

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: \$265,800

Property Square Footage: 43,560

Property Vacancy: 5%

Property Additional Income: \$2,400

LOAN & DEBT ANALYSIS

Loan Amount: \$1,479,601

Down Payment: \$604,344

Interest Rate: 6.25%

Amortization Period: 25 Year

Monthly Payment: \$9,760

Annual Debt Service: \$117,126

Debt Coverage Ratio: 1.29

PROPERTY EXPENSES

Triple Net Lease (NNN)

Property Annual Expenses: \$103,824

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 4 %

Annual Expense Growth Rate: 3 %

Cap Rate at Sale: 6.75 %

Cost of Sale: 5%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$2,083,945

Property Cap Rate: 7.25%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$265,800

Vacancy Rate: 5%

Cash on Cash Return (Return on Equity): 5.62%

Income Analysis

123 main st

Report courtesy of Dave Snehal, CCIM

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Income	\$265,800	\$279,090	\$293,045	\$307,697	\$323,082	\$339,236	\$356,198	\$374,008	\$392,708	\$412,343	\$432,960
Vacancy Rate (5%)	\$13,290	\$13,955	\$14,652	\$15,385	\$16,154	\$16,962	\$17,810	\$18,700	\$19,635	\$20,617	\$21,648
Effective Gross Income -Growing @ 4%/yr -With a 5% Vacancy Rate):	\$252,510	\$262,610	\$273,115	\$284,040	\$295,402	\$307,218	\$319,506	\$332,286	\$345,578	\$359,401	\$373,778
Average Rent per Square Foot:	\$5.80	\$6.03	\$6.27	\$6.52	\$6.78	\$7.05	\$7.33	\$7.62	\$7.92	\$8.24	\$8.57
Less Expenses (Growing @ 3%/yr):	(\$ 103,824)	(\$ 106,939)	(\$ 110,147)	(\$ 113,451)	(\$ 116,855)	(\$ 120,361)	(\$ 123,972)	(\$ 127,691)	(\$ 131,522)	(\$ 135,468)	(\$ 139,532)
Net Operating Income (NOI):	\$ 151,086	\$ 158,071	\$ 165,368	\$ 172,989	\$ 180,947	\$ 189,257	\$ 197,934	\$ 206,995	\$ 216,456	\$ 226,333	\$ 236,646
Less Loan Payment 1st Mortgage	(\$117,126)	(\$117,126)	(\$117,126)	(\$117,126)	(\$117,126)	(\$117,126)	(\$117,126)	(\$117,126)	(\$117,126)	(\$117,126)	(\$117,126)
Net Cash Flow	\$ 31,560	\$ 38,546	\$ 45,842	\$ 53,463	\$ 61,421	\$ 69,731	\$ 78,408	\$ 87,470	\$ 96,930	\$ 106,807	\$ 117,120
Cash on Cash Return (Return on Equity):	5.22%	6.38%	7.59%	8.85%	10.16%	11.54%	12.97%	14.47%	16.04%	17.67%	19.38%
Principal Reduction:	\$25,369	\$27,001	\$28,738	\$30,586	\$32,554	\$34,647	\$36,876	\$39,248	\$41,772	\$44,459	\$47,319
Cumulative Principal Reduction:	\$25,369	\$52,370	\$81,108	\$111,694	\$144,248	\$178,895	\$215,771	\$255,019	\$296,791	\$341,251	\$388,570
Cash Flow Plus Principal Reduction:	\$ 56,929	\$ 65,547	\$ 74,580	\$ 84,049	\$ 93,975	\$ 104,378	\$ 115,284	\$ 126,718	\$ 138,702	\$ 151,266	\$ 164,439
Total Return Before Taxes:	9.42%	10.85%	12.34%	13.91%	15.55%	17.27%	19.08%	20.97%	22.95%	25.03%	27.21%

IRR: 20.22%

Future Value in Year 10	Cost of Sale	Loan Balance
\$1,735,111	\$86,756	\$1,138,350