

## SUMMARY

**Analysis Type: Buying**

**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: \$1,558,382**

**Down Payment: \$519,461**

**Interest Rate: 6.1%**

**Amortization Period: 25 Year**

**Monthly Payment: \$10,136**

**Annual Debt Service: \$121,634**

**Debt Coverage Ratio: 1.2**

## PROPERTY EXPENSES

**Triple Net Lease (NNN)**

**Property Annual Expenses: \$109,461**

## CASH FLOW ASSUMPTIONS

**Annual Income Growth Rate: 5 %**

**Annual Expense Growth Rate: 3 %**

**Cap Rate at Sale: 7.5 %**

**Cost of Sale: 5%**

**Number of Years: 5**

## PROPERTY VALUE & CAP RATE

**Property Value / Sale Price: \$2,077,843**

**Property Cap Rate: 7.00%**

## 5 YEAR CASH FLOW ANALYSIS

**Potential Income: \$265,800**

**Vacancy Rate: 5%**

**Cash on Cash Return (Return on Equity): 4.58%**

# Income Analysis

123 main st

Report courtesy of Dave Snehal, CCIM

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>Gross Income</b>	\$265,800	\$279,090	\$293,045	\$307,697	\$323,082	\$339,236
<b>Vacancy Rate (5%)</b>	\$13,290	\$13,955	\$14,652	\$15,385	\$16,154	\$16,962
<b>Effective Gross Income</b> -Growing @ 5%/yr -With a 5% Vacancy Rate):	\$252,510	\$265,136	\$278,393	\$292,312	\$306,928	\$322,274
<b>Average Rent per Square Foot:</b>	\$5.80	\$6.09	\$6.39	\$6.71	\$7.05	\$7.40
<b>Less Expenses (Growing @ 3%/yr):</b>	(\$ 109,461)	(\$ 112,745)	(\$ 116,127)	(\$ 119,611)	(\$ 123,199)	(\$ 126,895)
<b>Net Operating Income (NOI):</b>	\$ 145,449	\$ 154,791	\$ 164,666	\$ 175,101	\$ 186,129	\$ 197,779
<b>Less Loan Payment 1st Mortgage</b>	(\$121,634)	(\$121,634)	(\$121,634)	(\$121,634)	(\$121,634)	(\$121,634)
<b>Net Cash Flow</b>	\$ 21,415	\$ 30,757	\$ 40,632	\$ 51,067	\$ 62,095	\$ 73,745
<b>Cash on Cash Return (Return on Equity):</b>	4.12%	5.92%	7.82%	9.83%	11.95%	14.20%
<b>Principal Reduction:</b>	\$27,328	\$29,043	\$30,865	\$32,801	\$34,859	\$37,046
<b>Cumulative Principal Reduction:</b>	\$27,328	\$56,371	\$87,235	\$120,036	\$154,895	\$191,940
<b>Cash Flow Plus Principal Reduction:</b>	\$ 48,743	\$ 59,800	\$ 71,497	\$ 83,868	\$ 96,954	\$ 110,791
<b>Total Return Before Taxes:</b>	9.38%	11.51%	13.76%	16.15%	18.66%	21.33%

IRR: 27.03%

<b>Future Value in Year 5</b>	<b>Cost of Sale</b>	<b>Loan Balance</b>
\$983,267	\$49,163	\$1,193,515