



Parklane Place 40 Unit Apartment Building

Investment Analysis Rental Units Example

35237 East Vaness Ave

Houston, Texas 770561
USA

Mar 24, 2008



Pgx Real estate John Kelly
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Property Description

Medium quality, well cared for apartment building

Address

35237 East Vaness Ave
Houston, Texas 770561
USA

Location Description

Close access to I45 15 minutes to downtown Houston

Purchase Price

Purchase Price	3,500,000	
Acquisition Costs	<u>70,000</u>	2.00%
Total Purchase Price	\$ 3,570,000	

Legal

Legal

12160 DL12989 Plan 2634

Zoning

Multi family and other uses

Encumbrances

\$2,000,000 first mortgage in FavoT of RBC Morgage Inc.



Property Information

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Investor Pro
Rental Apartment Building

Property Taxes Information

Assessment Date Jan 2007
Property Taxes \$ 78,000
Roll or Identification Number 223731 89MN 8051

Assessed Value

Land 890,000
Improvements 2,300,000
\$ 3,190,000

Land

Dimensions Irregular
Frontage 320 Ft
Land Area 46,000 Sq. Ft

Building

Age 15 Years
No of Floors 3

Building Area 38,000 Sq. Ft
Units. Rentable Area 36,000 Sq. Ft
Total No. of Units 40

Parking

Uncovered 12
Covered 45
Other -
Total Parking 57

Utilities. Tenant pays for:

Heat

Heat

Heat
Gas
Individual air conditioning units

Construction

Wood Frame

Building Equipment & Systems

Elevators

No. of Elevators 1
Three stop hydraulic elevator

Mechanical Equipment

Central heating system for common area

Electrical System

Central system



Property Information
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Client Information

Parklane Place 40 Unit Apartment Building
Investment Analysis Rental Units Example

March 24, 2008
Investor Pro
Rental Apartment Building

Michael Butler

Texas Properties Inc
21647 Ohio St

Houston, Texas 770456
Texas

Contact Information

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Income & Expense Statement Yearly
 Parklane Place 40 Unit Apartment Building
 Investment Analysis Rental Units Example

March 24, 2008
 Investor Pro
 Rental Apartment Building

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
REVENUE											
One bedroom units	270,000	278,100	286,500	294,900	303,900	312,900	322,500	332,100	342,000	352,200	363,000
Two bedroom Units	198,000	205,920	214,200	222,660	231,660	240,840	250,560	260,640	270,900	281,880	293,040
Laundry	7,200	7,560	7,939	8,333	8,750	9,187	9,648	10,133	10,637	11,170	11,726
Parking	24,000	25,200	26,460	27,786	29,172	30,630	32,160	33,768	35,460	37,230	39,096
Potential Gross Income	499,200	516,780	535,099	553,679	573,482	593,557	614,868	636,641	658,997	682,480	706,862
Less: Vacancy & Credit Loss Allowance	11,556	11,966	12,394	12,828	13,290	13,759	14,256	14,765	15,286	15,835	16,403
Effective Gross Income	487,644	504,814	522,705	540,851	560,192	579,798	600,612	621,876	643,711	666,644	690,459
Operating Expenses											
Property Taxes	95,000	98,800	102,752	106,862	111,137	115,582	120,205	125,014	130,014	135,215	140,623
Insurance	45,000	47,250	49,613	52,093	54,698	57,433	60,304	63,320	66,485	69,810	73,300
Maintenance	16,000	16,640	17,306	17,998	18,718	19,466	20,245	21,055	21,897	22,773	23,684
Resident Caretaker	36,000	37,440	38,938	40,495	42,115	43,800	45,552	47,374	49,269	51,239	53,289
Property Management	19,506	20,193	20,908	21,634	22,408	23,192	24,024	24,875	25,748	26,666	27,618
Other Expenses	14,976	15,503	16,053	16,610	17,204	17,807	18,446	19,099	19,770	20,474	21,206
	226,482	235,826	245,569	255,693	266,279	277,279	288,777	300,736	313,184	326,177	339,720
Net Operating Income	261,162	268,988	277,136	285,158	293,913	302,519	311,835	321,140	330,527	340,467	350,739



Income & Expense Statement Yearly Snapshot
 Parklane Place 40 Unit Apartment Building
 Investment Analysis Rental Units Example

March 24, 2008
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	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
REVENUE											
Potential Gross Income	499,200	516,780	535,099	553,679	573,482	593,557	614,868	636,641	658,997	682,480	706,862
Less: Vacancy & Credit Loss Allowance	11,556	11,966	12,394	12,828	13,290	13,759	14,256	14,765	15,286	15,835	16,403
Effective Gross Income	487,644	504,814	522,705	540,851	560,192	579,798	600,612	621,876	643,711	666,644	690,459
Operating Expenses	226,482	235,826	245,569	255,693	266,279	277,279	288,777	300,736	313,184	326,177	339,720
Net Operating Income	261,162	268,988	277,136	285,158	293,913	302,519	311,835	321,140	330,527	340,467	350,739



Operating Cash Flow Yearly
 Parklane Place 40 Unit Apartment Building
 Investment Analysis Rental Units Example

March 24, 2008
 Investor Pro
 Rental Apartment Building

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
CASH FLOW BEFORE TAX										
Potential Gross Income	499,200	516,780	535,099	553,679	573,482	593,557	614,868	636,641	658,997	682,480
Less: Vacancy & Credit Loss Allow.	11,556	11,966	12,394	12,828	13,290	13,759	14,256	14,765	15,286	15,835
Effective Gross Income	487,644	504,814	522,705	540,851	560,192	579,798	600,612	621,876	643,711	666,644
Operating Expenses	226,482	235,826	245,569	255,693	266,279	277,279	288,777	300,736	313,184	326,177
Net Operating Income	261,162	268,988	277,136	285,158	293,913	302,519	311,835	321,140	330,527	340,467
Less: Principle Payments	28,318	30,517	32,886	35,439	38,190	41,155	44,350	47,793	51,503	55,501
Interest payments	149,040	146,841	144,472	141,919	139,168	136,203	133,008	129,565	125,855	121,857
CASH FLOW BEFORE TAX	83,804	91,630	99,778	107,800	116,555	125,161	134,477	143,782	153,169	163,110
Less: Income Tax at 35.00%	7,208	9,342	13,023	16,724	20,752	24,802	29,180	33,642	38,226	44,479
CASH FLOW AFTER TAX	76,597	82,288	86,755	91,076	95,804	100,359	105,297	110,140	114,943	118,631
INCOME TAX CALCULATIONS										
Net Operating Income	261,162	268,988	277,136	285,158	293,913	302,519	311,835	321,140	330,527	340,467
Less: Interest Payments	149,040	146,841	144,472	141,919	139,168	136,203	133,008	129,565	125,855	121,857
Depreciation & Amortization	91,529	95,455	95,455	95,455	95,455	95,454	95,455	95,454	95,455	91,529
Taxable Income	20,594	26,691	37,209	47,784	59,290	70,862	83,372	96,121	109,217	127,082
Income Tax at 35.00%	7,208	9,342	13,023	16,724	20,752	24,802	29,180	33,642	38,226	44,479



Net Cash Flow (Before Tax)
 Parklane Place 40 Unit Apartment Building
 Investment Analysis Rental Units Example

March 24, 2008
 Investor Pro
 Rental Apartment Building

Year	Investment	Financing		Operating Cash Flow (Before Tax)	Sale Proceeds (Before Tax)	Net Cash Flow (Before Tax)
		Borrow	Paid Back			
Year 1 Jan-Year 1 Dec	\$ (3,590,000)	\$ 2,000,000	-	\$ 83,804	-	\$ (1,506,196)
Year 2 Jan-Year 2 Dec	-	-	-	91,630	-	91,630
Year 3 Jan-Year 3 Dec	-	-	-	99,778	-	99,778
Year 4 Jan-Year 4 Dec	-	-	-	107,800	-	107,800
Year 5 Jan-Year 5 Dec	-	-	-	116,555	-	116,555
Year 6 Jan-Year 6 Dec	-	-	-	125,161	-	125,161
Year 7 Jan-Year 7 Dec	-	-	-	134,477	-	134,477
Year 8 Jan-Year 8 Dec	-	-	-	143,782	-	143,782
Year 9 Jan-Year 9 Dec	-	-	-	153,169	-	153,169
Year 10 Jan-Year 10 Dec	-	-	(1,594,349)	163,110	4,751,028	3,319,789
					Total	\$ 2,785,946

