

## SUMMARY

**Analysis Type: Buying**  
**Property Type: Office**  
**Address: 1234 main st**

## PROPERTY INCOME

**Property Annual Income: \$39,600**  
**Property Square Footage: -**  
**Property Vacancy: 3%**  
**Property Additional Income: \$2,000**

## LOAN & DEBT ANALYSIS

**Loan Amount: \$1,340,000**  
**Down Payment: \$360,000**  
**Interest Rate: 4.75%**  
**Amortization Period: 15 Year**  
**Monthly Payment: \$10,423**  
**Annual Debt Service: \$125,075**  
**Debt Coverage Ratio: 0.28**

## PROPERTY EXPENSES

**Gross Lease**  
**Property Annual Expenses: \$4,848**

## CASH FLOW ASSUMPTIONS

**Annual Income Growth Rate: 2 %**  
**Annual Expense Growth Rate: 1 %**  
**Cap Rate at Sale: 2.59 %**  
**Cost of Sale: 1.5%**  
**Number of Years: 10**

## PROPERTY VALUE & CAP RATE

**Property Value / Sale Price: \$1,700,000**  
**Property Cap Rate: 2.09%**

## 10 YEAR CASH FLOW ANALYSIS

**Potential Income: \$39,600**  
**Vacancy Rate: 3%**  
**Cash on Cash Return (Return on Equity): -24.86%**

	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 @ 2%/yr -With a 3% Vacancy Rate):	\$38,412	\$39,180	\$39,964	\$40,763	\$41,578	\$42,409	\$43,257	\$44,122	\$45,005	\$45,905	\$46,824
<b>Average Rent per Square Foot:</b>											
<b>Less Expenses (Growing @ 1%/yr):</b>	(\$ 4,848)	(\$ 4,896)	(\$ 4,945)	(\$ 4,994)	(\$ 5,044)	(\$ 5,094)	(\$ 5,145)	(\$ 5,196)	(\$ 5,248)	(\$ 5,300)	(\$ 5,353)
<b>Net Operating Income (NOI):</b>	\$ 35,564	\$ 36,284	\$ 37,019	\$ 37,769	\$ 38,534	\$ 39,315	\$ 40,112	\$ 40,926	\$ 41,757	\$ 42,605	\$ 43,471
<b>Less Loan Payment 1st Mortgage</b>	(\$125,075)	(\$125,075)	(\$125,075)	(\$125,075)	(\$125,075)	(\$125,075)	(\$125,075)	(\$125,075)	(\$125,075)	(\$125,075)	(\$125,075)
<b>Net Cash Flow</b>	\$ -91,511	\$ -90,791	\$ -90,056	\$ -89,306	\$ -88,541	\$ -87,760	\$ -86,963	\$ -86,149	\$ -85,318	\$ -84,470	\$ -83,605
<b>Cash on Cash Return (Return on Equity):</b>	-25.42%	-25.22%	-25.02%	-24.81%	-24.59%	-24.38%	-24.16%	-23.93%	-23.70%	-23.46%	-23.22%
<b>Principal Reduction:</b>	\$62,780	\$65,828	\$69,024	\$72,375	\$75,889	\$79,573	\$83,436	\$87,487	\$91,734	\$96,188	\$100,857
<b>Cumulative Principal Reduction:</b>	\$62,780	\$128,609	\$197,633	\$270,008	\$345,897	\$425,470	\$508,906	\$596,393	\$688,127	\$784,314	\$885,172
<b>Cash Flow Plus Principal Reduction:</b>	\$ -28,731	\$ -24,963	\$ -21,032	\$ -16,931	\$ -12,652	\$ -8,187	\$ -3,527	\$ 1,338	\$ 6,416	\$ 11,718	\$ 17,252
<b>Total Return Before Taxes:</b>	-7.98%	-6.93%	-5.84%	-4.70%	-3.51%	-2.27%	-0.98%	0.37%	1.78%	3.26%	4.79%

IRR: -1.32%