



**1st Year Pro forma**

City, State	Indianapolis, IN
Street	9815 E. 42nd St
Property Type	Single family
Year Built	1952
Living Area Sq Ft	1,620
Bedrooms	3
Baths	2
Neighborhood Class	C

<b>Price</b>	<b>\$165,000</b>
Cost per Sq Ft	\$101.85
Monthly Rent per Sq Ft	\$0.93



<b>Income</b>	<b>Monthly</b>	<b>Annual</b>
Gross Rent	\$1,500	\$18,000
Vacancy Losses	\$75	\$900
<b>Gross Operating Income</b>	<b>\$1,425</b>	<b>\$17,100</b>

<b>Expenses</b>	<b>Monthly</b>	<b>Annual</b>
Property Taxes	\$195	\$2,340
Insurance	\$55	\$660
Management	\$128	\$1,539
Leasing/Advertising	\$0	\$0
Gas, electric, water	\$0	\$0
Maintenance	\$60	\$720
Lawcare/Snow removal	\$0	\$0
<b>Operating Expenses</b>	<b>\$438</b>	<b>\$5,259</b>

<b>Net Performance</b>	<b>Monthly</b>	<b>Annual</b>
Net Operating Income	\$987	\$11,841
Debt Service	\$782	\$9,386
Cash Flow	\$205	\$2,455
Principal Reduction	\$115	\$1,383
First Year Appreciation	\$413	\$4,950
<b>Gross Income &amp; Equity Return</b>	<b>\$732</b>	<b>\$8,788</b>

<b>Financial Indicators</b>	
Debt Cover Ratio	1.3
Annual Gross Rent Multiplier	9.2
Monthly Gross Rent Multiplier	110
Rent ratio	0.9%
Capitalization Rate	7.2%
Cash on Cash Return	6.0%
<b>Total Return on Investment</b>	<b>21.3%</b>

<b>Assumptions</b>	
Real Estate Appreciation Rate	3%
Vacancy Rate	5%
Management Fee	9%
Maintenance Percentage	4%
Rental Increase	2.0%

<b>Mortgage Information</b>	
Loan to Value	75.0%
Downpayment	\$41,250
Loan Amount	\$123,750
Terms	360
Interest Rate*	6.500%
Mortgage Payment	\$782.18

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. A \$2000 credit will be given for interest 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	\$18,000	\$18,360	\$18,727	\$19,102	\$19,484	\$21,512
Vacancy	\$900	\$918	\$936	\$955	\$974	\$1,076
Operating Income	\$17,100	\$17,442	\$17,791	\$18,147	\$18,510	\$20,436

<b>EXPENSES</b>						
Property taxes	\$2,340	\$2,387	\$2,435	\$2,483	\$2,533	\$2,797
Insurance	\$660	\$673	\$687	\$700	\$714	\$789
Management	\$1,539	\$1,570	\$1,601	\$1,633	\$1,666	\$1,839
Maintenance	\$720	\$734	\$749	\$764	\$779	\$860
<b>Total Operating Expenses</b>	<b>\$5,259</b>	<b>\$5,364</b>	<b>\$5,471</b>	<b>\$5,581</b>	<b>\$5,693</b>	<b>\$6,285</b>

<b>Income Analyses</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Net Operating Income	\$11,841	\$12,078	\$12,319	\$12,566	\$12,817	\$14,151
Debt Service	\$9,386	\$9,386	\$9,386	\$9,386	\$9,386	\$9,386
Cash Flow	\$2,455	\$2,692	\$2,933	\$3,180	\$3,431	\$4,765
<b>Cash on Cash Return</b>	<b>6.0%</b>	<b>6.5%</b>	<b>7.1%</b>	<b>7.7%</b>	<b>8.3%</b>	<b>11.6%</b>

<b>Equity Analysis</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Principal Reduction	\$1,383	\$1,476	\$1,575	\$1,680	\$1,793	\$2,506
Annual Appreciation	\$4,950	\$5,099	\$5,251	\$5,409	\$5,571	\$6,459
Total Annual Equity Gain	\$6,333	\$6,574	\$6,826	\$7,089	\$7,364	\$8,964
<b>Total Equity Gain %</b>	<b>15.4%</b>	<b>15.9%</b>	<b>16.5%</b>	<b>17.2%</b>	<b>17.9%</b>	<b>21.73%</b>

<b>Income &amp; Equity Analysis</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Total Annual Income	\$2,455	\$2,692	\$2,933	\$3,180	\$3,431	\$4,765
Total Annual Equity	\$6,333	\$6,574	\$6,826	\$7,089	\$7,364	\$8,964
<b>Total Income &amp; Equity</b>	<b>\$8,788</b>	<b>\$9,266</b>	<b>\$9,759</b>	<b>\$10,269</b>	<b>\$10,795</b>	<b>\$13,729</b>
<b>Return from Income &amp; Equity</b>	<b>21.3%</b>	<b>22.5%</b>	<b>23.7%</b>	<b>24.9%</b>	<b>26.2%</b>	<b>33.3%</b>

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Cummulative Cash flow	\$2,455	\$5,146	\$8,080	\$11,259	\$14,690	\$35,794
Cummulative Equity Gain	\$6,333	\$12,908	\$19,734	\$26,823	\$34,187	\$75,613
Total Cummulative Income & Equity	\$8,788	\$18,054	\$27,813	\$38,082	\$48,877	\$111,406
Income & Equity ROI	21.3%	22.5%	23.7%	24.9%	26.2%	33.3%

\$250,  
\$200,  
\$150,  
\$100,  
\$50,

# 10 Year Cumulative Return

