MYINVERSORAI UNDERWRITING REPORT

1847 E Montecito Ave, Phoenix, AZ 85016

A decision-ready rental analysis prepared for **The Smith Family**.

PROCEED TO DILIGENCE

82 / 100

INVESTMENT SCORE

Positive cash flow, lender-friendly debt coverage and a purchase price inside the estimated market range.

MONTHLY CASH FLOW
$681
After operating costs and debt

CAP RATE
7.36%
NOI divided by purchase price

DSCR
1.31
Above 1.20 lending benchmark

CASH INVESTED
$138,200
Down payment, closing and repairs

CASH-ON-CASH
5.9%
Year-one before-tax return

VALUE ESTIMATE
$478,000
12 nearby comparable sales

EXECUTIVE THESIS

The current assumptions support moving forward to inspection and verification, not an unconditional purchase.

- Rent covers modeled operating expenses and mortgage payments with a 1.31 DSCR.
- The purchase price is 2.7% below the AVM midpoint and remains inside the estimated range.
- The decision depends most on validating achievable rent, insurance and property condition.

01 | DECISION

What the numbers are telling you

The recommendation below reflects the entered assumptions and should be validated during due diligence.

PROCEED

The deal clears the modeled cash-flow and debt-coverage thresholds.

Advance to inspection, rent verification and insurance quoting before committing capital.

WHY THIS DEAL WORKS

- Modeled cash flow of $681 per month.
- DSCR of 1.31 provides a cushion above debt service.
- NOI of $34,216 supports a 7.36% cap rate.

WHAT COULD CHANGE THE VERDICT

- Insurance materially above the entered annual estimate.
- Verified rent below $4,100 per month.
- Deferred maintenance or HOA restrictions not captured here.

BIGGEST LEVER

- Every dollar negotiated from price lowers cash required and debt service.
- A $15,000 reduction would improve year-one cash-on-cash return.
- Document concessions before recalculating the final scenario.

SUGGESTED NEXT STEP

- Confirm market rent with two independent sources.
- Obtain an insurance quote tied to this address and roof age.
- Inspect major systems, then rerun the analysis with verified figures.

CLIENT SUMMARY

This property merits further diligence because the modeled income covers expenses and financing with a reasonable cushion.

02 | CAPITAL

Acquisition and financing

How much cash enters the deal, how the debt is structured and which terms carry the most sensitivity.

USES OF FUNDS

Purchase price	**$465,000**
Down payment	**$116,250**
Closing costs	**$13,950**
Initial repairs	**$8,000**
Total cash invested	**$138,200**
Loan proceeds	**$348,750**

LOAN STRUCTURE

Purchase mode	**Financed**
Loan-to-value	**75%**
Interest rate	**6.35%**
Amortization	**30 years**
Monthly P&I	**$2,170**
Annual debt service	**$26,041**

CAPITAL STACK

Equity 25% | $116,250

Debt 75% | $348,750

FINANCING CHECKPOINT

At 6.35%, the modeled payment is $2,170 per month. A rate increase of 0.50 percentage points would reduce monthly cash flow by roughly $110 before taxes.

BEFORE CLOSING

- Confirm lender fees, prepaid items and reserve requirements against the final Loan Estimate.
- Keep repair contingency outside the modeled $8,000 if inspection identifies structural or roof work.

03 | OPERATIONS

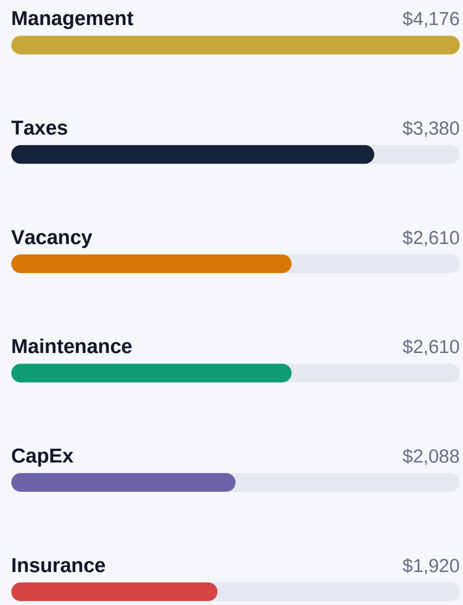
Income and operating expenses

Year-one operating model before financing, with vacancy and recurring reserves shown explicitly.

YEAR-ONE OPERATING STATEMENT

Gross scheduled rent	**$52,200**
Less: vacancy	**($2,610)**
Effective rental income	**$49,590**
Property taxes	**($3,380)**
Insurance	**($1,920)**
Maintenance reserve	**($2,610)**
Capital reserve	**($2,088)**
Property management	**($4,176)**
Other operating costs	**($1,200)**
Net operating income	**$34,216**

EXPENSE MIX



EXPENSE RATIO

31.0%

Operating expenses / effective income

BREAK-EVEN OCCUPANCY

79.3%

Rent needed to cover operations and debt

NOI MARGIN

69.0%

NOI / effective rental income

PRIMARY VALIDATION

Confirm achievable rent, property-tax reassessment risk and the address-specific insurance premium. These three inputs drive most of the year-one variance.

04 | RETURNS

Profitability and five-year projection

Base-case returns assume moderate rent growth, stable operating ratios and a five-year disposition.

