



LEGACY
REAL ESTATE

OFFERING MEMORANDUM

HARMONA *Heights*

APARTMENTS
42 UNITS • SALEM, OREGON

JAMES HAUGE PRINCIPAL BROKER
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HARMONA

Heights

APARTMENTS

1055 Schurman Dr. S • Salem, OR 97302

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INVESTMENT SUMMARY

HARMONA HEIGHTS

42 Units • Salem, OR

INVESTMENT SUMMARY

\$11,250,000

PRICE

\$267,857

PER UNIT

\$273.28

PER SQ FT

5.60%

CAP RATE
ON SCHEDULED NOI

PROPERTY INFORMATION

Property	Harmona Heights
Address	1055 Schurman Dr. S Salem, OR 97302
County	Marion
Year Built	2023
No. Units	42
Unit Sizes	767 & 1,092
Acreage	1.8854
Lot Sq Ft	82,128
Total Building Sq Ft	41,166
Density (Units/Acre)	23
Total Parking Spaces	54
Stories	3
No. of Buildings	3
Construction	Batt & Lap Style Cementitious Siding
Roofing	Architectural Composition Shingles
HVAC	Electric Water Heater
Laundry	In unit, side-by-side

UNIT MIX

UNIT TYPE	TOTAL UNITS	SQ FT	RENT
1 Bed / 1 Bath	18	767	\$1,450
2 Bed / 2 Bath	24	1092	\$1,750
Total / Avg	42	929.5	\$1,600

BUILDINGS

A	UNIT TYPE	KITCHEN	PANTRY	LIVING	DINING	DECK	PATIO
Floor 3	2 Bed / 2 Bath	√	√	√	√	√	
Floor 2	2 Bed / 2 Bath	√	√	√	√	√	
Floor 1	2 Bed / 2 Bath	√	√	√	√		√

B	UNIT TYPE	KITCHEN	PANTRY	LIVING	DINING	DECK	PATIO
Floor 3	2 Bed / 2 Bath	√	√	√	√	√	
Floor 2	2 Bed / 2 Bath	√	√	√	√	√	
Floor 1	2 Bed / 2 Bath	√	√	√	√		√

C	UNIT TYPE	KITCHEN	PANTRY	LIVING	DINING	DECK	PATIO
Floor 3	1 Bed / 1 Bath	√	√	√	√	√	
Floor 2	1 Bed / 1 Bath	√	√	√	√	√	
Floor 1	1 Bed / 1 Bath	√	√	√	√		√



A brand new addition to Salem's rapidly growing multifamily housing market.

As Salem continues to grow, there is an increasing need for more multifamily housing options. With a tight rental market and a growing population, the demand for high-quality apartments is only expected to increase in the coming years. Harmona Heights Apartments are an excellent example of the kind of development that is needed to meet this demand.

The site itself covers 1.88 acres, and the three building complex has a total of 42 units, including one-bedroom, one-bathroom units and two-bedroom, two-bathroom units. With high-quality construction and finishes, they offer an exceptional standard of living for their residents.

INVESTMENT HIGHLIGHTS

- Great location near Minto Brown Park in South Salem
- Desirable unit mix of 1 Bed 1 Bath / 2 Bed 2 Bath
- Brand new apartment complex with quality construction & finish
- Close to downtown, Willamette University, and Salem Hospital
- High-demand rental market
- Low maintenance site design

■ FEATURING
42 Apartments



■ FEATURING
Manager Office & Storage



■ FEATURING
Decks/Patios





FEATURING
Open-Concept Layout



FEATURING
1-2 Bedrooms



FEATURING
Washer & Dryer



BUILDING DESIGNS

HARMONA HEIGHTS

42 Units • Salem, OR

BUILDING B



FRONT

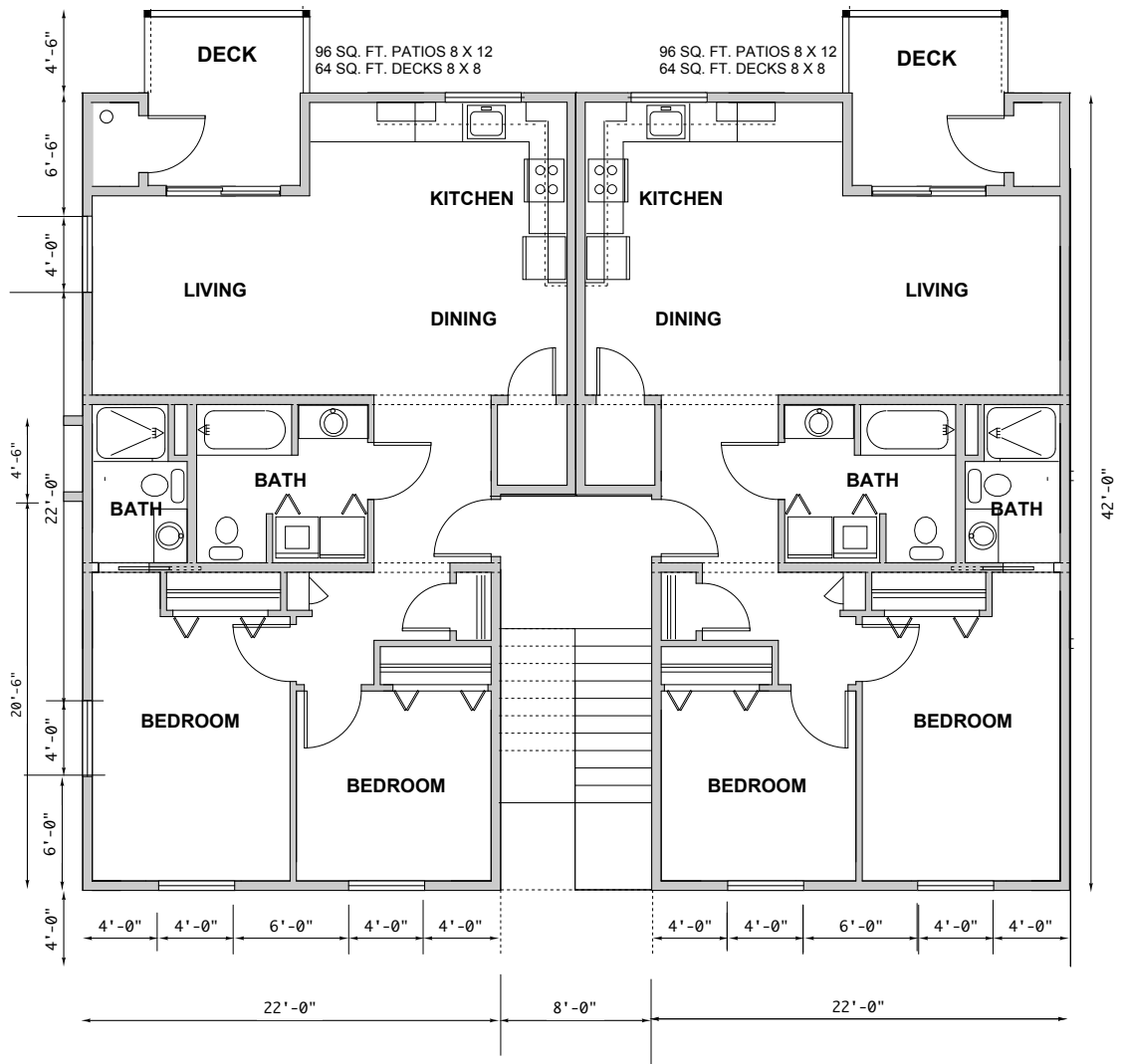
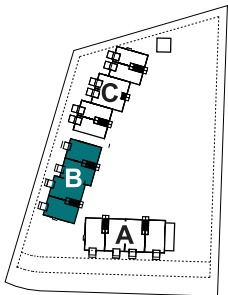
BUILDING B UNITS



