

# Property Valuation Report

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<b>Catoctin</b>
Catoctin Circle
Asset Type: office   Gross Area: 50,000 SF

## Executive Summary

Net Operating Income	\$1,053,564
Implied Value	\$17,559,400
Unlevered IRR	5.8%
Levered IRR	5.8%
DSCR	1.88x
Equity Multiple	1.31x
Net Sale Proceeds	\$9,341,587

## Income Statement

Gross Potential Rent	\$1,305,000
Less: Vacancy (5.00%)	(\$65,250)
Less: Credit Loss (1.00%)	(\$13,050)
Plus: Other Income	\$0
<b>Effective Gross Income</b>	<b>\$1,226,700</b>

## Operating Expenses

Insurance	\$40,000
Real Estate Taxes	\$35,000
Repairs & Maintenance	\$36,801
Utilities	\$24,534
Management Fee (3.00%)	\$36,801
<b>Total Operating Expenses</b>	<b>\$173,136</b>

## Capital Costs

Tenant Improvements (TI) (\$5.00/SF)	\$250,000
Leasing Commissions (LC)	\$2
Capital Expenditures (CapEx)	\$85,000
<b>Total Capital Costs</b>	<b>\$335,002</b>

## Net Operating Income

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Effective Gross Income	\$1,226,700
Less: Total Expenses	(\$173,136)
<b>Net Operating Income (Year 1)</b>	<b>\$1,053,564</b>

## Debt Analysis

Loan Amount	\$9,657,670
Interest Rate	5.80%
Annual Debt Service	\$560,145
<b>DSCR</b>	<b>1.88x</b>
Loan Balance at Exit	\$9,657,670

## Valuation & Exit Analysis

Year 1 NOI	\$1,053,564
Exit Cap Rate	6.00%
Implied Value (NOI / Cap Rate)	\$17,559,400
Hold Period	5 years
Exit Year NOI	\$1,163,220
Reversion Value	\$19,386,996
Less: Sales Costs (2.00%)	(\$387,740)
<b>Net Sale Proceeds</b>	<b>\$9,341,587</b>

## Investment Returns

Initial Investment	\$17,559,400
Initial Equity	\$7,901,730
Unlevered IRR	5.78%
Unlevered Equity Multiple	1.30x
<b>Levered IRR</b>	<b>5.77%</b>
<b>Levered Equity Multiple</b>	<b>1.31x</b>

## Lease Expiration Schedule

Tenant	Area (SF)	Annual Rent	Lease End
BIG Tenant	45,000	\$1,305,000	2030-10-02

## Annual Cash Flows

Year	NOI	Cap Costs	Debt Svc	CF Pre-Debt	CF Post-Debt
1	\$1,053,564	(\$335,002)	\$560,145	\$718,562	\$158,417
2	\$1,074,635	(\$335,002)	\$560,145	\$739,633	\$179,488
3	\$1,096,128	(\$335,002)	\$560,145	\$761,126	\$200,981
4	\$1,118,051	(\$335,002)	\$560,145	\$783,049	\$222,904
5	\$1,140,412	(\$335,002)	\$560,145	\$805,410	\$245,265

