

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: 3%

Property Additional Income: \$36,528

LOAN & DEBT ANALYSIS

Loan Amount: \$1,980,000

Down Payment: \$4,620,000

Interest Rate: 7%

Amortization Period: 30 Year

Monthly Payment: \$13,173

Annual Debt Service: \$158,076

Debt Coverage Ratio: 1.37

PROPERTY EXPENSES

Triple Net Lease (NNN)

Property Annual Expenses: \$230,340

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %

Annual Expense Growth Rate: 1 %

Cap Rate at Sale: 4.43 %

Cost of Sale: 1.5%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$6,600,000

Property Cap Rate: 3.27%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$422,460

Vacancy Rate: 3%

Cash on Cash Return (Return on Equity): 1.25%

	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 3% Vacancy Rate):	\$409,786	\$422,080	\$434,742	\$447,785	\$461,219	\$475,055	\$489,306	\$503,985	\$519,104	\$534,678	\$550,718
Average Rent per Square Foot:	\$20.02	\$20.62	\$21.24	\$21.88	\$22.54	\$23.22	\$23.92	\$24.64	\$25.38	\$26.14	\$26.92
Less Expenses (Growing @ 1%/yr):	(\$ 230,340)	(\$ 232,643)	(\$ 234,969)	(\$ 237,319)	(\$ 239,692)	(\$ 242,089)	(\$ 244,510)	(\$ 246,955)	(\$ 249,425)	(\$ 251,919)	(\$ 254,438)
Net Operating Income (NOI):	\$ 215,974	\$ 225,965	\$ 236,301	\$ 246,994	\$ 258,055	\$ 269,494	\$ 281,324	\$ 293,558	\$ 306,207	\$ 319,287	\$ 332,808
Less Loan Payment 1st Mortgage	(\$158,076)	(\$158,076)	(\$158,076)	(\$158,076)	(\$158,076)	(\$158,076)	(\$158,076)	(\$158,076)	(\$158,076)	(\$158,076)	(\$158,076)
Net Cash Flow	\$ 21,370	\$ 31,361	\$ 41,697	\$ 52,390	\$ 63,451	\$ 74,890	\$ 86,720	\$ 98,954	\$ 111,603	\$ 124,683	\$ 138,204
Cash on Cash Return (Return on Equity):	0.46%	0.68%	0.90%	1.13%	1.37%	1.62%	1.88%	2.14%	2.42%	2.70%	2.99%
Principal Reduction:	\$20,113	\$21,567	\$23,126	\$24,798	\$26,591	\$28,513	\$30,574	\$32,784	\$35,154	\$37,695	\$40,420
Cumulative Principal Reduction:	\$20,113	\$41,680	\$64,806	\$89,604	\$116,195	\$144,707	\$175,281	\$208,065	\$243,219	\$280,915	\$321,335
Cash Flow Plus Principal Reduction:	\$ 41,483	\$ 52,928	\$ 64,823	\$ 77,188	\$ 90,042	\$ 103,403	\$ 117,294	\$ 131,738	\$ 146,757	\$ 162,378	\$ 178,624
Total Return Before Taxes:	0.90%	1.15%	1.40%	1.67%	1.95%	2.24%	2.54%	2.85%	3.18%	3.51%	3.87%

IRR: 3.63%