

SUMMARY

Analysis Type: Selling

Property Type: Multi-Family

Address: 123 main st

Age of Property (Completion Year): 1985

Site Area: 43,560 sq ft

Gross Building Area: 16,500 sq ft

PROPERTY INCOME

Property Annual Income: \$203,400

Property Square Footage: 43,560

Property Vacancy: 5%

Property Additional Income: \$5,400

LOAN & DEBT ANALYSIS

Loan Amount: \$1,146,144

Down Payment: \$503,209

Interest Rate: 6.5%

Amortization Period: 25 Year

Monthly Payment: \$7,739

Annual Debt Service: \$92,866

Debt Coverage Ratio: 1.23

PROPERTY EXPENSES

Triple Net Lease (NNN)

Property Annual Expenses: \$84,000

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %

Annual Expense Growth Rate: 3 %

Cap Rate at Sale: 7.45 %

Cost of Sale: 5%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$1,649,353

Property Cap Rate: 6.95%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$203,400

Vacancy Rate: 5%

Cash on Cash Return (Return on Equity): 4.33%

Income Analysis

123 main st

Report courtesy of Dave Snehal, ACP, CREIPS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Income	\$203,400	\$213,570	\$224,249	\$235,461	\$247,234	\$259,596	\$272,576	\$286,205	\$300,515	\$315,541	\$331,318
Vacancy Rate (5%)	\$10,170	\$10,679	\$11,212	\$11,773	\$12,362	\$12,980	\$13,629	\$14,310	\$15,026	\$15,777	\$16,566
Effective Gross Income -Growing @ 3%/yr -With a 5% Vacancy Rate):	\$193,230	\$199,027	\$204,998	\$211,148	\$217,483	\$224,007	\$230,727	\$237,649	\$244,779	\$252,122	\$259,686
Average Rent per Square Foot:	\$4.44	\$4.57	\$4.71	\$4.85	\$5.00	\$5.15	\$5.30	\$5.46	\$5.62	\$5.79	\$5.96
Less Expenses (Growing @ 3%/yr):	(\$ 84,000)	(\$ 86,520)	(\$ 89,116)	(\$ 91,789)	(\$ 94,543)	(\$ 97,379)	(\$ 100,300)	(\$ 103,309)	(\$ 106,408)	(\$ 109,600)	(\$ 112,888)
Net Operating Income (NOI):	\$ 114,630	\$ 117,907	\$ 121,282	\$ 124,759	\$ 128,340	\$ 132,028	\$ 135,827	\$ 139,740	\$ 143,771	\$ 147,922	\$ 152,198
Less Loan Payment 1st Mortgage	(\$92,866)	(\$92,866)	(\$92,866)	(\$92,866)	(\$92,866)	(\$92,866)	(\$92,866)	(\$92,866)	(\$92,866)	(\$92,866)	(\$92,866)
Net Cash Flow	\$ 16,364	\$ 19,641	\$ 23,015	\$ 26,493	\$ 30,073	\$ 33,762	\$ 37,561	\$ 41,474	\$ 45,505	\$ 49,656	\$ 53,932
Cash on Cash Return (Return on Equity):	3.25%	3.90%	4.57%	5.26%	5.98%	6.71%	7.46%	8.24%	9.04%	9.87%	10.72%
Principal Reduction:	\$18,924	\$20,191	\$21,544	\$22,986	\$24,526	\$26,168	\$27,921	\$29,791	\$31,786	\$33,915	\$36,186
Cumulative Principal Reduction:	\$18,924	\$39,115	\$60,659	\$83,645	\$108,171	\$134,340	\$162,261	\$192,051	\$223,837	\$257,752	\$293,938
Cash Flow Plus Principal Reduction:	\$ 35,288	\$ 39,832	\$ 44,559	\$ 49,479	\$ 54,599	\$ 59,930	\$ 65,482	\$ 71,265	\$ 77,291	\$ 83,571	\$ 90,118
Total Return Before Taxes:	7.01%	7.92%	8.85%	9.83%	10.85%	11.91%	13.01%	14.16%	15.36%	16.61%	17.91%

IRR: 12.48%

Future Value in Year 10	Cost of Sale	Loan Balance
\$723,919	\$36,196	\$888,392