

# Analysis Assumptions Report

118 E Carleton

## Investment Assumptions

Price of Property	\$1,370,000.00
Closing Costs	.25% of Property Price
Date of Acquisition	1 January 2020
Holding Period	5 Years
Inflation Rate	3% per Year
Sale Price Method	Continuous Growth at Inflation Rate
Selling Costs	6%

## Investor's Assumptions

General Vacancy & Credit Loss	Zero
Tax Rate - First Year	35%
Tax Rate - Following Years	35%
Capital Gain Rate	15%
Cost Recovery Recapture Rate	25% - Losses Taken Currently
Present Value Discount Rate Before Debt	10% per Year
Present Value Discount Rate Before Tax	10% per Year
Present Value Discount Rate After Tax	10% per Year

## Depreciation Assumptions

Depreciable Amount	80% of Property Price
Depreciable Life	39 Years
Depreciation Method	Straight Line
Depreciation Start Date	at Acquisition

## Loan Assumptions

Loan Amount	75% of Property Price
Loan Interest Rate	4% Annually
Original Loan Period	20 Years
Loan Origination Date	at Acquisition
Loan Type	Monthly Payments, Amortizing

## Tax Strategies Revenue Assumptions

Annual Revenue	\$19,618.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at 3% Annually

## Tax Strategies Tax Revenue Assumptions

Annual Revenue	\$540.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at 3% Annually

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## **Nelson Accounting Revenue Assumptions**

Annual Revenue	\$12,692.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at 3% Annually

## **Nelson Accounting Tax Revenue Assumptions**

Annual Revenue	\$349.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	Annual at 3% Annually

## **Morgan Stanley Revenue Assumptions**

Annual Revenue	\$71,834.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	No Growth is Projected

## **Morgan Stanley Tax Revenue Assumptions**

Annual Revenue	\$2,275.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	No Growth is Projected

## **Morgan Stanley Expenses Revenue Assumptions**

Annual Revenue	\$14,772.00
Revenue Start Date	at Acquisition
Revenue Period	Until Projected Sale
Revenue Growth Method	No Growth is Projected

## **Property Taxes Expense Assumptions**

Annual Expense	\$15,051.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at 3% Annually

## **City Taxes Expense Assumptions**

Annual Expense	\$2,486.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at 3% Annually

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## **Insurance Expense Assumptions**

Annual Expense	\$2,228.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at 3% Annually

## **Alarm Expense Assumptions**

Annual Expense	\$258.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at 3% Annually

## **Fire Safety Expense Assumptions**

Annual Expense	\$329.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at 3% Annually

## **Landscaping Expense Assumptions**

Annual Expense	\$2,665.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at 3% Annually

## **Repairs Expense Assumptions**

Annual Expense	\$2,322.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at 3% Annually

## **Utilities Expense Assumptions**

Annual Expense	\$3,996.00
Expense Start Date	at Acquisition
Expense Period	Until Projected Sale
Expense Growth Method	Annual at 3% Annually