

JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS
II. CLASSES AT THE UNIVERSITY OF WISCONSIN--MADISON
O. Business 935: Seminar--Urban Land Economics (MBA
and MS)
3. Example of a Student Project

2116 University Avenue

22-Unit Income Expense Statement

Submitted by Appraisal Class 935

2 x \$150 x 12 x .90	=	\$ 3,240.00
12 x \$160 x 12 x .95	=	21,888.00
4 x \$165 x 12 x .95	=	7,524.00
4 x \$170 x 12 x .98	=	7,996.80
13 x \$750 x 12 x .100	=	<u>1,170.00</u>
		\$ 41,818.80 effective gross rent

Expenses:

Real Estate Taxes

Land: 14,600 x 50	=	\$ 840.00
Building: 165,100 x 50	=	8,255.00
Furniture: p.p. 11,000 x 50	=	<u>550.00</u>
		\$ 9,645.00 rounded \$9,650

<u>Insurance:</u>	\$ 500
<u>Management:</u> at 6%	2,500
<u>Repairs & maintenance</u> (\$50 per apartment)	1,100
<u>Janitorial contract</u> (\$90 per month)	1,080
<u>Reserve for painting</u> (\$75 per unit every 3 years)	550
<u>Utilities</u>	175
<u>Scavenger service & pest control</u>	130
<u>Supplies & incidentals</u>	200
Reserve for furnishing replacement $\frac{600 \times 22}{6}$	<u>2,200</u>
Net income before recapture	\$23,715 or rounded \$23,700

As of December 1, 1967

Schedule II

UNIVERSITY HOUSE

2116 University Avenue

MORTGAGEE

A. Name	First Federal - Milwaukee
B. When Placed	3/64
C. When Due	25 Years
	(Mortgage includes properties at 2118, 2116 & 2122)

MORTGAGE

A. Original Amount	\$ 247,500.00
B. Present Balance	\$ 230,383.31
C. Interest Charges	6 %

ASSESSED VALUATION

A. Amount for Land	\$ 14,600.00
B. Amount for Building	\$ 165,100.00
Tax Rate - State Tax Credit	.4438

PROPERTY INFORMATION

2116 University Avenue - 22 units, Purchase Price	\$275,000
2118 University Avenue (Erickson property) 3 units, Purchase Price	38,087 (paid)
2122 University Avenue (Garvoille property) 3 units Purchase Price	42,500 (paid)
Rear of 2116 University Avenue (M. Starr Nichols) Vacant Land Purchase Price	<u>55,000</u> (paid)
TOTAL ORIGINAL PURCHASE PRICE	\$407,587

UNIVERSITY HOUSE
2116 University Avenue

October 31, 1968

INCOME

Gross Effective Income	\$ 4,493.00
Washer and Dryer Income	12.53
Miscellaneous Income	<u>2.42</u>
Total Income	\$ 4,507.95

EXPENSES

Real Estate Taxes & Insurance	\$ 828.00
Management	343.91
Repairs and Maintenance	368.60
On-Site Management (Deducted in Nov.)	
Electricity and Gas	379.75
Commissions (Taken in November)	
Miscellaneous	<u>25.00</u>
Total Expenses	<u>1,945.26</u>
Net Income	\$ 2,562.69

DEBT SERVICE

Principal	\$ 466.65
Interest	<u>1,129.35</u>
Total Debt Service	<u>1,596.00</u>
CASH FLOW	\$ 966.69

From 101
Share of Revenue

UNIVERSITY HOUSE

INCOME

2116 University Avenue

22 units - one bedrooms @ \$160
Parking - 13 @ \$7.50

\$ 42,240
1,170

\$ 43,410

2118 University Avenue

3 units - one bedrooms @ \$60, \$75, \$110

2,940

2122 University Avenue

3 units - two bedrooms & one bedrooms
Total \$540

6,480

Gross Income

\$ 52,830

Less 5% vacancy allowance

2,641

Gross Effective Income

\$ 50,189

EXPENSES

Real Estate & P.P. Taxes \$ 8,600
Insurance 450
Management 2,000
Repairs & Maintenance 1,400
Reserve for Painting & Decorating 400
Utilities ~~3,000~~ 1848
Scavenger Service 175
Pest Control 80
Advertising 350
Supplies & Incidentals 200
Reserve for Furniture & Furnishings ~~2,500~~

\$ 8,600

450

2,000

1,400

400

~~3,000~~ 1848

175

80

350

200

~~2,500~~

15,403

Net Income Before Debt Service

DEBT SERVICE

2116 & 2118 University Avenue

Original - \$247,050 @ 6%

Balance - \$227,232 - \$2,449 per mo. 29,388

Total loan

\$ 26,007

\$ 223,000

CASH FLOW

~~2,449~~

(3,381)