

SUMMARY

Analysis Type: Existing Property (hold)

Property Type: Office

Address: 22799 Springvale road Mulgrave Vic 3170

Age of Property (Completion Year): 2003

Site Area: 100 sq ft

Gross Building Area: 3,500 sq ft

PROPERTY INCOME

Property Annual Income: \$29,760

Property Square Footage: 100

Property Vacancy: 2%

Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$410,000

Down Payment: \$147,296

Interest Rate: 7.8%

Amortization Period: 30 Year

Monthly Payment: \$2,951

Annual Debt Service: \$35,418

Debt Coverage Ratio: 0.53

PROPERTY EXPENSES

Triple Net Lease (NNN)

Property Annual Expenses: \$10,400

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %

Annual Expense Growth Rate: 2 %

Cap Rate at Sale: 3.87 %

Cost of Sale: 2%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$557,296

Property Cap Rate: 3.37%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$29,760

Vacancy Rate: 2%

Cash on Cash Return (Return on Equity): -11.31%

Income Analysis

22799 Springvale road Mulgrave Vic 3170

Report courtesy of Troy Muljat

	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 2% Vacancy Rate):	\$29,165	\$30,040	\$30,942	\$31,870	\$32,826	\$33,811	\$34,825	\$35,870	\$36,946	\$38,054	\$39,196
Average Rent per Square Foot:	\$291.65	\$300.40	\$309.41	\$318.69	\$328.25	\$338.10	\$348.24	\$358.69	\$369.45	\$380.53	\$391.95
Less Expenses (Growing @ 2%/yr):	(\$ 10,400)	(\$ 10,608)	(\$ 10,820)	(\$ 11,036)	(\$ 11,257)	(\$ 11,482)	(\$ 11,712)	(\$ 11,946)	(\$ 12,185)	(\$ 12,429)	(\$ 12,678)
Net Operating Income (NOI):	\$ 18,765	\$ 19,432	\$ 20,122	\$ 20,834	\$ 21,569	\$ 22,329	\$ 23,113	\$ 23,924	\$ 24,761	\$ 25,625	\$ 26,518
Less Loan Payment 1st Mortgage	(\$35,418)	(\$35,418)	(\$35,418)	(\$35,418)	(\$35,418)	(\$35,418)	(\$35,418)	(\$35,418)	(\$35,418)	(\$35,418)	(\$35,418)
Net Cash Flow	\$ -16,653	\$ -15,986	\$ -15,296	\$ -14,584	\$ -13,849	\$ -13,089	\$ -12,304	\$ -11,494	\$ -10,657	\$ -9,792	\$ -8,900
Cash on Cash Return (Return on Equity):	-11.31%	-10.85%	-10.38%	-9.90%	-9.40%	-8.89%	-8.35%	-7.80%	-7.24%	-6.65%	-6.04%
Principal Reduction:	\$3,563	\$3,851	\$4,163	\$4,499	\$4,863	\$5,256	\$5,681	\$6,140	\$6,637	\$7,173	\$7,753
Cumulative Principal Reduction:	\$3,563	\$7,415	\$11,577	\$16,076	\$20,939	\$26,196	\$31,877	\$38,017	\$44,654	\$51,828	\$59,581
Cash Flow Plus Principal Reduction:	\$ -13,090	\$ -12,135	\$ -11,133	\$ -10,085	\$ -8,986	\$ -7,833	\$ -6,623	\$ -5,354	\$ -4,020	\$ -2,619	\$ -1,147
Total Return Before Taxes:	-8.89%	-8.24%	-7.56%	-6.85%	-6.10%	-5.32%	-4.50%	-3.63%	-2.73%	-1.78%	-0.78%

IRR: 2.57%