Four Square Method – for analyzing rental property by Bigger Pockets (BiggerPockets.com)

Example # 1: A $200,000 Duplex which could rent for $2,000 per month ($1,000 ea. unit)

Cash Flow

Income $2,000

Expenses -$1,750

**Cash Flow $250**

Income:

Rental Income = $2,000

Laundry

Storage

Misc

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**Total Monthly Income = $2,000**

[Grab your reader’s attention with a great quote from the document or use this space to emphasize a key point. To place this text box anywhere on the page, just drag it.]

Cash-On-Cash ROI

*Money Put In:*

* down payment $40,000
* closing costs $3,000
* rehab budget $7,000
* misc. other $0

**Total Investment: $50,000**

**$250 x 12 = $3,000 🡨 Annual Cash Flow**

**Annul Cash Flow / Total Investment =**

**$3,000 / $50,000 = 6 %**

**Cash on Cash, ROI = 6.00%**

Expenses:

Tax $150

Insurance $100

Utilities $0

* electric, water, sewer, garbage, gas

HOA $0

Lawn/Snow $0

Vacancy $100

Repairs $100

Capital Expenditures (CapEx) $100

Property Management $200

Mortgage $1,000

**Total Monthly Expenses $ $1,750**