ANALYZER RENTAL APARTMENT BUILDING EXAMPLE USA
USA

INTRODUCTION
This example shows how to use Analyzer to determine the value or purchase price for an rental apartment building.

Steps
Enter the information into the following folder

1. **Project Info Folder**
   Basic property information such as Property Name, Number of Units etc
2. **Financing Folder**
   Used to set up the financing
3. **Rental Units Income**
   Used to enter the rental income
4. **Rental Units Expenses**
   Used to enter the operating expenses

QUESTION
How much should the buyer pay for the property using next years projected income & expenses to achieve a 7.50% Cap Rate? This question can be answered using the "Goal Seeking" wizard.

PROJECT INFO. Folder
Property Name: The Georgia
Description: 79 Unit Apartment Building
Total Rentable Area Units: 58,000 Sq. Ft
Total Number of Units: 79
Purchase Price: $8,000,000 (The asking price)
Acquisition Costs: 2.00% of the Purchase Price
Column 1 Header: 2005 from Owner
Column 2 Header: 2006 Forecasted

FINANCING Folder

First Mortgage

Mortgage Description: First Mortgage
Lender: USA Bank
Amount: $3,700,000
Interest Rate: 7.00%
Amortization: 25 years

RENTAL UNITS INCOME Folder

The tenancy information and rental income provided by the owner and the projected income for the next year is;

Tenancy	Column 1		Column 2	
	Income	Vacancy	Income	Vacancy & Credit Loss
4 Studios	$650 per Unit per Mo	2.00%	$670 per Unit per Mo	4.00%
58 One Bedrooms	$810 per Unit per Mo	3.50%	$820 per Unit per Mo	4.00%
11 Two Bedrooms	$975 per Unit per Mo	3.50%	$1,025 per Unit per Mo	4.00%
4 Three Bedrooms	$1,050 per Unit per Mo	4.00%	$1,100 per Unit per Mo	4.00%
79 Laundry	$12 per Unit per Mo	3.70%	$13 per Unit per Mo	4.00%
81 Parking	$30 per Parking Space per Mo	0.00%	$33 per Parking Space per Mo	4.00%

RENTAL UNITS EXPENSES Folder

The expenses paid by the owner are:

Expenses	Column 1	Column 2
Accounting and Legal	$2,000 per Yr	$6,000 per Yr
Advertising	$2,500 per Yr	$7,000 per Yr
Licenses and Permits	$2,100 per Yr	$2,500 per Yr
Insurance	$9,000 per Yr	$14,000 per Yr
Prop. Management	4.00% of Effective Gross Income	5.00% of Effective Gross Income
Salary, Res. Caretaker	$1,750 per Mo	$2,600 per Mo
Property Taxes	$21,000 per Yr	$29,000 per Yr
Maintenance & Repairs	$210 per Unit x Total No. of Units per Yr	$500 per Unit x Total No. of Units per Yr
Elevator Service	$400 per Mo	$700 per Mo
Utilities	$350 per Unit x Total No. of Units per Yr	$425 per Unit x Total No. of Units per Yr
Supplies	$200 per Mo	$250 per Mo
Garbage Collection	$60 per Unit x Total No. of Units per Yr	$90 per Unit x Total No. of Units per Yr
Other Expenses	$30 per Unit x Total No. of Units per Mo	$120 per Unit x Total No. of Units per Mo

INSTRUCTIONS FOR ENTERING THE PROJECT INTO ANALYZER PRO

Getting started
The first step is to open the Analyzer Template "Rental Apartment Buildings" as follows:

1. Open Analyzer Pro.
2. Select the New Project Folder then select the "Rental Apartment Buildings" template

Entering the project data and information

PROJECT INFO Folder entries
1. Enter Property Name: The Georgia
2. Enter Description: 79 Unit Apartment Building
3. Enter Total Rentable Area Units: 58,000 Sq. Ft
4. Enter Purchase Price: $8,000,000 (The asking price)
5. Enter Acquisition Costs: 2.00% of the Purchase Price
6. Enter Column 1 Header: 2005 from Owner
7. Enter Column 2 Header: 2006 Forecasted

The Project Info screen should look like this;

