



## **Parklane Place 40 Unit Apartment Building**

Investment Analysis Rental Units Example



Devon Realty John Devon  
1746 Oak Street, Vancouver, BC V6R1M1 Canada  
Bus 604-768-5845 [jdevon@global.net](mailto:jdevon@global.net)



**Property Information**

Parklane Place 40 Unit Apartment Building  
Investment Analysis Rental Units Example

June 08, 2008  
Investor Express

Investment Analysis Rental Apartment Building

**Property Description**

**Location Description**

**Purchase Price**

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

**Legal**

**Zoning**

**Encumbrances**



**Property Information**

Parklane Place 40 Unit Apartment Building  
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**Property Taxes Information**

Assessment Date  
Property Taxes \$ 0  
Roll or Identification Number

**Assessed Value**

Land -  
Improvements -  
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-

**Land**

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

**Building**

Age 0 Years  
No of Floors 0

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

**Parking**

Uncovered -  
Covered -  
Other -  
-----  
Total Parking -

**Construction**

**Building Equipment & Systems**

**Elevators**

No. of Elevators 0



**Client Information**

Parklane Place 40 Unit Apartment Building  
Investment Analysis Rental Units Example

June 08, 2008  
Investor Express

Investment Analysis Rental Apartment Building

**James Holden**

Whistler Investments Inc.  
1324 W Broadway

Vancouver, BC V5M1T2  
Canada

**Contact Information**

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

June 08, 2008  
 Investor Express  
 Investment Analysis 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
<b>REVENUE</b>											
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	7,680	8,160	8,160	8,640	9,120	9,600	10,080	10,560	11,040	11,520
Parking	24,000	25,200	26,460	27,786	29,172	30,630	32,160	33,768	35,460	37,230	39,096
<b>Potential Gross Income</b>	<b>499,200</b>	<b>516,900</b>	<b>535,320</b>	<b>553,506</b>	<b>573,372</b>	<b>593,490</b>	<b>614,820</b>	<b>636,588</b>	<b>658,920</b>	<b>682,350</b>	<b>706,656</b>
Less: Vacancy & Credit Loss Allowance	14,256	14,751	15,266	15,772	16,326	16,886	17,480	18,085	18,704	19,354	20,027
<b>Effective Gross Income</b>	<b>484,944</b>	<b>502,149</b>	<b>520,054</b>	<b>537,734</b>	<b>557,046</b>	<b>576,604</b>	<b>597,340</b>	<b>618,503</b>	<b>640,216</b>	<b>662,996</b>	<b>686,629</b>
<b>Operating Expenses</b>											
Property Taxes	90,000	93,600	97,344	100,264	103,272	106,370	109,562	112,848	116,234	119,721	123,312
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	17,320	18,000	18,720	19,480	20,240	21,040	21,880	22,760	23,680
Resident Caretaker	36,000	37,440	38,940	40,500	42,120	43,800	45,552	47,376	49,272	51,240	53,292
Property Manager	19,398	20,086	20,802	21,509	22,282	23,064	23,894	24,740	25,609	26,520	27,465
Other Expenses	14,976	15,507	16,060	16,605	17,201	17,805	18,445	19,098	19,768	20,471	21,200
	221,374	230,523	240,079	248,972	258,293	267,952	277,996	288,422	299,247	310,521	322,249
<b>Net Operating Income</b>	<b>263,570</b>	<b>271,626</b>	<b>279,975</b>	<b>288,763</b>	<b>298,753</b>	<b>308,652</b>	<b>319,344</b>	<b>330,082</b>	<b>340,969</b>	<b>352,475</b>	<b>364,380</b>



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

June 08, 2008  
 Investor Express  
 Investment Analysis 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
<b>REVENUE</b>											
<b>Potential Gross Income</b>	<b>499,200</b>	<b>516,900</b>	<b>535,320</b>	<b>553,506</b>	<b>573,372</b>	<b>593,490</b>	<b>614,820</b>	<b>636,588</b>	<b>658,920</b>	<b>682,350</b>	<b>706,656</b>
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**Operating Cash Flow Yearly**  
 Parklane Place 40 Unit Apartment Building  
 Investment Analysis Rental Units Example

June 08, 2008  
 Investor Express  
 Investment Analysis Rental Apartment Building

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>CASH FLOW BEFORE TAX</b>										
<b>Potential Gross Income</b>	<b>499,200</b>	<b>516,900</b>	<b>535,320</b>	<b>553,506</b>	<b>573,372</b>	<b>593,490</b>	<b>614,820</b>	<b>636,588</b>	<b>658,920</b>	<b>682,350</b>
Less: Vacancy & Credit Loss Allow.	14,256	14,751	15,266	15,772	16,326	16,886	17,480	18,085	18,704	19,354
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Operating Expenses	221,374	230,523	240,079	248,972	258,293	267,952	277,996	288,422	299,247	310,521
<b>Net Operating Income</b>	<b>263,570</b>	<b>271,626</b>	<b>279,975</b>	<b>288,763</b>	<b>298,753</b>	<b>308,652</b>	<b>319,344</b>	<b>330,082</b>	<b>340,969</b>	<b>352,475</b>
Less: Principle Payments	28,827	31,030	33,401	35,953	38,700	41,657	44,840	48,266	51,954	55,923
Interest payments	146,746	144,543	142,172	139,620	136,873	133,916	130,733	127,307	123,620	119,650
<b>CASH FLOW BEFORE TAX</b>	<b>87,997</b>	<b>96,053</b>	<b>104,402</b>	<b>113,190</b>	<b>123,180</b>	<b>133,079</b>	<b>143,771</b>	<b>154,508</b>	<b>165,396</b>	<b>176,902</b>
Less: Income Tax at 37.00%	23,467	8,413	14,137	19,977	26,235	32,447	38,956	45,500	52,129	59,032
<b>CASH FLOW AFTER TAX</b>	<b>64,530</b>	<b>87,639</b>	<b>90,265</b>	<b>93,212</b>	<b>96,945</b>	<b>100,632</b>	<b>104,815</b>	<b>109,009</b>	<b>113,266</b>	<b>117,870</b>
<b>INCOME TAX CALCULATIONS</b>										
Net Operating Income	263,570	271,626	279,975	288,763	298,753	308,652	319,344	330,082	340,969	352,475
Less: Interest Payments	146,746	144,543	142,172	139,620	136,873	133,916	130,733	127,307	123,620	119,650
Depreciation & Amortization	53,400	104,344	99,594	95,150	90,975	87,042	83,324	79,802	76,459	73,280
<b>Taxable Income</b>	<b>63,424</b>	<b>22,739</b>	<b>38,209</b>	<b>53,993</b>	<b>70,905</b>	<b>87,694</b>	<b>105,287</b>	<b>122,972</b>	<b>140,890</b>	<b>159,545</b>
<b>Income Tax at 37.00%</b>	<b>23,467</b>	<b>8,413</b>	<b>14,137</b>	<b>19,977</b>	<b>26,235</b>	<b>32,447</b>	<b>38,956</b>	<b>45,500</b>	<b>52,129</b>	<b>59,032</b>



