

PRESENTATION OF

INVEST-PRO

(Canadian Version)

Copyright © 1997-2002 Virtual Real Estate (V.R.E.) Inc.
All rights reserved.

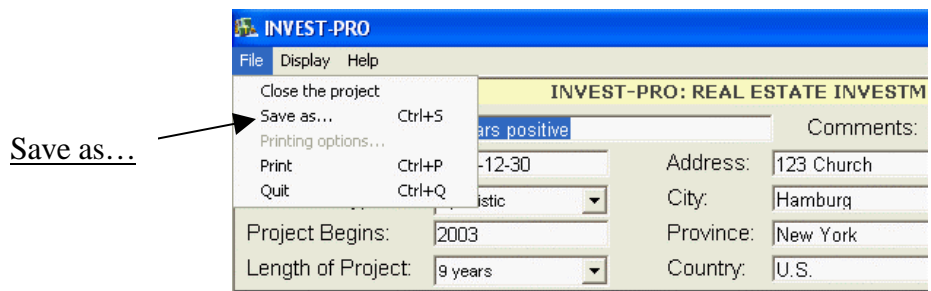
Mailing Address

Virtual Real Estate (V.R.E.) Inc.
3345 St-Charles Blvd., suite 273
Montreal, Canada, H9H 3C4

INVEST-PRO – INTRODUCTION



This page permits the access and deletion of an existing project or the creation of a new project. All information is saved in a file type (.mdb) in the directory where the Software is installed.



INVEST-PRO - TABLE 1 BASIC ASSUMPTIONS

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS						
Project's Title:	<input type="text" value="Example for guide"/>	Comments:	<input type="text" value="Well located, good condition"/>			
Analysis Date:	<input type="text" value="1/1/2003"/>	Address:	<input type="text" value="123 Main Street"/>			
Scenario Type:	<input type="text" value="Realistic"/>	City:	<input type="text" value="Hamilton"/>			
Project Begins:	<input type="text" value="2003"/>	Province:	<input type="text" value="Ontario"/>			
Length of Project:	<input type="text" value="5 years"/>	Country:	<input type="text" value="Canada"/>			
BUILDING DESCRIPTION						
Year Built:	<input type="text" value="1990"/>	Floor Structure:	<input type="text" value="Wood"/>			
Year Renovated:	<input type="text" value="0"/>	Elevator:	<input type="text" value="No"/>			
Land Area:	<input type="text" value="30000"/>	sq.ft.	Heating System:	<input type="text" value="Electric baseboard"/>		
Building Area:	<input type="text" value="14000"/>	sq.ft.	Heating paid by:	<input type="text" value="Tenant"/>		
Floors Above Ground:	<input type="text" value="3"/>	floor(s)	Condition of Windows:	<input type="text" value="Good"/>		
Number of Basement Floors:	<input type="text" value="0"/>	floor(s)	Condition of Roof:	<input type="text" value="Good"/>		
Municipal Assessment:	Land	<input type="text" value="\$200,000"/>	Building	<input type="text" value="\$550,000"/>	Total	<input type="text" value="\$750,000"/>
FINANCIAL ASSUMPTIONS						
<u>Purchase Price</u>		<u>Financing</u>		<u>Financial Data</u>		
Land:	<input type="text" value="\$200,000"/>	1st Mortgage:	<input type="text" value="\$460,000"/>	Building Depreciation Rate:	<input type="text" value="4"/> %	
Building:	<input type="text" value="\$520,000"/>	Interest Rate:	<input type="text" value="6"/> %	Marginal Tax Rate:	<input type="text" value="0"/> %	
Total:	<input type="text" value="\$720,000"/>	Amortization Period:	<input type="text" value="20 years"/>	Required Yield on Equity:	<input type="text" value="14"/> %	
Cashdown (equity):	<input type="text" value="\$260,000"/>	2nd Mortgage:	<input type="text" value="\$0"/>	Income Yearly Growth:	<input type="text" value="2"/> %	
Resale Value (end of project):	<input type="text" value="\$800,000"/>	Interest Rate:	<input type="text" value="0"/> %	Expense Yearly Growth:	<input type="text" value="2"/> %	
		Amortization Period:	<input type="text" value="10 years"/>	Brokerage Fees at Resale:	<input type="text" value="3"/> %	
					<input type="button" value="Continue"/>	

The first page of data contains three sections:

1. Identification of the Project
2. Building Description
3. Financial Assumptions

INVEST-PRO – TABLE 2

UNIT DESCRIPTION AND ESTABLISHMENT OF INCOME

In this table, we define the building units and the income applicable to the first year as well as the vacancies and bad debts corresponding to each income category.