FINANCING Folder entries

First Mortgage

Mortgage Description: First Mortgage
Lender: USA Bank
Amount: $3,700,000
Interest Rate: 7.00%
Amortization: 25 years

1. Select row 1
2. Enter Description: 'First Mortgage'
3. Select row 2 with description 'Second Mortgage'
4. Press the [Delete] button

Enter the First Mortgage information as follows;

Mortgage Description	Lender	Amount	Interest Rate	Amortization Period [Yrs.]	Monthly Payment	Balloon Term Expiry Date
First Mortgage	USA Bank	$ 3,700,000	7.000%	25	$ 0.00	

To calculate payment click on the "Calculate Payment" button

Total $ 3,700,000 $ 0.00

[Add] [Insert] [Delete] [Move]   [Calculate Payment]

To calculate the monthly payment click on the "Calculate Payment" button to display the Monthly Payment calculator

Monthly Payment Calculator

Mortgage Description   First Mortgage

Amount $ 3,700,000

Nominal Annual Interest Rate   7.000%

Amortization Period   25 Years

Mortgage Settings

Payment made at   End of Period

Compounding Frequency   Monthly

Monthly Payment $ 26,150.83 ◄—— Answer

Click on the "Compute" button then the "OK" button

[Compute] [OK] [Cancel] [Help]

To calculate monthly payment click on the "Compute" button and then the OK button as follows;
The monthly mortgage payment has been calculated and transferred to the Financing tab

The completed entries for the "First Mortgage" are;

Mortgage Description	Lender	Amount	Interest Rate	Amortization Period [Yrs.]	Monthly Payment	Balloon Term Expiry Date
First Mortgage	USA Bank	$ 3,700,000	7.000%	25	$ 26,150.83	

RENTAL UNITS INCOME Folder

	Column 1		Column 2	
Tenancy	Income	Vacancy	Income	Vacancy & Credit Loss
4 Studios	$650 per Unit per Mo	2.00%	$670 per Unit per Mo	4.00%
58 One Bedrooms	$810 per Unit per Mo	3.50%	$820 per Unit per Mo	4.00%
11 Two Bedrooms	$975 per Unit per Mo	3.50%	$1,025 per Unit per Mo	4.00%
4 Three Bedrooms	$1,050 per Unit per Mo	4.00%	$1,100 per Unit per Mo	4.00%
79 Laundry	$12 per Unit per Mo	3.70%	$13 per Unit per Mo	4.00%
81 Parking	$30 per Parking Space per Mo	0.00%	$33 per Parking Space per Mo	4.00%

The Rental Units Income folder should appear like this;

1. Select row with Description 'Other Income'
2. Press the **Delete** button

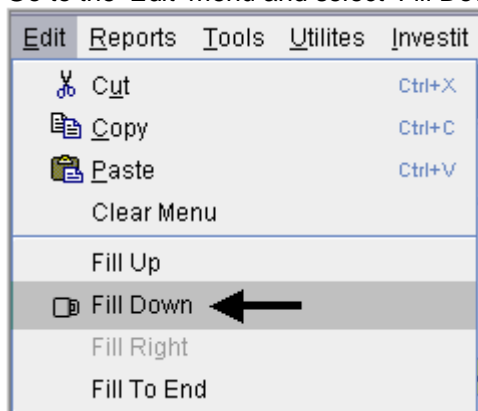The next step is to enter the data into the Rental Units Income folder.

Enter the data as shown above into the columns marked with a black arrow. The final column with the header 'Vac & Cr. Loss' all the figures in the column are the same so they can be entered in a simpler fashion.

