

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: 1311 Emerald Terrace
Age of Property (Completion Year): 2009
Site Area: 10,890 sq ft
Gross Building Area: 3,829 sq ft



PROPERTY INCOME

Property Annual Income: \$58,800
Property Square Footage: 10,890
Property Vacancy: 2%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$475,870
Down Payment: \$118,968
Interest Rate: 7.25%
Amortization Period: 30 Year
Monthly Payment: \$3,246
Annual Debt Service: \$38,955
Debt Coverage Ratio: 1.14

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$13,380

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 7.54 %
Cost of Sale: 5%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$594,838
Property Cap Rate: 7.44%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$58,800
Vacancy Rate: 2%
Cash on Cash Return (Return on Equity): 4.45%

Income Analysis

1311 Emerald Terrace

Report courtesy of FWD Coaching

	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 @ 2%/yr -With a 2% Vacancy Rate):	\$57,624	\$58,776	\$59,952	\$61,152	\$62,375	\$63,623	\$64,895	\$66,192	\$67,516	\$68,867	\$70,243
Average Rent per Square Foot:	\$5.29	\$5.40	\$5.51	\$5.62	\$5.73	\$5.84	\$5.96	\$6.08	\$6.20	\$6.32	\$6.45
Less Expenses (Growing @ 2%/yr):	(\$ 13,380)	(\$ 13,648)	(\$ 13,921)	(\$ 14,199)	(\$ 14,483)	(\$ 14,773)	(\$ 15,068)	(\$ 15,369)	(\$ 15,676)	(\$ 15,990)	(\$ 16,310)
Net Operating Income (NOI):	\$ 44,244	\$ 45,128	\$ 46,031	\$ 46,953	\$ 47,892	\$ 48,850	\$ 49,827	\$ 50,823	\$ 51,840	\$ 52,877	\$ 53,933
Less Loan Payment 1st Mortgage	(\$38,955)	(\$38,955)	(\$38,955)	(\$38,955)	(\$38,955)	(\$38,955)	(\$38,955)	(\$38,955)	(\$38,955)	(\$38,955)	(\$38,955)
Net Cash Flow	\$ 5,289	\$ 6,173	\$ 7,076	\$ 7,998	\$ 8,937	\$ 9,894	\$ 10,871	\$ 11,868	\$ 12,885	\$ 13,921	\$ 14,978
Cash on Cash Return (Return on Equity):	4.45%	5.19%	5.95%	6.72%	7.51%	8.32%	9.14%	9.98%	10.83%	11.70%	12.59%
Principal Reduction:	\$4,606	\$4,951	\$5,322	\$5,721	\$6,150	\$6,611	\$7,106	\$7,639	\$8,212	\$8,827	\$9,489
Cumulative Principal Reduction:	\$4,606	\$9,557	\$14,879	\$20,600	\$26,750	\$33,361	\$40,467	\$48,106	\$56,318	\$65,145	\$74,634
Cash Flow Plus Principal Reduction:	\$ 9,895	\$ 11,124	\$ 12,398	\$ 13,719	\$ 15,087	\$ 16,505	\$ 17,977	\$ 19,507	\$ 21,097	\$ 22,748	\$ 24,467
Total Return Before Taxes:	8.32%	9.35%	10.42%	11.53%	12.68%	13.87%	15.11%	16.40%	17.73%	19.12%	20.57%

IRR: 22.97%