

Property Details

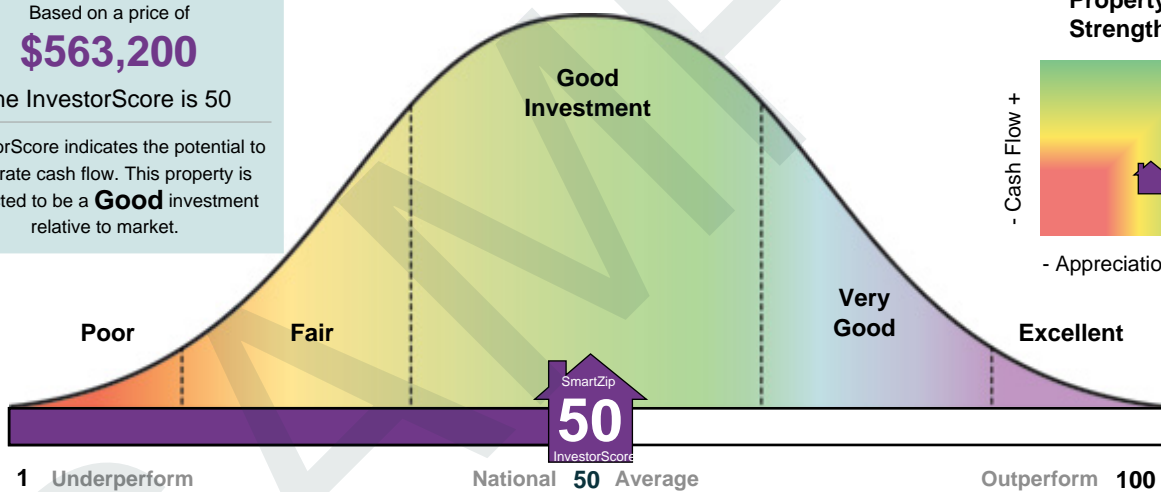


123 Sample Street Anaheim, CA 92807

Price/Fair Market Value: \$563,200 (\$242 per sq. ft.)
Most Recent Sale: \$710,000 (\$305 per sq. ft.)
 on 1/4/2007
County: Orange
Parcel #(APN): 123-456-789
Type: Single family home, 2 stories
Description: 3 bedrooms, 3 baths
 2,330 total sq. ft.
Lot Size: 9,500 sq. ft. (0.22 acres)
Year Built: 1979 (31 years old)

SmartZip InvestorScore™

Based on a price of
\$563,200
 the InvestorScore is 50
 InvestorScore indicates the potential to generate cash flow. This property is expected to be a **Good** investment relative to market.



Compare Scores	Score
This Property	50
City of Anaheim	51
Orange County	47
State of CA	52

Property Ranking: Top 58% of all 52,058 properties rated in Anaheim

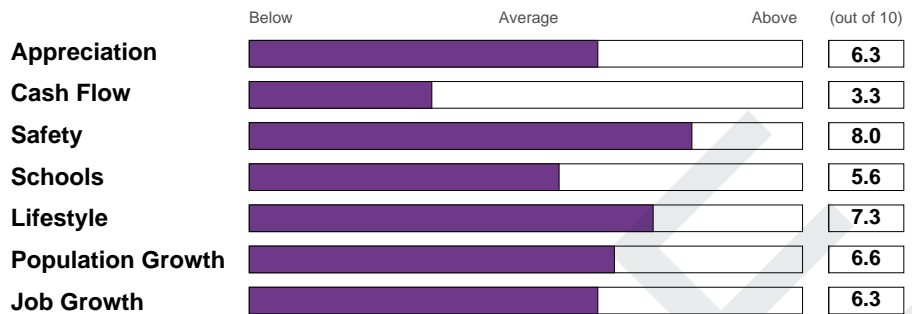
SmartZip Rating Value

-\$14,000

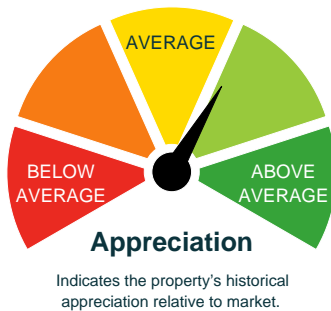
This is the estimated reduction in investment return that may be expected from this property with an InvestorScore of 50, compared to a similar property scored at 50, the national average.

