

Property Address**431 High St., Hanover, PA 17331**

Turnkey Rental Pro Forma

Income and Expenses

| | | | |
|---------------|-----------------------|---------------------|----------------------------|
| Input: | Resale Price | \$125,000.00 | |
| | Down Payment | \$25,000.00 | 20% Bank's Equity |
| | Mortgage Loan | \$100,000.00 | |
| | Mortgage Terms | 4.75% | 30 Years |
| | Owner's Tax Bracket | 30.0% | |
| | Cost Recovery | 27.5 Years | |
| | Land Value | \$12,500.00 | 10% Percent of Total Value |
| | Closing Costs | \$5,750.00 | 5% |

Projected First-Year Operating Statement

| | | |
|--|---------------------------------------|-----------------------------------|
| Potential Annual Gross Ir Current | | \$15,540 |
| | \$1,295.00 House | |
| Less: Estimated Vacancy Factor/Rental Loss | 5.0% | -\$777 |
| Potential Annual Effective Gross Income | | \$14,763 |
| Less: Annual Operating Expenses | | |
| Property Taxes | \$2,509 | |
| Insurance | 425 | |
| Water & Sewer | | |
| Electric | 0 tenant | |
| trash | | |
| Replacement/Reserves | 777 5.0% | <i>of annual effective income</i> |
| Management | 932 6.0% | |
| Total Expenses | \$4,643 | |
| ESTIMATED ANNUAL NET OPERATING INCOME | | \$10,120 |
| Less: Annual Dept Service | | -\$6,260 |
| | <i>\$522 Monthly mortgage payment</i> | |
| Cash Flow Before Taxes | | \$3,860 |
| Cash Flow Per Month | | \$322 |
| Add: Principal for year (Equity Build-up) | | \$1,543 |
| Debt to Credit Ratio | | 1.616609424 |
| Less: Cost Recovery | Tax deductible depreciation | -\$4,091 |
| CAP Rate | (NOI/Purchase Price) | 8.10% |
| Gross Rent Multiplier | (Purchase Price/Gross Inc) | 8.04 |
| Cash on Cash Rate of Return | (Cash Before Taxes/Down | 12.6% |
| Equity Yield Rate | (Assumes 3% Appreciator | 35.04% |
| Net Spendable Rate of Return | (Cash Flow & Tax Savings/Dn. | 11.3% |