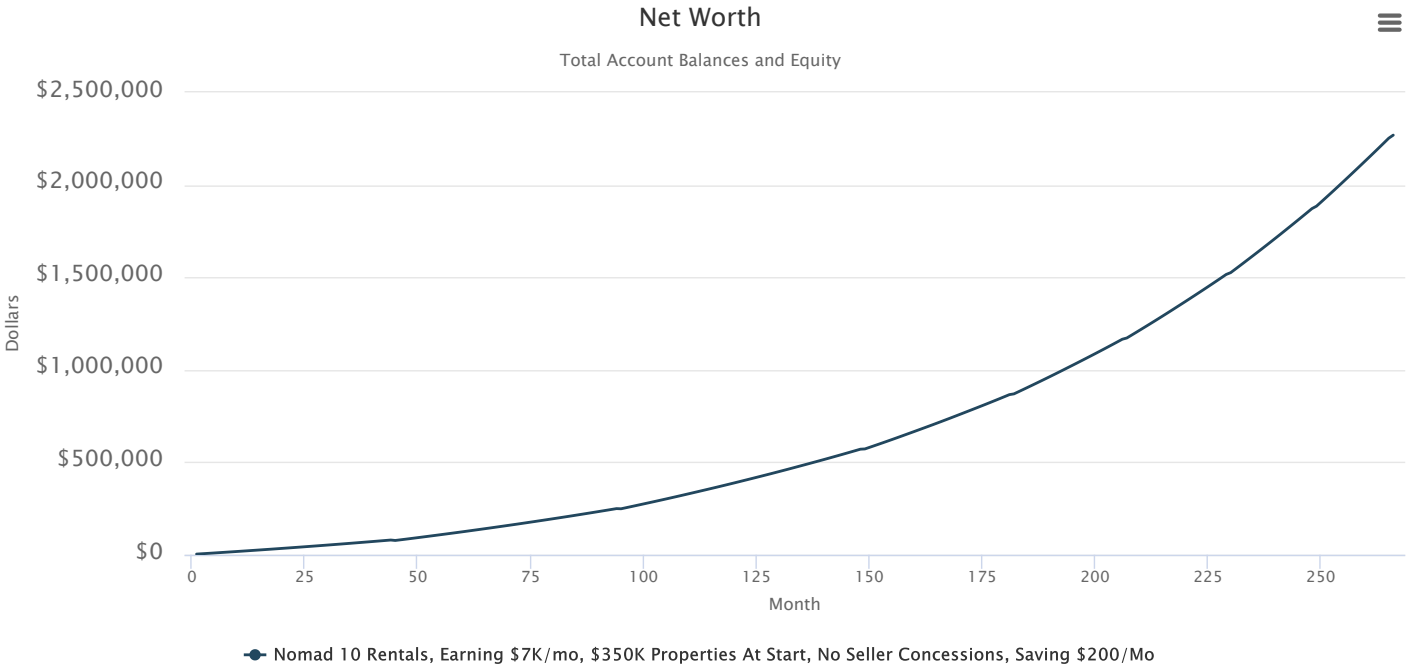
The chart below shows the total number of 🏠 **Properties** that you own up to and including this month, Month 📅 266.



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Net Worth

At the end of 📅 Month 266, your overall net worth for the entire 📅 **Scenario** up to this point in time can be summarized by the following chart.

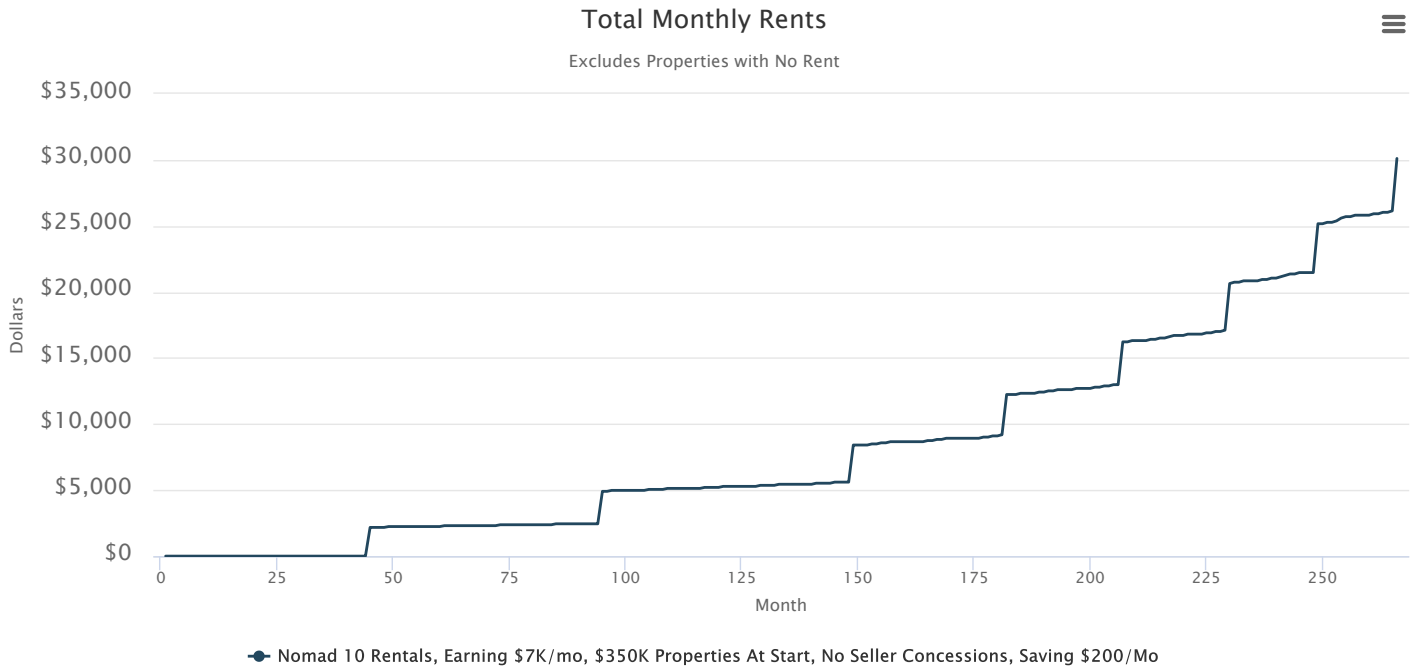


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As you can see in the net worth summary above, your net worth for 📅 Month 266 is \$2,269,159.54.

Rent and Cash Flow

By the end of 📅 Month 266 the total monthly rent you are now collecting from all the 🏠 **Properties** for this 📊 **Scenario** is \$30,104.59 per month. That's about \$15,672.71 per month in today's dollars if we adjust for inflation. The following chart shows the total monthly cash flow from all the 🏠 **Properties** up to this month.



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And, if you'd like to see how each individual 🏠 **Property** is contributing to the total monthly rent, the following chart shows each of the 9 🏠 **Properties** owned up through this month. 🏠 **Properties** without rent (like the one you're living in) are obviously excluded.

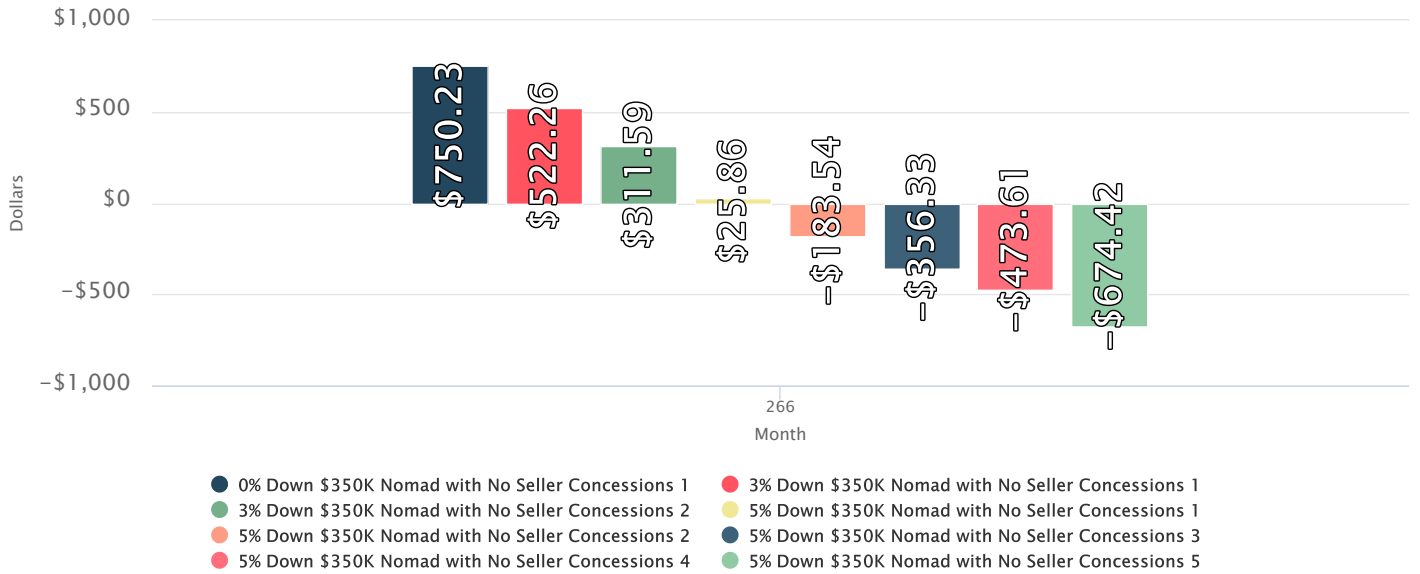


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Here is how much each of the 🏠 **Properties** you are collecting rent on is contributing in net cash flow after expenses (but not including cash flow from depreciation).

Cash Flow

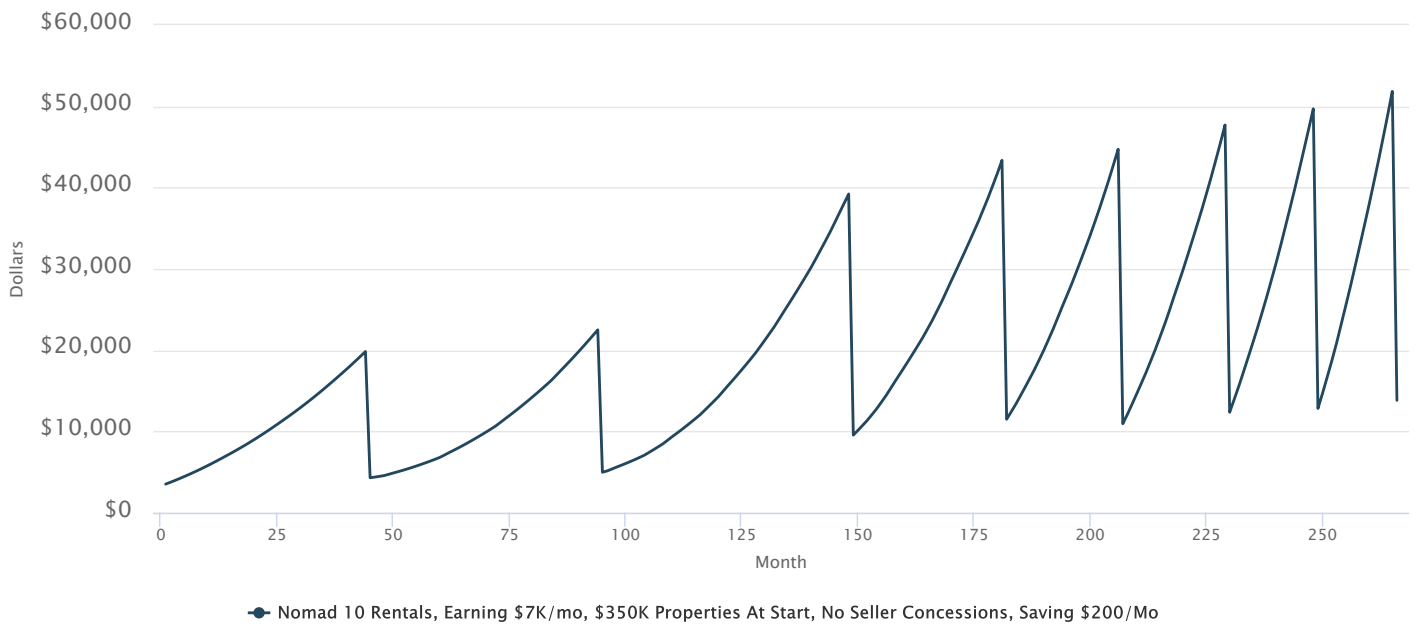
Does Not Include Cash Flow from Depreciation



Account Balances

If we sum up the **Account** balances for all the **Accounts** each month we can see the total balance for each month up through this month, Month 266. Our total **Account** balance this month is \$13,825.73 This is after all the income and expenses for the month.

Total Account Balances



The following chart shows how the total **Account** balance of \$13,825.73 for all your **Accounts** is distributed over your 2 **Accounts** in Month 266.

Account Balance



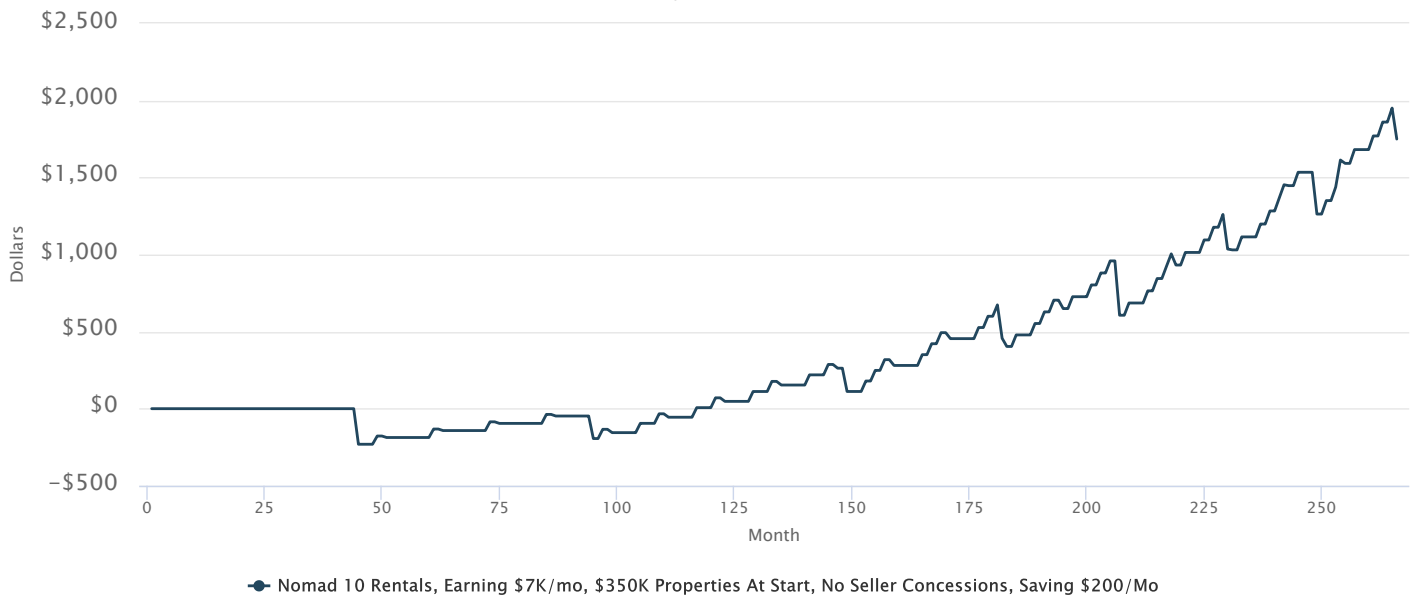
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Cash Flow

Your total cash flow for all **Properties** combined (excluding any **Properties** you are currently living in and not collecting rent on) is \$1,749.63 per month in **Month 266**. This does include an estimate of cash flow from the tax benefit of depreciation. You can see a summary chart of this below.

Total Cash Flow with Depreciation

Excludes Properties with No Rent



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Paychecks

The following chart shows how much gross you're bringing home from paychecks based on any **Rules** that are for paychecks in the **Scenario**.

Gross Paychecks



Sum of All Paychecks After Inflation but Before Taxes



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Your total gross paycheck in 📅 Month 266 is \$13,445.80.

Once we take into account the taxes you're paying on your gross paychecks, you're left over with your net from paychecks. That is shown in the chart below. For this month, it is \$11,449.10.

Paychecks After Tax



Sum of All Paychecks After Inflation and After Taxes



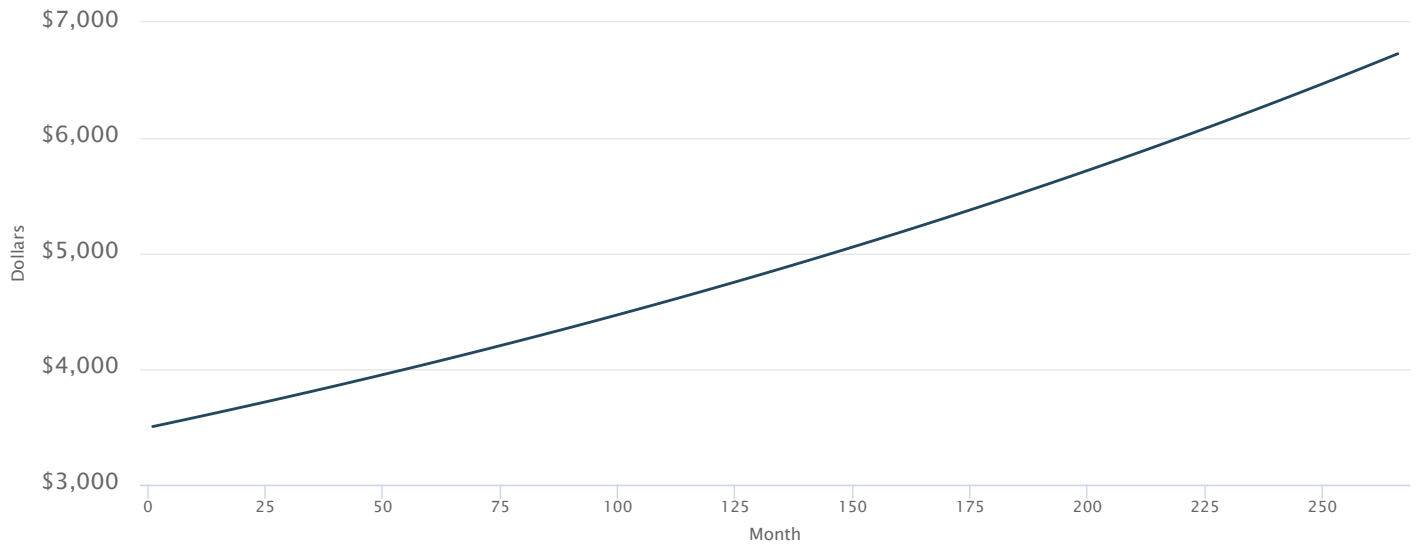
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Not counting the cost of the 🏠 **Property** you are living in and not collecting rent on, you have \$6,729.22 in personal expenses.

