

## SUMMARY

**Analysis Type: Existing Property (hold)**  
**Property Type: Retail**  
**Address: 2403 Butler Street Easton PA**  
**Age of Property (Completion Year): 1997**  
**Site Area: 67,346 sq ft**

## PROPERTY INCOME

**Property Annual Income: \$1,472,166**  
**Property Square Footage: 67,346**  
**Property Vacancy: 5%**  
**Property Additional Income: -**

## LOAN & DEBT ANALYSIS

**Loan Amount: \$-4,793,862**  
**Down Payment: \$10,493,862**  
**Interest Rate: 6.5%**  
**Amortization Period: 20 Year**  
**Monthly Payment: \$-35,742**  
**Annual Debt Service: \$-428,901**  
**Debt Coverage Ratio: -2.38**

## PROPERTY EXPENSES

**Gross Lease**  
**Property Annual Expenses: \$378,926**

## CASH FLOW ASSUMPTIONS

**Annual Income Growth Rate: 2 %**  
**Annual Expense Growth Rate: 2 %**  
**Cap Rate at Sale: 18.39 %**  
**Cost of Sale: 2%**  
**Number of Years: 10**

## PROPERTY VALUE & CAP RATE

**Property Value / Sale Price: \$5,700,000**  
**Property Cap Rate: 17.89%**

## 10 YEAR CASH FLOW ANALYSIS

**Potential Income: \$1,472,166**  
**Vacancy Rate: 5%**  
**Cash on Cash Return (Return on Equity): 13.80%**

# Income Analysis

## 2403 Butler Street Easton PA

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
<b>Gross Income</b>	\$1,472,166	\$1,545,774	\$1,623,063	\$1,704,216	\$1,789,427	\$1,878,898	\$1,972,843	\$2,071,485	\$2,175,059	\$2,283,812	\$2,398,003
<b>Vacancy Rate (5%)</b>	\$73,608	\$77,289	\$81,153	\$85,211	\$89,471	\$93,945	\$98,642	\$103,574	\$108,753	\$114,191	\$119,900
<b>Effective Gross Income -Growing @ 2%/yr -With a 5% Vacancy Rate):</b>	\$1,398,558	\$1,426,529	\$1,455,059	\$1,484,160	\$1,513,843	\$1,544,120	\$1,575,002	\$1,606,502	\$1,638,632	\$1,671,405	\$1,704,833
<b>Average Rent per Square Foot:</b>	\$20.77	\$21.18	\$21.60	\$22.03	\$22.47	\$22.92	\$23.38	\$23.85	\$24.33	\$24.82	\$25.32
<b>Less Expenses (Growing @ 2%/yr):</b>	(\$ 378,926)	(\$ 386,505)	(\$ 394,235)	(\$ 402,120)	(\$ 410,162)	(\$ 418,365)	(\$ 426,732)	(\$ 435,267)	(\$ 443,972)	(\$ 452,851)	(\$ 461,908)
<b>Net Operating Income (NOI):</b>	\$ 1,019,632	\$ 1,040,024	\$ 1,060,824	\$ 1,082,040	\$ 1,103,681	\$ 1,125,755	\$ 1,148,270	\$ 1,171,235	\$ 1,194,660	\$ 1,218,554	\$ 1,242,925
<b>Less Loan Payment 1st Mortgage</b>	(\$-428,901)	(\$-428,901)	(\$-428,901)	(\$-428,901)	(\$-428,901)	(\$-428,901)	(\$-428,901)	(\$-428,901)	(\$-428,901)	(\$-428,901)	(\$-428,901)
<b>Net Cash Flow</b>	\$ 1,448,533	\$ 1,468,924	\$ 1,489,725	\$ 1,510,941	\$ 1,532,582	\$ 1,554,655	\$ 1,577,171	\$ 1,600,136	\$ 1,623,561	\$ 1,647,455	\$ 1,671,826
<b>Cash on Cash Return (Return on Equity):</b>	13.80%	14.00%	14.20%	14.40%	14.60%	14.81%	15.03%	15.25%	15.47%	15.70%	15.93%
<b>Principal Reduction:</b>	\$120,858	\$128,952	\$137,589	\$146,803	\$156,635	\$167,125	\$178,318	\$190,260	\$203,002	\$216,597	\$231,103
<b>Cumulative Principal Reduction:</b>	\$120,858	\$249,811	\$387,400	\$534,203	\$690,838	\$857,963	\$1,036,280	\$1,226,540	\$1,429,542	\$1,646,140	\$1,877,243
<b>Cash Flow Plus Principal Reduction:</b>	\$ 1,569,391	\$ 1,597,876	\$ 1,627,314	\$ 1,657,744	\$ 1,689,217	\$ 1,721,780	\$ 1,755,489	\$ 1,790,396	\$ 1,826,563	\$ 1,864,052	\$ 1,902,929
<b>Total Return Before Taxes:</b>	14.96%	15.23%	15.51%	15.80%	16.10%	16.41%	16.73%	17.06%	17.41%	17.76%	18.13%

IRR: 10.58%

<b>Future Value in Year 10</b>	<b>Cost of Sale</b>	<b>Loan Balance</b>
\$9,090,952	\$181,819	\$3,147,722