

Quick Proforma Data - The Wildflower

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	\$	700,000	
2 br / 2 ba	1	\$1,600	\$19,200	Terminal Cap Rate		6.00%	
2 br / 2 ba	1	\$1,600	\$19,200	Cost of Sale EOY 5		3.00%	
2 br / 2 ba	1	\$1,600	\$19,200				
2 br / 2 ba	1	\$1,600	\$19,200	GRM		9.11	
Totals:	4	\$1,600	\$76,800				
First Year Operating Statement				Financing Data			
Potential Rental Income		\$76,800		Loan Interest Rate		5.00%	
Total Other Income	\$600 /UNIT/YR	\$2,400		Loan Amortization (years)		30	
Potential Gross Income		\$79,200		LTV		70%	
Vacancy & Credit Loss	2.00%	-\$1,584		DSCR		1.25	
Effective Gross Income		\$77,616		Loan Amount (LTV)	\$	490,000	
Property Taxes	1.25%	\$8,750		Loan Amount (DSCR)	\$	495,669	
Insurance	1.00%	\$7,000		Maximum Loan Amount	\$	490,000	
Utilities/Maintenance	15.00% OF GRI	\$11,520		Initial Equity	\$	210,000	
Management Fee	7.00% OF EGI	\$5,433		Monthly Debt Service		\$2,630	
Other Expenses	\$1,000 /UNIT/YR	\$4,000		Annual Debt Service		\$31,565	
CapEx Reserves	\$250 /UNIT/YR	\$1,000					
Total Expenses		\$37,703					
Net Operating Income		\$39,913					
<i>Operating Margin</i>		51.42%					
Debt Service		\$31,565					
Annual Cash Flow Before Tax		\$8,348					
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	\$76,800	\$80,640	\$82,253	\$83,898	\$85,576	\$87,287
Total Other Income	\$2,400	\$2,472	\$2,521	\$2,572	\$2,623	\$2,676
Potential Gross Income	\$79,200	\$83,112	\$84,774	\$86,470	\$88,199	\$89,963
Vacancy & Credit Loss	-\$1,584	-\$1,662	-\$1,695	-\$1,729	-\$1,764	-\$1,799
Effective Gross Income	\$77,616	\$81,450	\$83,079	\$84,740	\$86,435	\$88,164
Operating Expenses	\$37,703	\$38,457	\$39,226	\$40,011	\$40,811	\$41,627
Net Operating Income	\$39,913	\$42,993	\$43,852	\$44,729	\$45,624	\$46,537
<i>Operating Margin</i>	<i>51.4%</i>	<i>52.8%</i>	<i>52.8%</i>	<i>52.8%</i>	<i>52.8%</i>	<i>52.8%</i>
Debt Service	\$31,565	\$31,565	\$31,565	\$31,565	\$31,565	\$31,565
Cash Flow Before Tax	\$8,348	\$11,427	\$12,287	\$13,164	\$14,059	

Future Sale Value	\$760,401
less: Cost of Sale	\$22,812
less: Loan Balance	\$449,961
Net Sale Proceeds	\$287,628