Personal Expenses Excluding Real Estate



Your Personal Expenses Not Counting Unrented Homes



◆ Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

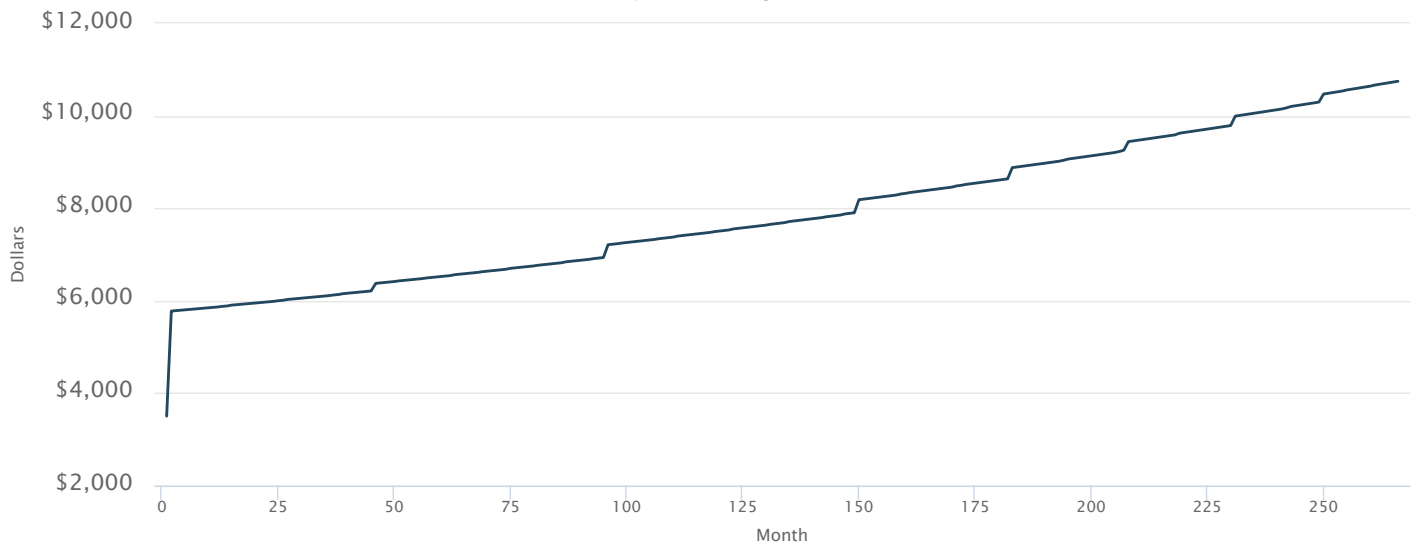
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If we include the cost of the 🏠 **Property** that you are living in, your personal expenses jump up to \$10,746.23 in 📅 Month 266.

Personal Expenses Including Real Estate



Your Personal Expenses Including Unrented Homes



◆ Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

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The difference between your net personal income after taxes and your personal expenses not counting the cost of the 🏠 **Property** that you're living in is the amount of money that you can save from your paychecks each month. We will show you your true savings when we include the cost of the 🏠 **Property** you are occupying in a moment. For now, realize that in 📅 Month 266, you are able to save \$4,719.88 from your paychecks after all your personal expenses (not counting the unrented 🏠 **Property** you are living in).

Total Saved From Paychecks



Paycheck After Inflation and Taxes – Personal Expenses.



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The \$4,719.88 you were able to save from your paychecks in 📅 Month 266 is not the full picture. It fails to take into account your personal housing expense. The chart below shows that you were able to save \$702.87 in total but this time we are including the cost of your personal housing.

Total Saved



Paycheck After Inflation and Taxes – Personal Expenses Including Unrented Homes



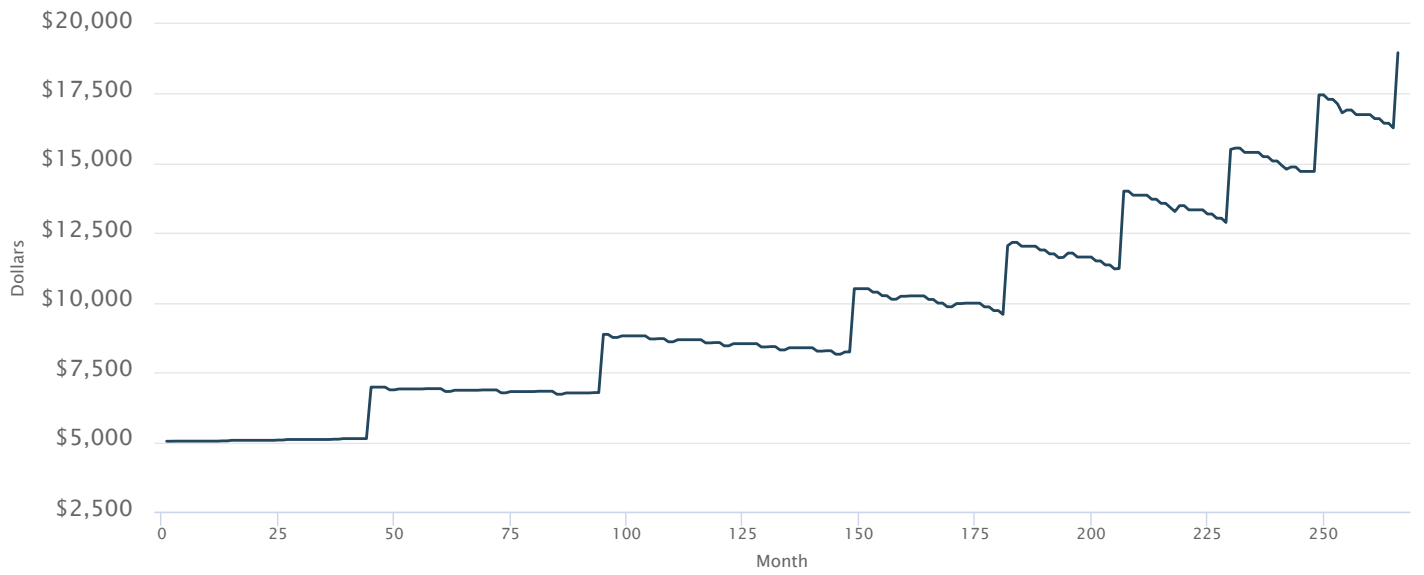
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Minimum Gross Income Required

The following chart shows you the estimated minimum gross monthly income required to be able to qualify for the current loans you have in the 🏠 Scenario. For 📅 Month 266, you will need to be earning, at a minimum, \$18,970.92 per month gross (before taxes) between you and your spouse.

Your income from your rental 🏠 Properties can count toward this as well.

Minimum Gross Monthly Income Required



● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

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★ Purchased 🏠 **5% Down \$350K Nomad with No Seller Concessions 7** Property

Bought in 📅 Month 281

We have a ⚡ **Rule** that has you buying the 🏠 **5% Down \$350K Nomad with No Seller Concessions 7** Property when your 💰 **Account** balance in the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** reaches \$7,000 (which we adjust for inflation to be worth \$13,951.90 in 📅 Month 281). The following is a chart showing the balance of 📈

Stock Market - Start with \$5,000 and Earns 8% Per Year **Account** from the start of the 🏠 **Scenario** to 📅 Month 281 after we've adjusted for all the income and expenses for the entire month.



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To purchase the 🏠 **5% Down \$350K Nomad with No Seller Concessions 7** Property, we're assuming you're getting a 5% down payment loan. With a \$697,604 purchase price that means you need to have \$34,880.20 for down payment.

The total cost to close must also include the rent ready costs (\$0) and closing costs (\$6,976.04) minus any seller concessions (\$0).

Description	Amount
Down Payment	\$34,880.20
Rent Ready Costs	\$0
Closing Costs	\$6,976.04
Seller Concessions	- \$0
Total Cost To Close:	\$41,856.24

Since this is a **Nomad™** 🏠 **Property**, you are buying it, moving in and living there for at least a year before renting it.

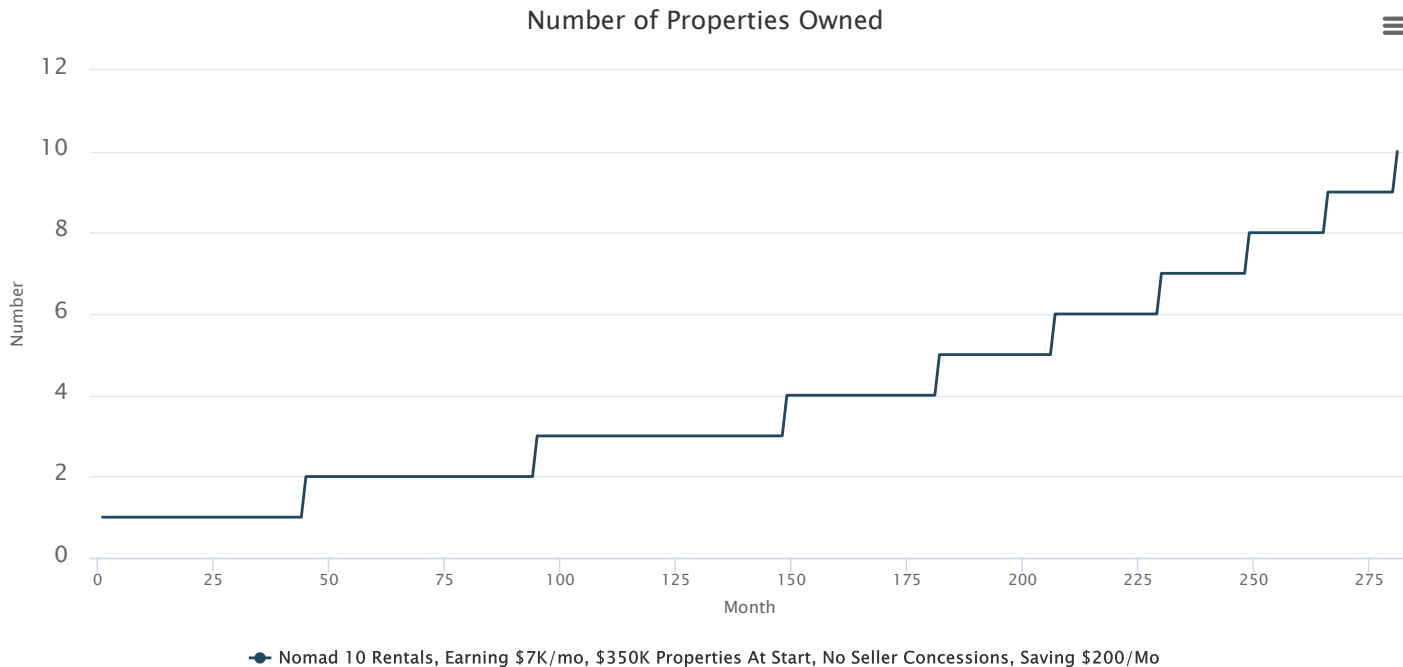
You are moving into this property, so you are not collecting any rent on this property yet.

Summary At The End of 📅 Month 281

Let's summarize what your position looks like at the end of 📅 Month 281. We will look at number of 🏠 **Properties** owned, net worth, cash flow and several other important, key metrics.

🏠 **Properties** Owned

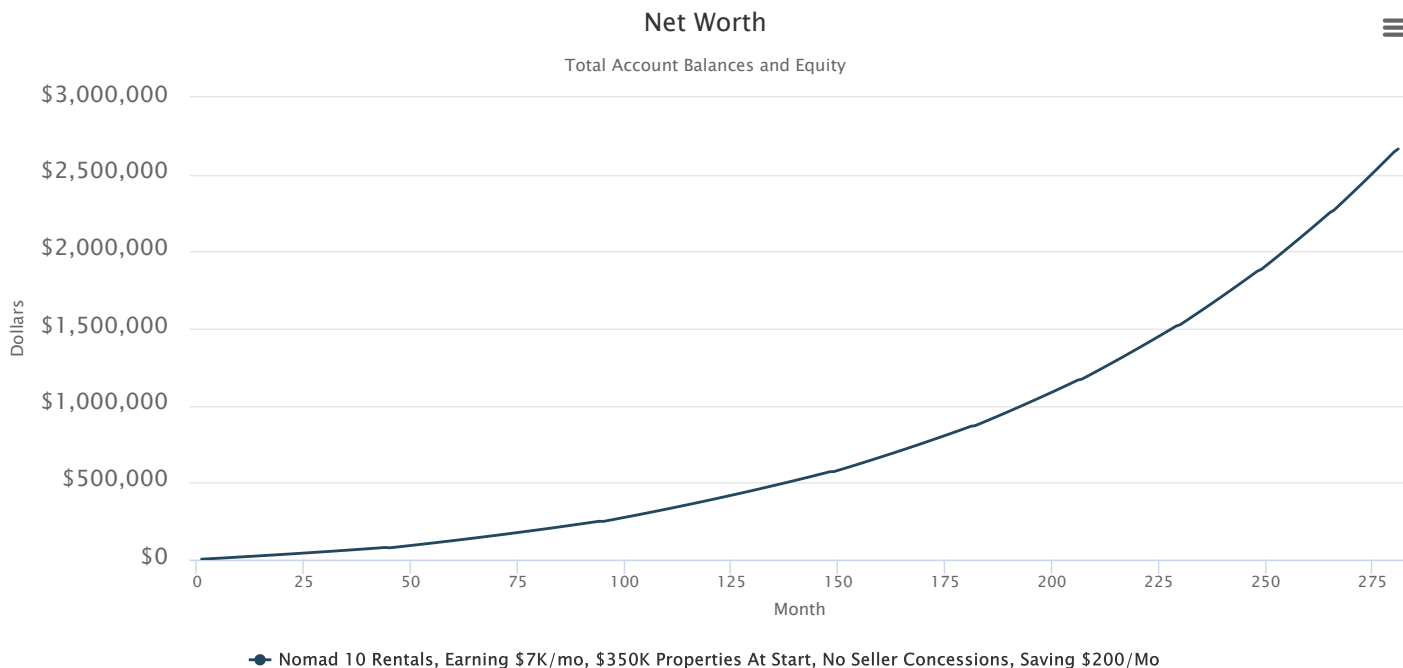
The chart below shows the total number of 🏠 **Properties** that you own up to and including this month, Month 📅 281.



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Net Worth

At the end of 📅 Month 281, your overall net worth for the entire 📅 **Scenario** up to this point in time can be summarized by the following chart.

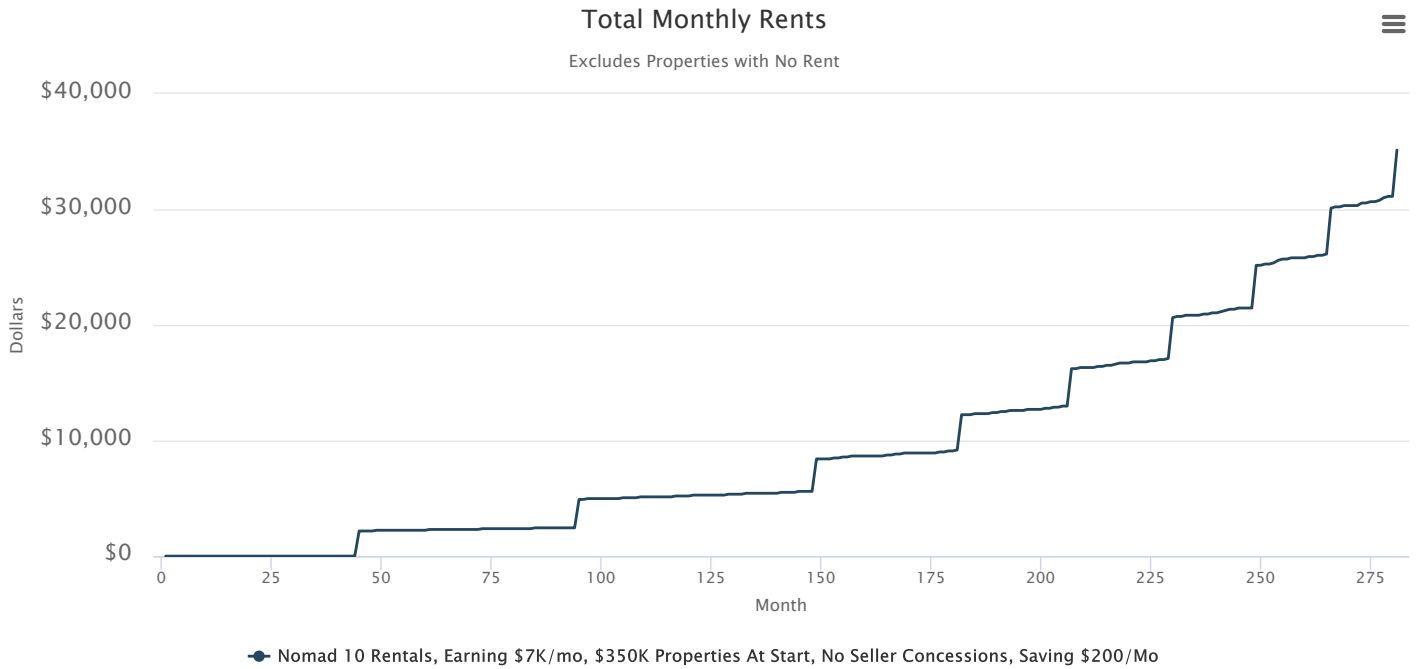


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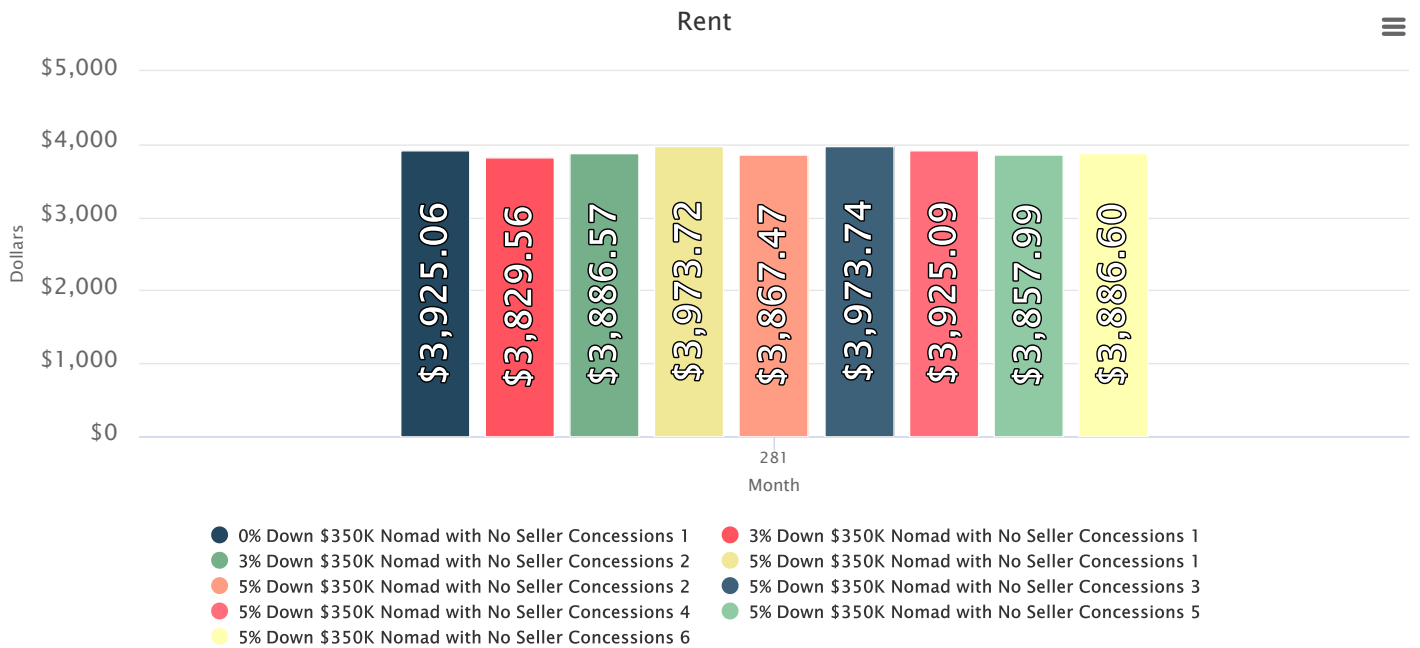
As you can see in the net worth summary above, your net worth for 📅 Month 281 is \$2,665,781.85.