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

June 08, 2008  
 Investor Express  
 Investment Analysis 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	-	\$ 87,997	-	\$ (1,502,003)
Year 2 Jan-Year 2 Dec	-	-	-	96,053	-	96,053
Year 3 Jan-Year 3 Dec	-	-	-	104,402	-	104,402
Year 4 Jan-Year 4 Dec	-	-	-	113,190	-	113,190
Year 5 Jan-Year 5 Dec	-	-	-	123,180	-	123,180
Year 6 Jan-Year 6 Dec	-	-	-	133,079	-	133,079
Year 7 Jan-Year 7 Dec	-	-	-	143,771	-	143,771
Year 8 Jan-Year 8 Dec	-	-	-	154,508	-	154,508
Year 9 Jan-Year 9 Dec	-	-	-	165,396	-	165,396
Year 10 Jan-Year 10 Dec	-	-	(1,589,449)	176,902	4,936,162	3,523,615
					Total	\$ 3,055,190

**Financial Returns (Before Tax) with Financing**

Internal Rate of Return (IRR)	13.42%
Net Present Value (NPV) at 13.00%	\$ 47,956
Modified Internal Rate of Return (MIRR)	11.70%
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)	10.57%
Net Present Value (NPV) at 13.00%	(\$ 531,107)
Modified Internal Rate of Return (MIRR)	8.89%
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

June 08, 2008  
 Investor Express  
 Investment Analysis 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	-	\$ 64,530	-	\$ (1,525,470)
Year 2 Jan-Year 2 Dec	-	-	-	87,639	-	87,639
Year 3 Jan-Year 3 Dec	-	-	-	90,265	-	90,265
Year 4 Jan-Year 4 Dec	-	-	-	93,212	-	93,212
Year 5 Jan-Year 5 Dec	-	-	-	96,945	-	96,945
Year 6 Jan-Year 6 Dec	-	-	-	100,632	-	100,632
Year 7 Jan-Year 7 Dec	-	-	-	104,815	-	104,815
Year 8 Jan-Year 8 Dec	-	-	-	109,009	-	109,009
Year 9 Jan-Year 9 Dec	-	-	-	113,266	-	113,266
Year 10 Jan-Year 10 Dec	-	-	(1,589,449)	117,870	4,375,075	2,903,496
					Total	\$ 2,173,810

**Financial Returns (After Tax) with Financing**

Internal Rate of Return (IRR)	10.51%
Net Present Value (NPV) at 8.19%	\$ 307,684
Modified Internal Rate of Return (MIRR)	9.23%
Short Term Financing Rate (After Tax)	5.040%
Short Term Reinvestment Rate (After Tax)	1.890%

**Financial Returns (After Tax) without Financing**

Internal Rate of Return (IRR)	7.66%
Net Present Value (NPV) at 8.19%	(\$ 136,665)
Modified Internal Rate of Return (MIRR)	6.60%
Short Term Financing Rate (After Tax)	5.040%
Short Term Reinvestment Rate (After Tax)	1.890%



**Revenue Calculations. Yearly**  
 Parklane Place 40 Unit Apartment Building  
 Investment Analysis Rental Units Example

June 08, 2008  
 Investor Express  
 Investment Analysis Rental Apartment Building

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
<b>REVENUE</b>										
One bedroom Units	270,000	278,100	286,500	294,900	303,900	312,900	322,500	332,100	342,000	352,200
Two bedroom Units	198,000	205,920	214,200	222,660	231,660	240,840	250,560	260,640	270,900	281,880
Laundry	7,200	7,680	8,160	8,160	8,640	9,120	9,600	10,080	10,560	11,040
Parking	24,000	25,200	26,460	27,786	29,172	30,630	32,160	33,768	35,460	37,230
<b>Total</b>	<b>499,200</b>	<b>516,900</b>	<b>535,320</b>	<b>553,506</b>	<b>573,372</b>	<b>593,490</b>	<b>614,820</b>	<b>636,588</b>	<b>658,920</b>	<b>682,350</b>



**Revenue Calculations. Yearly**  
Parklane Place 40 Unit Apartment Building  
Investment Analysis Rental Units Example

June 08, 2008  
Investor Express  
Investment Analysis Rental Apartment Building

**Year 11**

**REVENUE**

One bedroom Units	363,000
Two bedroom Units	293,040
Laundry	11,520
Parking	39,096
<b>Total</b>	<b>706,656</b>



