# Build & Hold Pro Forma

## EQUITY POSITION

| | |
|---|---|
| Total Project Costs Overall (including land) | 8,234,200 |
| Financing at @ 7.75%, 20 years | 6,807,000 |
| **Equity Investment** | **$ 1,427,200** |
| Retire takeout financing | 5,078,000 |
| **Cash proceeds of refinance** | **$ 1,729,000** |

## POTENTIAL RESALE based on 9.0% cap rate

| | |
|---|---|
| Estimated market value | 9,076,000 |
| Less costs of sale | 635,320 |
| Less outstanding debt | 6,807,000 |
| **Potential Proceeds** | **$ 1,633,680** |

## FIRST-YEAR PRO FORMA OPERATING STATEMENT

### GROSS ANNUAL INCOME

| | |
|---|---|
| Gross scheduled rent income | 1,012,000 |
| Miscellaneous first-year income | 35,000 |
| **Total Gross Income** | **$ 1,047,000** |
| Less 3.00% Vacancy & Credit Loss Allowance | 31,410 |
| **Gross Operating Income** | **$ 1,015,590** |

### OPERATING EXPENSES

| | |
|---|---|
| Taxes | 72,000 |
| Insurance | 36,000 |
| Maintenance | 10,000 |
| Management fee at 5.00% of GOI | 50,780 |
| Other expenses | 30,000 |
| **Total Operating Expenses** | **$ 198,780** |

**NET OPERATING INCOME (before debt service)** **$ 816,811**

**ANNUAL DEBT SERVICE** **$ 670,584**

### CASH FLOW

| | |
|---|---|
| Cash flow (after debt service) | 146,227 |
| Cash flow (vacancy & management excluded) | 228,416 |

| | | |
|---|---|---|
| Cap Rate based on total cost: 9.92% | Debt Coverage Ratio: 1.22 | Cash on Cash Return: 10.25% |

**THE INFORMATION, PROJECTIONS, AND CALCULATIONS PRESENTED IN THIS DOCUMENT ARE BELIEVED TO BE ACCURATE AND CORRECT BUT ARE NOT GUARANTEED.**

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