SIDE



REAR SEGMENT



BUILDING C

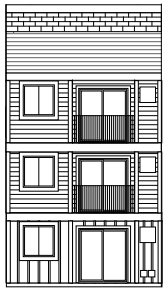


FRONT

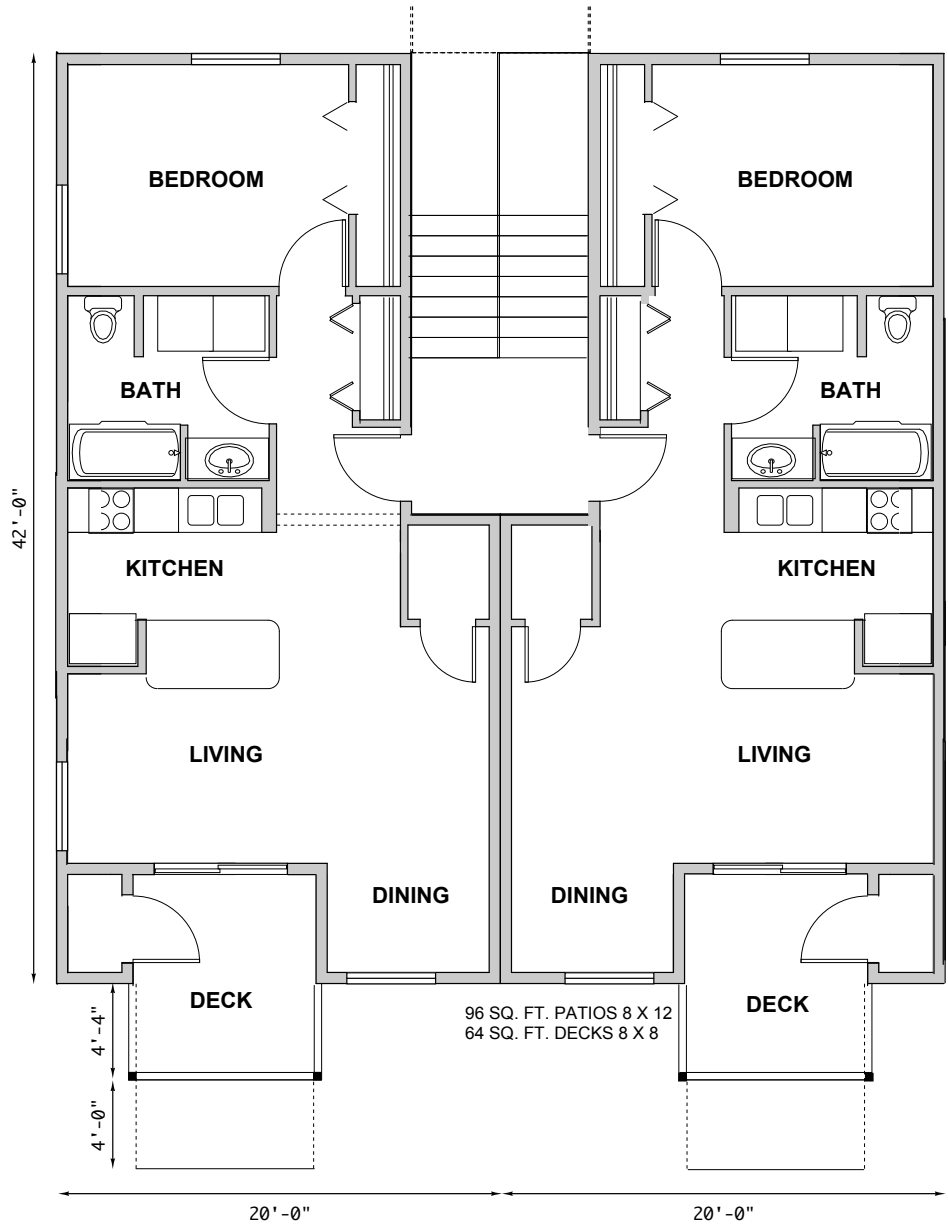
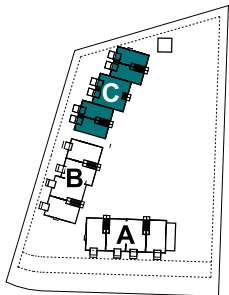
BUILDING C UNITS



SIDE



REAR SEGMENT





CONSTRUCTION SUMMARY

Harmona Heights includes a two-year contractors warranty on all major buiding systems from July 2022 Certificate of Occupancy.

Year Built	2023
No. of Buildings	3 Buildings
Construction Type	3 Stories Lower floor – Batt style cementitious siding Upper floor – Lap style cementitious siding
Roofing	Architectural composition shingles
Windows	Vinyl double glazed
Laundry	In unit, side-by-side
HVAC	Electric water heater
Vehicle Parking	54 parking spaces on paved surface lot
Market Leading Finishes	Quartz Countertops and backsplash; Stainless steel appliances

LOCATION

HARMONA HEIGHTS

42 Units • Salem, OR



1055 SCHURMAN DR S

Salem, OR 97302















Located near Minto Brown Park, just off River Road South, these apartments are in a prime location in one of Salem's most desirable neighborhoods.

With a population of 170,000, Salem is located in the heart of the Willamette Valley as Oregon's capital. It is known best for its world-renowned wineries and outdoor recreational opportunities. The city has a vibrant arts and culture scene, with numerous museums, galleries, and performing arts venues. With Salem's mild climate, low cost of living, and abundant natural beauty, it has become an increasingly popular destination for people from all over the country.

NEARBY LOCATIONS





FOOD & ENTERTAINMENT

DISTANCE

	Best Little Roadhouse	1.5 mi
	Starbucks	1.5 mi
	McMenamins: Thompson Brewery	1.9 mi
	Basil & Board: Pizzeria & Wine Café	1.9 mi
	Java Crew Coffee	2.1 mi
	Taproot Lounge & Café	2.2 mi
	Fork Forty Food Hall	2.2 mi
	Bo & Vine Burger Bar	2.3 mi
	Coin Jam Arcade & Bar	2.6 mi
	Regal Cinebarre Movieland	2.8 mi
	Gilgamesh Brewing	2.9 mi
	McDonald's	3.0 mi
	MOD Pizza	3.6 mi
	Xicha Brewing	3.8 mi

COLLEGES

DISTANCE

	Willamette University	2.5 mi
	Chemeketa Community College	7.0 mi
	Western Oregon University	12.4 mi
	Corban University	17.0 mi

SCHOOLS

DISTANCE

Candalaria Elementary School	0.5 mi
South Salem High School	2.3 mi
Leslie Middle School	2.8 mi

PARKS & RECREATION

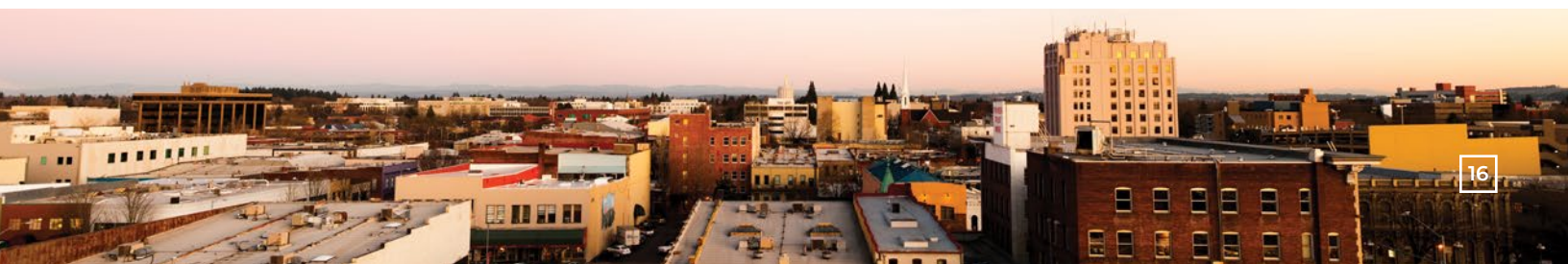
DISTANCE

Minto Brown Park	0.3 mi
Salem Golf Club	0.9 mi
Bush Park	2.1 mi
Riverfront Park	3.1 mi
Illahe Hills Country Club	3.2 mi

OTHER NECESSITIES

DISTANCE

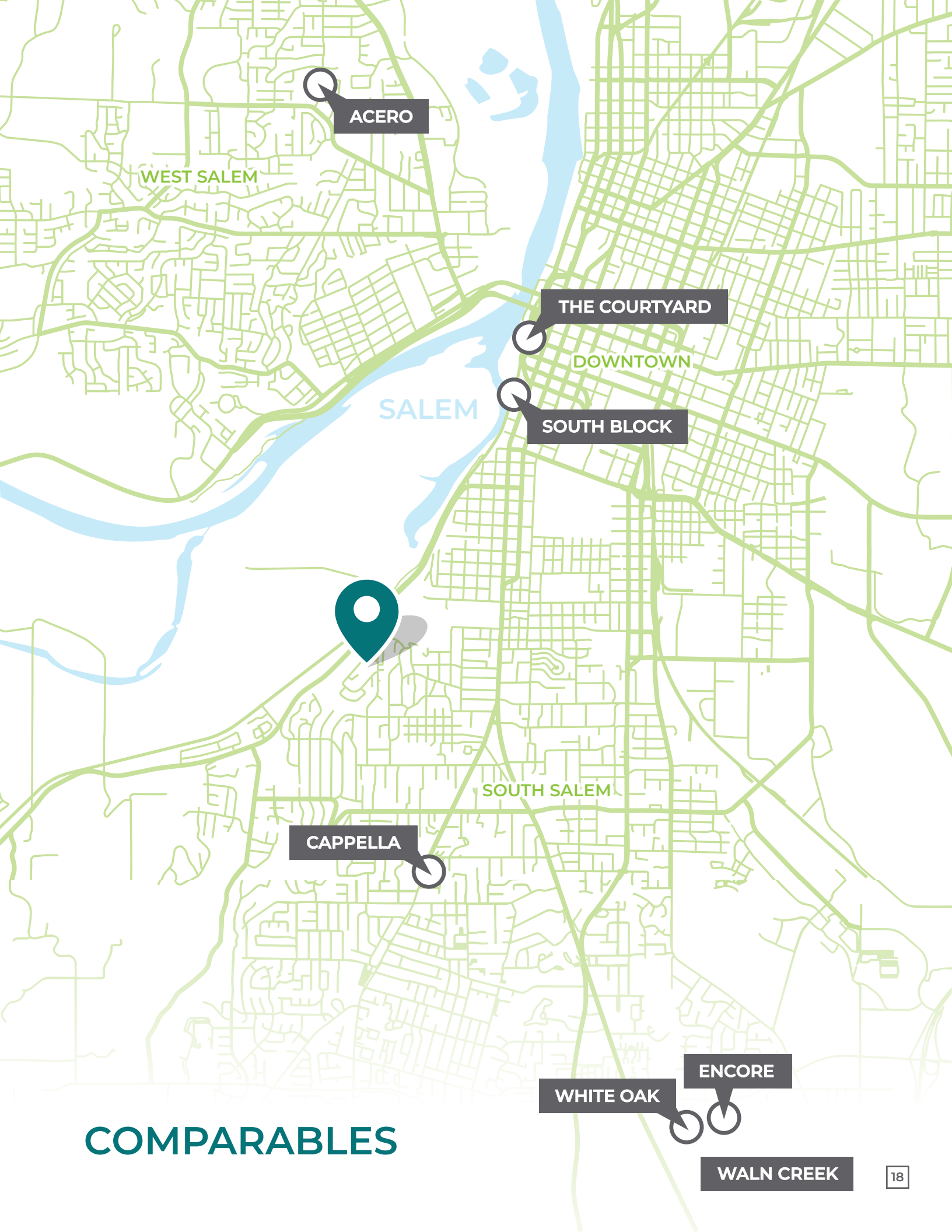
Shell Gas	1.1 mi
Fred Meyer	1.6 mi
Public Library	1.9 mi
Courthouse Fitness	2.0 mi
Hospital	2.4 mi



