

**MIXED USE (Apartments & Commercial)**

Property Address:

Requested Loan Program

Borrowing Entity:

Individuals/Principals:

		Rate	<b>8.990%</b>	Amort
				<b>99</b>



**PURCHASE**

**REFINANCE**

Sales Price:	\$1,000,000		Date Acquired:	1/1/2013	Est Value	\$0
Cash Down:	\$400,000	40.00%	Original Cost:	\$0	Rehab:	\$0
Requested Financing (1st TD):	\$600,000	60.00%	Existing Debt:	\$0		
Subordinate Financing:	\$0	0.00%	New 1st TD:	\$0	#DIV/0!	
Total Financing:	\$600,000	60.00%	Subordinate Debt:	\$0	#DIV/0!	
Total Cash Down Payment:	\$400,000	40.00%	Total Financing:	\$0	#DIV/0!	
Source of Down Payment:			Net Proceeds:	\$0		
Comments:			Existing Lender:			

Estimated Amount of Rehab if Bridge Loan

Estimated Value after stabilization

Estimated # months to stabilization

\$1,200,000

**MIXED USE PROPERTY DESCRIPTION**

Total Number of Apartment Units	6	Monthly Income (Apartments)	58.61%	\$7,200
Total Number of Commercial Units	2	Monthly Income (Commercial)	32.56%	\$4,000
Year Built	1950	Laundry Income	0.81%	\$100
Gross Building Area (Sq Ft)	8,500	CAM Reimbursement	2.32%	\$285
NRA Sq Ft (Commercial)	1,600	Billboard Sign	1.63%	\$200
Gas Utilities	Separate	Cell Tower	4.07%	\$500
Electric Utilities	Separate	Total Monthly Income	100%	\$12,285
# of Vacant Apartment Units	0	Total Annual Income		\$147,420
# of Vacant Commercial Units	0	Commercial Rent / Sq Ft (Monthly/Annual):		\$2.50 \$30.00
Apartment Unit Mix	6- 1 bdr / 1 bath units on second floor.			
Commercial Unit Mix	2-Retail units on ground floor.			

**Commercial & Residential Apartments Layout**

% of Commercial Sq Ft to Total Bldg Sq Ft:	18.82%	
% of Apartments Sq Ft to Total Bldg Sq Ft:	81.18%	
% of Commercial Income to Total Income:	34.88%	
% of Apartment Income to Total Income:	59.42%	
Type of Commercial Leases (NNN, FSG, etc.)		2 Retail spaces leased as NNN.