Example: Here are four different ways to define groups of units. For example, a building of 12 residential units comprising 8 apartments of 2 bedrooms located on the ground and second floors, and 4 apartments of 3 bedrooms on the third floor.

1. We can handle the 12 apartments individually.
2. We can handle the apartments by floor (first, second or third floor), if similar conditions are applicable.
3. We can handle the apartments based on size (2 bedrooms and 3 bedrooms), if similar conditions are applicable.
4. We can handle the apartments as one main group for rapid calculation. Create one category for the 12 apartments; indicate the total number of rooms for the 12 apartments, the combined monthly gross revenue for the 12 apartments and include the applicable average for vacancy rate and bad debts.

Example 1: Residential units entered separately

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS					
example for guide - UNITS AND PREMISES DESCRIPTION - realistic					
Residential Units (Monthly Rent)					
	Unit Description	Number of Rooms	Number of Units	Monthly Rent	Vac. & Bad Debts %
▶	Apt 101	4.5	1	\$625.00	3
	Apt 102	4.5	1	\$625.00	3
	Apt 103	4.5	1	\$625.00	3
	Apt 104	4.5	1	\$625.00	3
	Apt 201	4.5	1	\$625.00	3
	Apt 202	4.5	1	\$625.00	3
	Apt 203	4.5	1	\$625.00	3
	Apt 204	4.5	1	\$625.00	3
	Apt 301	5.5	1	\$750.00	3
	Apt 302	5.5	1	\$750.00	3
	Apt 303	5.5	1	\$750.00	3
	Apt 304	5.5	1	\$750.00	3

Commercial Units (Gross Annual Rent)				
	Unit Description	Area (sq.ft.)	Income per sq.ft.	Vac. & Bad Debts %
<input type="button" value="Add a Commercial Unit"/> <input type="button" value="Remove a Commercial Unit"/>				

Other Income (Monthly Income)				
	Description	Number	Monthly Income	Bad Debts %
▶	Laundry	0	\$0.00	0
	Parking Rentals	4	\$40.00	3
	Other Income	0	\$0.00	0

Example 2: Units entered by floor

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS					
example guide per floor - UNITS AND PREMISES DESCRIPTION - realistic					
Residential Units (Monthly Rent)					
	Unit Description	Number of Rooms	Number of Units	Monthly Rent	Vac. & Bad Debts %
▶	1st Floor	4.5	4	\$625.00	3
	2nd Floor	4.5	4	\$625.00	3
	3rd Floor	5.5	4	\$750.00	3

Commercial Units (Gross Annual Rent)				
	Unit Description	Area (sq.ft.)	Income per sq.ft.	Vac. & Bad Debts %
<input type="button" value="Add a Commercial Unit"/> <input type="button" value="Remove a Commercial Unit"/>				

Other Income (Monthly Income)				
	Description	Number	Monthly Income	Bad Debts %
▶	Laundry	0	\$0.00	0
	Parking Rentals	4	\$40.00	3
	Other Income	0	\$0.00	0

Example 3: Apartments entered by size

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS				
example per unit type - UNITS AND PREMISES DESCRIPTION - realistic				
Residential Units (Monthly Rent)				
Unit Description	Number of Rooms	Number of Units	Monthly Rent	Vac. & Bad Debts %
▶ Two Bedrooms	4.5	8	\$625.00	3
Three Bedrooms	5.5	4	\$625.00	3
Add an Apartment		Remove an Apartment		
Commercial Units (Gross Annual Rent)				
Unit Description	Area (sq.ft.)	Income per sq.ft.	Vac. & Bad Debts %	
Add a Commercial Unit		Remove a Commercial Unit		
Other Income (Monthly Income)				
Description	Number	Monthly Income	Bad Debts %	
▶ Laundry	0	\$0.00	0	
Parking Rentals	4	\$40.00	3	
Other Income	0	\$0.00	0	
Add an Other Income		Remove an Other Income		
			Back	Continue

Example 4: Apartments entered as one main group for rapid calculation

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS				
example quick calculation - UNITS AND PREMISES DESCRIPTION - realistic				
Residential Units (Monthly Rent)				
Unit Description	Number of Rooms	Number of Units	Monthly Rent	Vac. & Bad Debts %
▶ 12 Units	4.83	12	\$666.67	3
Add an Apartment		Remove an Apartment		
Commercial Units (Gross Annual Rent)				
Unit Description	Area (sq.ft.)	Income per sq.ft.	Vac. & Bad Debts %	
Add a Commercial Unit		Remove a Commercial Unit		
Other Income (Monthly Income)				
Description	Number	Monthly Income	Bad Debts %	
▶ Laundry	0	\$0.00	0	
Parking Rentals	4	\$40.00	3	
Other Income	0	\$0.00	0	
Add an Other Income		Remove an Other Income		
			Back	Continue

