

1BR-Unit @ \$400/month (Vacant)	\$4,800.00	
1BR-Unit @ \$400/month (Vacant)	\$4,800.00	
1BR-Unit @ \$425/month (Vacant)	\$5,100.00	
2BR-Unit @ \$525/month (Actual)	\$6,300.00	
2BR-Unit @ \$450/month (Actual)	<u>\$5,400.00</u>	
Potential Gross Income	\$26,400.00	
Less: Vacancy & Collection Loss (20%)	<u>(\$5,280.00)</u>	
Equals: Effective Gross Income	\$21,120.00	
Less: Property Taxes (actual)	(\$2,494.00)	
Less: Property Insurance (\$0.75/SF)	(\$1,875.00)	
Less: Contingencies (5% of EGI)	(\$1,056.00)	
Less: Reserves for Replacement (\$0.25/SF)	<u>(\$625.00)</u>	
Net Operating Income	\$15,070.00	
Divided by: Cap Rate	10.50%	11.50%
Equals: Overall Value	\$143,523.81	\$131,043.48
ROUNDED TO	\$145,000	\$132,000
Per SF	\$42.77	\$38.94