Income Analysis

215 Sidonia

Report courtesy of Troy Muljat

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: 215 Sidonia
Age of Property (Completion Year): 1946

PROPERTY INCOME

Property Annual Income: $96,000
Property Square Footage: -
Property Vacancy: 5%
Property Additional Income: $2,400

LOAN & DEBT ANALYSIS

Loan Amount: $750,000
Down Payment: $750,000
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: $4,990
Annual Debt Service: $59,877
Debt Coverage Ratio: 0.86

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: $42,179

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 3.93 %
Cost of Sale: 2%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: $1,500,000
Property Cap Rate: 3.43%

10 YEAR CASH FLOW ANALYSIS

Potential Income: $96,000
Vacancy Rate: 5%
Cash on Cash Return (Return on Equity): -1.13%

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	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Income	$96,000	$100,800	$105,840	$111,132	$116,689	$122,523	$128,649	$135,081	$141,835	$148,927	$156,373
Vacancy Rate (5%)	$4,800	$5,040	$5,292	$5,557	$5,834	$6,126	$6,432	$6,754	$7,092	$7,446	$7,819
Effective Gross Income -Growing @ 2%/yr -With a 5% Vacancy Rate):	$91,200	$93,024	$94,884	$96,782	$98,718	$100,692	$102,706	$104,760	$106,855	$108,993	$111,173
Average Rent per Square Foot:											
Less Expenses (Growing @ 2%/yr):	($ 42,179)	($ 43,023)	($ 43,883)	($ 44,761)	($ 45,656)	($ 46,569)	($ 47,500)	($ 48,450)	($ 49,419)	($ 50,407)	($ 51,415)
Net Operating Income (NOI):	$ 51,421	$ 52,401	$ 53,401	$ 54,421	$ 55,462	$ 56,523	$ 57,606	$ 58,710	$ 59,836	$ 60,986	$ 62,158
Less Loan Payment 1st Mortgage	($59,877)	($59,877)	($59,877)	($59,877)	($59,877)	($59,877)	($59,877)	($59,877)	($59,877)	($59,877)	($59,877)
Net Cash Flow	$ -10,856	$ -9,876	$ -8,876	$ -7,856	$ -6,815	$ -5,754	$ -4,671	$ -3,567	$ -2,441	$ -1,292	$ -119
Cash on Cash Return (Return on Equity):	-1.45%	-1.32%	-1.18%	-1.05%	-0.91%	-0.77%	-0.62%	-0.48%	-0.33%	-0.17%	-0.02%
Principal Reduction:	$7,619	$8,169	$8,760	$9,393	$10,072	$10,800	$11,581	$12,418	$13,316	$14,279	$15,311
Cumulative Principal Reduction:	$7,619	$15,788	$24,548	$33,941	$44,013	$54,813	$66,394	$78,813	$92,129	$106,407	$121,718
Cash Flow Plus Principal Reduction:	$ -3,237	$ -1,707	$ -116	$ 1,537	$ 3,257	$ 5,046	$ 6,910	$ 8,851	$ 10,875	$ 12,987	$ 15,192
Total Return Before Taxes:	-0.43%	-0.23%	-0.02%	0.20%	0.43%	0.67%	0.92%	1.18%	1.45%	1.73%	2.03%

IRR: 1.50% (Iterative Method)

1.34% (Newton's Method)

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Future Value in Year 10	Cost of Sale	Loan Balance
$1,581,628	$31,633	$643,593

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