

## SUMMARY

**Analysis Type: Selling**  
**Property Type: Retail**  
**Site Area: 3,200 sq ft**

## PROPERTY INCOME

**Property Annual Income: \$128,000**  
**Property Square Footage: 3,200**  
**Property Vacancy: -**  
**Property Additional Income: -**

## LOAN & DEBT ANALYSIS

**Loan Amount: \$967,500**  
**Down Payment: \$322,500**  
**Interest Rate: 7%**  
**Amortization Period: 20 Year**  
**Monthly Payment: \$7,501**  
**Annual Debt Service: \$90,012**  
**Debt Coverage Ratio: 1.28**

## PROPERTY EXPENSES

**Gross Lease**  
**Property Annual Expenses: \$13,000**

## CASH FLOW ASSUMPTIONS

**Annual Income Growth Rate: 2 %**  
**Annual Expense Growth Rate: 2 %**  
**Cap Rate at Sale: 8.9 %**  
**Cost of Sale: 2%**  
**Number of Years: 5**

## PROPERTY VALUE & CAP RATE

**Property Value / Sale Price: \$1,290,000**  
**Property Cap Rate: 8.91%**

## 5 YEAR CASH FLOW ANALYSIS

**Potential Income: \$128,000**  
**Vacancy Rate: -**  
**Cash on Cash Return (Return on Equity): 7.75%**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>Effective Gross Income</b> -Growing @ 2%/yr -With a % Vacancy Rate):	\$128,000	\$130,560	\$133,171	\$135,834	\$138,551	\$141,322
<b>Average Rent per Square Foot:</b>	\$40.00	\$40.80	\$41.62	\$42.45	\$43.30	\$44.17
<b>Less Expenses (Growing @ 2%/yr):</b>	(\$ 13,000)	(\$ 13,260)	(\$ 13,525)	(\$ 13,796)	(\$ 14,072)	(\$ 14,353)
<b>Net Operating Income (NOI):</b>	\$ 115,000	\$ 117,300	\$ 119,646	\$ 122,038	\$ 124,479	\$ 126,969
<b>Less Loan Payment 1st Mortgage</b>	(\$90,012)	(\$90,012)	(\$90,012)	(\$90,012)	(\$90,012)	(\$90,012)
<b>Net Cash Flow</b>	\$ 24,988	\$ 27,288	\$ 29,634	\$ 32,026	\$ 34,467	\$ 36,957
<b>Cash on Cash Return (Return on Equity):</b>	7.75%	8.46%	9.19%	9.93%	10.69%	11.46%
<b>Principal Reduction:</b>	\$23,016	\$24,680	\$26,464	\$28,377	\$30,429	\$32,629
<b>Cumulative Principal Reduction:</b>	\$23,016	\$47,697	\$74,161	\$102,538	\$132,967	\$165,596
<b>Cash Flow Plus Principal Reduction:</b>	\$ 48,004	\$ 51,968	\$ 56,098	\$ 60,403	\$ 64,896	\$ 69,586
<b>Total Return Before Taxes:</b>	14.88%	16.11%	17.39%	18.73%	20.12%	21.58%

IRR: 25.15%