

**Proforma**

Purchase Price:	\$1,332,000	
Rehab Cost for 5 Vacant Units:	\$75,000	(\$15,000 per unit)
Total Investment:	<u>\$1,407,000</u>	

Increase Rents to \$550 per unit after rehab

Allow 5% for vacancies

Lawn Maintenance \$5,000 per year (\$500 per month for 10 months - not needed in winter)

Insurance \$540 per building, per year

Maintenance and Repairs: \$15,000 per year

\$550 per month x 36 units x 12 months x 95% (5% for vacancy) = \$225,720 income

Income:	\$	225,720	
Lawn Service:	\$	5,000	
Insurance:	\$	9,720	
Maintenance/Repairs:	\$	11,000	
	\$	<u>200,000</u>	NOI

NOI:	\$	200,000
CAP Rate based on proforma:		15.01%

Figure \$1,000,000 mortgage, \$400,000 out of pocket. About \$4,000 per month payment. That's 37.5% Cash-on-Cash return.