

SUMMARY

Analysis Type: Selling
Property Type: Office
Address: 514 Camrose Drive CharlotteNC
Age of Property (Completion Year): 1963
Site Area: 812 sq ft

PROPERTY INCOME

Property Annual Income: \$19,800
Property Square Footage: 812
Property Vacancy: 2%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$158,724
Down Payment: \$56,276
Interest Rate: 6.5%
Amortization Period: 30 Year
Monthly Payment: \$1,003
Annual Debt Service: \$12,039
Debt Coverage Ratio: 1.36

PROPERTY EXPENSES

Gross Lease
Property Annual Expenses: \$3,000

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 8.32 %
Cost of Sale: 2%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$215,000
Property Cap Rate: 7.63%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$19,800
Vacancy Rate: 2%
Cash on Cash Return (Return on Equity): 7.76%

Income Analysis

514 Camrose Drive CharlotteNC

Report courtesy of Ola van Zyl

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Income	\$19,800	\$20,196	\$20,600	\$21,012	\$21,432	\$21,861	\$22,298	\$22,744	\$23,199	\$23,663	\$24,136
Vacancy Rate (2%)	\$396	\$404	\$412	\$420	\$429	\$437	\$446	\$455	\$464	\$473	\$483
Effective Gross Income -Growing @ 2%/yr -With a 2% Vacancy Rate):	\$19,404	\$19,792	\$20,188	\$20,592	\$21,003	\$21,424	\$21,852	\$22,289	\$22,735	\$23,190	\$23,653
Average Rent per Square Foot:	\$23.90	\$24.37	\$24.86	\$25.36	\$25.87	\$26.39	\$26.92	\$27.46	\$28.01	\$28.57	\$29.14
Less Expenses (Growing @ 2%/yr):	(\$ 3,000)	(\$ 3,060)	(\$ 3,121)	(\$ 3,183)	(\$ 3,247)	(\$ 3,312)	(\$ 3,378)	(\$ 3,446)	(\$ 3,515)	(\$ 3,585)	(\$ 3,657)
Net Operating Income (NOI):	\$ 16,404	\$ 16,732	\$ 17,067	\$ 17,409	\$ 17,756	\$ 18,112	\$ 18,474	\$ 18,843	\$ 19,220	\$ 19,605	\$ 19,996
Less Loan Payment 1st Mortgage	(\$12,039)	(\$12,039)	(\$12,039)	(\$12,039)	(\$12,039)	(\$12,039)	(\$12,039)	(\$12,039)	(\$12,039)	(\$12,039)	(\$12,039)
Net Cash Flow	\$ 4,365	\$ 4,693	\$ 5,028	\$ 5,370	\$ 5,717	\$ 6,073	\$ 6,435	\$ 6,804	\$ 7,181	\$ 7,566	\$ 7,957
Cash on Cash Return (Return on Equity):	7.76%	8.34%	8.93%	9.54%	10.16%	10.79%	11.43%	12.09%	12.76%	13.44%	14.14%
Principal Reduction:	\$1,774	\$1,893	\$2,020	\$2,155	\$2,299	\$2,453	\$2,618	\$2,793	\$2,980	\$3,179	\$3,392
Cumulative Principal Reduction:	\$1,774	\$3,667	\$5,687	\$7,842	\$10,141	\$12,594	\$15,212	\$18,005	\$20,984	\$24,164	\$27,556
Cash Flow Plus Principal Reduction:	\$ 6,139	\$ 6,586	\$ 7,048	\$ 7,525	\$ 8,016	\$ 8,526	\$ 9,053	\$ 9,597	\$ 10,161	\$ 10,745	\$ 11,349
Total Return Before Taxes:	10.91%	11.70%	12.52%	13.37%	14.24%	15.15%	16.09%	17.05%	18.06%	19.09%	20.17%

IRR: 14.33% (Iterative Method)
13.87% (Newton's Method)

Income Analysis

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Future Value in Year 10	Cost of Sale	Loan Balance
\$240,337	\$4,807	\$134,560