



# “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:

<b>Purchase price:</b>	\$500,000
<b>Down payment:</b>	20%
<b>Loan amount:</b>	\$400,000
<b>Loan term:</b>	30 years
<b>Interest rate:</b>	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?
<b>Year 1</b>		
<b>Year 5</b>		
<b>Year 10</b>		
<b>Year 15</b>		

Name: \_\_\_\_\_ Date: \_\_\_\_\_