

SUMMARY

Analysis Type: Buying

Property Type: Mixed-Use

Address: 2614 SW 17TH ST Topeka KS 66604

Age of Property (Completion Year): 1960

Site Area: 6,200 sq ft

Gross Building Area: 3,600 sq ft

PROPERTY INCOME

Property Annual Income: \$54,000

Property Square Footage: 6,200

Property Vacancy: 2%

Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$407,920

Down Payment: \$110,000

Interest Rate: 6%

Amortization Period: 20 Year

Monthly Payment: \$2,922

Annual Debt Service: \$35,070

Debt Coverage Ratio: 1.38

PROPERTY EXPENSES

Triple Net Lease (NNN)

Property Annual Expenses: \$4,446

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %

Annual Expense Growth Rate: 2 %

Cap Rate at Sale: 10.56 %

Cost of Sale: 2%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$517,920

Property Cap Rate: 9.36%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$54,000

Vacancy Rate: 2%

Cash on Cash Return (Return on Equity): 12.19%

	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):	\$52,920	\$53,978	\$55,058	\$56,160	\$57,283	\$58,429	\$59,597	\$60,788	\$62,005	\$63,244	\$64,509
Average Rent per Square Foot:	\$8.54	\$8.71	\$8.88	\$9.06	\$9.24	\$9.42	\$9.61	\$9.80	\$10.00	\$10.20	\$10.40
Less Expenses (Growing @ 2%/yr):	(\$ 4,446)	(\$ 4,535)	(\$ 4,626)	(\$ 4,719)	(\$ 4,813)	(\$ 4,909)	(\$ 5,007)	(\$ 5,107)	(\$ 5,209)	(\$ 5,313)	(\$ 5,419)
Net Operating Income (NOI):	\$ 48,474	\$ 49,443	\$ 50,432	\$ 51,441	\$ 52,470	\$ 53,520	\$ 54,590	\$ 55,681	\$ 56,796	\$ 57,931	\$ 59,090
Less Loan Payment 1st Mortgage	(\$35,070)	(\$35,070)	(\$35,070)	(\$35,070)	(\$35,070)	(\$35,070)	(\$35,070)	(\$35,070)	(\$35,070)	(\$35,070)	(\$35,070)
Net Cash Flow	\$ 13,404	\$ 14,374	\$ 15,363	\$ 16,371	\$ 17,400	\$ 18,450	\$ 19,520	\$ 20,612	\$ 21,726	\$ 22,862	\$ 24,021
Cash on Cash Return (Return on Equity):	12.19%	13.07%	13.97%	14.88%	15.82%	16.77%	17.75%	18.74%	19.75%	20.78%	21.84%
Principal Reduction:	\$11,747	\$12,472	\$13,241	\$14,058	\$14,925	\$15,845	\$16,822	\$17,860	\$18,962	\$20,131	\$21,373
Cumulative Principal Reduction:	\$11,747	\$24,219	\$37,460	\$51,517	\$66,442	\$82,287	\$99,109	\$116,969	\$135,931	\$156,062	\$177,434
Cash Flow Plus Principal Reduction:	\$ 25,151	\$ 26,846	\$ 28,604	\$ 30,429	\$ 32,325	\$ 34,295	\$ 36,342	\$ 38,472	\$ 40,688	\$ 42,993	\$ 45,394
Total Return Before Taxes:	22.86%	24.41%	26.00%	27.66%	29.39%	31.18%	33.04%	34.97%	36.99%	39.08%	41.27%

IRR: 26.89%