**Expense Calculations Yearly**  
 Parklane Place 40 Unit Apartment Building  
 Investment Analysis Rental Units Example

June 08, 2008  
 Investor Express  
 Investment Analysis 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
Property Taxes	90,000	93,600	97,344	100,264	103,272	106,370	109,562	112,848	116,234	119,721	123,312
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	17,320	18,000	18,720	19,480	20,240	21,040	21,880	22,760	23,680
Resident Caretaker	36,000	37,440	38,940	40,500	42,120	43,800	45,552	47,376	49,272	51,240	53,292
Property Manager											
Potential Gross Income. Gen Revenue	499,200	516,900	535,320	553,506	573,372	593,490	614,820	636,588	658,920	682,350	706,656
Less: Vacancy Allowance	14,256	14,751	15,266	15,772	16,326	16,886	17,480	18,085	18,704	19,354	20,027
Effective Gross Income. Gen Revenue	484,944	502,149	520,054	537,734	557,046	576,604	597,340	618,503	640,216	662,996	686,629
% 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%
	19,398	20,086	20,802	21,509	22,282	23,064	23,894	24,740	25,609	26,520	27,465
Other Expenses											
Potential Gross Income. Gen Revenue	499,200	516,900	535,320	553,506	573,372	593,490	614,820	636,588	658,920	682,350	706,656
% 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%
	14,976	15,507	16,060	16,605	17,201	17,805	18,445	19,098	19,768	20,471	21,200
<b>Total</b>	<b>221,374</b>	<b>230,523</b>	<b>240,079</b>	<b>248,972</b>	<b>258,293</b>	<b>267,952</b>	<b>277,996</b>	<b>288,422</b>	<b>299,247</b>	<b>310,521</b>	<b>322,249</b>



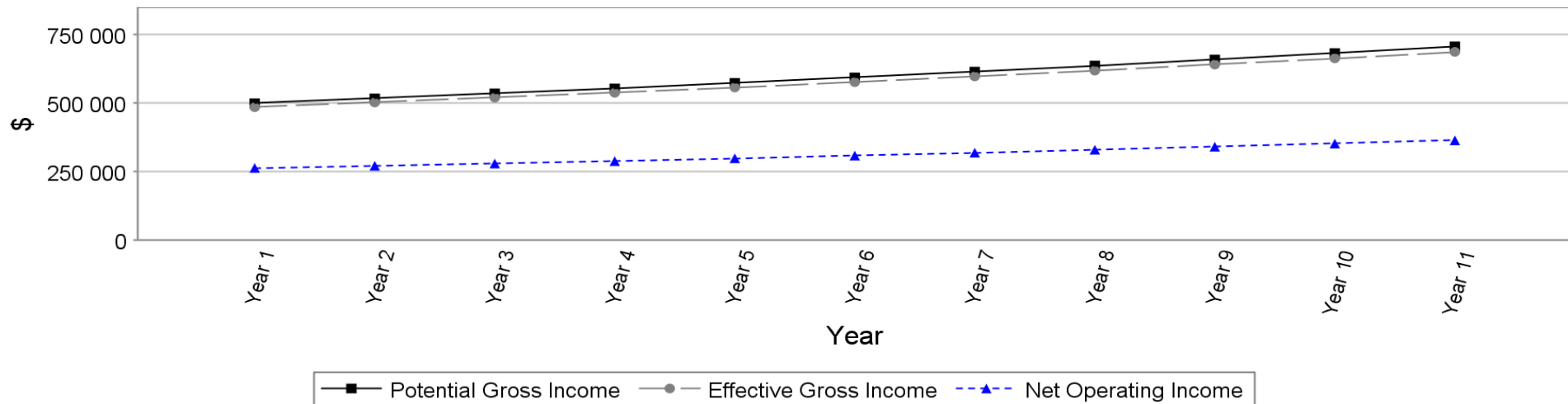
**Vacancy & Credit Loss. Yearly**  
 Parklane Place 40 Unit Apartment Building  
 Investment Analysis Rental Units Example

June 08, 2008  
 Investor Express  
 Investment Analysis Rental Apartment Building

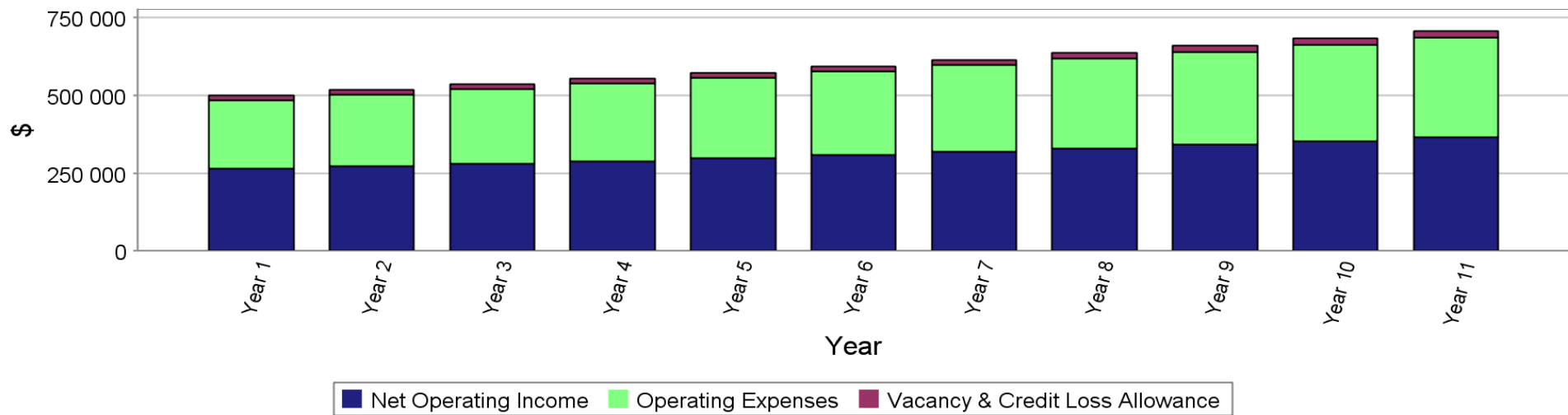
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
<b>VACANCY &amp; CREDIT LOSS</b>											
One bedroom Units	270,000	278,100	286,500	294,900	303,900	312,900	322,500	332,100	342,000	352,200	363,000
	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	8,100	8,343	8,595	8,847	9,117	9,387	9,675	9,963	10,260	10,566	10,890
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
	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	5,940	6,178	6,426	6,680	6,950	7,225	7,517	7,819	8,127	8,456	8,791
Laundry	7,200	7,680	8,160	8,160	8,640	9,120	9,600	10,080	10,560	11,040	11,520
	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	216	230	245	245	259	274	288	302	317	331	346
Parking	24,000	25,200	26,460	27,786	29,172	30,630	32,160	33,768	35,460	37,230	39,096
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL VACANCY</b>	<b>14,256</b>	<b>14,751</b>	<b>15,266</b>	<b>15,772</b>	<b>16,326</b>	<b>16,886</b>	<b>17,480</b>	<b>18,085</b>	<b>18,704</b>	<b>19,354</b>	<b>20,027</b>