Financial Returns (Before Tax) with Financing

Internal Rate of Return (IRR)	12.60%
Net Present Value (NPV) at 11.00%	\$ 196,141
Modified Internal Rate of Return (MIRR)	11.04%
Short Term Financing Rate (Before Tax)	8.000%
Short Term Reinvestment Rate (Before Tax)	3.000%

Financial Returns (Before Tax) without Financing

Internal Rate of Return (IRR)	10.16%
Net Present Value (NPV) at 11.00%	(\$ 197,852)
Modified Internal Rate of Return (MIRR)	8.55%
Short Term Financing Rate (Before Tax)	8.000%
Short Term Reinvestment Rate (Before Tax)	3.000%



Net Cash Flow (After Tax)
 Parklane Place 40 Unit Apartment Building
 Investment Analysis Rental Units Example

March 24, 2008
 Investor Pro
 Rental Apartment Building

Year	Investment	Financing		Operating Cash Flow (After Tax)	Sale Proceeds (After Tax)	Net Cash Flow (After Tax)
		Borrow	Paid Back			
Year 1 Jan-Year 1 Dec	\$ (3,590,000)	\$ 2,000,000	-	\$ 76,597	-	\$ (1,513,403)
Year 2 Jan-Year 2 Dec	-	-	-	82,288	-	82,288
Year 3 Jan-Year 3 Dec	-	-	-	86,755	-	86,755
Year 4 Jan-Year 4 Dec	-	-	-	91,076	-	91,076
Year 5 Jan-Year 5 Dec	-	-	-	95,804	-	95,804
Year 6 Jan-Year 6 Dec	-	-	-	100,359	-	100,359
Year 7 Jan-Year 7 Dec	-	-	-	105,297	-	105,297
Year 8 Jan-Year 8 Dec	-	-	-	110,140	-	110,140
Year 9 Jan-Year 9 Dec	-	-	-	114,943	-	114,943
Year 10 Jan-Year 10 Dec	-	-	(1,594,349)	118,631	4,342,200	2,866,482
					Total	\$ 2,139,740

Financial Returns (After Tax) with Financing

Internal Rate of Return (IRR)	10.42%
Net Present Value (NPV) at 7.15%	\$ 453,878
Modified Internal Rate of Return (MIRR)	9.14%
Short Term Financing Rate (After Tax)	5.200%
Short Term Reinvestment Rate (After Tax)	1.950%

Financial Returns (After Tax) without Financing

Internal Rate of Return (IRR)	7.71%
Net Present Value (NPV) at 7.15%	\$ 152,122
Modified Internal Rate of Return (MIRR)	6.63%
Short Term Financing Rate (After Tax)	5.200%
Short Term Reinvestment Rate (After Tax)	1.950%



Expense Calculations Yearly
 Parklane Place 40 Unit Apartment Building
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	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Property Taxes	95,000	98,800	102,752	106,862	111,137	115,582	120,205	125,014	130,014	135,215	140,623
Insurance	45,000	47,250	49,613	52,093	54,698	57,433	60,304	63,320	66,485	69,810	73,300
Maintenance	16,000	16,640	17,306	17,998	18,718	19,466	20,245	21,055	21,897	22,773	23,684
Resident Caretaker	36,000	37,440	38,938	40,495	42,115	43,800	45,552	47,374	49,269	51,239	53,289
Property Management	19,506	20,193	20,908	21,634	22,408	23,192	24,024	24,875	25,748	26,666	27,618
Other Expenses	14,976	15,503	16,053	16,610	17,204	17,807	18,446	19,099	19,770	20,474	21,206
Total	226,482	235,826	245,569	255,693	266,279	277,279	288,777	300,736	313,184	326,177	339,720



Expense Calculations. Monthly
 Parklane Place 40 Unit Apartment Building
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	Year 1 Jan	Year 1 Feb	Year 1 Mar	Year 1 Apr	Year 1 May	Year 1 Jun	Year 1 Jul	Year 1 Aug	Year 1 Sep	Year 1 Oct	Year 1 Nov	Year 1 Dec	Yearly Total
Property Taxes	95,000	-	-	-	-	-	-	-	-	-	-	-	95,000
Insurance	45,000	-	-	-	-	-	-	-	-	-	-	-	45,000
Maintenance	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	16,000
Resident Caretaker	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Property Management													
Potential Gross Income. Gen Revenue	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	499,200
Less: Vacancy Allowance	963	963	963	963	963	963	963	963	963	963	963	963	11,556
Effective Gross Income. Gen Revenue	40,637	40,637	40,637	40,637	40,637	40,637	40,637	40,637	40,637	40,637	40,637	40,637	487,644
% of Effective Gross Income. Gen Revenue	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	19,506
Other Expenses													
Potential Gross Income. Gen Revenue	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	41,600	499,200
% of Potential Gross Income. Gen Revenue	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
	1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,248	14,976
Total	147,207	7,207	7,207	7,207	7,207	7,207	7,207	7,207	7,207	7,207	7,207	7,207	226,482



Expense Calculations. Monthly
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	Year 2 Jan	Year 2 Feb	Year 2 Mar	Year 2 Apr	Year 2 May	Year 2 Jun	Year 2 Jul	Year 2 Aug	Year 2 Sep	Year 2 Oct	Year 2 Nov	Year 2 Dec	Yearly Total
Property Taxes	98,800	-	-	-	-	-	-	-	-	-	-	-	98,800
Insurance	47,250	-	-	-	-	-	-	-	-	-	-	-	47,250
Maintenance	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	16,640
Resident Caretaker	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	37,440
Property Management													
Potential Gross Income. Gen Revenue	43,065	43,065	43,065	43,065	43,065	43,065	43,065	43,065	43,065	43,065	43,065	43,065	516,780
Less: Vacancy Allowance	997	997	997	997	997	997	997	997	997	997	997	997	11,966
Effective Gross Income. Gen Revenue	42,068	42,068	42,068	42,068	42,068	42,068	42,068	42,068	42,068	42,068	42,068	42,068	504,814
% of Effective Gross Income. Gen Revenue	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
	1,683	1,683	1,683	1,683	1,683	1,683	1,683	1,683	1,683	1,683	1,683	1,683	20,193
Other Expenses													
Potential Gross Income. Gen Revenue	43,065	43,065	43,065	43,065	43,065	43,065	43,065	43,065	43,065	43,065	43,065	43,065	516,780
% of Potential Gross Income. Gen Revenue	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	15,503
Total	153,531	7,481	7,481	7,481	7,481	7,481	7,481	7,481	7,481	7,481	7,481	7,481	235,826



Expense Calculations. Monthly
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 Investment Analysis Rental Units Example

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	Year 3 Jan	Year 3 Feb	Year 3 Mar	Year 3 Apr	Year 3 May	Year 3 Jun	Year 3 Jul	Year 3 Aug	Year 3 Sep	Year 3 Oct	Year 3 Nov	Year 3 Dec	Yearly Total
Property Taxes	102,752	-	-	-	-	-	-	-	-	-	-	-	102,752
Insurance	49,613	-	-	-	-	-	-	-	-	-	-	-	49,613
Maintenance	1,442	1,442	1,442	1,442	1,442	1,442	1,442	1,442	1,442	1,442	1,442	1,442	17,306
Resident Caretaker	3,245	3,245	3,245	3,245	3,245	3,245	3,245	3,245	3,245	3,245	3,245	3,245	38,938
Property Management													
Potential Gross Income. Gen Revenue	44,592	44,592	44,592	44,592	44,592	44,592	44,592	44,592	44,592	44,592	44,592	44,592	535,099
Less: Vacancy Allowance	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	12,394
Effective Gross Income. Gen Revenue	43,559	43,559	43,559	43,559	43,559	43,559	43,559	43,559	43,559	43,559	43,559	43,559	522,705
% of Effective Gross Income. Gen Revenue	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	20,908
Other Expenses													
Potential Gross Income. Gen Revenue	44,592	44,592	44,592	44,592	44,592	44,592	44,592	44,592	44,592	44,592	44,592	44,592	535,099
% of Potential Gross Income. Gen Revenue	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	16,053
Total	160,132	7,767	7,767	7,767	7,767	7,767	7,767	7,767	7,767	7,767	7,767	7,767	245,569



