

Executive Summary



Adrian Apartments II

1212 Main St
Atlanta GA 30304



Income, Expenses & Cash Flow

Gross Scheduled Income	\$ 184,800
Total Vacancy and Credits	\$ (9,240)
Operating Expenses	\$ (21,250)
Net Operating Income (NOI)	\$ 156,110
Annual Reserves:	\$ (5,000)
Debt Service:	\$ (119,757)
Cash Flow Before Taxes	\$ 31,353
Income Taxes: Benefit (Expense) @ 34%	(7,766)
Cash Flow After Taxes	\$ 23,587

Property Overview

Purchase/Asking Price	\$ 1,750,000
Improvements	25,000
Other	
Closing Costs	
Finance Points	13,125
Total Acquisition Cost	\$ 1,788,125
Mortgage (s)	\$ 1,312,500
Down Payment / Investment	\$ 475,625

Property Type	Apartments
No. of Units	14
Price Per Unit	\$ 127,723
Total Sq Ft	12,920
Price Per Sq Ft	\$ 138.40
Income per Unit	\$ 13,200
Expenses per Unit	\$ (1,518)

Assumptions

Rental Growth Rate:	2.00%
Expense Growth Rate:	1.00%
Capitalization Rate (Resale):	8.00%
Marginal Tax Rate:	34.00%
Capital Gain Tax Rate:	21.00%

Loan Information

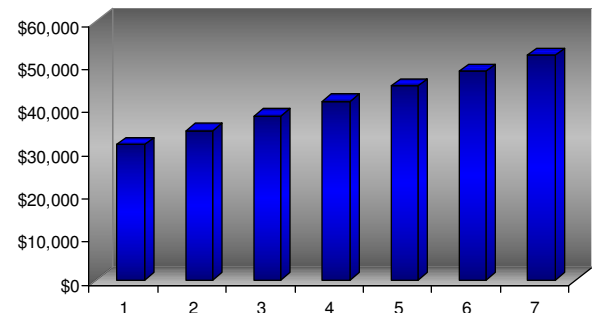
		<u>% of Asking</u>	<u>% of Cost</u>
Down Payment:	\$ 475,625	27.18%	26.80%
Initial Loan Balance:	\$ 1,312,500	75.00%	73.94%
	<u>Loan Amount</u>	<u>Interest Rate</u>	<u>Term</u>
	\$ 1,312,500	6.75%	20
			<u>Payment</u>
			\$9,980

Financial Measurements

Year 1 Year 3 Year 7

Projected Cash Flow Before Taxes

Debt Coverage Ratio (DCR)	1.30	1.36	1.48
Loan-to-Value Ratio (LVR)	65.6%	59.4%	46.7%
Capitalization Rate Based on Cost	8.79%	9.17%	9.98%
Capitalization Rate Based on Resale Price	8.00%	8.00%	8.00%
Gross Rent Multiplier	9.47	10.59	10.64
Net Present Value (NPV) - B/ Taxes	13.50%	40,050	86,545
Net Present Value (NPV) - A/Taxes	10.00%	26,922	65,923
Cash on Cash Return - Before Taxes	6.59%	7.99%	10.96%
Cash on Cash Return - After Taxes	4.96%	6.25%	7.42%
Internal Rate of Return - Before Taxes		20.36%	18.12%
Internal Rate of Return - After Taxes		15.08%	14.07%
Modified Internal Rate of Return - Before Taxes		19.33%	15.92%
Modified Internal Rate of Return - After Taxes		14.45%	12.58%



Disclaimer: All information presented is believed to be accurate.

The information, calculations and data presented in this report are believed to be accurate but are not guaranteed. The information contained in this report shall not be considered as a substitution for legal, accounting or other professional advice. Please seek proper legal and tax advice as appropriate before making investments.