

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: \$49,800
Property Square Footage: 32,613
Property Vacancy: 1%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$274,430
Down Payment: \$117,613
Interest Rate: 6%
Amortization Period: 25 Year
Monthly Payment: \$1,768
Annual Debt Service: \$21,218
Debt Coverage Ratio: 1.20

PROPERTY EXPENSES

Gross Lease
Property Annual Expenses: \$23,814

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3.5 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 6.5 %
Cost of Sale: 3%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$392,043
Property Cap Rate: 6.50%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$49,800
Vacancy Rate: 1%
Cash on Cash Return (Return on Equity): 3.63%

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	\$49,800	\$50,298	\$50,801	\$51,309	\$51,822	\$52,340	\$52,863	\$53,392	\$53,926	\$54,465	\$55,010
Vacancy Rate (1%)	\$498	\$503	\$508	\$513	\$518	\$523	\$529	\$534	\$539	\$545	\$550
Effective Gross Income -Growing @ 3.5%/yr -With a 1% Vacancy Rate):	\$49,302	\$51,028	\$52,814	\$54,662	\$56,575	\$58,555	\$60,604	\$62,725	\$64,921	\$67,193	\$69,546
Average Rent per Square Foot:	\$1.51	\$1.56	\$1.61	\$1.67	\$1.73	\$1.79	\$1.85	\$1.91	\$1.98	\$2.05	\$2.12
Less Expenses (Growing @ 2%/yr):	(\$ 23,814)	(\$ 24,290)	(\$ 24,776)	(\$ 25,272)	(\$ 25,777)	(\$ 26,293)	(\$ 26,819)	(\$ 27,355)	(\$ 27,902)	(\$ 28,460)	(\$ 29,029)
Net Operating Income (NOI):	\$ 25,488	\$ 26,738	\$ 28,038	\$ 29,390	\$ 30,798	\$ 32,262	\$ 33,785	\$ 35,370	\$ 37,019	\$ 38,733	\$ 40,517
Less Loan Payment 1st Mortgage	(\$21,218)	(\$21,218)	(\$21,218)	(\$21,218)	(\$21,218)	(\$21,218)	(\$21,218)	(\$21,218)	(\$21,218)	(\$21,218)	(\$21,218)
Net Cash Flow	\$ 4,270	\$ 5,520	\$ 6,820	\$ 8,172	\$ 9,580	\$ 11,044	\$ 12,567	\$ 14,153	\$ 15,801	\$ 17,515	\$ 19,299
Cash on Cash Return (Return on Equity):	3.63%	4.69%	5.80%	6.95%	8.15%	9.39%	10.69%	12.03%	13.43%	14.89%	16.41%
Principal Reduction:	\$4,885	\$5,186	\$5,506	\$5,846	\$6,206	\$6,589	\$6,995	\$7,427	\$7,885	\$8,371	\$8,888
Cumulative Principal Reduction:	\$4,885	\$10,071	\$15,577	\$21,423	\$27,629	\$34,219	\$41,214	\$48,641	\$56,526	\$64,897	\$73,785
Cash Flow Plus Principal Reduction:	\$ 9,155	\$ 10,706	\$ 12,326	\$ 14,018	\$ 15,786	\$ 17,633	\$ 19,562	\$ 21,580	\$ 23,686	\$ 25,886	\$ 28,187
Total Return Before Taxes:	7.78%	9.10%	10.48%	11.92%	13.42%	14.99%	16.63%	18.35%	20.14%	22.01%	23.97%

IRR: 18.04% (Iterative Method)

16.97% (Newton's Method)

Income Analysis

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Future Value in Year 10	Cost of Sale	Loan Balance
\$623,338	\$18,700	\$209,533