

Level II
Class Problem # 10
Overall Capitalization Rate From the Market

| Property | EGI | Total Exp. And RR | Sale Price |
|----------------|-----------|-------------------|-------------|
| Riverton SC | \$469,775 | \$150,330 | \$2,778,000 |
| Eagle Ridge SC | \$392,440 | \$129,500 | \$2,307,000 |
| Chatham SC | \$518,760 | \$166,000 | \$3,065,000 |
| Hyde Park SC | \$318,780 | \$98,820 | \$1,895,000 |

Calculate an overall capitalization rate.

Level II
Class Problem # 10 Answer
Overall Capitalization Rate From the Market

Calculate an overall capitalization rate.

| Property | EGI | Total Exp. and RR | NOI | Sale Price | OAR |
|----------------|-----------|----------------------|-----------|-------------|-------|
| Riverton SC | \$469,775 | \$150,330 | \$319,445 | \$2,778,000 | 11.5% |
| Eagle Ridge SC | \$392,440 | \$129,500 | \$262,940 | \$2,307,000 | 11.4% |
| Chatham SC | \$518,760 | \$166,000 | \$352,760 | \$3,065,000 | 11.5% |
| Hyde Park SC | \$318,780 | \$98,820 | \$219,960 | \$1,895,000 | 11.6% |

The Overall Capitalization Rate is:

11.5%