Profit Loss Analysis

Applicant: 1538 New Jersey Avenue NW
Property: 1538 New Jersey Avenue NW

Alternative 1: 3 Units		
Purchase Price	$	399,900
Closing Costs	$	23,046
Basic Building work including structural, utilities, etc		
Project Cost for 3 Units	$	430,500
Total Project Cost	$	853,446
Debt	$	640,085
Equity	$	213,362
Gross Rent for 3 Units	$	63,000
Total Gross Potential Rent	$	63,000
Vacancy / Collection at 5%	$	3,150
Net Rent	$	59,850
Taxes	$	7,254
Insurance	$	3,000
Common Utilities	$	6,000
Trash	$	2,400
Management Fees at 5%	$	2,993
Repairs and Maintenance	$	2,250
Total Expenses	$	23,897
Operating Income	$	35,953
Debt Service	$	45,770
Cash Flow	**$**	**(9,817)**
Cash Return on Equity		**-5%**

Alternative 2: 5 Units		
Purchase Price	$	399,900
Closing Costs	$	23,046
Project Cost for 5 Units	$	615,000
Total Project Cost	$	1,037,946
Debt	$	778,460
Equity	$	259,487
Gross Rent for 5 Units	$	105,000
Total Gross Potential Rent	$	105,000
Vacancy / Collection at 5%	$	5,250
Net Rent	$	99,750
Taxes	$	8,823
Insurance	$	3,500
Common Utilities	$	7,000
Trash	$	2,400
Management Fees at 5%	$	4,988
Repairs and Maintenance	$	3,750
Total Expenses	$	30,460
Operating Income	$	69,290
Debt Service	$	68,940
Cash Flow	**$**	**350**
Cash Return on Equity		**0%**

Proposed: 7 Units		
Purchase Price	$	399,900
Closing Costs	$	23,046
Project Cost for 7 Units	$	717,500
Total Project Cost	$	1,140,446
Debt	$	855,335
Equity	$	285,112
Gross Rent for 7 Units	$	147,000
Total Gross Potential Rent	$	147,000
Vacancy / Collection at 5%	$	7,350
Net Rent	$	139,650
Taxes	$	9,694
Insurance	$	4,000
Common Utilities	$	8,000
Trash	$	2,400
Management Fees at 5%	$	6,983
Repairs and Maintenance	$	5,250
Total Expenses	$	36,326
Operating Income	$	103,324
Debt Service	$	76,118.64
Cash Flow	**$**	**27,205**
Cash Return on Equity		**10%**