

SUMMARY

Analysis Type: Buying

Property Type: Multi-Family

Address: 1404 s Bay Villa Pl.

Age of Property (Completion Year): 1924

Site Area: 20,473 sq ft

Gross Building Area: 17,208 sq ft



PROPERTY INCOME

Property Annual Income: \$422,460

Property Square Footage: 20,473

Property Vacancy: 1%

Property Additional Income: \$36,529

LOAN & DEBT ANALYSIS

Loan Amount: \$2,099,128

Down Payment: \$4,500,000

Interest Rate: 7%

Amortization Period: 30 Year

Monthly Payment: \$13,966

Annual Debt Service: \$167,587

Debt Coverage Ratio: 1.53

PROPERTY EXPENSES

Triple Net Lease (NNN)

Property Annual Expenses: \$198,000

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %

Annual Expense Growth Rate: 1 %

Cap Rate at Sale: 3.94 %

Cost of Sale: 1.5%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$6,599,128

Property Cap Rate: 3.89%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$422,460

Vacancy Rate: 1%

Cash on Cash Return (Return on Equity): 1.98%

	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 1% Vacancy Rate:	\$418,235	\$430,783	\$443,706	\$457,018	\$470,728	\$484,850	\$499,395	\$514,376	\$529,807	\$545,702	\$562,073
Average Rent per Square Foot:	\$20.43	\$21.04	\$21.67	\$22.32	\$22.99	\$23.68	\$24.39	\$25.12	\$25.87	\$26.65	\$27.45
Less Expenses (Growing @ 1%/yr):	(\$ 198,000)	(\$ 199,980)	(\$ 201,980)	(\$ 204,000)	(\$ 206,040)	(\$ 208,100)	(\$ 210,181)	(\$ 212,283)	(\$ 214,406)	(\$ 216,550)	(\$ 218,716)
Net Operating Income (NOI):	\$ 256,764	\$ 267,332	\$ 278,255	\$ 289,547	\$ 301,217	\$ 313,279	\$ 325,743	\$ 338,622	\$ 351,930	\$ 365,681	\$ 379,886
Less Loan Payment 1st Mortgage	(\$167,587)	(\$167,587)	(\$167,587)	(\$167,587)	(\$167,587)	(\$167,587)	(\$167,587)	(\$167,587)	(\$167,587)	(\$167,587)	(\$167,587)
Net Cash Flow	\$ 52,649	\$ 63,216	\$ 74,140	\$ 85,431	\$ 97,102	\$ 109,163	\$ 121,627	\$ 134,507	\$ 147,815	\$ 161,565	\$ 175,770
Cash on Cash Return (Return on Equity):	1.17%	1.40%	1.65%	1.90%	2.16%	2.43%	2.70%	2.99%	3.28%	3.59%	3.91%
Principal Reduction:	\$21,323	\$22,865	\$24,517	\$26,290	\$28,190	\$30,228	\$32,413	\$34,757	\$37,269	\$39,963	\$42,852
Cumulative Principal Reduction:	\$21,323	\$44,188	\$68,705	\$94,995	\$123,185	\$153,414	\$185,827	\$220,584	\$257,853	\$297,816	\$340,669
Cash Flow Plus Principal Reduction:	\$ 73,972	\$ 86,081	\$ 98,657	\$ 111,721	\$ 125,292	\$ 139,391	\$ 154,040	\$ 169,264	\$ 185,084	\$ 201,528	\$ 218,622
Total Return Before Taxes:	1.64%	1.91%	2.19%	2.48%	2.78%	3.10%	3.42%	3.76%	4.11%	4.48%	4.86%

IRR: 7.39%