Entering the Vac. & Cr. Loss
1. Select row 1 in the final column with entry '0.00%'
2. Enter: '4.00%'
3. Starting with row 1 highlight the enter Vac. & Cr. Loss Column

4. Go to the 'Edit' menu and select 'Fill Down'

Edit	Reports	Tools	Utilites	Investit
✂ Cut				Ctrl+X
📋 Copy				Ctrl+C
📋 Paste				Ctrl+V
Clear Menu				
Fill Up				
📋 Fill Down ←				
Fill Right				
Fill To End				

The Rental Units Income folder should now look like this;

Analyzer Pro USA - Rental Apartment Building Pro

File Edit Reports Tools Utilites Investit Help

My Company Info. Property Info. Client Info. Goal Seeking Notes

Project Info.	Financing	**Rental Units Income**	Rental Units Expenses

Income Description	Entry Choice	Qty	2005 from Owner Income	2005 from Owner Vac & Cr. Loss	2006 Forecasted Income	2006 Forecasted Vac & Cr. Loss
Studios	$ per Unit per Mo	4	$ 650	2.00%	$ 670	4.00%
One Bedrooms	$ per Unit per Mo	58	$ 810	3.50%	$ 820	4.00%
Two bedrooms	$ per Unit per Mo	11	$ 975	3.50%	$ 1,025	4.00%
Three Bedrooms	$ per Unit per Mo	4	$ 1,050	4.00%	$ 1,100	4.00%
Laundry	$ per Unit per Mo	79	$ 12	3.70%	$ 13	4.00%
Parking	$ per Parking Space per Mo	81	$ 30.00	0.00%	$ 33.00	4.00%

Add   Insert   Delete   Move

Comments

Template: Rental Apartment Buildings

Start of OLD INFO
Enter the data

1. Select row 1 'Studios'
2. Enter Qty: "4"
3. Enter 2005 From Owner Income: "$650"
4. Enter 2005 From Owner Vacancy: "2.00%"
5. Enter 2006 Forecasted Income: "$670"
6. Enter 2006 Forecasted Vacancy: "4.00%"

Your entries in the grid should look like this;

Income Description	Entry Choice	Qty	2005 from Owner		2006 Forecasted	
			Income	Vac & Cr. Loss	Income	Vac & Cr. Loss
Studios	$ per Unit per Mo	4	$ 650	2.00%	$ 670	4.00%

1. Select row 2 'One Bedrooms'
2. Enter Qty: "58"
3. Enter 2005 From Owner Income: "$810"
4. Enter 2005 From Owner Vacancy: "3.50%"
5. Enter 2006 Forecasted Income: "$820"
6. Enter 2006 Forecasted Vacancy: "4.00%"

Your entries in the grid should look like this;

Income Description	Entry Choice	Qty	2005 from Owner		2006 Forecasted	
			Income	Vac & Cr. Loss	Income	Vac & Cr. Loss
Studios	$ per Unit per Mo	4	$ 650	2.00%	$ 670	4.00%
One Bedrooms	$ per Unit per Mo	58	$ 810	3.50%	$ 820	4.00%

1. Select row 3 'Two Bedrooms'
2. Enter Qty: "11"
3. Enter 2005 from Owner Income: "$975"
4. Enter 2005 from Owner Vacancy: "3.50%"
5. Enter 2006 Forecasted Income: "$1,025"
6. Enter 2006 Forecasted Vacancy: "4.00%"

Your entries in the grid should look like this;

Income Description	Entry Choice	Qty	2005 from Owner		2006 Forecasted	
			Income	Vac & Cr. Loss	Income	Vac & Cr. Loss
Studios	$ per Unit per Mo	4	$ 650	2.00%	$ 670	4.00%
One Bedrooms	$ per Unit per Mo	58	$ 810	3.50%	$ 820	4.00%
Two bedrooms	$ per Unit per Mo	11	$ 975	3.50%	$ 1,025	4.00%

1. Select row 4 'Three Bedrooms'
2. Enter Qty: "4"
3. Enter 2005 from Owner Income: "$975"
4. Enter 2005 from Owner Vacancy: "4.00%"
5. Enter 2006 Forecasted Income: "$1,100"
6. Enter 2006 Forecasted Vacancy: "4.00%"

Your entries in the grid should look like this;

Income Description	Entry Choice	Qty	2005 from Owner		2006 Forecasted	
			Income	Vac & Cr. Loss	Income	Vac & Cr. Loss
Studios	$ per Unit per Mo	4	$ 650	2.00%	$ 670	4.00%
One Bedrooms	$ per Unit per Mo	58	$ 810	3.50%	$ 820	4.00%
Two bedrooms	$ per Unit per Mo	11	$ 975	3.50%	$ 1,025	4.00%
Three Bedrooms	$ per Unit per Mo	4	$ 1,050	4.00%	$ 1,100	4.00%

