

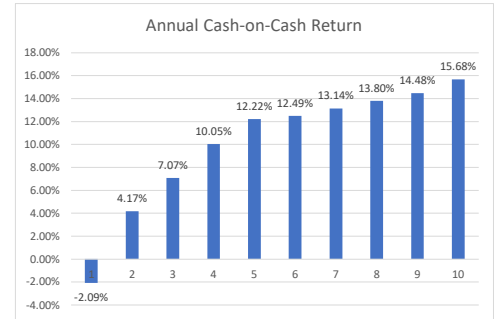
Existing Multi-Family Building Acquisition Analysis

All units renovated

Today's Date 10/19/2021

General		Lot Size	1.00 Acres	43,560 SF
Lenox Ridge	NA	Building SF	280,279 GSF	
Renovation Date		Commercial SF	5,000 RSF	
Total Apartments	350 Units	Current Occupancy	71.00%	
Units To Renovate	84 Units	<i>Going-in Cap Rate: 4.26%</i>		
Acquisition Uses and Sources of Funds		GRM: 10.99x		Per Unit
Purchase Price		\$231.91 PSF	\$65,000,000	\$185,714
Acquisition Costs		2.85%	\$1,852,500	
Renovation Costs			\$1,694,239	
Total Uses of Funds			\$68,546,739	
Equity		% Total Cost	30.00%	Rate
Senior Loan	30-Year Am.		70.00%	4.00%
Total Sources of Funds	0.00 yrs I/O		100.00%	

Property Sale		Month 120
Timing		End of Yr. 10
Capitalization Rate	6.00%	+174 bps
Valuation Basis	Forward 12 Months	
Gross Valuation	\$100,276,270	54.27% growth
Valuation Per Unit	\$286,504	
Valuation CAGR	4.43%	
Selling Costs	4.00%	



Investment Returns	
Equity Invested	\$20,564,022
Average Cash-on-Cash	10.10%
Net Profit	\$58,566,601
IRR	16.39%
Multiple on Equity	3.85x

Renovation	Average Renovation Cost/Unit	\$20,000	Income Growth Rate 2.50%									
	Average Post-Reno. Monthly Rent Increase	\$150	Expense Growth Rate 2.50%									
	Construction and Post-Const. Marketing	4 Month(s)	Rent PSF									
	Payback Period for Renovations	11.1 Years	Economic Vcy.									
			Unreno. Units									
Renovation Schedule		Time 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Units Renovated	84 done	0 to go	70	5	4	5	0	0	0	0	0	0
Cumulative Units Renovated	All units renovated		70	75	79	84	84	84	84	84	84	84
Renovation Income Premium Impact			50.00%	50.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
CAGR - Income			2.50%	5.06%	7.69%	10.38%	13.14%	15.97%	18.87%	21.84%	24.89%	28.01%
CAGR - Expenses			2.50%	5.06%	7.69%	10.38%	13.14%	15.97%	18.87%	21.84%	24.89%	28.01%

