

**Analysis of Taxable Income or Loss**

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>GROSS INCOME</b>	177,500	181,055	184,681	188,380	192,153	196,002	199,928	203,932	208,017	212,184
- Vacancy & Credit Allowance	14,200	9,053	9,234	9,419	9,608	9,800	9,996	10,197	10,401	10,609
- Operating Expenses	38,690	39,184	39,690	40,209	40,741	41,286	41,844	42,417	43,004	43,606
<b>NET OPERATING INCOME</b>	124,610	132,818	135,757	138,752	141,805	144,916	148,087	151,319	154,612	157,968
Capitalization Rate	9.23%	9.84%	10.06%	10.28%	10.50%	10.73%	10.97%	11.21%	11.45%	11.70%
Debt Coverage Ratio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Interest, First Mortgage	0	0	0	0	0	0	0	0	0	0
- Interest, Second Mortgage	0	0	0	0	0	0	0	0	0	0
- Interest, Third Mortgage	0	0	0	0	0	0	0	0	0	0
- Interest, Refinance	0	0	0	0	0	0	0	0	0	0
- Depreciation, Real Property	0	0	0	0	0	0	0	0	0	0
- Depreciation, Capital Additions	0	0	0	0	0	0	0	0	0	0
- Amortization of Points, First Mortgage	0	0	0	0	0	0	0	0	0	0
- Amortization of Points, Second Mortgage	0	0	0	0	0	0	0	0	0	0
- Amortization of Points, Third Mortgage	0	0	0	0	0	0	0	0	0	0
- Amortization of Points, Refinance	0	0	0	0	0	0	0	0	0	0
<b>TAXABLE INCOME OR (LOSS)</b>	124,610	132,818	135,757	138,752	141,805	144,916	148,087	151,319	154,612	157,968

## Analysis of Operating Cash Flows

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>NET OPERATING INCOME</b>	124,610	132,818	135,757	138,752	141,805	144,916	148,087	151,319	154,612	157,968
- Debt Service, First Mortgage	0	0	0	0	0	0	0	0	0	0
- Debt Service, Second Mortgage	0	0	0	0	0	0	0	0	0	0
- Debt Service, Third Mortgage	0	0	0	0	0	0	0	0	0	0
- Debt Service, Refinance	0	0	0	0	0	0	0	0	0	0
+ Proceeds of Second Mortgage, Less Points	0	0	0	0	0	0	0	0	0	0
+ Proceeds of Third Mortgage, Less Points	0	0	0	0	0	0	0	0	0	0
+ Proceeds of Refinance, Less Points	0	0	0	0	0	0	0	0	0	0
- Capital Additions*	0	0	0	0	0	0	0	0	0	0
<b>CASH FLOW BEFORE TAXES</b>	124,610	132,818	135,757	138,752	141,805	144,916	148,087	151,319	154,612	157,968
Cash on Cash Return (CFBT/Investment)	9.11%	9.71%	9.92%	10.14%	10.37%	10.59%	10.83%	11.06%	11.30%	11.55%
- Estimated Income Tax Attributable to Property	29,906	31,876	32,582	33,301	34,033	34,780	35,541	36,316	37,107	37,912
<b>CASH FLOW AFTER TAXES</b>	94,704	100,942	103,176	105,452	107,772	110,136	112,546	115,002	117,505	120,056
Cumulative Cash Flow After Taxes	94,704	195,646	298,821	404,273	512,045	622,181	734,727	849,729	967,234	1,087,290