1. Select row 5 'Laundry'
2. Enter Qty: "79"
3. Enter 2005 from Owner Income: "$12"
4. Enter 2005 from Owner Vacancy: "3.70%"
5. Enter 2006 Forecasted Income: "$13"
6. Enter 2006 Forecasted Vacancy: "4.00%"

Your entries in the grid should look like this;

Income Description	Entry Choice	Qty	2005 from Owner Income	2005 from Owner Vac & Cr. Loss	2006 Forecasted Income	2006 Forecasted Vac & Cr. Loss
Studios	$ per Unit per Mo	4	$ 650	2.00%	$ 670	4.00%
One Bedrooms	$ per Unit per Mo	58	$ 810	3.50%	$ 820	4.00%
Two bedrooms	$ per Unit per Mo	11	$ 975	3.50%	$ 1,025	4.00%
Three Bedrooms	$ per Unit per Mo	4	$ 1,050	4.00%	$ 1,100	4.00%
Laundry	$ per Unit per Mo	79	$ 12	3.70%	$ 13	4.00%

1. Select row 6 'Parking'
2. Enter Qty: "81"
3. Enter 2005 from Owner Income: "$30.00"
4. Enter 2006 Forecasted Income: "$33.00"
5. Enter 2006 Forecasted Vacancy: "4.00%"

Your entries in the grid should look like this;

Income Description	Entry Choice	Qty	2005 from Owner Income	2005 from Owner Vac & Cr. Loss	2006 Forecasted Income	2006 Forecasted Vac & Cr. Loss
Studios	$ per Unit per Mo	4	$ 650	2.00%	$ 670	4.00%
One Bedrooms	$ per Unit per Mo	58	$ 810	3.50%	$ 820	4.00%
Two bedrooms	$ per Unit per Mo	11	$ 975	3.50%	$ 1,025	4.00%
Three Bedrooms	$ per Unit per Mo	4	$ 1,050	4.00%	$ 1,100	4.00%
Laundry	$ per Unit per Mo	79	$ 12	3.70%	$ 13	4.00%
Parking	$ per Parking Space per Mo	81	$ 30.00	0.00%	$ 33.00	4.00%

1. Select row 7 'Other Income'
2. Press the Delete button

END OF OLD STUFF

RENTAL UNITS EXPENSES Folder

Expenses	Column 1	Column 2
Accounting and Legal	$2,000 per Yr	$6,000 per Yr
Advertising	$2,500 per Yr	$7,000 per Yr
Licenses and Permits	$2,100 per Yr	$2,500 per Yr
Insurance	$9,000 per Yr	$14,000 per Yr
Prop. Management	4.00% of Effective Gross Income	5.00% of Effective Gross Income
Salary, Res. Caretaker	$1,750 per Mo	$2,600 per Mo
Property Taxes	$21,000 per Yr	$29,000 per Yr
Maintenance & Repairs	$210 per Unit x Total No. of Units per Yr	$500 per Unit x Total No. of Units per Yr
Elevator Service	$400 per Mo	$700 per Mo
Utilities	$350 per Unit x Total No. of Units per Yr	$425 per Unit x Total No. of Units per Yr
Supplies	$200 per Mo	$250 per Mo
Garbage Collection	$60 per Unit x Total No. of Units per Yr	$90 per Unit x Total No. of Units per Yr
Other Expenses	$30 per Unit x Total No. of Units per Mo	$120 per Unit x Total No. of Units per Mo

The Rental Units Expenses folder should appear like this;

Select the following row and press the [Delete] button
1. Employee Benefits
2. Fire Safety System service
3. Security Services
4. Intercom Rental
5. Telephone
6. Cablevision

Setting up the Entry Choices
1. Select row with Description 'Maintenance & Repairs'
2. Select Entry Choice: '$ per Unit x Total No. of Units per Yr'

3. Select row with Description 'Utilities'
4. Select Entry Choice: '$ per Unit x Total No. of Units per Yr'

5. Select row with Description 'Garbage Collection'
6. Select Entry Choice: '$ per Unit x Total No. of Units per Yr'

The Rental Units Expenses folder should now look like this;

