

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
Total Residential Income	37	Units	37,207			\$2.33	\$86,550	\$1,038,600

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
Fixed Expenses							
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%	
Total Fixed Expenses		\$29,854			\$807		2.85%
Utilities							
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%	
Total Utilities		\$24,840			\$671		2.37%
Maintenance and Repair - Normalized							
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%	
Total Maintenance and Repair		\$33,200			\$900		3.17%
Professional Management		\$41,849			\$1,131		4.00%
Advertising		\$3,000			\$50		0.29%
Office/Admin./Misc.							
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%	
Total Office/Admin./Misc.		\$4,500			\$122		0.43%
Reserves		\$20,924		3 BR/2 BA	\$566		2.00%
Totals		\$158,167	\$4.25		\$4,275		15.12%

(\$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