Expense Calculations. Monthly
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	Year 4 Jan	Year 4 Feb	Year 4 Mar	Year 4 Apr	Year 4 May	Year 4 Jun	Year 4 Jul	Year 4 Aug	Year 4 Sep	Year 4 Oct	Year 4 Nov	Year 4 Dec	Yearly Total
Property Taxes	106,862	-	-	-	-	-	-	-	-	-	-	-	106,862
Insurance	52,093	-	-	-	-	-	-	-	-	-	-	-	52,093
Maintenance	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	17,998
Resident Caretaker	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	40,495
Property Management													
Potential Gross Income. Gen Revenue	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140	553,679
Less: Vacancy Allowance	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	12,828
Effective Gross Income. Gen Revenue	45,071	45,071	45,071	45,071	45,071	45,071	45,071	45,071	45,071	45,071	45,071	45,071	540,851
% of Effective Gross Income. Gen Revenue	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803	21,634
Other Expenses													
Potential Gross Income. Gen Revenue	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140	553,679
% of Potential Gross Income. Gen Revenue	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	16,610
Total	167,017	8,061	8,061	8,061	8,061	8,061	8,061	8,061	8,061	8,061	8,061	8,061	255,693



Expense Calculations. Monthly
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 Rental Apartment Building

	Year 5 Jan	Year 5 Feb	Year 5 Mar	Year 5 Apr	Year 5 May	Year 5 Jun	Year 5 Jul	Year 5 Aug	Year 5 Sep	Year 5 Oct	Year 5 Nov	Year 5 Dec	Yearly Total
Property Taxes	111,137	-	-	-	-	-	-	-	-	-	-	-	111,137
Insurance	54,698	-	-	-	-	-	-	-	-	-	-	-	54,698
Maintenance	1,560	1,560	1,560	1,560	1,560	1,560	1,560	1,560	1,560	1,560	1,560	1,560	18,718
Resident Caretaker	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	42,115
Property Management													
Potential Gross Income. Gen Revenue	47,790	47,790	47,790	47,790	47,790	47,790	47,790	47,790	47,790	47,790	47,790	47,790	573,482
Less: Vacancy Allowance	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	13,290
Effective Gross Income. Gen Revenue	46,683	46,683	46,683	46,683	46,683	46,683	46,683	46,683	46,683	46,683	46,683	46,683	560,192
% of Effective Gross Income. Gen Revenue	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
	1,867	1,867	1,867	1,867	1,867	1,867	1,867	1,867	1,867	1,867	1,867	1,867	22,408
Other Expenses													
Potential Gross Income. Gen Revenue	47,790	47,790	47,790	47,790	47,790	47,790	47,790	47,790	47,790	47,790	47,790	47,790	573,482
% of Potential Gross Income. Gen Revenue	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	17,204
Total	174,205	8,370	8,370	8,370	8,370	8,370	8,370	8,370	8,370	8,370	8,370	8,370	266,279



Expense Calculations. Monthly
 Parklane Place 40 Unit Apartment Building
 Investment Analysis Rental Units Example

March 24, 2008
 Investor Pro
 Rental Apartment Building

	Year 6 Jan	Year 6 Feb	Year 6 Mar	Year 6 Apr	Year 6 May	Year 6 Jun	Year 6 Jul	Year 6 Aug	Year 6 Sep	Year 6 Oct	Year 6 Nov	Year 6 Dec	Yearly Total
Property Taxes	115,582	-	-	-	-	-	-	-	-	-	-	-	115,582
Insurance	57,433	-	-	-	-	-	-	-	-	-	-	-	57,433
Maintenance	1,622	1,622	1,622	1,622	1,622	1,622	1,622	1,622	1,622	1,622	1,622	1,622	19,466
Resident Caretaker	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	43,800
Property Management													
Potential Gross Income. Gen Revenue	49,463	49,463	49,463	49,463	49,463	49,463	49,463	49,463	49,463	49,463	49,463	49,463	593,557
Less: Vacancy Allowance	1,147	1,147	1,147	1,147	1,147	1,147	1,147	1,147	1,147	1,147	1,147	1,147	13,759
Effective Gross Income. Gen Revenue	48,317	48,317	48,317	48,317	48,317	48,317	48,317	48,317	48,317	48,317	48,317	48,317	579,798
% of Effective Gross Income. Gen Revenue	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	23,192
Other Expenses													
Potential Gross Income. Gen Revenue	49,463	49,463	49,463	49,463	49,463	49,463	49,463	49,463	49,463	49,463	49,463	49,463	593,557
% of Potential Gross Income. Gen Revenue	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
	1,484	1,484	1,484	1,484	1,484	1,484	1,484	1,484	1,484	1,484	1,484	1,484	17,807
Total	181,703	8,689	8,689	8,689	8,689	8,689	8,689	8,689	8,689	8,689	8,689	8,689	277,279



Expense Calculations. Monthly
 Parklane Place 40 Unit Apartment Building
 Investment Analysis Rental Units Example

March 24, 2008
 Investor Pro
 Rental Apartment Building

	Year 7 Jan	Year 7 Feb	Year 7 Mar	Year 7 Apr	Year 7 May	Year 7 Jun	Year 7 Jul	Year 7 Aug	Year 7 Sep	Year 7 Oct	Year 7 Nov	Year 7 Dec	Yearly Total
Property Taxes	120,205	-	-	-	-	-	-	-	-	-	-	-	120,205
Insurance	60,304	-	-	-	-	-	-	-	-	-	-	-	60,304
Maintenance	1,687	1,687	1,687	1,687	1,687	1,687	1,687	1,687	1,687	1,687	1,687	1,687	20,245
Resident Caretaker	3,796	3,796	3,796	3,796	3,796	3,796	3,796	3,796	3,796	3,796	3,796	3,796	45,552
Property Management													
Potential Gross Income. Gen Revenue	51,239	51,239	51,239	51,239	51,239	51,239	51,239	51,239	51,239	51,239	51,239	51,239	614,868
Less: Vacancy Allowance	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	14,256
Effective Gross Income. Gen Revenue	50,051	50,051	50,051	50,051	50,051	50,051	50,051	50,051	50,051	50,051	50,051	50,051	600,612
% of Effective Gross Income. Gen Revenue	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
	2,002	2,002	2,002	2,002	2,002	2,002	2,002	2,002	2,002	2,002	2,002	2,002	24,024
Other Expenses													
Potential Gross Income. Gen Revenue	51,239	51,239	51,239	51,239	51,239	51,239	51,239	51,239	51,239	51,239	51,239	51,239	614,868
% of Potential Gross Income. Gen Revenue	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	18,446
Total	189,532	9,022	9,022	9,022	9,022	9,022	9,022	9,022	9,022	9,022	9,022	9,022	288,777



Expense Calculations. Monthly
 Parklane Place 40 Unit Apartment Building
 Investment Analysis Rental Units Example

March 24, 2008
 Investor Pro
 Rental Apartment Building

	Year 8 Jan	Year 8 Feb	Year 8 Mar	Year 8 Apr	Year 8 May	Year 8 Jun	Year 8 Jul	Year 8 Aug	Year 8 Sep	Year 8 Oct	Year 8 Nov	Year 8 Dec	Yearly Total
Property Taxes	125,014	-	-	-	-	-	-	-	-	-	-	-	125,014
Insurance	63,320	-	-	-	-	-	-	-	-	-	-	-	63,320
Maintenance	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	21,055
Resident Caretaker	3,948	3,948	3,948	3,948	3,948	3,948	3,948	3,948	3,948	3,948	3,948	3,948	47,374
Property Management													
Potential Gross Income. Gen Revenue	53,053	53,053	53,053	53,053	53,053	53,053	53,053	53,053	53,053	53,053	53,053	53,053	636,641
Less: Vacancy Allowance	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	14,765
Effective Gross Income. Gen Revenue	51,823	51,823	51,823	51,823	51,823	51,823	51,823	51,823	51,823	51,823	51,823	51,823	621,876
% of Effective Gross Income. Gen Revenue	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
	2,073	2,073	2,073	2,073	2,073	2,073	2,073	2,073	2,073	2,073	2,073	2,073	24,875
Other Expenses													
Potential Gross Income. Gen Revenue	53,053	53,053	53,053	53,053	53,053	53,053	53,053	53,053	53,053	53,053	53,053	53,053	636,641
% of Potential Gross Income. Gen Revenue	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	1,592	19,099
Total	197,700	9,367	9,367	9,367	9,367	9,367	9,367	9,367	9,367	9,367	9,367	9,367	300,736



Expense Calculations. Monthly
 Parklane Place 40 Unit Apartment Building
 Investment Analysis Rental Units Example