Rent and Cash Flow

By the end of 📅 Month 281 the total monthly rent you are now collecting from all the 🏠 **Properties** for this 📊 **Scenario** is \$35,125.80 per month. That's about \$17,623.45 per month in today's dollars if we adjust for inflation. The following chart shows the total monthly cash flow from all the 🏠 **Properties** up to this month.



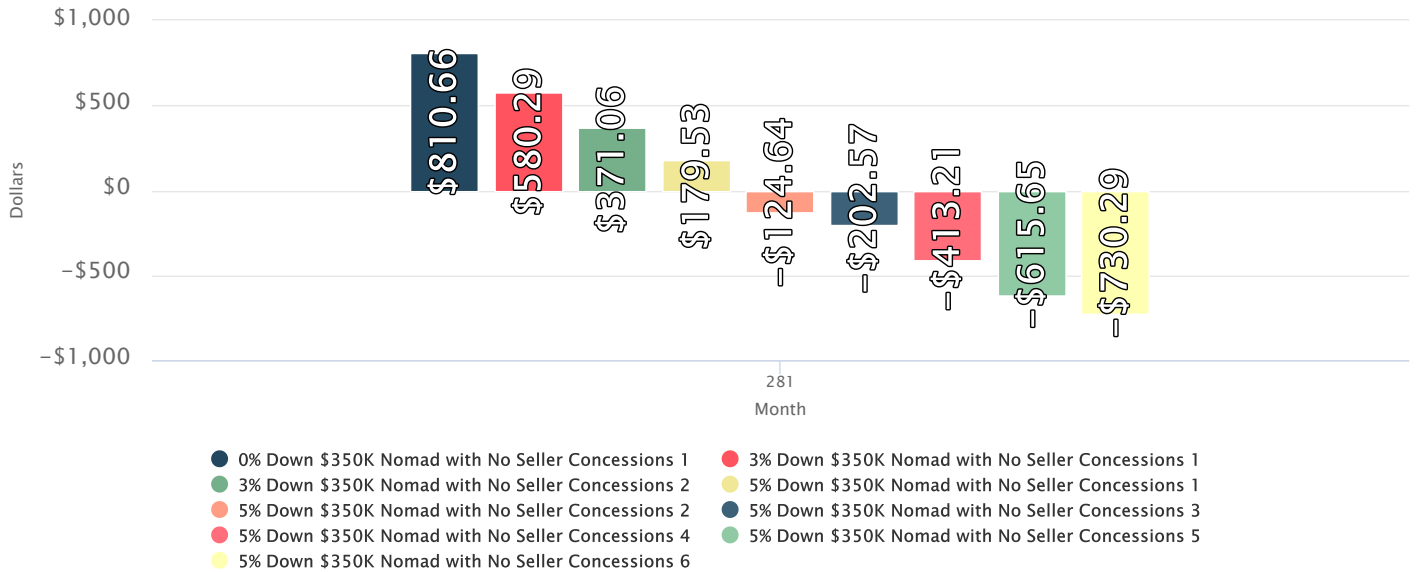
And, if you'd like to see how each individual 🏠 **Property** is contributing to the total monthly rent, the following chart shows each of the 10 🏠 **Properties** owned up through this month. 🏠 **Properties** without rent (like the one you're living in) are obviously excluded.



Here is how much each of the 🏠 **Properties** you are collecting rent on is contributing in net cash flow after expenses (but not including cash flow from depreciation).

Cash Flow

Does Not Include Cash Flow from Depreciation

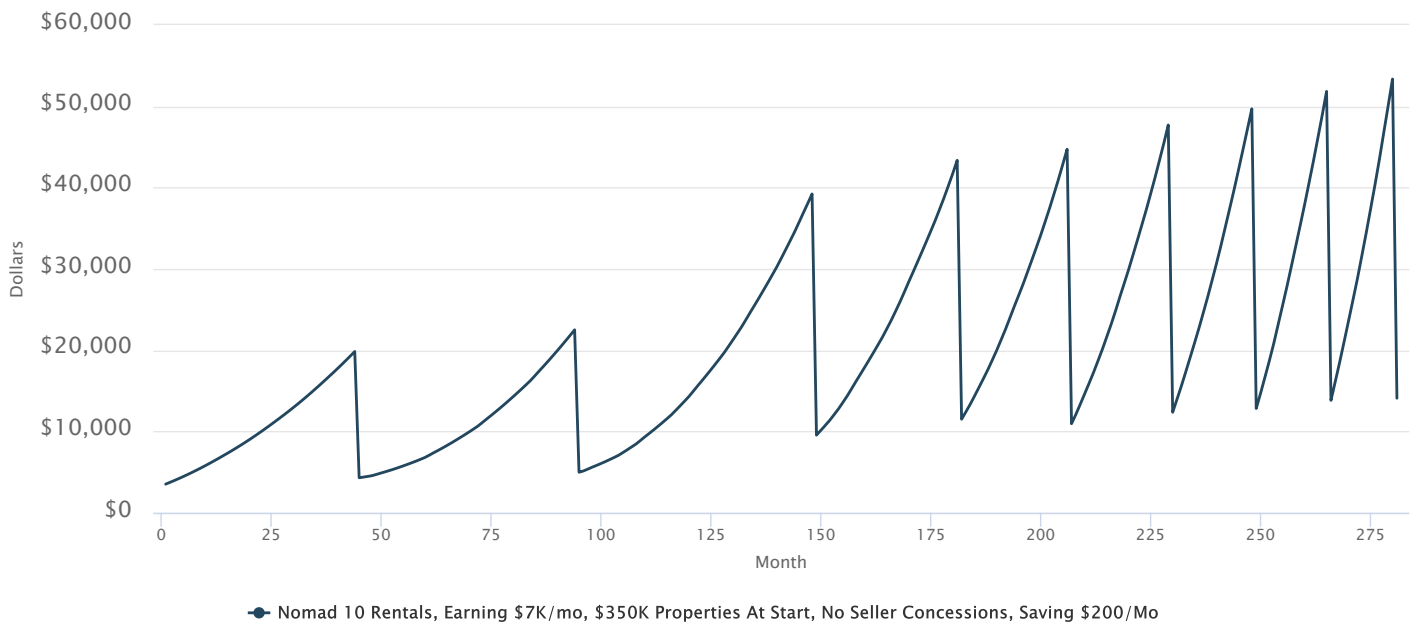


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Account Balances

If we sum up the **Account** balances for all the **Accounts** each month we can see the total balance for each month up through this month, Month 281. Our total **Account** balance this month is \$14,089.21 This is after all the income and expenses for the month.

Total Account Balances



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The following chart shows how the total **Account** balance of \$14,089.21 for all your **Accounts** is distributed over your 2 **Accounts** in Month 281.

Account Balance

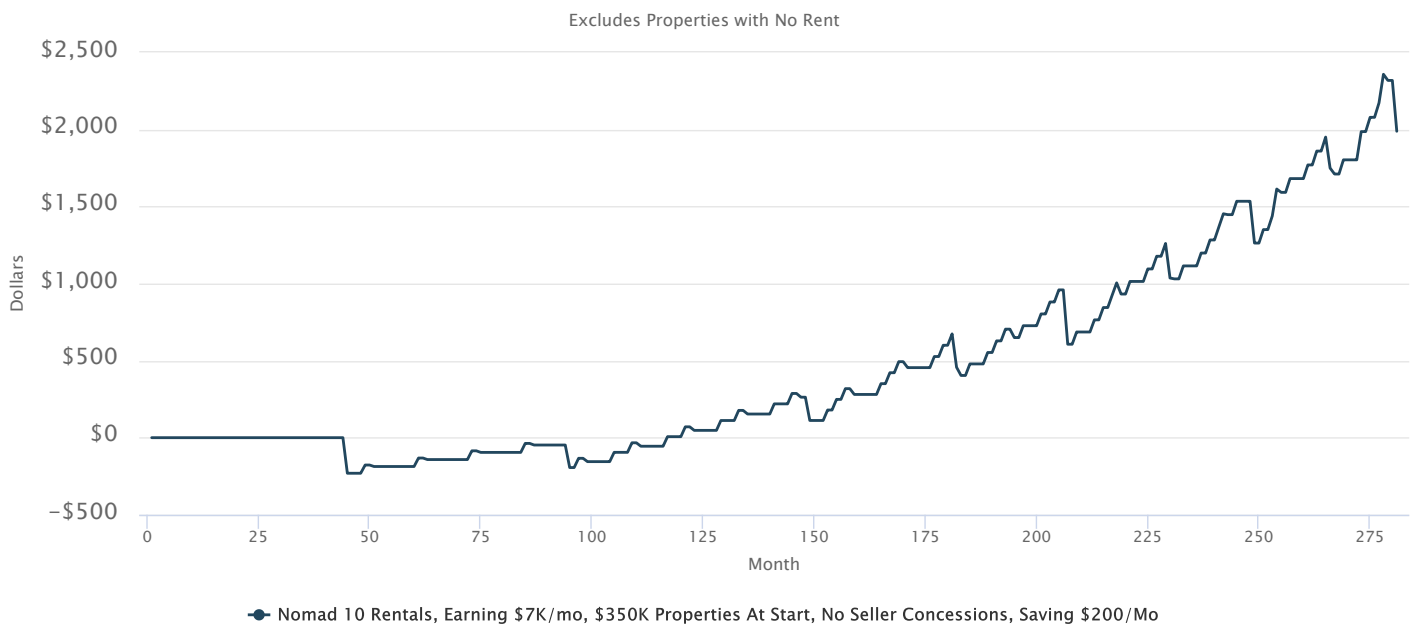


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Cash Flow

Your total cash flow for all **Properties** combined (excluding any **Properties** you are currently living in and not collecting rent on) is \$1,988.36 per month in **Month 281**. This does include an estimate of cash flow from the tax benefit of depreciation. You can see a summary chart of this below.

Total Cash Flow with Depreciation



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Paychecks

The following chart shows how much gross you're bringing home from paychecks based on any **Rules** that are for paychecks in the **Scenario**.

Gross Paychecks



Sum of All Paychecks After Inflation but Before Taxes



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Your total gross paycheck in 📅 Month 281 is \$13,951.90.

Once we take into account the taxes you're paying on your gross paychecks, you're left over with your net from paychecks. That is shown in the chart below. For this month, it is \$11,880.04.

Paychecks After Tax



Sum of All Paychecks After Inflation and After Taxes



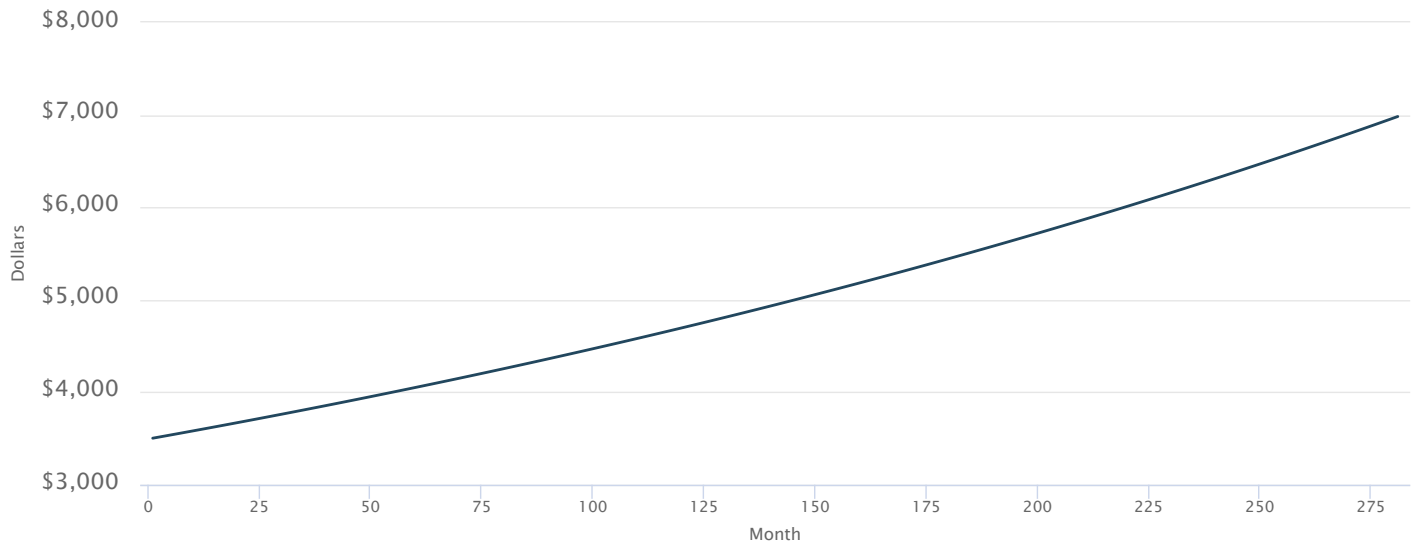
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Not counting the cost of the 🏠 **Property** you are living in and not collecting rent on, you have \$6,982.51 in personal expenses.

Personal Expenses Excluding Real Estate



Your Personal Expenses Not Counting Unrented Homes



◆ Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

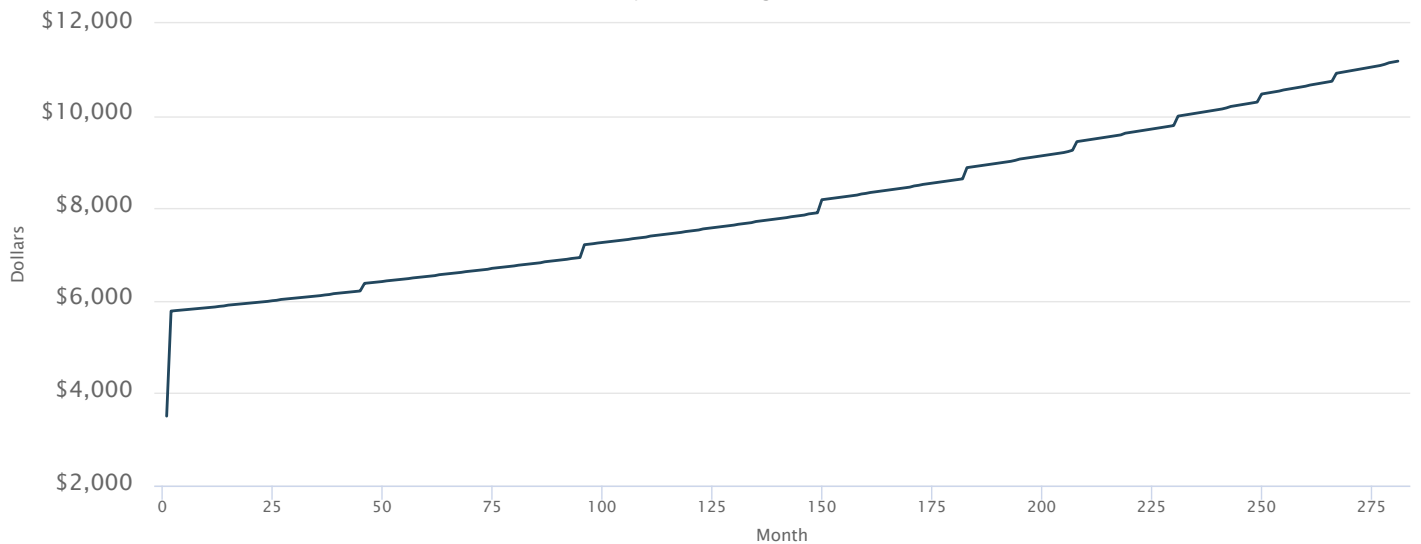
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If we include the cost of the 🏠 **Property** that you are living in, your personal expenses jump up to \$11,181.19 in 📅 Month 281.

Personal Expenses Including Real Estate



Your Personal Expenses Including Unrented Homes



◆ Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

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The difference between your net personal income after taxes and your personal expenses not counting the cost of the 🏠 **Property** that you're living in is the amount of money that you can save from your paychecks each month. We will show you your true savings when we include the cost of the 🏠 **Property** you are occupying in a moment. For now, realize that in 📅 Month 281, you are able to save \$4,897.53 from your paychecks after all your personal expenses (not counting the unrented 🏠 **Property** you are living in).

Total Saved From Paychecks



Paycheck After Inflation and Taxes – Personal Expenses.



