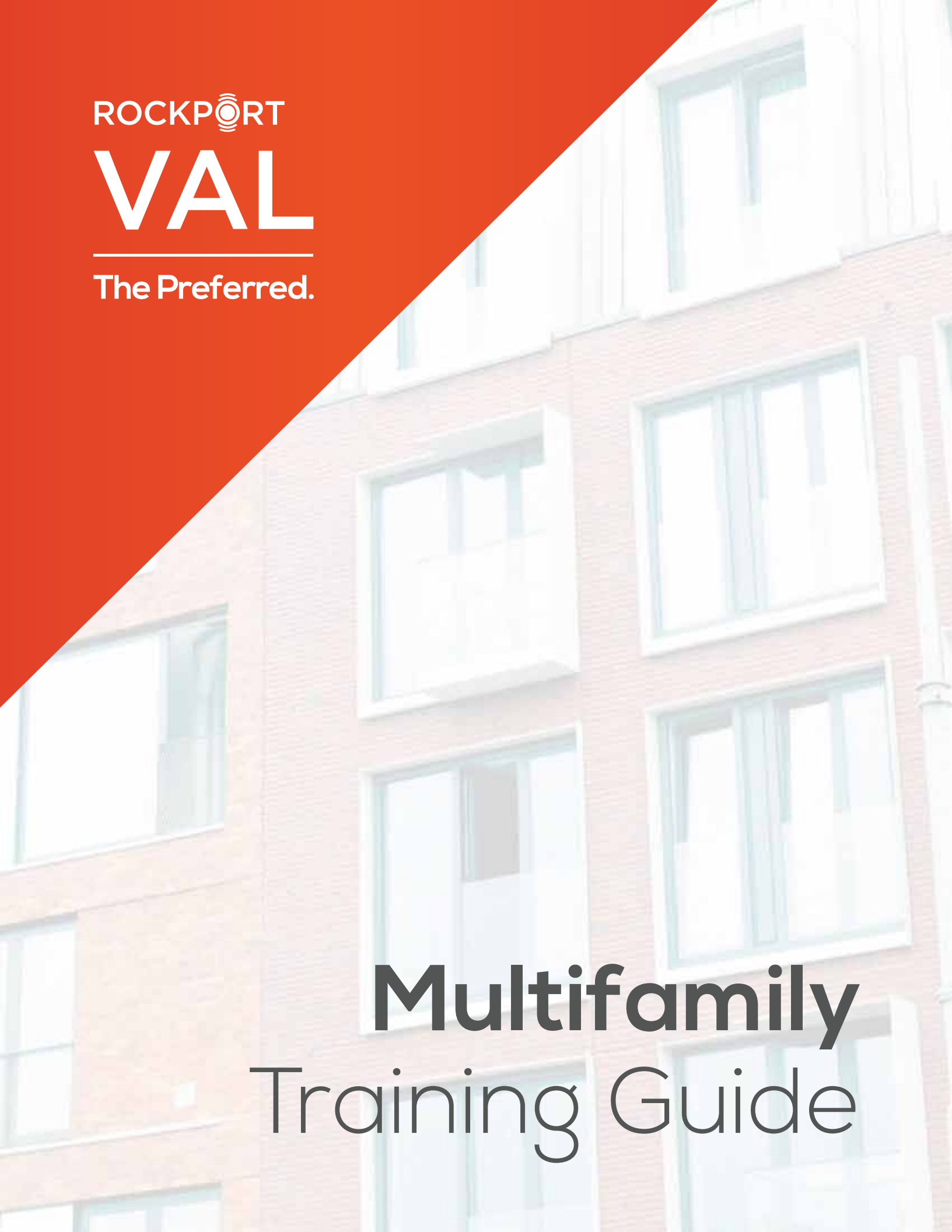
ROCKPORT

VAL

The Preferred.



Multifamily
Training Guide

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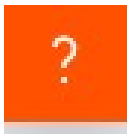
Introduction to VAL

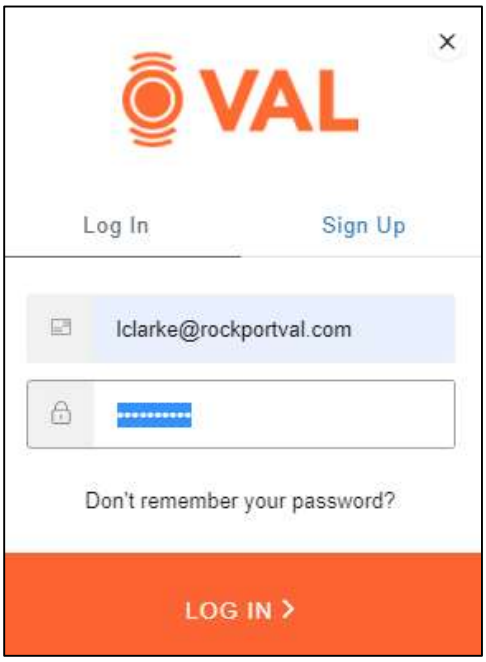
VAL is a cash flow modeling & valuation platform that is user friendly, affordable, efficient and a powerful alternative to all other products on the market. It is cloud-based so you can login to VAL from anywhere, on any device. Seamlessly collaborate and share with colleagues and clients. Today, you will learn how your team can benefit from technology's newest solution to DCF modeling and valuation.

Questions about VAL?

	**On-Screen Tutorials**: Click on the question mark located at the bottom right corner of any VAL screen to access the tutorials. Tutorials include slide shows, interactive data entry assistance, and pdf downloads.
	YouTube Channel: Access numerous tutorial videos at https://www.youtube.com/rockportval
	Support: Email support at support@rockportval.com.

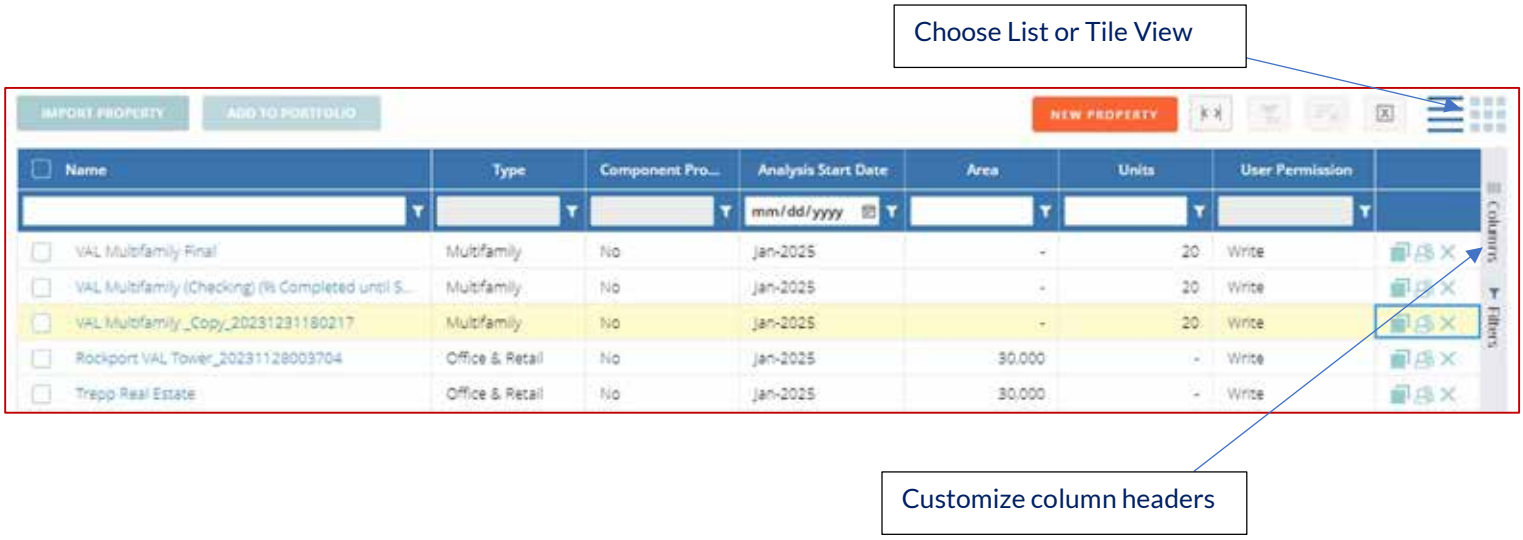
Login to VAL

Go to www.rockportval.com and click "**Log In**" in the upper right-hand corner. Click Rockport VAL and enter your credentials to access VAL.



VAL User Interface

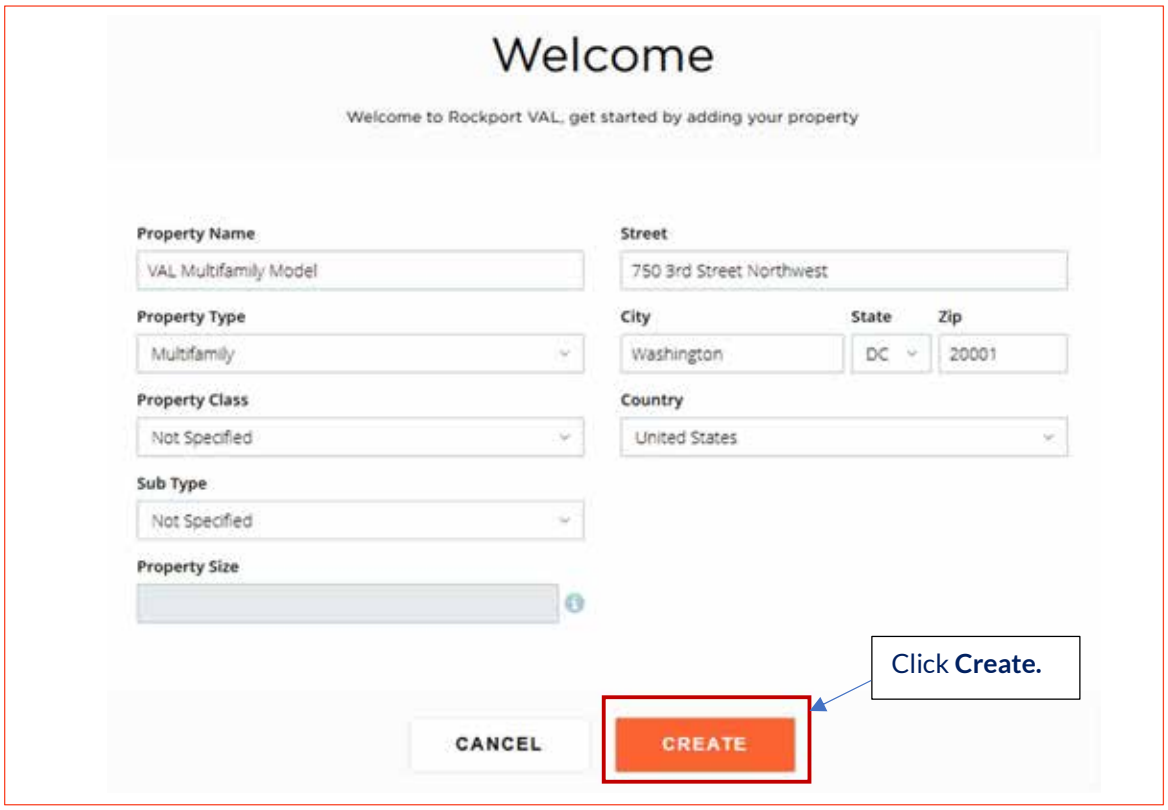
The VAL user interface is designed to be intuitive and easy to navigate.



Create New Property

In this training scenario, we will create a multifamily property.

- Click **New Property.**



Add the following property details:

- Property Name: VAL Multifamily
- Property Type: Multifamily
- Address: 750 3rd Street Northwest Washington DC 20001
- Click **Create.**

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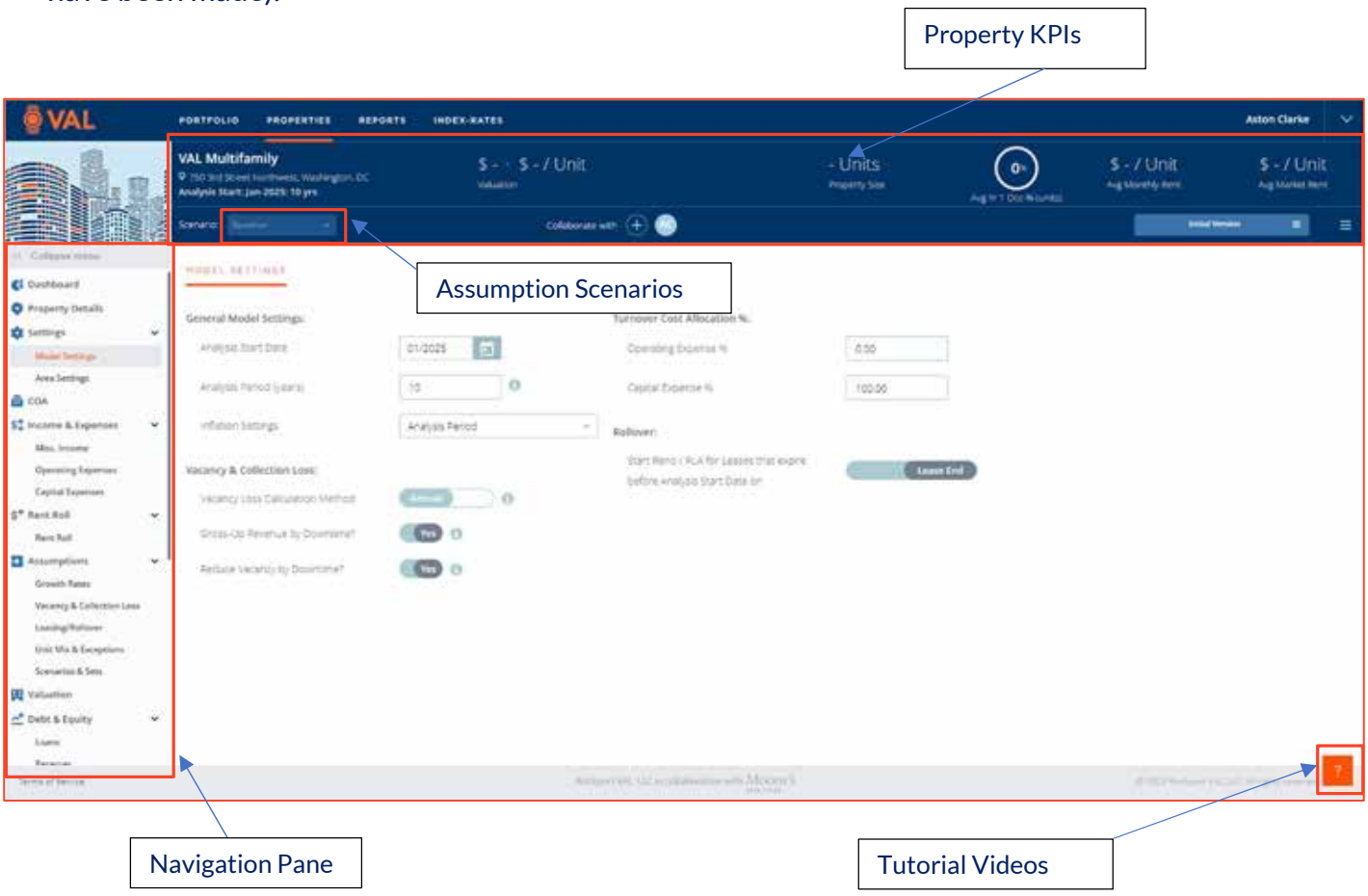
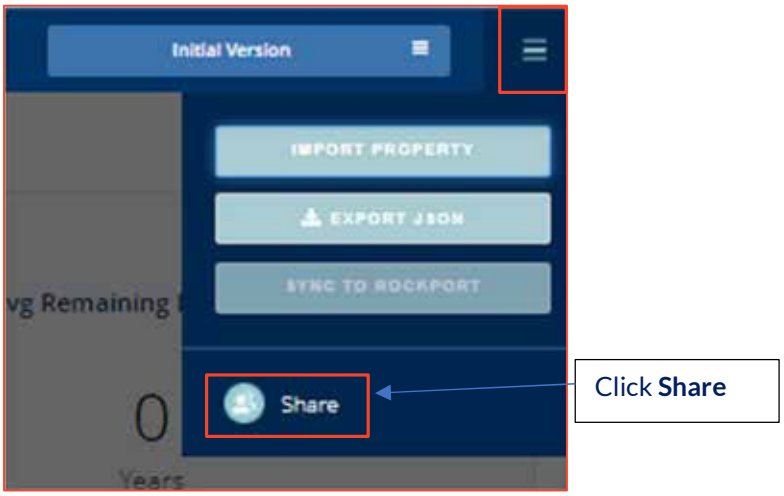
Property Interface

When opening a property, the header will display key performing metrics of the property such as Valuation, Average Rent, and Average Occupancy (assuming all relevant inputs have been made).