COMPARABLES

HARMONA HEIGHTS

42 Units • Salem, OR



ACERO

WEST SALEM

SALEM

THE COURTYARD

DOWNTOWN

SOUTH BLOCK

SOUTH SALEM

CAPPELLA

WHITE OAK

ENCORE

WALN CREEK

COMPARABLES

RENT COMPARABLES

SOUTH BLOCK

315 Commercial St SE, Salem OR 97301

178 UNITS 2015



UNIT MIX	SQ FT	PRICE	VACANT
Studio	1520		1
1 Bed / 1 Bath	641	\$1760 – \$1815	3
2 Bed / 2 Bath	975	\$2340	1
3 Bed / 2 Bath	1444 – 1601	\$2890 – \$3015	3

THE COURTYARD

211 Court St NE, Salem OR 97301

40 UNITS 2018



UNIT MIX	SQ FT	PRICE	VACANT
Studio	509 – 572	\$1315 – \$1370	
1 Bed / 1 Bath	797 – 861	\$1615 – \$1705	
2 Bed / 1 Bath	1010	\$2195	
3 Bed / 2 Bath	1203 – 1443	\$2125 – \$2530	

ACERO

1948 Linwood Rd NW, Salem OR 97304

312 UNITS 2019



UNIT MIX	SQ FT	PRICE	VACANT
1 Bed / 1 Bath	701	\$1755 – \$2380	1
2 Bed / 1 Bath	987	\$1840 – \$2740	1
2 Bed / 2 Bath	1059	\$1745 – \$2330	3

CAPPELLA

4752 Liberty Rd S, Salem OR 97302

88 UNITS 2018



UNIT MIX	SQ FT	PRICE	VACANT
Studio	549		0
1 Bed / 1 Bath	728	\$1495	1
2 Bed / 2 Bath	963 – 1059	\$1695 – \$1845	3

RENT COMPARABLES

WHITE OAK

1807 Wiltsey Rd SE, Salem OR 97306

111 UNITS 2020



UNIT MIX	SQ FT	PRICE	VACANT
1 Bed / 1 Bath	728	\$1595	1
2 Bed / 2 Bath	963 – 1129	\$1645 – \$1860	11

WALN CREEK

5661 Woodside Drive SE, Salem OR 97306

24 UNITS 2023



UNIT MIX	SQ FT	PRICE	VACANT
1 Bed / 1 Bath	728	\$1345	
2 Bed / 2 Bath	1029	\$1675	

ENCORE

5861 Reed Ln SE, Salem OR 97306

108 UNITS 2016



UNIT MIX	SQ FT	PRICE	VACANT
Studio	728	\$1445	1
1 Bed / 1 Bath	952 – 1029	\$1695 – \$1860	2
2 Bed / 2 Bath	1204	\$1975	1

FINANCIALS

HARMONA HEIGHTS

42 Units • Salem, OR

EXECUTIVE SUMMARY

Acquisition Costs

Purchase Price, Points and Closing Costs	\$11,347,000
Investment - Cash	\$5,847,000
First Loan (Fixed)	\$5,500,000

Investment Information

Purchase Price	\$11,250,000
Price per Unit	\$267,857
Price per SF	\$281.15
Expenses per Unit	(\$5,101)

Income, Expenses & Cash Flow

Gross Scheduled Income	\$868,920
Total Vacancy and Credits	(\$24,700)
Operating Expenses	(\$214,246)
Net Operating Income	\$629,974
Debt Service	(\$428,075)
Replacement Reserves	(\$10,500)
Cash Flow Before Taxes	\$191,400

Financial Indicators

Cash-on-Cash Return Before Taxes	3.27%
Debt Coverage Ratio	1.47
Capitalization Rate	5.60%
Gross Rent Multiplier	12.95
Gross Income / Square Feet	\$21.72
Gross Expenses / Square Feet	(\$5.35)
Operating Expense Ratio	25.38%

INVESTMENT DETAILS

Analysis

Analysis Date February 2024

Property

Property Type Multifamily
Property Address Harmona Heights Apartments
1051 Schurman Drive South
City, State Salem, OR 97302
Year Built 2024

Purchase Information

Purchase Price \$11,250,000
Fair Market Value \$11,500,000
Units 42
Total Rentable SF 40,014
Lot Size 1.870 acres
Resale Valuation 1.00% (Annual Appreciation)
Resale Expenses 3.00%

Income & Expense

Gross Operating Income \$844,220
Monthly GOI \$70,352
Total Annual Expenses (\$214,246)
Monthly Expenses (\$17,854)

Financial Information

Initial Equity \$5,750,000
Closing Costs \$42,000

Loans

Type	Debt	Term	Amort	Rate	Payment	LO Costs
Fixed	\$5,500,000	30 years	30 years	6.75%	\$35,673	\$55,000

