

### SUMMARY

**Analysis Type: Buying**

**Property Type: Multi-Family**

**Address: 1706-1712 S Market St. - Kokomo, IN (4 Units)- ProForma**

**Age of Property (Completion Year): 1995**

### PROPERTY INCOME

Property Annual Income: \$33,600

Property Square Footage: -

Property Vacancy: -

Property Additional Income: -

### LOAN & DEBT ANALYSIS

Loan Amount: \$172,500

Down Payment: \$57,500

Interest Rate: 7%

Amortization Period: 30 Year

Monthly Payment: \$1,148

Annual Debt Service: \$13,772

Debt Coverage Ratio: 1.72

### PROPERTY EXPENSES

Triple Net Lease (NNN)

Property Annual Expenses: \$9,960

### CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %

Annual Expense Growth Rate: 2 %

Cap Rate at Sale: 10.78 %

Cost of Sale: 7%

Number of Years: 10

### PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$230,000

Property Cap Rate: 10.28%

### 10 YEAR CASH FLOW ANALYSIS

Potential Income: \$33,600

Vacancy Rate: -

Cash on Cash Return (Return on Equity): 17.16%

# Income Analysis

1706-1712 S Market St. - Kokomo, IN (4 Units)- ProForma

Report courtesy of FWD Coaching

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
<b>Effective Gross Income</b> -Growing @ 2%/yr -With a % Vacancy Rate):	\$33,600	\$34,272	\$34,957	\$35,656	\$36,369	\$37,096	\$37,838	\$38,595	\$39,367	\$40,154	\$40,957
<b>Average Rent per Square Foot:</b>											
<b>Less Expenses (Growing @ 2%/yr):</b>	(\$ 9,960)	(\$ 10,159)	(\$ 10,362)	(\$ 10,569)	(\$ 10,780)	(\$ 10,996)	(\$ 11,216)	(\$ 11,440)	(\$ 11,669)	(\$ 11,902)	(\$ 12,140)
<b>Net Operating Income (NOI):</b>	\$ 23,640	\$ 24,113	\$ 24,595	\$ 25,087	\$ 25,589	\$ 26,100	\$ 26,622	\$ 27,155	\$ 27,698	\$ 28,252	\$ 28,817
<b>Less Loan Payment 1st Mortgage</b>	(\$13,772)	(\$13,772)	(\$13,772)	(\$13,772)	(\$13,772)	(\$13,772)	(\$13,772)	(\$13,772)	(\$13,772)	(\$13,772)	(\$13,772)
<b>Net Cash Flow</b>	\$ 9,868	\$ 10,341	\$ 10,823	\$ 11,315	\$ 11,817	\$ 12,328	\$ 12,850	\$ 13,383	\$ 13,926	\$ 14,480	\$ 15,045
<b>Cash on Cash Return (Return on Equity):</b>	17.16%	17.98%	18.82%	19.68%	20.55%	21.44%	22.35%	23.27%	24.22%	25.18%	26.17%
<b>Principal Reduction:</b>	\$1,752	\$1,879	\$2,015	\$2,160	\$2,317	\$2,484	\$2,664	\$2,856	\$3,063	\$3,284	\$3,521
<b>Cumulative Principal Reduction:</b>	\$1,752	\$3,631	\$5,646	\$7,806	\$10,123	\$12,607	\$15,271	\$18,127	\$21,190	\$24,474	\$27,995
<b>Cash Flow Plus Principal Reduction:</b>	\$ 11,620	\$ 12,220	\$ 12,838	\$ 13,475	\$ 14,134	\$ 14,812	\$ 15,514	\$ 16,239	\$ 16,989	\$ 17,764	\$ 18,566
<b>Total Return Before Taxes:</b>	20.21%	21.25%	22.33%	23.43%	24.58%	25.76%	26.98%	28.24%	29.55%	30.89%	32.29%

IRR: 29.53%