Share Model

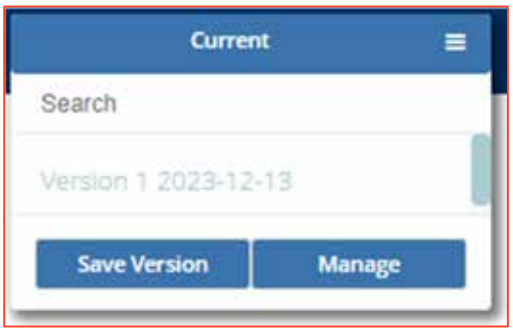
A copy of a model can be sent to a recipient by clicking on the "hamburger" menu icon located in the top right-hand section of the window and selecting **Share.** Note, an email will be sent to the user and recipient confirming the file share is initiated.



Click on **Copy Link** to copy and paste wherever you want your clients to the view the model, whether in an email, listing site or deal room. The recipient does not need to be a VAL subscriber to have access to the model. The recipient can review all the input screens and reports and make changes to the assumptions. In addition, the ability to export to Excel is available through the Share feature.

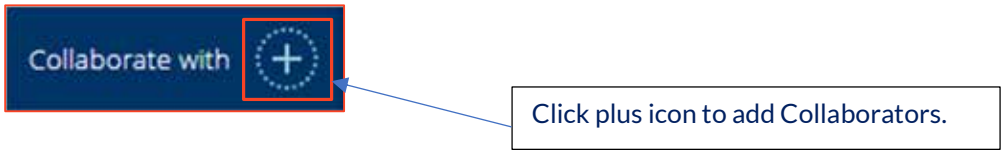
Versions

VAL can archive a version of a model at any point in time to reference. This is useful to refer to the version of the model sent to the user as updates are constantly being applied.



Collaborate With

The Collaboration feature gives access to internal or external users to view and edit models in VAL. The recipient must be a VAL subscriber to collaborate and has access to make live changes to the model.



Enter the email address or select people to collaborate and click **Invite People**. VAL will send an email to the user inviting to collaborate.

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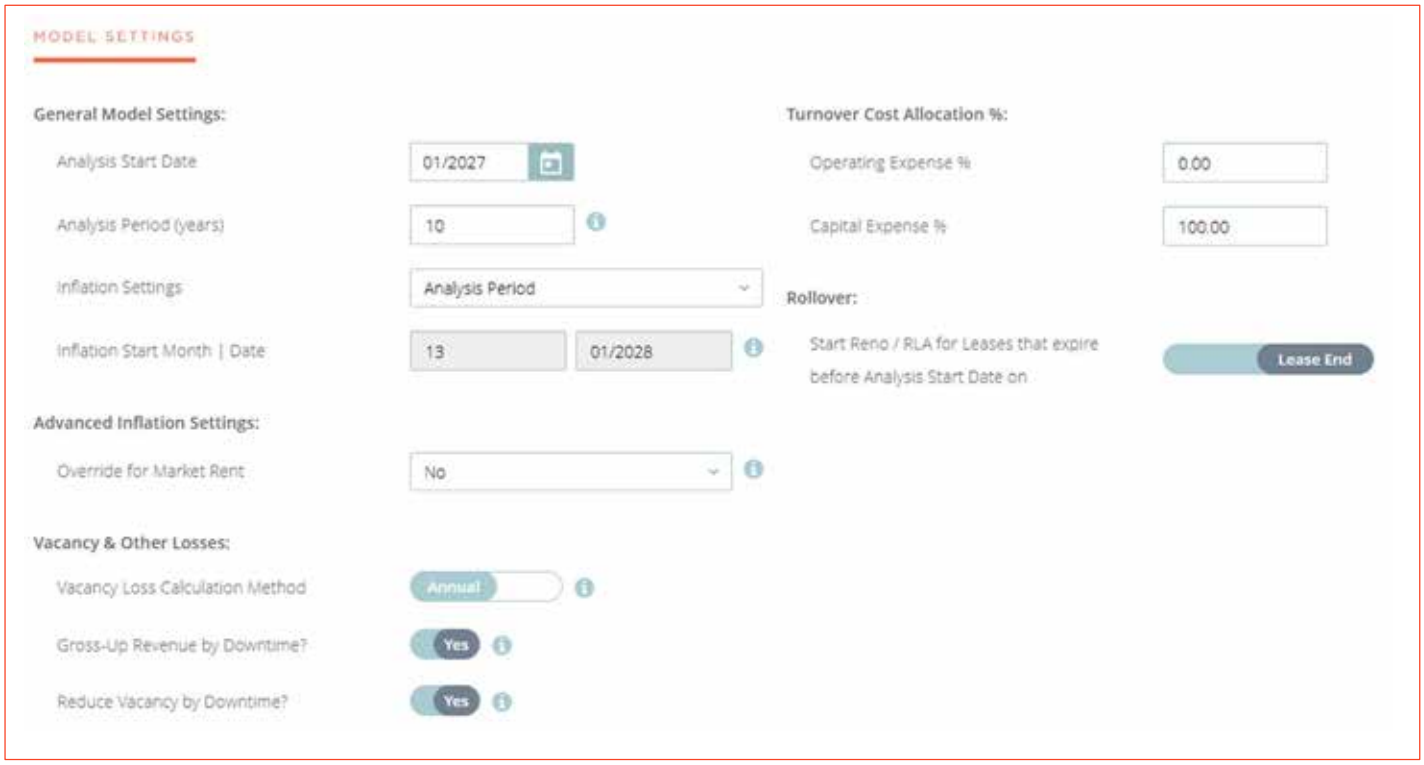
Model Settings

The Model settings window is where users specify property settings such as analysis start date, number of years of analysis, and turnover cost allocation. By default, the inflation month is the Analysis Period. For example, if the analysis start date is November 2027, the inflation will be applied each November. However, the inflation month can be set as any month.



Add the following Model Settings:

- Analysis Start Date: 1/2027
- Analysis Period (years): 10

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Area Settings

Add area measurements in the Area Settings. The Number of Units will automatically populate as the Property Size once units are added in the rent roll.

Helpful Hint: *Click **F1** to view VAL hot keys and shortcuts.*

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Assumptions

Growth Rates

Enter the growth rates to be applied to the model. Growth rates can be overridden at the line-item level.

Growth Rate Name	Rate Type	Rate	Year Ending Dec-27	Dec-28	Dec-29	Dec-30	Dec-31	Dec-32	Dec-33	Dec
General Growth	Direct Entry	3.00%		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.
Market Rent Growth	Direct Entry	Varies		2.00%	2.00%	2.00%	3.00%	3.00%	3.00%	3.
Misc. Income Growth	Use General									
Operating Expense Growth	Use General									
Leasing Costs Growth	Use General									

Add the following Growth Rates:

- General Growth: 3%
- Market Rent: 2% in 2028 – 2030, 3% for remaining years

Helpful Hint: *To copy values to the right, click **Alt + E** or right click on the field and select **Copy Right.***

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Vacancy, Collection Loss & Loss to Lease

Vacancy & Collection Loss is an adjustment to potential revenue on the cash flow factoring likely vacancy loss due to market conditions and expected collection loss due to tenants' failure to pay. Additionally, users can input a Loss to Lease (The difference between Gross Scheduled Rent and Potential Rental Income) percentage, which will account for further revenue loss when leases roll over.

Add the following Vacancy & Collection Loss assumptions:

- Vacancy Loss: 5%
- Collection Loss: 1%
- Loss to Lease: 5%

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Misc. Income

Miscellaneous income is where revenue generating items not associated to a unit is entered such as Vending, Signage, Parking and Antennae.

Misc. Income may be calculated by the following Unit of Measures:

- $ amount
- $/Area
- % of EGR
- % of Line

Description	COA		Amount	UoM	Frequency
	Account Name	Account Code			
Signage			$1,250	$ amount	Monthly

Add the below Misc. Income:

- Description: Signage
- Amount: $1250
- UofM: $ amount
- Frequency: Monthly
- Growth: Misc. Income
- Variable: No

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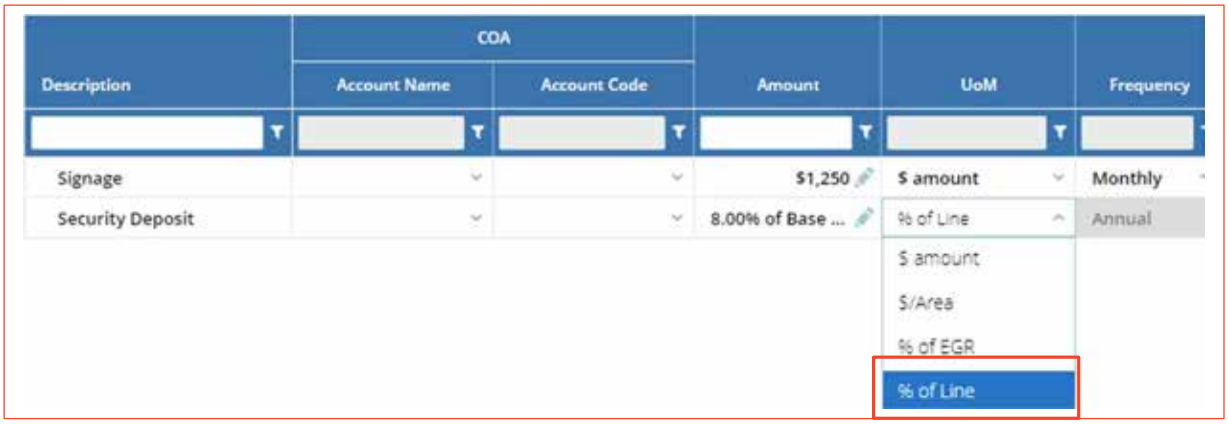
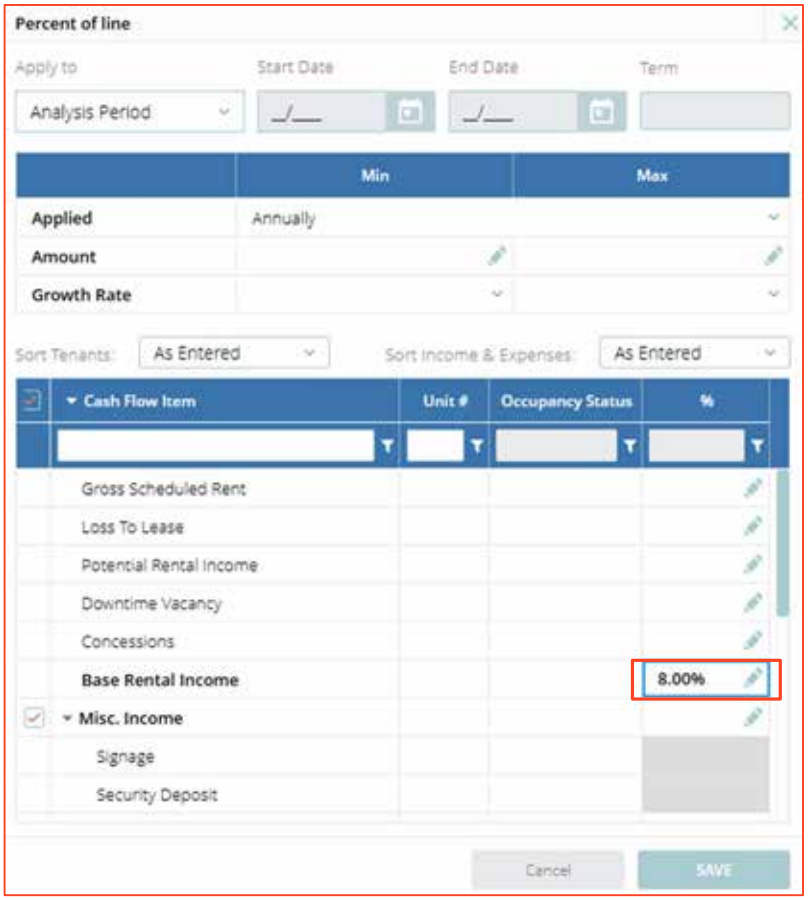


Security deposit revenue is 8% of Base Rental Income.

- Select **Add Income** to add a line item.
- Description: Security Deposit
- UofM: Select **% of Line.**



- Enter **8%** of Base Rental Income.

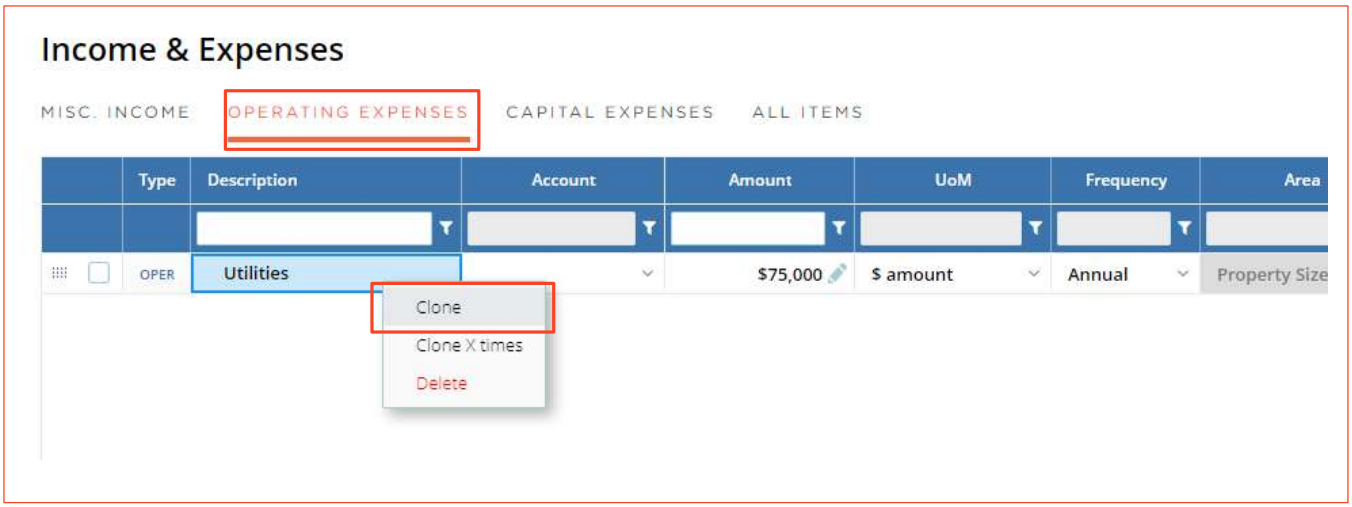
Operating Expenses

Operating expenses include items such as maintenance activities, utilities, insurance, taxes, and management fees and included in the NOI.

Operating Expenses may be calculated by the following Unit of Measures:

- $ amount
- $/Area
- % of EGR
- % of Line
- Prop 13

Helpful Hint: Click TAB to move cursor to the right when entering data in the input screens.



- Utilities is $75,000/year growing by 3%.
- Repairs & Maintenance is $75,000/year, use the **Clone** option to duplicate.

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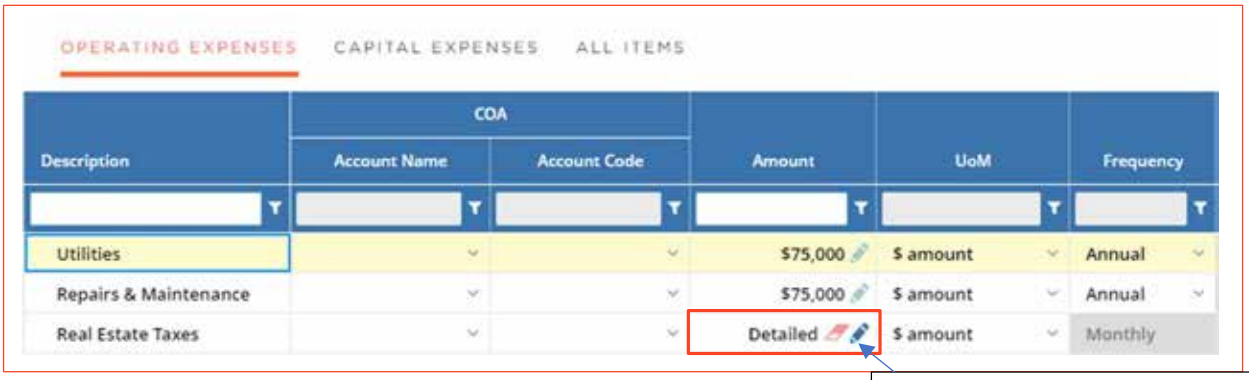

- Click on **Add Expense** to insert a row.
- Real Estate Taxes are $190,000/Year paid in October growing at 2% per year.
- To specify a specific month, select **Edit** from the Amount field.

