

## INCOME 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	\$1,300	Unit/Month	\$1.93	\$1,300	\$15,600
	2 BR/2 BA	1	1143 SF	\$1,675	Unit/Month	\$1.47	\$1,675	\$20,100
	3 BR/2 BA	10	920 SF	\$2,155	Unit/Month	\$2.34	\$21,550	\$258,600
	3 BR/2 BA	15	952 SF	\$2,188	Unit/Month	\$2.30	\$32,820	\$393,840
	3 BR/2 BA	1	1115 SF	\$2,220	Unit/Month	\$1.99	\$2,220	\$26,640
	3 BR/2 BA	4	1152 SF	\$2,312	Unit/Month	\$2.01	\$9,248	\$110,976
	3 BR/2 BA	1	1209 SF	\$2,320	Unit/Month	\$1.92	\$2,320	\$27,840
	3 BR/2 BA	4	1245 SF	\$2,357	Unit/Month	\$1.89	\$9,428	\$113,136
<b>Total Residential Income</b>	<b>37</b>	<b>Units</b>	<b>37,207</b>			<b>\$2.17</b>	<b>\$80,561</b>	<b>\$966,732</b>

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
<b>Fixed Expenses</b>							
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%	
<b>Total Fixed Expenses</b>		<b>\$29,854</b>			<b>\$807</b>		<b>3.06%</b>
<b>Utilities</b>							
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%	
<b>Total Utilities</b>		<b>\$25,090</b>			<b>\$678</b>		<b>2.57%</b>
<b>Maintenance and Repair - Normalized</b>							
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%	
<b>Total Maintenance and Repair</b>		<b>\$34,380</b>			<b>\$900</b>		<b>3.53%</b>
<b>Professional Management</b>		<b>\$35,970</b>			<b>\$972</b>		<b>4.00%</b>
<b>Advertising</b>		<b>\$3,739</b>			<b>\$50</b>		<b>0.38%</b>
<b>Office/Admin./Misc.</b>							
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%	
<b>Total Office/Admin./Misc.</b>		<b>\$6,959</b>			<b>\$188</b>		<b>0.71%</b>
Reserves		<b>\$19,501</b>		3 BR/2 BA	<b>\$527</b>		<b>2.00%</b>
<b>Totals</b>		<b>\$155,493</b>	\$4.18		<b>\$4,203</b>		<b>15.95%</b>

(\$155,493)

**NET OPERATING INCOME**

NOI/SF of GLA \$22.03 /SF \$819,571

**VALUATION OF INCOME:**

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

Indication Value: \$21,000,000

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