CASH IN CASH OUT

Description Year Ending	Year 1 01/2025	Year 2 01/2026	Year 3 01/2027	Year 4 01/2028	Year 5 01/2029
Income					
Rental Income	\$823,320	\$835,670	\$848,205	\$860,928	\$873,842
RUBS	\$37,800	\$38,178	\$38,560	\$38,945	\$39,335
Pet Rent	\$6,000	\$6,060	\$6,121	\$6,182	\$6,244
Tenant Fees	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Gross Scheduled Income	\$868,920	\$881,708	\$894,685	\$907,855	\$921,220
Turnover Vacancy	(\$24,700)	(\$25,070)	(\$25,446)	(\$25,828)	(\$26,215)
Gross Operating Income	\$844,220	\$856,638	\$869,239	\$882,027	\$895,005
Expenses					
Property Management Fee	(\$43,446)	(\$44,085)	(\$44,734)	(\$45,393)	(\$46,061)
Accounting	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)
Advertising	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
Building Insurance	(\$7,700)	(\$7,854)	(\$8,011)	(\$8,171)	(\$8,335)
General Supplies	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
Grounds Maintenance	(\$10,200)	(\$10,404)	(\$10,612)	(\$10,824)	(\$11,041)
Maintenance	(\$8,400)	(\$8,568)	(\$8,739)	(\$8,914)	(\$9,092)
Repairs	(\$2,000)	(\$2,040)	(\$2,081)	(\$2,122)	(\$2,165)
Payroll	(\$16,000)	(\$16,320)	(\$16,646)	(\$16,979)	(\$17,319)
Taxes - Real Estate	(\$75,000)	(\$77,250)	(\$79,568)	(\$81,955)	(\$84,413)
Utilities	(\$48,000)	(\$49,440)	(\$50,923)	(\$52,451)	(\$54,024)
Total Operating Expenses	(\$214,246)	(\$219,461)	(\$224,815)	(\$230,310)	(\$235,950)
Operating Expense Ratio	25.38%	25.62%	25.86%	26.11%	26.36%
Net Operating Income	\$629,974	\$637,176	\$644,424	\$651,718	\$659,055
Debt Service					
Loan Interest	(\$369,459)	(\$365,377)	(\$361,012)	(\$356,342)	(\$351,348)
Principal Payments	(\$58,616)	(\$62,697)	(\$67,063)	(\$71,732)	(\$76,727)
Before-Tax Cash Flow	\$191,400	\$198,602	\$205,850	\$213,143	\$220,480
Projected Property Value	\$11,615,000	\$11,731,150	\$11,848,462	\$11,966,946	\$12,086,616
Resale Expenses	(\$348,450)	(\$351,935)	(\$355,454)	(\$359,008)	(\$362,598)
Proceeds Before Debt Payoff	\$11,266,550	\$11,379,216	\$11,493,008	\$11,607,938	\$11,724,017
Loan Principal Balance	(\$5,441,384)	(\$5,378,686)	(\$5,311,623)	(\$5,239,891)	(\$5,163,164)
Replacement Reserves Remaining	\$10,500	\$21,000	\$31,500	\$42,000	\$52,500
Net Proceeds From Sale	\$5,835,666	\$6,021,529	\$6,212,884	\$6,410,047	\$6,613,353
Before Tax IRR	3.08%	4.79%	5.37%	5.66%	5.84%

*Cash Flow IRR based upon net cash flow and principal payments

UNIT MIX BASE RENT REPORT

Description Year Ending	Year 1 01/2025	Year 2 01/2026	Year 3 01/2027	Year 4 01/2028	Year 5 01/2029
2 Bed 2 Bed 2 Bath 24 Units \$1,715.00 per unit	\$493,920	\$501,329	\$508,849	\$516,481	\$524,229
1 Bed 1 Bed 1 Bath 18 Units \$1,525.00 per unit	\$329,400	\$334,341	\$339,356	\$344,446	\$349,613
Total Income	\$823,320	\$835,670	\$848,205	\$860,928	\$873,842

FINANCIAL INDICATORS

Description Year Ending	Year 1 01/2025	Year 2 01/2026	Year 3 01/2027	Year 4 01/2028	Year 5 01/2029
Key Ratios and Multipliers					
Capitalization Rate	5.60%	5.66%	5.73%	5.79%	5.86%
Gross Rent Multiplier	13.37	13.31	13.24	13.18	13.12
Net Income Multiplier	18.44	18.41	18.39	18.36	18.34
Operating Expense Ratio	25.38%	25.62%	25.86%	26.11%	26.36%
Amounts per SF					
Gross Income	\$21.72	\$22.03	\$22.36	\$22.69	\$23.02
Expenses	(\$5.35)	(\$5.48)	(\$5.62)	(\$5.76)	(\$5.90)
Loan Metrics					
Loan To Value Ratio	46.85%	45.85%	44.83%	43.79%	42.72%
Debt Coverage Ratio	1.47	1.49	1.51	1.52	1.54
Cash-On-Cash Measures					
Before-Tax	3.27%	3.40%	3.52%	3.65%	3.77%
After-Tax	3.27%	3.40%	3.52%	3.65%	3.77%

PRO FORMA SUMMARY



Investment Summary

Price	\$11,250,000
Year Built	2024
Units	42
Price/Unit	\$267,857
RSF	40,014
Price/RSF	\$281.15
Lot Size	1.87 acres
Floors	3
APN	587480
Cap Rate	5.6%
Market Cap Rate	6.09%
GRM	12.95
Market GRM	12.36

Financing Summary

Loan 1 (Fixed)	\$5,500,000
Initial Equity	\$5,750,000
Interest Rate	6.75%
Term	30 years
Monthly Payment	\$35,673
DCR	1.47

Unit Mix & Annual Scheduled Income

Type	Units	Actual	Total	Market	Total
2 Bed 2 Bath	24	\$20,580	\$493,920	\$21,300	\$511,200
1 Bed 1 Bath	18	\$18,300	\$329,400	\$19,140	\$344,520
Totals	42		\$823,320		\$855,720

Annualized Income

Description	Actual	Market
Gross Potential Rent	\$823,320	\$855,720
- Less: Vacancy	(\$24,700)	\$0
+ Misc. Income	\$45,600	\$54,840
Effective Gross Income	\$844,220	\$910,560
- Less: Expenses	(\$214,246)	(\$225,800)
Net Operating Income	\$629,974	\$684,760
- Replacement Reserves	(\$10,500)	\$0
- Debt Service	(\$428,075)	(\$428,075)
Net Cash Flow after Debt Service	\$191,400	\$256,685
+ Principal Reduction	\$58,616	\$58,616
Total Return	\$250,016	\$315,301

