Real Estate & Home Purchase Strategy

Executive Summary

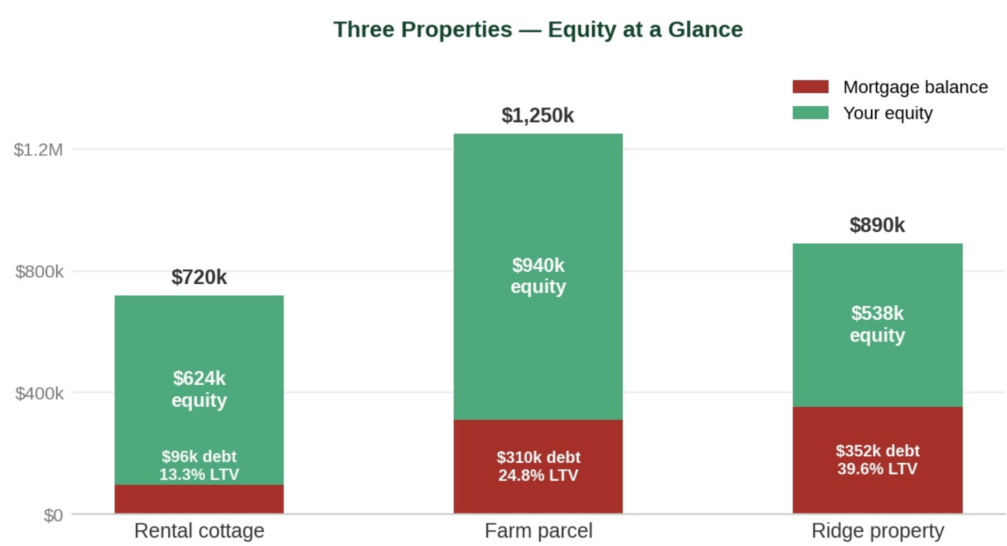
A sample family · Illustrative report

Prepared by Altum Wealth Advisory · Sample document · For discussion

Illustrative sample. Every property, figure, rate and date in this document is invented for demonstration. It shows the shape of the strategy summary an Altum client receives — the portfolio position, the cash-flow picture, how a purchase gets funded, and the sequence of actions — using a fictional household. It is not a real client and does not describe any real family's holdings.

$2,860,000	$758,000	$2,102,000	3.94%
Combined property value Three properties	Total mortgage debt All three combined	Net real estate equity Confirmed	Weighted average rate All loans below 4.5%

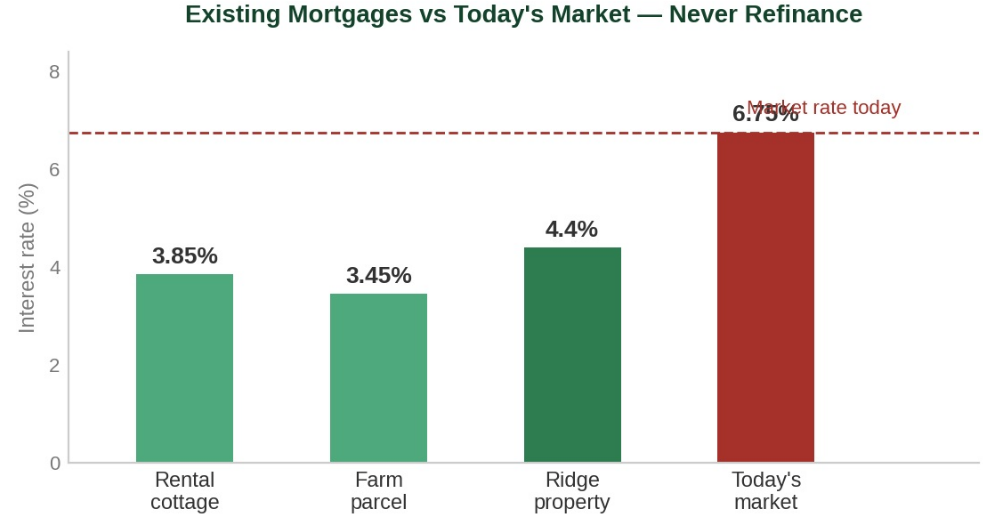
The Property Portfolio



Property	Value	Mortgage	Rate	Equity	Paid by
Rental cottage	~$720,000	~$96,000	3.85%	~$624,000	Personal
Farm parcel	~$1,250,000	$310,000	3.45%	~$940,000	The business
Ridge property	~$890,000	$352,000	4.40%	~$538,000	The business

Two of the three mortgages are paid by the business as an operating expense — they do not affect personal cash flow.