March 24, 2008
 Investor Pro
 Rental Apartment Building

	Year 9 Jan	Year 9 Feb	Year 9 Mar	Year 9 Apr	Year 9 May	Year 9 Jun	Year 9 Jul	Year 9 Aug	Year 9 Sep	Year 9 Oct	Year 9 Nov	Year 9 Dec	Yearly Total
Property Taxes	130,014	-	-	-	-	-	-	-	-	-	-	-	130,014
Insurance	66,485	-	-	-	-	-	-	-	-	-	-	-	66,485
Maintenance	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	21,897
Resident Caretaker	4,106	4,106	4,106	4,106	4,106	4,106	4,106	4,106	4,106	4,106	4,106	4,106	49,269
Property Management													
Potential Gross Income. Gen Revenue	54,916	54,916	54,916	54,916	54,916	54,916	54,916	54,916	54,916	54,916	54,916	54,916	658,997
Less: Vacancy Allowance	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	15,286
Effective Gross Income. Gen Revenue	53,643	53,643	53,643	53,643	53,643	53,643	53,643	53,643	53,643	53,643	53,643	53,643	643,711
% of Effective Gross Income. Gen Revenue	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	2,146	25,748
Other Expenses													
Potential Gross Income. Gen Revenue	54,916	54,916	54,916	54,916	54,916	54,916	54,916	54,916	54,916	54,916	54,916	54,916	658,997
% of Potential Gross Income. Gen Revenue	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647	19,770
Total	206,223	9,724	9,724	9,724	9,724	9,724	9,724	9,724	9,724	9,724	9,724	9,724	313,184



Expense Calculations. Monthly
 Parklane Place 40 Unit Apartment Building
 Investment Analysis Rental Units Example

March 24, 2008
 Investor Pro
 Rental Apartment Building

	Year 10 Jan	Year 10 Feb	Year 10 Mar	Year 10 Apr	Year 10 May	Year 10 Jun	Year 10 Jul	Year 10 Aug	Year 10 Sep	Year 10 Oct	Year 10 Nov	Year 10 Dec	Yearly Total
Property Taxes	135,215	-	-	-	-	-	-	-	-	-	-	-	135,215
Insurance	69,810	-	-	-	-	-	-	-	-	-	-	-	69,810
Maintenance	1,898	1,898	1,898	1,898	1,898	1,898	1,898	1,898	1,898	1,898	1,898	1,898	22,773
Resident Caretaker	4,270	4,270	4,270	4,270	4,270	4,270	4,270	4,270	4,270	4,270	4,270	4,270	51,239
Property Management													
Potential Gross Income. Gen Revenue	56,873	56,873	56,873	56,873	56,873	56,873	56,873	56,873	56,873	56,873	56,873	56,873	682,480
Less: Vacancy Allowance	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	15,835
Effective Gross Income. Gen Revenue	55,554	55,554	55,554	55,554	55,554	55,554	55,554	55,554	55,554	55,554	55,554	55,554	666,644
% of Effective Gross Income. Gen Revenue	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
	2,222	2,222	2,222	2,222	2,222	2,222	2,222	2,222	2,222	2,222	2,222	2,222	26,666
Other Expenses													
Potential Gross Income. Gen Revenue	56,873	56,873	56,873	56,873	56,873	56,873	56,873	56,873	56,873	56,873	56,873	56,873	682,480
% of Potential Gross Income. Gen Revenue	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
	1,706	1,706	1,706	1,706	1,706	1,706	1,706	1,706	1,706	1,706	1,706	1,706	20,474
Total	215,120	10,096	10,096	10,096	10,096	10,096	10,096	10,096	10,096	10,096	10,096	10,096	326,177



Expense Calculations. Monthly
 Parklane Place 40 Unit Apartment Building
 Investment Analysis Rental Units Example

March 24, 2008
 Investor Pro
 Rental Apartment Building

	Year 11 Jan	Year 11 Feb	Year 11 Mar	Year 11 Apr	Year 11 May	Year 11 Jun	Year 11 Jul	Year 11 Aug	Year 11 Sep	Year 11 Oct	Year 11 Nov	Year 11 Dec	Yearly Total
Property Taxes	140,623	-	-	-	-	-	-	-	-	-	-	-	140,623
Insurance	73,300	-	-	-	-	-	-	-	-	-	-	-	73,300
Maintenance	1,974	1,974	1,974	1,974	1,974	1,974	1,974	1,974	1,974	1,974	1,974	1,974	23,684
Resident Caretaker	4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441	53,289
Property Management													
Potential Gross Income. Gen Revenue	58,905	58,905	58,905	58,905	58,905	58,905	58,905	58,905	58,905	58,905	58,905	58,905	706,862
Less: Vacancy Allowance	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	16,403
Effective Gross Income. Gen Revenue	57,538	57,538	57,538	57,538	57,538	57,538	57,538	57,538	57,538	57,538	57,538	57,538	690,459
% of Effective Gross Income. Gen Revenue	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
	2,302	2,302	2,302	2,302	2,302	2,302	2,302	2,302	2,302	2,302	2,302	2,302	27,618
Other Expenses													
Potential Gross Income. Gen Revenue	58,905	58,905	58,905	58,905	58,905	58,905	58,905	58,905	58,905	58,905	58,905	58,905	706,862
% of Potential Gross Income. Gen Revenue	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	21,206
Total	224,407	10,483	10,483	10,483	10,483	10,483	10,483	10,483	10,483	10,483	10,483	10,483	339,720



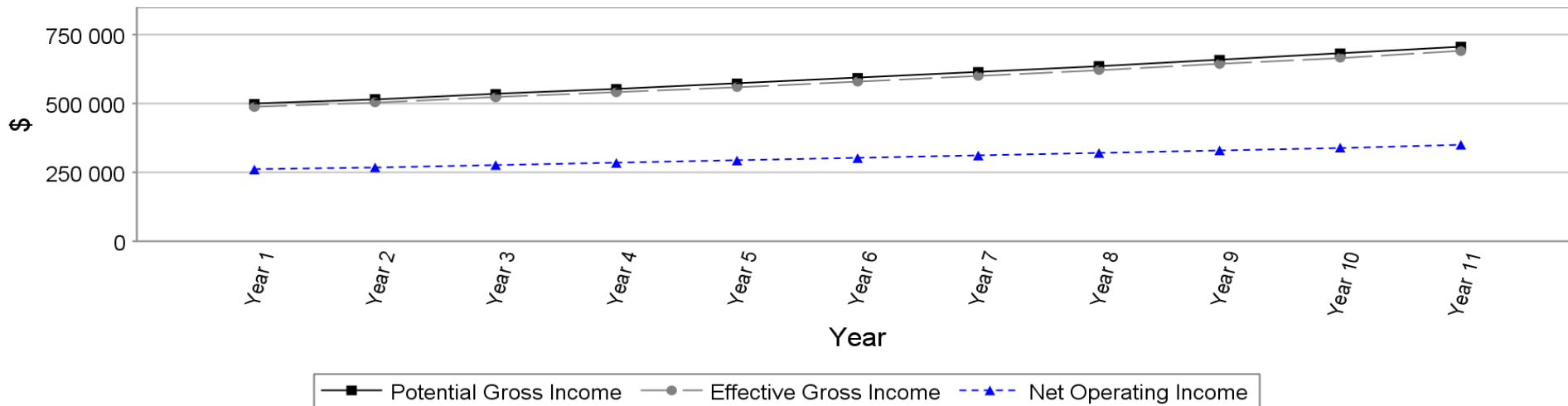
Vacancy & Credit Loss. Yearly
 Parklane Place 40 Unit Apartment Building
 Investment Analysis Rental Units Example

