

Rent Scenarios

123 Main Street Salem, OR 97302

Unit Count	Unit Mix	Average Square Feet	Average Monthly Rent	Rent Scenario1	Rent Scenario2	Rent Scenario3
5	2/1	840	700	705	710	720
5	3/1	940	800	805	810	820

Cash Flow				
Gross Scheduled Income	90,000	90,600	91,200	92,400
Less: Vacancy & Credit Loss	9,000	9,060	9,120	9,240
Effective Gross Income	81,000	81,540	82,080	83,160
Plus: Other Income	10,530	10,530	10,530	10,530
Gross Operating Income	91,530	92,070	92,610	93,690
Less: Operating Expenses	39,391	39,477	39,564	39,736
Less: Upgrades	20,000	20,000	20,000	20,000
Net Operating Income	32,139	32,593	33,046	33,954
Less: Debt Service	31,538	31,538	31,538	31,538
Cash Flow Before Taxes	601	1,055	1,508	2,416
Ratios				
Capitalization Rate	5.36%	5.43%	5.51%	5.66%
Gross Rent Multiplier	6.67	6.62	6.58	6.49
Operating Expense Ratio	43.04%	42.88%	42.72%	42.41%
Debt Coverage Ratio	1.02	1.03	1.05	1.08
Break-Even Ratio	99.34%	98.85%	98.37%	97.42%
Cash-on Cash Return	0.34%	0.60%	0.86%	1.38%

Comments: