

## SUMMARY

**Analysis Type: Buying**  
**Property Type: Industrial**  
**Site Area: 12,500 sq ft**

## PROPERTY INCOME

**Property Annual Income: \$150,000**  
**Property Square Footage: 12,500**  
**Property Vacancy: 20%**  
**Property Additional Income: \$62,500**

## LOAN & DEBT ANALYSIS

**Loan Amount: \$1,350,000**  
**Down Payment: \$350,000**  
**Interest Rate: 7%**  
**Amortization Period: 15 Year**  
**Monthly Payment: \$13,500**  
**Annual Debt Service: \$162,000**  
**Debt Coverage Ratio: 1.25**

## PROPERTY EXPENSES

**Triple Net Lease (NNN)**  
**Property Annual Expenses: -**

## CASH FLOW ASSUMPTIONS

**Annual Income Growth Rate: 3 %**  
**Annual Expense Growth Rate: 3 %**  
**Cap Rate at Sale: 11.24 %**  
**Cost of Sale: 2%**  
**Number of Years: 10**

## PROPERTY VALUE & CAP RATE

**Property Value / Sale Price: \$1,700,000**  
**Property Cap Rate: 10.74%**

## 10 YEAR CASH FLOW ANALYSIS

**Potential Income: \$150,000**  
**Vacancy Rate: 20%**  
**Cash on Cash Return (Return on Equity): 5.86%**

|   | 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><br>-Growing @ 3%/yr<br>-With a 20% Vacancy Rate): | \$120,000   | \$123,600   | \$127,308   | \$131,127   | \$135,061   | \$139,113   | \$143,286   | \$147,585   | \$152,012   | \$156,572   | \$161,269   |
| <b>Average Rent per Square Foot:</b>  | \$9.60      | \$9.89      | \$10.19     | \$10.50     | \$10.82     | \$11.14     | \$11.47     | \$11.81     | \$12.16     | \$12.52     | \$12.90     |
| <b>Less Expenses (Growing @ 3%/yr):</b>   | (\$ )       | (\$ )       | (\$ )       | (\$ )       | (\$ )       | (\$ )       | (\$ )       | (\$ )       | (\$ )       | (\$ )       | (\$ )       |
| <b>Net Operating Income (NOI):</b>  | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          |
| <b>Less Loan Payment 1st Mortgage</b>   | (\$162,000) | (\$162,000) | (\$162,000) | (\$162,000) | (\$162,000) | (\$162,000) | (\$162,000) | (\$162,000) | (\$162,000) | (\$162,000) | (\$162,000) |
| <b>Net Cash Flow</b>  | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          |
| <b>Cash on Cash Return (Return on Equity):</b>                                  | %           | %           | %           | %           | %           | %           | %           | %           | %           | %           | %           |
| <b>Principal Reduction:</b>   | \$52,782    | \$56,598    | \$60,689    | \$65,077    | \$69,781    | \$74,825    | \$80,235    | \$86,035    | \$92,254    | \$98,923    | \$106,074   |
| <b>Cumulative Principal Reduction:</b>  | \$52,782    | \$109,380   | \$170,070   | \$235,146   | \$304,927   | \$379,753   | \$459,987   | \$546,022   | \$638,276   | \$737,200   | \$843,274   |
| <b>Cash Flow Plus Principal Reduction:</b>                                      | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          | \$          |
| <b>Total Return Before Taxes:</b>   | %           | %           | %           | %           | %           | %           | %           | %           | %           | %           | %           |

IRR: 0.00%