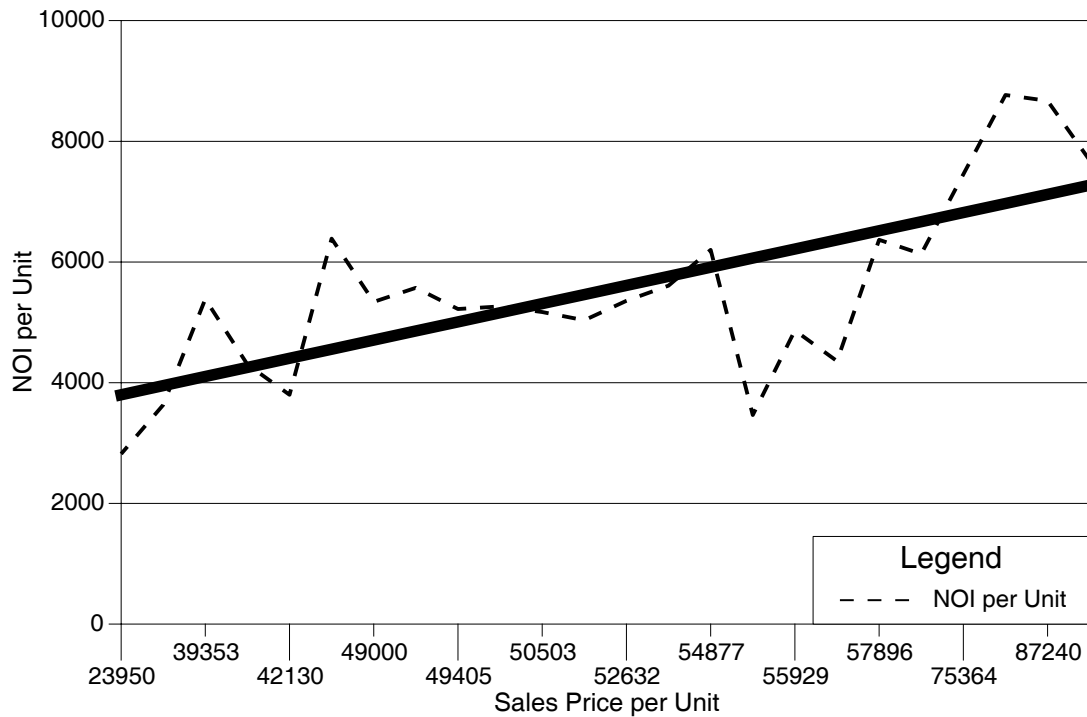


Sales Price VS NOI Per Unit Basis



Sales Price vs NOI

This chart shows the consistency of the linear relationship between the Sales Price and an Apartment Complex and the Net Operating Income (NOI). Use of the NOI requires a good forecast of future income and expenses and reliable records. NOI divided by the Sales Price produces the Cap Rate or Capitalization Rate. As the demand for properties increases, the Cap rate usually decreases. Interest rates also tend to drive down cap rates.