

## SUMMARY

**Analysis Type: Existing Property (hold)**

**Property Type: Office**

**Address: 3147 Macintosh Rd**

**Age of Property (Completion Year): 2015**

**Site Area: 2,003 sq ft**

**Gross Building Area: 2,003 sq ft**

## PROPERTY INCOME

**Property Annual Income: \$39,600**

**Property Square Footage: 2,003**

**Property Vacancy: 5%**

**Property Additional Income: -**

## LOAN & DEBT ANALYSIS

**Loan Amount: \$382,570**

**Down Payment: \$95,642**

**Interest Rate: 4.75%**

**Amortization Period: 30 Year**

**Monthly Payment: \$1,996**

**Annual Debt Service: \$23,948**

**Debt Coverage Ratio: 1.15**

## PROPERTY EXPENSES

**Gross Lease**

**Property Annual Expenses: \$10,075**

## CASH FLOW ASSUMPTIONS

**Annual Income Growth Rate: 5 %**

**Annual Expense Growth Rate: 2 %**

**Cap Rate at Sale: 6.26 %**

**Cost of Sale: -**

**Number of Years: 10**

## PROPERTY VALUE & CAP RATE

**Property Value / Sale Price: \$478,212**

**Property Cap Rate: 5.76%**

## 10 YEAR CASH FLOW ANALYSIS

**Potential Income: \$39,600**

**Vacancy Rate: 5%**

**Cash on Cash Return (Return on Equity): 3.76%**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
<b>Effective Gross Income</b> -Growing @ 5%/yr -With a 5% Vacancy Rate:	\$37,620	\$39,501	\$41,476	\$43,550	\$45,727	\$48,014	\$50,415	\$52,935	\$55,582	\$58,360	\$61,279
<b>Average Rent per Square Foot:</b>	\$18.78	\$19.72	\$20.71	\$21.75	\$22.84	\$23.98	\$25.18	\$26.44	\$27.76	\$29.15	\$30.61
<b>Less Expenses (Growing @ 2%/yr):</b>	(\$ 10,075)	(\$ 10,277)	(\$ 10,483)	(\$ 10,693)	(\$ 10,907)	(\$ 11,125)	(\$ 11,348)	(\$ 11,575)	(\$ 11,807)	(\$ 12,043)	(\$ 12,284)
<b>Net Operating Income (NOI):</b>	\$ 27,545	\$ 29,224	\$ 30,993	\$ 32,857	\$ 34,820	\$ 36,889	\$ 39,067	\$ 41,360	\$ 43,775	\$ 46,317	\$ 48,995
<b>Less Loan Payment 1st Mortgage</b>	(\$23,948)	(\$23,948)	(\$23,948)	(\$23,948)	(\$23,948)	(\$23,948)	(\$23,948)	(\$23,948)	(\$23,948)	(\$23,948)	(\$23,948)
<b>Net Cash Flow</b>	\$ 3,597	\$ 5,276	\$ 7,045	\$ 8,909	\$ 10,872	\$ 12,941	\$ 15,119	\$ 17,412	\$ 19,827	\$ 22,369	\$ 25,047
<b>Cash on Cash Return (Return on Equity):</b>	3.76%	5.52%	7.37%	9.31%	11.37%	13.53%	15.81%	18.21%	20.73%	23.39%	26.19%
<b>Principal Reduction:</b>	\$5,903	\$6,190	\$6,490	\$6,806	\$7,136	\$7,482	\$7,846	\$8,227	\$8,626	\$9,045	\$9,484
<b>Cumulative Principal Reduction:</b>	\$5,903	\$12,093	\$18,584	\$25,389	\$32,525	\$40,007	\$47,853	\$56,080	\$64,705	\$73,750	\$83,234
<b>Cash Flow Plus Principal Reduction:</b>	\$ 9,500	\$ 11,466	\$ 13,535	\$ 15,715	\$ 18,008	\$ 20,423	\$ 22,965	\$ 25,639	\$ 28,453	\$ 31,414	\$ 34,531
<b>Total Return Before Taxes:</b>	9.93%	11.99%	14.15%	16.43%	18.83%	21.35%	24.01%	26.81%	29.75%	32.85%	36.10%

IRR: 28.03%