

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family

PROPERTY INCOME

Property Annual Income: \$55,800
Property Square Footage: -
Property Vacancy: 2%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$479,489
Down Payment: \$250,000
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: \$3,190
Annual Debt Service: \$38,281
Debt Coverage Ratio: 1.16

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$10,404

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 5.96 %
Cost of Sale: 5%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$729,489
Property Cap Rate: 6.07%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$55,800
Vacancy Rate: 2%
Cash on Cash Return (Return on Equity): 2.40%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Effective Gross Income -Growing @ 2%/yr -With a 2% Vacancy Rate:	\$54,684	\$55,778	\$56,893	\$58,031	\$59,191	\$60,375	\$61,582	\$62,814	\$64,070	\$65,352	\$66,660
Average Rent per Square Foot:											
Less Expenses (Growing @ 2%/yr):	(\$ 10,404)	(\$ 10,612)	(\$ 10,824)	(\$ 11,040)	(\$ 11,261)	(\$ 11,486)	(\$ 11,716)	(\$ 11,950)	(\$ 12,189)	(\$ 12,433)	(\$ 12,682)
Net Operating Income (NOI):	\$ 44,280	\$ 45,166	\$ 46,069	\$ 46,991	\$ 47,930	\$ 48,889	\$ 49,866	\$ 50,864	\$ 51,881	\$ 52,919	\$ 53,978
Less Loan Payment 1st Mortgage	(\$38,281)	(\$38,281)	(\$38,281)	(\$38,281)	(\$38,281)	(\$38,281)	(\$38,281)	(\$38,281)	(\$38,281)	(\$38,281)	(\$38,281)
Net Cash Flow	\$ 5,999	\$ 6,885	\$ 7,788	\$ 8,710	\$ 9,649	\$ 10,608	\$ 11,586	\$ 12,583	\$ 13,601	\$ 14,639	\$ 15,697
Cash on Cash Return (Return on Equity):	2.40%	2.75%	3.12%	3.48%	3.86%	4.24%	4.63%	5.03%	5.44%	5.86%	6.28%
Principal Reduction:	\$4,871	\$5,223	\$5,600	\$6,005	\$6,439	\$6,905	\$7,404	\$7,939	\$8,513	\$9,129	\$9,788
Cumulative Principal Reduction:	\$4,871	\$10,093	\$15,694	\$21,699	\$28,138	\$35,043	\$42,447	\$50,386	\$58,899	\$68,028	\$77,816
Cash Flow Plus Principal Reduction:	\$ 10,870	\$ 12,108	\$ 13,388	\$ 14,715	\$ 16,088	\$ 17,513	\$ 18,990	\$ 20,522	\$ 22,114	\$ 23,768	\$ 25,485
Total Return Before Taxes:	4.35%	4.84%	5.36%	5.89%	6.44%	7.01%	7.60%	8.21%	8.85%	9.51%	10.19%

IRR: 9.83%