

INCOME APPROACH

RESIDENTIAL INCOME:	No. of	Unit	Average	Market		Monthly	Annual
Unit Type	Units	Numbers	Size (SF)	Rent	Rent/SF	Income	Income
1 BR/1 BA	1		672 SF	\$1,300	Unit/Month	\$1.93	\$15,600
2 BR/2 BA	1		1143 SF	\$1,675	Unit/Month	\$1.47	\$20,100
3 BR/2 BA	10		920 SF	\$2,155	Unit/Month	\$2.34	\$258,600
3 BR/2 BA	15		952 SF	\$2,188	Unit/Month	\$2.30	\$393,840
3 BR/2 BA	1		1115 SF	\$2,220	Unit/Month	\$1.99	\$26,640
3 BR/2 BA	4		1152 SF	\$2,312	Unit/Month	\$2.01	\$110,976
3 BR/2 BA	1		1209 SF	\$2,320	Unit/Month	\$1.92	\$27,840
3 BR/2 BA	4		1245 SF	\$2,357	Unit/Month	\$1.89	\$113,136
Total Residential Income	37	Units	37,207		\$2.17	\$80,561	\$966,732

Average: \$2,177.32

Less: Vacancy, Concession and Credit Loss - Residential 1.0% (\$806) (\$9,667)

TOTAL Effective Gross Rental Income \$79,755 \$957,065

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

TOTAL EFFECTIVE GROSS INCOME \$81,255 \$975,065

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		1.16%	
Rental Registration Fees	\$500		\$0.01	\$14		0.05%	
Insurance	\$18,000		\$0.48	\$486		1.85%	
Total Fixed Expenses		\$29,854			\$807		3.06%
Utilities							
Electricity	\$3,840		\$0.10	\$0		0.39%	
Water/Sewer/Stormwater	\$0		\$0.00	\$0		0.00%	
Garbage	\$21,250		\$0.57	\$350		2.18%	
Total Utilities		\$25,090			\$678		2.57%
Maintenance and Repair - Normalized							
Supplies, Maint. & Repairs	\$14,380		\$0.39	\$300		1.47%	
Unit turnover	\$15,800		\$0.42	\$300		1.62%	
Fire System	\$3,000		\$0.08	\$100		0.31%	
Landscaping	\$1,200		\$0.03	\$200		0.12%	
Total Maintenance and Repair		\$34,380			\$900		3.53%
Professional Management		\$35,970			\$972		4.00%
Advertising		\$3,739			\$50		0.38%
Office/Admin./Misc.							
Office/Admin.	\$3,959		\$0.11	\$107		0.41%	
Legal	\$1,500		\$0.04	\$41		0.15%	
Miscellaneous	\$1,500		\$0.04	\$41		0.15%	
Total Office/Admin./Misc.		\$6,959	\$0.19		\$188		0.71%
Reserves		\$19,501	3 BR/2 BA		\$527		2.00%
Totals		\$155,493	\$4.18		\$4,203	15.95%	(\$155,493)

NET OPERATING INCOME \$819,571
NOI/SF of GLA \$22.03 /SF

VALUATION OF INCOME:

Net Operating Income: \$819,571
Capitalization Rate: 3.90%

Indication Value: \$21,000,000

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