

CASE STUDY: DLP EQUITY FUND II, LLC



Investment Case Study:

Property: Kensington Cottages

Address: 2909 Burroughs Dr.
Orlando, FL 32818

Units: 170 Units

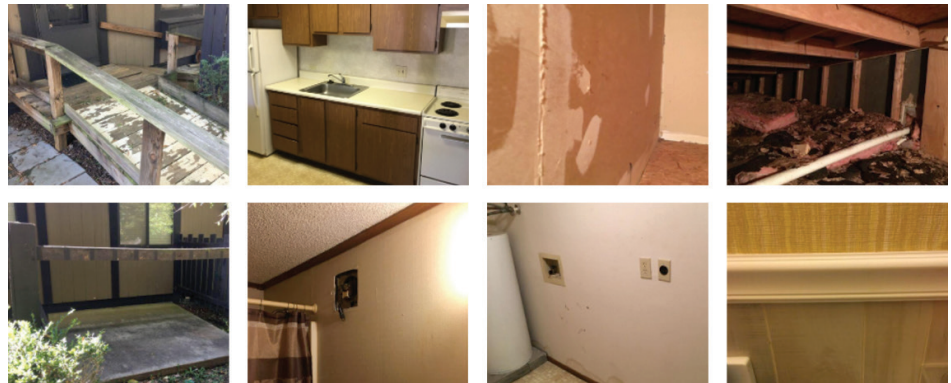
Description: Located within 9 miles of Downtown Orlando, which is home to Universal Studios, Amway Center, and many government offices. Orlando is one of the top performing apartment markets in the country. For Q3 2015, Orlando recorded average occupancy of 95.7% and average rents of \$1,070, which represents a 5.1% increase in rents, year over year. According to MPF Research, Central Florida is projected to experience as much as 5% growth in rent each year for the next three years.

Purchase Price: \$7,345,000

Equity Investment: \$2,000,000

Cash-on-Cash Return (Year 1):
12.48%, net to investors

Five Year Project Return:
29.93%, net to investors



BEFORE



AFTER

Unit Breakdown:

Unit Type	Monthly Rent	Square Feet	Units	Base Rent (Annual)	Rent per SF
1 bed / 1 bath	\$650	576	128	\$998,400	\$13.54
2 bed / 1 bath	\$775	864	19	\$176,700	\$10.76
2 bed / 2 bath	\$825	864	8	\$79,200	\$11.46
Studio	\$545	288	15	\$98,100	\$22.71

Financial Overview:

SUMMARY PROFORMA					
	1	2	3	4	5
	05/31/2017	05/31/2018	05/31/2019	05/31/2020	05/31/2021
TOTAL POTENTIAL RENTAL INCOME	\$1,352,400	\$1,392,972	\$1,434,761	\$1,477,804	\$1,522,138
General Vacancy & Related Costs	(\$67,620)	(\$69,649)	(\$71,738)	(\$73,890)	(\$76,107)
EFFECTIVE RENTAL INCOME	\$1,284,780	\$1,323,323	\$1,363,023	\$1,403,914	\$1,446,031
GROSS OPERATING INCOME	\$1,284,780	\$1,323,323	\$1,363,023	\$1,403,914	\$1,446,031
NET OPERATING INCOME	\$650,703	\$670,224	\$690,331	\$711,041	\$732,372
Reversion	\$0	\$0	\$0	\$0	\$9,939,334
CASH FLOW BEFORE TAX	\$249,622	\$269,143	\$289,250	\$309,960	\$4,911,026