

SUMMARY

Analysis Type: Existing Property (hold)
Property Type: Industrial
Address: 200 Avenue I Alvin Texas 77511
Age of Property (Completion Year): 2011
Site Area: 374,616 sq ft
Gross Building Area: 87,040 sq ft



PROPERTY INCOME

Property Annual Income: \$1,211,597
Property Square Footage: 374,616
Property Vacancy: 40%
Property Additional Income: \$60,000

LOAN & DEBT ANALYSIS

Loan Amount: \$2,200,000
Down Payment: \$1,979,831
Interest Rate: 7%
Amortization Period: 25 Year
Monthly Payment: \$15,549
Annual Debt Service: \$186,590
Debt Coverage Ratio: 1.58

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$492,698

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 1 %
Annual Expense Growth Rate: 3 %
Cap Rate at Sale: 7.54 %
Cost of Sale: 2%
Number of Years: 5

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$4,179,831
Property Cap Rate: 7.04%

5 YEAR CASH FLOW ANALYSIS

Potential Income: \$1,211,596.8
Vacancy Rate: 40%
Cash on Cash Return (Return on Equity): 5.44%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Effective Gross Income -Growing @ 1%/yr -With a 40% Vacancy Rate):	\$726,958	\$734,228	\$741,570	\$748,986	\$756,476	\$764,041
Average Rent per Square Foot:	\$1.94	\$1.96	\$1.98	\$2.00	\$2.02	\$2.04
Less Expenses (Growing @ 3%/yr):	(\$ 492,698)	(\$ 507,479)	(\$ 522,703)	(\$ 538,384)	(\$ 554,536)	(\$ 571,172)
Net Operating Income (NOI):	\$ 294,260	\$ 286,749	\$ 278,867	\$ 270,602	\$ 261,940	\$ 252,869
Less Loan Payment 1st Mortgage	(\$186,590)	(\$186,590)	(\$186,590)	(\$186,590)	(\$186,590)	(\$186,590)
Net Cash Flow	\$ 47,670	\$ 40,159	\$ 32,277	\$ 24,012	\$ 15,350	\$ 6,279
Cash on Cash Return (Return on Equity):	2.41%	2.03%	1.63%	1.21%	0.78%	0.32%
Principal Reduction:	\$33,656	\$36,089	\$38,698	\$41,495	\$44,495	\$47,711
Cumulative Principal Reduction:	\$33,656	\$69,745	\$108,443	\$149,938	\$194,433	\$242,144
Cash Flow Plus Principal Reduction:	\$ 81,326	\$ 76,248	\$ 70,975	\$ 65,507	\$ 59,845	\$ 53,990
Total Return Before Taxes:	4.11%	3.85%	3.58%	3.31%	3.02%	2.73%

IRR: 12.82%