Analyzer Pro USA - Untitled Project Pro

File   Edit   Reports   Tools   Utilites   Investit   Help

My Company Info.   Property Info.   Client Info.   Goal Seeking   Notes

Project Info.	Financing	Rental Units Income	Rental Units Expenses

			Expenses	
Expenses	Entry Choice	Qty	2005 From Owner	2006 Forecasted
Accounting and Legal	$ per Yr		$ 0	$ 0
Advertising	$ per Yr		$ 0	$ 0
Licenses and Permits	$ per Yr		$ 0	$ 0
Insurance	$ per Yr		$ 0	$ 0
Prop. Management	% of Effective Gross Income		0.00%	0.00%
Salary, Res. Caretaker	$ per Mo		$ 0	$ 0
Property Taxes	$ per Yr		$ 0	$ 0
Maintenance & Repairs	$ per Unit x Total No.of Units per Yr	79	$ 0	$ 0
Elevator service	$ per Mo		$ 0	$ 0
Utilities	$ per Unit x Total No.of Units per Yr	79	$ 0	$ 0
Supplies	$ per Mo		$ 0	$ 0
Garbage Collection	$ per Unit x Total No.of Units per Yr	79	$ 0	$ 0
Other Expenses	$ per Unit x Total No.of Units per Mo	79	$ 0	$ 0

Add   Insert   Delete   Move

Comments

Template: Rental Apartment Buildings

The next step is to enter the data into the Rental Units Income folder

| Analyzer Pro USA - Rental Apartment Building Pro |

File Edit Reports Tools Utilites Investit Help

My Company Info. | Property Info. | Client Info. | Goal Seeking | Notes

| Project Info. | Financing | Rental Units Income | **Rental Units Expenses** |

Expenses

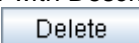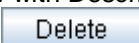| Expenses	Entry Choice		Qty	2005 from Owner	2006 Forecasted
Accounting and Legal	$ per Yr	▼		$ 2,000	$ 6,000
Advertising	$ per Yr	▼		$ 2,500	$ 7,000
Licenses and Permits	$ per Yr	▼		$ 2,100	$ 2,500
Insurance	$ per Yr	▼		$ 9,000	$ 14,000
Prop. Management	% of Effective Gross Income	▼		4.00%	5.00%
Salary, Res. Caretaker	$ per Mo	▼		$ 1,750	$ 2,600
Property Taxes	$ per Yr	▼		$ 21,000	$ 29,000
Maintenance & Repairs	$ per Unit x Total No.of Units per Yr	▼	79	$ 210	$ 500
Elevator Service	$ per Mo	▼		$ 400	$ 700
Utilities	$ per Unit x Total No.of Units per Yr	▼	79	$ 350	$ 425
Supplies	$ per Mo	▼		$ 200	$ 250
Garbage Collection	$ per Unit x Total No.of Units per Yr	▼	79	$ 60	$ 90
Other Expenses	$ per Unit x Total No.of Units per Mo	▼	79	$ 30	$ 120

Add | Insert | Delete | Move

Comments

Template: Rental Apartment Buildings

Enter the data as shown in the above screenshot into the columns marked by a black arrow.

1. Select row with Description 'Employee Benefits'
2. Press the [Delete] button

3. Select row with Description 'Fire Safety System service'
4. Press the [Delete] button

5. Select row with Description 'Security Services'
6. Press the [Delete] button

7. Select row with Description 'Intercom Rental'
8. Press the [Delete] button

9. Select row with Description 'Telephone'
10. Press the [Delete] button

11. Select row with Description 'Cablevision'
12. Press the [Delete] button

The Rental Units Expenses Grid should now look like this;