Commercial Section

Example 5: Commercial units handled individually

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS				
example with commercial - UNITS AND PREMISES DESCRIPTION - realistic				
Residential Units (Monthly Rent)				
Unit Description	Number of Rooms	Number of Units	Monthly Rent	Vac. & Bad Debts %
Add an Apartment		Remove an Apartment		
Commercial Units (Gross Annual Rent)				
Unit Description	Area (sq.ft.)	Income per sq.ft.	Vac. & Bad Debts %	
▶ Suite 101	1200	\$10.00	5	
Suite 102	4800	\$12.00	8	
Suite 201	3000	\$8.00	5	
Suite 202	3000	\$9.00	5	
Suite 301	6000	\$7.00	5	
Add a Commercial Unit		Remove a Commercial Unit		
Other Income (Monthly Income)				
Description	Number	Monthly Income	Bad Debts %	
Add an Other Income		Remove an Other Income		
			Back	Continue

1. Other Income

**INVEST-PRO – TABLE 3
SUMMARY OF POTENTIAL GROSS INCOME BY CATEGORY**

The results on this page are calculated by the Software, based on the indicated assumptions on the previous page. For subsequent years, income is increased based on the yearly inflation rate of the income indicated in Table 1 of the Software. We can find the potential gross income by category: Apartment, Retail and Other Income.

The particularity of this Software is that the investor can modify any number in this table. For example, if the investor anticipates that in 2005 he will need to renovate the apartments on the second floor and will lose a month’s rent, he can modify the corresponding income in 2005 to consider the situation. If the investor is expecting a subsidy, he can input the number for the corresponding year only.

Example 1: 12 apartments handled individually

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS									
example for guide - GROSS POTENTIAL INCOME CALCULATION - realistic									
Unit Description	2003	2004	2005	2006	2007	2008	2009	2010	2011
Apt 101	\$7,500	\$7,650	\$7,803	\$7,959	\$8,118	\$8,281	\$8,446	\$8,615	\$8,787
Apt 102	\$7,500	\$7,650	\$7,803	\$7,959	\$8,118	\$8,281	\$8,446	\$8,615	\$8,787
Apt 103	\$7,500	\$7,650	\$7,803	\$7,959	\$8,118	\$8,281	\$8,446	\$8,615	\$8,787
Apt 104	\$7,500	\$7,650	\$7,803	\$7,959	\$8,118	\$8,281	\$8,446	\$8,615	\$8,787
Apt 201	\$7,500	\$7,650	\$7,803	\$7,959	\$8,118	\$8,281	\$8,446	\$8,615	\$8,787
Apt 202	\$7,500	\$7,650	\$7,803	\$7,959	\$8,118	\$8,281	\$8,446	\$8,615	\$8,787
Apt 203	\$7,500	\$7,650	\$7,803	\$7,959	\$8,118	\$8,281	\$8,446	\$8,615	\$8,787
Apt 204	\$7,500	\$7,650	\$7,803	\$7,959	\$8,118	\$8,281	\$8,446	\$8,615	\$8,787
Apt 301	\$9,000	\$9,180	\$9,364	\$9,551	\$9,742	\$9,937	\$10,135	\$10,338	\$10,545
Apt 302	\$9,000	\$9,180	\$9,364	\$9,551	\$9,742	\$9,937	\$10,135	\$10,338	\$10,545
Apt 303	\$9,000	\$9,180	\$9,364	\$9,551	\$9,742	\$9,937	\$10,135	\$10,338	\$10,545
Apt 304	\$9,000	\$9,180	\$9,364	\$9,551	\$9,742	\$9,937	\$10,135	\$10,338	\$10,545
Total Residential Income	\$96,000	\$97,920	\$99,878	\$101,876	\$103,913	\$105,992	\$108,112	\$110,274	\$112,479
Description	2003	2004	2005	2006	2007	2008	2009	2010	2011
Laundry	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parking Rentals	\$1,920	\$1,958	\$1,998	\$2,038	\$2,078	\$2,120	\$2,162	\$2,205	\$2,250
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Income	\$1,920	\$1,958	\$1,998	\$2,038	\$2,078	\$2,120	\$2,162	\$2,205	\$2,250
Gross Potential Income	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gross Potential Income	\$97,920	\$99,878	\$101,876	\$103,914	\$105,991	\$108,112	\$110,274	\$112,479	\$114,729

Type in the box and click on the grid to modify a value:

