RESALE (by Developer)

Estimated selling price based on 9.0% cap rate 9,076,000
Less costs of sale
  Sales commissions 453,800
  Escrow and legal costs, resale 90,760
  Title insurance, resale 90,760
  Less loan(s) outstanding 5,078,000
Proceeds of Sale $ 3,362,680

RETURN ON EQUITY

Estimated selling price 9,076,000
Less costs of sale 635,320
Less Total Project Costs Overall (including land) 8,234,200
Net Gain or Loss $ 206,480

STABILIZED PRO FORMA OPERATING STATEMENT

Purchase Price 9,076,000
Financing at @ 7.75%, 20 years 6,807,000
Equity Investment $ 2,269,000

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 to New Buyer: 9.00% | Debt Coverage Ratio: 1.22 | Cash on Cash to New Buyer: 6.44% |

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