March 24, 2008
 Investor Pro
 Rental Apartment Building

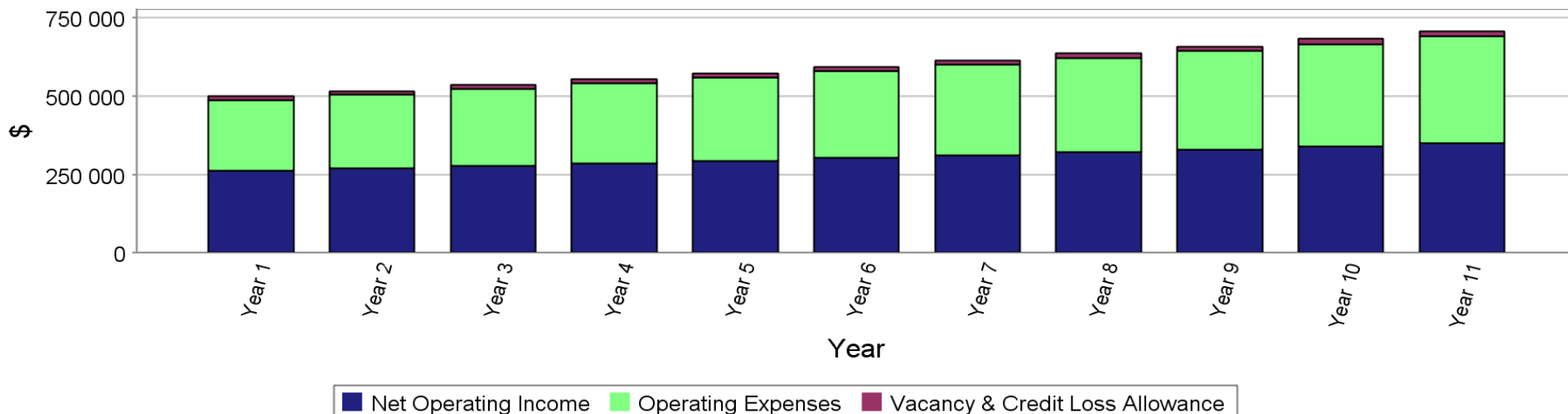
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
VACANCY & CREDIT LOSS											
One bedroom units	5,400	5,562	5,730	5,898	6,078	6,258	6,450	6,642	6,840	7,044	7,260
Two bedroom Units	5,940	6,178	6,426	6,680	6,950	7,225	7,517	7,819	8,127	8,456	8,791
Laundry	216	227	238	250	263	276	289	304	319	335	352
Parking	-	-	-	-	-	-	-	-	-	-	-
TOTAL VACANCY	11,556	11,966	12,394	12,828	13,290	13,759	14,256	14,765	15,286	15,835	16,403



Income & Expenses



Income Distribution

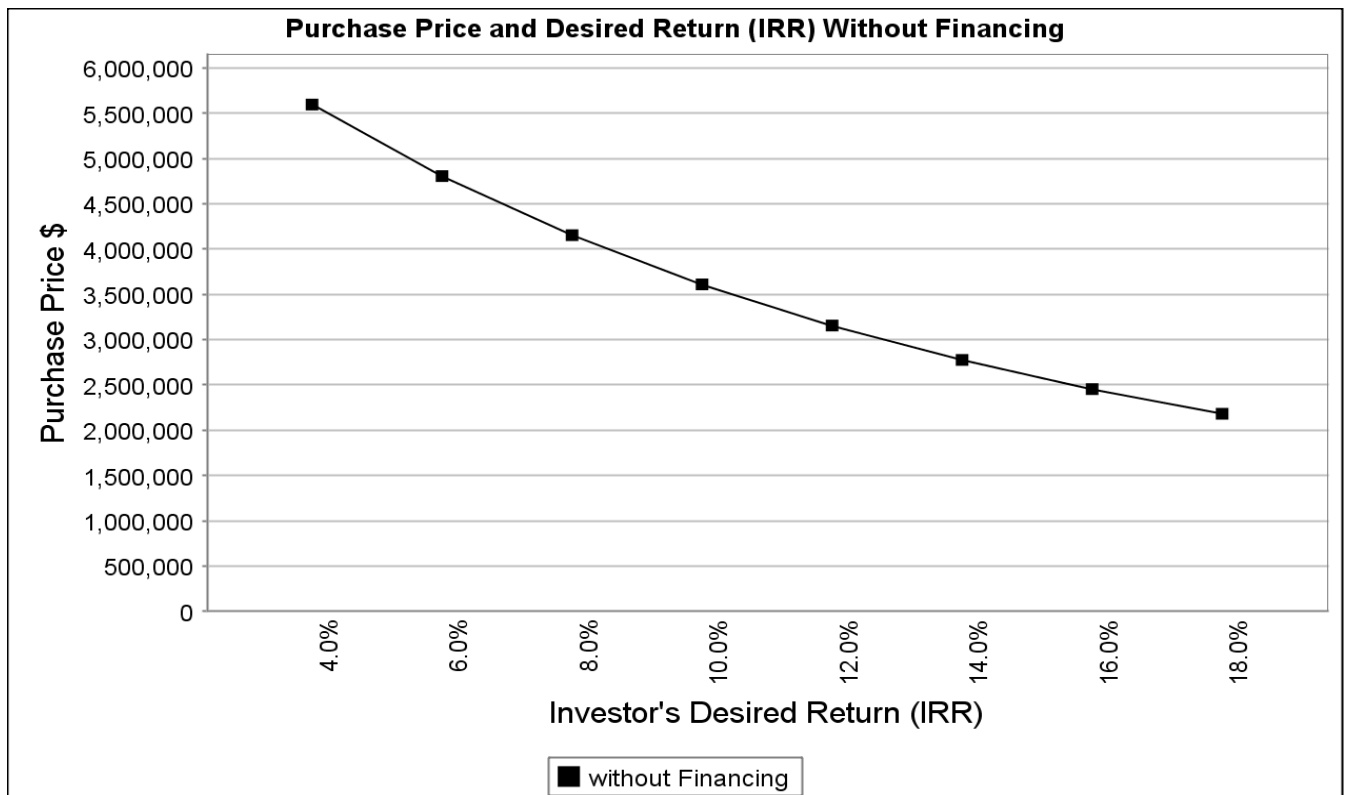
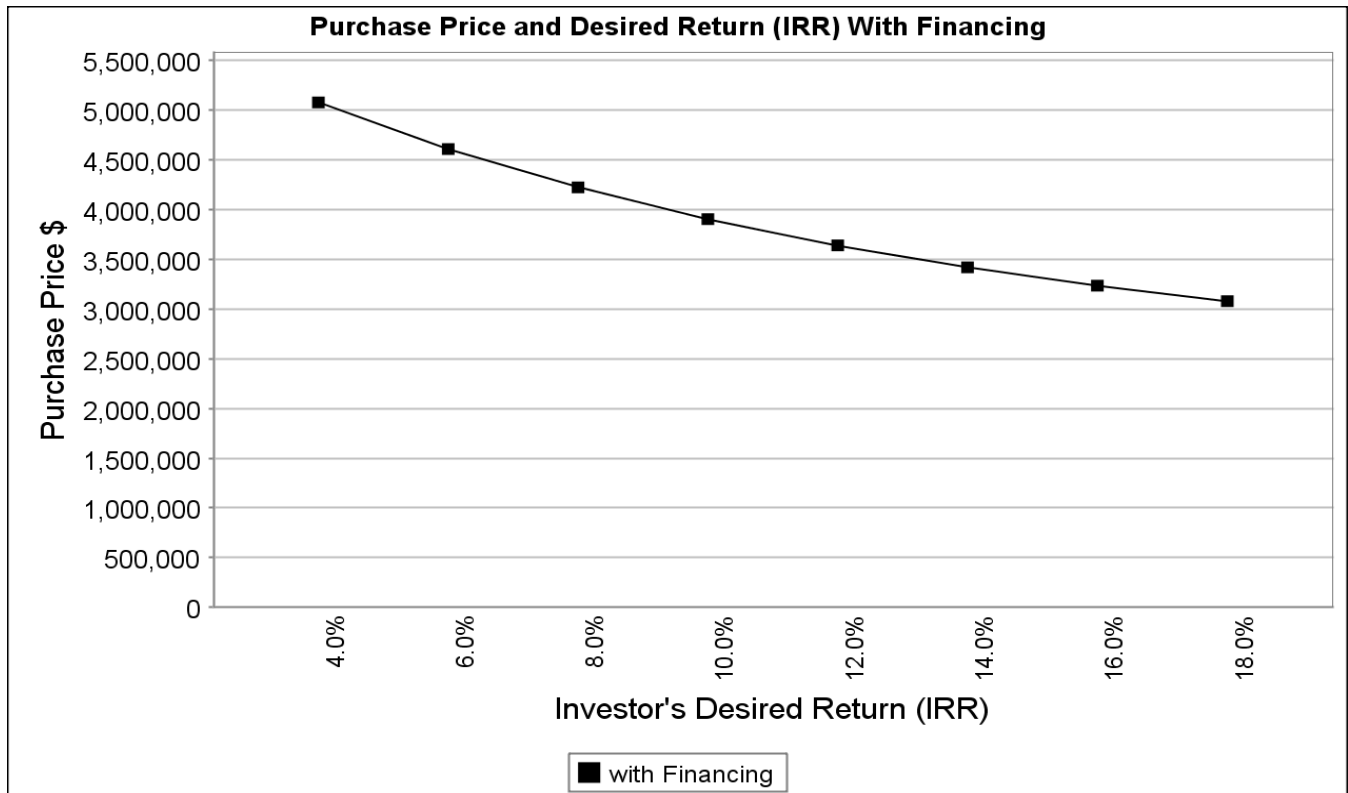




Graph. Purchase Price & Desired Return (Before Tax)

