



The Investor's Tour Salient Indicators*

2019

Survey Method:

Overall Capitalization Rate¹	Range	5.0%	to	13.0%
	Average			10.1%
Terminal / Residual Capitalization Rate²	Range	7.0%	to	13.0%
	Average			10.7%
Net Income Multiplier³	Range	1.0	to	12.0
	Average			8.6
Gross Income Multiplier⁴	Range	0.5	to	3.0
	Average			1.45
Discount Rate	Range	7.0%	to	20.0%
	Average			14.0%

DCR & Band of Investment Method: ⁵

Overall Capitalization Rate	Range	8.8%	to	n/a
	Average			10.0%

Growth Indicators:

Income Growth Rate	Range	1.0%	to	5.0%
	Average			2.9%
Expense Growth Rate	Range	1.5%	to	4.0%
	Average			2.3%

Operational Indicators:

Management Fee as % of Gross Revenue	Range	1.0%	to	7.0%
	Average			3.6%
Capital Reserves as % of Gross Revenue	Range	2.0%	to	8.0%
	Average			2.6%

Transaction Indicators:

Marketing Period (Months)	Range	3 mos	to	24 mos
	Average			9.5
Broker Sales Commission	Range	1.0%	to	10.0%
	Average			4.4%

* Excludes Significant Outliers.

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1/ Overall Capitalization reflects going-concern operations.
 2/ Terminal or going-out Capitalization rates also reflect going-concern operations.
 3/ Net Income Multiple (Price / Net Income) is the inverse of the Cap Rate.
 4/ Predominate GIM range is 1.0x to 2.0x. GIM dependent on profit margin/loss, total revenue, etc.
 5/ Typical information (LTV, DCR, etc.) derived from a survey of lenders and borrowers.

The Lenders' Tour

Salient Indicators



2019

LTV (Loan-to-Value)	Range	50.0%	to	85.0%
	Average			66.1%
Interest Rate	Range	5.0%	to	12.5%
	Average			7.5%

Common Indices (Feb. 22, 2019):

Prime Rate	5.5%
Libor 3 months	2.64
Libor 6 months	2.74
Libor 1 Year	2.89

Call Period (Years)	Range	5.0	to	15.0
	Average			7.1

Amortization Period (Years)	Range	15	to	25
	Average			21

DCR (Debt Coverage Ratio)	Range	1.0	to	2.3
	Average			1.35

Points	Range	0%	to	3.0%
	Average			1.2%

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