

Property

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

Assumptions

Discount Rate for PV	10.00%
Capitalization Rate for Resale	8.00%

Income & Expenses

Gross Scheduled Income	536,400
+ 2.00% every year	
Vacancy & Credit Loss (2%)	10,728
Operating Expenses	
Insurance	9,200
+ 3.00% every year	
Taxes	42,600
+ 4.00% every year	
Other Operating Expenses	175,000
+ 3.00% every year	
Total Operating Expenses	226,800
Net Operating Income	298,872

Capital ImprovementsFinancial Measures

	2023	2026	2029	2032
Capitalization Rate	8.37%	8.65%	8.91%	9.17%
Debt Coverage Ratio	1.38	1.42	1.47	1.51
Internal Rate of Return	9.20%	21.79%	21.07%	19.86%
Present Value, at 10.00%	3,430,235	3,412,365	3,394,278	3,376,693
Gross Income Multiplier	6.96	6.78	6.58	6.38
Cash-on-Cash Return	11.33%	12.68%	13.99%	15.25%
Gross Income per RSF	16.25	17.25	18.31	19.43
Operating Expense Ratio	43.14%	44.67%	46.26%	47.91%
Operating Expenses per RSF	6.87	7.55	8.30	9.12

Purchase

Price, Real Property	3,570,000
	108.18 per SF
Cash Investment (20%)	724,000
Closing Costs	10,000

Financing

Loan Amount	(80% LTV)	2,856,000
		20 year term
Interest Rate		4.50%

Cash Flow

Net Operating Income	298,872
Debt Service	216,822
Cash Flow Before Taxes	82,050
Cash-on-Cash Return	11.33%

Resale

Sale at end of year	2032
Cost of sale	286,349
Selling price	4,090,700