Annualized Expenses

Description	Actual	Market
Property Management Fee	\$43,446	\$0
Accounting	\$1,500	\$1,500
Advertising	\$1,000	\$1,000
Building Insurance	\$7,700	\$7,700
General Supplies	\$1,000	\$1,000
Grounds Maintenance	\$10,200	\$10,200
Maintenance	\$8,400	\$8,400
Management Fees	\$0	\$55,000
Repairs	\$2,000	\$2,000
Payroll	\$16,000	\$16,000
Taxes - Real Estate	\$75,000	\$75,000
Utilities	\$48,000	\$48,000
Total Expenses	\$214,246	\$225,800
Expenses Per RSF	\$5.35	\$5.64
Expenses Per Unit	\$5,101	\$5,376

ANNUAL OPERATING DATA

Description Year Ending	Year 1 01/2025	Year 2 01/2026	Year 3 01/2027	Year 4 01/2028	Year 5 01/2029
Income					
Rental Income	\$823,320	\$835,670	\$848,205	\$860,928	\$873,842
RUBS	\$37,800	\$38,178	\$38,560	\$38,945	\$39,335
Pet Rent	\$6,000	\$6,060	\$6,121	\$6,182	\$6,244
Tenant Fees	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Gross Scheduled Income	\$868,920	\$881,708	\$894,685	\$907,855	\$921,220
Turnover Vacancy	(\$24,700)	(\$25,070)	(\$25,446)	(\$25,828)	(\$26,215)
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Expenses					
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Accounting	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)
Advertising	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
Building Insurance	(\$7,700)	(\$7,854)	(\$8,011)	(\$8,171)	(\$8,335)
General Supplies	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
Grounds Maintenance	(\$10,200)	(\$10,404)	(\$10,612)	(\$10,824)	(\$11,041)
Maintenance	(\$8,400)	(\$8,568)	(\$8,739)	(\$8,914)	(\$9,092)
Repairs	(\$2,000)	(\$2,040)	(\$2,081)	(\$2,122)	(\$2,165)
Payroll	(\$16,000)	(\$16,320)	(\$16,646)	(\$16,979)	(\$17,319)
Taxes - Real Estate	(\$75,000)	(\$77,250)	(\$79,568)	(\$81,955)	(\$84,413)
Utilities	(\$48,000)	(\$49,440)	(\$50,923)	(\$52,451)	(\$54,024)
Total Operating Expenses	(\$214,246)	(\$219,461)	(\$224,815)	(\$230,310)	(\$235,950)
Operating Expense Ratio	25.38%	25.62%	25.86%	26.11%	26.36%
Net Operating Income	\$629,974	\$637,176	\$644,424	\$651,718	\$659,055

INVESTMENT RETURN ANALYSIS

Description Year Ending	Year 1 01/2025	Year 2 01/2026	Year 3 01/2027	Year 4 01/2028	Year 5 01/2029
Cash Flow - To Date	\$191,400	\$390,001	\$595,851	\$808,994	\$1,029,474
Net Resale Proceeds	\$5,835,666	\$6,021,529	\$6,212,884	\$6,410,047	\$6,613,353
Invested Capital	(\$5,847,000)	(\$5,847,000)	(\$5,847,000)	(\$5,847,000)	(\$5,847,000)
Net Return on Investment	\$180,066	\$564,530	\$961,735	\$1,372,040	\$1,795,827
Before Tax Calculations					
PV (NOI + reversion)	\$11,896,524	\$12,646,366	\$13,404,583	\$14,171,230	\$14,946,364
After Tax Calculations					
IRR	3.08%	4.79%	5.37%	5.66%	5.84%
Modified IRR	3.08%	4.72%	5.21%	5.41%	5.50%
NPV	\$180,066	\$564,530	\$961,735	\$1,372,040	\$1,795,827

RESALE REPORT

NET PROCEEDS FROM SALE

Adjusted Basis

Basis At Acquisition	\$11,292,000
-Depreciation	(\$1,808,950)
Adjusted Basis at Sale	\$9,535,550

Capital Gain

Sale Price	\$12,086,616
-Sale Expenses	(\$362,598)
-Adjusted Basis at Sale	(\$9,535,550)
Gain or (Loss)	\$2,188,467
-Depreciation (limited to gain)	(\$1,808,950)
Capital Gain from Appreciation	\$379,517

Sale Proceeds

Sale Price	\$12,086,616
-Sale Expenses	(\$362,598)
-Mortgage Balance	(\$5,163,164)
+Balance of Replacement Reserves	\$52,500
Before-Tax Sale Proceeds	\$6,613,353
-Tax On Depreciation	
-Tax On Capital Gain	
After-Tax Sale Proceeds	\$6,613,353

INTERNAL RATE OF RETURN ANALYSIS

<u>Before Tax IRR</u>	<u>Cash Flows</u>
Initial Investment	(\$5,847,000)
01/2025	\$191,400
01/2026	\$198,602
01/2027	\$205,850
01/2028	\$213,143
01/2029*	\$6,833,833
IRR = 5.84%	* (\$220,480 + \$6,613,353)

CUMULATIVE ANALYSIS

Description Year Ending	Year 1 01/2025	Year 2 01/2026	Year 3 01/2027	Year 4 01/2028	Year 5 01/2029
Equity (appreciation)	\$365,000	\$481,150	\$598,462	\$716,946	\$836,616
Equity (loan reduction)	\$58,616	\$121,314	\$188,377	\$260,109	\$336,836
After-Tax Cash Flow	\$191,400	\$390,001	\$595,851	\$808,994	\$1,029,474
Totals - To Date	\$615,016	\$992,465	\$1,382,689	\$1,786,049	\$2,202,925
Invested Capital	(\$5,847,000)	(\$5,847,000)	(\$5,847,000)	(\$5,847,000)	(\$5,847,000)
ROIC - To Date	10.52%	16.97%	23.65%	30.55%	37.68%

LOAN ANALYSIS

Loan 1 (Fixed)

	Year 1	Year 2	Year 3	Year 4	Year 5
Debt Service Analysis					
Principal Payments	\$58,616	\$62,697	\$67,063	\$71,732	\$76,727
Interest Payments	\$369,459	\$365,377	\$361,012	\$356,342	\$351,348
Total Debt Service	\$428,075	\$428,075	\$428,075	\$428,075	\$428,075
Principal Balance Analysis					
Beginning Principal Balance	\$5,500,000	\$5,441,384	\$5,378,686	\$5,311,623	\$5,239,891
Principal Reductions	\$58,616	\$62,697	\$67,063	\$71,732	\$76,727
Ending Principal Balance	\$5,441,384	\$5,378,686	\$5,311,623	\$5,239,891	\$5,163,164