Example 2: Apartments handled by floor

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS									
example guide per floor - GROSS POTENTIAL INCOME CALCULATION - realistic									
Unit Description	2003	2004	2005	2006	2007	2008	2009	2010	2011
1st Floor	\$30,000	\$30,600	\$31,212	\$31,836	\$32,473	\$33,122	\$33,785	\$34,461	\$35,150
2nd Floor	\$30,000	\$30,600	\$31,212	\$31,836	\$32,473	\$33,122	\$33,785	\$34,461	\$35,150
3rd Floor	\$36,000	\$36,720	\$37,454	\$38,203	\$38,968	\$39,747	\$40,542	\$41,353	\$42,180
Total Residential Income	\$96,000	\$97,920	\$99,878	\$101,876	\$103,913	\$105,992	\$108,112	\$110,274	\$112,479
Description	2003	2004	2005	2006	2007	2008	2009	2010	2011
Laundry	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parking Rentals	\$1,920	\$1,958	\$1,998	\$2,038	\$2,078	\$2,120	\$2,162	\$2,205	\$2,250
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Income	\$1,920	\$1,958	\$1,998	\$2,038	\$2,078	\$2,120	\$2,162	\$2,205	\$2,250
Gross Potential Income	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gross Potential Income	\$97,920	\$99,878	\$101,876	\$103,914	\$105,991	\$108,112	\$110,274	\$112,479	\$114,729

Type in the box and click on the grid to modify a value:

Example 3: Apartments handled by size

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS									
example guide per floor - GROSS POTENTIAL INCOME CALCULATION - realistic									
Unit Description	2003	2004	2005	2006	2007	2008	2009	2010	2011
1st Floor	\$30,000	\$30,600	\$31,212	\$31,836	\$32,473	\$33,122	\$33,785	\$34,461	\$35,150
2nd Floor	\$30,000	\$30,600	\$31,212	\$31,836	\$32,473	\$33,122	\$33,785	\$34,461	\$35,150
3rd Floor	\$36,000	\$36,720	\$37,454	\$38,203	\$38,968	\$39,747	\$40,542	\$41,353	\$42,180
Total Residential Income	\$96,000	\$97,920	\$99,878	\$101,876	\$103,913	\$105,992	\$108,112	\$110,274	\$112,479
Description	2003	2004	2005	2006	2007	2008	2009	2010	2011
Laundry	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parking Rentals	\$1,920	\$1,958	\$1,998	\$2,038	\$2,078	\$2,120	\$2,162	\$2,205	\$2,250
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Income	\$1,920	\$1,958	\$1,998	\$2,038	\$2,078	\$2,120	\$2,162	\$2,205	\$2,250
Gross Potential Income	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gross Potential Income	\$97,920	\$99,878	\$101,876	\$103,914	\$105,991	\$108,112	\$110,274	\$112,479	\$114,729

Type in the box and click on the grid to modify a value:

Example 4: Apartments handled as one main group for rapid calculation

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS									
example quick calculation - GROSS POTENTIAL INCOME CALCULATION - realistic									
Unit Description	2003	2004	2005	2006	2007	2008	2009	2010	2011
12 Units	\$96,000	\$97,920	\$99,878	\$101,876	\$103,914	\$105,992	\$108,112	\$110,274	\$112,480
Total Residential Income	\$96,000	\$97,920	\$99,878	\$101,876	\$103,914	\$105,992	\$108,112	\$110,274	\$112,480
Description	2003	2004	2005	2006	2007	2008	2009	2010	2011
Laundry	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parking Rentals	\$1,920	\$1,958	\$1,998	\$2,038	\$2,078	\$2,120	\$2,162	\$2,205	\$2,250
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Income	\$1,920	\$1,958	\$1,998	\$2,038	\$2,078	\$2,120	\$2,162	\$2,205	\$2,250
Gross Potential Income	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gross Potential Income	\$97,920	\$99,878	\$101,877	\$103,914	\$105,992	\$108,112	\$110,274	\$112,479	\$114,730

Type in the box and click on the grid to modify a value:

Example 5: Commercial units handled individually

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS									
example with commercial - GROSS POTENTIAL INCOME CALCULATION - realistic									
Unit Description	2003	2004	2005	2006	2007	2008	2009	2010	2011
Suite 101	\$12,000	\$12,240	\$12,485	\$12,734	\$12,989	\$13,249	\$13,514	\$13,784	\$14,060
Suite 102	\$57,600	\$58,752	\$59,927	\$61,126	\$62,348	\$63,595	\$64,867	\$66,164	\$67,488
Suite 201	\$24,000	\$24,480	\$24,970	\$25,469	\$25,978	\$26,498	\$27,028	\$27,568	\$28,120
Suite 202	\$27,000	\$27,540	\$28,091	\$28,653	\$29,226	\$29,810	\$30,406	\$31,015	\$31,635
Suite 301	\$42,000	\$42,840	\$43,697	\$44,571	\$45,462	\$46,371	\$47,299	\$48,245	\$49,210
Total Commercial Income	\$162,600	\$165,852	\$169,169	\$172,552	\$176,003	\$179,524	\$183,114	\$186,776	\$190,512
Gross Potential Income	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gross Potential Income	\$162,600	\$165,852	\$169,169	\$172,552	\$176,003	\$179,524	\$183,114	\$186,776	\$190,512