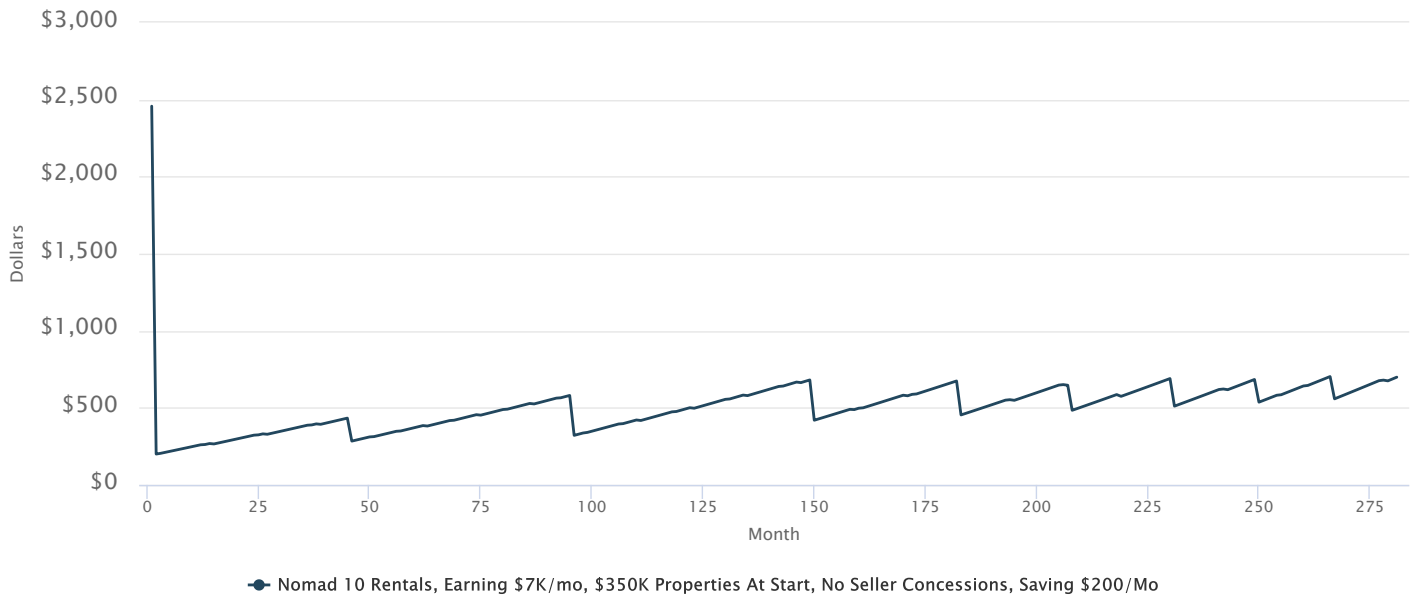
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The \$4,897.53 you were able to save from your paychecks in 📅 Month 281 is not the full picture. It fails to take into account your personal housing expense. The chart below shows that you were able to save \$698.85 in total but this time we are including the cost of your personal housing.

Total Saved



Paycheck After Inflation and Taxes – Personal Expenses Including Unrented Homes



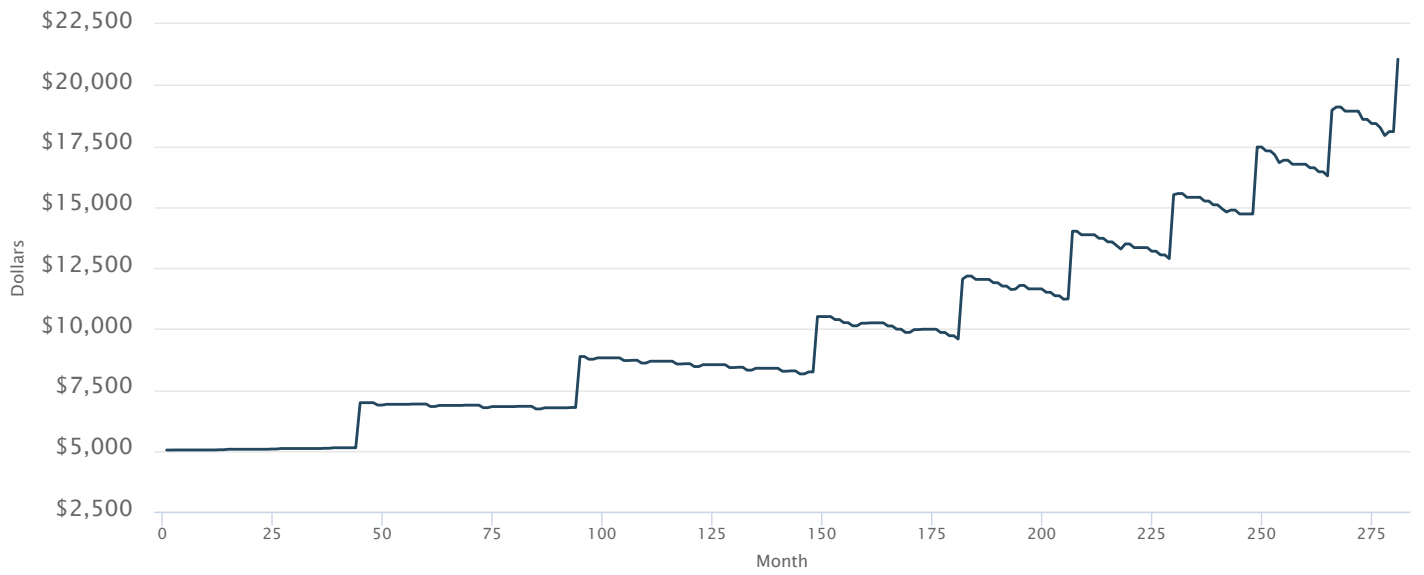
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Minimum Gross Income Required

The following chart shows you the estimated minimum gross monthly income required to be able to qualify for the current loans you have in the 🏠 Scenario. For 📅 Month 281, you will need to be earning, at a minimum, \$21,057.36 per month gross (before taxes) between you and your spouse.

Your income from your rental 🏠 Properties can count toward this as well.

Minimum Gross Monthly Income Required



● Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

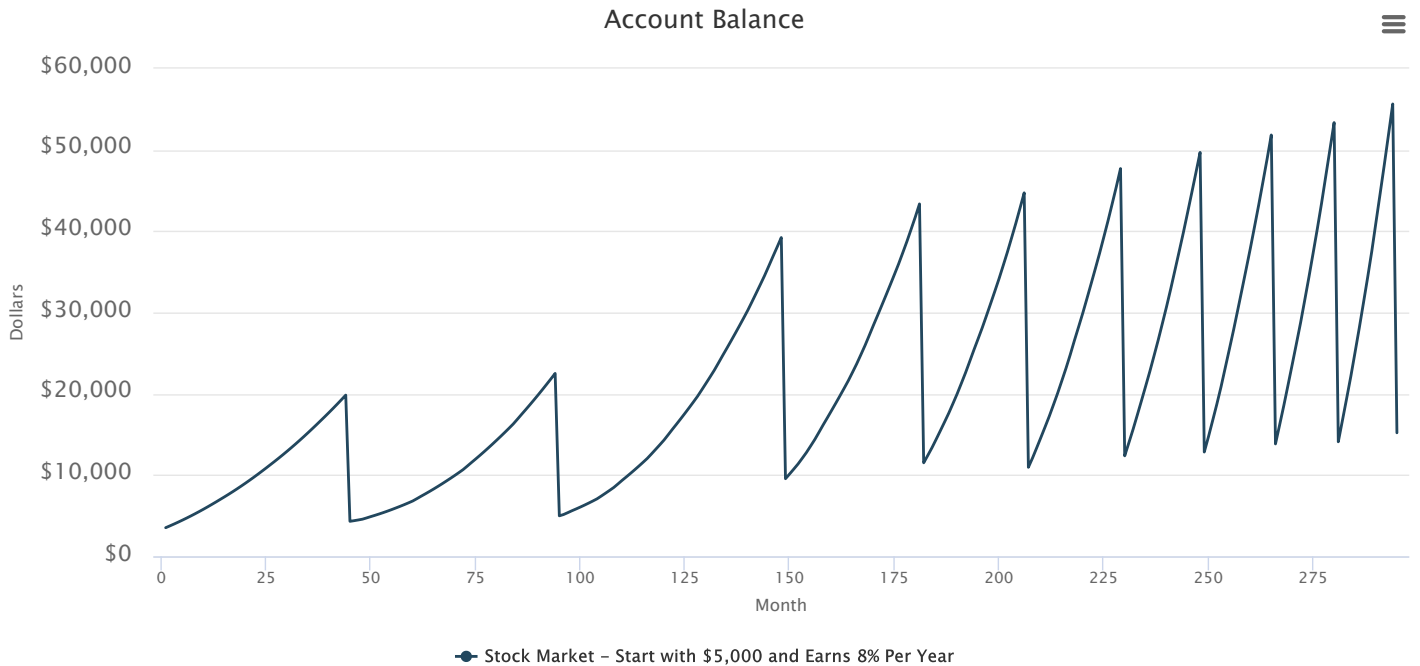
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★ Purchased 🏠 **5% Down \$350K Nomad with No Seller Concessions 8** Property

Bought in 📅 Month 295

We have a ⚡ **Rule** that has you buying the 🏠 **5% Down \$350K Nomad with No Seller Concessions 8** Property when your 💰 **Account** balance in the 📈 **Stock Market - Start with \$5,000 and Earns 8% Per Year** **Account** reaches \$7,000 (which we adjust for inflation to be worth \$14,441.42 in 📅 Month 295). The following is a chart showing the balance of 📈

Stock Market - Start with \$5,000 and Earns 8% Per Year **Account** from the start of the 📊 **Scenario** to 📅 Month 295 after we've adjusted for all the income and expenses for the entire month.



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To purchase the 🏠 **5% Down \$350K Nomad with No Seller Concessions 8** Property, we're assuming you're getting a 5% down payment loan. With a \$722,080 purchase price that means you need to have \$36,104 for down payment.

The total cost to close must also include the rent ready costs (\$0) and closing costs (\$7,220.80) minus any seller concessions (\$0).

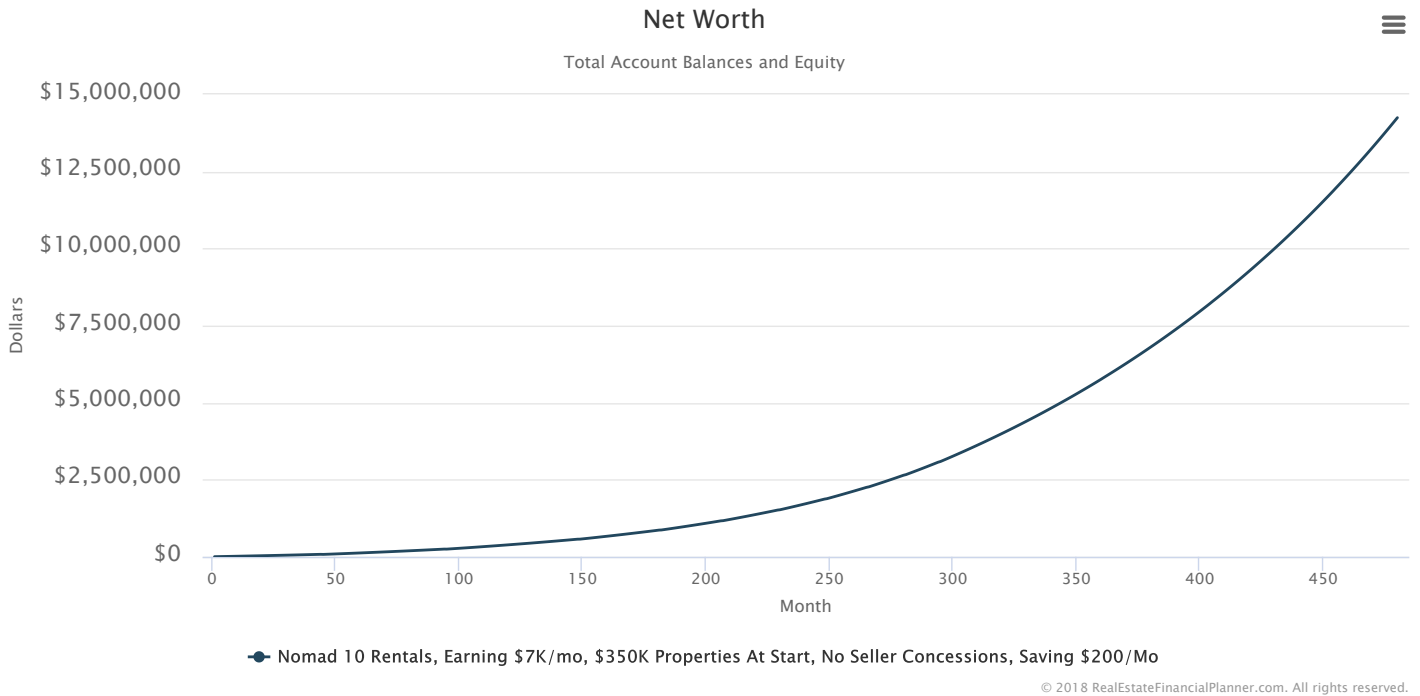
Description	Amount
Down Payment	\$36,104
Rent Ready Costs	\$0
Closing Costs	\$7,220.80
Seller Concessions	- \$0
Total Cost To Close:	\$43,324.80


Since this is a **Nomad™** 🏠 Property, you are buying it, moving in and living there for at least a year before renting it.


You are moving into this property, so you are not collecting any rent on this property yet.

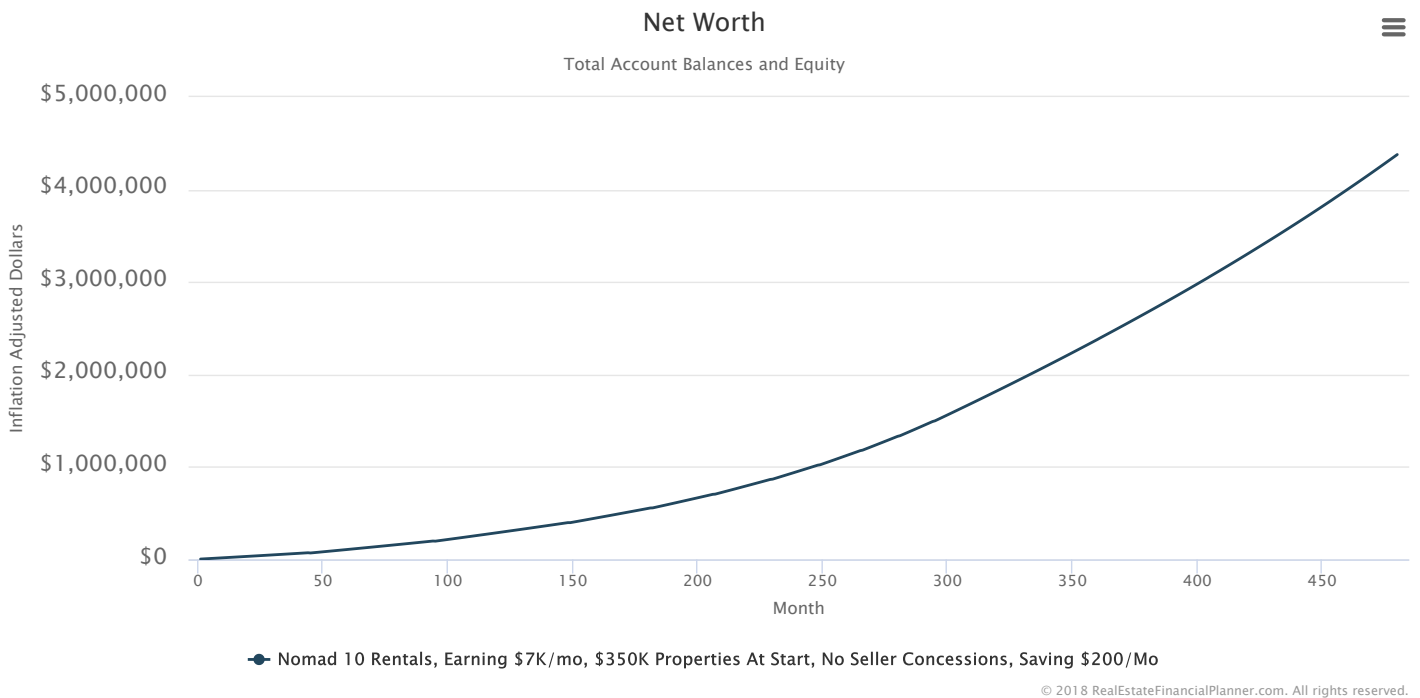
Final Month Summary

By the time we get to the very end of this  **Scenario**, our net worth over time is shown below. Net worth takes into account all the  **Account** balances as well as the equity in all the  **Properties**.



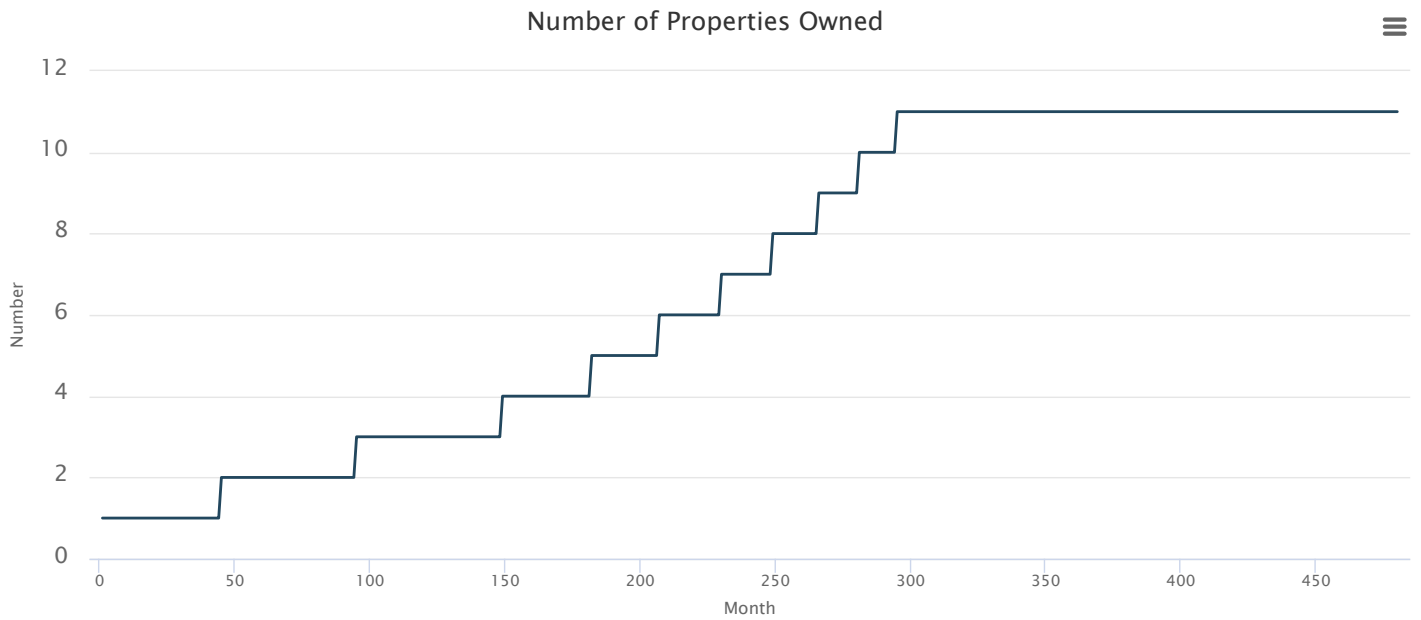
After the final month,  Month 480, the total net worth is \$14,246,969.62.

Realize though that we've had 40 years of inflation. A dollar in month 480 is worth approximately \$3.25 in today's dollars. So, your net worth in  Month 480 is more like having the spending power of \$4,378,277.45 in today's dollars. The following is an inflation adjusted chart of net worth over time.



Number of Properties

In the final month of this  **Scenario**, you end up with 11  **Properties** total. The chart below shows you how many you owned and what month you acquired them.

