

Investment Property Analysis (IPA)
Valuation/Return-s Projection Summary

1-YEAR INVESTMENT RETURN PROJECTIONS

ENTER CLIENT NAME	Property 1	Property 2	Property 3	Property 4	Property 5	Property 6
Property Street Address:	12345 SW Somewhere St.	45 Eagle Crest Drive	54321 SE Campus Way	363 SW Bond Street	123 SW Carmen Way	1716 Main Street
Location (City, State, Zip Code):	Beaverton, Oregon 97005	Portland, Oregon 97201	Eugene, Oregon	Bend, Oregon	Lake Oswego, Oregon	Medford, Oregon
Units:	1	1	2	4	1	3
Building Square Feet:	1,630	780	1,710	4,100	1,270	3,300
PSF (price per sq. ft.) @ Target Price/Valuation:	\$245	\$256	\$278	\$226	\$256	\$182
	Current In-Place	Current In-Place	Current In-Place	Current In-Place	Current In-Place	Current In-Place
Full Scheduled Rent Income (monthly) - \$	2,150	1,375	2,675	5,425	1,695	3,700
Full Scheduled Rent Income (annual) - \$	25,800	16,500	32,100	65,100	20,340	44,400
Average Monthly Rent Per Unit - \$	2,150	1,375	1,338	1,356	1,695	1,233
Other Income (monthly) - \$	0	0	130	300	0	250
Vacancy/Credit Loss Allowance - (%)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Projected Effective Gross Income - \$	\$24,510	\$15,675	\$32,055	\$65,445	\$19,323	\$45,180
Total Expenses & Reserves (see below detail) - \$	7,800	8,469	12,752	25,830	8,026	16,155
Expenses (% of EGI)	31.8%	54.0%	39.8%	39.5%	41.5%	35.8%
Expenses (\$ per unit)	7,800	8,469	6,376	6,458	8,026	5,385
NET OPERATING INCOME - \$	\$16,710	\$7,206	\$19,303	\$39,615	\$11,297	\$29,025
NET INCOME (Loss) after Depreciation & Interest Exp. - \$	(\$1,911)	\$4,026	(\$1,110)	\$1,346	(\$3,418)	\$9,621
Price Paid - \$	\$290,000	\$110,000	\$370,000	\$745,000	\$247,500	\$360,000
Date Acquired - month/day/year	4/10/2013	12/6/2003	2/22/2011	6/10/2018	9/16/2015	12/17/2014
Years Owned - X.X	7.7	17.0	9.7	2.5	5.2	6.0
Listing Price or Target Price/Valuation - \$	\$400,000	\$200,000	\$475,000	\$925,000	\$325,000	\$600,000
Price Per Unit @ Target Price/Valuation - \$	\$400,000	\$200,000	\$237,500	\$231,250	\$325,000	\$200,000
Valuation Based on (Market) Capitalization Rate - \$	\$417,750	\$180,150	\$454,188	\$990,375	\$282,425	\$645,000
Annual Realized Compounded Appreciation Rate - %	4.26%	3.58%	2.61%	9.04%	5.38%	8.89%
Estimated Property (Market) Capitalization Rate - %	4.00%	4.00%	4.25%	4.00%	4.00%	4.50%
Current Invested Capital/Equity - \$	\$173,993	\$200,000	\$182,267	\$425,443	\$143,210	\$373,839
Loan Amount (current balance) - \$	226,007	0	292,733	499,557	181,790	226,161
Annual Debt Service Payment - \$	16,286	0	17,647	32,928	12,007	15,335
Monthly Debt Service Payment - \$	1,357	0	1,471	2,744	1,001	1,278
Annual Pre-tax Cash Flow - \$	424	7,206	1,656	6,687	-710	13,690
Annual Pre-tax Cash Flow - %	0.24%	3.60%	0.91%	1.57%	-0.50%	3.66%
Year-1 Income Taxes Saved (Paid) - \$	420	(886)	244	(296)	752	(2,117)
Annual After-tax Cash Flow - \$	844	6,320	1,900	6,391	42	11,573
Annual After-tax Cash Flow - %	0.49%	3.16%	1.04%	1.50%	0.03%	3.10%
Year-1 Loan Pay Down - \$	5,901	0	5,397	8,895	4,182	5,403
Year-1 Loan Interest Expense - \$	10,385	0	12,250	24,033	7,825	9,932
(Pre-tax Cash Flow + Loan Pay down) - \$	6,325	7,206	7,053	15,582	3,472	19,093
(Pre-tax Cash Flow + Loan Pay down) - %	3.64%	3.60%	3.87%	3.66%	2.42%	5.11%
(After-tax Cash Flow + Loan Pay Down) - \$	6,746	6,320	7,297	15,286	4,224	16,976
(After-tax Cash Flow + Loan Pay Down) - %	3.88%	3.16%	4.00%	3.59%	2.95%	4.54%
Total Return (After Tax + Loan Pay Down + Appreciation) - \$	18,746	12,320	21,547	43,036	13,974	34,976
Total Return (After Tax + Loan Pay Down + Appreciation) - %	10.77%	6.16%	11.82%	10.12%	9.76%	9.36%
CAP RATE @ Listing Price or Target Price/Valuation - %	4.18%	3.60%	4.06%	4.28%	3.48%	4.84%

