

## SUMMARY

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**Analysis Type: Buying**  
**Property Type: Industrial**  
**Site Area: 49,000 sq ft**  
**Gross Building Area: 5,180 sq ft**

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## PROPERTY INCOME

**Property Annual Income: \$37,200**  
**Property Square Footage: 49,000**  
**Property Vacancy: 2%**  
**Property Additional Income: -**

## LOAN & DEBT ANALYSIS

**Loan Amount: \$176,250**  
**Down Payment: \$58,750**  
**Interest Rate: 6.75%**  
**Amortization Period: 20 Year**  
**Monthly Payment: \$1,340**  
**Annual Debt Service: \$16,082**  
**Debt Coverage Ratio: 1.89**

## PROPERTY EXPENSES

**Gross Lease**  
**Property Annual Expenses: \$6,000**

## CASH FLOW ASSUMPTIONS

**Annual Income Growth Rate: 1.5 %**  
**Annual Expense Growth Rate: 2 %**  
**Cap Rate at Sale: 21.97 %**  
**Cost of Sale: 2%**  
**Number of Years: 10**

## PROPERTY VALUE & CAP RATE

**Property Value / Sale Price: \$235,000**  
**Property Cap Rate: 12.96%**

## 10 YEAR CASH FLOW ANALYSIS

**Potential Income: \$37,200**  
**Vacancy Rate: 2%**  
**Cash on Cash Return (Return on Equity): 24.47%**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
<b>Effective Gross Income</b> -Growing @ 1.5%/yr -With a 2% Vacancy Rate:	\$36,456	\$37,003	\$37,558	\$38,121	\$38,692	\$39,273	\$39,862	\$40,459	\$41,066	\$41,682	\$42,308
<b>Average Rent per Square Foot:</b>	\$0.74	\$0.76	\$0.77	\$0.78	\$0.79	\$0.80	\$0.81	\$0.82	\$0.83	\$0.84	\$0.85
<b>Less Expenses (Growing @ 2%/yr):</b>	(\$ 6,000)	(\$ 6,120)	(\$ 6,242)	(\$ 6,367)	(\$ 6,494)	(\$ 6,624)	(\$ 6,756)	(\$ 6,891)	(\$ 7,029)	(\$ 7,170)	(\$ 7,313)
<b>Net Operating Income (NOI):</b>	\$ 30,456	\$ 30,883	\$ 31,316	\$ 31,754	\$ 32,198	\$ 32,649	\$ 33,106	\$ 33,568	\$ 34,037	\$ 34,512	\$ 34,995
<b>Less Loan Payment 1st Mortgage</b>	(\$16,082)	(\$16,082)	(\$16,082)	(\$16,082)	(\$16,082)	(\$16,082)	(\$16,082)	(\$16,082)	(\$16,082)	(\$16,082)	(\$16,082)
<b>Net Cash Flow</b>	\$ 14,374	\$ 14,801	\$ 15,234	\$ 15,672	\$ 16,117	\$ 16,567	\$ 17,024	\$ 17,487	\$ 17,955	\$ 18,431	\$ 18,913
<b>Cash on Cash Return (Return on Equity):</b>	24.47%	25.19%	25.93%	26.68%	27.43%	28.20%	28.98%	29.77%	30.56%	31.37%	32.19%
<b>Principal Reduction:</b>	\$4,317	\$4,617	\$4,939	\$5,283	\$5,651	\$6,044	\$6,465	\$6,915	\$7,396	\$7,911	\$8,462
<b>Cumulative Principal Reduction:</b>	\$4,317	\$8,934	\$13,873	\$19,156	\$24,806	\$30,850	\$37,315	\$44,230	\$51,626	\$59,538	\$68,000
<b>Cash Flow Plus Principal Reduction:</b>	\$ 18,691	\$ 19,418	\$ 20,173	\$ 20,955	\$ 21,768	\$ 22,611	\$ 23,489	\$ 24,402	\$ 25,351	\$ 26,342	\$ 27,375
<b>Total Return Before Taxes:</b>	31.81%	33.05%	34.34%	35.67%	37.05%	38.49%	39.98%	41.54%	43.15%	44.84%	46.60%

IRR: 31.57%