SmartZip Key Ratings

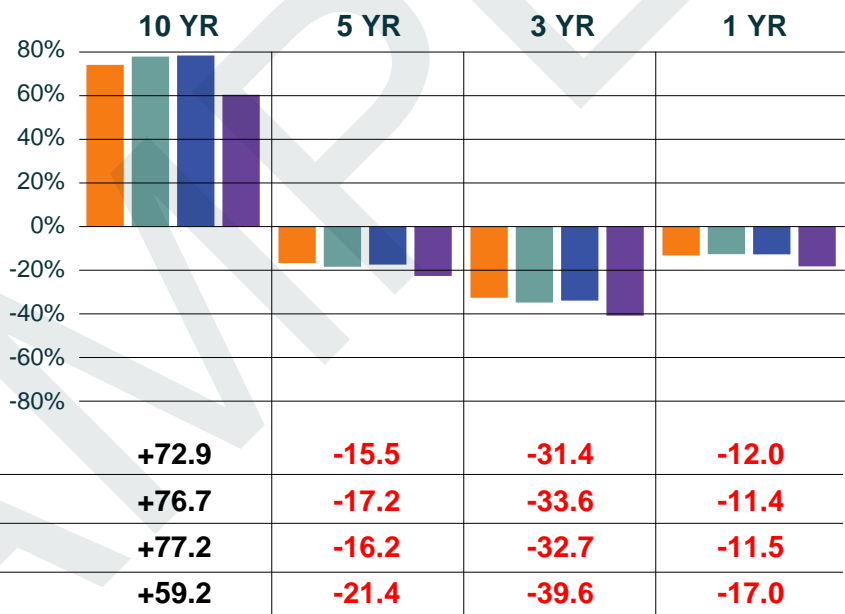
SmartZip Key Ratings show the property's expected performance relative to more than 70 million properties nationwide.



Historical Appreciation



Percentage Total Appreciation



Risk Assessment



Historic Price Volatility	MEDIUM
Market Distress Potential	MEDIUM
Price-to-Rent Ratio	MEDIUM
Environmental Risks	HIGH
Health Risks	MEDIUM
Crime Index	LOW
Sex Offenders	LOW

Cash Flow Analysis

Rental Income

Estimated Monthly Rent:	\$2,470
Estimated Average Vacancy Loss: (5.3%)	-\$130
Net Monthly Rental Income:	\$2,340
Annual Gross Rent Multiplier (GRM):	19.0

Operating Expenses

Financing Cost

Purchase Price/Fair Market Value:	\$563,200
Estimated Loan Balance:	\$450,560
Loan-to-Value (LTV) Ratio:	80%
Mortgage Type:	30-year fixed
Mortgage Rate:	5.5%
Monthly Mortgage Payment:	\$2,558

Property Taxes

Total Property Assessed Value:	\$563,200
Total Annual Property Taxes: (0.75%)	\$4,224
Monthly Property Tax Expense:	\$352

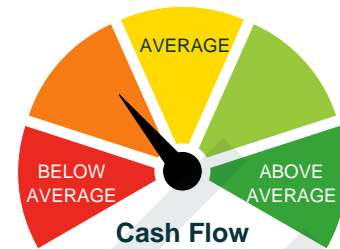
Other Expenses

Monthly Insurance Cost:	\$141
Monthly Maintenance & Repair Allowance:	\$272
Monthly Property Management Fee: (9%)	\$222
Monthly HOA Dues:	\$0
Monthly Utilities (not paid by tenant):	\$0
Total Other Monthly Expenses:	\$635

Total Monthly Carrying Costs: \$3,545

Projected Monthly Cash Flow: -\$1,205

Capitalization Rate: 2.9%



Indicates the property's potential to generate cash flow relative to market.