- Enter **$190,000** in October and click and drag to replicate every year.
- Create a 2% Real Estate Tax Growth Rate by clicking **Add New** from the Growth Assumption drop down menu.
- Click **Save.**

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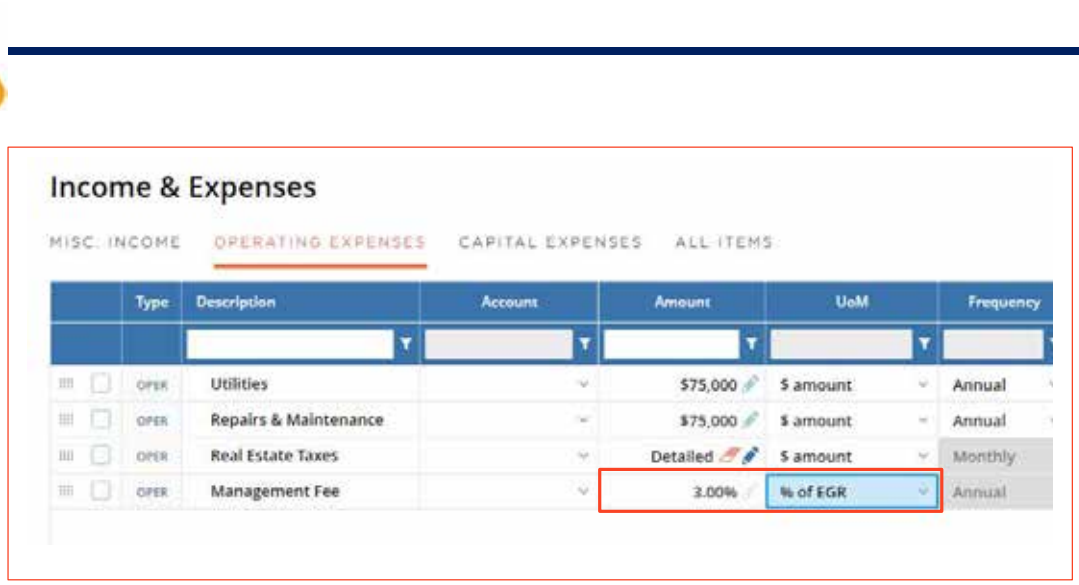

- Management Fee is 3% of EGR.

Capital Expenses

Capital expenses are typically not included in the NOI and will be displayed below NOI on the cash flow. Examples of capital expenses are reserves, roof repair, and building improvements.

- Replacement Reserves is $300/Total Units.

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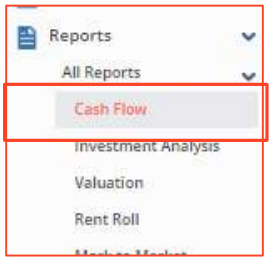
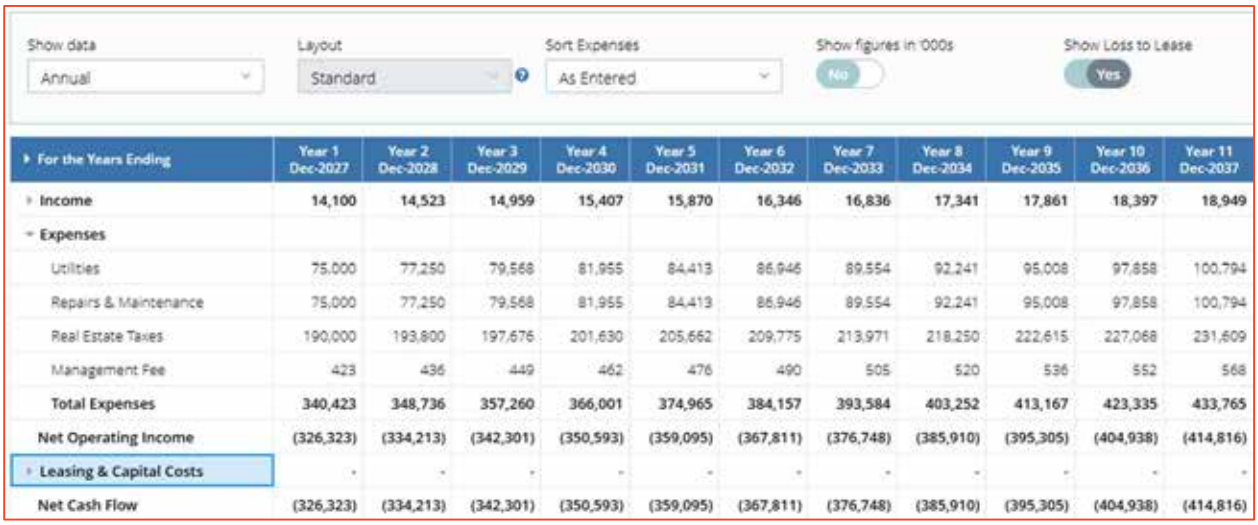
Property Cash Flow





Show data: Annual | Layout: Standard | Sort Expenses: As Entered | Show figures in '000s: No | Show Loss to Lease: Yes

For the Years Ending	Year 1 Dec-2027	Year 2 Dec-2028	Year 3 Dec-2029	Year 4 Dec-2030	Year 5 Dec-2031	Year 6 Dec-2032	Year 7 Dec-2033	Year 8 Dec-2034	Year 9 Dec-2035	Year 10 Dec-2036	Year 11 Dec-2037
Income	**14,100**	**14,523**	**14,959**	**15,407**	**15,870**	**16,346**	**16,836**	**17,341**	**17,861**	**18,397**	**18,949**
Expenses											
Utilities	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858	100,794
Repairs & Maintenance	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858	100,794
Real Estate Taxes	190,000	193,800	197,676	201,630	205,662	209,775	213,971	218,250	222,615	227,068	231,609
Management Fee	423	436	449	462	476	490	505	520	536	552	568
Total Expenses	**340,423**	**348,736**	**357,260**	**366,001**	**374,965**	**384,157**	**393,584**	**403,252**	**413,167**	**423,335**	**433,765**
Net Operating Income	**(326,323)**	**(334,213)**	**(342,301)**	**(350,593)**	**(359,095)**	**(367,811)**	**(376,748)**	**(385,910)**	**(395,305)**	**(404,938)**	**(414,816)**
Leasing & Capital Costs	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	**(326,323)**	**(334,213)**	**(342,301)**	**(350,593)**	**(359,095)**	**(367,811)**	**(376,748)**	**(385,910)**	**(395,305)**	**(404,938)**	**(414,816)**

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Rent Roll – Unit Mix

Add a unit level or a unit mix rent roll for the property in the Rent Roll screen.

Unit Type

The Unit Type can follow whatever naming conventions you use for your asset.

Unit Sub Types

Unit Sub Types are identifiers to model appropriate assumptions and do not impact analysis or cash flow. Categorize Unit Sub Types by the following options:

- Market
- Low Income
- Section 8
- Model
- Management
- Rent Controlled
- Rent Stabilized
- Super
- Other

Adding Units

Enter the following unit information:

- Unit Type: One Bedroom
- Occupancy Status: Occupied
- # of Units: 14
- Avg SF/Unit: 800 SF

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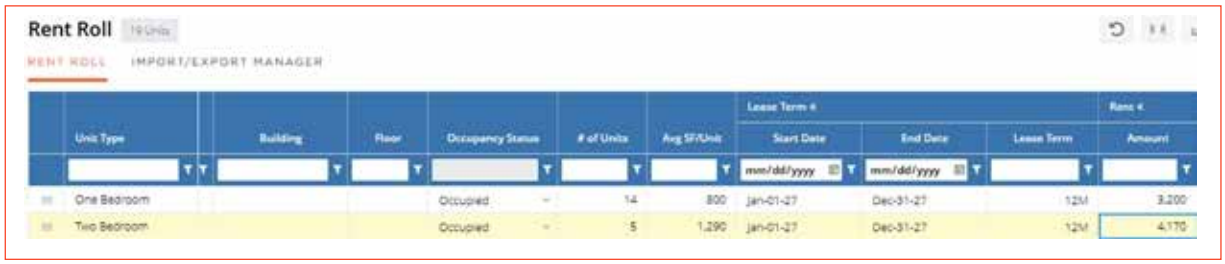
- Start Date: 01/01/2027
- Lease Term: 12 months
- Rent: 3200 $/Unit/Mo

Clone Units

Clone the One Bedroom Unit and update the following assumption:

- Unit Type: Two Bedroom
- # of Units: 5
- Avg SF/Unit: 1,290 SF
- Rent: 4170 $/Unit/Mo



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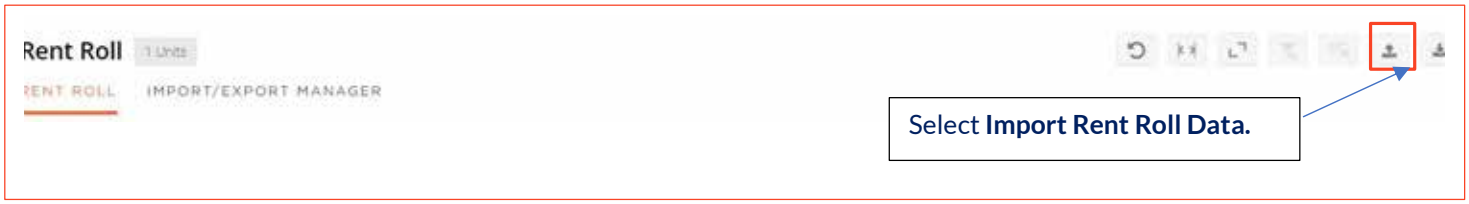
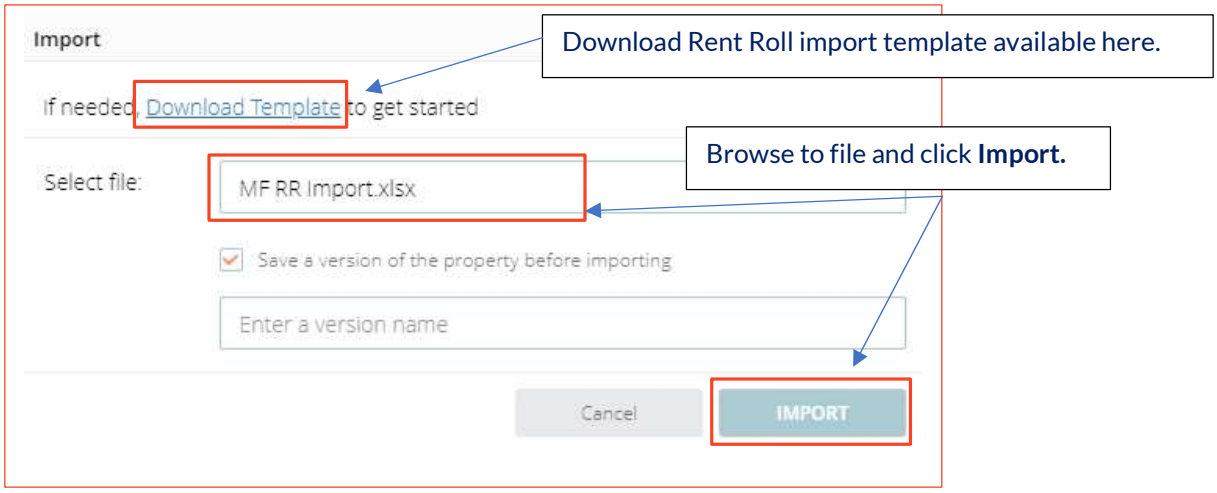
Unit Detailed Rent Roll

VAL has the capability to model each unit individually to reflect the terms of the contractual lease.

Import Rent Roll via Excel

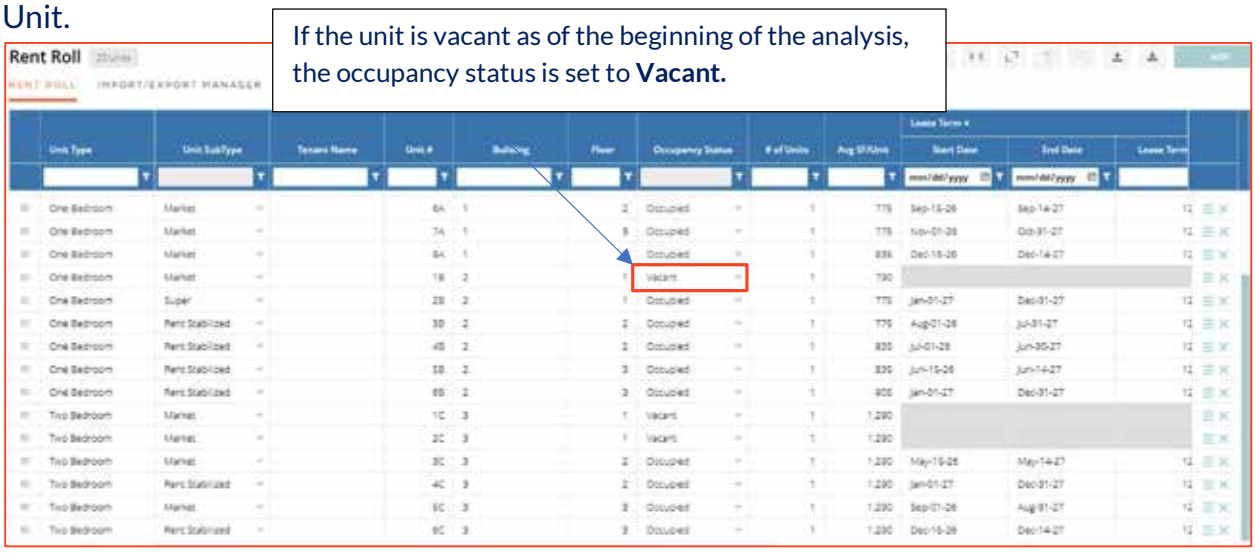
VAL allows you to easily import data from Excel by leveraging the **Import Rent Roll** feature. VAL provides an Excel template to format the data into the appropriate columns and rows for import which can be accessed by clicking on **Download Template.** In addition to importing the rent roll you can also copy and paste to easily populate data from Excel into VAL.



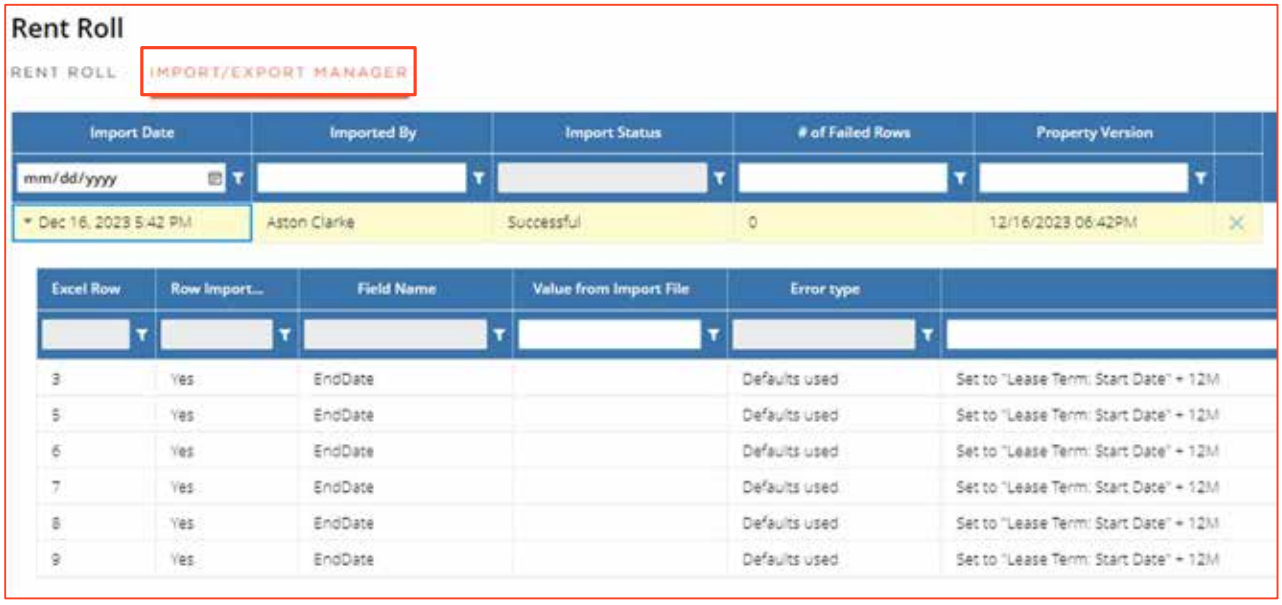


- Select **MF RR Import.xlsx** and click **Import.**

A total of 20 units imported into VAL and populated the Unit Type, Unit #, Building #, Floor, Occupancy Status, Average SF/Unit, Start and End Date, and Rental Amount per Unit.