			Expenses	
Expenses	Entry Choice	Qty	2005 from Owner	2006 Forecasted
Accounting and Legal	$ per Yr		$ 0	$ 0
Advertising	$ per Yr		$ 0	$ 0
Licenses and Permits	$ per Yr		$ 0	$ 0
Insurance	$ per Yr		$ 0	$ 0
Prop. Management	% of Effective Gross Income		0.00%	0.00%
Salary, Res. Caretaker	$ per Mo		$ 0	$ 0
Property Taxes	$ per Yr		$ 0	$ 0
Maintenance & Repairs	$ per Unit x Total No.of Units per Mo	79	$ 0	$ 0
Elevator service	$ per Mo		$ 0	$ 0
Utilities	$ per Unit x Total No.of Units per Mo	79	$ 0	$ 0
Supplies	$ per Mo		$ 0	$ 0
Garbage Collection	$ per Unit x Total No.of Units per Mo	79	$ 0	$ 0
Other Expenses	$ per Unit x Total No.of Units per Mo	79	$ 0	$ 0

1. Select row 1 'Accounting & Legal'
2. Enter 2005 from Owner Expenses: "$2,000"
3. Enter 2006 Forecasted Expenses: "$6,000"

Your entries in the grid should look like this;

			Expenses	
Expenses	Entry Choice	Qty	2005 from Owner	2006 Forecasted
Accounting and Legal	$ per Yr		$ 2,000	$ 6,000

1. Select row 2 'Advertising'
2. Enter 2005 from Owner Expenses: "$2,500"
3. Enter 2006 Forecasted Expenses: "$7,000"

Your entries in the grid should look like this;

			Expenses	
Expenses	Entry Choice	Qty	2005 from Owner	2006 Forecasted
Accounting and Legal	$ per Yr		$ 2,000	$ 6,000
Advertising	$ per Yr		$ 2,500	$ 7,000

1. Select row 3 'Licenses and Permits'
2. Enter 2005 from Owner Expenses: "$2,100"
3. Enter 2006 Forecasted Expenses: "$2,500"

Your Entries in the grid should look like this;

			Expenses	
Expenses	Entry Choice	Qty	2005 from Owner	2006 Forecasted
Accounting and Legal	$ per Yr		$ 2,000	$ 6,000
Advertising	$ per Yr		$ 2,500	$ 7,000
Licenses and Permits	$ per Yr		$ 2,100	$ 2,500

1. Select row 4 'Insurance'
2. Enter 2005 from Owner Expenses: "$9,000"
3. Enter 2006 Forecasted Expenses: "$14,000"

Your entries in the grid should look like this;

Expenses	Entry Choice	Qty	Expenses	
			2005 from Owner	2006 Forecasted
Accounting and Legal	$ per Yr		$ 2,000	$ 6,000
Advertising	$ per Yr		$ 2,500	$ 7,000
Licenses and Permits	$ per Yr		$ 2,100	$ 2,500
Insurance ←	$ per Yr		→ $ 9,000 →	$ 14,000

1. Select row 5 'Prop. Management'
2. Enter 2005 from Owner Expenses: "4.00%"
3. Enter 2006 Forecasted Expenses: "5.00%"

Your entries in the grid should look like this;

Expenses	Entry Choice	Qty	Expenses	
			2005 from Owner	2006 Forecasted
Accounting and Legal	$ per Yr		$ 2,000	$ 6,000
Advertising	$ per Yr		$ 2,500	$ 7,000
Licenses and Permits	$ per Yr		$ 2,100	$ 2,500
Insurance	$ per Yr		$ 9,000	$ 14,000
Prop. Management ←	% of Effective Gross Income		→ 4.00% →	5.00%

1. Select row 6 'Salary, Res. Caretaker'
2. Enter 2005 from Owner Expenses: "$1,750"
3. Enter 2006 Forecasted Expenses: "$2,600"

Your entries in the grid should look like this;

Expenses	Entry Choice	Qty	Expenses	
			2005 from Owner	2006 Forecasted
Accounting and Legal	$ per Yr		$ 2,000	$ 6,000
Advertising	$ per Yr		$ 2,500	$ 7,000
Licenses and Permits	$ per Yr		$ 2,100	$ 2,500
Insurance	$ per Yr		$ 9,000	$ 14,000
Prop. Management	% of Effective Gross Income		4.00%	5.00%
Salary, Res. Caretaker ←	$ per Mo		→ $ 1,750 →	$ 2,600

1. Select row 7 'Property Taxes'
2. Enter 2005 from Owner Expenses: "$21,000"
3. Enter 2006 Forecasted Expenses: "$29,000"