Parklane Place 40 Unit Apartment Building
Investment Analysis Rental Units Example

March 24, 2008
Investor Pro
Rental Apartment Building

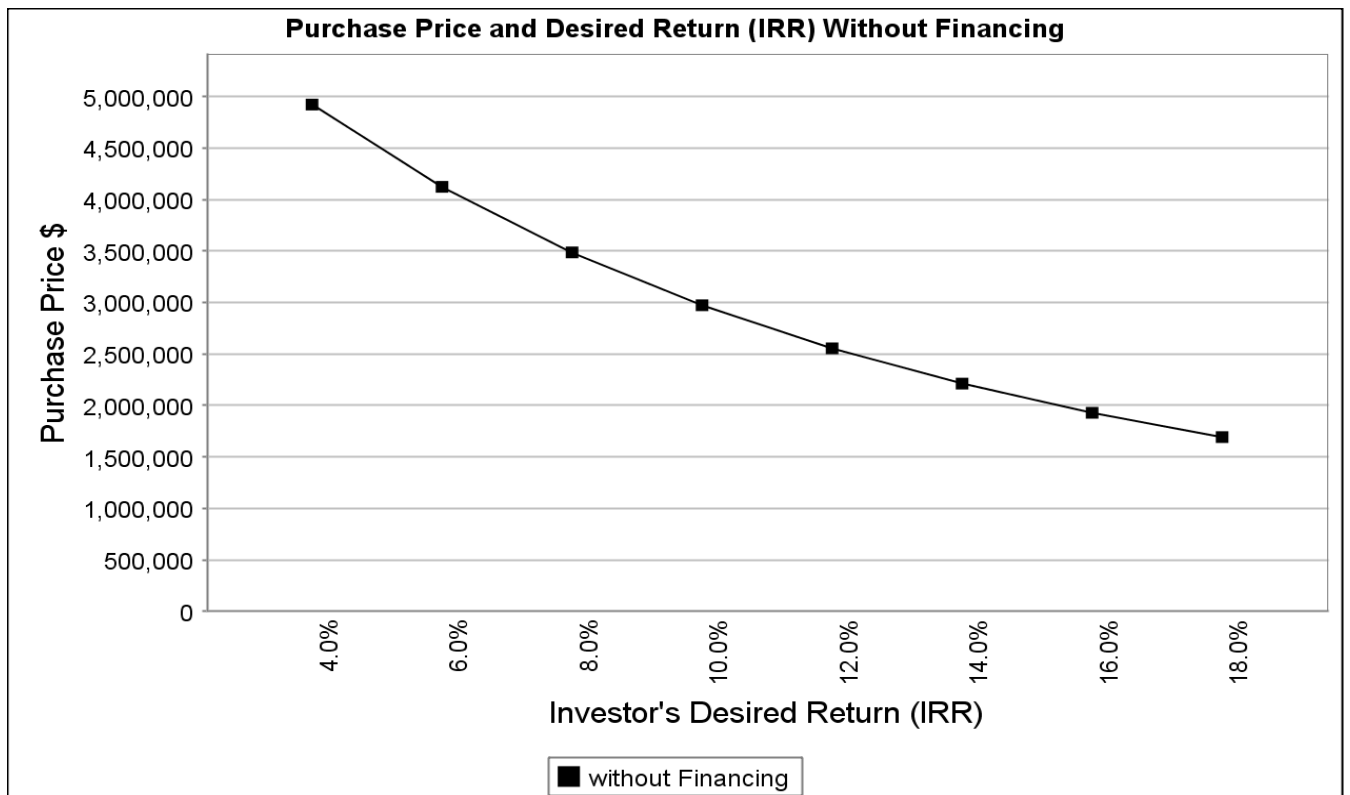
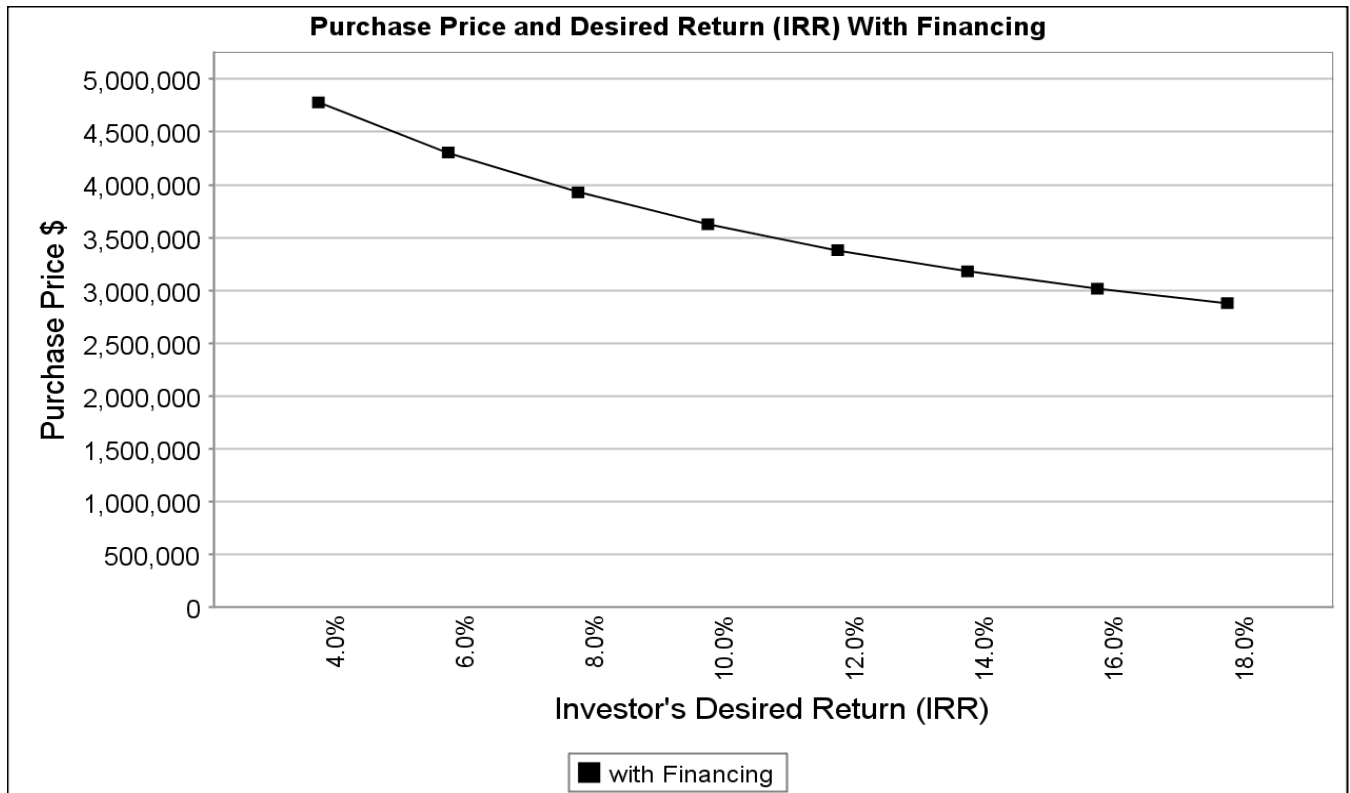




Graph. Purchase Price & Desired Return (After Tax)

Parklane Place 40 Unit Apartment Building
Investment Analysis Rental Units Example

March 24, 2008
Investor Pro
Rental Apartment Building





Financial Returns.