If an error is generated after attempting to import, click on the **Import/Export Manager** tab to diagnose the drivers of the error. The tab will display the specific line item that generated the error to assist you in troubleshooting the issue.



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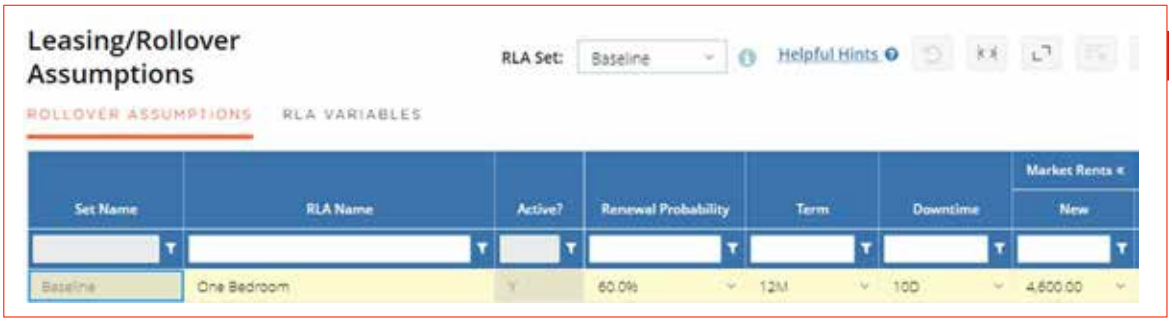
Leasing/Rollover Assumptions

The Rollover Assumptions define the projected lease assumptions after the initial unit expires based on if the unit vacates or renews their lease. Enter the market assumptions in the New fields based on if the existing unit vacates the space and enter the market assumptions in the Renew fields based on if the existing unit renews their space. The renewal probability will weigh the new and renewal assumptions after the contractual lease expires.



Add below Rollover Lease Assumptions:

- RLA Name: One Bedroom
- Renewal Probability: 60%
- Term: 12 Months
- Downtime: 10 Days
- Market Rent:
  - New: 4600 $Unit/Mo (Market Rent Growth)
  - Renew: Use new

***Helpful Hint**: For Downtime enter D for Days or M for Months to reflect the downtime period.*

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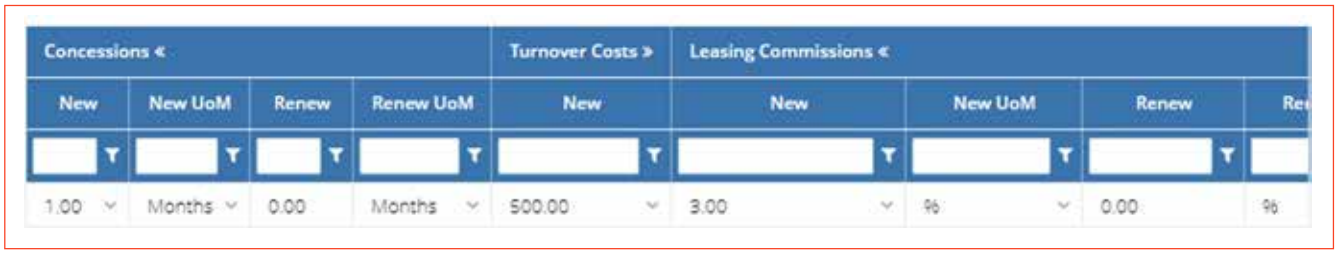

Concessions «				Turnover Costs »	Leasing Commissions «			
New	New UoM	Renew	Renew UoM	New	New	New UoM	Renew	Re
1.00	Months	0.00	Months	500.00	3.00	%	0.00	%

Add below Rollover Lease Assumptions:

- Concessions:
  - New: 1 month
  - Renew: 0 months
- Turnover Costs:
  - New: 500 $Unit
  - Renew: 0 $Unit
- Leasing Commissions:
  - New: 3%
  - Renew: 0%

Helpful Hint: *Market Rent Calculation = New Market Rent (40% of New Market Rent) + Renewal Market Rent (60% Renewal Probability).*

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Clone X Times - Leasing/Rollover Lease Assumptions

The Clone X times feature enables you to save time and duplicate a record multiple times. In our example, we will copy the One Bedroom RLA two times and create a Renovated One Bedroom RLA to reflect the one-bedroom unit assumption after renovations with a higher market rent and a Two Bedroom RLA.

- Right click the One Bedroom RLA and select **Clone X Times.**

- Clone 2 times.

RLA Name	Active?	Renewal Probability	Term	Downtime	Market Rents « New	New UoM	Renew
One Bedroom	Y	60.0%	12M	10D	4,600...	$/Unit/Mo	Use new
RENO One Bedroom	Y	60.0%	12M	10D	5,000...	$/Unit/Mo	Use new
Two Bedroom	Y	60.0%	12M	10D	6,500...	$/Unit/Mo	Use new

Make below adjustments to the RLAs:

- RENO One Bedroom
  - Market Rent: 5000 $/Unit/Mo
- Two Bedroom
  - Market Rent: 6500 $/Unit/Mo

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Unit Mix & Exceptions

The Unit Mix and Exceptions screen is where we model renovations, absorption and apply the rollover assumptions to the existing tenants. The Rent Roll captures the factual data for all units in the property and the assumptions are applied in the Unit Mix & Exceptions screen. If you entered a unit detailed rent roll, the units are aggregated by unit type to easily apply absorption and rollover assumptions. These rollover assumptions are required to run a DCF analysis or rental income will stop once the contractual lease expires.

Roll-Up By Unit Type & Occupancy Status

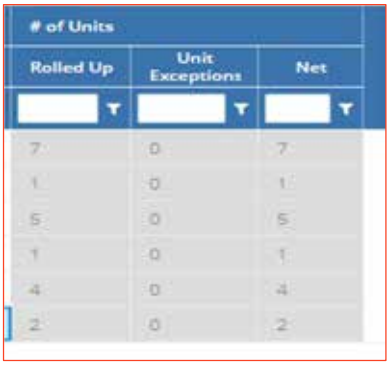
Select additional parameters to group the units by such as Unit Sub Type, Building, Avg SF/Unit, and Floor. This enables you to apply rollover assumptions easily based on the attribute selected.

Renovation Cost Assumptions

To model renovations toggle "Yes" and add the data elements representing the renovation costs and timing.

of Units

The # of Units section displays how many units exist in the model and categorize by Rolled Up units and by Unit Exceptions.

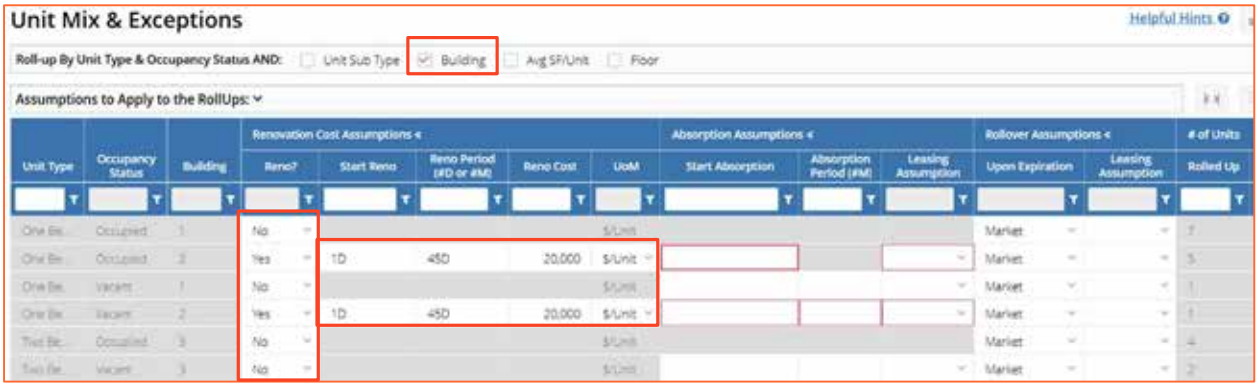


Unit Exceptions

For individual units who have a unique renovation, absorption or rollover assumption, you can utilize the Unit Exceptions feature by clicking Add Unit Exception. Select a unit from the model and enter the specific terms.

Renovate Units

In this example, units occupying Building 2 are scheduled for renovation. Select to roll up units by Building and sort to easily identify the units in Building 2. There are 7 occupied units in building 2, once their leases expire renovation will begin immediately and will take 45 days to renovate at $20,000 per unit. Vacant units in Building 2 will share the same renovation schedule where we can leverage VAL's copy and paste functionality to update the assumptions.



Add the following Unit Mix & Exceptions assumptions:

- Roll-up Unit Type by **Building.**
- Click on Building header to sort by Building.
- Toggle **Yes** for One Bedroom Units that are occupied in Building 2.
- One Bedroom Units - Occupied
  - Start Reno: 1D
  - Reno Period: 45D
  - Reno Cost: $20,000
- Toggles **Yes** for One Bedroom Units that are vacant in Building 2.
- Copy and paste the renovation assumptions.

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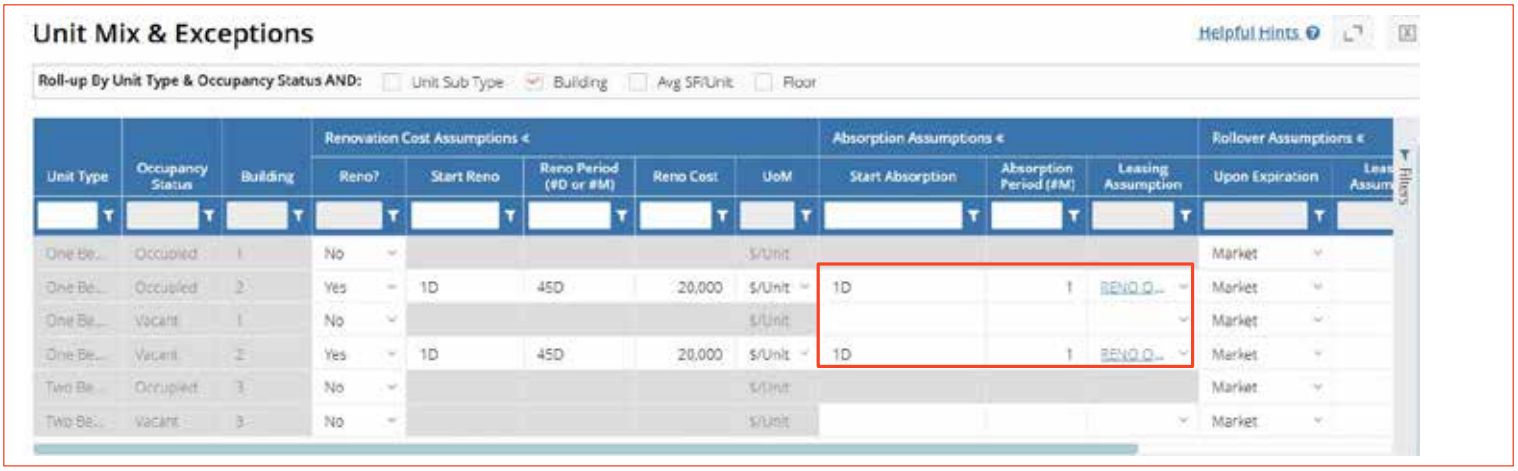
Absorption Assumptions

Enter the absorption assumptions for vacant units and/or units that have been renovated. Absorption begins as of the analysis start date or upon completion of the renovation. Apply the leasing assumption during the absorption period.

In our example, after renovation is complete for the units in Building 2 we will begin leasing the units on Day 1 and estimate it will take 1 month to lease up the vacant units and assign the RENO One Bedroom leasing assumption.



Add the following Unit Mix & Exceptions assumptions:

- One Bedroom – Occupied
  - Start Absorption: 1 Day
  - Leasing Assumption: RENO One Bedroom
- One Bedroom Units - Vacant
  - Start Absorption: 1 Day
  - Absorption Period: 1 Month
  - Leasing Assumption: RENO One Bedroom

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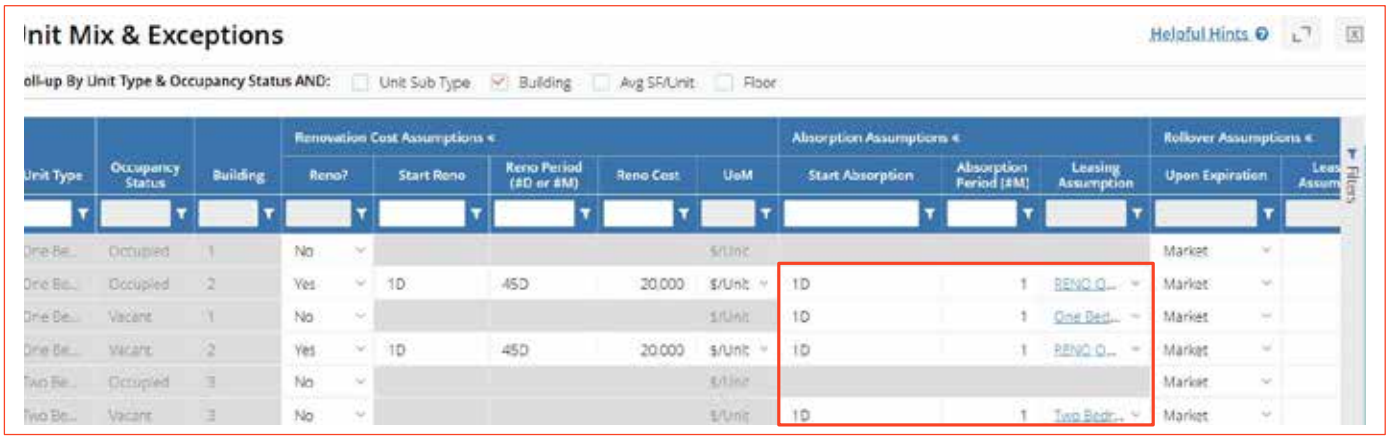
Vacant Units

Units that are vacant as of the beginning of the analysis will be editable in the Absorption Assumption screen to add lease up parameters.

In our example the vacant units will begin leasing immediately on day 1 and estimate to take 1 month to lease up with the One Bedroom RLA and Two Bedroom RLA terms during the absorption period.



Add the following Unit Mix & Exceptions assumptions:

- One Bedroom – Vacant
  - Start Absorption: 1 Day
  - Absorption Period: 1 Month
  - Leasing Assumption: One Bedroom
- Two Bedroom Units - Vacant
  - Start Absorption: 1 Day
  - Absorption Period: 1 Month
  - Leasing Assumption: Two Bedroom RLA

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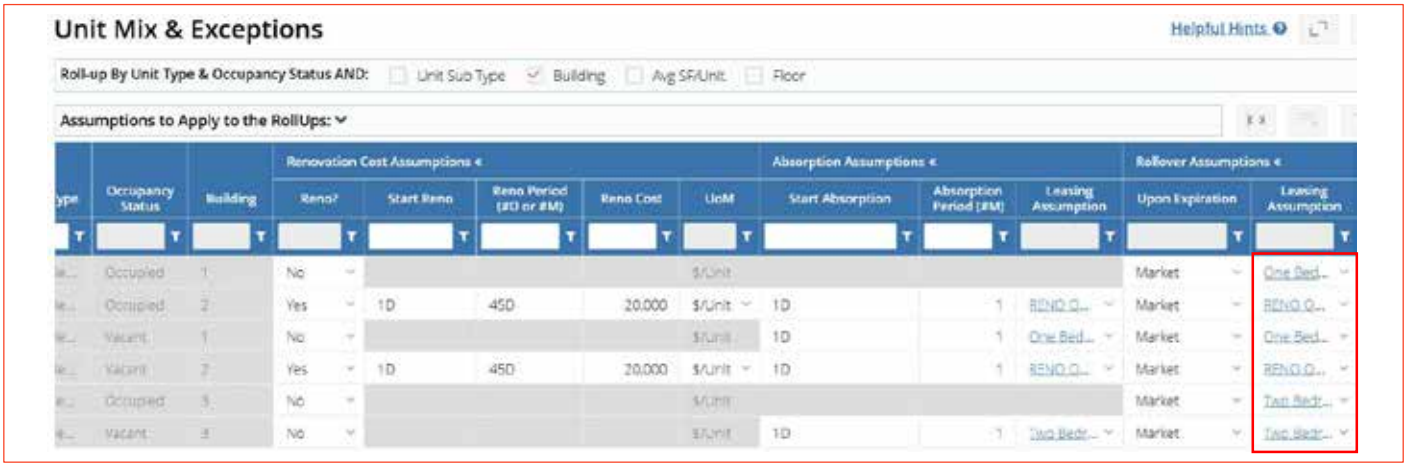
Rollover Assumptions

Upon the existing leases expiring or after the absorbed units lease term select the leasing assumption to apply during future lease terms. Select how VAL is to calculate the Leasing Assumption based on the Upon Expiration drop down menu.