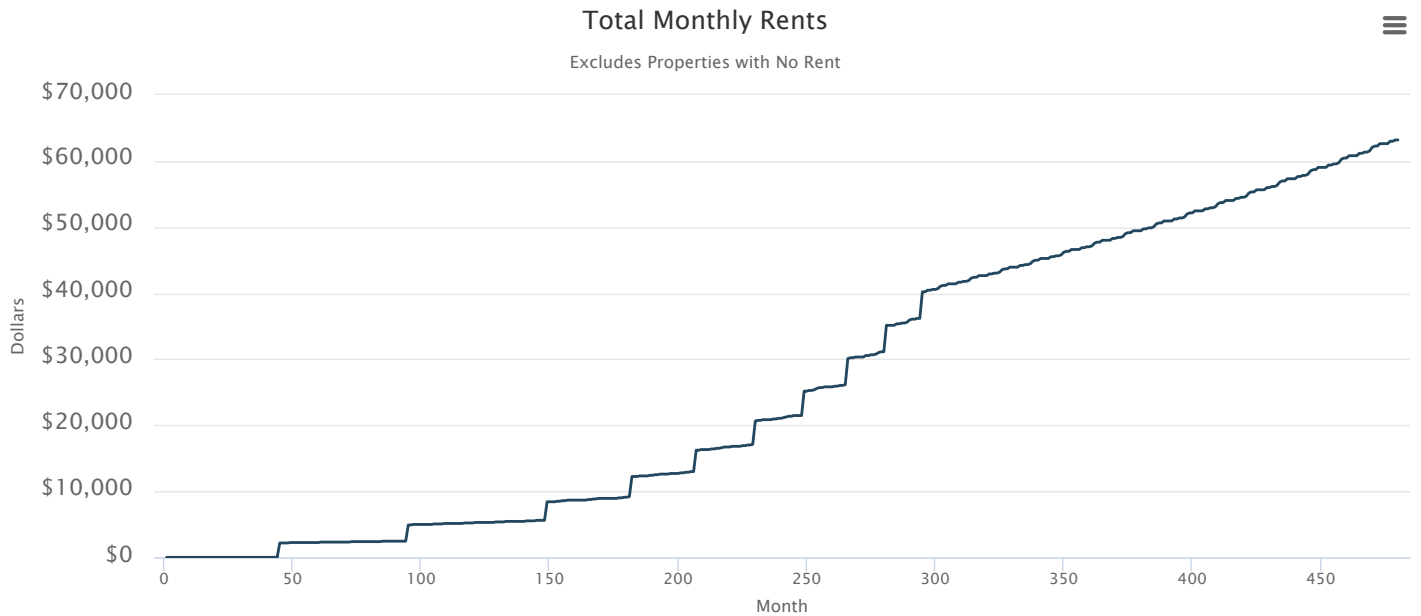


◆ Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

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Rents

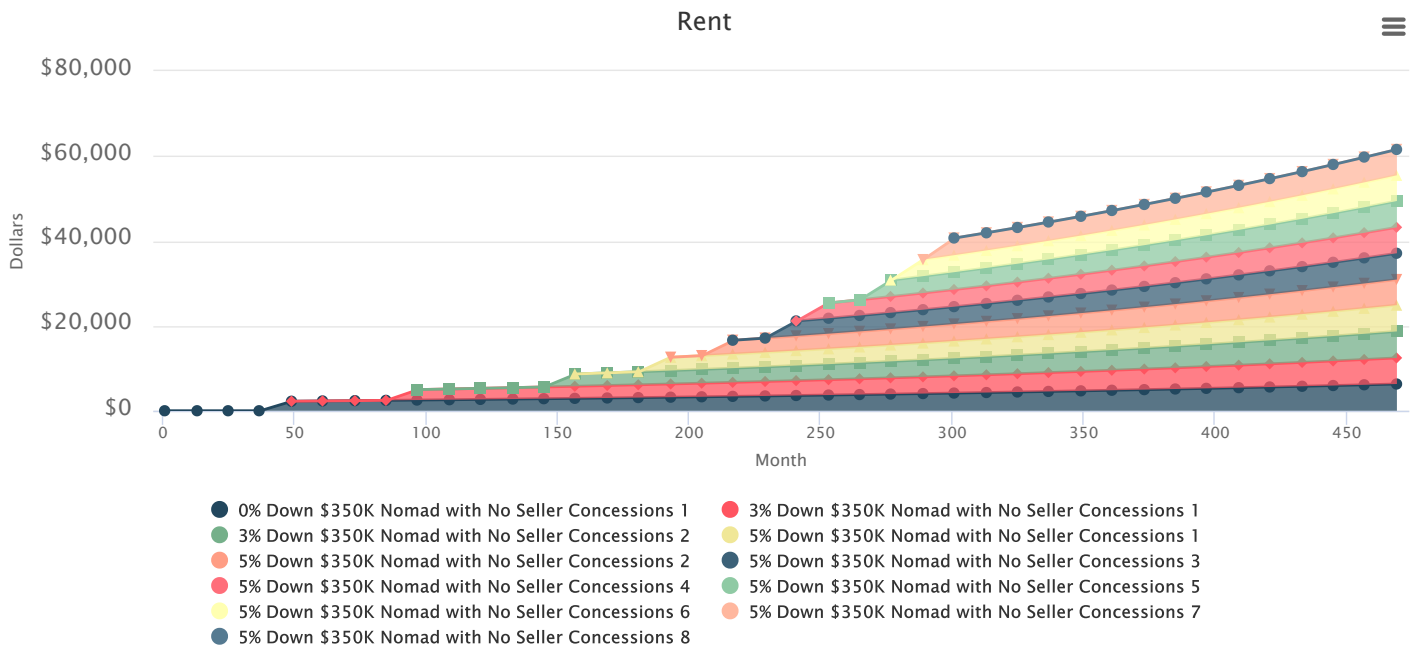
The following chart shows the total amount of monthly rent you are receiving for all the rented 🏠 **Properties** combined. In 📅 Month 480 you were collecting \$63,191.45 in rent each month which in inflation adjusted dollars is like collecting \$19,419.55 in today's dollars.



◆ Nomad 10 Rentals, Earning \$7K/mo, \$350K Properties At Start, No Seller Concessions, Saving \$200/Mo

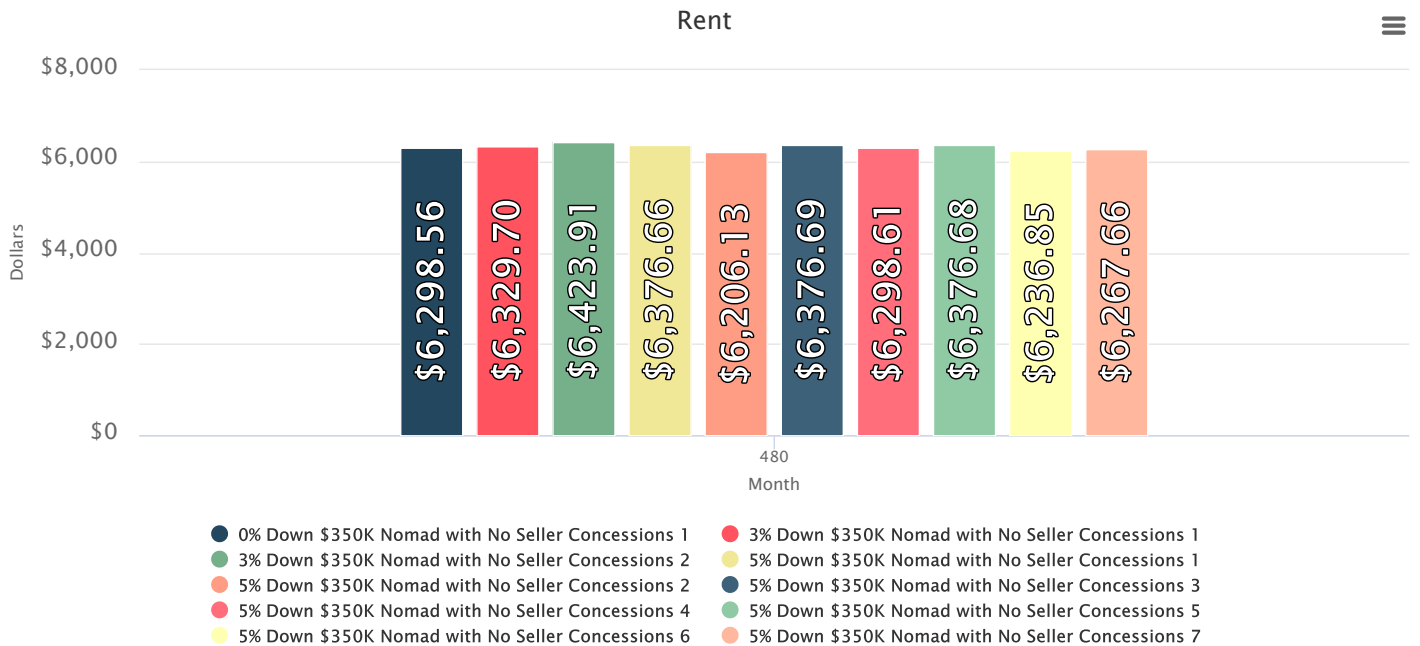
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The next two charts show the monthly rent that we are collecting on each of the 11 🏠 **Properties** (except the one we are living in). For the first chart, it shows the monthly rents stacked on top of each other, so you can see the total sum of the rents (that we just previously showed you) for each month in the 📊 **Scenario**.



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In the chart below, however, we are just looking at the last month, 📅 Month 480. The chart below shows the rent for each 🏠 **Property** in that last month. Again, if we adjust for inflation so we can think about them in today's dollars, they'd be much lower.



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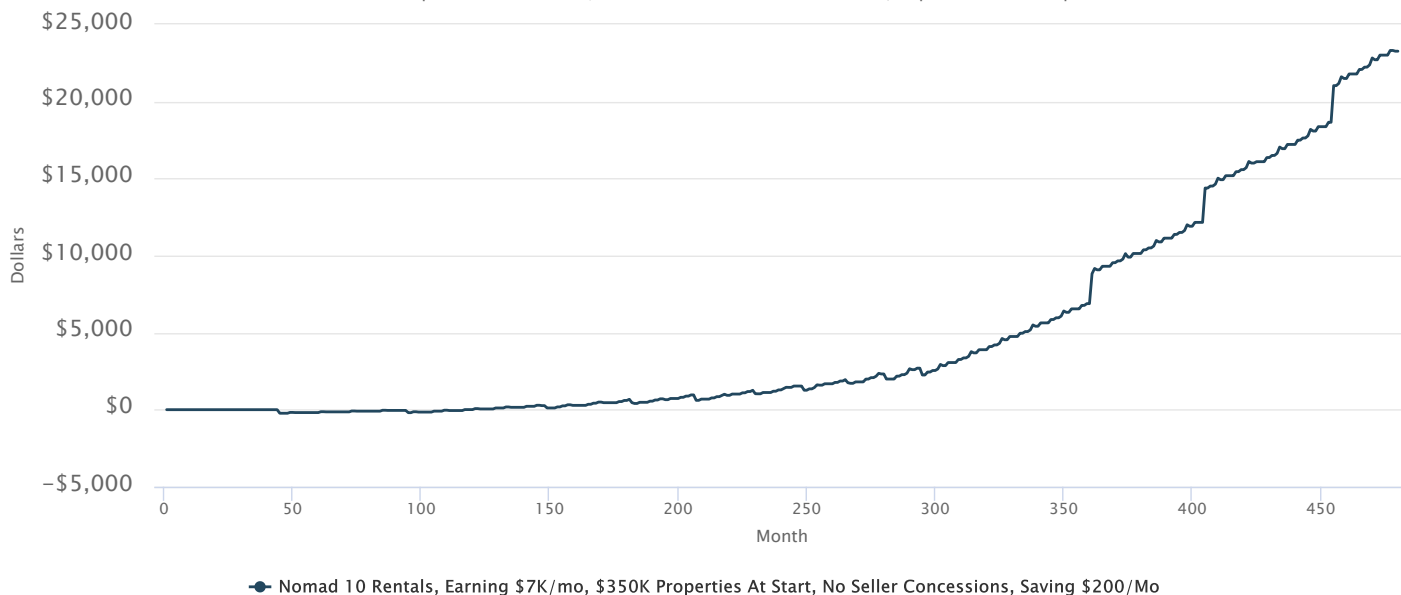
Cash Flow

We've looked at rent, but what about cash flow? The following chart shows how our True Cash Flow™ has grown over time. In the final month, our True Cash Flow™ is \$23,262.85. If we adjust for inflation, then in today's dollars that is like getting \$7,148.97 per month in cash flow.

Your True Cash Flow™ of \$23,262.85 per month exceeds the \$22,778.09 per month that you're collecting from your gross paychecks. So, in effect, you've been able to replace your income from your paychecks with rental income.

Total True Cash Flow

Excludes Properties with No Rent; True Cash Flow includes Cash Flow, Depreciation and CapEx

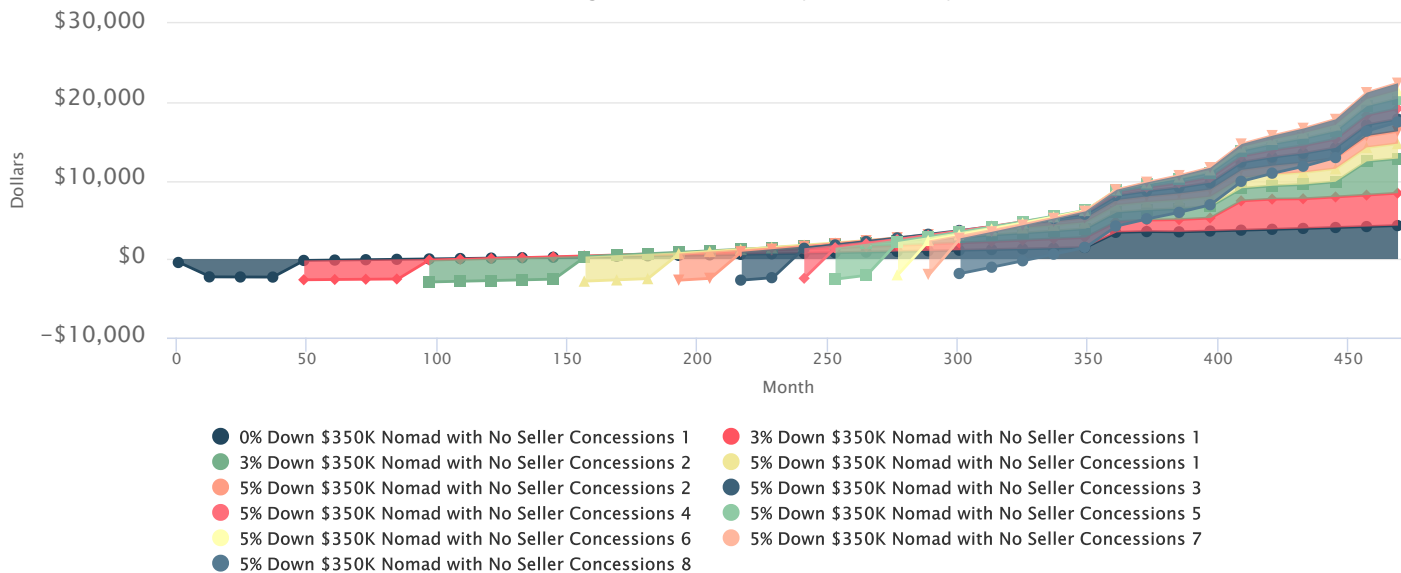


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When summing the total cash flow™ of the 🏠 **Properties** for the chart above we are specifically excluding the 🏠 **Property** that you are living in. The 🏠 **Property** that you live in would, of course, have negative cash flow.

True Cash Flow

Cash Flow including both Cash Flow from Depreciation and CapEx

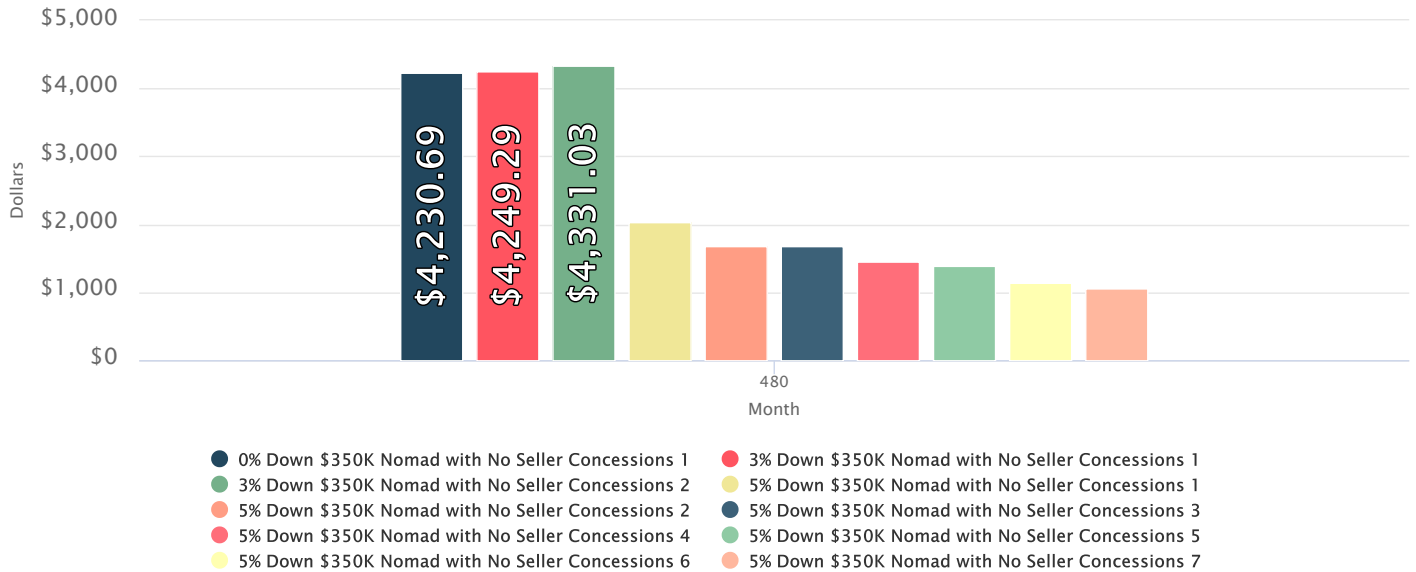


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True Cash Flow



Cash Flow including both Cash Flow from Depreciation and CapEx



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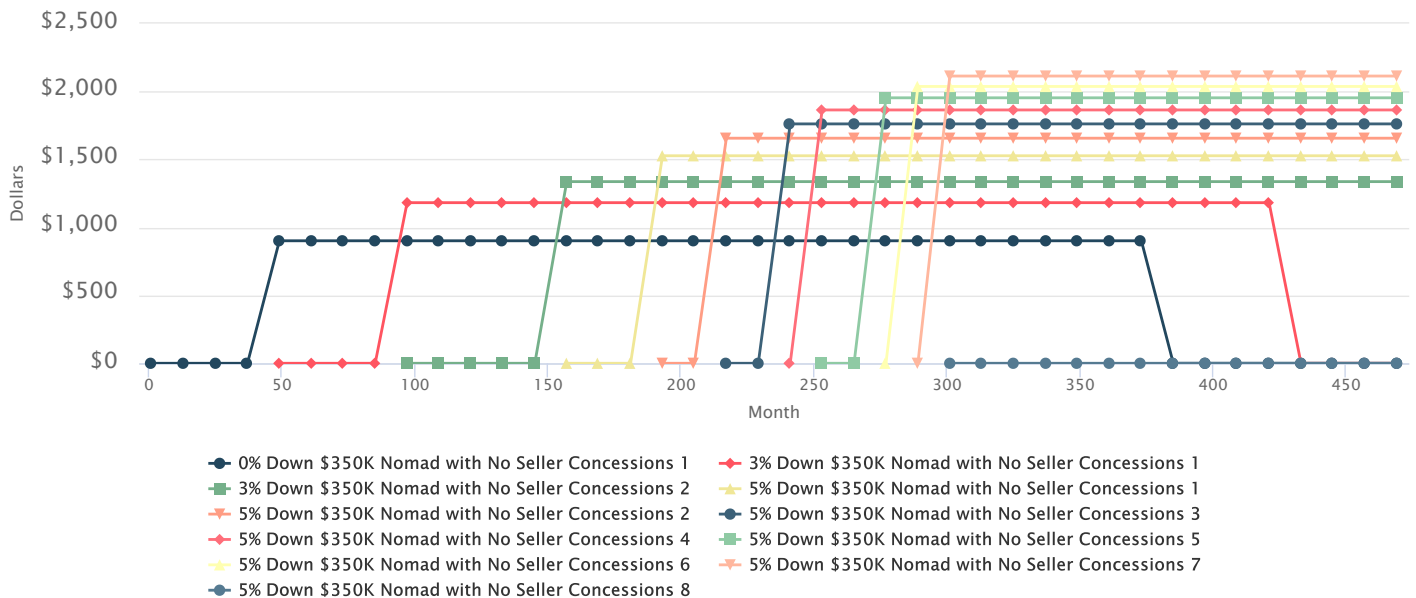
Depreciation

If you recall, depreciation is a tax benefit you receive from rental **Properties**. We do not get depreciation from **Properties** that we are living in (unless we are renting out part of the **Property**... but that's a discussion for you and your accountant).

