

K. 980383

**RICHARD ANDERSON**

**THE "ANDERSON" RENTAL REHAB PROJECT PROFORMA  
CASH FLOW PROJECTION ASSUMING 10% MANAGEMENT FEES**

**(1) 3BR**

YEAR		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
POTENTIAL GROSS INCOME		\$ 6,024.00	\$ 6,325.20	\$ 6,641.46	\$ 6,973.53	\$ 7,322.21	\$ 7,688.32	\$ 8,072.74	\$ 8,476.37	\$ 8,900.19	\$ 9,345.20	\$ 9,812.46	\$ 10,303.08	\$ 10,818.24	\$ 11,359.15	\$ 11,927.11	
VACANCY		180.72	189.76	199.24	209.21	219.67	230.65	242.18	254.29	267.01	280.36	294.37	309.09	324.55	340.77	357.81	
EFFECTIVE GROSS INCOME		5,843.28	6,135.44	6,442.22	6,764.33	7,102.54	7,457.67	7,830.55	8,222.08	8,633.19	9,064.85	9,518.09	9,993.99	10,493.69	11,018.38	11,569.29	
OPERATING EXPENSES																	
MAINTENANCE/REPAIRS (10% of EGI for YR. 1; 3% inflation thereafter)		584.33	601.86	619.91	638.51	657.67	677.40	697.72	718.65	740.21	762.42	785.29	808.85	833.11	858.11	883.85	
INSURANCE (assuming \$480/unit YR. 1; 3% inflation thereafter)		480.00	494.40	509.23	524.51	540.24	556.45	573.15	590.34	608.05	626.29	645.08	664.43	684.37	704.90	726.04	
PROPERTY TAXES (assuming a tax assessed value of \$20,000 YR. 1 @ 28 mils; 3% inflation thereafter)		560.00	576.80	594.10	611.93	630.28	649.19	668.67	688.73	709.39	730.67	752.59	775.17	798.43	822.38	847.05	
MANAGEMENT (10% of PGI)		602.40	632.52	664.15	697.35	732.22	768.83	807.27	847.64	890.02	934.52	981.25	1,030.31	1,081.82	1,135.92	1,192.71	
TOTAL OPERATING EXPENSES		2,226.73	2,305.58	2,387.40	2,472.30	2,560.42	2,651.87	2,746.81	2,845.36	2,947.67	3,053.90	3,164.21	3,278.76	3,397.73	3,521.30	3,649.65	
(A) NET OPERATING INCOME		3,616.55	3,829.87	4,054.82	4,292.03	4,542.13	4,805.80	5,083.75	5,376.73	5,685.52	6,010.95	6,353.88	6,715.23	7,095.96	7,497.08	7,919.64	
(B) DEBT SERVICE (\$19,295, 3%, 15 years, PMT = \$133.25/mo)		1,599.00	1,599.00	1,599.00	1,599.00	1,599.00	1,599.00	1,599.00	1,599.00	1,599.00	1,599.00	1,599.00	1,599.00	1,599.00	1,599.00	1,599.00	
(C) CASH FLOW (A-B)		2,017.55	2,230.87	2,455.82	2,693.03	2,943.13	3,206.80	3,484.75	3,777.73	4,086.52	4,411.95	4,754.88	5,116.23	5,496.96	5,898.08	6,320.64	
(D) DEPRECIATION		1,143.64	1,143.64	1,143.64	1,143.64	1,143.64	1,143.64	1,143.64	1,143.64	1,143.64	1,143.64	1,143.64	1,143.64	1,143.64	1,143.64	1,143.64	
(E) PRINCIPAL REDUCTION		1,034.27	1,065.72	1,098.14	1,131.54	1,165.96	1,201.42	1,237.97	1,275.62	1,314.41	1,354.40	1,395.59	1,438.04	1,481.78	1,526.85	1,573.29	
(F) NET INCOME BEFORE TAXES (C-D+E)		1,908.19	2,152.95	2,410.32	2,680.93	2,965.45	3,264.58	3,579.08	3,909.71	4,257.29	4,622.71	5,006.83	5,410.64	5,835.11	6,281.29	6,750.30	
(G) TAXES		534.29	602.83	674.89	750.66	830.33	914.08	1,002.14	1,094.72	1,192.04	1,294.36	1,401.91	1,514.98	1,633.83	1,758.76	1,890.08	
(H) NET INCOME AFTER TAXES (F-G)		1,373.89	1,550.12	1,735.43	1,930.27	2,135.12	2,350.50	2,576.94	2,814.99	3,065.25	3,328.35	3,604.92	3,895.66	4,201.28	4,522.53	4,860.21	
(I) CASH FLOW AFTER TAXES (C-G)		1,483.26	1,628.04	1,780.93	1,942.37	2,112.80	2,292.71	2,482.61	2,683.01	2,894.48	3,117.59	3,352.97	3,601.26	3,863.13	4,139.32	4,430.56	
# Bedrooms	# Units	RENT	UTILITIES	NET RENT	<b>PROJECT SUMMARY</b>												
3	High-Home (65% median)	1	\$ 614.00	\$ 112.00	\$ 502.00	Closing Costs Grant		\$ 325.64									
					Rental Rehab Grant (DPL)		\$ 9,500.00										
					Insulation/Venting Grant		\$ 2,500.00										
					Owner Funds												
					City Loan		\$ 19,295.00										
					<b>TOTAL PROJECT COSTS</b>		<b>\$ 31,620.64</b>										
<b>TOTALS</b>		<b>1</b>	<b>\$ 614.00</b>	<b>\$ 112.00</b>	<b>\$ 502.00</b>	RATE		0.03									
VACANCY						TERM		15 years									
INFLATION						TAX RATE		0.28									
RENT ESCALATOR																	