

INCOME CAPITALIZATION APPROACH SUMMARY - MARKET RENT

				=	TOTAL	PER SF
Potential Gross Income	17,500	SF	@	\$6.00 /SF	\$105,000	\$6.00
Less: Vacancy & Collection Loss				10.0%	(\$10,500)	(\$0.60)
Effective Gross Income					\$94,500	\$5.40
Less: Operating Expenses						
Real Estate Taxes				\$8,800 Annually	(\$8,800)	(\$0.50)
Property Insurance				\$4,088 Annually	(\$4,088)	(\$0.23)
Trash, Water, Sewer				\$4,450 Annually	(\$4,450)	(\$0.25)
Maintenance & Repairs				\$0.25 Per SF	(\$4,375)	(\$0.25)
Property Management				5% of EGI	(\$4,725)	(\$0.27)
Reserves for Replacement				\$0.10 Per SF	(\$1,750)	(\$0.10)
Total Operating Expenses					(\$28,188)	(\$1.61)
Net Operating Income (NOI)					\$66,312	\$3.79
Divided by Overall Capitalization Rate					9.00%	
Value Indication by Income Capitalization					\$736,804	\$42.10
				Rounded To	\$740,000	\$42.29