Your entries in the grid should look like this;

Expenses	Entry Choice	Qty	Expenses	
			2005 from Owner	2006 Forecasted
Accounting and Legal	$ per Yr		$ 2,000	$ 6,000
Advertising	$ per Yr		$ 2,500	$ 7,000
Licenses and Permits	$ per Yr		$ 2,100	$ 2,500
Insurance	$ per Yr		$ 9,000	$ 14,000
Prop. Management	% of Effective Gross Income		4.00%	5.00%
Salary, Res. Caretaker	$ per Mo		$ 1,750	$ 2,600
Property Taxes ←	$ per Yr		→ $ 21,000 →	$ 29,000

1. Select row 8 'Maintenance & Repairs'

2. Select Entry Choice: "$ per Unit x Total No. of Units per Yr"
3. Enter 2005 from Owner Expenses: "$210"
4. Enter 2006 Forecasted Expenses: "$500"

Your entries in the grid should look like this;

| | | | | Expenses | |
Expenses	Entry Choice		Qty	2005 from Owner	2006 Forecasted
Accounting and Legal	$ per Yr	▾		$ 2,000	$ 6,000
Advertising	$ per Yr	▾		$ 2,500	$ 7,000
Licenses and Permits	$ per Yr	▾		$ 2,100	$ 2,500
Insurance	$ per Yr	▾		$ 9,000	$ 14,000
Prop. Management	% of Effective Gross Income	▾		4.00%	5.00%
Salary, Res. Caretaker	$ per Mo	▾		$ 1,750	$ 2,600
Property Taxes	$ per Yr	▾		$ 21,000	$ 29,000
Maintenance & Repairs ←	$ per Unit x Total No.of Units per Yr	▾	79 ➡	$ 210 ➡	$ 500

1. Select row 9 'Elevator Service'
2. Enter 2005 from Owner Expenses: "$400"
3. Enter 2006 Forecasted Expenses: "$700"

Your entries in the grid should look like this;

| | | | | Expenses | |
Expenses	Entry Choice		Qty	2005 from Owner	2006 Forecasted
Accounting and Legal	$ per Yr	▾		$ 2,000	$ 6,000
Advertising	$ per Yr	▾		$ 2,500	$ 7,000
Licenses and Permits	$ per Yr	▾		$ 2,100	$ 2,500
Insurance	$ per Yr	▾		$ 9,000	$ 14,000
Prop. Management	% of Effective Gross Income	▾		4.00%	5.00%
Salary, Res. Caretaker	$ per Mo	▾		$ 1,750	$ 2,600
Property Taxes	$ per Yr	▾		$ 21,000	$ 29,000
Maintenance & Repairs	$ per Unit x Total No.of Units per Yr	▾	79	$ 210	$ 500
Elevator Service ←	$ per Mo	▾	➡	$ 400 ➡	$ 700

1. Select row 10 'Utilities'
2. Select Entry Choice: "$ per Unit x Total No. of Units per Yr"
3. Enter 2005 from Owner Expenses: "$350"
4. Enter 2006 Forecasted Expenses: "$425"

Your entries in the grid should look like this;

| | | | | Expenses | |
Expenses	Entry Choice		Qty	2005 from Owner	2006 Forecasted
Accounting and Legal	$ per Yr	▾		$ 2,000	$ 6,000
Advertising	$ per Yr	▾		$ 2,500	$ 7,000
Licenses and Permits	$ per Yr	▾		$ 2,100	$ 2,500
Insurance	$ per Yr	▾		$ 9,000	$ 14,000
Prop. Management	% of Effective Gross Income	▾		4.00%	5.00%
Salary, Res. Caretaker	$ per Mo	▾		$ 1,750	$ 2,600
Property Taxes	$ per Yr	▾		$ 21,000	$ 29,000
Maintenance & Repairs	$ per Unit x Total No.of Units per Yr	▾	79	$ 210	$ 500
Elevator Service	$ per Mo	▾		$ 400	$ 700
Utilities ←	$ per Unit x Total No.of Units per Yr	▾	79 ➡	$ 350 ➡	$ 425

