

Summary Cash Flow and Resale Analysis

RealData Arms

4/4/05

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GROSS INCOME	536,400	547,128	558,071	569,232	580,617	592,230	604,075	616,157	628,480	641,049
- Vacancy & Credit Allowance	10,728	10,943	11,161	11,385	11,612	11,845	12,082	12,323	12,570	12,821
- Operating Expenses	227,400	234,648	242,132	249,858	257,835	266,067	274,567	283,345	292,405	301,761
NET OPERATING INCOME	298,272	301,537	304,778	307,989	311,170	314,318	317,426	320,489	323,505	326,467
- Interest, All Loans	153,190	148,240	142,905	137,154	130,953	124,267	117,059	109,285	100,905	91,864
- Depreciation and Amortization	71,465	74,491	74,491	74,491	74,491	74,491	74,491	74,491	74,491	74,491
TAXABLE INCOME OR (LOSS)	73,617	78,806	87,382	96,344	105,726	115,560	125,876	136,713	148,109	160,112
NET OPERATING INCOME	298,272	301,537	304,778	307,989	311,170	314,318	317,426	320,489	323,505	326,467
- Debt Service, All Mortgages	217,217	217,217	217,217	217,217	217,217	217,217	217,217	217,217	217,217	217,217
+ Proceeds of Refinance	0	0	0	0	0	0	0	0	0	0
- Capital Expenditures*	0	0	0	0	0	0	0	0	0	0
CASH FLOW BEFORE TAXES	81,055	84,320	87,561	90,772	93,953	97,101	100,209	103,272	106,288	109,250
GAIN OR (LOSS) ON SALE, Real Estate	-71,257	28,350	128,886	228,492	328,098	426,774	526,380	625,056	722,802	820,548
PROJECTED SELLING PRICE, incl. personal prop.	2,712,000	2,741,000	2,771,000	2,800,000	2,829,000	2,857,000	2,886,000	2,914,000	2,941,000	2,968,000
- Costs of Sale	189,840	191,870	193,970	196,000	198,030	199,990	202,020	203,980	205,870	207,760
- Mortgage Payoffs	2,090,973	2,021,996	1,947,684	1,867,621	1,781,357	1,688,407	1,588,249	1,480,317	1,364,005	1,238,652
BEFORE-TAX SALE PROCEEDS	431,187	527,134	629,346	736,379	849,613	968,603	1,095,731	1,229,703	1,371,125	1,521,588
Internal Rate of Return, Before Tax	-5.51%	13.94%	19.91%	22.17%	23.08%	23.37%	23.38%	23.23%	23.01%	22.75%
PV, Net Operating Income & Reversion	2,529,535	2,560,470	2,588,985	2,613,960	2,636,404	2,656,074	1,421,479	2,674,202	2,703,932	2,716,403
EQUITY, excluding reserves	621,027	719,004	823,316	932,379	1,047,643	1,168,593	1,297,751	1,433,683	1,576,995	1,729,348
RETURN ON EQUITY (CFBT/equity)	13.05%	11.73%	10.64%	9.74%	8.97%	8.31%	7.72%	7.20%	6.74%	6.32%

*NOTE: If this analysis includes a partial first year, then the IRR and PV calculations use estimated full year amounts for cash flow and NOI. First-year capital additions are treated as part of the initial cash investment and do not affect first-year cash flow. Sale-year depreciation is adjusted within the calculation of resale proceeds.

The information and calculations presented in this analysis are believed to be accurate, but are not guaranteed. They are intended for the purposes of projection and analysis, and should not be used for the preparation of income tax returns.

The user of this program and information should consult a tax specialist concerning his/her particular circumstances before making any investment decision.

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