# 8117/8119 Deseret Avenue
# Fair Oaks, Ca 95628

| | | | | | |
|---|---|---|---|---|---|
| **PRICE:** | | $525,000 | | **Current** | **Market** |
| **PROPOSED DOWN PAYMENT** | **60%** | $315,000 | **GRM:** | 16.83 | 11.22 |
| **NUMBER OF UNITS:** | | 2 | **CAP RATE:** | 3.13% | 6.10% |
| **YEAR BUILT:** | | 1977 | **PRICE PER UNIT:** | | $262,500 |
| **APPROXIMATE LOT SIZE:** | | .15/Acre | **PRICE PER NET RSF:** | | $268.40 |
| **APPROXIMATE NET RSF:** | | 1,956 | **ROOF TYPE:** | | Pitched Comp |
| **ZONING:** | | RD-10 | **EXTERIOR** | | Wood Siding |

## CURRENT AND MARKET RENTS

| # of Units | Unit Mix | Approx SF | Total NRSF | Rent/ Unit | Annual Rent | Mkt | Mkt Rent/ Month | Mkt Rent/ Year |
|---|---|---|---|---|---|---|---|---|
| 1 | 2/1 | 978 | 978 | $1,300 | $15,600 | $1,800 | $1,800 | $21,600 |
| 1 | 2/1 | 978 | 978 | $1,300 | $15,600 | $1,800 | $1,800 | $21,600 |

| | CURRENT | MARKET |
|---|---|---|
| **SCHEDULED RENTAL INCOME:** | $31,200 | $46,800 |
| *Other Income/Laundry* | $0 | $0 |
| **GROSS SCHEDULED INCOME (GSI):** | **$31,200** | **$46,800** |
| *Less Vacancy Reserve* | $0 | $0 |
| **GROSS OPERATING INCOME:** | **$31,200** | **$46,800** |
| *Less Expenses (* 33% of GSI) | ($14,752) | ($14,752) |
| Per SF $5.85 | | |
| Per Unit $5,617 | | |
| **NET OPERATING INCOME:** | **$16,448** | **$32,048** |

## ESTIMATED OPERATING EXPENSES

| Account | Amount |
|---|---|
| New Taxes (Proposed) | $6,037 |
| Insurance | $1,275 |
| Utilities(water/sewer/garbage) | $5,640 |
| Administrative | $0 |
| (acct, legal, permits,advtsg) | |
| Management (self-manage) | $0 |
| (on-site, off-site) | |
| Maintenance and Repairs | $1,800 |
| (lndscp, turns, etc.) | |
| **TOTAL ESTIMATED EXPENSES:** | **$14,752** |

## CASH FLOW

| | CURRENT | MARKET |
|---|---|---|
| **NET OPERATING INCOME** | $16,448 | $32,048 |
| **PROPOSED DEBT SVC** | ($14,006) | ($14,006) |
| **ESTIMATED CASH FLOW** | $2,442 | $18,042 |
| **CASH ON CASH** | 0.8% | 5.7% |

## RETURN ON INVESTMENT

| | CURRENT | MARKET |
|---|---|---|
| **CASH ON CASH RETURN** | $2,442 | $18,042 |
| **LOAN REDUCTION** | $4,652 | $4,652 |
| **TOTAL RETURN** | $7,094 | $22,694 |
| **RETURN ON EQUITY** | 2.3% | 7.2% |

## FINANCING

| Loan Type | LTV | Amount | Lender | Index | Amort | Curr Rate | Term | Year Due | Monthly P&I | Annual P&I | Assumability |
|---|---|---|---|---|---|---|---|---|---|---|---|
| New | 40% | $210,000 | TBD | | 25 YRS | 4.50% | 7 | | $1,167 | $14,006 | |

NEWMARK


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# 10 Year Cash Flow Analysis

| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Rental Income Growth | | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% |
| Vacancy & Concession Rate | | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Other Income Growth | | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Operating Expenses Growth | | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Property Taxes Growth | | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |

| | |
|---|---|
| Terminal Cap Rate | 5.00% |
| Cost of Sale | 5.00% |
| Sales Price, End of Year 10 | $914,392 |

