

## SUMMARY

**Analysis Type: Buying**  
**Property Type: Multi-Family**  
**Address: 2415 A B 2441 S Center St Hickory NC**  
**Age of Property (Completion Year): 2011**  
**Site Area: 4,946 sq ft**  
**Gross Building Area: 4,946 sq ft**

## PROPERTY INCOME

**Property Annual Income: \$855,360**  
**Property Square Footage: 4,946**  
**Property Vacancy: -**  
**Property Additional Income: -**

## LOAN & DEBT ANALYSIS

**Loan Amount: \$2,296,000**  
**Down Payment: \$984,000**  
**Interest Rate: 6%**  
**Amortization Period: 30 Year**  
**Monthly Payment: \$13,766**  
**Annual Debt Service: \$165,188**  
**Debt Coverage Ratio: 2.27**

## PROPERTY EXPENSES

**Triple Net Lease (NNN)**  
**Property Annual Expenses: \$480,945**

## CASH FLOW ASSUMPTIONS

**Annual Income Growth Rate: 2 %**  
**Annual Expense Growth Rate: 2 %**  
**Cap Rate at Sale: 23.61 %**  
**Cost of Sale: 2%**  
**Number of Years: 10**

## PROPERTY VALUE & CAP RATE

**Property Value / Sale Price: \$3,280,000**  
**Property Cap Rate: 11.42%**

## 10 YEAR CASH FLOW ANALYSIS

**Potential Income: \$855,360**  
**Vacancy Rate: -**  
**Cash on Cash Return (Return on Equity): 21.26%**

# Income Analysis

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Report courtesy of Ola van Zyl

	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>	\$855,360	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Vacancy Rate</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Effective Gross Income -Growing @ 2%/yr -With a % Vacancy Rate):</b>	\$855,360	\$872,467	\$889,916	\$907,714	\$925,868	\$944,385	\$963,273	\$982,538	\$1,002,189	\$1,022,233	\$1,042,678
<b>Average Rent per Square Foot:</b>	\$172.94	\$176.40	\$179.93	\$183.53	\$187.20	\$190.94	\$194.76	\$198.66	\$202.63	\$206.68	\$210.81
<b>Less Expenses (Growing @ 2%/yr):</b>	(\$ 480,945)	(\$ 490,564)	(\$ 500,375)	(\$ 510,383)	(\$ 520,591)	(\$ 531,003)	(\$ 541,623)	(\$ 552,455)	(\$ 563,504)	(\$ 574,774)	(\$ 586,269)
<b>Net Operating Income (NOI):</b>	\$ 374,415	\$ 381,903	\$ 389,541	\$ 397,331	\$ 405,277	\$ 413,382	\$ 421,650	\$ 430,083	\$ 438,685	\$ 447,459	\$ 456,409
<b>Less Loan Payment 1st Mortgage</b>	(\$165,188)	(\$165,188)	(\$165,188)	(\$165,188)	(\$165,188)	(\$165,188)	(\$165,188)	(\$165,188)	(\$165,188)	(\$165,188)	(\$165,188)
<b>Net Cash Flow</b>	\$ 209,227	\$ 216,715	\$ 224,353	\$ 232,143	\$ 240,089	\$ 248,194	\$ 256,462	\$ 264,895	\$ 273,497	\$ 282,271	\$ 291,221
<b>Cash on Cash Return (Return on Equity):</b>	21.26%	22.02%	22.80%	23.59%	24.40%	25.22%	26.06%	26.92%	27.79%	28.69%	29.60%
<b>Principal Reduction:</b>	\$28,195	\$29,934	\$31,780	\$33,741	\$35,822	\$38,031	\$40,377	\$42,867	\$45,511	\$48,318	\$51,298
<b>Cumulative Principal Reduction:</b>	\$28,195	\$58,129	\$89,910	\$123,650	\$159,472	\$197,503	\$237,880	\$280,747	\$326,258	\$374,576	\$425,874
<b>Cash Flow Plus Principal Reduction:</b>	\$ 237,422	\$ 246,649	\$ 256,133	\$ 265,884	\$ 275,911	\$ 286,225	\$ 296,839	\$ 307,762	\$ 319,008	\$ 330,589	\$ 342,519
<b>Total Return Before Taxes:</b>	24.13%	25.07%	26.03%	27.02%	28.04%	29.09%	30.17%	31.28%	32.42%	33.60%	34.81%

IRR: 19.88% (Iterative Method)

20.89% (Newton's Method)

# Income Analysis

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Future Value in Year 10	Cost of Sale	Loan Balance
\$1,933,117	\$38,662	\$1,921,424