



2025 projections fully leased

Valuation below is adjusting for fully lease up at an average of 975.00 a month for the remaining 20 units.

1. **Calculate Additional Income from New Units:**
 - 20 units at \$975 each per month for three months: $\$975 * 20 * 3 = \$58,500$
2. **Adjust Utilities:**
 - Total units in the building: 41 (40 residential + 1 commercial)
 - Total utilities for three months: \$29,233.15
 - Divide utilities evenly among all units: $\$29,233.15 / 41 = \712.99 per unit for three months
3. **Calculate New Utilities Cost for 40 Residential Units:**
 - $40 \text{ units} * \$712.99 = \$28,519.60$
4. **Adjust the Net Income:**
 - Add the additional income from the new units.
 - Subtract the new utilities cost for the residential units.
 - Add back all of the advertising cost except for \$1,000.
 - Add back half of the cleaning fee to the bottom line.
 - Add the additional \$9,000 per month for the commercial store (already figured in).

From your figures:

- Original Net Income: \$8,010.17
- Additional income from new units: \$58,500
- New utilities cost for residential units: \$28,519.60
- Advertising cost: \$7,342.75. Adjusting for \$1,000 from last year: $\$7,342.75 - \$1,000 = \$6,342.75$
- Cleaning fee: \$6,922.50. Half of this is \$3,461.25.
- Additional rent for commercial store: \$9,000 per month for three months is \$27,000.

So, the adjustments for January to March would be:

- Original Net Income: \$8,010.17
- Add additional income from new units: +\$58,500
- Subtract new utilities cost: -\$28,519.60
- Add back adjusted advertising cost: +\$6,342.75
- Add back half cleaning fee: +\$3,461.25
- Add additional rent for commercial store: +\$27,000

Adjusted profit for January to March: $\$8,010.17 + \$58,500 - \$28,519.60 + \$6,342.75 + \$3,461.25 + \$27,000 = \$74,794.57$

5. **Annualize the Adjusted Profit:**
 - If \$74,794.57 is for three months, then the annual adjusted profit would be $\$74,794.57 * 4 = \$299,178.28$.
6. **Apply a Cap Rate:**
 - Using a cap rate of 5% for this example.
 - Property value = Annual Net Operating Income / Cap Rate
 - **Property value = $\$299,178.28 / 0.05 = \$5,983,565.60$**



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2024 projections fully leased

Also attached are the 2024 figures and here are the corrections

1. Adjust the Net Income:

- Add the income from Alexander Pierce Restaurant: $\$9,000 * 12 = \$108,000$
- Add the income from 20 additional units at \$975 per month: $\$975 * 20 * 12 = \$234,000$
- Add back all of the advertising cost except for \$1,000.
- Add back half of the cleaning fee to the bottom line.
- Adjust the utility expenses for gas, water, and electric.

From your figures:

- Net Income: \$52,740.32
- Income from Alexander Pierce Restaurant: \$108,000
- Income from 20 additional units: \$234,000
- Advertising cost: \$1,368.92. Adjusting for \$1,000 from last year: $\$1,368.92 - \$1,000 = \$368.92$
- Cleaning fee: \$22,146.96. Half of this is \$11,073.48.

2. Adjust Utility Expenses:

- Total gas, water, and electric for the year:
 - Gas: \$1,013.30
 - Water: \$9,390.85
 - Electric: \$20,199.80
 - Total: $\$1,013.30 + \$9,390.85 + \$20,199.80 = \$30,603.95$
- Divide among 21 units: $\$30,603.95 / 21 = \$1,457.33$ per unit
- New utility cost for 41 units: $\$1,457.33 * 41 = \$59,750.53$
- Increase in utility cost for the additional 20 units: $\$59,750.53 - \$30,603.95 = \$29,146.58$

So, the adjustments for the full year would be:

- Original Net Income: \$52,740.32
- Add income from Alexander Pierce Restaurant: +\$108,000
- Add income from 20 additional units: +\$234,000
- Add back adjusted advertising cost: +\$368.92
- Add back half cleaning fee: +\$11,073.48
- Subtract increase in utility cost: -\$29,146.58

Adjusted profit for the full year: $\$52,740.32 + \$108,000 + \$234,000 + \$368.92 + \$11,073.48 - \$29,146.58 = \$377,036.14$

3. Apply a Cap Rate:

- Using a cap rate of 5% for this example.
- Property value = Annual Net Operating Income / Cap Rate
- **Property value = $\$377,036.14 / 0.05 = \$7,540,722.80$**