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|---|--|--------------------------------|---------------------------------|
| Property Address | | | |
| 728 E Market St., York, PA 17403 | | | |
| Turnkey Rental Pro Forma | | | |
| Income and Expenses | | | |
| Input: | Resale Price | \$105,000.00 | |
| | Down Payment | \$21,000.00 | 20% Bank's Equity |
| | Mortgage Loan | \$84,000.00 | |
| | Mortgage Terms | 4.75% | 30 Years |
| | Owner's Tax Bracket | 30.0% | |
| | Cost Recovery | 27.5 Years | |
| | Land Value | \$10,500.00 | 10% Percent of Total Value |
| | Closing Costs | \$4,830.00 | 5% |
| Projected First-Year Operating Statement | | | |
| | Potential Annual Gros Current | | \$14,100 |
| | | \$1,175.00 House | |
| | Less: Estimated Vacancy Factor/Rental Loss | 5.0% | -\$705 |
| | Potential Annual Effective Gross Income | | \$13,395 |
| | Less: Annual Operating Expenses | | |
| | Property Taxes | \$2,470 | |
| | Insurance | 425 | |
| | Water & Sewer | | |
| | Electric | 0 | tenant |
| | trash | 0 | |
| | Replacement/Reserves | 705 | 5.0% of annual effective income |
| | Management | 846 | 6.0% |
| | Total Expenses | \$4,446 | |
| | ESTIMATED ANNUAL NET OPERATING INCOME | | \$8,949 |
| | Less: Annual Dept Service | | -\$5,258 |
| | | \$438 Monthly mortgage payment | |
| | Cash Flow Before Taxes | | \$3,691 |
| | Cash Flow Per Month | | \$308 |
| | Add: Principal for year (Equity Build-up) | | \$1,296 |
| | Debt to Credit Ratio | | 1.701911535 |
| | Taxable Income Before Cost Recovery | | \$4,987 |
| | Less: Cost Recovery | Tax deductible depreciation | -\$3,436 |
| | TAXABLE INCOME | | \$1,551 |
| | CAP Rate | (NOI/Purchase Price) | 8.52% |

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|-------------------------------------|-------------------------------------|--------|
| Gross Rent Multiplier | <i>(Purchase Price/Gross Inc</i> | 7.45 |
| Cash on Cash Rate of Return | <i>(Cash Before Taxes/Down</i> | 14.3% |
| Equity Yield Rate | <i>(Assumes 3% Appreciation</i> | 36.53% |
| Net Spendable Rate of Return | <i>(Cash Flow & Tax Savings</i> | 12.5% |