

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: 3218 Sam Wilson Road Charlotte North Carolina 28214

PROPERTY INCOME

Property Annual Income: \$54,000
Property Square Footage: -
Property Vacancy: -
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$487,500
Down Payment: \$162,500
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: \$3,243
Annual Debt Service: \$38,920
Debt Coverage Ratio: 1.13

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$10,000

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 7 %
Cost of Sale: 2%
Number of Years: 5

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$650,000
Property Cap Rate: 6.77%

5 YEAR CASH FLOW ANALYSIS

Potential Income: \$54,000
Vacancy Rate: -
Cash on Cash Return (Return on Equity): 3.13%

Income Analysis

3218 Sam Wilson Road Charlotte North Carolina 28214

Report courtesy of Ola van Zyl

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Gross Income	\$54,000	\$	\$	\$	\$	\$
Vacancy Rate	\$	\$	\$	\$	\$	\$
Effective Gross Income -Growing @ 2%/yr -With a 0% Vacancy Rate):	\$54,000	\$55,080	\$56,182	\$57,306	\$58,452	\$59,621
Average Rent per Square Foot:						
Less Expenses (Growing @ 2%/yr):	(\$ 10,000)	(\$ 10,200)	(\$ 10,404)	(\$ 10,612)	(\$ 10,824)	(\$ 11,040)
Net Operating Income (NOI):	\$ 44,000	\$ 44,880	\$ 45,778	\$ 46,694	\$ 47,628	\$ 48,581
Less Loan Payment 1st Mortgage	(\$38,920)	(\$38,920)	(\$38,920)	(\$38,920)	(\$38,920)	(\$38,920)
Net Cash Flow	\$ 5,080	\$ 5,960	\$ 6,858	\$ 7,774	\$ 8,708	\$ 9,661
Cash on Cash Return (Return on Equity):	3.13%	3.67%	4.22%	4.78%	5.36%	5.95%
Principal Reduction:	\$4,952	\$5,310	\$5,694	\$6,106	\$6,547	\$7,020
Cumulative Principal Reduction:	\$4,952	\$10,262	\$15,956	\$22,062	\$28,608	\$35,629
Cash Flow Plus Principal Reduction:	\$ 10,032	\$ 11,270	\$ 12,552	\$ 13,880	\$ 15,255	\$ 16,681
Total Return Before Taxes:	6.17%	6.94%	7.72%	8.54%	9.39%	10.27%

IRR: 14.51% (Iterative Method)
12.69% (Newton's Method)

Income Analysis

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Future Value in Year 5	Cost of Sale	Loan Balance
\$694,014	\$13,880	\$418,335