## Monthly Cash Flows

Period	NOI	Cap Costs	Debt Svc	CF Pre-Debt	CF Post-Debt
Y1 M1	\$87,797	(\$27,917)	\$46,679	\$59,880	\$13,201
Y1 M2	\$87,797	(\$27,917)	\$46,679	\$59,880	\$13,201
Y1 M3	\$87,797	(\$27,917)	\$46,679	\$59,880	\$13,201
Y1 M4	\$87,797	(\$27,917)	\$46,679	\$59,880	\$13,201
Y1 M5	\$87,797	(\$27,917)	\$46,679	\$59,880	\$13,201
Y1 M6	\$87,797	(\$27,917)	\$46,679	\$59,880	\$13,201
Y1 M7	\$87,797	(\$27,917)	\$46,679	\$59,880	\$13,201
Y1 M8	\$87,797	(\$27,917)	\$46,679	\$59,880	\$13,201
Y1 M9	\$87,797	(\$27,917)	\$46,679	\$59,880	\$13,201
Y1 M10	\$87,797	(\$27,917)	\$46,679	\$59,880	\$13,201
Y1 M11	\$87,797	(\$27,917)	\$46,679	\$59,880	\$13,201
Y1 M12	\$87,797	(\$27,917)	\$46,679	\$59,880	\$13,201
Y2 M1	\$89,553	(\$27,917)	\$46,679	\$61,636	\$14,957
Y2 M2	\$89,553	(\$27,917)	\$46,679	\$61,636	\$14,957
Y2 M3	\$89,553	(\$27,917)	\$46,679	\$61,636	\$14,957
Y2 M4	\$89,553	(\$27,917)	\$46,679	\$61,636	\$14,957
Y2 M5	\$89,553	(\$27,917)	\$46,679	\$61,636	\$14,957
Y2 M6	\$89,553	(\$27,917)	\$46,679	\$61,636	\$14,957
Y2 M7	\$89,553	(\$27,917)	\$46,679	\$61,636	\$14,957
Y2 M8	\$89,553	(\$27,917)	\$46,679	\$61,636	\$14,957
Y2 M9	\$89,553	(\$27,917)	\$46,679	\$61,636	\$14,957
Y2 M10	\$89,553	(\$27,917)	\$46,679	\$61,636	\$14,957
Y2 M11	\$89,553	(\$27,917)	\$46,679	\$61,636	\$14,957
Y2 M12	\$89,553	(\$27,917)	\$46,679	\$61,636	\$14,957
Y3 M1	\$91,344	(\$27,917)	\$46,679	\$63,427	\$16,748
Y3 M2	\$91,344	(\$27,917)	\$46,679	\$63,427	\$16,748
Y3 M3	\$91,344	(\$27,917)	\$46,679	\$63,427	\$16,748
Y3 M4	\$91,344	(\$27,917)	\$46,679	\$63,427	\$16,748
Y3 M5	\$91,344	(\$27,917)	\$46,679	\$63,427	\$16,748
Y3 M6	\$91,344	(\$27,917)	\$46,679	\$63,427	\$16,748
Y3 M7	\$91,344	(\$27,917)	\$46,679	\$63,427	\$16,748
Y3 M8	\$91,344	(\$27,917)	\$46,679	\$63,427	\$16,748
Y3 M9	\$91,344	(\$27,917)	\$46,679	\$63,427	\$16,748
Y3 M10	\$91,344	(\$27,917)	\$46,679	\$63,427	\$16,748
Y3 M11	\$91,344	(\$27,917)	\$46,679	\$63,427	\$16,748
Y3 M12	\$91,344	(\$27,917)	\$46,679	\$63,427	\$16,748
Y4 M1	\$93,171	(\$27,917)	\$46,679	\$65,254	\$18,575
Y4 M2	\$93,171	(\$27,917)	\$46,679	\$65,254	\$18,575
Y4 M3	\$93,171	(\$27,917)	\$46,679	\$65,254	\$18,575
Y4 M4	\$93,171	(\$27,917)	\$46,679	\$65,254	\$18,575
Y4 M5	\$93,171	(\$27,917)	\$46,679	\$65,254	\$18,575
Y4 M6	\$93,171	(\$27,917)	\$46,679	\$65,254	\$18,575
Y4 M7	\$93,171	(\$27,917)	\$46,679	\$65,254	\$18,575
Y4 M8	\$93,171	(\$27,917)	\$46,679	\$65,254	\$18,575
Y4 M9	\$93,171	(\$27,917)	\$46,679	\$65,254	\$18,575

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Period	NOI	Cap Costs	Debt Svc	CF Pre-Debt	CF Post-Debt
Y4 M10	\$93,171	(\$27,917)	\$46,679	\$65,254	\$18,575
Y4 M11	\$93,171	(\$27,917)	\$46,679	\$65,254	\$18,575
Y4 M12	\$93,171	(\$27,917)	\$46,679	\$65,254	\$18,575
Y5 M1	\$95,034	(\$27,917)	\$46,679	\$67,117	\$20,439
Y5 M2	\$95,034	(\$27,917)	\$46,679	\$67,117	\$20,439
Y5 M3	\$95,034	(\$27,917)	\$46,679	\$67,117	\$20,439
Y5 M4	\$95,034	(\$27,917)	\$46,679	\$67,117	\$20,439
Y5 M5	\$95,034	(\$27,917)	\$46,679	\$67,117	\$20,439
Y5 M6	\$95,034	(\$27,917)	\$46,679	\$67,117	\$20,439
Y5 M7	\$95,034	(\$27,917)	\$46,679	\$67,117	\$20,439
Y5 M8	\$95,034	(\$27,917)	\$46,679	\$67,117	\$20,439
Y5 M9	\$95,034	(\$27,917)	\$46,679	\$67,117	\$20,439
Y5 M10	\$95,034	(\$27,917)	\$46,679	\$67,117	\$20,439
Y5 M11	\$95,034	(\$27,917)	\$46,679	\$67,117	\$20,439
Y5 M12	\$95,034	(\$27,917)	\$46,679	\$67,117	\$20,439

Valuation Assumptions

Vacancy Rate	5.00%
Credit Loss Rate	1.00%
Management Fee Rate	3.00%
Exit Cap Rate	6.00%
Sales Costs Rate	2.00%
Hold Period	5 years
NOI Growth Rate	2.00%

This analysis is for informational purposes only and does not constitute a certified appraisal or investment advice.

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