Type in the box and click on the grid to modify a value:

INVEST-PRO – TABLE 4 OPERATING EXPENSES FOR THE FIRST YEAR

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS	
example for guide - EXPENSES - realistic	
Expenses	
Item	Amount
▶ Realty Taxes	\$16,000.00
Utilities (Elec., Gas, Oil)	\$1,800.00
Maintenance and Repairs	\$4,000.00
Janitor	\$3,000.00
Insurance	\$1,800.00
Advertising	\$500.00
Snow Removal	\$800.00
Management and Adm.	\$2,500.00
Replacement Fund	\$0.00
Non-Recurring Expense	\$0.00

In this table, we want to determine the normal operating expenses for the first operating year. For subsequent years, the expenses are increased based on the yearly inflation expense rate indicated in Table 1 of the Software. As in the other tables, the investor can add or remove an expense item at his convenience.

INVEST-PRO – TABLE 5

SUMMARY TABLE OF THE OPERATING EXPENSES FOR THE PROJECT’S LENGTH

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS									
example guide per floor - OPERATING EXPENSES CALCULATION - realistic									
Description	2003	2004	2005	2006	2007	2008	2009	2010	2011
Realty Taxes	\$16,000	\$16,320	\$16,648	\$16,979	\$17,319	\$17,665	\$18,019	\$18,379	\$18,747
Utilities (Elec., Gas, Oil)	\$1,600	\$1,632	\$1,665	\$1,698	\$1,732	\$1,767	\$1,802	\$1,838	\$1,875
Maintenance and Repairs	\$4,000	\$4,080	\$4,162	\$4,245	\$4,330	\$4,416	\$4,505	\$4,595	\$4,687
Janitor	\$3,000	\$3,060	\$3,121	\$3,184	\$3,247	\$3,312	\$3,378	\$3,446	\$3,515
Insurance	\$1,800	\$1,836	\$1,873	\$1,910	\$1,948	\$1,987	\$2,027	\$2,068	\$2,109
Advertising	\$500	\$510	\$520	\$531	\$541	\$552	\$563	\$574	\$586
Snow Removal	\$800	\$816	\$832	\$849	\$866	\$883	\$901	\$919	\$937
Management and Adm.	\$2,500	\$2,550	\$2,601	\$2,653	\$2,706	\$2,760	\$2,815	\$2,872	\$2,929
Replacement Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Recurring Expense	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0
Frais totaux	\$30,200	\$30,804	\$41,420	\$32,048	\$32,689	\$33,343	\$34,010	\$34,690	\$35,384
Capital Expenditures	\$0	\$0	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0

Type in the box and click on the grid to modify a value:

2- Point and click on the entry to be modified

1- To modify an entry, type in the new number here

The results on this page are calculated automatically by the Software based on the numbers indicated on the previous page. For subsequent years, the expenses are increased based on the yearly inflation rate of the expenses indicated in Table 1 - Assumptions.

INVEST-PRO enables you to modify any number in this table. For example, the investor plans to replace exterior doors in 2005 at a cost of \$10,000. See the blue cell in the 2005 column in the above table.

Capital expenses (which are not deductible as current expenses) are added to the non-depreciated cost of the basis (original cost of building plus any capitalize expense). For example, it is expected that the roof will be replaced in 2006 at a cost of \$25,000. The user must type in \$25,000 on the line containing capital expenditures in the column for 2006. This amount will not be processed as part of expenses for the current year, but will be added to the non-depreciated cost of the basis.

