

SUMMARY

Analysis Type: Selling

Property Type: Industrial

Address: 404 Crowell lane Lynchburg VA 24502

Age of Property (Completion Year): 1998

Site Area: 40,000 sq ft

Gross Building Area: 3,520 sq ft

PROPERTY INCOME

Property Annual Income: \$37,488

Property Square Footage: 40,000

Property Vacancy: 1%

Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$396,000

Down Payment: \$99,000

Interest Rate: 6%

Amortization Period: 20 Year

Monthly Payment: \$2,837

Annual Debt Service: \$34,045

Debt Coverage Ratio: 0.87

PROPERTY EXPENSES

Gross Lease

Property Annual Expenses: \$7,345

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %

Annual Expense Growth Rate: 2 %

Cap Rate at Sale: 6.51 %

Cost of Sale: 2%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$495,000

Property Cap Rate: 6.01%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$37,488

Vacancy Rate: 1%

Cash on Cash Return (Return on Equity): -4.32%

Income Analysis

404 Crowell lane Lynchburg VA 24502

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 @ 3%/yr -With a 1% Vacancy Rate):	\$37,113	\$38,227	\$39,373	\$40,554	\$41,771	\$43,024	\$44,315	\$45,645	\$47,014	\$48,425	\$49,877
Average Rent per Square Foot:	\$0.93	\$0.96	\$0.99	\$1.02	\$1.05	\$1.08	\$1.11	\$1.14	\$1.17	\$1.21	\$1.25
Less Expenses (Growing @ 2%/yr):	(\$ 7,345)	(\$ 7,492)	(\$ 7,642)	(\$ 7,795)	(\$ 7,951)	(\$ 8,110)	(\$ 8,272)	(\$ 8,437)	(\$ 8,606)	(\$ 8,778)	(\$ 8,954)
Net Operating Income (NOI):	\$ 29,768	\$ 30,735	\$ 31,731	\$ 32,759	\$ 33,820	\$ 34,914	\$ 36,043	\$ 37,208	\$ 38,408	\$ 39,647	\$ 40,923
Less Loan Payment 1st Mortgage	(\$34,045)	(\$34,045)	(\$34,045)	(\$34,045)	(\$34,045)	(\$34,045)	(\$34,045)	(\$34,045)	(\$34,045)	(\$34,045)	(\$34,045)
Net Cash Flow	\$ -4,277	\$ -3,310	\$ -2,314	\$ -1,285	\$ -225	\$ 870	\$ 1,999	\$ 3,163	\$ 4,363	\$ 5,602	\$ 6,878
Cash on Cash Return (Return on Equity):	-4.32%	-3.34%	-2.34%	-1.30%	-0.23%	0.88%	2.02%	3.19%	4.41%	5.66%	6.95%
Principal Reduction:	\$10,572	\$11,224	\$11,917	\$12,652	\$13,432	\$14,261	\$15,140	\$16,074	\$17,065	\$18,118	\$19,235
Cumulative Principal Reduction:	\$10,572	\$21,797	\$33,714	\$46,366	\$59,798	\$74,058	\$89,198	\$105,272	\$122,338	\$140,456	\$159,691
Cash Flow Plus Principal Reduction:	\$ 6,295	\$ 7,914	\$ 9,603	\$ 11,367	\$ 13,207	\$ 15,131	\$ 17,139	\$ 19,237	\$ 21,428	\$ 23,720	\$ 26,113
Total Return Before Taxes:	6.36%	7.99%	9.70%	11.48%	13.34%	15.28%	17.31%	19.43%	21.64%	23.96%	26.38%

IRR: 19.22%