

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

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