

**Property Address**

225 E. South St., York, PA 17403

Turnkey Rental Pro Forma

**Income and Expenses**

<b>Input:</b>	<b>Resale Price</b>	<b>\$95,000.00</b>	
	Down Payment	\$19,000.00	20% Bank's Equity
	Mortgage Loan	\$76,000.00	
	<b>Mortgage Terms</b>	4.75%	30 Years
	Owner's Tax Bracket	30.0%	
	Cost Recovery	27.5 Years	
	Land Value	\$9,500.00	10% Percent of Total Value
	Closing Costs	\$4,370.00	5%

**Projected First-Year Operating Statement**

Potential Annual Gros Current		\$11,940
	<b>\$995.00</b> House	
Less: Estimated Vacancy Factor/Rental Loss	5.0%	-\$597
<b>Potential Annual Effective Gross Income</b>		<b>\$11,343</b>
Less: Annual Operating Expenses		
Property Taxes	<b>\$1,211</b>	
Insurance	425	
Water & Sewer		
Electric	0 tenant	
trash	0	
Replacement/Reserves	597	5.0% of annual effective income
Management	716	6.0%
Total Expenses	\$2,949	
<b>ESTIMATED ANNUAL NET OPERATING INCOME</b>		<b>\$8,394</b>
Less: Annual Dept Service		-\$4,757
	<i>\$396 Monthly mortgage payment</i>	
<b>Cash Flow Before Taxes</b>		<b>\$3,636</b>
<b>Cash Flow Per Month</b>		<b>\$303</b>
<b>Add: Principal for year (Equity Build-up)</b>		\$1,173
<b>Debt to Credit Ratio</b>		1.764316259
<b>Taxable Income Before Cost Recovery</b>		\$4,809
Less: Cost Recovery	Tax deductible depreciation	-\$3,109
<b>TAXABLE INCOME</b>		<b>\$1,700</b>
<b>CAP Rate</b>	(NOI/Purchase Price)	<b>8.84%</b>
<b>Gross Rent Multiplier</b>	(Purchase Price/Gross Inc)	7.96
<b>Cash on Cash Rate of Return</b>	(Cash Before Taxes/Down	<b>15.6%</b>
<b>Equity Yield Rate</b>	(Assumes 3% Appreciator	37.63%
<b>Net Spendable Rate of Return</b>	(Cash Flow & Tax Savings,	13.4%