* Adjusted to appraisal/underwriting guidelines

	12345 SW Somewhere St. Beaverton, Oregon 97005	45 Eagle Crest Drive Portland, Oregon 97201	54321 SE Campus Way Eugene, Oregon	363 SW Bond Street Bend, Oregon	123 SW Carmen Way Lake Oswego, Oregon	1716 Main Street Medford, Oregon
LOAN Origination Date (current loan) - month/day/year	4/10/2013	N/A	8/25/2019	6/10/2018	9/16/2015	12/17/2014
Original LOAN Amount (enter 0 if NO LOAN) - \$	263,200	0	300,000	520,000	201,000	254,000
Estimated Current LOAN Balance - \$	226,007	0	292,733	499,557	181,790	226,161
LOAN Amortization - Enter Years (enter 30 if NO LOAN)	30	30	30	30	30	30
Months Left - Enter Months (enter 0 if NO LOAN)	268	0	343	330	297	288
LOAN Term (fixed rate period) - Enter Years or N/A	30	N/A	30	7	30	30
LOAN Interest Rate - Enter % (enter 0.00% if NO LOAN)	4.65%	0.00%	4.22%	4.85%	4.35%	4.44%
Annual Debt Service Payment - \$	16,286	0	17,647	32,928	12,007	15,335
Monthly Debt Service Payment - \$	1,357	0	1,471	2,744	1,001	1,278
Debt Service Coverage (DSC) Ratio:	1.03	#DIV/0!	1.09	1.20	0.94	1.89
Loan-to-Value (LTV) - %	56.5%	0.0%	61.6%	54.0%	55.9%	37.7%
CAPITAL (EQUITY) CURRENTLY INVESTED - \$	\$173,993	\$200,000	\$182,267	\$425,443	\$143,210	\$373,839
OTHER INPUTS:						
Annual Depreciation Expense (est.) - \$	8,236	3,180	8,163	14,236 ³	6,890	9,472
Investor (estimated "effective" tax rate) - %	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Projected Future Annual Appreciation - %	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
EXPENSES (annual average/projected):	Current In-Place	Current In-Place	Current In-Place	Current In-Place	Current In-Place	Current In-Place
Real Estate Taxes - \$	4,130	2,214	4,162	7,360	2,916	4,217
Property Insurance - \$	520	355	790	870	410	638
Owner Paid Utilities - \$	0	0	200	1,500	0	2,200
Administrative, General, HOA (if applicable) & Misc. - \$	150 ¹	4,150 ¹	300 ¹	1,200 ¹	2,700 ¹	300 ¹
Repairs, Maintenance, Turnover & Cleaning - \$	1,500 ¹	1,000 ¹	2,000 ¹	5,000 ¹	1,000 ¹	2,500 ¹
Landscaping / Grounds Maintenance - \$	500 ¹	0	1,800 ¹	2,400 ¹	0	1,800 ¹
Management Fees - \$	0	0	2,000	4,500	0	3,000
Reserves, Capital & Replacement (budget amount) - \$	1,000 ²	750 ²	1,500 ²	3,000 ²	1,000 ²	1,500 ²
TOTAL EXPENSES & RESERVES - \$	\$7,800	\$8,469	\$12,752	\$25,830	\$8,026	\$16,155
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FOOTNOTES:

- 1 Reflects projected annual average including monies spent on turnover.
- 2 Reflects projected average annual expenditure (next 3 years) for known capital/replacements needed (appliances, fencing, bathroom updating, etc.).
- 3 1031 Exchange, hence basis reduction coming in.
- 4 New tenant rent as of 1/2021. Current rent is \$1,550.
- 5 Reflects market rents for analysis purposes. Current rents are below market @ \$3,330 per month.
- 6 NOTE: Current estimated value of \$600,000 and 8.89% annual realized compounded appreciation rate partially due to the substantial improvements completed by owner.

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