Upon Expiration

The Upon Expiration field defines how VAL will calculate the rollover assumption when the contractual unit expires. Choose from one of the options below:

- Market: Rollover assumptions will calculate based on the renewal probability calculating the weighted average of the new and renewal rates.
- Renew: Assumes 100% renewal probability and will calculate the renewal rates in the rollover assumptions for the initial rollover lease term.
- Vacate: Assumes a 0% renewal probability and will calculate the new rates in the rollover assumptions for the initial rollover lease term.



Add the following Unit Mix & Exceptions assumptions:

- One Bedroom – One Bedroom RLA
- One Bedroom Renovated Units – RENO One Bedroom RLA
- Two Bedroom – Two Bedroom RLA

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Property Cash Flow

For the Years Ending	Year 1 Dec-2027	Year 2 Dec-2028	Year 3 Dec-2029	Year 4 Dec-2030	Year 5 Dec-2031	Year 6 Dec-2032	Year 7 Dec-2033	Year 8 Dec-2034	Year 9 Dec-2035	Year 10 Dec-2036	Year 11 Dec-2037
Income											
Gross Scheduled Rent	1,269,600	1,294,992	1,320,892	1,347,310	1,387,729	1,429,361	1,472,242	1,516,409	1,561,901	1,608,758	1,657,021
Loss to Lease	(289,861)	(73,711)	(76,482)	(78,291)	(82,955)	(85,754)	(88,779)	(91,909)	(95,146)	(98,495)	(101,959)
Potential Rental Income	**979,739**	**1,221,281**	**1,244,410**	**1,269,019**	**1,304,774**	**1,343,607**	**1,383,463**	**1,424,500**	**1,466,755**	**1,510,263**	**1,555,062**
Downtime Vacancy	(38,200)	(29,009)	(14,677)	(14,970)	(13,802)	(15,882)	(16,358)	(16,849)	(17,354)	(17,875)	(18,411)
Concessions	(53,618)	(45,388)	(40,337)	(41,114)	(43,945)	(45,263)	(46,621)	(48,020)	(49,460)	(50,944)	(52,472)
Base Rental Income	**887,921**	**1,146,884**	**1,189,396**	**1,212,935**	**1,247,028**	**1,282,462**	**1,320,484**	**1,359,632**	**1,399,941**	**1,441,444**	**1,484,178**
Misc. Income	**86,034**	**107,201**	**111,065**	**113,426**	**116,645**	**119,986**	**123,549**	**127,219**	**130,997**	**134,887**	**138,893**
Total Potential Gross Income	**973,954**	**1,254,085**	**1,300,462**	**1,326,360**	**1,363,673**	**1,402,448**	**1,444,033**	**1,486,850**	**1,530,937**	**1,576,331**	**1,623,071**
Vacancy Loss	(12,408)	(35,146)	(51,080)	(52,096)	(55,072)	(55,035)	(56,661)	(58,336)	(60,060)	(61,835)	(63,663)
Collection Loss	(9,740)	(12,541)	(13,005)	(13,264)	(13,637)	(14,024)	(14,440)	(14,868)	(15,309)	(15,763)	(16,231)
Effective Gross Income	**951,807**	**1,206,398**	**1,236,377**	**1,261,000**	**1,294,964**	**1,333,389**	**1,372,931**	**1,413,646**	**1,455,568**	**1,498,733**	**1,543,178**
Expenses											
Utilities	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858	100,794
Repairs & Maintenance	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858	100,794
Real Estate Taxes	190,000	193,800	197,676	201,630	205,662	209,775	213,971	218,250	222,615	227,068	231,609
Management Fee	28,554	36,192	37,091	37,830	38,849	40,002	41,188	42,409	43,667	44,962	46,295
Total Expenses	**368,554**	**384,492**	**393,902**	**403,369**	**413,337**	**423,668**	**434,267**	**445,141**	**456,298**	**467,746**	**479,492**
Net Operating Income	**583,253**	**821,906**	**842,474**	**857,632**	**881,626**	**909,721**	**938,665**	**968,505**	**999,270**	**1,030,987**	**1,063,686**
Leasing & Capital Costs											
Leasing Costs	103,316	60,858	18,800	17,223	19,795	20,389	21,000	21,630	22,279	22,948	23,636
Capital Expenses	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,064
Total Leasing & Capital Costs	**109,316**	**67,038**	**25,165**	**23,780**	**26,548**	**27,344**	**28,165**	**29,010**	**29,880**	**30,776**	**31,700**
Net Cash Flow	**473,937**	**754,869**	**817,309**	**833,852**	**855,078**	**882,377**	**910,500**	**939,496**	**969,390**	**1,000,211**	**1,031,986**

Rent Roll Mark to Market Report

Valuation

Create an unlimited number of valuations. VAL supports the following valuation methods:

- DCF
- Direct Capitalization
- Direct Entry

Click **Add Valuation** to insert rows. Create 3 valuation sets below:

- As is DCF:
  - DCF method as of the Analysis Start Date
  - Cap Rate: 7%
  - Discount Rate: 9%
  - Hold Period: 10 years, capping year 11
  - Cost of Sale: 1% of Residual Value
- Stabilized Direct Cap:
  - Valuation as of Date: 01/2028
  - Direct Capitalization method
  - Cap Rate: 9%
- Purchase Price
  - Direct Entry method
  - $9,000,000 Amount

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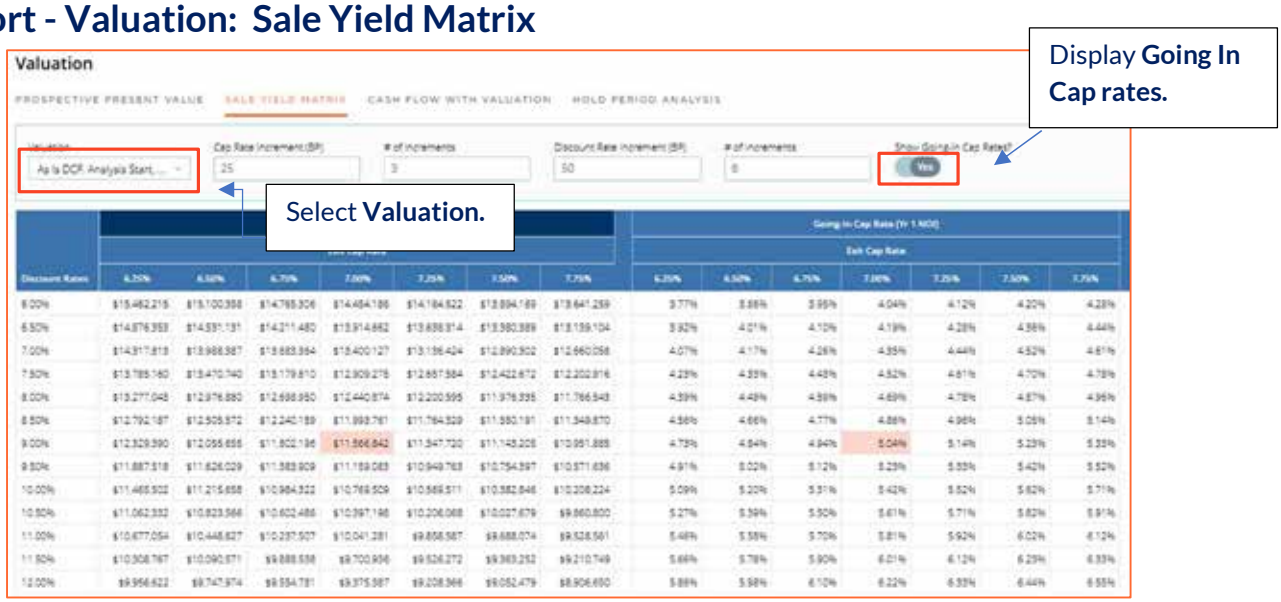
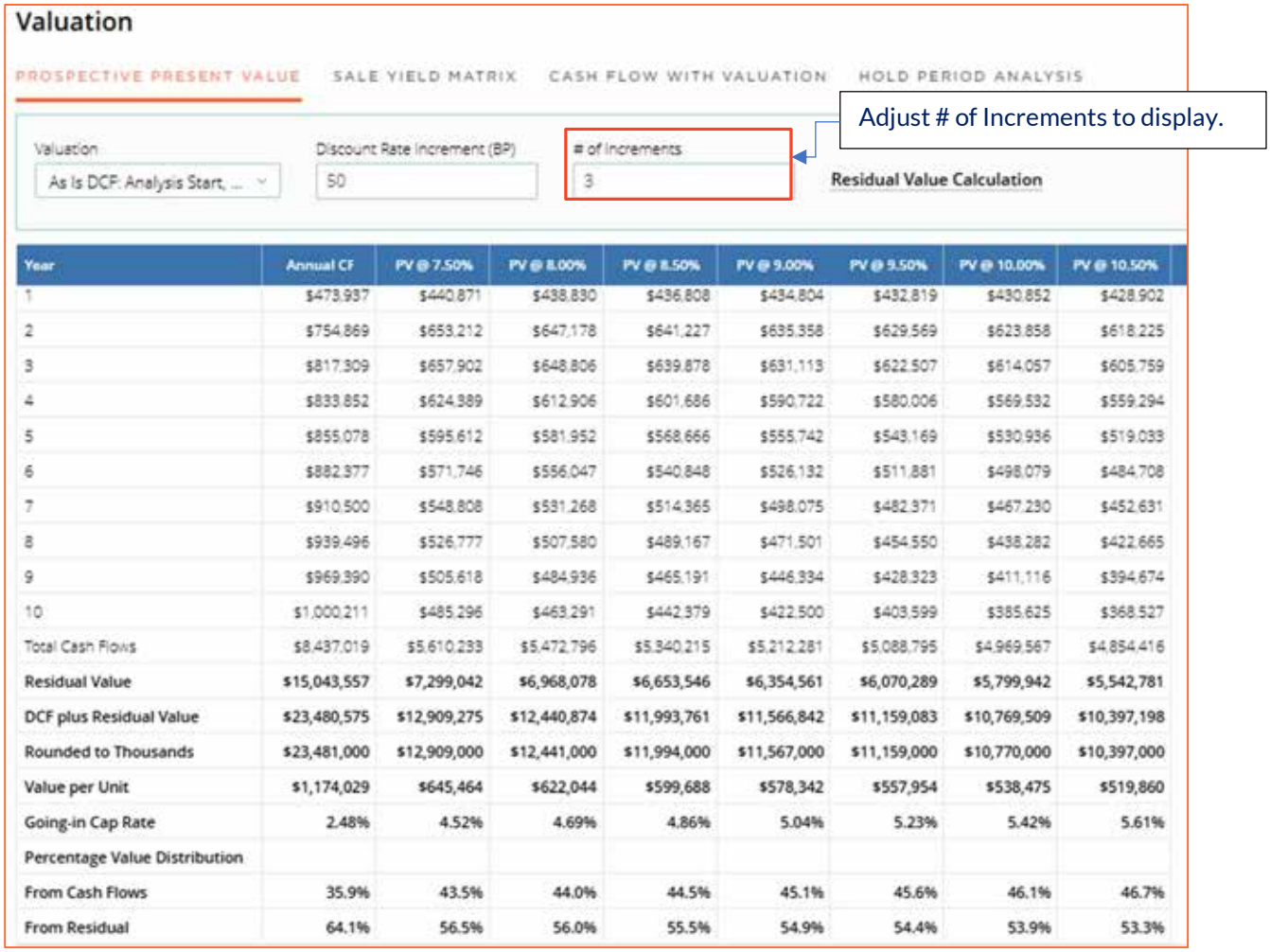
Report - Valuation: Sale Yield Matrix

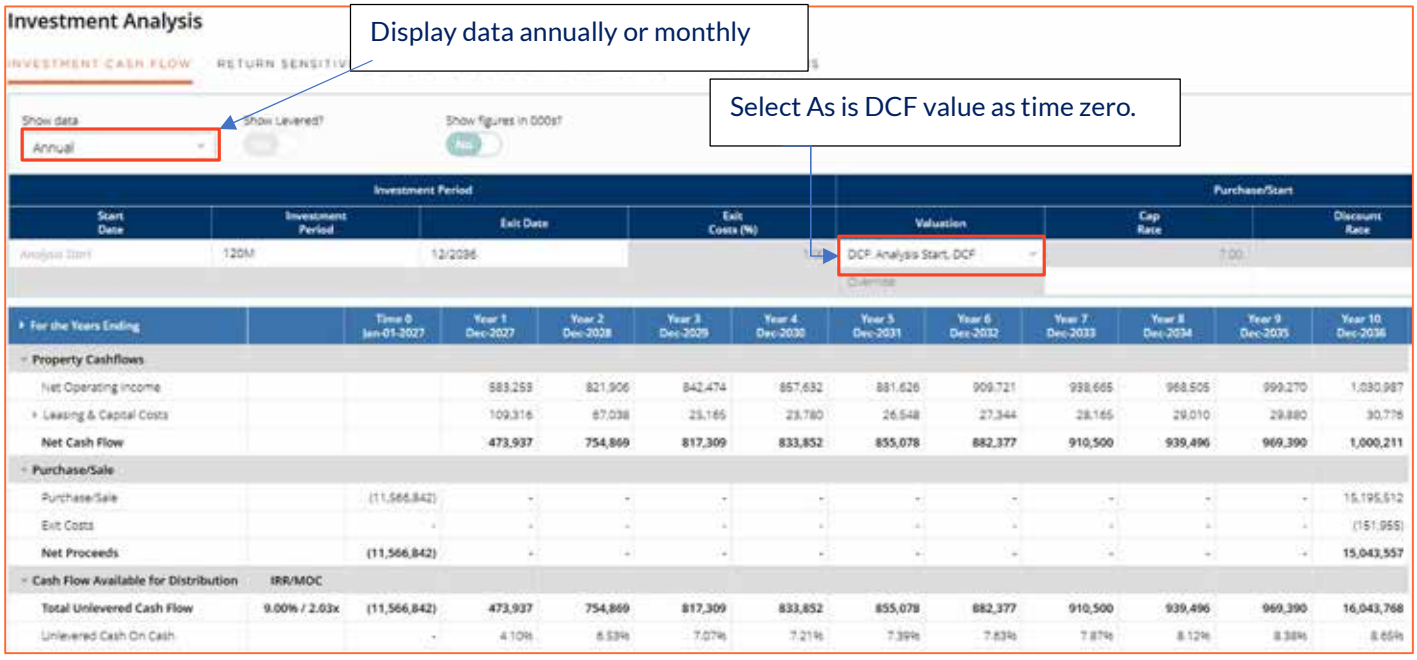


Report – Prospective Present Value Summary



Year	Annual CF	PV @ 7.50%	PV @ 8.00%	PV @ 8.50%	PV @ 9.00%	PV @ 9.50%	PV @ 10.00%	PV @ 10.50%
1	$473,937	$440,871	$438,830	$436,808	$434,804	$432,819	$430,852	$428,902
2	$754,869	$653,212	$647,178	$641,227	$635,358	$629,569	$623,858	$618,225
3	$817,309	$657,902	$648,806	$639,878	$631,113	$622,507	$614,057	$605,759
4	$833,852	$624,389	$612,906	$601,686	$590,722	$580,006	$569,532	$559,294
5	$855,078	$595,612	$581,952	$568,666	$555,742	$543,169	$530,936	$519,039
6	$882,377	$571,746	$556,047	$540,848	$526,132	$511,881	$498,079	$484,708
7	$910,500	$548,808	$531,268	$514,365	$498,075	$482,371	$467,230	$452,631
8	$939,496	$526,777	$507,580	$489,167	$471,501	$454,550	$438,282	$422,665
9	$969,390	$505,618	$484,936	$465,191	$446,334	$428,323	$411,116	$394,674
10	$1,000,211	$485,296	$463,291	$442,379	$422,500	$403,599	$385,625	$368,527
Total Cash Flows	$8,437,019	$5,610,233	$5,472,796	$5,340,215	$5,212,281	$5,088,795	$4,969,567	$4,854,416
Residual Value	**$15,043,557**	**$7,299,042**	**$6,968,078**	**$6,653,546**	**$6,354,561**	**$6,070,289**	**$5,799,942**	**$5,542,781**
DCF plus Residual Value	**$23,480,575**	**$12,909,275**	**$12,440,874**	**$11,993,761**	**$11,566,842**	**$11,159,083**	**$10,769,509**	**$10,397,198**
Rounded to Thousands	**$23,481,000**	**$12,909,000**	**$12,441,000**	**$11,994,000**	**$11,567,000**	**$11,159,000**	**$10,770,000**	**$10,397,000**
Value per Unit	**$1,174,029**	**$645,464**	**$622,044**	**$599,688**	**$578,342**	**$557,954**	**$538,475**	**$519,860**
Going-in Cap Rate	**2.48%**	**4.52%**	**4.69%**	**4.86%**	**5.04%**	**5.23%**	**5.42%**	**5.61%**
Percentage Value Distribution								
From Cash Flows	**35.9%**	**43.5%**	**44.0%**	**44.5%**	**45.1%**	**45.6%**	**46.1%**	**46.7%**
From Residual	**64.1%**	**56.5%**	**56.0%**	**55.5%**	**54.9%**	**54.4%**	**53.9%**	**53.3%**

Report - Investment Analysis: Investment Cash Flow



Investment Analysis: Return Sensitivities

Debt

Create up to 5 loans in VAL. Include or exclude debt to display results by selecting Yes or No in the Loan In Use field.

