

**Property: Tranquil Manor
1000 Raucous Causeway
South Haven, CT 06999**

Prepared For: Prepared for

Prepared By: Prepared by

Date: October 16, 2021

Pro Forma Analysis

Property Location: 1000 Raucous Causeway
South Haven, CT 06999

Type of Property: Apartment Complex

Date of this Analysis: October 16, 2021

Purpose: The purpose of this analysis is to project and demonstrate the future economic benefits to be derived from this property.

For the sake of the analysis, certain assumptions have been made concerning future revenue, expenses and financing related to the ownership, operation and resale of the property.

Those assumptions, as well as projections about income or loss, cash flow and profit from resale are presented on the following pages.

Disclaimer: 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 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.

Acquisition and Analysis**Acquisition****Sources of Funds**

Cash Investment	464,100
First Mortgage	1,040,900
Second Mortgage*	0

Total: \$ 1,505,000

Uses of Funds

Purchase, Real Estate	1,487,000
Closing Costs	18,000
Points	0
1st Year Capital Additions	0

Total: \$ 1,505,000

Analysis

Months in First Year of Analysis:	12
Year this Analysis Begins:	2023
Anticipated Year of Resale:	2032

Investor

Name: Investor

Depreciation

Type: 27.5-Year Straight Line
Depreciable Basis: \$ 0

**Second Mortgage of 15,000 put in place 3/2024*

Financing

First Mortgage

\$ 1,040,900
20 year term
4.500 %
0.00 points
6,585.25 per month

*Placed 1/2023
Refinanced in April 2025*

Second Mortgage

\$ 15,000
0 year term
6.500 % interest only
0.00 points
81.25 per month

*Placed 3/2024
Refinanced in April 2025*

Third Mortgage

None

Refinance

\$ 979,847
20 year term
3.25 %*
0.00 points
5,557.65 per month

Placed in April 2025

** First-year rate. Detailed projections may include the effects of rate changes in future years.*

Operating Projections

Income, Cash Flow and Expenses

Income

	Gross Income	Vacancy/Credit Allowance	Net Operating Income	Taxable Income
2023	177,500	14,200	124,610	78,442
2024	181,055	9,053	132,818	86,824
2025	184,681	9,234	135,757	100,448
2026	188,380	9,419	138,752	107,757
2027	192,153	9,608	141,805	112,006
2028	196,002	9,800	144,916	116,352
2029	199,928	9,996	148,087	120,798
2030	203,932	10,197	151,319	125,348
2031	208,017	10,401	154,612	130,002
2032	212,184	10,609	157,968	134,765

Cash Flow

	Before Taxes	After Taxes	Cumulative Cash Flow
2023	45,587	26,761	26,761
2024	52,983	32,145	58,906
2025	65,739	41,631	100,537
2026	72,061	46,199	146,736
2027	75,113	48,232	194,968
2028	78,224	50,300	245,268
2029	81,395	52,404	297,672
2030	84,627	54,543	352,215
2031	87,920	56,720	408,935
2032	91,276	58,933	467,868

Operating Expenses, Debt Service and Capital Additions

	Operating Expenses	Total Debt Service
2023	38,690	79,023
2024	39,184	79,836
2025	39,690	70,018
2026	40,209	66,692
2027	40,741	66,692
2028	41,286	66,692
2029	41,844	66,692
2030	42,417	66,692
2031	43,004	66,692
2032	43,606	66,692

Resale and Returns

Resale at End of 2032

Projected Selling Price:	\$ 1,974,600
Cost of Sale:	\$ 138,222
Gain (Loss) on Sale:	\$ 321,242
Est. Federal Tax on Sale:	\$ 48,629
Before-Tax Sale Proceeds:	\$ 1,163,180
After-Tax Sale Proceeds:	\$ 1,114,551

Measures of Investment Quality

IRR, Before-Tax:	20.07%
IRR, After-Tax:	15.83%
PV, at 10.00%	\$ 1,570,727

	Debt Coverage Ratio	Cap. Rate	Gross Rent Mult.	Cash on Cash Return	Operating Expense Ratio	Gross Income, \$/SF	Operating Expenses, \$/SF
2023	1.58	8.38%	8.80	9.82%	23.69%	n/a	n/a
2024	1.66	8.84%	9.20	11.42%	22.78%	n/a	n/a
2025	1.94	9.04%	9.22	14.16%	22.62%	n/a	n/a
2026	2.08	9.24%	9.23	15.53%	22.47%	n/a	n/a
2027	2.13	9.44%	9.25	16.18%	22.32%	n/a	n/a
2028	2.17	9.65%	9.27	16.86%	22.17%	n/a	n/a
2029	2.22	9.86%	9.29	17.54%	22.03%	n/a	n/a
2030	2.27	10.07%	9.30	18.23%	21.89%	n/a	n/a
2031	2.32	10.29%	9.32	18.94%	21.76%	n/a	n/a
2032	2.37	10.52%	9.33	19.67%	21.63%	n/a	n/a

Pro Forma Overview

Year	Initial Cash Invested	Taxable Income or (Loss)	Cash Flow Before Taxes	Taxable Gain On Sale	Proceeds of Sale Before Tax
2023	464,100	78,442	45,587		
2024		86,824	52,983		
2025		100,448	65,739		
2026		107,757	72,061		
2027		112,006	75,113		
2028		116,352	78,224		
2029		120,798	81,395		
2030		125,348	84,627		
2031		130,002	87,920		
2032		134,765	91,276	321,242	1,163,180
Totals:		1,112,742	734,926		