

PROOF OF YIELD ON EQUITY

REFERENCE NO: SAMPLE ANALYST REPORT

PROPERTY: Office Building

ANALYSIS DATE: 08-01-01

Required Rate of Return on Equity	12.000%
Holding Period	7 Years

Original Equity	Ratio	Value	
Equity	0.30000	\$6,454,954	\$1,936,486
Soft Costs	0.04000	\$6,454,954	<u>258,198</u>
		Initial Cash Investment	\$2,194,684

Terminal Equity	Resale Value	\$7,414,713
	Loan Balance	-4,106,578
	Sale Expenses	<u>-519,030</u>
	Net Reversion	\$2,789,105

PROOF

Year	Cash Flow	Present Value Factor @ 12.000%	Present Value
1	169,590.50	0.8928569	151,420.05
2	182,836.56	0.7971935	145,756.12
3	196,347.56	0.7117797	139,756.21
4	210,128.69	0.6355174	133,540.44
5	224,185.56	0.5674261	127,208.73
6	238,523.50	0.5066303	120,843.23
7	253,148.25	0.4523484	114,511.21
Net Reversion	2,789,104.75	0.4523484	<u>1,261,647.10</u>
		Present Value of Cash Flows	2,194,683.09
		Initial Cash Investment	<u>-2,194,684.25</u>
		Net Present Value	-1.16