INVESTORS · TOOL

Free from Brian Redfern

# Cash-Flow Worksheet

Plug in the numbers and see monthly cash flow, cap rate and cash-on-cash return, plus the costs people forget.

BR

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## 01 Run the numbers

| | Example | Yours |
|---|---|---|
| Purchase price | $420,000 | |
| Down payment (25%) | $105,000 | |
| Mortgage, principal and interest (7%, 30 years) | $2,096/mo | |
| Monthly rent | $2,600 | |
| Minus vacancy (5%) | -$130 | |
| Minus taxes, insurance, HOA, repairs | -$450/mo | |
| **Monthly cash flow** | **-$76** | |
| **Cap rate (NOI / price)** | **5.8%** | |
| **Cash-on-cash (yearly cash flow / cash in)** | **-0.8%** | |
| Cash needed (down payment + about 2.5% costs) | $115,500 | |

*Add management, capital reserves (AC, roof, water heater) and turnover costs to the monthly costs line for a realistic number.*

Adjust every number live: https://redfernhomelife.com/guides/cash-flow

## 02 How the math works

- **Net operating income (NOI)**
  Rent after vacancy, minus operating costs (taxes, insurance, HOA, repairs, management); the mortgage is not included
- **Cap rate**
  NOI for the year divided by the purchase price; compares properties regardless of financing
- **Cash flow**
  Rent after vacancy, minus operating costs, minus the mortgage payment
- **Cash-on-cash return**
  A year of cash flow divided by the cash you put in (down payment plus closing costs)
- **Debt service coverage (DSCR)**
  NOI divided by the annual mortgage payments; investor loans often look for 1.2 or higher

## 03 Don't forget to budget

- [ ] **Capital reserves**
  Roofs, AC units, water heaters and pool equipment wear out; set money aside monthly
- [ ] **Property management**
  If you won't self-manage, get a written fee quote, including leasing fees
- [ ] **Landlord insurance**
  A rental needs a landlord (dwelling) policy, not a homeowner policy
- [ ] **Turnover costs**
  Paint, cleaning, carpet and a vacant month's utilities
- [ ] **HOA rental rules and fees**
- [ ] **County rental registration**
  Arizona requires registering residential rentals with the county assessor (A.R.S. § 33-1902)

## Want me to run a real deal?

Brian can walk you through it. No pressure, no obligation.

**Call or text Brian: 619-403-0390**
**Book a call: https://redfernhomelife.com/contact**
**This guide online: https://redfernhomelife.com/guides/cash-flow**

## Sources

- A.R.S. § 33-1902, residential rental property registration (azleg.gov)

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