



What Investors want to know

- Return on Investment *ROI*
- ROI by Investing in Real Estate
—vs— Stocks & Bonds
- “Cash on Cash Return” is used
by Commercial Real Estate
Brokers who are listing
properties for sale.



Cash on Cash Return

- $\text{NOI} - \text{Debt Service} = \text{Net Cash Flow}$
- $\frac{\text{Net Cash Flow}}{\text{Down Payment \$}} = \text{Cash on Cash Return \%}$
- *NOTE: “Cash on Cash” % does not include the appreciation of the property that investor will enjoy.*