

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family

PROPERTY INCOME

Property Annual Income: \$65,400
Property Square Footage: -
Property Vacancy: -
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$510,000
Down Payment: \$170,000
Interest Rate: 7.5%
Amortization Period: 30 Year
Monthly Payment: \$3,566
Annual Debt Service: \$42,792
Debt Coverage Ratio: 1.06

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$20,000

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 6.6 %
Cost of Sale: 2%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$680,000
Property Cap Rate: 6.68%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$65,400
Vacancy Rate: -
Cash on Cash Return (Return on Equity): 1.53%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Income	\$65,400	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Vacancy Rate	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Effective Gross Income -Growing @ 2%/yr -With a % Vacancy Rate):	\$65,400	\$66,708	\$68,042	\$69,403	\$70,791	\$72,207	\$73,651	\$75,124	\$76,626	\$78,159	\$79,722
Average Rent per Square Foot:											
Less Expenses (Growing @ 2%/yr):	(\$ 20,000)	(\$ 20,400)	(\$ 20,808)	(\$ 21,224)	(\$ 21,648)	(\$ 22,081)	(\$ 22,523)	(\$ 22,973)	(\$ 23,432)	(\$ 23,901)	(\$ 24,379)
Net Operating Income (NOI):	\$ 45,400	\$ 46,308	\$ 47,234	\$ 48,179	\$ 49,143	\$ 50,126	\$ 51,128	\$ 52,151	\$ 53,194	\$ 54,258	\$ 55,343
Less Loan Payment 1st Mortgage	(\$42,792)	(\$42,792)	(\$42,792)	(\$42,792)	(\$42,792)	(\$42,792)	(\$42,792)	(\$42,792)	(\$42,792)	(\$42,792)	(\$42,792)
Net Cash Flow	\$ 2,608	\$ 3,516	\$ 4,442	\$ 5,387	\$ 6,351	\$ 7,334	\$ 8,336	\$ 9,359	\$ 10,402	\$ 11,466	\$ 12,551
Cash on Cash Return (Return on Equity):	1.53%	2.07%	2.61%	3.17%	3.74%	4.31%	4.90%	5.51%	6.12%	6.74%	7.38%
Principal Reduction:	\$4,701	\$5,066	\$5,460	\$5,883	\$6,340	\$6,832	\$7,363	\$7,934	\$8,550	\$9,214	\$9,930
Cumulative Principal Reduction:	\$4,701	\$9,768	\$15,227	\$21,111	\$27,451	\$34,284	\$41,646	\$49,581	\$58,131	\$67,346	\$77,275
Cash Flow Plus Principal Reduction:	\$ 7,309	\$ 8,582	\$ 9,902	\$ 11,270	\$ 12,691	\$ 14,166	\$ 15,699	\$ 17,293	\$ 18,952	\$ 20,680	\$ 22,481
Total Return Before Taxes:	4.30%	5.05%	5.82%	6.63%	7.47%	8.33%	9.23%	10.17%	11.15%	12.16%	13.22%

IRR: 10.40%

Future Value in Year 10	Cost of Sale	Loan Balance
\$190,167	\$3,803	\$442,654