

SUMMARY

Analysis Type: Selling
Property Type: Multi-Family
Address: 3370 E Ridge Rd Salisbury NC 28144
Age of Property (Completion Year): 1946
Site Area: 1,595 sq ft

PROPERTY INCOME

Property Annual Income: \$19,200
Property Square Footage: 1,595
Property Vacancy: -
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$149,331
Down Payment: \$36,331
Interest Rate: 7.5%
Amortization Period: 30 Year
Monthly Payment: \$1,044
Annual Debt Service: \$12,530
Debt Coverage Ratio: 1.19

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$4,347

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 8 %
Cost of Sale: 2%
Number of Years: 5

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$185,663
Property Cap Rate: 8.00%

5 YEAR CASH FLOW ANALYSIS

Potential Income: \$19,200
Vacancy Rate: -
Cash on Cash Return (Return on Equity): 6.39%

Income Analysis

3370 E Ridge Rd Salisbury NC 28144

Report courtesy of Ola van Zyl

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Gross Income	\$19,200	\$	\$	\$	\$	\$
Vacancy Rate	\$	\$	\$	\$	\$	\$
Effective Gross Income -Growing @ 2%/yr -With a % Vacancy Rate):	\$19,200	\$19,584	\$19,976	\$20,376	\$20,784	\$21,200
Average Rent per Square Foot:	\$12.04	\$12.28	\$12.53	\$12.78	\$13.04	\$13.30
Less Expenses (Growing @ 2%/yr):	(\$ 4,347)	(\$ 4,434)	(\$ 4,523)	(\$ 4,613)	(\$ 4,705)	(\$ 4,799)
Net Operating Income (NOI):	\$ 14,853	\$ 15,150	\$ 15,453	\$ 15,763	\$ 16,079	\$ 16,401
Less Loan Payment 1st Mortgage	(\$12,530)	(\$12,530)	(\$12,530)	(\$12,530)	(\$12,530)	(\$12,530)
Net Cash Flow	\$ 2,323	\$ 2,620	\$ 2,923	\$ 3,233	\$ 3,549	\$ 3,871
Cash on Cash Return (Return on Equity):	6.39%	7.21%	8.05%	8.90%	9.77%	10.65%
Principal Reduction:	\$1,377	\$1,483	\$1,599	\$1,723	\$1,856	\$2,001
Cumulative Principal Reduction:	\$1,377	\$2,860	\$4,459	\$6,181	\$8,038	\$10,038
Cash Flow Plus Principal Reduction:	\$ 3,700	\$ 4,103	\$ 4,522	\$ 4,956	\$ 5,405	\$ 5,872
Total Return Before Taxes:	10.18%	11.29%	12.45%	13.64%	14.88%	16.16%

IRR: 20.33%

Future Value in Year 5	Cost of Sale	Loan Balance
\$48,388	\$968	\$129,612