

SUMMARY

Analysis Type: Buying

Property Type: Office

Address: 2111 bent oak

Age of Property (Completion Year): 2020

Site Area: 10,560 sq ft

Gross Building Area: 2,058 sq ft

PROPERTY INCOME

Property Annual Income: \$43,800

Property Square Footage: 10,560

Property Vacancy: -

Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$294,500

Down Payment: \$294,500

Interest Rate: 7%

Amortization Period: 30 Year

Monthly Payment: \$1,959

Annual Debt Service: \$23,512

Debt Coverage Ratio: 1.47

PROPERTY EXPENSES

Gross Lease

Property Annual Expenses: \$9,168

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %

Annual Expense Growth Rate: 1 %

Cap Rate at Sale: 6.38 %

Cost of Sale: 1.5%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$589,000

Property Cap Rate: 5.88%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$43,800

Vacancy Rate: -

Cash on Cash Return (Return on Equity): 3.78%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Effective Gross Income -Growing @ 3%/yr -With a % Vacancy Rate:	\$43,800	\$45,114	\$46,467	\$47,861	\$49,297	\$50,776	\$52,299	\$53,868	\$55,484	\$57,149	\$58,863
Average Rent per Square Foot:	\$4.15	\$4.27	\$4.40	\$4.53	\$4.67	\$4.81	\$4.95	\$5.10	\$5.25	\$5.41	\$5.57
Less Expenses (Growing @ 1%/yr):	(\$ 9,168)	(\$ 9,260)	(\$ 9,353)	(\$ 9,447)	(\$ 9,541)	(\$ 9,636)	(\$ 9,732)	(\$ 9,829)	(\$ 9,927)	(\$ 10,026)	(\$ 10,126)
Net Operating Income (NOI):	\$ 34,632	\$ 35,854	\$ 37,114	\$ 38,414	\$ 39,756	\$ 41,140	\$ 42,567	\$ 44,039	\$ 45,557	\$ 47,123	\$ 48,737
Less Loan Payment 1st Mortgage	(\$23,512)	(\$23,512)	(\$23,512)	(\$23,512)	(\$23,512)	(\$23,512)	(\$23,512)	(\$23,512)	(\$23,512)	(\$23,512)	(\$23,512)
Net Cash Flow	\$ 11,120	\$ 12,342	\$ 13,602	\$ 14,902	\$ 16,244	\$ 17,628	\$ 19,055	\$ 20,527	\$ 22,045	\$ 23,611	\$ 25,225
Cash on Cash Return (Return on Equity):	3.78%	4.19%	4.62%	5.06%	5.52%	5.99%	6.47%	6.97%	7.49%	8.02%	8.57%
Principal Reduction:	\$4,787	\$5,133	\$5,504	\$5,901	\$6,328	\$6,785	\$7,276	\$7,802	\$8,366	\$8,971	\$9,619
Cumulative Principal Reduction:	\$4,787	\$9,919	\$15,423	\$21,324	\$27,652	\$34,437	\$41,713	\$49,515	\$57,881	\$66,852	\$76,471
Cash Flow Plus Principal Reduction:	\$ 15,907	\$ 17,475	\$ 19,106	\$ 20,803	\$ 22,572	\$ 24,413	\$ 26,331	\$ 28,329	\$ 30,411	\$ 32,582	\$ 34,844
Total Return Before Taxes:	5.40%	5.93%	6.49%	7.06%	7.66%	8.29%	8.94%	9.62%	10.33%	11.06%	11.83%

IRR: 14.14%