

THE CASH-FLOW WORKSHEET

The rental math, fill-in, line by line - the same lines our Rental Cash Flow Calculator runs.

Step 1 - Income

Monthly rent (proven by rented comps nearby, not the listing)

Other monthly income (laundry, parking, fees)

Vacancy loss (rent x your vacancy % - 5% is a starting point, not a law)

= Effective monthly income

Step 2 - Operating expenses (monthly)

Property taxes (annual / 12 - from the county roll, not the seller)

Insurance (annual / 12 - get a real quote)

Repairs & maintenance (a % of rent or \$/month - budget it, don't hope)

Management (even if you self-manage - price your time)

Utilities the owner pays

HOA / other

= Total monthly operating expenses

Step 3 - The three answers

NOI = (Effective income - operating expenses) x 12 [annual]

Mortgage payment (PITI principal + interest only here if taxes/insurance are above)

Monthly cash flow = monthly NOI - mortgage payment

Cap rate = annual NOI / purchase price

Annual cash flow = monthly cash flow x 12

Cash-on-cash = annual cash flow / total cash in (down payment + closing + repairs)

Rules written on every worksheet we run

- Debt payments are NOT an operating expense. Neither is depreciation, nor your income tax. NOI stays clean.
- Taxes come from the county roll. Insurance from a quote. Rent from rented comps. Every input has a source or it is a guess - label guesses.
- If the sheet only works at 0% vacancy and 0% repairs, the deal doesn't work.

Teaching example (round numbers, on purpose)

Annual NOI	\$12,000
At a 7% cap rate, value =	\$171,429
At a 6% cap rate, value =	\$200,000

Same building, two prices. The cap rate IS the price - which is why the rate comes from real comparable sales in that market, not from a national blog post.

Education only, not financial advice. Run your live numbers free at wiserevivalpartners.com/tools/