

UNIT MIX

Unit Description	Unit Type	No. of Units	Unit SF	Current Rent	Monthly Total	Pro Forma Rent	Monthly Total	% Upside
Ash	Single/Studio	5 Units	450 SF	\$810	\$4,050	\$900	\$4,500	11.11%
Elm	1 Bedroom	7 Units	700 SF	\$1,260	\$8,820	\$1,300	\$9,100	3.17%
Dog Wood	1 Bedroom	10 Units	775 SF	\$1,395	\$13,950	\$1,400	\$14,000	0.36%
Fern	2 Bedroom	5 Units	950 SF	\$1,710	\$8,550	\$1,800	\$9,000	5.26%
Evergreen	2 Bedroom	10 Units	1,000 SF	\$1,800	\$18,000	\$1,750	\$17,500	(2.78%)
Pine	3 Bedroom	5 Units	1,200 SF	\$2,160	\$10,800	\$2,100	\$10,500	(2.78%)
					\$0		\$0	0.00%
					\$0		\$0	0.00%
					\$0		\$0	0.00%
					\$0		\$0	0.00%
Total / Average		42 Units	35,650 SF	\$1,528	\$64,170	\$1,538	\$64,600	0.67%

OTHER INCOME

Item	Current \$ Amount	Pro Forma Method	Pro Forma Entry	Pro Forma Result	Variance
Laundry	\$1,500	% Increase	3.00%	\$1,545	3.00%
Vending	\$1,700	% Increase	3.00%	\$1,751	3.00%
Pet Fee	\$3,200	% Increase	3.00%	\$3,296	3.00%
Total	\$6,400			\$6,592	3.00%

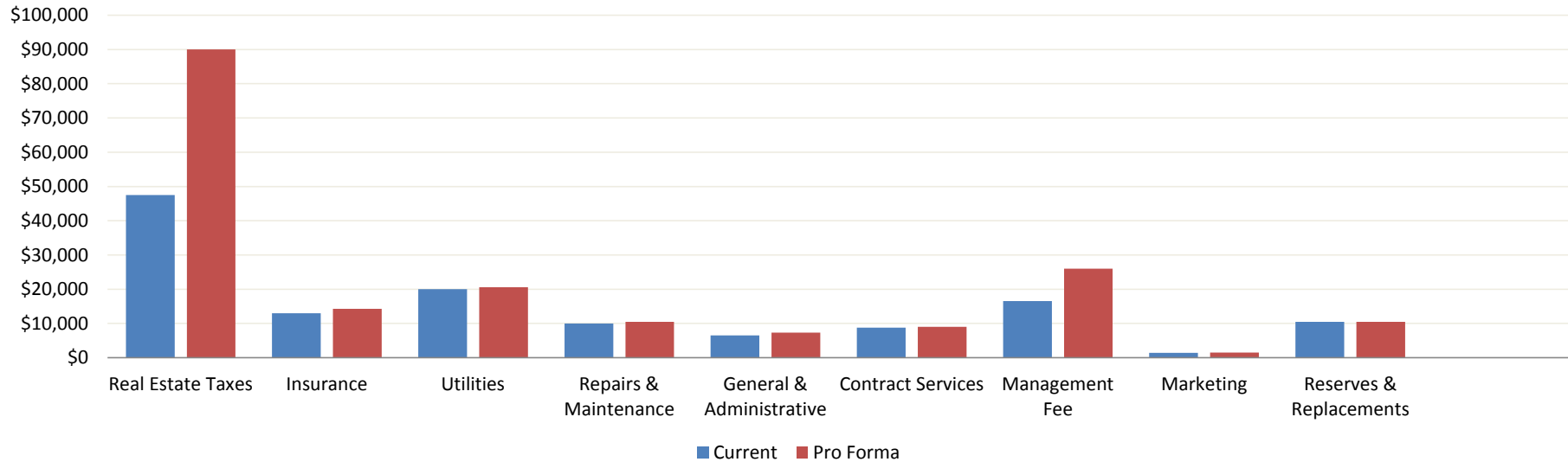
VACANCY

Item	Method	Entry	Result
Current:	# of Units	2 Units	4.76%
Pro Forma:	% of PGR	5.00%	5.00%

UNIT ROLLOVER

Annual Unit Rollover:	% of Total	20.00%	8 Units	20.00%
-----------------------	------------	--------	---------	--------

