

**Property Address**

1020 Monroe St., Harrisburg, PA 17113

Turnkey Rental Pro Forma

**Income and Expenses**

<b>Input:</b>	<b>Resale Price</b>	<b>\$165,000.00</b>	
	Down Payment	\$33,000.00	20% Bank's Equity
	Mortgage Loan	\$132,000.00	
	<b>Mortgage Terms</b>	4.75%	30 Years
	Owner's Tax Bracket	30.0%	
	Cost Recovery	27.5 Years	
	Land Value	\$16,500.00	10% Percent of Total Value
	Closing Costs	\$7,590.00	5%

**Projected First-Year Operating Statement**

Potential Annual Gros Current		\$19,140
	<b>\$1,595.00</b> House	
Less: Estimated Vacancy Factor/Rental Loss	5.0%	-\$957
<b>Potential Annual Effective Gross Income</b>		<b>\$18,183</b>
Less: Annual Operating Expenses		
Property Taxes	<b>\$2,357</b>	
Insurance	425	
Water & Sewer		
Electric	0 tenant	
trash	0	
Business Priviledge License	1st year only	
Municipal Rental License		
Replacement/Reserves	957	5.0% of annual effective income
Management	1,148	6.0%
Total Expenses	\$4,887	
<b>ESTIMATED ANNUAL NET OPERATING INCOME</b>		<b>\$13,296</b>
Less: Annual Dept Service		-\$8,263
	<i>\$689 Monthly mortgage payment</i>	
<b>Cash Flow Before Taxes</b>		<b>\$5,033</b>
<b>Cash Flow Per Month</b>		<b>\$419</b>
<b>Add: Principal for year (Equity Build-up)</b>		<b>\$2,037</b>
<b>Debt to Credit Ratio</b>		1.609073081
<b>Taxable Income Before Cost Recovery</b>		<b>\$7,070</b>
Less: Cost Recovery	Tax deductible depreciation	-\$5,400
<b>TAXABLE INCOME</b>		<b>\$1,670</b>
<b>CAP Rate</b>	(NOI/Purchase Price)	<b>8.06%</b>
<b>Gross Rent Multiplier</b>	(Purchase Price/Gross Inc	8.62
<b>Cash on Cash Rate of Return</b>	(Cash Before Taxes/Down	<b>12.4%</b>
<b>Equity Yield Rate</b>	(Assumes 3% Appreciation	34.91%
<b>Net Spendable Rate of Return</b>	(Cash Flow & Tax Savings	11.2%