Refinance Loan: A refinance loan is available as the 6th loan which is used to pay off all of the loans in the capital stack that are "in use". The pay-off date (or funding date) occurs on the Note Date of the Refinance Loan.

Loan Testing: Select Loan Sizing to run cumulative or individual tests.

- Individual Test:
  - Max Loan Amount
- Cumulative Test:
  - Max LTV
  - Min DSCR (Actual Constant)
  - Min DSCR (Test Constant)
  - Min Debt Yield

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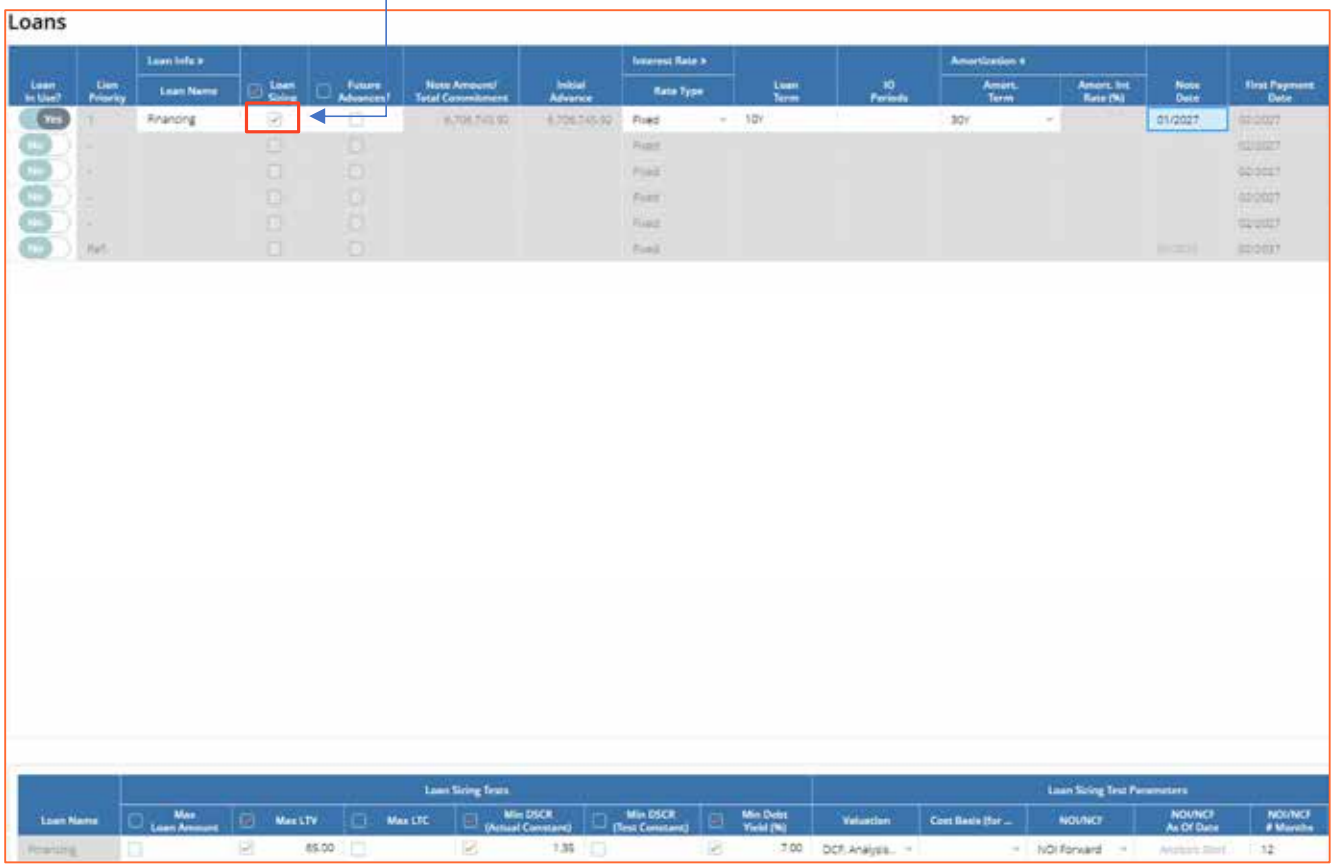

Enter below inputs for **Debt:**

- Loan Name: Financing
- Loan Sizing: Yes
- Interest Rate: 5%
- Accrual Method: 30/360
- Loan Term: 10 Years
- Amortization Schedule: 30 Years
- Note Date: 1/2027

Enter below inputs for **Loan Sizing:**

- Max LTV: 65
- Min DSCR (Actual Constant): 1.35
- Min Debt Yield: 7%
- Valuation: As is DCF
- NOI/NCF: NOI Forward 12 Months

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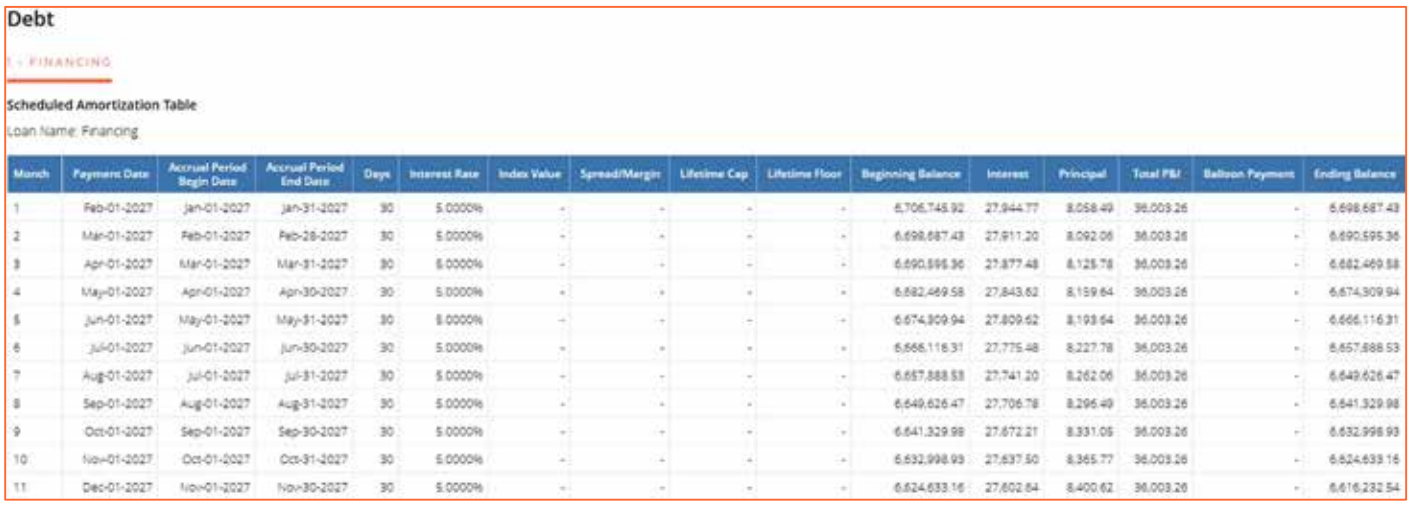
Debt Report – Schedule Amortization Table



Debt

1 - FINANCING

Scheduled Amortization Table

Loan Name: Financing

Month	Payment Date	Accrual Period Begin Date	Accrual Period End Date	Days	Interest Rate	Index Value	Spread/Margin	Lifetime Cap	Lifetime Floor	Beginning Balance	Interest	Principal	Total P&I	Balloon Payment	Ending Balance
1	Feb-01-2027	Jan-01-2027	Jan-31-2027	30	5.0000%	-	-	-	-	6,706,745.92	27,944.77	8,058.49	36,003.26	-	6,698,687.43
2	Mar-01-2027	Feb-01-2027	Feb-28-2027	30	5.0000%	-	-	-	-	6,698,687.43	27,911.20	8,092.06	36,003.26	-	6,690,595.36
3	Apr-01-2027	Mar-01-2027	Mar-31-2027	30	5.0000%	-	-	-	-	6,690,595.36	27,877.48	8,125.78	36,003.26	-	6,682,469.58
4	May-01-2027	Apr-01-2027	Apr-30-2027	30	5.0000%	-	-	-	-	6,682,469.58	27,843.62	8,159.64	36,003.26	-	6,674,309.94
5	Jun-01-2027	May-01-2027	May-31-2027	30	5.0000%	-	-	-	-	6,674,309.94	27,809.62	8,193.64	36,003.26	-	6,666,116.31
6	Jul-01-2027	Jun-01-2027	Jun-30-2027	30	5.0000%	-	-	-	-	6,666,116.31	27,775.48	8,227.78	36,003.26	-	6,657,888.53
7	Aug-01-2027	Jul-01-2027	Jul-31-2027	30	5.0000%	-	-	-	-	6,657,888.53	27,741.20	8,262.06	36,003.26	-	6,649,626.47
8	Sep-01-2027	Aug-01-2027	Aug-31-2027	30	5.0000%	-	-	-	-	6,649,626.47	27,706.78	8,296.49	36,003.26	-	6,641,329.98
9	Oct-01-2027	Sep-01-2027	Sep-30-2027	30	5.0000%	-	-	-	-	6,641,329.98	27,672.21	8,331.05	36,003.26	-	6,632,998.93
10	Nov-01-2027	Oct-01-2027	Oct-31-2027	30	5.0000%	-	-	-	-	6,632,998.93	27,637.50	8,365.77	36,003.26	-	6,624,633.16
11	Dec-01-2027	Nov-01-2027	Nov-30-2027	30	5.0000%	-	-	-	-	6,624,633.16	27,602.64	8,400.62	36,003.26	-	6,616,232.54

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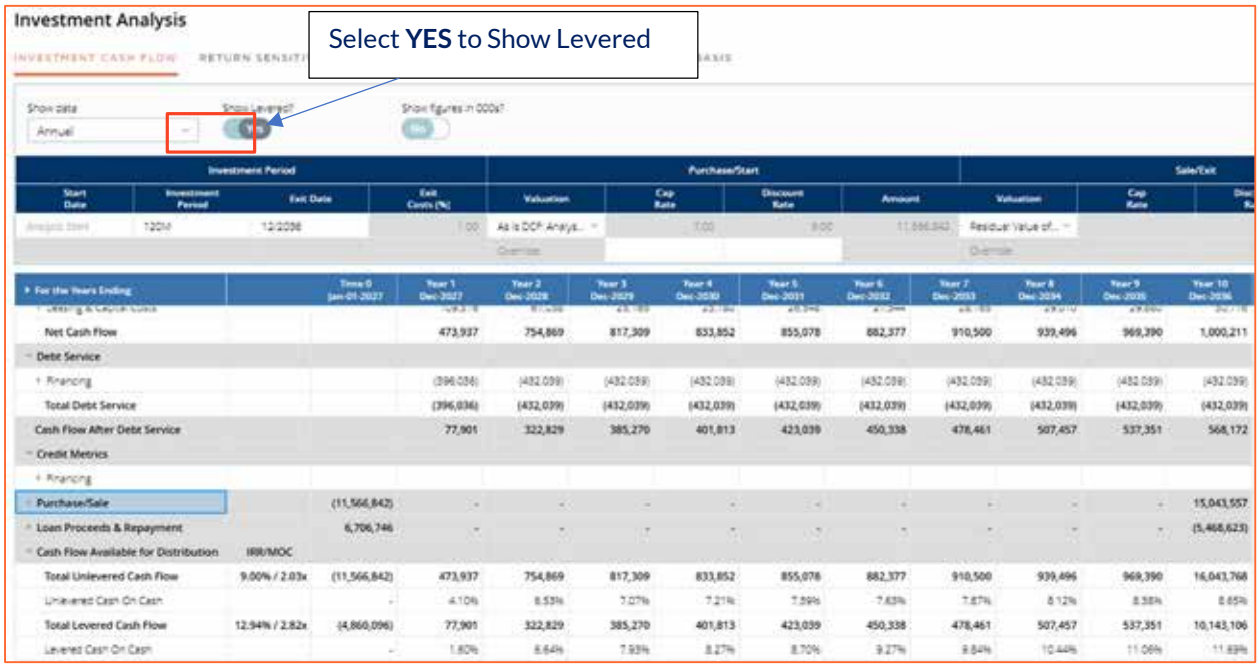
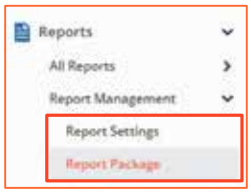
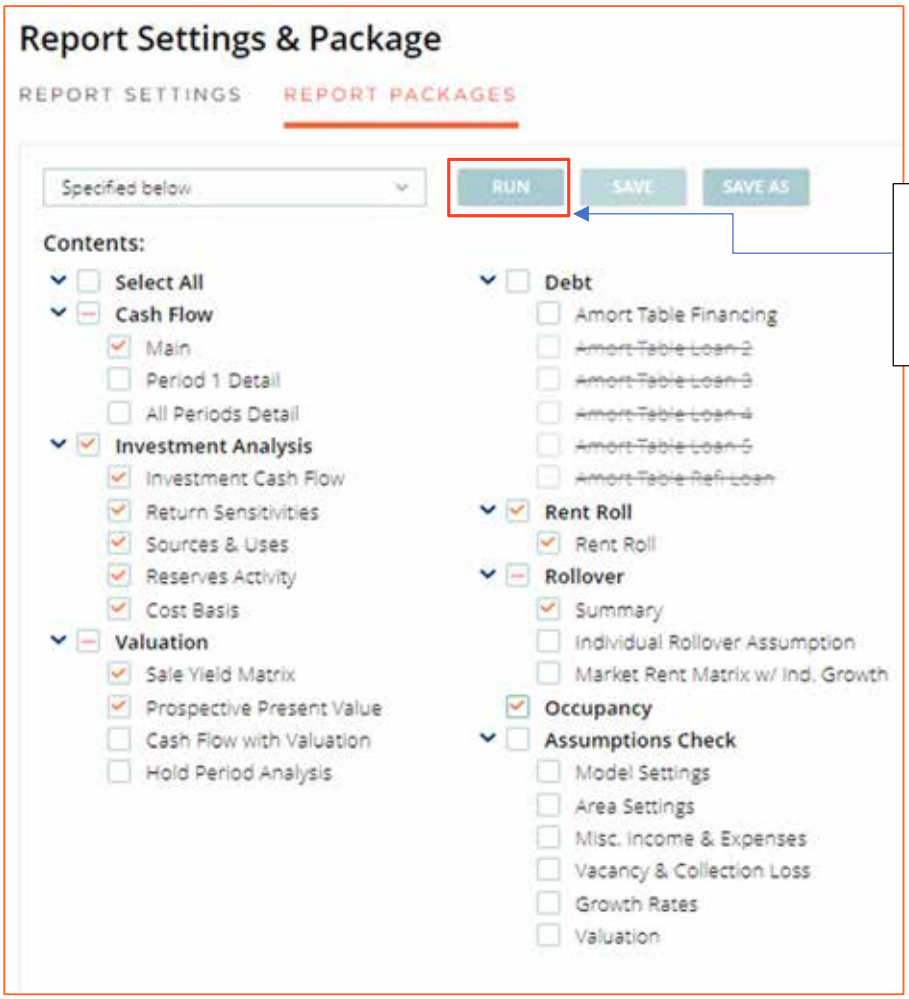
Report Investment Analysis – Levered IRR



