

Property Address

40 E Filbert St., Lancaster, PA 17603

Turnkey Rental Pro Forma

Income and Expenses

Input:	Resale Price	\$110,000.00	
	Down Payment	\$22,000.00	20% Bank's Equity
	Mortgage Loan	\$88,000.00	
	Mortgage Terms	5.0%	30 Years
	Owner's Tax Bracket	30.0%	
	Cost Recovery	27.5 Years	
	Land Value	\$11,000.00	10% Percent of Total Value
	Closing Costs	\$5,060.00	5%

Projected First-Year Operating Statement

Potential Annual Gross Ir 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	\$1,642	
Insurance	425	
Water & Sewer		
Electric	0 tenant	
trash		
Replacement/Reserves	690 5.0%	<i>of annual effective income</i>
Management	828 6.0%	
Total Expenses	\$3,585	
ESTIMATED ANNUAL NET OPERATING INCOME		\$9,525
Less: Annual Dept Service		-\$5,669
	<i>\$472 Monthly mortgage payment</i>	
Cash Flow Before Taxes		\$3,856
Cash Flow Per Month		\$321
Add: Principal for year (Equity Build-up)		\$1,298
Debt to Credit Ratio		1.680239017
Less: Cost Recovery	Tax deductible depreciation	-\$3,600
CAP Rate	<i>(NOI/Purchase Price)</i>	8.66%
Gross Rent Multiplier	<i>(Purchase Price/Gross Inc)</i>	7.97
Cash on Cash Rate of Return	<i>(Cash Before Taxes/Down</i>	14.3%
Equity Yield Rate	<i>(Assumes 3% Appreciator</i>	36.31%
Net Spendable Rate of Return	<i>(Cash Flow & Tax Savings/Dn.</i>	12.5%