| | Per Unit / Year | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **INCOME** | | | | | | | | | | | | |
| Rental Revenue [1] | $23,400 | $46,800 | $48,672 | $50,619 | $52,644 | $54,749 | $56,939 | $59,217 | $61,586 | $64,049 | $66,611 | $69,275 |
| Vacancy & Concessions | - | - | (1,460) | (1,519) | (1,579) | (1,642) | (1,708) | (1,777) | (1,848) | (1,921) | (1,998) | (2,078) |
| Other Income/Laundry | - | $0 | - | - | - | - | - | - | - | - | - | - |
| *Effective Gross Income* | 23,400 | $46,800 | 47,212 | 49,100 | 51,064 | 53,107 | 55,231 | 57,440 | 59,738 | 62,128 | 64,613 | 67,197 |
| **EXPENSES** | | | | | | | | | | | | |
| New Taxes (Proposed) | $3,019 | $6,037 | $6,158 | $6,281 | $6,407 | $6,535 | $6,665 | $6,799 | $6,935 | $7,073 | $7,215 | $7,359 |
| Insurance | 638 | 1,275 | 1,313 | 1,353 | 1,393 | 1,435 | 1,478 | 1,522 | 1,568 | 1,615 | 1,664 | 1,713 |
| Utilities(water/sewer/garbage) | 2,820 | 5,640 | 5,809 | 5,983 | 6,163 | 6,348 | 6,538 | 6,734 | 6,936 | 7,145 | 7,359 | 7,580 |
| Administrative | - | - | - | - | - | - | - | - | - | - | - | - |
| Management (self-manage) | - | - | - | - | - | - | - | - | - | - | - | - |
| Maintenance and Repairs | 900 | 1,800 | 1,854 | 1,910 | 1,967 | 2,026 | 2,087 | 2,149 | 2,214 | 2,280 | 2,349 | 2,419 |
| 0 | - | - | - | - | - | - | - | - | - | - | - | - |
| *Total Expenses* | 7,376 | $14,752 | 15,134 | 15,527 | 15,930 | 16,343 | 16,768 | 17,205 | 17,653 | 18,113 | 18,586 | 19,071 |
| *Net Operating Income* | **$16,024** | **$32,048** | **$32,078** | **$33,574** | **$35,135** | **$36,763** | **$38,463** | **$40,236** | **$42,085** | **$44,014** | **$46,027** | **$48,126** |
| *Capital Upgrades* | | - | - | - | - | - | - | - | - | - | - | - |
| Purchase / Sales Price | (525,000) | - | - | - | - | - | - | - | - | - | 962,517 | **All-Cash** |
| Cost of Sale | - | - | - | - | - | - | - | - | - | - | (48,126) | **IRR** |
| *Total Cash Flow* | (525,000) | $32,048 | $32,078 | $33,574 | $35,135 | $36,763 | $38,463 | $40,236 | $42,085 | $44,014 | $960,418 | **11.34%** |
| Loan Amount | $210,000 | - | | | | | | | | | ($152,583) | **Leveraged** |
| Debt Service [2] | - | (14,006) | (14,006) | (14,006) | (14,006) | (14,006) | (14,006) | (14,006) | (14,006) | (14,006) | (14,006) | **IRR** |
| *Cash Flow After Debt* | ($315,000) | $18,042 | $18,072 | $19,568 | $21,129 | $22,757 | $24,457 | $26,230 | $28,079 | $30,008 | $793,829 | **14.31%** |
| **All-Cash Returns** | | | | | | | | | | | | |
| Capitalization Rate | | 6.10% | 6.11% | 6.39% | 6.69% | 7.00% | 7.33% | 7.66% | 8.02% | 8.38% | | |
| Cash-on-Cash | | 6.10% | 6.11% | 6.39% | 6.69% | 7.00% | 7.33% | 7.66% | 8.02% | 8.38% | | |
| Gross Rent Multiplier | | 11.22 | 10.79 | 10.37 | 9.97 | 9.59 | 9.22 | 8.87 | 8.52 | 8.20 | | |
| **Leverage Returns** | | | | | | | | | | | | |
| Cash-on-Cash | | 5.73% | 5.74% | 6.21% | 6.71% | 7.22% | 7.76% | 8.33% | 8.91% | 9.53% | | |
| Debt Coverage | | 2.29 | 2.29 | 2.40 | 2.51 | 2.62 | 2.75 | 2.87 | 3.00 | 3.14 | | |

[1] Rental income based on Market Rent Assumptions.
[2] Loan set to 40% LTV, 4.5% interest rate with a 25 year amortization period.

