SAMPLE PRO-FORMAS

INVESTMENT OVERVIEW - SCENARIO 1

- Property Type: 4-Unit Multi-Family (West Knoxville)
- Purchase Price : $750,000
- Gross Rent Multiplier (GRM): 8.93
- Capiltalization Rate: 7.85%

1. Projected Annual Income (Gross)
   - 4 Units @ $1750/month each: $7,000
   - Total Gross Potential Income (GPI): $84,000

2. Updated Operating Expenses
   - Property Taxes: $2473 (Adjusted)
   - Insurance: $3200
   - Maintenance & Repairs (85 of GPI): $6720
   - Vacany & Bad Debt (5% of GPI): $4200
   - Property Managament: (8% of GPI): $6720
   - Utilities (COmmon Areas/Water): $1800
   - Total Opertaing Expenses: $25,113

3. Adjusted Net Operating Income (NOI)
   - Net Operating Icome (Gross Income - Expenses): $58,887

4. Estimated Debt Service
   - Down Payment (25%): $187,500
   - Loan Amount: $53,500
   - Interest Rate: 6.75% (Amortized over 30 years)
   - Annual Principal & Interest (P&I): $43,620

5. Updated Cash Flow & Returns
   - CashFlow After Debt Service: $15,267 (annual)
   - Cash-on-Cash Return: 8.14%

SAMPLE PRO-FORMAS

INVESTMENT OVERVIEW - SCENARIO 2

- Property Type: 4-Unit Multi-Family (West Knoxville)
- Purchase Price : $700,000
- Gross Rent Multiplier (GRM): 8.93
- Capiltalization Rate: 8.41%

1. Projected Annual Income (Gross)
    - 4 Units @ $1750/month each: $7,000
    - Total Gross Potential Income (GPI): $84,000
2. Updated Operating Expenses
    - Property Taxes: $2473 (Adjusted)
    - Insurance: $3200
    - Maintenance & Repairs (85 of GPI): $6720
    - Vacany & Bad Debt (5% of GPI): $4200
    - Property Managament: (8% of GPI): $6720
    - Utilities (COmmon Areas/Water): $1800
    - Total Opertaing Expenses: $25,,113
3. Net Operating Income (NOI)
    - Net Operating Icome (Gross Income - Expenses): $58,887
4. Estimated Debt Service (Adjsuted for $700k Price)
    - Down Payment (25%): $175,000
    - Loan Amount (75% LTV): $525,000
    - Interest Rate: 6.75% (Amortized over 30 years)
    - Annual Principal & Interest (P&I): $40,862
5. Updated Cash Flow & Returns
    - CashFlow After Debt Service: $18,025 (annual)
    - Cash-on-Cash Return: 10.30%

SAMPLE PRO-FORMAS

INVESTMENT OVERVIEW - SCENARIO 3

- Property Type: 4-Unit Multi-Family (West Knoxville)
- Purchase Price : $650,000
- Gross Rent Multiplier (GRM): 7.74
- Capiltalization Rate: 9.06%

1. Projected Annual Income (Gross)
   - 4 Units @ $1750/month each: $7,000
   - Total Gross Potential Income (GPI): $84,000

2. Updated Operating Expenses (Unchanged)
   - Property Taxes: $2473 (Adjusted)
   - Insurance: $3200
   - Maintenance & Repairs (85 of GPI): $6720
   - Vacany & Bad Debt (5% of GPI): $4200
   - Property Managament: (8% of GPI): $6720
   - Utilities (COmmon Areas/Water): $1800
   - Total Opertaing Expenses: $25,,113

3. Net Operating Income (NOI)
   - Net Operating Icome (Gross Income - Expenses): $58,887

4. Estimated Debt Service
   - Down Payment (25%): $162,500
   - Loan Amount (75% LTV): $487,500
   - Interest Rate: 6.75% (Amortized over 30 years)
   - Annual Principal & Interest (P&I): $37,943

5. Updated Cash Flow & Returns
   - CashFlow After Debt Service: $20,944 (annual)
   - Cash-on-Cash Return: 12.89%