1. Select row 11 'Supplies'

2. Enter 2005 from Owner Expenses: "$200"
3. Enter 2006 Forecasted Expenses: "$250"

Your entries in the grid should look like this;

| Expenses | Entry Choice | Qty | Expenses | |
			2005 from Owner	2006 Forecasted
Accounting and Legal	$ per Yr		$ 2,000	$ 6,000
Advertising	$ per Yr		$ 2,500	$ 7,000
Licenses and Permits	$ per Yr		$ 2,100	$ 2,500
Insurance	$ per Yr		$ 9,000	$ 14,000
Prop. Management	% of Effective Gross Income		4.00%	5.00%
Salary, Res. Caretaker	$ per Mo		$ 1,750	$ 2,600
Property Taxes	$ per Yr		$ 21,000	$ 29,000
Maintenance & Repairs	$ per Unit x Total No.of Units per Yr	79	$ 210	$ 500
Elevator Service	$ per Mo		$ 400	$ 700
Utilities	$ per Unit x Total No.of Units per Yr	79	$ 350	$ 425
Supplies ←	$ per Mo		→ $ 200 →	$ 250

1. Select row 12 'Garbage Collection'
2. Select Entry Choice: "$ per Unit x Total No. of Units per Yr"
3. Enter 2005 from Owner Expenses: "$60"
4. Enter 2006 Forecasted Expenses: "$90"

Your entries in the grid should look like this;

| Expenses | Entry Choice | Qty | Expenses | |
			2005 from Owner	2006 Forecasted
Accounting and Legal	$ per Yr		$ 2,000	$ 6,000
Advertising	$ per Yr		$ 2,500	$ 7,000
Licenses and Permits	$ per Yr		$ 2,100	$ 2,500
Insurance	$ per Yr		$ 9,000	$ 14,000
Prop. Management	% of Effective Gross Income		4.00%	5.00%
Salary, Res. Caretaker	$ per Mo		$ 1,750	$ 2,600
Property Taxes	$ per Yr		$ 21,000	$ 29,000
Maintenance & Repairs	$ per Unit x Total No.of Units per Yr	79	$ 210	$ 500
Elevator Service	$ per Mo		$ 400	$ 700
Utilities	$ per Unit x Total No.of Units per Yr	79	$ 350	$ 425
Supplies	$ per Mo		$ 200	$ 250
Garbage Collection ←	$ per Unit x Total No.of Units per Yr	79	→ $ 60 →	$ 90

1. Select row 13 'Other Expenses'
2. Enter 2005 from Owner Expenses: "$30"
3. Enter 2006 Forecasted Expenses: :$120"

Your entries in the grid should look like this;

Expenses	Entry Choice	Qty	Expenses	
			2005 from Owner	2006 Forecasted
Accounting and Legal	$ per Yr		$ 2,000	$ 6,000
Advertising	$ per Yr		$ 2,500	$ 7,000
Licenses and Permits	$ per Yr		$ 2,100	$ 2,500
Insurance	$ per Yr		$ 9,000	$ 14,000
Prop. Management	% of Effective Gross Income		4.00%	5.00%
Salary, Res. Caretaker	$ per Mo		$ 1,750	$ 2,600
Property Taxes	$ per Yr		$ 21,000	$ 29,000
Maintenance & Repairs	$ per Unit x Total No.of Units per Yr	79	$ 210	$ 500
Elevator Service	$ per Mo		$ 400	$ 700
Utilities	$ per Unit x Total No.of Units per Yr	79	$ 350	$ 425
Supplies	$ per Mo		$ 200	$ 250
Garbage Collection	$ per Unit x Total No.of Units per Yr	79	$ 60	$ 90
Other Expenses ←	$ per Unit x Total No.of Units per Mo	79 →	$ 30 →	$ 120

<mark>END OF OLD STUFF</mark>

SAVE YOUR PROJECT

GOAL SEEKING

Goal Seeking allow you to determine the "Purchase Price" based on the desired return.

Using the "2006 Forecasted" Income & Expenses statement, how much should you pay for the property to get a 7.50% Cap Rate?

Steps

1. Click on the [Goal Seeking] button
2. Enter 7.50% in the Cap Rate entry field

Answer: $6,224,293