Return on Investment

Purchase Price/Fair Market Value:	\$563,200
Down Payment: (20%)	\$112,640
Closing Costs: (1.0%)	\$4,506
Total First Year Investment:	\$117,146
Projected Annual Cash Flow:	-\$14,460

Cash on Cash (CoC) Return: -12.3%

10-Year Return on Investment (ROI): +109%

Glossary and Data Sources

Affordability Rating: This indicates the relative affordability of owning the subject property. It is based on the total estimated costs per square foot of living space relative to the market.

Annual Gross Rent Multiplier (GRM): This metric is derived by dividing the current value of the property by the annual gross rental income (expected monthly rent X 12) and provides an indication of the strength of the property as a rental investment.

Appreciation Rating: This indicates the property's relative historical appreciation over the prior 10 years. If a property is newer than 10 years old, we provide the historical appreciation of similar properties in the same neighborhood.

Capitalization Rate: The cap rate is calculated by dividing the net annual operating income (net rent minus estimated expenses, but not including financing costs) by the price/fair market value of the property. Expressed as a percentage, the cap rate can be used to quickly compare the income potential of different investment properties.

Cash Flow: The cash flow is derived by subtracting the total monthly expenses from the net monthly rental income. A positive number means that the property is generating a profit each month.

Cash Flow Rating: This indicates the property's relative potential to generate positive cash flow (net rental income minus estimated expenses) for income investing.

Cash on Cash (CoC) Return: The CoC return is calculated by dividing the projected annual net cash flow by the total up-front investment in the property (down payment plus closing costs) and provides an indication of the property's annual percentage cash yield.

Crime Index: This is a rating of the risk of a violent or property crime occurring in the subject neighborhood and is derived from historical crime data.

Environmental Risks: This is an aggregate of the relative risks associated with floods, landslides, hurricanes, earthquakes, and fires. These risks are measured based on the frequency and severity of such events and associated property damage over the last 100 years.

Health Risks: This is the relative health risk due to high levels of air and/or water pollutants found in the subject property's neighborhood and proximity to ecological disaster sites.

Historic Price Volatility: This is the relative risk associated with a high degree of fluctuation in home prices in the subject property's neighborhood.

HOA Dues: This is the monthly fee paid to maintain and improve common areas for properties that are governed by a homeowner's association.

Insurance Cost: This is the modeled monthly cost of providing homeowner's insurance for the subject property.

Job Growth Rating: This rating indicates the expected relative level of employment growth in the subject property's neighborhood over the next 10 years

Lifestyle Rating: This rating is an indication of the location's attractiveness based on several factors including the number of days of sunshine per year and the concentration of local amenities (retail establishments, community services, healthcare facilities, recreation, arts, etc.) in the subject property's community.

Loan-to-Value (LTV) Ratio: This ratio is calculated by dividing the loan balance by the price or fair market value of the property.

Maintenance & Repair Allowance: This is the projected monthly cost of maintaining the property including repairs (paint, roof repairs, replacement of appliances, etc.).

Market Distress Potential: This is the relative risk associated with a high level of foreclosure activity among properties near the subject property, as indicated by changes in the average loan-to-value ratio of homes in the neighborhood.

Population Growth Rating: This rating indicates the expected relative level of population growth in the subject property's neighborhood over the next 10 years.

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Property Management Fee: This is the estimated fee paid to a local property manager should the owner decide not to manage the property themselves (i.e. find renters, collect rent, pay bills, track expenses, manage repairs and maintenance).

Price/Fair Market Value: This field is populated with the current listing price when generated via a syndication partner or agent. Otherwise, the SmartZip fair market value is used.

Price-to-Rent Ratio: This is calculated by dividing the price/fair market value of a property by the estimated monthly rent and provides an assessment of whether or not home prices have escalated faster than rents. This indicates the relative risk of a potential correction in home prices.

Property Strength: This matrix provides an indication of whether the property is better suited to being a residence (that may appreciate in value) or a rental (that may generate cash flow).

Rent: This is the estimated monthly rent for the subject property and is derived from the current and historical rental fees in the subject property's neighborhood.

Risk Rating: This indicates the overall level of risk associated with owning and living at the subject property and is the aggregate of all risk factors shown in the risk assessment section.

Safety Rating: This indicates the overall level of safety and security associated with living at the subject property. It is the inverse of the crime index.