INVEST-PRO – TABLE 6

RESULTS OF THE FINANCIAL ANALYSIS OF THE INVESTMENT PROJECT

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS					
example for guide - FINANCIAL CALCULATIONS - realistic					
Year:	2003	2004	2005	2006	2007
	1	2	3	4	5
Gross Potential Income (GPI)	\$97,920	\$99,878	\$101,876	\$103,913	\$105,992
Vacancies And Bad Debts	\$2,938	\$2,996	\$3,056	\$3,117	\$3,180
Gross Effective Income (GEI)	\$94,982	\$96,882	\$98,820	\$100,796	\$102,812
Operating Expenses (OE)	\$30,200	\$30,804	\$41,420	\$32,048	\$32,689
Net Operating Income (NOI)	\$64,782	\$66,078	\$57,400	\$68,748	\$70,123
Financing Cost (FC)					
- Interest (I)	\$26,928	\$26,174	\$25,374	\$24,525	\$23,625
- Capital Reimbursement (CR)	\$12,384	\$13,139	\$13,939	\$14,788	\$15,688
- Mortgage Balance	\$447,616	\$434,477	\$420,538	\$405,751	\$390,062
Cash Flows After Financing	\$25,469	\$26,765	\$18,087	\$29,435	\$30,810
Income Tax at 0% of net taxable income	\$0	\$0	\$0	\$0	\$0
Capital Expenditures	\$0	\$0	\$0	\$25,000	\$0
Net Cash Flow (NCF)	\$25,469	\$26,765	\$18,087	\$4,435	\$30,810
INCOME TAX CALCULATION					
Undepreciated Cost Of The Building	\$520,000	\$509,600	\$489,216	\$494,647	\$474,861
NOI - Interest Cost	\$37,854	\$39,904	\$32,026	\$44,223	\$46,498
Deducted Cumulated Losses	\$0	\$0	\$0	\$0	\$0
Capital Cost Allowance (1) (2) (3) (Depreciation)	\$10,400	\$20,384	\$19,569	\$19,786	\$0
Net Taxable Income	\$27,454	\$19,520	\$12,457	\$24,437	\$46,498
Income Tax To Be Paid @ 0%	\$0	\$0	\$0	\$0	\$0
Losses Incurred During the Current Year	\$0	\$0	\$0	\$0	\$0
Cumulated Losses	\$0	\$0	\$0	\$0	\$0
(1) The half-year convention applies to the first year of ownership (2) Capital cost allowance cannot generate a negative taxable income (3) This software does not reassign negative income (losses) against positive income (profits) from prior years.					
ANNUAL RATIOS					
Cash on Cash Ratio (NCF / CD)	9.80%	10.29%	6.96%	1.71%	11.85%
Security Ratio (NOI - Income Tax / FC)	1.65	1.68	1.46	1.75	1.78
Minimal Occupancy Rate (OE + FC / GPI)	70.99%	70.20%	79.25%	68.67%	67.93%
Annual Cash Flow: (\$260,000)	\$25,469	\$26,765	\$18,087	\$4,435	\$30,810
NPV of Cash Flows at 14% (\$260,000)	\$22,341	\$20,595	\$12,208	\$2,626	\$16,002
Selling Price	\$800,000				
Brokerage Fees @ 3%	\$24,000				
Taxes to Be Paid From					
- Capital Gain (4)	\$0				
- Recapture of Capital Cost Allowance	\$0				
Mortgage Balance	\$390,062				
Net Cash Flow From This Project:	\$385,938				
(4) 50% of the capital gain is taxable at the marginal taxation rate of the investor. If the net cash flow of the project is negative, this loss is tax deductible against other income or capital gain (please consult your tax expert).					
FINANCIAL INDICATORS FOR THIS PROJECT					
IRR at a Marginal Taxation Rate of: 0%	15.41%				
Net Present Value at 14%	\$14,216				
EGIM at Purchase	7.58				
Cap Rate at Purchase	9.00%				
Price per Apartment at Purchase	\$60,000				
Price per Room at Purchase	\$12,414				
Price per Square Foot at Purchase	\$51				
EGIM at Resale: (Price / GEI 2008)	7.63				
Cap Rate at Resale: (NOI 2008 / Price)	8.94%				
Price per Apartment at Resale	\$66,667				
Price per Room at Resale	\$13,793				
Price per Square Foot at Resale	\$57				
IRR: Internal Rate of Return.					
NPV: Net Present Value of project, sum of yearly cash flows discounted at the prescribed yield.					
EGIM: Effective gross income multiplier.					
Cap Rate: Capitalization Rate of the project, Income / Sale Price					
CD: Cash Down (Equity invested)					

Back

Other Reports

INVEST-PRO - TABLE 7 OTHER REPORTS

Example 1: Income and Expenses statement in current dollars (\$)