One Rule: Never Refinance These Mortgages



Mortgages at 3.45%, 3.85% and 4.40% are locked-in advantages. Replacing them at today's 6.75% or higher would cost an estimated $368,000 in additional interest over the remaining terms. Every decision in this plan preserves all three loans exactly as they are.

Monthly Cash Flow After the Purchase

Monthly inflows		Monthly outflows	
Business net profit	+$54,000	New home mortgage + tax/insurance	−$10,400
Rental cottage income	+$2,600	Rental cottage mortgage	−$1,150
Rent saved once the lease ends	+$7,800	Credit line interest	−$2,200
Spouse payroll	+$600	Federal estimated taxes	−$15,200
		Personal spending	−$7,600
Total in	**+$65,000**	**Total out**	**−$36,550**
Net monthly surplus			**+$28,450**

The farm parcel and ridge property mortgages are paid by the business and are not personal outflows. The current $7,800 monthly rent ends when the lease expires and will not be renewed.

Funding a $1.65M Home Purchase

Item	Amount	Notes
Down payment (20%)	$330,000	Standard for this price range

Estimated closing costs	~$41,000	Title, origination, prepaid items
Total required	**$371,000**	
Available from business cash	~$78,000	After tax reserve (~$60,000) and rental preparation ($12,000)
Credit line draw needed	~$293,000	Secured against the rental cottage
Existing credit line limit	$375,000	Facility already open — no new application needed
Buffer remaining after draw	**~$82,000**	**Still available on the line after the draw**

The existing facility is sufficient for this purchase with $82,000 left as a buffer. A fresh appraisal could support raising the limit to roughly $480,000 (80% of value less the existing mortgage) if needed later.

School Choice — Three Options

Scenario	Monthly tuition	Monthly surplus	Annual difference vs both private
Both children in private school	~$3,040	$26,930	—
Current — one child private	~$1,520	$28,450	**+$18,240/yr**
Both children in public school	$0	$29,970	**+$36,480/yr**

All three paths are affordable on the projected surplus. The table shows the financial picture for each — the decision is the family's.

The Sequence — Nine Months

MONTHS 1–2 — Immediate

Confirm the exact tax amounts due from the business

This determines the precise amount of cash available for the down payment, and therefore the exact size of the credit line draw.

Order a fresh appraisal on the rental cottage

The credit line is already open. A current appraisal confirms the value and the available limit.

Start the $12,000 preparation work on the rental cottage

Exterior work can continue after tenants move in. Aim for a tenant by month three and rental income flowing from month four.

MONTHS 3–6

Begin the property search

Target a close in months seven or eight. That leaves one to two months of overlap with the existing lease — manageable and already budgeted.

Confirm the status of the farm parcel

If it is currently unoccupied, a rental at $2,800–$4,500 per month is an immediate income opportunity worth exploring before the new purchase closes.

Assess the rental cottage's commercial potential

The property qualifies for commercial use. A commercial tenant at $4,200–$5,500 per month against $2,600 residential is a meaningful difference worth evaluating before listing.

MONTHS 7–9

Close on the new home

Draw the credit line for the down payment and closing costs. The existing facility handles this directly — no new application.

Fund the retirement contribution — $65,000

The monthly surplus of $28,450 supports this comfortably alongside all other obligations.

Let the current lease expire — do not renew

The $7,800 monthly commitment ends here regardless of whether the purchase has closed. If needed, a short-term rental bridges the gap.
