

## Start with MIMO (Money In Money Out)

### Done Up Value

£ \_\_\_\_\_

Start with the Done Up Value (DUV). This is what the property would be worth when the refurb is completed.

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The MIMO calculation starts here!

### 75% Mortgage

£ \_\_\_\_\_

Find out 75% of the DUV. This gives us the amount that the bank will lend to us based on the completed project.

### Refurb

-£ \_\_\_\_\_

Take off the cost of the refurb. This can be a ballpark while you're working on becoming an expert on your numbers.

### Fees

-£ \_\_\_\_\_

Take off solicitor fees (2x£750) and broker fees (2x£500). This section costs will differ depending on your source of funds (i.e your own funds, investor or bridging) and the products available to you at the time if you are buying in company or personal name.

### Cost of Money

-£ \_\_\_\_\_

Take off an approximate cost of borrowing for the deal. You can use a rough guide of ~6% of the mortgage, but if you know your borrowing costs then you can reflect this more accurately.

### Stamp Duty

-£ \_\_\_\_\_

To calculate a rough stamp duty number, use ~4% of the mortgage amount. Remember if you are in Scotland or Wales it is higher!

### Your MIMO number:

= £ \_\_\_\_\_

## Working out Cashflow

### Rental Value

Find out what a similar rental property in the area goes for monthly. It must be in done-up condition and have the same number of rooms.

£ \_\_\_\_\_

### Mortgage payments

Take off your mortgage payments. At this stage, you want to make sure you're stress-testing. So add on a few extra % on top of your current expected rates. Properties in a company name will have higher rates than in a personal name.

-£ \_\_\_\_\_

### Management costs

Take off the management costs for your property. This will be around 10%, but some areas will be more expensive while other may be slightly cheaper.

-£ \_\_\_\_\_

### Monthly Operating expenses

Subtract a monthly cost for holding and maintaining your property. We encourage you to use 15% at least to start with. As your portfolio increases, you may find savings between properties.

-£ \_\_\_\_\_

### Cashflow

This is your monthly operating profit before tax. When stress-testing you want to make sure that you are operating within profit. Ideally around £100 per month within an average stress-test and in profit at a strong stress-test.

= £ \_\_\_\_\_

## Return on Investment

**Your MIMO number**

Take this from page 1!

£ \_\_\_\_\_

**Annual cashflow**

Simply take your cashflow number from page 2 and x12 to calculate a year's cashflow.

£ \_\_\_\_\_

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**100% ROI**

MIMO

£ \_\_\_\_\_

+ 1x Annual Cashflow

+£ \_\_\_\_\_

= £ \_\_\_\_\_

**50% ROI**

MIMO

£ \_\_\_\_\_

+ 2x Annual Cashflow

+£ \_\_\_\_\_

= £ \_\_\_\_\_

**33% ROI**

MIMO

£ \_\_\_\_\_

+ 3x Annual Cashflow

+£ \_\_\_\_\_

= £ \_\_\_\_\_

**25% ROI**

MIMO

£ \_\_\_\_\_

+ 4x Annual Cashflow

+£ \_\_\_\_\_

= £ \_\_\_\_\_