Income Analysis

1201 Carolina Place Fort Mill SC

Report courtesy of Ola van Zyl

SUMMARY

Analysis Type: Selling
Property Type: Retail
Address: 1201 Carolina Place Fort Mill SC
Age of Property (Completion Year): 2013
Site Area: 2,889 sq ft
Gross Building Area: 9,093 sq ft

PROPERTY INCOME

Property Annual Income: $150,000
Property Square Footage: 2,889
Property Vacancy: -
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: $1,087,500
Down Payment: $362,500
Interest Rate: 6.5%
Amortization Period: 30 Year
Monthly Payment: $6,874
Annual Debt Service: $82,485
Debt Coverage Ratio: 1.47

PROPERTY EXPENSES

Gross Lease
Property Annual Expenses: $28,424

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 3 %
Cap Rate at Sale: 8.3 %
Cost of Sale: 5%
Number of Years: 5

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: $1,450,000
Property Cap Rate: 8.38%

5 YEAR CASH FLOW ANALYSIS

Potential Income: $150,000
Vacancy Rate: -
Cash on Cash Return (Return on Equity): 10.78%

Ola van Zyl

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	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Gross Income	$150,000	$	$	$	$	$
Vacancy Rate	$	$	$	$	$	$
Effective Gross Income -Growing @ 3%/yr -With a % Vacancy Rate):	$150,000	$154,500	$159,135	$163,909	$168,826	$173,891
Average Rent per Square Foot:	$51.92	$53.48	$55.08	$56.73	$58.43	$60.18
Less Expenses (Growing @ 3%/yr):	($ 28,424)	($ 29,277)	($ 30,155)	($ 31,060)	($ 31,992)	($ 32,952)
Net Operating Income (NOI):	$ 121,576	$ 125,223	$ 128,980	$ 132,849	$ 136,834	$ 140,939
Less Loan Payment 1st Mortgage	($82,485)	($82,485)	($82,485)	($82,485)	($82,485)	($82,485)
Net Cash Flow	$ 39,091	$ 42,738	$ 46,495	$ 50,364	$ 54,349	$ 58,454
Cash on Cash Return (Return on Equity):	10.78%	11.79%	12.83%	13.89%	14.99%	16.13%
Principal Reduction:	$12,155	$12,969	$13,838	$14,765	$15,753	$16,809
Cumulative Principal Reduction:	$12,155	$25,125	$38,962	$53,727	$69,481	$86,289
Cash Flow Plus Principal Reduction:	$ 51,246	$ 55,707	$ 60,333	$ 65,129	$ 70,102	$ 75,263
Total Return Before Taxes:	14.14%	15.37%	16.64%	17.97%	19.34%	20.76%

IRR: 26.01% (Iterative Method)

23.25% (Newton's Method)

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Future Value in Year 5	Cost of Sale	Loan Balance
$1,698,060	$84,903	$921,940

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