

Thursday, December 7, 2023



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(480) 757-6399

Asset Underwriting Model												
Street	City	State	Zip	County	TOT Reference							
Odyssey 2 bedroom	Nashville	TN		Davidson	Nashville							
Asset Profile					Acquisition Assumptions		Expense Assumptions					
		Current			After Repair Value (ARV)	850,000	Property Management (% Net Rent)			15.0%		
Bed		4			Purchase Price	825,000	Annual Utility Costs			3,600		
Bath		4.00			Acq Closing Costs	0.50%	Annual Maintenance Costs			2,400		
Vintage					Renovation Costs		HOA			2,400		
Square Footage	2000				Furniture Cost	0	Annual Property Taxes			6,500		
Pool (Y/N)	n				Furniture Financing?	N	Annual Property Insurance			1,000		
Approx. Lot Square Footage					Furnishing Fee	0	Annual Linen Replacement			2,400		
					Design Fee	0	Re-stocking Costs			1,000		
					Construction Fee	0	Avg Annual Expense Growth			2.5%		
							Disposition Costs (% of Sales Price)			5.0%		
					Revenue Assumptions							
					Marketing Fee	0.00%						
					Lost Rent/Concession	0.00%						
					Gross Annual Collections	\$95,000						
					Annual Rent Growth	2.5%						
					Annual HPA Growth	5.0%						
Summary Forecast												
Cost Basis												
Initial Costs:												
Purchase Price		825,000			5-Year Forecast							
Acq Closing Cost		4,125				Year 1	Year 2	Year 3	Year 4	Year 5	Total	
Annual Revenue and Tax Write-Off												
					Gross Collections	95,000	97,375	99,809	102,305	104,862	499,351	
					1/7 Furniture Depreciation Write-off	0	0	0	0	0	0	
					Interest Write Off at 32% tax bracket	12,672	12,672	12,672	12,672	12,672	63,360	
					Construction Time (Yr 1)	0.00%	-	-	-	-	-	
					Marketing & Furnishing (Yr 1)	0.00%	-	-	-	-	-	
Upfront Renovation (additions)	0				Gross Collections and Tax Write-Offs	107,672	110,047	112,481	114,977	117,534	562,711	
Furniture	0				Cleaning Fee \$250.00 per stay	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(55,000)	
Buyer Commission Rebate	0 0.00%				Occupancy Tax	(11,133)	(11,411)	(11,696)	(11,989)	(12,289)	(58,518)	
Loan - Points	0 0.00%				Average Channel Booking Fee(6%)	(4,275)	(4,382)	(4,491)	(4,604)	(4,719)	(22,471)	
Loan - Construction Interest	0 0.00%				Lost Rent/Concessions	0	0	0	0	0	0	
Capitalized Construction Utilities / Taxes	0				Gross Gains	81,264	83,254	85,294	87,384	89,527	426,723	
Total Fees	0											
Total Day 1 Basis	829,125				Annual Operating Costs:							
Embedded Equity												
Total Basis, Excluding Furniture	829,125				Property Management Cost	10,289	10,587	10,893	11,207	11,528	54,504	
ARV	850,000				Utility Costs	3,600	3,690	3,782	3,877	3,974	18,923	
Embedded Equity	20,875				Maintenance Costs	2,400	2,460	2,522	2,585	2,649	12,615	
%	2.5%				Pool and Landscape	2,400	2,460	2,522	2,585	2,649	12,615	
Funding Sources												
Loan on Property	660,000	80.00%			Taxes	6,500	6,663	6,829	7,000	7,175	34,166	
Loan on Furniture		0.00%			Insurance	1,000	1,025	1,051	1,077	1,104	5,256	
					Linen Fee	2,400	2,460	2,522	2,585	2,649	12,615	
					Re-stocking Costs	1,000	1,000	1,000	1,000	1,000	5,000	
Equity Required	169,125				Total Costs	29,589	30,345	31,120	31,914	32,728	155,695	
Notes												
Property Disposition at End of Yr 5												
					NOI	51,675	52,909	54,174	55,470	56,799	271,027	
					(-) Interest Expense	(39,600)	(39,600)	(39,600)	(39,600)	(39,600)	(198,000)	
					(-) Furniture Expense	0	0	0	0	0	0	
					Net Free Cash Flow	12,075	13,309	14,574	15,870	17,199	73,027	
					Net Free Cash Flow (exc Interest)	51,675	52,909	54,174	55,470	56,799	271,027	
					Property Value	850,000	892,500	937,125	983,981	1,033,180		
					Disposition Costs					(51,659)		
					Net Sales Value					981,521		
					Property Basis					(829,125)		
					Gain on Sale					152,396		
Cash Flow - Leveraged												
						Year 1	Year 2	Year 3	Year 4	Year 5	Total	
Purchase - Home & Renovation		(829,125)				0	0	0	0	829,125	0	
Purchase - Furniture		0				0	0	0	0	0	0	
Purchase - Capitalized Loan Costs		0				0	0	0	0	0	0	
Loan		660,000				0	0	0	0	(660,000)	0	
Net Free Cash Flow after Interest		12,075				13,309	14,574	15,870	17,199	73,027		
Gain on Sale		75				0	0	0	0	152,396	152,471	
Furniture Salvage Value		0				0	0	0	0	0	0	
Total Cash Flow - Leveraged		(156,975)				13,309	14,574	15,870	338,720	225,499		
Cash Flow - Unleveraged												
						Year 1	Year 2	Year 3	Year 4	Year 5	Total	
Purchase - Home & Renovation		(829,125)				0	0	0	0	829,125	0	
Purchase - Furniture		0				0	0	0	0	0	0	
Purchase - Capitalized Loan Costs		0				0	0	0	0	0	0	
Loan		0				0	0	0	0	0	0	
Net Free Cash Flow		51,675				52,909	54,174	55,470	56,799	271,027		
Gain on Sale		0				0	0	0	0	152,396	152,396	
Furniture Salvage Value		0				0	0	0	0	0	0	
Total Cash Flow - Unleveraged		(777,450)				52,909	54,174	55,470	1,038,320	423,424		
Key Metrics												
Gross Yield on Basis												
	6%	7%	8%	8%	9%	9%	10%	10%	9%	8%	7%	
NOI Margin	63.6%	63.6%	63.6%	63.5%	63.5%	63.4%	63.5%	63.5%	63.4%	63.5%	63.5%	
Cap Rate	6.2%	6.38%	6.5%	6.7%	6.9%	6.5%	6.7%	6.9%	6.9%	6.5%	6.5%	
Return on Equity - Unleveraged	6.2%	6.4%	6.5%	6.7%	6.9%	n/a	n/a	n/a	n/a	n/a	n/a	
Return on Equity - Leveraged	7.1%	7.87%	8.6%	9.4%	10.2%	n/a	n/a	n/a	n/a	n/a	n/a	
IRR - Unleveraged	12.5%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
IRR - Leveraged	27.1%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
MoM - Unleveraged	1.51x	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
MoM - Leveraged	2.33x	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
For more information call (480) 757-6399												
6%	7%	8%	8%	9%	9%	9%	10%	10%	9%	8%	7%	
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YEARLY TOTAL
\$5,700	\$6,650	\$7,600	\$8,550	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$6,650	\$95,000