



CHRISTIANSEN

COMMERCIAL REAL ESTATE

PROPOSED RENTAL RATES (currently vacant):

Commercial/Retail/Office - 3,210 SF @ \$14/sf	\$44,940
12 units (2BR-1BA) @ \$650/mo.	\$93,600
1 unit (1BR - 1BR) @ 500/mo.	\$6,000
1 unit (0BR - 1BR/studio) @ 450/mo.	<u>\$5,400</u>

Potential Gross Income **\$149,940**

Less: Vacancy & Collection Loss (10%) (\$14,994)

Equals: Effective Gross Income \$134,946

Less: Property Taxes (actual) (\$8,327)

Less: Property Insurance (est. @ \$0.40/sf) (\$6,958)

Less: Management & Contingencies (5% of EGI) (\$6,747)

Less: Reserves for Replacement (\$0.20/sf) (\$3,479)

Net Operating Income **\$109,434**

Sales Price \$850,000

Plus: Cost to Finish (electricity, water, a/c) \$50,000

Cost to Buyer **\$900,000**

Per SF **\$51.74**

ROI (annual cash on cash) **12.16%**

Divided by: Cap Rate	9.50%	10.00%
Equals: Overall Value	\$1,151,941	\$1,094,344
Square Feet	17,395	
Per SF	\$66.22	\$62.91