

617-713 Chase Blvd, Sun Prairie, Sun Prairie, WI

6/1/2023

This form is designed to assist in estimating the first year benefits of this real estate investment, the expenses other than the real estate taxes, water, sewer, electric and gas are estimates because the seller has operated this building in conjunction with the building at 605 Chase Blvd and has not separated expenses. It does not consider the effect of selling or exchanging the property in the future. This form is not a substitute for legal or tax advice. Anyone contemplating the purchase of this real estate investment should seek the services of competent legal and tax advisors.

Purchase Price	\$5,900,000.00			
Down Payment	\$1,180,000.00			
Financing:	Amount:	\$4,720,000.00	Rate:	6.50% P&I: \$31,869.78 (per month)

Land Value				Depreciation
Personal property value				
Building value				
Land improvement value				
Total Depreciation	App.. @	4.50%	=	\$265,500.00

Annual Rent	\$729,576.00
Less Vacancy 2%	\$14,591.52
Laundry Income	\$6,000.00
Adjusted Gross Income:	\$720,984.48

Annual Operating Expenses			
Maintenance/Repairs Payroll	\$20,000.00	Maintenance/Repairs Supply	\$5,500.00
Maintenance/Repairs Contract	\$5,000.00	Painting	\$5,800.00
Snow Removal	\$4,000.00	Lawn Maintenance	\$4,000.00
Water, Sewer and Electric	\$30,324.00	Gas	\$4,591.00
Advertising	\$2,400.00	Refuse	\$9,000.00
Management Fee	\$28,839.38	Legal Expenses	\$3,500.00
Property & Liability Ins.	\$12,000.00	Real Estate Taxes	\$46,997.00
Total Operating Expenses	\$181,951.38		

Gross operating income	\$720,984.48		
(operating expenses)	\$181,951.38		
net operating income	\$539,033.10		
(annual debt service)	\$382,437.36		
cash flow before tax	=	\$156,595.74	
Annual Debt Service	\$382,437.36		
(interest)	\$306,800.00		
principal reduction	=	\$75,637.36	
Net Operating income	\$539,033.10		
(interest)	\$306,800.00		
(total depreciation)	\$265,500.00		
taxable income	(\$33,266.90)		
x tax bracket	35%		
tax paid or tax saved	=	-\$11,643.41	
Appreciation, estimate @:	5.00%		\$295,000.00

Return on investment with appreciation		
(Cash flow before tax + Principal reduction + Tax paid + Appreciation) / Cash invested	=	46%
Return on investment without appreciation		
(Cash flow before tax + Principal reduction + Tax paid) / Cash invested	=	21%
Capitalization rate		
Net operating income / purchase cost	=	9.14%
Cash on cash		
Cash flow before tax / cash invested	=	13.27%
Debt Coverage Ratio		
Net operating income / debt service	=	1.41

Unit Type	Number of Units	Rent Amount	Monthly Total	Annual Total
1 Bedroom	56	\$945.00	\$52,920.00	\$635,040.00
2 Bedroom	6	\$1,313.00	\$7,878.00	\$94,536.00
Total				\$729,576.00