Cap Rate using the investment in Year 1 of \$ 3,570,000 7.32%

		<u>With Financing</u>	<u>Without Financing</u>
Internal Rate of Return (IRR)	Before Tax	12.60%	10.16%
	After Tax	10.42%	7.71%
Net Present Value (NPV)	Before Tax	\$ 196,141 at 11.00%	(\$ 197,852) at 11.00%
	After Tax	\$ 453,878 at 7.15%	\$ 152,122 at 7.15%
Modified Internal Rate of Return (MIRR)	Before Tax	11.04%	8.55%
	Short Term Financing Rate (Before Tax)	8.00%	8.00%
	Short Term Reinvestment Rate (Before Tax)	3.00%	3.00%
Modified Internal Rate of Return (MIRR)	After Tax	9.14%	6.63%
	Short Term Financing Rate (After Tax)	5.20%	5.20%
	Short Term Reinvestment Rate (Before Tax)	1.95%	1.95%

Financial Operating Ratios

<u>Year</u>	<u>Debt Coverage Ratio</u>	<u>Default Ratio (Breakeven) (Using PGI)</u>	<u>Overall Operating Expense Ratio (Using PGI)</u>
Year 1	1.47	80.90%	45.37%
Year 2	1.52	79.95%	45.63%
Year 3	1.56	79.04%	45.89%
Year 4	1.61	78.21%	46.18%
Year 5	1.66	77.36%	46.43%
Year 6	1.71	76.60%	46.71%
Year 7	1.76	75.81%	46.97%
Year 8	1.81	75.10%	47.24%
Year 9	1.86	74.44%	47.52%
Year 10	1.92	73.78%	47.79%



Cash on Cash Returns

Year	Based on Initial Equity in Year 1				Based on Adjusted Annual Equity			
	Cash on Cash Before Tax		Cash on Cash After Tax		Cash on Cash Before Tax		Cash on Cash After Tax	
	Annual	Average	Annual	Average	Annual	Average	Annual	Average
Year 1	5.27%	5.27%	4.82%	4.82%	5.27%	5.27%	4.82%	4.82%
Year 2	5.76%	5.52%	5.18%	5.00%	5.76%	5.52%	5.18%	5.00%
Year 3	6.28%	5.77%	5.46%	5.15%	6.28%	5.77%	5.46%	5.15%
Year 4	6.78%	6.02%	5.73%	5.29%	6.78%	6.02%	5.73%	5.29%
Year 5	7.33%	6.28%	6.03%	5.44%	7.33%	6.28%	6.03%	5.44%
Year 6	7.87%	6.55%	6.31%	5.59%	7.87%	6.55%	6.31%	5.59%
Year 7	8.46%	6.82%	6.62%	5.73%	8.46%	6.82%	6.62%	5.73%
Year 8	9.04%	7.10%	6.93%	5.88%	9.04%	7.10%	6.93%	5.88%
Year 9	9.63%	7.38%	7.23%	6.03%	9.63%	7.38%	7.23%	6.03%
Year 10	10.26%	7.67%	7.46%	6.18%	10.26%	7.67%	7.46%	6.18%



SUMMARY

	Internal Rate of Return (IRR)	Buy	Sell	Compounding Appreciation Rate
BEFORE TAX				
With Financing				
Based on data entered	12.60%	\$ 3,570,000	\$ 5,010,556	3.45%
Goal seeking results for IRR	11.00%	\$ 3,766,141	\$ 5,010,556	2.90%
	11.00%	\$ 3,570,000	\$ 4,424,321	2.17%
Without Financing				
Based on data entered	10.16%	\$ 3,570,000	\$ 5,010,556	3.45%
Goal seeking results for IRR	11.00%	\$ 3,372,148	\$ 5,010,556	4.04%
	11.00%	\$ 3,570,000	\$ 5,601,905	4.61%
AFTER TAX				
With Financing				
Based on data entered	10.42%	\$ 3,570,000	\$ 5,010,556	3.45%
Goal seeking results for IRR	7.04%	\$ 4,098,157	\$ 5,010,556	2.03%
	7.04%	\$ 3,570,000	\$ 3,857,000	0.78%
Without Financing				
Based on data entered	7.71%	\$ 3,570,000	\$ 5,010,556	3.45%
Goal seeking results for IRR	7.04%	\$ 3,774,750	\$ 5,010,556	2.87%
	7.04%	\$ 3,570,000	\$ 4,563,360	2.49%



GOAL SEEKING RESULTS BEFORE TAX

With Financing

To achieve an Internal Rate of Return (IRR) of 11.00% before tax, you would have to either:

- a) Buy the property for \$ 3,766,141 and sell for \$ 5,010,556 in 10 years which is 2.90% compounding increase in value per year.
- b) Buy the property for \$ 3,570,000 and sell for \$ 4,424,321 in 10 years which is 2.17% compounding increase in value per year.

Without Financing

To achieve an Internal Rate of Return (IRR) of 11.00% before tax, you would have to either:

- a) Buy the property for \$ 3,372,148 and sell for \$ 5,010,556 in 10 years which is 4.04% compounding increase in value per year.
- b) Buy the property for \$ 3,570,000 and sell for \$ 5,601,905 in 10 years which is 4.61% compounding increase in value per year.

GOAL SEEKING RESULTS AFTER TAX

With Financing

To achieve an Internal Rate of Return (IRR) of 7.04% after tax, you would have to either:

- a) Buy the property for \$ 4,098,157 and sell for \$ 5,010,556 in 10 years which is 2.03% compounding increase in value per year.
- b) Buy the property for \$ 3,570,000 and sell for \$ 3,857,000 in 10 years which is 0.78% compounding increase in value per year.

Without Financing

To achieve an Internal Rate of Return (IRR) of 7.04% after tax, you would have to either:

- a) Buy the property for \$ 3,774,750 and sell for \$ 5,010,556 in 10 years which is 2.87% compounding increase in value per year.
- b) Buy the property for \$ 3,570,000 and sell for \$ 4,563,360 in 10 years which is 2.49% compounding increase in value per year.

INVESTMENT TAB ENTRIES. Allocations of the Purchase Price between Land and Improvements to achieve the desired Internal Rate of Return (IRR)

	%	BEFORE TAX		AFTER TAX	
		With Financing	No Financing	With Financing	No Financing
	Allocation	11.00% IRR	11.00% IRR	7.040% IRR	7.040% IRR
Land	28.01%	1,054,941	944,579	1,147,943	1,057,353
Building	71.99%	2,711,200	2,427,569	2,950,214	2,717,397
Purchase Price (Year 1 Total)	100.00%	\$ 3,766,141	\$ 3,372,148	\$ 4,098,157	\$ 3,372,148

Notes:

The allocation of the Purchase Price between Land and Improvements uses the same % allocation used in the First Year of the Investment Folder grid.

The Purchase Price (Year 1 Total) excludes entries using the Depreciation methods "Amort. Mortgage Fees" and "Amortize"



Cash Flow from Sale (Before Tax)

Sale Price		\$	5,010,556
Less: Real Estate Commission			250,528
Selling Expenses			6,000
Legal Expenses			3,000
Net Sale Price			<u>4,751,028</u>
Less: Mortgage Repayment			<u>1,594,349</u>
Cash Flow from Sale (Before Tax)			<u>3,156,679</u>

Cash Flow from Sale (After Tax)

Net Sale Price			4,751,028
Less: Capital Gains Tax			
Net Sale Price		4,751,028	
Less Cost Basis		<u>3,570,000</u>	
Capital Gains	1,181,028	x 15.00%	177,154
Less: Recaptured Depreciation Tax			
Tax Value of Improvements on Sale		2,570,000	
Less Adjusted Basis		<u>1,643,304</u>	
Recaptured Depreciation	926,696	x 25.00%	<u>231,674</u>
Net Proceeds (After Tax)			4,342,200
Less: Mortgage Repayment			<u>1,594,349</u>
Cash Flow from Sale (After Tax)			<u>2,747,851</u>



Input Data Summary
Parklane Place 40 Unit Apartment Building
Investment Analysis Rental Units Example

March 24, 2008
Investor Pro
Rental Apartment Building

Investment Analysis

Note

For information on Revenue, Expenses and Vacancy inputs and projections see the Revenue, Expense and Vacancy projection description reports.

Project Information

Analysis Period	10 years
Starting date	January Year 1
Purchase Price	\$ 3,500,000
Acquisition Cost	70,000 2.00%
Total Purchase Price	<u>\$ 3,570,000</u>
Building Area	38,000 Sq. Ft
Residential	
Rentable Area	36,000 Sq. Ft
No. of Units	40
Land Area	46,000 Sq. Ft
Frontage	320 Ft

Investor Information

Marginal Tax Rate	35.00%
Capital Gain Tax Rate	15.00%
Recaptured Deprec. Tax Rate	25.00%

Desired Return on Investment (Discount Rate)

Before Tax:	11.00%
After Tax:	7.15%

Short Term Reinvestment Rates

Before Tax:	3.000%
After Tax:	1.950%

Short Term Financing Rates

Before Tax:	8.000%
After Tax:	5.200%



Input Data Summary
 Parklane Place 40 Unit Apartment Building
 Investment Analysis Rental Units Example

March 24, 2008
 Investor Pro
 Rental Apartment Building

Investment information

Active Investor with no Loss limitation

Total Invested in Year 1 is \$ 3,570,000

	Investment Type	Date	Amount	Recovery Period Years
Land	Land (No Depreciation)	Jan, Year 1	\$ 1,000,000	-
Building	Residential Property. Straight Line	Jan, Year 1	\$ 2,570,000	27.50
Mortgage Fees and Points	Amortized Mortgage Fees	Jan, Year 1	\$ 20,000	10.00

