

SUMMARY

Analysis Type: Buying

Property Type: Multi-Family

Address: 1234 main st

Age of Property (Completion Year): 1974

PROPERTY INCOME

Property Annual Income: \$100,800

Property Square Footage: -

Property Vacancy: 2%

Property Additional Income: \$2,000

LOAN & DEBT ANALYSIS

Loan Amount: \$800,133

Down Payment: \$846,000

Interest Rate: 4.75%

Amortization Period: 15 Year

Monthly Payment: \$6,224

Annual Debt Service: \$74,684

Debt Coverage Ratio: 1.32

PROPERTY EXPENSES

Triple Net Lease (NNN)

Property Annual Expenses: \$2,016

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %

Annual Expense Growth Rate: 1 %

Cap Rate at Sale: 6.5 %

Cost of Sale: 1.5%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$1,646,133

Property Cap Rate: 6%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$100,800

Vacancy Rate: 2%

Cash on Cash Return (Return on Equity): 2.85%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Effective Gross Income -Growing @ 3%/yr -With a 2% Vacancy Rate):	\$98,784	\$101,748	\$104,800	\$107,944	\$111,182	\$114,518	\$117,954	\$121,493	\$125,137	\$128,892	\$132,759
Average Rent per Square Foot:											
Less Expenses (Growing @ 1%/yr):	(\$ 2,016)	(\$ 2,036)	(\$ 2,056)	(\$ 2,077)	(\$ 2,098)	(\$ 2,119)	(\$ 2,140)	(\$ 2,161)	(\$ 2,183)	(\$ 2,205)	(\$ 2,227)
Net Operating Income (NOI):	\$ 98,768	\$ 101,712	\$ 104,744	\$ 107,867	\$ 111,084	\$ 114,399	\$ 117,814	\$ 121,332	\$ 124,954	\$ 128,687	\$ 132,532
Less Loan Payment 1st Mortgage	(\$74,684)	(\$74,684)	(\$74,684)	(\$74,684)	(\$74,684)	(\$74,684)	(\$74,684)	(\$74,684)	(\$74,684)	(\$74,684)	(\$74,684)
Net Cash Flow	\$ 22,084	\$ 25,027	\$ 28,060	\$ 31,183	\$ 34,400	\$ 37,715	\$ 41,129	\$ 44,647	\$ 48,270	\$ 52,002	\$ 55,847
Cash on Cash Return (Return on Equity):	2.61%	2.96%	3.32%	3.69%	4.07%	4.46%	4.86%	5.28%	5.71%	6.15%	6.60%
Principal Reduction:	\$37,487	\$39,307	\$41,215	\$43,216	\$45,314	\$47,514	\$49,821	\$52,240	\$54,776	\$57,435	\$60,223
Cumulative Principal Reduction:	\$37,487	\$76,794	\$118,009	\$161,226	\$206,540	\$254,054	\$303,875	\$356,115	\$410,890	\$468,325	\$528,549
Cash Flow Plus Principal Reduction:	\$ 59,571	\$ 64,334	\$ 69,275	\$ 74,399	\$ 79,714	\$ 85,229	\$ 90,950	\$ 96,887	\$ 103,046	\$ 109,437	\$ 116,070
Total Return Before Taxes:	7.04%	7.60%	8.19%	8.79%	9.42%	10.07%	10.75%	11.45%	12.18%	12.94%	13.72%

IRR: 10.08%