# 8121/8123 Deseret Avenue
# Fair Oaks, Ca 95628

| | | | | | |
|---|---|---|---|---|---|
| **PRICE:** | | $550,000 | | **Current** | **Market** |
| **PROPOSED DOWN PAYMENT** | **60%** | $330,000 | **GRM:** | 16.52 | 11.75 |
| **NUMBER OF UNITS:** | | 2 | **CAP RATE:** | 3.32% | 5.77% |
| **YEAR BUILT:** | | 1977 | **PRICE PER UNIT:** | | $275,000 |
| **APPROXIMATE LOT SIZE:** | | .14/Acre | **PRICE PER NET RSF:** | | $281.19 |
| **APPROXIMATE NET RSF:** | | 1,956 | **ROOF TYPE:** | | Pitched Comp |
| **ZONING:** | | RD-10 | **EXTERIOR** | | Wood Siding |

## CURRENT AND MARKET RENTS

| # of Units | Unit Mix | Approx SF | Total NRSF | Rent/ Unit | Annual Rent | Mkt | Mkt Rent/ Month | Mkt Rent/ Year |
|---|---|---|---|---|---|---|---|---|
| 1 | 2/1 | 978 | 978 | $1,475 | $17,700 | $1,800 | $1,800 | $21,600 |
| 1 | 2/1 | 978 | 978 | $1,300 | $15,600 | $1,800 | $1,800 | $21,600 |

| | CURRENT | MARKET |
|---|---|---|
| **SCHEDULED RENTAL INCOME:** | $33,300 | $46,800 |
| *Other Income/Laundry* | $0 | $0 |
| **GROSS SCHEDULED INCOME (GSI):** | **$33,300** | **$46,800** |
| *Less Vacancy Reserve* | $0 | $0 |
| **GROSS OPERATING INCOME:** | **$33,300** | **$46,800** |
| *Less Expenses (* 45% of GSI) | ($15,040) | ($15,040) |
| Per SF $7.69 | | |
| Per Unit $7,520 | | |
| **NET OPERATING INCOME:** | **$18,260** | **$31,760** |

## ESTIMATED OPERATING EXPENSES

| Account | Amount |
|---|---|
| New Taxes (Proposed) | $6,325 |
| Insurance | $1,275 |
| Utilities(water/sewer/garbage) | $5,640 |
| Administrative | $0 |
| (acct, legal, permits,advtsg) | |
| Management (self-manage) | $0 |
| (on-site, off-site) | |
| Maintenance and Repairs | $1,800 |
| (lndscp, turns, etc.) | |
| **TOTAL ESTIMATED EXPENSES:** | **$15,040** |

## CASH FLOW

| | CURRENT | MARKET |
|---|---|---|
| **NET OPERATING INCOME** | $18,260 | $31,760 |
| **PROPOSED DEBT SVC** | ($14,673) | ($14,673) |
| **ESTIMATED CASH FLOW** | $3,587 | $17,087 |
| **CASH ON CASH** | 0.8% | 1.7% |

## RETURN ON INVESTMENT

| | CURRENT | MARKET |
|---|---|---|
| **CASH ON CASH RETURN** | $3,587 | $17,087 |
| **LOAN REDUCTION** | $5,419 | $5,419 |
| **TOTAL RETURN** | $9,006 | $22,506 |
| **RETURN ON EQUITY** | 2.5% | 3.5% |

## FINANCING

| Loan Type | LTV | Amount | Lender | Index | Amort | Curr Rate | Term | Year Due | Monthly P&I | Annual P&I | Assumability |
|---|---|---|---|---|---|---|---|---|---|---|---|
| New | 40% | $220,000 | TBD | | 25 YRS | 4.50% | 7 | | $1,222 | $14,673 | |


NEWMARK

Kelly Rivett | Senior Managing Director
980 9th Street, Ste 2500
Sacramento, CA 95814
916.569.0385 Direct
916 606 8600 Cell