With residential **Properties**, we can depreciate the value of the building (not the land) over 27.5 years. With commercial **Properties** such as multi-family **Properties** with 5 units or more, you can depreciate the value of the building (again, not the land) over 39 years. So, if we acquire **Properties** early in the **Scenario**, we may not be able to depreciate them for the entire duration of the **Scenario**.

The chart below shows the depreciation we were able to take, per month, on each rental **Property**.

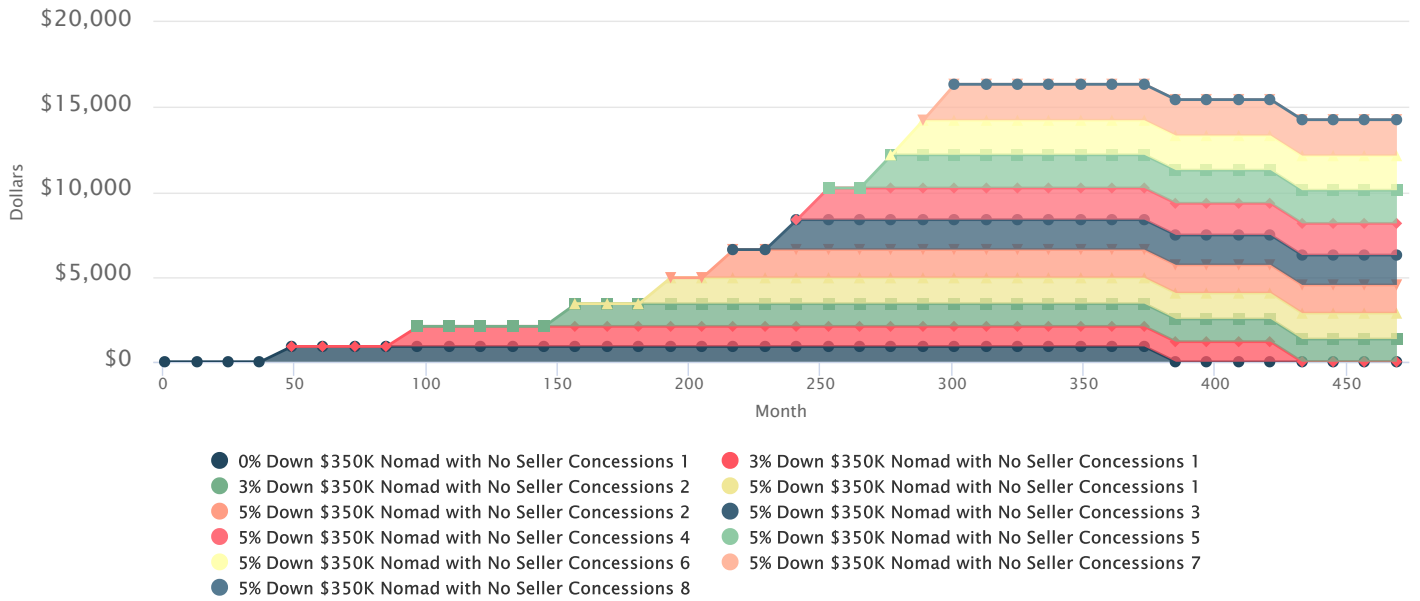
Depreciation



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Another way to look at this is to see how much depreciation we have combined for each **Property** we are able to depreciate. The following chart shows that by stacking each **Property's** depreciation for that month.

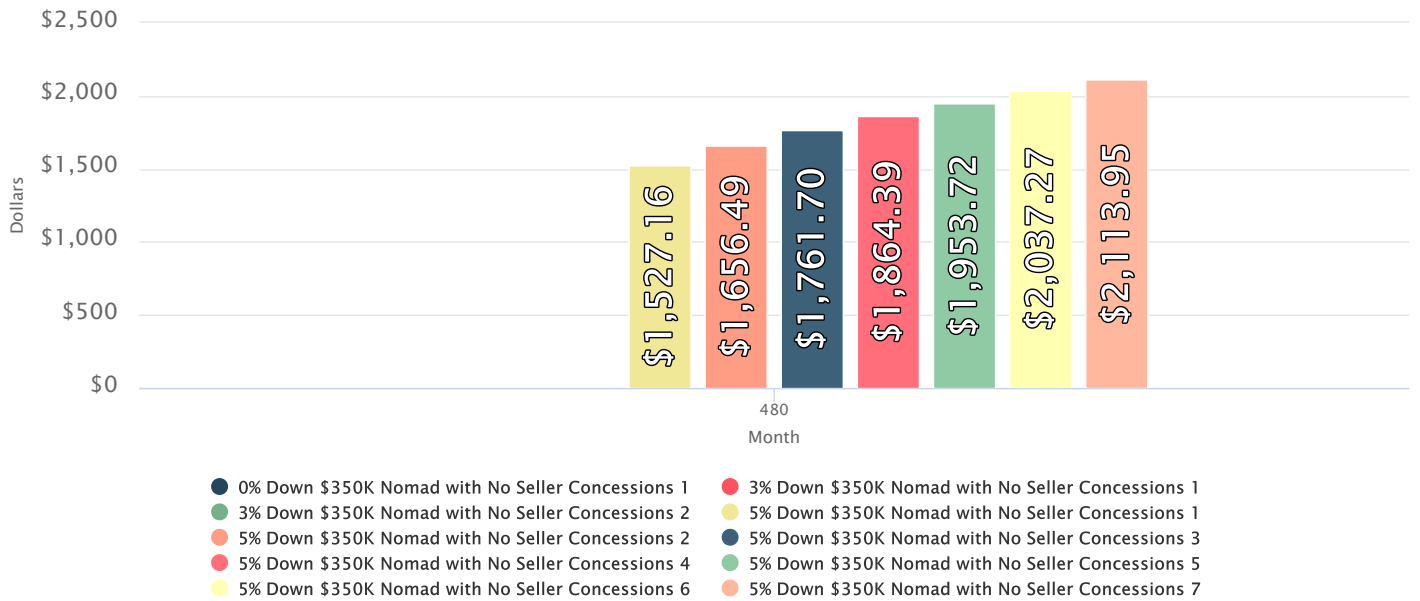
Depreciation



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By the very end, 📅 Month 480, the following shows just how much depreciation we are still collecting from each rental 🏠
Property.

Depreciation



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Equity

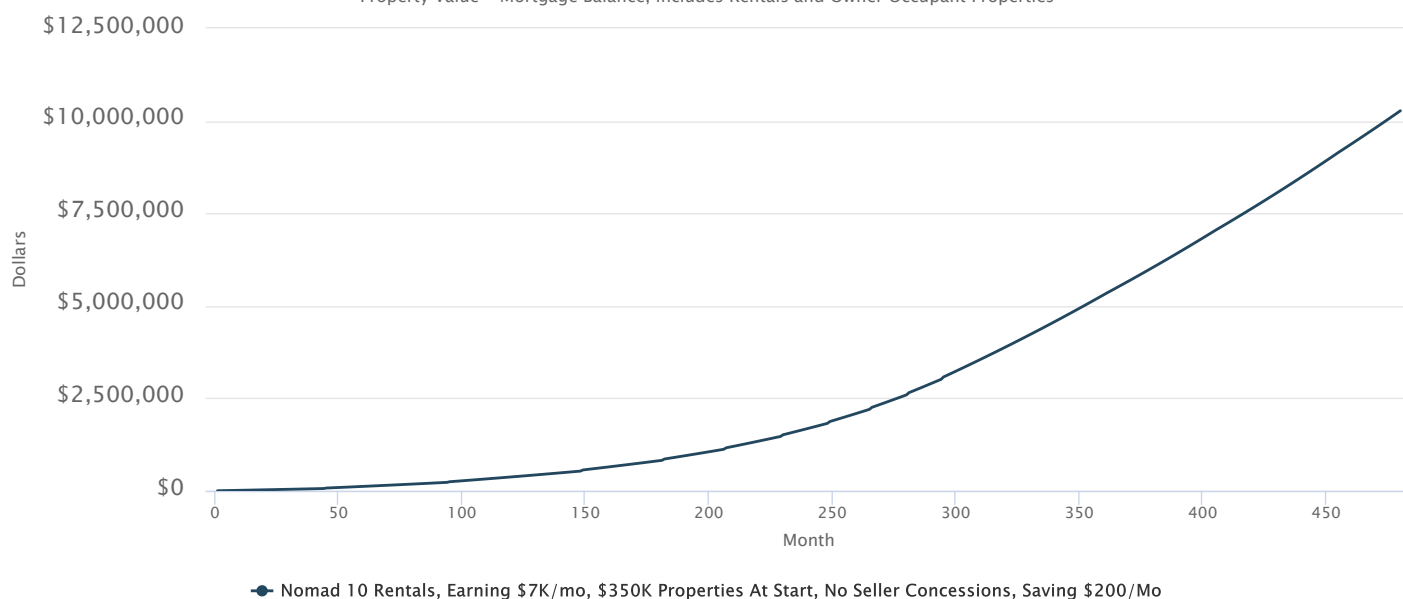
Let's look at your equity now.

If you recall, there are really three ways to measure equity: total equity as the difference between the value of the property and the balance of any loans, total equity available via a cash out refinance and, finally, the equity available if you were to sell the property with a real estate agent (after your expenses). First, let's look at the total equity as the difference between the 🏠
Property value minus any loan balances you have remaining on the 🏠 **Property.**

Total Equity



Property Value – Mortgage Balance, Includes Rentals and Owner Occupant Properties



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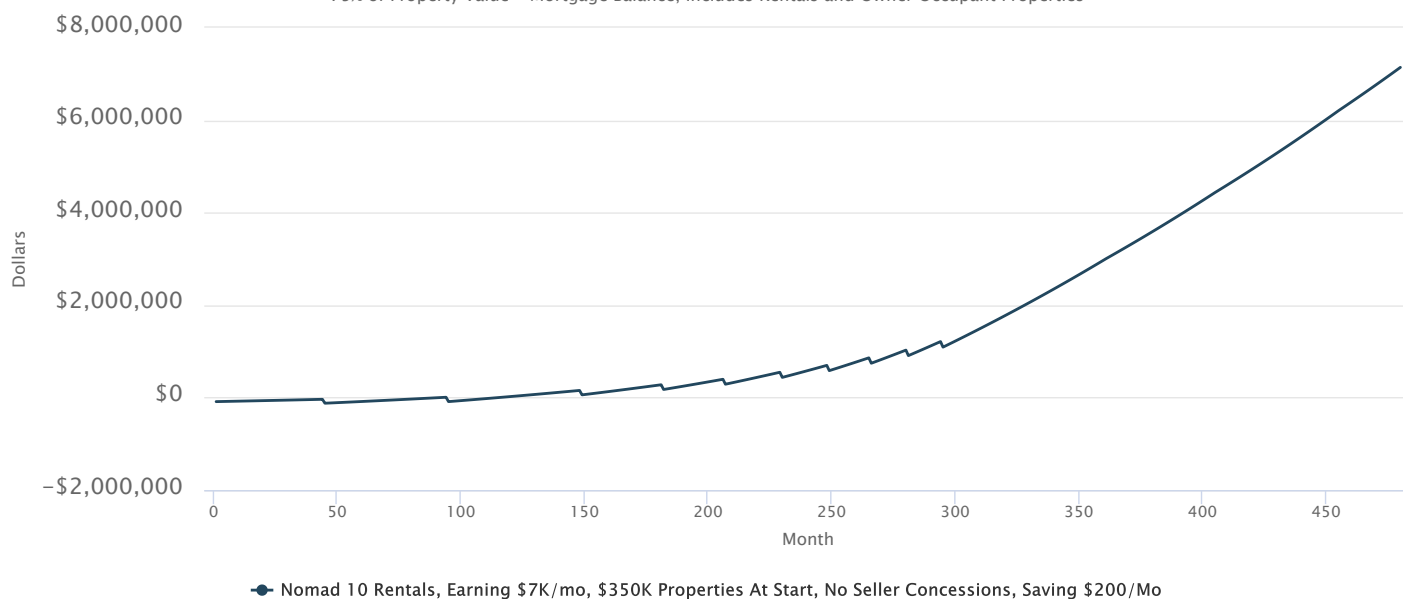
In 📅 Month 480, you have \$10,274,482.94 in total equity. If we adjust for inflation, that looks like you have \$3,157,481.07 in total equity in today's dollars.

What about equity we could access via cash out refinances? Well, if we assume that you can only borrow 75% of the property value, then you have \$7,142,477.69 in 📅 Month 480. That is like having \$2,194,975.48 in cash out refinance equity in today's dollars after we adjust for inflation. If ever you needed a cash infusion to do something or pay for something, you could do a cash out refinance and access some or all of that money. It would reduce your cash flow (since you'd have an increase in monthly payment for the cash out refinance).

Total "Cash Out Refi" Equity



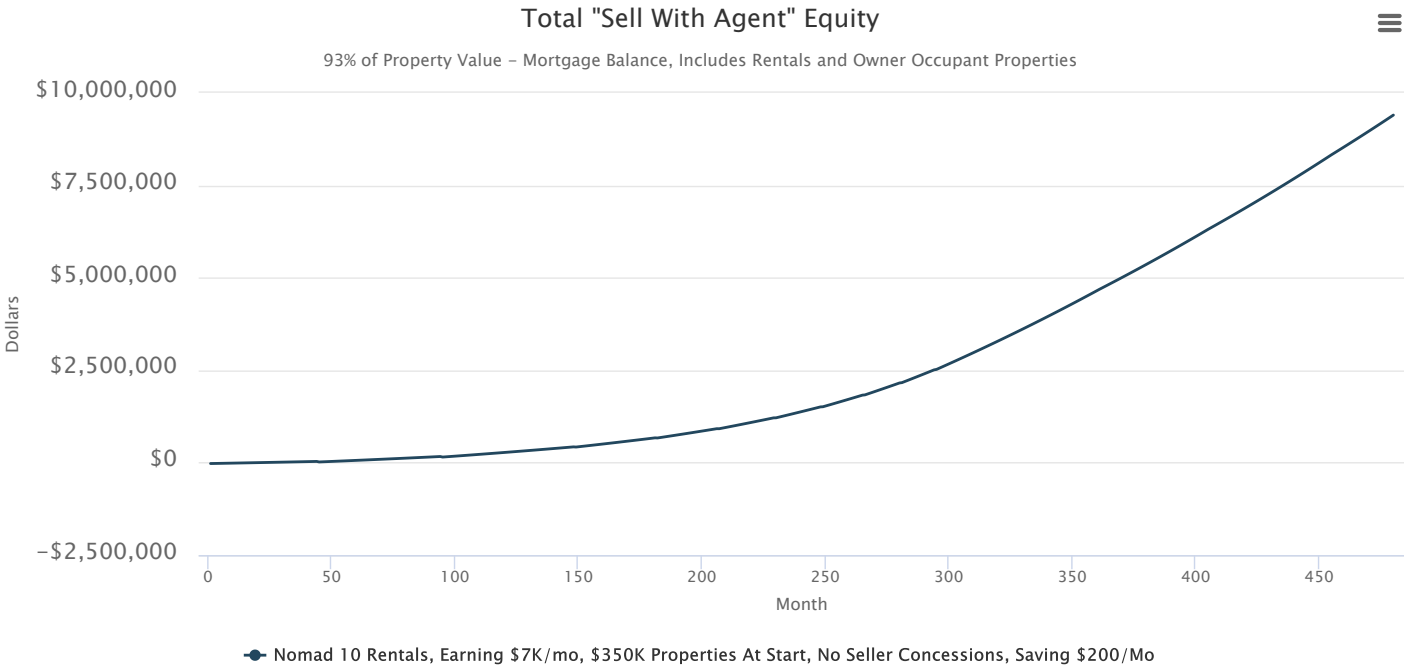
75% of Property Value – Mortgage Balance, Includes Rentals and Owner Occupant Properties



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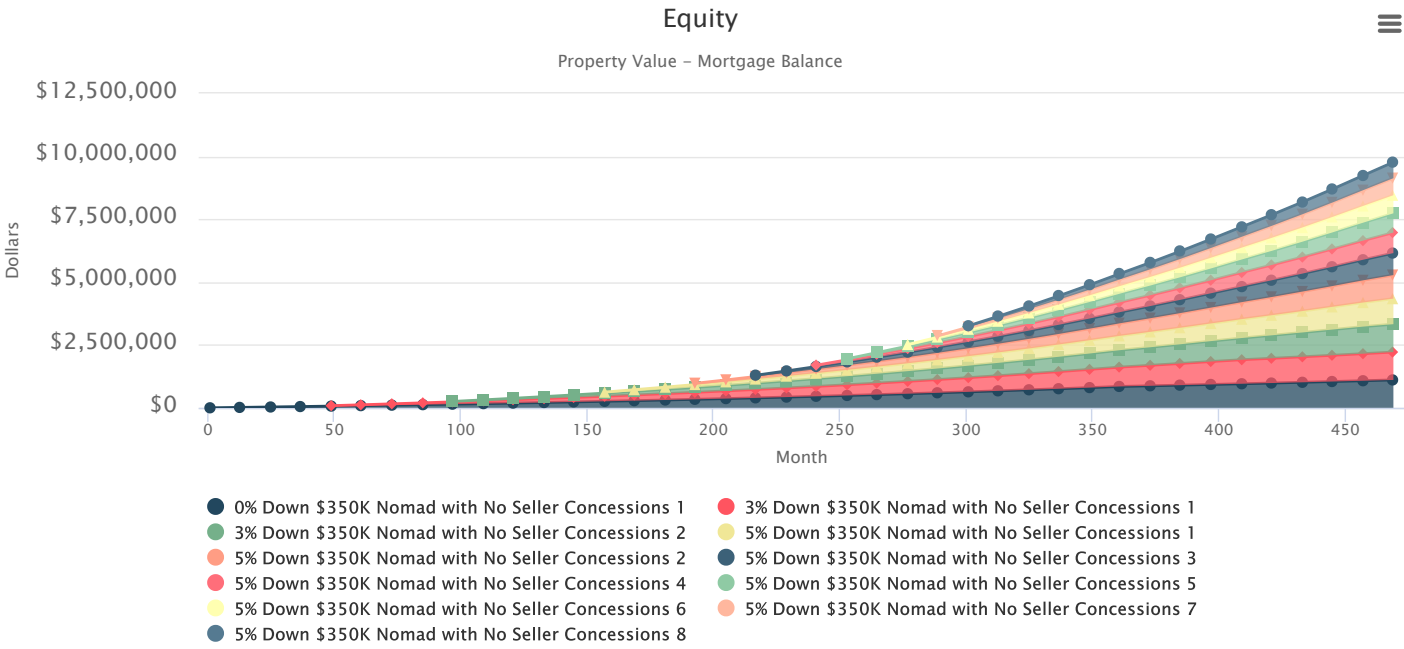
Then there is the third way to think about equity: the equity you'd have if you sold the 🏠 **Property** with your favorite real estate agent. If your real estate agent charges 3% for their brokerage service and they agree to pay the real estate agent that brings the buyer an additional 3% then you're agreeing to 6% in total real estate commission. If we also assume that your share of the closing costs is an additional 1%, then there is a total cost of sale of 7% of the sale price of the 🏠 **Property**. We

can look at the amount of equity you have by taking 93% of the sale price minus your current loan balance to determine what your equity is if you were to sell your 🏠 **Properties** with a real estate agent. In 📅 Month 480, you'd have \$9,397,521.47 in total equity from all 🏠 **Properties**. That is about \$2,887,979.51 in today's dollars if we adjust for inflation.