### Income & Expenses



### Income Distribution





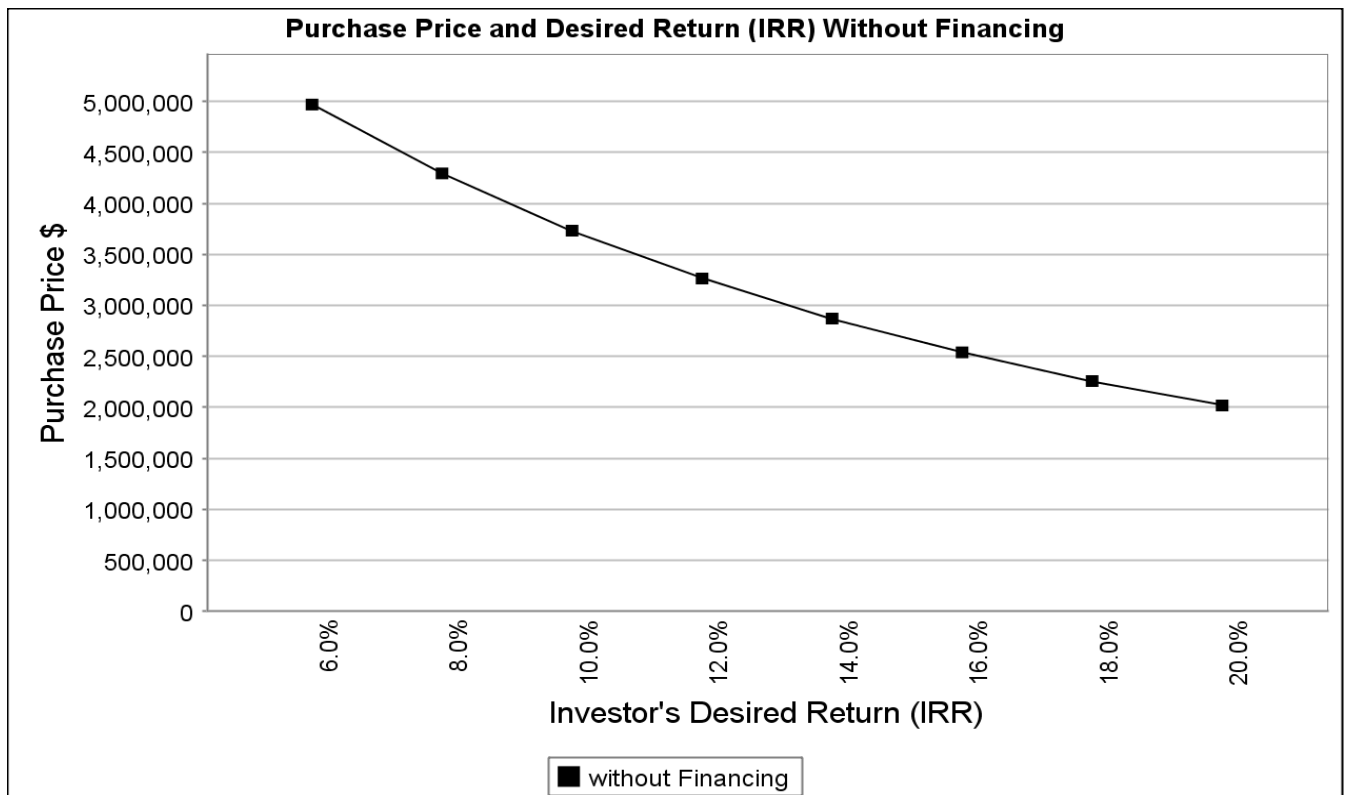
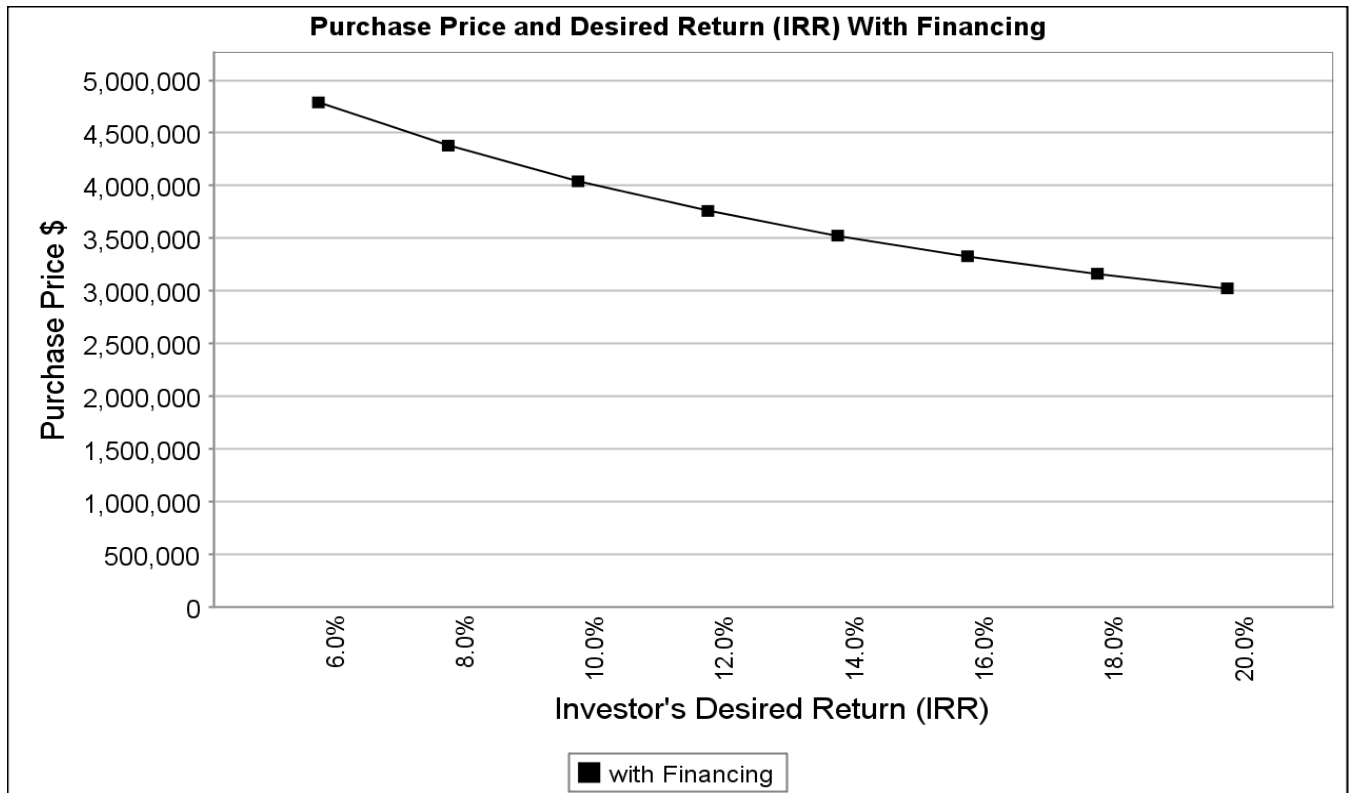
**Graph. Purchase Price & Desired Return (Before Tax)**

