Going-In Capitalization Rate Analysis

Illustrative Multifamily Investment Property

Property Overview of 1926 Holland Avenue

Property Type	3-unit Multi-Family House
Location	Bronx, New York
Purchase Price	$1,500,000
Occupancy	100%

Annual Operating Statement

Item	Amount
Gross Scheduled Rent	$93,344
Other Income	$0
Less: Vacancy and Credit Loss	($0)
Effective Gross Income	**$93,344**
Property Taxes	($6,950)
Insurance	($3,300)
Repairs and Maintenance	($3,600)
Utilities	($10,800)
Property Management	($0)
Administrative and Other Expenses	($0)
Total Operating Expenses	**($24,650)**
Net Operating Income (NOI)	**$68,694**

Cap Rate Calculation

Capitalization Rate = Net Operating Income ÷ Property Value

$68,694 ÷ $1,500,000 = 0.045796, or **4.58%**

Key Notes

- NOI excludes mortgage principal and interest, depreciation, income taxes, and major capital improvements.
- Rents, vacancy, expenses, and property taxes using current leases are documented.
- The 4.58% going-in cap rate indicates that the property is in a safe, low risk, high demand area with significant New York City based property value appreciation.
- This estimate is for educational purposes and is not an appraisal, investment recommendation, or substitute for professional advice.
- The property has a value add potential and raises Net Operating Income if the owner can produce additional income from other areas of the property