

Rent Scenarios

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	39,391	39,391	39,391	
Net Operating Income		52,139	52,679	53,219	54,299	
Less: Debt Service		28,778	28,778	28,778	28,778	
Less: First-year non-funded upgrades		20,000	20,000	20,000	20,000	
Cash Flow Before Taxes		3,361	3,901	4,441	5,521	
Ratios						
Capitalization Rate		10.43%	10.54%	10.64%	10.86%	
Gross Rent Multiplier		5.56	5.52	5.48	5.41	
Operating Expense Ratio		43.04%	42.78%	42.53%	42.04%	
Debt Coverage Ratio		1.81	1.83	1.85	1.89	
Break-Even Ratio		74.48%	74.04%	73.61%	72.76%	
Cash-on Cash Return		2.71%	3.15%	3.58%	4.45%	

Debt service includes loan payment for upgrade loan (if any in first-year). Non-funded upgrades (if any in first-year) are added to the initial investment for the cash-on-cash return computation.

Comments: