

SUMMARY

Analysis Type: Selling
Property Type: Multi-Family
Address: 1364 Tremaine Avem Los Angeles, CA, 90019
Age of Property (Completion Year): 1939
Site Area: 8,549 sq ft
Gross Building Area: 4,396 sq ft

PROPERTY INCOME

Property Annual Income: \$111,600
Property Square Footage: 8,549
Property Vacancy: 2%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$1,400,000
Down Payment: \$350,000
Interest Rate: 6.5%
Amortization Period: 30 Year
Monthly Payment: \$8,849
Annual Debt Service: \$106,187
Debt Coverage Ratio: 0.68

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$37,476

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 5.5 %
Cost of Sale: 2%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$1,750,000
Property Cap Rate: 4.11%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$111,600
Vacancy Rate: 2%
Cash on Cash Return (Return on Equity): -9.80%

Income Analysis

1364 Tremaine Avem Los Angeles, CA, 90019

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
Effective Gross Income -Growing @ 2%/yr -With a 2% Vacancy Rate:	\$109,368	\$111,555	\$113,787	\$116,062	\$118,384	\$120,752	\$123,166	\$125,630	\$128,143	\$130,706	\$133,319
Average Rent per Square Foot:	\$12.79	\$13.05	\$13.31	\$13.58	\$13.85	\$14.13	\$14.41	\$14.70	\$14.99	\$15.29	\$15.60
Less Expenses (Growing @ 2%/yr):	(\$ 37,476)	(\$ 38,226)	(\$ 38,991)	(\$ 39,771)	(\$ 40,566)	(\$ 41,377)	(\$ 42,205)	(\$ 43,049)	(\$ 43,910)	(\$ 44,788)	(\$ 45,684)
Net Operating Income (NOI):	\$ 71,892	\$ 73,329	\$ 74,796	\$ 76,291	\$ 77,818	\$ 79,375	\$ 80,961	\$ 82,581	\$ 84,233	\$ 85,918	\$ 87,635
Less Loan Payment 1st Mortgage	(\$106,187)	(\$106,187)	(\$106,187)	(\$106,187)	(\$106,187)	(\$106,187)	(\$106,187)	(\$106,187)	(\$106,187)	(\$106,187)	(\$106,187)
Net Cash Flow	\$ -34,295	\$ -32,858	\$ -31,392	\$ -29,896	\$ -28,369	\$ -26,813	\$ -25,226	\$ -23,606	\$ -21,955	\$ -20,270	\$ -18,552
Cash on Cash Return (Return on Equity):	-9.80%	-9.39%	-8.97%	-8.54%	-8.11%	-7.66%	-7.21%	-6.74%	-6.27%	-5.79%	-5.30%
Principal Reduction:	\$15,648	\$16,696	\$17,814	\$19,007	\$20,280	\$21,639	\$23,088	\$24,634	\$26,284	\$28,044	\$29,922
Cumulative Principal Reduction:	\$15,648	\$32,344	\$50,159	\$69,166	\$89,446	\$111,085	\$134,173	\$158,807	\$185,090	\$213,134	\$243,056
Cash Flow Plus Principal Reduction:	\$ -18,647	\$ -16,162	\$ -13,578	\$ -10,889	\$ -8,089	\$ -5,174	\$ -2,138	\$ 1,028	\$ 4,329	\$ 7,774	\$ 11,370
Total Return Before Taxes:	-5.33%	-4.62%	-3.88%	-3.11%	-2.31%	-1.48%	-0.61%	0.29%	1.24%	2.22%	3.25%

IRR: 12.05%