

FINANCING REPORT

Report Date : 6/8/2021

Property Information	Project Name : Address :	Multi-Family Deal 123 Smith Street	City : State / ZIP :	Charlotte North Carolina - 123456	Property Type : Square Footage :	Multifamily 50,000 ft²	Beds / Baths : Built / Renovated :	50 / 45 1985 / 2001
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Financing Assumptions	Down Payment : Loan Amount :	\$ 150,000 \$ 620,000	Tenor : Interest Rate :	30 years 4.000%	Initial Loan to Value : Monthly Payment :	82.7% \$ 3,477	Closing Costs : Mortgage Insurance :	\$ 12,400 1.00%
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Year 1 - 15	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
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Operating															
Gross Operating Income	127,200	129,744	132,339	134,986	137,685	140,439	143,248	146,113	149,035	152,016	155,056	158,157	161,320	164,547	167,838
(-) Operating Expenses	(47,760)	(48,715)	(49,690)	(50,683)	(51,697)	(52,731)	(53,786)	(54,861)	(55,958)	(57,078)	(58,219)	(59,384)	(60,571)	(61,783)	(63,018)
Net Operating Income	79,440	81,029	82,649	84,302	85,988	87,708	89,462	91,252	93,077	94,938	96,837	98,774	100,749	102,764	104,819
(-) CAPEX & Other Expenses	(9,240)	(9,425)	(9,613)	(9,806)	(10,002)	(10,202)	(10,406)	(10,614)	(10,826)	(11,043)	(11,264)	(11,489)	(11,719)	(11,953)	(12,192)
Cash Flow before Debt	70,200	71,604	73,036	74,497	75,987	77,506	79,057	80,638	82,250	83,895	85,573	87,285	89,031	90,811	92,627

Financing															
Starting Balance	620,000														
Interest Payment	(24,601)	(24,156)	(23,693)	(23,212)	(22,710)	(22,188)	(21,645)	(21,080)	(20,492)	(19,879)	(19,242)	(18,579)	(17,889)	(17,170)	(16,423)
Principal Repayment	(10,918)	(11,363)	(11,826)	(12,308)	(12,809)	(13,331)	(13,875)	(14,440)	(15,028)	(15,640)	(16,278)	(16,941)	(17,631)	(18,349)	(19,097)
Loan Insurance	(6,200)	(5,167)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	(41,720)	(40,686)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)
Ending Balance	609,082	597,718	585,892	573,584	560,775	547,443	533,569	519,129	504,101	488,461	472,183	455,242	437,611	419,262	400,165
Recurring Cash Flow After Debt	28,480	30,918	37,516	38,977	40,467	41,987	43,537	45,118	46,731	48,376	50,054	51,765	53,511	55,291	57,108

Debt Coverage :															
Net Operating Income	79,440	81,029	82,649	84,302	85,988	87,708	89,462	91,252	93,077	94,938	96,837	98,774	100,749	102,764	104,819
Debt Service	41,720	40,686	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520
DSCR (Debt Service Cover Ratio)	1.90x	1.99x	2.33x	2.37x	2.42x	2.47x	2.52x	2.57x	2.62x	2.67x	2.73x	2.78x	2.84x	2.89x	2.95x
Cash Flow before Debt	70,200	71,604	73,036	74,497	75,987	77,506	79,057	80,638	82,250	83,895	85,573	87,285	89,031	90,811	92,627
Debt Service	41,720	40,686	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520
Adjusted DSCR	1.68x	1.76x	2.06x	2.10x	2.14x	2.18x	2.23x	2.27x	2.32x	2.36x	2.41x	2.46x	2.51x	2.56x	2.61x

Loan To Value :															
Property Value	1,000,000	1,020,000	1,040,400	1,061,208	1,082,432	1,104,081	1,126,162	1,148,686	1,171,659	1,195,093	1,218,994	1,243,374	1,268,242	1,293,607	1,319,479
Debt Outstanding	609,082	597,718	585,892	573,584	560,775	547,443	533,569	519,129	504,101	488,461	472,183	455,242	437,611	419,262	400,165
LTV (Loan To Value)	60.9%	58.6%	56.3%	54.1%	51.8%	49.6%	47.4%	45.2%	43.0%	40.9%	38.7%	36.6%	34.5%	32.4%	30.3%

Debt Yield :															
Net Operating Income	79,440	81,029	82,649	84,302	85,988	87,708	89,462	91,252	93,077	94,938	96,837	98,774	100,749	102,764	104,819
Debt Outstanding	609,082	597,718	585,892	573,584	560,775	547,443	533,569	519,129	504,101	488,461	472,183	455,242	437,611	419,262	400,165
Debt Yield	13.0%	13.6%	14.1%	14.7%	15.3%	16.0%	16.8%	17.6%	18.5%	19.4%	20.5%	21.7%	23.0%	24.5%	26.2%

