

Cap Rate Analysis					
<b>Composition of Property</b>					
Type	SFR		Type	SFR	
SQFT	1,400		SQFT	1,400	
Rent per SQFT	1.08		Rent per SQFT	1.08	
<b>Cost Basis to Stabilization (Low)</b>			<b>Cost Basis to Stabilization (High)</b>		
Average Purchase Price	77,217		Average Purchase Price	90,000	
Acquisition Costs	6,177		Acquisition Costs	7,200	
Repair & Maintenance	25,000		Repair & Maintenance	25,000	
Rental & Marketing Costs	2,018		Rental & Marketing Costs	500	
<b>Total</b>	<b>110,412</b>		<b>Total</b>	<b>122,700</b>	
Rents	18,000		Rents	18,000	
Less Expenses (45%)	8,100		Less Expenses (45%)	8,100	
<b>NOI</b>	<b>9,900</b>		<b>NOI</b>	<b>9,900</b>	
<b>Cap Rate</b>	<b>8.97%</b>		<b>Cap Rate</b>	<b>8.07%</b>	

Cash Flows & Basis for IRR						
	Day 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Units Purchased	100	-	-	-	-	-
Units Sold	-	-	-	-	-	100
Units Rented	-	100	100	100	100	100
Rent Appreciation	-	6.42%	7.98%	10.00%	7.98%	6.42%
Unit Market Rent	18,000	19,156	20,685	22,753	24,569	26,146
Market Value Appreciation	-	10.00%	20.00%	20.00%	15.00%	15.00%
Unit Value	100,000	110,000	132,000	158,400	182,160	209,484
Loan To Value	70.00%					
Loan Expenses	2.50%					
Interest Rate	6.00%					

IRR Unlevered						
	Day 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Purchase & Stabilization Cost	(11,041,241)	-	-	-	-	-
Rent (Appreciation Above)	-	1,800,000	1,915,560	2,068,460	2,275,306	2,456,876
Expenses (2% Increase)	-	(810,000)	(862,002)	(930,807)	(1,023,888)	(1,105,594)
Loan (70% LTV)	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-
Sale of Property	-	-	-	-	-	20,948,400
Repair for Sale (5k per Unit)	-	-	-	-	-	(500,000)
Sales Costs (7%)	-	-	-	-	-	(1,466,388)
<b>Cash Flow</b>	<b>(11,041,241)</b>	<b>990,000</b>	<b>1,053,558</b>	<b>1,137,653</b>	<b>1,251,419</b>	<b>20,333,294</b>
<b>Unlevered IRR</b>	<b>19.87%</b>					

IRR Levered						
	Day 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Purchase & Stabilization Cost	(11,041,241)	-	-	-	-	-
Rent (Appreciation Above)	-	1,800,000	1,915,560	2,068,460	2,275,306	2,456,876
Expenses (2% Increase)	-	(810,000)	(862,002)	(930,807)	(1,023,888)	(1,105,594)
Loan (70% LTV)	-	7,700,000	-	-	-	-
Loan Exp (2.5 pts)	-	231,000	-	-	-	-
Debt Service	-	-	(462,000)	(462,000)	(462,000)	(462,000)
Loan Repayment	-	-	-	-	-	(7,700,000)
Sale of Property	-	-	-	-	-	20,948,400
Repair for Sale (5k per Unit)	-	-	-	-	-	(500,000)
Sales Costs (7%)	-	-	-	-	-	(1,466,388)
<b>Cash Flow</b>	<b>(11,041,241)</b>	<b>8,921,000</b>	<b>591,558</b>	<b>675,653</b>	<b>789,419</b>	<b>12,171,294</b>
<b>IRR</b>	<b>30.17%</b>					