

**Property Address**  
**36 N. 4th St., Steelton, PA 17113**

Turnkey Rental Pro Forma

**Income and Expenses**

<b>Input:</b>	<b>Resale Price</b>	<b>\$125,000.00</b>	
	Down Payment	\$25,000.00	20% Bank's Equity
	Mortgage Loan	\$100,000.00	
	<b>Mortgage Terms</b>	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
	<b>\$1,295.00</b> House	
Less: Estimated Vacancy Factor/Rental Loss	<b>5.0%</b>	-\$777
<b>Potential Annual Effective Gross Income</b>		<b>\$14,763</b>
Less: Annual Operating Expenses		
Property Taxes	<b>\$2,247</b>	
Insurance	425	
Water & Sewer		
Electric	0 tenant	
trash		
Replacement/Reserves	777 <b>5.0%</b>	<i>of annual effective income</i>
Management	932 <b>6.0%</b>	
Total Expenses	\$4,381	
<b>ESTIMATED ANNUAL NET OPERATING INCOME</b>		<b>\$10,382</b>
Less: Annual Dept Service		-\$6,260
	<i>\$522 Monthly mortgage payment</i>	
<b>Cash Flow Before Taxes</b>		<b>\$4,122</b>
<b>Cash Flow Per Month</b>		<b>\$343</b>
<b>Add: Principal for year (Equity Build-up)</b>		\$1,543
<b>Debt to Credit Ratio</b>		1.65846401
Less: Cost Recovery	<b>Tax deductible depreciation</b>	<b>-\$4,091</b>
<b>CAP Rate</b>	<i>(NOI/Purchase Price)</i>	<b>8.31%</b>
<b>Gross Rent Multiplier</b>	<i>(Purchase Price/Gross Inc)</i>	8.04
<b>Cash on Cash Rate of Return</b>	<i>(Cash Before Taxes/Down</i>	<b>13.4%</b>
<b>Equity Yield Rate</b>	<i>(Assumes 3% Appreciator</i>	35.77%
<b>Net Spendable Rate of Return</b>	<i>(Cash Flow &amp; Tax Savings/Dn.</i>	11.9%