

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: 14121414 Wembley Drive Charlotte North Carolina 282055534

PROPERTY INCOME

Property Annual Income: \$48,000
Property Square Footage: -
Property Vacancy: -
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$431,250
Down Payment: \$143,750
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: \$2,869
Annual Debt Service: \$34,429
Debt Coverage Ratio: 1.10

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$10,000

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 7 %
Cost of Sale: 2%
Number of Years: 5

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$575,000
Property Cap Rate: 6.61%

5 YEAR CASH FLOW ANALYSIS

Potential Income: \$48,000
Vacancy Rate: -
Cash on Cash Return (Return on Equity): 2.48%

Income Analysis

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Report courtesy of Ola van Zyl

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Gross Income	\$48,000	\$	\$	\$	\$	\$
Vacancy Rate	\$	\$	\$	\$	\$	\$
Effective Gross Income -Growing @ 2%/yr -With a % Vacancy Rate):	\$48,000	\$48,960	\$49,939	\$50,938	\$51,957	\$52,996
Average Rent per Square Foot:						
Less Expenses (Growing @ 2%/yr):	(\$ 10,000)	(\$ 10,200)	(\$ 10,404)	(\$ 10,612)	(\$ 10,824)	(\$ 11,040)
Net Operating Income (NOI):	\$ 38,000	\$ 38,760	\$ 39,535	\$ 40,326	\$ 41,133	\$ 41,956
Less Loan Payment 1st Mortgage	(\$34,429)	(\$34,429)	(\$34,429)	(\$34,429)	(\$34,429)	(\$34,429)
Net Cash Flow	\$ 3,571	\$ 4,331	\$ 5,106	\$ 5,897	\$ 6,704	\$ 7,527
Cash on Cash Return (Return on Equity):	2.48%	3.01%	3.55%	4.10%	4.66%	5.24%
Principal Reduction:	\$4,381	\$4,697	\$5,037	\$5,401	\$5,791	\$6,210
Cumulative Principal Reduction:	\$4,381	\$9,078	\$14,115	\$19,516	\$25,308	\$31,518
Cash Flow Plus Principal Reduction:	\$ 7,952	\$ 9,028	\$ 10,143	\$ 11,298	\$ 12,495	\$ 13,737
Total Return Before Taxes:	5.53%	6.28%	7.06%	7.86%	8.69%	9.56%

IRR: 12.68% (Iterative Method)
11.1% (Newton's Method)

Income Analysis

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Future Value in Year 5	Cost of Sale	Loan Balance
\$599,371	\$11,987	\$370,066