

Current Income Analysis 1009 Carnation

Gross Revenue:

Unit A = \$1,000/mo

Units B,D,E = \$575 each /month = \$1,725/mo

Revenue = \$2,725/mo x 12 months = **\$32,700/yr**

Units C,F,G vacant

Expenses:

Dumpster: \$30/mo = \$360/yr

Common area electricity : \$100/mo = \$1,200/yr

Insurance: \$7,000/yr (subject to your own new policy)

Taxes: \$4,468

Total Expenses = **\$13,028**

Owner cuts grass and cleans bathrooms

Net Profit at current occupancy = \$32,700 - \$13,028 = \$19,672/yr

5.74% Cap Rate

Pro Forma at Full Occupancy:

Gross Revenue:

Unit A = \$1,000/mo

Units B,D,E,F = \$575 each /mo = \$2,300

Units C,G = \$400 each/mo = \$800/mo

Revenue = \$4,100/mo x 12 months = **\$49,200/yr**

Expenses:

Dumpster: \$30/mo = \$360/yr

Common area electricity : \$100/mo = \$1,200/yr

Insurance: \$7,000/yr (subject to your own new policy)

Taxes: \$4,468

Total Expenses = **\$13,028**

Net Profit at full occupancy = \$49,200 - \$13,028 = \$36,172/yr

10.56% Cap Rate