

Studio Unit @ \$300/month	\$3,600.00	
1BR-Unit @ \$375/month	\$4,500.00	
2BR-Unit @ \$550/month	\$6,600.00	
2BR-Unit @ \$525/month	\$6,300.00	
3BR-Unit @ \$650/month	\$7,800.00	
Potential Gross Income	\$28,800.00	
Less: Collection Loss (5%)	<u>(\$1,440.00)</u>	
Equals: Effective Gross Income	\$27,360.00	
Less: Property Taxes (actual)	<u>(\$2,458.00)</u>	
Less: Property Insurance (\$0.75/SF)	<u>(\$2,078.25)</u>	
Less: Contingencies (5% of EGI)	<u>(\$1,368.00)</u>	
Less: Reserves for Replacement (\$0.25/SF)	<u>(\$692.75)</u>	
Net Operating Income	\$20,763.00	
Divided by: Cap Rate	10.50%	11.50%
Equals: Overall Value	\$197,742.86	\$180,547.83
ROUNDED TO	\$198,000	\$181,000
Per SF	\$71.45	\$65.32