

SUMMARY

Analysis Type: Buying
Property Type: Office
Address: 1456 N Main St

PROPERTY INCOME

Property Annual Income: \$344,753
Property Square Footage: -
Property Vacancy: -
Property Additional Income: \$8,400

LOAN & DEBT ANALYSIS

Loan Amount: \$1,620,000
Down Payment: \$180,000
Interest Rate: 7.5%
Amortization Period: 25 Year
Monthly Payment: \$11,972
Annual Debt Service: \$143,660
Debt Coverage Ratio: 2.05

PROPERTY EXPENSES

Gross Lease
Property Annual Expenses: \$58,737

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 16.86 %
Cost of Sale: 2%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$1,800,000
Property Cap Rate: 16.36%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$344,753
Vacancy Rate: -
Cash on Cash Return (Return on Equity): 83.75%

Income Analysis

1456 N Main St

Report courtesy of Ola van Zyl

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Income	\$344,753	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Vacancy Rate	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Effective Gross Income -Growing @ 2%/yr -With a % Vacancy Rate):	\$344,753	\$351,648	\$358,681	\$365,855	\$373,172	\$380,635	\$388,248	\$396,013	\$403,933	\$412,012	\$420,252
Average Rent per Square Foot:											
Less Expenses (Growing @ 2%/yr):	(\$ 58,737)	(\$ 59,912)	(\$ 61,110)	(\$ 62,332)	(\$ 63,579)	(\$ 64,851)	(\$ 66,148)	(\$ 67,471)	(\$ 68,820)	(\$ 70,196)	(\$ 71,600)
Net Operating Income (NOI):	\$ 294,416	\$ 300,136	\$ 305,971	\$ 311,923	\$ 317,993	\$ 324,184	\$ 330,500	\$ 336,942	\$ 343,513	\$ 350,216	\$ 357,052
Less Loan Payment 1st Mortgage	(\$143,660)	(\$143,660)	(\$143,660)	(\$143,660)	(\$143,660)	(\$143,660)	(\$143,660)	(\$143,660)	(\$143,660)	(\$143,660)	(\$143,660)
Net Cash Flow	\$ 142,356	\$ 148,076	\$ 153,911	\$ 159,863	\$ 165,933	\$ 172,124	\$ 178,440	\$ 184,882	\$ 191,453	\$ 198,156	\$ 204,992
Cash on Cash Return (Return on Equity):	79.09%	82.26%	85.51%	88.81%	92.19%	95.62%	99.13%	102.71%	106.36%	110.09%	113.88%
Principal Reduction:	\$22,938	\$24,718	\$26,637	\$28,705	\$30,934	\$33,335	\$35,923	\$38,712	\$41,717	\$44,956	\$48,446
Cumulative Principal Reduction:	\$22,938	\$47,656	\$74,294	\$102,999	\$133,933	\$167,268	\$203,191	\$241,903	\$283,620	\$328,576	\$377,022
Cash Flow Plus Principal Reduction:	\$ 165,294	\$ 172,794	\$ 180,548	\$ 188,568	\$ 196,867	\$ 205,459	\$ 214,363	\$ 223,594	\$ 233,170	\$ 243,112	\$ 253,438
Total Return Before Taxes:	91.83%	96.00%	100.30%	104.76%	109.37%	114.14%	119.09%	124.22%	129.54%	135.06%	140.80%

IRR: 83.60%

Future Value in Year 10	Cost of Sale	Loan Balance
\$1,215,848	\$24,317	\$1,291,424