

DIRECT CAPITALIZATION SUMMARY
 3910 ADLER PLACE - HANOVER TWP, PA 18018



FOX & ROACH,
 REALTORS®



POTENTIAL GROSS INCOME				MONTHLY	ANNUAL	
Tenant Space	40,948 SF			\$26,719	\$320,632	\$7.83
Vacant Space	<u>30,772 SF</u>		\$16.00	<u>\$41,029</u>	<u>\$492,352</u>	\$16.00
	71,720 SF			\$67,749	\$812,984	\$11.34
LESS: VACANCY & COLLECTION LOSS @	5%				(\$40,649)	(\$0.57)
EFFECTIVE GROSS INCOME					\$772,335	\$10.77
LESS: OPERATING EXPENSES	\$/SF	% EGI	ANNUAL			
Fixed Expenses						
Real Estate Taxes	\$0.77	7.12%	\$54,953			
Insurance	\$0.16	1.48%	\$11,432			
Variable Expenses						
Utilities	\$1.34	12.49%	\$96,450			
Admin/Professional Fees/Accounting	\$0.16	1.46%	\$11,280			
Management	\$0.44	4.09%	\$31,590			
Security System	\$0.09	0.81%	\$6,290			
Building, Repair, Cleaning & Maintenance	\$0.82	7.62%	\$58,820			
Site Maintenance (Landscape & Snow)	\$0.51	4.75%	\$36,706			
Annual Reserves/Cap Ex	<u>\$0.20</u>	<u>1.9%</u>	<u>\$14,344</u>			
TOTAL OPERATING EXPENSES	\$4.49	41.7%			(\$321,865)	-\$4.49
NET OPERATING INCOME					\$450,470	\$6.28
VALUE OPINION WHEN CAPITALIZED @	7.50%				\$6,006,270	\$83.75
LESS, LEASE UP AND FOREGONE RENT					-\$246,291	-\$11.99
LESS, CONSTRUCTION COSTS TO FINISH 4,500-SF					-\$540,000	-\$120.00
FINAL AS IS VALUE BY INCOME ANALYSIS					\$5,219,978	
				rounded >>	\$5,220,000	\$72.78