

SUMMARY

Analysis Type: Buying

Property Type: Office

Address: 261 West Nyack Road

Age of Property (Completion Year): 1994

Site Area: 18,000 sq ft

Gross Building Area: 1,800 sq ft

PROPERTY INCOME

Property Annual Income: \$42,000

Property Square Footage: 18,000

Property Vacancy: 2%

Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$247,429

Down Payment: \$200,000

Interest Rate: 8%

Amortization Period: 20 Year

Monthly Payment: \$2,070

Annual Debt Service: \$24,835

Debt Coverage Ratio: 0.63

PROPERTY EXPENSES

Gross Lease

Property Annual Expenses: \$25,500

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %

Annual Expense Growth Rate: 2 %

Cap Rate at Sale: 5.5 %

Cost of Sale: 2%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$447,429

Property Cap Rate: 3.5%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$42,000

Vacancy Rate: 2%

Cash on Cash Return (Return on Equity): -4.59%

Income Analysis

261 West Nyack Road

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 @ 2%/yr -With a 2% Vacancy Rate):	\$41,160	\$41,983	\$42,823	\$43,680	\$44,553	\$45,444	\$46,352	\$47,279	\$48,225	\$49,189	\$50,173
Average Rent per Square Foot:	\$2.29	\$2.33	\$2.38	\$2.43	\$2.48	\$2.53	\$2.58	\$2.63	\$2.68	\$2.73	\$2.78
Less Expenses (Growing @ 2%/yr):	(\$ 25,500)	(\$ 26,010)	(\$ 26,530)	(\$ 27,061)	(\$ 27,602)	(\$ 28,154)	(\$ 28,717)	(\$ 29,291)	(\$ 29,877)	(\$ 30,475)	(\$ 31,085)
Net Operating Income (NOI):	\$ 15,660	\$ 15,973	\$ 16,293	\$ 16,619	\$ 16,951	\$ 17,290	\$ 17,635	\$ 17,988	\$ 18,348	\$ 18,714	\$ 19,088
Less Loan Payment 1st Mortgage	(\$24,835)	(\$24,835)	(\$24,835)	(\$24,835)	(\$24,835)	(\$24,835)	(\$24,835)	(\$24,835)	(\$24,835)	(\$24,835)	(\$24,835)
Net Cash Flow	\$ -9,175	\$ -8,862	\$ -8,542	\$ -8,217	\$ -7,884	\$ -7,546	\$ -7,200	\$ -6,847	\$ -6,487	\$ -6,121	\$ -5,747
Cash on Cash Return (Return on Equity):	-4.59%	-4.43%	-4.27%	-4.11%	-3.94%	-3.77%	-3.60%	-3.42%	-3.24%	-3.06%	-2.87%
Principal Reduction:	\$5,230	\$5,664	\$6,134	\$6,643	\$7,194	\$7,792	\$8,438	\$9,139	\$9,897	\$10,719	\$11,608
Cumulative Principal Reduction:	\$5,230	\$10,894	\$17,028	\$23,671	\$30,865	\$38,657	\$47,095	\$56,234	\$66,131	\$76,850	\$88,458
Cash Flow Plus Principal Reduction:	\$ -3,945	\$ -3,198	\$ -2,408	\$ -1,574	\$ -690	\$ 246	\$ 1,238	\$ 2,292	\$ 3,410	\$ 4,598	\$ 5,861
Total Return Before Taxes:	-1.97%	-1.60%	-1.20%	-0.79%	-0.35%	0.12%	0.62%	1.15%	1.71%	2.30%	2.93%

IRR: 0.94%