

Purchase Price 1,000,000  
Cash Investment 481,000

This report created with a demonstration version of REIA	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>PROJECTED SELLING PRICE, REAL ESTATE</b>	1,251,600	1,255,700	1,344,800	1,398,000	1,473,500	1,500,500	1,514,300	1,522,400	1,545,900	1,549,900
Selling Price Based on Capitalization Rate of 11.00%										
<b>ORIGINAL BASIS, Purchase Price of Real Estate</b>	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(or new basis for property acquired in 1031 exchange)										
+ Closing Costs	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
+ Cumulative Capital Additions and Tenant Improve.	113,000	121,000	207,000	247,000	247,000	247,000	252,000	252,000	252,000	252,000
+ Costs of Sale	87,612	87,899	94,136	97,860	103,145	105,035	106,001	106,568	108,213	108,493
- Adjusted Cumulative Depreciation, Real Estate	13,615	31,769	49,923	68,077	86,231	104,385	122,538	140,692	158,846	177,000
- Adjusted Cumulative Depr., Capital Additions	192	637	1,145	1,658	2,171	2,684	3,314	3,955	4,596	5,237
- Adjusted Cumulative Depr., Tenant Improvements	1,981	4,622	8,897	14,124	19,921	25,741	31,562	37,382	43,203	49,024
<b>ADJUSTED BASIS AT SALE</b>	1,192,824	1,179,871	1,249,171	1,269,001	1,249,822	1,227,225	1,208,586	1,184,538	1,161,568	1,137,232
<b>GAIN OR (LOSS) ON SALE, Real Estate</b>	58,776	75,829	95,629	128,999	223,678	273,275	305,714	337,862	384,332	412,668
<b>PROJECTED SELLING PRICE, Personal Property</b>	0	0	0	0	0	0	0	0	0	0
- Book Value	0	0	0	0	0	0	0	0	0	0
<b>GAIN ON SALE, Personal Property</b>	0	0	0	0	0	0	0	0	0	0
<b>DEDUCTIONS AT SALE</b>										
Suspended Losses Utilized upon Sale	0	0	0	0	0	0	0	0	0	0
Unamortized Loan Points	(12,458)	(11,808)	(11,158)	(10,508)	(9,858)	0	0	0	0	0
Unamortized Leasing Commissions	0	0	(5,624)	(8,055)	(11,758)	(7,150)	(4,189)	(2,095)	(0)	(0)
<b>TOTAL DEDUCTIONS AT SALE</b>	(12,458)	(11,808)	(16,782)	(18,563)	(21,616)	(7,150)	(4,189)	(2,095)	(0)	(0)
<b>TOTAL FEDERAL TAX ON SALE</b>	13,215	13,959	17,694	25,074	44,385	56,770	65,162	73,258	83,932	90,756
<b>PROJECTED SELLING PRICE, incl. pers. property</b>	1,251,600	1,255,700	1,344,800	1,398,000	1,473,500	1,500,500	1,514,300	1,522,400	1,545,900	1,549,900
- Costs of Sale	87,612	87,899	94,136	97,860	103,145	105,035	106,001	106,568	108,213	108,493
- First Mortgage Payoff, EOY	640,538	628,862	617,329	604,461	590,105	574,087	0	0	0	0
- Second Mortgage Payoff	26,083	0	0	0	0	0	0	0	0	0
- Third Mortgage Payoff	0	15,000	15,000	15,000	15,000	15,000	0	0	0	0
- Refinance Payoff	0	0	0	0	0	0	811,619	796,533	779,867	761,456
+ Balance of Reserve Fund	74,725	77,714	53,022	55,142	57,348	59,642	62,028	64,509	67,089	69,773
<b>BEFORE-TAX SALE PROCEEDS</b>	572,092	601,653	671,357	735,821	822,598	866,020	658,708	683,808	724,910	749,724
- Total Federal Tax on Sale	13,215	13,959	17,694	25,074	44,385	56,770	65,162	73,258	83,932	90,756
<b>AFTER-TAX SALE PROCEEDS</b>	558,878	587,695	653,663	710,747	778,214	809,250	593,546	610,550	640,977	658,968
<b>Internal Rate of Return, Before Tax</b>	18.94%	15.68%	14.36%	14.13%	15.45%	15.44%	14.89%	14.88%	15.01%	14.94%
<b>Modified Internal Rate of Return, Before Tax</b>	18.94%	15.68%	14.19%	13.90%	15.09%	14.92%	14.22%	13.83%	13.63%	13.28%
<b>Internal Rate of Return, after Tax</b>	13.12%	11.52%	10.56%	10.46%	11.68%	11.79%	11.39%	11.44%	11.61%	11.60%
<b>Modified Internal Rate of Return, after Tax</b>	13.12%	11.41%	10.44%	10.21%	11.39%	11.46%	11.01%	10.86%	10.85%	10.68%
<b>PV, Net Operating Inc. &amp; Sale Price less Costs of Sale</b>	1,172,674	1,183,954	1,258,776	1,302,040	1,355,026	1,376,105	1,388,580	1,397,296	1,411,433	1,417,089
<b>PV, CFAT and Sale Proceeds after Taxes</b>	490,206	485,540	475,287	471,609	495,829	501,742	492,501	495,121	502,542	503,390
<b>EQUITY (deducting Costs of Sale)</b>	497,368	523,940	618,335	680,679	765,250	806,378	596,680	619,299	657,820	679,951
<b>RETURN ON EQUITY (CFAT/Equity)</b>	-9.87%	5.14%	-6.98%	1.36%	6.73%	8.14%	8.27%	8.77%	8.47%	8.08%

