Rental Portfolio Report

SAMPLE DATA · FIGURES ARE ILLUSTRATIVE

Sample Portfolio

Illustrative reporting period

Prepared 2026-08-28
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PROPERTIES	TOTAL EQUITY	MONTHLY CASH FLOW
2	$407,000	+$834
$918,000 market value	55.7% avg LTV	$10,010/yr after mortgage

PORTFOLIO CAP RATE	BLENDED DSCR	CASH INVESTED
5.18%	1.27	$80,110
NOI $47,570/yr	Healthy coverage	+12.5% cash-on-cash

Your 2-property portfolio holds $918,000 in market value with $407,000 of equity (55.7% LTV), generating $834/mo in positive cash flow after mortgage. The blended cap rate of 5.18% reflects a healthy unleveraged yield, and coverage (DSCR 1.27) is strong.

Analysis

HIGHLIGHTS

- **Property A** has appreciated **+$210,000** (+47%) since purchase.
- **Property A** is returning **11.9% cash-on-cash** on invested capital.
- **Property B** carries a **3.25% loan**, well below market, roughly $5,588/yr cheaper than today's 6.23% market. A rare, valuable financing position.
- **Property B** has appreciated **+$51,000** (+24%) since purchase.
- **Property B** is returning **13.9% cash-on-cash** on invested capital.

RISKS

- **Property A** rents **21% above the market rent estimate**, that spread is regression risk on turnover, roughly $800/mo ($9,600/yr) at re-lease. Underwrite renewals and vacancy at market, not the in-place rent.
- Selling **Property A** at the projected **10-year exit** would trigger ~**$194,435** in tax (Sec 1250 recapture + LT cap gains + state + NIIT) on a $651,201 projected gain, closer to **$48,134** if sold near-term today. The liability grows with the hold; plan the exit and any 1031 around it.
- Selling **Property B** at the projected **10-year exit** would trigger ~**$77,911** in tax (Sec 1250 recapture + LT cap gains + state + NIIT) on a $260,877 projected gain, closer to **$19,093** if sold near-term today. The liability grows with the hold; plan the exit and any 1031 around it.
- All **2 properties sit in the same metro** (Major US Metro), concentrated single-market exposure. One local downturn hits the whole book at once; geographic diversification would de-risk the portfolio.

RECOMMENDATIONS

- **Sell-vs-hold · Property A:** after-tax NPV peaks almost immediately (optimal exit ≈ **year 1**) and erodes after, start a disposition + 1031 conversation now while the gain is still shelterable.
- **Tax · Property A:** at $655,000 value, a cost-segregation study could accelerate depreciation and cut near-term taxable income. Worth pricing with your CPA.
- **Preserve · Property B:** do not refinance the 3.25% loan; it's worth more than any rate-and-term refi would save.
- **Sell-vs-hold · Property B:** after-tax NPV peaks almost immediately (optimal exit ≈ **year 1**) and erodes after, start a disposition + 1031 conversation now while the gain is still shelterable.
- **Reserves:** hold ~$18,780 liquid (6 months of mortgage payments) as a vacancy/repair buffer across the portfolio.

Property Performance

Property A

Major US Metro

PURCHASE PRICE	CURRENT VALUE	APPRECIATION	EQUITY / LTV
$445,000	$655,000	+$210,000	$331,500 · 49.4%

LATEST PERIOD · YEAR TO DATE

RENT COLLECTED	OPERATING EXP.	NOI	CASH FLOW
$37,375	$8,465	$28,910	+$12,915
REALIZED CAP RATE	**DSCR**	**MORTGAGE INTEREST**	**PRINCIPAL PAID**
6.95%	1.66	$13,330	$2,665

PERFORMANCE HISTORY

PERIOD	RENT	OPEX	NOI	CASH FLOW	CAP RATE
First year (partial)	$32,250	$8,100	$24,150	+$9,300	6.29%
Year to date	$37,375	$8,465	$28,910	+$12,915	6.95%

OPERATING NOI · ACTUAL VS. UNDERWRITING BASIS

METRIC (ANNUALIZED)	ACTUAL · TRAILING PERIOD	UNDERWRITING · RESERVE-ADJ.
Rent	$57,023	$55,200
Operating expenses	$13,567	$20,870
NOI (excl. CapEx, by convention)	**$43,456**	**$34,330**
DSCR	1.58	1.25
Cap rate	6.63%	5.24%
Cash flow / mo	+$1,336	+$576
less: actual CapEx	$5,794	(inside 5% reserve)
All-in cash after CapEx	**NOI $37,662 · DSCR 1.37 · +$853/mo**	

Actual = your reconciled transactions (First year (partial) → Year to date). Underwriting deducts standard reserves, 5% vacancy, 5% maintenance, 5% CapEx, so it runs conservative. Standard NOI excludes CapEx; the all-in line folds your **actual** CapEx back in, which for this property exceeded the 5% reserve.

