

# GH Proposal 43-45 Markison

by Ryan Gibson



Below is the projected breakdown for this listing based on nearby listings in the area.

If the property is currently a long term rental, this breakdown should be compared to the current net income after property management fees, leasing concessions, and vacancy have been taken into account.

It is also worth noting that our management fee is taken out of the gross income, less cleaning fees and short term rental taxes.

An overview of our services, common questions, and what is included is located below. Afterwards, you will find the set-up section as well as the next steps.

Name	Price	Number of Units	Subtotal
Yearly Projected Gross Income	\$135,000.00	2	\$270,000.00
Comparable Properties included below, (\$4,725 * 12, vacancy factored in)			
Cleaning Expense	-\$8,100.00	2	-\$16,200.00
(Included for record, Paid by the guest)			
STR City Tax	-\$6,885.00	2	-\$13,770.00
(Included for record, 5.1% gross ADR, Paid by the guest)			
GH Management Fee	-\$18,002.25	2	-\$36,004.50
((Gross income - cleaning - taxes) *15%) Normally at 30%			
Utilities/water	-\$2,000.00	1	-\$2,000.00
Included for help with estimates			
Internet	-\$780.00	1	-\$780.00
Included for help with estimates			
Stockage unit	-\$1,200.00	2	-\$2,400.00
For reordering any linens/cleaning supplies			
<b>Total</b>			<b>\$198,845.50</b>

# Aesthetic

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Percentage of Revenue	4.00%	3.00%	5.00%	5.00%	10.00%	13.00%	11.00%	12.00%	12.00%	11.00%	10.00%	4.00%	100.00%
Gross Revenue	\$5,316.19	\$3,987.14	\$6,645.24	\$6,645.24	\$13,290.48	\$17,277.62	\$14,619.53	\$15,948.58	\$15,948.58	\$14,619.53	\$13,290.48	\$5,316.19	\$132,904.80
City Taxes	\$271.13	\$203.34	\$338.91	\$338.91	\$677.81	\$881.16	\$745.60	\$813.38	\$813.38	\$745.60	\$677.81	\$271.13	
Cleaning Fees	400	400	600	1200	1200	1200	1200	1200	1200	1200	800	700	
Net	\$4,645.07	\$3,383.80	\$5,706.33	\$5,106.33	\$11,412.67	\$15,196.47	\$12,673.93	\$13,935.20	\$13,935.20	\$12,673.93	\$11,812.67	\$4,345.07	
Management Fee	\$929.01	\$676.76	\$1,141.27	\$1,021.27	\$2,282.53	\$3,039.29	\$2,534.79	\$2,787.04	\$2,787.04	\$2,534.79	\$2,362.53	\$869.01	
Owner Payout	\$3,716.05	\$2,707.04	\$4,565.07	\$4,085.07	\$9,130.13	\$12,157.17	\$10,139.15	\$11,148.16	\$11,148.16	\$10,139.15	\$9,450.13	\$3,476.05	\$91,861.32

Address: 43 - 45 W. Markison Ave.  
Zillow Link:

# AirButler



Note: I have excluded local occupancy taxes because we should all be charging these back to the guest when they book the room.

Purchase	
Asking price	1,800,000
# units	2
Gross rents (annual)	265,530
Monthly revenue	22,128
Airbnb fees	(664)
Expenses	(14,115)
<b>Cash Flow / Profit</b>	<b>7,348</b>
<b>Cash on Cash Return</b>	<b>20.8%</b>
Payback period (years)	4.8
Debt Service Coverage Ratio (DSCR)	1.61

  

Avg daily rate	1,399
Occupancy rate	52%
Projected revenue	265,530
1st mortgage	1,800,000
Amortization	30
Rate	7.00%
Monthly payment	(11,975)
Interest only	(10,500)
Down payment	360,000 20%
Furnishings & tech	9,000
Closing costs	54,000 3%
Total cash invested	423,000

Breakeven analysis	
Expenses	
Insurance	(330)
Mortgage	(11,975)
Taxes	(500)
Supplies	(200)
Electric/Heat	(400)
Water	(100)
HOA	-
Cable/Internet	(60)
Software subscriptions	(120)
Property Manager	-
Cleaning fees	(520)
Landscaping/Pest	90
Misc.	-
<b>Total Expenses</b>	<b>(14,115)</b>

  

Turnover cost	\$200
Average night stay	6
Avg turnovers	2.6
Monthly cleaning fees	(520)



Property: 2 unit /24 beds  
Date: 6/30/2024  
Client Name: Guy Marshall  
Client Address: 43-45 West Markison Ave

