

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: 123 Cigar Court

PROPERTY INCOME

Property Annual Income: \$306,000
Property Square Footage: -
Property Vacancy: 3%
Property Additional Income: \$3,600

LOAN & DEBT ANALYSIS

Loan Amount: \$2,200,000
Down Payment: \$1,000,000
Interest Rate: 5.5%
Amortization Period: 30 Year
Monthly Payment: \$12,491
Annual Debt Service: \$149,896
Debt Coverage Ratio: 1.4

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$90,126

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 5 %
Cap Rate at Sale: 7.07 %
Cost of Sale: 2%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$3,200,000
Property Cap Rate: 6.57%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$306,000
Vacancy Rate: 3%
Cash on Cash Return (Return on Equity): 6.04%

Income Analysis

123 Cigar Court

Report courtesy of Troy Muljat

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Income	\$306,000	\$315,180	\$324,635	\$334,374	\$344,405	\$354,737	\$365,379	\$376,340	\$387,630	\$399,259	\$411,237
Vacancy Rate (3%)	\$9,180	\$9,455	\$9,739	\$10,031	\$10,332	\$10,642	\$10,961	\$11,290	\$11,629	\$11,978	\$12,337
Effective Gross Income -Growing @ 3%/yr -With a 3% Vacancy Rate):	\$296,820	\$305,725	\$314,896	\$324,343	\$334,073	\$344,095	\$354,418	\$365,050	\$376,001	\$387,281	\$398,900
Average Rent per Square Foot:											
Less Expenses (Growing @ 5%/yr):	(\$ 90,126)	(\$ 94,632)	(\$ 99,364)	(\$ 104,332)	(\$ 109,549)	(\$ 115,026)	(\$ 120,777)	(\$ 126,816)	(\$ 133,157)	(\$ 139,815)	(\$ 146,806)
Net Operating Income (NOI):	\$ 210,294	\$ 214,693	\$ 219,132	\$ 223,611	\$ 228,124	\$ 232,669	\$ 237,241	\$ 241,834	\$ 246,444	\$ 251,066	\$ 255,694
Less Loan Payment 1st Mortgage	(\$149,896)	(\$149,896)	(\$149,896)	(\$149,896)	(\$149,896)	(\$149,896)	(\$149,896)	(\$149,896)	(\$149,896)	(\$149,896)	(\$149,896)
Net Cash Flow	\$ 56,798	\$ 61,196	\$ 65,636	\$ 70,114	\$ 74,628	\$ 79,173	\$ 83,744	\$ 88,338	\$ 92,948	\$ 97,570	\$ 102,198
Cash on Cash Return (Return on Equity):	5.68%	6.12%	6.56%	7.01%	7.46%	7.92%	8.37%	8.83%	9.29%	9.76%	10.22%
Principal Reduction:	\$29,636	\$31,308	\$33,074	\$34,939	\$36,910	\$38,992	\$41,192	\$43,515	\$45,970	\$48,563	\$51,302
Cumulative Principal Reduction:	\$29,636	\$60,944	\$94,017	\$128,957	\$165,867	\$204,859	\$246,050	\$289,566	\$335,535	\$384,098	\$435,400
Cash Flow Plus Principal Reduction:	\$ 86,434	\$ 92,504	\$ 98,710	\$ 105,053	\$ 111,538	\$ 118,165	\$ 124,936	\$ 131,853	\$ 138,918	\$ 146,133	\$ 153,500
Total Return Before Taxes:	8.64%	9.25%	9.87%	10.51%	11.15%	11.82%	12.49%	13.19%	13.89%	14.61%	15.35%

IRR: 18.11%

Future Value in Year 10	Cost of Sale	Loan Balance
\$1,445,516	\$28,910	