

1BR-Unit @ \$400/month		\$4,800.00
1BR-Unit @ \$400/month		\$4,800.00
1BR-Unit @ \$450/month		\$5,400.00
1BR-Unit @ \$400/month		\$4,800.00
3BR-Unit @ \$525/month		<u>\$6,300.00</u>
Potential Gross Income		\$26,100.00
Less: Collection Loss (5%)		<u>(\$1,305.00)</u>
Equals: Effective Gross Income		\$24,795.00
Less: Property Taxes (actual)		(\$1,937.00)
Less: Property Insurance (\$0.75/SF)		(\$1,956.75)
Less: Contingencies (5% of EGI)		(\$1,239.75)
Less: Reserves for Replacement (\$0.25/SF)		<u>(\$652.25)</u>
Net Operating Income		\$19,009.25
Divided by: Cap Rate	10.50%	11.50%
Equals: Overall Value	\$181,040.48	\$165,297.83
ROUNDED TO	\$182,000	\$166,000
Per SF	\$69.76	\$63.63