

SUMMARY

Analysis Type: Selling
Property Type: Multi-Family
Address: 1225 Tabernacle St Salisbury NC 28144
Age of Property (Completion Year): 1925
Site Area: 1,200 sq ft

PROPERTY INCOME

Property Annual Income: \$14,400
Property Square Footage: 1,200
Property Vacancy: -
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$103,575
Down Payment: \$34,525
Interest Rate: 7.5%
Amortization Period: 30 Year
Monthly Payment: \$724
Annual Debt Service: \$8,691
Debt Coverage Ratio: 1.27

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$3,352

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 8 %
Cost of Sale: 2%
Number of Years: 5

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$138,100
Property Cap Rate: 8.00%

5 YEAR CASH FLOW ANALYSIS

Potential Income: \$14,400
Vacancy Rate: -
Cash on Cash Return (Return on Equity): 6.83%

Income Analysis

1225 Tabernacle St Salisbury NC 28144

Report courtesy of Ola van Zyl

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Gross Income	\$14,400	\$	\$	\$	\$	\$
Vacancy Rate	\$	\$	\$	\$	\$	\$
Effective Gross Income -Growing @ 2%/yr -With a % Vacancy Rate):	\$14,400	\$14,688	\$14,982	\$15,282	\$15,588	\$15,900
Average Rent per Square Foot:	\$12.00	\$12.24	\$12.48	\$12.73	\$12.98	\$13.24
Less Expenses (Growing @ 2%/yr):	(\$ 3,352)	(\$ 3,419)	(\$ 3,487)	(\$ 3,557)	(\$ 3,628)	(\$ 3,701)
Net Operating Income (NOI):	\$ 11,048	\$ 11,269	\$ 11,495	\$ 11,725	\$ 11,960	\$ 12,199
Less Loan Payment 1st Mortgage	(\$8,691)	(\$8,691)	(\$8,691)	(\$8,691)	(\$8,691)	(\$8,691)
Net Cash Flow	\$ 2,357	\$ 2,578	\$ 2,804	\$ 3,034	\$ 3,269	\$ 3,508
Cash on Cash Return (Return on Equity):	6.83%	7.47%	8.12%	8.79%	9.47%	10.16%
Principal Reduction:	\$955	\$1,029	\$1,109	\$1,195	\$1,288	\$1,388
Cumulative Principal Reduction:	\$955	\$1,984	\$3,093	\$4,287	\$5,575	\$6,963
Cash Flow Plus Principal Reduction:	\$ 3,312	\$ 3,607	\$ 3,913	\$ 4,229	\$ 4,557	\$ 4,896
Total Return Before Taxes:	9.59%	10.45%	11.33%	12.25%	13.20%	14.18%

IRR: 31.41%

Future Value in Year 5	Cost of Sale	Loan Balance
\$43,850	\$877	\$89,898