Settings & Report Packages





Select reports to include in package and click **Run.**

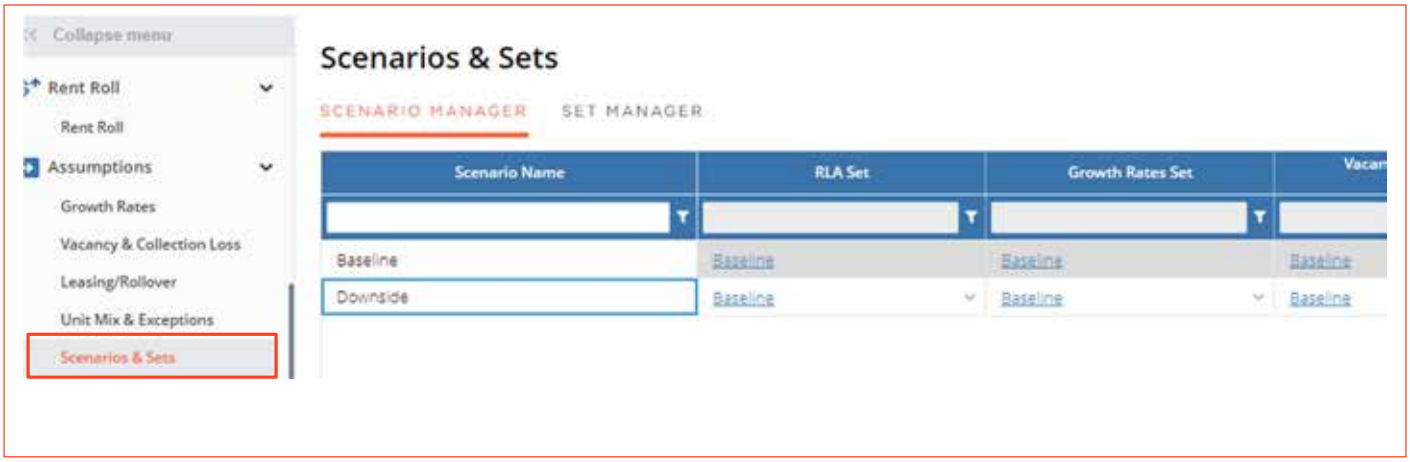
For the Years Ending	Year 1 Dec-2027	Year 2 Dec-2028	Year 3 Dec-2029	Year 4 Dec-2030	Year 5 Dec-2031	Year 6 Dec-2032	Year 7 Dec-2033	Year 8 Dec-2034	Year 9 Dec-2035	Year 10 Dec-2036	Year 11 Dec-2037
Income	**951,807**	**1,206,398**	**1,236,377**	**1,261,000**	**1,294,964**	**1,333,389**	**1,372,931**	**1,413,646**	**1,455,568**	**1,498,733**	**1,543,178**
Gross Scheduled Rent	*1,269,600*	*1,294,992*	*1,320,892*	*1,347,310*	*1,387,729*	*1,429,361*	*1,472,242*	*1,516,409*	*1,561,901*	*1,608,758*	*1,657,021*
One Bedroom	*801,600*	*817,632*	*833,985*	*850,664*	*876,184*	*902,470*	*929,544*	*957,430*	*986,153*	*1,015,738*	*1,046,210*
Two Bedroom	*468,000*	*477,360*	*486,907*	*496,645*	*511,545*	*526,891*	*542,698*	*558,979*	*575,748*	*593,021*	*610,811*
Total Gross Scheduled Rent	*1,269,600*	*1,294,992*	*1,320,892*	*1,347,310*	*1,387,729*	*1,429,361*	*1,472,242*	*1,516,409*	*1,561,901*	*1,608,758*	*1,657,021*
Loss to Lease	*(289,861)*	*(73,711)*	*(76,482)*	*(78,291)*	*(82,955)*	*(85,754)*	*(88,779)*	*(91,909)*	*(95,146)*	*(98,495)*	*(101,959)*
One Bedroom	*(170,958)*	*(47,095)*	*(49,233)*	*(50,393)*	*(54,705)*	*(56,570)*	*(58,553)*	*(60,604)*	*(62,725)*	*(64,919)*	*(67,188)*
Two Bedroom	*(118,903)*	*(26,616)*	*(27,249)*	*(27,897)*	*(28,250)*	*(29,184)*	*(30,226)*	*(31,305)*	*(32,421)*	*(33,576)*	*(34,771)*
Total Loss to Lease	*(289,861)*	*(73,711)*	*(76,482)*	*(78,291)*	*(82,955)*	*(85,754)*	*(88,779)*	*(91,909)*	*(95,146)*	*(98,495)*	*(101,959)*
Potential Rental Income	**979,739**	**1,221,281**	**1,244,410**	**1,269,019**	**1,304,774**	**1,343,607**	**1,383,463**	**1,424,500**	**1,466,755**	**1,510,263**	**1,555,062**
One Bedroom	*630,642*	*770,537*	*784,752*	*800,271*	*821,479*	*845,900*	*870,991*	*896,826*	*923,428*	*950,818*	*979,021*
Two Bedroom	*349,097*	*450,744*	*459,658*	*468,748*	*483,295*	*497,707*	*512,472*	*527,674*	*543,327*	*559,445*	*576,040*
Total Potential Rental Income	*979,739*	*1,221,281*	*1,244,410*	*1,269,019*	*1,304,774*	*1,343,607*	*1,383,463*	*1,424,500*	*1,466,755*	*1,510,263*	*1,555,062*
Downtime Vacancy	(38,200)	(29,009)	(14,677)	(14,970)	(13,802)	(15,882)	(16,358)	(16,849)	(17,354)	(17,875)	(18,411)
One Bedroom	*(35,167)*	*(23,705)*	*(9,267)*	*(9,452)*	*(9,065)*	*(10,027)*	*(10,328)*	*(*			
Two Bedroom	*(3,033)*	*(5,304)*	*(5,410)*	*(5,518)*	*(4,737)*	*(5,854)*	*(6,030)*				
Total Downtime Vacancy	*(38,200)*	*(29,009)*	*(14,677)*	*(14,970)*	*(13,802)*	*(15,882)*	*(16,358)*	*(*			
Concessions	*(53,618)*	*(45,388)*	*(40,337)*	*(41,114)*	*(43,945)*	*(45,263)*	*(46,621)*	*(*			
One Bedroom	*(33,858)*	*(31,111)*	*(25,791)*	*(26,295)*	*(27,746)*	*(28,578)*	*(29,436)*	*(*			
Two Bedroom	*(19,760)*	*(14,277)*	*(14,545)*	*(14,819)*	*(16,199)*	*(16,685)*	*(17,185)*	*(*			
Total Concessions	*(53,618)*	*(45,388)*	*(40,337)*	*(41,114)*	*(43,945)*	*(45,263)*	*(46,621)*	*(*			
Base Rental Income	**887,921**	**1,146,884**	**1,189,396**	**1,212,935**	**1,247,028**	**1,282,462**	**1,320,484**	**1,**			
One Bedroom	*561,617*	*715,721*	*749,694*	*764,524*	*784,668*	*807,294*	*831,227*	*8*			
Two Bedroom	*326,304*	*431,163*	*439,702*	*448,411*	*462,359*	*475,168*	*489,256*				
Total Base Rental Income	*887,921*	*1,146,884*	*1,189,396*	*1,212,935*	*1,247,028*	*1,282,462*	*1,320,484*	*1,359,632*	*1,399,941*	*1,441,444*	*1,484,178*
Misc. Income	**86,034**	**107,201**	**111,065**	**113,426**	**116,645**	**119,986**	**123,549**	**127,219**	**130,997**	**134,887**	**138,893**
Signage	*15,000*	*15,450*	*15,914*	*16,391*	*16,883*	*17,389*	*17,911*	*18,448*	*19,002*	*19,572*	*20,159*
Security Deposit	*71,034*	*91,751*	*95,152*	*97,035*	*99,762*	*102,597*	*105,639*	*108,771*	*111,995*	*115,316*	*118,734*
Total Misc. Income	*86,034*	*107,201*	*111,065*	*113,426*	*116,645*	*119,986*	*123,549*	*127,219*	*130,997*	*134,887*	*138,893*
Total Potential Gross Income	**973,954**	**1,254,085**	**1,300,462**	**1,326,360**	**1,363,673**	**1,402,448**	**1,444,033**	**1,486,850**	**1,530,937**	**1,576,331**	**1,623,071**
Vacancy Loss	(12,408)	(35,146)	(51,080)	(52,096)	(55,072)	(55,035)	(56,661)	(58,336)	(60,060)	(61,835)	(63,663)
Collection Loss	(9,740)	(12,541)	(13,005)	(13,264)	(13,637)	(14,024)	(14,440)	(14,869)	(15,309)	(15,763)	(16,231)
Effective Gross Income	**951,807**	**1,206,398**	**1,236,377**	**1,261,000**	**1,294,964**	**1,333,389**	**1,372,931**	**1,413,646**	**1,455,568**	**1,498,733**	**1,543,178**
Expenses	**368,554**	**384,492**	**393,902**	**403,369**	**413,337**	**423,668**	**434,267**	**445,141**	**456,298**	**467,746**	**479,492**
Utilities	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858	100,794
Repairs & Maintenance	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858	100,794
Real Estate Taxes	190,000	193,800	197,676	201,630	205,662	209,775	213,971	218,250	222,615	227,068	231,609
Mgmt Fee	28,554	36,192	37,091	37,830	38,849	40,002	41,188	42,409	43,667	44,962	46,295
Total Expenses	**368,554**	**384,492**	**393,902**	**403,369**	**413,337**	**423,668**	**434,267**	**445,141**	**456,298**	**467,746**	**479,492**
Net Operating Income	**583,253**	**821,906**	**842,474**	**857,632**	**881,626**	**909,721**	**938,665**	**968,505**	**999,270**	**1,030,987**	**1,063,686**
Leasing & Capital Costs	**109,316**	**67,038**	**25,165**	**23,780**	**26,548**	**27,344**	**28,165**	**29,010**	**29,880**	**30,776**	**31,700**
Leasing Costs	*103,316*	*60,858*	*18,800*	*17,223*	*19,795*	*20,389*	*21,000*	*21,630*	*22,279*	*22,948*	*23,636*
Turnover Costs	*5,900*	*4,738*	*4,244*	*3,934*	*4,502*	*4,657*	*4,776*	*4,920*	*5,067*	*5,219*	*5,376*
One Bedroom	*3,700*	*3,502*	*2,971*	*2,841*	*3,151*	*3,246*	*3,343*	*3,444*	*3,547*	*3,653*	*3,763*

MAIN | Investment Cash Flow | Return Sensitivities Report | Sources & Uses | Reserves Activity Report | Cost Basis Report | SYM

Report package in Excel format will be emailed to user with each report located in tabs.

Scenarios & Sets

Combine sets of assumptions to create named scenarios by selecting Scenarios & Sets from the navigation pane. Create different variations of users' baseline set of rollover assumptions, growth rates, and vacancy and collection loss to run different scenarios in the model.



- From the Navigation pane select **Scenarios & Sets.**
- Click **Add Scenario** (located in upper right-hand corner).
- Name scenario **Downside** by typing in the red box in the new row**.**

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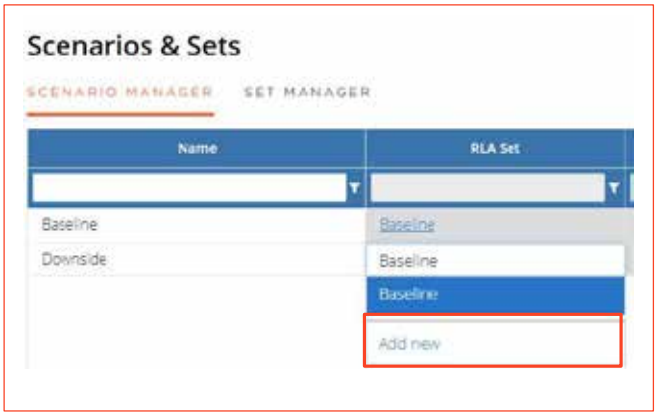
RLA Set Rollover Scenarios

VAL provides ability to easily run alternative rollover scenarios in the model to test the robustness of results in the presence of uncertainty.



- From the RLA set drop down menu select **Add New.**
- Name RLA Set **Downside RLA.**

- Update the following assumptions:
  - One Bedroom
    - Market Rent: $4,000
  - RENO One Bedroom
    - Market Rent: $4500
  - Two Bedroom
    - Downtime: 20 Days
    - Market Rent: $6,000

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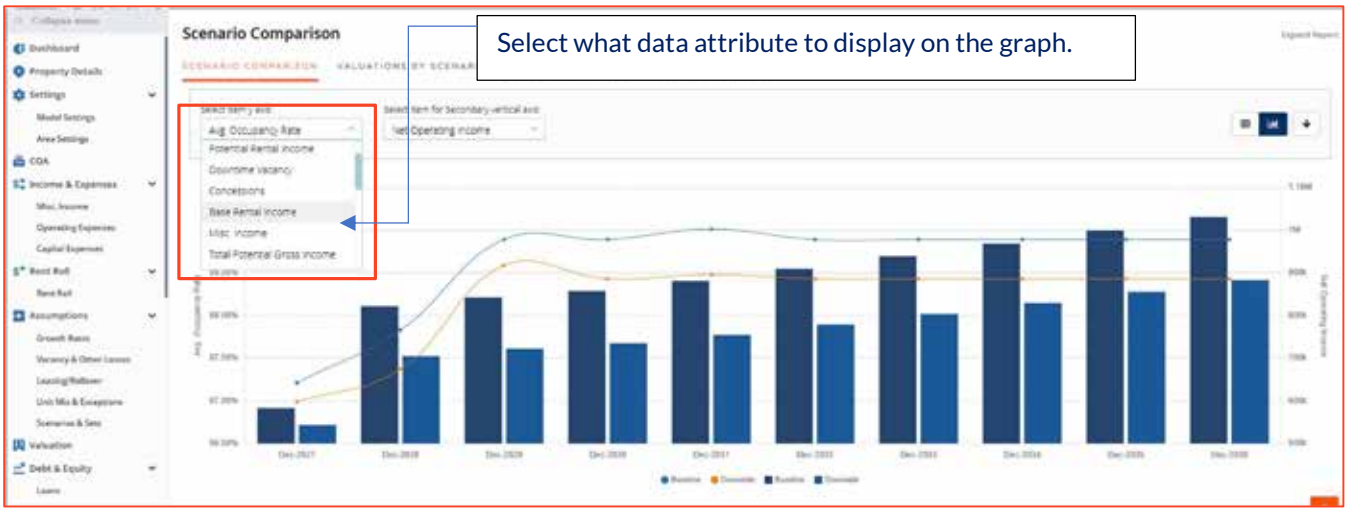
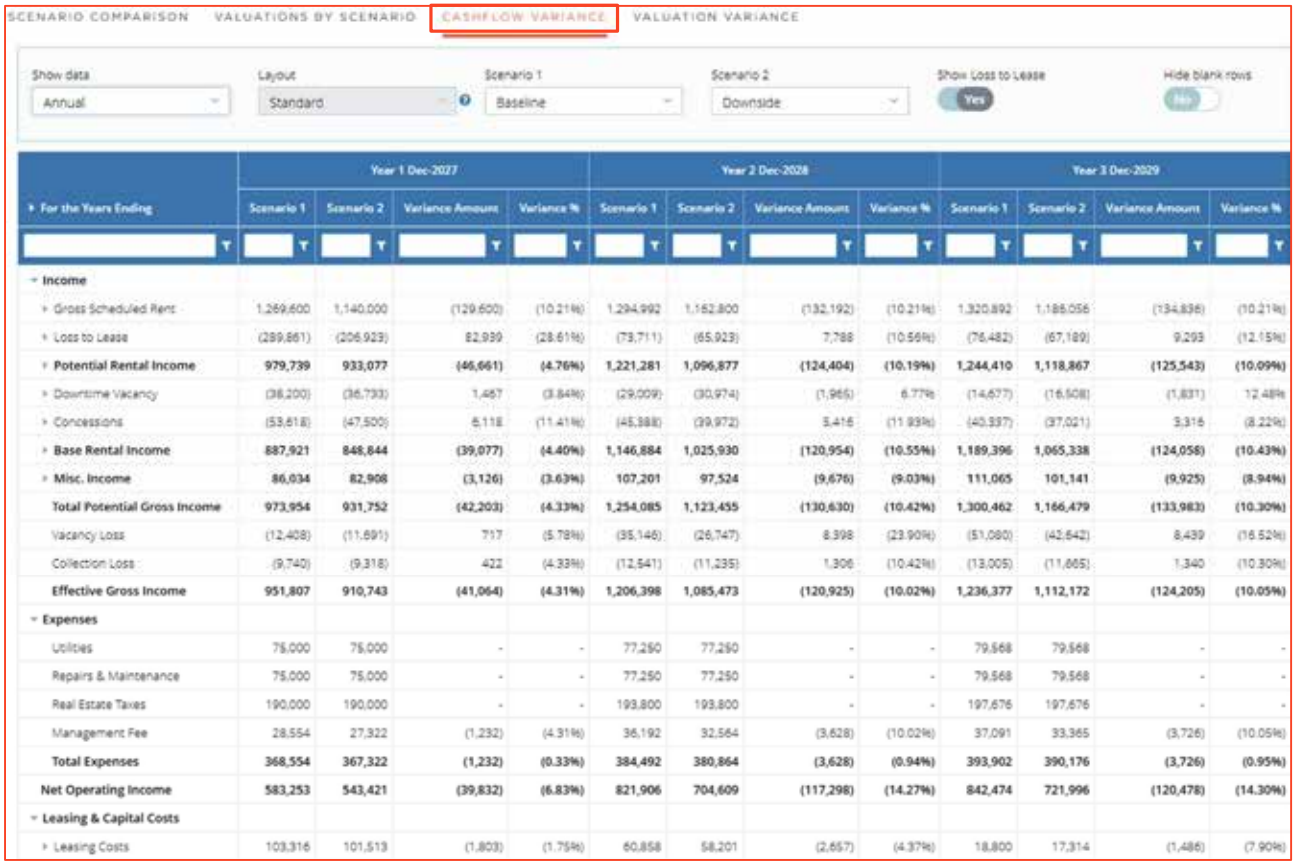
Scenario Comparison Reports