OPERATING EXPENSES							
Expense Item	\$ Amount	(Per Unit/Per SF/%EGR)	(PF) Method	(PF) Entry	(PF) Result	(Per Unit/Per SF/%EGR)	Variance
Real Estate Taxes	\$47,500	\$1,131 / \$1.33 / 6.42%	% of Purchase	1.20%	\$90,000	\$2,143 / \$2.52 / 12.11%	89.47%
Insurance	\$13,000	\$310 / \$.36 / 1.76%	Per SF	\$0.40	\$14,260	\$340 / \$.40 / 1.92%	9.69%
Utilities	\$20,000	\$476 / \$.56 / 2.70%	% Increase	3.00%	\$20,600	\$490 / \$.58 / 2.77%	3.00%
Repairs & Maintenance	\$10,000	\$238 / \$.28 / 1.35%	Per Unit	\$250	\$10,500	\$250 / \$.29 / 1.41%	5.00%
General & Administrative	\$6,500	\$155 / \$.18 / 0.88%	Per Unit	\$175	\$7,350	\$175 / \$.21 / 0.99%	13.08%
Contract Services	\$8,775	\$209 / \$.25 / 1.19%	Per Month	\$750	\$9,000	\$214 / \$.25 / 1.21%	2.56%
Management Fee	\$16,500	\$393 / \$.46 / 2.23%	% of EGR	3.50%	\$26,006	\$619 / \$.73 / 3.50%	57.61%
Marketing	\$1,425	\$34 / \$.04 / 0.19%	\$ Amount	\$1,500	\$1,500	\$36 / \$.04 / 0.20%	5.26%
Reserves & Replacements	\$10,500	\$250 / \$.29 / 1.42%	Per Unit	\$250	\$10,500	\$250 / \$.29 / 1.41%	0.00%
		\$ / \$.00 / 0.00%			\$0	\$ / \$.00 / 0.00%	0.00%
Total Expenses	\$134,200	\$3,195 / \$3.76 / 18.14%			\$189,716	\$4,517 / \$5.32 / 25.53%	41.37%



GROWTH RATES

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6-10
Income:	N/A	3.00%	3.00%	3.00%	3.00%	3.00%
Vacancy:	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Expenses:	N/A	3.00%	3.00%	3.00%	3.00%	3.00%

FINANCING

Loan Calc. Method:	% LTV	70.00%
Interest Rate:		5.75%
Amortization Period: (yrs)		30 yrs
Interest Only Period: (yrs)		2 yrs
Loan Amount Result:		\$5,250,000
Debt Service:		\$371,260
Loan Constant:		7.07%

BASIC INFO	
Property Address:	1234 Address Dr, Anywhere, ST, 01234
Property Name:	Lakewood Apartments
Year Built:	2005
No. of Units:	42 Units
NRSF:	35,650 SF

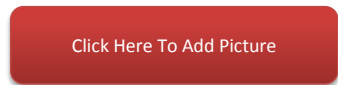
PURCHASE PRICE			
Method:	\$ Amount		
Sensitivity:	Low Price	Base Price (Used in Analysis)	High Price
Entry:	\$7,000,000	\$7,500,000	\$8,000,000
Result:	\$7,000,000	\$7,500,000	\$8,000,000
Per Unit:	\$166,667	\$178,571	\$190,476
Per SF:	\$196.35	\$210.38	\$224.40
Current Cap Rate:	8.65%	8.07%	7.57%
Pro Forma Cap Rate:	7.90%	7.38%	6.92%
Current GRM:	9.09	9.74	10.39
Pro Forma GRM:	9.03	9.67	10.32

REVERSION PRICE			
Method:	Cap Rate		
Entry:	7.50%		
Cost of Sale:	3.00%		
Results For Year:	Year 3	Year 5	Year 10
Reversion Price:	\$7,798,015	\$8,303,492	\$9,626,023
Leveraged IRR:	12.56%	15.82%	16.71%
Unleveraged IRR:	7.81%	9.00%	9.80%
Cap Rate:	7.50%	7.50%	7.50%
GRM:	9.51	9.52	9.52
Per Unit:	\$185,667	\$197,702	\$229,191
Per SF:	\$218.74	\$232.92	\$270.01

Lakewood Apartments Executive Summary

Property Address: 1234 Address Dr, Anywhere, ST, 01234
 Year Built: 2005
 No. of Units: 42 Units
 NRSF: 35,650 SF

Price: \$7,500,000
 Per Unit: \$178,571
 Per SF: \$210.38
 Current Cap Rate: 8.07%
 Pro Forma Cap Rate: 7.38%
 Current GRM: 9.74
 Pro Forma GRM: 9.67



Financing: \$5,250,000
 LTV %: 70.00%
 Interest Rate/Loan Constant: 5.75%/7.07%
 Amortization Period: 30 yrs
 Debt Service: \$371,260
 Current Cash on Cash: 10.41%
 Pro Forma Cash on Cash: 8.09%

