

SUMMARY

Analysis Type: Buying
Property Type: Mixed-Use
Site Area: 90,000 sq ft
Gross Building Area: 72,000 sq ft

PROPERTY INCOME

Property Annual Income: \$2,400,000
Property Square Footage: 90,000
Property Vacancy: 2%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$41,379,408
Down Payment: \$7,881,792
Interest Rate: 6%
Amortization Period: 30 Year
Monthly Payment: \$248,090
Annual Debt Service: \$2,977,085
Debt Coverage Ratio: 0.66

PROPERTY EXPENSES

Gross Lease
Property Annual Expenses: \$381,552

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 4.5 %
Cost of Sale: 2%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$49,261,200
Property Cap Rate: 4%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$2,400,000
Vacancy Rate: 2%
Cash on Cash Return (Return on Equity): -12.77%

	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):	\$2,352,000	\$2,399,040	\$2,447,021	\$2,495,961	\$2,545,880	\$2,596,798	\$2,648,734	\$2,701,709	\$2,755,743	\$2,810,859	\$2,867,075
Average Rent per Square Foot:	\$26.13	\$26.66	\$27.19	\$27.73	\$28.28	\$28.85	\$29.43	\$30.02	\$30.62	\$31.23	\$31.85
Less Expenses (Growing @ 2%/yr):	(\$ 381,552)	(\$ 389,183)	(\$ 396,967)	(\$ 404,906)	(\$ 413,004)	(\$ 421,264)	(\$ 429,689)	(\$ 438,283)	(\$ 447,049)	(\$ 455,990)	(\$ 465,110)
Net Operating Income (NOI):	\$ 1,970,448	\$ 2,009,857	\$ 2,050,054	\$ 2,091,055	\$ 2,132,876	\$ 2,175,534	\$ 2,219,045	\$ 2,263,426	\$ 2,308,694	\$ 2,354,869	\$ 2,401,965
Less Loan Payment 1st Mortgage	(\$2,977,085)	(\$2,977,085)	(\$2,977,085)	(\$2,977,085)	(\$2,977,085)	(\$2,977,085)	(\$2,977,085)	(\$2,977,085)	(\$2,977,085)	(\$2,977,085)	(\$2,977,085)
Net Cash Flow	\$ -1,006,637	\$ -967,228	\$ -927,032	\$ -886,030	\$ -844,209	\$ -801,551	\$ -758,040	\$ -713,659	\$ -668,391	\$ -622,217	\$ -575,120
Cash on Cash Return (Return on Equity):	-12.77%	-12.27%	-11.76%	-11.24%	-10.71%	-10.17%	-9.62%	-9.05%	-8.48%	-7.89%	-7.30%
Principal Reduction:	\$508,144	\$539,485	\$572,759	\$608,086	\$645,591	\$685,410	\$727,685	\$772,567	\$820,217	\$870,806	\$924,516
Cumulative Principal Reduction:	\$508,144	\$1,047,629	\$1,620,389	\$2,228,475	\$2,874,066	\$3,559,476	\$4,287,161	\$5,059,727	\$5,879,944	\$6,750,750	\$7,675,266
Cash Flow Plus Principal Reduction:	\$ -498,493	\$ -427,743	\$ -354,273	\$ -277,944	\$ -198,618	\$ -116,141	\$ -30,355	\$ 58,908	\$ 151,826	\$ 248,589	\$ 349,396
Total Return Before Taxes:	-6.32%	-5.43%	-4.49%	-3.53%	-2.52%	-1.47%	-0.39%	0.75%	1.93%	3.15%	4.43%

IRR: 16.03%