

Assumptions

123 Main Street Salem, OR 97302

Investment Assumptions

Price of Property	\$600,000
Closing Costs	1% of Property Price
Date of Acquisition	January 1
Sale Price Method	8.25% Capitalization of NOI on Next Year
Selling Costs	6% of Selling Price

Loan Assumptions

Compounding Period	Monthly (USA)
Loan Amount	30% of Property Price
Loan Interest Rate	6.00%
Loan Period	30 Years
Loan Origination Date	at Acquisition
Loan Type	Monthly Payments, Amortizing
Loan Points Charged	1% Amortized over Loan Life
Secondary Loans	Yes

Revenue Assumptions

Annual Revenue (Rental Units)	\$90,000
Annual Revenue (Other Income)	\$10,530
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Rents 2% Annually, Other Income 2% Annually
Management Fee	10.00%
Vacancy Factor	10%

Operating Expense Assumptions

Annual Expense	\$39,391
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at 3% Annually
Percent of GOI	43.04%
Upgrades	\$20,000 - Month 3

Units Revenue Assumptions

Total Rentable Units	10
Total Rentable Square Feet	8,900

Two Bedroom One Bath Unit

Annual Revenue (5 Units @ \$700/Unit/Month)	\$42,000
Price per Square Foot	\$0.83

Three Bedroom One Bath Unit

Annual Revenue (5 Units @ \$800/Unit/Month)	\$48,000
Price per Square Foot	\$0.85

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