Parklane Place 40 Unit Apartment Building

Investment Analysis Rental Units Example Investment Analysis Rental Apartment Building

June 08, 2008

Investor Express





**Graph. Purchase Price & Desired Return (After Tax)**

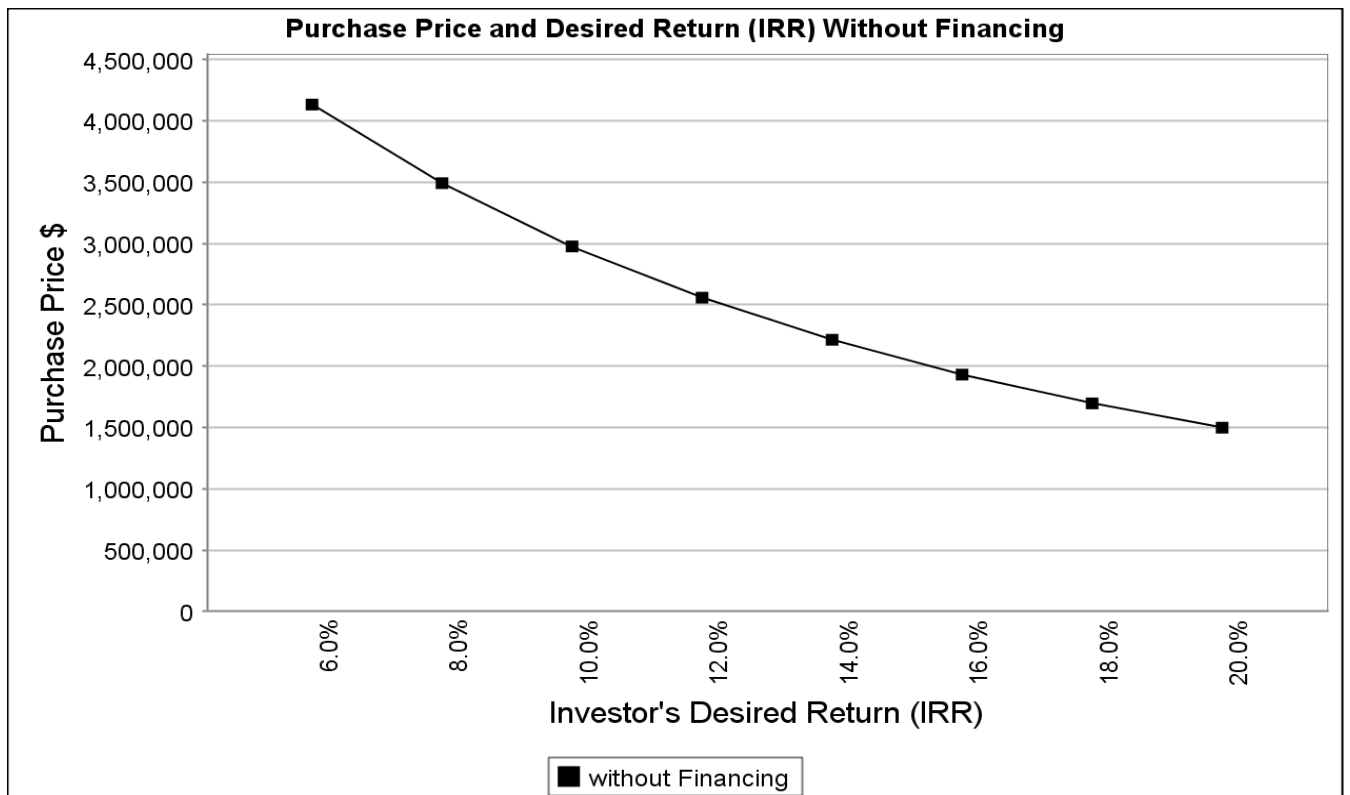
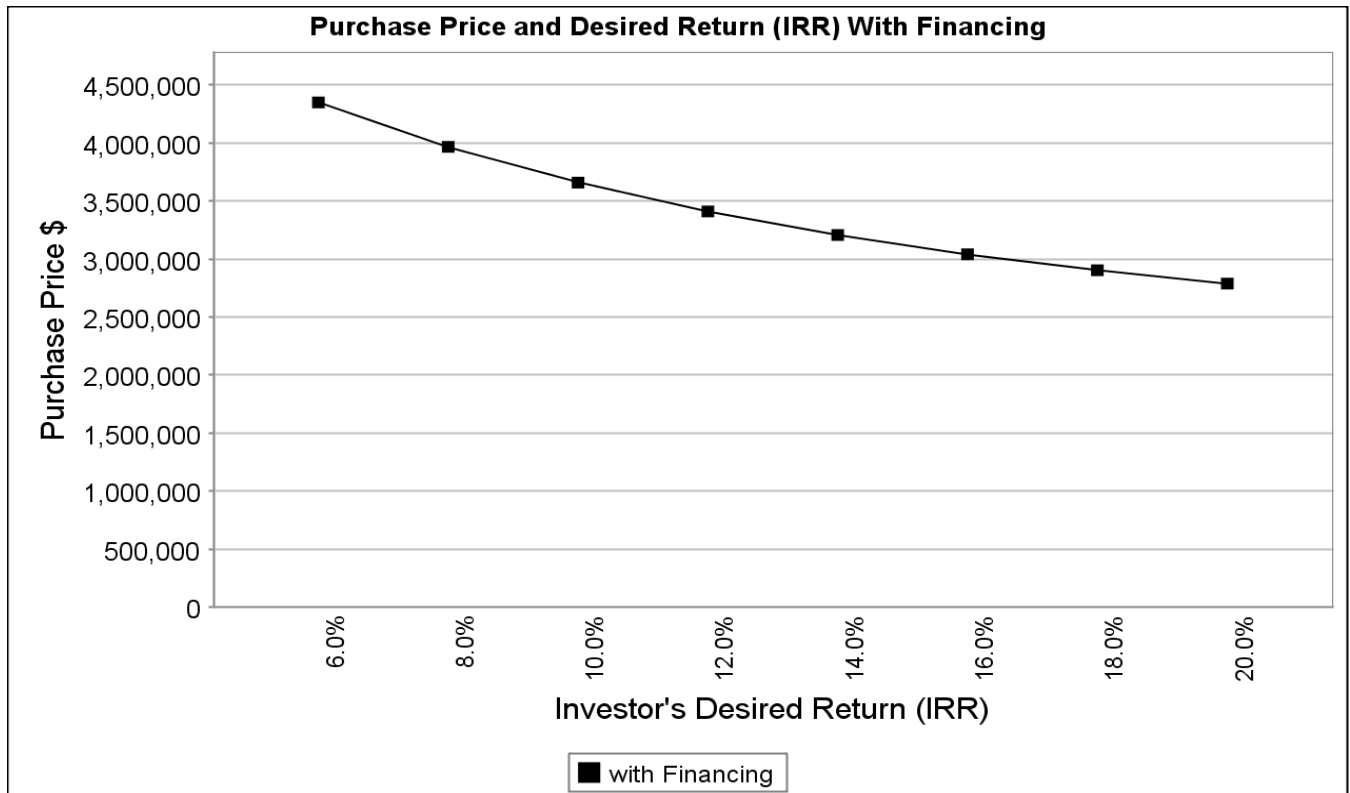
Parklane Place 40 Unit Apartment Building

Investment Analysis Rental Units Example

June 08, 2008

Investor Express

Investment Analysis Rental Apartment Building







**Financial Returns.**

Cap Rate using the investment in Year 1 of \$ 3,590,000 7.34%

		<u>With Financing</u>	<u>Without Financing</u>
<b>Internal Rate of Return (IRR)</b>	Before Tax	13.42%	10.57%
	After Tax	10.51%	7.66%
<b>Net Present Value (NPV)</b>	Before Tax	\$ 47,956 at 13.00%	(\$ 531,107) at 13.00%
	After Tax	\$ 307,684 at 8.19%	(\$ 136,665) at 8.19%
<b>Modified Internal Rate of Return (MIRR)</b>	Before Tax	11.70%	8.89%
	Short Term Financing Rate (Before Tax)	8.00%	8.00%
	Short Term Reinvestment Rate (Before Tax)	3.00%	3.00%
<b>Modified Internal Rate of Return (MIRR)</b>	After Tax	9.23%	6.60%
	Short Term Financing Rate (After Tax)	5.04%	5.04%
	Short Term Reinvestment Rate (Before Tax)	1.89%	1.89%

