

1BR-Unit @ \$350/month	\$4,200.00	
2BR-Unit @ \$450/month	\$5,400.00	
2BR-Unit @ \$450/month	\$5,400.00	
2BR-Unit @ \$450/month	<u>\$5,400.00</u>	
Potential Gross Income	\$20,400.00	
Less: Vacancy & Collection Loss (15%)	<u>(\$3,060.00)</u>	
Equals: Effective Gross Income	\$17,340.00	
Less: Property Taxes (actual)	(\$1,751.00)	
Less: Property Insurance (\$0.75/SF)	(\$2,475.00)	
Less: Contingencies (5% of EGI)	(\$867.00)	
Less: Reserves for Replacement (\$0.25/SF)	<u>(\$825.00)</u>	
Net Operating Income	\$11,422.00	
Divided by: Cap Rate	10.50%	11.50%
Equals: Overall Value	\$108,780.95	\$99,321.74
ROUNDED TO	\$110,000	\$100,000
Per SF	\$33.33	\$30.30