

Property Address

204 Valley Rd., Summerdale, PA 17093

Turnkey Rental Pro Forma

Income and Expenses

Input:	Resale Price	\$119,995.00	
	Down Payment	\$23,999.00	20% Bank's Equity
	Mortgage Loan	\$95,996.00	
	Mortgage Terms	5.0%	30 Years
	Owner's Tax Bracket	30.0%	
	Cost Recovery	27.5 Years	
	Land Value	\$11,999.50	10% Percent of Total Value
	Closing Costs	\$5,519.77	5%

Projected First-Year Operating Statement

Potential Annual Gros Current		\$14,340
	\$1,195.00 House	
Less: Estimated Vacancy Factor/Rental Loss	5.0%	-\$717
Potential Annual Effective Gross Income		\$13,623
Less: Annual Operating Expenses		
Property Taxes	\$1,368	
Insurance	425	
Water & Sewer		
Electric	0 tenant	
trash	0	
Replacement/Reserves	717	5.0% of annual effective income
Management	860	6.0%
Total Expenses	\$3,370	
ESTIMATED ANNUAL NET OPERATING INCOME		\$10,253
Less: Annual Dept Service		-\$6,184
	<i>\$515 Monthly mortgage payment</i>	
Cash Flow Before Taxes		\$4,069
Cash Flow Per Month		\$339
Add: Principal for year (Equity Build-up)		\$1,416
Debt to Credit Ratio		1.657943132
Taxable Income Before Cost Recovery		\$5,485
Less: Cost Recovery	Tax deductible depreciation	-\$3,927
TAXABLE INCOME		\$1,558
CAP Rate	(NOI/Purchase Price)	8.54%
Gross Rent Multiplier	(Purchase Price/Gross Inc)	8.37
Cash on Cash Rate of Return	(Cash Before Taxes/Down	13.8%
Equity Yield Rate	(Assumes 3% Appreciator	35.91%
Net Spendable Rate of Return	(Cash Flow & Tax Savings,	12.2%