

Property Address

221 W. Main St., Hummelstown, PA 17036

Turnkey Rental Pro Forma

Income and Expenses

Input:	Resale Price	\$140,000.00	
	Down Payment	\$28,000.00	20% Bank's Equity
	Mortgage Loan	\$112,000.00	
	Mortgage Terms	4.75%	30 Years
	Owner's Tax Bracket	30.0%	
	Cost Recovery	27.5 Years	
	Land Value	\$14,000.00	10% Percent of Total Value
	Closing Costs	\$6,440.00	5%

Projected First-Year Operating Statement

Potential Annual Gros. Current		\$16,740
	\$1,395.00 House	
Less: Estimated Vacancy Factor/Rental Loss	5.0%	-\$837
Potential Annual Effective Gross Income		\$15,903
Less: Annual Operating Expenses		
Property Taxes	\$1,844	
Insurance	425	
Water & Sewer		
Electric	0 tenant	
trash	0	
Replacement/Reserves	837	5.0% of annual effective income
Management	1,004	6.0%
Total Expenses	\$4,110	
ESTIMATED ANNUAL NET OPERATING INCOME		\$11,793
Less: Annual Dept Service		-\$7,011
	<i>\$584 Monthly mortgage payment</i>	
Cash Flow Before Taxes		\$4,782
Cash Flow Per Month		\$398
Add: Principal for year (Equity Build-up)		\$1,728
Debt to Credit Ratio		1.682028324
Taxable Income Before Cost Recovery		\$6,510
Less: Cost Recovery	Tax deductible depreciation	-\$4,582
TAXABLE INCOME		\$1,928
CAP Rate	(NOI/Purchase Price)	8.42%
Gross Rent Multiplier	(Purchase Price/Gross Income)	8.36
Cash on Cash Rate of Return	(Cash Before Taxes/Down Payment)	13.9%
Equity Yield Rate	(Assumes 3% Appreciation)	36.18%
Net Spendable Rate of Return	(Cash Flow & Tax Savings/Equity Invested)	12.2%