Financing

First Mortgage

Starts: January Year 1
 Type: Standard Mortgage
 Amount: \$ 2,000,000
 Interest Rate: Fixed
 Payment Frequency: Monthly
 Compounding Frequency: Monthly
 Addit. Payments/Borrowing: No
 Rounding: Up to Nearest Cent
 No of Terms: 1

Term	Time Period	Nominal Annual Interest Rate	Amortization
1	10 yrs & 0 mos	7.500%	25 yrs & 0 mos

Sale Information

Sale price at the end of 10 years is \$ 5,010,556 based on the income for the year following sale and a Cap Rate of 7.00%

Selling Expenses

Selling Expenses \$ 6,000
 Legal Expenses \$ 3,000

Real Estate Commissions 5.00% of the Sale Price



Input Data Summary

Parklane Place 40 Unit Apartment Building
Investment Analysis Rental Units Example

March 24, 2008
Investor Pro
Rental Apartment Building

Allocation of Improvements on Sale

Same ratio as on acquisition



Projection Descriptions
Parklane Place 40 Unit Apartment Building
Investment Analysis Rental Units Example

March 24, 2008
Investor Pro
Rental Apartment Building

EXPENSES PROJECTIONS

Property Taxes

Entry Choice: \$ per Year

Year 1 Jan \$95,000.00 per Year paid every 12 months
Compounding at 4.00% per year for next 10 years

Insurance

Entry Choice: \$ per Year

Year 1 Jan \$45,000.00 per Year paid every 12 months
Compounding at 5.00% per year for next 10 years

Maintenance

Entry Choice: \$ per Unit x Total No.of Units per Year

Quantity: 40

Year 1 Jan \$400.00 per Unit x Total No.of Units per Year paid monthly for 12 months
Compounding at 4.00% per year for next 10 years

Resident Caretaker

Entry Choice: \$ per Month

Year 1 Jan \$3,000.00 per Month paid monthly for 12 months
Compounding at 4.00% per year for next 10 years

Property Management

Entry Choice: % of Effective Gross Income

Year 1 Jan 4.00% of Effective Gross Income
Constant for next 10 years and 11 months

Other Expenses

Entry Choice: % of Potential Gross Income

Year 1 Jan 3.00% of Potential Gross Income
Constant for next 10 years and 11 months

REVENUE PROJECTIONS

One bedroom units

Entry Choice: \$ per Unit per Month



Projection Descriptions

Parklane Place 40 Unit Apartment Building
Investment Analysis Rental Units Example

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Rental Apartment Building

Quantity: 25

Year 1 Jan \$900 per Unit per Month paid monthly for 12 months
Compounding at 3.00% per year for next 10 years

Two bedroom Units

Entry Choice: \$ per Unit per Month

Quantity: 15

Year 1 Jan \$1,100 per Unit per Month paid monthly for 12 months
Compounding at 4.00% per year for next 10 years

Laundry

Entry Choice: \$ per Unit x Total No.of Units per Month

Quantity: 40

Year 1 Jan \$15.00 per Unit x Total No.of Units per Month paid monthly for 12 months
Compounding at 5.00% per year for next 10 years

Parking

Entry Choice: \$ per Space per Month

Quantity: 50

Year 1 Jan \$40.00 per Space per Month paid monthly for 12 months
Compounding at 5.00% per year for next 10 years



Depreciation Schedules
 Parklane Place 40 Unit Apartment Building
 Investment Analysis Rental Units Example

March 24, 2008
 Investor Pro
 Rental Apartment Building

Building

Starting Date: Year 1 January
 Depreciation Method: Residential Property. Straight Line
 Recovery Period: 27.5 Year(s)
 First Year Convention: Mid-Month 95.8%
 Last Year Convention: 95.8%
 Depreciation Bonus: 0%
 Amount \$ 2,570,000

Period	Cost Basis	Adjusted Cost Basis	Depreciation	Depreciation Bonus	Undepreciated Balance
Yr. 1 Jan-Yr. 1 Dec	\$ 2,570,000	\$ 2,570,000	\$ 89,529	-	\$ 2,480,471
Yr. 2 Jan-Yr. 2 Dec		2,480,471	93,455		2,387,016
Yr. 3 Jan-Yr. 3 Dec		2,387,016	93,455		2,293,561
Yr. 4 Jan-Yr. 4 Dec		2,293,561	93,455		2,200,106
Yr. 5 Jan-Yr. 5 Dec		2,200,106	93,455		2,106,651
Yr. 6 Jan-Yr. 6 Dec		2,106,651	93,454		2,013,197
Yr. 7 Jan-Yr. 7 Dec		2,013,197	93,455		1,919,742
Yr. 8 Jan-Yr. 8 Dec		1,919,742	93,454		1,826,288
Yr. 9 Jan-Yr. 9 Dec		1,826,288	93,455		1,732,833
Yr. 10 Jan-Yr. 10 Dec		1,732,833	89,529		1,643,304
Total	\$ 2,570,000		\$ 926,696	-	



Mortgage Fees and Points

Starting Date:	Year 1 January
Depreciation Method:	Amortized Mortgage Fees
Recovery Period:	10.0 Year(s)
First Year Convention: Monthly Prorata	100.0%
Last Year Convention:	100.0%
Amount	\$ 20,000

Period	Cost Basis	Adjusted Cost Basis	Depreciation	Unamortized Balance
Yr. 1 Jan-Yr. 1 Dec	\$ 20,000	\$ 20,000	\$ 2,000	\$ 18,000
Yr. 2 Jan-Yr. 2 Dec		18,000	2,000	16,000
Yr. 3 Jan-Yr. 3 Dec		16,000	2,000	14,000
Yr. 4 Jan-Yr. 4 Dec		14,000	2,000	12,000
Yr. 5 Jan-Yr. 5 Dec		12,000	2,000	10,000
Yr. 6 Jan-Yr. 6 Dec		10,000	2,000	8,000
Yr. 7 Jan-Yr. 7 Dec		8,000	2,000	6,000
Yr. 8 Jan-Yr. 8 Dec		6,000	2,000	4,000
Yr. 9 Jan-Yr. 9 Dec		4,000	2,000	2,000
Yr. 10 Jan-Yr. 10 Dec		2,000	2,000	-
Total	\$ 20,000		\$ 20,000	



Mortgage Schedule
 Parklane Place 40 Unit Apartment Building
 Investment Analysis Rental Units Example

March 24, 2008
 Investor Pro
 Rental Apartment Building

First Mortgage

Amount: \$2,000,000
 Type: Standard Mortgage
 Analysis Start Date: January Year 1
 Mortgage Commences: January Year 1
 Payment Frequency: Monthly
 Payment Rounded: Up to Nearest Cent
 Compounding Frequency: Monthly
 Interest Rate: Fixed
 Additional Payment or Borrowing: No

Term	Start Date of (Balloon) Term	Time Period		Nominal Annual Interest Rate	Amortization	
		Years	Months		Years	Months
1	Year 1 Jan	10	0	7.500 %	25	0

	Outstanding Balance	End of Year Accrued Interest	Mortgage Payout
Payout at end of Analysis Period: Dec Year 10	\$ 1,594,349.14	-	\$ 1,594,349.14
Payout at end of last Term: Dec Year 10	\$ 1,594,349.14	-	\$ 1,594,349.14

Time Period	Payment	Interest Payment	Principal Payment	Additional Payment or (Borrowing)	Outstanding Balance
Year 1 Jan-Year 1 Dec	177,357.96	149,039.71	28,318.25	-	1,971,681.75
Year 2 Jan-Year 2 Dec	177,357.96	146,841.29	30,516.67	-	1,941,165.08
Year 3 Jan-Year 3 Dec	177,357.96	144,472.19	32,885.77	-	1,908,279.31
Year 4 Jan-Year 4 Dec	177,357.96	141,919.20	35,438.76	-	1,872,840.55
Year 5 Jan-Year 5 Dec	177,357.96	139,167.98	38,189.98	-	1,834,650.57
Year 6 Jan-Year 6 Dec	177,357.96	136,203.18	41,154.78	-	1,793,495.79
Year 7 Jan-Year 7 Dec	177,357.96	133,008.24	44,349.72	-	1,749,146.07
Year 8 Jan-Year 8 Dec	177,357.96	129,565.27	47,792.69	-	1,701,353.38
Year 9 Jan-Year 9 Dec	177,357.96	125,854.99	51,502.97	-	1,649,850.41
Year 10 Jan-Year 10 Dec	177,357.96	121,856.69	55,501.27	-	1,594,349.14
	1,773,579.60	1,367,928.74	405,650.86	-	