Break-Even Ratio :															
Total Operating Expenses	47,760	48,715	49,690	50,683	51,697	52,731	53,786	54,861	55,958	57,078	58,219	59,384	60,571	61,783	63,018
Debt Service	41,720	40,686	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520
Gross Operating Income	127,200	129,744	132,339	134,986	137,685	140,439	143,248	146,113	149,035	152,016	155,056	158,157	161,320	164,547	167,838
Break-Even Ratio	70.3%	68.9%	64.4%	63.9%	63.3%	62.8%	62.3%	61.9%	61.4%	60.9%	60.5%	60.0%	59.6%	59.1%	58.7%

Year 16 - 30	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Operating															
Gross Operating Income	171,194	174,618	178,111	181,673	185,306	189,013	192,793	196,649	200,582	204,593	208,685	212,859	217,116	221,458	225,887
(-) Operating Expenses	(64,279)	(65,564)	(66,876)	(68,213)	(69,577)	(70,969)	(72,388)	(73,836)	(75,313)	(76,819)	(78,355)	(79,922)	(81,521)	(83,151)	(84,814)
Net Operating Income	106,916	109,054	111,235	113,460	115,729	118,044	120,405	122,813	125,269	127,774	130,330	132,936	135,595	138,307	141,073
(-) CAPEX & Other Expenses	(12,436)	(12,685)	(12,938)	(13,197)	(13,461)	(13,730)	(14,005)	(14,285)	(14,571)	(14,862)	(15,159)	(15,462)	(15,772)	(16,087)	(16,409)
Cash Flow before Debt	\$ 94,480	\$ 96,370	\$ 98,297	\$ 100,263	\$ 102,268	\$ 104,314	\$ 106,400	\$ 108,528	\$ 110,698	\$ 112,912	\$ 115,171	\$ 117,474	\$ 119,823	\$ 122,220	\$ 124,664
Financing															
Interest Payment	(15,645)	(14,835)	(13,992)	(13,115)	(12,203)	(11,253)	(10,264)	(9,235)	(8,164)	(7,050)	(5,890)	(4,682)	(3,426)	(2,119)	(758)
Principal Repayment	(19,875)	(20,685)	(21,527)	(22,404)	(23,317)	(24,267)	(25,256)	(26,285)	(27,356)	(28,470)	(29,630)	(30,837)	(32,094)	(33,401)	(34,762)
Loan Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)	(35,520)
Ending Balance	380,291	359,606	338,079	315,674	292,357	268,090	242,834	216,550	189,194	160,724	131,094	100,257	68,163	34,762	-
Recurring Cash Flow After Debt	58,960	60,850	62,777	64,743	66,748	68,794	70,880	73,008	75,179	77,393	79,651	81,954	84,304	86,700	89,145
Debt Coverage :															
Net Operating Income	106,916	109,054	111,235	113,460	115,729	118,044	120,405	122,813	125,269	127,774	130,330	132,936	135,595	138,307	141,073
Debt Service	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520
DSCR (Debt Service Cover Ratio)	3.01x	3.07x	3.13x	3.19x	3.26x	3.32x	3.39x	3.46x	3.53x	3.60x	3.67x	3.74x	3.82x	3.89x	3.97x
Cash Flow before Debt	94,480	96,370	98,297	100,263	102,268	104,314	106,400	108,528	110,698	112,912	115,171	117,474	119,823	122,220	124,664
Debt Service	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520
Adjusted DSCR	2.66x	2.71x	2.77x	2.82x	2.88x	2.94x	3.00x	3.06x	3.12x	3.18x	3.24x	3.31x	3.37x	3.44x	3.51x
Loan To Value :															
Property Value	1,345,868	1,372,786	1,400,241	1,428,246	1,456,811	1,485,947	1,515,666	1,545,980	1,576,899	1,608,437	1,640,606	1,673,418	1,706,886	1,741,024	1,775,845
Debt Outstanding	380,291	359,606	338,079	315,674	292,357	268,090	242,834	216,550	189,194	160,724	131,094	100,257	68,163	34,762	-
LTV (Loan To Value)	28.3%	26.2%	24.1%	22.1%	20.1%	18.0%	16.0%	14.0%	12.0%	10.0%	8.0%	6.0%	4.0%	2.0%	-
Debt Yield :															
Net Operating Income	106,916	109,054	111,235	113,460	115,729	118,044	120,405	122,813	125,269	127,774	130,330	132,936	135,595	138,307	141,073
Debt Outstanding	380,291	359,606	338,079	315,674	292,357	268,090	242,834	216,550	189,194	160,724	131,094	100,257	68,163	34,762	-
Debt Yield	28.1%	30.3%	32.9%	35.9%	39.6%	44.0%	49.6%	56.7%	66.2%	79.5%	99.4%	132.6%	198.9%	397.9%	-
Break-Even Ratio :															
Total Operating Expenses	64,279	65,564	66,876	68,213	69,577	70,969	72,388	73,836	75,313	76,819	78,355	79,922	81,521	83,151	84,814
Debt Service	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520	35,520
Gross Operating Income	171,194	174,618	178,111	181,673	185,306	189,013	192,793	196,649	200,582	204,593	208,685	212,859	217,116	221,458	225,887
Break-Even Ratio	58.3%	57.9%	57.5%	57.1%	56.7%	56.3%	56.0%	55.6%	55.3%	54.9%	54.6%	54.2%	53.9%	53.6%	53.3%