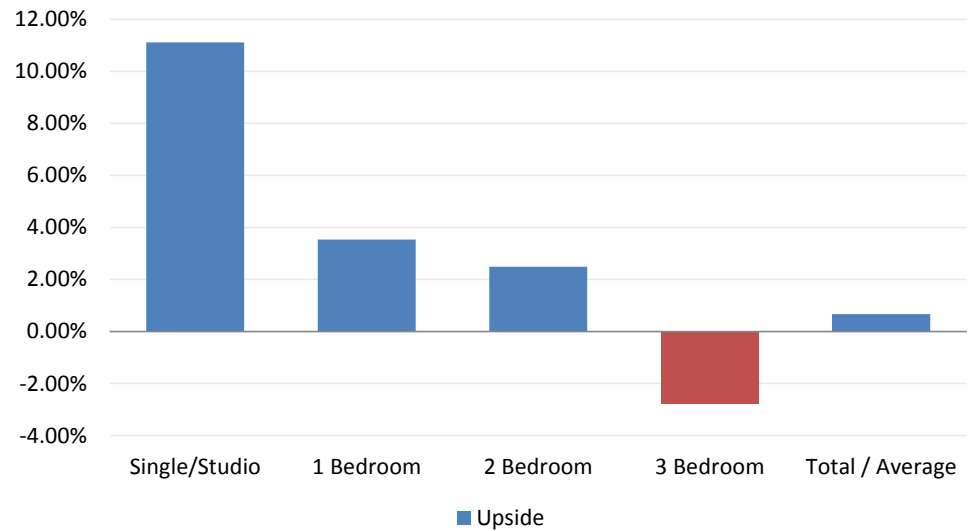
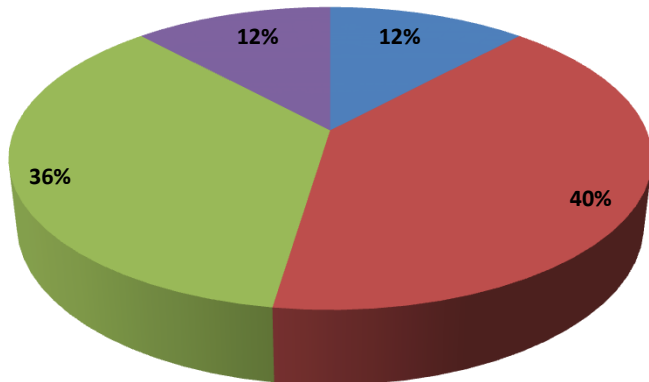
Unit Description	Unit Type	No. of Units	Unit SF	Current Rent	Monthly Total	Pro Forma Rent	Monthly Total	% Upside
Ash	Single/Studio	5 Units	450 SF	\$810	\$4,050	\$900	\$4,500	11.11%
Elm	1 Bedroom	7 Units	700 SF	\$1,260	\$8,820	\$1,300	\$9,100	3.17%
Dog Wood	1 Bedroom	10 Units	775 SF	\$1,395	\$13,950	\$1,400	\$14,000	0.36%
Fern	2 Bedroom	5 Units	950 SF	\$1,710	\$8,550	\$1,800	\$9,000	5.26%
Evergreen	2 Bedroom	10 Units	1,000 SF	\$1,800	\$18,000	\$1,750	\$17,500	-2.78%
Pine	3 Bedroom	5 Units	1,200 SF	\$2,160	\$10,800	\$2,100	\$10,500	-2.78%
0	0	0 Units	0 SF	\$0	\$0	\$0	\$0	0.00%
0	0	0 Units	0 SF	\$0	\$0	\$0	\$0	0.00%
0	0	0 Units	0 SF	\$0	\$0	\$0	\$0	0.00%
0	0	0 Units	0 SF	\$0	\$0	\$0	\$0	0.00%
Total / Average		42 Units	35,650 SF	\$1,528	\$64,170	\$1,538	\$64,600	0.67%