MONTHLY CASH FLOW	CASH-ON-CASH	PROJECTED IRR	EQUITY MULTIPLE
$681	**5.9%**	**12.8%**	**1.73x**
Year 1	Before tax	Five-year base case	Five-year base case

ANNUAL CASH-FLOW PROJECTION

Assumes 2.5% annual rent growth and 2.0% annual operating-expense growth.

EXIT ASSUMPTIONS

Hold period	**5 years**
Annual appreciation	**3.0%**
Selling costs	**7.0%**
Projected sale price	**$538,900**

SENSITIVITY

- No appreciation: modeled return relies mainly on cash flow and amortization.
- Rent -5%: DSCR falls toward 1.20 and cash flow narrows materially.
- Rate +0.50%: financing remains serviceable but year-one return declines.

05 | SCORING

Score dimensions and strategy fit

Each score uses the selected strategy and risk profile. The matrix is context, not a substitute for the underlying cash flow.

HEADLINE DIMENSIONS

Cash flow	86
Rental fit	82
Risk safety	78
Deal quality	84
Long-term return	74

STRATEGY AND RISK-PROFILE MATRIX

	RENTAL	FLIP	BRRRR	RESALE	SHORT-TERM
Conservative	78	61	74	60	76
Neutral	82	66	79	65	81
Aggressive	86	71	83	70	85

Green 80-100 | Gold 60-79 | Red below 60. Scores describe modeled fit under each scenario.

INTERPRETATION

Rental is the strongest base-case strategy because current income supports debt service without relying on a renovation spread or immediate resale. Short-term rental requires separate demand and regulation validation.

06 | MARKET CONTEXT

Estimated value range

A comparable-sales estimate provides context for the asking price. It is not an appraisal.

$478,000

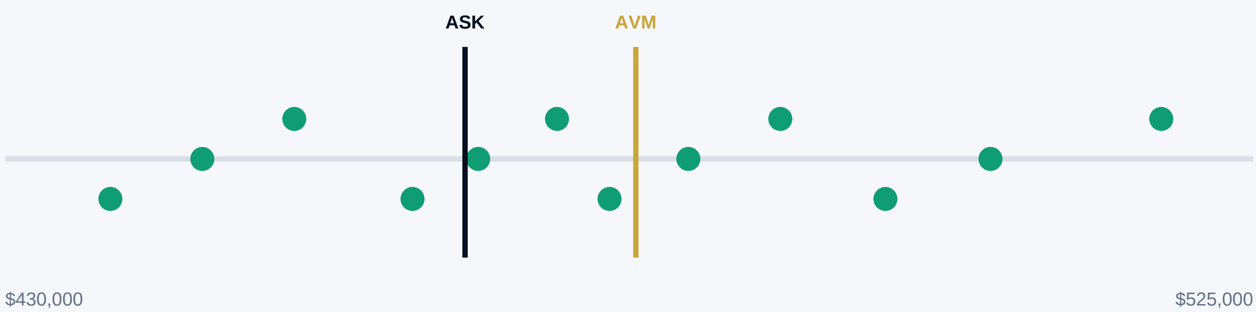
MODERATE CONFIDENCE

AVM midpoint from 12 comparable sales

Asking price: $465,000 **2.7% below estimate**

The asking price sits inside the estimated range and below its midpoint. Moderate confidence means the estimate should guide negotiation, not replace an appraisal or inspection.

COMPARABLE SALE DISTRIBUTION



REPRESENTATIVE COMPARABLES

PROPERTY	DIST.	BD / BA	SQFT	SALE
1912 E Glenrosa Ave	0.4 mi	3 / 2	1,642	**$472,000**
1738 E Roma Ave	0.7 mi	3 / 2	1,588	**$489,000**
2021 E Highland Ave	0.9 mi	4 / 2	1,781	**$505,000**

07 | AUDIT TRAIL

Assumptions, sources and diligence checklist

A transparent model is only as reliable as the inputs that survive verification.

CORE ASSUMPTIONS

Monthly rent	**$4,350**
Vacancy	**5%**
Management	**8% of rent**
Maintenance reserve	**5% of rent**
Capital reserve	**4% of rent**
Rent growth	**2.5% / year**

DATA CONTEXT

- Property characteristics: public-record snapshot available at analysis time.
- Market rent: user-entered assumption to be verified independently.
- Valuation: comparable-sales AVM context; not an appraisal.
- Financing: modeled terms; lender documents control.
- Taxes and insurance: entered estimates; address-specific quotes control.

PRE-OFFER DILIGENCE CHECKLIST

- [ ] Verify lease-ready market rent with two independent sources.
- [ ] Obtain an address-specific insurance quote and confirm flood/wind requirements.
- [ ] Review property taxes for reassessment after sale.
- [ ] Inspect roof, HVAC, electrical, plumbing and foundation.
- [ ] Confirm zoning, rental restrictions, permits and HOA rules where applicable.
- [ ] Reconcile lender fees, reserves and final cash to close.
- [ ] Rerun the analysis using verified figures before removing contingencies.

IMPORTANT DISCLOSURE

This sample report is for educational decision support. It is not an appraisal, inspection, legal opinion, tax advice, lending commitment or guarantee of investment performance. Verify all property, market and financing information with qualified professionals before acting.

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