

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family

PROPERTY INCOME

Property Annual Income: \$112,800
Property Square Footage: -
Property Vacancy: 5%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$750,000
Down Payment: \$250,000
Interest Rate: 8%
Amortization Period: 30 Year
Monthly Payment: \$5,503
Annual Debt Service: \$66,039
Debt Coverage Ratio: 1.22

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$26,790

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 8.54 %
Cost of Sale: 2%
Number of Years: 5

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$1,000,000
Property Cap Rate: 8.04%

5 YEAR CASH FLOW ANALYSIS

Potential Income: \$112,800
Vacancy Rate: 5%
Cash on Cash Return (Return on Equity): 5.73%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Effective Gross Income -Growing @ 3%/yr -With a 5% Vacancy Rate):	\$107,160	\$110,375	\$113,687	\$117,097	\$120,610	\$124,229
Average Rent per Square Foot:						
Less Expenses (Growing @ 2%/yr):	(\$ 26,790)	(\$ 27,326)	(\$ 27,873)	(\$ 28,430)	(\$ 28,999)	(\$ 29,579)
Net Operating Income (NOI):	\$ 80,370	\$ 83,049	\$ 85,814	\$ 88,667	\$ 91,611	\$ 94,650
Less Loan Payment 1st Mortgage	(\$66,039)	(\$66,039)	(\$66,039)	(\$66,039)	(\$66,039)	(\$66,039)
Net Cash Flow	\$ 14,331	\$ 17,010	\$ 19,775	\$ 22,628	\$ 25,572	\$ 28,611
Cash on Cash Return (Return on Equity):	5.73%	6.80%	7.91%	9.05%	10.23%	11.44%
Principal Reduction:	\$6,265	\$6,785	\$7,348	\$7,958	\$8,619	\$9,334
Cumulative Principal Reduction:	\$6,265	\$13,050	\$20,399	\$28,357	\$36,976	\$46,310
Cash Flow Plus Principal Reduction:	\$ 20,596	\$ 23,795	\$ 27,123	\$ 30,586	\$ 34,191	\$ 37,945
Total Return Before Taxes:	8.24%	9.52%	10.85%	12.23%	13.68%	15.18%

IRR: 18.27%