

## PRO FORMA APPROACH

RESIDENTIAL INCOME:	No. of Unit Type Units	Unit Numbers	Average Size (SF)	Market Rent		Rent/SF	Monthly Income	Annual Income
	1 BR/1 BA	1	672 SF	\$1,600	Unit/Month	\$2.38	\$1,600	\$19,200
	2 BR/2 BA	1	1143 SF	\$1,800	Unit/Month	\$1.57	\$1,800	\$21,600
	3 BR/2 BA	10	920 SF	\$2,300	Unit/Month	\$2.50	\$23,000	\$276,000
	3 BR/2 BA	15	952 SF	\$2,350	Unit/Month	\$2.47	\$35,250	\$423,000
	3 BR/2 BA	1	1115 SF	\$2,400	Unit/Month	\$2.15	\$2,400	\$28,800
	3 BR/2 BA	4	1152 SF	\$2,450	Unit/Month	\$2.13	\$9,800	\$117,600
	3 BR/2 BA	1	1209 SF	\$2,500	Unit/Month	\$2.07	\$2,500	\$30,000
	3 BR/2 BA	4	1245 SF	\$2,550	Unit/Month	\$2.05	\$10,200	\$122,400
<b>Total Residential Income</b>	<b>37</b>	<b>Units</b>	<b>37,207</b>			<b>\$2.33</b>	<b>\$86,550</b>	<b>\$1,038,600</b>

Average: \$2,339.19

Less: Vacancy, Concession and Credit Loss - Residential 1.0% (\$866) (\$10,386)

**TOTAL Effective Gross Rental Income** **\$85,685** **\$1,028,214**

**Supplemental Income**

Other Income \$1,500 /Month **\$18,000**

**TOTAL EFFECTIVE GROSS INCOME** **\$87,185** **\$1,046,214**

Less: Operating Expenses	Amount	Totals	Per SF	Unit Amount	Totals	% of EGI	Totals
<b>Fixed Expenses</b>							
Real Estate Taxes ( 8-year aba	\$11,354		\$0.31	\$307		1.09%	
Rental Registration Fees	\$500		\$0.01	\$14		0.05%	
Insurance	\$18,000		\$0.48	\$486		1.72%	
<b>Total Fixed Expenses</b>		<b>\$29,854</b>			<b>\$807</b>		<b>2.85%</b>
<b>Utilities</b>							
Electricity	\$3,840		\$0.10	\$0		0.37%	
Water/Sewer/Stormwater	\$0		\$0.00	\$0		0.00%	
Garbage	\$21,000		\$0.56	\$350		2.01%	
<b>Total Utilities</b>		<b>\$24,840</b>			<b>\$671</b>		<b>2.37%</b>
<b>Maintenance and Repair - Normalized</b>							
Supplies, Maint. & Repairs	\$14,000		\$0.38	\$300		1.34%	
Unit turnover	\$15,000		\$0.40	\$300		1.43%	
Fire System	\$3,000		\$0.08	\$100		0.29%	
Landscaping	\$1,200		\$0.03	\$200		0.11%	
<b>Total Maintenance and Repair</b>		<b>\$33,200</b>			<b>\$900</b>		<b>3.17%</b>
<b>Professional Management</b>		<b>\$41,849</b>			<b>\$1,131</b>		<b>4.00%</b>
<b>Advertising</b>		<b>\$3,000</b>			<b>\$50</b>		<b>0.29%</b>
<b>Office/Admin./Misc.</b>							
Office/Admin	\$1,500		\$0.04	\$41		0.14%	
Legal	\$1,500		\$0.04	\$41		0.14%	
Miscellaneous	\$1,500		\$0.04	\$41		0.14%	
<b>Total Office/Admin./Misc.</b>		<b>\$4,500</b>			<b>\$122</b>		<b>0.43%</b>
Reserves		<b>\$20,924</b>		3 BR/2 BA	<b>\$566</b>		<b>2.00%</b>
<b>Totals</b>		<b>\$158,167</b>	\$4.25		<b>\$4,275</b>		<b>15.12%</b>

(\$158,167)

**NET OPERATING INCOME**

NOI/SF of GLA \$23.87 /SF **\$888,047**

**VALUATION OF INCOME:**

Net Operating Income: \$888,047  
 Capitalization Rate: 4.23%

Indication Value: \$21,000,000

**Reconciled Value, Rounded: \$21,000,000**