Financial Projection Summary – Flipping[[1]](#footnote-1)

Projected cash flow to buy this home, remodel and sell it in less than a year is:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | Month 0 | | Month 1 | | Month 2 | | Month 3 | | Month 4 | | **Month 11** | |
| **ACQUISITION** | **BUY** | |  | |  | |  | |  | |  | |
| Down Payment | «DP» | |  | |  | |  | |  | |  | |
| Purchase Expense | «PE» | |  | |  | |  | |  | |  | |
| Remodeling Expenses | «RE» | |  | |  | |  | |  | |  | |
| Initial Cash | **«IC»** | |  | |  | |  | |  | |  | |
| **OPERATION** |  | | **REMODELING PROCESS (LESS THAN A YEAR)** | | | | | | | | | |
| Operation Expenses |  | | «OE1» | | «OE2» | | «OE3» | | «OE4» | | «OE5» | |
| Loan Payments |  | | «L1» | | «L2» | | «L3» | | «L4» | | «L5» | |
| Operation Net Cash Flow |  | | **«OF1»** | | **«OF2»** | | **«OF3»** | | **«OF4»** | | **«OF5»** | |
| **DISPOSITION** |  | | | | | | | | | | **SELL** | |
| Net Sale Price |  | |  | |  | |  | |  | | «NSP» | |
| Loan Balance |  | |  | |  | |  | |  | | «LB» | |
| Tax due on Sale |  | |  | |  | |  | |  | | «TDS» | |
| After Tax Sale Proceed |  | |  | |  | |  | |  | | **«TSP»** | |

|  |  |  |
| --- | --- | --- |
| Return on Investment to Flip | | |
|  | Before Tax | After Tax |
| Net Return | «BTP» | «ATP» |
| Cost of Investment | «COI» | «COI» |
| **ROI (Yield)** | **«BROI»** | **«AROI»** |

1. In the flipping scenario inflation is not accounted for because of the quick turnaround time. [↑](#footnote-ref-1)