	Current	Per Unit	Per SF	%PGR/EGR	Pro Forma	Per Unit	Per SF	%PGR/EGR
Potential Gross Revenue	\$770,040	\$18,334	\$21.60	100.00%	\$775,200	\$18,457	\$21.74	100.00%
Vacancy	(\$36,669)	(\$873)	(\$1.03)	(4.76%)	(\$38,760)	(\$923)	(\$1.09)	(5.00%)
Net Effective Rent	\$733,371	\$17,461	\$20.57	95.24%	\$736,440	\$17,534	\$20.66	95.00%
Other Income	\$6,400	\$152	\$0.18	0.83%	\$6,592	\$157	\$0.18	0.85%
Effective Gross Revenue	\$739,771	\$17,614	\$20.75	96.07%	\$743,032	\$17,691	\$20.84	95.85%
Expenses								
Real Estate Taxes	\$47,500	\$1,131	\$1.33	6.42%	\$90,000	\$2,143	\$2.52	12.11%
Insurance	\$13,000	\$310	\$0.36	1.76%	\$14,260	\$340	\$0.40	1.92%
Utilities	\$20,000	\$476	\$0.56	2.70%	\$20,600	\$490	\$0.58	2.77%
Repairs & Maintenance	\$10,000	\$238	\$0.28	1.35%	\$10,500	\$250	\$0.29	1.41%
General & Administrative	\$6,500	\$155	\$0.18	0.88%	\$7,350	\$175	\$0.21	0.99%
Contract Services	\$8,775	\$209	\$0.25	1.19%	\$9,000	\$214	\$0.25	1.21%
Management Fee	\$16,500	\$393	\$0.46	2.23%	\$26,006	\$619	\$0.73	3.50%
Marketing	\$1,425	\$34	\$0.04	0.19%	\$1,500	\$36	\$0.04	0.20%
Reserves & Replacements	\$10,500	\$250	\$0.29	1.42%	\$10,500	\$250	\$0.29	1.41%
0	\$0	\$0	\$0.00	0.00%	\$0	\$0	\$0.00	0.00%
Total Expenses	\$134,200	\$3,195	\$3.76	18.14%	\$189,716	\$4,517	\$5.32	25.53%
Net Operating Income	\$605,571	\$14,418	\$16.99	81.86%	\$553,316	\$13,174	\$15.52	74.47%
Debt Service	\$371,260	\$8,840	\$10.41	50.19%	\$371,260	\$8,840	\$10.41	49.97%
Cash Flow	\$234,311	\$5,579	\$6.57	31.67%	\$182,056	\$4,335	\$5.11	24.50%
Cash on Cash	10.41%				8.09%			

Highlights/Notes:

Unit Analysis							
Unit Type	No. of Units	Unit SF	Current Rent	Monthly Total	Pro Forma Rent	Monthly Total	% Upside
Single/Studio	5 Units	450 SF	\$810	\$4,050	\$900	\$4,500	11.11%
1 Bedroom	17 Units	1,475 SF	\$2,655	\$22,770	\$2,700	\$23,100	3.53%
2 Bedroom	15 Units	1,950 SF	\$3,510	\$26,550	\$3,550	\$26,500	2.49%
3 Bedroom	5 Units	1,200 SF	\$2,160	\$10,800	\$2,100	\$10,500	-2.78%
Total / Average	42 Units	35,650 SF	\$1,528	\$64,170	\$1,538	\$64,600	0.67%

■ Single/Studio ■ 1 Bedroom ■ 2 Bedroom ■ 3 Bedroom



Cash Flow

<Name>

<Contact>

Cash Flow	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Gross Revenue	\$771,072	\$795,267	\$820,220	\$845,954	\$872,494	\$898,669	\$925,629	\$953,398	\$982,000	\$1,011,460
Vacancy	38,554	39,763	41,011	42,298	43,625	44,933	46,281	47,670	49,100	50,573
Net Effective Rent	732,518	755,504	779,209	803,657	828,870	853,736	879,348	905,728	932,900	960,887
Other Income	6,438	6,671	6,912	7,161	7,419	7,642	7,871	8,107	8,351	8,601
Effective Gross Revenue	738,957	762,175	786,121	810,818	836,289	861,378	887,219	913,836	941,251	969,488
Expenses										
Real Estate Taxes	90,000	92,700	95,481	98,345	101,296	104,335	107,465	110,689	114,009	117,430
Insurance	14,260	14,688	15,128	15,582	16,050	16,531	17,027	17,538	18,064	18,606
Utilities	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878
Repairs & Maintenance	10,500	10,815	11,139	11,474	11,818	12,172	12,538	12,914	13,301	13,700
General & Administrative	7,350	7,571	7,798	8,032	8,272	8,521	8,776	9,040	9,311	9,590
Contract Services	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743
Management Fee	26,006	26,786	27,590	28,418	29,270	30,148	31,053	31,984	32,944	33,932
Marketing	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
Reserves & Replacements	10,500	10,815	11,139	11,474	11,818	12,172	12,538	12,914	13,301	13,700
0	0	0	0	0	0	0	0	0	0	0
Total Expenses	189,716	195,408	201,270	207,308	213,527	219,933	226,531	233,327	240,327	247,537
NOI	549,241	566,767	584,851	603,510	622,762	641,445	660,688	680,509	700,924	721,952
Debt Service	301,875	301,875	371,260	371,260	371,260	371,260	371,260	371,260	371,260	371,260
Cash Flow	247,366	264,892	213,591	232,250	251,502	270,185	289,428	309,248	329,664	350,691
Cash on Cash	10.99%	11.77%	9.49%	10.32%	11.18%	12.01%	12.86%	13.74%	14.65%	15.59%
Effective Cap Rate	7.32%	7.56%	7.80%	8.05%	8.30%	8.55%	8.81%	9.07%	9.35%	9.63%
Effective GRM	9.73	9.43	9.14	8.87	8.60	8.35	8.10	7.87	7.64	7.42
DSCR	1.82	1.88	1.58	1.63	1.68	1.73	1.78	1.83	1.89	1.94

