

2BR-Unit @ \$450/month	\$5,400.00	
2BR-Unit @ \$450/month	\$5,400.00	
2BR-Unit @ \$450/month	\$5,400.00	
2BR-Unit @ \$450/month	\$5,400.00	
3BR-Unit @ \$550/month	<u>\$6,600.00</u>	
<b>Potential Gross Income</b>	<b>\$28,200.00</b>	
Less: Vacancy & Collection Loss (20%)	<u>(\$5,640.00)</u>	
Equals: Effective Gross Income	\$22,560.00	
Less: Property Taxes (actual)	(\$1,516.00)	
Less: Property Insurance (\$0.75/SF)	(\$2,250.00)	
Less: Contingencies (5% of EGI)	(\$1,128.00)	
Less: Reserves for Replacement (\$0.25/SF)	<u>(\$750.00)</u>	
<b>Net Operating Income</b>	<b>\$16,916.00</b>	
Divided by: Cap Rate	10.50%	11.50%
Equals: Overall Value	\$161,104.76	\$147,095.65
<b>ROUNDED TO</b>	<b>\$162,000</b>	<b>\$148,000</b>
Per SF	\$54.00	\$49.33