

## SUMMARY

**Analysis Type: Existing Property (hold)**

**Property Type: Multi-Family**

**Address: 123 Main Street**

**Age of Property (Completion Year): 2005**

**Site Area: 30,000 sq ft**

**Gross Building Area: 8,500 sq ft**

## PROPERTY INCOME

**Property Annual Income: \$186,000**

**Property Square Footage: 30,000**

**Property Vacancy: 5%**

**Property Additional Income: -**

## LOAN & DEBT ANALYSIS

**Loan Amount: \$1,000,000**

**Down Payment: \$902,923**

**Interest Rate: 6%**

**Amortization Period: 30 Year**

**Monthly Payment: \$5,996**

**Annual Debt Service: \$71,946**

**Debt Coverage Ratio: 1.72**

## PROPERTY EXPENSES

**Triple Net Lease (NNN)**

**Property Annual Expenses: \$53,010**

## CASH FLOW ASSUMPTIONS

**Annual Income Growth Rate: 3 %**

**Annual Expense Growth Rate: 3 %**

**Cap Rate at Sale: 7 %**

**Cost of Sale: 5%**

**Number of Years: 10**

## PROPERTY VALUE & CAP RATE

**Property Value / Sale Price: \$1,902,923**

**Property Cap Rate: 6.50%**

## 10 YEAR CASH FLOW ANALYSIS

**Potential Income: \$186,000**

**Vacancy Rate: 5%**

**Cash on Cash Return (Return on Equity): 5.73%**

# Income Analysis

123 Main Street

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
<b>Gross Income</b>	\$186,000	\$195,300	\$205,065	\$215,318	\$226,084	\$237,388	\$249,257	\$261,720	\$274,806	\$288,546	\$302,973
<b>Vacancy Rate (5%)</b>	\$9,300	\$9,765	\$10,253	\$10,766	\$11,304	\$11,869	\$12,463	\$13,086	\$13,740	\$14,427	\$15,149
<b>Effective Gross Income -Growing @ 3%/yr -With a 5% Vacancy Rate):</b>	\$176,700	\$182,001	\$187,461	\$193,085	\$198,877	\$204,843	\$210,988	\$217,318	\$223,838	\$230,554	\$237,471
<b>Average Rent per Square Foot:</b>	\$5.89	\$6.07	\$6.25	\$6.44	\$6.63	\$6.83	\$7.03	\$7.24	\$7.46	\$7.68	\$7.91
<b>Less Expenses (Growing @ 3%/yr):</b>	(\$ 53,010)	(\$ 54,600)	(\$ 56,238)	(\$ 57,925)	(\$ 59,663)	(\$ 61,453)	(\$ 63,297)	(\$ 65,196)	(\$ 67,152)	(\$ 69,167)	(\$ 71,242)
<b>Net Operating Income (NOI):</b>	\$ 123,690	\$ 127,401	\$ 131,223	\$ 135,160	\$ 139,214	\$ 143,390	\$ 147,691	\$ 152,122	\$ 156,686	\$ 161,387	\$ 166,229
<b>Less Loan Payment 1st Mortgage</b>	(\$71,946)	(\$71,946)	(\$71,946)	(\$71,946)	(\$71,946)	(\$71,946)	(\$71,946)	(\$71,946)	(\$71,946)	(\$71,946)	(\$71,946)
<b>Net Cash Flow</b>	\$ 51,744	\$ 55,455	\$ 59,277	\$ 63,214	\$ 67,268	\$ 71,444	\$ 75,745	\$ 80,176	\$ 84,740	\$ 89,441	\$ 94,282
<b>Cash on Cash Return (Return on Equity):</b>	5.73%	6.14%	6.57%	7.00%	7.45%	7.91%	8.39%	8.88%	9.39%	9.91%	10.44%
<b>Principal Reduction:</b>	\$12,280	\$13,038	\$13,842	\$14,695	\$15,602	\$16,564	\$17,586	\$18,670	\$19,822	\$21,044	\$22,342
<b>Cumulative Principal Reduction:</b>	\$12,280	\$25,318	\$39,159	\$53,855	\$69,456	\$86,021	\$103,606	\$122,277	\$142,098	\$163,143	\$185,485
<b>Cash Flow Plus Principal Reduction:</b>	\$ 64,024	\$ 68,493	\$ 73,119	\$ 77,909	\$ 82,870	\$ 88,008	\$ 93,331	\$ 98,846	\$ 104,562	\$ 110,485	\$ 116,624
<b>Total Return Before Taxes:</b>	7.09%	7.59%	8.10%	8.63%	9.18%	9.75%	10.34%	10.95%	11.58%	12.24%	12.92%

IRR: 11.59%