



3SG Commercial Valuation CREFT Report

Date 01/01/09

Section 1 – PARTIES TO THE ENGAGEMENT

Parties	CLIENT & INTENDED USER	PROPERTY OWNER or BROKER CONTACT
Contact Name	Mitch O'Connell	Lloyd Williams (Broker)
Company	Commercial Lender	ABC Commercial Brokerage
Street Address	124 Eagle Way	323 Main Street
City/State/Zip	Chicago, IL	Oak Park, IL
Phone	312-555-5555	312-555-5555
Fax	312-555-5555	312-555-5555
Email	mitch@commlend.com	Lloyd@abccomm.com
Client Order ID#	A00123	
3SG Order ID#	CREFT398	

PLEASE NOTE – This report is a compilation of public real estate data and is NOT an appraisal. For a more credible analysis, you should engage a State Certified General Real Estate Appraiser who is certified for commercial real estate practice and is familiar with your subject property type and local economic market conditions. The information contained herein has been obtained from sources believed reliable. We have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions, or estimates used are for example only and do not represent the current or future performance of the property. You and your legal, financial and tax advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs.

Section 2 – PROBLEM IDENTIFICATION

Subject Property Characteristics	Trade Name Churchill Apartments		Street Address 1800 W Bethune	
	City Detroit	State MI	Zip 48206	County Wayne
	Land Size .39Acres	SF	Zoning C3 Residential/Multifamily	
	Improvements Are:	<input type="checkbox"/> None <input type="checkbox"/> Proposed	<input type="checkbox"/> Existing, No Changes Planned	<input checked="" type="checkbox"/> Existing, Plus Additions, Remodel or Repair
	Assessor Parcel ID 800-57-33	# Buildings 1	# Stories 4	# Units 58
	Gross Building SF Above Grade 43,616		Year Built 1924	Year Rem'd 1968
	Property Type Multifamily		Subtype Apartments	
	Occupancy Status <input type="checkbox"/> 100% Owner Occupied <input type="checkbox"/> Owner Occupied 8% Vacant			
	Executive Summary Property consists of 58 apartment units. Owner pays electricity, heat and water. Rental rates from \$420-\$510 per month, including utilities. Property has been rehabbed and contains elevator, new parking lot, newer boiler and many new windows. Neighborhood slightly northwest of Downtown between Wing and Fryer Streets. <input type="checkbox"/> See Attached			
	Total Price Estimate or Current Market Listing Price	\$1,540,000		
Last Sale Prices & Dates	Most recent \$1,300,00 Date 11/06	2 nd Last \$1,120,640 Date 08/03	3 rd Last \$NA Date NA	
Property Discrepancies & Assumptions Analysis	1.) Provided Zip Code was 48206; City of Detroit Assessor's Records was 48202 2.) Income & Expense data provided did not indicate year – assumed to be current year 3.) Could not locate current Zone – assumed compliant 4.) No public record of renovations			



Section 3 – FINANCIALS SUMMARY

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FINANCIALS SUMMARY	2009	2008	2007
Revenue	Year to Date	Broker Provided	Not Provided
Total Scheduled Gross Income – All Units (@100%)	\$79,500	\$318,000	
Total Additional Income – All Units (Laundry + Misc)	\$1,250	\$5,000	
Effective Gross Income	\$80,750	\$323,000	
Expenses			
Maintenance	\$5,026	\$20,104	
Other Maintenance – Elevator	\$519.50	\$2,078	
Taxes	\$3,083	\$12,332	
Insurance	\$2,253	\$9,013	
Vacancy Loss (5%)	\$4,037	\$16,150	
Collection Loss (3%)	\$2,423	\$9,690	
Management Fee/Payroll (Actual)	\$4,057	\$16,228	
Other Expenses – Utilities (Electric, Gas, Water)	\$15,566	\$62,263	
Total Expenses	\$36,964	\$147,858	
Net Operating Income (before depreciation & debt service)	\$43,786	\$175,142	
Financials Discrepancies & Assumptions Analysis	1.) CREFT Net Operating Income (NOI) 13% lower than original provided a.) Property Taxes provided = \$12,332.18 vs. City Records Actual = \$14,975		



Section 4 – MARKET PRICE ANALYSIS GRID

	Subject	Sale 1	Sale 2	Sale 3	Listing 1	Listing 2
Location	1800 West Bethune, 48206	2740 Fullerton St, 48238	1415 Glynn Court, 48238	2016 E Jefferson, 48214	16840 Telegraph Rd, 48219	1075 Coplin, 48215
Distance (miles)	NA	1.3	0.85	3.3	7.2	12.8
Date of Sale	Nov-06	May-08	Nov-07	Mar-07	Aug-08	Jan-09
# of Months	22	17	4	9	4	1
Land Area SF	43,212	32,145	52,698	32,076	53,694	55,471
Gross Building Area SF	42,616	31,508	37,436	30,000	45,528	31,440
Age/Year Built	1924	1928	1927	1930	1965	1923
Price	\$1,300,000	\$950,000	\$1,375,000	\$900,000	\$1,600,000	\$1,800,000
Price/SF	\$35.31	\$30.15	\$36.72	\$30.00	\$35.14	\$57.25
Comments						

Average Price	\$1,325,000.00	Average Per SF Sales Price	\$37.85	Average Subject Price Estimate	\$1,613,100.83
Average Comp Age (months)	7	Average Distance (miles)	4	Average Gross Building Area SF	35,182

Section 5 – LOCALVIEW (Optional Next Step - Restricted Appraisal Report)