

**Property Address**

39 N. Water St., Spring Grove, PA 17362

Turnkey Rental Pro Forma

**Income and Expenses**

<b>Input:</b>	<b>Resale Price</b>	<b>\$110,000.00</b>	
	Down Payment	\$22,000.00	20% Bank's Equity
	Mortgage Loan	\$88,000.00	
	<b>Mortgage Terms</b>	4.75%	30 Years
	Owner's Tax Bracket	30.0%	
	Cost Recovery	27.5 Years	
	Land Value	\$11,000.00	10% Percent of Total Value
	Closing Costs	\$5,060.00	5%

**Projected First-Year Operating Statement**

Potential Annual Gros. Current		\$14,100
	<b>\$1,175.00</b> House	
Less: Estimated Vacancy Factor/Rental Loss	5.0%	-\$705
<b>Potential Annual Effective Gross Income</b>		<b>\$13,395</b>
Less: Annual Operating Expenses		
Property Taxes	<b>\$2,236</b>	
Insurance	425	
Water & Sewer		
Electric	0 tenant	
trash	0	
Replacement/Reserves	705	5.0% of annual effective income
Management	846	6.0%
Total Expenses	\$4,212	
<b>ESTIMATED ANNUAL NET OPERATING INCOME</b>		<b>\$9,183</b>
Less: Annual Dept Service		-\$5,509
	<i>\$459 Monthly mortgage payment</i>	
<b>Cash Flow Before Taxes</b>		<b>\$3,674</b>
<b>Cash Flow Per Month</b>		<b>\$306</b>
<b>Add: Principal for year (Equity Build-up)</b>		<b>\$1,358</b>
<b>Debt to Credit Ratio</b>		1.667030984
<b>Taxable Income Before Cost Recovery</b>		<b>\$5,032</b>
Less: Cost Recovery	Tax deductible depreciation	-\$3,600
<b>TAXABLE INCOME</b>		<b>\$1,432</b>
<b>CAP Rate</b>	(NOI/Purchase Price)	<b>8.35%</b>
<b>Gross Rent Multiplier</b>	(Purchase Price/Gross Income)	7.80
<b>Cash on Cash Rate of Return</b>	(Cash Before Taxes/Down Payment)	<b>13.6%</b>
<b>Equity Yield Rate</b>	(Assumes 3% Appreciation)	35.92%
<b>Net Spendable Rate of Return</b>	(Cash Flow & Tax Savings/Equity Invested)	12.0%