INCOME PER UNIT	
RENT (BASED ON AVERAGE BOOKED RATE AT 67% OCCUPANCY)	\$143,750.00
CLEANING (BASED ON \$180 DOLLARS PER TURNOVER AND 35 STAYS PER YEAR)	6,300.00
COLUMBUS LODGING TAX	3,254.00
<b>GROSS ANNUAL INCOME</b>	<b>153,304.00</b>
EXPENCES (PER UNIT)	
MANAGEMENT 15% OF RENT	21,562.00
CLEANING	6,300.00
MAINTENANCE (NEW CONSTRUCTION, ASSUME VERY LOW)	1,000.00
SUPPLIES (CONSUMABLES, LINENS) ESTIMATED AT \$65 PER MONTH	780.00
	325.00
LODGING TAXES	3,000.00
<b>ANNUAL EXPENCES</b>	<b>32,967.00</b>
<b>ANNUAL INCOME PER UNIT</b>	<b>120,337.00</b>
<b>BOTH UNITS</b>	<b>240,674.00</b>

Summary of methodology and assumptions based on available data and projections:

OPERATING BUDGET					
<b>REVENUE</b>					
	Annual	Per Unit			
Gross Rent Potential	\$545,999	\$273,000			
Other Revenue	\$2,400	\$1,200			
Subtotal	\$548,399	\$274,200			
Combined Vacancy Factor	50.0%	\$274,200	\$137,100		
<b>Net Income</b>	<b>\$274,200</b>	<b>\$137,100</b>	100.0%		
<b>OPERATING EXPENSES</b>					
<b>Administrative Costs</b>					
	Annual	Per Unit			
Advertising	\$0	\$0			
Management	\$41,130	\$20,565			
Legal/Partnership	\$0	\$0			
Accounting/Audit	\$1,500	\$750			
Compliance Monitoring	\$0	\$0			
Other Admin Costs	\$0	\$0			
<b>Subtotal</b>	<b>\$42,630</b>	<b>\$21,315</b>	15.5%		
<b>Maintenance</b>					
	Annual	Per Unit			
Decorating/Cleaning	\$2,000	\$1,000			
Repairs	\$3,000	\$1,500			
Exterminating	\$0	\$0			
Grounds	\$1,000	\$500			
Other	\$0	\$0			
<b>Subtotal</b>	<b>\$6,000</b>	<b>\$3,000</b>	2.2%		
<b>Value</b> NOI/Cap @9% <b>\$1,961,303</b>					
<b>Operating</b>					
	Annual	Per Unit			
Elevator	\$0	\$0			
Project Paid Fuel	\$0	\$0			
Electricity	\$1,920	\$960			
Water/Sewer	\$1,200	\$600			
Gas	\$1,200	\$600			
Trash Removal	\$0	\$0			
Security	\$900	\$450			
Payroll	\$0	\$0			
Payroll Taxes & Fringes	\$0	\$0			
Other (Internet)	\$2,400	\$1,200			
<b>Subtotal</b>	<b>\$7,620</b>	<b>\$3,810</b>	2.8%		
<b>Escrows &amp; Reserves</b>					
	Annual	Per Unit			
Insurance	\$12,000	\$6,000			
Real Estate Taxes	\$29,432	\$14,716			
Other Taxes	\$0	\$0			
Replacement Reserve	\$4,000	\$2,000			
Other	\$0	\$0			
<b>Subtotal</b>	<b>\$45,432</b>	<b>\$22,716</b>	16.6%		
<b>Total Operating Expenses</b>	<b>\$97,682</b>	<b>\$48,841</b>	35.6%		
<b>Net Operating Income</b>	<b>\$176,517</b>	<b>\$88,259</b>	64.4%		
<b>Debt Service</b>					
<b>MORTGAGE - Main</b>					
Debt Coverage Ratio	1.30				
Max Mortgage Pmt	\$135,783				
Amortization (years)	20				
Interest Rate	7.000%				
Max Mortgage	\$1,438,486				
<b>Mortgage Amount</b>	<b>\$1,438,486</b>				
<b>Mortgage Payment</b>	<b>\$135,783</b>				
<b>Cash Flow</b>	<b>\$36,734</b>	<b>\$18,367</b>			

July 5, 2024

Mr. Guyton Marshall  
City Built LLC  
Upper Arlington, Ohio 43221

Re: Valuation of 43-45 West Markison, Columbus, OH 45207

Dear Mr. Marshall,

At your request, Next Chapter Homes has prepared the following valuation for the recently completed spec-build condominium development located at 43-45 W Markison Avenue, Columbus, OH 43207, hereafter referred to as the "Subject".

The purpose of this document is to assess a marketable price point for the sale of the property. This document is intended to be utilized by your company and your real estate representatives. It is our understanding that you will make this document available to prospective buyers of the real estate.

The scope and format of this report meets the expectations our companies have discussed previously and includes the following:

- A valuation of the property based on current market conditions, intended use, and operational projections of seasoned management companies.

Through interpretation and analyses of the aforementioned considerations, our opinion of marketable value for the Subject property is: **\$1,961,309**. A summary of our methodology can be found on the following page.

Please do not hesitate to contact us if there are any questions regarding this document or if Next Chapter Homes can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,  
Next Chapter Homes LLC



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