

## SUMMARY

**Analysis Type: Buying**  
**Property Type: Office**

## PROPERTY INCOME

Property Annual Income: **\$38,816**  
Property Square Footage: -  
Property Vacancy: -  
Property Additional Income: -

## LOAN & DEBT ANALYSIS

Loan Amount: **\$275,951**  
Down Payment: **\$118,265**  
Interest Rate: **6.5%**  
Amortization Period: **30 Year**  
Monthly Payment: **\$1,744**  
Annual Debt Service: **\$20,930**  
Debt Coverage Ratio: **1.84**

## PROPERTY EXPENSES

Gross Lease  
Property Annual Expenses: **\$388**

## CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: **2 %**  
Annual Expense Growth Rate: **2 %**  
Cap Rate at Sale: **9.7 %**  
Cost of Sale: **2%**  
Number of Years: **5**

## PROPERTY VALUE & CAP RATE

Property Value / Sale Price: **\$394,215**  
Property Cap Rate: **9.75%**

## 5 YEAR CASH FLOW ANALYSIS

Potential Income: **\$38,816**  
Vacancy Rate: -  
Cash on Cash Return (Return on Equity): **14.80%**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Gross Income	\$38,816	\$	\$	\$	\$	\$
Vacancy Rate	\$	\$	\$	\$	\$	\$
Effective Gross Income -Growing @ 2%/yr -With a % Vacancy Rate):	\$38,816	\$39,592	\$40,384	\$41,192	\$42,016	\$42,856
Average Rent per Square Foot:						
Less Expenses (Growing @ 2%/yr):	(\$ 388)	(\$ 396)	(\$ 404)	(\$ 412)	(\$ 420)	(\$ 428)
Net Operating Income (NOI):	\$ 38,428	\$ 39,196	\$ 39,980	\$ 40,780	\$ 41,596	\$ 42,428
Less Loan Payment 1st Mortgage	(\$20,930)	(\$20,930)	(\$20,930)	(\$20,930)	(\$20,930)	(\$20,930)
Net Cash Flow	\$ 17,498	\$ 18,266	\$ 19,050	\$ 19,850	\$ 20,666	\$ 21,498
Cash on Cash Return (Return on Equity):	14.80%	15.45%	16.11%	16.78%	17.47%	18.18%
Principal Reduction:	\$3,084	\$3,291	\$3,511	\$3,747	\$3,997	\$4,265
Cumulative Principal Reduction:	\$3,084	\$6,375	\$9,887	\$13,633	\$17,631	\$21,896
Cash Flow Plus Principal Reduction:	\$ 20,582	\$ 21,557	\$ 22,561	\$ 23,597	\$ 24,663	\$ 25,763
Total Return Before Taxes:	17.40%	18.23%	19.08%	19.95%	20.85%	21.78%

IRR: **24.67%** (Iterative Method)

**22.77%** (Newton's Method)

Future Value in Year 5	Cost of Sale	Loan Balance
\$437,402	\$8,748	\$233,940