



**1st Year Pro forma**

City, State	Indianapolis, IN
Street	1935 N. Tibbs Ave
Property Type	Single family
Year Built	1950
Living Area Sq Ft	720
Bedrooms	2
Baths	1
Neighborhood Class	C

<b>Price</b>	<b>\$127,000</b>
Cost per Sq Ft	\$176.39
Monthly Rent per Sq Ft	\$1.67



<b>Income</b>	<b>Monthly</b>	<b>Annual</b>
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Gross Rent	\$1,200	\$14,400
Vacancy Losses	\$60	\$720
<b>Gross Operating Income</b>	<b>\$1,140</b>	<b>\$13,680</b>

<b>Expenses</b>	<b>Monthly</b>	<b>Annual</b>
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Property Taxes	\$148	\$1,780
Insurance	\$55	\$660
Management	\$103	\$1,231
Leasing/Advertising	\$0	\$0
Gas, electric, water	\$0	\$0
Maintenance	\$48	\$576
Lawcare/Snow removal	\$0	\$0
<b>Operating Expenses</b>	<b>\$354</b>	<b>\$4,247</b>

<b>Net Performance</b>	<b>Monthly</b>	<b>Annual</b>
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Net Operating Income	\$786	\$9,433
Debt Service	\$618	\$7,413
Cash Flow	\$168	\$2,019
Principal Reduction	\$85	\$1,015
First Year Appreciation	\$318	\$3,810
Gross Income & Equity Return	<b>\$570</b>	<b>\$6,844</b>

**Financial Indicators**

Debt Cover Ratio	1.3
Annual Gross Rent Multiplier	8.8
Monthly Gross Rent Multiplier	106
Rent ratio	0.9%
Capitalization Rate	7.4%
Cash on Cash Return	6.4%
<b>Total Return on Investment</b>	<b>21.6%</b>

**Assumptions**

Real Estate Appreciation Rate	3%
Vacancy Rate	5%
Management Fee	9%
Maintenance Percentage	4%
Rental Increase	2.0%

**Mortgage Information**

Loan to Value	75.0%
Downpayment	\$31,750
Loan Amount	\$95,250
Terms	360
Interest Rate*	6.750%
Mortgage Payment	\$617.79

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. \$2000 credit will be given for rate reduction.

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

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
<b>INCOME</b>						
Gross Rent	\$14,400	\$14,688	\$14,982	\$15,281	\$15,587	\$17,209
Vacancy	\$720	\$734	\$749	\$764	\$779	\$860
Operating Income	\$13,680	\$13,954	\$14,233	\$14,517	\$14,808	\$16,349

<b>EXPENSES</b>						
Property taxes	\$1,780	\$1,816	\$1,852	\$1,889	\$1,927	\$2,127
Insurance	\$660	\$673	\$687	\$700	\$714	\$789
Management	\$1,231	\$1,256	\$1,281	\$1,307	\$1,333	\$1,471
Maintenance	\$576	\$588	\$599	\$611	\$623	\$688
<b>Total Operating Expenses</b>	<b>\$4,247</b>	<b>\$4,332</b>	<b>\$4,419</b>	<b>\$4,507</b>	<b>\$4,597</b>	<b>\$5,076</b>

<b>Income Analyses</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Net Operating Income	\$9,433	\$9,621	\$9,814	\$10,010	\$10,210	\$11,273
Debt Service	\$7,413	\$7,413	\$7,413	\$7,413	\$7,413	\$7,413
Cash Flow	\$2,019	\$2,208	\$2,400	\$2,597	\$2,797	\$3,860
<b>Cash on Cash Return</b>	<b>6.4%</b>	<b>7.0%</b>	<b>7.6%</b>	<b>8.2%</b>	<b>8.8%</b>	<b>12.2%</b>

<b>Equity Analysis</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Principal Reduction	\$1,015	\$1,086	\$1,161	\$1,242	\$1,329	\$1,881
Annual Appreciation	\$3,810	\$3,924	\$4,042	\$4,163	\$4,288	\$4,971
Total Annual Equity Gain	\$4,825	\$5,010	\$5,203	\$5,406	\$5,617	\$6,853
<b>Total Equity Gain %</b>	<b>15.2%</b>	<b>15.8%</b>	<b>16.4%</b>	<b>17.0%</b>	<b>17.7%</b>	<b>21.58%</b>

<b>Income &amp; Equity Analysis</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Total Annual Income	\$2,019	\$2,208	\$2,400	\$2,597	\$2,797	\$3,860
Total Annual Equity	\$4,825	\$5,010	\$5,203	\$5,406	\$5,617	\$6,853
<b>Total Income &amp; Equity</b>	<b>\$6,844</b>	<b>\$7,218</b>	<b>\$7,604</b>	<b>\$8,002</b>	<b>\$8,414</b>	<b>\$10,712</b>
<b>Return from Income &amp; Equity</b>	<b>21.6%</b>	<b>22.7%</b>	<b>23.9%</b>	<b>25.2%</b>	<b>26.5%</b>	<b>33.7%</b>

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Cummulative Cash flow	\$2,019	\$4,227	\$6,628	\$9,224	\$12,021	\$29,152
Cummulative Equity Gain	\$4,825	\$9,835	\$15,039	\$20,444	\$26,061	\$57,699
Total Cummulative Income & Equity	\$6,844	\$14,063	\$21,666	\$29,669	\$38,082	\$86,851
Income & Equity ROI	21.6%	22.7%	23.9%	25.2%	26.5%	33.7%

\$200,  
\$180,  
\$160,  
\$140,  
\$120,  
\$100,  
\$80,  
\$60,  
\$40,  
\$20,

# 10 Year Cumulative Return