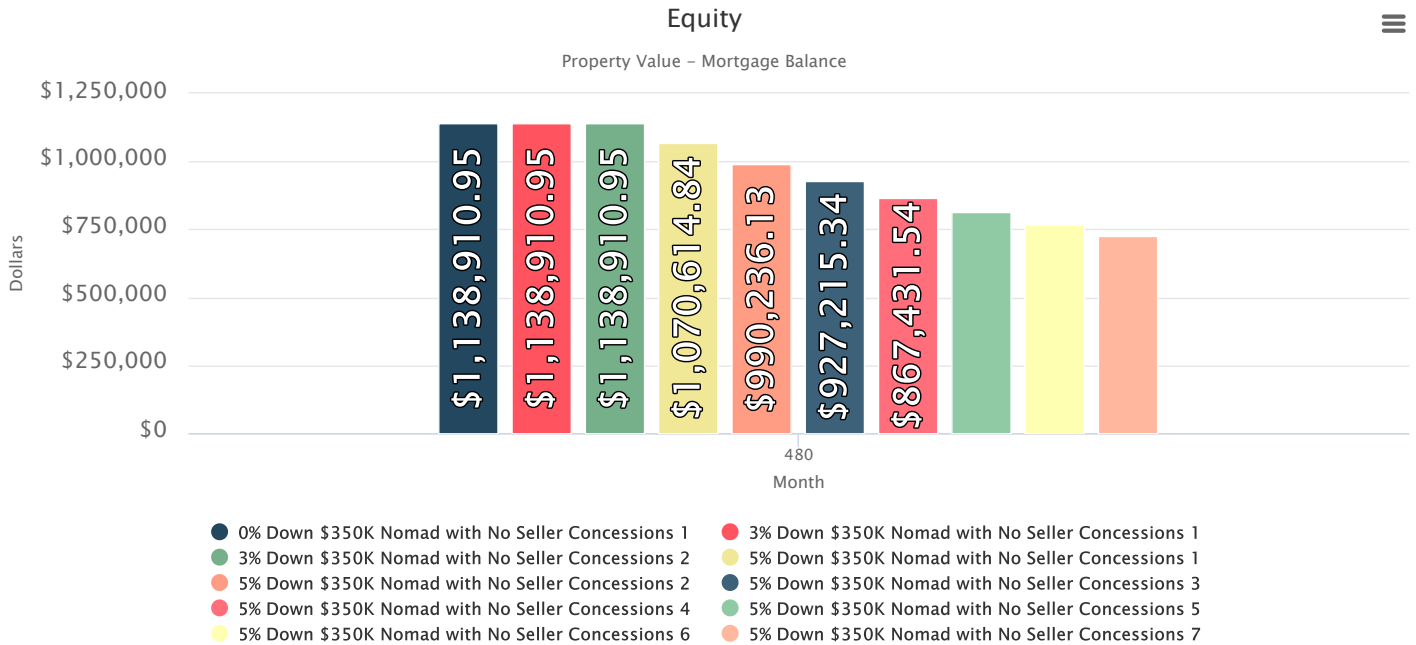
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When summarizing so far, we've shown you just your total when looking at all 🏠 **Properties**. Below is a chart showing you the equity that each 🏠 **Property** contributes. Each 🏠 **Property** gets stacked on top of the previous one so you can visually see the additive effect of each 🏠 **Property**.

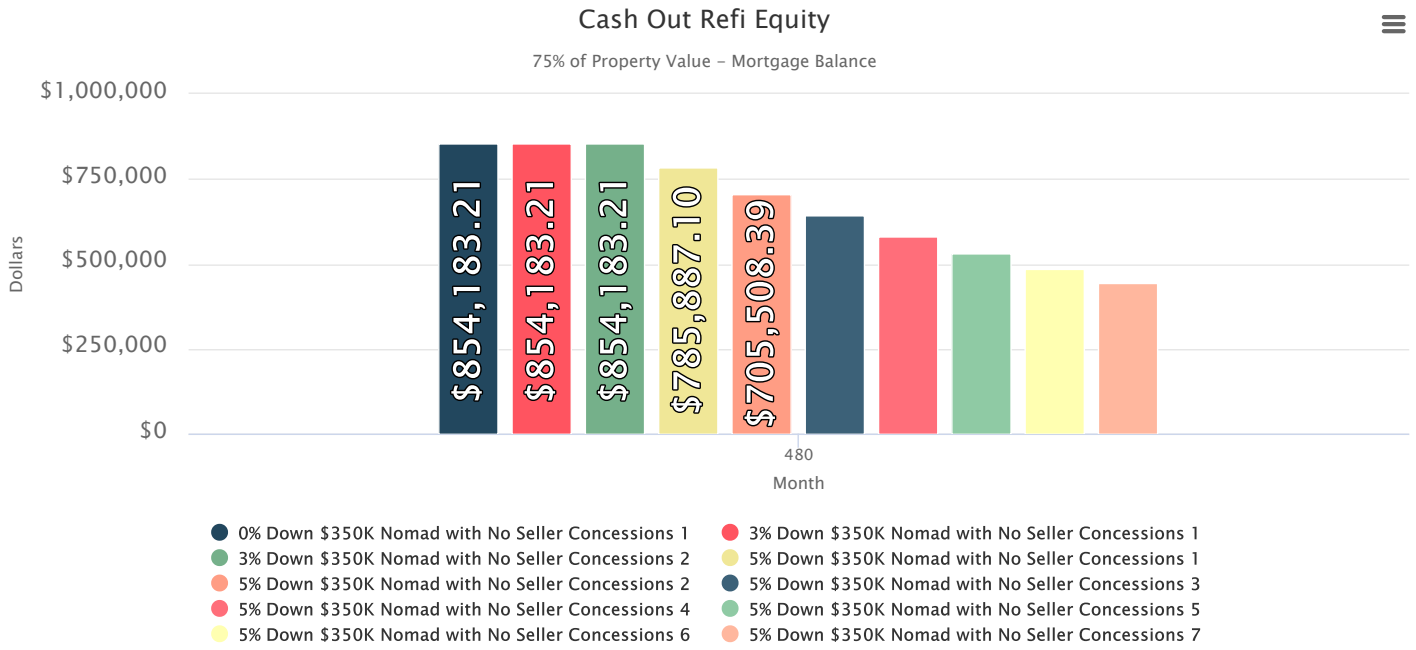


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The following chart breaks out each property in 📅 Month 480 so you can see the raw equity for that month for each individual 🏠 **Property** easily.



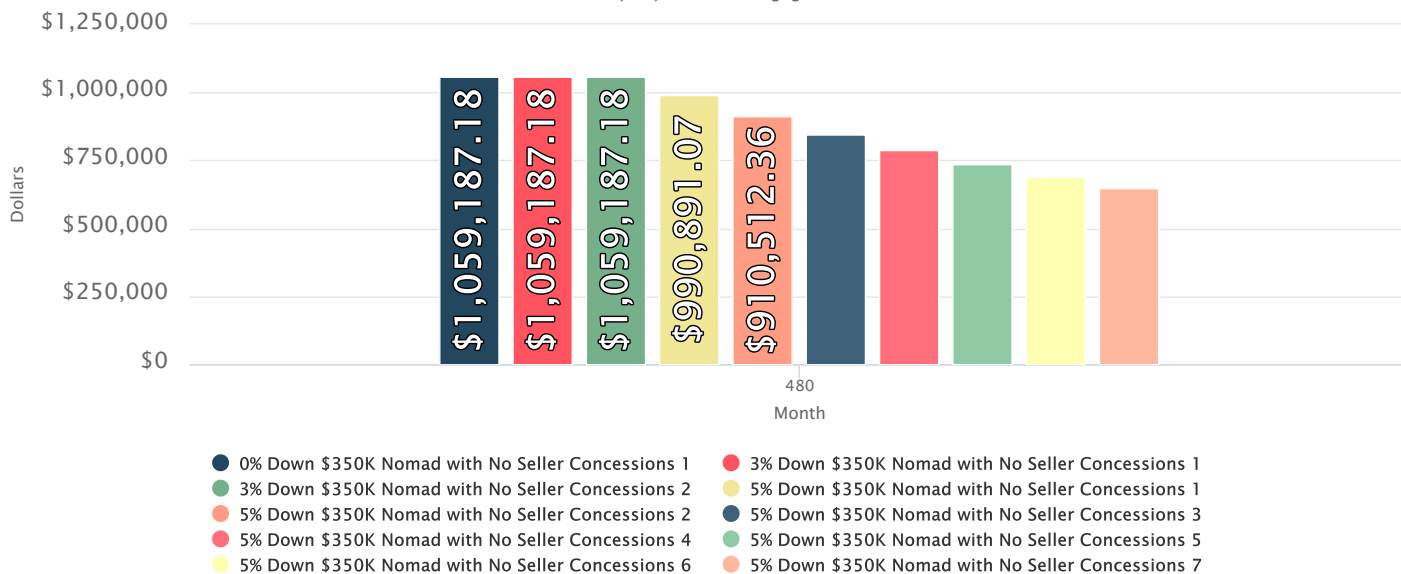
Below is the same chart for 🏠 Month 480 breaking out each 🏠 **Property** for cash out refinance equity.



And finally, the following chart shows each individual 🏠 **Property's** sell-with-agent equity in 🏠 Month 480.

Sell With Agent Equity

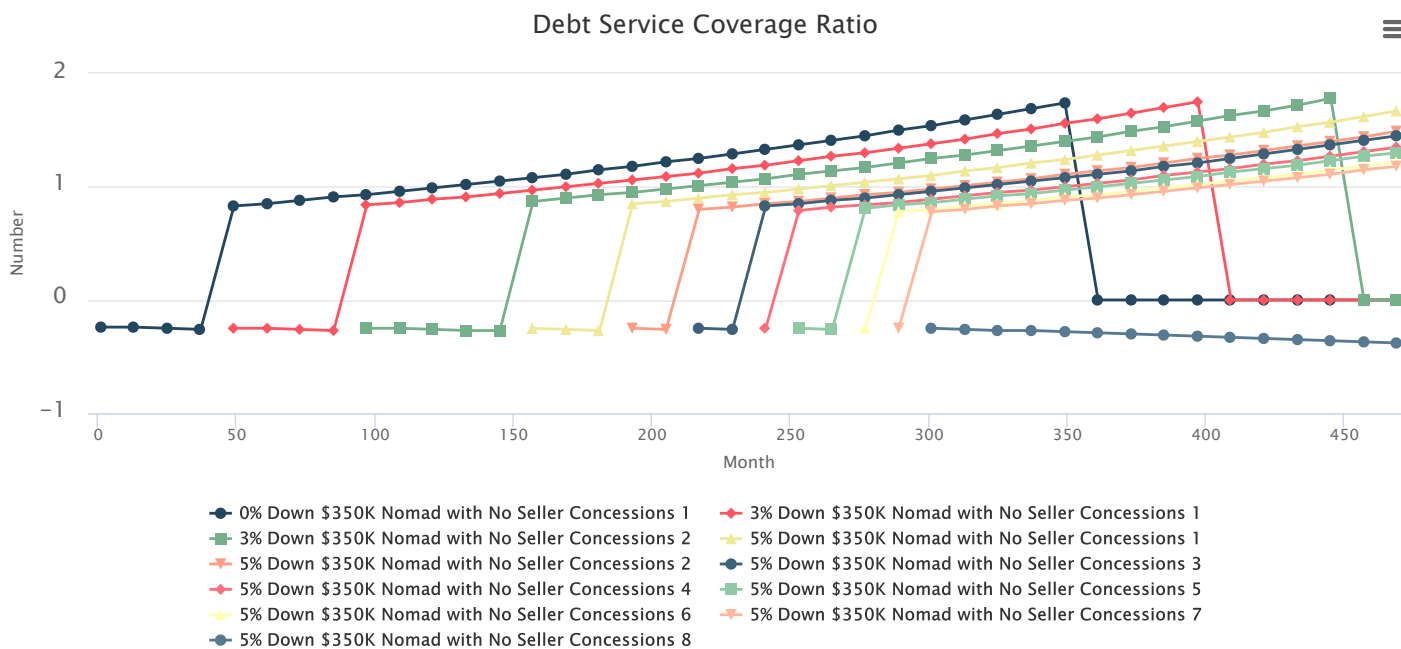
93% of Property Value – Mortgage Balance



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Debt Service Coverage Ratio (DSCR)

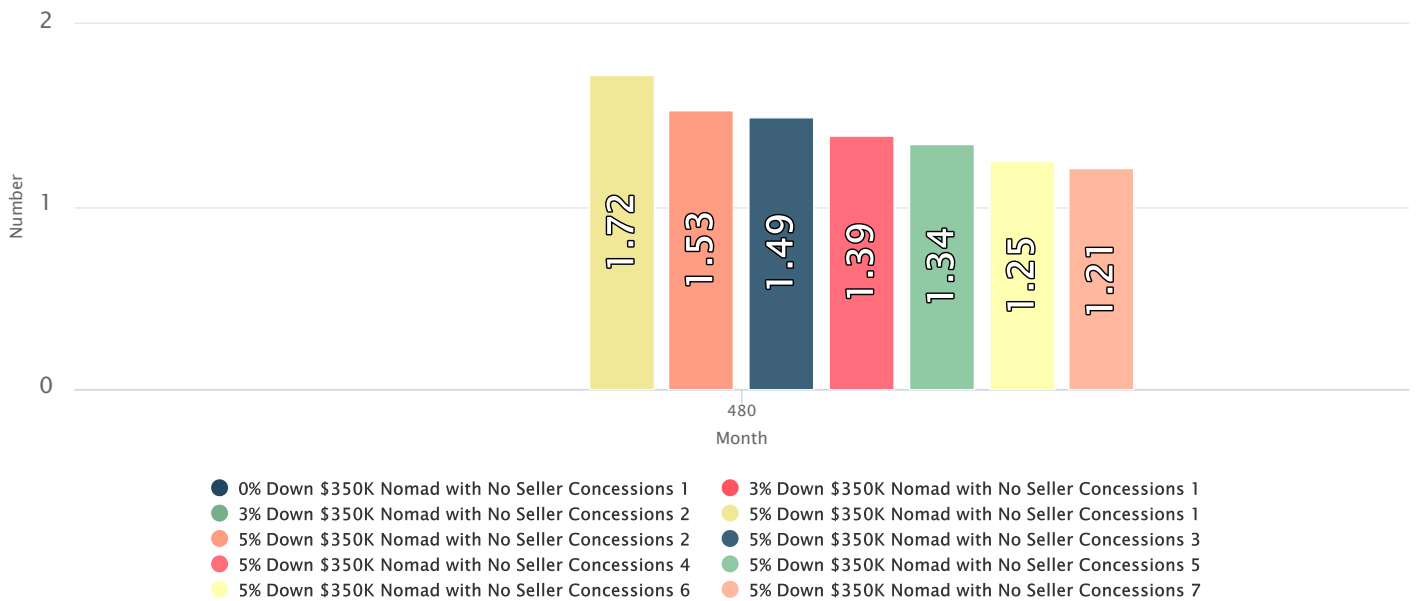
Lenders often want to look at your debt service coverage ratio to determine how much the income from your **Properties** covers the debt you have on your **Properties**. We can calculate debt service coverage ratio that by dividing your net operating income by your mortgage payment for each **Property** over the full term of the **Scenario**.



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If you just look at the last month, **Month 480**, the following chart shows the ending debt service coverage ratio for each property. Realize that if we no longer have a mortgage payment on a property, we can no longer define the debt service coverage ratio on a particular **Property** since it approaches infinity.