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS					
example guide per floor - Income and Expenses Statement in current dollar - realistic					
INCOME	An 1	An 2	An 3	An 4	An 5
Gross Potential Income	\$97,920	\$99,878	\$101,876	\$103,913	\$105,992
Vacancies and Bad Debts	\$2,938	\$2,996	\$3,056	\$3,117	\$3,180
Gross Effective Income	\$94,982	\$96,882	\$98,820	\$100,796	\$102,812
EXPENSES					
Realty Taxes	\$16,000	\$16,320	\$16,646	\$16,979	\$17,319
Utilities (Elec., Gas, Oil)	\$1,600	\$1,632	\$1,665	\$1,698	\$1,732
Maintenance and Repairs	\$4,000	\$4,080	\$4,162	\$4,245	\$4,330
Janitor	\$3,000	\$3,060	\$3,121	\$3,184	\$3,247
Insurance	\$1,800	\$1,836	\$1,873	\$1,910	\$1,948
Advertising	\$500	\$510	\$520	\$531	\$541
Snow Removal	\$800	\$816	\$832	\$849	\$866
Management and Adm.	\$2,500	\$2,550	\$2,601	\$2,653	\$2,706
Replacement Fund	\$0	\$0	\$0	\$0	\$0
Capital Expenditures	\$0	\$0	\$0	\$25,000	\$0
Non-Recurring Expense	\$0	\$0	\$10,000	\$0	\$0
TOTAL EXPENSES	\$30,200	\$30,804	\$41,420	\$57,049	\$32,689
NET OPERATING INCOME	\$64,782	\$66,078	\$57,400	\$43,748	\$70,123
FINANCING COSTS					
Interest	\$26,928	\$26,174	\$25,374	\$24,525	\$23,625
Capital Reimbursement	\$12,384	\$13,139	\$13,939	\$14,788	\$15,688
CAPITAL EXPENSES					
	\$0	\$0	\$0	\$0	\$0
NET ANNUAL CASH FLOW	\$25,469	\$26,765	\$18,087	\$4,435	\$30,810

Example 2: Income and Expenses statement in % of EGI

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS					
example guide per floor - Income and Expenses Statement in % of EGI - realistic					
INCOME	An 1	An 2	An 3	An 4	An 5
Gross Effective Income	100.00%	100.00%	100.00%	100.00%	100.00%
EXPENSES					
Realty Taxes	16.85%	16.85%	16.84%	16.84%	16.85%
Utilities (Elec., Gas, Oil)	1.68%	1.68%	1.68%	1.68%	1.68%
Maintenance and Repairs	4.21%	4.21%	4.21%	4.21%	4.21%
Janitor	3.16%	3.16%	3.16%	3.16%	3.16%
Insurance	1.90%	1.90%	1.90%	1.89%	1.89%
Advertising	0.53%	0.53%	0.53%	0.53%	0.53%
Snow Removal	0.84%	0.84%	0.84%	0.84%	0.84%
Management and Adm.	2.63%	2.63%	2.63%	2.63%	2.63%
Replacement Fund	0.00%	0.00%	0.00%	0.00%	0.00%
Capital Expenditures	0.00%	0.00%	0.00%	24.80%	0.00%
Non-Recurring Expense	0.00%	0.00%	10.12%	0.00%	0.00%
TOTAL EXPENSES	31.80%	31.80%	41.91%	56.60%	31.79%
NET OPERATING INCOME	68.20%	68.20%	58.09%	43.40%	68.21%
FINANCING COSTS					
Interest	28.35%	27.02%	25.68%	24.33%	22.98%
Capital Reimbursement	13.04%	13.56%	14.11%	14.67%	15.26%
CAPITAL EXPENSES					
	0.00%	0.00%	0.00%	0.00%	0.00%
NET ANNUAL CASH FLOW	26.81%	27.63%	18.30%	4.40%	29.97%

Example 3 Income and Expenses statement in \$ per square foot

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS					
example for guide - Income and Expenses Statement per sq. foot of building - realistic					
INCOME	An 1	An 2	An 3	An 4	An 5
Gross Potential Income	\$6.99	\$7.13	\$7.28	\$7.42	\$7.57
Vacancies and Bad Debts	\$0.21	\$0.21	\$0.22	\$0.22	\$0.23
Gross Effective Income	\$6.78	\$6.92	\$7.06	\$7.20	\$7.34
EXPENSES					
Realty Taxes	\$1.14	\$1.17	\$1.19	\$1.21	\$1.24
Utilities (Elec., Gas, Oil)	\$0.11	\$0.12	\$0.12	\$0.12	\$0.12
Maintenance and Repairs	\$0.29	\$0.29	\$0.30	\$0.30	\$0.31
Janitor	\$0.21	\$0.22	\$0.22	\$0.23	\$0.23
Insurance	\$0.13	\$0.13	\$0.13	\$0.14	\$0.14
Advertising	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
Snow Removal	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06
Management and Adm.	\$0.18	\$0.18	\$0.19	\$0.19	\$0.19
Replacement Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capital Expenditures	\$0.00	\$0.00	\$0.00	\$1.79	\$0.00
Non-Recurring Expense	\$0.00	\$0.00	\$0.71	\$0.00	\$0.00
TOTAL EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NET OPERATING INCOME	\$4.63	\$4.72	\$4.10	\$3.12	\$5.01
FINANCING COSTS					
Interest	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Capital Reimbursement	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
CAPITAL EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NET ANNUAL CASH FLOW	\$1.82	\$1.91	\$1.29	\$0.32	\$2.20

