

SUMMARY

Analysis Type: Buying
Property Type: Mixed-Use
Address: 14 N Third St. - Lafayette (Pro Forma)

PROPERTY INCOME

Property Annual Income: \$120,000
Property Square Footage: -
Property Vacancy: 2%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$650,000
Down Payment: \$350,000
Interest Rate: 7%
Amortization Period: 20 Year
Monthly Payment: \$5,039
Annual Debt Service: \$60,473
Debt Coverage Ratio: 1.25

PROPERTY EXPENSES

Gross Lease
Property Annual Expenses: \$41,724

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 6.8 %
Cost of Sale: 2%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$1,000,000
Property Cap Rate: 7.59%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$120,000
Vacancy Rate: 2%
Cash on Cash Return (Return on Equity): 4.40%

Income Analysis

14 N Third St. - Lafayette (Pro Forma)

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:	\$117,600	\$119,952	\$122,351	\$124,798	\$127,294	\$129,840	\$132,437	\$135,086	\$137,788	\$140,544	\$143,354
Average Rent per Square Foot:											
Less Expenses (Growing @ 2%/yr):	(\$ 41,724)	(\$ 42,558)	(\$ 43,409)	(\$ 44,277)	(\$ 45,163)	(\$ 46,066)	(\$ 46,987)	(\$ 47,927)	(\$ 48,886)	(\$ 49,864)	(\$ 50,861)
Net Operating Income (NOI):	\$ 75,876	\$ 77,394	\$ 78,942	\$ 80,521	\$ 82,131	\$ 83,774	\$ 85,450	\$ 87,159	\$ 88,902	\$ 90,680	\$ 92,493
Less Loan Payment 1st Mortgage	(\$60,473)	(\$60,473)	(\$60,473)	(\$60,473)	(\$60,473)	(\$60,473)	(\$60,473)	(\$60,473)	(\$60,473)	(\$60,473)	(\$60,473)
Net Cash Flow	\$ 15,403	\$ 16,921	\$ 18,469	\$ 20,048	\$ 21,658	\$ 23,301	\$ 24,977	\$ 26,686	\$ 28,429	\$ 30,206	\$ 32,020
Cash on Cash Return (Return on Equity):	4.40%	4.83%	5.28%	5.73%	6.19%	6.66%	7.14%	7.62%	8.12%	8.63%	9.15%
Principal Reduction:	\$15,463	\$16,581	\$17,780	\$19,065	\$20,443	\$21,921	\$23,506	\$25,205	\$27,027	\$28,981	\$31,076
Cumulative Principal Reduction:	\$15,463	\$32,044	\$49,824	\$68,889	\$89,332	\$111,253	\$134,759	\$159,964	\$186,990	\$215,971	\$247,047
Cash Flow Plus Principal Reduction:	\$ 30,866	\$ 33,502	\$ 36,249	\$ 39,113	\$ 42,101	\$ 45,222	\$ 48,483	\$ 51,891	\$ 55,456	\$ 59,187	\$ 63,096
Total Return Before Taxes:	8.82%	9.57%	10.36%	11.18%	12.03%	12.92%	13.85%	14.83%	15.84%	16.91%	18.03%

IRR: 18.37%