

Side-by-Side Scenarios

	1. T12		2. OM Year 1		3. Offer		4. Projected Business Plan
ACQUISITION							
Asking Price	\$35,000,000		\$35,000,000		\$35,000,000		\$35,000,000
Purchase	\$36,500,000		\$35,000,000		\$25,000,000		\$36,500,000
# Units	649		649		649		96
Price Per Unit	\$56,240		\$53,929		\$38,521		\$380,208
Down payment %	30%		30%		30%		25%
Down payment \$	\$10,950,000		\$10,500,000		\$7,500,000		\$9,125,000
Interest Only (in months)	0		0		0		36
Loan Balance	\$25,550,000		\$24,500,000		\$17,500,000		\$27,375,000
Repairs	\$250,000		\$250,000		\$250,000		\$480,000
Operating Reserves	\$400,000		\$400,000		\$400,000		\$649,000
Estimated closing costs	\$3,236,132		\$3,236,132		\$3,236,132		\$3,236,132
Total Acquisition Cost	\$39,986,132		\$38,486,132		\$28,486,132		\$40,216,132
INCOME							
Average Monthly Rent	\$469		\$494		\$469		\$831
Gross Potential Income	\$3,651,262		\$3,849,704		\$3,651,262		\$957,312
- Vacancy	(\$284,798) 7.80%		(\$192,485) 5.00%		(\$365,126) 10.00%		(\$97,196) 10.15%
- Concessions, Loss to Lease, Bad Debt	(\$146,050) 4.00%		(\$115,491) 3.00%		(\$182,563) 5.00%		(\$171,072) 17.87%
Effective Gross Income	\$3,220,414		\$3,541,728		\$3,103,573		\$689,044
Other Income	\$338,464		\$964,177		\$964,177		\$192,697
Total Net Income	\$3,558,878		\$4,505,905		\$4,067,750		\$881,741
EXPENSES							
Advertising	\$16,249 0.46%		\$16,574 0.37%		\$16,574 0.41%		\$19,151 2.17%
Contract Services	\$0 0.00%		\$0 0.00%		\$0 0.00%		\$65,321 7.41%
Gas & Electric	\$28,834 0.81%		\$29,411 0.65%		\$29,411 0.72%		\$121,024 13.73%
General/Admin	\$146,361 4.11%		\$130,553 2.90%		\$130,553 3.21%		\$426,961 48.42%
Insurance	\$105,015 2.95%		\$107,115 2.38%		\$107,115 2.63%		\$370,914 42.07%
Legal	\$0 0.00%		\$0 0.00%		\$0 0.00%		\$12,579 1.43%
Real Estate Taxes	\$302,311 8.49%		\$417,020 9.25%		\$417,020 10.25%		\$122,311 13.87%
Trash Removal	\$0 0.00%		\$0 0.00%		\$0 0.00%		\$76,240 8.65%
Management Fee	\$133,299 3.75%		\$135,177 3.00%		\$122,032 3.00%		\$35,270 4.00%
Payroll	\$339,542 9.54%		\$365,058 8.10%		\$365,058 8.97%		\$759,371 86.12%
Repairs and Maintenance	\$354,524 9.96%		\$361,614 8.03%		\$361,614 8.89%		\$543,737 61.67%
Turnover	\$0 0.00%		\$0 0.00%		\$0 0.00%		\$209,200 23.73%
Water and Sewer	\$293,767 8.25%		\$299,642 6.65%		\$299,642 7.37%		\$28,069 3.18%
Deposit to Replacement Reserve	\$162,250 4.56%		\$162,250 3.60%		\$162,250 3.99%		\$165,000 18.71%
Total Expenses (Added)	\$1,882,152 52.89%		\$2,024,414 44.93%		\$2,011,269 49.44%		\$2,955,148 335.15%
Total Expenses (Manual Override)	\$1,882,152 52.89%		\$2,024,414 44.93%		\$2,011,269 49.44%		\$2,955,148 335.15%
<i>To Manually Override the Expenses to use %, the dollar summary must be \$0 on line 43</i>							
Total Expenses	\$1,882,152 52.89%		\$2,024,414 44.93%		\$2,011,269 49.44%		\$2,955,148 335.15%
Net Operating Income (NOI)	\$1,676,726		\$2,481,491		\$2,056,480		-\$2,073,406
Summary							
Debt Service	\$1,618,348		\$1,551,840		\$1,108,457		\$848,625
Interest Rate	4.00%		4.00%		4.00%		3.10%
Amortization (Years)	25		25		25		30
Cash flow after debt service	\$58,378		\$929,650		\$948,023		-\$2,922,031
Cap Rate (NOI/Sales Price)	4.59%		7.09%		8.23%		-5.68%
Debt Coverage Ratio	1.04		1.60		1.86		-2.44
Property Value Per Cap Rate							
6.0%	\$27,945,433		\$41,358,176		\$34,274,670		-\$34,556,770
6.5%	\$25,795,785		\$38,176,778		\$31,638,157		-\$31,898,557
7.0%	\$23,953,229		\$35,449,865		\$29,378,289		-\$29,620,089
7.5%	\$22,356,347		\$33,086,541		\$27,419,736		-\$27,645,416