**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	1.50	79.52%	44.35%
Year 2	1.55	78.56%	44.60%
Year 3	1.59	77.65%	44.85%
Year 4	1.64	76.70%	44.98%
Year 5	1.70	75.67%	45.05%
Year 6	1.76	74.73%	45.15%
Year 7	1.82	73.77%	45.22%
Year 8	1.88	72.89%	45.31%
Year 9	1.94	72.06%	45.41%
Year 10	2.01	71.24%	45.51%



**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	5.53%	5.53%	4.06%	4.06%	5.53%	5.53%	4.06%	4.06%
Year 2	6.04%	5.79%	5.51%	4.79%	6.04%	5.79%	5.51%	4.79%
Year 3	6.57%	6.05%	5.68%	5.08%	6.57%	6.05%	5.68%	5.08%
Year 4	7.12%	6.32%	5.86%	5.28%	7.12%	6.32%	5.86%	5.28%
Year 5	7.75%	6.60%	6.10%	5.44%	7.75%	6.60%	6.10%	5.44%
Year 6	8.37%	6.90%	6.33%	5.59%	8.37%	6.90%	6.33%	5.59%
Year 7	9.04%	7.20%	6.59%	5.73%	9.04%	7.20%	6.59%	5.73%
Year 8	9.72%	7.52%	6.86%	5.87%	9.72%	7.52%	6.86%	5.87%
Year 9	10.40%	7.84%	7.12%	6.01%	10.40%	7.84%	7.12%	6.01%
Year 10	11.13%	8.17%	7.41%	6.15%	11.13%	8.17%	7.41%	6.15%



**Cash Flow from Sale (Before Tax)**

Sale Price		\$	5,205,434
Less: Real Estate Commission			260,272
Selling Expenses			6,000
Legal Expenses			3,000
Net Sale Price			<u>4,936,162</u>
Less: Mortgage Repayment			<u>1,589,449</u>
<b>Cash Flow from Sale (Before Tax)</b>			<b><u>3,346,713</u></b>

**Cash Flow from Sale (After Tax)**

Net Sale Price			4,936,162
Less: Capital Gains Tax			
Net Sale Price		4,936,162	
Less Cost Basis		<u>3,590,000</u>	
Capital Gains	1,346,162	x 37.00%	x 50.00%
			<u>249,040</u>
Less: Recaptured Depreciation Tax			
Tax Value of Improvements on Sale		2,590,000	
Less Undepreciated Balance		<u>1,746,630</u>	
Recaptured Depreciation	843,370	x 37.00%	
			<u>312,047</u>
Net Proceeds (After Tax)			<u>4,375,075</u>
Less: Mortgage Repayment			<u>1,589,449</u>
<b>Cash Flow from Sale (After Tax)</b>			<b><u>2,785,626</u></b>



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

June 08, 2008  
Investor Express  
Investment Analysis 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 37.00%  
Capital Gain. 50.00% added to income

Desired Return on Investment (Discount Rate)

Before Tax: 13.00%  
After Tax: 8.19%

Short Term Reinvestment Rates

Before Tax: 3.000%  
After Tax: 1.890%

Short Term Financing Rates

Before Tax: 8.000%  
After Tax: 5.040%

**Investment information**



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

June 08, 2008  
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Total Invested in Year 1 is \$ 3,590,000

	CCA Class	Date	Amount	CCA Rate	First Year	Claim CCA in Last Year
Land	Land	Jan, Year 1	\$ 1,000,000			
Building	Building	Jan, Year 1	\$ 2,570,000	4.00%	50.00%	Yes
Furniture & Equipment	Furn/Equip	Jan, Year 1	\$ 20,000	20.00%	50.00%	Yes

**Financing**

First Mortgage

Starts: January Year 1  
 Type: Standard Mortgage  
 Amount: \$ 2,000,000  
 Interest Rate: Fixed  
 Payment Frequency: Monthly  
 Compounding Frequency: Semi-annually  
 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 \$ 5,205,434 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

Allocation of Improvements on Sale Same ratio as on acquisition



## EXPENSES PROJECTIONS

### Property Taxes

Entry Choice: \$ per Year

Year 1 \$90,000 per Year  
Compounding at 4.00% per year for next 2 years  
then Compounding at 3.00% per year for next 8 years

### Insurance

Entry Choice: \$ per Year

Year 1 \$45,000 per Year  
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 \$400 per Unit x Total No.of Units per Year  
Compounding at 4.00% per year for next 10 years

### Resident Caretaker

Entry Choice: \$ per Month

Year 1 \$3,000 per Month for 1 year  
Compounding at 4.00% per year for next 10 years

### Property Manager

Entry Choice: % of Effective Gross Income

Year 1 4.00% of Effective Gross Income  
Constant per year for next 10 years

### Other Expenses

Entry Choice: % of Potential Gross Income

Year 1 3.00% of Potential Gross Income  
Constant per year for next 10 years

## REVENUE PROJECTIONS

### One bedroom Units



### Projection Descriptions

Parklane Place 40 Unit Apartment Building  
Investment Analysis Rental Units Example

June 08, 2008

Investor Express

Investment Analysis Rental Apartment Building

Entry Choice: \$ per Unit per Month

Quantity: 25

Year 1 \$900 per Unit per Month for 1 year  
Compounding at 3.00% per year for next 10 years

### Two bedroom Units

Entry Choice: \$ per Unit per Month

Quantity: 15

Year 1 \$1,100 per Unit per Month for 1 year  
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 \$15 per Unit x Total No.of Units per Month for 1 year  
Compounding at 5.00% per year for next 10 years

### Parking

Entry Choice: \$ per Space per Month

Quantity: 50

Year 1 \$40.00 per Space per Month for 1 year  
Compounding at 5.00% per year for next 10 years



