

**Property Address**  
**620 Edison St., York, PA 17403**

Turnkey Rental Pro Forma

**Income and Expenses**

|               |                       |                     |                            |
|---------------|-----------------------|---------------------|----------------------------|
| <b>Input:</b> | <b>Resale Price</b>   | <b>\$105,000.00</b> |                            |
|               | Down Payment          | \$21,000.00         | 20% Bank's Equity          |
|               | Mortgage Loan         | \$84,000.00         |                            |
|               | <b>Mortgage Terms</b> | 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 Gross Ir Current                |                                       | \$13,140                          |
|  | <b>\$1,095.00</b> House               |                                   |
| Less: Estimated Vacancy Factor/Rental Loss       | <b>5.0%</b>                           | -\$657                            |
| <b>Potential Annual Effective Gross Income</b>   |                                       | <b>\$12,483</b>                   |
| Less: Annual Operating Expenses                  |                                       |                                   |
| Property Taxes                                   | <b>\$1,574</b>                        |                                   |
| Insurance  | 425                                   |                                   |
| Water & Sewer                                    |                                       |                                   |
| Electric   | 0 tenant                              |                                   |
| trash  |                                       |                                   |
| Replacement/Reserves                             | 657 <b>5.0%</b>                       | <i>of annual effective income</i> |
| Management                                       | 788 <b>6.0%</b>                       |                                   |
| Total Expenses                                   | \$3,444                               |                                   |
| <b>ESTIMATED ANNUAL NET OPERATING INCOME</b>     |                                       | <b>\$9,039</b>                    |
| Less: Annual Dept Service                        |                                       | -\$5,258                          |
|  | <i>\$438 Monthly mortgage payment</i> |                                   |
| <b>Cash Flow Before Taxes</b>                    |                                       | <b>\$3,780</b>                    |
| <b>Cash Flow Per Month</b>                       |                                       | <b>\$315</b>                      |
| <b>Add: Principal for year (Equity Build-up)</b> |                                       | \$1,296                           |
| <b>Debt to Credit Ratio</b>                      |                                       | 1.71895157                        |
| Less: Cost Recovery                              | <b>Tax deductible depreciation</b>    | <b>-\$3,436</b>                   |
| <b>CAP Rate</b>                                  | (NOI/Purchase Price)                  | <b>8.61%</b>                      |
| <b>Gross Rent Multiplier</b>                     | (Purchase Price/Gross Inc)            | 7.99                              |
| <b>Cash on Cash Rate of Return</b>               | (Cash Before Taxes/Down               | <b>14.6%</b>                      |
| <b>Equity Yield Rate</b>                         | (Assumes 3% Appreciator               | 36.83%                            |
| <b>Net Spendable Rate of Return</b>              | (Cash Flow & Tax Savings/Dn.          | 12.7%                             |