Analysis Assumptions Report

830 East Park Avenue

Investment Assumptions

Price of Property	$4,500,000.00
Closing Costs	2% of Property Price
Date of Acquisition	1 October 2017
Holding Period	7 Years
Inflation Rate	2% per Year
Sale Price Method	Sale Price = $18,400,000.00
Selling Costs	8%

Investor's Assumptions

General Vacancy & Credit Loss	Zero
Tax Rate - First Year	20%
Tax Rate - Following Years	20%
Capital Gain Rate	20%
Cost Recovery Recapture Rate	25% - Losses Carried Forward
Present Value Discount Rate Before Debt	8% per Year
Present Value Discount Rate Before Tax	8% per Year
Present Value Discount Rate After Tax	8% per Year

Depreciation (Acquisition) Depreciation Assumptions

Depreciable Amount	85% of Property Price
Depreciable Life	27.5 Years
Depreciation Method	Straight Line
Depreciation Start Date	at Acquisition

Unit Renovation Loan Assumptions

The Unit Renovation Loan estimates a major upscale renovation in Year 6, one year prior to selling individual condo units in Year 7. The conservative loan amount represents $50,000 per unit for the renovations.

Loan Amount	$2,800,000.00
Loan Interest Rate	6% Annually
Original Loan Period	1 Year
Loan Origination Date	1 September 2023
Loan Type	Monthly Payments, Interest Only
Loan Points Charged	1 Point, Amortized over Loan Life

Acquisition Loan Assumptions

Loan Amount	80% of Property Price
Loan Interest Rate	4.5% Annually
Original Loan Period	30 Years
Loan Origination Date	at Acquisition
Loan Type	Monthly Payments, Amortizing
Loan Points Charged	1 Point, Amortized over Loan Life

Analysis Assumptions Report

830 East Park Avenue

1 Bedroom Unit Rentals Revenue Assumptions

Annual Revenue (40 Units @ $800.00/Unit/Month)	$384,000.00
Revenue Start Date	at Acquisition
Revenue Period	1 Year
Revenue Growth Method	Annual at 1% Over Inflation
Management Fee	8%
Vacancy Factor	75%

1 Bedroom Unit Rentals Continued Revenue Assumptions

Annual Revenue (40 Units @ $0.00/Unit/Month)	Continuation
Revenue Start Date	Continuation
Revenue Period	1 Year
Revenue Growth Method	Annual at 1% Over Inflation
Management Fee	8%
Vacancy Factor	10%

1 Bedroom Unit Rentals Continued Revenue Assumptions

Annual Revenue	Continuation
Revenue Start Date	Continuation
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at 1% Over Inflation
Management Fee	8%
Vacancy Factor	5%

2 Bedroom Unit Rentals Revenue Assumptions

Annual Revenue (16 Units @ $1,200.00/Unit/Month)	$230,400.00
Revenue Start Date	at Acquisition
Revenue Period	1 Year
Revenue Growth Method	Annual at 1% Over Inflation
Management Fee	8%
Vacancy Factor	75%

2 Bedroom Unit Rentals Continued Revenue Assumptions

Annual Revenue	Continuation
Revenue Start Date	Continuation
Revenue Period	1 Year
Revenue Growth Method	Annual at 1% Over Inflation
Management Fee	8%
Vacancy Factor	10%

Analysis Assumptions Report

830 East Park Avenue

2 Bedroom Unit Rentals Continued Revenue Assumptions

Annual Revenue	Continuation
Revenue Start Date	Continuation
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at 1% Over Inflation
Management Fee	8%
Vacancy Factor	5%

Property Taxes Expense Assumptions

Annual Expense	$42,000.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at 1% Annually

Hazard Insurance Expense Assumptions

Annual Expense	$20,000.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	No Growth is Projected

Maintenance Expense Assumptions

Annual Expense (56 Units @ $90.00/Unit/Month)	$60,480.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	No Growth is Projected

Tenant Turn Expenses Expense Assumptions

Annual Expense (56 Units @ $50.00/Unit/Month)	$33,600.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	No Growth is Projected

Miscellaneous Expense Assumptions

Annual Expense (56 Units @ $25.00/Unit/Month)	$16,800.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	No Growth is Projected