PRO FORMA: 1315 E Ash St. Caldwell, ID

PREPARED BY: Karl Maier **January 24, 2022**

PROPERTY INFORMATION AND FINANCING ASSUMPTIONS			COMMENTS
Type		Apartment	10 Units
Area		Downtown Caldwell	Walk to C of I campus
Year Built		1960	
Square Feet		6,700	Estimate, not measured
Purchase Price		$ 1,200,000	
Projected Closing Date		4/30/2022	
Price Per Square Foot		$ 179	
Number of Units		10	
Lender		TBD	
Down Payment	0.25	$ 300,000	
1st Loan Balance		$ 900,000	
Term		30	
Interest		4.50%	
Monthly Debt Service (P & I)		$ 4,560	
Annual Debt Service (P & I)		$ 54,722	
Annual Interest Expense (Year 1)		$ 40,203	
Total Interest Expense		$ 618,583	

PROJECTED OPERATING INCOME AND EXPENSES								COMMENTS
			Approx.	**Market**				
Income		**# of units**	**Sq. Ft.**	**Rents**		**Annual**		
	Rents: 2 bed, 1 bath	7	700	$ 875	$	73,500		As-Is w/Basic Turn
	1 bed, 1 bath	3	600	$ 775	$	27,900		
	Gross Rents			$ 8,450	$	101,400		
	Vacancy & Economic Loss			2%	$	2,028		
	Net Rental Revenue				$	99,372		
	Other Revenue				$	-		
	Total Income						$ 99,372	
Expenses								
	Water, Sewer, Trash				$	6,985		2021 Total
	Power - Exterior				$	166		
	Power - Interior				$	-		Tenant Pays
	Total Utilities						$ 7,151	
	Cleaning				$	-		Included in Reg. Maint
	Interior Unit Maintenance for Turns				$	-		Included in Reg. Maint
	Maintenance				$	6,344		2021 Reg. Maint.
	Carpet Replace				$	2,000		2021
	Landscaping				$	1,227		2021

Total Maintenance				$ 9,571	
Taxes		$	9,037		2021
Building Insurance		$	2,318		
Total Taxes & Insurance				$ 11,355	
Property Management	8.0%	$	7,950		
Legal		$	867		
Association Fees					
Total Admin & Marketing				$ 8,817	
Total Expenses				$ 36,894	**37.1%**
Net Operating Income				**$ 62,478**	

PROJECTED PERFORMANCE

Expenses Per Unit	**$ 3,689**	
Cap Rate	**5.2%**	
Price Per Unit (at Projected Purchase Price)	**$ 120,000**	
Debt Coverage Ratio (cumulative)	**114.2%**	
Cash on Cash Return	**2.3%**	
Gross Rent Multiplier	**11.83**	
Cash Flow		
Net Operating Income	$ 62,478	
Less Principle & Interest-1st	$ (54,722)	
Less Capital Expenditures Reserve	$ (625)	1% of NOI Annually
Net Cash Flow	**$ 7,131**	

PROJECTED INTERIM RETURN ON INVESTMENT (YEAR ONE)

Initial Cash Investment				
Down Payment		$	300,000	
Total Down Payment				$ 300,000
Closing Costs				
Lender closing costs	1.0%	$	12,000	
Title Insurance		$	1,035	
Recording & Reconveyance		$	150	
Long term escrow setup		$	1,000	
Total Closing Costs				$ 14,185

Total Initial Cash Investment		$ 314,185	
Return			
Cash Flow	$ 7,131		
Loan Pay Down	$ 14,519		
Total Return Before Appreciation		$ 21,650	
Projected Interim Return on Investment		**6.89%**	

PROJECTED INTERIM RETURN ON INVESTMENT (YEARS 2-5)			
Return - Year Two			
Cash Flow	$ 9,744		2% rental appreciation
Loan Pay Down	$ 15,186		
Total Return Before Appreciation		$ 24,930	
Projected Interim Return on Investment (Year Two)		**8.31%**	Return/Down Payment