

Studio-Unit @ \$375/month	\$4,500.00	
Studio-Unit @ \$275/month	\$3,300.00	
Studio-Unit @ \$300/month	\$3,600.00	
1BR-Unit @ \$425/month	\$5,100.00	
1BR-Unit @ \$500/month	<u>\$6,000.00</u>	
Potential Gross Income	\$22,500.00	
Less: Vacancy & Collection Loss (25%)	<u>(\$5,625.00)</u>	
Equals: Effective Gross Income	\$16,875.00	
Less: Property Taxes (actual)	(\$1,581.00)	
Less: Property Insurance (\$0.75/SF)	(\$1,800.00)	
Less: Contingencies (5% of EGI)	(\$843.75)	
Less: Reserves for Replacement (\$0.25/SF)	<u>(\$600.00)</u>	
Net Operating Income	\$12,050.25	
Divided by: Cap Rate	10.50%	11.50%
Equals: Overall Value	\$114,764.29	\$104,784.78
ROUNDED TO	\$115,000	\$105,000
Per SF	\$47.92	\$43.75