

1BR-Unit @ \$400/month	\$4,800.00	
1BR-Unit @ \$400/month	\$4,800.00	
1BR-Unit @ \$400/month	\$4,800.00	
2BR-Unit @ \$500/month	\$6,000.00	
2BR-Unit @ \$500/month	<u>\$6,000.00</u>	
Potential Gross Income	\$26,400.00	
Less: Vacancy & Collection Loss (10%)	<u>(\$2,640.00)</u>	
Equals: Effective Gross Income	\$23,760.00	
Less: Property Taxes (actual)	(\$1,939.00)	
Less: Property Insurance (\$0.75/SF)	(\$3,150.00)	
Less: Contingencies (5% of EGI)	(\$1,188.00)	
Less: Reserves for Replacement (\$0.25/SF)	<u>(\$1,050.00)</u>	
Net Operating Income	\$16,433.00	
Divided by: Cap Rate	10.50%	11.50%
Equals: Overall Value	\$156,504.76	\$142,895.65
ROUNDED TO	\$157,000	\$143,000
Per SF	\$37.38	\$34.05