

Property Address

25 Girard Ave., Middletown, PA 17057

Turnkey Rental Pro Forma

Income and Expenses

Input:	Resale Price	\$114,995.00	
	Down Payment	\$22,999.00	20% Bank's Equity
	Mortgage Loan	\$91,996.00	
	Mortgage Terms	5.0%	30 Years
	Owner's Tax Bracket	30.0%	
	Cost Recovery	27.5 Years	
	Land Value	\$11,499.50	10% Percent of Total Value
	Closing Costs	\$5,289.77	5%

Projected First-Year Operating Statement

Potential Annual Gros Current		\$13,800
	\$1,150.00 House	
Less: Estimated Vacancy Factor/Rental Loss	5.0%	-\$690
Potential Annual Effective Gross Income		\$13,110
Less: Annual Operating Expenses		
Property Taxes	\$1,932	
Insurance	425	
Water & Sewer		
Electric	0 tenant	
trash	0	
Replacement/Reserves	690	5.0% of annual effective income
Management	828	6.0%
Total Expenses	\$3,875	
ESTIMATED ANNUAL NET OPERATING INCOME		\$9,235
Less: Annual Dept Service		-\$5,926
	<i>\$494 Monthly mortgage payment</i>	
Cash Flow Before Taxes		\$3,309
Cash Flow Per Month		\$276
Add: Principal for year (Equity Build-up)		\$1,357
Debt to Credit Ratio		1.558320229
Taxable Income Before Cost Recovery		\$4,666
Less: Cost Recovery	Tax deductible depreciation	-\$3,763
TAXABLE INCOME		\$903
CAP Rate	<i>(NOI/Purchase Price)</i>	8.03%

Gross Rent Multiplier	<i>(Purchase Price/Gross Inc</i>	8.33
Cash on Cash Rate of Return	<i>(Cash Before Taxes/Down</i>	11.7%
Equity Yield Rate	<i>(Assumes 3% Appreciation</i>	34.11%
Net Spendable Rate of Return	<i>(Cash Flow & Tax Savings</i>	10.7%