



Financial Analysis Form

FINANCIAL ANALYSIS FORM

Please complete the following form. See instructions for completing the form following this page.

Property Address: 250 E. Pasadena Street Pomona, CA 91767

	current year	year two	year three	year four	year five	year six	year seven	year eight	year nine	year ten	EXPLANATION
Step 1: Determine Annual Income of Property											
1. Monthly Rental Income	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	Even if a property is owner-occupied, an estimated monthly rental income is needed as a basis for this worksheet formula.
2. Annual Rental Income	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	Line item # 1 X 12 months
Step 2: Calculated Annual Operating Expenses											
3. Insurance	642	642	642	642	642	642	642	642	642	642	Fire, liability, etc.
4. Utilities	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	Water, gas, electric.
5. Management	—	—	—	—	—	—	—	—	—	—	
6. Other Expenses	4,662	4,662	4,662	4,662	4,662	4,662	4,662	4,662	4,662	4,662	Do not include property taxes and mortgage payments.
7. Total Annual Expenses	9,204	9,204	9,204	9,204	9,204	9,204	9,204	9,204	9,204	9,204	Add lines 3 through 6.
Step 3: Determine Net Operating Income											
8. Net Operating Income	20,796	20,796	20,796	20,796	20,796	20,796	20,796	20,796	20,796	20,796	Line 2 minus Line 7.



		current year	year two	year three	year four	year five	year six	year seven	year eight	year nine	year ten	
Step 4: Determine Capitalization Rate												
9.	Interest Component	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	Average of the rates determined by the State Board of Equalization over the past five years = 4.2%**
10.	Historical Property Risk Component	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	Single family home = 4% All other property = 2%
11.	Amortization Component	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	If the life of the improvements is 20 years, use $100 \times 1/20 = 5\%$
12.	Property Tax Component	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	.01 times the assessment ratio of 100% = 1%
13.	Capitalization Rate	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	14.20%	Add lines 9 through 12.
Step 5: Determine Estimated Tax Savings												
14.	Mills Act Assessment Value	146,451	146,451	146,451	146,451	146,451	146,451	146,451	146,451	146,451	146,451	Line 8 divided by line 13.
15.	Mills Act Taxes	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	Line 14 x .01
16.	Current Taxes	6,003	6,003	6,003	6,003	6,003	6,003	6,003	6,003	6,003	6,003	General tax levy only – don't include voted indebtedness or direct assessments.
17.	Estimated Tax Savings	4,538	4,538	4,538	4,538	4,538	4,538	4,538	4,538	4,538	4,538	Line 16 minus line 15.
18.	ESTIMATED TOTAL SAVINGS OVER TEN YEAR PERIOD = 45,385										Sum of all figures in line 17.	

**Rates for past five years: 2020 = 4.25%; 2019 = 4.75%; 2018 = 4.00%; 2017 = 3.75%; 2016 = 4.25% (Source: Board of Equalization)