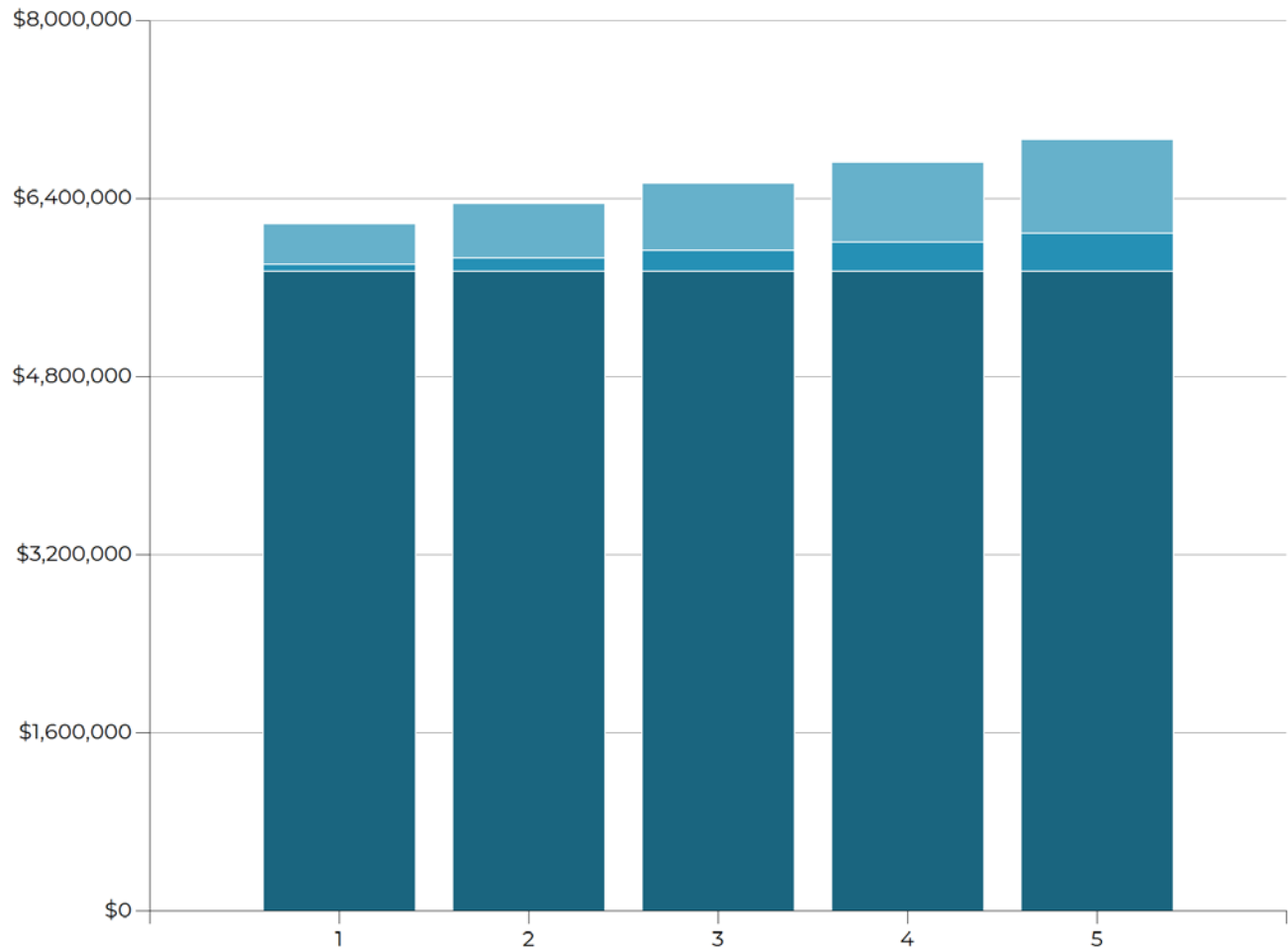
RESALE ANALYSIS

Description Year Ending	Year 1 01/2025	Year 2 01/2026	Year 3 01/2027	Year 4 01/2028	Year 5 01/2029
Resale Proceeds					
Projected Property Value	\$11,615,000	\$11,731,150	\$11,848,462	\$11,966,946	\$12,086,616
Resale Expenses	(\$348,450)	(\$351,935)	(\$355,454)	(\$359,008)	(\$362,598)
Proceeds Before Debt Payoff	\$11,266,550	\$11,379,216	\$11,493,008	\$11,607,938	\$11,724,017
Tax Basis					
Basis at Acquisition	\$11,292,000	\$11,292,000	\$11,292,000	\$11,292,000	\$11,292,000
Capital Expenditures	\$10,500	\$21,000	\$31,500	\$42,000	\$52,500
Depreciation	(\$351,815)	(\$719,345)	(\$1,087,257)	(\$1,455,550)	(\$1,808,950)
Adjusted Tax Basis	\$10,950,685	\$10,593,655	\$10,236,243	\$9,878,450	\$9,535,550
Tax From Sale					
Resale Tax Gain (Loss)	\$315,865	\$785,561	\$1,256,764	\$1,729,488	\$2,188,467
Resale Tax Benefit (Cost)	\$0	\$0	\$0	\$0	\$0
After-Tax Cashflow From Sale					
Loan Principal Balance	(\$5,441,384)	(\$5,378,686)	(\$5,311,623)	(\$5,239,891)	(\$5,163,164)
Replacement Reserves Remaining	\$10,500	\$21,000	\$31,500	\$42,000	\$52,500
Net Resale Proceeds	\$5,835,666	\$6,021,529	\$6,212,884	\$6,410,047	\$6,613,353

