

# Proforma Income Statement

## 8730 Big Bend

This Statement is for the 8730 Big Bend as acquired on 1 January 2026 for a Price of \$1,119,500, subject to a Loan of \$895,600, for a Down Payment of \$223,900.

	2026	2027	2028	2029	2030
<b>Gross Income</b>					
A, B & C	45,591	48,183	59,555	61,341	63,181
8730 F-1	4,867	5,029	5,179	5,335	5,495
8730 F-2	5,490	5,794	6,098	6,281	6,469
8730 F-3	4,800	5,093	5,246	5,403	5,565
8730 F-4	4,800	5,092	5,244	5,402	5,564
8730 F-5	6,000	6,379	6,571	6,768	6,971
8730 E	25,380	26,155	26,935	27,770	31,728
8730 D	5,999	6,179	6,364	6,555	6,752
Base Rental Revenue	\$102,926	\$107,904	\$121,192	\$124,855	\$131,725
Total Reimbursements	\$20,196	\$20,802	\$21,426	\$22,069	\$22,731
<b>Total Gross Income</b>	<b>\$123,122</b>	<b>\$128,705</b>	<b>\$142,618</b>	<b>\$146,923</b>	<b>\$154,456</b>
Less: Vacancy & Credit Loss	25,723	0	0	0	0
<b>Effective Income</b>	<b>\$97,400</b>	<b>\$128,705</b>	<b>\$142,618</b>	<b>\$146,923</b>	<b>\$154,456</b>
Less: Operating Expenses					
Property Taxes	17,300	17,819	18,354	18,904	19,471
Insurance	5,200	5,356	5,517	5,682	5,853
Janitorial	2,400	2,472	2,546	2,623	2,701
Supplies	500	515	530	546	563
Trash	1,400	1,442	1,485	1,530	1,576
Electric	4,000	4,120	4,244	4,371	4,502
Gas	3,600	3,708	3,819	3,934	4,052
Sewer	700	721	743	765	788
Water	500	515	530	546	563
Maintenance & Repair	4,000	4,120	4,244	4,371	4,502
Total Operating Expenses	\$39,600	\$40,788	\$42,012	\$43,272	\$44,570
<b>Net Operating Income</b>	<b>\$57,800</b>	<b>\$87,917</b>	<b>\$100,606</b>	<b>\$103,651</b>	<b>\$109,886</b>
Less: Debt Service					
Loan	71,141	71,141	71,141	71,141	71,141
Total Debt Service	\$71,141	\$71,141	\$71,141	\$71,141	\$71,141
<b>Net Operating Cash Flow</b>	<b>(\$13,341)</b>	<b>\$16,777</b>	<b>\$29,465</b>	<b>\$32,510</b>	<b>\$38,745</b>
Less: Capital Spending					
Market TI's	27	27,696	168	173	1,306
Market Commissions	44	21,062	256	264	496
Total Capital Spending	\$72	\$48,759	\$424	\$437	\$1,803
<b>Cash Flow Before Tax</b>	<b>(\$13,413)</b>	<b>(\$31,982)</b>	<b>\$29,041</b>	<b>\$32,074</b>	<b>\$36,942</b>
<b>Taxable Income and Taxes</b>					
(Losses Carried Forward)					
Taxable Revenues	\$97,400	\$122,326	\$136,047	\$140,156	\$147,485
Less: Deducted Expenses	39,600	40,788	42,012	43,272	44,570
Less: Interest Expense	61,955	61,296	60,590	59,833	59,021
Less: Depreciation	27,545	33,781	38,792	38,805	33,463
Ordinary Income	(\$31,701)	(\$13,539)	(\$5,346)	(\$1,754)	\$10,431
Taxable Income	0	0	0	0	0
(Cum Suspended Losses)	34,201	47,740	53,086	54,840	44,409
Taxes Due (- = Savings)	0	0	0	0	0
<b>Cash Flow After Tax</b>	<b>(\$13,413)</b>	<b>(\$31,982)</b>	<b>\$29,041</b>	<b>\$32,074</b>	<b>\$36,942</b>

# Proforma Income Statement

## 8730 Big Bend

	2026	2027	2028	2029	2030
<b>Sale Proceeds:</b>					
Sale Value	\$224,362	\$1,223,527	\$1,260,150	\$1,298,330	\$1,391,891
Less: Sale Costs (7%)	15,705	85,647	88,211	90,883	97,432
Less: Loan Repayment	886,414	876,570	866,018	854,710	842,590
Sale Proceeds Before Tax	(677,758)	261,311	305,921	352,737	451,868
Less: Taxes due to Sale	(141,965)	(13,646)	(701)	13,464	35,469
Sale Proceeds After Tax	(535,792)	274,956	306,622	339,273	416,400
<b>Ratio Analysis:</b>					
Profitability Ratios					
Capitalization Rate	5.16%	7.85%	8.99%	9.26%	9.82%
Cash on Cash Before Tax	(5.89%)	7.41%	13.01%	14.36%	17.11%
Cash on Cash After Tax	(5.92%)	(14.13%)	12.83%	14.17%	16.32%
Accounting RoR Before Tax		28.25%	34.87%	61.04%	
Accounting RoR After Tax		6.71%	34.69%	60.85%	
Current RoR Before Tax		23.49%	24.93%	37.32%	
Current RoR After Tax			20.12%	32.19%	
Risk Ratios					
Debt Coverage Ratio	0.812	1.236	1.414	1.457	1.545
Breakeven Occupancy	89.9%	87.0%	79.3%	77.9%	74.9%
Loan Balance/Property Value	395.1%	71.6%	68.7%	65.8%	60.5%
Assumption Ratios					
NOI/Property Value	25.76%	7.19%	7.98%	7.98%	7.89%
Gross Income Multiple	1.82	9.51	8.84	8.84	9.01
Operating Expense Ratio	32.2%	31.7%	29.5%	29.5%	28.9%