

SUMMARY

Analysis Type: Buying
Property Type: Retail
Address: 1014 Unity Center Rd
Site Area: 32,613 sq ft
Gross Building Area: 3,600 sq ft



PROPERTY INCOME

Property Annual Income: \$47,400
Property Square Footage: 32,613
Property Vacancy: 2%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$322,151
Down Payment: \$69,375
Interest Rate: 6.5%
Amortization Period: 20 Year
Monthly Payment: \$2,402
Annual Debt Service: \$28,822
Debt Coverage Ratio: 0.95

PROPERTY EXPENSES

Gross Lease
Property Annual Expenses: \$19,045

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 6.5 %
Cost of Sale: 2%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$391,526
Property Cap Rate: 7.00%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$47,400
Vacancy Rate: 2%
Cash on Cash Return (Return on Equity): -2.04%

Income Analysis

1014 Unity Center Rd

Report courtesy of Susan Pittman

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Income	\$47,400	\$48,348	\$49,315	\$50,301	\$51,307	\$52,333	\$53,380	\$54,448	\$55,537	\$56,648	\$57,781
Vacancy Rate (2%)	\$948	\$967	\$986	\$1,006	\$1,026	\$1,047	\$1,068	\$1,089	\$1,111	\$1,133	\$1,156
Effective Gross Income -Growing @ 3%/yr -With a 2% Vacancy Rate):	\$46,452	\$47,846	\$49,281	\$50,760	\$52,283	\$53,852	\$55,468	\$57,132	\$58,846	\$60,611	\$62,429
Average Rent per Square Foot:	\$1.42	\$1.47	\$1.51	\$1.56	\$1.61	\$1.66	\$1.71	\$1.76	\$1.81	\$1.86	\$1.92
Less Expenses (Growing @ 2%/yr):	(\$ 19,045)	(\$ 19,426)	(\$ 19,815)	(\$ 20,211)	(\$ 20,615)	(\$ 21,027)	(\$ 21,448)	(\$ 21,877)	(\$ 22,315)	(\$ 22,761)	(\$ 23,216)
Net Operating Income (NOI):	\$ 27,407	\$ 28,420	\$ 29,466	\$ 30,549	\$ 31,668	\$ 32,825	\$ 34,020	\$ 35,255	\$ 36,531	\$ 37,850	\$ 39,213
Less Loan Payment 1st Mortgage	(\$28,822)	(\$28,822)	(\$28,822)	(\$28,822)	(\$28,822)	(\$28,822)	(\$28,822)	(\$28,822)	(\$28,822)	(\$28,822)	(\$28,822)
Net Cash Flow	\$ -1,416	\$ -403	\$ 644	\$ 1,727	\$ 2,846	\$ 4,003	\$ 5,198	\$ 6,433	\$ 7,709	\$ 9,028	\$ 10,391
Cash on Cash Return (Return on Equity):	-2.04%	-0.58%	0.93%	2.49%	4.10%	5.77%	7.49%	9.27%	11.11%	13.01%	14.98%
Principal Reduction:	\$8,122	\$8,666	\$9,246	\$9,865	\$10,526	\$11,231	\$11,983	\$12,786	\$13,642	\$14,555	\$15,530
Cumulative Principal Reduction:	\$8,122	\$16,787	\$26,034	\$35,899	\$46,425	\$57,656	\$69,639	\$82,424	\$96,066	\$110,622	\$126,152
Cash Flow Plus Principal Reduction:	\$ 6,706	\$ 8,263	\$ 9,890	\$ 11,592	\$ 13,372	\$ 15,234	\$ 17,181	\$ 19,219	\$ 21,351	\$ 23,583	\$ 25,921
Total Return Before Taxes:	9.67%	11.91%	14.26%	16.71%	19.27%	21.96%	24.77%	27.70%	30.78%	33.99%	37.36%

IRR: 25.17%

Future Value in Year 10	Cost of Sale	Loan Balance
\$159,862	\$3,197	