**Combined Depreciation Schedule**

<u>Comencing</u>	<u>Value of Improvements</u>	<u>CCA Available</u>	<u>CCA Claimed</u>	<u>Undepreciated Balance</u>
Yr. 1 Jan-Yr. 1 Dec	\$ 2,590,000	\$ 53,400	\$ 53,400	\$ 2,536,600
Yr. 2 Jan-Yr. 2 Dec	-	104,344	104,344	2,432,256
Yr. 3 Jan-Yr. 3 Dec	-	99,594	99,594	2,332,662
Yr. 4 Jan-Yr. 4 Dec	-	95,150	95,150	2,237,512
Yr. 5 Jan-Yr. 5 Dec	-	90,975	90,975	2,146,537
Yr. 6 Jan-Yr. 6 Dec	-	87,041	87,042	2,059,495
Yr. 7 Jan-Yr. 7 Dec	-	83,323	83,324	1,976,171
Yr. 8 Jan-Yr. 8 Dec	-	79,802	79,802	1,896,369
Yr. 9 Jan-Yr. 9 Dec	-	76,459	76,459	1,819,910
Yr. 10 Jan-Yr. 10 Dec	-	73,279	73,280	1,746,630
Total	\$ 2,590,000		\$ 843,370	





**Furniture & Equipment**

Starting Date: Year 1 January  
 Amount: \$ 20,000  
 CCA Claim: Claim CCA up to Taxable Income  
 CCA Method: Furn/Equip  
 CCA Rate: 20.0%  
 First Year Rate: 50.0%  
 Claim CCA in last Year: Yes

<u>Comencing</u>	<u>Value of Improvements</u>	<u>CCA Available</u>	<u>CCA Claimed</u>	<u>Undepreciated Balance</u>
Yr. 1 Jan-Yr. 1 Dec	\$ 20,000	\$ 2,000	\$ 2,000	\$ 18,000
Yr. 2 Jan-Yr. 2 Dec		3,600	3,600	14,400
Yr. 3 Jan-Yr. 3 Dec		2,880	2,880	11,520
Yr. 4 Jan-Yr. 4 Dec		2,304	2,304	9,216
Yr. 5 Jan-Yr. 5 Dec		1,843	1,843	7,373
Yr. 6 Jan-Yr. 6 Dec		1,475	1,475	5,898
Yr. 7 Jan-Yr. 7 Dec		1,180	1,180	4,718
Yr. 8 Jan-Yr. 8 Dec		944	944	3,774
Yr. 9 Jan-Yr. 9 Dec		755	755	3,019
Yr. 10 Jan-Yr. 10 Dec		604	604	2,415
Total	\$ 20,000		\$ 17,585	



**Building**

Starting Date: Year 1 January  
 Amount: \$ 2,570,000  
 CCA Claim: Claim CCA up to Taxable Income  
 CCA Method: Building  
 CCA Rate: 4.0%  
 First Year Rate: 50.0%  
 Claim CCA in last Year: Yes

<u>Comencing</u>	<u>Value of Improvements</u>	<u>CCA Available</u>	<u>CCA Claimed</u>	<u>Undepreciated Balance</u>
Yr. 1 Jan-Yr. 1 Dec	\$ 2,570,000	\$ 51,400	\$ 51,400	\$ 2,518,600
Yr. 2 Jan-Yr. 2 Dec		100,744	100,744	2,417,856
Yr. 3 Jan-Yr. 3 Dec		96,714	96,714	2,321,142
Yr. 4 Jan-Yr. 4 Dec		92,846	92,846	2,228,296
Yr. 5 Jan-Yr. 5 Dec		89,132	89,132	2,139,164
Yr. 6 Jan-Yr. 6 Dec		85,567	85,567	2,053,597
Yr. 7 Jan-Yr. 7 Dec		82,144	82,144	1,971,453
Yr. 8 Jan-Yr. 8 Dec		78,858	78,858	1,892,595
Yr. 9 Jan-Yr. 9 Dec		75,704	75,704	1,816,891
Yr. 10 Jan-Yr. 10 Dec		72,676	72,676	1,744,215
Total	\$ 2,570,000		\$ 825,785	



### Mortgage Schedule

Parklane Place 40 Unit Apartment Building  
Investment Analysis Rental Units Example

June 08, 2008  
Investor Express  
Investment Analysis 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: Semi-annually  
 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	\$ 1,589,449.05	-	\$ 1,589,449.05
Payout at end of last Term: Dec Year 10	\$ 1,589,449.05	-	\$ 1,589,449.05

Time Period	Payment	Interest Payment	Principal Payment	Additional Payment or (Borrowing)	Outstanding Balance
Year 1 Jan-Year 1 Dec	175,573.20	146,745.75	28,827.45	-	1,971,172.55
Year 2 Jan-Year 2 Dec	175,573.20	144,543.15	31,030.05	-	1,940,142.50
Year 3 Jan-Year 3 Dec	175,573.20	142,172.25	33,400.95	-	1,906,741.55
Year 4 Jan-Year 4 Dec	175,573.20	139,620.21	35,952.99	-	1,870,788.56
Year 5 Jan-Year 5 Dec	175,573.20	136,873.17	38,700.03	-	1,832,088.53
Year 6 Jan-Year 6 Dec	175,573.20	133,916.26	41,656.94	-	1,790,431.59
Year 7 Jan-Year 7 Dec	175,573.20	130,733.39	44,839.81	-	1,745,591.78
Year 8 Jan-Year 8 Dec	175,573.20	127,307.36	48,265.84	-	1,697,325.94
Year 9 Jan-Year 9 Dec	175,573.20	123,619.54	51,953.66	-	1,645,372.28
Year 10 Jan-Year 10 Dec	175,573.20	119,649.97	55,923.23	-	1,589,449.05
	<b>1,755,732.00</b>	<b>1,345,181.05</b>	<b>410,550.95</b>	-	