

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: 112 4th Avenue
Site Area: 15,872 sq ft

PROPERTY INCOME

Property Annual Income: \$1,434,164
Property Square Footage: 15,872
Property Vacancy: 2.5%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$16,230,835
Down Payment: \$4,057,709
Interest Rate: 7%
Amortization Period: 20 Year
Monthly Payment: \$125,837
Annual Debt Service: \$1,510,050
Debt Coverage Ratio: 0.74

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$282,444

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 5.5 %
Cost of Sale: 2%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$20,288,544
Property Cap Rate: 5.50%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$1,434,164
Vacancy Rate: 2.5%
Cash on Cash Return (Return on Equity): -9.71%



Income Analysis

112 4th Avenue

Report courtesy of Muljat Commercial

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Income	\$1,434,164	\$1,470,018	\$1,506,768	\$1,544,437	\$1,583,048	\$1,622,624	\$1,663,190	\$1,704,770	\$1,747,389	\$1,791,074	\$1,835,851
Vacancy Rate (2.5%)	\$35,854	\$36,750	\$37,669	\$38,611	\$39,576	\$40,566	\$41,580	\$42,619	\$43,685	\$44,777	\$45,896
Effective Gross Income -Growing @ 2%/yr -With a 2.5% Vacancy Rate):	\$1,398,310	\$1,426,276	\$1,454,801	\$1,483,897	\$1,513,575	\$1,543,847	\$1,574,724	\$1,606,219	\$1,638,343	\$1,671,110	\$1,704,532
Average Rent per Square Foot:	\$88.10	\$89.86	\$91.66	\$93.49	\$95.36	\$97.27	\$99.22	\$101.20	\$103.22	\$105.28	\$107.39
Less Expenses (Growing @ 2%/yr):	(\$ 282,444)	(\$ 288,093)	(\$ 293,855)	(\$ 299,732)	(\$ 305,727)	(\$ 311,842)	(\$ 318,079)	(\$ 324,441)	(\$ 330,930)	(\$ 337,549)	(\$ 344,300)
Net Operating Income (NOI):	\$ 1,115,866	\$ 1,138,183	\$ 1,160,946	\$ 1,184,165	\$ 1,207,848	\$ 1,232,005	\$ 1,256,645	\$ 1,281,778	\$ 1,307,413	\$ 1,333,561	\$ 1,360,232
Less Loan Payment 1st Mortgage	(\$1,510,050)	(\$1,510,050)	(\$1,510,050)	(\$1,510,050)	(\$1,510,050)	(\$1,510,050)	(\$1,510,050)	(\$1,510,050)	(\$1,510,050)	(\$1,510,050)	(\$1,510,050)
Net Cash Flow	\$ -394,184	\$ -371,867	\$ -349,103	\$ -325,885	\$ -302,202	\$ -278,045	\$ -253,404	\$ -228,272	\$ -202,637	\$ -176,489	\$ -149,818
Cash on Cash Return (Return on Equity):	-9.71%	-9.16%	-8.60%	-8.03%	-7.45%	-6.85%	-6.25%	-5.63%	-4.99%	-4.35%	-3.69%
Principal Reduction:	\$386,123	\$414,036	\$443,967	\$476,061	\$510,476	\$547,378	\$586,948	\$629,379	\$674,877	\$723,664	\$775,977
Cumulative Principal Reduction:	\$386,123	\$800,160	\$1,244,127	\$1,720,188	\$2,230,664	\$2,778,043	\$3,364,991	\$3,994,370	\$4,669,247	\$5,392,911	\$6,168,888
Cash Flow Plus Principal Reduction:	\$ -8,061	\$ 42,169	\$ 94,864	\$ 150,176	\$ 208,274	\$ 269,333	\$ 333,544	\$ 401,107	\$ 472,240	\$ 547,175	\$ 626,159
Total Return Before Taxes:	-0.20%	1.04%	2.34%	3.70%	5.13%	6.64%	8.22%	9.89%	11.64%	13.48%	15.43%

IRR: 16.03%

Future Value in Year 10	Cost of Sale	Loan Balance
\$-2,723,964	\$-54,479	