## INCOME & EXPENSES

	Actual	Proforma	Annual Operating Expenses	
Gross Scheduled Annual Income	\$86,400	\$86,400	Real Estate Taxes	\$12,500
Laundry Income	\$1,200	\$1,200	Other Taxes-Assesments	\$0
CAM Reimbursement	\$3,420	\$3,420	Licenses-Business Tax	\$120
Billboard Sign	\$2,400	\$2,400	Property Insurance	\$3,570
Cell Tower	\$6,000	\$6,000	Gas	\$900
<b>Gross Potential Income</b>	<b>\$99,420</b>	<b>\$99,420</b>	Electric	\$900
Less: Physical Vacancy %	7.00%	7.00%	Water & Sewer	\$2,100
	(\$6,959)	(\$6,959)	Trash	\$540
Less: Concessions & Delinquency	0.00%	0.00%	Utilities-undetailed	\$0
	\$0	\$0	Pest Control	\$180
Total Economic Vacancy	(\$6,959)	(\$6,959)	Maintenance & Repairs	\$2,100
Total Economic Vacancy %	7.00%	7.00%	Int & Ext Decorating	\$150
<b>Effective Gross Income (EGI)</b>	<b>\$92,461</b>	<b>\$92,461</b>	Cleaning	\$150
Less Operating Expenses	(\$30,983)	(\$30,983)	Supplies	\$150
<b>Net Operating Income (NOI)</b>	<b>\$61,478</b>	<b>\$61,478</b>	Pool	\$0
1st TD Debt Service	(\$53,948)	(\$43,168)	Elevator	\$0
DSCR 1st TD	1.14	1.42	Gardening	\$360.00
2nd TD Debt Service	\$0	\$0	Payroll (Janitorial, Security, etc.)	\$0.00
Combined Debt Service(1st & 2nd)	(\$53,948)	(\$43,168)	Payroll Taxes	\$0
Combined DSCR (1st & 2nd)	1.14	1.42	Telephone & Communication	\$240
Cash Flow	\$7,530	\$18,310	Legal & Professional Fees	\$300
			General & Administrative	\$300
			Advertising & Marketing	\$300
GRM (Gross Rate Multiplier)	10.06	10.06	Off Site (Professional Mgt)	\$4,623
Cap Rate	6.15%	6.15%	Resident Mgr Salary	\$0
Average Rent Per Unit	\$1,200	\$1,200	Res Mgr Apt Allowance	\$0.00
Average Unit Size /Sq Ft	1,417	1,417	Contract Services	\$0
% Rental Upside	0.00%	0.00%	Miscellaneous expenses	\$0
ROE (cash flow / equity)	1.88%	4.58%	Other	\$0
			Replacement Reserves	\$1,500
Value per Unit	\$125,000		Total Operating Expenses	\$30,983
Loan per Unit	\$75,000		Expenses / %EGI	33.51%
			Expenses / Per Unit	\$5,164
				\$3,420

## TRANSACTION SUMMARY / TENANT PROFILE

The purpose of this transaction is to purchase the subject property with short term interest only Bridge loan with no prepayment penalty. The subject property is being sold below market for a fast closing to facilitate the sellers estate.

Tenant Profile: Six apartments and two-retail spaces on ground floor:

(1) Restaurant has 5 year lease with one-five year option; lease begin 1-1-13, expiration 2-1-18

Lease rate is \$2.50 Sq Ft Triple Net; CAM reimbursement \$142.50 per month

(2) Beauty Salon has three year lease with one three year option

Lease rate is \$2.50 Sq Ft Triple Net; CAM reimbursement \$142.50 per month

**Actual (AS IS) Rents / Proforma (As Stabilized) Market Rents**

Actual Rents DCR Sizer	
NOI	\$61,478
NOI for DS	\$49,182
Minimum DCR	1.250
Max Loan / DCR	\$721,836
Interest Rate	5.500%
Amortization	30
Loan to Value	72.18%

Market Rents DCR Sizer	
NOI	\$61,478
NOI for DS	\$49,182
Minimum DCR	1.250
Max Loan / DCR	\$721,836
Interest Rate	5.500%
Amortization	30
Loan to Value	72.18%

**Actual (AS IS) Rents:** Actual rents support \$721,000 (72% LTV) at prevailing rates (5.50%) for Portfolio Bank financing with 1.25 DCR and 30 year amortization.

**Proforma (AS stabilized) Market Rents:** Same as actual rents.

Actual Rents Cap Rate Calculator	
NOI	\$61,478
Cap Rate	6.15%
Value	\$1,000,000

Market Rents Cap Rate Calculator	
NOI	\$61,478
Cap Rate	6.15%
Value	\$1,000,000

**Actual (AS IS) Rents:** Actual Cap Rate is 6.15%. Underwriting based on Gross Potential Income 99,420 with 7% vacancy allowance and operating expenses of \$30,983 (33.50% of Stabilized EGI) / \$5,164per unit.

**Market Rents:** Same as actual income.

**COMMENTS / EXIT STRATEGY**

Refinance to conventional lender (Portfolio Bank) after 12 months operating statements are provided. Exit strategy financing estimated at 65% to 70% LTV of Market Value.

**ADDITIONAL PHOTOS**

