"The Power of Buy and Hold" SMP Monthly Meetup – June 2024

Let's dive into the power of Buy and Hold! Imagine we're purchasing a property. Here are some additional details:

Purchase price:	\$500,000
Down payment:	20%
Loan amount:	\$400,000
Loan term:	30 years
Interest rate:	4%

Throughout the years, we'll be paying down the mortgage which translates into equity growth. Because we're savvy real estate investors, we obtained a readvanceable mortgage, so we can tap into this equity. Let's calculate what this could potentially mean.

Here's the steps you'll need to take:

- 1. Open an Amortization Calculator.
- 2. Input the Loan Details provided above.
- 3. Use the table below to answer the following questions:
 - How much equity do you have available to you at the end of each year?
 - If you leverage this equity at 6% return, what can you expect to receive in monthly cash flow?

_	How much equity do you have available to you at the end of the year?	If you leverage this equity at 6% return, what can you expect to receive in monthly cash flow?
Year 1		
Year 5		
Year 10		
Year 15		

Name:

Date:

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