

Quick Proforma Data - The Desert Sage

Building Data				Investment Data			
<i>Unit Type (br/ba)</i>	<i># of Units</i>	<i>Avg Rent /Mo</i>	<i>Total Annual Rent</i>	Purchase Price	\$	650,000	
2 br / 1 ba	1	\$1,500	\$18,000	Terminal Cap Rate		6.00%	
2 br / 1 ba	1	\$1,500	\$18,000	Cost of Sale EOY 5		3.00%	
2 br / 1 ba	1	\$1,500	\$18,000				
2 br / 1 ba	1	\$1,500	\$18,000	GRM		9.03	
Totals:	4	\$1,500	\$72,000				
First Year Operating Statement				Financing Data			
Potential Rental Income		\$72,000		Loan Interest Rate		5.00%	
Total Other Income	\$600 /UNIT/YR	\$2,400		Loan Amortization (years)		30	
Potential Gross Income		\$74,400		LTV		70%	
Vacancy & Credit Loss	2.00%	-\$1,488		DSCR		1.25	
Effective Gross Income		\$72,912		Loan Amount (LTV)	\$	455,000	
Property Taxes	1.25%	\$8,125		Loan Amount (DSCR)	\$	476,672	
Insurance	1.00%	\$6,500		Maximum Loan Amount	\$	455,000	
Utilities/Maintenance	15.00% OF GRI	\$10,800		Initial Equity	\$	195,000	
Management Fee	7.00% OF EGI	\$5,104		Monthly Debt Service		\$2,443	
Other Expenses	\$750 /UNIT/YR	\$3,000		Annual Debt Service		\$29,310	
CapEx Reserves	\$250 /UNIT/YR	\$1,000					
Total Expenses		\$34,529					
Net Operating Income		\$38,383					
<i>Operating Margin</i>		52.64%					
Debt Service		\$29,310					
Annual Cash Flow Before Tax		\$9,073					
Inflation / Variable Rates							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Vacancy	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Potential Rental Income	N/A	5.00%	2.00%	2.00%	2.00%	2.00%	
Other Income	N/A	3.00%	2.00%	2.00%	2.00%	2.00%	
Operating Expenses	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	

Proforma - The Wildflower

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Potential Rental Income	\$72,000	\$75,600	\$77,112	\$78,654	\$80,227	\$81,832
Total Other Income	\$2,400	\$2,472	\$2,521	\$2,572	\$2,623	\$2,676
Potential Gross Income	\$74,400	\$78,072	\$79,633	\$81,226	\$82,851	\$84,508
Vacancy & Credit Loss	-\$1,488	-\$1,561	-\$1,593	-\$1,625	-\$1,657	-\$1,690
Effective Gross Income	\$72,912	\$76,511	\$78,041	\$79,602	\$81,194	\$82,817
Operating Expenses	\$34,529	\$35,219	\$35,924	\$36,642	\$37,375	\$38,123
Net Operating Income	\$38,383	\$41,291	\$42,117	\$42,959	\$43,818	\$44,695
<i>Operating Margin</i>	<i>52.6%</i>	<i>54.0%</i>	<i>54.0%</i>	<i>54.0%</i>	<i>54.0%</i>	<i>54.0%</i>
Debt Service	\$29,310	\$29,310	\$29,310	\$29,310	\$29,310	\$29,310
Cash Flow Before Tax	\$9,073	\$11,981	\$12,807	\$13,649	\$14,508	

Future Sale Value	\$730,308
less: Cost of Sale	\$21,909
less: Loan Balance	\$417,821
Net Sale Proceeds	\$290,578