

1st Year Proforma 1st Year Proforma

City, State	Indianapolis, IN
Street	<u>2116 S. Bolton Ave</u>
Property Type	Single family
Year Built	1955
Living Area Sq Ft	2,000
Bedrooms	3
Baths	1
Neighborhood Class	A



Price	\$200,000
Cost per Sq Ft	\$100.00
Monthly Rent per Sq Ft	\$0.85

Income	Monthly	Annual
Gross Rent	\$1,700	\$20,400
Vacancy Losses	\$68	\$816
Gross Operating Income	\$1,632	\$19,584

Expenses	Monthly	Annual
Property Taxes	\$225	\$2,700
Insurance	\$50	\$600
Management	\$73.44	\$881
Leasing/Advertising	\$0	\$0
Gas, electric, water	\$0	\$0
Maintenance	\$51	\$612
Lawcare/Snow removal	\$0	\$0
Operating Expenses	\$399	\$4,793

Net Performance	Monthly	Annual
Net Operating Income	\$1,233	\$14,791
Debt Service	\$985	\$11,825
Cash Flow	\$247	\$2,966
Principal Reduction	\$130	\$1,561
First Year Appreciation	\$500	\$6,000
Total Income & Equity Return	\$877	\$10,527

Financial Indicators	
Debt Cover Ratio	1.3
Annual Gross Rent Multiplier	9.8
Monthly Gross Rent Multiplier	118
Rent ratio	0.9%
Capitalization Rate	7.4%
Cash on Cash Return	5.9%
Total Return on Investment	21.1%

Assumptions	
Real Estate Appreciation Rate	3%
Vacancy Rate	4%
Management Fee	9%
Maintenance Percentage	3%
Rental Increase	2.0%

Mortgage Information	
Loan to Value	75.0%
Downpayment	\$50,000
Loan Amount	\$150,000
Terms	360
Interest Rate*	6.875%
Mortgage Payment	\$985.39

These are projections only and performance is not guaranteed. All investments have risk and investors should do their own due diligence

*Rates can vary and are subject to change Seller will credit \$2000 towards loan points for interest rate reduction

**6 Months free property management

10 Year Performance Summary----Cash-flow & Equity

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
INCOME						
Gross Rent	\$20,400	\$20,808	\$21,224	\$21,649	\$22,082	\$24,380
Vacancy	\$816	\$832	\$849	\$866	\$883	\$975
Operating Income	\$19,584	\$19,976	\$20,375	\$20,783	\$21,198	\$23,405
EXPENSES						
Property taxes	\$2,700	\$2,754	\$2,809	\$2,865	\$2,923	\$3,227
Insurance	\$600	\$612	\$624	\$637	\$649	\$717
Management	\$881	\$1,586	\$1,618	\$1,650	\$1,683	\$1,859
Maintenance	\$612	\$624	\$637	\$649	\$662	\$731
Water, electric, gas	\$0	\$0	\$0	\$0	\$0	\$0
Lawn care/Snow removal	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$4,793	\$5,577	\$5,688	\$5,802	\$5,918	\$6,534

Income Analyses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Net Operating Income	\$14,791	\$14,399	\$14,687	\$14,981	\$15,280	\$16,871
Debt Service	\$11,825	\$11,825	\$11,825	\$11,825	\$11,825	\$11,825
Cash Flow	\$2,966	\$2,574	\$2,862	\$3,156	\$3,456	\$5,046
Cash on Cash Return	5.9%	5.1%	5.7%	6.3%	6.9%	10.1%

Equity Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Principal Reduction	\$1,561	\$1,672	\$1,790	\$1,917	\$2,053	\$2,926
Annual Appreciation	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753	\$7,829
Total Annual Equity Gain	\$7,561	\$7,852	\$8,156	\$8,474	\$8,806	\$10,755
Total Equity Gain %	15.1%	15.7%	16.3%	16.9%	17.6%	21.51%

Income & Equity Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Total Annual Income	\$2,966	\$2,574	\$2,862	\$3,156	\$3,456	\$5,046
Total Annual Equity	\$7,561	\$7,852	\$8,156	\$8,474	\$8,806	\$10,755
Total Income & Equity	\$10,527	\$10,426	\$11,018	\$11,630	\$12,262	\$15,801
Return from Income & Equity	21.1%	20.9%	22.0%	23.3%	24.5%	31.6%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Cummulative Cash flow	\$2,966	\$5,540	\$8,403	\$11,559	\$15,015	\$37,002
Cummulative Equity Gain	\$7,561	\$15,412	\$23,568	\$32,041	\$40,848	\$90,479
Total Cummulative Income & Equity	\$10,527	\$20,953	\$31,971	\$43,600	\$55,862	\$127,481
Income & Equity ROI	21.1%	20.9%	22.0%	23.3%	24.5%	31.6%

10 Year Cummulative Return