Reversion	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Gross Revenue	\$771,072	\$795,267	\$820,220	\$845,954	\$872,494	\$898,669	\$925,629	\$953,398	\$982,000	\$1,011,460
Net Operating Income	549,241	566,767	584,851	603,510	622,762	641,445	660,688	680,509	700,924	721,952
Cash Flow	247,366	264,892	213,591	232,250	251,502	270,185	289,428	309,248	329,664	350,691
Reversion Sales Price	7,323,209	7,556,897	7,798,015	8,046,799	8,303,492	8,552,597	8,809,175	9,073,450	9,345,653	9,626,023
Per Unit	174,362	179,926	185,667	191,590	197,702	203,633	209,742	216,035	222,516	229,191
Per SF	205.42	211.97	218.74	225.72	232.92	239.90	247.10	254.51	262.15	270.01
Cap Rate	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
GRM	9.50	9.50	9.51	9.51	9.52	9.52	9.52	9.52	9.52	9.52
Cost Of Sale	219,696	226,707	233,940	241,404	249,105	256,578	264,275	272,203	280,370	288,781
Debt Balance	5,250,000	5,250,000	5,180,615	5,107,240	5,029,646	4,947,590	4,860,816	4,769,053	4,672,013	4,569,394
Net Proceeds	1,853,513	2,080,190	2,383,460	2,698,155	3,024,741	3,348,429	3,684,083	4,032,193	4,393,270	4,767,848

Leveraged IRR	Equity	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Year 1	(2,250,000)	2,100,878									
Year 2	(2,250,000)	247,366	2,345,082					20.00%			
Year 3	(2,250,000)	247,366	264,892	2,597,051				10.00%			
Year 4	(2,250,000)	247,366	264,892	213,591	2,930,405			0.00%			
Year 5	(2,250,000)	247,366	264,892	213,591	232,250	3,276,243		-10.00%			
Year 6	(2,250,000)	247,366	264,892	213,591	232,250	251,502	3,618,613				
Year 7	(2,250,000)	247,366	264,892	213,591	232,250	251,502	270,185	3,973,511			
Year 8	(2,250,000)	247,366	264,892	213,591	232,250	251,502	270,185	289,428	4,341,442		
Year 9	(2,250,000)	247,366	264,892	213,591	232,250	251,502	270,185	289,428	309,248	4,722,934	
Year 10	(2,250,000)	247,366	264,892	213,591	232,250	251,502	270,185	289,428	309,248	329,664	5,118,540
IRR		-6.63%	7.74%	12.56%	14.72%	15.82%	16.32%	16.58%	16.70%	16.73%	16.71%

Unleveraged IRR	Equity	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Year 1	(7,500,000)	7,652,753									
Year 2	(7,500,000)	549,241	7,896,957								
Year 3	(7,500,000)	549,241	566,767	8,148,926							
Year 4	(7,500,000)	549,241	566,767	584,851	8,408,905						
Year 5	(7,500,000)	549,241	566,767	584,851	603,510	8,677,149					
Year 6	(7,500,000)	549,241	566,767	584,851	603,510	622,762	8,937,464				
Year 7	(7,500,000)	549,241	566,767	584,851	603,510	622,762	641,445	9,205,587			
Year 8	(7,500,000)	549,241	566,767	584,851	603,510	622,762	641,445	660,688	9,481,755		
Year 9	(7,500,000)	549,241	566,767	584,851	603,510	622,762	641,445	660,688	680,509	9,766,208	
Year 10	(7,500,000)	549,241	566,767	584,851	603,510	622,762	641,445	660,688	680,509	700,924	10,059,194
IRR		2.04%	6.34%	7.81%	8.55%	9.00%	9.27%	9.46%	9.60%	9.71%	9.80%