Financial Prospectus — DoorKings-to-UniFi Access Replacement Program

Year 1 lender-grade / investor-grade model (Base / Strong / Stretch)

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Deliverable A — Executive Summary

Business overview. This business replaces legacy DoorKing telephone-entry access control at existing condo and apartment buildings with modern, app-administered access intercoms (UniFi Access-class systems). The initial product targets buildings currently operating DoorKing systems across 1–6+ public access doors, with a typical building around 4 doors.

Who it serves. HOA boards, property owners, and property managers at existing multi-family properties using DoorKing access control and dedicated connectivity (telephone, VoIP, or cellular), often paired with specialty voice lines.

Why it wins. The value proposition is ROI: legacy DoorKing callbox deployments commonly require about $7,500 per box in CapEx (hardware ~$4,200 + cellular adapter ~$900 + install ~$2,400), and often require a dedicated line at about $80/month per box for DoorKing access; the UniFi approach leverages the building's existing internet connection with PoE-based hardware and requires no landline or cellular subscription for access, while materially improving security and administration (multiple credential types, app unlock, auditability, centralized control). Fire and elevator connections, where required, can be secured separately at about $25/month per line (often less).

Why the financials are believable. Forecasts are built bottom-up from per-building unit economics, an explicit delivery cycle of up to 2 months, and scenario-based funnels. Proof points include a live pilot site (Sager Lofts) with requested expansion phases into security (Protect) and voice/telephony replacement (Talk).

Repayment / return confidence story. Cash generation is driven by professional services (labor, project management, and discovery/design) rather than hardware margins. The model includes downside stress tests and focuses on execution controls that prevent wiring surprises from eroding project margins.

Deliverable B — Year-1 Financial Prospectus

1) Revenue streams (Year 1)

Stream	Unit sold	Customer	Included	Notes

Existing Residential Building Access Control Replacement	Per public access door (intercom)	Condo / apartment buildings using DoorKing	Intercom replacement per door; install + config + training/handoff	Typical 4 doors; Strong 6; Stretch 10. No recurring fee in Year 1.

Optional: paid support under separate agreement at $150/hr (not included in Year-1 totals for conservatism).

2) ROI illustration (directional, per door)

DoorKing costs vary by plan and site. Common legacy components include (1) DoorKing connectivity subscriptions (e.g., cellular plans where used) and (2) a dedicated line that can run about $80/month per DoorKing box for access. The illustration below uses an example DoorKing published cellular plan fee and the $80/month per-box line assumption you provided. The new UniFi approach requires an existing internet connection and uses PoE on-site (assumed $0 incremental connectivity cost for access). Any required fire/elevator lines are modeled separately at ~$25/month per line. Replace with site-specific invoices during discovery.

Cost component	**Legacy DoorKing (example)**	**New system (Year 1)**	**Notes**
DoorKing connectivity	$527/yr (example $43.95/mo plan)	$0	Example from DoorKing published cellular plan fee schedule
Dedicated telephone/voice line	$960/yr ($80/mo per line)	$0 for access; $300/yr per fire/elevator line (if required)	Legacy: dedicated line often required per DoorKing box; New: access uses existing internet; PoE on-site; fire/elevator lines can be ~$25/mo where needed
Total recurring (illustrative)	$1,487/yr (illustrative)	$0–$300/yr per required line	Net savings depends on which legacy services are present and how many fire/elevator lines are required

Directional payback: using the Base per-door project price (~$1,040/door including PM allocation) and the illustrative recurring savings above, simple payback can be ~12 months or better where DoorKing connectivity and specialty lines are currently paid. For new developments or full replacements where DoorKing hardware + install would otherwise be purchased, the avoided legacy CapEx can make payback materially faster (see CapEx comparison).

CapEx comparison (new development / full replacement, per callbox / door):

Cost component	Legacy DoorKing (per box)	New UniFi approach (per door/intercom)	Notes
Callbox hardware	$4,200	$300 (hardware line item)	DoorKing new development callbox hardware vs. intercom hardware (management-provided)
Cellular adapter (if used)	$900 (=$1,800 for two units)	$0	DoorKing cellular adapter; UniFi assumed uses existing internet; PoE on-site
Installation (per box)	$2,400	Included in labor hours	DoorKing install estimate provided by management; UniFi install billed at $150/hr
Total legacy CapEx (illustrative)	$7,500	~$1,040	New approach total uses Base per-door project price incl. PM allocation; validate per site

3) Unit economics (per building)

Inputs reflect management-provided pricing and delivery assumptions; see Appendix A for the full assumptions list.

Item	**Per door**	**4-door building**	**Notes**
Customer price — hardware	$300	$1,200	Hardware billed per door
Customer price — labor	$675	$2,700	Billed at $150/hr for 4.5 hrs/door
Customer price — PM fee	—	$270	10% of labor fees
Direct costs — hardware COGS	$299	$1,196	Management-provided unit cost

Direct costs — materials/consumables	$100	$400	Wire/connectors/mounting, etc.
Direct costs — outside install labor (MSP)	—	$3,200	Assumption: 2 installers × 2 days × 8 hrs/day at $100/hr
Reconciliation note	—	—	Billed labor implies 18 hrs/building; contractor estimate implies 32 hrs/building. Projections use an 'aligned billing' case where billed hours track delivery reality.

4) Capacity model (throughput and constraints)

Delivery cycle: up to 2 months from board approval to completion. Primary constraints: board approval timing and site-specific wiring discovery. Contractor crew capacity is assumed scalable; internal discovery/design is treated as the key control point.

