

Property Information

Type	Apartment Building
Number of Units	9
Square Footage	18,600

Sources of Funds

Cash Investment	616,608	45.20%
First Mortgage (20 year term, 4.00% rate initially)	747,500	54.80%

Annualized 1st Year Income & Expenses

Gross Income	200,161	Total:	1,364,108
Vacancy & Credit Allowance	6,005		
Gross Operating Income	194,156		
Operating Expenses	41,566		
Net Operating Income	152,590		

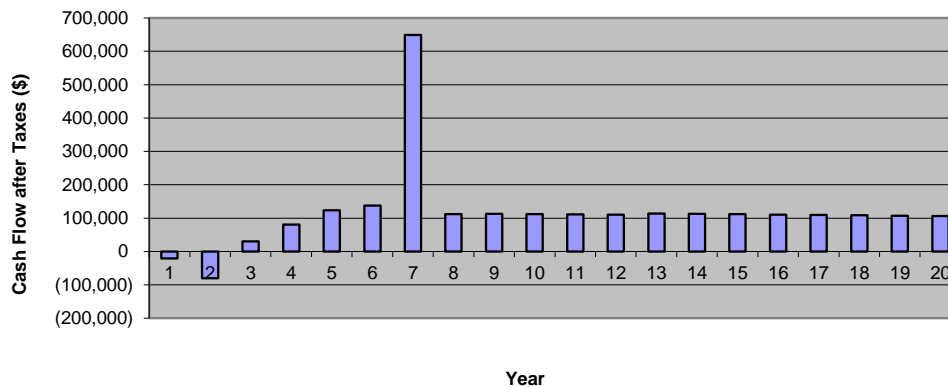
Assumptions

Safe Rate for MIRR	1.00%
Reinvestment Rate for MIRR	5.00%
Discount Rate for PV	10.00%
Capitalization Rate for Resale	11.00%
Holding Period (Years)	20
Depreciable Basis	810,600
Depreciation Type	27.5-Year
1st Year Marginal Tax Rate	24.00%

Uses of Funds

Purchase Price, Real Property (61.83 per square foot)	1,150,000	84.30%
Closing Costs	8,000	0.59%
Points	14,950	1.10%
1st Year Capital Improvements	10,000	0.73%
1st Year Funded Reserves	100,000	7.33%
Development Working Capital	81,158	5.95%
Total:	1,364,108	

20-Year Projected Cash Flow After Taxes



Financial Measures

	Year 1	Year 10	Year 20
Capitalization Rate	10.12%	14.07%	14.05%
Debt Coverage Ratio	1.14	2.68	2.68
Cash on Cash Return	-10.21%	23.60%	23.55%
IRR before Taxes	-33.05%	19.58%	19.21%
IRR after Taxes	-35.74%	15.78%	15.80%
MIRR before Taxes	-33.05%	15.52%	11.91%
MIRR after Taxes	-35.74%	12.88%	10.43%
Return on Equity	-15.41%	11.49%	7.07%

	Year 1	Year 10	Year 20
Gross Income Multiplier	6.97	7.03	6.60
Gross Income/SF	10.76	16.12	17.15
Operating Expense Ratio	21.41%	20.24%	25.15%
Operating Expenses/SF	2.23	3.16	4.18
Projected Selling Price	1,387,200	2,108,500	2,105,900
After-Tax Sale Proceeds	416,802	822,236	1,236,788
PV, NOI+Reversion	1,311,532	2,006,933	2,094,603
PV, CFAT+Sale Proceeds	360,204	940,654	1,069,726