OPERATING DATA PER SQ FT

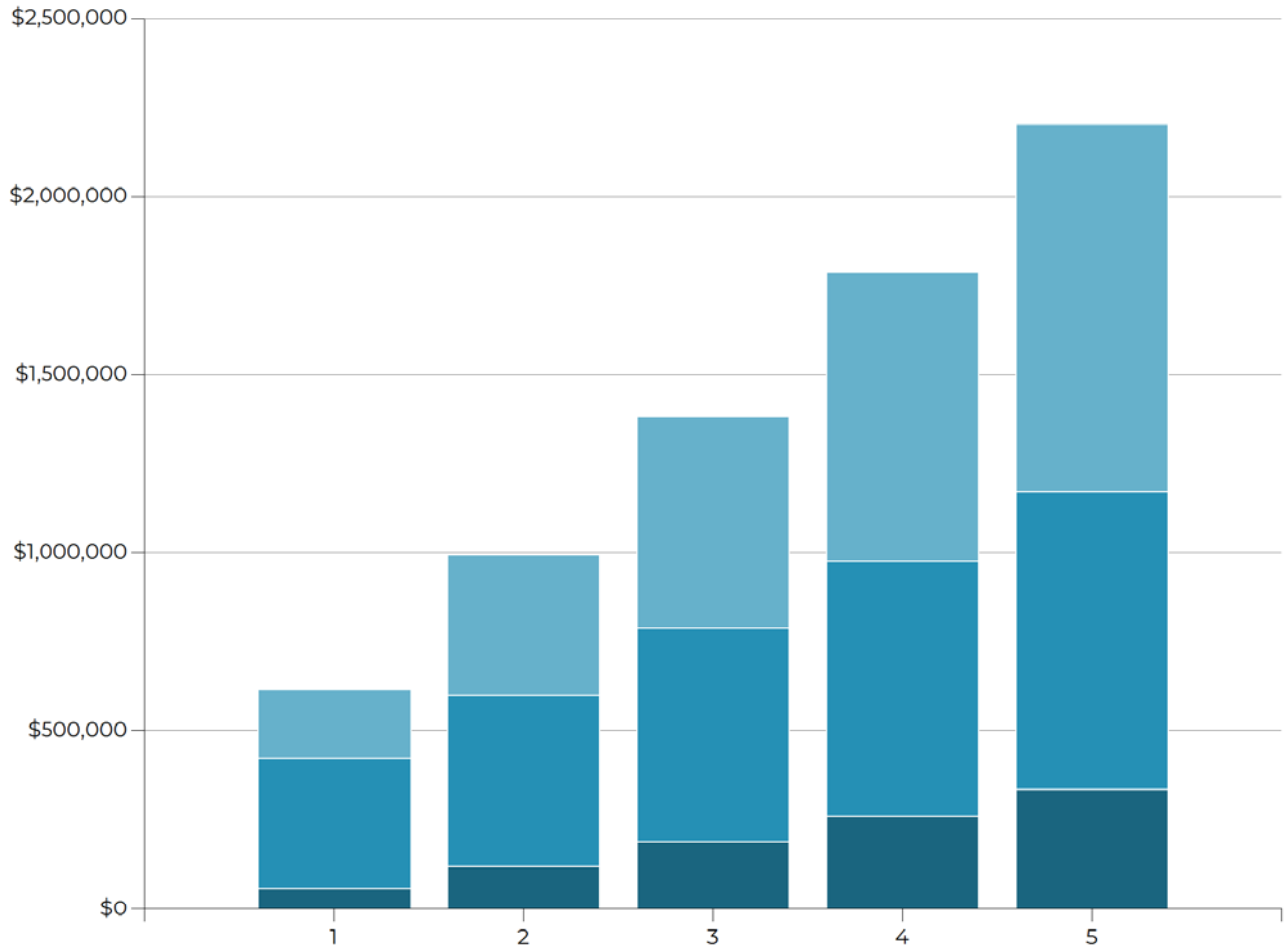
Description Year Ending	Year 1 01/2025	Year 2 01/2026	Year 3 01/2027	Year 4 01/2028	Year 5 01/2029
Income					
Rental Income	\$20.58	\$20.88	\$21.20	\$21.52	\$21.84
Miscellaneous Income	\$1.14	\$1.15	\$1.16	\$1.17	\$1.18
Gross Scheduled Income	\$21.72	\$22.03	\$22.36	\$22.69	\$23.02
Turnover Vacancy	(\$0.62)	(\$0.63)	(\$0.64)	(\$0.65)	(\$0.66)
Gross Operating Income	\$21.10	\$21.41	\$21.72	\$22.04	\$22.37
Expenses					
Property Management Fee	(\$1.09)	(\$1.10)	(\$1.12)	(\$1.13)	(\$1.15)
Accounting	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.04)
Advertising	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.02)
Building Insurance	(\$0.19)	(\$0.20)	(\$0.20)	(\$0.20)	(\$0.21)
General Supplies	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.02)
Grounds Maintenance	(\$0.25)	(\$0.26)	(\$0.27)	(\$0.27)	(\$0.28)
Maintenance	(\$0.21)	(\$0.21)	(\$0.22)	(\$0.22)	(\$0.23)
Repairs	(\$0.05)	(\$0.05)	(\$0.05)	(\$0.05)	(\$0.05)
Payroll	(\$0.40)	(\$0.41)	(\$0.42)	(\$0.42)	(\$0.43)
Taxes - Real Estate	(\$1.87)	(\$1.93)	(\$1.99)	(\$2.05)	(\$2.11)
Utilities	(\$1.20)	(\$1.24)	(\$1.27)	(\$1.31)	(\$1.35)
Total Operating Expenses	(\$5.35)	(\$5.48)	(\$5.62)	(\$5.76)	(\$5.90)
Net Operating Income	\$15.74	\$15.92	\$16.10	\$16.29	\$16.47

PROPERTY EQUITY ANALYSIS



Year	Initial Equity	Equity (loan reduction)	Equity (appreciation)
1	\$5,750,000	\$58,616	\$365,000
2	\$5,750,000	\$121,314	\$481,150
3	\$5,750,000	\$188,377	\$598,462
4	\$5,750,000	\$260,109	\$716,946
5	\$5,750,000	\$336,836	\$836,616

CUMULATIVE WEALTH ANALYSIS



Year	Equity (loan reduction)	Equity (appreciation)	Cash Flow (a/t)
1	\$58,616	\$365,000	\$191,400
2	\$121,314	\$481,150	\$390,001
3	\$188,377	\$598,462	\$595,851
4	\$260,109	\$716,946	\$808,994
5	\$336,836	\$836,616	\$1,029,474

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