

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: \$204,000

Property Square Footage: 30,000

Property Vacancy: 5%

Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$1,108,363

Down Payment: \$902,923

Interest Rate: 6%

Amortization Period: 30 Year

Monthly Payment: \$6,645

Annual Debt Service: \$79,742

Debt Coverage Ratio: 1.77

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: \$2,011,286

Property Cap Rate: 7.00%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$204,000

Vacancy Rate: 5%

Cash on Cash Return (Return on Equity): 6.76%

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
Gross Income	\$204,000	\$214,200	\$224,910	\$236,156	\$247,964	\$260,362	\$273,380	\$287,049	\$301,401	\$316,471	\$332,295
Vacancy Rate (5%)	\$10,200	\$10,710	\$11,246	\$11,808	\$12,398	\$13,018	\$13,669	\$14,352	\$15,070	\$15,824	\$16,615
Effective Gross Income -Growing @ 3%/yr -With a 5% Vacancy Rate):	\$193,800	\$199,614	\$205,603	\$211,771	\$218,125	\$224,668	\$231,409	\$238,351	\$245,502	\$252,867	\$260,453
Average Rent per Square Foot:	\$6.46	\$6.65	\$6.85	\$7.06	\$7.27	\$7.49	\$7.71	\$7.94	\$8.18	\$8.43	\$8.68
Less Expenses (Growing @ 3%/yr):	(\$ 53,010)	(\$ 54,600)	(\$ 56,238)	(\$ 57,925)	(\$ 59,663)	(\$ 61,453)	(\$ 63,297)	(\$ 65,196)	(\$ 67,152)	(\$ 69,167)	(\$ 71,242)
Net Operating Income (NOI):	\$ 140,790	\$ 145,014	\$ 149,365	\$ 153,846	\$ 158,462	\$ 163,215	\$ 168,112	\$ 173,155	\$ 178,350	\$ 183,700	\$ 189,211
Less Loan Payment 1st Mortgage	(\$79,742)	(\$79,742)	(\$79,742)	(\$79,742)	(\$79,742)	(\$79,742)	(\$79,742)	(\$79,742)	(\$79,742)	(\$79,742)	(\$79,742)
Net Cash Flow	\$ 61,048	\$ 65,272	\$ 69,622	\$ 74,104	\$ 78,719	\$ 83,473	\$ 88,369	\$ 93,413	\$ 98,608	\$ 103,958	\$ 109,469
Cash on Cash Return (Return on Equity):	6.76%	7.23%	7.71%	8.21%	8.72%	9.24%	9.79%	10.35%	10.92%	11.51%	12.12%
Principal Reduction:	\$13,611	\$14,450	\$15,342	\$16,288	\$17,292	\$18,359	\$19,491	\$20,693	\$21,970	\$23,325	\$24,763
Cumulative Principal Reduction:	\$13,611	\$28,061	\$43,403	\$59,691	\$76,983	\$95,342	\$114,833	\$135,527	\$157,496	\$180,821	\$205,585
Cash Flow Plus Principal Reduction:	\$ 74,659	\$ 79,722	\$ 84,964	\$ 90,392	\$ 96,011	\$ 101,832	\$ 107,860	\$ 114,106	\$ 120,578	\$ 127,283	\$ 134,232
Total Return Before Taxes:	8.27%	8.83%	9.41%	10.01%	10.63%	11.28%	11.95%	12.64%	13.35%	14.10%	14.87%

IRR: 13.59%

Future Value in Year 10	Cost of Sale	Loan Balance
\$1,563,843	\$78,192	\$927,541