

# Cap Rate Analysis - Provo 6-Plex, 441 S 500 E

| NOI Calculation      |                |
|----------------------|----------------|
| Annual Revenue       | 72060          |
| Vacancy Rate         | 3%             |
| Vacancy Loss         | 2161.8         |
| Expenses             | 16839          |
| Net Operating Income | <b>53059.2</b> |

| Cap Rates | Price      | Notes             |
|-----------|------------|-------------------|
| 5.31%     | \$ 999,000 | As is             |
| 5.53%     | \$ 999,000 | As is, no vacancy |
| 5.94%     | \$ 999,000 | Pro Forma         |
| 6.19%     | \$ 999,000 | PF, no vacancy    |

| Unit #s | Rents |
|---------|-------|
| 439     | 1015  |
| 441     | 875   |
| 443     | 1200  |
| 445     | 950   |
| 447     | 950   |
| 449     | 1015  |
| Total   | 6005  |
| Average | 1001  |

## Notes

City bill includes power, sewer, water.  
 Gas bill: 55% of combined gas bill.  
 1 dumpster, cost 206/mo, split between 2 6-plex buildings.  
 Internet: paid by tenants.  
 Taxes: might be year 2024.  
 Insurance: half of the bill since current policy includes both 6-plexes.  
 Competing units: tenants pay electric, sometimes gas,  
 Utilities are separately metered.

| Revenue              |              |            |                      |              |  |
|----------------------|--------------|------------|----------------------|--------------|--|
| Monthly Rent         | Annual Rent  | Unit Count | Unit Mix             | Market Rents |  |
| 961                  | 57660        | 5          | 1 bed / 1 bath       | 1075         |  |
| 1200                 | 14400        | 1          | 2 bed / 1 bath       | 1200         |  |
| <b>Total Revenue</b> | <b>72060</b> | <b>6</b>   | <b>Total Revenue</b> | <b>78900</b> |  |

| 2025 Expenses       |              |
|---------------------|--------------|
| City bill           | 6795         |
| Gas                 | 1717         |
| Dumpster            | 1236         |
| Pest                | 300          |
| Property Management | 0            |
| Taxes               | 3444         |
| Insurance           | 1638         |
| Maintenance         | 1709         |
| <b>Total</b>        | <b>16839</b> |

| Utility Analysis |     |
|------------------|-----|
| Ave cost/unit/mo | 135 |
| Tenant payment   | 85  |

\*Tenant payment is Pro Forma

| Pro Forma Expenses  |              |
|---------------------|--------------|
| City bill           | 6795         |
| Gas                 | 1717         |
| Dumpster            | 1236         |
| Pest                | 300          |
| Property Management | 6312         |
| Taxes               | 3444         |
| Insurance           | 1638         |
| Maintenance         | 1709         |
| <b>Total</b>        | <b>23151</b> |

| Pro Forma Analysis   |                |
|----------------------|----------------|
| Rent Revenue         | 78900          |
| Utility Revenue      | 6120           |
| Total Revenue        | 85020          |
| Total Expenses       | 23151          |
| Less Vacancy         | 2550.6         |
| <b>Pro Forma NOI</b> | <b>59318.4</b> |

Pro forma rents still likely LOW. Possible \$1100 (1-bed).  
 Assumes property management of 8%.