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FINAL EXAM (VA) Fina 210 Section CX (SUMMER 2011)
THIS EXAM MUST BE RETURNED INTACT (Do not remove staple)
Read Instructions carefully

Question #44

Use the information below to answer the following question.

- 30,000 rentable space
- \$24 rent per square foot
- 12% vacancy and credit losses
- operating expenses (without depreciation or CCA) is 35% of effective gross income
- Asking price is \$840,000
- Property sold for 70% of asking price

What is the buyer's overall capitalization rate (OCR)?

- a. 70%
- b. 75%
- c. 49%
- d. 58%

Question #45

Use the information below to answer the following question.

- 32,000 rentable space
- \$23 rent per square foot
- 10% vacancy and credit losses
- operating expenses (without depreciation or CCA) is 60% of effective gross income
- Asking price is \$650,000

If the buyer got his expected overall capitalization rate of 45%, how much did the seller receive for the property?.

- a. \$331,200
- b. \$588,800
- c. \$481,700
- d. \$357,500