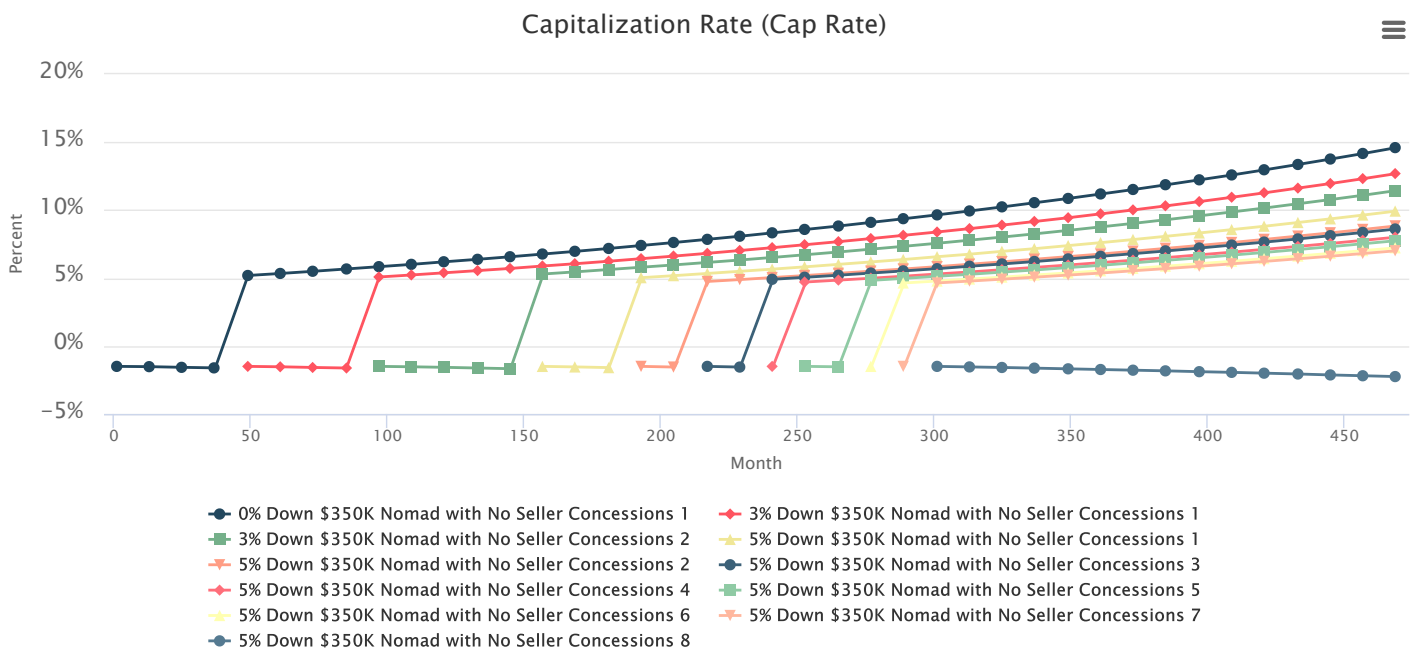
Debt Service Coverage Ratio



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Capitalization Rate (Cap Rate)

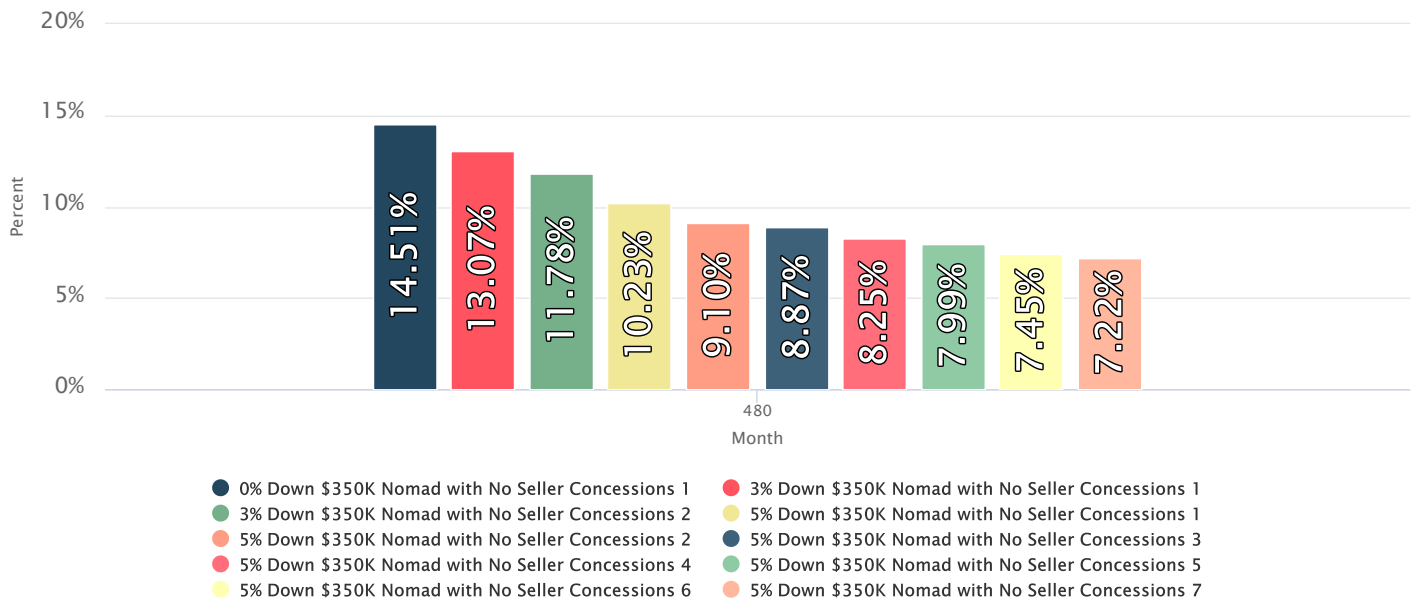
If we divide the net operating income by the purchase price of the **Property**, we can calculate capitalization rate (cap rate). The chart below shows your cap rate for each individual **Property** over time for the entire **Scenario**.



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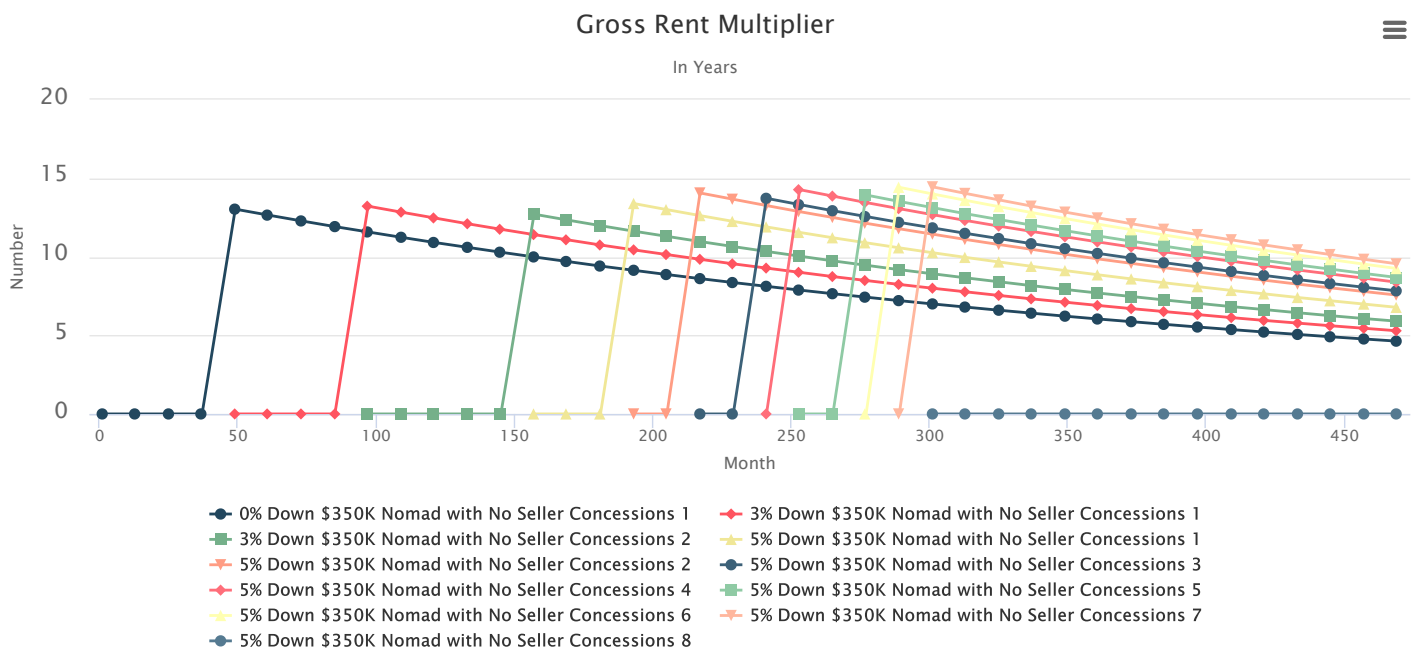
By looking just at the very last month of the **Scenario**, Month 480, we can see the final cap rate of each individual **Property** in the chart below.

Capitalization Rate (Cap Rate)



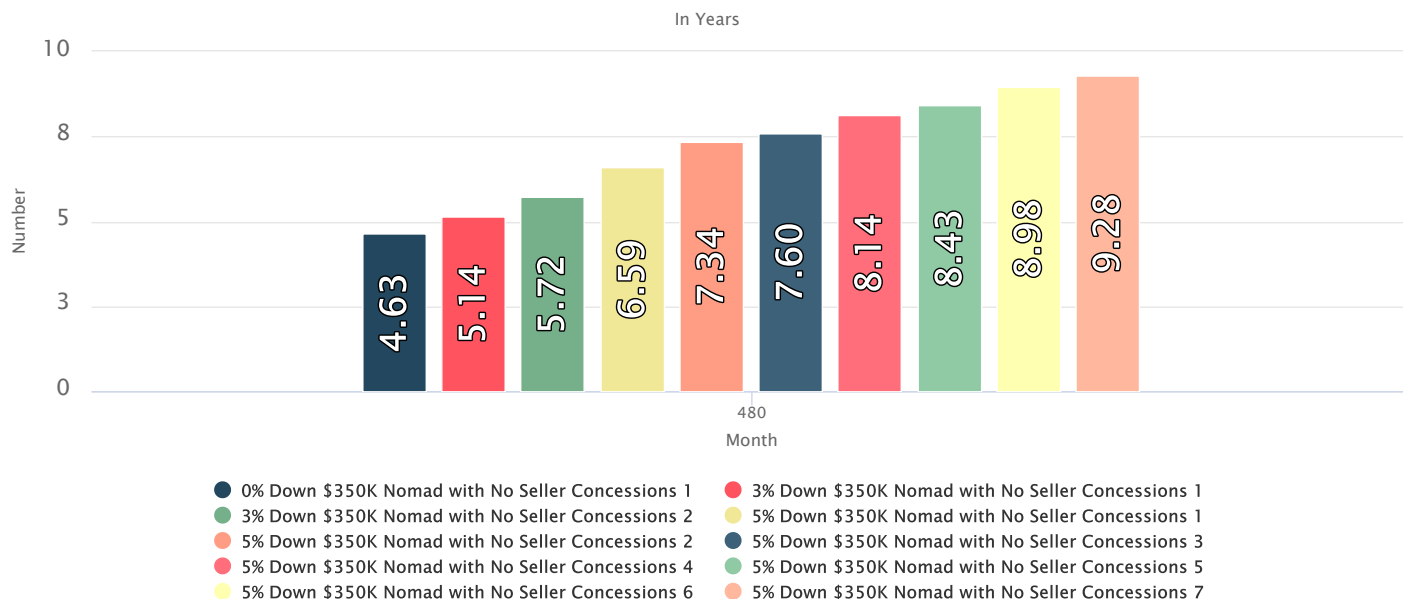
Gross Rent Multiplier (GRM)

If we take the initial purchase price of the property and divide it by the annual gross rent on the **Property** we get gross rent multiplier. The following chart shows the gross rent multiplier for each **Property** over the entire **Scenario**.



If we want to just look at the very last month of the **Scenario**, **Month 480**, we can see the gross rent multiplier for each individual property in **Month 480** in the chart below.

Gross Rent Multiplier



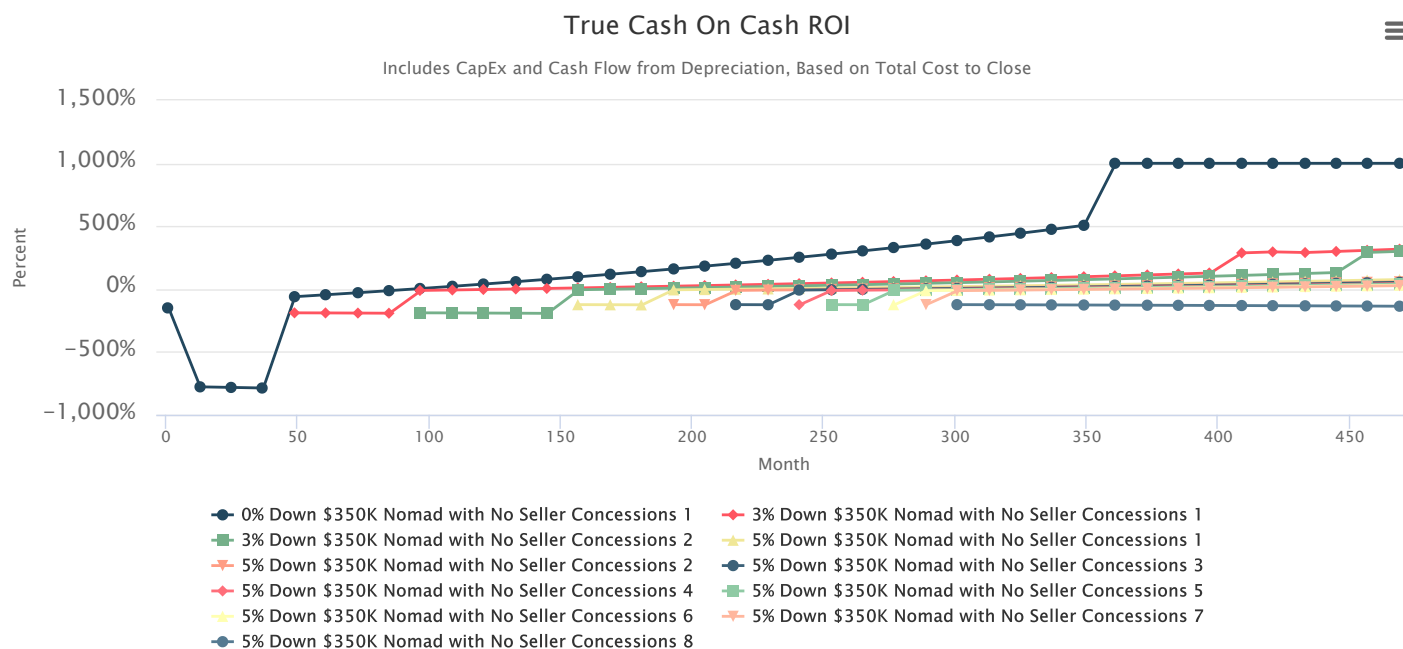
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True Cash on Cash Return On Investment™

One of my favorite metrics for evaluating **Properties** is probably cash on cash return on investment. I prefer it because it takes into account the cash flow you are receiving on your **Property** compared to how much you had to invest in the **Property** to get that cash flow. Unlike cap rate which gives us the cash on cash return on investment if we owned the **Property** without a mortgage, cash on cash return on investment factors in the financing on the **Property** as well. Since financing is a reality for a large number of real estate investors and can have a huge impact on your investment, I typically prefer cash on cash to cap rate especially when comparing possible **Properties** to invest in.

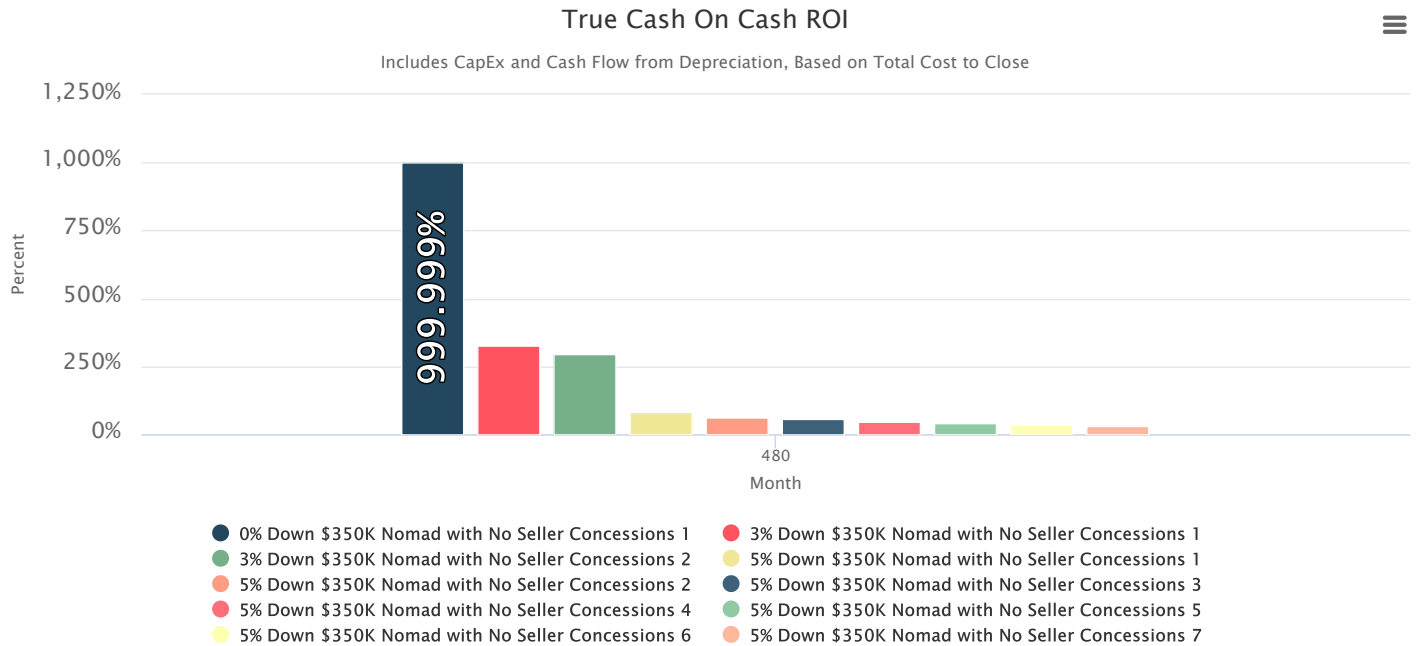
True Cash on Cash Return On Investment™ is a special measure of cash on cash return on investment that includes cash flow from depreciation as well as capital expenses.

Below is a chart showing the True Cash on Cash Return On Investment™ for each **Property** for the entire duration of the **Scenario**.



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In the chart below, we can see the True Cash on Cash Return On Investment™ for each individual property in the final month, 📅 Month 480 of the 🏠 Scenario.



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Remember since we calculate cash on cash return on investment as the cash flow divided by your initial investment in the 🏠 **Property**, if you put nothing down to purchase the property (which is highly unlikely that it will really be exactly zero dollars), your cash on cash return on investment approaches infinity but is, technically, undefined. The closer you get to putting exactly zero dollars down to purchase the property, the less meaningful cash on cash return on investment becomes since it amplifies your return.

Conclusion

And that's our 📄 **Blueprint™** summary of the 🏠 **Scenario**.

Remember, if you'd like to see how changes in any of the assumptions described here would impact your investing plan, you can use **The Real Estate Financial Planner™** software to make these changes and immediately see how those changes affect your personal plan.

Beyond drilling down into the details of the 🏠 **Scenario** using the **Real Estate Financial Planner™** software you can and should also consider going through the dozens of hours of recorded classes to get a more well-rounded understanding of the concepts discussed and demonstrated above.

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