

ABC DEVELOPMENT CORPORATION

Any City, USA Apartment Project

APARTMENT PROJECT

GENERAL PROFORMA INFO

Number of Units	256
Density / Acre	10.898
Acres / Project	23.49

Building Cost	12,628,245
Land Cost	1,341,400
Total Cost	13,969,645

Land Equity	1,341,400
Builder Equity	750,000
Total Equity	2,091,400

RENT SCHEDULE

Unit Type Brms / Baths	Market Rents	Unit Mix / Project	Square Feet / Unit	Rent / Sq. foot	Monthly Income	Annual Income
2 Bed Townhome	795	128	1,049	0.76	101,760	1,221,120
2 Bed Flat - End	775	32	1,049	0.74	24,800	297,600
2 Bed Flat - Int	700	16	1,007	0.70	11,200	134,400
1 Bed Flat - 16 Unit	600	32	700	0.86	19,200	230,400
1 Bed Flat - 12 Unit	625	48	737	0.85	30,000	360,000
Garages	50	150			7,500	90,000
Totals					<u>194,460</u>	<u>2,333,520</u>

STABILIZED PROFORMA OPERATING RESULTS

	1999	2000	2001	2002	2003	Total CF
Loan Amount	11,878,245					
Loan to Value (Cost Basis)	85.0%					
Loan to Value (Value Basis)	70.1%					
Initial Loan Rate	8.500%					
Amortization Period	30					
Perm - Loan Payment 8.5%	1,093,713					
	Potential gross revenue	2,333,520	2,380,190	2,427,794	2,476,350	2,525,877
	Less: vacancy	116,676	119,010	121,390	123,818	126,294
	Effective gross revenue	2,216,844	2,261,181	2,306,404	2,352,533	2,399,583
	Operating costs	714,300	735,729	757,801	780,535	803,951
Operating Costs / Unit	2,790					
Rental increase / year	2.0%					
Expense increase / year	3.0%					
	Cash flow before debt service	1,502,544	1,525,452	1,548,604	1,571,998	1,595,633
	Debt Service	1,093,713	1,093,713	1,093,713	1,093,713	1,093,713
	Cash flow	<u>408,831</u>	<u>431,739</u>	<u>454,891</u>	<u>478,285</u>	<u>501,920</u>
Occupancy %	95.0%					
Breakeven Occupancy	77.48%					
	Cumulative Cash flow	<u>408,831</u>	<u>840,570</u>	<u>1,295,461</u>	<u>1,773,746</u>	<u>2,275,666</u>

Average Cost / Unit	49,329
Land Cost / Unit	5,240
Total Cost / Unit	54,569

Value Computation :

	1999	2000	2001	2002	2003
Capped Value	16,694,936	16,949,468	17,206,709	17,466,644	17,729,250
Mortgage	11,836,214	11,748,579	11,653,495	11,550,329	11,438,394
Cost of Sale - 2%	333,899	338,989	344,134	349,333	354,585
Net Cash	<u>4,524,823</u>	<u>4,861,899</u>	<u>5,209,080</u>	<u>5,566,981</u>	<u>5,936,271</u>

Going IN Cap Rate	10.76%
Going OUT Cap Rate	9.00%