

SUMMARY

Analysis Type: Selling
Property Type: Mixed-Use
Address: 200 E 8th St Homestead
Site Area: 9,133 sq ft
Gross Building Area: 16,341 sq ft



PROPERTY INCOME

Property Annual Income: \$184,920
Property Square Footage: 9,133
Property Vacancy: 10%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$931,277
Down Payment: \$310,407
Interest Rate: 7.5%
Amortization Period: 20 Year
Monthly Payment: \$7,502
Annual Debt Service: \$90,028
Debt Coverage Ratio: 1.31

PROPERTY EXPENSES

Gross Lease
Property Annual Expenses: \$48,468

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 10.5 %
Cost of Sale: 4%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$1,241,684
Property Cap Rate: 9.50%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$184,920
Vacancy Rate: 10%
Cash on Cash Return (Return on Equity): 9.00%

Income Analysis

200 E 8th St Homestead

Report courtesy of Susan Pittman

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Income	\$184,920	\$203,412	\$223,753	\$246,128	\$270,741	\$297,815	\$327,597	\$360,357	\$396,393	\$436,032	\$479,635
Vacancy Rate (10%)	\$18,492	\$20,341	\$22,375	\$24,613	\$27,074	\$29,782	\$32,760	\$36,036	\$39,639	\$43,603	\$47,964
Effective Gross Income -Growing @ 3%/yr -With a 10% Vacancy Rate):	\$166,428	\$171,421	\$176,564	\$181,860	\$187,316	\$192,936	\$198,724	\$204,685	\$210,826	\$217,151	\$223,665
Average Rent per Square Foot:	\$18.22	\$18.77	\$19.33	\$19.91	\$20.51	\$21.13	\$21.76	\$22.41	\$23.08	\$23.77	\$24.48
Less Expenses (Growing @ 2%/yr):	(\$ 48,468)	(\$ 49,437)	(\$ 50,426)	(\$ 51,435)	(\$ 52,464)	(\$ 53,513)	(\$ 54,583)	(\$ 55,675)	(\$ 56,789)	(\$ 57,925)	(\$ 59,084)
Net Operating Income (NOI):	\$ 117,960	\$ 121,984	\$ 126,138	\$ 130,425	\$ 134,852	\$ 139,423	\$ 144,141	\$ 149,010	\$ 154,037	\$ 159,226	\$ 164,581
Less Loan Payment 1st Mortgage	(\$90,028)	(\$90,028)	(\$90,028)	(\$90,028)	(\$90,028)	(\$90,028)	(\$90,028)	(\$90,028)	(\$90,028)	(\$90,028)	(\$90,028)
Net Cash Flow	\$ 27,932	\$ 31,957	\$ 36,110	\$ 40,398	\$ 44,824	\$ 49,395	\$ 54,113	\$ 58,983	\$ 64,009	\$ 69,198	\$ 74,554
Cash on Cash Return (Return on Equity):	9.00%	10.30%	11.63%	13.01%	14.44%	15.91%	17.43%	19.00%	20.62%	22.29%	24.02%
Principal Reduction:	\$20,890	\$22,512	\$24,260	\$26,143	\$28,173	\$30,360	\$32,717	\$35,257	\$37,994	\$40,943	\$44,122
Cumulative Principal Reduction:	\$20,890	\$43,402	\$67,662	\$93,805	\$121,978	\$152,338	\$185,054	\$220,311	\$258,304	\$299,247	\$343,369
Cash Flow Plus Principal Reduction:	\$ 48,822	\$ 54,469	\$ 60,370	\$ 66,541	\$ 72,997	\$ 79,755	\$ 86,830	\$ 94,240	\$ 102,003	\$ 110,141	\$ 118,676
Total Return Before Taxes:	15.73%	17.55%	19.45%	21.44%	23.52%	25.69%	27.97%	30.36%	32.86%	35.48%	38.23%

IRR: 25.23%

Future Value in Year 10	Cost of Sale	Loan Balance
\$710,038	\$28,402	