

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: 1634 Boston Street Aurora
Age of Property (Completion Year): 1961
Gross Building Area: 5,148 sq ft



PROPERTY INCOME

Property Annual Income: \$126,000
Property Square Footage: -
Property Vacancy: 5%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$618,750
Down Payment: \$206,250
Interest Rate: 6.5%
Amortization Period: 30 Year
Monthly Payment: \$3,911
Annual Debt Service: \$46,931
Debt Coverage Ratio: 1.90

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$30,504

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2.8 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 11.83 %
Cost of Sale: 2%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$825,000
Property Cap Rate: 10.81%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$126,000
Vacancy Rate: 5%
Cash on Cash Return (Return on Equity): 20.49%

Income Analysis

1634 Boston Street Aurora

Report courtesy of Troy Muljat

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Income	\$126,000	\$132,300	\$138,915	\$145,861	\$153,154	\$160,812	\$168,853	\$177,296	\$186,161	\$195,469	\$205,242
Vacancy Rate (5%)	\$6,300	\$6,615	\$6,946	\$7,293	\$7,658	\$8,041	\$8,443	\$8,865	\$9,308	\$9,773	\$10,262
Effective Gross Income -Growing @ 2.8%/yr -With a 5% Vacancy Rate):	\$119,700	\$123,052	\$126,497	\$130,039	\$133,680	\$137,423	\$141,271	\$145,227	\$149,293	\$153,473	\$157,769
Average Rent per Square Foot:											
Less Expenses (Growing @ 2%/yr):	(\$ 30,504)	(\$ 31,114)	(\$ 31,736)	(\$ 32,371)	(\$ 33,018)	(\$ 33,678)	(\$ 34,352)	(\$ 35,039)	(\$ 35,740)	(\$ 36,455)	(\$ 37,184)
Net Operating Income (NOI):	\$ 89,196	\$ 91,938	\$ 94,761	\$ 97,668	\$ 100,662	\$ 103,745	\$ 106,919	\$ 110,188	\$ 113,553	\$ 117,018	\$ 120,585
Less Loan Payment 1st Mortgage	(\$46,931)	(\$46,931)	(\$46,931)	(\$46,931)	(\$46,931)	(\$46,931)	(\$46,931)	(\$46,931)	(\$46,931)	(\$46,931)	(\$46,931)
Net Cash Flow	\$ 42,265	\$ 45,007	\$ 47,830	\$ 50,737	\$ 53,731	\$ 56,814	\$ 59,988	\$ 63,256	\$ 66,621	\$ 70,086	\$ 73,654
Cash on Cash Return (Return on Equity):	20.49%	21.82%	23.19%	24.60%	26.05%	27.55%	29.09%	30.67%	32.30%	33.98%	35.71%
Principal Reduction:	\$6,916	\$7,379	\$7,873	\$8,401	\$8,963	\$9,563	\$10,204	\$10,887	\$11,616	\$12,394	\$13,225
Cumulative Principal Reduction:	\$6,916	\$14,295	\$22,168	\$30,569	\$39,532	\$49,096	\$59,300	\$70,187	\$81,803	\$94,198	\$107,422
Cash Flow Plus Principal Reduction:	\$ 49,181	\$ 52,386	\$ 55,703	\$ 59,138	\$ 62,694	\$ 66,377	\$ 70,192	\$ 74,143	\$ 78,237	\$ 82,480	\$ 86,879
Total Return Before Taxes:	23.85%	25.40%	27.01%	28.67%	30.40%	32.18%	34.03%	35.95%	37.93%	39.99%	42.12%

IRR: 27.70%

Future Value in Year 10	Cost of Sale	Loan Balance
\$622,604	\$12,452	\$524,552