Example 4 Income and Expenses statement in \$ per Unit

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS					
example guide per floor - Income and Expenses Statement per unit - realistic					
INCOME	An 1	An 2	An 3	An 4	An 5
Gross Potential Income	\$10,880.00	\$11,097.60	\$11,319.55	\$11,545.94	\$11,776.86
Vacancies and Bad Debts	\$326.40	\$332.93	\$339.59	\$346.38	\$353.31
Gross Effective Income	\$10,553.56	\$10,764.67	\$10,980.00	\$11,199.56	\$11,423.56
EXPENSES					
Realty Taxes	\$1,777.78	\$1,813.33	\$1,849.60	\$1,886.59	\$1,924.32
Utilities (Elec., Gas, Oil)	\$177.78	\$181.33	\$184.96	\$188.66	\$192.43
Maintenance and Repairs	\$444.44	\$453.33	\$462.40	\$471.65	\$481.08
Janitor	\$333.33	\$340.00	\$346.80	\$353.74	\$360.81
Insurance	\$200.00	\$204.00	\$208.08	\$212.24	\$216.49
Advertising	\$55.56	\$56.67	\$57.80	\$58.96	\$60.14
Snow Removal	\$88.89	\$90.67	\$92.48	\$94.33	\$96.22
Management and Adm.	\$277.78	\$283.33	\$289.00	\$294.78	\$300.68
Replacement Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capital Expenditures	\$0.00	\$0.00	\$0.00	\$2,777.78	\$0.00
Non-Recurring Expense	\$0.00	\$0.00	\$1,111.11	\$0.00	\$0.00
TOTAL EXPENSES	\$372.89	\$380.22	\$511.33	\$704.44	\$403.44
NET OPERATING INCOME	\$7,198.00	\$7,342.00	\$6,377.78	\$4,860.89	\$7,791.44
FINANCING COSTS					
Interest	\$2,992.00	\$2,908.00	\$2,819.00	\$2,725.00	\$2,625.00
Capital Reimbursement	\$1,376.00	\$1,460.00	\$1,549.00	\$1,643.00	\$1,743.00
CAPITAL EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NET ANNUAL CASH FLOW	\$2,829.91	\$2,973.91	\$2,009.69	\$492.80	\$3,423.36

Example 5 Income and Expenses statement in \$ per Room

INVEST-PRO: REAL ESTATE INVESTMENT ANALYSIS					
example guide per floor - Income and Expenses Statement per unit - realistic					
INCOME	An 1	An 2	An 3	An 4	An 5
Gross Potential Income	\$10,880.00	\$11,097.60	\$11,319.55	\$11,545.94	\$11,776.86
Vacancies and Bad Debts	\$326.40	\$332.93	\$339.59	\$346.38	\$353.31
Gross Effective Income	\$10,553.56	\$10,764.67	\$10,980.00	\$11,199.56	\$11,423.56
EXPENSES					
Realty Taxes	\$1,777.78	\$1,813.33	\$1,849.60	\$1,886.59	\$1,924.32
Utilities (Elec. , Gas, Oil)	\$177.78	\$181.33	\$184.96	\$188.66	\$192.43
Maintenance and Repairs	\$444.44	\$453.33	\$462.40	\$471.65	\$481.08
Janitor	\$333.33	\$340.00	\$346.80	\$353.74	\$360.81
Insurance	\$200.00	\$204.00	\$208.08	\$212.24	\$216.49
Advertising	\$55.56	\$56.67	\$57.80	\$58.96	\$60.14
Snow Removal	\$88.89	\$90.67	\$92.48	\$94.33	\$96.22
Management and Adm.	\$277.78	\$283.33	\$289.00	\$294.78	\$300.68
Replacement Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capital Expenditures	\$0.00	\$0.00	\$0.00	\$2,777.78	\$0.00
Non-Recurring Expense	\$0.00	\$0.00	\$1,111.11	\$0.00	\$0.00
TOTAL EXPENSES	\$372.89	\$380.22	\$511.33	\$704.44	\$403.44
NET OPERATING INCOME	\$7,198.00	\$7,342.00	\$6,377.78	\$4,860.89	\$7,791.44
FINANCING COSTS					
Interest	\$2,992.00	\$2,908.00	\$2,819.00	\$2,725.00	\$2,625.00
Capital Reimbursement	\$1,376.00	\$1,460.00	\$1,549.00	\$1,643.00	\$1,743.00
CAPITAL EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NET ANNUAL CASH FLOW	\$2,829.91	\$2,973.91	\$2,009.69	\$492.80	\$3,423.36

Back

Other Reports