

Property

Name	Tranquil Manor
Type	Apartment Complex
Location	1000 Raucous Causeway South Haven, CT 06999 33,000 SF

Assumptions

Discount Rate for PV	11.00%
Capitalization Rate for Resale	11.00%

Income & Expenses

Gross Scheduled Income	536,400
+ 2.00% every year	
Vacancy & Credit Loss (2%)	10,728
Operating Expenses	
Insurance	29,300
+ 3.00% every year	
Taxes	42,600
+ 4.00% every year	
Other Operating Expenses	155,500
+ 3.00% every year	
Total Operating Expenses	227,400
Net Operating Income	298,272

Capital Improvements

Financial Measures

	2010	2013	2016	2019
Capitalization Rate	11.26%	11.62%	11.98%	12.32%
Debt Coverage Ratio	1.51	1.56	1.61	1.66
Internal Rate of Return	-5.00%	21.97%	23.57%	23.23%
Present Value, at 11.00%	2,540,595	2,654,458	2,737,419	2,797,388
Gross Income Multiplier	5.06	4.92	4.78	4.63
Cash-on-Cash Return	17.35%	19.02%	20.64%	22.19%
Gross Income per RSF	16.25	17.25	18.31	19.43
Operating Expense Ratio	43.26%	44.79%	46.38%	48.03%
Operating Expenses per RSF	6.89	7.57	8.32	9.14

Purchase

Price, Real Property	2,650,000
	80.30 per SF
Cash Investment (22%)	582,400
Closing Costs	10,000

Financing

Loan Amount (80% LTV)	2,120,000
	20 year term
Interest Rate	7.00%

Cash Flow

Net Operating Income	298,272
Debt Service	197,236
Cash Flow Before Taxes	101,036
Cash-on-Cash Return	17.35%

Resale

Sale at end of year	2019
Cost of sale	207,753
Selling price	2,967,900