## Analysis of Resale

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>PROJECTED SELLING PRICE</b>	1,557,600	1,660,200	1,697,000	1,734,400	1,772,600	1,811,500	1,851,100	1,891,500	1,932,600	1,974,600
Selling Price Based on Capitalization Rate of 8.00%										
<b>ORIGINAL BASIS, Purchase Price</b>	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
+ Closing Costs, Amortized	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
+ Cumulative Capital Additions	0	0	0	0	0	0	0	0	0	0
+ Costs of Sale	109,032	116,214	118,790	121,408	124,082	126,805	129,577	132,405	135,282	138,222
- Adjusted Cumulative Depr., Real Estate	0	0	0	0	0	0	0	0	0	0
- Adjusted Cumulative Depr., Capital Additions	0	0	0	0	0	0	0	0	0	0
<b>ADJUSTED BASIS AT SALE</b>	1,477,032	1,484,214	1,486,790	1,489,408	1,492,082	1,494,805	1,497,577	1,500,405	1,503,282	1,506,222
<b>TAXABLE GAIN OR (LOSS) ON SALE</b>	80,568	175,986	210,210	244,992	280,518	316,695	353,523	391,095	429,318	468,378
<b>DEDUCTIONS AT SALE</b>										
Suspended Losses Utilized upon Sale	0	0	0	0	0	0	0	0	0	0
Unamortized Loan Points	0	0	0	0	0	0	0	0	0	0
<b>TOTAL DEDUCTIONS AT SALE</b>	0	0	0	0	0	0	0	0	0	0
Effect of Deductions at Sale + Depreciation Adjustment	0	0	0	0	0	0	0	0	0	0
Estimated Tax on Depreciation Recapture	0	0	0	0	0	0	0	0	0	0
Estimated Tax on Gain	19,336	26,398	31,532	36,749	42,078	47,504	53,028	58,664	64,398	70,257
<b>ESTIMATED TOTAL FEDERAL TAX ON SALE</b>	19,336	26,398	31,532	36,749	42,078	47,504	53,028	58,664	64,398	70,257
<b>PROJECTED SELLING PRICE</b>	1,557,600	1,660,200	1,697,000	1,734,400	1,772,600	1,811,500	1,851,100	1,891,500	1,932,600	1,974,600
- Costs of Sale	109,032	116,214	118,790	121,408	124,082	126,805	129,577	132,405	135,282	138,222
- First Mortgage Payoff	0	0	0	0	0	0	0	0	0	0
- Second Mortgage Payoff	0	0	0	0	0	0	0	0	0	0
- Third Mortgage Payoff	0	0	0	0	0	0	0	0	0	0
- Refinance Payoff	0	0	0	0	0	0	0	0	0	0
<b>BEFORE-TAX SALE PROCEEDS</b>	1,448,568	1,543,986	1,578,210	1,612,992	1,648,518	1,684,695	1,721,523	1,759,095	1,797,318	1,836,378
- Estimated Total Federal Tax on Sale	19,336	26,398	31,532	36,749	42,078	47,504	53,028	58,664	64,398	70,257
<b>AFTER-TAX SALE PROCEEDS</b>	1,429,232	1,517,588	1,546,679	1,576,243	1,606,440	1,637,191	1,668,495	1,700,431	1,732,920	1,766,121
<b>Internal Rate of Return, Before Tax</b>	15.00%	15.36%	14.01%	13.34%	12.95%	12.68%	12.49%	12.35%	12.25%	12.16%
<b>Internal Rate of Return, After Tax</b>	11.40%	12.29%	11.16%	10.61%	10.28%	10.07%	9.92%	9.81%	9.73%	9.66%
<b>PV, NOI &amp; Selling Price less Costs of Sale</b>	1,430,162	1,499,071	1,510,778	1,521,511	1,531,465	1,540,633	1,549,072	1,556,881	1,564,059	1,570,727
<b>PV, CFAT and Sale Proceeds After Taxes</b>	1,385,396	1,423,722	1,409,077	1,395,655	1,383,451	1,372,298	1,362,102	1,352,813	1,344,311	1,336,586
<b>EQUITY (deducting Costs of Sale)</b>	1,448,568	1,543,986	1,578,210	1,612,992	1,648,518	1,684,695	1,721,523	1,759,095	1,797,318	1,836,378
<b>Equity Multiple (total cash distributions / initial equity)</b>	1.15	1.32	1.44	1.57	1.70	1.83	1.97	2.10	2.24	2.39
<b>RETURN ON EQUITY (CFAT/Equity)</b>	6.54%	6.54%	6.54%	6.54%	6.54%	6.54%	6.54%	6.54%	6.54%	6.54%

**NOTES**

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 the first-year cash flow.

The "Analysis of Taxable Income or Loss" and the "Analysis of Operating Cash Flows" make no presumption as to the intended year of sale.

Therefore, adjustments for the the "half-month convention" in regard to depreciation in the year of sale are accounted for within the Analysis of Resale.

**DISCLAIMERS**

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.