# 10 Year Cash Flow Analysis

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Rental Income Growth | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Vacancy & Concession Rate | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Other Income Growth | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Operating Expenses Growth | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Property Taxes Growth | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |

| | |
|---|---|
| Terminal Cap Rate | 5.00% |
| Cost of Sale | 5.00% |
| Sales Price, End of Year 10 | $790,135 |

| | Per Unit / Year | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **INCOME** | | | | | | | | | | | | |
| Rental Revenue [1] | $23,400 | $46,800 | $48,204 | $49,650 | $51,140 | $52,674 | $54,254 | $55,882 | $57,558 | $59,285 | $61,063 | $62,895 |
| Vacancy & Concessions | - | - | (1,446) | (1,490) | (1,534) | (1,580) | (1,628) | (1,676) | (1,727) | (1,779) | (1,832) | (1,887) |
| Other Income/Laundry | - | $0 | - | - | - | - | - | - | - | - | - | - |
| *Effective Gross Income* | 23,400 | $46,800 | 46,758 | 48,161 | 49,605 | 51,094 | 52,626 | 54,205 | 55,831 | 57,506 | 59,231 | 61,008 |
| **EXPENSES** | | | | | | | | | | | | |
| New Taxes (Proposed) | $3,163 | $6,325 | $6,452 | $6,581 | $6,712 | $6,846 | $6,983 | $7,123 | $7,265 | $7,411 | $7,559 | $7,710 |
| Insurance | 638 | 1,275 | 1,313 | 1,353 | 1,393 | 1,435 | 1,478 | 1,522 | 1,568 | 1,615 | 1,664 | 1,713 |
| Utilities(water/sewer/garbage) | 2,820 | 5,640 | 5,809 | 5,983 | 6,163 | 6,348 | 6,538 | 6,734 | 6,936 | 7,145 | 7,359 | 7,580 |
| Administrative | - | - | - | - | - | - | - | - | - | - | - | - |
| Management (self-manage) | - | - | - | - | - | - | - | - | - | - | - | - |
| Maintenance and Repairs | 900 | 1,800 | 1,854 | 1,910 | 1,967 | 2,026 | 2,087 | 2,149 | 2,214 | 2,280 | 2,349 | 2,419 |
| 0 | - | - | - | - | - | - | - | - | - | - | - | - |
| *Total Expenses* | 7,520 | $15,040 | 15,428 | 15,826 | 16,235 | 16,655 | 17,086 | 17,529 | 17,984 | 18,451 | 18,930 | 19,422 |
| *Net Operating Income* | **$15,880** | **$31,760** | **$31,330** | **$32,334** | **$33,370** | **$34,438** | **$35,540** | **$36,676** | **$37,848** | **$39,056** | **$40,301** | **$41,586** |
| *Capital Upgrades* | | - | - | - | - | - | - | - | - | - | - | - |
| Purchase / Sales Price | (550,000) | - | - | - | - | - | - | - | - | - | 831,721 | **All-Cash** |
| Cost of Sale | - | - | - | - | - | - | - | - | - | - | (41,586) | **IRR** |
| *Total Cash Flow* | (550,000) | $31,760 | $31,330 | $32,334 | $33,370 | $34,438 | $35,540 | $36,676 | $37,848 | $39,056 | $830,437 | **9.14%** |
| Loan Amount | $220,000 | - | | | | | | | | | ($159,849) | **Leveraged** |
| Debt Service [2] | - | (14,673) | (14,673) | (14,673) | (14,673) | (14,673) | (14,673) | (14,673) | (14,673) | (14,673) | (14,673) | **IRR** |
| *Cash Flow After Debt* | ($330,000) | $17,087 | $16,657 | $17,661 | $18,697 | $19,765 | $20,867 | $22,003 | $23,175 | $24,383 | $655,915 | **11.33%** |
| **All-Cash Returns** | | | | | | | | | | | | |
| Capitalization Rate | | 5.77% | 5.70% | 5.88% | 6.07% | 6.26% | 6.46% | 6.67% | 6.88% | 7.10% | | |
| Cash-on-Cash | | 5.77% | 5.70% | 5.88% | 6.07% | 6.26% | 6.46% | 6.67% | 6.88% | 7.10% | | |
| Gross Rent Multiplier | | 11.75 | 11.41 | 11.08 | 10.75 | 10.44 | 10.14 | 9.84 | 9.56 | 9.28 | | |
| **Leverage Returns** | | | | | | | | | | | | |
| Cash-on-Cash | | 5.18% | 5.05% | 5.35% | 5.67% | 5.99% | 6.32% | 6.67% | 7.02% | 7.39% | | |
| Debt Coverage | | 2.16 | 2.14 | 2.20 | 2.27 | 2.35 | 2.42 | 2.50 | 2.58 | 2.66 | | |

NEWMARK

[1] Rental income based on Market Rent Assumptions.
[2] Loan set to 40% LTV, 4.5% interest rate with a 25 year amortization period.