Constraint	Input	Implication
Lead time	2 weeks	Backlog forms quickly; schedule management required
Delivery cycle	≤ 2 months	Working capital exposure depending on payment terms
Crew model	~50% self install / ~50% contractors	Quality control standards required across crews
Design/discovery	4 hours/building by internal firm	Sets internal review capacity requirement

5) Funnel model (by channel)

Primary channel (Year 1): in-person outreach. Scenario-level targets and close rates are management estimates; board approval is the primary gate.

Scenario	Targets/month	Close rate (targets→signed)	Avg doors/building	Sales cycle	Gate
Base	2	20%	4	≈ 1 month	Board approval
Strong	4	30%	6	≈ 1 month	Board approval
Stretch	8	60%	10	≈ 1 month	Board approval

6) Year-1 projections (Base / Strong / Stretch)

Projection approach: monthly signed buildings by scenario multiplied by per-building economics (doors/building). Management provided an aggressive early ramp (2/4/8 buildings in Months 1–3); this ramp is included in the Strong case. The Base case ramps more conservatively to reflect board approvals and discovery cadence.

Scenario	Buildings (Year 1)	Avg doors/building	Revenue (aligned billing)	Direct costs (hardware+materials+MSP)	Gross profit
Base	43	4	$278,640	$206,228	$72,412
Strong	86	6	$835,920	$618,684	$217,236
Stretch	112	10	$1,814,400	$1,342,880	$471,520

Aligned billing means billed labor hours are set to match modeled delivery hours so margins are not distorted by hour mismatch. The As-is economics (using 4.5 billed hours/door) are shown in Appendix A as a stress case.

7) Sensitivity (stress test)

Stress tests are included because lenders typically require them. Values are directional and based on the Base case.

Driver	Shock	Base-case gross profit (directional)
Volume	-25% buildings	$54,309
Volume	+25% buildings	$90,515
Price (labor)	-10% labor revenue	$51,772
Price (hardware)	-10% hardware revenue	$67,252
Scope creep	+20% MSP hours	$31,166

8) Debt service illustration (optional)

Loan terms were not provided. Example only; replace with actual lender terms.

Example loan	APR	Term	Annual debt service
$300,000	10.0%	5 years	$76,489
Base-case DSCR (proxy)			0.50x

Deliverable C — Compliance / Eligibility / Use-of-Proceeds (if needed)

Typical considerations: board/owner approvals; resident communications; privacy policy and signage where audio/video is present; contractor licensing and insurance; and phased cutover planning to avoid downtime.

Deliverable D — Appendices

Appendix A — Assumptions list

- Pricing: $300 hardware billed per door; labor billed at $150/hr; 4.5 billed hours per door for install+config+training; PM fee equals 10% of billed labor.
- Costs: hardware COGS $299 per door; materials $100 per door; outside MSP labor charged at $100/hr.
- Delivery effort: outside MSP uses 2 installers for 2 days at 8 hrs/day (32 hrs) for a 4-door building; contractor hours scale linearly with door count (assumption).
- Aligned billing scenario: billed labor hours are adjusted to match modeled delivery hours (used in scenario totals).
- Internal discovery/design: 4 hours per building at $150/hr (treated as delivery cost for contribution margin).
- Payment processing: 3% of revenue (max).
- Referral fee: estimated at 15% of (hardware + outside contractor labor) when sourced via referral; referral mix not provided, so excluded from gross profit tables and treated as a sensitivity item in underwriting.
- No recurring subscription revenue in Year 1; optional paid support at $150/hr excluded from projections for conservatism.
- ROI illustration uses DoorKing published cellular plan pricing and user-provided line cost assumptions ($80/month per DoorKing box for access; ~$25/month per fire/elevator line). Validate per-site invoices during discovery.

Appendix B — Definitions

Metric	Definition
COGS / Direct costs	Costs directly attributable to a project: hardware COGS, consumables, and outside installation labor.
Gross profit	Revenue minus direct costs (before internal design, referral fees, payment processing, overhead).
Contribution margin	Gross profit minus variable overhead directly tied to the sale (payment processing, referral fees, internal design hours treated as delivery cost).

Appendix C — Personas and premium experience

HOA Board / Owner: wants reliability and cost control; premium experience includes a board-ready ROI deck, phased cutover plan, and resident communications packet.

Property Manager: wants fewer lockouts and fewer vendor calls; premium experience includes admin training, role-based access, and a clear escalation path.

Residents: want convenience and privacy; premium experience includes simple onboarding, multiple credential options, and transparent privacy policy/signage.

Appendix D — External cost references (URLs)

- DoorKing cellular plan fee schedule (monthly fees + activation fee): https://www.doorking.com/wp-content/uploads/2024/02/Section-D1_Mar_2024_5-17-24.pdf
- DoorKing cellular connection overview (subscription required): https://www.doorking.com/online-cutsheet/cellular-connection/
- DoorKing brochure noting cellular retrofit replaces telephone lines and references relative cost: https://www.doorking.com/wp-content/uploads/2023/02/Connection-options-brochure-Rev2-23.pdf
- DoorKing software programming support yearly subscription reference: https://www.doorking.com/dks-easy-connect/software-remote-account-manager/
- DoorKing 1812 manual excerpt (telephone-line mode/bypass wiring context): https://www.doorking.com/wp-content/uploads/2018/06/1812-161-W-6-18_Plus.pdf
- AT&T page noting specialty line use case (alarms/elevators) for analog replacement: https://attbusinessbundle.com/phone-advanced