

SUMMARY

Analysis Type: Buying
Property Type: Retail
Address: 2520 Mosside Blvd
Age of Property (Completion Year): 1966
Site Area: 4,000 sq ft
Gross Building Area: 8,000 sq ft



PROPERTY INCOME

Property Annual Income: \$91,680
Property Square Footage: 4,000
Property Vacancy: 2%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$346,279
Down Payment: \$148,405
Interest Rate: 6%
Amortization Period: 20 Year
Monthly Payment: \$2,481
Annual Debt Service: \$29,770
Debt Coverage Ratio: 1.3

PROPERTY EXPENSES

Gross Lease
Property Annual Expenses: \$51,063

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 8 %
Cost of Sale: 7%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$494,685
Property Cap Rate: 7.84%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$91,680
Vacancy Rate: 2%
Cash on Cash Return (Return on Equity): 6.07%

Income Analysis

2520 Mosside Blvd

Report courtesy of Susan Pittman

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Income	\$91,680	\$93,514	\$95,384	\$97,292	\$99,238	\$101,223	\$103,247	\$105,312	\$107,418	\$109,566	\$111,757
Vacancy Rate (2%)	\$1,834	\$1,870	\$1,908	\$1,946	\$1,985	\$2,024	\$2,065	\$2,106	\$2,148	\$2,191	\$2,235
Effective Gross Income -Growing @ 3%/yr -With a 2% Vacancy Rate):	\$89,846	\$92,541	\$95,318	\$98,177	\$101,122	\$104,156	\$107,281	\$110,499	\$113,814	\$117,229	\$120,746
Average Rent per Square Foot:	\$22.46	\$23.14	\$23.83	\$24.54	\$25.28	\$26.04	\$26.82	\$27.62	\$28.45	\$29.30	\$30.18
Less Expenses (Growing @ 2%/yr):	(\$ 51,063)	(\$ 52,084)	(\$ 53,126)	(\$ 54,189)	(\$ 55,273)	(\$ 56,378)	(\$ 57,506)	(\$ 58,656)	(\$ 59,829)	(\$ 61,026)	(\$ 62,247)
Net Operating Income (NOI):	\$ 38,783	\$ 40,457	\$ 42,192	\$ 43,988	\$ 45,849	\$ 47,778	\$ 49,775	\$ 51,843	\$ 53,985	\$ 56,203	\$ 58,499
Less Loan Payment 1st Mortgage	(\$29,770)	(\$29,770)	(\$29,770)	(\$29,770)	(\$29,770)	(\$29,770)	(\$29,770)	(\$29,770)	(\$29,770)	(\$29,770)	(\$29,770)
Net Cash Flow	\$ 9,013	\$ 10,687	\$ 12,422	\$ 14,218	\$ 16,079	\$ 18,008	\$ 20,004	\$ 22,073	\$ 24,215	\$ 26,432	\$ 28,729
Cash on Cash Return (Return on Equity):	6.07%	7.20%	8.37%	9.58%	10.83%	12.13%	13.48%	14.87%	16.32%	17.81%	19.36%
Principal Reduction:	\$9,245	\$9,815	\$10,421	\$11,063	\$11,746	\$12,470	\$13,239	\$14,056	\$14,923	\$15,843	\$16,820
Cumulative Principal Reduction:	\$9,245	\$19,060	\$29,481	\$40,544	\$52,290	\$64,760	\$77,999	\$92,055	\$106,977	\$122,820	\$139,641
Cash Flow Plus Principal Reduction:	\$ 18,258	\$ 20,502	\$ 22,843	\$ 25,281	\$ 27,825	\$ 30,478	\$ 33,243	\$ 36,129	\$ 39,138	\$ 42,275	\$ 45,549
Total Return Before Taxes:	12.30%	13.81%	15.39%	17.04%	18.75%	20.54%	22.40%	24.34%	26.37%	28.49%	30.69%

IRR: 19.45% (Iterative Method)

18.43% (Newton's Method)

Income Analysis

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Future Value in Year 10	Cost of Sale	Loan Balance
\$731,238	\$51,187	\$223,459