Scenario Comparison



Cashflow Variance



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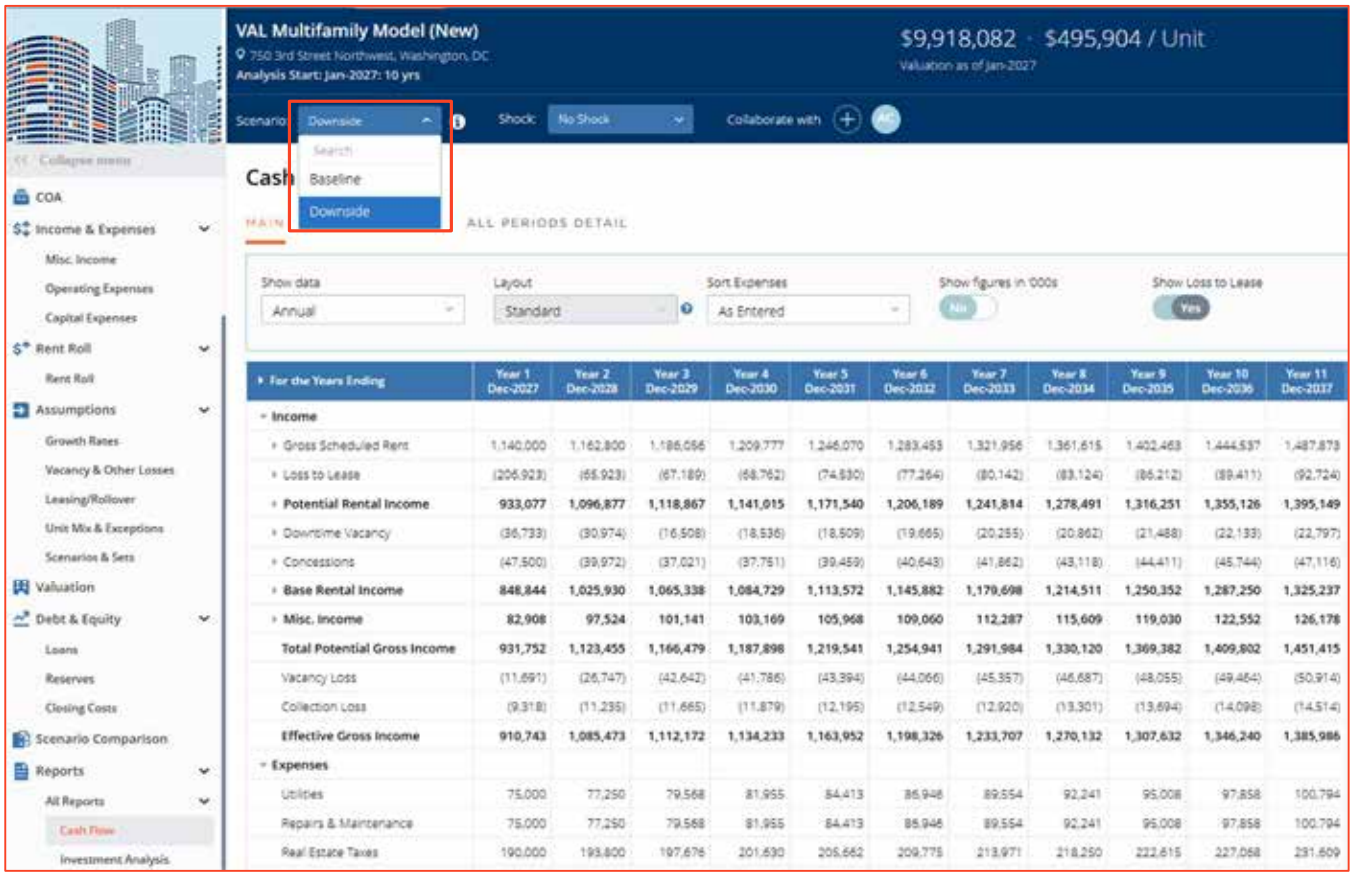
Toggling Scenarios in Reports

Select Downside scenario from the drop down menu to view the impact on any report in VAL.



Multifamily Case Study

Alien Real Estate is creating a model for a potential acquisition of a 21,000 SqFt Multifamily building located in Austin, Texas. The analysis will begin January 2027, with a 10-year holding period. Enter the below model assumptions and validate results with the reports at the end of the case study.

Growth Rates:

- General Growth: 3%
- Market Rent: 4% in 2028 – 2031, 3% for remaining years

Vacancy & Collection Loss:

- Vacancy Loss: 5%
- Collection Loss: 2%

Misc Income:

- Signage: $1,500 Monthly
- Security Deposit: 7% of Base Rental Income

Operating Expenses:

- Utilities: $70,000/year growing by 3%
- Repairs & Maintenance: $65,000/year growing by 3%
- Real Estate Taxes: $200,000/year paid in September growing at 3% per year
- Management Fee: 2% of EGR

Capital Expenses:

- Replacement Reserves: $250/Total Units

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Rent Roll:

One Bedroom
Unit Type: One Bedroom
Occupancy Status: Occupied
# of Units: 10
Avg SF/Unit: 800
Lease Term Start Date: January 1st 2027
Lease Term: 12 Months
Rent: 2500 $/Unit/Mo

Two Bedroom
Unit Type: Two Bedroom
Occupancy Status: Occupied
# of Units: 5
Avg SF/Unit: 1300
Lease Term Start Date: January 1st 2027
Lease Term: 12 Months
Rent: 3250 $/Unit/Mo

Leasing/Rollover Assumptions:

One Bedroom
Name: One Bedroom
Renewal Probability: 70%
Term: 12 Months
Downtime: 12 Days
Market Rent: $3000 $Unit/Mo (Market Rent Growth)
Concessions:
- New: 2 Months
- Renew: 0 Months

Turnover Costs:
- New: 600 $Unit
- Renew: 0 $Unit

Leasing Commissions:
- New: 4%
- Renew: 0%

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Clone One Bedroom RLA and enter following override assumptions:

Two Bedroom
Name: Two Bedroom
Market Rent: $3750 $Unit/Mo

Unit Mix & Exceptions assumptions:

Enter leasing assumption for both absorption assumptions and rollover assumptions as follows:

- One Bedroom – One Bedroom RLA
- Two Bedroom – Two Bedroom RLA

Property Valuation:

As is DCF:

- DCF Method as of analysis start date
- Cap Rate: 8%
- Discount Rate: 10%
- Hold Period: 12 Years capping year 13
- Cost of Sale: 1% of residual value

Stabilized Direct Cap

- Valuation as of date: 1/2029
- Direct Capitalization method
- Cap Rate: 10%

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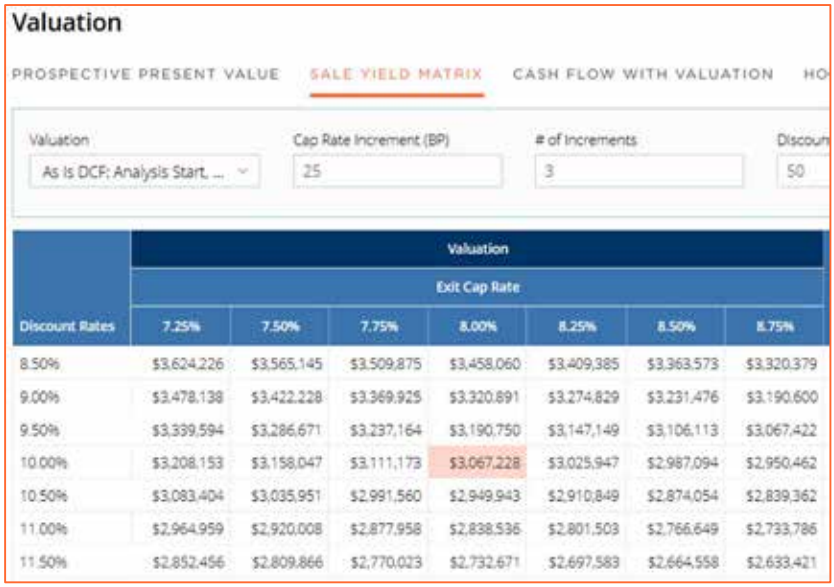
Cash Flow Report

For the Years Ending	Year 1 Dec-2027	Year 2 Dec-2028	Year 3 Dec-2029	Year 4 Dec-2030	Year 5 Dec-2031	Year 6 Dec-2032	Year 7 Dec-2033	Year 8 Dec-2034	Year 9 Dec-2035	Year 10 Dec-2036	Year 11 Dec-2037	Total
Income												
Gross Scheduled Rent	585,000	608,400	632,736	658,045	684,367	704,898	726,045	747,827	770,261	793,369	817,170	7,728,120
Loss to Lease	(90,000)	-	(270)	(562)	(877)	(912)	(1,175)	(1,452)	(1,745)	(2,054)	(2,380)	(101,429)
Potential Rental Income	495,000	608,400	632,466	657,483	683,490	703,986	724,870	746,374	768,516	791,315	814,790	7,626,691
Downtime Vacancy	-	(6,760)	(7,030)	(7,312)	(7,604)	(7,832)	(8,067)	(8,309)	(8,558)	(8,815)	(9,080)	(79,368)
Concessions	-	(30,420)	(31,637)	(32,902)	(34,218)	(35,245)	(36,302)	(37,391)	(38,513)	(39,668)	(40,859)	(357,156)
Base Rental Income	495,000	571,220	593,798	617,269	641,667	660,909	680,501	700,674	721,445	742,832	764,852	7,190,167
Misc. Income	52,650	58,525	60,662	62,878	65,176	67,131	69,128	71,185	73,303	75,484	77,730	733,852
Total Potential Gross Income	547,650	629,745	654,460	680,147	706,843	728,039	749,629	771,859	794,748	818,316	842,582	7,924,019
Vacancy Loss	(27,382)	(25,065)	(26,044)	(27,061)	(28,118)	(28,961)	(29,818)	(30,699)	(31,607)	(32,541)	(33,503)	(320,801)
Collection Loss	(10,953)	(12,595)	(13,089)	(13,603)	(14,137)	(14,561)	(14,993)	(15,437)	(15,895)	(16,366)	(16,852)	(158,480)
Effective Gross Income	509,315	592,085	615,327	639,483	664,588	684,517	704,819	725,722	747,246	769,408	792,227	7,444,737
Expenses												
Utilities	70,000	72,100	74,263	76,491	78,786	81,149	83,584	86,091	88,674	91,334	94,074	896,546
Repairs & Maintenance	65,000	66,950	68,959	71,027	73,158	75,353	77,613	79,942	82,340	84,810	87,355	832,507
Real Estate Taxes	200,000	206,000	212,180	218,545	225,102	231,855	238,810	245,975	253,354	260,955	268,783	2,561,559
Management Fee	10,186	11,842	12,307	12,790	13,292	13,690	14,096	14,514	14,945	15,388	15,845	148,895
Total Expenses	345,186	356,892	367,708	378,853	390,337	402,047	414,104	426,522	439,313	452,487	466,057	4,439,506
Net Operating Income	164,128	235,194	247,619	260,630	274,251	282,470	290,715	299,200	307,933	316,921	326,171	3,005,231
Leasing & Capital Costs												
Leasing Costs	-	9,717	10,078	10,452	10,841	11,166	11,501	11,846	12,201	12,567	12,944	113,313
Capital Expenses	3,750	3,863	3,978	4,098	4,221	4,347	4,478	4,612	4,750	4,893	5,040	48,029
Total Leasing & Capital Costs	3,750	13,579	14,056	14,550	15,061	15,513	15,979	16,458	16,952	17,460	17,984	161,342
Net Cash Flow	160,378	221,614	233,563	246,080	259,190	266,957	274,736	282,742	290,982	299,461	308,187	2,843,889

Sale Yield Matrix



Occupancy Report

Occupancy

Note: Partial Units can result within a period when a unit is occupied for a partial period or there is Downtime

UoM: Units | Show data: Annual

Unit Type	Total Units	Year 1 Dec-2027	Year 2 Dec-2028	Year 3 Dec-2029	Year 4 Dec-2030	Year 5 Dec-2031	Year 6 Dec-2032	Year 7 Dec-2033	Year 8 Dec-2034	Year 9 Dec-2035	Year 10 Dec-2036	Year 11 Dec-2037
One Bedroom	10.00	10.00	9.89	9.89	9.89	9.89	9.89	9.89	9.89	9.89	9.89	9.89
Two Bedroom	5.00	5.00	4.94	4.94	4.94	4.94	4.94	4.94	4.94	4.94	4.94	4.94
Total Occupied Units		**15.00**	**14.83**	**14.83**	**14.83**	**14.83**	**14.83**	**14.83**	**14.83**	**14.83**	**14.83**	**14.83**
Average Total Units		**15.00**	**15.00**	**15.00**	**15.00**	**15.00**	**15.00**	**15.00**	**15.00**	**15.00**	**15.00**	**15.00**
Avg. Occupancy Rate		**100.00%**	**98.89%**	**98.89%**	**98.89%**	**98.89%**	**98.89%**	**98.89%**	**98.89%**	**98.89%**	**98.89%**	**98.89%**

Rent Roll Report

Mark to Market: On

Unit Type	# of Units	% of Total (# of Units)	Avg SF/Unit	Total SF	% of Total (SF)	% Occupied (# of Units)	Occu… Avg Monthly Rent ($/Unit)
One Bedroom	10	66.7%	800	8,000	55.2%	100.0%	2,500
Two Bedroom	5	33.3%	1,300	6,500	44.8%	100.0%	3,250
Total / Wtd. Avg	**15**	**100.0%**	**967**	**14,500**	**100.0%**	**100.0%**	**2,750**

…ied	RLA Market Rent (As of Reporting Start Date)		Mark-to-Market (RLA Market Rent vs. Occupied Rent)		
Avg Monthly Rent ($/SF)	Avg Monthly Rent ($/Unit)	Avg Monthly Rent ($/SF)	(Above) Below Market ($/Unit)	(Above) Below Market ($/SF)	(Above) Below Market %
3.13	3,000	3.75	500	0.63	20.0%
2.50	3,750	2.88	500	0.38	15.4%
2.84	**3,250**	**3.36**	**500**	**0.52**	**18.2%**

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