FORWARD OUTLOOK · 10-YR HOLD

AFTER-TAX IRR	UNLEVERED (AFTER-TAX)	NPV @ 8%	CUM. RENTAL INCOME TAX
-99.00%	6.14%	$0	$0

Projected at 5% appreciation and 3% rent growth. IRR is after every tax: annual rental income tax (fed marginal net of QBI + state + NIIT) and the full sale-tax waterfall below.

SALE TAX COMPONENT (AT 10-YR EXIT)	AMOUNT
Total gain on sale	$651,201
Sec 1250 depreciation recapture (25% fed)	$36,073
Long-term capital gains (20% fed)	$101,382
State income tax (4.95%)	$32,234
Net investment income tax (3.8%)	$24,746
Total sale tax	**$194,435**
Net proceeds after tax + payoff + costs	**$0**

SELL VS HOLD

After-tax NPV peaks at a **1-year hold** ($0 in today's dollars) if sold outright. A 1031 exchange would defer the entire sale-tax bill into a replacement property.

Property B

Major US Metro

PURCHASE PRICE	CURRENT VALUE	APPRECIATION	EQUITY / LTV
$212,000	$263,000	+$51,000	$75,500 · 71.3%

LATEST PERIOD · YEAR TO DATE

RENT COLLECTED	OPERATING EXP.	NOI	CASH FLOW
$17,000	$6,445	$10,555	+$4,125
REALIZED CAP RATE	**DSCR**	**MORTGAGE INTEREST**	**PRINCIPAL PAID**
6.32%	1.64	$3,750	$2,680

PERFORMANCE HISTORY

PERIOD	RENT	OPEX	NOI	CASH FLOW	CAP RATE
First year (partial)	$6,275	$4,365	$1,910	-$2,380	1.73%
Second year	$21,925	$9,860	$12,065	+$1,880	4.59%
Year to date	$17,000	$6,445	$10,555	+$4,125	6.32%

OPERATING NOI · ACTUAL VS. UNDERWRITING BASIS

METRIC (ANNUALIZED)	ACTUAL · TRAILING PERIOD	UNDERWRITING · RESERVE-ADJ.
Rent	$22,017	$27,000
Operating expenses	$10,068	$13,760
NOI (excl. CapEx, by convention)	**$11,948**	**$13,240**
DSCR	1.18	1.31
Cap rate	4.54%	5.03%
Cash flow / mo	+$151	+$258
less: actual CapEx	$2,401	(inside 5% reserve)
All-in cash after CapEx	**NOI $9,547 · DSCR 0.94 · -$49/mo**	

Actual = your reconciled transactions (First year (partial) → Year to date). Underwriting deducts standard reserves, 5% vacancy, 5% maintenance, 5% CapEx, so it runs conservative. Standard NOI excludes CapEx; the all-in line folds your **actual** CapEx back in, which for this property exceeded the 5% reserve.

FORWARD OUTLOOK · 10-YR HOLD

AFTER-TAX IRR	UNLEVERED (AFTER-TAX)	NPV @ 8%	CUM. RENTAL INCOME TAX
-99.00%	6.77%	$0	$0

Projected at 5% appreciation and 3% rent growth. IRR is after every tax: annual rental income tax (fed marginal net of QBI + state + NIIT) and the full sale-tax waterfall below.

SALE TAX COMPONENT (AT 10-YR EXIT)	AMOUNT
Total gain on sale	$260,877
Sec 1250 depreciation recapture (25% fed)	$14,545
Long-term capital gains (20% fed)	$40,539
State income tax (4.95%)	$12,913
Net investment income tax (3.8%)	$9,913
Total sale tax	**$77,911**
Net proceeds after tax + payoff + costs	**$0**

SELL VS HOLD

After-tax NPV peaks at a **1-year hold** ($0 in today's dollars) if sold outright. A 1031 exchange would defer the entire sale-tax bill into a replacement property.

Tax Position · Schedule E Snapshot

Latest-period rental income vs. deductible expenses (before depreciation). This is a directional estimate for tax planning, your CPA prepares the filed return.

PROPERTY	RENT	MORTGAGE INT.	OP. EXPENSES	NET (PRE-DEPR.)
Property A	$37,375	$13,330	$8,465	+$15,580
Property B	$17,000	$3,750	$6,445	+$6,805

Tax reminders for this year:

- Depreciation (27.5-yr straight-line on building basis) further reduces taxable rental income, captured in your annual Schedule E package.
- CapEx items ≤ $2,500/invoice are expensed under the de minimis safe harbor (§1.263(a)-1(f)), requires the election statement attached to your return.
- Net rental losses may suspend under passive activity rules (IRC §469) if AGI > $150K, releasing on sale.