

## SUMMARY

**Analysis Type: Buying**  
**Property Type: Office**  
**Address: 1234 Any Street**  
**Age of Property (Completion Year): 20**  
**Site Area: 3,300 sq ft**  
**Gross Building Area: 3,800 sq ft**

## PROPERTY INCOME

**Property Annual Income: \$33,600**  
**Property Square Footage: 3,300**  
**Property Vacancy: -**  
**Property Additional Income: -**

## LOAN & DEBT ANALYSIS

**Loan Amount: \$259,000**  
**Down Payment: \$111,000**  
**Interest Rate: 7.5%**  
**Amortization Period: 30 Year**  
**Monthly Payment: \$1,811**  
**Annual Debt Service: \$21,732**  
**Debt Coverage Ratio: 1.15**

## PROPERTY EXPENSES

**Gross Lease**  
**Property Annual Expenses: \$8,548**

## CASH FLOW ASSUMPTIONS

**Annual Income Growth Rate: 5 %**  
**Annual Expense Growth Rate: 3 %**  
**Cap Rate at Sale: 7.27 %**  
**Cost of Sale: 2%**  
**Number of Years: 10**

## PROPERTY VALUE & CAP RATE

**Property Value / Sale Price: \$370,000**  
**Property Cap Rate: 6.77%**

## 10 YEAR CASH FLOW ANALYSIS

**Potential Income: \$33,600**  
**Vacancy Rate: -**  
**Cash on Cash Return (Return on Equity): 2.99%**

# Income Analysis

1234 Any 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>Effective Gross Income</b> -Growing @ 5%/yr -With a 0% Vacancy Rate):	\$33,600	\$35,280	\$37,044	\$38,896	\$40,841	\$42,883	\$45,027	\$47,278	\$49,642	\$52,124	\$54,730
<b>Average Rent per Square Foot:</b>	\$10.18	\$10.69	\$11.22	\$11.78	\$12.37	\$12.99	\$13.64	\$14.32	\$15.04	\$15.79	\$16.58
<b>Less Expenses (Growing @ 3%/yr):</b>	(\$ 8,548)	(\$ 8,804)	(\$ 9,068)	(\$ 9,340)	(\$ 9,620)	(\$ 9,909)	(\$ 10,206)	(\$ 10,512)	(\$ 10,827)	(\$ 11,152)	(\$ 11,487)
<b>Net Operating Income (NOI):</b>	\$ 25,052	\$ 26,476	\$ 27,976	\$ 29,556	\$ 31,221	\$ 32,974	\$ 34,821	\$ 36,766	\$ 38,815	\$ 40,972	\$ 43,243
<b>Less Loan Payment 1st Mortgage</b>	(\$21,732)	(\$21,732)	(\$21,732)	(\$21,732)	(\$21,732)	(\$21,732)	(\$21,732)	(\$21,732)	(\$21,732)	(\$21,732)	(\$21,732)
<b>Net Cash Flow</b>	\$ 3,320	\$ 4,744	\$ 6,244	\$ 7,824	\$ 9,489	\$ 11,242	\$ 13,089	\$ 15,034	\$ 17,083	\$ 19,240	\$ 21,511
<b>Cash on Cash Return (Return on Equity):</b>	2.99%	4.27%	5.63%	7.05%	8.55%	10.13%	11.79%	13.54%	15.39%	17.33%	19.38%
<b>Principal Reduction:</b>	\$2,388	\$2,573	\$2,773	\$2,988	\$3,220	\$3,470	\$3,739	\$4,029	\$4,342	\$4,679	\$5,043
<b>Cumulative Principal Reduction:</b>	\$2,388	\$4,960	\$7,733	\$10,721	\$13,941	\$17,411	\$21,150	\$25,179	\$29,522	\$34,201	\$39,244
<b>Cash Flow Plus Principal Reduction:</b>	\$ 5,708	\$ 7,317	\$ 9,017	\$ 10,812	\$ 12,709	\$ 14,712	\$ 16,828	\$ 19,063	\$ 21,425	\$ 23,919	\$ 26,554
<b>Total Return Before Taxes:</b>	5.14%	6.59%	8.12%	9.74%	11.45%	13.25%	15.16%	17.17%	19.30%	21.55%	23.92%

IRR: 17.85%