ROI (Return on Investment): This is the ratio of money gained or lost (whether realized or unrealized) by owning this property relative to the amount of money invested. The 10-year ROI calculation takes into consideration the total first year investment (down payment plus closing costs), annual net cash flow, 10-year estimated appreciated value of the property, and closing costs associated with the sale of the property.

Schools Rating: This indicates the relative quality of education provided by schools that service the subject property and is derived from test scores and other attributes of elementary, middle and high schools in the neighborhood.

Sex Offenders: This indicates the relative concentration of registered sex offenders in the subject property's neighborhood.

SmartZip InvestorScore: This is a relative rating of the subject property's investment potential for buyers purchasing the home as a rental. It is based on a risk-adjusted financial assessment of the property's projected ability to generate positive cash flow over a 10-year holding period. InvestorScore uses a scale of 1-100, and all properties nationwide are stack ranked such that 50 is the national average. Properties that score above 50 are expected to outperform the market while those that score below 50 are expected to underperform. In general, a Score between 35 and 65 is considered a "good" investment. InvestorScore applies proven stock and bond analytics to a comprehensive set of real estate investment attributes spanning economic, housing, government, community, demographic, rental and lifestyle data.

SmartZip Rating Value: This is the estimated additional or reduced investment return that may be expected from a home based on its rating, compared to a similar property scored at 50, the national average. This calculation is based on a 10-year holding period and is shown in today's dollars.

Utilities: This is the modeled monthly expected cost to provide basic utilities for the property, including water, sewer, electricity, and other energy sources.

Vacancy Loss: This is the expected average loss of rental income that results from periods when the property is vacant and is not generating any rent.

About SmartZip Analytics

SmartZip offers investment ratings and research for residential real estate. Our mission is to help homebuyers and investors know if a property is really worth buying. Our flagship product, SmartZip Score, is an independent, disciplined rating of the investment potential of residential real estate. We have scored over 70 million properties nationwide, virtually every property in the United States.

Since past performance is a valuable indicator of future potential, the foundation of our rankings is a proprietary index of historical home prices that gives us exclusive market insight at the neighborhood level. We then combine this historical price trend data with analysis of the most relevant property and neighborhood attributes like schools, crime, location and other amenities. All of this is then analyzed in the context of key supply-demand indicators, like population, job growth and new home construction.

Our proprietary methodology then computes the expected risk-adjusted returns for each property; stack ranks them on a distribution and assigns a rating on an intuitive scale of 1 to 100, with 50 being the national average. Since the scale is relative, scores of 35-65 are considered good investments; above 65, the ratings are very good to excellent; and below 35, the rate scale trends from fair to poor.

SmartZip offers two ratings on every property:

- The SmartZip HomeScore™ is for buyers looking to purchase a home to live in it. This rating is a measure of a property's potential to have above-average appreciation and below average costs.
- The SmartZip InvestorScore™ is for real estate investors seeking to generate income from renting the property. This rating is a measure of a property's potential to generate cash-flow and a strong annual investment yield.

Both ratings do not always behave the same for any given property. Properties with a high InvestorScore may be expected to generate above-average cash flow, but may not necessarily yield above-average appreciation. This would be reflected in a less attractive HomeScore. Furthermore, since SmartZip Score compares properties on a national scale, even though a property may fall within a fair or poor rating, it may actually be scoring well relative to other properties in the same neighborhood. While SmartZip cannot predict future housing prices with any certainty, our Scoring methodology can give insight on which properties are likely to outperform the market, in good times and bad.

SmartZip has built one of the most comprehensive set of real estate investment attributes ever assembled. Our data is sourced from over 25 trusted public and private providers. We have licensed access to the complete county assessor-recorder records for nearly every county in the country. Our back office process ensures that our analysis always reflects the latest trends and we are constantly updating our analysis with the latest available market information.

SmartZip Analytics is a privately held corporation headquartered in Pleasanton, CA. You can reach us at info@smartzip.com.

Our rigorous analytics offer a disciplined approach to ratings that take into account hundreds of factors. If you believe SmartZip may have reached a misleading conclusion or find a questionable data field, please let us know. We are constantly striving to improve our analysis and welcome hearing from you at: feedback@smartzip.com.

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