Income	T12 Values	T12											
Gross Potential Rent	5,915,250	5,915,250	6,063,131	6,214,710	6,370,077	6,529,329	6,692,562	6,859,876	7,031,373	7,207,158	7,387,337	7,572,020	7,761,321
Renovated Units Rent Premium			64,575	137,107	153,134	166,897	171,069	175,346	179,729	184,223	188,828	193,549	198,388
Parking and Retail Income	488,943	488,943	501,167	513,696	526,538	539,702	553,194	567,204	581,200	595,730	610,623	625,888	641,536
Other Income	102,849	102,849	105,420	108,056	110,757	113,526	116,364	119,273	122,255	125,312	128,444	131,655	134,947
Loss to Lease	(300)	(300)	(308)	(315)	(323)	(331)	(339)	(348)	(357)	(366)	(375)	(384)	(394)
Gross Potential Income	\$6,506,742		6,733,986	6,973,252	7,160,183	7,349,122	7,532,850	7,721,172	7,914,201	8,112,056	8,314,857	8,522,729	8,735,797
Vacancy Loss - Renovation/Down Units			(404,209)	(29,594)	(24,267)	(31,092)	0	0	0	0	0	0	0
Vacancy and Credit Loss	T12 Values	64.31%	28.00%	23.00%	16.00%	9.00%	5.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
	(4,184,467)	(4,184,467)	(1,885,516)	(1,603,848)	(1,145,629)	(661,421)	(376,643)	(463,270)	(474,852)	(486,723)	(498,891)	(511,364)	(524,148)
Effective Gross Income		\$2,322,275	4,444,261	5,339,810	5,990,287	6,656,609	7,156,208	7,257,901	7,439,349	7,625,332	7,815,966	8,011,365	8,211,649
OpEx, Taxes & Reserves	T12 Values	T12	Adjustment Index	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Utilities	(141,007)	(141,007)	(144,532)	(148,145)	(151,849)	(155,645)	(159,536)	(163,525)	(167,613)	(171,803)	(176,098)	(180,501)	(185,013)
Payroll Expenses	(443,029)	(443,029)	(454,105)	(465,457)	(477,094)	(489,021)	(501,247)	(513,778)	(526,622)	(539,788)	(553,285)	(567,115)	(581,292)
General & Administrative	(48,363)	(48,363)	(49,572)	(50,811)	(52,082)	(53,384)	(54,718)	(56,086)	(57,488)	(58,926)	(60,399)	(61,909)	(63,456)
Marketing and Advertising	(15,000)	(15,000)	(15,375)	(15,759)	(16,153)	(16,557)	(16,971)	(17,395)	(17,830)	(18,276)	(18,733)	(19,201)	(19,681)
Contract Maintenance	(39,031)	(39,031)	(40,007)	(41,007)	(42,032)	(43,083)	(44,160)	(45,264)	(46,396)	(47,555)	(48,744)	(49,963)	(51,212)
Turnover Costs	(3,716)	(3,716)	(3,809)	(3,904)	(4,002)	(4,102)	(4,204)	(4,309)	(4,417)	(4,528)	(4,641)	(4,757)	(4,876)
Repairs and Maintenance	(19,643)	(19,643)	(20,134)	(20,637)	(21,153)	(21,682)	(22,224)	(22,780)	(23,349)	(23,933)	(24,531)	(25,145)	(25,773)
Insurance	(15,080)	(15,080)	(15,457)	(15,843)	(16,240)	(16,645)	(17,062)	(17,488)	(17,925)	(18,374)	(18,833)	(19,304)	(19,786)
Reserves	(12,057)	(12,057)	(12,358)	(12,667)	(12,984)	(13,309)	(13,641)	(13,982)	(14,332)	(14,690)	(15,058)	(15,434)	(15,820)
Real Estate Taxes	(810,868)	(810,868)	(831,140)	(851,918)	(873,216)	(895,047)	(917,423)	(940,358)	(963,867)	(987,964)	(1,012,663)	(1,037,980)	(1,063,929)
Management Fee	(257,840)	(257,840)	(268,885)	(280,796)	(293,806)	(307,132)	(320,814)	(334,891)	(349,307)	(364,091)	(379,283)	(394,922)	(411,053)
Total OpEx, Taxes & Reserves	(1,805,634)		(1,675,374)	(1,732,947)	(1,786,611)	(1,841,607)	(1,894,311)	(1,940,125)	(1,988,628)	(2,038,343)	(2,089,302)	(2,141,534)	(2,195,073)
Net Operating Income	\$516,641		2,768,887	3,606,863	4,203,676	4,815,002	5,261,897	5,317,777	5,450,721	5,586,989	5,726,664	5,869,830	6,016,576
Yield on Purchase Price	0.79%		4.26%	5.55%	6.47%	7.41%	8.10%	8.39%	8.60%	8.81%	9.03%	9.26%	
Operating Margin	7.94%		41.12%	51.72%	58.71%	65.52%	69.85%	68.87%	68.87%	68.87%	68.87%	68.87%	
Annual Debt Service			(2,748,922)	(2,748,922)	(2,748,922)	(2,748,922)	(2,748,922)	(2,748,922)	(2,748,922)	(2,748,922)	(2,748,922)	(2,646,197)	
DSCR		Total	1.01x	1.31x	1.53x	1.75x	1.93x	1.98x	2.03x	2.08x	2.13x	2.22x	
CapEx beyond Reserves & Reno. Budget	\$450,999		(450,000)	(999)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
Cash Flow After Debt Service			(430,035)	856,942	1,454,754	2,066,080	2,512,975	2,568,855	2,701,799	2,838,067	2,977,742	3,223,634	
Acquisition	(\$68,546,739)	(68,546,739)											
Loan Funding	\$47,982,717	47,982,717											
Net Sale Proceeds	\$96,265,219		0	0	0	0	0	0	0	0	0	96,265,219	
Loan Repayment	(\$37,905,410)		0	0	0	0	0	0	0	0	0	(37,905,410)	
Levered Cash Flow	\$58,566,601	(\$20,564,022)	(\$430,035)	\$856,942	\$1,454,754	\$2,066,080	\$2,512,975	\$2,568,855	\$2,701,799	\$2,838,067	\$2,977,742	\$61,583,443	
Cash-on-Cash Return Excluding any Sale Proceeds			-2.09%	4.17%	7.07%	10.05%	12.22%	12.49%	13.14%	13.80%	14.48%	15.68%	