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This report created with a demonstration version of REIA	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>PROJECTED SELLING PRICE, REAL ESTATE</b>	1,548,900	1,547,700	1,546,500	1,545,000	1,543,500	1,541,800	1,539,900	1,537,800	1,535,600	1,533,100
Selling Price Based on Capitalization Rate of 11.00%										
<b>ORIGINAL BASIS, Purchase Price of Real Estate</b>	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(or new basis for property acquired in 1031 exchange)										
+ Closing Costs	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
+ Cumulative Capital Additions and Tenant Improve.	252,000	252,000	252,000	252,000	252,000	252,000	252,000	252,000	252,000	252,000
+ Costs of Sale	108,423	108,339	108,255	108,150	108,045	107,926	107,793	107,646	107,492	107,317
- Adjusted Cumulative Depreciation, Real Estate	195,154	213,308	231,462	249,615	267,769	285,923	304,077	322,231	340,385	358,538
- Adjusted Cumulative Depr., Capital Additions	5,878	6,519	7,160	7,801	8,442	9,083	9,724	10,365	11,006	11,647
- Adjusted Cumulative Depr., Tenant Improvements	54,844	60,665	66,485	72,306	78,126	83,947	89,767	95,588	101,408	107,229
<b>ADJUSTED BASIS AT SALE</b>	1,112,547	1,087,848	1,063,148	1,038,428	1,013,707	988,973	964,225	939,462	914,693	889,902
<b>GAIN OR (LOSS) ON SALE, Real Estate</b>	436,353	459,852	483,352	506,572	529,793	552,827	575,675	598,338	620,907	643,198
<b>PROJECTED SELLING PRICE, Personal Property</b>	0	0	0	0	0	0	0	0	0	0
- Book Value	0	0	0	0	0	0	0	0	0	0
<b>GAIN ON SALE, Personal Property</b>	0	0	0	0	0	0	0	0	0	0
<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
Unamortized Leasing Commissions	(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)
<b>TOTAL FEDERAL TAX ON SALE</b>	96,742	102,695	108,648	114,551	120,453	126,323	132,159	137,961	143,746	149,482
<b>PROJECTED SELLING PRICE, incl. pers. property</b>	1,548,900	1,547,700	1,546,500	1,545,000	1,543,500	1,541,800	1,539,900	1,537,800	1,535,600	1,533,100
- Costs of Sale	108,423	108,339	108,255	108,150	108,045	107,926	107,793	107,646	107,492	107,317
- First Mortgage Payoff, EOY	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	741,117	718,648	693,827	666,407	636,115	602,651	565,683	524,845	479,730	429,890
+ Balance of Reserve Fund	72,564	75,466	78,485	81,624	84,889	88,285	91,816	95,489	99,308	103,281
<b>BEFORE-TAX SALE PROCEEDS</b>	771,924	796,179	822,903	852,068	884,229	919,508	958,240	1,000,798	1,047,687	1,099,173
- Total Federal Tax on Sale	96,742	102,695	108,648	114,551	120,453	126,323	132,159	137,961	143,746	149,482
<b>AFTER-TAX SALE PROCEEDS</b>	675,182	693,484	714,255	737,517	763,776	793,185	826,081	862,837	903,940	949,692
<b>Internal Rate of Return, Before Tax</b>	14.85%	14.76%	14.69%	14.62%	14.56%	14.50%	14.45%	14.41%	14.36%	14.32%
<b>Modified Internal Rate of Return, Before Tax</b>	12.95%	12.65%	12.39%	12.15%	11.93%	11.74%	11.55%	11.39%	11.23%	11.09%
<b>Internal Rate of Return, after Tax</b>	11.55%	11.51%	11.48%	11.44%	11.41%	11.38%	11.35%	11.32%	11.29%	11.27%
<b>Modified Internal Rate of Return, after Tax</b>	10.50%	10.34%	10.20%	10.07%	9.95%	9.84%	9.74%	9.65%	9.56%	9.48%
<b>PV, Net Operating Inc. &amp; Sale Price less Costs of Sale</b>	1,420,545	1,423,598	1,426,344	1,428,746	1,430,906	1,432,810	1,434,488	1,435,966	1,437,280	1,438,425
<b>PV, CFAT and Sale Proceeds after Taxes</b>	502,757	502,068	501,361	500,569	499,746	498,854	497,895	496,871	495,796	494,649
<b>EQUITY (deducting Costs of Sale)</b>	699,360	720,713	744,418	770,443	799,340	831,223	866,424	905,309	948,378	995,893
<b>RETURN ON EQUITY (CFAT/Equity)</b>	7.76%	7.43%	7.09%	6.74%	6.37%	6.00%	5.62%	5.24%	4.85%	4.46%

- 1) If this analysis includes a partial first year, then the IRR, MIRR and PV calculations use estimated full year amounts for cash flow and NOI.
- 2) The "Analysis of Taxable Income or Loss" and the "Analysis of Operating Cash Flows" make no presumption as to intended year of sale. Therefore, adjustments for the "half-month convention" in regard to depreciation in the year of sale are accounted for within the Analysis of Resale.
- 3) If the projected selling price for any year(s) above displays "see note 3," then the value shown for those years has been entered directly by the user of this software, overriding the value that was calculated by the software.

**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. Federal tax calculations in this report are based upon interpretations of the Tax Reform Act of 1986, the Revenue Reconciliation Act of 1993, the Taxpayer Relief Act of 1997, the Jobs and Growth Tax Relief Reconciliation Act of 2003 as well as intermediate and subsequent tax law revisions, and are subject to further clarifications, interpretations, rulings, regulations, and technical corrections. These tax calculations are also based upon certain assumptions about the taxpayer and about the property, and do not take into account the possibility of Alternative Minimum Tax liability, the At-Risk rules, investment interest limitations or the impact of other investments which may interact to produce tax consequences other than those projected here.**

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